

OFFERING MEMORANDUM DATED 14 JUNE 2023



ATHORA HOLDING LTD.

*(incorporated under the laws of the Bermuda with limited liability
and having its corporate seat in Hamilton, Bermuda)*

EUR 600,000,000 Senior Fixed Rate Notes due 2028

The EUR 600,000,000 Senior Fixed Rate Notes due 2028 (the **Notes**) are issued by Athora Holding Ltd. (the **Issuer** or **Athora**). The Notes represent senior, unsecured, general obligations of the Issuer and rank equally with all of the Issuer's other present and future unsecured unsubordinated indebtedness.

The Notes will bear interest (i) from (and including) 16 June 2023 (the **Issue Date**), to (but excluding) 16 June 2028 (the **Maturity Date**), at a fixed rate of 6.625 per cent. per annum, payable annually in arrear on 16 June in each year, commencing on 16 June 2024.

Athora will have the right to redeem the Notes in whole, but not in part, at their principal amount, together with all interest accrued to the date fixed for redemption, at any time in the period from (and including) the date which is 3 months prior to the Maturity Date to (but excluding) the Maturity Date. Athora may also, at its option, (A) redeem the Notes (i) upon the occurrence of a Tax Event or a Regulatory Event at any time at their principal amount plus any accrued interest to the date fixed for redemption, (ii) upon exercise of its Make-whole Redemption option at any time at the Make-whole Redemption Amount or (iii) if 80% (eighty per cent.) or more of the Notes originally issued (including any further issues pursuant to Condition 12 (*Further Issues*)) have been purchased and cancelled at the time of such election, at their principal amount plus any accrued interest to the date fixed for redemption, in each case subject to the conditions to redemption and/or purchase and (B) in certain instances exchange the Notes or vary their terms on any Interest Payment Date, in each case as further described in Condition 4.10 (*Conditions to Redemption and/or Purchase*) in "Terms and Conditions of the Notes".

Application has been made to The Irish Stock Exchange plc trading as Euronext Dublin (**Euronext Dublin**) for the approval of this Offering Memorandum as Listing Particulars. Application has also been made to Euronext Dublin for the Notes to be admitted to the official list (the **Official List**) and to trading on the Global Exchange Market of Euronext Dublin (**GEM**). References in this Offering Memorandum to the Notes being "listed" (and all related references) shall mean that the Notes have been admitted to the Official List and have been admitted to trading on GEM. GEM is the exchange regulated market of Euronext Dublin and is not a regulated market for the purposes of Directive 2014/65/EU (as amended) (**MiFID II**).

The Notes are expected to be assigned, on issue, a rating of BBB+ by Fitch Ratings Ireland Limited (**Fitch**). Fitch is established in the European Union and registered pursuant to Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies, amended by Regulation (EC) No 513/2011 of the European Parliament and of the Council of 11 March 2011 (the **CRA Regulation**). As such, as at the date of this Offering Memorandum, Fitch is included in the list of credit rating agencies published by the European Securities and Markets Authority on its website (at <http://www.esma.europa.eu/page/List-registered-and-certified-CRAs>) in accordance with the CRA Regulation. Fitch is not established in the United Kingdom (the **UK**), but it is part of a group in respect of which one of its undertakings is (i) established in the UK and (ii) is registered in accordance with Regulation (EC) No. 1060/2009 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the **UK CRA Regulation**). Accordingly, the ratings issued by Fitch have been endorsed by Fitch Ratings Ltd. in accordance with the UK CRA Regulation and have not been withdrawn. As such, the ratings issued by Fitch may be used for regulatory purposes in the UK in accordance with the UK CRA Regulation. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the relevant rating organisation.

The Notes will be issued in registered form and shall have denominations of EUR 100,000 and integral multiples of EUR 1,000 in excess thereof. The Notes will initially be represented by a global certificate in registered form (the **Global Certificate**) and will be registered in the name of a nominee of a common depositary for Euroclear Bank SA/NV (**Euroclear**) and Clearstream Banking, S.A. (**Clearstream, Luxembourg**). It is expected that delivery of the Global Certificate will be made on 16 June 2023 or such later date as may be agreed (the **Closing Date**) by the Issuer and the Joint Lead Managers (as defined under "Subscription and Sale"). The provisions governing the exchange of interests in the Global Certificate for any definitive note certificates are described in "Summary of Provisions Relating to the Notes while represented by the Global Certificate".

An investment in the Notes involves certain risks. Prospective investors should have regard to the factors described in the chapter "Risk Factors" starting on page 8.

Definitions used, but not defined, in this section can be found elsewhere in this Offering Memorandum.

The date of this Offering Memorandum is 14 June 2023.

Joint Global Co-ordinators and Joint Lead Managers

Citigroup

NatWest Markets

Joint Lead Managers

Natixis

Nomura

Santander

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IMPORTANT INFORMATION

Athora accepts responsibility for the information contained in this Offering Memorandum. To the best of the knowledge and belief of Athora (having taken all reasonable care to ensure such is the case), the information contained in this Offering Memorandum is in accordance with the facts and does not omit anything likely to affect the import of such information.

No person has been authorised to give any information or to make any representation other than as contained in this Offering Memorandum in connection with the offering of the Notes and, if given or made, such information or representations must not be relied upon as having been authorised by Athora and its subsidiaries (the **Athora Group**) or the Joint Lead Managers (as defined under “*Subscription and Sale*” below). Neither the delivery of this Offering Memorandum nor any sale made hereunder shall, under any circumstances, constitute a representation or create any implication that there has been no change in the affairs of Athora or its subsidiaries since the date hereof.

The Joint Lead Managers expressly do not undertake to review the financial condition or affairs of Athora or the Athora Group during the life of the Notes or to advise any investor in the Notes of any information coming to their attention.

The Joint Lead Managers have not independently verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Joint Lead Managers as to the accuracy or completeness of the information contained or incorporated in this Offering Memorandum or any other information provided by Athora in connection with the offering of the Notes. The Joint Lead Managers accept no responsibility in relation to the information contained in this Offering Memorandum or any other information provided by Athora in connection with the offering of the Notes or their distribution.

Where information has been sourced from a third party, this information has been accurately reproduced and, as far as Athora is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

This Offering Memorandum is to be read in conjunction with all documents which are incorporated herein by reference (see “*Documents Incorporated by Reference*”).

This Offering Memorandum should not be considered as a recommendation by Athora or the Joint Lead Managers that any recipient of this Offering Memorandum should purchase any of the Notes. Each investor contemplating purchasing Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of Athora and of the suitability of an investment in the Notes in light of its own circumstances.

This Offering Memorandum does not constitute an offer to sell or the solicitation of an offer to buy the Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Offering Memorandum and the offer or sale of Notes may be restricted by law in certain jurisdictions. Athora and the Joint Lead Managers do not represent that this Offering Memorandum may be lawfully distributed, or that the Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by Athora or the Joint Lead Managers which is intended to permit a public offering of the Notes or the distribution of this Offering Memorandum in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Offering Memorandum nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Offering Memorandum or any Notes may come must inform themselves about, and observe, any such restrictions on the distribution of this Offering Memorandum and the offering and sale of Notes. In particular, there are restrictions

on the distribution of this Offering Memorandum and the offer or sale of Notes in the United States, the European Economic Area (the EEA), the UK, Hong Kong, Singapore and Italy, see “*Subscription and Sale*”.

TO THE EXTENT THE SECURITIES ARE OFFERED OR SOLD IN OR FROM BERMUDA, SUCH OFFER OR SALE WILL BE MADE IN ACCORDANCE WITH THE INVESTMENT BUSINESS ACT 2003 OF BERMUDA.

THE PERMISSION OF THE BERMUDA MONETARY AUTHORITY (THE “BMA”) IS REQUIRED, UNDER THE PROVISIONS OF THE EXCHANGE CONTROL ACT 1972 OF BERMUDA AND RELATED REGULATIONS, FOR ALL ISSUANCES AND TRANSFERS OF SECURITIES OF BERMUDA COMPANIES TO OR FROM A NON-RESIDENT OF BERMUDA FOR EXCHANGE CONTROL PURPOSES, OTHER THAN IN CASES WHERE THE BMA HAS GRANTED A GENERAL PERMISSION. THE BMA, IN ITS NOTICE TO THE PUBLIC DATED 1 JUNE 2005, HAS GRANTED A GENERAL PERMISSION FOR THE ISSUE AND SUBSEQUENT TRANSFER OF ANY SECURITIES, OTHER THAN “EQUITY SECURITIES” (AS DEFINED BY THE BMA FOR EXCHANGE CONTROL PURPOSES), OF A BERMUDA COMPANY FROM AND/OR TO A NON-RESIDENT OF BERMUDA. IN GRANTING THE GENERAL PERMISSION THE BMA ACCEPTS NO RESPONSIBILITY FOR THE FINANCIAL SOUNDNESS OR THE CORRECTNESS OF ANY OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THIS OFFERING DOCUMENT OR ACCOMPANYING DOCUMENT.

PRIIPs Regulation / Prohibition of sales to EEA retail investors – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (EEA). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of Directive 2016/97/EU (as amended) (the **Insurance Distribution Directive**), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the **PRIIPs Regulation**) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

UK PRIIPs Regulation / Prohibition of sales to UK retail investors – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the UK. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law of the UK by virtue of the European Union (Withdrawal) Act 2018 (the **EUWA**); or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (as amended) (the **FSMA**) and any rules or regulations made under the FSMA to implement the Insurance Distribution Directive, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law of the UK by virtue of the EUWA. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the **UK PRIIPs Regulation**) for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

MIFID II product governance / Professional investors and ECPs only target market – Solely for the purposes of each manufacturer’s product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in MiFID II; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a **distributor**) should take into consideration the manufacturers’ target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either

adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

UK MiFIR product governance / Professional investors and ECPs only target market – Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook (COBS), and professional clients, as defined in the UK MiFIR; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a **distributor**) should take into consideration the manufacturers' target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the **UK MiFIR Product Governance Rules**) is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended, (the **Securities Act**) and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act) except in certain transactions exempt from the registration requirements of the Securities Act. For a further description of certain restrictions on the offering and sale of the Notes and on distribution of this Offering Memorandum, see "*Subscription and Sale*" below.

Each prospective investor in the Notes must determine, based on its own independent review and such professional advice as it deems appropriate under the circumstances, that its acquisition of the Notes is fully consistent with its financial needs, objectives and condition, complies and is fully consistent with all investment policies, guidelines and restrictions applicable to it and is a fit, proper and suitable investment for it, notwithstanding the clear and substantial risks inherent in investing in or holding the Notes.

Each prospective investor should consult its own advisers as to legal, tax and related aspects of an investment in the Notes. A prospective investor may not rely on Athora or the Joint Lead Managers (as defined in "*Subscription and Sale*") or any of their respective affiliates in connection with its determination as to the legality of its acquisition of the Notes or as to the other matters referred to above.

Notification under Section 309B(1)(c) of the Securities and Futures Act 2001 (2020 Revised Edition) of Singapore - In connection with Section 309B of the Securities and Futures Act 2001 (2020 Revised Edition) of Singapore, as modified or amended from time to time (the **SFA**) and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the **CMP Regulations 2018**), the Issuer has determined the classification of the Notes as prescribed capital markets products (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

Miscellaneous

This Offering Memorandum should be read and understood in accordance with any amendment or supplement hereto and with any other documents incorporated by reference herein.

All references in this Offering Memorandum to euro, euros, EUR and € refer to the single currency introduced at the start of the third stage of European Economic and Monetary Union pursuant to the Treaty of Rome establishing the European Communities, as amended. All references in this Offering Memorandum to US\$, US dollar, USD or \$ refer to the lawful currency of the United States.

See "*Terms and Conditions of the Notes*" for capitalised terms used in this Offering Memorandum which are not otherwise defined.

In connection with the issue of the Notes, NatWest Markets Plc (or any person acting on behalf of the Stabilising Manager) (the **Stabilising Manager**) may over-allot Notes or effect transactions with a view to supporting the

market price of the Notes at a level higher than that which might otherwise prevail. However, stabilisation may not necessarily occur. Any such stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the Notes is made and, if begun, may cease at any time, but it must end no later than the earlier of 30 days after the issue date of the Notes and 60 days after the date of the allotment of the Notes. Any stabilisation action or over-allotment must be conducted by the Stabilising Manager in accordance with all applicable laws and rules.

Suitability of Investment

The Notes may not be a suitable investment for all investors. The Notes are complex financial instruments. A potential investor should not invest in the Notes unless it has the expertise (either alone or with a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of the Notes and the impact this investment will have on the potential investor's overall investment portfolio. Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Offering Memorandum or any applicable supplement;
- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;
- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, bearing in mind that the currency for principal or interest payments may be different from the potential investor's currency;
- (iv) understand thoroughly the terms of the Notes and be familiar with the behaviour of any relevant indices and financial markets; and
- (v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (i) the Notes are legal investments for it, (ii) the Notes can be used as collateral for various types of borrowing and (iii) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of the Notes under any applicable risk-based capital or similar rules.

Cautionary statement regarding forward looking statements

Some statements in this Offering Memorandum may be deemed to be forward looking statements. Forward looking statements include statements concerning the Issuer's plans, objectives, goals, strategies, future operations and performance and the assumptions underlying these forward looking statements. When used in this Offering Memorandum, the words "anticipates", "estimates", "expects", "believes", "intends", "plans", "aims", "seeks", "may", "will", "should" and any similar expressions generally identify forward looking statements. These forward looking statements are contained in the sections entitled "*Risk Factors*" and "*Information about Athora and Business Overview*" and other sections of this Offering Memorandum. The Issuer has based these forward looking statements on the current view of its management with respect to future events and financial performance. Although the Issuer believes that the expectations, estimates and projections reflected in its forward looking statements are reasonable as of the date of this Offering Memorandum, if one or more of the risks or uncertainties materialise, including those identified below or which the Issuer has otherwise identified in this Offering

Memorandum, or if any of the Issuer's underlying assumptions prove to be incomplete or inaccurate, the Issuer's actual results of operation may vary from those expected, estimated or predicted.

The risks and uncertainties referred to above include:

- the Issuer's ability to achieve and manage the growth of its business;
- the performance of the markets in Bermuda, Germany, Belgium, Italy, the Netherlands and Ireland and the wider region in which the Issuer operates;
- the Issuer's ability to realise the benefits it expects from existing and future projects and investments it is undertaking or plans to or may undertake;
- the Issuer's ability to obtain external financing and capital or maintain and generate sufficient capital and liquidity to fund its existing and future investments and projects; and
- changes in political, social, legal or economic conditions in the markets in which the Issuer and its customers operate.

Any forward looking statements contained in this Offering Memorandum speak only as at the date of this Offering Memorandum. Without prejudice to any requirements under applicable laws and regulations, the Issuer expressly disclaims any obligation or undertaking to disseminate after the date of this Offering Memorandum any updates or revisions to any forward looking statements contained in it to reflect any change in expectations or any change in events, conditions or circumstances on which any such forward looking statement is based.

RISK FACTORS

*Prospective investors should carefully consider the risk factors set out below, together with the other information contained in this Offering Memorandum (including, but not limited to, the audited consolidated financial statements), before making an investment decision with respect to the Notes. If any of the following risks should actually occur, the business, revenues, results, financial condition and prospects of Athora Holding Ltd. (the **Issuer** or **Athora**) and its subsidiaries (Athora together with its subsidiaries, the **Athora Group**) could be materially adversely affected, which could result in an inability of Athora to pay interest and/or principal and could negatively affect the price of the Notes.*

Although Athora believes that the risks and uncertainties described below are the material risks and uncertainties, they are not the only ones faced by the Athora Group. All of these factors are contingencies which may or may not occur. Additional risks and uncertainties not presently known to Athora or that Athora currently deems immaterial may also in the future have a material adverse effect on the business, revenues, results, financial condition and prospects of the Athora Group, which could result in Athora being unable to pay interest and/or principal and could negatively affect the price of the Notes.

Prospective investors should carefully review the entire Offering Memorandum, and should form their own views before making an investment decision with respect to the Notes. Before making an investment decision with respect to the Notes, prospective investors should also consult their own financial, compliance, legal and tax advisers to carefully review the risks associated with an investment in the Notes and consider such an investment decision in light of the prospective investor's personal circumstances and should perform their own due diligence before making an investment decision. The sequence in which the risk factors are presented below, and any quantitative historical impacts and sensitivities included, are not indicative of their likelihood of occurrence or the potential magnitude of their financial consequences in the future.

Words and expressions defined in "Terms and Conditions of the Notes" below or elsewhere in this Offering Memorandum have the same meanings in this section, unless otherwise stated.

Risks Related to Athora and the Athora Group

Strategic Risks

The Athora Group's strategy includes growing organically through its primary operations as well as inorganically via mergers and acquisitions, portfolio transfers, pension risk transfers and reinsurance. If these channels fail to produce meaningful growth, there is a risk that this could negatively affect the Athora Group's financial position

The Athora Group has a multi-channel growth strategy whereby it seeks to grow organically and where appropriate, inorganically. The Athora Group has primary operations in the Netherlands, Belgium and Italy, which are open to both retail and corporate customers for new business in certain product-lines. In Germany, Athora's portfolio is closed to new business. The announced acquisition of the former DBV-Winterthur Life (**DWL**) portfolio from AXA Germany is also a book which is closed to new business. The Athora Group can also grow inorganically by completing mergers and acquisitions, portfolio transfers of insurance books and providing reinsurance to cedants. Whilst the Athora Group is not reliant on a single channel for growth, if the Athora Group fails to produce meaningful growth across these channels, there is a risk that this could negatively affect the Athora Group's financial position. For example, the Athora Group may not be able to reduce certain elements of its cost base (e.g., fixed costs) as the insurance liabilities run-down which may negatively impact the Athora Group's financial position.

The network of insurance intermediaries, advisors and banks who sell the Athora Group's products is an important distribution channel for the Athora Group's primary business and there is a risk the Athora Group may be unable to maintain a competitive distribution network or that the preferences of intermediaries and/or the factors determining their preferences change

The Athora Group uses a variety of distribution channels in the countries in which it operates for the marketing and offering of its primary insurance products and services, including internet, call centres, specialized intermediaries, actuarial advisors and bank or asset management distribution partners. A part of the Athora Group's distribution originates from the offering of its products and services by intermediaries and advisors who may also offer competitors' products and services. As a result, the success of the Athora Group in these distribution channels depends on the preferences of these intermediaries and advisors for the products and services of the Athora Group. Preferences of intermediaries and advisors are determined by, amongst other things, the security of investment and prospects for future investment returns in the light of a company's product offering, past investment performance, financial strength, perceived stability, ratings, the quality of the product, the quality of the service provided to the intermediaries and advisors and financial incentives in some cases. An unsatisfactory assessment by an intermediary and/or advisor of the Athora Group and its products based on any of these factors could result in the Athora Group generally, or in particular certain of its products, not being actively marketed by intermediaries and advisors to their customers. The extensive network of intermediaries and advisors remain an important distribution channel and an inherent part of its business and a failure by the Athora Group to maintain a competitive distribution-network could have a material adverse effect on the Athora Group's business, revenues, operational results, financial position and prospects.

The Athora Group faces competitive pressures in the products, distribution and market segments in which it operates

There is competition in the markets the Athora Group operates in and targets for the insurance products and services that the Athora Group provides from other insurance companies, intermediaries, financial advisers, banks, asset managers and other institutions (e.g., fintech, start-ups and alternative asset managers who have entered the market in recent years), both for the customers of the Athora Group and the third party distribution channels. If the Athora Group is unable to offer attractive products and services that are suitable, it may lose market share or incur losses on some or all of its activities. Customer demand, technological changes, regulatory actions, financial markets and other factors also affect competition. Competitive pressures could result in increased pricing pressures, particularly as competitors seek to win market share. This could have a material adverse effect on the Athora Group's business, revenues, operational results, financial position and prospects.

Market-wide sales of some primary life insurance and pension products that the Athora Group targets in the Netherlands and Belgium have generally declined in recent years and sales of certain products sold in Italy have decreased

The decline in sales is mainly due to:

- historically low interest rates for the last decade, prior to the more recent increases in interest rates in 2022 and 2023, as referenced below;
- more recently with the higher interest rate environment, consumers have the option to invest directly in certain government bonds, or bank savings products, with higher returns than competing insurance products, depending on their geographical location;
- a trend in moving away from traditional guaranteed products to investment-linked products or a combination of investment-linked and traditional guaranteed products, because of historically low interest rates and higher cost;
- changes in tax and pension laws, resulting in less attractive insurance products compared to alternative products with similar tax benefits;

- adverse market sentiment relating to investment-linked products, particularly in the Netherlands; and
- a changed mortgage market particularly in the Netherlands, resulting in reduced sales of mortgages with life insurance products attached (i.e., savings mortgages and investment-linked mortgages).

The Athora Group's German business is in run-off and as such the impact of declining sales will have a lesser impact than for the Athora Group's businesses which are open to new customers given that the German business will only receive new premiums from existing customers. In contrast, the Athora Group's Italian business is open to both retail and corporate customers for new business in certain product lines and the market in several of these product lines has benefitted from growth whilst others have suffered declining volumes.

A continued decline in market-wide sales volumes in the Netherlands and Belgium and/or a downward trend in Italy could have a material adverse effect on the Athora Group's business, revenues, results, financial condition and prospects.

The Athora Group could fail to effectively identify, close or execute acquisitions, joint ventures, partnerships, investments or divestments, and if such transactions are pursued, the Athora Group could fail to successfully implement and execute them or realise anticipated benefits in a timely manner

The Athora Group intends to selectively pursue opportunities to acquire, form joint ventures with, enter into partnerships in respect of, or make investments in, businesses, portfolios, products, technologies or innovations which are aligned with Athora's business and growth strategy. Divestments may also be beneficial for the Athora Group's business and strategy. The Athora Group may not be able to identify suitable candidates for such acquisitions, joint ventures, partnerships or investments or to pursue such divestments, or if the Athora Group does identify suitable candidates, it may not be able to complete any transaction on acceptable terms, or at all. Any acquisitions, joint ventures, partnerships, investments or divestments by the Athora Group could entail risks, such as:

- difficulties in realising cost synergies, revenue or other anticipated benefits from the acquired business, the joint venture, partnership, investment or divestment;
- costs of executing the acquisition, joint venture, partnership, investment or divestment, both in terms of capital expenditure and increased management attention;
- potential for undermining the Athora Group's strategy, its relationship with customers, intermediaries, regulators and/or partners or other elements critical to the success of the Athora Group's business;
- liabilities or losses resulting from the Athora Group's control of the acquired business, participation in the joint venture or partnership or investment;
- liabilities or losses resulting from claims under guarantees, representations and warranties, and/or indemnities given to the Athora Group by its counterparties in relation to an acquisition, joint venture, partnership, investment or divestment or alternatively any guarantees, representations and warranties, and/or indemnities which Athora Group has provided to its counterparties which result in a successful claim against the Athora Group;
- difficulties in integrating an acquired business in the Athora Group's business; or
- difficulties in integrating and exercising effective internal controls with respect to the acquired business both within the acquired business and within the Athora Group,

any of which, alone or in aggregate, could have a material adverse effect on the Athora Group's business, revenues, results, financial condition and prospects.

On 14 July 2022, the Athora Group announced the acquisition of the former DWL portfolio from AXA Germany with expected closing early 2024 (depending on regulatory approvals). A failure to implement the envisaged business and integration plan could have a material adverse effect on the Athora Group's business, revenues, results, financial condition and prospects.

Prolonged investment underperformance in relation to the Athora Group's assets under management and administration may cause existing customers to withdraw funds (i.e., lapse) especially those related to products whose performance are not subject to guarantees

When buying investment or pension products, customers typically consider, among others, the historic performance of the investment or pension products. Consequently, if the Athora Group, in comparison to its competitors, underperforms for a prolonged period of time in relation to its investments, if the Athora Group does not provide satisfactory or appropriate investment returns, or if the Athora Group does not sell investment or pension products (linked to insurance products) that customers require or are deemed suitable, existing customers may decide to liquidate, cancel, reduce or transfer their investment or pension products. Customers could also lapse their policies if better alternatives are available to them or there is a change in the general market environment. Furthermore, potential customers may decide not to buy further investment or pension products. Consequently, prolonged investment underperformance could have a material adverse effect on the business, revenues, results, financial condition and prospects of the Athora Group.

The Athora Group is exposed to the risk of damage to its reputation

The Athora Group is exposed to the risk that its reputation could be damaged, such reputational damage could, for example and not exclusively, be caused by any of the following occurring or having occurred in respect of the Athora Group (whether actually or allegedly and whether or not founded):

- non-compliance with legal or regulatory requirements (including financial regulatory rules, anti-money laundering rules and data privacy rules);
- litigation and regulatory measures (including firm specific and industry-wide investigations);
- failures in the Athora Group's information technology systems, cyber attacks on the Athora Group, loss of customer data or confidential or privacy related information;
- failure in risk management procedures;
- operational failures;
- press speculation or negative publicity;
- adverse events (including those as described herein or any malpractice or misconduct) occurring in relation to Athora Group's shareholders, its indirect shareholders or any third party directly or indirectly linked to its shareholders, such as personnel, affiliates, shareholders, intermediaries, partners, business promoters, third party managers or customers (including politically exposed persons); or
- any of the above occurring or having occurred in respect of any third party directly or indirectly linked to the Athora Group such as personnel, affiliates, intermediaries, partners, business promoters, third party managers or customers.

Any damage to the reputation of the Athora Group could cause existing customers to withdraw their business from the Athora Group and potential customers to be reluctant to do, or to elect not to do business with the Athora Group, and thereby cause disproportionate damage to the Athora Group's business, regardless of whether the negative publicity is factually accurate. Furthermore, reputational damage could result in greater regulatory scrutiny and influence market or rating agency perceptions of the Athora Group, which could make it more

difficult for Athora and/or other members of the Athora Group to maintain their credit ratings. This could have a material adverse effect on the Athora Group's business, revenues, results, financial condition, financial flexibility and prospects. Furthermore, certain of the insurance products and services of the Athora Group are distributed through third parties or form part of broader products and services sold by third parties. Any reputational damage in respect of such third parties or such broader products and services could result in significant damage to the reputation of the Athora Group, which could hinder the Athora Group's ability to retain clients (i.e., lead to lapses) or compete for new business, which could also have a material adverse effect on the Athora Group's business, revenue, results, financial condition and prospects.

Integrity Risks

The Athora Group is exposed to the risk of fraud and other misconduct or unauthorised activities by the Athora Group's personnel, partners, intermediaries, customers and other third parties

Fraud typically occurs when persons deliberately abuse the Athora Group's procedures, systems, assets, products or services, and includes policy fraud (where fraudulent misstatements of fact are made in applications for insurance products by customers), sales fraud (where, for instance, intermediaries design commission schemes that are not for bona fide customers, or are written for non-existent customers, in order to collect commissions that are typically payable in the first year of the contract, after which the policy is allowed to lapse), claims fraud (where fraudulent misstatements of fact are made in an effort to make claims under existing policies) and fraud in relation to payment execution (where payments of policy benefits are fraudulently routed to bank accounts other than those of the relevant beneficiary or payee in the case of other payments made by the Athora Group more generally in its operations). The occurrence of fraud, be it by Athora's own personnel, partners, intermediaries, customers or by external parties and other misconduct and unauthorised activities could result in losses, increased costs, violations of law, investigations and sanctions by regulatory and other supervisory authorities, claims by customers, customer groups and customer protection bodies, loss of potential and existing customers, loss of receivables and harm to the Athora Group's reputation, any of which, alone or in the aggregate, could have a material adverse effect on the Athora Group's business, revenues, results, financial condition and prospects.

In addition to fraud risk there is also compliance risk, i.e., the risk of the Athora Group not complying with laws, regulations and regulatory standards, including laws related to anti-money laundering and international sanction regimes. Failure to comply with any laws, regulations and standards established by financial regulators, financial crime regulators or data protection authorities could lead to disciplinary action, the imposition of fines, revocation of a license, permission or authorisation necessary for the conduct of the Athora Group's business and/or civil liability, all or any of which could have a materially adverse effect on the Athora Group's business, revenues, results, financial condition and prospects. Laws and regulations applied at a national level generally grant supervisory authorities broad administrative discretion over the Athora Group's activities, including the power to limit or restrict business activities. It is possible that laws and regulations governing the Athora Group's business or particular products and services could be adopted, amended or interpreted in a manner that has a material adverse effect on the Athora Group's business, revenues, results, financial condition and prospects.

Measures taken to address potential (or actual) conflicts of interests with key shareholders may be insufficient

The board of directors of Athora (the **Board**) has established a Conflicts Committee to consider and address potential (or actual) conflicts of interests with key shareholders in accordance with the Athora Group Related Party Transaction Policy (the **Group RPT Policy**). The Group RPT Policy, in summary, would (subject to limited exceptions) prohibit a member of the Athora Group from entering into a transaction of economic value with a "**Related Party**" (defined to include another member of the Athora Group and/or a shareholder holding a 10% or more of the economic or voting interest in Athora, which currently includes Apollo Global Management, Inc. (**Apollo**), Athene Holding Ltd. (**Athene**) and the Abu Dhabi Investment Authority (**ADIA**) and/or any of their respective affiliates) unless and until the Athora Group and local level conflicts committees have satisfied themselves that the proposed arrangement or transaction is to be conducted on an arm's length basis and that any conflict of interest has or will be appropriately managed and/or mitigated. The Board Conflicts Committee comprises the five independent members of the Board as well as the Board member appointed by ADIA. Any

transaction between Athora Netherlands N.V. (**Athora Netherlands**) or any of its subsidiaries, and Athene or Apollo or any of their affiliates or related parties must similarly be considered and approved by the independent members of the Athora Netherlands supervisory board. Athora Belgium SA (**Athora Belgium**), Athora Italia S.p.A. (**Athora Italy**), Athora Deutschland GmbH and Athora Deutschland Holding GmbH & Co. KG (together, **Athora Germany**) also each has a body that approves any such conflicts of interest matters and/or Related Party transaction before they can be presented to the local board for a final decision.

These processes have been put in place to address potential or actual conflicts of interest that may arise with Related Parties, including key shareholders. Nonetheless, should any conflicts of interest which arise in the context of transactions with Related Parties not be effectively mitigated by the processes the Athora Group has in place, any such transaction could have a materially adverse effect on the business, results, financial condition and prospects of the Athora Group. Additionally, any perception that conflicts of interests are not appropriately managed may adversely impact the Athora Group's reputation as well as lead to increased regulatory scrutiny.

Operational Risks

The Athora Group is subject to operational risks

The operational risks that the Athora Group faces include the possibility of inadequate or failed internal or external processes or systems, human error, regulatory breaches, loss of key personnel, personnel misconduct or external events, such as fraud. Operational risks could impact the Athora Group's customers, which could adversely affect the Athora Group and could materially adversely affect the Athora Group's business, revenues, results, financial condition and prospects.

The Athora Group relies on information technology, communication systems and/or internal controls and there is a risk that these do not function properly

The Athora Group relies on its operational processes, communication and information technology systems and internal controls to conduct its business, including (without limitation) to determine the pricing of its products, its underwriting of liabilities, the required level of provisions and the acceptable level of risk exposure and to maintain accurate records, high-quality customer services and compliance with its reporting obligations. Defects and errors in the Athora Group's financial reporting and actuarial processes, systems and reporting procedures, including both human and technical errors, could result in a late delivery of internal and/or external reports or reports with insufficient or inaccurate information.

Defaults and errors in the Athora Group's financial reporting processes, systems and reporting procedures could lead to wrong management decisions regarding, for instance, product pricing and hedge decisions which could materially adversely affect its net income and increase risk. In addition, misinforming customers and investors could lead to substantial customer claims and regulatory fines, increased regulatory scrutiny, reputational harm and increased administrative costs to remedy errors.

Furthermore, the Athora Group depends on third party and affiliated providers for administration, operational and IT services, asset management and asset and liability management services and other back office functions. Any interruption in the Athora Group's ability to rely on its internal or outsourced IT services or deterioration in the performance of these services could impair the timing and quality of the Athora Group's services to its customers and result in loss of customers, inefficient or detrimental transaction processing and regulatory non-compliance, all of which could also damage the Athora Group's brands and reputation.

The Athora Group is also exposed to cybercrime risks, for example, login credentials of customers, intermediaries and personnel may be intercepted by cyber criminals. This could lead to abuse of information and harm the Athora Group's reputation. Any interruptions, denial of service, failures or breaches in security of these processes and systems could also result in a loss of customers and/or materially adversely affect the Athora Group's ability to compete with its competitors.

Organisational change as well as the pursuit by the Athora Group of its strategic objectives (including growth and extended scale) may result in the creation of an operational risk, amongst other things because these events may result in an increased strain on information technology, communication systems and/or internal controls. In addition, the Athora Group is currently pursuing several operational change programmes, which may enhance the aforementioned risks given the change and disruption the implementation processes of these programmes may bring. Furthermore, these events could result in personnel and their knowledge and expertise leaving the Athora Group, therefore increasing the strain on the remaining organisation. This may have a negative impact on existing work routines and internal controls and may consequently lead to operational incidents.

The occurrence of any of the foregoing events could harm the Athora Group's reputation and could have a material adverse effect on the Athora Group's business, revenues, results and financial condition and prospects.

The Athora Group may not be able to retain or attract personnel who are key to the business

The success of the Athora Group's operations is dependent, among other things, on its ability to attract and retain highly qualified professional personnel. Competition for key personnel is intense. The ability of the Athora Group to attract and retain key personnel with appropriate knowledge and skills, particularly financial, investment, operations, acquisitions, IT, data analysis, risk management, reinsurance, actuarial, Solvency II (**Solvency II**), Bermuda Economic Balance Sheet (**EBS**) and other specialist skills and experience, is dependent on a number of factors, including prevailing market conditions and compensation packages offered by companies competing for the same talent. Any failure by the Athora Group to retain or attract qualified personnel could have a material adverse effect on the Athora Group's business, revenues, results and financial condition and prospects.

Change in senior management team could lead to discontinuities and deficiencies

The risks of discontinuities and deficiencies by change in senior management could lead to untimely and/or insufficient actions or other deficiencies with regards to strategic decision making, operational processes, internal controls, application of laws and regulations, HR processes, relationship and communication with customers and intermediaries. This could have a material adverse effect on the Athora Group's business, revenues, results and financial condition and prospects.

The performance of the Athora Group depends on the quality of its pricing and underwriting processes to adequately price its products and services

The results and financial condition of the Athora Group depend, among other things, on its ability to set adequate premium levels and maintain an underwriting process for new business (including pension risk transfer transactions) that is consistent with pricing. The adequacy of premiums for both primary insurance and reinsurance is necessary to be able to pay claims and expenses and to provide an appropriate return on capital. The ability of the Athora Group to price and underwrite its products and services appropriately is subject to a number of uncertainties, i.e., inadequate or inaccurate data or inappropriate analyses, processes, assumptions or methodologies. If the Athora Group fails to establish adequate premiums for its products and services or is unable to maintain a robust underwriting process, its revenues could decline or its expenses increase resulting in proportionately greater losses.

The Athora Group makes use of models which present the Athora Group with model risk when decisions are based on incorrect or misused model outputs and reports

The term model refers to a quantitative method, system, or approach that applies statistical, economic, financial, or mathematical theories, techniques, and assumptions to process input data into quantitative estimates. Models meeting this definition might be used for pricing products, analysing business strategies, informing business decisions, identifying and measuring risks, valuing exposures, instruments or positions, conducting stress testing, assessing adequacy of capital, managing client assets, measuring compliance with internal limits, or meeting financial or regulatory reporting requirements and issuing public disclosures. The definition of model also covers quantitative approaches whose inputs are partially or wholly qualitative or based on expert judgment, provided

that the output is quantitative in nature. The Athora Group uses a number of models for a variety of purposes, among others, pricing of products, merger and acquisition transactions, reinsurance transactions, valuation of assets, valuation of insurance liabilities, regulatory required capital calculations, rating required capital calculations, determination of hedging portfolios and setting assumptions. The use of models invariably presents model risk, which is the potential for adverse consequences from decisions based on incorrect or misused model outputs and reports. Model risk can lead to financial loss, poor business and strategic decision-making, or damage to the Athora Group's reputation. Model risk occurs primarily for two reasons: (1) a model may have fundamental errors and produce inaccurate outputs when viewed against its design objective and intended business uses; and (2) a model may be used incorrectly or inappropriately or there may be a misunderstanding about its limitations and assumptions. Model risk increases with greater model complexity, higher uncertainty about inputs and assumptions, broader extent of use and larger potential impact. Even though active model risk management and model validation are an integrated part of the risk management system of the Athora Group, the adverse consequences (including financial loss) of model risk can negatively influence the Athora Group's business, revenues, results, financial condition and prospects.

The Athora Group's technical provisions reflected in its IFRS financial statements to pay insurance and other claims, now and in the future, or other balance sheet valuations (e.g., Solvency II or EBS) could prove insufficient or the valuation of the assets backing the insurance provisions could be incorrect

In accordance with industry practices, provisions are established on the basis of estimates using actuarial projection techniques. The process of estimating is based on information available at the time the provisions are established. The adequacy of the provisions, including risk margins, are continuously reviewed and believed to be sufficient. Similarly, the valuation of the assets is based on current market values or using models and methodologies that are believed to be appropriate. Under International Financial Reporting Standards (IFRS), the Athora Group is required to test the adequacy of the provisions at each IFRS reporting date by executing the liability adequacy test. This test requires provisions to be adequate in aggregate. The adequacy test is based on management's best estimates of future developments of markets, insurance claims and expenses. However, the provisions could prove insufficient in the future for several reasons, such as new knowledge or events, discrepancy between assumptions and actual experience, increasing guarantee obligations related to outstanding issues and regulatory capital or other requirements, which are particularly uncertain in the current regulatory environment, undergoing significant, and ongoing, changes, policy or former management decisions, which could require strengthening the provisions. The same applies to other balance sheet valuations, such as the valuation of some assets that are established on the basis of estimates using projection techniques. Another example of a valuation that could prove insufficient is the determination of the value of deferred tax assets, which needs to be tested for recoverability. For this, testing projection techniques are necessary as well. The same valuation risks exist under other valuation basis such as Solvency II, EBS and local Generally Accepted Accounting Principles (GAAP) where applicable, at both subsidiary and Athora Group level. If the Athora Group's provisions or other balance sheet valuations prove insufficient, the Athora Group may be required to strengthen its reserves or revalue other balance sheet items, which may have a material adverse effect on the Athora Group's business, revenues, results, financial condition and prospects.

The occurrence of disasters or core infrastructure failures may endanger the continuity of the Athora Group's business operations and the security of the Athora Group's personnel

The Athora Group is exposed to various risks arising from natural disasters (including floods, fires and storms), as well as man-made disasters and core infrastructure failures (including acts of terrorism, war, power grid and telephone/internet infrastructure failures). These natural and man-made disasters may endanger the continuity of the Athora Group's business operations and the security of the Athora Group's personnel, and may adversely affect the Athora Group's business, revenues, results and financial condition and prospects by causing, among other things, disruptions of the Athora Group's normal business operations.

Market Risks

Risk relating to the general economic and financial environment

The Athora Group's results can be adversely affected by general economic conditions and other business conditions. The Athora Group generates most of its income in the EU and Bermuda and is therefore particularly exposed to the economic and business conditions in the EU and Bermuda. These conditions include changing economic cycles that affect demand for insurance products. Such cycles are also influenced by global political events, such as terrorist acts, war and other hostilities as well as by market specific events, such as shifts in consumer confidence, industrial output, labour or social unrest and economic and political uncertainty. Since the onset of the financial crisis in 2008, which in Europe was followed by the eurozone -crisis in 2010, weak macroeconomic conditions, including recessions, and the implementation of austerity measures in many economies, along with global financial market turmoil and volatility, have affected and, if these trends persist or return, will continue to affect, the behaviour of the Athora Group's customers, and, by extension, the demand for, and supply of, the Athora Group's products and services. Over the past several years, as European and global economies have taken steps to recover from the financial crisis, significant actions by governments, including bail-outs of financial institutions, as well as volatile markets, interest rates and credit spreads and significant changes in asset valuations (including material write-offs and write-downs of impaired assets), have all affected the business of financial institutions, including the Athora Group. Any new deterioration in economic conditions could result in a downturn in new business and sales volumes of the Athora Group's products, and a decrease of its investment return, which, in turn, could have a material adverse effect on the Athora Group's growth, business, revenues and results. The Athora Group is affected by market conditions in both the short, medium and long-term. These market conditions include, amongst others, inflation, interest rates, monetary policy, a decline in the securities markets or poor investment performance, changes in demographics and changes in consumer or business spending. These market conditions also include insurance industry cycles, such as changes with respect to mortality and longevity. If any such market conditions were to occur and persist, the results of the Athora Group could be adversely affected.

Additionally, the Covid-19 pandemic has had a major impact on the global economy and health systems and could have further significant economic impacts. Changing employment environments; government monetary and fiscal policies; reduced consumer and government spending and indebtedness levels; market indices; equity and other securities prices inflation rates; interest rates; credit spreads and credit default rates; currency exchange rates; real estate prices; political events and terrorism trends; cybercrime and cyberattack; and changes in customer behaviour have affected the Athora Group in the past and will continue to affect the Athora Group in the future. Recently, the increase in global interest rates and spreads has resulted in significant volatility in financial markets and has affected Athora's customers, product offering, asset valuation, hedging strategy and liquidity, amongst other factors. All of these factors are impacted by changes in financial markets and developments in the global and European economies and policies. Further market volatility or adverse movements may have a material adverse effect on the Athora Group's business, revenues, results, financial condition and prospects (see also "Escalation or prolongation of Russian invasion of Ukraine" and "Major public health issues, such as Covid-19 and emergence of new diseases/strains" for further risks related to the general economic and financial environment).

Risk related to the Athora Group's exposure to fluctuations in the equity, fixed income and property markets

The returns on the Athora Group's investments are exposed to fluctuations in equity, fixed income and property markets. The Athora Group bears all the risk associated with its own investments. Fluctuations in the equity, fixed income and property markets affect the Athora Group's profitability and capital position. A decline or volatility in any of these markets can lead to a reduction of (un)realised gains in the asset or result in (un)realised losses and could result in impairments. Any decline in the market values of these assets can reduce the Athora Group's solvency, which could materially adversely impact the Athora Group's financial condition and the Athora Group's ability to attract or conduct new business.

The Athora Group holds investments consisting of a variety of asset classes and hedge instruments. The condition of global financial markets as well as economic conditions could have a material adverse effect on the effectiveness of the hedge instruments and the performance of the financial investments held by the Athora Group

Financial market conditions may adversely affect the effectiveness of the hedge instruments used by the Athora Group to manage certain risks to which it is exposed. This may result in the hedge instruments not performing as intended or expected, in turn resulting in higher realised losses and increased cash needs to collateralise or settle hedge transactions at a loss. Such financial market conditions may limit the availability, and increase the costs, of hedging instruments.

The Athora Group is exposed to currency transaction risks. Fluctuations in currency exchange rates may affect the Athora Group's business, results of operations, financial condition and prospects

The Issuer and its subsidiaries may enter into transactions in currencies other than their local currency. Movements in relevant currency exchange rates could adversely affect the revenues, results of operations and financial condition of the Issuer if left unhedged or hedged inadequately.

The Athora Group has long-term assets and liabilities and is exposed to the risk of a mismatch between the value of the assets and the liabilities resulting from changes in interest rates and credit spreads. In addition, changes in interest rates and spreads could lead to changes in consumer behaviour that could have a material adverse effect on the Athora Group's results of operations and financial condition

Interest rates are highly sensitive to many factors, including governmental, monetary and tax policies, domestic and international economic and political considerations, fiscal deficits, trade surpluses or deficits, regulatory requirements and other factors beyond the control of the Athora Group. The level of interest rates and changes in prevailing interest rates (including changes in the difference between the levels of prevailing short- and long-term interest rates and non-parallel movements) could adversely affect the financial results and capital positions of Athora and the Athora Group.

As a provider of life insurance and guaranteed products, the Athora Group requires a significant amount of long-term fixed income assets and interest rate derivatives to be matched against its long-term insurance liabilities, although there are likely to be mismatches in duration depending on the valuation basis applied and targeted. Fixed income assets are typically valued at fair market value in accordance with current accounting and solvency regulations and are therefore sensitive to interest rate and credit spread movements. However, under the IFRS4 accounting regime that applied through 31 December 2022, the corresponding liability valuations did not fully fluctuate with interest rate and credit spread movements when they were valued using certain IFRS methodologies, which may have applied depending on applicable accounting, reporting and regulatory frameworks. Following the introduction of the more market-value based IFRS17 accounting regime on 1 January 2023, the valuation of assets and liabilities is now more aligned with EBS. Moreover, even if the corresponding liabilities are valued using a market-value based methodology, they may nevertheless have limited or different sensitivity to credit spread and interest rate movements, because the discount rates applied in those market valuations (in some cases, including the discount rate prescribed or determined by regulators) typically do not fully reflect sensitivities to credit spread and interest rate movements and therefore the value of the Athora Group's liabilities may not match that of its fixed income assets.

Under the EBS, the Athora Group's financial position is sensitive to interest rate movements. As the majority of the Athora Group's operating entities are domiciled in the EU and operate under Solvency II, interest rate risk management has historically been designed to minimise Solvency II balance sheet volatility and primarily focused on Solvency II Capital Requirement Ratio (i.e., **Solvency II ratio**) hedging. As a result of the volatile and higher interest rate environment, the Athora Group is considering whether for certain operating entities a hedging approach which takes local-GAAP into stronger consideration alongside the Solvency II ratio, is favourable. This may mean the Athora Group could accept more local Solvency II ratio volatility to stabilise local GAAP positions to optimise dividends from subsidiaries to Athora. This may lead to higher volatility of the Athora Group's EBS ratio. The Athora Group's EBS ratio can be more sensitive to interest movements than the Solvency II ratios of

the Athora Group's main operating entities (particularly Athora Netherlands) as the interest rate hedging approach to date has focused on Solvency II ratio stability, as discussed above. The Athora Group utilises the 'scenario based approach' pursuant to the Insurance (Prudential Standards) (Insurance Group Solvency Requirement) Rules 2011 of Bermuda, as amended (the **Scenario Based Approach, SBA**) in the valuation of a significant portion of its liabilities whilst using the 'standard approach' in accordance with the Insurance (Prudential Standards) (Insurance Group Solvency Requirement) Rules 2011 of Bermuda, as amended (the **Standard Approach**) for the residual liabilities. For the Athora Group, the Scenario Based Approach discount rate comprises the euro risk-free rate without an ultimate forward rate (**UFR**), plus a spread that is added to the risk-free rate. The spread applied is derived from the underlying asset portfolio the Athora Group is holding to back its liabilities. For prudence, Athora limits the additional spread over risk free rates that it applies under the SBA. The Standard Approach uses valuation methods for liabilities as determined centrally by the BMA which may not align with the asset portfolio Athora Group holds which may lead to volatility in the EBS ratio. The Standard Approach is not dissimilar to the Solvency II 'standard formula' liability discounting methodology.

Under Solvency II, for instance, the basic risk-free interest rate for liability valuation is based on the swap rate (corrected for a credit risk adjustment (**CRA**) with an extrapolation of the curve from the last liquid point (**LLP**) to the UFR), while a material part of the Athora Group's fixed income portfolio is comprised of European government bonds. The spread between the swap rates and the government bond rates can change. Under Solvency II, the Athora Group also uses a spread correction based on the so-called volatility adjustment (**VA**) (and in the future, the Athora Group may also use the matching adjustment (**MA**)) which could be included in the discount rate used to value liabilities under Solvency II, but this VA spread does not necessarily have the same impact as the spread on the investment portfolio. Another factor that leads to a mismatch is the extrapolation technique that is used to determine the interest rate curve for the valuation of liabilities (from the LLP (currently year-20) to the Solvency II level of the UFR of 3.45% for 2023 and 3.30% for 2024 in year-40, as last published by the European Insurance and Occupational Pensions Authority (**EIOPA**) on 27 April 2023) which differs from the valuation techniques used for the asset portfolio. In addition, the net effect on the net asset value/surplus depends on the (key rate) duration and volume matching of assets and liabilities including derivatives. To the extent that the Athora Group is unable to match or chooses not to completely match liabilities with assets that have the same or similar levels of interest rate sensitivity, there could be a gap between the movement of the Athora Group's assets and liabilities as interest rates change. Interest rate and/or credit spread fluctuations could therefore have a material adverse effect on the Athora Group's business, revenues, results, financial condition and prospects.

In addition, the future results of insurance operations of the Athora Group are impacted by the level of interest rates. A prolonged period of low interest rate levels has had a material adverse effect on the Athora Group's revenues, results of operation, financial condition and prospects. In a period of sustained low interest rates, financial and insurance products with long-term options and guarantees (such as pension and whole-life products) may be more costly to the Athora Group. Moreover, the capital that the Athora Group is required to hold for long-term risks, such as longevity, expense and morbidity risks, is higher in a low interest rate environment. These effects limit the ability of the Athora Group to offer these products at affordable prices. Also, the present value impact of assumption changes affecting future benefits and expenses is larger, creating more volatility in the Athora Group's results and available regulatory capital. In addition, the Athora Group will be subject to a reinvestment risk because, in a low interest rate or credit spread environment, the Athora Group may not be able to reinvest the proceeds from maturing investments or to invest the premiums, which it will continue to receive on recurring premium products with interest rate guarantees, in assets with a comparable return profile.

Furthermore, in periods of rising interest rates, policy lapses and withdrawals may increase as policyholders may believe they can obtain a higher rate of return in the marketplace or in alternative products. In order to satisfy the resulting obligations to make cash payments to policyholders, the Athora Group may be forced to sell assets at reduced prices and thus realise investment losses and place a strain on liquidity resources of the Athora Group. Such a sale of investment assets may also result in a decrease in the Athora Group's assets under management and administration, which could result in reduced fee income from policyholders as fee income is typically linked to the value of the assets under management.

If the results of the Athora Group are adversely affected by the level of interest rates or for other reasons, this could also adversely affect the rights of policyholders to receive additional benefit payments over and above any insured or guaranteed capital (**Profit Sharing Policies**). Profit Sharing Policy holders have complained about Profit Sharing Policies issued by the Athora Group operating companies, or any of its legal predecessors, and in some instances have started legal proceedings due to the fact that the applicable policy conditions may not contain a clear definition of profit (see also “*Litigation, regulatory measures, and other proceedings or actions*”). These complaints have primarily been observed in the Netherlands in particular but have so far not led to the recognition of any material contingent liabilities.

The Athora Group is exposed to the risk of a downgrade or withdrawal of any of its credit ratings or financial strength ratings or a credit rating agency assigning unsolicited ratings on the Athora Group which are lower than those assigned by agencies which the Athora Group solicits

In general, rating agency financial strength ratings are important factors affecting public and market confidence in insurers, and are as such important to the Athora Group’s ability to sell its products and services including reinsurance to existing and potential customers, as well as to certain other activities of Athora involving credit risk such as hedging and financing activities. Credit ratings represent the opinions of rating agencies regarding an entity’s ability to repay its indebtedness. On an operating subsidiary level, financial strength ratings reflect the opinions of rating agencies on the financial ability of an insurance company to meet its obligations under an insurance policy and are typically referred to as “claims-paying ability” ratings. Furthermore, a downgrade or a potential downgrade of the Athora Group’s (or its “rated” subsidiaries’) credit or financial strength ratings or withdrawal of its rating could have a material adverse effect on Athora’s (or its “rated” subsidiaries’) ability to raise additional capital, increase the cost of additional capital, lead to a loss of existing or potential business (including losses on customer withdrawals), lower assets under management and fee income, and reduce liquidity, and could have adverse consequences for the ability of Athora (or its “rated” subsidiaries) to hedge financial and other risk, any of which could have a material adverse effect on the Athora Group’s business, revenues, results, financial condition and prospects. The financial strength ratings of the Athora Group’s reinsurance operations may influence the attractiveness of these entities as a counterparty to other insurers, as a result a downgrade of the financial strength rating could adversely impact their ability to attract new business. In addition, certain reinsurance contracts include rating based collateral requirements and a downgrade of the financial strength rating could lead to an increase in the collateral required on certain transactions.

At the date of this Offering Memorandum, Athora is targeting to maintain an “A” range credit rating. Athora’s rated subsidiaries have achieved a rating upgrade by Fitch two years in a row and operating subsidiaries now have A (Stable) Insurer Financial Strength ratings (Athora Ireland plc / Athora Life Re Ltd. / SRLEV N.V. (**SRLEV**)) whilst Athora Holding Ltd. and Athora Netherlands N.V. have an issuer default rating of A- (Stable). AM Best Company, Inc. (**AM Best**) currently rates Athora Ireland plc and Athora Life Re Ltd. at a Financial Strength Rating of A- (Stable). Please see: <https://www.athora.com/ratings> for further information.

Rating agencies review insurers’ ability to meet their obligations (including to policyholders and their creditworthiness generally) based on various factors, and assign ratings stating their current opinion in that regard. If a rating agency considers itself unable to reach a satisfactory assessment on the various factors, it is possible that its rating(s) will be downgraded, suspended and/or withdrawn. A credit rating may also be adversely affected by the credit rating agencies’ evolving views on the Athora Group, its business model, the sectors and geographies it is present in, the products written, its domicile and its corporate structure amongst many other factors. Changes in any of these factors initiated by the Athora Group could also have an adverse impact on the credit rating. While most of the factors are specific to the rated company, some relate to general economic conditions, intercompany dependencies and other circumstances outside the rated company’s direct control. Such factors might also include a downgrade of the sovereign credit rating of the countries in which the Athora Group operates as rating agencies typically take into account the credit rating of the relevant sovereign in assessing the credit and financial strength ratings of the rated entity. Rating agencies have increased the level of scrutiny that they apply to financial institutions, have increased the frequency and scope of their reviews, have requested additional information from the companies that they rate, and may adjust upward the capital and other requirements employed in the rating

agency capital models for maintenance of certain ratings. The Athora Group may need to take actions in response to changing standards or capital requirements set by any of the rating agencies, which may not otherwise be in the best interests of the Athora Group's other stakeholders. The Athora Group cannot predict what additional actions rating agencies may take, or what actions the Athora Group may take in response to the actions of rating agencies. The outcome of such reviews may have adverse ratings consequences. In addition, rating agencies may change their methodologies which may also have an adverse rating consequence for the Athora Group. Any downgrade (especially if below investment grade), suspension, withdrawal or adverse consequence as referred to above, could have a material adverse effect on the Athora Group's business, revenues, results, financial condition and prospects.

Rating agencies can provide unsolicited credit ratings on the Athora Group. Given these ratings are unsolicited the rating agency relies solely on publicly available information if the Athora Group does not co-operate with this unsolicited approach. This may lead to the rating agency assigning an unsolicited credit rating to the Athora Group which is below those assigned by the rating agencies the Athora Group solicits ratings from. This unsolicited rating may then have an adverse impact on the Athora Group's business, revenues, results, financial condition and prospects.

The Athora Group is exposed to the continuing risk that one or more European countries could exit the Eurozone and/or EU

There remains a risk that financial difficulties may result in certain European countries exiting the Eurozone and/or EU. This can also be caused by changes in the political landscape and/or by a referendum. To date, only the UK has left the EU. The possible exit from the Eurozone and/or EU of one or more European countries (in addition to the UK) and, as a consequence, the potential replacement of the euro by one or more successor currencies could create significant uncertainties regarding the valuation of euro denominated assets and liabilities held by the Athora Group's business in the exiting country, and the enforceability and valuation of euro denominated contracts to which the Athora Group or its counterparties are a party, thereby materially and adversely affect the business, revenues, results, financial condition and prospects of both the Athora Group and/or its counterparties.

The possible exit from the Eurozone and/or EU of one or more European countries and/or the replacement of the euro by one or more successor currencies could also cause other significant market dislocations and lead to other adverse economic and operational impacts that are inherently difficult to predict or evaluate. The occurrence of one or more of these events could have a material adverse effect on the business, results, financial condition and prospects of the Athora Group and its counterparties.

Liquidity Risks

The Athora Group faces liquidity risk

Liquidity risk arises if the Athora Group is not able to meet current or contingent liabilities as and when they become due. This risk consists of (i) funding risk, i.e., the risk that the Athora Group cannot meet any scheduled or unexpected demand for cash from policyholders, lenders and other contracting parties or Athora's subsidiaries and (ii) market liquidity risk, i.e., the risk that the Athora Group is not able to convert assets into cash as a result of unfavourable market conditions or a market disruption when liquidity is required. In addition, the Athora Group's life reinsurance activity typically requires collateral arrangements with counterparties. If the value of assets required in collateral arrangements is insufficient, then reinsurance arrangements may be subject to recapture i.e., early termination arrangements which could cause economic losses as well as reputational impacts.

The Athora Group holds, or may hold, certain assets that have lower liquidity, such as privately placed fixed income securities, commercial and residential mortgage loans, asset-backed securities, structured loans, government bonds of certain countries, private debt or private equity investments and real estate, amongst other illiquid investments. In stressed market conditions, some or all of these assets can suffer from increased illiquidity, which could result in realised losses if such assets were sold, in addition to unrealised losses on such assets if they were marked-to-market. A crisis in the financial markets may exacerbate the lower liquidity of these assets and may also reduce the liquidity of assets that are typically liquid, as occurred during the financial crisis of 2008 in

the case of the market for asset-backed securities relating to real estate assets and other collateralised debt and loan obligations. The Athora Group targets holding sufficient liquidity to cover a severe stress. If liquidity in excess of the Athora Group's calibration is required or if the Athora Group is not holding its targeted liquidity, the Athora Group may be forced to sell assets at distressed valuations as a result of liquidity demands from posting or returning collateral in connection with its investment portfolio, other derivatives transactions, securities lending activities or severe lapse events, amongst other liquidity stress events. Especially for assets which are less liquid at the time of initial investment, the Athora Group may be forced to sell them for a lower price than it otherwise would have been able to realise, resulting in losses, which may have a material adverse effect on the Athora Group's results and financial condition. A (forced) sale at a lower price could also negatively impact the Athora Group's regulatory solvency positions and more generally may have a material adverse effect on the Athora Group's business, revenues, results, financial condition and prospects.

Athora is a holding company with no material direct operations of its own and relies on its current liquidity and future liquidity from its subsidiaries, financing providers and shareholders amongst others to provide it with the resources to meet its financial obligations

Athora is the ultimate holding company of the Athora Group with no material direct business operations of its own. Athora relies on its current liquidity and ability to generate future liquidity to meet its financial obligations. Athora's current liquidity is principally held in cash, money market funds and in the future may include other such assets including highly liquid government bonds and term deposits. Athora's ability to generate future liquidity will depend on the funds it receives from its subsidiaries in the form of dividends and to a degree, internal loans and recharges for services provided. The ability of the subsidiaries to distribute to Athora will be dependent on their financial performance and may be limited by regulatory solvency, local GAAP and liquidity requirements as well as restrictions imposed by local regulators on an ongoing basis or as a result of certain change of control conditions. Athora can also generate future liquidity by entering into financing arrangements such as completing new loans with banks or drawing on available or new revolving credit facilities – borrowing from capital markets is a further potential source of future liquidity. Furthermore, Athora can also generate liquidity by drawing on committed resources from its shareholders or entering into other related transactions which generate liquidity.

As a holding company, Athora's financial obligations primarily include non-operating and operating expenses including asset management expenses and interest costs on financing arrangements. Athora's liquidity could also be reduced by dividends to its shareholders or adverse tax payments. Finally, liquidity could also be used for acquisitions, portfolio transfers and capital injections – with the latter, certain injections may be legally binding where keep-well agreements are in place between Athora and its subsidiaries.

Athora being unable to generate sufficient liquidity to cover financial obligations may have an adverse effect on Athora's ability to fulfil its payment obligations under the Notes and more generally may have a material adverse effect on the Athora Group's business, revenues, results, financial condition and prospects.

Counterparty Risks

The Athora Group is exposed to financial risks such as credit risk, default risk and risks concerning the adequacy of its credit provisions

Losses incurred due to credit risk include actual losses from defaults, market value losses due to credit/financial strength rating downgrades and/or spread widening, or impairments and write-downs. The Athora Group is exposed to various types of general credit risk, including spread risk, default risk and concentration risk. Third parties that owe the Athora Group money, securities or other assets may not pay or perform under their obligations. These parties may include customers, the issuers whose securities are being held by the Athora Group, trading counterparties, counterparties under swaps and other derivative contracts, clearing members or agents, exchanges, clearing houses and other financial intermediaries. These parties may default on their obligations to the Athora Group due to bankruptcy, lack of liquidity, downturns in the economy or real estate values, operational failure or other reasons.

The business of the Athora Group is also subject to risks that have an impact on the adequacy of its credit provisions. These provisions relate to the possibility that a counterparty may default on its obligations to the Athora Group which arise from financial transactions. Depending on the actual realisation of such counterparty default, the current credit provisions may prove to be inadequate. If future events or the effects thereof do not fall within any of the assumptions, factors or assessments used by the Athora Group to determine its credit provisions, these provisions could be inadequate.

The Athora Group is also exposed to concentration risk, which is the risk of default by counterparties or investments in which it has taken a (relatively) large position. These risks are related to, among others, the Athora Group's investments in sovereigns, financials and corporates.

The long term effects of the Covid-19 pandemic could cause a global increase in the risk of defaults on government and corporate debt and securitizations. An increase in such defaults, or the likelihood of defaults can have an adverse effect on the Athora Group's results of operations and financial condition. This risk may adversely affect financial intermediaries, such as counterparties, clearing members or agencies, clearing houses, banks, securities firms and exchanges with which the Athora Group interacts.

Finally, the current higher interest rate environment has increased financing and liquidity costs for many of Athora Group's counterparties whilst also leading to recessionary pressures on the wider economy which could increase the Athora Group's counterparty risk.

Any of these financial risks could have a material adverse effect on the Athora Group's business, revenues, results, financial condition and prospects.

The Athora Group is exposed to counterparty risk in relation to financial institutions

Due to the nature of the global financial system, financial institutions such as the Athora Group are interdependent as a result of trading, counterparty and other relationships (e.g., relationships with third parties in respect of savings-linked mortgages). Other financial institutions with whom the Athora Group conducts business, act as counterparties to the Athora Group in such capacities as borrowers under loans, issuers of securities, customers, reinsurance companies (see also "*Reinsurance may not be available, affordable or adequate to protect the Athora Group against losses, and reinsurers may default on their reinsurance obligations*"), trading counterparties, counterparties under swaps and credit and other derivative contracts, clearing members or agents, exchanges, clearing houses, brokers and dealers, commercial banks, investment banks, private, mutual and hedge funds and other financial intermediaries. In any of these capacities, a financial institution acting as a counterparty may not perform its obligations due to, among other things, bankruptcy, lack of liquidity, market downturns or operational failures, and the collateral or security it provides may prove inadequate to cover their obligations at the time of the default. The interdependence of financial institutions means that the failure of a sufficiently large and influential financial institution due to disruptions in the financial markets could materially disrupt securities markets or clearing and settlement systems in the markets. This could cause severe market declines or volatility, as most recently observed in 2023 with the Credit Suisse / UBS merger and the regional bank failures in the United States of America. Such a failure could also lead to a chain of defaults by counterparties that could materially adversely affect the Athora Group. This risk, known as "systemic risk", could adversely impact future product sales as a result of reduced confidence in the insurance and banking industries. It could also reduce results because of market declines and write-downs of assets and claims on third parties. The Athora Group believes that despite increased focus by regulators around the world with respect to systemic risk, this risk remains part of the financial system in which the Athora Group operates and dislocations caused by the interdependency of financial market participants could have a material adverse effect on its business, revenues, results, financial condition and prospects.

Athora is exposed to the risk that its unfunded resources are not funded by counterparties when requested to do so

At 31 December 2022, Athora had approximately EUR 2.5bn of uncalled equity commitments provided by its shareholders. Athora considers these equity commitments as additive to its financial strength although they do not contribute to the Athora Group's regulatory capital until they are funded. There is a risk that shareholders do not fund the equity commitments when called, which would result in Athora's financial strength being weakened or less than previously assumed. In addition, Athora has a EUR 500m revolving credit facility with a group of credit institutions and considers this facility as part of its liquidity resources. There is a risk that the credit institution(s) backing the revolving credit facility do not fund drawings by Athora, which would weaken Athora's liquidity resources.

Insurance Risks

Changes in longevity, mortality and morbidity experience

The insurance portfolio is exposed to longevity risk (i.e., the risk that an insured party lives longer than was projected at the time their policy was written, with the result that the insurer must continue paying under the policy longer than anticipated), mortality risk (i.e., the risk the insured party dies sooner than was projected at the time their policy was issued) and morbidity risk (i.e., the risk that more policyholders than anticipated will suffer from long-term health impairments and the risk that those who are eligible to make a claim do so for longer than anticipated and therefore longer than was reflected in the price of the policies and in the liability established for the policies). In valuing the insurance liabilities and in establishing the pricing and reserving standards, assumptions are used to model the future benefit payments, which may be different from the actual benefit payments that will become due in the future. Although the assumptions are reviewed and updated periodically based on historic experience and expected trends, the uncertainties (such as the improvements in medical treatments that prolong life without restoring the ability to work) associated with the assumptions make it impossible to have assurance that the assumptions will indeed prove to be adequate in the future. A part of the longevity, mortality and morbidity risks contained in the insurance portfolio has been transferred by the Athora Group to reinsurers by means of reinsurance agreements but there is no guarantee that the coverage of such reinsurance will be adequate to cover all changes. Changes in assumptions could lead to additions to the provisions on account of longevity, mortality and morbidity risks in future years, which could result in significant losses that could have a material adverse effect on the revenues, results, financial condition and prospects of the Athora Group.

Adverse experience compared to the assumptions used in pricing products, establishing provisions and reporting business results

In accordance with industry practices and regulation, models are used to interpret and process data. Actuarial and risk models are inherently uncertain and involve the exercise of significant own judgement. Therefore, it cannot be determined with absolute precision what amounts should be paid for, the timing and level of payment of actual benefits, claims and expenses or whether the assets supporting the policy liabilities, together with future premiums, will be sufficient. If actual experience differs from assumptions or estimates, the profitability of the products may be negatively impacted, which may incur losses, and capital and reserves may not be adequate, and the effectiveness of the hedging programmes may be adversely affected. Processes have been established to periodically review the adequacy of the data, both internal and external, methods and models. Notwithstanding these reviews, statistical methods and models may not accurately quantify the risk exposure if circumstances arise that were not observed in the data or if the data proves to be inaccurate. This may have a material adverse effect on the revenues, results, financial condition and prospects of the Athora Group.

Change in policy lapses, paid-up rates, annuity take up rates and other policyholder behaviour

The Athora Group is exposed to the risk of changes in policyholder behaviour relating to policy lapses, paid-up rates, annuity take up rates and other policyholder options. Such changes may lead to a substantial decrease in future profits which are currently part of the EBS and Solvency II own funds, thus leading to a decrease in own funds. For example, in order to satisfy the obligation to make an immediate cash payment to policyholders in case of a lapse event, the Athora Group may be forced to sell assets at reduced prices and thus realise investment losses. The extent of such investment losses depends on various circumstances, including the type of policy lapsed, the application of surrender penalties, the time window in which they lapse and the market circumstances at that time. Such a sale of investment assets may also result in a decrease in the Athora Group's assets under management, which could result in reduced fee income from policyholders as fee income is typically linked to the value of the assets under management. Furthermore, this also influences the assumptions used to forecast (future) policy lapses and paid-up rates, which are reviewed and updated periodically. The uncertainties associated with these assumptions make it impossible to have assurance that the assumptions will prove to be adequate in the future. The present value impact of changes in these assumptions could lead to additions to the liabilities vis-a-vis policyholders. The high interest rate environment has started to increase observed lapses in certain of the markets that the Athora Group operates in, including Italy, which if it accelerates could lead to the adverse impacts described above. A change in policy lapses, paid-up rates, annuity take up rates and other policyholder behaviour may have a material adverse effect on the business, revenues, results, financial condition and prospects of the Athora Group.

Reinsurance may not be available, affordable or adequate to protect the Athora Group against losses, and reinsurers may default on their reinsurance obligations

The Athora Group has transferred and may further transfer its exposure to certain risks in the insurance business to third parties through reinsurance arrangements. Under these arrangements, other insurers assume a portion of the potential losses and expenses associated with reported and unreported losses in exchange for a portion of policy premiums. The availability, amount and cost of reinsurance depend on general market conditions and may vary significantly. Therefore, it could happen that additional expenses are needed for reinsurance or even that there is no possibility to obtain sufficient reinsurance on acceptable terms, which could negatively affect the ability to write future business and increase the exposure to losses. When reinsurance is obtained, the Athora Group will still be liable for those transferred risks if the reinsurer cannot meet its obligations. Therefore, the inability of the reinsurers to meet their financial obligations could materially affect the results of the Athora Group. Reinsurers are chosen with care, given the Athora Group's risk appetite and Athora's policies on reinsurance. Counterparties will be assessed on compliance with Solvency II and/or EBS, rating requirements, correlation risk with the Athora Group's business model, and counterparty risk appetite, continuity, partnership, capacity and market experience. In addition, certain reinsurance agreements may contain rights for the reinsurer to assign its obligations to another party, which could be a party outside of the Athora Group's risk appetite and reinsurance policies. Despite the assessment and the periodic review of the financial statements and reputations of the reinsurers, the reinsurers may become financially unsound by the time they are called upon to pay amounts due, which may not occur for many years.

Unforeseeable and/or catastrophic events, terrorist attacks and similar events could have a negative impact on the business and results of the Athora Group

Catastrophes could result in substantial impact on the business, revenues, results, financial condition and prospects of the Athora Group. Catastrophe risk can come about as a single event, or series of events, that leads to a significant deviation in actual claims from the total expected claims that may exceed its established provisions. These unpredictable/unforeseeable events may affect multiple insured risks. Such events include both natural and man-made events, such as, but not limited to pandemics, industrial explosions, earthquakes, climate change, weather related events and man-made disasters such as civil unrest and terrorist attacks. In accordance with industry practices, provisions are established based on estimates using actuarial projection techniques. The process of estimating is based on information available at the time the provisions are originally established. Although the adequacy of the provisions is continually reviewed and believed to be sufficient, there is no assurance that actual

claims will not exceed estimated claim provisions. These unforeseeable/catastrophic events can lead to losses, premium events and massive loss of customers and even to abrupt interruption of activities.

A failure to accurately estimate inflation and factor it into the Athora Group's product pricing, expenses and liability valuations could have a material adverse effect on the Athora Group's business, revenues, results and financial condition

A failure to accurately estimate inflation and factor it into the Athora Group's product pricing and liability valuations with regard to future claims and expenses could result in the systemic mispricing of long-term insurance products resulting in underwriting losses, and in restatements of insurance liabilities, which could have a material adverse effect on the Athora Group's business, revenues, results and financial condition. In the case of expenses, the Athora Group's most significant exposure to inflation risk is in its long-term life insurance products. With respect to claims, the Athora Group's most significant exposure to inflation risk is in its funeral and disability insurance policies, particularly in the Netherlands.

The Covid-19 pandemic, as well as monetary policy to mitigate its effects, has impacted both supply and demand in the world economy. Worldwide, supply chain disruptions and labour and energy shortages partially restrict economic growth. Inflation in the EEA and Bermuda has risen materially since 2022. Potentially, additional inflation might be driven by further increases in energy prices and impact of the Russian/Ukraine crisis. The impact of inflationary developments on the Athora Group's balance sheet and solvency position depends on inflation itself, but also on how other market factors move, amongst others driven by the response by central banks to rising inflation, or market expectations by investors.

Pressure on the supply chain and geopolitical events may lead to a structural increase in inflation. Both economic volatility and inflation could lead to potential volatility in financial markets and in the value of investment assets (which could in each case be widespread, severe and long-lasting).

A sustained increase in inflation may result in (a) claims inflation in operating subsidiaries (which is an increase in the amount ultimately paid to settle claims several years after the policy coverage period or event giving rise to the claim), expense inflation (which is an increase in the amount of expenses that are paid in the future) and indexation (increase of accrued pension), respectively, coupled with (b) an underestimation of corresponding reserves at the time of establishment due to a failure to fully anticipate increased inflation and its effect on the amounts ultimately payable, and, consequently, actual claims or expense payments that significantly exceed associated insurance reserves, which could have a material adverse effect on the Athora Group's business, revenues, results, financial condition and prospects. An increase in inflation may also require the Athora Group to update its assumptions. Updates in assumptions would result in an immediate change in the present value of the claims or expenses, respectively, used to determine available (regulatory) capital and would therefore have an immediate impact on available (regulatory) capital. Inflation has increased significantly in 2021 and 2022 and it is unknown how permanent in nature this increase is which could impact Athora's pricing, expenses, and assumptions for liability valuations. Changes in assumptions could therefore have a material adverse effect on the Athora Group's business, revenues, results, financial condition and prospects.

Previously unknown risks, which cannot be reliably assessed, so-called "emerging risks", could lead to unforeseeable claims and could have a material adverse effect on the Athora Group's business, results of operations and financial condition

The term "emerging risks" is used in the insurance industry to refer to previously unknown risks that could impact both the Athora Group's assets and insurance liabilities causing substantial future losses and, therefore, are of major concern to insurance companies. Even more so than traditional risks, emerging risks are difficult to analyze because they often exist as hidden risks. Insurance premiums for emerging risks are difficult to calculate due to a lack of historical data about, or experience with, such risks or their consequences. At present, the consequences of potential worldwide climate change and average global temperature increase are considered emerging risks and could increase the frequency of hurricanes, floods, droughts and forest fires. In addition, regulation intended to mitigate global warming could emerge which could have an impact on how the Athora Group manages its business

and investments. Other examples of emerging risks are demographic changes (such as the aging of the population), epidemics and pandemics, and risks that may arise from the development of nanotechnology or genetic engineering. A further emerging risk example is artificial intelligence and the changes this may bring to the economy, consumers, the insurance sector and the Athora Group.

A final noteworthy emerging risk is the potential impact of regulatory initiatives related to sustainability. Although the Athora Group has implemented its own sustainability strategy and has assessed the potential impacts of this strategy on its business model and financial position, there is a risk that global, regional and local initiatives related to sustainability are imposed on the Athora Group. This may include, amongst others, requirements to invest in certain asset classes whilst disinvesting others; costly sustainability related measurement and reporting initiatives; and limitations on management's ability to travel frequently between the geographies in which the Athora Group operates in.

Despite its efforts aimed at early identification and continuous monitoring of emerging risks, the Athora Group cannot give any assurance that it has been or will be able to identify these emerging risks and to implement pricing, reserving and other measures to avoid or minimise claims exposure or other materially adverse impacts on the Athora Group. Defects and inadequacies in the identification and response to emerging risks could lead to unforeseen policy claims and benefits and could have a material adverse effect on the Athora Group's business, results of operations, financial condition and prospects.

Regulatory and Litigation Risks

The Athora Group operates in industries that are highly regulated

The Athora Group conducts its business in a highly regulated environment. The financial services industry continues to be subject to significant regulatory scrutiny and increasing regulation, both internationally and locally. Over the past years, the general trend in regulation has been to hold insurance institutions to increasingly stricter and more detailed standards concerning their duty of care to their customers.

Implementing and monitoring compliance with applicable requirements means that the Athora Group must continue to have a large number of staff dedicated to these activities and to spend monetary and management resources and to create sufficient awareness with the business staff of the products and services the Athora Group offers and the rules applicable to them.

Any delays or errors in implementing regulatory compliance could lead to substantial monetary damages and fines, loss of significant assets, public reprimands, a material adverse effect on the Athora Group's reputation, regulatory measures in the form of cease and desist orders, increased regulatory compliance requirements or other potential regulatory restrictions on the Athora Group's business, enforced suspension of operations and in extreme cases, withdrawal of licences or authorisations to operate particular businesses, or criminal prosecution in certain circumstances, any of which could have a material adverse effect on the Athora Group's business, revenues, results, financial condition and prospects.

Certain additional related risks are discussed more specifically in various subparagraphs below, including under "*Risk and impact of recent and ongoing financial regulatory reform initiatives*".

Changes in reporting standards or policies could adversely affect the Athora Group's reported results and the reported financial condition

The Athora Group's consolidated financial statements are subject to the application of IFRS, which are periodically revised or expanded. As a result, the Athora Group is required to adopt new or revised reporting standards issued by the International Accounting Standards Board and, where applicable, endorsed by the European Commission (the EC). It is possible that future new or amended IFRS, which the Athora Group is required to adopt, will change the current accounting treatments that the Athora Group applies in its consolidated

financial statements. Such changes could have a material effect on the Athora Group's reported results and its reported financial condition.

In particular, the implementation of IFRS 9 (effective for the Athora Group as from 1 January 2023 due to the application of the temporary exemption) and the new standard on insurance contracts – IFRS 17 (effective as from 1 January 2023) – will lead to changes in the Athora Group's reporting policies. The package of improvements introduced by IFRS 9 includes a new model for classification and measurement of financial assets and, a more principle-based approach to hedge accounting. IFRS 17 introduces (among other things) new measurement and presentation principles for insurance contracts; measurement of insurance liabilities is primarily based on current estimates and unearned future profits, if any, are recognised as a part of these liabilities. In addition to these changes, the Athora Group may choose to adjust its reporting policies, if compliant with IFRS, in order to align its statutory reporting with its regulatory reporting. All changes in reporting standards, either mandatory or optional, may lead to a material effect on the Athora Group's reported results and reported financial condition. Whilst the impact of the above mentioned IFRS changes is expected to be manageable by the Athora Group, the implementation of the new standard is at an early stage and could nonetheless have a material adverse effect on the Athora Group's business, results of operations, financial condition and prospects whilst also requiring restatements of financial results disclosed previously.

The Athora Group may be subject to regulatory stress tests and other industry-wide regulatory enquiries which may result in additional capital requirements

In order to assess the level of available capital in the insurance sector, national regulatory authorities (such as the BMA) and supra-national regulatory bodies (such as EIOPA or the International Association of Insurance Supervisors (IAIS)) require solvency calculations and conduct stress tests where they examine the effects of various adverse scenarios on insurers. Furthermore, regulatory authorities periodically conduct thematic supervisory investigations. Announcements by regulatory authorities that they intend to carry out such calculations, tests or investigations can destabilise the insurance sector and lead to a loss of trust with regard to individual companies or the insurance sector as a whole. In the event that the Athora Group's results in such calculations, tests or investigations are worse than those of its competitors and these results become known, this could also have adverse effects on the Athora Group's financing costs, customer demand for the Athora Group's products and the Athora Group's reputation. Furthermore, a poor result by the Athora Group in such calculations, tests or investigations could influence regulatory authorities in the exercise of their discretionary powers.

Changes in tax laws impacting policyholder behaviour

Changes in tax laws, tax policy or case law may make some of the Athora Group's insurance, pensions, investment management and other products or solutions less attractive to customers, decreasing demand for certain of the Athora Group's products and increasing surrenders of certain of the Athora Group's in-force life insurance policies, which may have a material adverse effect on the Athora Group's business, revenues, results, financial condition and prospects.

Actions by the Organisation for Economic Co-operation and Development (OECD), by the UK and by individual jurisdictions to address base erosion and profit shifting could have adverse tax consequences for the Athora Group

The ongoing initiatives in furtherance of the OECD's base erosion and profit shifting (BEPS) project have changed, and will continue to change, the risk dynamics faced by Athora's business. In particularity, the OECD's BEPS recommendations are directed at counteracting the effects of tax havens and preferential tax regimes in countries around the world.

Several of the areas of tax law on which the BEPS project has focused have led or will lead to changes in the domestic law for individual OECD jurisdictions. These changes include (amongst others) restrictions on interest and other deductions for tax purposes, the introduction of broad anti-hybrid regimes and reform of controlled foreign company rules. Changes have also been introduced in the application of certain double tax treaties as a

result of the implementation and adoption of the OECD's Multilateral Instrument (with further amendments expected to arise), which may restrict Athora entities' ability to rely on the terms of relevant double tax treaties in certain circumstances.

In addition, the OECD is continuing to work on a two-pillar initiative, "BEPS 2.0", which is aimed at (i) shifting taxing rights to the jurisdiction of the consumer (**Pillar One**) and (ii) ensuring all companies (with global revenues exceeding EUR 750m) pay a global minimum tax (**Pillar Two**). Pillar One will, broadly, re-allocate taxing rights over 25 per cent. of the residual profits of multinational enterprises (**MNEs**) with global turnover in excess of EUR 20bn (excluding extractives and regulated financial services) to the jurisdictions where the customers and users of those MNEs are located. Pillar Two will, broadly, consist of two interlocking domestic rules (together the Global anti-Base Erosion Rules (the **GloBE Rules**)): (a) an Income Inclusion Rule (**IIR**), which imposes top-up tax on a parent entity in respect of the low-taxed income of a constituent entity; and (b) an 'Undertaxed Payment Rule', which denies deductions or requires an equivalent adjustment to the extent the low-taxed income of a constituent entity is not subject to tax under an IIR. There will also be a treaty-based "Subject To Tax Rule" that allows source jurisdictions to impose limited source taxation on certain related party payments subject to tax below a minimum rate.

For countries other than the U.S., the OECD recommended model GloBE Rules for Pillar Two in late 2021. The OECD also released further guidance on the model GloBE Rules during 2022 and the beginning of 2023 (and is expected to continue to release guidance on a rolling basis throughout 2023). This includes the release in early February 2023 of further technical guidance which comments in particular on the interaction between the model GloBE Rules and current U.S. tax law as well as the application of the model GloBE Rules to insurance companies.

It was indicated by the OECD in May 2022 that the Pillar Two solution will not come into force until 2024 at the earliest. The UK published draft legislation in the Finance Bill (No. 2) 2023 which implements the IIR via a 'multinational top-up tax'. The draft legislation remains subject to further amendment by the UK Parliament and will only enter into force after it receives royal assent. As currently drafted, the UK's multinational top-up tax will apply to multinational enterprises for accounting periods beginning on or after 31 December 2023. Additionally, in the 2023 budget, the Bermudan government announced its intention to implement Pillar Two. However, the timing, scope and implementation of these provisions into domestic law in Bermuda, the UK and other countries in which the Athora Group does business remains subject to significant uncertainty. Depending on how the model GloBE Rules are implemented or clarified by additional commentary or guidance in the future, they may result in additional tax being payable by the Athora Group.

Changes of law in individual jurisdictions which have arisen (and may continue to arise) as a result of the BEPS project (including BEPS 2.0) may ultimately increase the tax base of Athora's subsidiaries in certain jurisdictions and add to the complexity, burden and cost of doing business. Those changes of law are also potentially relevant to the Athora Group's ability to efficiently fund and realise investments or repatriate income or capital gains from relevant jurisdictions, and could ultimately necessitate some restructuring of Athora's subsidiaries or business operations.

Other BEPS-related changes focus on the goal of ensuring that transfer pricing outcomes are in line with value creation and such changes could also result in significant modifications to existing transfer pricing rules and could potentially have an impact on the Athora Group's taxable profits in various jurisdictions.

In addition, some countries in which the Athora Group does business, including Bermuda, have (as a consequence of the BEPS project) required certain MNEs, including Athora, to report detailed information regarding allocation of revenue, profit, and other information, on a country-by-country basis. The information the Athora Group is required to report pursuant to this country-by-country reporting (as well as information required to be reported pursuant to certain other exchange of information regimes, e.g., pursuant to the Common Reporting Standard or DAC 6 (or, potentially, the draft EU Anti-Tax Avoidance Directive III (**ATAD III**))) could ultimately result in certain tax authorities having greater access to information enabling them to challenge Athora's tax positions in a number of different areas – transfer pricing in particular.

The Athora Group business may become subject to additional withholding taxes in respect of distributions

Currently the approach taken by a number of jurisdictions to the taxation (and, in particular, the application of withholding taxes) of international distributions between entities and their owners is subject to ongoing change, due to both changes in domestic law and changes in the approach to the interpretation of existing laws by domestic courts, as well as changes in the application of relevant international laws and treaties. In this environment there is increased risk of the Athora Group becoming subject to anti-avoidance tax rules or losing access to the benefits of EU directives or international tax laws (such as double tax treaties), or otherwise being exposed to changes of law which could conceivably result in those entities suffering the imposition of withholding taxes on distributions or other payments (such as interest or royalties). Such adverse developments could affect movements of capital between entities in the Athora Group (including on distributions to Athora), as well as flows to the Athora Group from underlying investments. If this were to happen, it is unlikely that the relevant the Athora Group recipient would be entitled to receive full tax credits in respect of any applicable withholding taxes, in all cases.

The Athora Group may become subject to withholding taxes, fines or other penalties if it fails to comply with applicable tax reporting regimes

The Athora Group is subject to a variety of tax reporting regimes, including the Foreign Account Tax Compliance Act (FATCA), the “Common Reporting Standard” and “DAC 6” (which provides for mandatory disclosure of relevant cross-border transactions and arrangements which satisfy certain hallmarks). The Athora Group intends to comply with the obligations imposed under such tax reporting regimes as necessary to avoid being subject to any withholding taxes, fines or other penalties thereunder. However, such regimes are complex and may require that the Athora Group obtain and report identifying and other information regarding its shareholders, policyholders, counterparties, other persons or transactions that the Athora Group may not be able to timely obtain (if at all). Further, the Athora Group may acquire entities that have not historically complied with all the requirements of such regimes, and the Athora Group may not be able to identify or reconcile any such noncompliance without significant costs, if at all. The Athora Group may become subject to material withholding taxes, fines or other penalties if it is unable to fully comply with all applicable tax reporting regimes. The Athora Group may also incur costs in complying with such regimes. In addition, on 22 December 2021, the EU published the ATAD III designed to impose new minimum substance rules to prevent the misuse of shell entities for improper tax purposes. ATAD III proposes to introduce reporting requirements for certain EU tax resident companies with mobile and/or passive income (such as interest, dividends and royalty income) that have inadequate economic substance (as prescribed under ATAD III). If an entity fails to meet these substance requirements, it will be denied benefits under double tax treaties and various EU directives. As currently drafted, EU Member States will need to implement the proposed measures, once adopted, by 1 January 2024. ATAD III is currently in draft form and is subject to public consultation. The details of these rules are therefore subject to change and to the specifics of further domestic implementation by individual EU Member States.

Litigation, regulatory measures and other proceedings or actions

The number and size of claims, litigation, regulatory measures, investigations, proceedings and other adversarial events (including, without limitation, class actions) against financial institutions are increasing. These legal risks could potentially involve, but are not limited to, disputes concerning the products and services of the Athora Group and its position as principal, issuer of securities or otherwise.

Increasingly, financial institutions are held liable by customers for actions of intermediaries even if there has been little to no control over the actions of such intermediaries. Also, the Athora Group is increasingly exposed to collective claims (with or without merit) from groups of customers or consumer organisations seeking damages for an unspecified or indeterminate amount or involving novel legal claims. These risks are often difficult to assess or to quantify and their existence and magnitude often remain unknown for substantial periods of time. It is inherently difficult to predict the outcome of many of the pending or future claims, regulatory proceedings and other adversarial proceedings involving the Athora Group. General changes in legislation (including, without limitation, to further facilitate class actions) may affect the Athora Group adversely. Furthermore, changes to customer protection laws and regulations or to the interpretation and perception by both the public at large and

governmental and supervisory authorities of acceptable market practices, may influence client expectations as well as the interpretation of contract terms. Such changes may relate to the requirements of the duty of care of insurers during the lifecycle of insurance and pension products, such as specifications of annual reports to customers and any future demands of legislators and/or regulators to provide special, occasional information. Consequently, such changes may result in products not meeting client expectations and, consequently, clients making claims against the Athora Group. Furthermore, such changes may result in clients, governmental authorities and courts interpreting contract terms differently than anticipated at the time such contract terms were determined. This risk arises particularly in respect of products with a long duration, which by nature may be subject to contract terms that have been determined without anticipating changes to customer protection regulations or to the interpretation and perception of acceptable market practices that may have occurred since. The costs to defend future actions may be significant. There may also be reputational damage and/or adverse publicity associated with litigation that could decrease customer acceptance of the Athora Group's products and services, regardless of whether the allegations are valid or whether the Athora Group is ultimately found liable (see also "*The Athora Group is exposed to the risk of damage to its reputation*").

As a result, litigation may adversely affect the Athora Group's business, revenues, results, financial condition and prospects. Current and future subsequent legal proceedings could have a substantial financial and reputational impact. However, it is not possible to make reliable estimates of the expected number of proceedings, possible future precedents or the financial and/or reputational impact of current and possible future proceedings. The political, regulatory and public focus on investment-linked insurances remains. See also "*The Athora Group is exposed to (litigation) risks related to the offering of investment insurance policies and investment pension policies*".

The Athora Group is exposed to (litigation) risks related to the offering of investment insurance policies and investment pension policies

The Athora Group has diverse portfolios of insurance liabilities which consist of a variety of products with distinct characteristics and different versions of contractual documentation, also as a result of several mergers and acquisitions in the past. This includes investment insurance, investment pension and profit sharing policies.

In the Netherlands, reviews of investment-linked products by the Netherlands Authority for the Financial Markets and the Ombudsman of the Financial Services Complaints Institute (**KiFiD**) led to the Athora Group's subsidiary SRLEV entering into a general agreement with several organisations representing policyholders on 24 March 2009, which was followed up by a settlement agreement dated 15 November 2010 for the benefit of policy holders. These agreements with the organisations are not binding on policyholders. Consequently, neither the implementation of the compensation schemes nor the various additional measures offered by SRLEV prevent individual policyholders from initiating legal proceedings against SRLEV and making claims for damages.

A number of policyholders – some of which are represented by consumer organisations – have pursued, and in some cases are still pursuing, claims, which in some cases have led to legal proceedings. Although the number of cases in which insurers are ordered to pay damages is limited, SRLEV still receives new claims and new legal proceedings are still initiated, mostly before the complaints committee of KiFiD. SRLEV still, on a regular basis, receives letters interrupting time limits from claim organisations. It is possible that such letters will, over time, be followed by substantiated collective claims.

Any future rulings in legal proceedings concerning investment-linked insurances and also any further regulatory initiatives, may substantially affect the financial position and reputation of the Athora Group. This, in turn, may negatively affect the Athora Group's business, revenues, results, financial condition and prospects, since SRLEV is one of the Athora Group's main operating companies.

There has been for some time, and there continues to be, political, regulatory and public attention focused on the unit-linked issue in general. Elements of unit-linked policies are being challenged or may be challenged on multiple legal grounds in current and future legal proceedings. There is a risk that one or more of those legal

challenges will succeed, which could have a material adverse effect on the Athora Group's business, results, financial condition and prospects.

The Athora Group is subject to stringent data privacy laws and may therefore be exposed to increased compliance costs and to data and security breaches

The Athora Group is subject to complex and evolving European, and local laws and regulations regarding the collection, retention, sharing and protection of data which the Athora Group receives from, and which concerns, customers, as well as its personnel and third parties it deals with. Regulators are active in establishing standards and the court decisions interpreting these standards result in an operational environment that is subject to change.

The Athora Group makes use of data (e.g., to design and price its products) that may give rise to the risk of non-compliance under data protection frameworks. The Athora Group uses third party service providers to process personal data in jurisdictions that may not offer a similar level of data protection and as such may be subject to an increased risk of non-compliance with data protection legislation as regulators or courts make decisions on adequacy. Security breaches may lead to unlawful use of personal data for which the Athora Group is responsible, as well as notification obligations towards financial and other supervision bodies (e.g., data protection authorities) or affected individuals, any of which may damage the Athora Group's reputation and result in claims from individuals. For a more detailed description of cyber security please refer to: *The Athora Group relies heavily on information technology, communication systems and/or internal controls and there is a risk that these do not function properly.*

The General Data Protection Regulation (**GDPR**) entered into force on 25 May 2018 and applies across the EU. The GDPR imposes stringent data protection obligations. The GDPR sets forth sanctions for data protection compliance violations depending on the type of violation.

The Athora Group has to maintain an internal register recording all security breaches experienced by the Athora Group and its third party service providers. Under the GDPR, data controllers must notify most serious data breaches to the applicable data protection authority within 72 hours after becoming aware of them; in some cases, the data subjects must also be informed.

The European Commission is developing a Digital Single Market strategy to foster innovation, create common standards, and foster privacy protection across the EU. Changes in the regulatory environment may prove operationally challenging for the Athora Group and third party service providers that the Athora Group may rely upon.

A failure to comply with privacy laws and regulations or data protection policies may lead to significant fines and may undermine the Athora Group's reputation and may have a material adverse effect on the Athora Group's business, revenues, results, financial condition and prospects.

Risks relating to the impact of the Dutch Intervention Act and the Dutch Act on Recovery and Resolution of Insurance Companies on Athora's subsidiary Athora Netherlands as well as any other future legislation resulting from EIOPA opinions or initiatives which may impact the Athora Group

In relation to Athora Netherlands and its subsidiaries, the Dutch Financial Supervision Act (*Wet op het financieel toezicht*) (**DFSA**), gives DNB and the Dutch Minister of Finance far-reaching powers to deal with ailing Dutch insurance companies prior to insolvency.

The Dutch Intervention Act, which is embedded in the DFSA, empowers the Dutch Minister of Finance (a) to commence proceedings leading to ownership by the Dutch State (nationalisation) of an insurance company, or its parent company, and expropriation of assets and liabilities, claims against it and/or securities, and (b) to take immediate measures which may deviate from statutory provisions or from the articles of association of the relevant company, in each case if the company has its corporate seat in the Netherlands, if in the opinion of the Minister

of Finance the stability of the financial system is in serious and immediate danger as a result of the situation in which the relevant company finds itself.

On 1 January 2019, the Dutch Act on Recovery and Resolution of Insurance Companies (*Wet herstel en afwikkeling verzekeraars*) (**IRRA**) entered into force. The IRRA is also embedded in the DFSA. With the IRRA, the legislative framework for the recovery and resolution of insurers was strengthened and a new recovery and resolution framework was introduced under which certain obligations are imposed on insurers and certain resolution powers are conferred on DNB. The new recovery and resolution framework applies to, among others, all insurers who are subject to DNB's prudential supervision.

The IRRA distinguishes two phases: the preparation phase and the resolution phase. During the preparation phase, each insurer is required to draw up a preparatory crisis plan and DNB is required to draw up (and periodically evaluate) a resolution plan for each insurer. During the resolution phase, DNB has several recovery and resolution tools. The resolution tools include the bail-in tool, the sale of business tool, the bridge institution tool and the asset separation tool. The bail-in tool comprises a general power for DNB to write down the claims of unsecured creditors of a failing insurer or to convert unsecured debt claims into equity. In addition to the above mentioned resolution tools and corresponding powers, the IRRA gives DNB special powers to take actions such as: (i) taking over the management of an insurer under resolution, (ii) appointing a special director to take over the insurer's management, (iii) converting the insurer into a different legal form if this is necessary to apply bail-in, and (iv) terminating or modifying the terms of an agreement to which the insurer is a party. The application of any measures described above may have a material adverse effect on Athora Netherlands and its subsidiaries and therefore the Athora Group as a whole including its business, financial position and results of operations.

EIOPA has in public opinions and consultations called for the establishment of a minimum harmonised and comprehensive framework in the area of recovery and resolution of insurers and reinsurers. However, as the date of this Offering Memorandum it is unclear whether and in what form such a European-wide framework will come into effect and how it may affect Athora Netherlands and its subsidiaries, Athora's other European subsidiaries as well as the Athora Group as a whole.

On 22 September 2021, the European Commission published a proposal for a directive on the recovery and resolution of insurance undertakings (proposal for a Directive of the European Parliament and of the Council establishing a framework for the recovery and resolution of insurance and reinsurance undertakings and amending Directives 2002/47/EC, 2004/25/EC, 2009/138/EC, (EU) 2017/1132 and Regulations (EU) No 1094/2010 and (EU) No 648/2012) (the **IRRD**). On 20 December 2022, the European Commission agreed a negotiating mandate for IRRD with the intention of commencing negotiations with the European Parliament in 2023 in view of finding an agreement on the final text. If adopted, the IRRD would require member states to implement preventative measures to minimise the potential for insurance undertakings requiring public/national/supranational financial support. Resolution tools are also envisaged in the IRRD which would allow resolution authorities to write down or convert certain liabilities (generally, in reverse order of their ranking in liquidation) into equity capital instruments. The IRRD resolution measures are similar to those under the IRRA and could have a material adverse effect on the Athora Group's European subsidiaries and therefore the Athora Group as a whole, if, for example, Athora is forced to write-down the interests (debt and equity) it has in its European subsidiaries as a result of certain IRRD resolution measures are invoked.

Additional requirements for operating subsidiaries to repay capital or to pay out distributions from reserves

In many of the Athora Group's operating subsidiaries, there is a requirement to receive local regulatory approval or non-objection in the event of a distribution or action that would result in a reduction of own funds i.e., share repurchases or subordinated debt redemptions. Local regulatory approval is unlikely to be forthcoming if, following the reduction in own funds, the applicable capital requirement and the internal capital management policy and other risk requirements are not satisfied. Athora is a holding company and is dependent on loans, dividends and other payments from its operating subsidiaries to generate the funds necessary to meet its financial obligations, including the potential payment of dividends and payment of principal and interest on the Notes.

Therefore, any such limitation on pay out of distributions by its operating subsidiaries will impact Athora's ability to fulfil its obligations under the Notes.

Risks relating to the EBS, Solvency II or higher solvency levels imposed by regulatory authorities

The Athora Group is an insurance group supervised by the BMA. It is therefore subject to rules issued by the BMA which impose minimum solvency and capital requirements. The BMA has embedded an EBS framework as part of the Athora Group Bermuda Solvency Capital Requirements (**BSCR**), which is a risk-based capital model used to measure risk and determine appropriate levels of capitalisation. Bermuda's enhanced commercial (re)insurance and insurance group regime was granted Solvency II equivalence effective from 1 January 2016. In 2022, EIOPA finalised an equivalence monitoring exercise in Bermuda, which aimed at assessing if the supervisory implementation of the equivalent regime ensured the same outcome from a policyholder protection perspective with regards to the protection provided under Solvency II. Equivalence was retained following this EIOPA exercise. This means that EEA supervisors will continue to be entitled to rely on group supervision applied by the BMA to the Athora Group and its insurance subsidiaries under Bermuda insurance regulation. If the abovementioned equivalence is revoked or discontinued it could materially and adversely impact the Athora Group's businesses, operations, financial conditions, liquidity and cash flows.

The Athora Group's European subsidiaries are subject to solvency capital requirements (**SCR**) and minimum capitalisation requirements pursuant to Solvency II. Solvency II introduced risk-based solvency requirements across all Member States of the EU and a "total balance sheet" type regime where insurers' material risks and their interactions are considered.

Under Solvency II, insurers are required to hold own funds equal to or in excess of their SCR. Solvency II categorises own funds into three tiers with differing qualifications as eligible available regulatory capital. Under Solvency II, own funds use IFRS balance sheet items where these are at fair value and replace other balance sheet items using market consistent valuations. The determination of the technical provisions is, on the one hand, based on "hedgeable" risks that can effectively be covered in the financial markets (valued at the market value of these financial instruments) and, on the other hand, "non-hedgeable" risks (valuation of which is based on a "best estimate" plus a risk margin). The SCR is a risk-based capital requirement which is determined using either the 'standard formula' (set out in European Regulation (EU) No 2015/35), or, where approved by the relevant supervisory authority, an (partial) internal model. The Athora Group uses the 'standard formula' for its Solvency II subsidiaries.

While the aim of Solvency II is to introduce a harmonised, risk-based approach to solvency capital, there is a risk of differences in interpretation and a risk of failure by supervisory authorities to align Solvency II approaches across Europe (or with Bermuda), resulting in an unequal competitive landscape. This risk may be exacerbated by discretionary powers afforded to supervisory authorities in Member States and/or Bermuda. This could lead to inconsistencies in the application of Solvency II across the Athora Group. Additionally, certain of the Athora Group's competitors may benefit from such failures or discretionary powers, placing the Athora Group at a competitive disadvantage.

The Athora Group's and/or its regulated subsidiaries' capital ratios and/or regulatory capital amounts may increase or decrease depending on a variety of factors, most of which are outside of the Athora Group's control, including, but not limited to changes to the BSCR, SCR or target capital level formulas and interpretations of regulators' instructions with respect to these calculation methodologies, increases in required capital resulting from regulatory capital add-ons, decreases in capital resources due to regulators changing their views on capital fungibility, changes to solvency regimes and interpretations, and regulatory changes in the jurisdictions of the Athora Group's regulated subsidiaries.

If the Athora Group's or any regulated subsidiary's solvency or capital ratios reach certain minimum levels, it could be subject to examination or corrective action imposed by its insurance regulators, including supervision by regulators, seizure or liquidation (including transfer of the insurance undertaking or the relevant affected portfolio

to the statutory protection regime), each of which could materially and adversely affect the Athora Group's business, financial condition, result of operations, cash flow and prospects.

Both the EBS and Solvency II regimes have already been subject to review and amendments and will likely be further amended in the future, three ongoing reviews in particular are of note in addition to a potential new additional set of rules through application of the IAIS common framework (**ComFrame**) to the Athora Group.

Firstly, related to Solvency II, EIOPA in 2020 commenced a review of the Solvency II Directive (2020 Solvency II review). On 22 September 2021, the European Commission published its draft proposal on the 2020 Solvency II review. The proposal will be discussed in the European Council and European Parliament over the coming years. The resulting legislation is currently expected to be implemented at the earliest in 2024. Given the uncertainty regarding the final implementation, it is currently not possible to accurately determine the impact that will result from the 2020 Solvency II review and what impact this could have on the Athora Group. Solvency II also remains subject to regular reviews, changes and amended best practices which could have an impact on the Athora Group, of particular note are the ongoing or expected "Loss Absorbing Capacity of Deferred Taxes" (**LAC-DT**) reviews in the Netherlands and Germany and ongoing discussions in Germany on Deferred Tax Assets (**DTAs**). The LAC-DT allows an insurance company to reduce its Solvency II capital requirement taking in to account future DTAs whilst current DTAs can be counted to a limited degree as Solvency II Own Funds. A reduction in LAC-DT would result in a higher Solvency II capital requirement whilst a reduction in eligible current DTAs would result in lower Solvency II Own Funds. Both individually or collectively would result in a lower Solvency II ratio.

Secondly, in 2012, IAIS released a working draft on the ComFrame for the Supervision of "Internationally Active Insurance Groups" (**IAIGs**) on "Insurance core principles". ComFrame has several objectives, including to develop methods of operating group-wide supervision of IAIGs; to establish a comprehensive framework for supervisors to address group-wide activities and risks; and to foster global convergence. In 2014, the IAIS commenced a public consultation on the development of a risk-based global "Insurance Capital Standard" (**ICS**), which followed the announcement of the ICS as a component of ComFrame for IAIGs in 2013. In 2018, IAIS separately consulted new versions of ComFrame and ICS. These were subsequently adopted in 2019. A 5-year monitoring period started in January 2020 in which feedback to the IAIS on the ICS design and performance will be given by the supervisors. The future impact on the Athora Group, which is considered by the BMA to be an IAIG as referred to in the ComFrame, is uncertain. Athora may be subject to increased stress testing, incremental capital requirements, and participation in various information gathering exercises. Although currently not expected to be a binding constraint, the quantitative impacts of being designated an IAIG may lead Athora to have to change its business plan to meet these IAIG requirements. Higher costs to manage this further regulatory basis may increase Athora's expense base. Given the requirements for IAIG designation, the Athora Group is likely to be designated an IAIG.

Finally, on 24 February 2023, the BMA issued a Consultation Paper entitled "*Proposed Enhancements to the Regulatory Regime and Fees for Commercial Insurers*" (the **Consultation Paper**). The Consultation Paper outlines proposed changes to the BMA's regulatory regime, which comprise changes to the Scenario Based Approach in the calculation of technical provisions, including pre-approval requirements for its use, changes to the BSCR calculation approach, which will align notably the evaluation of lapse risk capital and expense risk capital more closely with Solvency II, and other changes. The revised regulation will come into force in 2024 with limited grandfathering and transitional rules applicable. Implementation of the regulatory enhancements specified in the Consultation Paper could lead to higher capital requirements, lower eligible capital and higher costs to the Athora Group, and may have a material adverse effect on the Athora Group's business, revenues, results, financial condition and prospects and its ability to redeem the Notes at their scheduled maturity.

Given the possibility of further changes to any of the above regimes, their effects on the Athora Group's business, solvency margins and capital requirements are uncertain but could be material.

Risk and impact of recent and ongoing financial regulatory reform initiatives

Because the Athora Group operates in a highly regulated industry, changes in laws, regulations, regulatory standards and policies that govern its activities could have an effect on its business, operations and its net profits. Legislators and supervisory authorities, predominantly in Europe and in the United States but also elsewhere, have been and are still introducing and implementing a wide range of regulatory proposals that may result in changes to the way the Athora Group's global operations are regulated and could have material adverse consequences for its business, business model, revenues, financial condition, results, reputation and prospects. The Athora Group may also be materially and adversely affected by changes in the interpretation of existing rules, for example as a result of court judgments, or of developing or changing views of regulators, tax authorities and other authorities or industry bodies on the application of rules. Changes in law and regulation also affect Athora's business operations, revenues, results, financial condition and prospects.

Notable regulatory and other legislative initiatives include, but are not limited to:

- **EMIR.** Regulation (EU) No 648/2012 of the European Parliament and of the Council of 4 July 2012 on over-the-counter (**OTC**) derivatives, central counterparties and trade repositories (**EMIR**) has introduced new requirements to improve transparency and reduce the risks associated with the derivatives market. Many of these requirements have already entered into force. As a result, certain parties that enter into derivative contracts must report certain information on these contracts and their counterparties to a trade repository, apply risk mitigating techniques (including portfolio compression, marked-to-market valuation, and margining, if applicable) for all OTC derivative trades that are not cleared by a central counterparty, and clear OTC derivatives that are subject to a central clearing obligation set forth in EMIR through a central counterparty.
- **Benchmark Regulation.** On 29 June 2016, Regulation (EU) No. 2016/1011 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds (**Benchmark Regulation**) was published in the official journal and has applied from 1 January 2018. The Benchmark Regulation aims to contribute to the accuracy and integrity of benchmarks used in financial instruments and financial contracts or to measure the performance of investment funds by, among others, (i) ensuring that benchmark administrators are subject to prior authorisation and supervision depending on the type of benchmark, requiring greater transparency on how a benchmark is produced, (ii) ensuring the appropriate supervision of critical benchmarks, such as the London Inter-Bank Offered Rate (**LIBOR**) and/or the Euro Interbank Offered Rate (**EURIBOR**), the failure of which might create risks for market participants and for the functioning and integrity of markets, and (iii) requiring EU supervised entities to only use benchmarks of administrators that are duly authorised and/or registered. As a user of benchmarks for, amongst others, the debt securities it issues, the Issuer may only use benchmarks which are in compliance with the Benchmark Regulation.
- **Insurance Distribution Directive.** On 3 July 2012, the EC published proposals for a revision of the Insurance Mediation Directive (**IMD**), later renamed the Insurance Distribution Directive (**IDD**). On 23 February 2016, the IDD entered into force and as of 23 February 2018, the IDD is applicable in all EU member states. The IDD recasts and repeals the IMD. Pursuant to the IDD, customer protection is extended to all distribution channels. Insurers carrying out direct sales will be required to comply with information and disclosure requirements and certain conduct of business rules, including a general obligation to act honestly, fairly and professionally in accordance with customers' best interests. Furthermore, if insurance products are offered in a package with another product or service which is not considered to be an insurance under the IDD, customers will have the choice to buy the (main) product or service separately, without the insurance product. The IDD also imposes additional requirements for transparency and product governance in respect of insurance products on insurers. In addition, the IDD sets out stricter requirements for the sale of life insurance products. This may affect the Athora Group's distribution channels and, directly or indirectly, the Athora Group itself.

Escalation or prolongation of Russian invasion of Ukraine

As a result of the invasion by Russia of Ukraine, many countries imposed new sanctions, which have affected the Russian economy and other economies, including those that have provided or are continuing to provide, humanitarian and military aid to Ukraine. Numerous companies withdrew their products and services from Russia and Belarus, and Russian state-funded media were banned from broadcasting and removed from online platforms. The conflict entails a number of risks for the Athora Group, including but not limited to:

- the risk that Athora does not adhere to its “gatekeeper function”. This entails the correct screening against applicable sanctions lists and perform (enhanced) customer due diligence;
- increasing cyber risk, which was already elevated before the conflict started e.g., due to increased flexible working arrangements. A cyber-attack could disrupt the operations of the Athora Group;
- market risks (especially interest rate risk, spread risk and inflation risk given the Athora Group does not have significant direct investment exposure to the currently affected geographies); and
- if the conflict widens to other countries the Athora Group could face default risk on assets or businesses that are exposed to these countries.

Athora is actively monitoring and mitigating the above mentioned risks but developments are unpredictable and, especially if the conflict escalates or spreads to other areas, it could have a material adverse effect on the Athora’s business, revenue, results, financial condition and prospects.

Major public health issues, such as Covid-19 and emergence of new diseases/strains

While many of the restrictive measures around personal activity have been eased in the jurisdictions Athora is present in, new, more severe strains of Covid-19 could emerge forcing Athora to once again invoke its contingency plans for remote working. In such an event, this may increase the risk of cyber-attacks as well as the risk of operational losses arising from sources such as pricing errors, claims processing errors and fraudulent claims. In addition, such an outbreak of the virus or its corresponding contingency measures could result in reduced personnel availability which could in turn adversely impact the quality and continuity of service to customers and the business and reputation of the Athora Group.

Though support measures have mitigated direct impacts, future outbreaks of Covid-19 or other diseases could again materially affect macroeconomic conditions in an adverse way and may lead to economic downturns in the areas in which Athora operates and the global economy more widely as well as declines in financial markets and in the value of investments (which could in each case be widespread, severe and long-lasting). This could lead to lower investment income. The volatility of financial markets may lead to Athora having lower future solvency.

All the above factors could, individually or taken together, materially and adversely impact the business, results of operations and financial condition of the Athora Group.

Risks Related to the Notes

Risks relating to the structure of the Notes

The Notes are senior obligations of the Issuer and not of its operating subsidiaries and will be structurally subordinated to the claims of the operating subsidiaries’ creditors

The Notes will represent senior, unsecured, general obligations of the Issuer and will rank equally with all of the Issuer’s other present and future unsecured unsubordinated indebtedness. If at any time an order is made, or an effective resolution is passed, for the winding up, dissolution or liquidation of the Issuer (except, in any case, a solvent winding up solely for the purpose of a reconstruction or amalgamation or the substitution in place of the

Issuer of a successor in business of the Issuer, the terms of which reconstruction, amalgamation or substitution have previously been approved in writing by holders representing not less than 75 per cent. in aggregate number of the Notes then outstanding and do not provide that the Notes or any amount in respect thereof shall thereby become payable) (a **Winding Up**), the rights and claims of the holders of the Notes against the Issuer in respect of or arising under the Notes (including any damages awarded for breach of any obligations thereunder) will be contractually subordinated to all claims of present and future creditors who are policyholders of the Issuer's subsidiaries that are registered as insurance companies (and, for the avoidance of doubt, the claims of creditors who are policyholders shall include all amounts to which any such policyholder would be entitled in its capacity as policyholder under any applicable legislation or rules related to a winding up of insurance companies to reflect any right to receive, or expectation of receiving, policyholder benefits which policyholders may have), to the minimum extent necessary under the Applicable Regulations so as to permit the Notes to qualify as Tier 3 Capital of the Athora Group.

The Issuer is a holding company and, accordingly, it conducts substantially all of its operations through its subsidiaries. The subsidiaries of the Issuer are separate and distinct legal entities and have no obligation to pay any amounts due on the Notes or to provide the Issuer with funds for its payment obligations, whether by dividends, distributions, loans or any other such payments. In addition to being limited by the financial condition and operating requirements of such subsidiaries, any payment of dividends or distributions or repayment loans or advances by the Issuer's subsidiaries to the Issuer could be subject to statutory or contractual restrictions. Moreover, since certain of the Issuer's subsidiaries are insurance companies, their ability to pay dividends to the Issuer is subject to regulatory limitations, (see "*Athora is a holding company with no material direct operations of its own and relies on its current liquidity and future liquidity from its subsidiaries, financing providers and shareholders amongst others to provide it with the resources to meet its financial obligations*" above).

The rights of the Issuer to receive any assets of any of its subsidiaries upon liquidation or reorganization of such subsidiaries, and the claims of the holders of the Notes in respect of any amounts outstanding pursuant to the Notes, will be structurally subordinated to the claims of the above-mentioned subsidiary's creditors, including amounts owed to holders of reinsurance and insurance policies and other creditors of such subsidiaries.

Furthermore, subject to applicable law, no holder of the Notes shall be entitled to, and no such holder shall, exercise, claim or plead any right of set-off, counterclaim, abatement, compensation, retention or other similar remedy that such holder might otherwise have under applicable law against any member of the Athora Group in respect of any amount owed to it by any member of the Athora Group arising under or in connection with the Notes whether prior to or in a Winding Up. Therefore, there is a risk that an investor in the Notes will lose all or some of its investment should the Issuer become insolvent, be dissolved or liquidated.

Early redemption risk

Subject to the conditions to redemption and/or purchase, as further described below in "*Redemption and/or purchase of the Notes is subject to certain conditions*" and in *Terms and Conditions of the Notes—(Redemption and Purchase)*, the Issuer may redeem the Notes in whole, but not in part, at their principal amount, together with all interest accrued to the date fixed for redemption, at any time in the period from (and including) the First Optional Redemption Date to (but excluding) the Maturity Date.

The Issuer may also, at its option (A) redeem the Notes in whole, but not in part, (i) upon the occurrence of a Tax Event or a Regulatory Event at any time at their principal amount plus any accrued interest to the date fixed for redemption (as further described below in "*Optional early redemption, exchange or variation of the Notes for taxation or regulatory reasons*"), (ii) upon exercise of its Make-whole Redemption option at any time at the Make-whole Redemption Amount or (iii) if 80% (eighty per cent.) or more of the Notes originally issued (including any further issues pursuant to Condition 12 (*Further Issues*)) have been purchased and cancelled at the time of such election (the **Clean-up Call Option**) at their principal amount plus any accrued interest to the date fixed for redemption, in each case subject to the conditions to redemption and/or purchase, as further described below in "*Redemption and/or purchase of the Notes is subject to certain conditions*" and in *—(Redemption and Purchase)*.

The option for the Issuer to redeem the Notes may affect their market value. From the date from which the Notes may be redeemed at the option of the Issuer, the market value of the Notes generally will not rise substantially above the price at which they can be redeemed. This may also be true prior to such date.

Optional early redemption, exchange or variation of the Notes for taxation or regulatory reasons

If at any time the Issuer determines that a Tax Event or a Regulatory Event has occurred with respect to the Notes on or after the Specified Date and is continuing, the Issuer may, subject to the conditions to redemption and/or purchase, as further described below in “*Redemption and/or purchase of the Notes is subject to certain conditions*” and in – (*Redemption and Purchase*), redeem the Notes in whole, but not in part, at any time at their principal amount plus any accrued interest to the date fixed for redemption. In addition, the Issuer shall have the right to exchange or vary the Notes, subject (among other things) to such Exchanged Notes or Varied Notes qualifying as Qualifying Securities, which among other things entails that they have terms that are not materially less favourable to the Noteholders, so that after such exchange or variation a Tax Event no longer exists or, as applicable, so that after such exchange or variation the aggregate principal amount of the Exchanged Notes or Varied Notes (as the case may be) is treated under the Applicable Regulations as at least Tier 3 Capital of the Issuer or the Athora Group.

A **Tax Event** shall be deemed to have occurred with respect to the Notes if as a result of:

- (i) any amendment to, clarification of, or change, including any announced prospective change, in Applicable Law or any regulations under those laws or treaties;
- (ii) with respect to the Relevant Jurisdiction, any judicial decision or any official administrative pronouncement, ruling, regulatory procedure, notice or announcement including any notice or announcement of intent to issue or adopt any administrative pronouncement, ruling, regulatory procedure or regulation; or
- (iii) any amendment to, clarification of, or change in the official position or the interpretation of any administrative action or judicial decision or any interpretation or pronouncement that provides for a position with respect to an administrative action or judicial decision that differs from the previously generally accepted position, in each case by any legislative body, court, governmental authority or regulatory body in the Relevant Jurisdiction, regardless of the manner in which that amendment, clarification or change is introduced or made known,

which amendment, clarification or change is effective or the administrative action is taken or judicial decision, interpretation or pronouncement is issued after the Specified Date, either:

- (A) interest payable by the Issuer in respect of the Notes is no longer, or will within 90 days after giving notice of redemption pursuant to Condition 4.4 (*Optional Early Redemption for Taxation Reasons*), no longer be, fully deductible by the Issuer for tax purposes in the Relevant Jurisdiction (to the extent that the Issuer was subject to taxation at the time of such Tax Event (and remains so subject) and such interest was so deductible immediately prior to such Tax Event); or
- (B) in making payments on the Notes, the Issuer has paid or will or would on the next payment date be required to pay Additional Amounts,

and, in either case, the Issuer cannot avoid the foregoing by taking such reasonable measures as it (acting in good faith) deems appropriate.

Prior to giving the above-mentioned notice of redemption for taxation reasons, the Issuer shall deliver to the Fiscal Agent an opinion (obtained at the expense of the Issuer) of a recognised independent tax counsel stating that the relevant requirement or circumstance set out in paragraph (A) or (B) above applies same.

A **Regulatory Event** means that, on or after the Specified Date, (i) the Issuer and/or the Athora Group is subject to regulatory supervision by the Relevant Supervisory Authority and (ii) as a result of any replacement of or change to the Applicable Regulations (or change to the interpretation thereof by any court, the Relevant Supervisory Authority or any other authority entitled to do so) at any time whilst any of the Notes are outstanding the whole or any part of the proceeds of such Notes can no longer be treated as Tier 3 Capital of the Issuer or the Athora Group, whether on a solo, group or consolidated basis (in each case, as applicable), except where such non-qualification is only as a result of any applicable limitation on the amount of such capital.

Any redemption of Notes following the occurrence of a Tax Event or Regulatory Event is subject to the conditions to redemption and/or purchase, as further described below in “*Redemption and/or purchase of the Notes is subject to certain conditions*” and in Condition 4 (*Redemption and Purchase*).

Redemption and/or purchase of the Notes is subject to certain conditions

Any redemption or purchase of the Notes is prohibited if a Capital Adequacy Event has occurred on the redemption date or purchase date or such redemption or purchase would itself cause a Capital Adequacy Event to occur. The occurrence of such condition in respect of the Issuer shall constitute a Mandatory Redemption Deferral Event, except if the Notes to be redeemed or purchased are immediately or have been previously replaced with instruments of equal or higher quality capital than the Notes under the Applicable Regulations. In the event of a Mandatory Redemption Deferral Event, interest on the Notes will continue to accrue and be paid on each Interest Payment Date until the first date on which final payment on the Notes may be made, at which time the Notes will become due and payable, and will be finally repaid at the principal amount of the Notes, together with any accrued and unpaid interest. Any such deferral will not constitute a default by the Issuer under the Notes or for any other purpose and will not give the Noteholders any remedies or rights to accelerate any payments on the Notes or take any other action under the Notes.

Furthermore, in the case of a redemption of the Notes upon the occurrence of a Tax Event or a Regulatory Event or upon exercise of the Make-whole Redemption or the Clean-up Call Option or a purchase of the Notes, in each case that is within three years from the Specified Date, such redemption or purchase shall be only take place with Prior Approval of the Relevant Supervisory Authority. See further in – Condition 4 (*Redemption and Purchase*).

Therefore, if the Issuer does not comply with the conditions to redemption or purchase, the Notes will not be redeemed or purchased.

No limitation on issuing or guaranteeing debt ranking pari passu with the Notes

There is no restriction on the amount of debt which the Issuer or its subsidiaries may issue or guarantee. The Issuer and its subsidiaries and affiliates may incur additional indebtedness or grant guarantees in respect of indebtedness of third parties, including indebtedness or guarantees that rank *pari passu* with the obligations under the Notes. If the Issuer’s financial condition was to deteriorate, the Noteholders could suffer direct and materially adverse consequences, including deferral of interest and, if the Issuer were liquidated (whether voluntarily or not), the Noteholders could suffer loss of their entire investment.

Interest rate risk

The interest rate on the Notes is fixed until the date of redemption. Therefore, investment in the Notes involves the risk that if market interest rates subsequently increase above the rate paid on the Notes, this will adversely affect the value of the Notes as an equivalent investment issued at the current market interest rate may be more attractive to investors.

General risks relating to the Notes

Legality of purchase

Neither the Issuer, the Joint Lead Managers nor any of their respective affiliates has or assumes responsibility for the lawfulness of the acquisition of the Notes by a prospective investor, whether under the laws of the jurisdiction of its incorporation or the jurisdiction in which it operates (if different), or for compliance by that prospective investor with any law, regulation or regulatory policy applicable to it.

Modification, waivers and substitution

The Agency Agreement contains provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority. The agreement or approval of the Noteholders shall not be required in the case of any variation or exchange of the Notes pursuant to Condition 4.5 (*Exchange or Variation for Taxation Reasons*), Condition 4.7 (*Exchange or Variation for Regulatory Reasons*) or any consequential amendments to the Agency Agreement required in connection therewith.

Substitution of the Issuer

The Issuer may, without the consent of the Noteholders, substitute in place of the Issuer as principal debtor under the Notes: (i) any subsidiary of the Issuer; (ii) a successor in the business of the Issuer; (iii) a parent company of the Issuer; or (iv) any subsidiary of a parent company of the Issuer, subject to certain conditions set out in the Terms and Conditions of the Notes including, without limitation, that two directors of the Issuer certify that the substitution is not materially prejudicial to the interests of the Noteholders. As a result of a substitution of the Issuer, the Noteholders would be faced with a different issuer than Athora, as principal debtor under the Notes, which could affect the rights and remedies of Noteholders.

Taxation

Potential purchasers and sellers of the Notes should be aware that they may be required to pay taxes or documentary charges or duties in accordance with the laws and practices of the country where the Notes are transferred or other jurisdictions. In some jurisdictions, no official statements of the tax authorities or court decisions may be available for financial instruments such as the Notes. The tax impact on Noteholders generally in Bermuda is summarised in the chapter entitled "*Taxation*"; however, the tax impact on an individual Noteholder may differ from the situation described for Noteholders generally. Potential investors cannot rely upon such tax summary contained in this Offering Memorandum but should ask for their own tax adviser's advice on their individual taxation with respect to the acquisition, holding, sale and redemption of the Notes. Only this adviser is in a position to duly consider the specific situation of the potential investor. This risk factor has to be read in connection with the taxation section of this Offering Memorandum.

The service of process and enforcement of judgments against the Issuer or its directors or officers may be difficult

The Issuer is a Bermuda exempted company and some of its officers and directors are residents of jurisdictions outside the UK or outside a Noteholder's jurisdiction. All or a substantial portion of the Issuer's assets and the assets of those persons may be located outside the UK or outside a Noteholder's jurisdiction. As a result, it may be difficult for Noteholders to effect service of process within the UK or a Noteholder's jurisdiction upon those persons or to recover against the Issuer or those persons on judgments of an English court or a court in a Noteholder's jurisdiction based on provisions of UK or a Noteholder's jurisdiction's securities laws. Judgments for sums of money from the superior courts of the UK may be enforceable in Bermuda by registration of the judgment pursuant to the Judgments (Reciprocal Enforcement) Act 1958. Further, no claim may be brought in Bermuda against the Issuer or its directors and officers for violation of UK securities laws, as such laws do not have force of law in Bermuda. A Bermuda court may, however, impose civil liability on the Issuer or its directors

and officers in a suit brought in the Supreme Court of Bermuda if the facts alleged in the complaint constitute or give rise to a cause of action under Bermuda law.

Change of law and jurisdiction

The Terms and Conditions of the Notes are based on English law in effect as at the date of this Offering Memorandum, except for Condition 2 (*Status of the Notes*) which is based on Bermuda law in effect as at the date of this Offering Memorandum. No assurance can be given as to the impact of any possible judicial decision or change in English law, Bermuda law or administrative practice or in the official application or interpretation of English law or Bermuda law after the date of this Offering Memorandum.

Many of the defined terms in the Conditions depend on the interpretation and implementation of the Applicable Regulations. Further, the Relevant Supervisory Authority may interpret the Applicable Regulations, or exercise discretion accorded to the regulator under the Applicable Regulations in a different manner than expected.

Future regulatory proposals may also impose further restrictions on the Issuer's ability to make payments on the Notes. These issues and other possible issues of interpretation make it difficult to determine whether a Regulatory Event will occur or whether scheduled interest payments will be made on the Notes. This uncertainty and the resulting complexity may adversely impact the trading price and the liquidity of the Notes.

Prospective investors should note that the courts of England shall have jurisdiction in respect of any disputes involving the Notes. Noteholders may take any suit, action or proceedings arising out of or in connection with the Notes against the Issuer in any court of competent jurisdiction. English law or Bermuda law may be materially different from the equivalent law in the home jurisdiction of prospective investors in its application to the Notes.

Credit ratings may not reflect all risks

Fitch is expected to assign a BBB+ rating to the Notes. The credit rating may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

Fitch is expected to assign a BBB+ rating to the Notes. Any credit rating assigned to the Notes may be withdrawn entirely by the relevant rating agency, may be suspended or may be lowered, if, in that rating agency's judgment, circumstances relating to the basis of the rating so warrant. Other rating agencies may also assign a rating to the Notes in the future which may be lower than the rating assigned by Fitch. Fitch or any other rating agency that may assign a rating to the Notes may also change its methodologies for rating securities with features similar to the Notes in the future. If the rating agencies were to change their practices for rating such securities in the future and the ratings of the Notes were to be subsequently lowered, this may have a negative impact on the trading price of the Notes.

Any withdrawal of or decline in the credit ratings of the Notes may affect the market value of the Notes.

An active trading market for the Notes may not develop

There can be no assurance that an active trading market for the Notes will develop, or, if one does develop, that it will be maintained. If an active trading market for the Notes does not develop or is not maintained, the market or trading price and liquidity of the Notes may be adversely affected. The Issuer or any of its subsidiaries is entitled to buy the Notes, which may then be cancelled or caused to be cancelled, and to issue further notes. Such transactions may favourably or adversely affect the price development of the Notes. If additional and competing securities are introduced in the market, this may adversely affect the value of the Notes.

In addition, investors may not be able to sell Notes readily or at prices that will enable investors to realise their anticipated yield. No investor should purchase Notes unless the investor understands and is able to bear the risk

that certain Notes will not be readily sellable, that the value of Notes will fluctuate over time and that such fluctuations will be significant.

The price at which a Noteholder will be able to sell the Notes may be at a discount, which could be substantial, from the issue price or the purchase price paid by such purchaser.

Because the Global Certificate is held by or on behalf of Clearstream, Luxembourg and Euroclear, investors will have to rely on their procedures for transfer, payment and communication with the Issuer

The Notes will be represented by the Global Certificate upon issue. The Global Certificate will be registered in the name of a nominee for the common depository for Euroclear and Clearstream, Luxembourg. Except in certain limited circumstances described in the Global Certificate, investors will not be entitled to receive Notes in definitive form. Euroclear and Clearstream, Luxembourg will maintain records of the beneficial interests in the Global Certificate. While the Notes are represented by the Global Certificate, investors will be able to trade their beneficial interests only through Euroclear and Clearstream, Luxembourg.

The Issuer will discharge its payment obligations under the Notes by making payments to the common depository for Euroclear and Clearstream, Luxembourg for distribution to their account holders. A holder of a beneficial interest in the Global Certificate must rely on the procedures of Euroclear and Clearstream, Luxembourg to receive payments under the Notes. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Certificate. In addition, the Issuer has no responsibility for the proper performance by Euroclear and Clearstream, Luxembourg or their participants of their obligations under their respective rules and operating procedures.

Integral multiples of less than EUR 100,000

The denomination of the Notes is EUR 100,000 and integral multiples of EUR 1,000 in excess thereof. Therefore, it is possible that the Notes may be traded in amounts in excess of EUR 100,000 that are not integral multiples of EUR 100,000. In such a case, a Noteholder who, as a result of trading such amounts, holds a principal amount of less than EUR 100,000 will not receive a Note in definitive form in respect of such holding (should Notes in definitive form be printed) and would need to purchase a principal amount of Notes such that it holds an amount equal to one or more denominations.

Exchange rate risks and exchange controls

The Issuer will pay principal and interest on the Notes in Euro. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the **Investor's Currency**) other than Euro. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Euro or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Euro would decrease (i) the Investor's Currency-equivalent yield on the Notes, (ii) the Investor's Currency-equivalent value of the principal payable on the Notes and (iii) the Investor's Currency-equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents which have previously been published or are published simultaneously with this Offering Memorandum and have been filed with the Euronext Dublin, shall be deemed to be incorporated in, and to form part of, this Offering Memorandum:

- (a) Athora's publicly available annual report 2021 (the **Annual Report 2021**), pages 32 and 68 to 182 (inclusive), containing the audited consolidated financial statements of the Athora Group (including the notes thereto and the independent auditor's report thereon) in respect of the financial year ended 31 December 2021; and
- (b) Athora's publicly available annual report 2022 (the **Annual Report 2022**), pages 11, 26, 30, 32 and 65 to 171 (inclusive), containing the audited consolidated financial statements of the Athora Group (including the notes thereto and the independent auditor's report thereon) in respect of the financial year ended 31 December 2022.

Those parts of the documents referred to above which are not incorporated by reference are, to the extent that such information is relevant for the investors, covered elsewhere in this Offering Memorandum.

Physical copies of the documents referred to above can be obtained without charge at the office of Athora (First Floor, Swan Building, 26 Victoria Street, Hamilton HM12, Bermuda). Written or oral requests for such documents should be directed to Athora at its office set out at the end of this Offering Memorandum.

KEY FEATURES OF THE NOTES

The following overview refers to certain provisions of the Terms and Conditions and is qualified by the more detailed information contained elsewhere in this Offering Memorandum. Capitalised terms which are defined in the Terms and Conditions have the same meaning when used in this overview. References to numbered Conditions are to the Terms and Conditions as set out under “*Terms and Conditions of the Notes*”.

Issuer:	Athora Holding Ltd.
Issuer’s LEI:	98450059DQ10TFC4B020.
The Notes:	EUR 600,000,000 Senior Fixed Rate Notes due 2028.
Issue Date:	16 June 2023.
Maturity Date:	16 June 2028, subject as further set out below under “ <i>Conditions to Redemption and/or Purchase</i> ” and “ <i>Deferral of Redemption Date</i> ”.
First Optional Redemption Date:	16 March 2028, subject as further set out below under “ <i>Conditions to Redemption and/or Purchase</i> ” and “ <i>Deferral of Redemption Date</i> ”.
Risk Factors:	There are certain factors that may affect Athora’s ability to fulfil its obligations under the Notes. In addition, there are certain factors which are material for the purpose of assessing the market risks associated with the Notes and certain risks relating to the structure of the Notes. These are set out under “ <i>Risk Factors</i> ”.
Status:	The Notes represent senior, unsecured, general obligations of the Issuer and rank equally with all of the Issuer’s other present and future unsecured unsubordinated indebtedness, as further described in Condition 2 (<i>Status of the Notes</i>).
Waiver of set-off etc.:	The Notes are unencumbered and, subject to applicable law, no holder of the Notes shall be entitled to, and no such holder shall, exercise, claim or plead any right of set-off, counterclaim, abatement, compensation, retention or other similar remedy that such holder might otherwise have under applicable law against any member of the Athora Group in respect of any amount owed to it by any member of the Athora Group arising under or in connection with the Notes whether prior to or in a Winding Up. By its holding of any Note and subject to applicable law, each holder will be deemed to have unconditionally and irrevocably waived any such right or remedy.
Interest:	The Notes shall bear interest on their principal amount from (and including) the Issue Date until (but excluding) the Maturity Date, at a fixed rate of 6.625 per cent. per annum, payable annually in arrear on 16 June in each year, commencing on 16 June 2024.

Optional Early Redemption as from First Optional Redemption Date: The Issuer may, subject to having given not less than 15 nor more than 30 days' prior notice to the Fiscal Agent and the Noteholders, redeem the Notes in whole, but not in part, at their principal amount, together with all interest accrued to the date fixed for redemption, at any time in the period from (and including) the First Optional Redemption Date to (but excluding) the Maturity Date.

Optional Early Redemption following a Tax Event: If at any time a Tax Event has occurred with respect to the Notes on or after the Specified Date and is continuing, the Issuer may, subject to having given not less than 30 nor more than 45 days' notice to the Fiscal Agent and the Noteholders, redeem the Notes in whole, but not in part, at any time at their principal amount plus any interest accrued to the date fixed for redemption.

Exchange or Variation for Taxation Reasons: If at any time a Tax Event has occurred with respect to the Notes on or after the Specified Date and is continuing, the Issuer may, instead of redeeming the Notes in the manner described above, without the consent of the Noteholders, (i) exchange all but not some only of the Notes for new notes (the **Exchanged Notes**), or (ii) vary the terms of all but not some only of the Notes (the **Varied Notes**), so that in either case a Tax Event no longer exists.

Any such exchange or variation is subject to certain specified conditions (including the Issuer having given not less than 30 nor more than 45 days' notice to the Fiscal Agent and the Noteholders and in case an exchange or variation occurs within three years from the Specified Date, the Prior Approval of the Relevant Supervisory Authority), and shall be binding on the Noteholders. See Condition 4.5 (*Exchange or Variation for Taxation Reasons*).

Optional Early Redemption for Regulatory Reasons: If at any time, the Issuer determines that a Regulatory Event has occurred with respect to the Notes on or after the Specified Date and is continuing, the Issuer may, subject to having given prior notice to the Fiscal Agent and the Noteholders, redeem the Notes in whole, but not in part, at any time at their principal amount plus any accrued interest (including Arrears of Interest) to the date fixed for redemption.

Regulatory Event means that, on or after the Specified Date, (i) the Issuer and/or the Athora Group is subject to regulatory supervision by the Relevant Supervisory Authority and (ii) as a result of any replacement of or change to the Applicable Regulations (or change to the interpretation thereof by any court, the Relevant Supervisory Authority or any other authority entitled to do so) at any time whilst any of the Notes are outstanding the whole or any part of the proceeds of such Notes can no longer be treated as Tier 3 Capital of the Issuer or the Athora Group, whether on a solo, group or consolidated basis (in each case, as applicable), except where such non-qualification is

only as a result of any applicable limitation on the amount of such capital.

Exchange or Variation for Regulatory Reasons:

If at any time the Issuer determines that a Regulatory Event has occurred with respect to the Notes on or after the Specified Date and is continuing, the Issuer may, instead of redeeming the Notes in the manner described above, without the consent of the Noteholders, (i) exchange all but not some only of the Notes for Exchanged Notes, or (ii) Varied Notes, so that in either case the aggregate principal amount of the Exchanged Notes or Varied Notes (as the case may be) is treated under the Applicable Regulations as at least Tier 3 Capital of the Issuer or the Athora Group.

Any such exchange or variation is subject to certain specified conditions (including the Prior Approval of the Relevant Supervisory Authority), shall be binding on the Noteholders and shall be notified to them as soon as practicable thereafter. See Condition 4.7 (*Exchange or Variation for Regulatory Reasons*).

Optional Make-whole Redemption:

The Issuer may, subject to having given not less than 15 nor more than 30 days' prior notice to the Fiscal Agent and the Noteholders redeem the Notes in whole, but not in part, at any time at the Make-whole Redemption Amount.

Make-whole Redemption Amount means the sum of:

- (i) the greater of (x) the principal amount of the Notes outstanding and (y) the sum of the then present values of the remaining scheduled payments of principal and interest on such Notes to the First Optional Redemption Date (assuming redemption on such date is not deferred), discounted to the relevant Make-whole Redemption Date on an annual basis at the Make-whole Redemption Reference Rate plus the Make-whole Redemption Margin; and
- (ii) any interest accrued but not paid on the Notes to, but excluding, the Make-whole Redemption Date,

as determined by the Quotation Agent.

Clean-up Redemption:

The Issuer may at any time after the Issue Date subject to having given not less than 30 nor more than 45 days' prior notice to the Fiscal Agent and the Noteholders elect to redeem all, but not some only, of the Notes at their principal amount plus any accrued interest to the date fixed for redemption if 80% (eighty per cent.) or more of the Notes originally issued (including any further issues pursuant to Condition 12 (*Further Issues*)) have been purchased and cancelled at the time of such election.

Purchase of Notes by the Issuer:

The Issuer or any of its subsidiaries may at any time purchase Notes in the open market or otherwise at any price. Notes so

purchased by the Issuer or any of its subsidiaries may be held, resold or surrendered for cancellation.

Conditions to Redemption and/or Purchase:

The Notes may not be redeemed or purchased at any time, including on the Maturity Date or pursuant to any of the optional early redemption or purchase provisions referred to above if a Capital Adequacy Event has occurred and is continuing on the relevant redemption date or purchase date or such redemption or purchase would itself cause a Capital Adequacy Event to occur. The occurrence of such condition in respect of the Issuer shall constitute a **Mandatory Redemption Deferral Event**, provided, however, that such occurrence will not constitute a Mandatory Redemption Deferral Event if the Notes to be redeemed or purchased are immediately or have previously been replaced with instruments of equal or higher quality capital than the Notes under the Applicable Regulations.

In the case of a redemption pursuant to Condition 4.3, 4.4, 4.6, or 4.8 or purchase pursuant to Condition 4.9 that is within three years from the Specified Date, such redemption or purchase shall only take place with Prior Approval of the Relevant Supervisory Authority.

In the event that the Notes are not redeemed as a result of a failure to satisfy Condition 4.10, interest on the Notes will continue to accrue and be paid on each Interest Payment Date until the first date on which final payment on the Notes may be made, at which time the Notes will become due and payable, and will be finally repaid at the principal amount of the Notes, together with any accrued and unpaid interest.

Notwithstanding any other provision in the Conditions, the deferral of redemption of the Notes in accordance with Condition 4.10 will not constitute a default by the Issuer under the Notes or for any other purpose and will not give Noteholders any right to accelerate repayment of the Notes or take any other action under the Notes.

Deferral of Redemption Date:

The Fiscal Agent and the Noteholders will be notified if redemption of the Notes shall be deferred as a result of the occurrence and continuation of a Mandatory Redemption Deferral Event.

If redemption of the Notes does not occur on the date specified in any notice of redemption by the Issuer, the Issuer shall redeem such Notes at their principal amount and any accrued and unpaid interest, upon the earliest of:

- (i) the date falling ten (10) Business Days after the date the Mandatory Redemption Deferral Event has ceased (unless on such tenth (10th) Business Day a further Mandatory Redemption Deferral Event has occurred and is continuing); or

- (ii) the date falling ten (10) Business Days after the Relevant Supervisory Authority has agreed to the repayment or redemption of the Notes; or
- (iii) the date on which the liquidation (as described in Condition 8 (*Events of Default*)) of the Issuer occurs.

Events of Default

The Terms and Conditions include certain Events of Default, as set out in Condition 8 (*Events of Default*).

Meetings of Noteholders:

The Terms and Conditions contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority. The agreement or approval of the Noteholders shall not be required in the case of any variation or exchange of the Notes pursuant to Condition 4.5 (*Exchange or Variation for Taxation Reasons*) or any consequential amendments to the Agency Agreement required in connection therewith.

Substitution:

The Issuer may, without the consent of the Noteholders, substitute in place of the Issuer as principal debtor under the notes (i) any subsidiary of the Issuer, (ii) a successor in business of the Issuer, (iii) a parent company of the Issuer or (iv) any subsidiary of a parent company of the Issuer, without consent of the Noteholders, provided that (a) except where the Substitute Issuer is the successor in business of the Issuer, the Notes shall be unconditionally and irrevocably guaranteed by the Issuer, (b) the rights and claims of the Noteholders against the Substitute Issuer or the Issuer under the guarantee referred to in paragraph (a) will be in accordance with the rights and claims of the Noteholders as set out in Condition 2.1, (c) two directors of the Issuer certify that the substitution is not materially prejudicial to the interests of Noteholders, (d) two directors of the Issuer certify that the Issuer is solvent and will remain solvent (e) the Substitute Issuer will be bound by the terms of the Agency Agreement, the Deed of Covenant and the Notes, (f) if the Substitute Issuer is incorporated, domiciled or resident in a territory other than Bermuda, the Substitute Issuer shall give an undertaking or covenant in terms corresponding to Condition 6 in which references to Bermuda in the definition of “Relevant Jurisdiction” shall be substituted with references to such territory, (g) if the Notes had a published rating solicited by the Issuer from one or more Rating Agencies at any time in the period of twelve (12) months prior to the substitution, the Notes shall be assigned an equal or higher published solicited rating immediately after the substitution, (h) if the Notes are listed on the Global Exchange Market of The Irish Stock Exchange plc trading as Euronext Dublin or any other stock exchange or market immediately prior to the substitution, the Notes continue to be listed on the relevant stock exchange or market

immediately after the substitution, (i) such substitution shall not result in any event or circumstance which at or around that time gives the Issuer a redemption right and (j) the Relevant Supervisory Authority has approved, or provided its non-objection to, the substitution (to the extent that such approval or non-objection is required pursuant to the Applicable Regulations). See Condition 13 (*Substitution*).

Listing and Admission to Trading: Application has been made for the Notes to be admitted to the Official List and to trading on the Global Exchange Market of Euronext Dublin.

Governing Law: The Notes and any non-contractual obligations arising out of or in connection with them will be governed by, and construed in accordance with, English law, except for Condition 2 which will be governed by, and construed in accordance with, Bermuda law.

Form: The Notes will be issued in registered form in denominations of EUR 100,000 and integral multiples of EUR 1,000 in excess thereof.

Credit Ratings: The Notes are expected to be assigned on issue a rating of BBB+ by Fitch. A credit rating is not a recommendation to buy, sell or hold securities and is subject to suspension, reduction or withdrawal at any time by the assigning rating agency. A suspension, reduction or withdrawal of a credit rating assigned to Athora may adversely affect the market price of the Notes.

Fitch is established in the EU and is registered under the Regulation (EC) No 1060/2009 on credit rating agencies, as amended.

Use of Proceeds: The net proceeds from the issue of the Notes will be applied by Athora for general corporate purposes (including, without limitation, bank loan refinancing and acquisitions).

Fiscal Agent, Paying Agent and Transfer Agent: Citibank, N.A., London Branch

Registrar: Citibank Europe PLC

Listing Agent: Arthur Cox Listing Services Limited

ISIN Code: XS2628821790

Common Code: 262882179

CFI: DBFXFR

FISN: ATHORA HOLDING/BD 22001231 REGS

Selling Restrictions: The Notes have not been and will not be registered under the Securities Act and, subject to certain exceptions, may not be

offered or sold within the United States. The Notes may be sold in other jurisdictions only in compliance with applicable laws and regulations. See “*Subscription and Sale*” below.

TERMS AND CONDITIONS OF THE NOTES

The following is the text of the Conditions of the Notes which (subject to modification and except for the paragraphs in italics) will be endorsed on the Certificates issued in respect of the Notes:

The issue of the EUR 600,000,000 Senior Fixed Rate Notes due 2028 (the **Notes**, which expression shall in these Conditions, unless the context otherwise requires, include any Further Notes issued pursuant to Condition 12) of Athora Holding Ltd. (the **Issuer**) was authorised by a resolution of the board of directors of the Issuer (the **Board**) passed on 24 May 2023. An agency agreement relating to the Notes dated 16 June 2023 (such agreement as amended and/or supplemented and/or restated from time to time, the **Agency Agreement**) has been entered into between the Issuer and Citibank, N.A., London Branch as fiscal agent (the **Fiscal Agent**), Citibank, N.A., London Branch as paying agent (the **Paying Agent**, together with the Fiscal Agent, the **Paying Agents**), Citibank, N.A., London Branch as transfer agent (the **Transfer Agent**) and Citibank Europe PLC as registrar (the **Registrar**). The holders of the Notes (the **Noteholders**) are entitled to the benefit of a Deed of Covenant (the **Deed of Covenant**) dated 16 June 2023 and made by the Issuer. The original of the Deed of Covenant is held by the Common Depository for Euroclear (as defined below) and Clearstream, Luxembourg (as defined below).

The statements in these terms and conditions (the **Conditions**) include summaries of, and are subject to, the detailed provisions of, and definitions in, the Agency Agreement. Copies of the Agency Agreement and the Deed of Covenant (i) are available for inspection during normal business hours by the Noteholders at the specified office of each of the Paying Agents and (ii) may be provided by email to a Noteholder requesting a copy from the Paying Agent, in each case upon such Noteholder providing satisfactory proof of a holding of Notes, and subject to the Paying Agent being supplied by the Issuer with electronic copies. The Noteholders are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Deed of Covenant, and are deemed to have notice of those provisions applicable to them of the Agency Agreement. References in these Conditions to the Fiscal Agent, the Registrar and the Paying Agents shall include any successor appointed under the Agency Agreement.

References in these Conditions to **EUR**, **euro** or **€** shall mean the single currency introduced at the start of the third stage of the European Economic and Monetary Union pursuant to the Treaty of Rome establishing the European Communities, as amended.

These Conditions may only be amended if the Issuer has obtained Prior Approval of the Relevant Supervisory Authority (as defined herein) and (except in the case of any exchange or variation pursuant to Condition 4.5 or Condition 4.7 or any modification pursuant to Condition 9.2) of the Noteholders in accordance with the provisions for meetings of Noteholders scheduled to the Agency Agreement.

*The owners shown in the records of Euroclear Bank SA/NV (**Euroclear**) and Clearstream Banking S.A. (**Clearstream, Luxembourg**) of book-entry interests in Notes are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Agency Agreement applicable to them.*

The Notes are intended to qualify as Tier 3 Capital pursuant to the Applicable Regulations. The Issuer has applied for and expects to receive permission from the Bermuda Monetary Authority to qualify the Notes as Tier 3 Capital of the Athora Group.

1. FORM AND DENOMINATION; TITLE; TRANSFERS OF NOTES AND ISSUE OF CERTIFICATES

1.1 Form and Denomination

The Notes are issued in registered form in denominations of EUR 100,000 and integral multiples of EUR 1,000 in excess thereof (referred to as the **principal amount** of a Note). A definitive note certificate (each a **Certificate**) will be issued to each Noteholder in respect of its registered holding of Notes. Each

Certificate will be numbered serially with an identifying number which will be recorded on the relevant Certificate and in the register of Noteholders which the Issuer will procure to be kept by the Registrar.

The Notes are not issuable in bearer form.

1.2 Title and Transfer

Title to the Notes passes only by registration in the register of Noteholders maintained by the Registrar (the **Register**). The holder of any Note will (except as otherwise required by law) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership or writing on it, or the previous theft or loss of, the Certificate issued in respect of it) and no person will be liable for so treating the holder. In these Conditions, **Noteholder** and (in relation to a Note) **holder** means the person in whose name a Note is registered in the Register.

1.3 Transfers

A Note may be transferred by depositing the Certificate issued in respect of that Note, with the form of transfer on the back duly completed and signed, at the specified office of the Registrar or any Transfer Agent.

1.4 Delivery of new Certificates

Each new Certificate to be issued upon transfer of Notes will, within five Business Days of receipt by the Registrar or the relevant Transfer Agent of the duly completed form of transfer endorsed on the relevant Certificate, be mailed by uninsured mail at the risk of the holder entitled to the Note to the address specified in the form of transfer. For the purposes of this Condition only, **Business Day** shall mean a day on which banks are open for business in the city in which the specified office of the Transfer Agent with whom a Certificate is deposited in connection with a transfer is located.

Except in the limited circumstances described herein (see “Summary of Provisions Relating to the Notes while represented by the Global Certificate – Exchange and Registration of Title”), owners of interests in the Notes will not be entitled to receive physical delivery of Certificates. Issues of Certificates upon transfer of Notes are subject to compliance by the transferor and transferee with the certification procedures described above and in the Agency Agreement.

Where some but not all of the Notes in respect of which a Certificate is issued are to be transferred a new Certificate in respect of the Notes not so transferred will, within five Business Days of receipt by the Registrar or the relevant Transfer Agent of the original Certificate, be mailed by uninsured mail at the risk of the holder of the Notes not so transferred to the address of such holder appearing on the Register or as specified in the form of transfer.

1.5 Formalities free of charge

Registration of transfer of Notes will be effected without charge by or on behalf of the Issuer or any Transfer Agent but upon payment (or the giving of such indemnity as the Issuer or any Transfer Agent may reasonably require) in respect of any tax or other governmental charges which may be imposed in relation to such transfer.

1.6 Closed Periods

No Noteholder may require the transfer of a Note to be registered during the period of 15 days ending on the due date for any payment of principal or interest on that Note.

1.7 Regulations

All transfers of Notes and entries on the Register will be made subject to the detailed regulations concerning transfer of Notes scheduled to the Agency Agreement. The regulations may be changed by the Issuer with the prior written approval of the Registrar. A copy of the current regulations will be mailed (free of charge) by the Registrar to any Noteholder who requests one.

2. STATUS OF THE NOTES

2.1 Status

The Notes represent senior, unsecured, general obligations of the Issuer and rank equally with all of the Issuer's other present and future unsecured unsubordinated indebtedness.

If at any time an order is made, or an effective resolution is passed, for the winding up, dissolution or liquidation of the Issuer (except, in any case, a solvent winding up solely for the purpose of a reconstruction or amalgamation or the substitution in place of the Issuer of a successor in business of the Issuer, the terms of which reconstruction, amalgamation or substitution have previously been approved in writing by holders representing not less than 75 per cent. in aggregate number of the Notes then outstanding and do not provide that the Notes or any amount in respect thereof shall thereby become payable) (a **Winding Up**), the rights and claims of the holders of the Notes against the Issuer in respect of, or arising under, the Notes (including any damages awarded for breach of any obligations thereunder) will be contractually subordinated to all claims of present and future creditors who are policyholders of the Issuer's subsidiaries that are registered as insurance companies (and, for the avoidance of doubt, the claims of creditors who are policyholders shall include all amounts to which any such policyholder would be entitled in its capacity as policyholder under any applicable legislation or rules related to a winding up of insurance companies to reflect any right to receive, or expectation of receiving, policyholder benefits which policyholders may have), to the minimum extent necessary under the Applicable Regulations so as to permit the Notes to qualify as Tier 3 Capital of the Athora Group.

2.2 Waiver of Set-off

The Notes are unencumbered and, subject to applicable law, no holder of the Notes shall be entitled to, and no such holder shall, exercise, claim or plead any right of set-off, counterclaim, abatement, compensation, retention or other similar remedy that such holder might otherwise have under applicable law against any member of the Athora Group in respect of any amount owed to it by any member of the Athora Group arising under or in connection with the Notes whether prior to or in a Winding Up. By its holding of any Note and subject to applicable law, each holder will be deemed to have unconditionally and irrevocably waived any such right or remedy.

2.3 Definitions

Applicable Regulations means, at any time, any legislation, rules or regulations (whether having the force of law or otherwise) of Bermuda which are, at such time, applicable to the Athora Group from time to time relating to the characteristics, features or criteria of own funds or capital resources and the requirement to maintain capital resources in excess of a prescribed capital resources requirement and, for the avoidance of doubt and without limitation to the foregoing, includes (for so long as the same are applicable as aforesaid) the Insurance Act 1978 of Bermuda, as amended, the Insurance (Group Supervision) Rules 2011 of Bermuda, as amended, and the Insurance (Prudential Standards) (Insurance Group Solvency Requirement) Rules 2011 of Bermuda, as amended, and any legislation, rules or regulations relating to such matters which are supplementary or extraneous thereto.

Athora Group means the Issuer and its direct and indirect subsidiaries and parent companies, if any, from time to time required to be included in the calculation of “group solvency” as provided for in Applicable Regulations.

subsidiary and **parent company** have the meaning ascribed to them in the Applicable Regulations.

3. INTEREST

3.1 General

The Notes shall bear interest on their principal amount from (and including) 16 June 2023 (the **Issue Date**) until (but excluding) the Maturity Date, at a fixed rate of 6.625 per cent. per annum (the **Interest Rate**), payable annually in arrear on 16 June in each year (each an **Interest Payment Date**).

3.2 Interest Accrual

The Notes will cease to bear interest from and excluding the date fixed for redemption unless payment of the principal in respect of the Notes is improperly withheld or refused on such date or unless default is otherwise made in respect of the payment or unless redemption on such date is deferred pursuant to Condition 4, in which case the Notes shall cease to bear interest from the date of redemption following such deferral. In such event, the Notes will continue to bear interest at the Interest Rate as specified in this Condition 3 on their remaining unpaid amount until whichever is the earlier of:

- (i) the date on which all amounts due in respect of such Note have been paid; and
- (ii) five days after the date on which the full amount of the moneys payable in respect of such Notes has been received by the Fiscal Agent and notice to that effect has been given to the Noteholders in accordance with Condition 10.

3.3 Interest Amount

The amount of interest payable on each Note on each Interest Payment Date or on any other date on which interest becomes due and payable (the **Interest Amount**) will be the product of the principal amount of such Note and the Interest Rate, multiplied by the Day Count Fraction and rounding the resulting figure, if necessary, to the nearest cent (half a cent being rounded upwards), as calculated by the Fiscal Agent.

Accrual Period means the period from and including an Interest Payment Date (or the Issue Date as the case may be) to but excluding the next Interest Payment Date.

Day Count Fraction means (i) in respect of an Interest Amount payable on a scheduled Interest Payment Date, one; and (ii) in respect of an Interest Amount payable other than on a scheduled Interest Payment Date, the number of days in the relevant period from and including the date from which interest begins to accrue to but excluding the date on which it falls due, divided by the number of days in the Accrual Period in which the relevant period falls.

3.4 Notifications, etc. to be final

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 3 or Condition 4.4 by the Fiscal Agent will (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Fiscal Agent and all Noteholders and (in the absence of wilful default, bad faith or manifest error) no liability to the Issuer or the Noteholders shall attach to the Fiscal Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions under this Condition or Condition 4.4.

4. REDEMPTION AND PURCHASE

The Notes may not be redeemed otherwise than in accordance with this Condition 4.

4.1 Maturity Date

- (a) Unless previously redeemed or purchased and cancelled as provided below, the Issuer will redeem the Notes at their principal amount, together with all interest accrued to the date fixed for redemption, on 16 June 2028 (the **Maturity Date**). The Issuer undertakes that if, as a result of Conditions 4.10 and 4.11, the Notes cannot be redeemed on the Maturity Date, the Issuer will redeem the Notes on the redemption date determined in accordance with Condition 4.11, and the Issuer will inform the Fiscal Agent and, in accordance with Condition 10, the Noteholders of the date fixed for redemption.
- (b) Except as provided under Condition 4.2, 4.3, 4.4, 4.6 or 4.8 or if a liquidation (as described in Condition 8) of the Issuer occurs, the Notes may not be redeemed before the Maturity Date.

4.2 Optional Early Redemption as from First Optional Redemption Date

Subject to Condition 4.10, the Issuer may, subject to having given not less than 15 nor more than 30 days' prior notice to the Fiscal Agent and, in accordance with Condition 10, the Noteholders (which notice shall be irrevocable and shall specify the date fixed for redemption), redeem the Notes in whole, but not in part, at their principal amount, together with all interest accrued to the date fixed for redemption, at any time in the period from (and including) the First Optional Redemption Date to (but excluding) the Maturity Date.

First Optional Redemption Date means the date which is 3 months prior to the Maturity Date.

4.3 Optional Make-whole Redemption by the Issuer

Subject to Condition 4.10, the Issuer may, subject to having given not less than 15 nor more than 30 days' prior notice to the Fiscal Agent and, in accordance with Condition 10, the Noteholders (which notice shall be irrevocable and shall specify the date fixed for redemption (the **Make-whole Redemption Date**)), redeem the Notes in whole, but not in part, at any time at the Make-whole Redemption Amount (the **Make-whole Redemption**).

In this Condition 4.3 and for the purposes of these Conditions (other than Condition 1 and 5):

Business Day means any day (other than a Saturday or a Sunday) which is a T2 Settlement Day.

Calculation Date means the third Business Day preceding the Make-whole Redemption Date.

Make-whole Redemption Amount means the sum of:

- (i) the greater of (x) the principal amount of the Notes outstanding and (y) the sum of the then present values of the remaining scheduled payments of principal and interest on such Notes to the First Optional Redemption Date (assuming redemption on such date is not deferred), discounted to the relevant Make-whole Redemption Date on an annual basis at the Make-whole Redemption Reference Rate plus the Make-whole Redemption Margin; and
- (ii) any interest accrued but not paid on the Notes to, but excluding, the Make-whole Redemption Date,

as determined by the Quotation Agent and as notified on the Calculation Date by the Quotation Agent to the Issuer and the Fiscal Agent.

Make-whole Redemption Margin means 0.50 per cent.

Make-whole Redemption Reference Rate means (i) the mid-market yield to maturity of the Reference Note which appears on the Relevant Make-whole Screen Page on the third Business Day preceding the Make-whole Redemption Date at 11:00 a.m. (CET) or (ii) to the extent that the mid-market yield to maturity does not appear on the Relevant Make-whole Screen Page at such time, the average of the number of quotations given by the Reference Dealers of the mid-market yield to maturity of the Reference Note on the third Business Day preceding the Make-whole Redemption Date at or around 11:00 a.m. (CET).

Quotation Agent means the independent investment bank, financial services firm or other independent adviser to be appointed by the Issuer if required for the determination of the Make-whole Redemption Amount.

Reference Dealers means each of four banks selected by the Quotation Agent which are primary European government security dealers, and their respective successors, or market makers in pricing corporate bond issues.

Reference Note means the German government bond bearing interest at a rate of 2.200 per cent. per annum and maturing in April 2028 with ISIN DE000BU25000. If the Reference Note is no longer outstanding, a Similar Note will be chosen by the Quotation Agent at 11:00 a.m. (CET) on the Calculation Date, quoted in writing by the Quotation Agent to the Issuer and notified to the Noteholders in accordance with Condition 10.

Relevant Make-whole Screen Page means Bloomberg HP page for the Reference Note (using the settings “Mid YTM” and “Daily”) (or any successor or replacement page, section or other part of the information service), or such other page, section or other part as may replace it on the information service or such other information service, in each case, as may be nominated by the person providing or sponsoring the information appearing there for the purpose of displaying the mid-market yield to maturity for the Reference Note.

Similar Note means (a) a reference bond or (b) reference bonds issued by the same issuer as the Reference Note having actual or interpolated maturity comparable with the remaining term up to the First Optional Redemption Date, in each case that would be utilised, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of the Notes from the date fixed for redemption to the Maturity Date.

T2 means the Trans-European Automated Real-Time Gross Settlement Express Transfer System or any successor or replacement for that system.

T2 Settlement Day means any day on which T2 is operating.

4.4 Optional Early Redemption for Taxation Reasons

Subject to Condition 4.10, if at any time a Tax Event has occurred with respect to the Notes on or after the Specified Date and is continuing, the Issuer may, subject to having given not less than 30 nor more than 45 days’ prior notice to the Fiscal Agent and, in accordance with Condition 10, the Noteholders (which notice shall be irrevocable and shall specify the date fixed for redemption), redeem the Notes in whole, but not in part, at any time at their principal amount plus any accrued interest to the date fixed for redemption.

For the purpose of this Condition 4.4 and Condition 4.5 below, a **Tax Event** shall be deemed to have occurred with respect to the Notes if as a result of:

- (i) any amendment to, clarification of, or change, including any announced prospective change, in Applicable Law or any regulations under those laws or treaties;
- (ii) with respect to the Relevant Jurisdiction, any judicial decision or any official administrative pronouncement, ruling, regulatory procedure, notice or announcement including any notice or announcement of intent to issue or adopt any administrative pronouncement, ruling, regulatory procedure or regulation; or
- (iii) any amendment to, clarification of, or change in the official position or the interpretation of any administrative action or judicial decision or any interpretation or pronouncement that provides for a position with respect to an administrative action or judicial decision that differs from the previously generally accepted position, in each case by any legislative body, court, governmental authority or regulatory body in the Relevant Jurisdiction, regardless of the manner in which that amendment, clarification or change is introduced or made known,

which amendment, clarification or change is effective or the administrative action is taken or judicial decision, interpretation or pronouncement is issued after the Specified Date, either:

- (A) interest payable by the Issuer in respect of the Notes is no longer, or will within 90 days after giving notice of redemption pursuant to this Condition 4.4, no longer be, fully deductible by the Issuer for income tax purposes in the Relevant Jurisdiction (to the extent that the Issuer was subject to taxation at the time of such Tax Event (and remains so subject) and such interest was so deductible at the time of such Tax Event); or
- (B) in making payments on the Notes, the Issuer has paid or will or would on the next payment date be required to pay Additional Amounts (as defined below),

and, in either case, the Issuer cannot avoid the foregoing by taking such reasonable measures as it (acting in good faith) deems appropriate.

Prior to giving notice of redemption pursuant to this Condition 4.4, the Issuer shall deliver to the Fiscal Agent an opinion (obtained at the expense of the Issuer) of a recognised independent tax counsel stating that the relevant requirement or circumstance set out in paragraph (A) or (B) above applies (but, for the avoidance of doubt, such opinion shall not be required to comment on the ability of the Issuer to avoid such circumstance by taking measures reasonably available to it).

Applicable Law means the laws of Bermuda or any political subdivision or any authority thereof or any other jurisdiction or any political subdivision or any authority thereof or therein to which the Issuer or the Athora Group becomes subject.

Relevant Jurisdiction means Bermuda or any political subdivision or any authority thereof or therein having power to tax or any other jurisdiction or any political subdivision or any authority thereof or therein having power to tax to which the Issuer becomes subject to tax in respect of payments made by it of amounts in respect of the Note.

Specified Date means the later of (i) the Issue Date and (ii) the latest date (if any) on which any Further Notes have been issued pursuant to Condition 12.

4.5 Exchange or Variation for Taxation Reasons

If at any time a Tax Event has occurred with respect to the Notes on or after the Specified Date and is continuing, the Issuer may, instead of redeeming the Notes in accordance with Condition 4.4 above, without the consent of the Noteholders, (i) exchange all but not some only of the Notes for new notes (the **Exchanged Notes**), or (ii) vary the terms of all but not some only of the Notes (the **Varied Notes**), so that in either case a Tax Event no longer exists. Any such exchange or variation following the occurrence of a Tax Event is subject to the following conditions:

- (i) the Issuer giving not less than 30 nor more than 45 days' notice to the Fiscal Agent and, in accordance with Condition 10, the Noteholders;
- (ii) in case an exchange or variation occurs within three years from the Specified Date, such exchange or variation shall only take place with Prior Approval of the Relevant Supervisory Authority; and
- (iii) the Exchanged Notes or the Varied Notes qualify as Qualifying Securities;

As used herein, **Qualifying Securities** means securities (other than the Notes):

- (i) having terms that are not materially less favourable to an investor than the terms of the Notes (as reasonably determined by the Issuer in consultation with an independent investment bank, consulting firm or comparable expert of international standing on the subject and provided that a certification to such effect of the Issuer, represented by at least one authorised signatory, shall have been delivered to the Fiscal Agent prior to the issue of the Exchanged Notes or the variation of the Notes to Varied Notes or them otherwise becoming obligations of the Issuer);
- (ii) issued by or otherwise being obligations of the Issuer or another member of the Athora Group, with a guarantee by the Issuer, such that investors have the same material rights and claims as under the Notes (as reasonably determined by the Issuer, and provided that a certification to such effect of the Issuer, represented by at least one authorised signatory, shall have been delivered to the Fiscal Agent prior to the issue of the Exchanged Notes or the variation of the Notes to Varied Notes or them otherwise becoming obligations of the Issuer or any of its subsidiaries);
- (iii) ranking (or the relevant guarantee in respect of such securities ranks) at least equal to the ranking of the Notes (immediately prior to the exchange or variation), provided that in the insolvency, moratorium, dissolution or liquidation of the Issuer (in its capacity as issuer or guarantor, as applicable), the payment obligations of the Issuer (in its capacity as issuer or guarantor, as applicable) shall rank in right of payment at least *pari passu* with all other unsubordinated and unsecured creditors of the Issuer save for (i) those preferred by mandatory provisions of law, (ii) all claims of present and future creditors who are policyholders of the Issuer's subsidiaries that are registered as insurance companies and (iii) those that rank or are expressed by their terms to rank junior to such securities (or the relevant guarantee in respect of such securities), and in priority to the claims of shareholders of the Issuer (in its capacity as issuer or guarantor, as applicable);
- (iv) featuring the same principal amount, interest rate (including applicable margins), interest payment dates and optional redemption dates as the Notes;
- (v) containing terms which preserve the obligations (including the obligations arising from the exercise of any right) of the Issuer as to redemption of the Notes, including (without limitation) as to the timing of, and amounts payable on, such redemption;

- (vi) which qualify as at least Tier 3 Capital of the Athora Group;
- (vii) which do not contain any contractual terms providing for loss absorption through principal write-down or conversion to shares;
- (viii) which are listed on a stock exchange in the European Economic Area or the United Kingdom, if the Notes were so listed prior to such substitution or variation;
- (ix) which are admitted to, and traded in, the same clearing system or clearing systems as the Notes were; and
- (x) where the Notes had been given a rating by a Rating Agency immediately prior to the exchange or variation and such rating was solicited by or on behalf of the Issuer, each such Rating Agency has given an equal or higher rating to the relevant Qualifying Securities.

Any such exchange or variation shall be binding on the Noteholders and shall be notified to them in accordance with Condition 10 as soon as practicable thereafter.

Rating Agency means Moody’s Investors Service Ltd, Standard & Poor’s Ratings Services, a division of the McGraw-Hill Companies, Inc. or Fitch Ratings Ireland Limited or their respective successors.

Tier 3 Capital means “Tier 3-ancillary capital” as set out in the Applicable Regulations (or, if the Applicable Regulations are amended so as to no longer refer to Tier 3-ancillary capital in this respect, the nearest corresponding concept (if any) under the Applicable Regulations).

4.6 **Optional Early Redemption for Regulatory Reasons**

Subject to Condition 4.10, if at any time the Issuer determines that a Regulatory Event has occurred with respect to the Notes on or after the Specified Date and is continuing, the Issuer may, subject to having given not less than 30 nor more than 45 days’ prior notice to the Fiscal Agent and, in accordance with Condition 10, the Noteholders (which notice shall be irrevocable and shall specify the date fixed for redemption), redeem the Notes in whole, but not in part, at any time at their principal amount plus any accrued interest to the date fixed for redemption.

For the purpose of this Condition 4.6 and Condition 4.7 below, **Regulatory Event** means that, on or after the Specified Date, (i) the Issuer and/or the Athora Group is subject to regulatory supervision by the Relevant Supervisory Authority and (ii) as a result of any replacement of or change to the Applicable Regulations (or change to the interpretation thereof by any court, the Relevant Supervisory Authority or any other authority entitled to do so) at any time whilst any of the Notes are outstanding the whole or any part of the proceeds of such Notes can no longer be treated as Tier 3 Capital of the Issuer or the Athora Group, whether on a solo, group or consolidated basis (in each case, as applicable), except where such non-qualification is only as a result of any applicable limitation on the amount of such capital.

4.7 **Exchange or Variation for Regulatory Reasons**

If at any time the Issuer determines that a Regulatory Event has occurred with respect to the Notes on or after the Specified Date and is continuing, the Issuer may, instead of redeeming the Notes in accordance with Condition 4.6 above, without the consent of the Noteholders, (i) exchange all but not some only of the Notes for Exchanged Notes, or (ii) vary the terms of all but not some only of the Notes, so that in either case the aggregate principal amount of the Exchanged Notes or Varied Notes (as the case may be) is treated under the Applicable Regulations as at least Tier 3 Capital of the Issuer or the Athora Group.

Any such exchange or variation is subject to the same conditions as in Condition 4.5 (with references to “Tax Event” read as references to “Regulatory Event”), which shall apply *mutatis mutandis*.

4.8 Clean-up Redemption

Subject to Condition 4.10, the Issuer may at any time after the Issue Date subject to having given not less than 30 nor more than 45 days’ prior notice to the Fiscal Agent and, in accordance with Condition 10, the Noteholders (which notice shall be irrevocable and shall specify the date fixed for redemption) elect to redeem all, but not some only, of the Notes at their principal amount plus any accrued interest to the date fixed for redemption if 80% (eighty per cent.) or more of the Notes originally issued (including any further issues pursuant to Condition 12 (*Further Issues*)) have been purchased and cancelled at the time of such election.

4.9 Purchases

Subject to Condition 4.10, the Issuer or any of its subsidiaries may at any time purchase Notes in the open market or otherwise at any price. Notes so purchased by the Issuer or any of its subsidiaries may be held, resold or surrendered for cancellation.

4.10 Conditions to Redemption and/or Purchase

The Notes may not be redeemed at any time, including on the Maturity Date, pursuant to Condition 4.1 or pursuant to Conditions 4.2, 4.3, 4.4, 4.6 and 4.8 or purchased pursuant to Condition 4.9 if a Capital Adequacy Event has occurred and is continuing on the redemption date or purchase date or such redemption or purchase would itself cause a Capital Adequacy Event to occur. The occurrence of such condition in respect of the Issuer shall constitute a **Mandatory Redemption Deferral Event**, provided, however, that such occurrence will not constitute a Mandatory Redemption Deferral Event if the Notes to be redeemed or purchased are immediately or have been previously replaced with instruments of equal or higher quality capital than the Notes under the Applicable Regulations.

In the case of a redemption pursuant to Condition 4.3, 4.4, 4.6 and 4.8 or purchase pursuant to Condition 4.9 that is within three years from the Specified Date, such redemption or purchase shall only take place with Prior Approval of the Relevant Supervisory Authority.

In the event that the Notes are not redeemed as a result of a failure to satisfy this Condition 4.10, interest on the Notes will continue to accrue and be paid on each Interest Payment Date until the first date on which final payment on the Notes may be made, at which time the Notes will become due and payable, and will be finally repaid at the principal amount of the Notes, together with any accrued and unpaid interest.

Notwithstanding any other provision in these Conditions, the deferral of redemption of the Notes in accordance with this Condition 4.10 will not constitute a default by the Issuer under the Notes or for any other purpose and will not give Noteholders any right to accelerate repayment of the Notes or take any other action under the Notes.

In this Condition 4.10 and for the purposes of these Conditions:

Capital Adequacy Event means that the amount of eligible capital (or any equivalent terminology employed by the Applicable Regulations) of the Athora Group to cover the ECR is not, or as a result of a payment would cease to be, sufficient to cover such ECR.

ECR means the enhanced capital requirement applicable to the Athora Group as defined in the Applicable Regulations, or any other requirement to maintain assets applicable to the Athora Group, as applicable, pursuant to the Applicable Regulations.

Prior Approval of the Relevant Supervisory Authority means in respect of any proposed act on the part of the Issuer, the prior written approval or consent of, or notification to the Relevant Supervisory Authority, if such approval, notification or consent is required at the time under any Applicable Regulations or an official application or interpretation thereof (on the basis that the Notes are intended to qualify as Tier 3 Capital of the Athora Group in accordance with Applicable Regulations).

Relevant Supervisory Authority means any regulator or other authority from time to time having primary supervisory authority with respect to prudential matters in relation to the Athora Group. As at the Issue Date, the Relevant Supervisory Authority is the Bermuda Monetary Authority.

4.11 Deferral of Redemption Date

The Issuer shall notify the Noteholders in accordance with Condition 10 and the Fiscal Agent no later than five (5) Business Days prior to any date set for redemption of the Notes under the relevant Conditions if such redemption is to be deferred as a result of the occurrence and continuation of a Mandatory Redemption Deferral Event. If a Mandatory Redemption Deferral Event occurs less than five (5) Business Days prior to the date set for redemption, the Issuer shall give notice of such deferral to the Fiscal Agent and, in accordance with Condition 10, the Noteholders as soon as reasonably practicable following the occurrence of such event. Failure to give notice, however, shall not have any impact on the effectiveness of, or otherwise invalidate, any such deferral of payment of principal or give the Noteholders any rights as a result of such failure.

If redemption of the Notes does not occur on the date specified in the notice of redemption by the Issuer under the relevant Conditions as contemplated by this Condition 4.11, the Issuer shall redeem such Notes at their principal amount and any accrued and unpaid interest, upon the earliest of:

- (i) the date falling ten (10) Business Days after the date the Mandatory Redemption Deferral Event has ceased (unless on such tenth (10th) Business Day a further Mandatory Redemption Deferral Event has occurred and is continuing, in which case the provisions of this Condition 4.11 will apply *mutatis mutandis* to determine the due date for redemption of the Notes); or
- (ii) the date falling ten (10) Business Days after the Relevant Supervisory Authority has agreed to the repayment or redemption of the Notes; or
- (iii) the date on which the liquidation (as described in Condition 8) of the Issuer occurs.

5. PAYMENTS

5.1 Payments in respect of Notes

Payment of principal and interest will be made by transfer to the registered account of the Noteholder. Payments of principal and payments of interest due otherwise than on an Interest Payment Date will only be made against surrender of the relevant Certificate at the specified office of any of the Paying Agents. Interest on Notes due on an Interest Payment Date will be paid to the holder shown on the Register at the close of business on the date (the record date) being the fifteenth day before the relevant Interest Payment Date.

For the purposes of this Condition, a Noteholder's registered account means the euro account maintained by or on behalf of it with a bank that processes payments in euro, details of which appear on the Register at the close of business, in the case of principal, on the second Business Day (as defined below) before the due date for payment and, in the case of interest, on the relevant record date, and a Noteholder's registered address means its address appearing on the Register at that time.

None of the Issuer, the Fiscal Agent or the Paying Agents shall be liable to any Noteholder or other person for any commission, costs, losses or expenses in relation to, or resulting from, the credit or transfer of euro, or any currency conversion or rounding effect in connection with such payment being made in euro.

No commissions or expenses shall be charged to the Noteholders in respect of any payments made in accordance with this Condition 5.

5.2 Payments subject to applicable laws

Payments in respect of principal and interest on the Notes will, in all cases, be made subject to (i) any fiscal or other laws and regulations or orders of courts of competent jurisdiction applicable in respect of such payments to the Issuer or the relevant Paying Agent, but without prejudice to the provisions of Condition 6; and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the **Code**) or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, official interpretations thereof, or any law implementing an intergovernmental approach thereto (a **FATCA Withholding Tax**), and the Issuer will not be required to pay Additional Amounts (as defined below) on account of any FATCA Withholding Tax.

5.3 Payments on Business Days

Where payment is to be made by transfer to a registered account, payment instructions (for value the due date or, if that is not a Business Day (as defined below), for value the first following day which is a Business Day) will be initiated on the Business Day preceding the due date for payment or, in the case of a payment of principal or a payment of interest due otherwise than on an Interest Payment Date, if later, on the Business Day on which the relevant Certificate is surrendered at the specified office of a Paying Agent.

Noteholders will not be entitled to any interest or other payment for any delay after the due date in receiving the amount due if the due date is not a Business Day, if the Noteholder is late in surrendering its Certificate (if required to do so).

In this Condition only, **Business Day** means a day on which T2 is open and which is a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in Dublin and, in the case of presentation of a Certificate, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the city in which the specified office of the Paying Agent to whom such Certificate is presented.

5.4 Partial Payments

If the amount of principal or interest which is due on the Notes is not paid in full, the Registrar will annotate the Register with a record of the amount of principal or interest in fact paid.

5.5 Agents

The names of the initial Paying Agents and their initial specified offices are set out at the end of these Conditions. The Issuer reserves the right at any time to vary or terminate the appointment of any Paying Agent and to appoint additional or other Paying Agents provided that:

- (a) there will at all times be a Fiscal Agent;

- (b) so long as the Notes are listed on any stock exchange or admitted to listing by any other relevant authority, there will at all times be a Paying Agent (which may be the Fiscal Agent) having a specified office in the place required by the rules and regulations of the relevant stock exchange or any other relevant authority; and
- (c) there will at all times be:
 - (i) a Paying Agent in a jurisdiction within Europe;
 - (ii) a Registrar; and
 - (iii) a Transfer Agent.

Notice of any variation, termination, appointment and/or of any changes in specified offices will be given to the Noteholders promptly by the Issuer in accordance with Condition 10.

6. TAXATION

All payments in respect of the Notes shall be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature (**Taxes**) imposed, levied, collected, withheld or assessed by or on behalf of the Relevant Jurisdiction or any political subdivision or any authority thereof or therein having power to tax unless such withholding or deduction is required by law.

If applicable law should require that payments of principal or interest made by the Issuer in respect of any Note be subject to deduction or withholding in respect of any Taxes whatsoever levied by the Relevant Jurisdiction, the Issuer will, to the fullest extent then permitted by law, pay such additional amounts (**Additional Amounts**) as shall result in receipt by the Noteholders of such amounts as would have been received by them had no such withholding or deduction been required, except that no such Additional Amounts shall be payable with respect to any Note:

- (i) **Other connection:** to, or to a third party on behalf of, a Noteholder who is liable to such taxes, duties, assessments or governmental charges in respect of such Note by reason of it having some connection with the Relevant Jurisdiction other than the mere holding of the Note; or
- (ii) **Presentation more than thirty (30) days after the Relevant Date:** presented for payment more than thirty (30) days after the Relevant Date except to the extent that the Noteholder would have been entitled to such Additional Amounts on presenting it for payment on the last day of such period of thirty (30) days.

As used in these Conditions:

Relevant Date in respect of any Note means the date on which payment in respect of it first becomes due and payable or (if any amount of the money payable is improperly withheld or refused) the date on which the full amount of monies payable on such date in respect of such Note is paid to the Fiscal Agent.

Any reference in these Conditions to principal and/or interest shall be deemed to include any Additional Amounts.

If the Issuer becomes subject at any time to any taxing jurisdiction other than the Relevant Jurisdiction, references in this Condition 6 to the Relevant Jurisdiction shall be construed as references to the Relevant Jurisdiction and/or such other jurisdiction.

7. PRESCRIPTION

Claims against the Issuer for the payment of principal and interest in respect of the Notes shall become prescribed ten (10) years from the due date for payment thereof.

8. EVENTS OF DEFAULT

If any of the following events (**Events of Default**) occurs:

- (i) the Issuer fails to pay the principal of any of the Notes when due (other than by reason of the deferral of redemption of the Notes pursuant to Condition 4.10) and such failure continues for a period of 7 days;
- (ii) the Issuer fails to pay interest on any of the Notes when due and such failure continues for a period of 14 days;
- (iii) the Issuer does not perform or comply with any one or more of its other obligations under the Notes or the Agency Agreement, which default is incapable of remedy or is not remedied within 30 days after notice of such default shall have been given to the Fiscal Agent at its specified office by any Noteholder;
- (iv) (A) any other present or future indebtedness of the Issuer or any of its Material Subsidiaries for or in respect of moneys borrowed or raised becomes due and payable prior to its stated maturity by reason of any default (howsoever described), or (B) any such indebtedness is not paid when due or, as the case may be, within any originally applicable grace period, or (C) the Issuer or any of its Material Subsidiaries fails to pay when due any amount payable by it under any present or future guarantee for, or indemnity in respect of, any moneys borrowed or raised, provided that the aggregate amount of the relevant indebtedness, guarantees and indemnities in respect of which one or more of the events mentioned above in this Condition 8(iv) have occurred equals or exceeds EUR 75,000,000 or its equivalent (on the basis of the middle spot rate for the relevant currency against the euro as quoted by Bloomberg on the day on which this paragraph operates);
- (v) the Issuer or any of its Material Subsidiaries is (or is, or could be, deemed by law or a court to be) insolvent or unable to pay its debts as they fall due, stops, suspends or threatens to stop or suspend payment of all or a material part of (or of a particular type of) its debts, proposes or makes any agreement for the deferral, rescheduling or other readjustment of, or arrangements with respect to, any or all of (or all of a particular type of) its debts (or of any part which it will or might otherwise be unable to pay when due), proposes to make or makes a general assignment or an arrangement or composition with or for the benefit of the relevant creditors in respect of any of such debts or a moratorium is agreed or declared in respect of or affecting all or any part of (or of a particular type of) the debts of the Issuer or any of its Material Subsidiaries or a provisional liquidator of the Issuer or any of its Material Subsidiaries is appointed;
- (vi) an order is made, or an effective resolution passed for the appointment of provisional liquidators, to the winding-up or liquidation of the Issuer or any of its Material Subsidiaries, or the Issuer or any of its Material Subsidiaries ceases or threatens to cease to carry on all or substantially all of its business or operations, except for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation (i) on terms approved by an Extraordinary Resolution of the Noteholders, or (ii) in the case of a Material Subsidiary, whereby the undertaking and assets of the Material Subsidiary are transferred to or otherwise vested in the Issuer or another of its subsidiaries; or

- (vii) any event occurs which under the laws of any relevant jurisdiction has an analogous effect to any of the events referred to in any of the foregoing paragraphs of this Condition 8,

then any Note may, subject as provided in the following paragraph, by notice in writing given to the Fiscal Agent at its specified office by the holder of such Note (an **Acceleration Notice**), be declared immediately due and payable whereupon it shall become immediately due and payable at its principal amount together with accrued interest without further formality.

If an Acceleration Notice is delivered in respect of an Event of Default pursuant to any of Conditions 8(ii), (iii), (iv), (v) (in respect of Material Subsidiaries only), (vi) (in respect of Material Subsidiaries only) (or any event under Condition 8(vii) which corresponds to any of the foregoing) only, and without prejudice to the rights of the Noteholders to institute such steps, actions or proceedings against the Issuer as they may think fit to enforce any term or condition binding on the Issuer under the Notes or the Agency Agreement (including, without limitation, the right of Noteholders to institute proceedings for, and claim in, the winding up of the Issuer), the relevant Notes shall not become immediately due and payable as a result of the giving of that Acceleration Notice (and the relevant Acceleration Notice shall be deemed to be of no effect for any purpose) if, on the date of that Acceleration Notice, (i) the becoming immediately due and payable of the Notes would cause the amount of eligible capital (or any equivalent terminology employed by the Applicable Regulations) of the Athora Group to be insufficient to cover the ECR; or (ii) the amount of eligible capital (or any equivalent terminology employed by the Applicable Regulations) of the Athora Group is insufficient to cover the ECR.

For the purposes of these Conditions:

Material Subsidiary means, at any time, any Regulated Insurance Entity which contributes 10 per cent. or more of Total Equity, as determined by reference to the latest audited non-consolidated financial statements of the relevant Regulated Insurance Entity and the latest audited consolidated financial statements of the Athora Group. If a Regulated Insurance Entity becomes a subsidiary of the Issuer after the end of the financial period to which the most recent published consolidated financial statements of the Athora Group relate, those financial statements shall be adjusted as if that Regulated Insurance Entity had been shown in them by reference to its then latest audited financial statements and until published consolidated financial statements of the Athora Group for the financial period in which the acquisition is made have been published;

Regulated Insurance Entity means any subsidiary of the Issuer:

- (a) which requires approval or supervision in respect of its engagement in insurance, reinsurance or pensions business from the Relevant Supervisory Authority and/or any equivalent regulatory authority in the jurisdiction of incorporation or centre of main interests of that subsidiary; or
- (b) which is a German Pensionskassen; and

Total Equity means, at any time, the consolidated share capital, reserves or own-funds of the Athora Group at that time that would be classified and accounted for as “equity” pursuant to International Financial Reporting Standards.

9. MEETINGS OF NOTEHOLDERS AND MODIFICATION

9.1 Meetings of Noteholders

The Agency Agreement contains provisions for convening meetings (including by way of conference call or by use of a videoconference platform) of the Noteholders to consider any matter affecting their interests, including the modification by Extraordinary Resolution (as defined in the Agency Agreement) of any of these Conditions or any of the provisions of the Agency Agreement. The quorum at any meeting

for passing an Extraordinary Resolution will be one or more persons present holding or representing more than 50 per cent. in principal amount of the Notes for the time being outstanding, or at any adjourned meeting one or more persons present whatever the principal amount of the Notes held or represented by him or them, except that at any meeting the business of which includes consideration of proposals, among other things, to change the date for payment of principal, interest or any other amount in respect of the Notes, to reduce or cancel the amount of principal, interest or any other amount payable in respect of the Notes, to change the currency in which any amount due in respect of the Notes is payable, to change the quorum required at any meeting of Noteholders in connection with the taking of any decision or action by or on behalf of the Noteholders, the quorum shall be one or more persons holding or representing not less than two-thirds in principal amount of the Notes for the time being outstanding, or at any adjourned such meeting one or more persons holding or representing in the aggregate not less than two-thirds of the principal amount of the Notes for the time being outstanding. The Agency Agreement provides that (i) a resolution passed at a meeting duly convened and held in accordance with the Agency Agreement if a poll is duly demanded by a majority consisting of not less than three-fourths of the votes cast on such poll, (ii) a resolution in writing signed by or on behalf of the holders of not less than three-fourths in principal amount of the Notes for the time being outstanding or (iii) consent given by way of electronic consents through the relevant clearing system(s) (in a form satisfactory to the Fiscal Agent) by or on behalf of the holders of not less than three-fourths in principal amount of the Notes for the time being outstanding, shall, in each case, be effective as an Extraordinary Resolution of the Noteholders. An Extraordinary Resolution passed by the Noteholders will be binding on all the Noteholders, whether or not they are present at any meeting, and whether or not they voted on the resolution. The agreement or approval of the Noteholders shall not be required in the case of any variation or exchange of the Notes pursuant to Condition 4.5 or Condition 4.7 or any consequential amendments to the Agency Agreement required in connection therewith.

9.2 Modification

The Issuer shall only permit any modification of, or any waiver or authorisation of any breach or proposed breach of, or any failure to comply with, the Agency Agreement if to do so could not reasonably be expected to be prejudicial to the interests of the Noteholders.

The Agency Agreement or these Conditions may be amended by the Issuer and the Fiscal Agent, without the consent of any Paying Agent or Noteholder, for the purpose of curing any ambiguity or of curing, correcting or supplementing any defective provision contained therein and which in the Issuer's opinion does not adversely affect the interests of the Noteholders or for the purpose of any variation or exchange of the Notes pursuant to Condition 4.5 or Condition 4.7.

Any such modification shall be binding on the Noteholders and, unless the Fiscal Agent agrees otherwise, any modification shall be notified by the Issuer to the Noteholders as soon as practicable thereafter in accordance with Condition 10.

10. NOTICES

All notices to the Noteholders will be in English and will be valid if mailed to them at their respective addresses in the Register maintained by the Registrar. The Issuer shall also ensure that notices are duly given or published in a manner which complies with the rules and regulations of any stock exchange or other relevant authority on which the Notes are for the time being listed (if any). Any notice shall be deemed to have been given on the second Business Day after being so mailed or on the date of such publication or, if so published more than once or on different dates, on the date of the first publication. So long as the Notes are listed on the Global Exchange Market of The Irish Stock Exchange plc trading as Euronext Dublin and the rules of such stock market so require, notices shall also be published through a press release which will also be made available on the website of the Issuer or the Global Exchange Market of The Irish Stock Exchange plc trading as Euronext Dublin's website. Any such notice shall be

deemed to have been given on the date of such publication or, if published more than once or on different dates, on the date of the first publication.

11. REPLACEMENT OF CERTIFICATES

If any Certificate is lost, stolen, mutilated, defaced or destroyed it may be replaced at the specified office of the Registrar upon payment by the claimant of the expenses incurred in connection with the replacement and on such terms as to evidence and indemnity as the Issuer may reasonably require. Mutilated or defaced Certificates must be surrendered before replacements will be issued.

12. FURTHER ISSUES

The Issuer may from time to time without the consent of the Noteholders create and issue further notes, having terms and conditions the same as those of the Notes, or the same except for the amount of the first payment of interest, and so that the same shall be consolidated and form a single series with the outstanding Notes (**Further Notes**).

13. SUBSTITUTION

The Issuer may, without the consent of the Noteholders, substitute in place of the Issuer as principal debtor under the Notes:

- (i) any subsidiary of the Issuer;
- (ii) a successor in business of the Issuer;
- (iii) a parent company of the Issuer; or
- (iv) any subsidiary of a parent company of the Issuer,

(each a **Substitute Issuer**) provided that:

- (a) subject to paragraph (b) below, except where the Substitute Issuer is the successor in business, the Notes shall be unconditionally and irrevocably guaranteed by the Issuer;
- (b) the rights and claims of the Noteholders against the Substitute Issuer or the Issuer under the guarantee referred to in paragraph (a), in respect of, or arising under, the Notes (including any damages awarded for breach of any obligations thereunder) will be in accordance with the rights and claims of the Noteholders as set out in Condition 2.1;
- (c) two directors of the Issuer certify that the substitution is not materially prejudicial to the interests of the Noteholders;
- (d) two directors of the Substitute Issuer certify that the Substitute Issuer is solvent at the time at which such substitution is proposed to be effected and will remain solvent immediately after such substitution is effected;
- (e) a deed is executed or some other form of undertaking is given by the Substitute Issuer agreeing to be bound by the terms of the Agency Agreement, the Deed of Covenant and the Notes as fully as if the Substitute Issuer had been named in the Agency Agreement, the Deed of Covenant and the Notes as the principal debtor in place of the Issuer (or of any previous substitute under this Condition 13);

- (f) if the Substitute Issuer is incorporated, domiciled or resident in a territory other than Bermuda, an undertaking or covenant shall be given by the Substitute Issuer in terms corresponding to Condition 6 (*Taxation*) with the substitution for the references to Bermuda in the definition of “Relevant Jurisdiction” with references to such territory, whereupon the Agency Agreement, these Conditions and the Notes shall be read accordingly;
- (g) if the Notes had a published rating solicited by the Issuer from one or more Rating Agencies at any time in the period of twelve (12) months prior to the substitution, the Notes are assigned by each such Rating Agency, or each such Rating Agency has informed the Issuer by an announcement or otherwise of its intention to assign, an equal or higher published solicited rating immediately after the substitution;
- (h) if the Notes are listed on the Global Exchange Market of The Irish Stock Exchange plc trading as Euronext Dublin or any other stock exchange or market immediately prior to the substitution, the Notes continue to be listed on the Global Exchange Market of The Irish Stock Exchange plc trading as Euronext Dublin or such stock exchange or market immediately after the substitution;
- (i) such substitution shall not result in any event or circumstance which at or around that time gives the Issuer a redemption right in respect of the Notes; and
- (j) the Relevant Supervisory Authority has approved, or provided its non-objection to, the substitution of the Issuer (to the extent that such approval or non-objection is required pursuant to the Applicable Regulations).

For the purposes of this Condition 13, **successor in business** means, in respect of the Issuer, any company which as a result of any amalgamation, merger, transfer, reconstruction or agreement, beneficially owns the whole or substantially the whole of the undertaking, property and assets owned by the Issuer immediately prior to such amalgamation, merger, transfer, reconstruction or agreement coming into force and carries on as successor to the Issuer the whole or substantially the whole of the business carried on by the Issuer immediately prior thereto.

Any substitution pursuant to this Condition 13 shall be notified to the Noteholders in accordance with Condition 10 as soon as practicable thereafter.

14. GOVERNING LAW AND JURISDICTION

The Agency Agreement, the Deed of Covenant and the Notes, and any non-contractual obligations arising out of or in connection with the Agency Agreement, the Deed of Covenant and the Notes are governed by and shall be construed in accordance with the laws of England, except that Condition 2 is governed by and shall be construed in accordance with Bermuda law.

The Issuer irrevocably agrees, for the exclusive benefit of the Noteholders, that the English courts shall have jurisdiction to hear and determine any suit, action or proceedings, and to settle any disputes, which may arise out of or in connection with the Agency Agreement, the Deed of Covenant and the Notes (including any suit, action, proceedings or dispute relating to any non-contractual obligations arising out of or in connection with the Agency Agreement, the Deed of Covenant and the Notes) (together **Proceedings**) and, for such purpose, irrevocably submits to the jurisdiction of the English courts. The Issuer irrevocably and unconditionally waives and agrees not to raise any objection which it may have now or subsequently to the laying of the venue of any Proceedings in the English courts and any claim that any Proceedings have been brought in an inconvenient or inappropriate forum and further irrevocably and unconditionally agrees that a judgment in any Proceedings brought in the courts of England shall be conclusive and binding upon it and may be enforced in the courts of any other jurisdiction. To the extent permitted by law, nothing in this Condition 14 shall limit any right to take Proceedings against the Issuer in any other court of competent jurisdiction, nor shall the taking of

Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction, whether concurrently or not.

The Issuer irrevocably appoints Athora UK Services Limited at its office at Level 4, 1 Soho Place, London W1D 3BG, United Kingdom as its agent in England for service of process in England and undertakes that, in the event of Athora UK Services Limited ceasing so to act or ceasing to be registered in England, it will appoint another person as its agent for service of process in England in respect of any Dispute. Nothing herein shall affect the right to serve proceedings in any other manner permitted by law.

15. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

The Notes confer no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of the Notes, but this does not affect any right or remedy of a third party which exists or is available apart from that Act.

SUMMARY OF PROVISIONS RELATING TO THE NOTES WHILE REPRESENTED BY THE GLOBAL CERTIFICATE

The Global Certificate contains the following provisions which apply to the Notes in respect of which they are issued whilst they are evidenced by the Global Certificate, some of which modify the effect of the Conditions. Terms defined in the Conditions have the same meaning in paragraphs 1 to 6 below.

1. ACCOUNTHOLDERS

For so long as any of the Notes are evidenced by the Global Certificate, each person (other than another clearing system) who is for the time being shown in the records of Euroclear or Clearstream, Luxembourg (as the case may be) as the holder of a particular aggregate principal amount of the Notes (each an **Accountholder**) (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg (as the case may be) as to the aggregate principal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated as the holder of such aggregate principal amount of such Notes (and the expression “Noteholders” and references to “holding of Notes” and to “holder of Notes” shall be construed accordingly) (the **Accountholder’s Holding**) for all purposes other than with respect to payments on such Notes, for which purpose the registered holder of the Global Certificate (the **Registered Holder**) shall be deemed to be the holder of such aggregate principal amount of the Notes in accordance with and subject to the terms of the Global Certificate. Each Accountholder must look solely to Euroclear or Clearstream, Luxembourg, as the case may be, for its share of each payment made to the Registered Holder.

2. CANCELLATION

Cancellation of any Note following its redemption or purchase by the Issuer or any of its or any of its subsidiaries will be effected by reduction in the aggregate principal amount of the Notes in the register of Noteholders.

3. PAYMENTS

For so long as the Registered Holder is shown in the Register as the holder of the Notes evidenced by the Global Certificate, the Registered Holder shall (subject as set out above under ‘Accountholders’) in all respects be entitled to the benefit of such Notes and shall be entitled to the benefit of the Agency Agreement. Payments of all amounts payable under the Conditions in respect of the Notes as evidenced by the Global Certificate will be made to the Registered Holder pursuant to the Conditions.

Distributions of amounts with respect to book-entry interests in the Notes held through Euroclear or Clearstream, Luxembourg will be credited, to the extent received by the Fiscal Agent, to the cash accounts of Euroclear or Clearstream, Luxembourg participants in accordance with the relevant system’s rules and procedures.

Upon any payment of any amount payable under the Conditions the amount so paid shall be entered by the Registrar on the register, which entry shall constitute *prima facie* evidence that the payment has been made.

Principal and interest shall be payable in accordance with the Conditions, save that the calculation of interest will be made in respect of the total aggregate principal amount of the Notes represented by this Global Certificate.

For the purposes of Condition 5 (*Payments*), so long as the Notes as evidenced by the Global Certificate are held on behalf of Euroclear and/or Clearstream, Luxembourg, the record date in respect of the Notes

shall be the close of the business day (being for this purpose a day on which Euroclear and Clearstream, Luxembourg are open for business) before the relevant due date.

4. NOTICES

So long as the Notes are evidenced by a Global Certificate and such Global Certificate is held on behalf of a clearing system, notices to Noteholders may be given by delivery of the relevant notice to that clearing system for communication by it to entitled Accountholders in substitution for notification as required by Condition 10 (*Notices*) *provided that*, so long as the Notes are listed on any stock exchange notices shall also be published in accordance with the rules of such exchange. Any such notice shall be deemed to have been given to the Noteholders on the date of delivery of such notice to such clearing system.

Whilst any of the Notes are evidenced by a Global Certificate, notices to be given by such Noteholder may be given by such Noteholder (where applicable) through the applicable clearing system's operational procedures approved for this purpose and otherwise in such manner as the Fiscal Agent and the applicable clearing system may approve for this purpose.

5. EXCHANGE AND REGISTRATION OF TITLE

The Global Certificate will be exchangeable (free of charge to the holder) in whole but not in part for Certificates only upon the occurrence of an Exchange Event. An **Exchange Event** means that:

- (a) an event of default (as set out in Condition 8 (*Events of Default*)) has occurred and is continuing; or
- (b) the Issuer has been notified that both Euroclear or Clearstream, Luxembourg have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and no alternative clearing system is available; or
- (c) the Issuer has or will become subject to adverse tax consequences which would not be suffered were the Notes in definitive form.

The Issuer will promptly give notice to the Noteholders in accordance with Condition 10 (*Notices*) if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, Euroclear and/or Clearstream, Luxembourg, as the case may be, acting on the instructions of any Accountholder may give notice to the Registrar requesting exchange and, in the event of the occurrence of an Exchange Event as described in (c) above, the Issuer may also give notice to the Registrar requesting exchange. Any exchange shall occur no later than ten days after the date of receipt of the first relevant notice by the Registrar.

Exchanges will be made upon presentation of the Global Certificate at the office of the Registrar by or on behalf of the Registered Holder on any day on which banks are open for general business in Luxembourg and will be effected by the Registrar (a) entering each Accountholder in the Register as the registered holder of the principal amount of Notes equal to such Accountholder's Holding (as defined above) and (b) completing, authenticating and dispatching to each Accountholder a Certificate evidencing such Accountholder's Holding. The aggregate principal amount of the Notes evidenced by Certificates issued upon an exchange of the Global Certificate will be equal to the aggregate outstanding principal amount of the Notes evidenced by the Global Certificate.

The Registrar will not register title to the Notes in a name other than that of a nominee for the common depositary for a period of fifteen calendar days preceding the due date for any payment of principal, or interest in respect of the Notes.

In the event that (a) the Notes as evidenced by the Global Certificate (or any part of it) have become due and repayable in accordance with the Conditions or that the maturity date of the Notes has occurred and, in either case, payment in full of the amount due has not been made to the Registered Holder, or (b) following an Exchange Event, the Global Certificate is not duly exchanged for Certificates by the day provided in the Global Certificate, then from 8.00 p.m. (London time) on such day each Accountholder will become entitled to proceed directly against the Issuer on, and subject to, the terms of the Deed of Covenant executed by the Issuer on 16 June 2023 in respect of the Notes and the Registered Holder will have no further rights under the Global Certificate (but without prejudice to the rights any person may have under the Deed of Covenant).

6. TRANSFERS

Transfers of book-entry interests in the Notes will be effected through the records of Euroclear and/or Clearstream, Luxembourg their respective participants in accordance with the rules and procedures of Euroclear and/or Clearstream, Luxembourg and their respective direct and indirect participants.

USE OF PROCEEDS

The net proceeds from the issue of the Notes will be applied by Athora for general corporate purposes (including, without limitation, bank loan refinancing and acquisitions).

INFORMATION ABOUT ATHORA AND BUSINESS OVERVIEW

General

Athora Holding Ltd. (the **Issuer** or **Athora**) is an exempted company limited by shares, incorporated in Bermuda on 1 December 2014 as AGER Bermuda Holding Ltd. Athora changed to its current name on 9 January 2018. Athora is registered with the Bermuda Registrar of Companies under registration number 49779, and its registered office is Swan Building, First Floor, 26 Victoria Street, Hamilton HM12, Bermuda. As at 31 December 2022, the authorised share capital of Athora was EUR 1,000,000 divided into 1,000,000,000 shares with a par value EUR 0.001 each across four classes of common shares and two classes of preferred shares. As at 31 December 2022, 370,952,162 common shares were issued and outstanding, of which 20,000,000 are owned by subsidiaries of the Issuer. In addition, as at 31 December 2022, 8,062,417 preferred shares of par value EUR 0.001 were issued and outstanding.

Athora is the ultimate holding company of the group consisting of the Issuer and its subsidiaries (together, the **Athora Group**). The Athora Group is a European savings and retirement services group. The Athora Group concentrates on the traditional life and pensions market, with the ambition to become a leading provider of guaranteed products in Europe. The Athora Group serves the needs of individual and corporate customers who continue to demand products offering safety of return and also provides innovative M&A and reinsurance solutions to other insurers seeking to enhance their capital positions or enact strategic change.

History

Athora was originally established by Athene, based in Bermuda, with the intention of building a savings and retirement services group focused on the European market. Given the size of the potential opportunities in Europe, EUR 2.2bn of equity capital commitments were secured in 2017 from several global institutional investors. On 1 January 2018, the business was deconsolidated from Athene and renamed to Athora. Since inception, Athora has raised approximately EUR 6.75bn of total equity capital, established operations in six countries and formed a leading European insurance group. Key milestones since deconsolidation from Athene are outlined below:

2018

- Acquisition of Dublin-based insurer Aegon Ireland plc (renamed **Athora Ireland**).
- Athora Life Re Ltd. (**Athora Life Re**), a Bermuda-based reinsurance subsidiary of Athora, completes its first internal reinsurance deal covering certain risks in Athora Lebensversicherung AG in Germany.
- Athora Life Re and Athora Ireland, Athora Group's principal reinsurance subsidiaries, are given Insurer Financial Strength Ratings of BBB+ with a stable outlook by Fitch.

2019

- Acquisition of composite insurer Generali Belgium S.A./N.V. (renamed **Athora Belgium**), which provides an entry point and platform into the traditional life market in Belgium.
- Athora Life Re and Athora Ireland, the principal reinsurance subsidiaries, are given Insurer Financial Strength Ratings of B++ with a stable outlook by AM Best.

2020

- The BMA becomes Athora Group's insurance group supervisor.
- Athora secures equity capital commitments of EUR 1.8bn from new and existing shareholders (EUR 1.3bn in the form of common equity capital and EUR 0.5bn in the form of an equity commitment letter,

both raised in 2019 but subsequently signed in 2020), supporting the acquisition of VIVAT N.V. (renamed **Athora Netherlands**), the ongoing requirements of Athora's insurance subsidiaries and its growth strategy in Europe.

- Acquisition of Athora Netherlands in the Netherlands, and disposal of Athora Netherlands' non-life business to NN Group N.V. following completion of the acquisition.
- Completion of the sale of Athora Belgium's non-life business (acquired from Generali Belgium S.A./N.V. in 2019).

2021

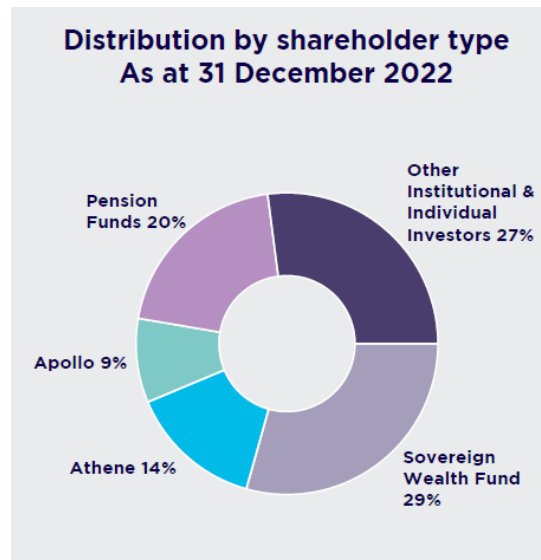
- Athora Life Re and Athora Ireland's Insurer Financial Strength ratings upgraded to A- with a stable outlook by AM Best.
- Each of Athora Life Re's, Athora Ireland's and SRLEV N.V. (**SRLEV**)'s Insurer Financial Strength Rating upgraded to A- with positive outlook by Fitch Ratings. Each of Athora's and Athora Netherlands' Issuer Default Rating was upgraded to BBB+ with Positive Outlook by Fitch Ratings.
- Athora Netherlands announces that it has reached agreement on the sale of ACTIAM N.V. (**ACTIAM**) to Cardano Group.

2022

- Each of Athora Life Re's, Athora Ireland's and SRLEV's Insurer Financial Strength Ratings are upgraded to A with stable outlook by Fitch Ratings. Each of Athora's and Athora Netherlands' Issuer Default Ratings are upgraded to A- with stable outlook by Fitch Ratings.
- Athora announces the signing of a EUR 19bn assets under management and administration (**AuMA**) closed-book life transaction with AXA Germany.
- Athora completes the acquisition of Amissima Vita S.p.A. (Amissima Vita) (later renamed to Athora Italia S.p.A.).
- Athora Belgium completes the acquisition of closed life portfolio from NN Insurance Belgium.
- In October, Athora Netherlands completes a new Pension Risk Transfer (**PRT**) transaction with A.C. Nielsen, which is the only competitive transaction executed in the Netherlands PRT market during the year.
- Athora Netherlands agrees to acquire a EUR 1.1bn AuMA Premium Pension Institution (with 32k policyholders) from Willis Towers Watson.
- Athora completes its third capital raise securing approximately EUR 2.75bn of additional common equity commitments. See the separate *Recent Developments* section below for information on 2023 developments post publication of the Issuer's 2022 Annual Report.

Shareholders

Athora is privately owned by a diverse group of global investors that have taken a long-term approach to their investment in Athora and have committed approximately EUR 6.75bn of equity capital to date. Athora's investor base comprises pension funds, sovereign wealth funds, family offices and financial services companies. The below figure shows Athora's ownership split by type as at 31 December 2022:



Key Minority Shareholders

Apollo, Athene, which is part of the Apollo Group, and the ADIA are key minority shareholders in Athora. These investors share the vision for Athora to become the leading provider of guaranteed life solutions in Europe. With these investors' backing, Athora benefits from access to stable capital, ensuring it has the resources necessary to drive growth and the financial strength to face interest rate, capital, market, operational, and resource challenges.

Relationship with Athene, Apollo, and ADIA

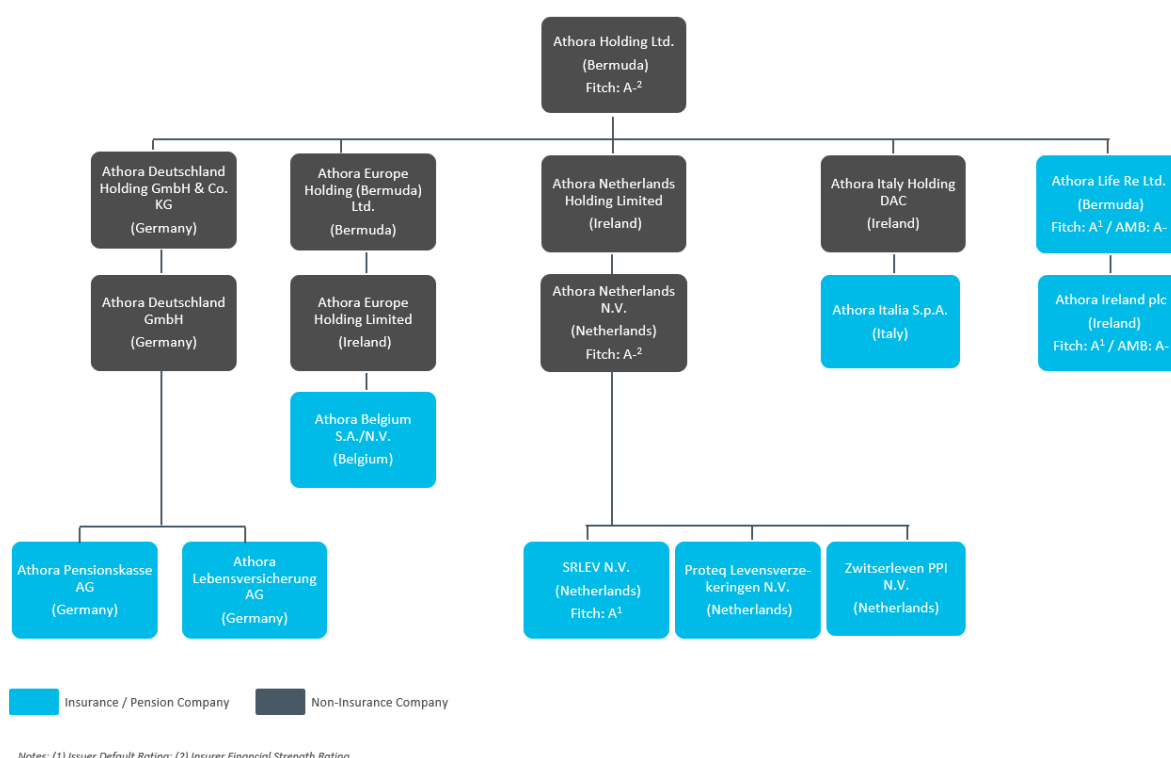
Athene (together with its subsidiaries) is a retirement services company that issues, reinsures and acquires retirement savings products designed for the increasing number of individuals and institutions seeking to fund retirement needs. Together with Apollo, Athene was a co-founder of Athora. Athora was a subsidiary of Athene until 1 January 2018, when Athene deconsolidated Athora through a private offering of equity securities. Athene retains a minority interest in Athora and has one member on Athora's Board. On 1 January 2022, Athene merged into a wholly owned subsidiary of Apollo. As a result of the merger, Athene became a wholly owned subsidiary of Apollo and one of its principal subsidiaries. Athene is no longer a publicly traded company. The strategic relationship with Athene provides the Athora Group with expertise and insight of an experienced management team to support the creation of a successful insurance group tailored to the specific market requirements in Europe.

Apollo (together with its subsidiaries) is a global alternative asset manager. Apollo had assets under management of approximately USD 548bn as at 31 December 2022. Apollo is listed on the New York Stock Exchange under the ticker APO. As co-founder of Athora, Apollo retains a strategic relationship with Athora, providing it with specific asset management and specialised investment expertise through its subsidiary, Apollo Asset Management Europe LLP. that includes duration matching strategies to evaluate, source and manage investments originated by Apollo. Apollo also provides advisory services that include advice on direct investment management, asset allocation, asset due diligence, mergers and acquisitions, operational support services (such as investment compliance, tax, legal and risk management) and identifying and capitalising on acquisition opportunities to grow Athora Group's business. Apollo, including Athene, have five members on Athora's Board. Apollo, including Athene, had a 23.25% economic interest in the equity share capital of Athora as at 31 December 2022. The strategic relationship with Apollo is expected to continue for the foreseeable future.

Established in 1976, ADIA and its affiliates is a globally diversified investment institution that prudently invests funds on behalf of the Government of Abu Dhabi through a strategy focused on long term value creation. ADIA has the right to select one member to Athora's Board and has exercised its right.

Corporate Structure

Athora, as the ultimate holding company of the Athora Group, is an exempted company limited by shares domiciled in Bermuda, whose principal activity is the holding of investments in its subsidiaries. Athora is subject to insurance group supervision by the BMA. The chart below provides an overview of the main structure and material entities within the Athora Group, including their credit ratings, where relevant, as at 31 December 2022. The below is an overview and does not aim to provide a complete overview of all entities in the Athora Group.



Business Description

Overview

The Athora Group is a leading European savings and retirement services group. The Athora Group concentrates on the traditional life and pensions market, with an ambition to become a leading provider of guaranteed products in Europe. The Athora Group serves the needs of individual and corporate customers who continue to demand products offering safety of returns, and also provide innovative M&A and reinsurance solutions to other insurers seeking to enhance their capital position or enact strategic change. The Athora Group's mission is to deliver more value to the Athora Group's customers in fulfilling their long-term insurance needs.

The Athora Group had EUR 73.8bn of AuMA, 2.7m customers, EUR 3.9bn of Total IFRS Equity and 1.7k employees as at 31 December 2022.

The Athora Group's primary insurance operations are based in the Netherlands, Belgium, Germany, and Italy, where the Athora Group provides a range of life and pensions products to individual and corporate customers to meet their differing needs. In Germany, there is a focus on efficiently managing the existing book of policies given the operation is closed to new business. The Athora Group also offers reinsurance solutions to other European insurers through Athora Life Re and Athora Ireland. The reinsurance entities also offer internal reinsurance solutions to the Athora Group's primary insurance operations for efficient capital management.

The Athora Group's Business Model and Strategy

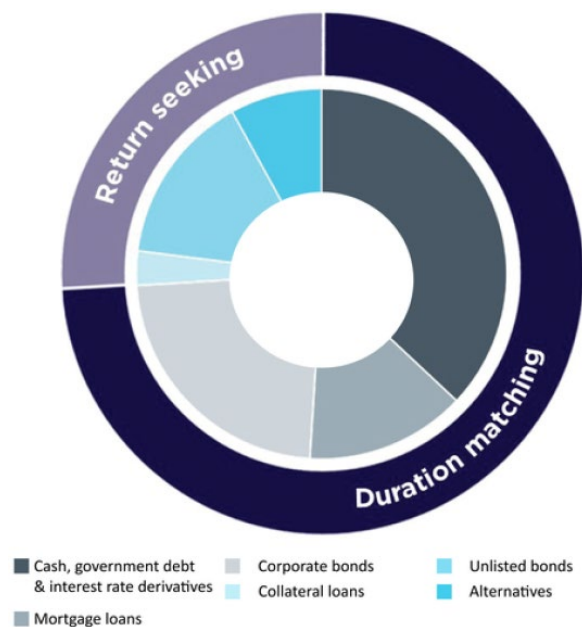
As a specialised and focused life insurance group, the Athora Group aims to provide long-term returns and security to its stakeholders: customers (including end consumers, distribution partners and insurers), employees, regulators, and shareholders, among others. All aspects of the Athora Group's business work together to support these constituencies, allowing the Athora Group to achieve a balance that results in a strong, sustainable group.

Multi-channel growth strategy: Following a period of sustained low interest rates and tight credit spreads, alongside the shift to a risk-based capital regime in Europe, many insurers with high-guarantee legacy liabilities have undertaken restructuring actions and are enacting permanent changes in strategy. While the recent increase in interest rates has reduced the liability-side pressure of high-guarantee legacy products, heightened volatility in public capital markets has increased the asset-side pressures. Changes to market activity therefore appear limited and unlikely in the near-term. The Athora Group offers innovative reinsurance, portfolio transfer and M&A solutions to other insurers seeking to enhance their capital position or enact strategic change, while continuing to meet institutional and retail demand for life and pension products offering guarantees. These products are sold through a strong network of distribution partners, primarily comprised of banks, brokers and financial advisers. Through a multi-channel growth strategy – new business and pensions, reinsurance, and M&A (including portfolio transfers) – the Athora Group believes there is an opportunity to accumulate large volumes of long-duration liabilities at attractive terms. Over the last few years, the Athora Group has built a strong reputation in the market by proving the Athora Group's ability to execute complex M&A, reinsurance, portfolio transfers and PRT transactions. Additionally, the Athora Group has continued to invest in its product offering and distribution structure, including the expansion of the Athora Group's bank and broker distribution networks. The Athora Group's strategy is to selectively grow through each of these channels using a disciplined approach to pricing to ensure financial stability and sustainable value creation.

Pro-active risk and capital management: the Athora Group's business model is underpinned by pro-active risk and capital management. The Athora Group is prudent in management of capital, leverage, and liquidity across all economic conditions, and invests significant effort in building these capabilities across all of its businesses to ensure that the Athora Group is resilient and maintains its financial strength. The Athora Group operates with an A (stable) Insurer Financial Strength rating from Fitch, upgraded from A- (positive) during 2022, and benefits from significant undrawn committed equity capital. The Athora Group seeks to minimise exposure to systemic market risks – most notably interest rates and listed equity – and has a modest appetite for underwriting risks. In contrast, the Athora Group carefully underwrites spread and default risk with a focus on earning superior risk-adjusted spreads. The Athora Group is committed to the protection of its policyholders and works to ensure that its businesses have the resources to deliver their strategic ambitions. This translates into robustly capitalised subsidiaries, which contain risk sensitivities, and a strong group financial position.

Leading investment capabilities: the Athora Group's investment strategy is focused on managing the duration of the Athora Group's assets/liabilities, to maintain stability in the Athora Group's capital positions, while delivering attractive risk-adjusted returns. Athora's strategic asset allocation is designed to be resilient in a market downturn and can broadly be split into two components: duration matching assets (or asset/liability matching assets (**ALM**)) and return seeking assets (described below). The Athora Group's expertise in managing assets enables the Athora Group to deliver the returns that the Athora Group's customers desire, and sustainable returns for Athora's shareholders, who have entrusted the Athora Group with their investments. The Athora Group's differentiated investment strategy benefits from the strategic relationship with Apollo. The full suite of services Apollo provides for the Athora Group's investment portfolio includes direct investment management, asset allocation, M&A asset diligence and certain operational support services including investment compliance, tax and legal services. The Athora Group's asset allocation strategy is specifically tailored to the need of traditional life products and aims to generate superior returns while minimising exposure to unrewarded market volatility. While many insurance companies use liquid traded assets to back these types of products, at times compromising by taking more credit and market risk to generate income, the Athora Group uses its expertise to capture illiquidity and complexity premium rather than assuming only credit risk. This means the Athora Group invests in assets that it believes generate better value due to the way they are structured, without compromising on credit quality.

1. **Asset/liability-matching assets:** the Athora Group implements a liability-driven asset strategy to minimise the sensitivity of the balance sheet to movements in interest rates. This comprises investments in high-quality core sovereigns (more than 96% with rating of A or higher, 50% with rating of AAA and no periphery exposures), residential mortgages (with low loans-to-value) and interest rate derivatives. Additionally, the Athora Group selectively maintains limited exposure to high quality, shorter-dated traditional public credit (more than 55% with rating of A and higher) in line with its risk/reward appetite. This results in a high-quality allocation and low appetite for systemic market risk. Approximately 70-75% of the Athora Group’s asset portfolio is invested in duration matching assets.
2. **Return-seeking assets:** the Athora Group’s return-seeking portfolio seeks to support the yield of its overall portfolio, whilst carefully managing exposures through diversification across sub-strategies and investment granularity. This portfolio is characterised by investments with low systemic market risk, instead earning a premium for illiquidity and complexity risk. Rather than increase its allocation to higher risk securities to increase yields, the Athora Group leverages Apollo’s direct origination of high-quality, predominantly senior secured assets, which possess greater alpha-generating qualities than securities that would otherwise be readily available in public markets.



The Athora Group believes that a greater focus on direct origination will afford it both quantitative and qualitative advantages, including eliminating the cost of intermediaries, recognising an illiquidity premium, having direct access to diligence, and having greater control over the terms of the investment. Furthermore, the Athora Group believes that direct origination will often provide the flexibility to choose the location of the capital structure in which it invests, affording it the opportunity to select the risk/return profile that it deems optimal. By capitalising on these advantages, the Athora Group seeks to increase yields on its investment portfolio while maintaining investment discipline and limiting its exposure to assets with sub-optimal risk/return characteristics.

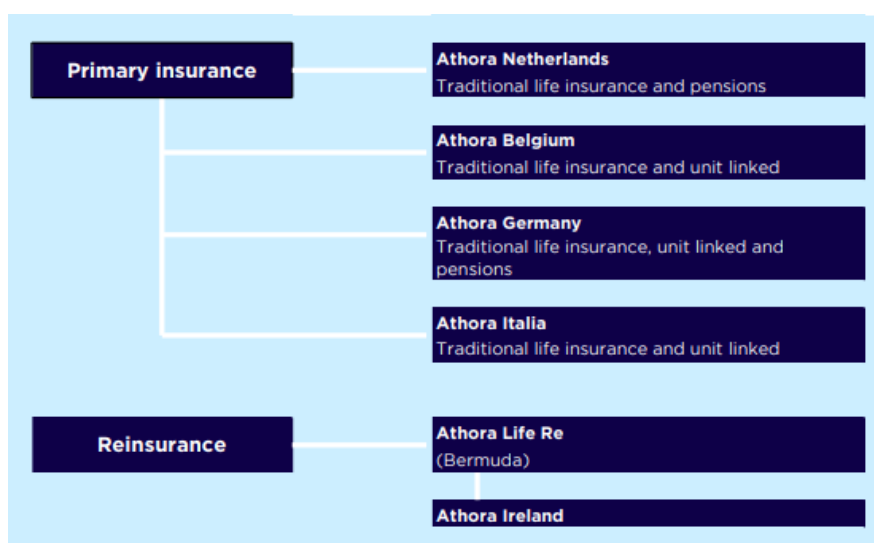
Efficient and scalable operations: Having established a significant footprint, the Athora Group has sufficient scale to pursue the implementation of its target operating model and drive further efficiencies. The Athora Group’s strategy for success in the long term is to put in place a lean operating structure with a competitive cost base which streamlines the business rather than slowing it down while maintaining the agility to integrate newly acquired businesses. The Athora Group’s multi-year transformation programme “Becoming Athora” was launched in 2020 to further these ambitions. As part of the “Becoming Athora” programme, the Athora Group will combine cost management with investment in systems that will enable it to operate in a focused, efficient, and stable manner.

The Athora Group’s goal is to operate efficiently, while achieving effective long-term cost management together with increased customer satisfaction.

Delivering attractive returns for all stakeholders: By focusing on sustainable growth in operating capital generation, the Athora Group can deliver better returns for its customers and drive sustainable long-term cash generation. The Athora Group aims to prudently manage cash and capital centrally at the level of Athora, seeking to ensure it has sufficient resources to meet its obligations (including operating and interest expenses) and the flexibility to support the capital needs of subsidiaries and/or deploy resources into growth.

Businesses

The chart below shows, in simplified form, the primary insurance and reinsurance businesses and the countries in which these businesses operate.



The table below summarises key facts for the Athora Group’s various businesses at 31 December 2022.

	Athora Netherlands	Athora Belgium	Athora Italy	Athora Germany	Athora Life Reinsurance
Solvency ratio	205% ¹	150% ¹	197% ¹	346% ²	210% ³
AuMA (EUR bn)	51	8.9	6.6	4.3	2.6
Customers	2,000,000	400,000	140,000	180,000	n/a
Employees	1,000	225	100	120	30

Risk Management

Robust risk management is central to the success of the Athora Group as an insurance and reinsurance group. It is a key element of the Athora Group’s business model and therefore risk management is the responsibility of all Athora Group employees. The Athora Group’s enterprise risk management (ERM) framework was devised to

¹ Solvency II solvency capital requirement coverage ratio

² Solvency II solvency capital requirement coverage ratio with Transitional Measures, without Transitional Measures the ratio was 117%

³ BSCR ratio

ensure that the Athora Group identifies, understands and assesses risks against levels defined as acceptable. As the Athora Group understands the risks it faces, it can design and implement appropriate controls. The aim is to enable every employee to contribute to the effective management of risk. Risks are managed from multiple perspectives, including economic, regulatory, and accounting.

The objective of the Athora Group's risk management framework is that each risk is assumed and managed deliberately to create value for stakeholders within the Athora Group's defined risk appetite and risk strategy. The Athora Group's risk appetite and risk strategy are integral parts of its business strategy and the Athora Group manages all risks with the purpose of ensuring a good customer outcome. They determine how the Athora Group selects the risks it can control, and from which it can extract value, in line with its strategy. Risk appetite and risk strategy are translated into specific policies and limits for the relevant risk types. Specific strategies apply for each risk type, but three fundamental principles apply generally:

1. Targeted risk selection: the Athora Group takes on long-dated life-insurance liabilities in European markets if these can be pursued within its risk appetite and provide a risk-adjusted return in line with its strategy. Asset selection for return-seeking investments is determined by the Athora Group's access and the opportunity to capture illiquidity premiums and credit-risk premiums. Risks outside risk appetite are pro-actively mitigated and traded out; incentive systems discourage short-term, unrewarded risk taking.
2. Skilled risk taking: the Athora Group's active risk management is a core competency that helps to promote confidence in the Athora Group's stakeholders (including the Board, supervisors, shareholders, and rating agencies). The Athora Group only takes risks for which the appropriate skills, capabilities and resources exist in the organisation. The Athora Group measures risk on a timely and reliable basis to achieve a predictable risk profile and promote conscious trade-offs.
3. Cohesive risk management: risk is to be managed consistently across the entire business. Aggregated risk is ultimately owned at the Athora Group level. A core test of any successful business case and decision is the assessment of how a proposed activity fits into the Athora Group's risk appetite, understanding the trade-off in the decision between upside opportunity and downside protection. A common underlying economic basis to measure risk of the proposed activity is used with an own view of the capital needed to support the risks faced.

Capital Management

The main objective of the Athora Group's capital management policy is at all times to appropriately capitalise the operating entities and the Athora Group itself, to ensure the interests of policyholders, regulators, shareholders, and other stakeholders can be met. The capital management policy is designed based on regulatory, economic, and rating agency requirements. The aim of the capital management strategy is four-fold:

1. ensure a robust capitalisation of the Athora Group and operating units;
2. ensure sufficient capital is available to support investment strategies and drive future capital generation;
3. enable financial flexibility to pursue opportunities as they arise; and
4. ensure the efficient allocation of capital across the Athora Group to deliver expected returns.

The Athora Group Capital Management policy is adopted by each operating unit to ensure a cohesive approach to capital management across the Athora Group, with appropriate amendments to reflect the specifics of each jurisdiction.

Target capital levels at both group and local level are set to reflect the risk profiles of the business and the strategic outlook. A Group Capital Management plan is produced annually to assess capital adequacy and optimisation

across the Athora Group over the business planning period. On 7 April 2020, the BMA notified Athora of the BMA's determination and approval to be Group Supervisor of the Athora Group. Pursuant to Section 27B(5) of the Bermuda Insurance Act 1978, the BMA designated Athora Life Re as a 'Designated Insurer' for the purposes of the Insurance Act. Group Supervision of the Athora Group was effective from 1 January 2020.

Athora's Approach to Solvency Valuation

The consolidated financial statements for Athora are prepared in accordance with IFRS as adopted by the European Union (EU) and form the basis of the economic balance sheet (EBS) under the Bermuda capital regime.

The basis of the EBS fair valuation principle is the amount for which the assets or liabilities could be exchanged between knowledgeable and willing parties in an arm's length transaction. Under the EBS regime, certain items not fair valued under IFRS are required to be adjusted.

Asset Valuation Bases

Investments: Investments include equities, government bonds, investment grade corporate bonds, mutual funds, loans and advances due from banks and net exposure to derivatives. All investments are measured at fair value for both EBS and IFRS purposes, other than loans and advances from banks which are held at amortised cost for IFRS. Derivatives are held at fair value for both IFRS and on the EBS. Under IFRS, derivative assets and derivative liabilities are presented separately, while under the BMA guidance, derivatives are presented as a net asset/net liability as applicable.

Intangible Assets: Intangible assets recognised on the IFRS balance sheet are removed from the EBS in accordance with BMA guidance.

Other: Other includes deferred tax assets, collateral held and other receivables. These are valued on an IFRS basis, which is deemed a reasonable proxy for fair value, given the nature of these assets. To calculate the EBS position, prudential filters are applied to eliminate assets which do not have a readily realisable market value, such as prepaid and deferred expenses. To calculate the EBS deferred tax asset/liability, the IFRS deferred tax asset/liability is adjusted to recognise the approximate impact of an increase or decrease in shareholders' funds arising from the transition from IFRS to EBS.

Technical Provision Valuation Bases

The value of the technical provisions is calculated as the sum of the best estimate and a risk margin. The Best Estimate Provision (BEP) is defined as the average expected scenario. Assumptions are compared to actual experience and reviewed to consider any potential trend changes. The risk margin reflects the uncertainty in the best estimate provision due to the underlying, largely unhedgeable risks such as longevity, lapse, underwriting, credit expense, and operational. It is determined as the present value of the cost (set at 6%) of future Bermuda Solvency Capital Requirements (BSCR) for these unhedgeable risks. The risk margin together with the BEP approximates the market value of the liabilities.

Athora utilises the actuarial cashflow projection models used in the local subsidiaries for local statutory and regulatory reporting. As most of Athora's subsidiaries are incorporated in member states of the European Union and report on a Solvency II basis (reflecting the regulatory regime in Europe), the cashflows used are consistent with those prepared for Solvency II reporting. The cashflow models used project the cash inflows and outflows required to meet obligations to policyholders over the lifetime of the policy, taking into account the undertaking's regulatory duty to treat its customers fairly. The projection of future cash flows is performed using realistic assumptions regarding future experience. The key relevant assumptions include mortality, longevity, lapse rates and option take-up rates with allowance for any expected trends. An allowance is also made for future expenses.

The BEP also considers the time value of money using relevant risk-free interest rate term structures with an appropriate illiquidity premium. The BMA has two methods, which are described in the BMA's guidance for Commercial Insurers and Groups (dated 30 November 2016):

- The 'standard approach', which utilises interest rates prescribed by the BMA which are risk free rates plus an illiquidity premium.
- The 'Scenario Based Approach', which utilises the actual portfolio of assets backing the liabilities to derive a best estimate liability valuation. This valuation represents the market value of assets necessary to cover all liability cashflows included in the SBA, adjusted for the maximum amount of additional assets required under nine interest rate scenarios prescribed by the BMA. The scenario tests capture the interest rate sensitivity, and the degree of cashflow mismatch, of assets and liabilities included in the SBA.

The best estimate provision for liability cashflows that are suitable for a cashflow matching strategy is valued using the SBA, subject to approval by the BMA and eligible asset coverage. Assets used in the SBA meet eligibility criteria as prescribed by the BMA which requires the assets to be of high quality and fixed income in nature. This is consistent with the investment strategy employed by Athora, which is focused on producing stable and predictable spread generation for its diverse and expertly managed investment portfolio. The SBA requires that Athora projects the assets assuming appropriate levels of expected defaults for each individual asset class and to allow for the actual investment management fees that are expected to be incurred in deploying this investment strategy. Reinvestments must follow Athora's investment guidelines and indicative yields. The projection of the assets within the SBA is consistent with the current practices whereby local business units manage their asset portfolios to produce stable local solvency coverage ratios. The approach takes account of the planned transition to locally approved strategic asset allocations. The BMA-prescribed stresses are onerous and are designed such that any mismatch between assets and liabilities is penalised and is included in the best estimate. Unit-linked liabilities are also excluded as the value of the unit-linked liabilities directly depends on the value of the corresponding unit linked assets.

Financial Position

Overview

2022 was another successful year for the Athora Group, as it made significant strides towards its strategic targets despite the backdrop of a challenging macroeconomic environment. The Athora Group has delivered robust operating and financial performance demonstrating the merits of its business model through varying economic cycles. The Athora Group continued to execute on its growth agenda, completing the previously announced acquisitions of Amissima Vita in Italy and a closed-life portfolio from NN Insurance Belgium increasing AuMA by EUR 9.2bn. In July 2022, Athora announced the acquisition of a portfolio of a closed-life portfolio from AXA Germany with AuMA of EUR 19bn (as at 31 December 2021), this transaction is subject to regulatory approval and is expected to complete in early 2024. Further, Athora secured significant additional equity capital commitments in 2022.

In December 2022, Athora announced the completion of its third equity capital raise, securing approximately EUR 2.75bn (including commitments of EUR 600m received in 2021) of additional common equity capital commitments from new and existing shareholders. This latest funding round brings the total equity capital raised since Athora's inception to approximately EUR 6.75bn. As at 31 December 2022, EUR 2.45bn remained undrawn and available for Athora to further pursue its growth strategy. During 2022, the Athora Group's Insurer Financial Strength Rating was raised by Fitch to A stable and the Athora Group refinanced a Tier 2 subordinated debt instrument.

The Athora Group's business model is based on improving its investment returns and building a cost-efficient operating model. The Athora Group continued to deliver its differentiated investment strategy increasing average investment returns across all subsidiaries by 50 bps to 168 bps, achieving an increase in Operating Capital

Generation (**OCG**) of 82% (vs. 2021). Athora made good progress in 2022 on strengthening its control environment as well as building its operating model. The Athora Group continued to focus on costs and efficiency, reducing operating expenses year on year, whilst recognising the investment that is required to deliver a lean operating model and will continue to invest in its systems, people, and processes.

Regulatory solvency

From 1 January 2020, the BMA became the Athora Group's regulatory supervisor. As at 31 December 2022 (**FY22**), the Athora Group's estimated Group BSCR surplus was EUR 2,356m (2021: EUR 2,170m) and the Athora Group BSCR ratio remained relatively stable at 183% (2021: 187%) with positive operating momentum largely offsetting increased capital requirements due to asset repositioning and market movements. The BSCR ratio excludes undrawn equity commitments. The FY22 BSCR ratio was also impacted by a short-term investment made in December 2022 and repaid in early 2023, without which the Athora Group BSCR ratio would have stood at 195%. The investment was a highly secure, collateralised fixed income replacement exposure with a conservative loan-to-value, daily margin, and implied investment grade rating. For the investing entities under Solvency II, the capital charge was reflective of the low risk and short duration of the instrument. However, under the Athora Group BSCR the default capital charge for unrated instruments was 35%. The regulatory solvency positions of all the Athora Group's European insurance subsidiaries, which are measured on a Solvency II basis, were resilient during 2022.

OCG

OCG increased by 82% from 2021 to 2022 to EUR 442m driven by the Athora Group's largest subsidiary Athora Netherlands. The key drivers of the increase in OCG in Athora Netherlands was the repositioning of the asset portfolio and a reduction in the UFR drag as a result of increasing interest rates. During 2022, the Athora Group made progress in convergence of the investment portfolios to the various 'Strategic Asset Allocations' (**SAA**). In the Netherlands, the Athora Group achieved significant increase in spreads, with the expectation to reach the target level during 2023 (since acquisition in 2020, spreads have increased by more than 100bps). In Belgium, Bermuda and Ireland, spreads remained above target levels, with a swift ramp-up of newly acquired portfolio and assets. In Germany and Italy, spreads are performing in line with or ahead of target, with an expectation to ramp-up spreads in Italy over the coming year following the EUR 200m capital contribution made in December 2022.

Expenses

A key pillar of the Athora Group's strategy is operating with competitive costs and service levels, while providing great customer service. "Becoming Athora", a multi-year transformation programme that started in 2020, includes activity to reduce the Athora Group's long-term cost base while investing in the systems that will allow it to operate in a focused, efficient, and stable manner.

During 2022, the Athora Group delivered a further reduction in operating expenses facilitated by the sale of non-core assets and careful cost management in the current inflationary environment. Athora Netherlands has taken steps to accelerate efficiency initiatives following the disposal of ACTIAM, while continuing to deliver targeted organic and inorganic growth. Athora Belgium is focused on the delivery of a lean and focused operating model, alongside the successful integration of the portfolio acquisition from NN Insurance Belgium. Athora Germany progressed its multi-year transformation journey, achieving further cost reductions through continuous delivery of efficiency initiatives. The business is preparing for the closing of the AXA Germany portfolio acquisition, which will drive scale benefits.

IFRS results

Athora's IFRS total equity decreased significantly to EUR 3.9bn (2021: EUR 4.8bn), this was largely as a result of the asset and liability accounting mismatch, where assets are fair valued, but liabilities are held at "locked-in" rates in most subsidiaries. The impact of this mismatch was an IFRS reduction of EUR 1.5bn.

The Athora Group generated profit before tax for the year of EUR 488m (2021: EUR 428m). The increase in IFRS profit before tax is primarily attributable to a reduction in the value of technical provisions at Athora Netherlands due to the benefit of rising interest rates on the Athora Group liability adequacy test result. Other comprehensive income was impacted by a EUR 1.9bn reduction in available for sale asset values primarily driven by rising interest rates.

Ratings and financial leverage

The Athora Group's financial leverage ratio definition is consistent with the Fitch Ratings Methodology. The Athora Group has a medium-term financial leverage target of 25%, which is in line with its "A" range financial strength rating target. The Athora Group manages its financial leverage ratio carefully given the influence it has on credit rating, which in turn is critical to the Athora Group's reinsurance proposition, funding costs and ability to maintain financial flexibility. With the introduction of IFRS 17, the Athora Group expects to revise its financial leverage methodology and target. The Athora Group expects to continue to have a target which is consistent with its "A" range credit rating target and positions the Athora Group well against its peers. Formalisation of the new methodology and target will depend on the (i) Athora Group's opening and forecast IFRS 17 position, (ii) IFRS 17 leverage thresholds rating agencies will announce, (iii) leverage outcomes and targets that the Athora Group's peers will publish, and (iv) Athora Group's own view of what appropriate financial leverage is. The Athora Group expects to propose a new target after rating agencies have announced new thresholds, which is anticipated for late 2023 or early 2024 in the case of Fitch Ratings.

At year end, the Athora Group's financial leverage ratio was 31% (2021: 25%). The increase in financial leverage was primarily due to IFRS equity being significantly impacted by the non-economic treatment of interest rates under IFRS 4, where assets are fair valued, but liabilities are held at "locked-in" rates in most subsidiaries. This dynamic combined with the Athora Group's hedging strategy, which is focused on managing local solvency positions, led to a significant decrease in IFRS equity during 2022. On top of that there was a moderate increase in net borrowings during the year. Adjusting for the EUR 1.5bn impact of interest rates on Athora's subsidiaries using "locked-in" interest rates for liability discounting, the Adjusted financial leverage ratio is 25%. This is in line with the Athora Group's medium-term target of 25% and compares well with what is expected for an 'A Rating' level.

During 2022, total borrowings increased by EUR 294m, predominantly relating to the issuance of a new EUR 250m senior capital eligible loan from a syndicate of credit institutions and the inclusion of a EUR 80m Tier 2 bond which had been issued by Athora Italy before it was acquired by the Athora Group. During the year, Athora Netherlands also refinanced Tier 2 bonds at favorable terms achieving an initial fixed coupon of 5.375% compared to 6.250% on the refinanced instrument. Interest expense on borrowings increased marginally to EUR 93m (2021: EUR 86m), driven by the higher borrowing base, which was partially offset by refinancing of existing debt at favorable terms.

During 2022, Fitch upgraded the Insurer Financial Strength Ratings of Athora's subsidiaries (Athora Ireland, Athora Life Re and SRLEV) from A- to A. The Issuer Default Ratings of Athora and Athora Netherlands were upgraded from BBB+ to A-. The rating outlook of Athora and its subsidiaries is stable. The Fitch upgrade achieved by Athora in 2022 places Athora more comfortably within the 'A' range rating target. In October 2022, Fitch assessed Athora's PRISM Capitalisation as "Very Strong".

Assets

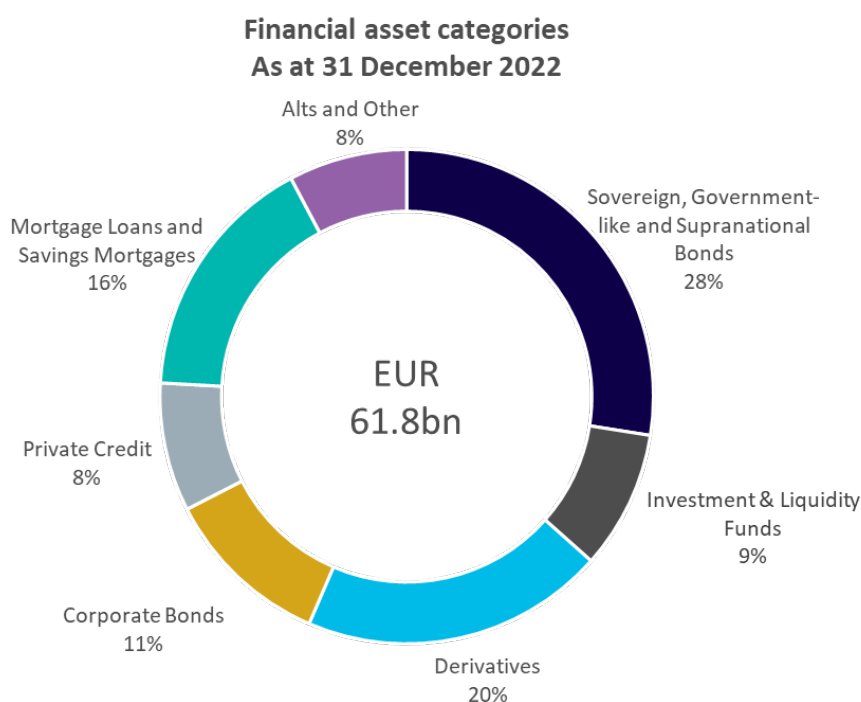
AuMA represents the value of invested assets managed directly by the Athora Group or administered on behalf of clients. Assets under Management (**AuM**) reflects the assets the Athora Group manages as part of the general account insurance business, while Assets under Administration (**AuA**) refers to assets the Athora Group administers on behalf of clients, primarily in relation to unit-linked products. Assets that the Athora Group manages as part of the general account activities are invested according to the principles of the Athora Group's investment strategy and SAA.

The Athora Group’s general account assets (AuM) decreased by 4% and AuA by 7% in the year ending 31 December 2022. As at 31 December 2022, the AuM was EUR 55.2bn and Group’s AuA was EUR 18.6bn, giving a total AuMA of EUR 73.8bn on 31 December 2022 (2021: EUR 77.6bn).

The decrease in AuMA is largely due to the impact of rising interest rates. This was partially offset by the increase in assets arising from the acquisitions of Athora Italy, EUR 6.6bn, and the closed-book life portfolio from NN Insurance Belgium, EUR 2.6bn.

In July 2022, the Athora Group announced the acquisition of a closed-book life portfolio from AXA Germany with an AuMA of approximately EUR 19bn. Following the completion of this acquisition the AuMA of the Athora Group will increase to approximately EUR 94bn.⁴⁵

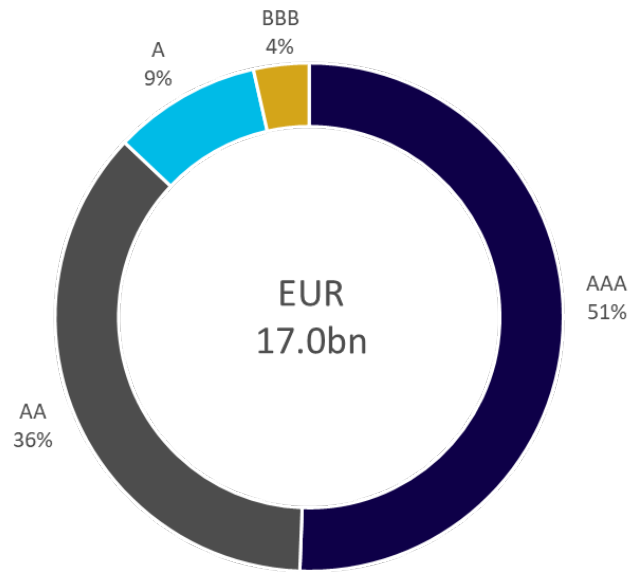
The allocation of the Athora Group’s financial assets by type as at 31 December 2022 is shown in the following chart:



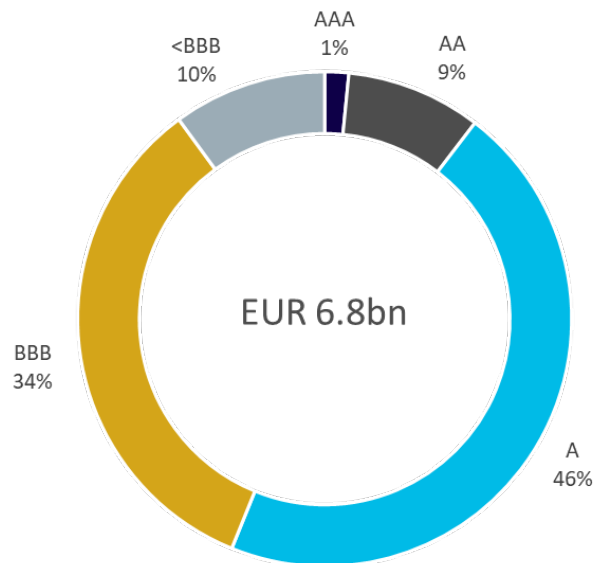
The overall financial asset portfolio of the Athora Group is predominantly made up of sovereign, government-like and supranational bonds, of which more than 50% is rated AAA. Investment & liquidity funds is predominantly composed of liquidity and money market funds, that are both highly liquid and readily accessible.

⁴ Includes centrally held cash and the elimination of intra group instruments such as reinsurance receivables
⁵ The definition of AuMA has changed from prior year and general account assets now include derivatives

**Ratings - Sovereign, government-like and supranational bonds
As at 31 December 2022**

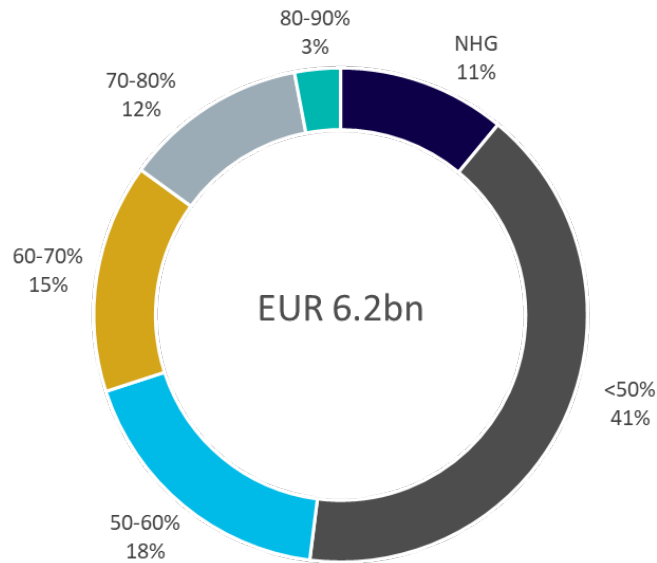


**Ratings - Corporate bonds
As at 31 December 2022**



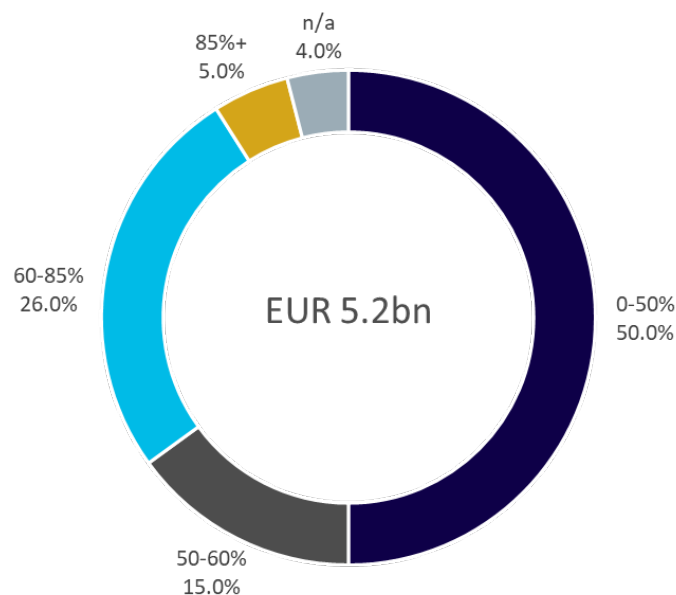
The quality of the Athora Group's debt portfolio remained very high, as illustrated above. At 31 December 2022, 100% (2021: 100%) of government debt securities and 90% (2021: 94.5%) of corporate debt securities are rated as investment grade (BBB rating or better).

**Residential Mortgages (excl. savings mortgages) by LTV
As at 31 December 2022**

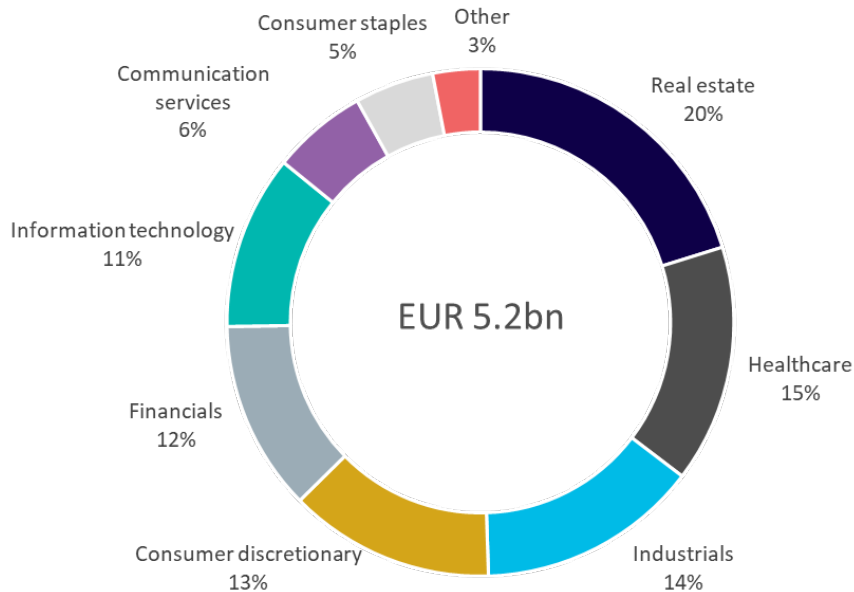


Similarly, included within the mortgage loans and savings mortgages category, the residential mortgage loans portfolio totalled EUR 6.2bn (2021: EUR 5.0bn) and, of these, only 48% (2021: 49%) had a loan to value (LTV) ratio greater than 50%.

**Private credit by LTV
As at 31 December 2022**



**Private credit by sector
As at 31 December 2022**



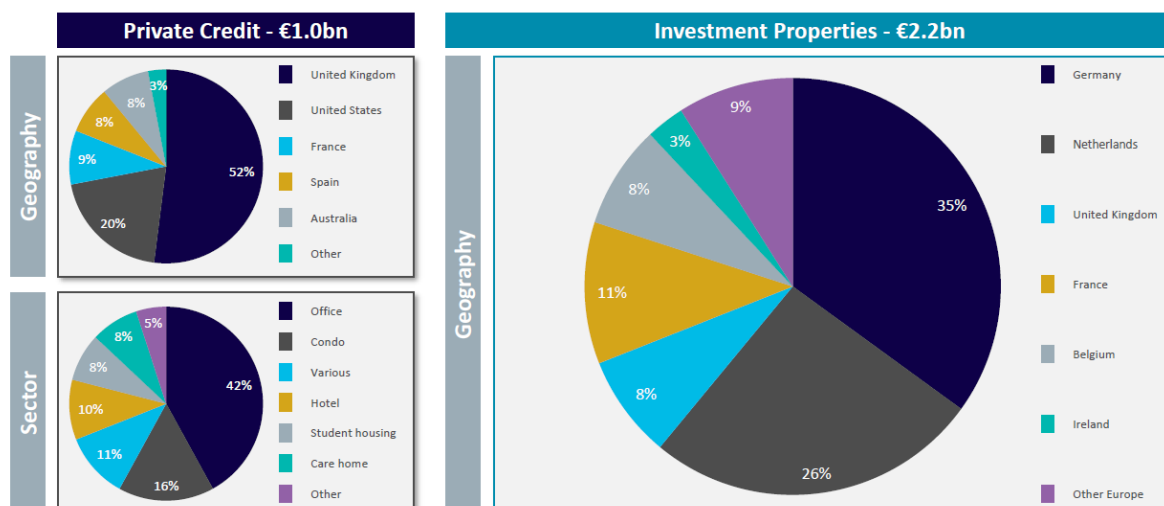
The Athora Group’s private credit investments total EUR 5.2bn (2021: EUR 5.6bn) and, of these, only 50% (2021: 56%) had a LTV ratio greater than 50%. As per the above charts, the Athora Group’s private credit portfolio is well diversified with no sector constituting more than 20% of the total exposure.

Athora’s Real Estate Exposure

Athora’s real estate investments can be broadly divided into two subcategories; real estate private credit and investment properties.

As at December 2022, Athora had EUR 1.0bn of real estate private credit exposure, which benefits from a defensive basis (average LTV of 58%) and significant subordinated capital and/or equity from well capitalized institutional sponsors. From a diversification perspective, the portfolio benefits from both geographical diversification with no geography constituting more than 52% of the exposure, as well as asset class diversification with none constituting more than 42%.

As at December 2022, Athora also had EUR 2.2bn of investment properties through direct real estate exposures (predominantly via Athora Netherlands) and equity exposures in real estate companies. The underlying is a high quality European portfolio containing primarily investment grade rated tenants with lease terms longer than 5 years.



Borrowings

Athora had EUR 1.892m of borrowings as at 31 December 2022, including both senior and subordinated debt. Please see below a breakdown of each of these categories.

€m	2022	2021
Subordinated debt	985	898
Senior debt	907	700
	1,892	1,598

Subordinated debt

As at 31 December 2022, the Athora Group had the following subordinated debt in issue:

€m	Issuer	Maturity	Notes	2022	2021
US\$ subordinated notes	Athora Netherlands N.V.	Perpetual	1	-	500
Euro subordinated bonds	Athora Netherlands N.V.	2031	2	298	300
Euro subordinated bonds	Athora Netherlands N.V.	2032	3	497	-
Swiss franc perpetual bonds	SRLEV N.V.	Perpetual	4	107	98
Euro subordinated bonds	Athora Italia S.p.A	2031	5	83	-
				985	898

1, US\$ subordinated notes: In June 2022, USD 506m of the USD 575m perpetual subordinated notes were tendered for as part of a refinancing exercise. The residual stub was called at its first call date in November 2022. The notes carried a fixed coupon of 6.250% until the first call date of November 2022. The notes qualified as Tier 2 regulatory capital.

2, Euro subordinated bonds: EUR 300m subordinated bonds, with a first call date in 2026 and a maturity date in 2031. The bonds are classified as Tier 2 regulatory capital. The coupon is fixed at 2.250% until its first call date.

3, Euro subordinated bonds: EUR 500m subordinated bonds, with a first call date in 2027 and a maturity date in 2032. The bonds are classified as Tier 2 regulatory capital. The coupon is fixed at 5.375% until its first call date.

4, Swiss franc perpetual bonds: CHF 105m subordinated perpetual bonds which are callable annually. The coupon is fixed until 2026 at 5.334%. The bonds qualify as Tier 2 regulatory capital.

5, Euro subordinated bonds: EUR 80m subordinated bonds, with a first call date in 2026 and a maturity date in 2031. The coupon is fixed until 2026 at 7.000%. The bonds qualify as Tier 2 regulatory capital.

Senior debt

As at 31 December 2022, the Athora Group had the following senior debt in issue:

€m Issuer	Nominal	Currency	Issue date	Maturity	Note	Amortised cost	
						2022	2021
Athora Holding Ltd.	450	EUR	31/03/2020	01/04/2025	6	445	490
Athora Holding Ltd.	250	EUR	21/04/2022	21/04/2025	7	253	-
Athora Europe Holding (Bermuda) Ltd.	150	EUR	12/02/2019	12/02/2024	8	148	149
Athora Netherlands N.V.	61	EUR	17/05/2017	17/05/2024	9	61	61
						907	700

6, Athora Holding Ltd EUR 450m Senior Loan: In 2020, Athora issued EUR 500m 5-year floating rate senior debt to a group of credit institutions as part of the acquisition of Athora Netherlands. EUR 50m of this debt was repaid in 2022. In February 2023, a 3-year EUR 600m term loan was signed to refinance Athora's EUR 450m term loan and the EUR 150m term loan of Athora Europe Holding (Bermuda) Ltd (**Athora Europe**).

7, Athora Holding Ltd EUR 250m Senior Loan: In April 2022, Athora put in place a EUR 250m senior bank facility with a group of credit institutions – the facility benefits from Tier 3 regulatory capital classification.

8, Athora Europe Holding (Bermuda) Ltd. EUR 150m Senior Loan: In 2019, Athora Europe borrowed EUR 175m from a group of credit institutions as part of the financing for the Athora Group's acquisition of Athora Belgium. In 2021, an amount of EUR 25m was repaid. As discussed above, the facility was fully repaid from the proceeds of Athora's EUR 600m 3-year floating rate senior debt in February 2023.

9, Athora Netherlands N.V. EUR 61m Senior Note: In 2020, the Athora Group acquired Athora Netherlands and consolidated EUR 650m of senior notes issued by Athora Netherlands. As a result of a successful tender offer on the notes in April 2020, the remaining outstanding amount is EUR 61m with a fixed coupon at 2.375% per annum and maturing during 2024.

Revolving credit facilities

In February 2021, Athora entered a EUR 500m unsecured revolving credit facility with a group of credit institutions, which provides material additional liquidity resources to the Athora Group. No amounts were drawn on this facility during the year. In February 2023, this revolving credit facility was refinanced, and the term extended.

Preferred Shares

On 27 March 2020, Athora issued 3,750,000 Series A preferred shares at a discount with a stated value of EUR 100 per share. The preferred shares have a discretionary dividend at the rate of 8% per annum. Dividends are fully discretionary and, if declared by Athora's Board, Athora can elect to pay in cash or in kind via issuance of additional preferred shares. Dividends not declared on Series A preferred shares are non-cumulative.

On 28 March 2022 and 27 September 2022, Athora issued in aggregate 344,195 Series A preferred shares with a stated value of EUR 100 per share (2021: 3,750,000), which represented dividends paid in kind on existing Series A preferred shares. The Series A preferred shares are recognised as Tier 1 eligible capital within the Athora Group's regulatory solvency ratio. The dividend rate is 8% (2021: 8%).

A dividend of EUR 17m was declared by the Board on 9 March 2022 on the Series A preferred shares and was paid in kind by the pro rata issuance of 168,723 Series A preferred shares based on their stated value on the date of declaration. A dividend of EUR 18m was declared by the Board on 7 September 2022 on the Series A preferred shares and was paid in kind by the pro rata issuance of 175,472 Series A preferred shares based on their stated value on the date of declaration.

Athora issued 2,000,000 and 1,500,000 Series B preferred shares in 2021 and 2022 respectively. The preferred shares have a stated value of EUR 100 per share. The Series B preferred shares are recognised as Tier 1 eligible capital within the Athora Group's regulatory solvency ratio. The dividend rate is 4.8% (2021: 4.8%). Dividends are fully discretionary with dividends not declared being non-cumulative. Athora can elect to pay dividends declared in cash or in kind via issuance of additional shares.

A dividend of EUR 7m was declared by the Board on 12 December 2022 on the Series B preferred shares and was paid in cash.

Undrawn equity commitments

On 31 December 2022, the balance of undrawn capital commitments secured by Athora was approximately EUR 2.5bn. In January 2023, Athora made a capital call of EUR 210m in respect of this commitment, reducing the undrawn capital commitments to approximately EUR 2.2bn.

Contingent Liabilities

At 31 December 2022, SRLEV had contingent liabilities to invest EUR 1,631m in investment funds (2021: EUR 1,212m). These funds may in due course call these commitments (capital calls) when specific conditions are met. These capital calls have been taken into account in the company's liquidity management. The contingent liabilities had no immediate effect on the capital as at 31 December 2022.

Athora Netherlands has received complaints and claims from customers through SRLEV in relation to its unit-linked products.

On 31 December 2022, less than five proceedings were still pending against SRLEV before the civil courts. These cases include one class action brought by Vereniging Woekerpolis.nl in relation to certain products. In this class action, the Vereniging Woekerpolis.nl asked for over 80 declaratory judgements from the court that SRLEV acted wrongfully. If such declarations are given, individual class members may use those declarations to file their own claims for damages. By judgement of 20 December 2017, the District Court Noord denied almost all the requested declaratory decisions, except for two.

Both Vereniging Woekerpolis.nl and SRLEV have filed appeals against the judgement of the District Court. The appeals proceedings are currently on hold and it is unlikely that a final verdict will be delivered by the Court of Appeal in 2023. However, to date, the number of cases in which SRLEV has been required to pay damages following a decision by a civil court has been limited.

The management of Athora Netherlands has ascertained that it is not possible at this time to make reliable estimates of the expected number of proceedings, possible future precedents or the financial and/or reputational impact of current and possible future proceedings. The probability and financial impact of additional compensation and/or successful claims still cannot be determined in a meaningful way.

Capital

At the year end, the Athora Group under the Bermuda regulatory regime had group EBS available statutory capital (**Own Funds**) of EUR 5,204m (2021: EUR 4,662m) and a group enhanced capital requirement (**ECR**) of EUR 2,848m (2021: EUR 2,492m).

As a result, Group BSCR ratio remained relatively stable at 183% (2021: 187%) with positive operating momentum largely offsetting increased capital requirements due to asset repositioning and market movements. The year end 2022 BSCR ratio was also impacted by a short-term investment made in December 2022 and repaid in early 2023, without which the Athora Group BSCR ratio would have stood at 195%. The Athora Group has a risk appetite level of 175% for the Athora Group BSCR ratio. Below 175%, the Athora Group will actively seek to increase the ratio to above this risk appetite level.

	2022	2021
Capital	€m	€m
Available Statutory Capital	5,204	4,662
ECR	2,848	2,492
Surplus	2,356	2,170
Solvency ratio	183%	187%

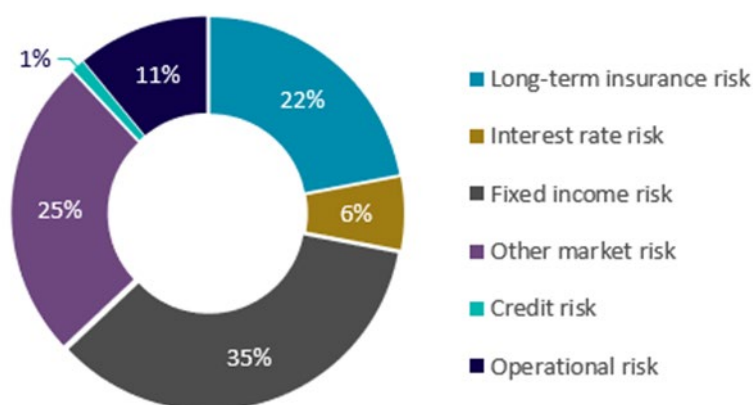
Own Funds refer to a ‘buffer’ or excess margin that insurers are required to hold to cover the risk of their assets not being sufficient to cover their liabilities. Bermuda has a three-tiered capital system to assess the quality of capital resources that an insurance group has available to meet its capital requirements. The tiered capital system classifies all capital instruments into one of three tiers based on their ‘loss absorbency’ characteristics with the highest quality capital classified as Tier 1 capital and lesser quality capital classified as either Tier 2 capital or Tier 3 capital. Only Tier 1 and Tier 2 capital are admissible to cover the minimum margin of solvency (MSM), whereas all tiers of capital are admissible to cover the ECR, subject to certain admissibility limits.

Tier 1 capital is of the highest quality, which can be either basic own funds (assets in excess of liabilities based on an EBS balance sheet view) or ancillary own funds, which includes preferred shares and restricted tier 1 notes. Tier 2 capital generally refers to debt which is subordinated to any senior debt. Tier 3 is generally qualifying senior instruments. As at 31 December 2022, of Athora’s EUR 5.204bn eligible capital, EUR 4.044bn was Tier 1, EUR 910m was Tier 2 and EUR 250m was Tier 3. As per the EBS rules, Athora had approximately EUR 1.5bn and approximately EUR 0.6bn of Tier 2 and Tier 3 tiering headroom respectively.

In addition to the examination of the best estimate scenario, Athora performs a thorough analysis of the resilience of the Athora Group’s solvency ratio in alternative scenarios. Several of these scenarios are shown below.

	BSCR ratio	Change vs. 2022
2022	183%	n/a
Interest rate + 50bps	188%	+5%
Interest rate – 50bps	177%	-6%
Credit spread + 50bps	171%	-12%
Credit spread – 50bps	197%	+14%
Property – 10%	181%	-2%
Lapse + 25%	181%	-2%
Longevity + 13%	177%	-6%

The BSCR model calculates a risk-based capital measure by applying capital factors to capital and solvency return elements, including investments and other assets, operational risk, and long-term insurance risks, in order to establish an overall measure of capital and surplus for statutory solvency purposes. The capital factor established for each risk element, when applied to that element, produces a required capital and surplus amount. The individual capital amounts generated for each risk element are then summed. Covariance adjustments are made to arrive at the BSCR. The Athora Group uses the BSCR model to calculate its ECR and these terms are used interchangeably. The chart below shows the various elements which make up the undiversified ECR:



The table below shows the reconciliation of IFRS equity to available statutory capital used for the calculation of the Athora Group solvency capital position.

Assets and liability valuation differences between IFRS and EBS have significantly increased on prior year. Insurance liabilities under IFRS are primarily valued using locked in discount rates, while the EBS liabilities are valued using best estimate assumptions and market data. In addition, some financial assets are held at amortised cost under IFRS but held at fair value under EBS. The fair values on these assets have decreased significantly compared to the amortised cost values, due to the rise in interest rates.

€m	2022	2021
IFRS total equity	3,871	4,815
Elimination of prudential filters	(435)	(371)
Net deferred tax on elimination of prudential filters	95	88
Adjustment to EBS		
Insurance assets and liabilities valuation difference	2,338	(691)
Financial asset and liabilities valuation differences	(1,562)	(21)
Reclassification of subordinated liabilities	1,161	920
Net deferred tax on valuation differences	(264)	(78)
Available statutory economic capital and surplus	5,204	4,662

Whilst the Athora Group calculates its solvency ratio according to the BSCR, the Athora Group's subsidiaries also calculate their solvency ratios according to their own local regulations and requirements. The solvency ratios of the Athora Group's key subsidiaries as at 31 December 2022 and 2021 are shown below:

Subsidiary	Solvency calculation basis	Solvency ratio 2022
Athora Netherlands	Solvency II	205% (vs. FY21: 180%)
Athora Belgium	Solvency II	150% (vs. FY21: 184%)
Athora Germany	Solvency II	346% (vs. FY21: 289%) ⁶
Athora Ireland	Solvency II	164% (vs. FY21: 290%)
Athora Italy	Solvency II	197% (vs. FY21: 181%)
Athora Life Re	BSCR	210% (vs. FY21: 227%)

IFRS 17

IFRS 17 and IFRS 9 were not applicable for the year ended 31 December 2022 and were not applied in preparing the Athora Group's 2022 financial statements. The Athora Group is required to implement IFRS 17 and IFRS 9 on 1 January 2023 (implementation date). The Athora Group will restate 2022 comparatives on an IFRS17 and 9 basis for its 2023 financial statements.

IFRS 17 Insurance Contracts

IFRS 17 replaces IFRS 4, Insurance Contracts, for annual periods beginning on or after 1 January 2023 (effective date). As retrospective application is required the transition date is 1 January 2022. The nature of the changes in accounting policies can be summarised, as follows:

Changes to classification, measurement: The adoption of IFRS 17 did not change the classification of the Athora Group's insurance contracts. The Athora Group was previously permitted under IFRS 4 to continue accounting using its previous accounting policies. However, IFRS 17 establishes specific principles for the recognition and measurement of insurance contracts issued and reinsurance contracts held by the Athora Group.

The key principles of IFRS 17 are that the Athora Group:

- Identifies insurance contracts as those under which the Athora Group accepts significant insurance risk from another party (the policyholder) by agreeing to compensate the policyholder if a specified uncertain future event (the insured event) adversely affects the policyholder.
- Separates specified embedded derivatives, distinct investment components and distinct goods or services other than insurance contract services from insurance contracts and accounts for them in accordance with other standards.
- Divides the insurance and reinsurance contracts into groups it will recognise and measure.
- Recognises and measures groups of insurance contracts at a risk-adjusted present value of the future cash flows (the fulfilment cash flows) that incorporates all available information about the fulfilment cash flows in a way that is consistent with observable market information, plus an amount representing the unearned profit in the Athora Group of contracts (the contractual service margin or **CSM**).
- Recognises profit from a group of insurance contracts over each period the Athora Group provides insurance contract services, as the Athora Group is released from risk. If a group of contracts is expected

⁶ Ratios including Solvency II Transitional Measures.

to be onerous (i.e., loss-making) over the remaining coverage period, the Athora Group recognises the loss immediately.

- Recognises an asset for insurance acquisition cash flows in respect of acquisition cash flows paid, or incurred, before the related group of insurance contracts is recognised. Such an asset is derecognised when the insurance acquisition cash flows are included in the measurement of the related group of insurance contracts.

IFRS 9 Financial Instruments

IFRS 9 replaced IAS 39 Financial Instruments: Recognition and Measurement for annual periods beginning on or after 1 January 2018. However, the Athora Group elected, under the amendments to IFRS 4, to apply the temporary exemption from IFRS 9, deferring the initial application date of IFRS 9 to align with the initial application of IFRS 17, for annual periods beginning on or after 1 January 2023 (effective date). As the Athora Group has opted for a retrospective application, the transition date is 1 January 2022.

Changes to classification and measurement: To determine their classification and measurement category, IFRS 9 requires all financial assets to be assessed based on a combination of the entity's business model for managing the assets and the instruments' contractual cash flow characteristics. The IAS 39 measurement categories for financial assets (fair value through profit or loss (FVTPL)), available for sale, held-to-maturity and loans and receivables at amortised cost have been replaced under IFRS 9, by:

- financial assets at fair value through profit or loss including equity instruments and derivatives;
- debt instruments at amortised cost;
- debt instruments at fair value through other comprehensive income, with gains or losses recycled to profit or loss on derecognition; and
- equity instruments at fair value through other comprehensive income, with no recycling of gains or losses to profit or loss on derecognition (not used by the Athora Group).

On transition, however, the Athora Group, has irrevocably designated all financial assets as measured at FVTPL (other than cash and other receivables) so as to eliminate or significantly reduce a measurement or recognition inconsistency (referred to as 'an accounting mismatch') that would otherwise arise from measuring financial assets and insurance liabilities on different bases. Further, the financial assets are managed, and their performance evaluated, in a fair value business model or are mandatorily required to be measured at fair value under IFRS 9. The financial liabilities (other than derivatives) will continue to be stated at amortised cost. The hedge accounting requirements under IFRS 9 are more closely aligned with risk management practices and follow a more principle-based approach.

IFRS 17 and IFRS 9, Quantitative impact on transition date

The Athora Group is in advanced stages of transition to and implementation of IFRS 17 and IFRS 9. Whilst some judgements are still being calibrated, the estimated net impact is a reduction in shareholders' equity of between EUR 0.5bn and EUR 0.7bn on 1 January 2022. This is primarily attributable to the recognition of CSM and Risk Margin. It should be noted that the cash flows and underlying capital generation of the Athora Group's businesses are unaffected by IFRS 17 and IFRS 9, and the standards will have little or no impact on the Athora Group's solvency performance metrics under the BSCR model.

Recent Developments since publication of Athora’s last Annual Report

Athora Netherlands and WTW complete PPI transfer

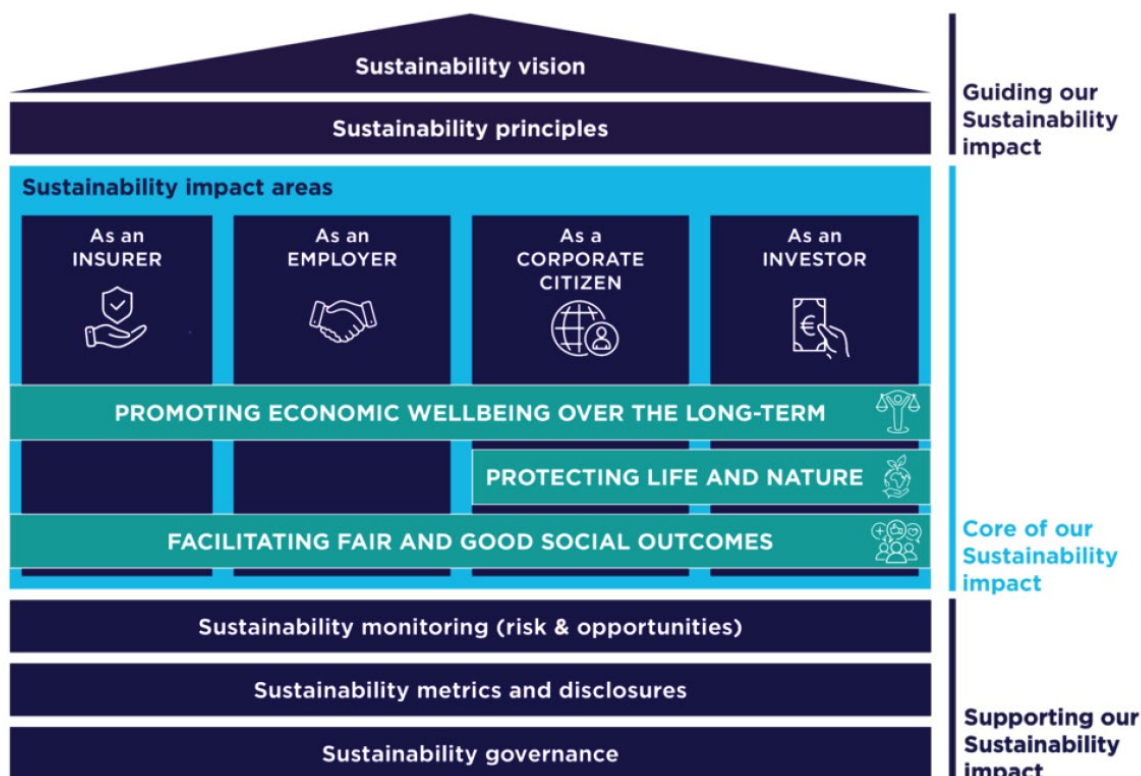
Athora Netherlands closed the previously announced transfer of WTW’s Dutch Premium Pension Institution on 4 April 2023.

Athora redeemed EUR 118m Series B Preferred Shares

Athora redeemed EUR 118m of Series B Preferred Shares on 7 April 2023. The redemption was approved by the BMA and was funded using a portion of the proceeds of the capital calls made by Athora in December 2022 and January 2023. EUR 232m of Series B Preferred Shares remain outstanding.

The Athora Group’s Sustainability Strategy

Sustainability continues to be a key topic for the Athora Group. In 2022, the Athora Group published its Sustainability Strategy. The sustainability strategy framework as illustrated below was developed to emphasise the importance and scale of the sustainability topic. The core of the Sustainability Strategy focuses on key impact areas at the intersection of the Athora Group’s business activities and defined sustainability themes. These impact areas are guided by the Athora Group’s sustainability vision and principles, and supported by appropriate monitoring, metrics and disclosures and governance.



CORPORATE GOVERNANCE

Governance structure

The Board is responsible for promoting the Athora Group's long-term success. This includes providing oversight and guidance over the strategic objectives, the ultimate risk appetite, and monitoring management delivery of these strategic objectives within the agreed governance framework.

Athora is led, at the direction of the Board and by the Group Chief Executive Officer (**Group CEO**) and the President & Deputy Chief Executive Officer (**President & Deputy CEO**) and the management committee (**MC**). The MC is chaired by the Group CEO, or in the absence of the Group CEO, by the President & Deputy CEO.

The purpose of the MC is to evidence the discharge of responsibility by the chairperson for the management of the Athora Group's assets, business and operations in accordance with the strategic direction, integrated management plan, risk appetite and strategy policy, relevant legal and regulatory obligations and bounds of spend on business growth/acquisitions approved by the Board.

The Board

General

The Board executes its duties through a minimum of four meetings as a body per annum. The Board governance guidelines and Athora's Bye-Laws define the Board's duties, membership and meeting procedures. Decisions of the Board are taken by a majority of votes cast.

To assist in fulfilling its oversight responsibilities, the Board has established six Board committees, each with their own charter and a requirement to meet for a minimum of one to four times per annum. Each committee chairperson reports to the Board on the committee's activities. These six committees are:

1. **Audit Committee:** Oversight and monitoring of the integrity of the consolidated financial statements and financial and accounting processes; monitoring compliance with audit, internal accounting and internal controls requirements; monitoring the independent auditor's qualifications, independence and performance; and monitoring legal and regulatory compliance and ethical standards.
2. **Compensation Committee:** Oversight of the Athora Group's executive compensation programme.
3. **Conflicts Committee:** Evaluates and considers for approval certain Related Party transactions.
4. **Nominating and Corporate Governance Committee:** Identifies, evaluates and recommends individuals for Board and senior management appointment. Evaluates and determines the corporate governance framework, including relevant documents such as Group policies, oversees environmental, social and governance strategy and inclusion, diversity and equality framework and the annual performance evaluation of the Board, subsidiary boards, and each of their respective committees and management.
5. **Risk Committee:** Oversight of systems and processes to identify, manage and mitigate risks. Assists the Board and its committees in fulfilling their oversight responsibilities for risk management.
6. **Transactions Committee:** Reviews and assesses material transactions (e.g., acquisitions, dispositions and certain reinsurance transactions) for recommendation to the Board.

Board members

The Board consists of eleven directors, including five independent non-executive directors (**INEDs**). One INED serves as chairperson of both the Board and the Risk Committee and three other INEDs serve as chairpersons of the Conflicts Committee, Audit Committee, and Nominating and Corporate Governance Committee, respectively.

The Board has diverse management, operations, governance and oversight experience across many industries. Biographies of the Board members are below.

The Board, as at the date of this Offering Memorandum, is set out in the diagram below, also showing the composition of the Board committees:

Board and Committee Composition	Nikolaus von Bomhard	Debra Broek ¹	Volkert Doeksen	Anna Maria D'Hulster ²	Fred Kleisner	Jérôme Mourgue D'Aigue	Martin Klein ³	Alex Humphreys	Gernot Lohr	Marc Rowan	Scott Kleinman
	Chairman, Independent Director	Independent Director	Independent Director	Independent Director	Independent Director	Shareholder Director (Investor)	Shareholder Director (Athene)	Shareholder Director (Apollo)	Shareholder Director (Apollo)	Shareholder Director (Apollo)	Shareholder Director (Apollo)
Audit Committee											
Compensation Committee											
Conflicts Committee											
Nominating and Corporate Governance Committee											
Risk Committee											
Transactions Committee											
		Committee chair				Committee member					

¹ Appointed Chair of the Audit Committee effective 1 January 2023.

² Appointed Chair of the Nominating and Corporate Governance Committee effective 25 January 2023.

³ Appointed effective 14 September 2022 to succeed William Wheeler.

There are no actual or potential conflicts of interest between any of the duties of the members of the Board towards Athora and the private interests and/or other duties of the members of the Board, except that potential future conflicts of interest could arise as a result of non-independent members of the Board holding other positions at certain of Athora's shareholders. Each member of the Board owes a fiduciary duty to act in good faith (including a duty to avoid conflicts of interest) in dealing with or on behalf of Athora, and a statutory duty to act honestly and in good faith with a view to the best interests of the company. Such duties are owed to Athora as a whole, which includes all of its shareholders. As such, members of the Board cannot put the interests of the shareholder who appointed or elected them in priority to the interest of Athora.

Athora's registered address, First Floor, Swan Building, 26 Victoria Street, Hamilton HM12, Bermuda serves as the business address for all members of the Board.

Board member biographies

Dr. Nikolaus von Bomhard, Chairperson, Independent Director

Tenure: 5 years

Dr. von Bomhard serves as chairperson of the Board, the Chair of its Risk Committee and as a member of the Compensation and Transactions Committees. He served as CEO of Munich Re from 2004 to 2017, having joined the company in 1985. He also serves as Chairperson of the supervisory board at Munich Health Holding AG.

Dr. von Bomhard served as a member of the supervisory board for Commerzbank AG and as chairperson of The Geneva Association. At the end of April 2018, he was appointed chairperson of the supervisory board of Deutsche Post AG.

Born in Gunzenhausen, Bavaria, he completed his law studies at Ludwig-Maximilians-Universität of Munich and the University of Regensburg with a doctorate.

Debra Broek, Independent Director

Tenure: 4 years

Ms. Broek serves as a member of the Risk, Nominating and Corporate Governance and Conflicts Committees and chairs the Audit Committee. She is a professional presenter and trainer specialising in the design, development and facilitation of tailored finance and accounting training solutions to companies and accounting firms worldwide — major clients include KPMG and Grant Thornton.

Since 2013, Ms. Broek has been a non-executive director of Zurich American Insurance Company and Zurich American Life Insurance Company. Previously, Ms. Broek was head of investor relations and rating agency management at Zurich Insurance Group. Prior to that, Ms. Broek held various senior roles, including: chief financial officer of Zurich Insurance Group's global life segment; member of the finance executive team and of the group finance and risk council; and chief accounting officer, managing director of the Winterthur Group.

Ms. Broek is a certified public accountant and fellow of the Life Management Institute. She holds a Bachelor of Arts in accounting and business administration from Dordt University, Iowa.

Volkert Doeksen, Independent Director

Tenure: 5 years

Mr. Doeksen serves as a member of the Conflicts Committee. He has over 25 years of investment experience, including as co-founder and chairperson/CEO of AlpInvest Partners. He is also a senior advisor to The Carlyle Group, where he focuses specifically on large accounts as well as on new product and business development. Prior to that, Mr. Doeksen held various senior roles at Dresdner Kleinwort Benson, Dillon Read and Morgan Stanley.

Mr. Doeksen is a member of the supervisory boards of the Royal Concertgebouw and Koninklijke Doeksen. He is a board member of the Fulbright Center and a member of the international advisory board of Van Lanschot Kempen. Mr. Doeksen, a Dutch national, received a LL.M. from Leiden Law.

Anna Maria D'Hulster, Independent Director

Tenure: 4 years

Ms. D'Hulster serves as a member of the Audit, Risk and Conflicts Committees and chairs the Nominating and Corporate Governance Committee. Ms. D'Hulster was secretary general of The Geneva Association, the insurance industry's leading international think tank, between August 2014 and February 2019. Previously, Ms. D'Hulster held various senior roles at the Baloise Group, including head of group financial management and head of group performance management. In addition, she founded and served as CEO of Baloise Life. Ms. D'Hulster covered both insurance and banking projects as a principal with Boston Consulting Group in Germany and the United States.

She has been a member of the executive committee of Insurance Europe and is also currently a member of the supervisory board of UNIQA Insurance Group. In 2015, she was appointed non-executive director to the boards and chair of the risk committees of both CNA Europe and Hardy (Underwriting Agencies) Limited, London. Other board positions have included Deutscher Ring and Mercator Verzekeringen.

Ms. D'Hulster has an MBA from INSEAD and a degree in business and engineering from the Free University of Brussels (Solvay School).

Fred Kleisner, Independent Director

Tenure: 5 years

Mr. Kleisner serves as chair of Athora's Conflicts Committee and is also a member of the Audit and Nominating and Corporate Governance Committees. Mr. Kleisner, a four decade plus hotelier, corporate CEO and COO, has led successful management teams throughout the world in every aspect and sector of hospitality. He is currently an Independent Director Ashford Hospitality Trust (NYSE: AHT). Mr Kleisner brings extensive experience in business management and governance to his role at Athora.

Mr. Kleisner graduated with a Bachelor of Arts from Michigan State University's School of Hospitality Business and was named MSU's Industry Leader of the Year in 2004. He is currently a director, executive committee member and treasurer of the board at the Island Wood School, Bainbridge Island, WA.

Jérôme Mourgue d'Algue

Tenure: 5 years

Mr. Mourgue d'Algue is a member of the Board's Compensation, Conflicts, Risk, Transactions and Nominating and Corporate Governance Committees. He previously served as a director of Athene and as a member of its risk committee. Mr. Mourgue d'Algue is the head of financial services of ADIA's private equities department, having joined in June 2012.

Martin P. Klein

Tenure: less than 1 year

Mr. Klein is a member of Athora's Audit and Transactions Committee. He is currently an executive vice president and chief financial officer of Athene, where he is responsible for overseeing financial management, including enterprise finance, reporting, tax, actuarial and internal audit functions, and develops and executes strategic operating decisions. He also serves as a director of several of Athene's insurance subsidiaries. Prior to joining Athene in 2015, Martin was with Genworth Financial, most recently served as executive vice president & chief financial officer, and also served as Genworth's acting president and chief executive officer. Previously, he was managing director at Barclays, and with Lehman Brothers and Zurich Insurance Group before that.

Mr. Klein received his BA in Mathematics and Business Administration from Hope College and a MS in Statistics and Actuarial Science from the University of Iowa. He is a Fellow of the Society of Actuaries and a Chartered Financial Analyst, and currently serves on the board of Caritas.

Alexander Humphreys

Tenure: 4 years

Mr. Humphreys is a member of the Board's Audit and Nominating and Corporate Governance Committee. Mr. Humphreys is a partner at Apollo which he joined in 2008. Prior to joining Apollo, Mr. Humphreys was at

Goldman Sachs in the financial institutions mergers and acquisitions team, based in London, UK Mr. Humphreys serves on the boards of directors of Aspen, Catalina Holdings and Lumileds.

Mr. Humphreys has a BSc in economics from University College London.

Gernot Löhr

Tenure: 5 years

Mr. Löhr serves as chairperson of the Board's Compensation Committee and is a member of the Risk, Transactions and Nominating and Corporate Governance Committees. Mr. Löhr is a senior partner at Apollo. Prior to joining Apollo, Mr. Löhr was a founding partner at Infinity Point LLC, Apollo's joint venture partner for the financial services industry. He also worked in financial services investment banking at Goldman Sachs & Co., McKinsey & Company, and B. Metzler Corporate Finance.

Currently, Mr. Löhr serves on the board of directors of Aspen, Athene and Catalina Holdings.

Mr. Löhr has a joint Master's Degree in economics and engineering from the University of Karlsruhe, Germany, and received a Master of Business Administration from the MIT Sloan School of Management.

Marc Rowan

Tenure: 5 years

Mr. Rowan is a member of the Board's Transactions Committee. Mr. Rowan is a co-founder and CEO of Apollo.

Mr. Rowan currently also serves on the boards of directors of Apollo, and Athene. He has previously served on the boards of directors of numerous other entities, including Apollo portfolio companies, other entities affiliated with Apollo, and other entities. Mr. Rowan is a founding member and chairperson of Youth Renewal Fund, the chairperson of the board of overseers of the Wharton School of Business, and a member of the University of Pennsylvania's board of trustees. He serves on the board of directors of Jerusalem U and several technology-oriented venture companies.

Mr. Rowan graduated Summa Cum Laude from the University of Pennsylvania's Wharton School of Business with a BS and an MBA in Finance.

Scott Kleinman

Tenure: 2 years

Mr. Kleinman is a member of the Board's Transactions and Compensation Committee. Mr. Kleinman is co-president of Apollo, sharing responsibility for all of Apollo's revenue-generating and investing business across its integrated alternative investment platform. Mr. Kleinman, who focuses on Apollo's equity and opportunistic businesses, joined Apollo in 1996, and in 2009 he was named lead partner for private equity.

Prior to joining Apollo, Mr. Kleinman was a member of the investment banking division at Smith Barney Inc. Mr. Kleinman serves on the board of directors of Athene.

In 2014, Mr. Kleinman founded the Kleinman Center for Energy Policy at the University of Pennsylvania. He is a member of the board of overseers at the University of Pennsylvania Stuart Weitzman School of Design.

Mr. Kleinman received a BA and BS from the University of Pennsylvania and the Wharton School of Business, respectively, graduating magna cum laude, Phi Beta Kappa.

The MC

MC Members

Member	Title
Mike Wells	Group Chief Executive Officer
Anders Malmström	Group Chief Financial Officer
Michele Bareggi	President and Deputy CEO
Ward Bobitz	Group General Counsel
Lukas Ziewer	Group Chief Risk Officer

Lukas Ziewer resigned from his role as Group Chief Risk Officer as at 31 May 2023. However, he will continue to be employed by the Athora Group during the transition period to the new Group Chief Risk Officer. A new Group Chief Risk Officer will be announced in due course once regulatory and other relevant approvals have been granted.

There are no potential conflicts of interest between any of the duties of the members of the MC towards the Athora Group and the private interests and/or other duties of the members of the MC.

Athora's registered address, First Floor, Swan Building, 26 Victoria Street, Hamilton HM12, Bermuda serves as the business address for all members of the MC.

MC member biographies

Mike Wells, Group Chief Executive Officer

On 11 July 2022, Athora announced the appointment of Mike Wells as Group CEO, subject to regulatory approvals. His appointment became effective on 7 September 2022. Mr. Wells leads the MC and is the main management representative towards the Board, Athora's shareholders and other stakeholders. Mr. Wells also oversees the communications, human resources and group strategy and planning functions directly. The Athora Group head of internal audit also reports to the Group CEO.

Mr. Wells is a global financial services leader with more than three decades' experience in insurance and retirement services, having started his career at the US brokerage house Dean Witter, before going on to become a managing director at Smith Barney Shearson.

Prior to Athora, Mr. Wells was Group CEO of Prudential plc from 2015 to 2022, leading the group through one of the most significant periods of change in its long history. Mr. Wells steered Prudential's successful transformation into an Asia and Africa focused business, including the execution of two strategic demergers and acceleration of the development of an Asian shareholder base through a successful equity issuance on the Hong Kong Stock Exchange.

Mr. Wells first joined Prudential in 1995 and became Chief Operating Officer and Vice-Chairman of its then US business, Jackson, in 2003. In 2011, Mr. Wells was appointed President and Chief Executive Officer of Jackson and joined the Board of Prudential. During his leadership of Jackson, he was responsible for the development of Jackson's market-leading range of retirement solutions. Mr. Wells was also part of the Jackson teams that purchased and successfully integrated a savings institution and two life companies.

Mr. Wells graduated from San Diego State University with a Bachelor of Science degree.

Michele Bareggi, President and Deputy CEO

On 11 July 2022, Athora announced the appointment of Michele Bareggi to the newly created role of President and Deputy CEO. In this role, Mr. Bareggi is responsible for the coordination and oversight of the Athora Group subsidiaries as well as growth, sustainability, transformation and culture. He is a member of the supervisory boards of Athora Netherlands, SRLEV and Proteq N.V.

Michele was formerly managing director and head of Morgan Stanley's European insurance and pensions business as well as being responsible for Morgan Stanley's reinsurance operations globally. He joined Morgan Stanley in 2010 and also led the fixed income capital markets division in Italy.

Prior to joining Morgan Stanley, he was employed by Nomura Holdings, Inc. from 2008 to 2010, where he co-ran the insurance business for Europe, Japan and Asia. From 2003 to 2008, he worked with Lehman Brothers Holdings Inc. where he held various senior roles covering Italian and other European insurance companies on the asset-side as well as capital management, capital markets and reinsurance solutions. Before joining Lehman Brothers, he held senior roles at JPMorgan and Credit Suisse First Boston.

Michele holds a B.Sc. (cum laude) in Economics, Statistics and Social Sciences from Università Bocconi Milano.

Anders Malmström, Group Chief Financial Officer

Anders Malmström is the Athora's Group Chief Financial Officer (**CFO**).

As Group CFO, Mr. Malmström is responsible for the Athora Group's financial operations and organisation, including accounting, tax, capital, and investment activities. In addition, he oversees the Athora Group's actuarial function and ensures appropriate reporting to the Board and shareholders/stakeholders.

Prior to Athora, Mr. Malmström was senior executive vice president and CFO of Equitable Holdings, Inc., and a member of its management committee. Before that, Mr. Malmström was a member of the executive board and served as head of the life business at AXA Winterthur and head of product management, group life insurance at Swiss Life Group in Zurich.

Mr. Malmström holds a master's degree in Mathematics, Physics and Astronomy from the University of Basel in Switzerland. He also completed a dissertation in Mathematics at the University of Aachen in Germany.

Ward Bobitz, Group General Counsel

On 18 July 2022, Athora announced the appointment of Ward Bobitz as general counsel of the Athora Group, subject to regulatory approvals. Mr. Bobitz's appointment became effective 6 September 2022. He is responsible for the Athora Group's legal, compliance and governance matters. This includes direct ownership for these areas as well as strong coordination with subsidiaries in developing the appropriate governance with regard to our group regulator (BMA) and local regulators and ensuring the right legal and compliance agenda across all entities.

Mr. Bobitz has three decades of international legal experience including 25 years at Genworth Financial, Inc., a Fortune 500, NYSE-listed global insurance group, where he was most recently Executive Vice President and General Counsel.

Prior to Genworth, Mr. Bobitz worked at an international law firm LeBoeuf, Lamb, Greene & MacRae, at a global professional services firm, Marsh & McLennan and at a multinational insurer, AIG.

Mr. Bobitz also served as a Member of the board of directors at the Richmond Forum, the largest public speaker series in the US, from 2015 to 2022.

Mr. Bobitz received a B.A. in Economics from Columbia University and a J.D. from the University of Michigan Law School. He is a member of the New York Bar.

Lukas Ziewer, Group Chief Risk Officer

Mr. Ziewer resigned from his role as Group Chief Risk Officer as at 31 May 2023. However, he will continue to be employed by the Athora Group during the transition period to the new Group Chief Risk Officer. A new Group Chief Risk Officer will be appointed in due course, subject to regulatory and other relevant approvals. The Group Chief Risk Officer role reports jointly to the Group CEO and Risk Committee chair of the Board to ensure independence in the operations of the group risk function. He or she manages Athora's overall risk agenda and his or her team supports the wider risk community across Athora in collectively identifying and managing risks related to the Athora businesses.

TAXATION

Each investor is recommended to seek own tax advice from its broker, bank manager, solicitor, accountant or other financial adviser or from another appropriately authorised independent financial adviser and such other professional advice from its own professional advisers as it deems necessary.

Bermuda Tax Considerations

The following is a discussion on certain Bermuda income tax consequences of an investment in the Notes. The discussion is a general summary of present law, which is subject to prospective and retroactive change. It is not intended as tax advice, does not consider any investor's particular circumstances, and does not consider tax consequences other than those arising under Bermuda law.

At the present time, there is no income profits tax, withholding tax, capital gains tax, capital transfer tax, estate duty or inheritance tax payable in Bermuda by Athora or by the holders of the Notes in respect of the Notes. Athora has obtained an assurance from the Minister of Finance of Bermuda under the Exempted Undertakings Tax Protection Act 1966 that, in the event that any legislation is enacted in Bermuda imposing any tax computed on profits or income, or computed on any capital asset, gain or appreciation or any tax in the nature of estate duty or inheritance tax, such tax shall not, until 31 March 2035, be applicable to it or to any of its respective operations or to the Notes, its shares, debentures or other obligations (including guarantees) except insofar as such tax applies to persons ordinarily resident in Bermuda or is payable in respect of real property owned or leased in Bermuda by Athora.

Further, due to the OECD's continuing focus on a two-pillar initiative, "BEPS 2.0," which is aimed at (1) shifting taxing rights to the jurisdiction of the consumer (Pillar One) and (2) ensuring all companies (with global revenues exceeding EUR 750m) pay a global minimum tax (Pillar Two), it may be that Bermuda enacts a tax designed to qualify as a qualified minimum domestic tax. This could mean that Athora could be subject to a 15 per cent. corporate income tax before the expiration of its exempt status in 2035.

Information Reporting and Withholding Regimes

The Athora Group is subject to a variety of tax reporting regimes, including FATCA, the Common Reporting Standard and "DAC 6" (which provides for mandatory disclosure of relevant cross-border transactions and arrangements which satisfy certain hallmarks). The Athora Group intends to comply with the obligations imposed under such tax reporting regimes as necessary to avoid being subject to any withholding taxes, fines or other penalties thereunder. However, such regimes are complex and may require that the Athora Group obtain and report identifying and other information regarding its shareholders, policyholders, counterparties, other persons or transactions that the Athora Group may not be able to timely obtain (if at all). Further, the Athora Group may acquire entities that have not historically complied with all the requirements of such regimes, and the Athora Group may not be able to identify or reconcile any such noncompliance without significant costs, if at all. The Athora Group may become subject to material withholding taxes, fines or other penalties if the Athora Group is not able to fully comply with all applicable tax reporting regimes. The Athora Group may also incur costs in complying with such regimes. In addition, on 22 December 2021, the EU published the ATAD III designed to impose new minimum substance rules to prevent the misuse of shell entities for improper tax purposes. ATAD III proposes to introduce reporting requirements for certain EU tax resident companies with mobile and/or passive income (such as interest, dividends and royalty income) that have inadequate economic substance (as prescribed under ATAD III). If an entity fails to meet these substance requirements, it will be denied benefits under double tax treaties and various EU directives. As currently drafted, EU Member States will need to implement the proposed measures, once adopted, by 1 January 2024. ATAD III is currently in draft form and is subject to public consultation. The details of these rules are therefore subject to change and to the specifics of further domestic implementation by individual EU Member States.

SUBSCRIPTION AND SALE

Each of Banco Santander S.A., Citigroup Global Markets Limited, NatWest Markets Plc, Natixis and Nomura International plc (the **Joint Lead Managers**) have, pursuant to a subscription agreement entered into on 14 June 2023 (the **Subscription Agreement**), agreed to subscribe for the Notes at the issue price of 99.661 per cent. of the principal amount of the Notes, less certain agreed commissions. Athora will also reimburse the Joint Lead Managers in respect of certain of their expenses incurred in connection with the issue of the Notes. The Subscription Agreement may be terminated in certain circumstances prior to payment of the subscription moneys to Athora. In such event, no Notes will be delivered to the Joint Lead Managers.

United States

The Notes have not been, and will not be, registered under the Securities Act, and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

Each of the Joint Lead Managers has agreed that, except as permitted by the Subscription Agreement, it will not offer or sell the Notes (a) as part of its distribution at any time or (b) otherwise until 40 days after the later of the commencement of the offering and the Closing Date, within the United States or to, or for the account or benefit of, U.S. persons, and it will have sent to each dealer to which it sells any Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

The Notes are being offered and sold outside of the United States to non-U.S. persons in reliance on Regulation S under the Securities Act.

In addition, until 40 days after the commencement of the offering of the Notes, an offer or sale of Notes within the United States by a dealer that is not participating in the offering may violate the registration requirements of the Securities Act.

Prohibition of sales to EEA Retail Investors

Each Joint Lead Manager has represented and agreed that it has not offered, sold or otherwise made available to and will not offer, sell or otherwise make available any Notes to any retail investor in the EEA. For the purposes of this provision:

- (a) the expression “retail investor” means a person who is one (or more) of the following:
 - (i) a retail client as defined in point (11) of Article 4(1) of MiFID II;
 - (ii) a customer within the meaning of the Insurance Distribution Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
 - (iii) not a qualified investor as defined in the Prospectus Regulation; and
- (b) the expression “offer” includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes.

United Kingdom

Prohibitions of sales to UK Retail Investors

Each Joint Lead Manager has represented and agreed that it has not offered, sold or otherwise made available to and will not offer, sell or otherwise make available any Notes to any retail investor in the UK. For the purposes of this provision:

- (a) the expression “retail investor” means a person who is one (or more) of the following:
 - (i) a retail client as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the EUWA;
 - (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or
 - (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA (the **UK Prospectus Regulation**); and
- (b) the expression “offer” includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes.

Other regulatory restrictions

The Joint Lead Managers have represented and agreed that:

- (i) they have complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the UK; and
- (ii) they have only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue of the Notes in circumstances in which Section 21(1) of the FSMA does not apply to Athora.

Hong Kong

Each Joint Lead Manager has represented and agreed that,

- (i) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes other than (a) to “professional investors” as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the **SFO**) and any rules made under the SFO; or (b) in other circumstances which do not result in the document being a “prospectus” as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the **C(WUMP)O**) or which do not constitute an offer to the public within the meaning of the C(WUMP)O; and
- (ii) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” as defined in the SFO and any rules made under the SFO.

Singapore

Each Joint Lead Manager has acknowledged that this Offering Memorandum has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Joint Lead Manager has represented, warranted and agreed that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Offering Memorandum or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the SFA) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA except:

- (i) to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(c)(ii) of the SFA;
- (ii) where no consideration is or will be given for the transfer;
- (iii) where the transfer is by operation of law;
- (iv) as specified in Section 276(7) of the SFA; or
- (v) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018.

Notification under Section 309B(1)(c) of the SFA - In connection with Section 309B of the SFA and the CMP Regulations 2018, the Issuer has determined the classification of the Notes as prescribed capital markets products (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

Republic of Italy

The offering of the Notes has not been registered with the *Commissione Nazionale per le Società e la Borsa (CONSOB)* pursuant to Italian securities legislation and, accordingly, no Notes may be offered, sold or delivered, nor may copies of this Offering Memorandum or of any other document relating to the Notes be distributed in the Republic of Italy, except in accordance with any Italian securities, tax and other applicable laws and regulations.

Any offer, sale or delivery of the Notes or distribution of copies of this Offering Memorandum or any other document relating to the Notes in the Republic of Italy under the preceding paragraph must be:

- a) be made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with the Financial Services Act, CONSOB Regulation No. 20307 of 15 February 2018 (as amended from time to time) and Legislative Decree No. 385 of 1 September 1993, as amended (the **Banking Act**); and
- b) in compliance with any other applicable laws and regulations including any limitation or requirement imposed by CONSOB, the Bank of Italy (including the reporting requirements, where applicable, pursuant to Article 129 of the Banking Act and the implementing guidelines of the Bank of Italy, as amended from time to time) and/or any other Italian authority.

General

No action has been taken in any jurisdiction by the Joint Lead Managers or Athora that would permit a public offering of the Notes, or possession or distribution of this Offering Memorandum in any country or jurisdiction where action for that purpose is required.

Each Joint Lead Manager has agreed that it will (to the best of its knowledge and belief) comply in all material respects with all applicable securities laws and regulations in force in any jurisdiction in which it acquires, offers, sells or delivers the Notes or has in its possession or distributes this Offering Memorandum.

GENERAL INFORMATION

Authorisation

The issue and offering of the Notes were duly authorised by a resolution of the Board passed on 24 May 2023.

Issue Date

The issue date of the Notes is expected to be on or about 16 June 2023.

Listing and Trading

This Offering Memorandum has been approved by Euronext Dublin as listing particulars. Application has been made to Euronext Dublin for the Notes to be admitted to the Official List and trading on the GEM which is the exchange regulated market of Euronext Dublin. The GEM is not a regulated market for the purposes of Directive 2014/65/EU.

Clearing Systems

The Notes have been accepted for clearing and settlement through the Euroclear and Clearstream, Luxembourg systems (which are the entities in charge of keeping the records) with a Common Code of 262882179. The ISIN for the Notes is XS2628821790.

The address of Euroclear is 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium and the address of Clearstream, Luxembourg is 42 Avenue JF Kennedy L-1855 Luxembourg.

Listing Agent and Fiscal Agent, Paying Agent, Transfer Agent and Registrar

Citibank N.A., London Branch has been engaged by Athora as Fiscal Agent, Paying Agent and Transfer Agent and Citibank Europe PLC has been engaged by Athora as Registrar for the Notes, upon the terms and subject to the conditions set out in the Agency Agreement, for the purpose of paying sums due on the Notes and of performing all other obligations and duties imposed on it by the Terms and Conditions and the Agency Agreement. Arthur Cox Listing Services Limited has been engaged by Athora as Listing Agent for the Notes and is not itself seeking admission to trading of the Notes on the Global Exchange Market of the Euronext Dublin.

Citibank N.A., London Branch, in its capacity of Fiscal Agent and Transfer Agent, Citibank Europe PLC, in its capacity as Registrar and Arthur Cox Listing Services Limited, in its capacity as Listing Agent, are acting for Athora only and will not regard any other person as its client in relation to the offering of the Notes. Neither Citibank N.A., London Branch, Citibank Europe PLC, Arthur Cox Listing Services Limited nor any of their directors, officers, agents or employees makes any representation or warranty, express or implied, or accepts any responsibility, as to the accuracy, completeness or fairness of the information or opinions described or incorporated by reference in this Offering Memorandum, in any investor report or for any other statements made or purported to be made either by itself or on its behalf in connection with Athora or the offering of the Notes. Accordingly, Citibank N.A., London Branch, Citibank Europe PLC and Arthur Cox Listing Services Limited disclaim all and any liability, whether arising in tort or contract or otherwise, in respect of this Offering Memorandum and or any such other statements.

Yield

The effective yield of the Notes to (but excluding) the Maturity Date is 6.707 per cent. per annum. The yield is calculated at the Issue Date.

LEI

The Issuer's legal entity identifier (LEI) is 98450059DQ10TFC4B020.

Significant or Material Change

There has been no significant change in the financial or trading position of the Athora Group or Athora since 31 December 2022, being the end date of the last financial period for which financial information has been published.

There has been no material adverse change in the prospects of the Athora Group or Athora since 31 December 2022, being the end date of the last financial period for which audited financial information has been published.

Litigation

Save as disclosed in "*Risk Factors - Litigation, regulatory measures and other proceedings or actions*" and "*Risk Factors – The Athora Group is exposed to (litigation) risks related to the offering of investment insurance policies and investment pension policies*", Athora is not or has not been involved in and is not aware of any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which Athora is aware) in the 12 months preceding the date of this Offering Memorandum, which may have, or have had in the recent past, significant effects on Athora's and/or the Athora Group's financial position or profitability as per the date of this Offering Memorandum.

Material Contracts

There are no material contracts entered into other than in the ordinary course of Athora's or the Athora Group's business, which could result in Athora being under an obligation or entitlement that is material to Athora's ability to meet its obligations to Noteholders in respect of the Notes.

Documents Available for Inspection

As long as the Notes are listed on the Official List of Euronext Dublin and admitted to trading on the Global Exchange Market, physical copies of the following documents will be available free of charge at the registered offices of Athora (First Floor, Swan Building, 26 Victoria Street, Hamilton HM12, Bermuda) and at the specified office of the Fiscal Agent:

- (a) the documents incorporated by reference in this Offering Memorandum;
- (b) The Sixth Amended and Restated Bye-laws of Athora dated 31 October 2022;
- (c) the Deed of Covenant; and
- (d) the Agency Agreement.

Interest Material to the Offer

Save for the commissions and any fees payable to the Joint Lead Managers, no person involved in the issue of the Notes has an interest, including conflicting ones, material to the offer.

The Joint Lead Managers and their respective affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for, the Issuer and/or its affiliates in the ordinary course of business. In addition, in the ordinary course of their business activities, the Joint Lead Managers and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve

securities and/or instruments of the Issuer or its affiliates (which may include the Notes). The Joint Lead Managers and their respective affiliates may have a lending relationship with the Issuer or its affiliates and routinely hedge their credit exposure to the Issuer and/or its affiliates consistent with their customary risk management policies. Typically, each Joint Lead Manager or its affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Notes. Any such short positions could adversely affect future trading prices of the Notes. The Joint Lead Managers and their respective affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

Website

Information on Athora's website or any other website referred to in this Offering Memorandum does not form part of this Offering Memorandum and may not be relied upon in connection with any decision to invest in the Notes.

Auditors

Ernst & Young Accountant LLP (**EY**) independent auditors, have audited, and rendered unqualified auditor's reports on Athora's financial statements for the financial years ended 31 December 2021 and 31 December 2022.

EY has given, and has not withdrawn, its written consent to the inclusion of its reports and the references to itself herein in the form and context in which it is included. EY has no interest in Athora or the Athora Group.

The auditors who sign on behalf of EY are members of the Institute of Chartered Accountants Ireland. The business address of EY is Harcourt Centre, Harcourt Street, Dublin 2, Ireland.

Ratings

At the date of this Offering Memorandum, Athora has an A- issuer default rating from Fitch. The Notes are expected to be assigned, on issue, a rating of BBB+ by Fitch.

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