



EMMANI



annual report 2021



Geometric composition n° 10

R. Piccart 2022

**Annual Report 2021
of the Board of Directors and
of the Statutory Auditor
to be presented at the Annual
General Meeting on 3rd June
2022**

Company authorised by Royal Decrees of
20.10.1978 and 07.12.1999
To underwrite "Fire and Natural Hazards",
"Other Property Damage" and "Liability"

(Moniteur Belge 14.11.1978 - 29.12.1999 Code 0921)

Registered Office:
Av. Jules Bordet, 166 - B 4
B 1140 Brussels Belgium
Tel: +32 (0)2 702 90 10
Fax: +32 (0)2 705 72 92

Financial Highlights

in euro

years ended December 31

Statement of Earnings

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Net premium earned	24.121.614	23.542.621	23.613.088	23.759.642	22.148.936
Claims	651.745	-6.472.490	-28.350.008	2.427.917	3.471.737
Expenses	-4.250.170	-4.188.058	-4.092.093	-3.959.976	-4.021.743
Other income	64.472	19.750	12.613	27.352	8.078
Net investment result	6.927.916	-3.597.212	7.785.921	13.652.670	-1.453.154
Other Expenses	0	-2.237.421	0	-6.529.932	0
Earnings before distribution to reserve for equalisation and catastrophes	27.515.578	7.067.190	-1.030.480	29.377.673	20.153.853
Variation in the reserve for equalisation and catastrophes, net of reinsurance	-20.422.498	-10.399.129	9.191.202	-15.856.140	-21.489.524
Taxes	-29.695	-29.104	-17.968	-7.552	-1.041
Earnings after distribution to reserve for equalisation and catastrophes	7.063.385	-3.361.044	8.142.754	13.513.981	-1.336.712

Balance Sheet

Assets	374.780.796	347.252.068	354.320.466	318.069.374	311.510.330
Liabilities	-57.949.236	-50.699.115	-62.400.203	-23.795.657	-46.636.733
Guarantee fund (including reserve for equalisation and catastrophes)	316.831.560	296.552.953	291.920.263	294.273.717	264.873.597



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Members *

Belgium

Belgoprocess NV
European Atomic Energy Community
SCK-CEN

Brasil

Eletronuclear

Canada

Bruce Power L.P.
New Brunswick Power Holding Corp. (NB Power)
Ontario Power Generation (OPG)

Czech Republic

ČEZ a.s.

Finland

Fortum Power & Heat Oy
Teollisuuden Voima Oyj (TVO)

France

EDF
Framatome
Orano

Germany

BGZ Gesellschaft für Zwischenlagerung mbH
EnBW Energie Baden Württemberg AG
EnBW Kernkraft GmbH
Gesellschaft für Nuklear-Service mbH (GNS)
PreussenElektra GmbH
Zwischenlager Würenlingen AG (Zwilag)

Hungary

MVM Paks Nuclear Power Plant (PAKS)
Puram**

Italy

ENEL **

The Netherlands

Elektriciteits-Produktie­maatschappij Zuid-Nederland (EPZ NV)
Gemeenschappelijke Kernenergiecentrale Nederland BV (GKN)

Romania

Societatea Nationala Nuclearelectrica SA (SNN)

Slovak Republic

Slovenské Elektrárne a.s./ ENEL

South Africa

Eskom Holdings SOC Ltd.

Sweden

AB SVAFO
Forsmarks Kraftgrupp AB
OKG AB
Ringhals AB
Studsvik AB
Svensk Kärnbränslehantering AB (SKB)
Sydkraft Nuclear Power AB

Switzerland

Axpo Power AG
Axpo Solutions AG
Centrales Nucléaires en Participation (CNP)
Kernkraftwerk Gösgen-Däniken AG
Kernkraftwerk Leibstadt AG

* Status at the time of the Annual General Meeting

** Non Insured Member



Members *

United Kingdom

British Energy Ltd
Urenco Ltd
Westinghouse Electric UK Holdings Ltd

USA

BWX Technologies Inc.
Comanche Peak Power Company LLC
Dominion Energy Inc.
Energy Solutions
Eversource Energy Inc.
Georgia Power**
Indiana Michigan Power Company
Northern State Power Company - Minnesota (NSP-M)
Omaha Public Power District (OPPD)
Pacific Gas & Electric Company (PG&E)
STP Nuclear Operating Company
Tennessee Valley Authority (TVA)
Union Electric Company d/b/a Ameren Missouri
Westinghouse Electric Company LLC

* Status at the time of the Annual General Meeting

** Non Insured Member

Board of Directors *

A. Russell	Chairman
C. Bölle	Vice-Chairman
B. Jobse	Vice-Chairman
M. Blair	
K. Kelly	
C. White	
R. Scholl	
P. Sätmark	
E. Laugier	
P. Vandekerckhove	<i>Executive Committee</i>
M. Vercammen	<i>Executive Committee</i>
T. Houben	<i>Executive Committee</i>

* Status at the time of the Annual General Meeting
The external mandates of the Board members can be found on our website

Advisory Committees *

Underwriting Committee

C. White
I. Annezer
A. Currie
T. Erb
H. Hefti
L. Hough
S. Kurz
E. Laugier
I. Maciulis
R. Miller
F. Orset
D. Vidal
A. Havris
K. Sinclair
P. Vandekerckhove
R. Zahmidi

Chairman

Technical Advisory Committee

G.L. Noferi
I. Annezer
E. Dhenin
A. Pührer
F. Orset
S. Savolainen
J. Oechsler

Chairman

* Status at the time of the Annual General Meeting

Advisory Committees *

Finance and Investment Advisory Committee

M. Vercammen
L. Piekkari
J. Tasker
J.W. Thurber
R. Saurel

Chairman

Audit Committee

P. Sätmark
B.P. Jobse
A. Russell

Chairman

Risk Committee

M. Blair
B.P. Jobse
A. Russell

Chairman

Internal Auditor

BDO Advisory SRL/BV ("BDO")
Da Vincilaan 9 Box E 6
1930 Zaventem

Represented by:
C. Quiévreux

Compliance Officer

A. Roefs

* Status at the time of the Annual General Meeting

Management *

Executive Committee

P. Vandekerckhove
M. Vercammen
Tom Houben

*Managing Director
Financial Manager
Chief Risk Officer*

Auditors

KPMG Réviseurs d'Entreprise
Luchthaven Brussel Nationaal 1K
BE - 1930 Zaventem
*Represented by
Mr. Jean-François Kupper*

Actuarial function

Nicolai & Partners
Duboisstraat 43
BE - 2060 Antwerpen
Mrs. V. Nicolai

* Status at the time of the Annual General Meeting

Letter from the Chairman

Fellow Members

We have all seen another year of disruption due to the COVID pandemic, but I am pleased to see that there are signs that business is beginning to return to normal or rather a new normal. Indeed, the long-planned Dublin AGM should now happen physically for most but not all members.

The EMANI team has adapted and continued to support members superbly over the last 12 months. It was lovely to reconnect with members and the EMANI team in Bordeaux in October last year. Bordeaux was also the opportunity for the new Board to meet for the first time. Plans for onsite visit by the engineering team in 2022 are underway.

2021 was another very successful year for the mutual.

I am pleased to say EMANI was successful in the Electronuclear tender process, meaning Electronuclear are now an insured member. We also saw a number of members increase their EMANI lines and we also saw an Erection All Risk policy taken out by one of our members. This more than compensated for the loss of income from departing members.

Like 2020, EMANI's underwriting performance in 2021 was good with a few small claims, mainly falling below the deductible. EMANI also benefited from a release of reserves in place for prior claims which also supported the underwriting performance. Once again financial performance held up despite market volatility at times. Consequently, our Solvency margin was stable in 2021 and we have retained the AM Best rating of A stable.

Thank you all for your continued support of EMANI.



Alastair Russell
Chairman of the Board

Description of activities

EMANI is a Mutual Insurance Association which offers cover for a wide range of insurance risks relating to nuclear power stations and other companies in the nuclear industry. At present, EMANI offers cover for its Members in Belgium, Brazil, Canada, Czech Republic, Finland, France, Germany, Hungary, Italy, Romania, The Netherlands, Slovak Republic, South-Africa, Sweden, , United Kingdom and USA. For the Swiss Members, cover is provided by the Branch in Switzerland.

The capacity provided by EMANI is independent of that provided by the various nuclear pools.

The main benefits to Members of EMANI include:

- Additional or alternative insurance capacity for material damage, business interruption, machinery breakdown, terror and erection all risk covers.
- Potential for contribution savings. Potential for distribution of guarantee fund.
- Loss prevention and engineering evaluations.
- Information exchange and data centre for nuclear insurance matters.

Underwriting & Claims Handling

EMANI's current portfolio is principally based on property damage cover, but our underwriting team is always looking for new ways to support the needs of our Members.

Increasingly EMANI acts as a leading underwriter bringing the advantages of a comprehensive insurance cover and competitive pricing to the Members. If requested to do so by a Member, EMANI can also act as a co-insurer in partnership with the national insurance pools or another insurer.

In the event of a claim where EMANI acts as leading underwriter, the loss settlement shall be done in cooperation with an independent loss adjuster. In cases where EMANI acts as a co-insurer, EMANI will generally follow the recommendations and assessment made by the loss adjuster appointed by the lead underwriter. However, in certain cases, the Management will decide whether EMANI should appoint independent adjusters or additional expert advice.

Article 26 of the Articles of Association provides for additional contributions from Members if required in case of deficit or of insufficiency of the guarantee fund and/or the solvency capital.

Reinsurance

EMANI purchases reinsurance cover to supplement capacity and to spread risk as the Board deems appropriate. The Reinsurance panel is well diversified and of good quality.

Management Structure

EMANI is a mutual Association constituted in Brussels under Belgian law and authorised by Royal Decree on 20th October 1978. (MB 14/11/1978)

The strategic management of the Association is the responsibility of the Board of Directors which, except for those powers expressly reserved for the General Meeting, has full managerial authority.

The administration, underwriting, claims handling and day to day management of the Association is the responsibility of the Managing Director together with the Executive Committee.

Membership

Only companies or authorities in the private or public sector of operating / controlling / owning nuclear installations or their representatives can be Members of the Association.

Election of a new Member shall be submitted to the Board of Directors and shall become effective upon approval by the General Meeting.

A new Member shall underwrite at least one insurance policy with the Association and shall unconditionally accept the Articles of Association.

Loss Prevention Services

The EMANI loss prevention engineers, assisted by the Technical Advisory Committee (which is drawn from senior engineering staff from the EMANI Members utilities), shall identify the potential for losses to occur at the Members' property and to control such losses through risk detection and a preventative program.

The loss prevention services provide the Members with detailed reports, customized for the risk involved and in conjunction with the Underwriting team a thorough assessment of each Member's assets is established.

Based on the on-site evaluation, a comprehensive list of suggestions and recommendations is drawn up with a view to improve safety and to prevent or mitigate losses. The reports also assist the Members' management to quantify and develop appropriate measures to mitigate their level of risk.

The loss prevention services make an invaluable contribution to the EMANI underwriting process.

Report of the Board of Directors to be presented to the Annual General Meeting of 3 June 2022

Dear Member,

At the close of the 43rd financial year, we are pleased to report to you on the business of your Mutual Association and to set out below the balance sheet and the income statement for the year ended 31 December 2021.

The financial statements incorporate the results from the EMANI branch in Switzerland which was established on 7 June 2013 and received a license from the Swiss Regulator "FINMA" dated 30 September 2014 and has the identification number CHE-348.516.953 with the Commercial register of Canton Zug.

The Board of Directors of the Mutual Association is responsible for all information contained in the financial statements and other sections of the annual report. The Board considers that the financial statements and related disclosures have been prepared in accordance with generally accepted Belgian accounting principles in line with the Royal Decree (RD) of 1994 in relation to Annual Accounts for the insurance companies. These financial statements include amounts that are based on the company's evaluation rules.

The Mutual Association maintains a system of internal accounting controls to provide reasonable assurance that assets are safeguarded against loss from unauthorized use or disposal and that the accounting records provide a reliable basis for the preparation of the financial statements. Their report is adjoined to the financial statements.

Capacity

The insurance capacity for Material Damage in 2021 remained unchanged from previous year at € 650.000.000.

The insurance capacity for Terrorism cover also remained stable in 2021 at € 650.000.000.

EMANI may commit more than € 650.000.000 on risks where additional facultative reinsurance is in place and this resulted in maximum commitments of € 700.000.000 in 2021 which is the same as prior year.

The own retention for Material Damage insurance policies in 2021 was targeted to be limited to € 258.048.500 and at year-end we reached only at € 257.792.693. During 2020 this was targeted to be limited to € 262.668.000 and for one policy we reached a maximum of € 263.500.000 due to currency fluctuations.

For Terrorism insurance policies the limit in 2021 was € 251.500.000 and remains unchanged from 2020.

Contributions

Contributions written and reinsurance premiums ceded are reflected in earnings on a pro-rata basis over the term of each policy. Unearned contributions represent the portion of contributions written which are applicable to the non-expired terms of the policies in force.

For the following calculations, contribution is defined as original contribution less rebate.

Earned gross contributions increased from € 42.117.283 in 2020 to € 44.341.827 in 2021 and include the contributions from our Swiss members which were written for the seventh year through the Swiss Branch of € 1.316.727 versus € 1.326.780 in 2020 and this lower amount can be explained by Outage rebates.

This increase of earned gross contributions can be explained by increased shares of our Members in the Netherlands, Czech Republic Canada, and United States of America, and also 2 new business lines in South Africa and Brazil. For a second year running we are happy to announce that our business income has not been impacted by the COVID Pandemic.

Earned reinsurance cost (including Swiss branch) increased from € 18.574.661 in 2020 to € 20.220.212 in 2021. The increase can be explained by increased contributions and a general increase in reinsurance rates.

The net earned contributions after reinsurance increased from € 23.542.621 in 2020 to € 24.121.614 in 2021 due to the increased contributions which largely compensate the increased reinsurance rates.

No Members' rebate was released in 2021 and the outstanding Members' rebate reserves remains at zero.

General expenses

General expenses increased from € 4.188.057 in 2020 to € 4.250.170 in 2021 or an increase of 1,5% and includes the expenses from our Swiss branch of € 219.301 (2020 € 247.873). The increase reflects the higher broker costs.

Other expenses

No changes have been recorded this year in the precautionary reserve for a potentially irrecoverable receivable from a reinsurer for which the litigation started in 2018 and continues through the Brussels and Canadian Courts to pursue recovery.

Claims

Provisions are made for the estimated cost of incurred claims losses based on management estimates, based where appropriate on information from Members, their brokers, nuclear pools, claims adjusters, independent consultants, and other relevant sources.

The total claims result (net of reinsurance) for 2021 is a profit to the income statement of € 651.745 which compares to a loss of € 6.472.491 in 2020. The profit comprises a charge in respect of adjusted prior year claims paid of € 4.276.378 (net of reinsurance). Furthermore, there is a net release in reserves (net of reinsurance) of € 4.928.123 which includes a charge in respect of new losses of € 403.591 arising in 2021, with none of these new claims being settled in the year. None of the claim amounts have been impacted by the COVID Pandemic.

Investments

The total book value of the investments and liquid instruments increased from € 330.909.715 on 31 December 2020 to € 355.452.687 on 31 December 2021.

The investment allocation at the beginning of the year of 74,46% long term corporate bonds, 10,17% liquid instruments, 15,37% equity and 0 % absolute return funds has changed gradually during the year to 65,75% long term corporate & government bonds, 14,95 % liquid instruments, 19,26% equity and 0,04 % others at 31 December 2021. This resulted in a market to market annual weighted gross yield on the investment portfolio of 2,83% (2020 : +1,51%) and 2,69% net of fees (2020:1,38%) ,which does not exceed our target to beat the Euro Area inflation of 4,9% this year, however over the last 3 years the average weighted return of our investment portfolio was 3,59% which sufficiently exceeds the average inflation over 3 years of 1,97%. The weighted gross return is composed of -0,78% from fixed income funds, 3,64% from equity funds and -0,03% from money market funds and cash. The accounting financial income has recorded a financial profit of € 6.927.916 (2020: loss € 3.597.212) which includes realized profits due to the rebalancing of the portfolio following market changes. During the year we have seen market volatility with a negative impact on the market value of the fixed income portfolio following the increase of interest rates, but a positive impact on the equity. At year end no permanent reduction in the carrying value of investment is necessary.

All the investments are recorded at their amortized cost value and the unrealized gains of € 27.694.795 have not been recorded in the income statement for the current year which is in line with Belgian GAAP (=Royal Decree of 1994 on insurance companies). In the previous year the unrealized gains amounted to € 23.368.754.

No derivative products, such as equity, interest rate, credit, foreign exchange or commodity forwards, options, or swaps, were directly bought. We only purchased one coverage options to hedge the option for the Employee Benefit Scheme.

Book value and estimated fair market value of investments as at 31 December 2021.

Euro	Book value	Unrealized capital gains/(losses)	Market value
Equity investment funds	58.256.986	15.553.165	73.810.151
Fixed income investment funds	239.757.936	12.161.230	251.919.166
Money Market investment funds	13.366.520	(57.242)	13.309.278
Deposits and cash	43.966.685	0	43.966.685
Others	104.560	37.642	142.202
Total	355.452.687	27.694.795	383.147.482

Credit rating of the investment portfolio as at 31 December 2021.

The overall weighted average credit rating of the total portfolio is A- (2020=A) with the following split:

AAA 8,62% • AA 11,62% • A 37,19% • BBB 30,17% • BB 3,97% • B 2,90% • CCC 0,32% • C 0,03 % • NR 5,17 %

Average weighted duration of the investment portfolio as at 31 December 2021.

The overall weighted average duration including equity and cash of the total portfolio is 3,65 years at 31 December 2021 versus 4,92 on 31 December 2020.

Country Allocation of the investment portfolio as at 31 December 2021.

AT 0,86% • BE 12,67% • BM 0,17% • CH 1,93% • DE 10,53% • DK 0,51% • ES 5,18% • EU 0,01% • FI 0,53% • FR 14,47% • GB 4,74% • IE 1,40% • IT 8,00% • LU 2,88% • NL 7,50% • NO 0,22% • RU 0,07% • Europe others 1,48% • US 17,57% • CA 0,61% • AU 0,85% • MX 0,69% • Latin America others 0,89% • CN 0,44% • JP 2,31% • TR 0,04% • Asia others 1,61% • AE 0,32% • Africa/Middle East others 1,20% • Others 0,31% •

Net Investment Income

Euro	2021	2020
Gains/(Losses)	6.330.406	-1.701.303
Interests and dividend securities	0	0
Interest term deposits	3.764	7.256
Interests cash and cash equivalents	9.000	10.626
Adjustments to investment values	1.163.650	-1.390.723
Investment management expenses	-578.904	-523.068
Net Investment Income	6.927.916	3.597.212

Result

The € 27.515.578 surplus, before allocation to or from the reserve for equalization and catastrophes and taxes, for 2021 compares with a € 7.067.190 surplus in 2020.

The surplus of the year includes the surplus of € 212.912 of our Swiss branch. This compares with a surplus of € 252.593 in 2020.

The allocation to the reserve for equalization and catastrophes of € 20.422.498 consists out of the technical surplus before net investment income of the Belgian activities for 2021 of € 20.338.086, in accordance with the rules of the Belgian insurance regulator (National Bank of Belgium), and € 84.412 for the exchange difference on the conversion of the value of the equalization reserve held in the Swiss branch of CHF 2.000.000, which remains unchanged versus previous years. In the previous year a surplus of € 10.399.129 was recognized.

The Board of Directors recommends to the Annual General Meeting that the surplus of the year € 7.063.385 be allocated to the Guarantee Fund for € 6.850.473 in relation to the Belgian activities and to be carried over in retained earnings for the profit of € 212.912 in relation to the Swiss Branch following the local requirements.

Guarantee Fund

The Guarantee Fund plus the reserve for equalization now available to the Members for insurance capacity support amounts to € 316.831.561 and include already the proposed refund to Members of € 7.207.275 on which the Annual General Meeting of June 2022 will have to vote and on which the Belgian Insurance Regulator needs to give their approval.

This compares to previous year with € 296.552.952 which included the refund of € 2.415.396 to two Members whose waiting period expired on 31 December 2019 and on which the Annual General Meeting of 05 June 2020 voted in favor of the refund.

The Mutual Association has acknowledged the resignation of certain members, who will leave in the forthcoming years once their 5-year waiting period, has expired. Were these members all to leave at the end of 2021 their current share in the undivided Guarantee Fund would amount to € 19.267.647 but until then this amount remains at risk and with their departure subject to approval of Belgian Insurance Regulator.

At the end of 2021 two Members' waiting period has expired on which the Annual General Meeting in June 2022 will be asked to vote on the refund of € 7.207.275

Sustainable business.

At EMANI we stand for corporate social responsibility (CRS) or sustainable entrepreneurship which is based on the triple-P approach of a sound economic performance with respect for the social side (People) within the ecological preconditions (Planet). Both internally and externally we try to work according to the philosophy of those three values as much as possible.

Below you will find how we contribute to a more sustainable policy and a livable working environment:

1) Environmental:

- We only have Nuclear Insurance products so zero Emission industry.

We follow up very closely the European Commission's adoption of the Complementary Delegated Act which include, under strict conditions specific nuclear and gas energy activities in the list of economic activities covered by the EU taxonomy together with the next steps, once translated into all official EU languages, the Complementary Delegated Act will be formally transmitted to the co-legislators for their scrutiny. The Parliament and the Council will have four months to scrutinize the text (possible extension of two months). If there is no objection from the co-legislators, the Delegated Act will apply from 1 January 2023.

- Whether other ESG risks (coastal floods, water stress, storm...) will affect our business is monitored closely.

- As a small insurer, we recognize the challenge is significant but our impact, although small, is still important. For example, we try to print as little as possible at our offices, we offer employees the opportunity to work from home. Meetings that can be held remotely avoid environmentally harmful travel, and when traveling by air the option to buy green tickets are available

- Investments: EMANI's commitment to sustainable investing starts by working together with Asset Managers who comply with the sustainable standards of the United Nations Global Compact and/or United Nations Principles of Responsible Investing (UNPRI). All our investment funds are selected by our Asset Managers taking into consideration Environmental, Social and Governance (ESG) factors including the sustainable standard of the UN Global Compact. All our Asset Managers, specialized authorized firms, have appropriate internal guidelines demonstrating their ESG Policy in terms of governance, strategy, risk, and the actions they undertake in the ESG space.

In relation to the new EU SFDR (Sustainable Finance Disclosure Regulation) which came into effect in March 2021 and is part of a new wave of European regulation aimed at building sustainable economy we need to disclose our investment funds following the framework of categorizing products into three tier hierarchies:

*EU SFDR Article 6 products; applies to those strategies which are neither Article 8 or 9 strategies, and which either integrate ESG considerations or explain why sustainability risk is not relevant,

*EU SFDR Article 8 products: applies to those strategies that are ESG integrated, but which also promote, among other characteristics, environmental or social characteristics,

*EU SFDR Article 9 products: applies to those strategies to those strategies that have sustainable investment as its objective.

The investment mandate we gave to our three Asset Mangers is eligible to be classified SFDR 6 however already 39% of all the underlying funds held in our portfolios are already eligible to be classified SFDR 8.

2) Social:

- Diversified recruitment policy: At EMANI we value the importance to talent diversification. Within the company, employees are encouraged to work independently and to further develop their talents. We are open to multi-employability, flexible working and on the job training. We ensure equal opportunities to all employees regardless of age, gender, beliefs, (dis)ability and respect of privacy of Staff Members and Members,

- Feel good employees: We think it is important that our employees feel at home in the workplace. We operate a flat organizational structure to make everyone feel involved and thus strengthen the team. The work/private life is well supported by home working, sliding work hours.

- We only work with counterparties in countries who respect human rights, social rights, labor rights and respect for democratic rights

- Via Entrepreneurs for Entrepreneurs, annually we choose a new sustainable charity to which we give our support.

3) Governance:

- The Board is supporting the ESG principles within the framework of the Mutual,
- The Board and EMANI staff undertake business in an ethical manner (avoiding bribery, corruption),
- The Board strive for a balance between the sexes in all departments.

Personnel Employed

For the year ended 31 December 2021, the company employed 12 staff members in the head office which equals to a full time equivalent of 10 and 2 Staff members in the Swiss branch with a full time equivalent of 0,175. Further it is also the first year that we employed 2 independent Executive Directors which previously were employed as staff members.

For the year ended 31 December 2020, the company employed 14 staff members which equals to a full time equivalent of 11, 7 and 1 staff member in the Swiss Branch with a full time equivalent of 0,10.

Subsequent Event

No significant event has occurred subsequent the closing of the Financial Statements on 31 December 2021 that could compromise the financial position or liquidity of EMANI.

Covid 19

In respect of the Corona Virus event, EMANI continued to take several measures to ensure the maintenance of operational continuity of the Mutual. As a monoline Property Damage insurer, EMANI has no direct exposure that can be linked to the Covid-19 disease. We therefore do not foresee any complications over the next 12 months on the liabilities side of our balance sheet nor on the premium income

As to regards of the assets, EMANI closely monitors the financial situation of its investment portfolio. Market volatility has had a negative impact on the market value of our investments only for several months in 2020, but no permanent impairments were ever identified that should have prompted EMANI to record unrealized financial losses in its Financial Statements. EMANI always provides a margin to absorb exceptional shocks. Further the financial strength of our members remains sufficient to ensure the call for additional funds of the Members embedded in the company's Articles of Association.

During 2021 we have not uncovered any problem that could endanger EMANI's operations. EMANI will continue to monitor the overall evolution of COVID 19 to assess the potential impacts on its operations and will continue to implement any necessary risk mitigation measures.

Others

No research and development activities incurred.

EMANI does not face abnormal price, credit, or liquidity risks.

EMANI has not purchased any of its own shares during the year and does not hold any own shares at this time.

EMANI has 1 Branch office in Switzerland and is currently in the application process of a UK Branch.

EMANI does not have any subsidiaries.

Recommendations

We propose that you:

- Approve the financial statements for the year ended 31 December 2021 as presented,
- Grant discharge to the Directors of the Company in respect of their duties and functions for the year ended 31 December 2021,
- Grant discharge to the Statutory Auditor,
- Approval of the refund of the share in the undivided guarantee fund to two outgoing Members.



Alastair Russell
Chairman of the Board of Directors
On behalf of the Board of Directors

Corporate Governance Report

CORPORATE GOVERNANCE STRUCTURE

EMANI continues to believe that Corporate Governance can be extremely useful and effective in stimulating the use of best governance practices.

All the principles previously described in the document "Corporate Governance Memorandum" are now separately described in the different obligated Policy documents. A yearly revision is desirable to account for the changing legal and cultural environment, the new aspirations of our stakeholders and the conduct of Members, Directors and Staff. These Policy documents are entirely applicable for EMANI and EMANI Swiss branch.

Following the new EU-wide regulatory regime of Solvency II, EMANI's goal is to ensure that the Mutual is compliant with the requirements defined by EIOPA and translated into Belgian regulations by the local Supervisor. The public document Solvency Financial condition report (SFCR) can be found on our website.

The relevant principles of governance are applied to the Mutual in the following way:

MANAGEMENT STRUCTURE

The General Meeting has the powers vested in it by Law and by the Articles of Association, without any prejudice to the laws and regulations in force regarding the control of EMANI.

The Board of Directors is the management body who jointly oversees the activities of the Mutual. There are currently eleven Board members, seven of them are representing the Members, two members are of the Executive Committee and two members are independent. All Board members are nominated by the Annual General Meeting for a three-year period and eligible for re-appointment.

The composition of the Board is balanced considering the respective skills, experience and background of each of the Board members. Board members undertake that they have sufficient time to exercise their duties, taking into consideration the number and importance of their other commitments. The Executive Committee has full authority to undertake the daily management of the Association.

In addition, the Board has appointed specific Advisory Committees being the Risk Committee, Audit Committee, Finance and Investment Advisory Committee and Underwriting Advisory Committee. These Committees are composed out of representatives of the Members. All Advisory Committees have charters that explain their purpose and role as well as their responsibilities.

EMANI is not obliged to set up a Risk Committee and an Audit Committee because it only meets one of the three criteria imposed by article 52, § 1 of the Insurance Supervision Act of 13 December 2016. However, for good governance purposes EMANI has put in place a Risk Committee and an Audit Committee but the composition of the Audit Committee on the principle of independent is not as defined as in article 48 of the Insurance Supervision Act.

The mission of these Committees is to analyze specific topics, to prepare matters for consideration and recommendation towards the Board. The existence of the Committees does not replace the ultimate responsibility of the Board. The Board of Directors and the Committees meet as frequently as the interests of the Mutual requires. For instance, the Board meets normally four times a year. Minutes are kept of every meeting.

In line with the requirements applicable in the fit and proper policy, both Board of Directors and Committees performs annually a self-assessment.

OPERATIONAL STRUCTURE AND KEY FUNCTIONS

In accordance with Articles 44, 46, 47 and 48 of Solvency II Directive, the Mutual has implemented the following key functions: risk management function, compliance function, internal audit function and actuarial function. Each key function discloses a report as well as for the year to come a plan and are in direct contact with the Board of Directors.

The scope of work of the Internal Auditor, is to determine whether EMANI's network of risk management, internal control and governance processes, as designed and represented by management, is adequate and sufficient.

The Compliance Officer acts as an adviser close to the management to take measures within the scope of the integrity policy and ensure the development of the deontology of the Mutual.

The Board of Directors and Executive Committee decide on the risk strategy and design of the risk structure. The Chief Risk Officer, deploys practices to identify, assess, monitor and mitigate various risks to EMANI's business.

EMANI is required by Belgian Law to have a mathematic investigation made by an Actuary to assess the risk in contribution and claim liabilities in respect of insurance policies.

All key functions have a separate policy explain their role and responsibilities. Each key function need to comply with the fit & proper policy and conduct a self-assessment. In case the key function is outsourced, an internal person in charge checks the performance and compliance with the guidelines of the outsourcing policy.

MONITORING AND CORRECTIVE ACTIONS

The Mutual has internal procedures which provides practical guidance for all staff (1st line of defense). The second line of control performed by the actuarial function, risk management function & compliance function, assures the follow-up of the control of the risks and that corrective actions are taken. The internal auditor reports to the Audit committee on the effectiveness of the procedures as 3rd line of defense.

In achieving its business objectives, EMANI emphasizes the adherence to the highest standards of business integrity and ethics, as well as the respect of and compliance with all applicable national and supra-national laws and regulations.

Employees have the obligation to inform rightful concerns or threats on violation of these values and codes and on the subject of unethical or unlawful behavior to the management. Denunciators will be protected against any disciplinary measures.

EMANI has also put in place efficient and transparent procedures for handling complaints. Complaints are considered a vital and essential source of information to improve our internal control systems. Therefore, they are recorded and handled accordingly.

Concerning the IT-infrastructure, a Continuity Policy and implementation process including proper securities is in place. The IT-department certifies that security, privacy and all other IT management requirements are adequately addressed by the cloud computing vendor. In respect of GDPR, personal data is mapped in a register with restricted access and a privacy policy is put into place.

At EMANI we stand for corporate social responsibility (CRS) and sustainable entrepreneurship which is bases on the triple-P approach of economic performance (Profit) with respect for the social side (People) within the ecological preconditions (Planet). Both internally and externally we try to work according to the philosophy of those three values as much as possible.

Statutory auditor's report to the general meeting of members of European Mutual Association for Nuclear Insurance AAM for the year ended 31 December 2021 - Annual accounts

FREE TRANSLATION OF UNQUALIFIED STATUTORY AUDITOR'S REPORT ORIGINALLY PREPARED IN FRENCH

In the context of the statutory audit of the annual accounts of European Mutual Association for Nuclear Insurance AAM ("the Company"), we provide you with our statutory auditor's report. This includes our report on the annual accounts for the year ended 31 December 2021, as well as other legal and regulatory requirements. Our report is one and indivisible.

We were appointed as statutory auditor by the general meeting of 4 June 2021, in accordance with the proposal of the board of directors issued on the recommendation of the audit committee. Our mandate will expire on the date of the general meeting deliberating on the annual accounts for the year ended 31 December 2023. We have performed the statutory audit of the annual accounts of the Company for one financial year.

Report on the annual accounts

Unqualified opinion

We have audited the annual accounts of the Company as of and for the year ended 31 December 2021, prepared in accordance with the financial reporting framework applicable in Belgium. These annual accounts comprise the balance sheet as at 31 December 2021, the income statement for the year then ended and notes. The balance sheet total amounts to EUR 374.780.796 and the income statement shows a profit for the year of EUR 7.063.385.

In our opinion, the annual accounts give a true and fair view of the Company's equity and financial position as at 31 December 2021 and of its financial performance for the year then ended in accordance with the financial reporting framework applicable in Belgium.

Basis for the unqualified opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs") as adopted in Belgium. In addition, we have applied the ISAs as issued by the IAASB and applicable for the current accounting year while these have not been adopted in Belgium yet. Our responsibilities under those standards are further described in the "Statutory auditors' responsibility for the audit of the annual accounts" section of our report. We have complied with the ethical requirements that are relevant to our audit of the annual accounts in Belgium, including the independence requirements.

We have obtained from the board of directors and the Company's officials the explanations and information necessary for performing our audit.

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



Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the annual accounts of the current period. These matters were addressed in the context of our audit of the annual accounts as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of technical provisions for claims

We refer to item C.III "Provisions for claims" of the annual accounts:

Description:

At December 31, 2021 the Company has recorded an amount of EUR 31,182,956 for technical provisions for claims. The estimation of these reserves involves judgement as the estimate is based on past claims experience, knowledge of existing events, forecasts of future developments and the terms of the relevant insurance policies.

Estimates must be made for the expected ultimate cost of claims as of the balance sheet date as well as for the expected ultimate cost of incurred but not reported (IBNR) claims as of the balance sheet date. These estimates are sensitive to a number of factors and uncertainties, and require judgment in determining the underlying assumptions and methodology.

Our audit procedures:

Assisted by our actuaries we performed the following procedures:

- Assessment of the design and evaluation of the operating effectiveness of controls related to the process for determining loss reserves.
- Assessment of the appropriateness, validity and consistency of the actuarial techniques used (including the underlying assumptions) compared to previous years, including whether the changes are consistent with our understanding of business trends and our expectations based on market experience.
- Assessment that the claims reserves have been estimated in accordance with the reservation rules determined by the Company.
- Assessment of the estimated claims reserves. For each of the outstanding claims we obtained supporting documentation, reviewed independent adjusters' reports and interviewed the respective claims handlers. In addition, we requested all members of the Company to confirm the outstanding claim(s) against the Company. We performed an audit of these confirmations and compared the confirmed claims to the outstanding claims reserve.
- Reviewing reports issued by the actuarial function, including the basis for their conclusions, which are considered in our risk assessment.
- Assessment of the completeness and accuracy of the data used in the calculation processes as well as the data from the main computer systems used for the calculation of the loss reserves.

Other matter

The prior year annual accounts, and accordingly the corresponding figures in the current year annual accounts, which are the subject of this report, have been audited by another auditor who expressed an unqualified opinion on these financial statements in his report dated 21 April 2021.

Board of directors' responsibilities for the preparation of the annual accounts

The board of directors is responsible for the preparation of these annual accounts that give a true and fair view in accordance with the financial reporting framework applicable in Belgium, and for such internal control as board of directors determines, is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts, the board of directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the board of directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Statutory auditor's responsibilities for the audit of the annual accounts

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

When performing our audit we comply with the legal, regulatory and professional requirements applicable to audits of the annual accounts in Belgium. The scope of the statutory audit of the annual accounts does not extend to providing assurance on the future viability of the Company nor on the efficiency or effectivity of how the board of directors has conducted or will conduct the business of the Company. Our responsibilities regarding the going concern basis of accounting applied by the board of directors are described below.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also perform the following procedures:

— Identify and assess the risks of material misstatement of the annual accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by board of directors;
- Conclude on the appropriateness of board of directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the annual accounts or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern;
- Evaluate the overall presentation, structure and content of the annual accounts, including the disclosures, and whether the annual accounts represent the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

For the matters communicated with the audit committee, we determine those matters that were of most significance in the audit of the annual accounts of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

Other legal and regulatory requirements

Responsibilities of the Board of Directors

The board of directors is responsible for the preparation and the content of the board of directors' annual report on the annual accounts and of the documents required to be filed in accordance with the legal and regulatory requirements, for maintaining the Company's accounting records in compliance with the applicable legal and regulatory requirements, as well as for the Company's compliance with the Companies' and Associations' Code and the Company's articles of association.

Statutory auditor's responsibilities

In the context of our engagement and in accordance with the Belgian standard which is complementary to the International Standards on Auditing as applicable in Belgium, our responsibility is to verify, in all material respects, the board of directors' annual report on the annual accounts and certain documents to be filed in accordance with legal and regulatory requirements and compliance with certain requirements of the Companies' and Associations' Code and with the Company's articles of association, and to report on these matters.

Aspects concerning the board of directors' annual report on the annual accounts

Based on specific work performed on the board of directors' annual report on the annual accounts, we are of the opinion that this report is consistent with the annual accounts for the same period and has been prepared in accordance with articles 3:5 and 3:6 of the Companies' and Associations' Code.

In the context of our audit of the annual accounts, we are also responsible for considering, in particular based on the knowledge gained throughout the audit, whether the board of directors' annual report on the annual accounts contains material misstatements, that is information incorrectly stated or misleading. In the context of the procedures carried out, we did not identify any material misstatements that we have to report to you.

Information regarding the social balance sheet

The social balance sheet, which is to be filed with the National Bank of Belgium in accordance with article 3:12 §1 8° of the Companies' and Associations' Code, includes, with respect to form and content, the information required by law, including the information regarding salaries and training, and does not present any material inconsistencies with the information that we became aware of during the performance of our engagement.

Information about the independence

Our audit firm and our network have not performed any engagement which is incompatible with the statutory audit of the annual accounts and our audit firm remained independent of the Company during the term of our mandate.

Other aspects

- Without prejudice to formal aspects of minor importance, the accounting records were maintained in accordance with the legal and regulatory requirements applicable in Belgium.
- The appropriation of results proposed to the general meeting complies with the legal provisions and the provisions of the articles of association.
- We do not have to inform you of any transactions undertaken or decisions taken in breach of the Company's articles of association the Companies' and Associations' Code.

— This report is consistent with our additional report to the audit committee on the basis of Article 11 of Regulation (EU) No 537/2014.

Zaventem, 20 May 2022

KPMG Bedrijfsrevisoren - Réviseurs d'Entreprises Statutory Auditor
represented by

Jean-François
Kupper
(Signature)

Digitally signed by
Jean-François
Kupper (Signature)

Jean-François Kupper Bedrijfsrevisor / Réviseur d'Entreprises

Balance sheet as of 31 December 2021 and 2020

(Currency - Euro)

ASSETS	<u>31/12/2021</u>	<u>31/12/2020</u>
C. Investments		
III. Other financial investments		
1. Parts in investment funds	311.381.443	305.071.418
2. Bonds and other fixed interests	0	0
6. Term deposits with financial institutions	6.180.469	5
7. Others	104.560	0
	<u>317.666.472</u>	<u>305.071.422</u>
D. bis. Part of reinsurance in the technical reserves		
I. Reserve for non-earned premiums and current risks	3.846.539	3.012.084
III. Reserve for claim receivable	9.442.690	11.271.873
	<u>13.289.229</u>	<u>14.283.957</u>
E. Receivables		
I. Receivables resulting from direct insurance		
1. Insurers	3.010.180	0
2. Intermediaries of insurers	594.640	512.742
II. Receivables resulting from reinsurance	1.423.727	810.212
III. Other receivables	128.998	40.164
	<u>5.157.545</u>	<u>1.363.119</u>
F. Other assets		
I. Tangible Assets	640.765	480.235
II. Liquidities	37.786.215	25.838.293
	<u>38.426.980</u>	<u>26.318.527</u>
G. Transitory accounts		
I. Interest and rent	240.570	215.042
	<u>240.570</u>	<u>215.042</u>
TOTAL ASSETS	<u>374.780.796</u>	<u>347.252.068</u>

Balance sheet as of 31 December 2021 and 2020

(Currency - Euro)

LIABILITIES	31/12/2021	31/12/2020
A. Equity		
I. Subscribed capital or equivalent fund, net of uncalled capital		
1. Guarantee fund securities	98.367.787	98.724.588
5. Retained earnings	566.585	353.673
	98.934.372	99.078.261
C. Technical reserves		
I. Reserve for unearned premiums and for unexpired risks	12.794.982	10.707.826
III. Reserve for claims payable	31.182.956	37.940.262
V. Reserve for equalisation and catastrophies	217.897.189	197.474.691
	261.875.127	246.122.779
G. Payables		
I. Payables resulting from direct insurance business	1.161.151	358.623
II. Receivables resulting from reinsurance business	3.906.975	428.042
V. Other payables	8.104.787	774.302
1. Fiscal and Social payables	461.168	351.158
a) Taxes	0	0
b) Social payables	461.168	351.158
2. Other	7.643.619	423.144
	13.172.913	1.560.966
H. Transitory accounts	798.384	490.062
	798.384	490.062
TOTAL LIABILITIES	374.780.796	347.252.067

The accompanying notes are an integral part of this balance sheet.

Income Statement for the year ended 31 December 2021 and 2020

(Currency - Euro)

		<u>31/12/2021</u>	<u>31/12/2020</u>
1. Earned premiums, net of reinsurance			
a) Gross premiums		46.428.984	42.987.327
• Premiums written	47.961.718	44.506.694	
• Rebates to Members	-1.532.734	-1.519.367	
b) Reinsurance premiums		-21.054.668	-19.101.687
c) Variation of the reserve for unearned premiums and unexpired risks, gross of reinsurance (increase -, decrease +)		-2.087.157	-870.044
d) Variation of the reserve for unearned premiums and unexpired risks, reinsurers part (increase +, decrease -)		834.455	527.025
		24.121.614	23.542.621
2bis. Investment Income			
b) Income from other investments		12.764	17.882
c) Write-back of adjustments on investments		1.163.650	0
d) Realized capital gains		6.431.905	3.149.202
		7.608.319	3.167.084
3. Other technical income net of reinsurance		64.471	19.751
4. Costs of claims, net of reinsurance (-)			
a) Net amount paid		-4.276.378	-11.157.058
aa) Gross amount	-5.967.953	-24.519.238	
bb) Part of reinsurers	1.691.574	13.362.180	
b) Variation of the claims services reserve, net of reinsurance (increase -, decrease +)		4.928.124	4.684.567
aa) Variation of the reserve for claims, gross of reinsurance (increase -, decrease +)	6.757.306	12.812.001	
bb) Variation of the reserve for claims, part of reinsurance (increase +, decrease -)	-1.829.183	-8.127.433	
		651.746	-6.472.491
6. Cost of refund of contribution, net of reinsurance (-)			
a) Net amount paid		0	0
b) Variation of the refunds reserve, net of reinsurance (increase -, decrease +)		0	0
		0	0



Income Statement for the year ended 31 December 2021 and 2020

(Currency - Euro)

- continued -

	<u>31/12/2021</u>	<u>31/12/2020</u>
7. Net operating expenses (-)		
a) Acquisition expenses	-210.233	-158.779
c) Administrative expenses	-4.039.936	-4.029.279
	-4.250.170	-4.188.058
7bis. Expenses relating to investments (-)		
a) Expenses for managing investments	-578.904	-523.068
b) Adjustments to investment values	0	-1.390.723
c) Realized less values	-101.499	-4.850.505
	-680.403	-6.764.296
8. Other re-insurance charges	0	-2.237.421
SURPLUS/(DEFICIT) OF THE PERIOD BEFORE VARIATION RESERVE FOR EGALIZATION AND CATASTROPHES	27.515.578	-6.764.296
9. Variation in the reserve for egalization and catastrophes, net of reinsurance (increase -, decrease +)	-20.422.498	-10.399.129
Surplus/(Deficit)	7.093.080	-3.331.940
15. Taxes	-29.695	-29.104
Surplus / (Deficit) of the period available for distribution	7.063.385	-3.361.044

Income Statement for the year ended 31 December 2021 and 2020

(Currency - Euro)

TECHNICAL ACCOUNT - NON-LIFE INSURANCE BUSINESS		
	<u>31/12/2021</u>	<u>31/12/2020</u>
1. Earned premiums, net of reinsurance		
a) gross premiums	46.428.984	42.987.327
b) Reinsurance Premiums	-21.054.668	-19.101.687
c) Variation of the reserve for unearned premiums and unexpired risks, gross of reinsurance (increase -, decrease +)	-2.087.157	-870.044
d) Variation of the reserve for unearned premiums and unexpired risks, reinsurers part (increase +, decrease -)	834.455	527.025
	24.121.614	23.542.621
2. Allocated investment return transferred from the non-technical account		
	0	0
	0	0
Zbis. Investment Income		
b) Income from other investments	9.708	13.312
c) Write-back of adjustments on investments	885.012	0
d) Realized capital gains	4.891.773	2.344.412
	5.786.492	2.357.724
3. Other technical income net of reinsurance	64.472	19.751
4. Costs of claims, net of reinsurance		
a) Net amount paid		
aa) Gross amount	-5.967.953	-24.519.238
bb) Part of reinsurers	1.691.574	13.362.180
b) Variation of the claims services reserve, net of reinsurance (increase -, decrease +)		
aa) Variation of the reserve for claims, gross of reinsurance (increase -, decrease +)	6.757.306	12.812.001
bb) Variation of the reserve for claims, part of reinsurance (increase -, decrease +)	-1.829.183	-8.127.433
	651.745	-6.472.491

Income Statement for the year ended 31 December 2021 and 2020

(Currency - Euro)
- continued -

TECHNICAL ACCOUNT - NON-LIFE INSURANCE BUSINESS		
	<u>31/12/2021</u>	<u>31/12/2020</u>
6. Cost of refund of contribution. net of reinsurance (-)		
a) Net amount paid	0	0
b) Variation of the refunds reserve. net of reinsurance (incr - decr +)	0	0
	0	0
7. Net operating expenses (-)		
a) Acquisition expenses	-210.233	-158.779
c) Administrative expenses	-4.039.936	-4.029.279
	-4.250.170	-4.188.058
7bis. Expenses relating to investments (-)		
a) Expenses for managing investments	-440.284	-389.396
b) Adjustments to investment values	0	-1.035.319
c) Realized less values	-77.195	-3.610.941
	-517.479	-5.035.656
8. Other re-insurance charges	0	-2.237.421
SURPLUS/(DEFICIT) OF THE PERIOD BEFORE VARIATION RESERVE FOR EGALIZATION AND CATASTROPHES	25.856.675	7.986.470
9. Variation in the reserve for equalization and catastrophes, net of reinsurance (increase -, decrease +)	-20.422.498	-10.399.129
Balance on the technical account for non-life insurance business	5.434.177	-2.412.659

Income Statement for the year ended 31 December 2021 and 2020

(Currency - Euro)

NON TECHNICAL ACCOUNT		
	<u>31/12/2021</u>	<u>31/12/2020</u>
1. Balance on the technical account for non-life insurance business	5.434.177	-2.412.659
3. Investment income		
b) Income from other investments	3.056	4.570
c) Write-back of adjustments on investments	278.638	0
d) Realized capital gains	1.540.132	804.790
	<u>1.821.827</u>	<u>809.360</u>
5. Expenses relating to investments (-)		
a) Expenses for managing investments	-138.620	-133.672
b) Adjustments to investment values	0	-355.404
c) Realized less values	-24.304	-1.239.565
	<u>-162.924</u>	<u>-1.728.641</u>
6. Allocated investment return transferred to the non-life insurance technical account	0	0
	<u>0</u>	<u>0</u>
7. Other income	0	0
	<u>0</u>	<u>0</u>
15. Tax on profit on ordinary activities	-29.695	-29.104
Profit on ordinary activities after tax	7.063.385	-3.361.044
Surplus / (deficit) of the period available for distribution	7.063.385	-3.361.044

Income Statement for the year ended 31 December 2021 and 2020

(Currency - Euro)

ALLOCATION OF THE SURPLUS / DEFICIT		
	<u>31/12/2021</u>	<u>31/12/2020</u>
A. Profit to be allocated	7.417.058	-3.219.964
1. Surplus / Deficit of the period	7.063.385	-3.361.044
2. Retained earnings	353.673	141.080
B. Withdrawal from own funds <input type="checkbox"/>	-7.207.275	3.573.636
1. Withdrawal from the guarantee fund	-7.207.275	3.573.636
2. Withdrawal from the reserves	0	0
C. Allocation to the own funds	356.802	0
1. Allocation to the guarantee fund	356.802	0
D. Result to carry forward	-566.585	-353.673
1. Surplus to carry forward	-566.585	-353.673
2. Deficit to carry forward	0	0
F. Result to be distributed	0	0

The accompanying notes are an integral part of this income statement

Notes to the financial statements for the year ended 31 December 2021

(Currency - Euro)

1. ACTIVITY OF THE ASSOCIATION AND SUMMARY OF THE MAIN ACCOUNTING PRINCIPLES

The purpose of the Mutual Association is to indemnify those of its insured members that have suffered property and/or business interruption damage to their nuclear installations and/or contents thereof. In certain cases, the Mutual Association also insures non-nuclear risks.

During the year 2021 the planned total insurance capacity of E.M.A.N.I for Material Damage was 650.000.000 EUR of which:

- 16% of the first 5.000.000 EUR is reinsured by way of "quota share" contracts;
- 51,47% of the following 45.000.000 EUR, in excess of 5.000.000 EUR, is reinsured by way of "quota share" contracts;
- 54,47% of the following 50.000.000 EUR, in excess of 50.000.000 EUR, is reinsured by way of "quota share" contracts;
- 59,25% of 400.000.000 EUR in excess of 100.000.000 EUR is reinsured by way of "excess of loss" (for first and second loss) and 14,43% by way of a quota share contract (for each and every loss);
- 73,98% of 100.000.000 EUR in excess of 500.000.000 is reinsured by way of an "excess of loss" contracts (for first and second loss);
- 59,55% of 50.000.000 EUR in excess of 600.000.000 EUR is reinsured by way of an "excess of loss" contracts (for first and second loss).

Following the above reinsurance scheme, the risk for E.M.A.N.I. should thus be limited to 258.048.500 EUR for a first loss and 258.048.500 EUR for a second loss during the year 2021 but in reality, the highest single own risk is only 257.792.693 EUR in the first loss.

During the year 2021 the total insurance capacity of E.M.A.N.I. for terrorism is 650.000.000 EUR of which:

- 62,80% of 125.000.000 EUR is reinsured by way of "quota share" contracts (for both a first and second loss);
- 35,50% of 250.000.000 EUR in excess of 125.000.000 EUR is reinsured by way of "excess of loss" contracts (for both a first and second loss);
- 85,00% of 225.000.000 EUR in excess of 375.000.000 EUR is reinsured by way of "excess of loss" contracts (for both a first and second loss).
- 90,00% of 50.000.000 EUR in excess of 600.000.000 is reinsured by way of an "excess of loss" contracts (for both a first and second loss)

The risk for E.M.A.N.I. for terrorism is thus limited to 251.500.000 EUR for a first loss and 251.500.000 EUR for a second loss during the year 2021.

E.M.A.N.I. may commit more than 650.000.000 EUR on a risk where additional facultative reinsurance is available to cover the increased share for both Terrorism and Material Damage policies.

The accounting principles of E.M.A.N.I. can be summarized as follows:

a. Overview of the amortization rates applied

Other assets – tangible fixed assets	Per year
Installations, electronic equipment and office tools	33,33%
Software (upon evaluation executive committee by project)	20% or 33,33%
Furniture	10%
Vehicles	20%



Notes to the financial statements for the year ended 31 December 2021

(Currency - Euro)
- continued -

b. Integration of the Swiss branch:

The integration of assets and liabilities of branches in foreign currencies:

The assets and liabilities of the branch in foreign currency are integrated at closing rate of the period, while the income statement is converted at prevailing average foreign exchange rate of the related period. The difference is recorded in foreign exchange revenues and charges in the income statement.

The financial statements of the Branch are compliant with Swiss regulations.

c. Foreign currency translation

The company maintains its accounts in Euro (EUR) and the annual accounts are expressed in this currency.

The foreign currency denominated values on the balance sheet are converted into Euro using the exchange rate as of the balance sheet date.

The foreign currency denominated transactions in the income statement are converted into Euro on a monthly basis using the exchange rate in force at the end of the previous month as proxy for the daily foreign exchange rate over the related month.

All exchange gains and losses are recorded in the income statement, as foreign exchanges revenues and charges.

d. Technical provisions

The Mutual Association recognizes technical provisions based on contributions relating to the active, non-expired policies in force at the end of the accounting year, unreleased members' rebates relating to an expired policy, claims payable increased with best estimate of the internal and external claim handling costs and the reserve for equalisation and catastrophes in accordance with Articles 10 and 11 of the Royal Decree of 22 February 1991.

e. Fixed income securities

The fixed income securities (straight and convertible bonds) are valued at their acquisition cost. The incidental costs are expensed as incurred.

The differences, if material, between acquisition cost and redemption value of the securities are amortized pro rata to maturity of the securities. Unless the intention of the Mutual Association is to sell the securities in the short term, no adjustment is booked to reflect the market value if this market value is below the net book value determined according to the method described above.

Reduction in value on fixed income securities shall be recorded in the income statement when the reimbursement at redemption date is partly or fully uncertain or compromised.



Notes to the financial statements for the year ended 31 December 2021

(Currency - Euro)
- continued -

f. Shares and other non-fixed income securities

Shares and other non-fixed interest securities are recorded at acquisition cost. The incidental costs are expensed as incurred.

Unrealized losses are recorded in the profit and loss account if there will be a permanent reduction in the value of these securities. In this case, the security will be written down to its lower value.

Permanent impairments are determined based on the two following conditions:

- Market value must be below book value for a period uninterrupted of 12 months;
- And the decrease in market value should be at least equal to 20% of the book value at the end of that period.

g. Foreign exchange rate contracts

The foreign exchange rate contracts are converted into Euro using the exchange rate as at the balance sheet date.

Notes to the financial statements for the year ended 31 December 2021

(Currency - Euro)
- continued -

2. GUARANTEE FUND

The Board of Directors proposes to the Annual General Meeting to allocate the surplus of the Swiss Branch of 212.912 EUR to the retained earnings of the Branch and to allocate the surplus of the year 2021, 6.850.473 EUR, to the Guarantee Fund and to approve the Refund to the resigning Members of 7.207.275 EUR

The evolution of the Guarantee Fund over 2021 is as follows:

Guarantee fund at 31 December 2020	98.724.589
Transfer of the surplus of the year (excluding Swiss Branch)	6.850.473
Dotation of new members	0
Refunds to a member	-7.207.275
Guarantee fund at 31 December 2021	98.367.787

The evolution of the retained earnings over 2021 is as follows:

Retained earnings 31 December 2020 (Swiss Branch)	353.673
Transfer of the surplus of the year (Swiss Branch)	+212.912
Retained earnings at 31 December 2021 (Swiss Branch)	566.585

3. RESERVE FOR EGALISATION AND CATASTROPHIES

In application to Article 11, §1, 3° of the Royal Decree dated 22 February 1991 on the general rules on the control of insurance companies, the Mutual Association started in 1996 to build a reserve for equalisation and catastrophes. The purpose thereof is to create a reserve that would smooth out variations in claims or would cover exceptional risks. Based on the current regulations, the theoretical target amount that should be provided for within the Mutual Association's equalisation and catastrophes reserve is 257.792.693 EUR (100% of the highest insured amount, net of transfers under reinsurance per nuclear installation). The yearly movement however depends on the income or loss of the Mutual Association before (net) investment income (excluding the income from the Swiss branch). Income results in an increase to the reserve for the amount of the income, and a loss results in a reduction of the reserve for the amount of the loss. The application of this rule resulted in an increase of 20.422.498 EUR for the year 2021 (in 2020 an increase of 10.399.129 EUR) which brings the total of the reserve to 217.897.189 EUR (2020 : 197.474.691 EUR).

Notes to the financial statements for the year ended 31 December 2021

(Currency - Euro)
- continued -

It should however be noted that at the end of 2021 the Guarantee Fund amounts to 98.934.372 EUR and can also be used to cover the obligations of the Mutual Association. Furthermore, the unrealised gains on investments at 31 December 2021 amount to 27.694.795 EUR (2020 : 23.368.754 EUR) and also could be realised in case of catastrophe. Additionally, the Mutual Association may call under certain circumstances for additional funds of the members (article 26 of articles of the bylaws) to be used to cover its obligations.

4. MANAGEMENT

The investment management of the Mutual Association has been outsourced. The investment management fee is included in the net asset value of the investment funds for one asset manager but not for the other two newer asset managers and therefore we have registered for the year 2021 466.820 EUR under Expenses for managing investments and custodian charges versus 462.146 EUR in 2020.

The broker reinsurance handling fee amounts to 280.584 EUR for the year 2021 and 362.223 EUR for 2020 and is included in the operational expenses.

Reinsurance commissions refunded to E.M.A.N.I. are 1.804.270 EUR for 2021 and 1.262.214 EUR for the year 2020 and are deducted from the reinsurance premium charges.

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EUROPEAN MUTUAL
ASSOCIATION
FOR NUCLEAR INSURANCE

MUTUAL
INSURANCE
ASSOCIATION

AV. JULES BORDET, 166 - B4
B - 1140 BRUSSELS
BELGIUM

Tel. + 32 (0)2 702 90 10
Fax. + 32 (0)2 705 72 92
www.emani.be