



EMMANANI
annual report

2023



Abstract composition in yellow and blue

Robert Piccart

**Annual Report 2023
of the Board of Directors and
of the Statutory Auditor
to be presented at the Annual
General Meeting on 7th June
2024**

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:
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Financial Highlights

in euro

years ended December 31

Statement of Earnings

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Net premium earned	28.424.025	24.953.915	24.121.614	23.542.621	23.613.088
Claims	-2.787.022	-1.022.406	651.745	-6.472.490	-28.350.008
Expenses	-5.546.926	-4.701.444	-4.250.170	-4.188.058	-4.092.093
Other income	33.265	32.447	64.472	19.750	12.613
Net investment result	707.982	-1.865.861	6.927.916	-3.597.212	7.785.921
Other Expenses	0	0	0	-2.237.421	0
Earnings before distribution to reserve for equalisation and catastrophes	20.831.324	17.396.651	27.515.578	7.067.190	-1.030.480
Variation in the reserve for equalisation and catastrophes, net of reinsurance	-19.912.482	-18.920.013	-20.422.498	-10.399.129	9.191.202
Taxes	-42.993	-50.010	-29.695	-29.104	-17.968
Earnings after distribution to reserve for equalisation and catastrophes	875.849	-1.573.372	7.063.385	-3.361.044	8.142.754

Balance Sheet

Assets	383.374.142	365.939.608	374.780.796	347.252.068	354.320.466
Liabilities	-40.244.422	-36.301.071	-57.949.236	-50.699.115	-62.400.203
Guarantee fund (including reserve for equalisation and catastrophes)	343.129.720	329.638.538	316.831.560	296.552.953	291.920.263

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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
Gesellschaft für Nuklear-Service mbH (GNS)

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
Zwischenlager Würenlingen AG (Zwilag)

* 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 Inc.
Georgia Power
Indiana Michigan Power Company
Nebraska Public Power District
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
B. Jobse	Vice-Chairman
M. Blair	
K. Kelly	
C. White	
P. Sätmark	
P. Vandekerckhove	<i>Executive Committee</i>
M. Vercammen	<i>Executive Committee</i>
T. Houben	<i>Executive Committee</i>
J. French	

* 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 *Chairman*

I. Annezer

I. Maciulis

T. Erb

L. Hough

I. Maciulis

R. Miller

F. Orset

D. Vidal

K. Sinclair

P. Vandekerckhove

S. Grebla

I. Florea

T. Fischer

R. Zahmidi

Technical Advisory Committee

G.L. Noferi *Chairman*

I. Annezer

A. Pührer

A. Pührer

F. Orset

S. Savolainen

W. Buysse

S. Laganne

M. Elliott

J. Massy

* Status at the time of the Annual General Meeting

Advisory Committees *

Finance and Investment Advisory Committee

M. Vercammen *Chairman*
L. Piekkari
J. Tasker
J. Thurber
R. Saurel
L. Springer

Audit Committee

P. Sätmark *Chairman*
A. Russell
K. Kelly

Risk Committee

M. Blair *Chairman*
B.P. Jobse
A. Russell

Internal Auditor

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

Represented by:
N. Renard

Compliance Officer

A. Roefs

* Status at the time of the Annual General Meeting

Management *

Executive Committee

P. Vandekerckhove
M. Vercammen
T. Houben
I. Maciulis

Chief Executive Officer
Chief Financial Officer
Chief Risk Officer
Chief Underwriting 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

Over the last 12 months we saw a return to more normal financial conditions despite the ongoing conflict continues in Ukraine and new conflict in Gaza. Global markets remain challenging with inflation and interest rates stubbornly high.

In the midst of this turmoil, EMANI continues to be able to provide stable insurance capacity to its members at attractive rates. The lagging nature of the Troostwijk index delivered a higher premium increases but we see these returning to more normal levels as inflation risks subside.

In 2023 the EMANI Management team focused on broadening and finding new reinsurance markets as well as re-engaging with existing reinsurance markets. This was successful in giving more options for the last renewal and this approach has continued into the 2024 renewal. A successful Reinsurance day was also held this year at the Borssele site, with thanks to EPZ for hosting this. This approach to partnering with reinsurers aligns well with the philosophy of the mutuals.

EMANI continues to navigate the evolving landscape of ESG regulations and is preparing for the upcoming application of the Digital Operational Resilience Act (DORA). This will ensure our commitment to sustainability and operational resilience in the digital age.

During 2023 we welcomed Jackie French onto the Board and Iain Maciulis joined the EMANI Executive Team. I would like to thank them on behalf of all EMANI members for their contribution.

EMANI continues to build its strong financial foundations which allow nearly €300m of capacity to be provided to its members. The EMANI's underwriting performance in 2023 again reflected few claims. This result is testament to the hard work done by members at the various facilities round the world. Our solvency margin was again stable in 2023 and we have retained the AM Best rating of A stable.

Lastly, I'd like to welcome our last two new members, to the community while we say goodbye to the last German member. Auf Wiedersehen!

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 center 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 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 authorized 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 7th June 2024

Dear Member,

At the close of the 45rd 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 2023.

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 EMANI branch in the United Kingdom which was registered at the Companies House under company number FC039655 and registration number BR024761 dated 13 July 2022 was been closed down on 5 January 2024.

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 Mutual Association'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.

Capacity

The insurance capacity for Material Damage in 2023 remained unchanged from previous year at € 650.000.000.

The insurance capacity for Terrorism cover also remained unchanged in 2023 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 a maximum commitment at a snapshot moment of € 755.954.640 in 2023.

The own retention for Material Damage insurance policies in 2023 was targeted to be limited to € 273.351.000 and during the year the highest single exposure reached for a snapshot moment € 294.961.967 as a result of the strong CHF exchange rate at the closing date of the year but Management monitoring assured that sufficient funds were available to cover the liability at all times.

During 2022 this was targeted to be limited to € 260.114.000 and reached the highest single exposure of a maximum of € 267.375.098.

For Terrorism insurance policies the limit in 2023 was € 267.750.000 and € 259.500.000 in 2022.

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 € 43.564.904 in 2022 to € 49.093.174 in 2023 and include the contributions from our Swiss members which were written for the ninth year through the Swiss Branch of € 1.580.636 versus € 1.374.222 in 2022 and this higher amount can be explained by indexation effects and earned EAR contributions. Therefore, we are happy to announce that the Members of the Mutual continue to maintain their insurable limits so that the loss of income from our German Members leaving has been more than fully compensated.

Earned reinsurance cost (including Swiss branch) increased from € 18.610.989 in 2022 to € 20.669.149 in 2023. The increase can be explained by increased rates on several reinsurance layers of our Reinsurance program and the earning costs of the non-recurrent EAR Policy started in December 2021.

The net earned contributions after reinsurance increased from € 24.953.915 in 2022 to € 28.424.025 in 2023 due to the indexation effect on the contributions.

No Member's rebate was released in 2023 and the outstanding Member's rebate reserves remains at zero.

General expenses

General expenses increased from € 4.701.444 in 2022 to € 5.546.926 in 2023 being an increase of 17,98% and includes the expenses from our Swiss branch of € 269.531 (2022 € 263.473). The increase can be explained by inflation, which caused higher HR costs, higher meeting and travel expenses and higher reinsurance broker fees.

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 2023 is a loss to the income statement of € 2.787.022 which compares to a loss of € 1.022.406 in 2022. The loss comprises a paid charge in respect of adjusters fees for prior year claims of € 74.181 (net of reinsurance). Furthermore, there is an increase in reserves (net of reinsurance) of € 2.712.842 which includes a charge in respect of one new loss of € 460.000 arising in 2023, for which no claim has being settled yet in the year.

Investments

The total book value of the investments and liquid instruments increased from € 350.180.007 on 31 December 2022 to € 369.236.031 on 31 December 2023.

The investment allocation at the beginning of the year of 57% long term corporate & government bonds, 28% liquid instruments, 15% equity has changed gradually during the year to 64% long term corporate & government bonds, 23 % liquid instruments and 13% equity at 31 December 2023. This resulted in a market to market annual weighted gross yield on the investment portfolio and operational cash of 7,08% (2022 : -11,41%) and 6,97% net of fees (2022: -11,53%), which exceeds our target to beat the Euro Area inflation of 2,90% this year. Only in the year 2022 we did not reached our target following the extreme high inflation as the result of Russia/Ukraine Conflict, supply chain disruption post Covid-19 and energy crisis . The weighted gross return is composed of 4,29% from fixed income funds, 2,21% from equity funds and 0,58% from money market funds and cash. The accounting financial income has recorded a financial gain of € 707.982 (2022: loss € 1.865.860) which includes realized profits due to the rebalancing of the portfolio following market changes. 2023 was a year in which China fail to get its growth engine back on track after severe Covid restrictions terminated and in which the European economy stagnated, groaning under higher interest rates and expensive energy. Despite one of the strongest and fastest periods of interest rate increases ever, however, the U.S. economy steamed ahead seemingly undisturbed and Americans benefited from many new jobs and higher wages and kept the bailout money saved up in the Covid crisis rolling. Although markets knew a bumpy start due issues for some local US banks, 2023 ended with inflation falling, Fed signaling to start rate cuts cycle in 2024 and markets believing in a soft landing of the economy with bonds and equity markets ending in a year-end rally.

All the investments are recorded at their amortized cost value and the unrealized gains of € 12.524.785 have not been recorded in the income statement for the current year in line with Belgian GAAP (Royal Decree of 1994 on insurance companies). At the previous year end the unrealized losses amounted to € 11.704.251. Unrealized losses will only be recorded in the profit and loss account if there has been a permanent reduction in the value of our 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 an uninterrupted period 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.

At year end no permanent reduction in the carrying value of investment was necessary.

No derivative products, such as equity, interest rate, credit, foreign exchange or commodity forwards, options, or swaps, were directly bought, except for only one purchased coverage options to fully hedge the option for the employee Benefit liability scheme.

Book value and estimated fair market value of investments as at 31 December 2023.

Euro	Book value	Unrealized capital gains/(losses)	Market value
Equity investment funds	41.538.911	9.585.113	51.124.024
Fixed income investment funds	241.217.647	2.205.772	243.423.419
Money Market investment funds	48.977.331	704.435	49.681.766
Deposits and cash	37.268.932	0	37.268.932
Others (*)	233.210	29.465	262.675
Total	369.236.031	12.524.785	381.760.816

(*) It related to an option that is a 100% hedge for a social liability A change in the market value is therefore undeniably accompanied by a simultaneous and equal change in the relevant liability item. These capital gains/losses are therefore not regarded as enriching the assets of the Mutual.

Credit rating of the investment portfolio as at 31 December 2023.

The overall weighted average credit rating of the total portfolio is A which is calculated via the Solvency II principle using the issuer's second best rating and this gives the weighted average and not the traditional use of the highest available issuers credit rating. This with the following split:

AAA 8,59% • AA 17,00% • A 33,12% • BBB 30,93% • BB 5,65% • B 1,23% • CCC 0,04% • C 0,00 % • NR 3,45 %

Average weighted duration of the investment portfolio as at 31 December 2023.

The overall weighted average duration including equity and cash of the total portfolio is 2,88 years at 31 December 2023 versus 3,01 on 31 December 2022.

Country Allocation of the investment portfolio as at 31 December 2023.

AT 1,07% • BE 7,42% • BM 0,12% • CH 3,93% • DE 2,77% • DK 0,16% • ES 3,10% • EU 0,62% • FI 4,17% • FR 15,88% • GB 3,10% • IE 0,53% • IT 1,62% • LU 5,02% • NL 5,19% • NO 0,02% • RU 0,06% • Europe others 1,69% • US 14,43% • CA 3,75% • AU 0,98% • MX 4,06% • Latin America others 2,17% • CN 7,88% • JP 4,54% • Asia others 2,10% • AE 0,24% • Africa/Middle East others 3,36% •

Net Investment Income

Euro	2023	2022
Gains/(Losses)	420.024	-2.204.609
Interests and dividend securities	0	0
Interest term deposits	904.814	448
Interests cash and cash equivalents	252.177	250.945
Adjustments to investment values	-137.226	669.173
Investment management expenses	-731.807	-581.817
Net Investment Income (loss)	707.982	-1.865.860

Result

The € 20.831.324 surplus, before allocation to or from the reserve for equalization and catastrophes and taxes, for 2023 compares with a € 17.346.640 surplus in 2022.

The surplus of the year includes the surplus of € 396.357 of our Swiss Branch. This compares with a surplus of € 404.978 in 2022 for the Swiss Branch.

The allocation to the reserve for equalization and catastrophes of € 19.912.482 comprises the technical surplus before net investment income of the Belgian activities for 2023 of € 19.783.730, in accordance with the rules of the Belgian insurance regulator (National Bank of Belgium), and € 128.752 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 € 18.920.013 was recognized.

The Board of Directors recommends to the Annual General Meeting that the surplus of the year € 875.849 will be allocated to the Guarantee Fund for € 479.492 in relation to the Belgian activities and to be carried over in retained earnings for the profit of € 396.364 in relation to the Swiss Branch following the local requirements and the retained loss of € 280 in relation to the UK Branch to integrate in the Guarantee fund.

Guarantee Fund

The Guarantee Fund plus the reserve for equalization now available to the Members for insurance capacity support amounts to € 343.129.720 and already includes the proposed refund to Members of € 7.297.148 on which the Annual General Meeting of June 2024 will have to vote and on which the Belgian Insurance Regulator needs to give their approval.

This compares to previous year figure of € 329.638.537 which included the refund of € 4.549.663 to two Members whose waiting period expired on 31 December 2022 and on which the Annual General Meeting of June 2023 voted in favor of the refund.

At the end of 2023 the last remaining resigned Members' waiting period has expired and therefore the Annual General Meeting in June 2024 will be asked to vote on the refund of its current share in the undivided Guarantee Fund of € 7.297.148 subject to approval of Belgian Insurance Regulator.

No Member is scheduled to leave the Mutual Association in the next 5 years.

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 to accelerate decarbonization which include, under strict conditions specific nuclear and gas energy activities in the list of economic activities covered by the EU taxonomy. The Complementary Delegated Act has been published in the Official Journal on J-15 July 2022 and 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 Managers is eligible to be classified SFDR 6 however already 42,09% (2022 : 33,35%) of all the underlying funds held in our portfolios are already eligible to be classified SFDR 8.

In relation to the new CRSD Regulation our Asset Managers have started with an ESG Risk score Reporting. The ESG Risk score measures a company's exposure to the sustainability risk relevant to its sector and the extent to which a company has those risks under control. Following the MSCI ESG Rating model ,which is a tool which gives institutional investors a broad set of standardized ESG data and simple metrics that are comparable across a broad universe of companies the EMANI portfolio Overall ESG scores is 6,28 on a scale of 10 with 10 being the best in class.

Another important Risk score is the Carbon intensity score and is explained as follows : A company's CO2 or carbon intensity indicates how many tons of CO2 a company emits per million USD of sales (t CO2e/\$M sales) and includes scope 1 and scope 2 emissions not scope 3 emissions. Scope 1 covers direct emissions from the company's own activities, Scope 2 or called indirect CO2 emissions are a result of the generation of purchased electricity and Scope 3 indirect CO2 emissions are the result of activities of e.g suppliers and customers. The carbon intensity score for the EMANI investment portfolio is 124. Thus, for every million US dollar of revenue, 124 tons of emissions are funded. It is an aggregate data, on AUM (asset under management) - weighted carbon intensity of each holding in the portfolio. Following the MSCI ESG Matrix this means a Moderate score were a worst score equals + 2.000.

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,
- This year we choose three different sustainable charity in Belgium : social organizations TWERK , Kom op tegen Kanker and Povorello

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 2023, the company employed 13 staff members in the head office with a full time equivalent of 10,64 and 2 Staff members in the Swiss Branch with a full time equivalent of 0,175. In addition, we have 3 independent Executive Directors.

For the year ended 31 December 2022, the company employed 11 staff members in the head office with a full time equivalent of 9,2 and 2 Staff members in the Swiss branch with a full time equivalent of 0,175. In addition, we have 3 independent Executive Directors of which one was employed as staff member previous year.

Subsequent Event (developments)

The mutual received new information subsequent the closing of the year in relation to further developments on the outstanding claim reserves which could lead to an increase in the claims reserves. At the date of approval of the annual accounts, there is not yet sufficient information available to take additional measures which would justify the recognition of an additional reserve on 31/12/2023. However, management does not expect to have material impacts on EMANI's results because the preliminary and potentially at-risk amount net of reinsurance is € 742.000 and the recognition of this additional reserve would reduce the reserve for equalization and catastrophe for the same amount.

Further no significant event has occurred subsequent the closing of the Financial Statements at 31/12/2023 that could compromise the financial position or liquidity of EMANI.

In respect of the Russia's war on Ukraine and the armed Israeli-Palestinian conflict we also have no direct exposure.

As to regards of the assets, EMANI closely monitors the financial situation of its investment portfolio. 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 Mutual's Articles of Association.

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.

Other key information

We are able to confirm the following

- EMANI did not undertake any research and development activities.
- EMANI did 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
- EMANI does not have any subsidiaries.
- EMANI has no related Party Transactions to disclose as defined in IAS 24 and articles 7/97,7/116 and 7/117 of the Belgian Code of Companies and Associations (BCCA).
- EMANI has no special mechanisms to report referring to the Circular of the National Bank of Belgium of 6 July 2021 (NBB-2021-16) which refers to the Law of 13 March 2016 on the legal status and supervision of insurance or reinsurance companies: article 42§1/1; article 517§5, article 569§1, fourth paragraph, article 598§1, first paragraph and Article 600.

Recommendations

We propose that you:

- Approve the financial statements for the year ended 31 December 2023 as presented,
- Grant discharge to the Directors of the Company in respect of their duties and functions for the year ended 31 December 2023,
- 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 also separately described in the different obligated Policy documents. A regular 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 were at the end of 2023 ten Board members being five of them representing the Members, three members of the Executive Committee and two members 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 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 normally meets 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 the 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 explaining their role and responsibilities. Each key function needs 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 in support of the 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 about unethical or unlawful behaviour 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 managed accordingly.

Concerning the IT-infrastructure, a Business Continuity Policy and implementation process including proper securities is in place. The IT department certifies that security, cyber resilience, privacy and all other IT management requirements are adequately addressed.

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 based 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 European Mutual Association for Nuclear Insurance AAM on the annual accounts as of and for the year ended 31 December 2023

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 to you our auditor's report. This includes our report on the annual accounts for the financial year ending December 31, 2023, 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 June 4, 2021, in accordance with the proposal of the Board Of Directors. Our mandate will expire on the date of the general meeting deliberating on the annual accounts for the year ended December 31, 2023. We have performed the statutory audit of the annual accounts of European Mutual Association for Nuclear Insurance AAM for three consecutive financial years.

Report on the annual accounts

Unqualified opinion

We have audited the annual accounts of the Company as of and for the year ended December 31, 2023, prepared in accordance with the financial reporting framework applicable in Belgium. These annual accounts comprise the balance sheet as of December 31, 2023, the income statement for the financial year ended on that date and the notes. The balance sheet total amounts to 383.374.142 EUR and the income statement shows a profit for the year of 875.849 EUR.

In our opinion, the annual accounts give a true and fair view of Company's equity and financial position as of December 31, 2023 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 (ISA) as adapted in Belgium. In addition, we have applied the international auditing standards as issued by the IAASB and applicable for the current accounting year while these have not yet been adopted in Belgium. Our responsibilities under these standards are further described in the "Responsibilities of the auditor relating to the audit of the annual accounts" section of this 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

The key audit matters are those matters which, in our professional judgment, were the most important in the audit of the annual accounts for the current period. These points were addressed in the context of our audit of the annual accounts taken as a whole and when forming our opinion thereon. We do not express 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:

As of December 31, 2023, the Company recorded an amount of EUR 15.099.703 for technical provisions for claims. The estimation of these provisions involves judgment since this estimate is based on experience of past claims, knowledge of existing events, forecasts of future developments and the terms of the relevant insurance policies.

Estimations must be prepared for the expected ultimate cost of claims at the balance sheet date and for the expected ultimate costs of claims incurred but not yet reported (IBNR) at the balance sheet date. These estimates are sensitive to a number of factors and uncertainties, and judgment is required in determining underlying assumptions and the methodology used..

Our audit procedures:

Assisted by our actuaries we performed the following procedures:

- Assessment of the design and evaluation of the operational effectiveness of the controls relating to the process for the determination of technical reserves for claims.
- Assessment of the relevance, validity and consistency of the actuarial techniques used (including the underlying assumptions) compared to previous years, including the fact that the changes made are consistent with our understanding of the evolution of activity and our forecasts based on our 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 ongoing claims we obtained the supporting documents as well as examined the reports of the independent experts and we spoke with the respective claims managers. In addition, we have asked all members of the Company to confirm the claim(s) outstanding against the Company. We have checked these confirmations and compared the confirmed claims to the reserve for pending claims.
- Consultation of the reports issued by the actuarial function including the basis of its conclusions, taken into consideration in our risk assessment.
- Assessment of the completeness and accuracy of the data used in the calculation processes as well as the data coming from the main IT systems used to calculate reserves for claims.

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

The board of directors is responsible for establishing the annual accounts giving a true and fair view in accordance with the accounting standards applicable in Belgium, as well as for the internal control that it considers necessary for the establishment of annual accounts free from anomalies. significant, whether these come from fraud or result from errors.

In preparing the annual accounts, the board of directors is responsible to assess the ability of the Company to continue its operations, to provide, where applicable, information relating to the continuity of operation and apply the going concern accounting principle, unless the administrative body intends to put the Company into liquidation or to cease its activities or if it cannot envisage another realistic alternative solution.

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

Our objectives are to obtain reasonable assurance that the annual accounts taken as a whole do not contain significant anomalies, whether these arise from fraud or result from errors, and to issue a report from the auditor containing our opinion. Reasonable assurance corresponds to a high level of assurance, which does not, however, guarantee that an audit carried out in accordance with ISA standards will always detect any existing material anomaly. Anomalies may arise from fraud or result from errors and are considered material when it can reasonably be expected that they could, taken individually or in aggregate, influence the economic decisions that users of the annual accounts take into account. based on these.

In the performance of our audit, we comply with the legal, framework applicable to the audit of financial statements in Belgium. The scope of the statutory audit of the financial statements does not include any assurance as to the future viability of the Company or as to the efficiency or effectiveness with which the Board of Directors has conducted or will conduct the Company's business. Our responsibilities in relation to the Board of Directors' application of the going concern accounting principle 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:

- we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures to respond to those risks, and obtain sufficient appropriate audit evidence on which to base our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than that of a material misstatement resulting from error, as fraud may involve collusion, falsification, deliberate omission, misrepresentation or circumvention of internal control;

- We obtain an understanding of the internal control relevant to our 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;
- We evaluate the appropriateness of the accounting methods used and the reasonableness of the accounting estimates made by the Board of Directors, as well as the related disclosures made by the Board of Directors;
- we conclude on the appropriateness of the Board of Directors' application of the going concern assumption and, based on the evidence obtained, on the existence or not of a material uncertainty related to events or situations 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 the attention of the readers of our auditor's report to the information given in the financial statements about this uncertainty or, if this information is not adequate, to express a modified opinion. Our conclusions are based on evidence gathered up to the date of our auditor's report. However, future events or circumstances could cause the Company to cease operations;
- We evaluate the overall presentation, structure and content of the annual accounts, including the disclosures, and whether they represent the underlying transactions and events in a manner that achieves fair presentation.

We report to the Audit Committee on the scope and timetable of our audit work, as well as any significant findings arising from our audit, including any material weaknesses in internal control.

We also provide the Audit Committee with a statement to the effect that we have complied with the relevant ethical rules concerning independence, and disclose to them, where applicable, all relationships and other factors that may reasonably be considered to affect our independence, together with any 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 content of the management report, for the documents to be filed in accordance with legal and regulatory provisions, for compliance with legal and regulatory provisions applicable to bookkeeping, and for 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

In our opinion, the management report is consistent with the financial statements for the year and has been prepared in accordance with articles 3:5 and 3:6 of the Companies and Associations Code.

As part of our audit of the annual financial statements, we are also required to assess, in particular on the basis of our knowledge acquired during the audit, whether the management report contains any material misstatements, i.e. incorrectly formulated or otherwise misleading information. Based on our review, nothing has come to our attention that causes us to believe that the information contained in the management report is not free from material misstatement.

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 or 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, 14 May 2023

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 2023 and 2022

(Currency - Euro)

ASSETS	<u>31/12/2023</u>	<u>31/12/2022</u>
C. Investments		
III. Other financial investments		
1. Parts in investment funds	331.733.889	310.117.244
2. Bonds and other fixed interests	0	0
6. Term deposits with financial institutions	24.144.327	0
7. Others	233.210	164.140
	<u>356.111.426</u>	<u>310.281.384</u>
D. bis. Part of reinsurance in the technical reserves		
I. Reserve for non-earned premiums and current risks	3.710.672	4.291.045
III. Reserve for claim receivable	7.016.615	5.386.063
	<u>10.727.287</u>	<u>9.677.108</u>
E. Receivables		
I. Receivables resulting from direct insurance		
1. Insurers	1.225.401	1.154.727
2. Intermediaries of insurers	616.212	0
II. Receivables resulting from reinsurance	14.590	3.455.058
III. Other receivables	38.460	61.292
	<u>1.894.663</u>	<u>4.671.077</u>
F. Other assets		
I. Tangible Assets	798.059	718.246
II. Liquidities	13.124.606	39.898.623
	<u>13.922.665</u>	<u>40.616.869</u>
G. Transitory accounts		
I. Interest and rent	718.102	693.170
	<u>718.102</u>	<u>693.170</u>
TOTAL ASSETS	<u>383.374.142</u>	<u>365.939.608</u>

Balance sheet as of 31 December 2023 and 2022

(Currency - Euro)

LIABILITIES	<u>31/12/2023</u>	<u>31/12/2022</u>
A. Equity		
I. Subscribed capital or equivalent fund, net of uncalled capital		
1. Guarantee fund securities	85.032.110	91.850.045
5. Retained earnings	1.367.927	971.291
	86.400.037	92.821.336
C. Technical reserves		
I. Reserve for unearned premiums and for unexpired risks	13.303.457	13.767.272
III. Reserve for claims payable	15.099.703	10.756.309
V. Reserve for equalisation and catastrophies	256.729.683	236.817.201
	285.132.843	261.340.783
G. Payables		
I. Payables resulting from direct insurance business	20.110	1.542.890
II. Receivables resulting from reinsurance business	1.518.656	3.391.091
V. Other payables	8.375.417	5.654.404
1. Fiscal and Social payables	658.048	637.726
a) Taxes	3.118	0
b) Social payables	654.930	637.726
2. Other	7.717.369	5.016.678
	9.914.183	10.588.384
H. Transitory accounts	1.927.079	1.189.105
	1.927.079	1.189.105
TOTAL LIABILITIES	383.374.142	365.939.608

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

Income Statement for the year ended 31 December 2023 and 2022

(Currency - Euro)

		<u>31/12/2023</u>	<u>31/12/2022</u>
1.	Earned premiums, net of reinsurance		
	a) Gross premiums	48.629.358	44.537.194
	• Premiums written	50.004.839	45.936.192
	• Rebates to Members	-1.375.481	-1.398.998
	b) Reinsurance premiums	-20.088.776	-19.055.495
	c) Variation of the reserve for unearned premiums and unexpired risks, gross of reinsurance (increase -, decrease +)	463.816	-972.290
	d) Variation of the reserve for unearned premiums and unexpired risks, reinsurers part (increase +, decrease -)	-580.373	444.506
		28.424.025	24.953.915
2bis.	Investment Income		
	b) Income from other investments	1.156.991	251.393
	c) Write-back of adjustments on investments	0	669.173
	d) Realized capital gains	3.179.746	4.852.267
		4.336.737	5.772.832
3.	Other technical income net of reinsurance	33.264	32.447
4.	Costs of claims, net of reinsurance (-)		
	a) Net amount paid	-74.181	-17.392.425
	aa) Gross amount	-101.829	-25.579.134
	bb) Part of reinsurers	27.648	8.186.709
	b) Variation of the claims services reserve, net of reinsurance (increase -, decrease +)	-2.712.841	16.370.019
	aa) Variation of the reserve for claims, gross of reinsurance (increase -, decrease +)	-4.343.394	20.426.646
	bb) Variation of the reserve for claims, part of reinsurance (increase +, decrease -)	1.630.552	-4.056.627
		-2.787.021	-1.022.406
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 2023 and 2022

(Currency - Euro)

- continued -

	<u>31/12/2023</u>	<u>31/12/2022</u>
7. Net operating expenses (-)		
a) Acquisition expenses	-141.012	-148.658
c) Administrative expenses	-5.405.913	-4.552.786
	-5.546.926	-4.701.444
7bis. Expenses relating to investments (-)		
a) Expenses for managing investments	-731.807	-581.817
b) Adjustments to investment values	-137.226	0
c) Realized less values	-2.759.722	-7.056.876
	-3.628.755	-7.638.692
8. Other re-insurance charges	0	0
SURPLUS/(DEFICIT) OF THE PERIOD BEFORE VARIATION RESERVE FOR EGALIZATION AND CATASTROPHES	20.831.324	17.396.651
9. Variation in the reserve for egalization and catastrophes, net of reinsurance (increase -, decrease +)	-19.912.482	-18.920.013
Surplus/(Deficit)	918.842	-1.523.362
15. Taxes	-42.993	-50.010
Surplus / (Deficit) of the period available for distribution	875.849	-1.573.372

Income Statement for the year ended 31 December 2023 and 2022

(Currency - Euro)

TECHNICAL ACCOUNT - NON-LIFE INSURANCE BUSINESS		
	<u>31/12/2023</u>	<u>31/12/2022</u>
1. Earned premiums, net of reinsurance		
a) gross premiums	48.629.358	44.537.194
b) Reinsurance Premiums	-20.088.776	-19.055.495
c) Variation of the reserve for unearned premiums and unexpired risks, gross of reinsurance (increase -, decrease +)	463.816	-972.290
d) Variation of the reserve for unearned premiums and unexpired risks, reinsurers part (increase +, decrease -)	-580.373	444.506
	28.424.025	24.953.915
2. Allocated investment return transferred from the non-technical account	0	0
	0	0
2bis. Investment Income		
b) Income from other investments	895.778	188.958
c) Write-back of adjustments on investments	0	502.982
d) Realized capital gains	2.461.855	3.647.192
	3.357.633	4.339.132
3. Other technical income net of reinsurance	33.265	32.447
4. Costs of claims, net of reinsurance		
a) Net amount paid		
aa) Gross amount	-101.829	-25.579.134
bb) Part of reinsurers	27.648	8.186.709
b) Variation of the claims services reserve, net of reinsurance (increase -, decrease +)		
aa) Variation of the reserve for claims, gross of reinsurance (increase -, decrease +)	-4.343.394	20.426.646
bb) Variation of the reserve for claims, part of reinsurance (increase -, decrease +)	1.630.552	-4.056.627
	-2.787.022	-1.022.406

Income Statement for the year ended 31 December 2023 and 2022

(Currency - Euro)
- continued -

TECHNICAL ACCOUNT - NON-LIFE INSURANCE BUSINESS		
	<u>31/12/2023</u>	<u>31/12/2022</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	-141.012	-148.658
c) Administrative expenses	-5.405.913	-4.552.786
	-5.546.926	-4.701.444
7bis. Expenses relating to investments (-)		
a) Expenses for managing investments	-566.587	-437.321
b) Adjustments to investment values	-106.245	0
c) Realized less values	-2.136.660	-5.304.279
	-2.809.491	-5.741.600
8. Other re-insurance charges	0	0
SURPLUS/(DEFICIT) OF THE PERIOD BEFORE VARIATION RESERVE FOR EGALIZATION AND CATASTROPHES	20.671.483	17.860.043
9. Variation in the reserve for egalization and catastrophes, net of reinsurance (increase -, decrease +)	-19.912.482	-18.920.013
Balance on the technical account for non-life insurance business	759.001	-1.059.970

Income Statement for the year ended 31 December 2023 and 2022

(Currency - Euro)

NON TECHNICAL ACCOUNT		
	<u>31/12/2023</u>	<u>31/12/2022</u>
1. Balance on the technical account for non-life insurance business	759.001	-1.059.970
3. Investment income		
b) Income from other investments	261.214	62.434
c) Write-back of adjustments on investments	0	166.191
d) Realized capital gains	717.891	1.205.075
	979.104	1.433.700
5. Expenses relating to investments (-)		
a) Expenses for managing investments	-165.220	-144.496
b) Adjustments to investment values	-30.982	0
c) Realized less values	-623.062	-1.752.596
	-819.263	-1.897.092
6. Allocated investment return transferred to the non-life insurance technical account	0	0
	0	0
7. Other income	0	0
	0	0
15. Tax on profit on ordinary activities	-42.993	-50.010
Profit on ordinary activities after tax	875.849	-1.573.372
Surplus / (deficit) of the period available for distribution	875.849	-1.573.372

Income Statement for the year ended 31 December 2023 and 2022

(Currency - Euro)

ALLOCATION OF THE SURPLUS / DEFICIT		
	<u>31/12/2023</u>	<u>31/12/2022</u>
A. Profit to be allocated	1.847.139	-1.006.788
1. Surplus / Deficit of the period	875.849	-1.573.372
2. Retained earnings	971.291	566.585
B. Withdrawal from own funds <input type="checkbox"/>	-7.297.148	-6.527.741
1. Withdrawal from the guarantee fund	-7.297.148	-6.527.741
2. Withdrawal from the reserves	0	0
C. Allocation to the own funds	7.776.360	4.549.663
1. Allocation to the guarantee fund	7.776.360	4.549.663
D. Result to carry forward	-1.367.927	-971.291
1. Surplus to carry forward	-1.367.927	-971.291
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 2023

(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 2023 the planned total insurance capacity of E.M.A.N.I for Material Damage was 650.000.000 EUR of which:

- 8% of the first € 5.000.000 is reinsured by way of "quota share" contracts,
- 42,28% of the following € 2.500.000, in excess of € 5.000.000, is reinsured by way of "quota share" contracts,
- 49,25% of the following € 42.500.000, in excess of € 7.500.000, is reinsured by way of "quota share" contracts,
- 64,58% of the following € 50.000.000, in excess of € 50.000.000, is reinsured by way of "quota share" contracts,
- 42,83% 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 9,44% by way of a quota share contract (for each and every loss)
- 78,41% of 100.000.000 EUR in excess of 500.000.000 EUR is reinsured by way of an "excess of loss" contracts (for first and second loss)
- 68,97% 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 273.346.750 EUR for a first loss and 273.346.750 EUR for a second loss during the year 2022 but in reality, the highest single own risk was temporarily 294.961.967 EUR in the first loss as a result of foreign currency fluctuations.

During the year 2023 the total insurance capacity of E.M.A.N.I. for terrorism is € 650.000.000 of which:

- 56,40% of 125.000.000 EUR is reinsured by way of "quota share" contracts (for both a first and second loss);
- 31,10% 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);
- 84,00% 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 EUR 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 267.750.000 EUR for a first loss and 267.750.000 EUR for a second loss during the year 2023.

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 2023

(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 equalization 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 2023

(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 is 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 an uninterrupted period 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 2023

(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 396.364 EUR to the retained earnings, to transfer the retained losses of the UK Branch of 280 EUR to the Guarantee fund and to allocate the 2023 Surplus of 479.492 EUR, to the Guarantee Fund and to approve the refund to the resigning Members of € 7.297.148 EUR

The evolution of the Guarantee Fund over 2023 is as follows:

Guarantee fund at 31 December 2022	91.850.045
Transfer of the surplus of the year (excluding Swiss & UK Branch)	479.492
Transfer UK Branch Retained earnings & Exchange difference Swiss Branch	-280
Dotation of new members	0
Refunds to Members	-7.297.148
Guarantee fund at 31 December 2023	85.032.110

The evolution of the retained earnings over 2023 is as follows:

Retained earnings 31 December 2022 (Swiss Branch)	971.563
Transfer of the surplus of the year (Swiss Branch)	+396.357
Exchange difference	+7
Retained earnings at 31 December 2023 (Swiss Branch)	1.367.927
Retained earnings 31 December 2022 (UK Branch)	-273
Transfer of the surplus of the UK year to Guarantee fund	273
Retained earnings at 31 December 2023 (UK Branch)	0

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 equalization 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 equalization and catastrophes reserve is 294.961.967 EUR (100% of the highest insured amount, net of transfers under reinsurance per nuclear installation at a snapshot moment). 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 19.912.482 EUR for 2023 (in 2022 an increase of 18.920.013 EUR) which brings the total of the reserve to 256.729.683 EUR (2022 : 236.817.201 EUR).

Notes to the financial statements for the year ended 31 December 2023

(Currency - Euro)
- continued -

It should however be noted that at the end of 2023 the Guarantee Fund amounts to 86.400.037 EUR and can also be used to cover the obligations of the Mutual Association. Furthermore, the unrealized gains (in 2023 12.495.320 EUR) or losses (2022 11.704.251 EUR) could be realized 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 asset managers and therefore we have registered in 2023 377.750 EUR under Expenses for managing investments and custodian charges versus 424.329 EUR in 2022.

The broker reinsurance handling fee amounts to 638.609 EUR in 2023 and 373.832 EUR for 2022 and is included in the operational expenses.

Reinsurance commissions refunded to E.M.A.N.I. are 1.428.665 EUR for 2023 and 1.626.448 EUR for 2022 and are deducted from the reinsurance premium charges.

5. SUBSEQUENT EVENT

The mutual received new information subsequent the closing of the year in relation to further developments on the outstanding claim reserves which could lead to an increase in the claims reserves. At the date of approval of the annual accounts, there is not yet sufficient information available to take additional measures which would justify the recognition of an additional reserve on 31/12/2023.

However, management does not expect to have material impacts on EMANI's results because the preliminary and potentially at-risk amount net of reinsurance is € 742.000 and the recognition of this additional reserve would reduce the reserve for equalization and catastrophe for the same amount.

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