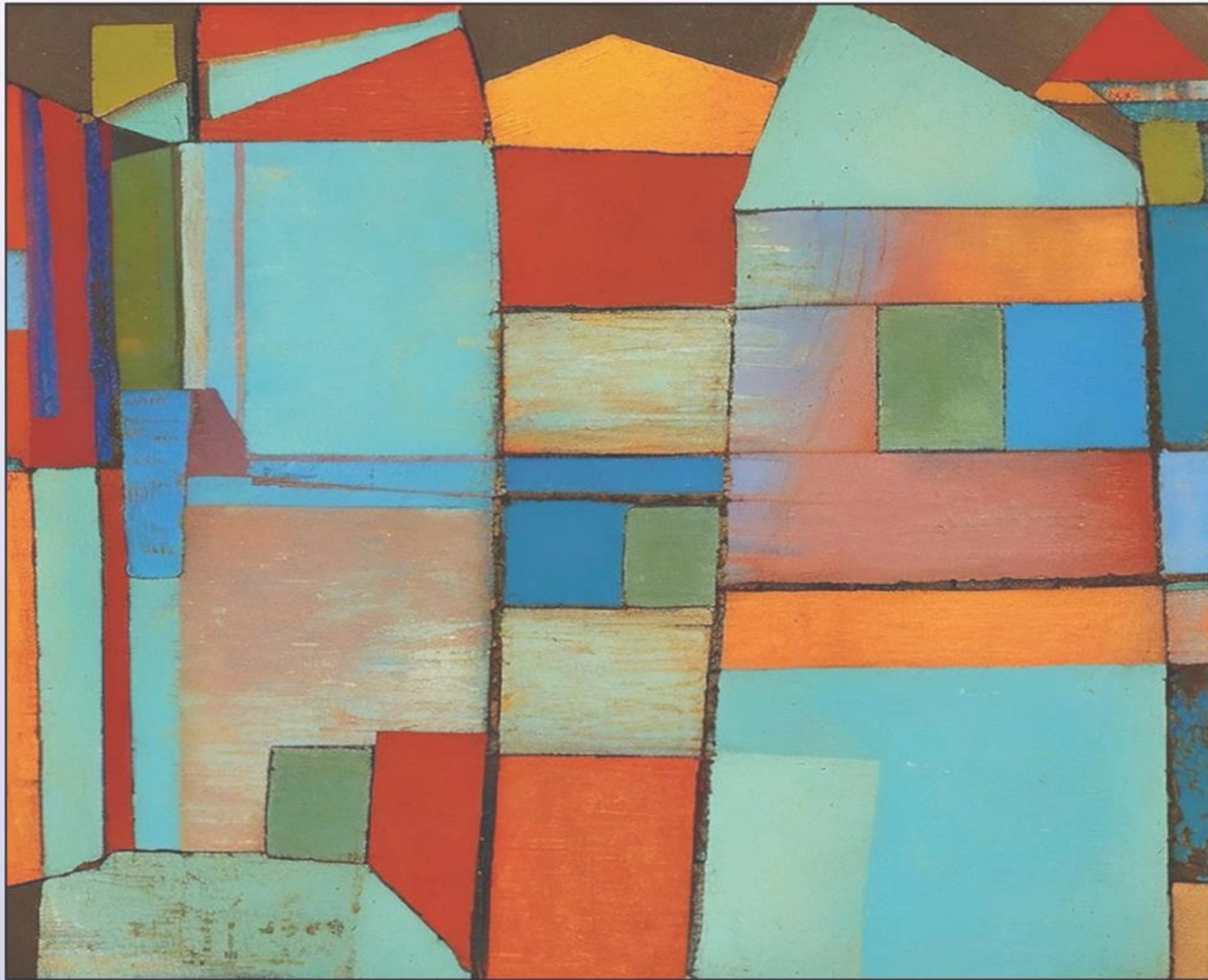




NIRRA
annual report 2022



The village

R Piccart 2023

Annual Report 2022 of the Board of Directors and of the Statutory Auditor to be presented at the Annual General Meeting on 27 April 2023.

The company (Mutual association) is incorporated in Luxembourg on December 11th 2008 and governed by the modified Law of December 7th 2015 on the insurance sector, the Grand-Ducal Regulation dated December 5th 2007 and Regulation 15/3 of December 7th 2015 issued by the Commissariat aux Assurances and is authorised by l'arrêté ministériel of March 30th 2009 to do reinsurance.

Registered Office:
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Financial Highlights

in Euro

Statement of Earnings

	2022	2021	2020	2019	2018
Net Premium Earned	10.990.453	9.384.237	7.967.527	8.121.664	7.010.882
Claims	-3.839.231	-1.444.473	-2.960.220	-8.332.147	252.997
Rebates	0	0	0	0	0
Expenses and Taxes	-2.603.016	-2.092.295	-1.550.856	-1.409.659	-1.288.234
Net Investment Result	823.247	1.429.565	256.415	705.016	504.990
Other technical income	4.490	0	23.658	29.210	9.291
Other technical charges	-115.089	-1.043	0	0	0
Earnings before allocation to the equalisation provision	5.260.853	7.275.992	3.736.524	-885.916	6.489.925

Balance Sheet

Assets	119.848.290	115.437.902	106.291.632	101.183.432	94.299.217
Liabilities	-84.440.616	-80.030.227	-71.062.253	-65.964.053	-59.149.838
Guarantee fund	35.407.675	35.407.675	35.229.379	35.219.379	35.149.379

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Members*

NIRA m.a.

AB SVAFO
Axpo Power AG
American Electric Power
Axpo Solutions AG
Belgoprocess NV
EDF Energy Nuclear Generation Ltd.
Bruce Power LP
BWX Technologies, Inc.
Centrales Nucléaires en Participation SA (CNP)
CEZ a.s.
China General Nuclear Corporation (CGN)
Comanche Peak Power Company LLC
Dominion Energy South Carolina
EDF
Electrabel s.a.
Eletronuclear
ENEC
ENEL
Energy Solutions
EPZ NV
Eskom Holdings Ltd
Evergy Inc.
Forsmarks Kraftgrupp AB
Fortum Power & Heat Oy
Framatome
Gemeenschappelijke Kernenergiecentrale Nederland BV (GKN)
Gesellschaft für Nuklear Service mbH (GNS)
Kernkraftwerk Gösgen-Däniken AG
Kernkraftwerk Leibstadt AG
Korea Hydro & Nuclear Power Co. Ltd
MVM Paks Nuclear Power Plant Ltd
New Brunswick Power Corporation
Northern State Power Company-Minnesota (NSP-M)
OKG Aktiebolag
Ontario Power Generation (OPG)
Orano SA
PreussenElektra GmbH
Ringhals AB
SCK•CEN
Slovenské Elektrárne AS
Societatea Nationala NuclearElectrica SA (SNN)
Southern Company
STP (South Texas Nuclear Generating Station)
Studsvik AB
Svensk Kärnbränslehantering AB (SKB)
Sydkraft Nuclear Power AB
Teollisuuden Voima Oyj (TVO)
Union Electric Company d/b/a Ameren Missouri
URENCO Ltd
Vattenfall Europe Nuclear Energy GmbH
Zwischenlager Würenlingen AG

* status at the time of the Annual General Meeting

Board of Directors *

G.J. Geertsema

K. Greimel

K. Sinclair

J.L. Carbonell

V. Hronek

M. Laguna

D. Prüske

Z. Siposova

A. Slipp

R. Miller

W. Gemis

Chairman

Vice-Chairman

Vice-Chairman

* status at the time of the Annual General Meeting

Advisory Committees *

Underwriting Committee

R. Miller *Chairman*
E. Desseyn
W. Gemis
P. Haenecour
B. Kockum
M. Laguna
N. Perera
L. Robles
K. Sinclair
Z. Šípošová

Finance and Investment Advisory Committee

A. Slipp *Chairman*
L. Piekkari
A. Roefs
J. Tasker
M. Vercammen

* status at the time of the Annual General Meeting

Advisory Committees *

Risk Committee

J.L. Carbonell
G.J. Geertsema
D. Prüske
V.Hronek

Chairman

Audit Committee

K. Greimel
J.L. Carbonell
G.J. Geertsema
D. Prüske

Chairman

Internal Auditor

C. Legrain

Compliance Officer

J. Debodinance

* status at the time of the Annual General Meeting

Management *

Management Committee

W. Gemis
M. Laguna
M. Vercammen

Chairman

Auditors

Deloitte Audit s.à.r.l.
20, Boulevard de Kockelscheuer
L-1821 Luxembourg
Grand-Duchy of Luxembourg
Represented by :
Mr. L. Bardon
Réviseur d'entreprises agréé

Actuarial function

G. Levavasseur

* status at the time of the Annual General Meeting

Staff

Wim Gemis
Maria Laguna
Grégoire Levavasseur
Solange Raë
Luis Robles
Marleen Vercammen
Gauthier Carnevali
Julien Debodinance

* status at the time of the Annual General Meeting

2022 Letter from the Chairman

Dear Members,

It is my pleasure to present to you the annual accounts of Nuclear Industry Reinsurance Association, shortened NIRA for its fifteenth year of operation in Luxemburg, which started 1st January 2022 and ended on 31st December 2022. At the same time, I will discuss the outlook for 2023.

Earned gross of reinsurance contributions increased to € 12.450.287 in 2022 from € 11.231.010 in 2021 due to more conventional energy risk policies written. The earned reinsurance costs for all contracts decreased from € 1.846.772 in 2021 to € 1.459.835 in 2022 and is the result of buying no reinsurance on the Russian contracts.

The total claim cost for the period is € 3.839.231 versus a claim cost of € 1.444.473 in 2021. This year's cost is composed of € 4.628.763 actual payments on different prior year claim files and a decrease in reserves net of retro-reinsurance of € 778.638. The variation in reserves is composed out of firstly the decrease on actual claims reserves of € 3.935.625 which are related to nineteen claim files of which twelve are related to the EMANI contracts and include € 1.499.219 for nine new losses occurred in 2022. Secondly an increase of the IBNR reserve on TPL risks of € 3.039.355 and thirdly an increase of the ANI ICRP reserve of € 112.185.

The total outstanding claims reserve at year end amounts € 17.730.015 versus € 18.514.100 in 2021 and includes the ANI ICRP refund fund for € 3.113.326 for this year and € 3.001.141 for 2021.

General expenses increased from € 1.815.317 in 2021 to € 2.477.118 in 2022 and include acquisition costs on the reinsurance treaties amounting to € 760.182 in 2021 from € 806.775 in 2022. The administrative expenses increased from € 1.055.135 in 2021 to € 1.670.342 in 2022 and are the result of higher HR costs, consultant fees and travel costs and lower corporate taxes.

The total book value of the investments amounts to € 110.694.858 and compares with € 106.801.557 the previous year and includes investments and cash at banks. The investment strategy at year end in 16% liquidity, 66% long term investments and 18% equity resulting in a net financial income of € 823.247 and compare with a net income of € 1.429.565 in previous year. The 2022 profit is the result of realized profits on investment funds by our asset managers who then are replaced by other funds which align better with the asset manager's discretionary mandate view on the financial market and exchange difference gains. The duration of the total investment portfolio including equity is 3,08 years versus 3,87 years previous year. The off-balance sheet unrealized gains on investments amount to € 893.219 (2021: 10.610.342) a decrease of € 9.717.123 since 31/12/2021.

The result in this accounting year 2022 is a surplus of € 5.260.853 before allocation and after taxes and compare with € 7.275.992 surplus in 2021. The Annual General Meeting held on the 27th of April 2023 at the NIRA offices in Luxemburg, agreed to the proposal of the Board of Directors to allocate the total surplus of € 5.260.853 to the equalization reserve and to allocate to the guarantee fund € 0.

As of 31st December 2022, the subscribed capital amounts to € 3.600.000 and the additional contributions of € 31.807.675 together constitute a fund of € 35.407.675 compared with € 34.955.196 the previous year. This increase can be attributed to the allocation of the 2021 surplus for a total amount of € 452.479. The Mutual Association has further acknowledged the resignation of 4 Members and therefore the amount of € 6.604.343 will no longer be at risk as of 01/01/2023. The guarantee fund together with the equalization provision now available to the Members to be used as reinsurance capacity, will be € 88.304.398 versus € 89.647.888 previous year.

To maintain the annual re-insurance premium income at a satisfactory level it was in 2015 decided that the core business will remain the re-insurance of “nuclear” installations but on a wider range. To execute a wider range of activities some restrictions for Membership of our mutual were adapted in our Articles of Association by 15 September 2015. As a result, our mutual could expand its business as of year 2016. Several new members were welcomed in 2016 due to the adapted Articles of Association. In the years 2017 to 2022 Management continued this successful policy resulting in satisfactory financial outcome. NIRA welcomes not only more business, but the business originates increasingly from other continents as well.

The outlook for the year 2023 was discussed during our Members Meeting in Munich on 20th October 2022. At that time, we forecasted gross premiums € 10.504.600 for 2023 versus € 8.377.980 in 2022 and earnings before distribution to reserve for equalisation and catastrophes i.e., € 4.100.800 in 2023 versus € 3.418.702 in 2022. These higher forecasted earnings can be explained by higher premium income following a new Project called Class B insurance contracts for non-nuclear businesses.

The Russian invasion in Ukraine has resulted in a number of Russian and Belarusians entities being added to the international sanction list which resulted for NIRA in 2022 for the cancellation of the contracts. The creditors arising out of reinsurance operations for € 643.995 to these entities has been frozen on a separate bank account and the debtor arising out of the reinsurance operation in relation to these entities of € 115.089 has been fully recognised a loss in the profit and loss account via a value adjustment. The Covid-19 pandemic developments have continuously been monitored and Nira had no impacts on its business in 2022 related to this.

As of 01/01/2021 Wim Gemis started as Deputy Manager and became Managing Director as of 01/01/2023. He took over this function from Danny van Welkenhuyzen. As of this last date Danny van Welkenhuyzen remained in function with NIRA but as Dirigeant Agréé and part time Advisor of the Managing Director.

This being my eighth year as Chairman of the Board I wish to thank my colleague Board members and the Management, as well as all Members of NIRA for their and your support.



Gert Jan Geertsema
Chairman of the Board of Directors of NIRA ma

Corporate Message

NIRA is a mutual reinsurance association, founded in 2008 and headquartered in Luxembourg. NIRA stands for Nuclear Industry Reinsurance Association. All the Members of the company are involved in the nuclear and conventional energy sector. NIRA was traditionally an industry captive re-insurer. A fresh approach has been adopted to focus on the reinsurance of nuclear and conventional energy risks with the advantage which has been built over the last 20 years of discipline and an intricate knowledge of underwriting and risk management in this field. Our team's extensive and successful track record means we add genuine value to customers and brokers.

A Strong Underwriting Culture

NIRA has brought a fresh approach to the reinsurance industry with focus, discipline and an intricate knowledge of underwriting and risk management in the area of nuclear risks.

Leading Expertise and Experience

We have the right team in place, underwriting and management professionals with a wealth of experience in nuclear reinsurance.

A Diverse, Balanced Book of Business

Independence gives us the freedom to write the reinsurance business we want to write, a diverse book across key lines of business in different areas of the world. We can respond quickly to market movements and developments.

Industrial & Engineering Reinsurance

NIRA provides a complete range of reinsurance services across all project phases of power plants and other nuclear projects from preconstruction to operation.

Operational Phase

Industrial All Risks (IAR) is a combined “All Risks” insurance for Property Damage (PD) and Machinery Breakdown (MB), combined with or without business interruption.

Treaty Reinsurance

Treaty reinsurance for Property Damage and Third Party Liability.

Corporate Governance Report

To ensure the appropriate level of corporate governance, the Board has put in place arrangements which it believes are suitable for a mutual carrying on reinsurance and enable the Mutual to comply with the circular letter 99/6 of the C.A.A. relating to the account annual report of reinsurance companies such as amended by circular letters 03/3, 05/3, 08/3, 09/5, 11/4, 12/7, 13/4, 14/5, 16/3, 17/2, 20/5 and 21/5.

Following the new EU-wide regulatory regime of Solvency, NIRA's goal is to ensure that the Mutual is compliant with the requirements defined by EIOPA and translated into Luxembourg regulations by the C.A.A. The Solvency Financial condition report (SFCR) can be found on our website.

All the principles are written in the document "Memorandum of Corporate Governance" and different Policy documents.

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

The Board

There are currently eleven Board Members, six of them are representing the nuclear Members, three members are independent and two are representing the Management.

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 Board meets four times a year.

The Management Committee has full authority to undertake the daily management of the Association.

Board Committees

The Board has a schedule of matters that it reserves for itself. These matters cover approval of accounts, significant changes to accounting policies, changes to the membership of the Board and its Advisory Committees, recommendations of the strategy to be applied to the Members of the mutual, approval of the annual operating budget.

In addition, the Board has appointed four specific Advisory Committees being the Finance and Investment Advisory Committee, the Audit Committee, the Risk Committee and the Underwriting Committee. These Committees are composed out of representatives of the Members of the Association.

The mission of these Committees is to analyse specific topics, to prepare matters for consideration and recommendation towards the Board. The final decision-making process remains in the hands of the Board. Therefore, the existence of the Committees does not replace the ultimate responsibility of the Board.

Board and Committee Papers

Appropriate and timely management information is circulated to Directors and Committee members in good time before the meetings.

Minutes are kept of every meeting. They are signed off by the Chairman after approval.

Annual General Meeting

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

Internal Control

The Board is ultimately responsible for the Mutual's system of internal control and for reviewing its effectiveness. However, such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives and can provide only reasonable and not absolute assurance against misstatements or loss.

Control Procedures & key functions

The mutual has implemented control procedures designed to ensure complete and accurate accounting for financial transactions and to limit the potential exposure to loss of assets or fraud. Measures taken include reviews by Management as well as internal and external audits.

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.

All key functions have a separate policy explain 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, a check is performed to comply with the guidelines of the outsourcing policy.

Risk Identification

The Management Committee is responsible for the identification and evaluation of the risk underwritten. These risks are assessed on a continual basis and may be associated with a variety of internal and external sources including regulatory requirements.

Monitoring and Corrective Actions

The Mutual has a Procedures Manual which provides practical guidance for all staff (1st line of defense).

The second line of control performed by the risk management function & compliance function, assures the follow-up of the control of the risks and corrective actions are taken.

The internal auditor reports to the Audit committee on the effectiveness of the procedures and therefore being the 3rd line of defense.

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.

Report of the Board of Directors to be presented to the Annual General Meeting of 27th April 2023

Dear Member,

We are pleased to present for your approval the financial statements of Nuclear Industry Reinsurance Association, shortened NIRA (“the Company”) for its fifteenth year of operations, which started 1st January 2022 and ended on 31st December 2022.

The management of NIRA is responsible for the information contained in the financial statements and other sections of the annual report. The management considers that the financial statements and related information have been prepared in accordance with Luxembourg generally accepted accounting principles. These financial statements include amounts that are based on management’s judgment and best estimates.

NIRA maintains a system of internal accounting controls to provide reasonable assurance that our 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.

Deloitte Audit Société à Responsabilité Limitée, Boulevard de Kockelscheuer 20, 1821 Luxembourg, has been appointed with your approval, as the independent auditors to audit the financial statements and to express their opinion thereon. Their opinion is based on procedures considered by them to be sufficient to provide reasonable assurance that the financial statements present fairly, in all material respects, the financial position, cash flows and results of operations. The audit report is also included in the annual report.

Activity

The Company was incorporated in Luxembourg on December 11th, 2008 and published in the official journal “Mémorial C” under reference number 358 date February 18th, 2009.

The agreement from Commissariat aux Assurances was published March 30th, 2009 by “Arrêté Ministériel”.

Following the master novation agreement signed between NIRA Ltd, domiciled in the Isle of Man, and the Company, all reinsurance business of NIRA Ltd, were novated into the Company dated July 1st 2009.

For 2022 the overall combined re-insurance capacity Material Damage and Third-party liability has increased to € 89.000.000 in 2022 versus € 81.000.000 previous year’s capacity.

As of September 15th ,2021 the Material Damage Treaty was reduced to € 8.000.000 with one reinstatement included but the quota share capacity of € 5.000.000 was not in place anymore. This Material Damage Treaty was renewed on September 15th, 2022 with the same € 8.000.000 capacity and the quota share placement of € 5.000.000 was in place again. A reinstatement of € 8.000.000 and € 5.000.000 respectively was provided. Facultative material damage Re-insurance support was offered with a net retention for a single event of maximum € 20.176.476 in 2022 compared to € 17.500.000 in 2021.

The Third-Party Liability treaty retention was increased to € 50.000.000 in 2022.

The maximum gross retention for one single Member in 2022 was US\$ 71.500.000 of which US\$ 37.500.000 were retroceded. In 2021 there was a gross retention of US\$ 100.000.000 of which US\$ 60.431.500 were retroceded.

Earned contributions

The contributions written are reflected as net contributions written in Profit and Loss account. Unearned contributions represent the portion of contributions written, which are related to the next accounting years.

Earned gross of reinsurance contributions increased to € 12.450.287 in 2022 from € 11.231.010 in 2021 mainly due to more conventional energy risk policies written. The decrease in contributions following the invasion of Ukraine are fully compensated by various other Nuclear energy risk policies.

The earned reinsurance costs for all contracts decreased to € 1.459.835 in 2022 from € 1.846.772 in 2021 and is the result of buying no reinsurance anymore on the Russian contracts because all transactions with Russia are fully cancelled in NIRA's book of business.

Claims

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

The total claim cost net of reinsurance for the period is € 3.839.231 versus a cost of € 1.444.473 in 2021. This loss is composed out of € 4.628.763 actual payments on different prior year claim files and a decrease in claim reserves net of reinsurance of € 778.638.

The total claims movements gross of reinsurance of € 784.085 includes an increase for the allocation to the IBNR reserve on TPL risks of € 3.039.355, An increase of the ANI ICRP fund of € 112.185 and a release of € 3.935.625 on variations of 19 actual claims of which 12 relate to the EMANI treaty. The total variation includes € 1.499.219 related to 9 new losses occurred in 2022 of which 3 related to non-EMANI business.

The total outstanding claims reserve at year end amounts to € 17.730.0152 versus € 18.514.100 in 2021 and includes the ANI ICRP “reserve fund” for the amount of € 3.113.326 for this year and € 3.001.141 for 2021. For the ANI ICRP fund we have a matching deposit held with the ceding undertaking mentioned on the asset side of our balance sheet. The deposit with ceding undertaking’s consists of a premium deposit retained by the ceding company accumulated in virtue of an existing agreement since its date of inception and consists of a part of the contractual premium attributed to the Company which are retained by the ceding undertaking and allocated to the “reserve fund” for the sole purpose to pay loss expenses. These premiums allocated to the “reserve fund” are held 10 years, after which a portion is periodically returned to policy holders based upon historical loss experience.

Further to the above-mentioned reserve includes a provision for claims Incurred but Not Reported (IBNR). As from year 2015, an IBNR policy in view of a 30 years prescription period in nuclear third-party liability is applied. The years before 2015 a 10 years prescription period was applied. And as of 2021 onwards, a 10 year reserving period was re-introduced. For the non-nuclear third-party liability contracts prior to 2021 a 10 year reserving policy was applied and as of 2021 onwards the period was reduced to 3 years.

For this period an amount of € 3.039.355 was allocated to the IBNR versus € 1.244.945 in 2021 which brings the total IBNR provision to € 12.700.359 and this compares to previous year’s IBNR provision of € 9.661.005. This leaves the amount for the actual claims outstanding at 31/12/2022 to € 1.916.330 for 14 different claim files.

General expenses

The net operating expenses increased from € 1.815.317 in 2021 to € 2.477.118 in 2022 and include acquisition costs on the reinsurance treaties amounting to € 760.182 for 2021 and € 806.775 in 2022. This results that the administrative expenses increased from € 1.055.135 in 2021 to € 1.670.342 in 2022 and are the result of higher HR costs ,consultant fees and travel costs and lower corporate taxes.

Investments

The total book value of the investments amount to € 106.801.557 and compares with € 99.074.516 previous year and includes only the investments and cash at banks.

The deposit held with ANI amounting to € 3.118.612 for 2022 and € 3.008.947 for 2021 is not included in this chapter on investments. The amount has increased mainly due to the exchange rate of the USD.

The market value of the investments and cash at banks is € 111.588.077 and compares to € 117.411.899 in 2021. All these investments are recorded at their purchase value and the unrealized gains of € 893.219 (2021: € 10.610.342) are not recorded in the income statement for the year. The weighted actual return on investments for 2022 is -7,96%. (in 2021 it was 3,82%) and is composed out of -1,77% on the equity portion, -6,18% on the fixed income portion and -0,01% out of the Money market and cash portion.

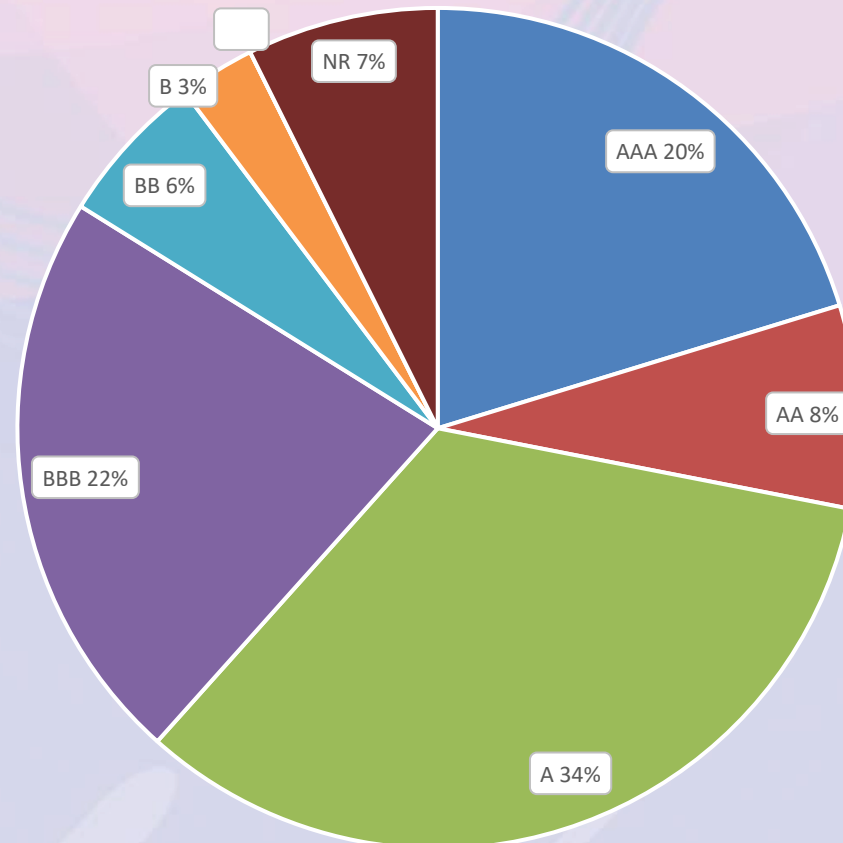
The investment strategy at year end is 16% liquidities, 66% long term investments and 18% equity resulting in a net financial income of € 823.247 compared to 10% liquidities and 76% long term investments and 14% equity previous year with a net income of € 1.429.565. The financial income in the financial statements can be explained by realised profits following the sale of investment funds by our asset managers who then are replaced by other funds which align better with the asset manager's discretionary mandate view on the financial market and exchange difference gains.

No derivative products, such as equity, interest rate, credit, foreign exchange or commodity forwards, options or swaps, were directly bought.

Credit rating of the investment portfolio as at 31 December 2022 :

The overall weighted average credit rating of the total portfolio is A, broken down as follows:

NIRA Credit quality of total portfolio 31/12/2022



Country Allocation and Duration as at 31 December 2022.

The duration of the total investment portfolio including equity & cash is 3,08 years.

The country allocation of the total investment portfolio is split as follows:

AT 0,18% • AU 2,78% • BE 15,18% • CH 0,72% • DE 8,39% • DK 0,20% • ES 2,64% • EU 0,30% • FI 0,33% • FR 11,54% • GB 4,51% • IE 1,87% • IT 1,75% • LU 3,42% • NL 5,69% • NO 2,51% • Europe others 1,55% • US 27,21% • BM 0,04% • CA 1,54% • MX 1,03% • Latin America others 2,02% • CN 1,49% • JP 0,52% • Asia others 1,65% • AE 0,14% • Africa/Middle East others 0,66% • Others 0,11%

Result

The 5.260.853 € surplus before allocation and after taxes for 2022 compares with € 7.275.992 surplus in 2021.

In accordance with the regulations applicable to reinsurance companies (The Grand Ducal Regulation of 5 December 2007 and article 99 of the modified law of 6 December 1991) the allocation to the equalisation provision is the full technical result of € 4.437.607 and a part of the Financial surplus because as at December 31,2022 the amount of the equalisation reserve reached more than the 30% limit of the ceiling equalisation provision amount.

Based on the above referred regulation, the maximum theoretical target of the equalization reserve amount should be 152.161.680 € which is the average earned premiums net of reinsurance over the last 5 years multiplied by 17,5. At year end the reserve amounts to 59.501.067 € or 39,10% of the target amount.

With respect to the financial result of the company for the year ended December 31, 2022 the allocation to the equalisation provision cannot exceed the balance corresponding the technical rate of 1,5% mentioned in the Circular Letter CAA dated 22/12/2022 and applicable as from December 31st ,2022, multiplied by the technical provisions of the Company as at December 31,2021 or € 1.177.437. As the actual financial income for the year 2022 is only € 823.247 we therefore fall below the regulatory limit and so we can allocate it in full to the equalisation reserve. This bringing the total allocation to the equalisation reserve to € 5.260.853.

Following the above-mentioned regulation, the Board of Directors proposes to the Annual General Meeting that the remaining surplus of € 0 be allocated to the guarantee fund.

Guarantee Fund

As at December 31st, 2022 the subscribed capital amounts to € 3.600.000 and the additional contributions of € 31.807.675 constitute together a fund of € 35.407.675 compared to € 34.955.196 previous year. This increase can be attributed to the allocation of the 2021 surplus for a total amount of € 452.479.

In the follow-up procedure of the resignation of 5 Members ,The Mutual Association had to acknowledge the resignation of 5 Members in the past, which no longer have an insurable interest and who then will leave in the forthcoming years once their 5-year waiting period has expired. Their current part in the undivided fund at 31/12/2022 is € 10.015.364 . Finally we have arrived now at the end of the 5-year waiting period for 4 out of the 5 Members and therefore the amount of € 6.604.343 will no longer be at risk as of 1/1/2023.

The guarantee fund together with the equalization provision now available to the Members to be used as reinsurance capacity will be € 88.304.398 versus € 89.647.888 previous year.

Others

No research and development activities incurred.

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

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

NIRA does not have any branches or subsidiaries.

Covid-19

Further to the developments as a result of the pandemic, the Board of Directors will continue to closely monitor the potential impact of COVID-19 on the business and development/performance of the Company, in particular in terms of the impact on its operations, development in claims experience, variations in the value of assets held and compliance with regulatory requirements in terms of solvency requirements. Based on the elements in our possession, NIRA had no impacts in 2022 and should continue a positive development in 2023.

Sustainable entrepreneurship

At NIRA we stand for corporate social responsibility (CSR) or sustainable entrepreneurship that is based on the triple-P approach to 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.

Here are a few examples of how we contribute to a more sustainable policy and a liveable working environment:

- The major part of the Reinsurance products are related to nuclear so zero emission industry. The other products not related to nuclear are monitored closely.
- Diversified recruitment policy: At NIRA we attach importance to the diversification of talent. Within the company, employees are encouraged to work independently and show their talents. We are open to multi-employability and on the job training.
- Feel good employees: We think it is important that our employees feel at home in the workplace. We use short lines to make everyone feel involved and thus strengthen the team.

- Environmentally conscious: as a small insurer we cannot move mountains in this area, but we also try to contribute we try to work as paperless as possible and offer employees the opportunity to work from home as much as possible. Organizing remote meetings also prevents trips that are harmful to the environment.
- Charity: for example, through "Twerk", we choose a sustainable project to which we give our support.
- Investing: NIRA'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, and/or who consider high-level sustainability-related issues in the general process. NIRA cooperates with asset managers whose funds are selected taking into consideration Environmental, Social and Governance (ESG) factors including the sustainable standard of the UN Global Compact. They all have proper internal guidelines that reflect 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

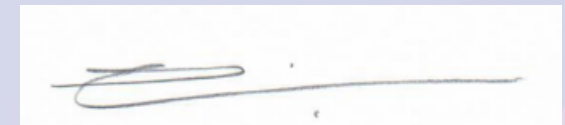
*EU SFDR Article 9 products: applies to those strategies to those strategies that have sustainable investment as its objective

The investment mandate we gave to our two Asset Mangers is eligible to be classified SFDR article 6 however already 9 investment funds, with a market value of € 45.351.883 are labelled SFDR article 8.

Recommendations

We propose that you:

- Approve the annual accounts as at December 31st, 2022 as presented,
 - Grant discharge to the Directors of the Company in respect of their duties and functions for the year ended,
 - Grant discharge to the Statutory Auditor,
 - Appoint a Statutory Auditor
- the Board of Directors proposes to the Annual General Meeting that the remaining surplus of € 0 be allocated to the guarantee fund.



Gert Jan Geertsema
On behalf of the Board of Directors

REPORT OF THE REVISEUR D'ENTREPRISES AGREE

To the Members of
Nuclear Industry Reinsurance Association,
Association d'Assurance Mutuelle
4, Däichwee L-6850 Mantemach

Report on the Audit of the annual accounts

Opinion

We have audited the annual accounts of Nuclear Industry Reinsurance Association, Association d'Assurance Mutuelle (the "Company"), which comprise the balance sheet as at December 31, 2022, and the profit and loss account for the year then ended December 31, 2022, and notes to the annual accounts, including a summary of significant accounting policies.

In our opinion, the accompanying annual accounts give a true and fair view of the financial position of the Company as at December 31, 2022, and of the results of its operations for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the annual accounts.

Basis for Opinion

We conducted our audit in accordance with the EU Regulation N° 537/2014, the Law of 23 July 2016 on the audit profession (Law of 23 July 2016) and with International Standards on Auditing (ISAs) as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier" (CSSF). Our responsibilities under the EU Regulation No 537/2014, the Law of 23 July 2016 and ISAs as adopted for Luxembourg by the CSSF are further described in the "Responsibilities of the "réviseur d'entreprises agréé" for the Audit of the annual accounts" section of our report. We are also independent of the Company in accordance with the International Code of Ethics for Professional Accountants, including International Independence Standards, issued by the International Ethics Standards Board for Accountants (IESBA Code) as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the annual accounts, and have fulfilled our other ethical responsibilities under those ethical requirements.

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 judgment, were of most significance in our audit of the annual accounts of the current period. These matters were addressed in the context of the 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.

We have not identified any key audit matters for communication in our report.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information stated in the Director's report but does not include the annual accounts and our report of the "réviseur d'entreprises agréé" thereon.

Our opinion on the annual accounts does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the annual accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the annual accounts or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report this fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and Those Charged with Governance for the Annual accounts

The Board of Directors is responsible for the preparation and fair presentation of these annual accounts in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the annual accounts, and for such internal control as the 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.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

The objectives of our audit are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue a report of the “réviseur d'entreprises agréé” that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the EU Regulation N° 537/2014, the Law of July 23, 2016 and with ISAs as adopted for Luxembourg by the CSSF 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 users taken on the basis of these annual accounts.

As part of an audit in accordance with the EU Regulation N° 537/2014, the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- 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 control 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 the 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 report of the “réviseur d'entreprises agréé” 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 report of the “réviseur d'entreprises agréé”. 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 those charged with governance 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.

From the matters communicated with those charged with governance, 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 report unless law or regulation precludes public disclosure about the matter. As further described in the “Key Audit Matters” section, we have not identified any key audit matters for communication in our report.

Report on Other Legal and Regulatory Requirements

We have been appointed as “réviseur d'entreprises agréé” by the General Meeting of the Shareholders on April 28, 2022, and the duration of our uninterrupted engagement, including previous renewals and reappointments, is 14 years.

The Director's report is consistent with the annual accounts and has been prepared in accordance with applicable legal requirements.

We confirm that the audit opinion is consistent with the additional report to the audit committee or equivalent.

We confirm that the prohibited non-audit services referred to in the EU Regulation N° 537/2014 were not provided and that we remained independent of the Company in conducting the audit.

For Deloitte Audit, Cabinet de révision agréé

For Deloitte Audit, *Cabinet de Révision Agréé*



Ludovic Bardon, *Réviseur d'Entreprises Agréé*
Partner

Ludovic Bardon, Réviseur d'entreprises agréé
Partner

April 19th, 2023

NUCLEAR INDUSTRY REINSURANCE ASSOCIATION

Association d'Assurance Mutuelle

BALANCE SHEET

As at December 31, 2022

(expressed in EUR)

ASSETS	Note(s)	2022	2021
Intangible assets		113.759,59	86.577,91
Investments	4		
Other financial investments			
Shares and other variable-yield transferable securities and units in unit trusts		95.184.023,85	95.692.608,68
Debt securities and other fixed income transferable securities		0,00	0,00
Deposits with credit institutions		5.000.000,16	0,16
		<u>100.184.024,01</u>	<u>95.692.608,84</u>
Deposits with ceding undertakings	4	3.118.612,47	3.008.947,11
Reinsurers' share of the technical provision			
Provision for unearned premiums		637.916,64	907.385,57
Claims Outstanding		93.469,08	28.762,22
		<u>731.385,72</u>	<u>936.147,79</u>
Debtors			
Debtors arising out of reinsurance operations		4.745.948,72	4.047.499,38
Other debtors		27.199,00	75.900,57
		<u>4.773.147,72</u>	<u>4.123.399,95</u>
Other assets			
Tangible assets and stocks		112.307,27	107.950,53
Cash at bank and in hand		10.510.833,78	11.108.948,63
		<u>10.623.141,05</u>	<u>11.216.899,16</u>
Prepayments and accrued income			
Accrued interest and rent		41.247,22	22.166,82
Deferred acquisition costs		251.557,99	287.128,62
Other prepayments and accrued income		11.414,72	4.765,32
		<u>304.219,93</u>	<u>314.060,76</u>
TOTAL ASSETS		119.848.290,49	115.437.901,66

The accompanying notes form an integral part of these annual accounts.

NUCLEAR INDUSTRY REINSURANCE ASSOCIATION

Association d'Assurance Mutuelle

BALANCE SHEET

As at December 31, 2022

(expressed in EUR)

- continued -

LIABILITIES	Note(s)	2022	2021
Capital and reserves	5		
Subscribed capital		3.600.000,00	3.600.000,00
Equivalent funds		31.807.674,88	31.355.195,55
Profit for the financial year		0,00	452.479,33
		35.407.674,88	35.407.674,88
Technical provisions			
Provision for unearned premiums		5.291.345,26	5.741.512,49
Claims outstanding	6	17.730.014,85	18.514.100,00
Equalisation provision		59.501.066,97	54.240.213,70
		82.522.427,08	78.495.826,19
Creditors	7		
Creditors arising out of reinsurance operations		1.267.751,06	1.032.996,20
Other creditors, including tax and social security		592.649,89	471.459,39
		1.860.400,95	1.504.455,59
Accruals and deferred income		57.787,58	29.945,00
TOTAL LIABILITIES		119.848.290,49	115.437.901,66

The accompanying notes form an integral part of these annual accounts.

NUCLEAR INDUSTRY REINSURANCE ASSOCIATION

Association d'Assurance Mutuelle

PROFIT AND LOSS ACCOUNT

For the year ended December 31, 2022

(expressed in EUR)

	Note(s)	2022	2021
TECHNICAL ACCOUNT NON-LIFE INSURANCE BUSINESS			
Earned premiums			
Gross premiums written	8	12.000.120,38	12.539.588,96
Outward reinsurance premiums		(1.190.366,05)	(1.685.421,01)
Change in the gross provision for unearned premiums		450.167,23	(1.308.579,36)
Change in the provision for unearned premiums, reinsurers' share		(269.468,93)	(161.351,45)
		<u>10.990.452,63</u>	<u>9.384.237,14</u>
Allocated investment return transferred from the non-technical account	13	823.246,76	1.429.565,06
Other technical charges, net of reinsurance		(110.599,10)	(1.042,51)
Claims incurred, net of reinsurance			
Claims paid:			
Gross amount		(4.630.279,22)	(1.150.814,63)
Reinsurer's share		1.516,57	0,00
Change in the provision for claims:			
Gross amount		784.085,16	(352.918,38)
Reinsurer's share		5.446,72	59.260,14
		<u>(3.839.230,77)</u>	<u>(1.444.472,87)</u>
Net operating expenses			
Acquisition costs		(815.419,91)	(886.842,16)
Change in deferred acquisition costs		(35.570,63)	37.111,84
Administrative expenses		(1.670.342,30)	(1.055.135,34)
Reinsurance commissions and profit participation		44.215,00	89.548,70
		<u>(2.477.117,84)</u>	<u>(1.815.316,96)</u>
Change in the equalisation provision		(5.260.853,27)	(6.823.512,71)
Balance on the technical account for non-life insurance business		125.898,40	729.457,15

The accompanying notes form an integral part of these annual accounts.

NUCLEAR INDUSTRY REINSURANCE ASSOCIATION
 Association d'Assurance Mutuelle
PROFIT AND LOSS ACCOUNT
 For the year ended December 31, 2022
 (expressed in EUR)
 - continued -

	Note(s)	<u>2022</u>	<u>2021</u>
NON-TECHNICAL ACCOUNT			
Balance on the technical account for non-life insurance business		125.898,40	729.457,15
Investment income		2.299.632,78	1.589.707,45
Income from other investments		1.080.804,13	815.757,74
Gains on the realisation of investments		1.218.828,65	773.949,71
Investment charges		(1.476.386,02)	(160.142,39)
Investment management charges, including interest		(581.019,58)	(116.783,06)
Losses on the realisation of investments		(895.366,44)	(43.359,33)
Allocated investment return transferred to the technical account	13	(823.246,76)	(1.429.565,06)
Tax on profit on ordinary activities		(41.830,69)	(211.093,07)
Profit on ordinary activities after tax		84.067,72	518.364,08
Other taxes not shown under the preceding items	9	(84.067,72)	(65.884,75)
Profit or loss for the financial year		<u>0,00</u>	<u>452.479,33</u>

The accompanying notes form an integral part of these annual accounts.

NOTE 1 – GENERAL

NUCLEAR INDUSTRY REINSURANCE ASSOCIATION, Association d'Assurance Mutuelle (the “Company”), was incorporated in Luxembourg as a “mutual association” on December 11, 2008 and is governed by the amended Law of December 7, 2015 on the insurance sector.

The Company’s accounting year begins January 1 and ends December 31 each year.

The object of the Association is to reinsure, excluding all direct insurance operations, in the Grand-Duchy of Luxembourg as well as in any other country in which the Association has Members and / or where these Members have their activities:

- **EMANI** (called Material Damage Reinsurance EMANI), against material damage and business interruption due to fire, nuclear risks and natural forces and other damage to property to their nuclear installations and associated real-estate and movables adjacent to these installations, and / or
- **ELINI** (called Nuclear Third Party Liability Reinsurance ELINI) within the framework of and limited to civil liability in the nuclear industry as specified: (i) in the national legislations of countries where the Paris Convention signed of July 29, 1960 (as amended and revised from this time) is applicable; or (ii) in the national legislations of countries where the Vienna Convention signed of May 21, 1963 (as amended and revised from this time) is applicable; or (iii) in the countries who have not signed the Paris Convention nor the Vienna Convention but apply the same principles in their national legislations, or (iv) or based on Common Law and/or Civil Law (‘droit commun’).
- **any (re)insurance company** willing to contract reinsurance with NIRA for as long as the underlying insured risks concern nuclear and / or conventional energy risks.

NUCLEAR INDUSTRY REINSURANCE ASSOCIATION,
Association d'Assurance Mutuelle
NOTES TO THE ACCOUNTS
As at December 31, 2022
- continued -

NOTE 2 – PRESENTATION OF THE ANNUAL ACCOUNTS

The annual accounts have been prepared in conformity with the modified Law of December 8, 1994 on annual accounts of insurance and reinsurance undertakings, and with the accounting policies generally accepted within the insurance and reinsurance industry in Luxembourg. The accounting policies and the valuation rules are, except for those which are imposed by the law or the Commissariat aux Assurances, determined and applied by the Board of Directors.

NOTE 3 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied by the Company are as follows:

3.1. Foreign currency translation

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

The accounts denominated in foreign currency of the profit and loss account are converted in EUR on a monthly basis using the exchange rate in force at the last day of the previous month.

The accounts denominated in foreign currency of the balance sheet are converted in EUR using exchange rate as of the balance sheet closing date.

Exchange gains and losses are recorded in the profit or loss account.

3.2. Investments

Shares and other variable-yield transferable securities and units in unit trusts.

Shares and other variable-yield transferable securities and units in unit trusts are valued at their acquisition costs. 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 depreciated 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.

Debt securities and other fixed income transferable securities

Investments in interest bearing bonds are valued at their acquisition costs. The incidental costs are expensed as incurred. The differences between acquisition cost and redemption values of the securities are amortized pro rata to maturity of the securities. Under this method, the premium or discount on purchase is amortized to the profit and loss account on a straight-line basis from the date of acquisition to the date of maturity of the bond.

Unless the intention of the Company is to sell the securities in the short term, no adjustments are booked to reflect the market value, if this market value is below the net book value determined according to the amortization method described above.

In case of permanent reduction in value, fixed income securities shall be subject to value adjustments in the profit and loss account when the reimbursement at redemption date is partly or fully uncertain or compromised.

Deposits with credit institutions and with ceding undertakings

Deposits are stated at their nominal value at year-end.

NUCLEAR INDUSTRY REINSURANCE ASSOCIATION,
Association d'Assurance Mutuelle
NOTES TO THE ACCOUNTS
As at December 31, 2022

- continued -

3.3. Debtors and creditors

Debtors are stated at their nominal value. Value adjustments are made when they are partially or totally unrecoverable. The value adjustments are not maintained when the reasons for which they were made cease to apply.

Creditors are recorded under liabilities at their reimbursement value. If the amount paid exceeds the initial amount, the resulting difference is reflected in the profit and loss account at the date of settlement.

3.4. Tangible assets and intangible assets

Due to usage and/or obsolescence, assets are amortized on a linear basis. Current amortization percentages for tangible assets are as follows:

Installations, machinery and IT	33,33% / Year
Software (upon evaluation management committee by project)	20% or 33,33% / Year
Office furniture	10% / Year
Vehicles	20% / Year

3.5. Deferred acquisition costs

Acquisition costs related to non-life insurance policies are deferred according to a method compatible with that used for unearned premiums.

NUCLEAR INDUSTRY REINSURANCE ASSOCIATION,
Association d'Assurance Mutuelle
NOTES TO THE ACCOUNTS
As at December 31, 2022
- continued -

3.6. Technical provisions

The Company constitutes technical provisions based on contributions relating to its active, non-expired outstanding treaties at the end of the accounting year.

The provision for unearned premiums consists of the amount representing the part of the premium which is to be allocated to the subsequent financial year(s). It is computed on a contract-by-contract basis. The same principles apply to the reinsurer's share in the provision for unearned premiums.

Provisions for claims outstanding represents the total estimated cost of all claims arising from events which have occurred up to the end of the accounting year, whether reported or not, less amounts already paid in respect of such claims. Every claim is handled individually which results in individual claim provisions.

The estimated cost of every incurred loss is calculated based on information received from ceding companies, nuclear pools and claim adjusters. A provision for claims incurred but not reported ("IBNR") is constituted with respect to the prevailing Conventions related to Third Party Liability of Nuclear Energy which require that actions for claims arising out of a nuclear incident can be initiated within ten years. During the year ended December 31, 2014, the Board of Directors has adopted to change the ten-year IBNR policy to a thirty-year IBNR reserving policy. The change ratified by the Board of Directors has become effective for financial years starting on January 1, 2015 and onwards. During the year ended December 31, 2021, the Board of Directors has adopted to rechange back to a ten-year IBNR policy for the nuclear policies and to adopt a three-year IBNR policy for the non-nuclear policies. This change has become effective for the financial year starting January 1, 2021 and onwards.

This IBNR reserving policy is based on a lump sum method in accordance with article 74 of the modified Law of December 8, 1994 on annual accounts of insurance and reinsurance undertakings.

The equalisation provision comprises amounts set aside in accordance with legal and administrative requirements to equalise fluctuations in loss ratios in future years or to provide for special risks.

NUCLEAR INDUSTRY REINSURANCE ASSOCIATION,
Association d'Assurance Mutuelle
NOTES TO THE ACCOUNTS
As at December 31, 2022

- continued -

3.7. Taxes

Taxes are accounted for on an accrual basis.

NOTE 4 – INVESTMENTS

The actual value of investments is as follows:

EUR	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Shares and other variable-yield transferable securities and units in unit trusts	96.077.242,82	106.302.950,54
Deposits with credit institutions	5.000.000,16	0,16
Deposits with ceding undertakings	3.118.612,47	3.008.947,11
	<u>104.195.855,45</u>	<u>109.311.897,81</u>

As at December 31, 2022, the Board of Directors of the Company believes that there is no permanent impairment on shares and other variable-yield securities and units in unit trusts.

As at December 31, 2022, the deposits with ceding undertakings consist of a premium deposit retained by the ceding company accumulated in virtue of an existing agreement since its date of inception and which amounts to EUR 3.118.612,47 (2021: EUR 3.008.947,11).

NUCLEAR INDUSTRY REINSURANCE ASSOCIATION,
Association d'Assurance Mutuelle
NOTES TO THE ACCOUNTS
As at December 31, 2022

- continued -

This premium deposit consists of a part of the contractual premiums attributed to the Company which are retained by the ceding undertaking and allocated to a "Reserve Fund" for the sole purpose to pay loss expenses. These premiums allocated to the "Reserve Fund" are held for 10 years, after which a portion is periodically returned to policy holders based upon historical loss experience.

NOTE 5 – SUBSCRIBED CAPITAL AND EQUIVALENT FUNDS

The subscribed capital of the Company amounts to EUR 3.600.000,00 and has been contributed in 2009 for EUR 3.200.000,00 by 3 members (EMANI, ELINI, NIRA Ltd). As of the moment of the final liquidation of NIRA Ltd, a reinsurance company domiciled in the Isle of Man and liquidated on June 28, 2010, the NIRA Ltd's shareholders became automatically members of the Company as successor in title, in the same proportions as they were shareholders within NIRA Ltd. At that same moment, EMANI and ELINI had no longer a voting right.

At the Annual General Meetings of Members dated April 25, 2013 and April 24, 2014, it was agreed to reallocate each time an amount of EUR 200.000,00 of the equivalent funds to the subscribed capital.

The equivalent funds amounting to EUR 31.807.674,88 (2021: EUR 31.355.195,55) consist of additional amounts which were contributed by NIRA Ltd (in name of its 36 shareholders) and the Company's new voting members, each being authorized with 1 voting right.

As at December 31, 2022, equivalent funds include an increase of EUR 452.479,33 following the allocation of the surplus of result from 2021.

NUCLEAR INDUSTRY REINSURANCE ASSOCIATION,
Association d'Assurance Mutuelle
NOTES TO THE ACCOUNTS
As at December 31, 2022
- continued -

As at December 31, 2022, the subscribed capital and the equivalent funds can be split between the members as follows:

	Allocation as at December 31, 2022 EUR	Allocation as at December 31, 2021 EUR
AEP (American Electric Power)	10.129	10.000
AXPO Power AG	2.783.244	2.747.667
Axpo Solutions AG (formerly Axpo Trading & EGL AG)	91.780	90.607
B.K.W. Energy Ltd.	1.374.773	1.357.200
Belgoprocess NV	27.359	27.010
EDF Energy Nuclear Generation Ltd (formerly British Energy Ltd)	21.037	20.768
Bruce Power LP	29.191	28.818
BWX Technologies	10.129	10.000
Centrales Nucléaires en Participation S.A. (c/o Alpiq Suisse S.A)	383.863	378.956
CEZ	101.696	100.396
Comanche Peak Power Company LLC.	26.276	25.940
CGN	134.624	132.903
Dominion energy South Carolina (formerly SCE&G)	26.360	26.023
EDF	138.679	136.906
Electrabel	63.504	62.692
Eletronuclear	10.129	10.000
Elektriciteits-Produktiemaatschappij Zuid-Nederland (EPZ) N.V	773.686	763.796
EnbW Kernkraft GmbH (formerly GWK Neckar GmbH)	810.589	800.227
EnBW Energy Baden Württemberg AG	1.051.540	1.038.099
Eskom Holding Ltd	370.209	365.477
ENEC	50.647	50.000
ENEL	10.129	10.000
Energy Solutions	10.129	10.000
Evergy Inc.	10.129	10.000
Framatome	616.868	608.983
Forsmarks Kraftgrupp AB	969.376	956.985
Fortum Power & Heat Oy	93.705	92.507

NUCLEAR INDUSTRY REINSURANCE ASSOCIATION,
Association d'Assurance Mutuelle
NOTES TO THE ACCOUNTS
As at December 31, 2022
- continued -

	Allocation as at December 31, 2022 EUR	Allocation as at December 31, 2021 EUR
G.K.N. BV	972.824	960.389
GNS (Gesellschaft für Nuklear-Service) mBH	24.368	24.056
Kernkraftwerk Leibstadt A.G. (KKL)	1.828.199	1.804.830
Kernkraftwk Gösgen Däniken A.G.	2.115.610	2.088.567
KHNP	50.647	50.000
O.K.G. Aktiebolag	2.774.643	2.739.175
Ontario Power Generation (OPG)	38.051	37.565
ORANO SA (formerly Orano cycle, AREVA NC & Cogema S.A & Socatri S.à r.l.)	3.942.660	3.892.262
Paks Nuclear Power Plant Ltd	387.732	382.776
New Brunswick Power Nuclear Corporation	15.206	15.012
NSP (Nothern State Power Company)	10.129	10.000
Preussen Elektra Gmbh (formerly E.ON Kernkraft GmbH)	3.411.020	3.367.418
R.W.E. Power AG	3.367.440	3.324.395
Ringhals AB	1.376.747	1.359.148
SCK-CEN	24.047	23.740
SKB	11.594	11.446
Slovenske Elektrarne AS	147.990	146.098
SNN	10.129	10.000
Southern Company	10.000	10.000
STP (South Texas Project)	10.129	10.000
Studsvik AB	15.398	15.201
SVAFO AB	5.827	5.752
Sydskraft Nuclear Power AB	1.736.397	1.714.201
Teollisuuden Voima Oyj	2.403.272	2.372.551
Union Electric Company-Ameren Missouri	19.960	19.704
URENCO Ltd	70.143	69.246
Vattenfall Europe Nuclear Energy GmbH	607.613	599.846
Zwischenlager Wurenlingen AG (Zwilag)	20.116	19.859
	35.407.675	34.955.196

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NOTE 6 – CLAIMS OUTSTANDING

Claims outstanding include a provision of EUR 12.700.359,17 for claims incurred but not reported in virtue of the IBNR reserving policy applicable as at December 31, 2022 (2021: EUR 9.661.004,61) and described in note 3.6.

NOTE 7 – CREDITORS

The amounts due to third parties, which are on the sanction list have been frozen by the bank within the Company's cash balances in accordance with the following sanctions limitation and exclusion clause: No reinsurer shall be deemed to provide cover and no reinsurer shall be liable to pay any claim or provide any benefit hereunder to the extent that the provision of such cover, payment of such claim or provision of such benefit would expose that reinsurer to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union, United Kingdom or United States of America.

Except for the frozen amounts as explained further in the note 16, all creditors become due and payable in less than one year.

NOTE 8 – GROSS PREMIUMS WRITTEN

Gross premiums written by the Company relate to non-life business only and for the classes Material Damage and Third Party Liability.

NOTE 9 – TAXATION

The Company is subject to income and net worth taxes applicable in the Grand-Duchy of Luxembourg to Sociétés Anonymes.

Taxes other than income taxes are disclosed under the caption "other taxes not shown under the preceding items" in the profit and loss account.

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NOTE 10 – PERSONNEL EMPLOYED DURING THE YEAR

During 2022, the Company employed seven part time staff members and two full time staff members which represent 4,27 full time equivalent (2021: six part time staff members and one full time staff member).

The total staff costs with respect to the financial year may be broken down as follows:

	2022	2021
	EUR	EUR
Wages and salaries	841.212,95	604.492,70
Social security costs	81.163,96	64.394,85
Pension scheme	102.707,98	57.408,53
Others	1.184,18	2.137,18
Total	<u>1.026.269,07</u>	<u>728.433,26</u>

NOTE 11 – REMUNERATION GRANTED TO BOARD MEMBERS AND COMMITMENTS ENTERED INTO IN RESPECT OF RETIREMENT PENSIONS FOR FORMER BOARD MEMBERS

The Company did grant remuneration to members of its supervisory bodies for the services rendered during the year amounting to EUR 45.191,24 (2021: EUR 50.397,38). The Company has no commitments in respect of retirement pensions for former members of those bodies as at December 31, 2022 (2021: EUR nil).

For the year ended December 31, 2022, the Company did not grant advances or credits to the members of its supervisory bodies (2021: EUR nil).

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NOTE 12 – FEES PAYABLE TO THE AUDIT FIRM

Fees charged to the Company by the réviseur d'entreprises agréé and its respective network are as follows:

	2022 EUR	2021 EUR
Annual audit fees (VAT excl.)	19.474,00	18.200,00
Other services (VAT excl.)	0,00	3.000,00
	<u>19.474,00</u>	<u>21.200,00</u>

Fees are shown on an accrual basis for the financial year.

For the year ended December 31, 2022, audit fees are related to the audit of annual accounts and the issue of the auditor's supplementary report in accordance with Circular Letter 22/7 issued by the Commissariat aux Assurances.

NOTE 13 – ALLOCATED INVESTMENT RETURN

In accordance with Article 55 of the modified Law of December 8, 1994 on the accounts of insurance and reinsurance undertakings, the Company has transferred the whole investment income, net of corresponding charges, to the non-life insurance technical account.

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NOTE 14 – OFF-BALANCE SHEET COMMITMENTS

As at December 31, 2022, an amount of EUR 997.915,90 (2021: EUR 998.355,83) on a cash at bank account is given as a guarantee in favor of one ceding undertaking by way of a Letter of Credit.

NOTE 15 – PARENT COMPANY

As there is no other mutual/company entitled to, de jure or de facto, exert a deciding influence on the appointment of the majority of the directors or on the orientation of the management, the Company cannot be considered as a subsidiary of any other entity and consequently is not included into consolidated financial statements and is exempt to prepare consolidated financial statements under Luxembourg legislation.

NOTE 16 – EVOLUTION OF THE IMPACT OF THE RUSSIAN INVASION IN UKRAINE

The Russian invasion in Ukraine has resulted in a number of Russian and Belarusian entities being added to the international sanctions lists as from February 28, 2022 (further updated on February 25, 2023). Some of these entities are business partners of the Company with either the Company being reinsured by these parties or these parties being reinsured by the Company.

In accordance with a 'sanction clause' included in the reinsurance contracts with these entities, no reinsurer shall be deemed to provide cover and no reinsurer shall be liable to pay any claim or provide any benefit hereunder to the extent that the provision of such cover, payment of such claim or provision of such benefit would expose that reinsurer to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union, United Kingdom or United States of America. As a result, the Company is no longer exposed to any underwriting risk on these reinsurance contracts.

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Following the negotiations with these entities during 2022 and the fact that the sanctions remain in place, these reinsurance contracts in relation to underwriting year 2021 extending after December 31, 2022 have been cancelled as at December 31, 2022 with the accounting impact as described below.

- As at December 31, 2022, provision for unearned premiums and reinsurer's share in provision for unearned premiums in relation to these reinsurance contracts amount respectively to EUR nil (2021: EUR 655.791 and EUR 119.404, respectively).
- As at December 31, 2022, debtors arising out of reinsurance operations in relation to these entities amount to EUR 115.089 (2021: EUR 345.094). A respective bad debt provision was recorded for a full amount.
- As at December 31, 2022, creditors arising out of reinsurance operations in relation to these entities amount to EUR 640.173 (2021: EUR 88.484) (foreign exchange rate of 79,0622 RUB/EUR as at December 31, 2022). Full amount has been frozen by the bank within the Company's cash balances.

On November 15, 2022, the Company disclosed to the Luxembourg authorities a list of the third parties, which fall under the sanction list and with which the Company has cancelled all transactions following the invasion in Ukraine. Furthermore, the Company has frozen all amounts in relation to Russian contracts for a total amount of EUR 643.995. This amount is currently blocked on a bank account.

The Company has no claims in Russia or Belorussia open as well as no claims open where reinsurance from Russia is concerned. Following the sanctions the Company has not sent or received any financial transactions from Russia.

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