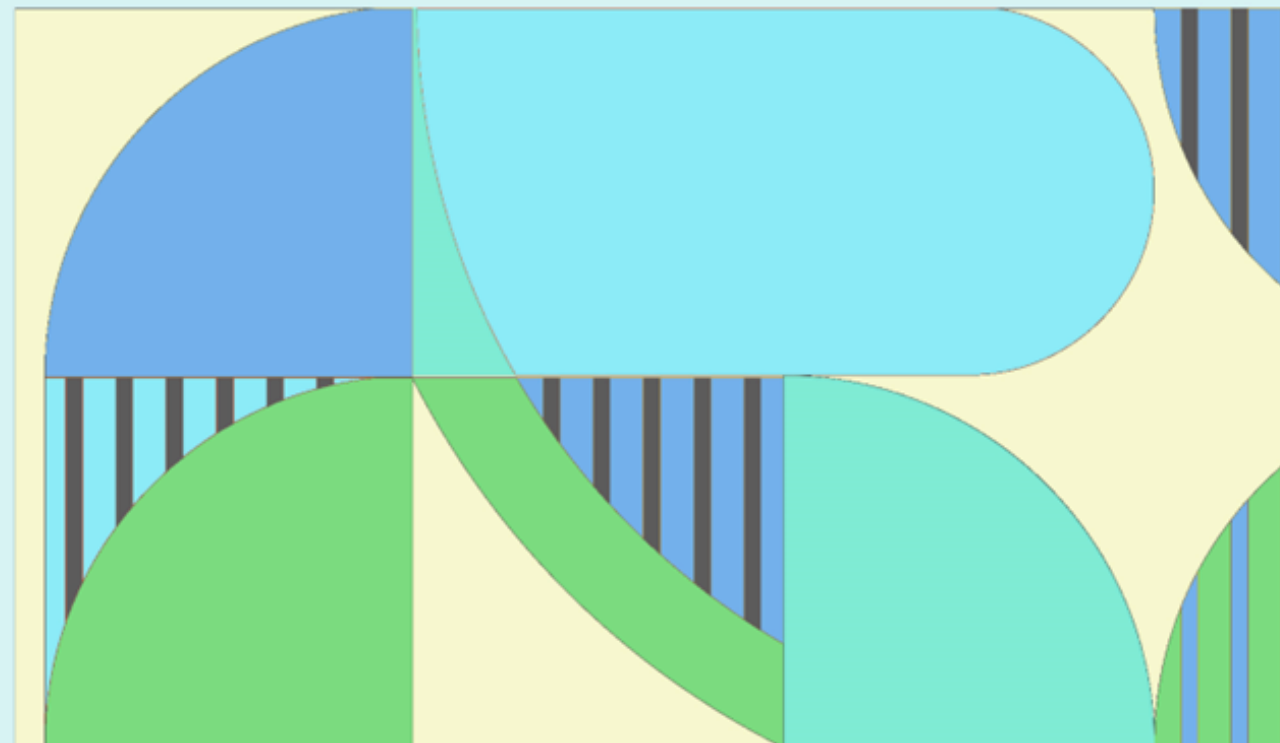
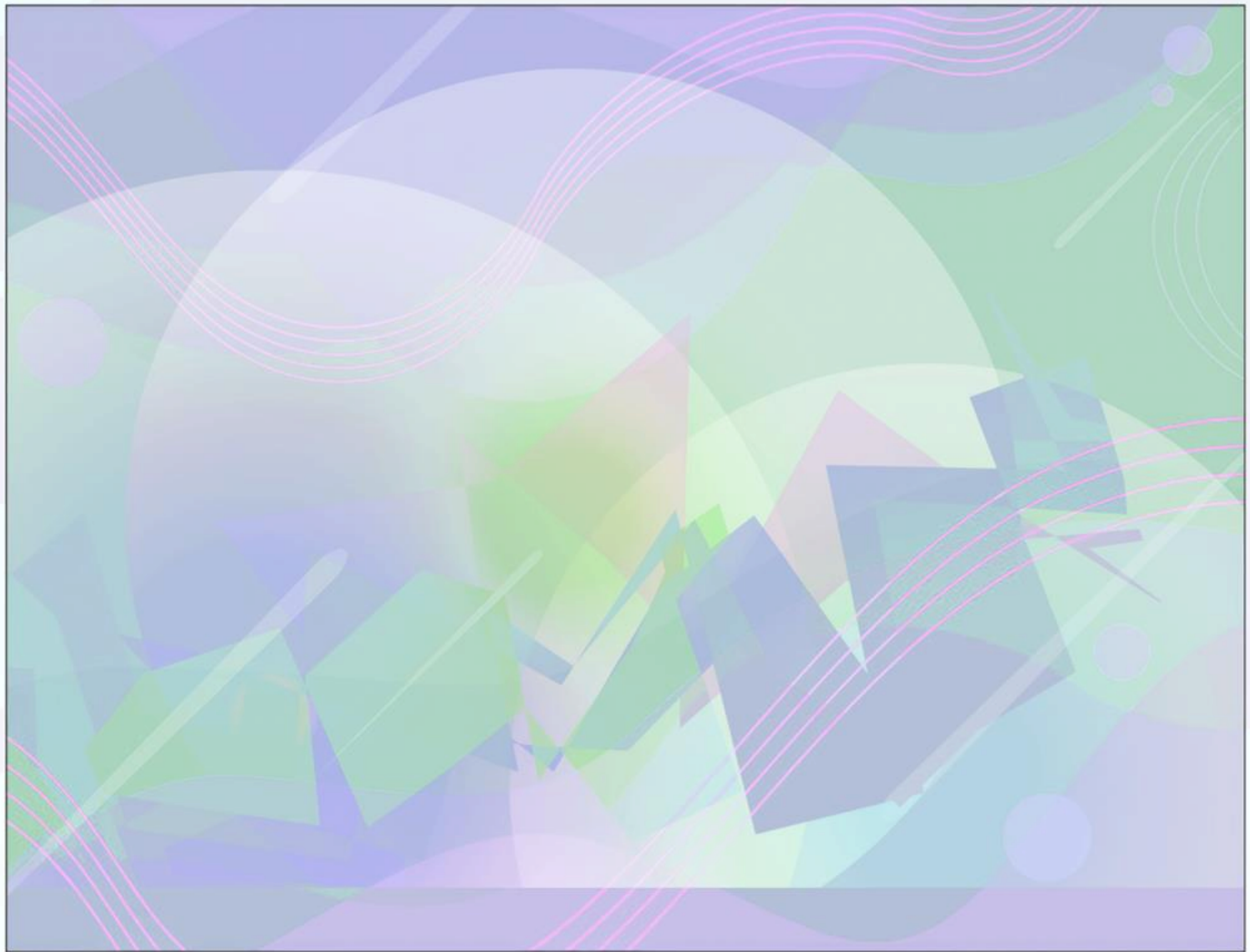


annual
report | N I R A

2023





Abstract composition

R. Piccart 2023

Annual Report 2023 of the Board of Directors and of the Statutory Auditor to be presented at the Annual General Meeting on 25 April 2024.

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.

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Financial Highlights

in Euro

Statement of Earnings	2023	2022	2021	2020	2019
Net Premium Earned	9.921.705	10.990.453	9.384.237	7.967.527	8.121.664
Claims	-2.205.910	-3.839.231	-1.444.473	-2.960.220	-8.332.147
Rebates	0	0	0	0	0
Expenses and Taxes	-2.199.706	-2.603.016	-2.092.295	-1.550.856	-1.409.659
Net Investment Result	1.179.757	823.247	1.429.565	256.415	705.016
Other technical income	3.067	4.490	-1.043	23.658	29.210
Other technical charges	0	-115.089	0	0	0
Earnings before allocation to the equalisation provision	6.698.913	5.260.853	7.275.992	3.736.524	-885.916
Balance Sheet					
Assets	121.134.503	119.848.290	115.437.902	106.291.632	101.183.432
Liabilities	-92.331.172	-84.440.616	-80.030.227	-71.062.253	-65.964.053
Guarantee fund	28.803.332	35.407.675	35.407.675	35.229.379	35.219.379

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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
Eversource Energy 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
Rinhals 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

D. Vanwelkenhuyzen

Chairman

Vice-Chairman

Vice-Chairman

* status at the time of the Annual General Meeting

Advisory Committees *

Underwriting Committee

R. Miller *Chairman*
D. Vanwelkenhuyzen
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. Piekari
A. Roefs
J. Tasker
M. Vercammen
A. Cochet

* status at the time of the Annual General Meeting

Advisory Committees *

Risk Committee

J.L. Carbonell *Chairman*
G.J. Geertsema
D. Prüske
V. Hronek
K. Sinclair

Audit Committee

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

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
Natalia Florença

* status at the time of the Annual General Meeting

2023 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 sixteenth year of operation in Luxemburg, which started 1st January 2023 and ended on 31st December 2023. At the same time, I will discuss the outlook for 2024.

Earned gross of reinsurance contributions increased to € 12.973.444 in 2023 from € 12.450.287 in 2022 due to more conventional energy risk policies written. The earned reinsurance costs for all contracts increased from € 1.459.835 in 2022 to € 3.051.738 in 2023 and is the result of buying more reinsurance to limit NIRA's own retention on various contracts.

The total claim cost for the period is € 2.205.910 versus a claim cost of € 3.839.231 in 2022. This year's cost is composed of € 496.172 actual payments on different prior year claim files and an increase in reserves net of retro-reinsurance of € 1.709.738. The variation in reserves is composed out of firstly the decrease on actual claims reserves of € 769.974 which are related to seventeen claim files of which eight are related to the EMANI contracts and include € 79.148 for four new losses occurred in 2023. Secondly an increase of the IBNR reserve on TPL risks of € 2.591.252 and thirdly a decrease of the ANI ICRP reserve of € 173.068.

The total outstanding claims reserve at year end amounts € 19.378.224 versus € 17.730.015 in 2022 and includes the ANI ICRP refund fund for € 2.940.258 for this year and € 3.113.326 for 2022.

General expenses decreased from € 2.477.118 in 2022 to € 2.130.898 in 2023 and include acquisition costs on the reinsurance treaties amounting to € 806.775 in 2022 from € 648.743 in 2023. The administrative expenses decreased from € 1.670.342 in 2022 to € 1.482.155 in 2023 and are the result of lower HR costs.

The total book value of the investments amounts to € 112.204.128 and compares with € 110.694.858 the previous year and includes investments and cash at banks. The investment strategy at year end in 6% liquidity, 72,5% long term investments and 21,5% equity resulting in a net financial income of € 1.179.757 and compare with a net income of € 823.247 in previous year. The 2023 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 4,57 years versus 3,08 years previous year. The off-balance sheet unrealized gains on investments amount to € 7.637.925 (2022: 893.219) an increase of € 6.744.706 since 31/12/2022.

The result in this accounting year 2023 is a surplus of € 6.698.913 before allocation and after taxes and compare with € 5.260.853 surplus in 2022. The Annual General Meeting held on the 25th of April 2024 at the NIRA offices in Luxemburg, agreed to the proposal of the Board of Directors to allocate the total surplus of € 6.698.913 to the equalization reserve and to allocate to the guarantee fund € 0.

As of 31st December 2023, the subscribed capital amounts to € 3.600.000 and the additional contributions of € 25.203.332 together constitute a fund of € 28.803.332 compared with € 35.407.675 the previous year. This decrease can be attributed to the refund of 4 leaving Members who came to the end of the 5 year waiting period at 31/12/2022 for a total amount of € 6.604.343. The Mutual Association has further acknowledged the resignation of 1 Member and therefore the amount of € 3.411.020 will no longer be at risk as of 01/01/2024. The guarantee fund together with the equalization provision now available to the Members to be used as reinsurance capacity, will be € 91.592.292 versus € 88.304.398 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 2023 Management continued this successful policy resulting in satisfactory financial outcome and more non-voting members. NIRA welcomes not only more business, but the business originates increasingly from other continents as well.

While Covid 19 tends to gradually disappear, we still are faced with other challenges : the continuation of the Russian-Ukrainian war, the Israel-Hamas war of 2023, the macroeconomic context with gradually controlled inflation and higher interest rates and finally the transformational impact of climate action. NIRA had no additional losses recorded in 2023 on Russian, Ukraine or Belarus contracts and no impact on the armed conflict between Israel and Palestinian militant groups led by Hamas.

The outlook for the year 2024 was discussed during our Members Meeting in Brussels on 20th October 2023. At that time, we forecasted gross premiums € 11.764.700 for 2024 versus € 10.504.600 in 2023 and earnings before distribution to reserve for equalization and catastrophes i.e., € 4.479.281 in 2024 versus € 4.100.800 in 2023. These higher forecasted earnings can be explained by higher premium income following more insurance contracts for non-nuclear (conventional) risks.

This being my ninth 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, 21/5, 24/02 and 24/03.

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 twelve Board Members, six of them are representing the nuclear Members, three members are independent and three 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 at least 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 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, 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 25th April 2024

Dear Member,

We are pleased to present for your approval the financial statements of Nuclear Industry Reinsurance Association, shortened NIRA (“the Company”) for its sixteenth year of operations, which started 1st January 2023 and ended on 31st December 2023.

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 2023 the overall combined re-insurance capacity Material Damage and Third-party liability has decreased to € 82.000.000 in 2023 versus € 89.000.000 previous year’s capacity. The decrease in capacity was mainly due to the refund to be made to Leaving Members from the Guarantee Fund.

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, 2023 with the same € 8.000.000 capacity and the quota share placement of € 5.000.000 was in place again identically to previous year. 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 € 27.350.000 in 2023 compared to € 20.176.476 in 2022.

The Third-Party Liability treaty retention was decreased from € 50.000.000 in 2022 to € 45.000.000 in 2023.

The maximum gross retention for one single Member in 2023 was US\$ 100.000.000 of which US\$ 79.000.000 were retroceded. In 2022 there was a gross retention of US\$ 71.500.000 of which US\$ 37.500.000 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 € 12.973.444 in 2023 from € 12.450.287 in 2022 mainly due to more conventional energy risk policies written.

The earned reinsurance costs for all contracts increased to € 3.051.738 in 2023 from € 1.459.835 in 2022 and is the result of buying more reinsurance to limit NIRA's own retention on various contracts.

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 € 2.205.910 versus a cost of € 3.839.231 in 2022. This loss is composed out of € 496.172 actual payments on different prior year claim files and an increase in claim reserves net of reinsurance of € 1.709.738.

The total claims movements gross of reinsurance of € 1.648.209 includes an increase for the allocation to the IBNR reserve on TPL risks of € 2.591.252, A decrease of the ANI ICRP fund of € 173.068 and a release of € 769.974 on variations of 17 actual claims of which 8 relate to the EMANI treaty. That total variation includes € 79.148 related to 4 new losses occurred in 2023 of which 1 related to non-EMANI business.

The total outstanding claims reserve at year end amounts to € 19.378.224 versus € 17.730.015 in 2022 and includes the ANI ICRP “reserve fund” for the amount of € 2.940.258 for this year and € 3.113.326 for 2022. 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 € 2.591.252 was allocated to the IBNR, including for the first time a relative claim ,versus € 3.039.355 in 2022 which brings the total IBNR provision to € 15.291.611 and this compares to previous year’s IBNR provision of € 12.700.359. This leaves the amount for the actual claims outstanding at 31/12/2023 to € 1.146.355 for 12 different claim files.

General expenses

The net operating expenses decreased from € 2.477.118 in 2022 to € 2.130.898 in 2023 and include acquisition costs on the reinsurance treaties amounting to € 806.775 for 2022 and € 648.743 in 2023. This results that the administrative expenses decreased from € 1.670.342 in 2022 to € 1.482.155 in 2023 and are the result of lower HR costs.

Investments

The total book value of the investments amount to € 112.204.128 and compares with € 110.694.858 previous year and includes only the investments and cash at banks.

The deposit held with ANI amounting to € 2.945.265 for 2023 and € 3.118.612 for 2022 is not included in this chapter on investments. The amount has decreased mainly due to the exchange rate of the USD. Nor does this amount include the Other Investment in an under creation new Mutual in Belgium for € 710.000.

The market value of the investments and cash at banks is € 119.842.053 and compares to € 111.588.077 in 2022. All these investments are recorded at their purchase value and the unrealized gains of € 7.637.925 (2022: € 893.219) are not recorded in the income statement for the year. The weighted actual return on investments for 2023 is 7,03%. (in 2022 it was -7,96%) and is composed out of 2,90% on the equity portion, 4,10% on the fixed income portion and 0,03% out of the Money market and cash portion.

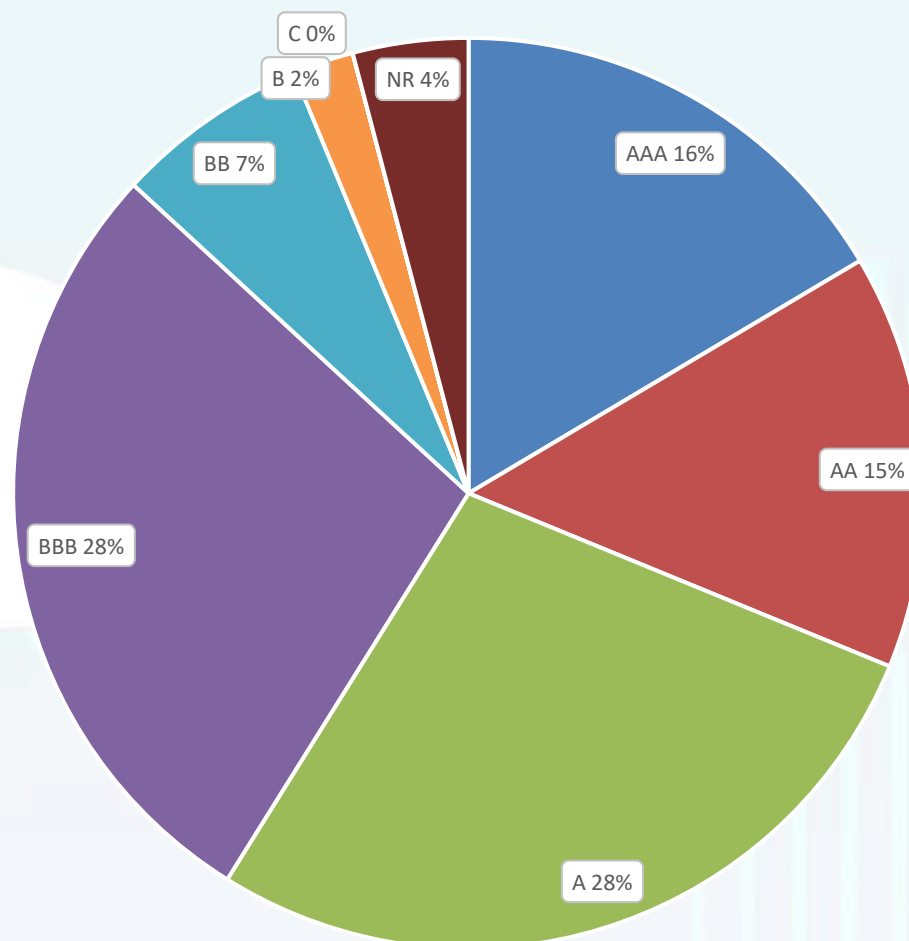
The investment strategy at year end is 6% liquidities, 72,5% long term investments and 21,5% equity resulting in a net financial income of € 1.179.757 compared to 16% liquidities and 66% long term investments and 18% equity previous year with a net income of € 823.247. The financial income in the financial 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 2023 :

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

NIRA Credit quality of total portfolio 31/12/2023



Country Allocation and Duration as at 31 December 2023.

The duration of the total investment portfolio including equity & cash is 4,57years.

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

AT 0,23% • AU 2,74% • BE 8,09% • CH 0,51% • DE 8,35% • DK 0,18% • ES 3,18% • EU 0,82% • FI 0,11% • FR 12,16% • GB 4,09% • IE 2,26% • IT 3,02% • LU 5,13% • NL 5,18% • NO 3,27% • Europe others 1,96% • US 28,56% • BM 0,07% • CA 1,10% • MX 1,23% • Latin America others 3,26% • CN 2,08% • JP 0,23% • Asia others 1,42% • AE 0,11% • Africa/Middle East others 0,53% • Others 0,11%

Result

The 6.698.913 € surplus before allocation and after taxes for 2023 compares with € 5.260.853 surplus in 2022.

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 € 5.519.156 and a part of the Financial surplus because as at December 31,2023 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 162.349.556 € 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 66.199.980 € or 40,80% of the target amount.

With respect to the financial result of the company for the year ended December 31, 2023 the allocation to the equalisation provision cannot exceed the balance corresponding the technical rate of 3% mentioned in the Circular Letter CAA dated 19/12/2023 and applicable as from December 31st ,2023, multiplied by the technical provisions of the Company as at December 31,2022 or € 2.475.673. As the actual financial income for the year 2023 is only € 1.179.757 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 € 6.698.913.

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, 2023 the subscribed capital amounts to € 3.600.000 and the additional contributions of € 25.203.332 constitute together a fund of € 28.803.332 compared to € 35.407.675 previous year. This decrease can be attributed to the refund of 4 leaving Members who came to the end of the 5 year waiting period at 31/12/2022 for a total amount of € 6.604.343.

In the follow-up procedure of the resignation of 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. The current part in the undivided fund of the last outstanding Member at 31/12/2023 is € 3.411.020 and therefore finally arrive at the end of the 5-year waiting period for all the resignation Members and therefore the last amount of € 3.411.020 will no longer be at risk as of 1/1/2024.

The guarantee fund together with the equalization provision now available to the Members to be used as reinsurance capacity in 2024 will be € 91.592.292 versus € 88.304.398 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.

NIRA has to disclose the new transaction related to investments in affiliated undertakings and participating interests which relates to the formation of the association CYPRO, Located in Belgium, in the form of a loan of € 710.000 as defined in Article 56 of the Luxembourg Income Tax Law.

Subsequent event (development)

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 NIRA.

The Board of Directors will continue to closely monitor the geopolitical potential impact 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 2023 and should continue a positive development in 2024.

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 "Red cross", 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 Managers is eligible to be classified SFDR article 6 however already 10 investment funds, with a market value of € 54.430.021 are labelled SFDR article 8.

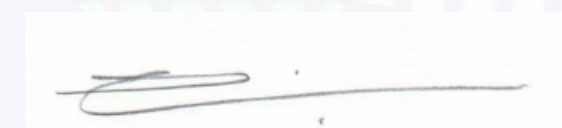
In relation to the new CRSD Regulation our Asset Managers have started with an ESG Risk score Reporting. The ESG Risk score measures a company's exposure to the sustainability risk relevant to its sector and the extent to which a company has those risks under control. One Asset Manager uses the Morningstar Sustainability Rating methodology with an output of the rating category 1 to 5 globes whereby a higher number of globes indicates that the portfolio has lower ESG Risk. NIRA's portfolio scores a 3,75 on the scale of 5. The second Asset Manager has provided his portfolio's Overall ESG score of 6,83 calculated with the MSCI ESG Rating model with a scale from 1 to 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 NIRA's halve investment portfolio is 130. (our second asset manager has this info not yet available). Thus, for every million US dollar of revenue, 130 tons of emissions are funded. It is an aggregate data, on AUM (asset under management) - weighted carbon intensity of each holding in the portfolio.

Recommendations

We propose that you:

- Approve the annual accounts as at December 31st, 2023 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.
- Approval of the refund of the share in the undivided guarantee fund to 1 outgoing Member



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, 2023, and the profit and loss account for the year then ended, 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, 2023, 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 July 23, 2016 on the audit profession (Law of July 23, 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 N° 537/2014, the Law of July 23, 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.

Responsibilities of the Réviseur d'Entreprises Agréé for the Audit of the annual accounts

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 July 23, 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 27, 2023, and the duration of our uninterrupted engagement, including previous renewals and reappointments, is 15 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*

A handwritten signature in black ink, appearing to be 'LB', written over a horizontal line.

Ludovic Bardon, *Réviseur d'Entreprises Agréé*
Partner

Ludovic Bardon, Réviseur d'entreprises agréé
Partner

Luxembourg, April 11th, 2024

NUCLEAR INDUSTRY REINSURANCE ASSOCIATION

Association d'Assurance Mutuelle

BALANCE SHEET

As at December 31, 2023

(expressed in EUR)

ASSETS	Note(s)	2023	2022
Intangible assets		89.877,98	113.759,59
Investments	4		
Investments in affiliated undertakings and participating interests			
Debt securities issued by, and loans to, undertakings with which an insurance undertaking is linked by virtue of a participating interest		710.000,00	0,00
Other financial investments			
Shares and other variable-yield transferable securities and units in unit trusts		104.701.800,61	95.184.023,85
Debt securities and other fixed income transferable securities		0,00	0,00
Deposits with credit institutions		997.661,00	5.000.000,16
		106.409.461,61	100.184.024,01
Deposits with ceding undertakings	4	2.945.264,99	3.118.612,47
Reinsurers' share of the technical provision			
Provision for unearned premiums		1.036.393,43	637.916,64
Claims Outstanding		31.940,37	93.469,08
		1.068.333,80	731.385,72
Debtors			
Debtors arising out of reinsurance operations		3.671.458,17	4.745.948,72
Other debtors		37.004,00	27.199,00
		3.708.462,17	4.773.147,72
Other assets			
Tangible assets and stocks		115.000,52	112.307,27
Cash at bank and in hand		6.504.665,97	10.510.833,78
		6.619.666,49	10.623.141,05
Prepayments and accrued income			
Accrued interest and rent		56.262,54	41.247,22
Deferred acquisition costs		177.914,22	251.557,99
Other prepayments and accrued income		59.259,57	11.414,72
		293.436,33	304.219,93
TOTAL ASSETS		121.134.503,37	119.848.290,49

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, 2023

(expressed in EUR)

- continued -

LIABILITIES	Note(s)	2023	2022
Capital and reserves	5		
Subscribed capital		3.600.000,00	3.600.000,00
Equivalent funds		25.203.331,85	31.807.674,88
Profit for the financial year		0,00	0,00
		<u>28.803.331,85</u>	<u>35.407.674,88</u>
Technical provisions			
Provision for unearned premiums		4.254.855,43	5.291.345,26
Claims outstanding	6	19.378.224,10	17.730.014,85
Equalisation provision		66.199.980,00	59.501.066,97
		<u>89.833.059,53</u>	<u>82.522.427,08</u>
Creditors	7		
Creditors arising out of reinsurance operations		2.038.724,63	1.267.751,06
Other creditors, including tax and social security		438.517,89	592.649,89
		<u>2.477.242,52</u>	<u>1.860.400,95</u>
Accruals and deferred income		20.869,47	57.787,58
TOTAL LIABILITIES		121.134.503,37	119.848.290,49

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, 2023

(expressed in EUR)

	Note(s)	2023	2022
TECHNICAL ACCOUNT NON-LIFE INSURANCE BUSINESS			
Earned premiums			
Gross premiums written	8	11.936.953,83	12.000.120,38
Outward reinsurance premiums		(3.450.214,96)	(1.190.366,05)
Change in the gross provision for unearned premiums		1.036.489,83	450.167,23
Change in the provision for unearned premiums, reinsurers' share		398.476,79	(269.468,93)
		9.921.705,49	10.990.452,63
Allocated investment return transferred from the non-technical account	13	1.179.756,58	823.246,76
Other technical products, net of reinsurance		3.066,69	0,00
Other technical charges, net of reinsurance		0,00	(110.599,10)
Claims incurred, net of reinsurance			
Claims paid:			
Gross amount		(496.388,67)	(4.630.279,22)
Reinsurer's share		216,99	1.516,57
Change in the provision for claims:			
Gross amount		(1.648.209,25)	784.085,16
Reinsurer's share		(61.528,71)	5.446,72
		(2.205.909,64)	(3.839.230,77)
Net operating expenses			
Acquisition costs		(804.429,03)	(815.419,91)
Change in deferred acquisition costs		(73.643,77)	(35.570,63)
Administrative expenses		(1.482.154,82)	(1.670.342,30)
Reinsurance commissions and profit participation		229.329,32	44.215,00
		(2.130.898,30)	(2.477.117,84)
Change in the equalisation provision		(6.698.913,03)	(5.260.853,27)
Balance on the technical account for non-life insurance business		68.807,78	125.898,41

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, 2023

(expressed in EUR)

- continued -

	Note(s)	2023	2022
NON-TECHNICAL ACCOUNT			
Balance on the technical account for non-life insurance business		68.807,78	125.898,41
Investment income		2.575.660,21	2.299.632,78
Income from other investments		815.347,97	1.080.804,13
Gains on the realisation of investments		1.760.312,24	1.218.828,65
Investment charges		(1.395.903,63)	(1.476.386,02)
Investment management charges, including interest		(912.120,79)	(581.019,58)
Losses on the realisation of investments		(483.782,84)	(895.366,44)
Allocated investment return transferred to the technical account	13	(1.179.756,58)	(823.246,76)
Tax on profit on ordinary activities		(40.321,61)	(41.830,69)
Profit on ordinary activities after tax		28.486,18	84.067,72
Other taxes not shown under the preceding items	9	(28.486,18)	(84.067,72)
Profit or loss for the financial year		<u>0,00</u>	<u>0,00</u>

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

NUCLEAR INDUSTRY REINSURANCE ASSOCIATION,
Association d'Assurance Mutuelle
NOTES TO THE ACCOUNTS
As at December 31, 2023

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, 2023
- 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.

NUCLEAR INDUSTRY REINSURANCE ASSOCIATION,
Association d'Assurance Mutuelle
NOTES TO THE ACCOUNTS
As at December 31, 2023
- continued -

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, 2023
- 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, 2023

- 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.

At the end of the conservation period and in absence of a relative claim, the IBNR reserves are released. In the case of a relative claim touching the IBNR, the reserve constituted the year the incident occurred will be used to cover such claim. In the event the amount of the relevant year would not be sufficient, the oldest IBNR reserves would be used first.

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, 2023
- 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, 2023</u>	<u>December 31, 2022</u>
Debt securities issued by, and loans to, undertakings with which an insurance undertaking is linked by virtue of a participating interest	710.000,00	-
Shares and other variable-yield transferable securities and units in unit trusts	112.339.725,60	96.077.242,82
Deposits with credit institutions	997.661,00	5.000.000,16
Deposits with ceding undertakings	2.945.264,99	3.118.612,47
	<u>116.992.651,59</u>	<u>104.195.855,45</u>

On the 18th of December 2023 NIRA entered into a solidarity agreement along with four other members for the creation of the mutual CYPRO. NIRA contributed with a loan of EUR 710.000,00.

As at December 31, 2023, 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.

NUCLEAR INDUSTRY REINSURANCE ASSOCIATION,
Association d'Assurance Mutuelle
NOTES TO THE ACCOUNTS

As at December 31, 2023

- continued -

As at December 31, 2023, 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 2.945.264,99 (2022: EUR 3.118.612,47).

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 25.203.331,85 (2022: EUR 31.807.674,88) 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, 2023, equivalent funds include a decrease of EUR 6.604.343,03 following four leaving members.

NUCLEAR INDUSTRY REINSURANCE ASSOCIATION,
Association d'Assurance Mutuelle
NOTES TO THE ACCOUNTS

As at December 31, 2023

- continued -

As at December 31, 2023, the subscribed capital and the equivalent funds can be split between the members as follows:

	Allocation as at December 31, 2023 EUR	Allocation as at December 31, 2022 EUR
AEP (American Electric Power)	10.129	10.129
AXPO Power AG	2.783.244	2.783.244
Axpo Solutions AG (formerly Axpo Trading & EGL AG)	91.780	91.780
B.K.W. Energy Ltd.	-	1.374.773
Belgoprocess NV	27.359	27.359
EDF Energy Nuclear Generation Ltd (formerly British Energy Ltd)	21.037	21.037
Bruce Power LP	29.191	29.191
BWX Technologies	10.129	10.129
Centrales Nucléaires en Participation S.A. (c/o Alpiq Suisse S.A)	383.863	383.863
CEZ	101.696	101.696
Comanche Peak Power Company LLC.	26.276	26.276
CGN	134.624	134.624
Dominion energy South Carolina (formerly SCE&G)	26.360	26.360
EDF	138.679	138.679
Electrabel	63.504	63.504
Eletronuclear	10.129	10.129
Elektricitets-Produktiemaatschappij Zuid-Nederland (EPZ) N.V	773.686	773.686
EnbW Kernkraft GmbH (formerly GWK Neckar GmbH)	-	810.589
EnBW Energy Baden Württemberg AG	-	1.051.540
Eskom Holding Ltd	370.209	370.209
ENEC	50.647	50.647
ENEL	10.129	10.129
Energy Solutions	10.129	10.129
Evergy Inc.	10.129	10.129
Framatome	616.868	616.868
Forsmarks Kraftgrupp AB	969.376	969.376
Fortum Power & Heat Oy	93.705	93.705

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	Allocation as at December 31, 2023 EUR	Allocation as at December 31, 2022 EUR
G.K.N. BV	972.824	972.824
GNS (Gesellschaft für Nuklear-Service) mBH	24.368	24.368
Kernkraftwerk Leibstadt A.G. (KKL)	1.828.199	1.828.199
Kernkraftwk Gösgen Däniken A.G.	2.115.610	2.115.610
KHNP	50.647	50.647
O.K.G. Aktiebolag	2.774.643	2.774.643
Ontario Power Generation (OPG)	38.051	38.051
ORANO SA (formerly Orano cycle, AREVA NC & Cogema S.A & Socatri S.à r.l.)	3.942.660	3.942.660
Paks Nuclear Power Plant Ltd	387.732	387.732
New Brunswick Power Nuclear Corporation	15.206	15.206
NSP (Nothern State Power Company)	10.129	10.129
Preussen Elektra GmbH (formerly E.ON Kernkraft GmbH)	3.411.020	3.411.020
R.W.E. Power AG	-	3.367.440
Ringhals AB	1.376.747	1.376.747
SCK-CEN	24.047	24.047
SKB	11.594	11.594
Slovenske Elektrarne AS	147.990	147.990
SNN	10.129	10.129
Southern Company	10.000	10.000
STP (South Texas Project)	10.129	10.129
Studsvik AB	15.398	15.398
SVAFO AB	5.827	5.827
Sydskraft Nuclear Power AB	1.736.397	1.736.397
Teollosuuden Voima Oyj	2.403.272	2.403.272
Union Electric Company-Ameren Missouri	19.960	19.960
URENCO Ltd	70.143	70.143
Vattenfall Europe Nuclear Energy GmbH	607.613	607.613
Zwischenlager Wurenlingen AG (Zwilag)	20.116	20.116
	28.803.332	35.407.675

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As at December 31, 2023
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NOTE 6 – CLAIMS OUTSTANDING

Claims outstanding include a provision of EUR 15.291.611,06 for claims incurred but not reported in virtue of the IBNR reserving policy applicable as at December 31, 2023 (2022: EUR 12.700.359,17) 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 2023, the Company employed seven part time staff members and two full time staff members which represent 4,70 full time equivalent (2022: seven part time staff members and two full time staff members which represent 4,27 full time equivalent).

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

	2023	2022
	EUR	EUR
Wages and salaries	566.211,01	841.212,95
Social security costs	85.128,54	81.163,96
Pension scheme	57.183,37	102.707,98
Others	1.497,54	1.184,18
Total	710.002,46	1.026.269,07

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 63.473,74 (2022: EUR 45.191,24). The Company has no commitments in respect of retirement pensions for former members of those bodies as at December 31, 2023 (2022: EUR nil).

For the year ended December 31, 2023, the Company did not grant advances or credits to the members of its supervisory bodies (2022: 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:

	2023 EUR	2022 EUR
Annual audit fees (VAT excl.)	<u>20.708,00</u>	<u>19.474,00</u>
	<u>20.708,00</u>	<u>19.474,00</u>

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

For the year ended December 31, 2023, audit fees are related to the audit of annual accounts and the issue of the auditor's supplementary report in accordance with Circular Letter 24/3 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, 2023, an amount of EUR 997.661,00 (2022: EUR 997.915,90) on a cash deposit on a 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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As at December 31, 2023, reinsurance balances in relation to these reinsurance contracts are as follows :

- Debtors arising out of reinsurance operations in relation to these entities amount to EUR 113.205,89 (2022: EUR 115.089,00). A corresponding value adjustment is recognised in the annual accounts 2023.
- Creditors arising out of reinsurance operations in relation to these entities amount to EUR 639.450,94 (2022: EUR 640.173,00) (foreign exchange rate reevaluations). 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 643.825,27. 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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