



ELINI
annual report
2021



abstract composition n° 5

R. Piccart 2022

**Annual Report 2021
of the Board of Directors and
of the Statutory Auditor
presented at
the Annual General Meeting
on 28th April 2022**

Insurance company authorised by decision of the Management
Committee NBB (formerly CBFA) on the 6th November 2003.
to underwrite "Liability" (branch 13)
(Moniteur Belge 04.12.2003 - Code 2275)

Registered Office:
Av. Jules Bordet, 166 - B 3
B 1140 Brussels
Belgium

Tel. +32 (0)2 702 90 10

Financial Highlights

In euro

Statement of Earnings

| | 2021 | 2020 | 2019 | 2018 | 2017 |
|--|------------|------------|------------|------------|------------|
| Net premium earned | 9.172.944 | 8.136.248 | 7.956.582 | 6.466.303 | 6.476.981 |
| Claims | 1.950 | 0 | 341.626 | 3.228 | 82.562 |
| Expenses | -2.844.763 | -2.653.145 | -2.382.027 | -2.033.276 | -1.732.726 |
| Other income | 146.437 | 126.494 | 160.389 | 329.461 | 268.093 |
| Net investment result | 6.633.048 | 212.766 | 4.426.301 | 396.408 | -110.001 |
| Earnings before distribution to reserve for equalisation and catastrophes | 13.109.616 | 5.822.363 | 10.502.870 | 5.162.124 | 4.984.909 |
| Variation in the reserve for equalisation and catastrophes, net of reinsurance | -8.927.179 | -5.824.210 | -7.647.837 | -4.975.096 | -5.169.436 |
| Taxes | -1.794 | -1.363 | -908 | -29 | -18 |
| Earnings after distribution to reserve for equalisation and catastrophes | 4.180.643 | -3.209 | 2.854.124 | 186.999 | -184.546 |

Balance Sheet

| | | | | | |
|--|-------------|-------------|-------------|-------------|-------------|
| Assets | 139.966.733 | 126.234.200 | 120.065.386 | 108.528.593 | 102.277.362 |
| Liabilities | -1.626.004 | -1.144.294 | -1.023.629 | -1.221.998 | -1.121.362 |
| Guarantee fund <i>(including reserve for equalisation and catastrophes)</i> | 138.340.729 | 125.089.906 | 119.041.757 | 107.306.594 | 101.155.999 |

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Members

Belgium

Belgoprocess NV
Electrabel s.a.
European Atomic Energy Community (Euratom)
FBFC International
Institute for Radioelements (IRE) (*)
SCK•CEN
Transnubel (*)
Transrad (*)

Brazil

Eletronuclear (*)

Canada

Bruce Power Inc.
New Brunswick Power Corporation (*)
Ontario Power Generation (OPG)

Czech Republic

ČEZ a.s.

Finland

Fortum Power & Heat Oy
Teollisuuden Voima Oyj (TVO)

France

EDF
Framatome
ORANO

Germany

RWE Power AG (*)

Great Britain

EDF Energy Nuclear Generation Limited
Nuclear Decommissioning Authority (NDA) (*)
Urenco Ltd (*)

Hungary

MVM Paks Nuclear Power Plant Ltd (*)
RHK Puram

Italy

Enel SpA
Sogin S.p.A. (*)

Romania

Societatea Nationala Nuclearelectrica SA (SNN)

Slovak Republic

Slovenské Elektrárne a.s.

South Africa

Eskom Holdings Soc Ltd.

Spain

Endesa (*)

Sweden

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

Switzerland

Axpo Power AG
BKW Energie AG (*)
Kernkraftwerk Gösgen-Däniken AG
Kernkraftwerk Leibstadt AG
Zwischenlager Würenlingen AG (ZWILAG)

The Netherlands

Elektriciteits-Produktie maatschappij Zuid-Nederland NV (EPZ) (*)

(*) non insured member

Board of Directors *

| ELINI | | | | External mandates | | | | | |
|---------------------------|--------------|-----------------------------------|------------|--|--|---|----------------------------|---|--|
| Name | Surname | Function | Start date | Company | Registered office | Industry | Stock market listed | Mandate | Start date |
| Bengt Anders Börje | Svensson | Board Member, Chairman | 29/04/2003 | Sydskraft Försäkring AB ERGON INSURANCE LTD | Hans Michelsensgatan 2, 21120 MALMO, SE Mayfaire Complex, STJ02 ST GEORGES BAY, MT | Other Insurance | No No | Senior advisor Director | 01/06/2017 01/06/2005 |
| Christian | Legrain | Board Member, Vice-Chairman | 04/12/2002 | Collège du Biéreau ASBL | Rue du Collège 2, 1348 Louvain-La-Neuve, BE | Other | No | Board member, President | 01/01/2000 |
| Lukáš | Maršálek | Board Member, Vice-Chairman | 19/03/2020 | Slovenské elektrárne, a.s. Energotel, a.s. | Mlynské nivy 47, 821 09 Bratislava 2, SK Miletičova 7, 821 08 Bratislava, SK | electricity production telecommunications operator | No No | Board member, Deputy CFO Member of Supervisory Board | 01/08/2016 01/01/2019 |
| Marc Gilbert J | Beyens | Board Member | 28/04/2016 | Belgian Nuclear Forum Brussels Nuclear Law Association Transnubel Transparency International Belgium Fondation Reine Paola - Stichting Koninging Paola | Avenue des Arts 56, 1000 Brussels, BE Avenue Jules Bordet 166/4, 1140 Evere, BE Simon Bolivarlaan 34, 1000 Brussels, BE Rue de l'Industrie 10, 1000 Brussels, BE Av. A.J. Slegers 356, 1200 Brussels, BE | Energy (nuclear) Energy (nuclear) Energy (nuclear) Law Social | No No No No No | Board member Board member, President Board member Board member Board member - General secretary | 01/01/2006 20/07/2005 06/12/2018 02/03/2021 01/10/2022 |
| Roberto | Muscogiuri | Board Member | 28/04/2016 | | | | | | |
| Jiri | Ortman | Board Member | 23/09/2019 | ČEZ, a. s. | Duhová 2/1444, Praha 4, 140 53, CZ | Energy | Yes | Risk & Insurance Manager | 01/09/2005 |
| Ruth Anne Kristina | Sandberg | Board Member | 25/04/2019 | Vattenfall AB | Evenemangsgatan 13, 169 92, SE | Production & Distribution of Energy and Heat | No | Insurance Manager | 14/01/2019 |
| Alvin Joseph | Shuttleworth | Board Member | 29/04/2010 | | | | | | |
| Jarkko Kalevi | Toroska | Board Member | 28/04/2016 | Steveco Oy | Kirkkokatu 1, 48100 Kotka, FI | Stevedoring and cargo related services | No | Board member | 04/2019 |
| Stéphane Jean Daniel Yvon | | Board Member | 22/09/2020 | Wagram Insurance Company DAC Oceane Re SA AMRAE | 9 Clanwilliam Terrace, Dublin 2, D02 H266, IE 25B Boulevard Royal, Luxembourg City, 2449, LU 80 Bd Haussmann, 75008 Paris, FR | Insurance (Re)insurance Professional Association | No No No | Director & Head of Internal Audit Director Director | 20/07/2011 20/07/2011 05/2014 |
| Jo | Machtelinx | Board Member, Executive Committee | 15/11/2017 | BlueRe | 4 Däichwee, 6850 Manternach, LU | (Re)insurance | No | Financial Manager | 11/06/2015 |
| Jean-Denis Marie | Treillard | Board Member, Executive Committee | 01/01/2020 | BlueRe GEIE CHS | 4 Däichwee, 6850 Manternach, LU Tour W, Secteur Arche Sud, 102 Quartier Boieldieu, 92800 Puteaux, France | (Re)insurance Insurance | No No | Board member Board member | 26/04/2018 24/06/2021 |

* Status at the time of the Annual General Meeting (28/04/2022)

Advisory Committees *

Insurance Advisory Committee

B. Svensson *Chairman*
M. Chagnon
A. De Bruycker
T. Erb
P. Haenecour
H. Hefti
V. Hronek
B.P. Jobse
B. Kockum
M. Laguna
I. Räisänen
J.D. Treillard

Legal Advisory Committee

A. Shuttleworth *Chairman*
L. Antal
M. Beyens
R. Danielsson
S. Elhaut
B.R. Hilbers
M. Laguna
J. Ortman
V. Rémy-blanc
A. Sandberg
M. Schoch
J.D. Treillard
G. Vandeputte

* Status at the time of the Annual General Meeting

Advisory Committees *

Finance and Investment Advisory Committee

| | |
|-----------------|-----------------|
| L. Maršálek | <i>Chairman</i> |
| J. Machtelinckx | |
| L. Piekkari | |
| R. Saurel | |
| J. Tasker | |
| M. Vercammen | |

Audit Committee

| | |
|---------------|-----------------|
| C. Legrain | <i>Chairman</i> |
| R. Muscogiuri | |
| J. Toroska | |

Risk Committee

| | |
|---------------|-----------------|
| J. Toroska | <i>Chairman</i> |
| R. Muscogiuri | |
| J. Ortman | |
| A. Sandberg | |

* Status at the time of the Annual General Meeting

Management *

Executive Committee

J.D. Treillard
J. Machtelinckx

Managing Director
Financial Manager

Auditors

Deloitte
Réviseurs d'Entreprises SRL
Gateway Building, Luchthaven Brussel Nationaal 1 J
B-1930 Zaventem
Represented by
Mr. Y. Dehogne

Internal Auditor

BDO – Represented by Christophe Quiévreux

Actuarial function

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

* Status at the time of the Annual General Meeting

Letter from the Chairman

Dear members,

It is an honour to present ELINI's 2021 Annual Report, which will be my last one as Chairman.

As a foreword, I would like to emphasize the ability shown by the Management and the Staff of ELINI, and would like to thank them for their ongoing commitment, to continue performing their work on a daily basis, despite the COVID situation which ultimately had no major impacts.

In this context, we can salute the continuous growth in the capacity ELINI can offer to its Members, and the positions of leader that ELINI is gaining more and more. The Business has been increasing in 2021 and this year has also been a preparation year for the main deadline to come for the Paris and Brussels signatory countries, that is the entry into force of the Revised Paris Convention on the 01/01/2022. In this regard, 2021 has been a year during which ELINI has been working together with its members and the respective governments, in order to be ready to deliver the coverages ELINI has been created to deliver, with conditions the members of ELINI have been taking the benefit of. This also consolidated the relationships between ELINI and the different governments, but also with the international associations and entities, where ELINI have active participations in.

In this regard, the ability of ELINI to handle potential claims has been a real advantage. A common structure, a European Economic Interest Grouping has been officially created together with the French Atomic Pool ASSURATOME, in order to share the Claims Handling System, which is the IT Tool that would be used to manage a nuclear accident. The potential use of the CHS has also been enlarged to all the insured members of ELINI, for the share ELINI has in their Nuclear Third Party Liability programmes. The Claims Handling System itself has also been enlarged to include more languages, that encompasses the languages of the insured members of ELINI, as well as the neighbouring countries, to support potential transboundary claims.

COVID has been ruling our lives for the last 2 years, and we finally were happy to be able to meet physically again in Bordeaux in October 2021, since the conditions were improving. We hope this trend will continue over 2022 to come back to normality.

In a context becoming more and more demanding in terms of Governance, ELINI has had an inspection of the National Bank of Belgium on this specific matter, which outcome was positive, showing again that the Management and staff, as well as the Board and the Members, are committed in making ELINI a strong and sound Mutual.

Then, I take this opportunity to thank the Management and the Staff of ELINI, and to express the pleasure it has been to act as Chairman of ELINI for more than 7 years. It is time for another Chairman to take the floor and I wish Lukas MARSALEK all the best in this new position. No doubt that he will be having exciting moments, with the Revised Paris Convention entry into force on the 1st of January 2022, which will create such growth opportunity for ELINI for now and for the future.

Yours sincerely,



Bengt Svensson
Chairman of the Board of Directors.

Description of Activities

ELINI is a Belgian mutual insurance association formed in December 2002 to provide insurance capacity for nuclear liability risks to its Members. The present Members of ELINI include nuclear facilities in Belgium, Brazil, Canada, Czech Republic, Finland, France, Germany, Great-Britain, Hungary, Italy, Romania, Slovak Republic, South Africa, Spain, Sweden, Switzerland and the Netherlands.

The capacity provided by ELINI is independent of that provided by the various nuclear Pools.

The main benefits to Members of ELINI include:

- o Additional insurance capacity in view of the Revised Paris and Brussels Supplementary Conventions;
- o Alternative insurance capacity for terrorism cover and 30 years prescription period;
- o Potential for contribution savings;
- o Information exchange and data center for nuclear insurance matters.

Underwriting & Claims Handling

ELINI's current portfolio is based on nuclear liability risks cover, in accordance with the decision of the Member, with the existing Pools and any other markets as coinsurer, reinsurer or leader with the exception in those countries where a 100 % policy is taken out by the Member.

The prices of the insurance coverages are in accordance with own rating tables so that Members of the Mutual will derive immediate benefit from reduced contributions.

Few years ago, ELINI has been working on a rating model, based on TPL surveys on-site. In 2011 the Board of Directors agreed to link the results obtained from these surveys to the contribution calculation. The strengths and weaknesses of a site are incorporated in the contribution calculation and represent an incentive for each Member to improve the site safety. This model is applied as of January 1st, 2012.

If there is a nuclear incident resulting in offsite release of radiation, ELINI will offer its services to, and in close collaboration with the local competent Authority and its Member, and act in accordance to the instructions given and the expectations formulated by them. It is ELINI's view that, in such a crisis situation, the entire insurance market should show solidarity.

As an insurer, ELINI will contribute to the cost in accordance with the provisions of the Member's insurance policy.

In order to be prepared for a potential nuclear incident, ELINI decided to develop a unique web based platform for claim handling allowing to register claims, manage claims and report in a detailed way to all parties involved and this both on a national and trans boundary basis. ELINI contracted with highly specialised companies for the set-up of dedicated call centers and dispatching of claim experts and loss adjusters. The individual approach of the Members allows ELINI to take into consideration their expectations. The implementation of the system is realised in close collaboration with the Members having decided to organise their post incidental management together with ELINI.

Article 25 of the Articles of Association provides for additional contributions from Members if required to meet claims.

Reinsurance

ELINI can purchase reinsurance cover to supplement capacity and to spread risk as the Board deems appropriate.

Management Structure

ELINI is a mutual association constituted in Brussels under Belgian law and authorised by decision of the Management Committee of the NBB (formerly CBFA) on the 6th November 2003.

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

The Board of Directors has created five specialized Committees who have an advisory task. The mission of these Committees is to analyse specific topics, to prepare matters for consideration and recommendation towards the Board.

The administration and day to day management of the Association is the responsibility of the Executive Committee.

Membership

Only companies or authorities in the private or public sectors which have an insurable interest relating to a nuclear installation or installations, directly or indirectly, or their representatives, can be Members of the Association.

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

A new Member must take out or have the intention to take out at a later stage at least one insurance policy with unreserved acceptance of the rights and obligations included in the Articles of Association.

There are three kind of Members:

- Non Insured Members who do not take part in the constitution of the guarantee fund but pay an administrative fee;
- Non Insured Members who take part in the constitution of the guarantee fund (Supportive Members);
- Insured Members who have an insurance policy and have contributed to the constitution of the guarantee fund.

Loss Prevention Services

The ELINI loss prevention division supports the underwriting team as well as the Members to identify potential loss exposures and to assess the adequacy of existing loss prevention measures.

Based on on-site and desktop evaluations, review of technical documentation and discussions with site managers and technical staff, detailed risk reports are made up. The surveyor will evaluate and compare the facility with good engineering practices, legal requirements, insurance standards and similar risks. Strengths and weaknesses of each site will be highlighted. Where required a comprehensive list of suggestions and recommendations will be drawn up with a view to improve safety and to prevent or mitigate losses.

An in-house developed grading system supports the underwriting process by contribution rate adjustment and can support the Members' loss prevention programs through contribution reduction.

Report of the Board of Directors to be presented to the Annual General Meeting of 28th April 2022

Dear Member,

We are pleased to present for your approval the financial statements of our Mutual for its nineteenth year of operations, which ended on 31st December 2021.

The financial statements include the figures from the ELINI Branch in Switzerland.

The Board of Directors of ELINI is responsible for the information contained in the financial statements and other sections of the annual report. The Board considers that the financial statements and related information have been prepared in accordance with generally accepted accounting principles appropriate in the circumstances. These financial statements include amounts that are based on the Board's judgment and best estimates.

ELINI 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.

We engaged Deloitte, 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. Their report is joint with the annual accounts.

Capacity

The maximum insurance capacity per policy, including the Treaty and Facultative contracts with NIRA and BlueRe, increased from € 193.200.000 in 2020 to € 196.966.242 in 2021. Our own retention increased from € 115.00.000 to € 120.000.000 in the same period.

Alternative capacity was ceded to other reinsurers amounting to a maximum of € 80.000.000 in 2021. As a result, the maximum gross capacity for one single Member amounted to € 264.830.835 in 2021.

Contributions

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

Gross earned contributions increased from € 11.741.733 in 2020 to € 13.475.781 in 2021. This growth can be attributed to the elevated gross insurance capacity and the fact that more Members use an elevated capacity from ELINI in their insurance program. On top, ELINI provided D&O insurance to those Members requiring such a cover and having spare on the maximum insured limit.

Net earned Reinsurance costs – excluding acquisition costs - also increased from € 3.605.484 to € 4.302.837 of which € 2.375.721 was attributed to BlueRe compared to € 2.139.662 in 2020. € 64.626 of this amount related to the Swiss Branch and was charged by BlueRe to the Branch. The maximum capacity bought by ELINI from BlueRe for one single risk increased from € 40.900.000 in 2020 to € 49.300.000 in 2021.

Claims

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

The total outstanding claims reserve at the end of the year slightly decreased from € 51.418,45 in 2020 to € 49.468,45 in 2021, after part of the provision for the 2011 incident was released following a court decision. The claims reserve as at 31 December 2021 therefore amounted to € 49.468, down from € 51.418 and still relates to same 3 notified incidents with occurrences in 2011, 2016 and 2017.

General expenses

General expenses increased from € 2.653.145 in 2020 to € 2.844.763 or an increase of +7%. The main drivers behind the increase of € 191.618 in administrative expenses are higher consultancy fees related to the UK Branch establishment, Brexit and legal advice, and the hiring of an extra staff member.

Smaller increases were observed over the various items in the profit and loss accounts and are mainly related to inflation linked price adjustments.

Travel and meeting costs remained in line with previous year's figure due to extended travel restrictions following the outbreak of Covid-19.

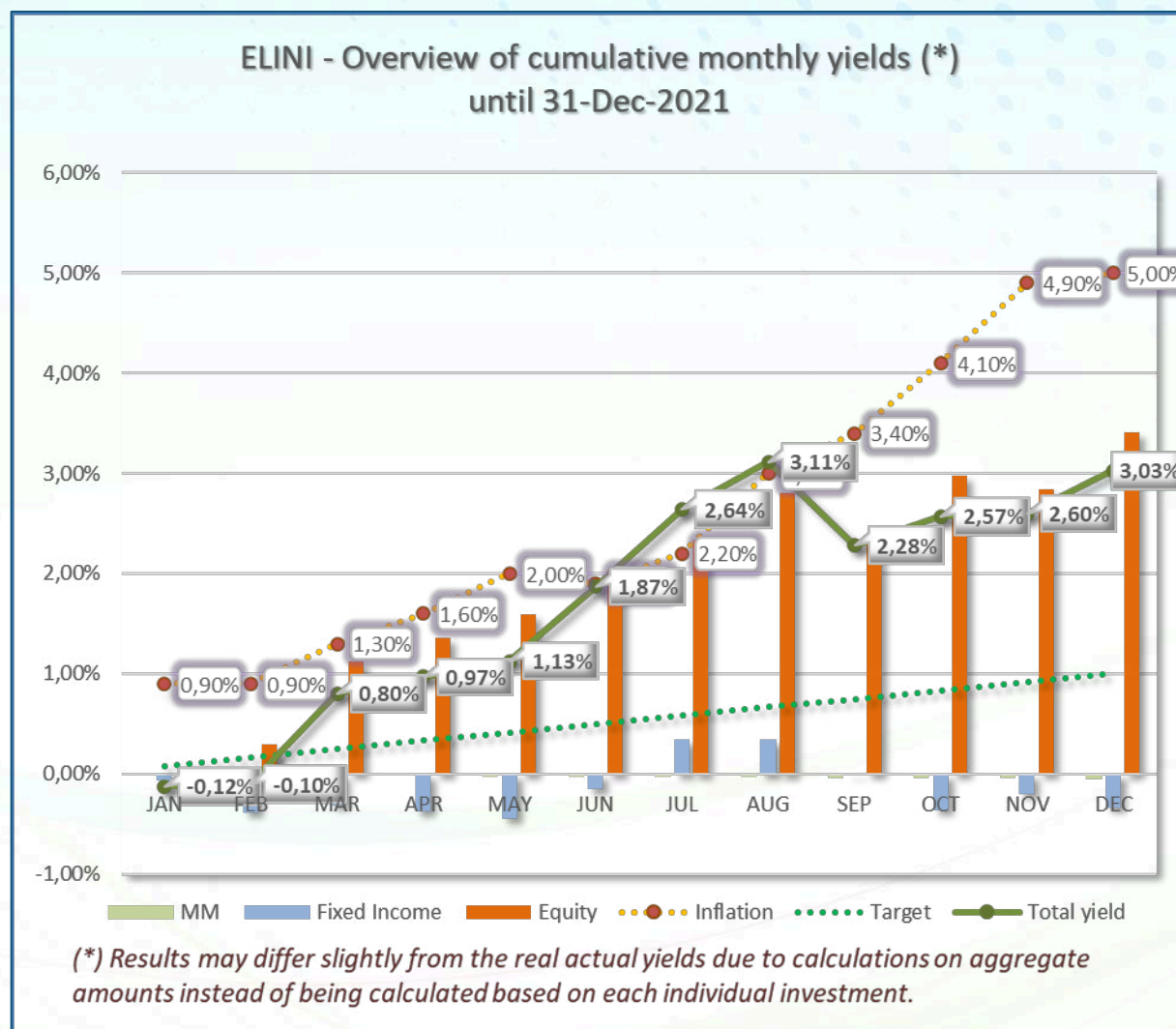
The increase in expenses is fully in line with the Budget or Forecast for 2021, as approved by the Board.

Investments

The total book value of the investments and liquidities increased from € 125.455.201 in 2020 to € 138.772.568 in 2021.

The investment strategy of maximum 15% in shares and the remaining assets in a mix of fixed income and money market products was shifted to a maximum of 20% in equity related investments during the first half of the year; and to maximum 25% in equity related investments, maximum 5% in real estate related investments and the remainder still in a mix of fixed income and money market products at the end of the year.

The investment yield on the portfolio was calculated at +3,04% for 2021, up from +2,45% in 2020, at least this time significantly below the target of Euro Area inflation that reached +5,00% in December 2021.



The accounting financial income amounted to € + 6.633.048 (compared to € +212.766 in 2020) after a reasonable part of latent profits have been realized during the financial year. Consequently a decrease in unrealized gains as at 31 December 2021 can be noted (€ 2.622.175 versus € 4.261.963 a year earlier). In accordance with the Belgian GAAP accounting standards, these unrealized results are not reported in the balance sheet, neither in the income statement.

It should also be noted that the options reported on the asset side (Other financial investments on the statutory balance sheet; derivatives on the Solvency II balance sheet) are a full hedge for a fiscal-friendly social liability that is also a derivative on the same underlying asset. A change in the market value is therefore undeniably accompanied by a simultaneous and equal change in the relevant liability item. These capital gains are therefore not regarded as enriching the assets of the Mutual, neither considered when calculating the yield on investments.

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

| Euro | Book value | Unrealized capital gains/losses | Market value |
|--------------------|--------------------|---------------------------------|--------------------|
| Fixed Income funds | 103.613.588 | -158.956 | 103.454.632 |
| Money market funds | 3.965.565 | -34.981 | 3.930.584 |
| Equity funds | 24.311.106 | 2.816.112 | 27.127.217 |
| Deposits | 100.226 | 0 | 100.226 |
| Cash | 6.721.083 | 0 | 6.721.083 |
| Options (*) | 61.000 | 21.960 | 82.960 |
| | <u>138.772.568</u> | <u>2.644.135</u> | <u>141.416.703</u> |

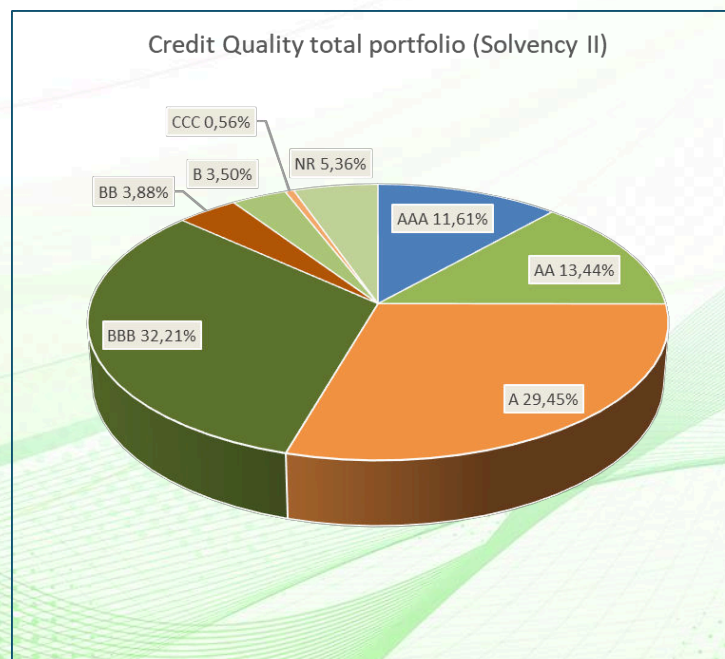
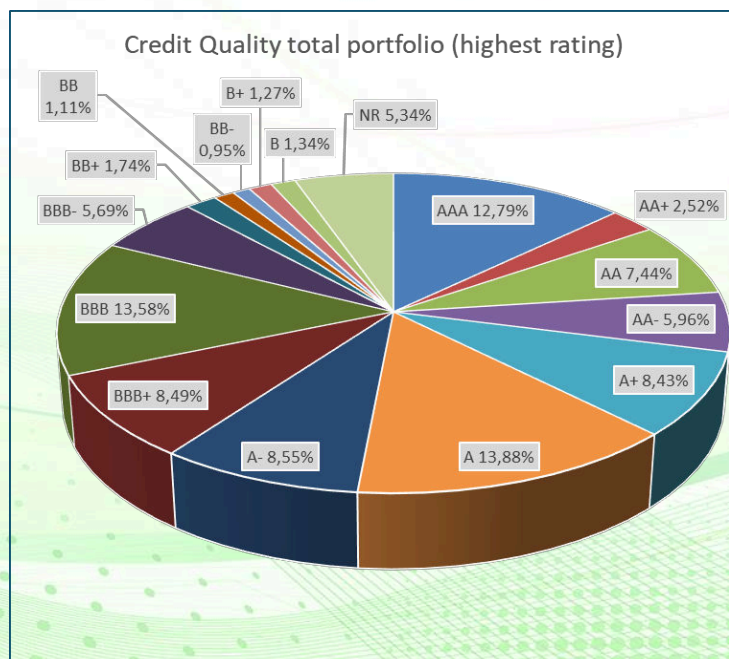
(*) 100% hedge for a social liability

Weighted average credit rating and duration of the portfolio as of 31 December 2021 :

The weighted average duration of all financial assets is 3,96 years, down from 4,12 years a year earlier.
The weighted average duration of the Fixed Income segment is 5,40 years.

The overall average credit rating of the portfolio (including equities and deposits) is A, based on the highest available issuer's credit rating.

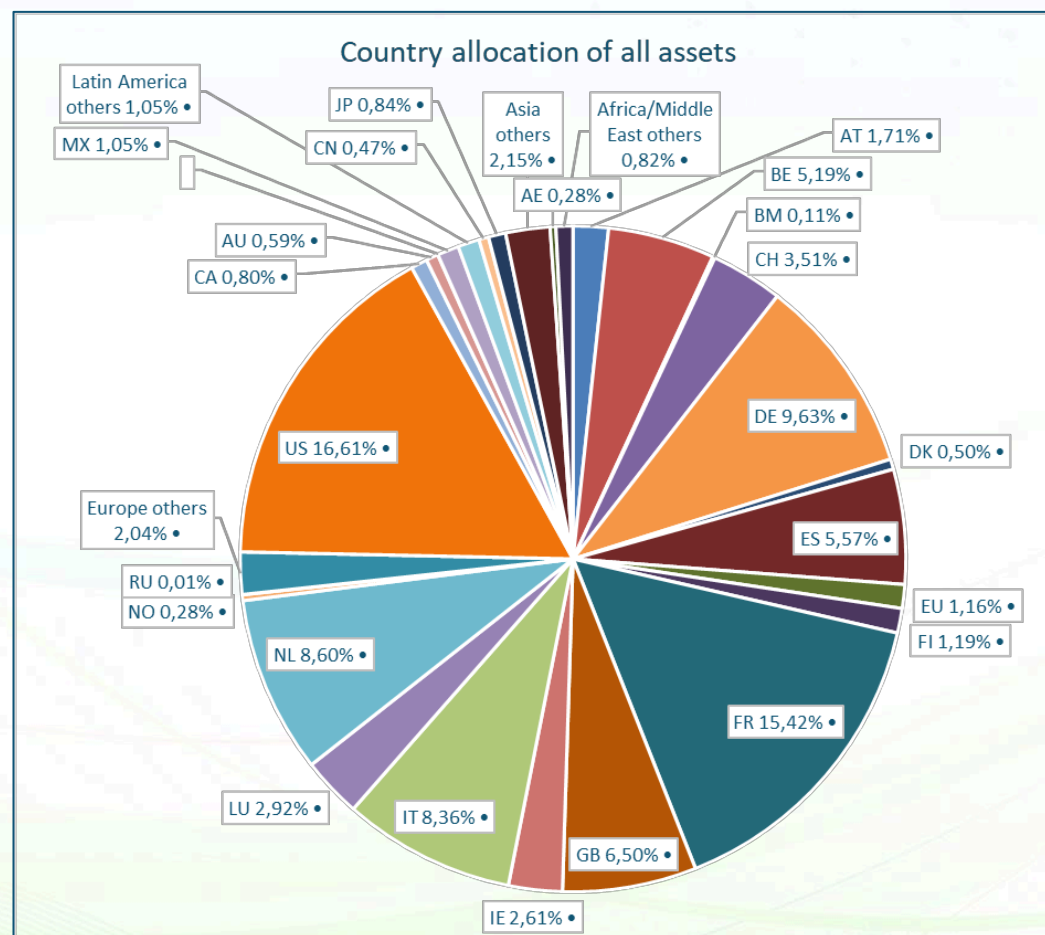
According to Solvency II principles, the issuer's second best rating has to be taken into account, which is why the weighted average credit rating is one notch lower (A-) when considering the Solvency II reporting.



Country Allocation as of 31 December 2021.

Overall portfolio:

AT 1,71% • BE 5,19% • BM 0,11% • CH 3,51% • DE 9,63% • DK 0,50% • ES 5,57% • EU 1,16% • FI 1,19% • FR 15,42% • GB 6,50% • IE 2,61% • IT 8,36% • LU 2,92% • NL 8,60% • NO 0,28% • RU 0,01% • Europe others 2,04% • US 16,61% • CA 0,80% • AU 0,59% • MX 1,05% • Latin America others 1,05% • CN 0,47% • JP 0,84% • Asia others 2,15% • AE 0,28% • Africa/Middle East others 0,82%



Sustainable entrepreneurship

At ELINI 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:

- Diversified recruitment policy: At ELINI 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 motivate employees to work from home on a regular basis. Organizing remote meetings also prevents trips that are harmful to the environment.
- Charity: every year, for example through "Ondernemers voor Ondernemers", we choose a sustainable project to which we give our support.
- ELINI only cooperates with counterparties in countries that respect human rights, social rights, labor rights and respect for democratic rights
- Investing : ELINI'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. All our investment funds are selected by our Asset Managers taking into consideration Environmental, Social and Governance (ESG) factors including the sustainable standard of the UN Global Compact. 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.

Result

The € 13.107.822 surplus after taxes and before allocation to the equalization fund for 2021 compares with a surplus of € 5.821.000 for 2020.

The technical surplus that is fully allocated to the reserve for equalization and catastrophes amounts to € 8.927.179 for 2021. This amount includes the financial surplus earned on the technical reserves amounting to € 2.557.826. Part of the change in the reserve for equalization and catastrophes (€ +114.800) is resulting from the FX effect on the conversion of the equalization reserve in the Swiss Branch (2.720.000 CHF).

In accordance with our Articles of Association, the Board of Directors proposes to the Annual General Meeting that the non-technical result from the Belgian activities amounting to € 4.089.996 shall be allocated to the Guarantee Fund, whereas the surplus of € +90.648 in the Swiss Branch is deferred to the next financial year, hence reducing the deficit carried forward, in accordance with the local regulations.

Guarantee Fund

The Guarantee Fund and reserve for equalization now available to the members to be used as insurance capacity, if you agree to our proposal, will be € 138.340.729 compared to € 125.089.906 at the end of the previous year. Since the Swiss regulator has granted ELINI a license to carry out nuclear TPL direct insurance on 15 November 2019, the capital from the Swiss Members is available for insurance purposes to all ELINI Members.

However, the equalization reserve held within the Swiss Branch is ringfenced and available to the Members insured by the Swiss Branch only. This amount of 2.720.000 CHF (equivalent of € 2.632.853) must be withdrawn from the capacity available for all Members outside Switzerland. The maximum available capacity for these Members of ELINI is hence limited to € 135.707.876.

The amount of the Guarantee Fund also includes subscribed but not paid capital amounting to € 76.500, up from € 30.000 last year. This amount of subscribed but not paid capital was called at the end of 2021 and is fully due at the beginning of 2022.

Covid-19 impact on balance sheet

In respect of the Corona Virus event, ELINI has taken a number of measures to ensure the maintenance of operational continuity of the Mutual. As a monoline Nuclear Third-Party Liability insurer, ELINI has no direct exposure that can be linked to the Covid-19 disease. We therefore do not foresee any complications over the next 12 months on the liabilities side of our balance sheet.

As to regards of the assets, ELINI also closely monitors the financial situation of its investment portfolio. Market volatility has had a negative impact on the market value of its investments throughout several months in 2020, but no permanent impairments were ever identified that should have prompted ELINI to record unrealized financial losses in its 2020 or 2021 Financial Statements.

ELINI also regularly checks the creditworthiness of its Members in order to meet their contingent liability to make additional contributions in the event of a major incident.

More specifically, it is examined whether the possible rating downgrade of a Member can be explained by a change in its liquidity position resulting from the Covid-19 crisis, and whether this change can adversely affect its ability to fulfil its contingent liabilities.

During the pandemic, ELINI has consistently complied with the Regulator's frequent requests to provide both qualitative and quantitative information and analysis regarding the impact the pandemic has had or could have on both day-to-day operation and the outlook for the future. None of these reports have uncovered any problem that could endanger ELINI's operations.

ELINI's prudent business model operates with a Solvency II buffer providing headroom to absorb such unforeseen events.

Subsequent Event

No significant event has occurred subsequent the closing of the Financial Statements at 31/12/2021 that could compromise the financial position or liquidity of ELINI.

ELINI not only monitors developments related to its insurance activities, to its Members or to Covid-19, but also to geopolitical developments. As part of the latter and to cope with the expected increased cyber risk following the political tensions between Russia and western countries, ELINI has set up additional monitoring and has strengthened protections against potential intrusions.

Discharge from liabilities

The Board of Directors recommends to the Annual General Meeting to

- approve the financial statements for the year ended 31 December 2021 as presented
- grant discharge to
 - o each member of the Board of Directors
 - o the Statutory Auditor

from all liability in respect of the exercise of their duties and functions related to the financial year 2021.

We look forward to a good operational year in 2022 and we would like to take this opportunity to thank you for your support and hope that everyone can stay safe.


Bengt Svensson
Chairman of the Board of Directors
On behalf of the Board of Directors

Corporate Governance Report

Corporate Governance structure

ELINI continues to believe that Corporate Governance is extremely useful and effective in stimulating the use of best governance practices.

All the principles described are covered in the document “Corporate Governance Memorandum”. A yearly revision is desirable to account for the changing legal and cultural environment, the new aspirations of our stakeholders and the conduct of Members, Directors and Staff. This Corporate Governance Report is entirely applicable for ELINI and the Swiss Branch.

Following the new EU-wide regulatory regime, known as Solvency II, the company also needs to disclose specific information on their Corporate Governance in the framework in particular the Solvency Financial condition report (SFCR) and Regular Supervisory Report (RSR). The SFCR is a public document and can be found on our website.

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

Management structure

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

The Board of Directors is the management body who jointly oversees the activities of the Mutual. There are currently twelve Board members being eight representing the Members, two independent non-Executive Directors and two members are Executive Directors composing the Executive Committee.

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

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

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

The mission of these Committees is to analyze specific topics, to prepare matters for consideration and recommendation towards the Board. The existence of the Committees does not replace the ultimate responsibility of the Board.

The Board of Directors and the Committees meet as frequently as the interests of the Mutual require. For instance, the Board meets normally four times a year. Minutes are kept of every meeting.

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

Operational structure and key functions

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

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

The Compliance Officer function ensure that the company is in compliance with its outside regulatory and legal requirements as well as internal policies and bylaws.

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

The Actuarial function is in charge of the control on the calculations made by the ELINI and to give a level of comfort to the Board of Directors on actuarial processes.

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

Monitoring and corrective actions

The Mutual has internal procedures and manuals which provides practical guidance for all staff (1st line of defense).

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

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

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

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

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

Concerning the IT-infrastructure, a continuity policy and implementation process including proper securities is in place. The IT-department certifies that security, privacy and all other IT management requirements are adequately addressed by the cloud computing vendor.

In respect of GDPR, personal data is mapped in a register with restricted access and a privacy policy is put into place. The Data Protection Officer is responsible for tracking compliance with the GDPR regulation.

Statutory auditor's report to the annual general meeting of the European Liability Insurance for the Nuclear Industry AAM for the year ended 31 December 2021 - Annual accounts

In the context of the statutory audit of the annual accounts of the European Liability Insurance for the Nuclear Industry AAM (the "association"), we hereby submit our statutory audit report. This report includes our report on the annual accounts and the other legal and regulatory requirements. These parts should be considered as integral to the report.

We were appointed in our capacity as statutory auditor by the annual general meeting of 25 April 2019, in accordance with the proposal of the board of directors ("bestuursorgaan" / "organe d'administration") issued upon recommendation of the audit committee. Our mandate will expire on the date of the annual general meeting deliberating on the annual accounts for the year ending 31 December 2021. We have performed the statutory audit of the annual accounts of the European Liability Insurance for the Nuclear Industry AAM for at least 19 consecutive periods.

Report on the annual accounts

Unqualified opinion

We have audited the annual accounts of the association, which comprises the balance sheet as at 31 December 2021 and the income statement for the year then ended, as well as the explanatory notes. The annual accounts show total assets of 139 967 (000) EUR and the income statement shows a profit for the year ended of 4 181 (000) EUR.

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

Basis for the unqualified opinion

We conducted our audit in accordance with International Standards on Auditing (ISA), as applicable in Belgium. In addition, we have applied the International Standards on Auditing approved by the IAASB applicable to the current financial year, but not yet approved at national level. Our responsibilities under those standards are further described in the "Responsibilities of the statutory auditor for the audit of the annual accounts" section of our report. We have complied with all ethical requirements relevant to the statutory audit of the annual accounts in Belgium, including those regarding independence.

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

We believe that the audit evidence 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 our audit of the annual accounts as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

| Key audit matters | How our audit addressed the key audit matters |
|--|--|
| <p>The valuation of investments and their accounting treatment</p> <p>Per 31 December 2021, the other financial investments amount to 132 051 (000) EUR and represent 94% of the total balance sheet.</p> <p>The investments are valued at acquisition cost, which is based on the information received from the investments bank.</p> <p>Taking into account the importance of these financial investments on the balance sheet, we consider that the financial investments are a key audit matter.</p> <p>We refer to « C.III.Other financial investments » of the balance sheet, disclosure « N° 3 Market value of the investments » and disclosure « N° 20 Valuation rules - 6. Other »</p> | <p>We have conducted audit procedures over the valuation and accounting treatments of the financial investments held by the association in accordance with the association's valuation rules and the accounting principles applicable in Belgium.</p> <p>For a sample of purchase transactions, we have tested the acquisition value based on the reports provided by the investment banks in order to assess the valuation of the financial investments.</p> <p>Additionally, for a sample of transactions, the results accounted for are validated with the settlement documents received from the investment banks, in order to verify the accuracy of the gains and losses recorded.</p> <p>The market value of the financial investments, which is based on the valuation reports provided by the investment managers, are compared against the acquisition value in the association's books, in order to verify if there is any impairment risk.</p> <p>The market value reports provided by the investment managers were validated with readily, external and independent market information.</p> |

| Key audit matters | How our audit addressed the key audit matters |
|---|--|
| <p>The methodology and assumptions used in setting the insurance reserves</p> <p>The insurance reserves includes the association's nuclear claims for 49 (000) EUR. The determination of the insurance reserves requires judgements in the selection of assumptions and methodologies.</p> <p>Due to the chosen assumptions and the methodologies in determining the amount of the reserves, we consider these assumptions and methodologies to be a key audit matter.</p> <p>We refer to « C.III. Provisions for insurance claims » of the balance sheet and disclosure « N° 20 Valuation rules – 3. Reserve for risks and charges ».</p> | <p>We have identified and tested the relevant key internal controls with respect to the insurance reserve business cycle to assess the appropriateness of the insurance reserves and the claims being recognized.</p> <p>We have tested all outstanding claims with the underlying documentation to support the insurance reserves, which has been accounted for.</p> <p>The insurance reserves are set up based on the available information from external parties, which are considered as experts in the field, and management estimates and assumptions. For all new nuclear claims, we have:</p> <ul style="list-style-type: none"> • analyzed the appropriateness and validity of the assumptions used by management to determine the provision; • challenged the management estimates with the report from the experts; • reviewed consistency of the procedures with respect to the calculation of the insurance reserves from year to year. <p>For outstanding reserves, we examined the updated external parties' reports and discussed with the management the changes in the insurance reserves.</p> <p>In addition, we requested all members to confirm the outstanding claim(s) towards ELINI. We performed an examination of these confirmations and compared the confirmed claims with the current insurance reserve.</p> |

Responsibilities of the board of directors for the preparation of the annual accounts

The board of directors is responsible for the preparation and fair presentation of the annual accounts in accordance with the financial reporting framework applicable in Belgium and for such internal control as the board of directors determines is necessary to enable the preparation of the 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 association's ability to continue as a going concern, disclosing, as applicable, matters to be considered for going concern and using the going concern basis of accounting unless the board of directors either intends to liquidate the association or to cease operations, or has no realistic alternative but to do so.

Responsibilities of the statutory auditor for the audit of the annual accounts

Our objectives 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 statutory auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA 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.

During the performance of our audit, we comply with the legal, regulatory and normative framework as applicable to the audit of annual accounts in Belgium. The scope of the audit does not comprise any assurance regarding the future viability of the association nor regarding the efficiency or effectiveness demonstrated by the board of directors in the way that the association's business has been conducted or will be conducted.

As part of an audit in accordance with ISA, 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 an 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 association'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 the use of the going concern basis of accounting by the board of directors and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our statutory auditor's report to the related disclosures in the annual accounts or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our statutory auditor's report. However, future events or conditions may cause the association to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the annual accounts, and whether the annual accounts represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Other legal and regulatory requirements

Responsibilities of the board of directors

The board of directors is responsible for the documents to be filed according to the legal and regulatory requirements, for maintaining the association's accounting records in compliance with the legal and regulatory requirements applicable in Belgium, as well as for the association's compliance with the law of 27 June 1921 on nonprofit organizations, foundations and European political parties and foundations and the association's articles of association.

Responsibilities of the statutory auditor

As part of our mandate and in accordance with the Belgian standard complementary to the International Standards on Auditing (ISA) as applicable in Belgium, our responsibility is to verify, in all material respects, those documents to be filed according to the legal and regulatory requirements and compliance with certain obligations referred to in the law of 27 June 1921 on nonprofit organizations, foundations and European political parties and foundations and the articles of association, as well as to report on these matters.

Statement on the social balance sheet

The social balance sheet, to be filed at the National Bank of Belgium in accordance with article 3:12, § 1, 8° of the Code of companies and associations, includes, both in form and in substance, all of the information required by this Code, including those relating to wages and training, and is free from any material inconsistencies with the information available to us in the context of our mission.

Statements regarding independence

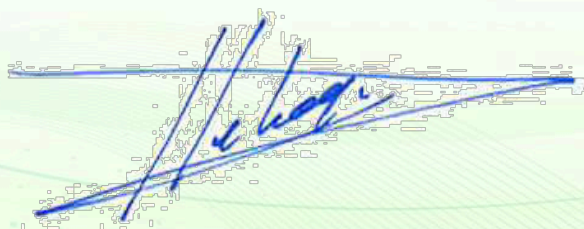
- Our audit firm and our network have not performed any prohibited services and our audit firm has remained independent from the association during the performance of our mandate.
- The fees for the additional non-audit services compatible with the statutory audit of the annual accounts, as defined in article 3:65 of the Code of companies and associations, have been properly disclosed and disaggregated in the notes to the annual accounts.

Other statements

- Without prejudice to certain formal aspects of minor importance, the accounting records are maintained in accordance with the legal and regulatory requirements applicable in Belgium.
- The appropriation of results proposed to the general meeting is in accordance with the relevant legal and regulatory requirements.
- We do not have to report any transactions undertaken or decisions taken which may be in violation of the company's articles of association, the law of 27 June 1921 on non-profit organizations, foundations and European political parties and the Code of companies and associations.
- This report is consistent with our additional report to the audit committee according to article 79 in the Law of 13 March 2016 relating to the statute and controls of insurance or reinsurance companies, referred to in article 11 of Regulation (EU) N° 537/2014.

Signed at Zaventem.

The statutory auditor



Deloitte Bedrijfsrevisoren/Réviseurs d'Entreprises BV/SRL
Represented by Yves Dehogne

Balance sheet as of 31 December 2021 and 2020

(Currency - Euro)

| ASSETS | 31/12/2021 | 31/12/2020 |
|---|--------------------|--------------------|
| C. Investments | | |
| III. Other financial investments | | |
| 1. Parts in investment funds | 131.890.259 | 112.359.517 |
| 2. Bonds and other fixed interests | 0 | 0 |
| 6. Term deposits | 100.226 | 100.226 |
| 7. Other | 61.000 | 0 |
| | 132.051.485 | 112.459.743 |
| D. bis. Part of reinsurance in the technical reserves | | |
| I. Reserve for non-earned premiums and current risks | 365.893 | 129.639 |
| III. Reserve for claim receivable | 1.860 | 1.860 |
| | 367.752 | 131.499 |
| E. Receivables | | |
| I. Receivables from direct insurance | | |
| 1. Insurers | 10.000 | 21.130 |
| 2. Intermediaries | 100.564 | 6.636 |
| II. Receivables resulting from reinsurance | 0 | 0 |
| III. Other receivables | 44.489 | 11.329 |
| IV. Subscribed capital, not paid | 76.500 | 30.000 |
| | 231.552 | 69.095 |
| F. Other assets | | |
| I. Tangible Assets | 503.835 | 478.374 |
| II. Liquidities | 6.721.083 | 12.995.458 |
| | 7.224.918 | 13.473.831 |
| G. Transitory accounts | | |
| I. Interest and rent | 91.026 | 100.032 |
| | 91.026 | 100.032 |
| TOTAL ASSETS | 139.966.733 | 126.234.200 |

The accompanying notes are an integral part of these balance sheets.

Balance sheet as of 31 December 2021 and 2020

(Currency - Euro)

| LIABILITIES | <u>31/12/2021</u> | <u>31/12/2020</u> |
|---|--------------------------|--------------------------|
| A. Equity | | |
| I. Subscribed capital or equivalent fund, net of uncalled capital | | |
| 1. Guarantee fund securities | 83.794.610 | 79.561.614 |
| V. Retained earnings | | |
| 1. Surplus (Deficit) of the period (Belgium) | 0 | 0 |
| 2. Surplus (Deficit) of the period (Switzerland) | -2.973.217 | -3.063.865 |
| | 80.821.393 | 76.497.750 |
| C. Technical reserves | | |
| I. Reserve for unearned premiums and unexpired risks | 1.020.590 | 726.267 |
| III. Reserve for claim payable | 49.468 | 51.418 |
| V. Reserve for equalisation and catastrophes | 57.519.336 | 48.592.156 |
| | 58.589.394 | 49.369.842 |
| G. Payables | | |
| I. Payables resulting from direct insurance business | 5.781 | 0 |
| II. Receivables resulting from reinsurance business | 44.963 | 19.744 |
| IV. Debt versus financial institutions | 0 | 0 |
| V. Other payables | | |
| 1. Fiscal and Social payables | | |
| a) Property tax and VAT | 7.293 | 34.263 |
| b) Social payables | 212.849 | 155.879 |
| 2. Other | 170.743 | 89.058 |
| | 441.628 | 298.944 |
| H. Transitory accounts | 114.318 | 67.664 |
| | 114.318 | 67.664 |
| TOTAL LIABILITIES | 139.966.733 | 126.234.200 |

The accompanying notes are an integral part of these balance sheets.

Income Statement for the year ended 31 December 2021 and 2020

(Currency - Euro)

TECHNICAL ACCOUNT - NON-LIFE INSURANCE BUSINESS

| | 31/12/2021 | 31/12/2020 |
|--|------------------|------------------|
| 1. Earned premiums, net of reinsurance | | |
| a) Gross premiums | 13.770.103 | 12.151.449 |
| • Premiums written | 13.770.103 | 12.151.449 |
| • Rebates to Members | 0 | 0 |
| b) Reinsurance Premiums | -4.539.090 | -3.653.720 |
| c) Variation of the reserve for unearned premiums and unexpired risks, gross of reinsurance (increase -, decrease +) | -294.322 | -409.717 |
| d) Variation of the reserve for unearned premiums and unexpired risks, reinsurers part (increase +, decrease -) | 236.254 | 48.236 |
| | <u>9.172.944</u> | <u>8.136.248</u> |
| 2. Allocated investment return transferred from the non-technical account | <u>0</u> | <u>0</u> |
| | 0 | 0 |
| 2bis. Investment Income | | |
| b) Income from other investments | 134 | 18.015 |
| c) Write-back of adjustments on investments | 284.248 | 0 |
| d) Realized capital gains | 2.301.194 | 325.585 |
| | <u>2.585.576</u> | <u>343.600</u> |
| 3. Other technical income net of reinsurance | 146.437 | 126.494 |
| 4. Costs of claims, net of reinsurance | | |
| a) Net amount paid | | |
| aa) Gross amount | 0 | 0 |
| bb) Part of reinsurers | 0 | 0 |
| b) Variation of the claims services reserve, net of reinsurance (increase -, decrease +) | | |
| aa) Variation of the reserve for claims, gross of reinsurance (increase -, decrease +) | 1.950 | 0 |
| bb) Variation of the reserve for claims, part of reinsurance (increase -, decrease +) | 0 | 0 |
| | <u>1.950</u> | <u>0</u> |

Income Statement for the year ended 31 December 2021 and 2020

(Currency - Euro)
- continued -

| TECHNICAL ACCOUNT - NON-LIFE INSURANCE BUSINESS | | |
|--|-------------------|-------------------|
| | 31/12/2021 | 31/12/2020 |
| 6. Cost of refund of contribution. net of reinsurance (-) | | |
| a) Net amount paid | 0 | 0 |
| b) Variation of the refunds reserve. net of reinsurance (incr - decr +) | 0 | 0 |
| | <u>0</u> | <u>0</u> |
| 7. Net operating expenses (-) | | |
| a) Acquisition expenses | -297.086 | -206.453 |
| c) Administrative expenses | -2.547.676 | -2.446.692 |
| | <u>-2.844.763</u> | <u>-2.653.145</u> |
| 7bis. Expenses relating to investments (-) | | |
| a) Expenses for managing investments | -7.235 | -19.558 |
| b) Adjustments to investment values | -5.439 | -74.831 |
| c) Realized less values | -15.740 | -169.519 |
| | <u>-28.415</u> | <u>-263.908</u> |
| 8. Other re-insurance charges | 0 | 0 |
| SURPLUS/(DEFICIT) OF THE PERIOD BEFORE VARIATION RESERVE FOR EGALIZATION AND CATASTROPHES | 9.033.730 | 5.689.290 |
| 9. Variation in the reserve for egalization and catastrophes, net of reinsurance (increase -, decrease +) | -8.927.179 | -5.824.210 |
| Balance on the technical account for non-life insurance business | 106.551 | -134.920 |

The accompanying notes are an integral part of this income statement

Income Statement for the year ended 31 December 2021 and 2020

(Currency - Euro)

| NON TECHNICAL ACCOUNT | | |
|--|------------------|-----------------|
| | 31/12/2021 | 31/12/2020 |
| 1. Balance on the technical account for non-life insurance | 106.551 | -134.920 |
| 3. Investment income | | |
| b) Income from other investments | 214 | 30.082 |
| c) Write-back of adjustments on investments | 453.066 | 0 |
| d) Realized capital gains | 3.667.898 | 543.675 |
| | <u>4.121.177</u> | <u>573.757</u> |
| 5. Expenses relating to investments (-) | | |
| a) Expenses for managing investments | -11.533 | -32.659 |
| b) Adjustments to investment values | -8.670 | -124.955 |
| c) Realized less values | -25.089 | -283.070 |
| | <u>-45.291</u> | <u>-440.684</u> |
| 6. Allocated investment return transferred to the non-life insurance technical account | <u>0</u> | <u>0</u> |
| | 0 | 0 |
| 7. Other income | <u>0</u> | <u>0</u> |
| | 0 | 0 |
| 15. Tax on profit on ordinary activities | -1.794 | -1.363 |
| Profit on ordinary activities after tax | 4.180.643 | -3.209 |
| Surplus / (deficit) of the period available for distribution | 4.180.643 | -3.209 |

The accompanying notes are an integral part of this income statement

Income Statement for the year ended 31 December 2021 and 2020

(Currency - Euro)

ALLOCATION OF THE SURPLUS / DEFICIT

| | 31/12/2021 | 31/12/2020 |
|--|-------------------|-------------------|
| A. Profit to be allocated | 1.116.779 | -2.929.790 |
| 1. Surplus / Deficit of the period | 4.180.643 | -3.209 |
| 2. Retained earnings | -3.063.865 | -2.926.580 |
| B. Withdrawal from own funds <input type="checkbox"/> | 0 | 0 |
| 1. Withdrawal from the guarantee fund | 0 | 0 |
| 2. Withdrawal from the reserves | 0 | 0 |
| C. Allocation to the own funds | -4.089.996 | -134.075 |
| 1. Allocation to the guarantee fund | -4.089.996 | -134.075 |
| D. Result to carry forward | 2.973.217 | 3.063.865 |
| 1. Surplus to carry forward | 0 | 0 |
| 2. Deficit to carry forward | 2.973.217 | 3.063.865 |
| F. Result to be distributed | 0 | 0 |

The accompanying notes are an integral part of this income statement

NOTES TO THE FINANCIAL STATEMENTS AS OF 31 DECEMBER 2021

(Currency - Euro)

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

The object of the Association is the insurance of civil liability, in Branch 13, of its Insured Members. This is within the framework of and limited to civil liability in the nuclear industry:

- as specified in the national legislations of countries who have signed the Paris Convention of July 29th 1960 (current and amended),
- or the Vienna Convention of May 21st 1963 (current and amended),
- or those countries who have not signed the Paris Convention nor the Vienna Convention but apply the same principles in their national legislations;
- or based on Common Law and/or Civil Law ('droit commun').

By a decision of the Belgian Prudential Authority taken on 6 November 2003, the Association has been granted the agreement to execute insurance activities of the branch "Civil Liability" (Branch 13).

During the year 2021, the maximum insurance capacity of E.L.I.N.I. is 264.830.835 EUR of which:

- For those Members not using the BlueRe capacity :
 - The first layer of 120.000.000 EUR is covered by E.L.I.N.I.;
 - 100% of any amount in excess of 120.000.000 EUR up to 140.000.000 EUR is reinsured by way of treaty reinsurance contract;
 - 100% of any amount in excess of 140.000.000 EUR is reinsured by way of facultative reinsurance contracts.
- For those Members using the BlueRe capacity :
 - The first layer of 50.000.000 EUR is covered by E.L.I.N.I.;
 - 100% of any amount in excess of 50.000.000 EUR up to 99.300.000 EUR is reinsured by way of treaty by BlueRe;
 - 100% of any amount in excess of 99.300.000 EUR up to 169.300.000 EUR is covered by the E.L.I.N.I. capacity;
 - 100% of any amount in excess of 169.300.000 EUR up to 189.300.000 EUR is reinsured by way of treaty;
 - 100% of any amount in excess of 189.300.000 EUR up to 196.966.242 EUR is reinsured by way of facultative reinsurance contracts;
 - For two contracts, an alternative 80.000.000 EUR is reinsured by way of a facultative reinsurance Quota Share contract as part of a total insured limit of 264.830.835 EUR.

The risk for E.L.I.N.I. is limited to 120.000.000 EUR as per 31 December 2021.

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

a. Overview of the amortization rates applied

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

b. Technical provisions

The association constitutes technical provisions based on contributions relating to the active, non-expired policies in force at the end of the accounting year, claims payable increased with best estimate of the internal and external claim handling costs and the reserve for equalization and catastrophes in accordance with Articles 10 and 11 of the Royal Decree of 22 February 1991.

c. Fixed Income securities

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

The differences, if material, between acquisition cost and redemption value of the securities are amortized pro rata to maturity of the securities.

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

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

d. Shares and other non-fixed income securities

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

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

e. Foreign exchange rate contracts

The foreign exchange rate contracts are converted in Euro using the exchange rate as of the balance sheet date.

f. Foreign currency translation

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

The foreign currency denominated accounts, on the balance sheet, are converted in Euro using the exchange rate as of the balance sheet date.

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

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

- g. The integration of assets and liabilities of branches in foreign currencies:

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

2. GUARANTEE FUND

The Board of Directors proposes to the Annual General Meeting to allocate 4.089.995,69 EUR, i.e. the financial non-technical result of the year 2021, to the Guarantee fund. Note that the result of the year 2021 of the Swiss branch will not be transferred to the Guarantee Fund but will be reported separately as retained earnings (+ 90.647,63 EUR).

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

| | |
|--|-----------------------------|
| Guarantee fund at 31 December 2020 | 79.561.614,42 |
| Capitalisation members | 143.000,00 |
| Transfer of the Surplus of the year 2021 | 4.089.995,69 |
| <i>Guarantee fund at 31 December 2021</i> | <i>83.794.610,11</i> |

| | |
|---|-----------------------------|
| Retained earnings at 31 December 2020 | -3.063.864,51 |
| Surplus (+) / Deficit (-) of the Swiss branch | 90.647,64 |
| <i>Retained earnings at 31 December 2021</i> | <i>-2.973.216,87</i> |

3. RESERVE FOR EQUALIZATION AND CATASTROPHES

In application to Article 11, §1, A, 3° of the Royal Decree dated 22 February 1991 on the general rules on the control of insurance companies, the association started in 2004 to build a reserve for equalization and catastrophes. The purpose thereof is to create a reserve that would smooth out variations in claims or would cover exceptional risks. Based on the current regulations, the theoretical target amount that should be provided for within the Associations' equalization and catastrophes reserve is 120.000.000 EUR. The yearly movement however depends on the income or loss of the association before (net) investment income (exclusive the result from the Swiss Branch). An income results in an addition to the reserve for the income amount, and a loss results in a usage of the reserve for the amount of the loss. The application of this rule resulted in an addition of 8.927.179,08 EUR for the year 2021, including the increase of 114.800,37 EUR within the Swiss Branch due to foreign currency revaluation.

This brings the total Reserve for Equalization and Catastrophes up to 57.519.335,57 EUR.

It should however be noted that at the end of 2021 the guarantee fund amounts to 80.821.393,24 EUR (including the result of the Swiss branch) and can also be used to cover the obligation of the association. Furthermore, the unrealised gains on investments amounting to 2.622.174,93 EUR at 31 December 2021 (2020 : 4.261.962,55 EUR) are not reported in the Balance Sheet but can also be realised in case of a catastrophe. Unrealised gains on financial instruments (options) are not included since these are a full hedge for a social liability and can therefore not be used to cover other obligations of the association.

Additionally, the association may call under certain circumstances for additional funds of the members (article 25 of the Articles of Association) to be used to cover the obligations of the association.

4. MANAGEMENT

The investment management of the Association is outsourced.

Reinsurance commissions refunded to E.L.I.N.I. are 111.280,03 EUR for 2021 and compare to an amount of 91.114,57 EUR for 2020 and are deducted from the reinsurance premium charges.

5. PERSONNEL EMPLOYED

For the year ending 31 December 2021 and including the Swiss branch, E.L.I.N.I. employed 13 staff members corresponding to a full time equivalent of 7,3. Previous year, the Association employed 14 staff members with a full time equivalent of 9,3. Executive Directors are self-employed as from 01 January 2021 in accordance with the regulatory requirements.

Solvency II

With Solvency II gaining importance, ELINI is proud to be in compliance with the regulatory requirements. The Solvency II ratio stood at 334,57% at the end of the year 2021 and compares with a ratio of 363,53% a year earlier.

Audit

The Solvency II figures are also subject to an audit by the Statutory Auditor in accordance with the financial reporting framework applicable in Belgium and applied in the Solvency II calculations (“the financial reporting framework”).

The audit report was not yet available at the time of publication of this annual report. However, for the period ending 31/12/2020, the Statutory Auditor has made no recommendations and issued an unqualified opinion.

ORSA

Solvency Financial Condition Report (SFCR)

The company needs to disclose specific information on their Corporate Governance in the framework in particular the Solvency Financial condition report (SFCR) and Regular Supervisory Report (RSR). Both documents are to be disclosed to the Regulatory Instance. The SFCR is a public document and can be found on ELINI’s website. The SFCR report is pursuant to Articles 51, 53, 54, 256 and 256a of Directive 2009/138/EC, as amended (the “Directive”) and Articles 290 to 298 and 359 to 364 of Delegated Regulation (EU) 2015/35, as amended (the “Regulation” and, together with the Directive, the “Solvency II Regulations”).

The SFCR 2022 contains details of the financial figures for the period ending 31/12/2021.

Capital base

As explained in this SFCR, ELINI shows a very strong capital base. Unlike the figures reported in compliance with the Belgian GAAP accounting standards, under the Solvency II regulation, the own funds are defined differently. An undertaking’s own funds consist of Basic Own Funds (BOF) and Ancillary Own Funds (AOF).

The basic own funds consist of (i) the excess of assets over liabilities, and (ii) subordinated liabilities. Examples of basic own-fund items are paid-up share capital, share premium reserve and the reconciliation reserve. The quality of the BOF can be Tier1, Tier2 or Tier3. Ancillary own funds consist of items other than basic own funds which can be called up to absorb losses. These are therefore items that have not yet been paid in or called up. The quality of AOF can be Tier2 or Tier3.

As at 31/12/2021, ELINI’s own funds consist of Basic Own Funds only and amounted to € 139.031.404, of which € 138.954.904 are qualified as Tier1 and € 76.500 qualified as Tier2.

ELINI has made a comparison between the Belgian GAAP accounting standards and the Solvency II results to highlight its strong capital base.

Capital base comparison Belgian GAAP - Solvency II as at 31/12/2021

(Currency - Euro)

| LIABILITIES | BE Gaap | Solvency II | Difference |
|---|----------------------|-----------------------|----------------------|
| A. Equity | | | |
| I. Subscribed capital or equivalent fund, net of uncalled capital | | | |
| 1. Guarantee fund securities | 83.794.610,11 | 83.794.610,11 | 0,00 |
| V. Retained earnings including | -2.973.216,87 | -2.973.216,87 | 0,00 |
| 1. Surplus (Deficit) of the period (Belgium) | 0,00 | 0,00 | 0,00 |
| 2. Surplus (Deficit) of the period (Switzerland) | 90.647,64 | 90.647,64 | 0,00 |
| Reconciliation reserve (Solvency II regime) | | | |
| Asset adjustments | 0,00 | 2.644.378,28 | 2.644.378,28 |
| Liabilities adjustments | 0,00 | 58.506.433,81 | 58.506.433,81 |
| Technical provisions adjustment | 0,00 | -2.940.801,23 | -2.940.801,23 |
| TOTAL OWN FUNDS | 80.821.393,24 | 139.031.404,10 | 58.210.010,86 |

The main differences between both standards can be explained by :

- Solvency II shows an 'economic balance sheet' at market values whereas Belgian GAAP reports book values
- The Reserve for Equalization and Catastrophes, available to cover ELINI's liabilities in case of nuclear incidents, is not recognized as a separate liability on the Solvency II balance sheet and is therefore added to the amount of the 'Excess of Assets over Liabilities' or the Own Funds.

The strong capital base is also reflected in ELINI's Long Term Issuer Credit Rating (a-) that was last affirmed by AM Best on 23 September 2021 and of which the latest report is always available on the [ELINI](#) website.

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E L I N I

EUROPEAN LIABILITY
INSURANCE FOR THE
NUCLEAR INDUSTRY

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