



# ANNUAL REPORT

2023



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# Introduction

**MUNIS is a mutual insurance company specialising in the insurance of marine risks run by marine contractors in the practice of their business. MUNIS's members are international marine contractors operating sizeable fleets worldwide.**

All four participants have an insurance contract with MUNIS. The liability of the members with regard to the obligations and liabilities of the mutual insurance company is restricted to the obligation to contribute to the guarantee capital.

MUNIS has been active as an insurance company for the marine contracting industry for more than 50 years. The statutory seat of MUNIS is located in The Hague, The Netherlands. The office address is Stationsplein 4, 2275 AZ Voorburg, The Netherlands (Chamber of Commerce no: 27082487 The Hague). MUNIS reports to the Dutch Central Bank (DNB) based on the Wft (Dutch financial supervision Act).

The General Assembly of all four members decided to publish this Annual Report in the English language.

MUNIS realised a profit of €526,000 in 2023.

The Board of Directors of MUNIS found the Supervisory Board to be very supportive with its input, experience and advice.

The financial accounts were audited by BDO Audit & Assurance B.V. It was a constructive and efficient cooperation.



# Report of the Supervisory Board

- Mr J.F.Th. Boogaard    President    (2026)
- Mr R.P.M. Stuijt       Vice-President (2026)
- Mr C.A. de Bruijn      Member       (stepped down in 2023)
- Mr P.R.C. Coene       Member       (2024)
- Ms M.A.R. Fordeyn    Member       (2026)

Mr De Bruijn and Ms Fordeyn represent the participants in MUNIS whilst the other three Supervisory Board members are independent. Mr De Bruijn stepped down as per 1 December 2023 as he resigned from Van Oord. His intended successor is Mr C. van Noort, CFO at Boskalis. Following acceptance by DNB, he will formally be appointed in May 2024.

The Supervisory Board met four times in 2023. All meetings of the Supervisory Board in 2023 focused on MUNIS strategy, risk management, the financial result and reinsurance. All four key functions – actuarial, compliance, internal audit and risk management – are in place. The work and reports of these key officials were discussed in the Supervisory Board every quarter. At least once a year all key functions are present at one or more of the Supervisory Board meetings. The Supervisory Board appreciates the professional and open relationship between the Board of Directors and key officials.

The Supervisory Board met in the presence of the Board of Directors. In 2023, there were no



member-related issues that required a separate meeting of the independent members of the Supervisory Board. The Chairman of the Supervisory Board, Mr Boogaard, met regularly via live and online meetings with the directors of MUNIS, discussing the ongoing business and preparing the meetings of the Supervisory Board.

The independent members of the Supervisory Board received a joint remuneration in total of €56,900 (2022: €54,200). Representatives of the participants of MUNIS in the Supervisory Board are remunerated by the respective participants. The remuneration policy of the Board of Directors has been delegated to the joint Presidents meeting of MUNIS and two other organisations for which staff and directors jointly work. The managing director of MUNIS reports on HR issues to the Presidents meeting whereby Mr Boogaard represents MUNIS.

The full Supervisory Board constitutes the risk committee of the Supervisory Board. Furthermore, the Insurance Technical Committee (ITC) has a formal role in the risk management process. A member of the Supervisory Board joins the ITC. He informs the Supervisory Board about risk issues discussed within the ITC. The Supervisory Board is satisfied with the ongoing support of MUNIS by the members of the ITC regarding risk and insurance issues related to the marine contracting industry.

Mr Stuijt and Mr Coene are members of the Audit Committee (AC). The Committee reviewed the Annual Accounts with the internal and external auditors on 18 March 2024. The Supervisory Board approved the draft Annual Accounts during its meeting on 26 March 2024, after which no material changes have been made.

On 21 May 2024, the Annual Accounts will be submitted for approval to the General Assembly.

Following two years of an ORSA light, MUNIS had to conduct a full Own Risk and Solvency Assessment (ORSA) at the end of 2023. This ORSA was much in line with the previous ones as there are no considerable changes in the risks MUNIS faces.

MUNIS held a tender for the services of the reinsurance broker in 2023. This resulted in a switch to Aon in the course of 2023.

The investment portfolio is in line with the Responsible Business Conduct agreement of the Dutch Association of Insurers. The execution of the investment policy has been outsourced to Van Lanschot Kempen since 2013. The management of the investment portfolio during past years was satisfactory according to both the Board of Directors and the Supervisory Board.

The members of the Supervisory Board spent several days on their professional education. Self-reflection of the role and performance of the Supervisory Board is held periodically as well as the appraisal of the role of and cooperation with the Board of Directors. With regard to the Regulation of the Minister of Finance 17 December 2012, marked FM/2012/1923, it is noted that all members of the Supervisory Board and Board of Directors have been sworn in.

The Supervisory Board is grateful for the way the Board of Directors managed MUNIS in 2023. Punctuality and professionalism combined with pragmatism of both directors is much appreciated.

*Voorburg, 27 March 2024*



# Report of the Board of Directors

The Board of Directors herewith submits its report on the activities of the Mutual Insurance Association (MUNIS) over the year 2023 to the Annual General Assembly (AGA).

In 2023, the market in which MUNIS operated was quite stable. However, the direct premium income showed a decrease due to a change in conditions in the direct policies. Following a disappointing result in 2022, MUNIS realised a positive result in 2023. MUNIS was indirectly impacted by the unstable geo-political situation that contributed to inflation of repair costs. The inflation rate decreased in 2023 resulting in a stable or slight decrease of the interest rates. This resulted in an increase in value of the investment portfolio.

The financial audit, executed by BDO Audit & Assurance B.V., was done efficiently and the auditors issued an unqualified audit opinion.

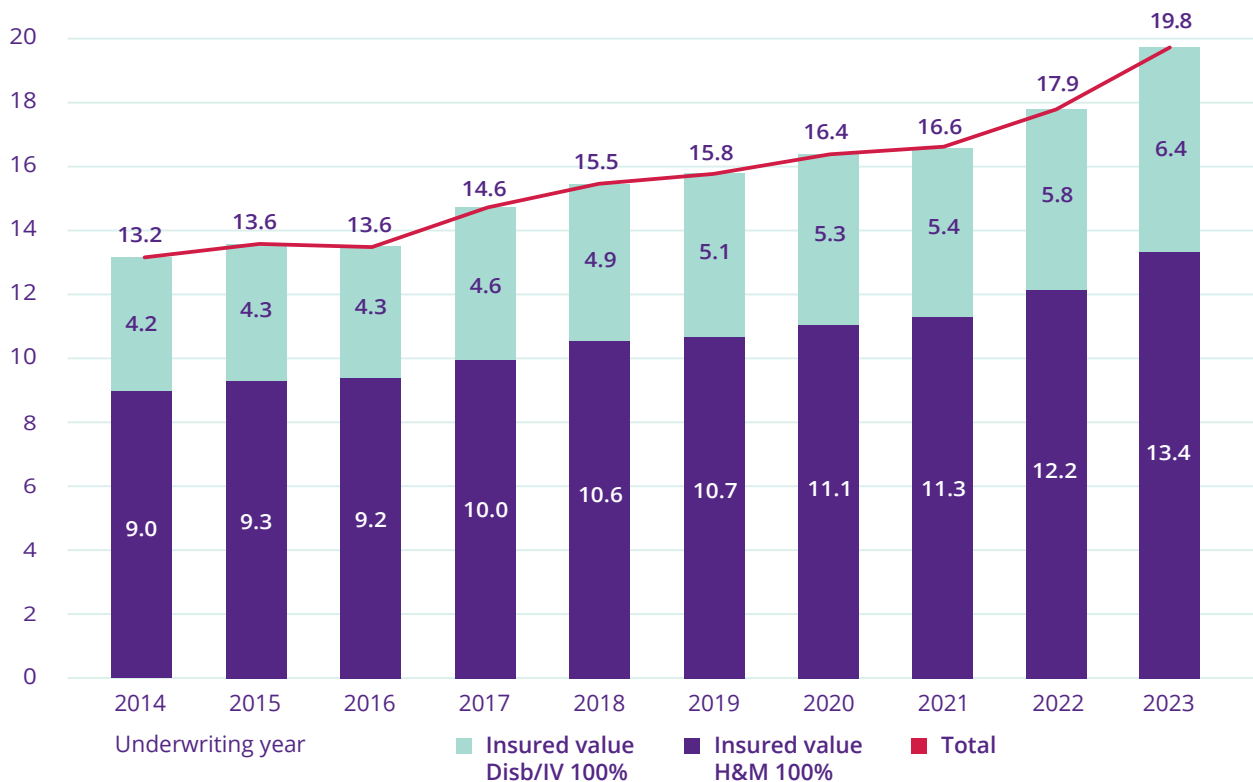
## MUNIS' POSITION IN THE MARKET

Since 2014, the total value of the insured vessels gradually increased to €16.6 billion in 2021. In 2022 and 2023 the portfolio increased substantially to €19.8 billion, especially due to investments in wind turbine installation vessels and other offshore equipment. The graph below shows the increase in the exposed value over the last ten years.

Traditionally, MUNIS insures dredging vessels. Since 2013, the growth of the insured capital mainly resulted from diversification of activities by the participants and their investments in special purpose vessels for the offshore and windfarm industry. The participants contributed also to the energy transition by investments in vessels powered by alternative fuel.

## DEVELOPMENT INSURED VALUE PER UNDERWRITING YEAR

Amount in € billion



Insured Value	2023		2022	
	€ mln	%	€ mln	%
Special Offshore Equipment	6,970	35.2%	5,256	29.3%
Trailing suction hopper dredger	6,201	31.3%	6,063	33.8%
Cutter suction dredger	3,060	15.5%	2,957	16.5%
Subsea rock installation	1,469	7.4%	1,302	7.3%
Other floating equipment/vessel	479	2.4%	739	4.1%
Tugs	427	2.2%	463	2.6%
Backhoe dredger	378	1.9%	391	2.2%
Hopper barge	458	2.3%	449	2.5%
Other dredging equipment	359	1.8%	304	1.7%
<b>Total insured value</b>	<b>19,801</b>	<b>100.0%</b>	<b>17,924</b>	<b>100.0%</b>

Status per 31 December 2023

## SOLVENCY II

MUNIS is fully compliant with all Solvency II regulations and all procedures and documents are in place. Implementation of all procedures contributed to the professionalism of the organisation.

Due to skills requirements and limited capacity within MUNIS, all key functions with the exception of risk management have been outsourced. Within the Board of Directors, Ms Vonk is responsible for the actuarial and internal audit functions, and risk and compliance fall under Mr Kolman's responsibility.

The costs for the compliance and internal audit functions are at an acceptable level, however, the actuarial costs remain high. Several activities of the actuary are necessary to be compliant with Solvency II regulation. From the perspective of the size and complexity of the portfolio of the organisation, there is less need for these actuarial activities.

The costs for the accountant show an increase for multiple years resulting from an increase in requirements by the financial authorities. The Board of Directors expresses its concern

about this ever-increasing cost, which in the end will have to be paid by the members of MUNIS.

## SECRETARIAT AND MANAGEMENT

At the end of 2023, the Secretariat supporting MUNIS employed ten staff members (in total with 8.05 full time equivalents), (2022: 7.0 FTE). This increase was temporarily due to the retirement of one of the employees on 1 March 2024. The Secretariat supports two other organisations related to the marine contracting industry. The costs are shared with these organisations and 27% (2022: 27%) of the total staff costs were allocated to MUNIS. MUNIS' share of the remuneration of the Board of Directors was €83,717 (2022: €78,112). The MUNIS staff has no variable (bonus) component in their remuneration.

With regard to permanent education, several live and online meetings organised by the Dutch Association of Insurers, Dutch Central Bank (DNB) and the Dutch Insurance Exchange Association were followed.

## INSURANCE TECHNICAL COMMITTEE

The Insurance Technical Committee (ITC) advises the Board of Directors on insurance technical issues and shares knowledge on general insurance topics

amongst the participants of MUNIS. The ITC consists of the insurance managers of all four members of MUNIS, one member of the Supervisory Board and an independent chairman. The committee has a formal position regarding risk management. The relevant risks identified in the Own Risk and Solvency Assessment are assessed in the quarterly meetings of the committee. The risk manager, Mr Kolman, integrates the results of these discussions into the overall risk assessment and management of MUNIS.

2023 marked the eighth year with Mr Meijer chairing the ITC. His enthusiasm, broad experience and knowledge, especially of the marine insurance market, is much appreciated by the participants of the ITC and Board of Directors. Not only are fleet-related insurance issues discussed but also topics with a more general character, such as the CAR insurance and input for the Transport Commission of The Dutch Association of Insurers.

The Board of Directors is thankful for the input and support of the members of the Insurance Technical Committee:

- Mr A. Meijer, Chairman
- Ms J. Bodewes, Insurance manager, Boskalis
- Ms A. Slabinck, Insurance manager, Jan De Nul
- Mr Ph. Vereecken, Insurance manager, DEME

- Mr D. Tanis, Insurance manager, Van Oord
- Mr P. Coene, Supervisory Board of MUNIS

## RESULT OVERVIEW

The financial result of 2023 shows a profit of €526,000 (2022: loss of €337,000). The insurance result decreased to €920,000 in 2023 (2022: €970,000). The insurance result consists of earned premium and claims. Compared to 2022, the earned premium increased to €925,000. In 2023 the proportional part of the profit commission was booked as the claims ratio was below the limit. In 2022 no profit commission was booked due to the claims ratio. Claims from underwriting year 2015 contributed negatively to the insurance result in contrary to book year 2022 when a positive result of €171,000 was booked.

The income on investments increased from a negative contribution of €770,000 in 2022 to a profit of €495,000 in 2023. Operational costs increased to €724,000 (2022: €652,000) as result of multiple factors. The costs for the financial auditor increased as did the costs for the internal auditor, who supported the writing of the information security policy based on best practices of the Dutch Central Bank (DNB). The Annual Convention took place in Barcelona and cost more than in 2022.

	€ (x 1,000)				
<b>Profit and Loss Account</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>
Earned premium after reinsurance	925	799	819	1,449	598
Claims after reinsurance	-5	171	58	-57	31
<b>Insurance result</b>	<b>920</b>	<b>970</b>	<b>877</b>	<b>1,392</b>	<b>629</b>
<b>Income on investments</b>	<b>495</b>	<b>-770</b>	<b>637</b>	<b>67</b>	<b>585</b>
<b>Operating expenses</b>	<b>-724</b>	<b>-652</b>	<b>-543</b>	<b>-502</b>	<b>-543</b>
Profit or loss before taxation	691	-452	971	957	671
Company tax	-165	115	-218	-221	-144
<b>Profit or loss after taxation</b>	<b>526</b>	<b>-337</b>	<b>753</b>	<b>736</b>	<b>527</b>



It seems that the reinsurance market moves into a more stable phase. The reinsurance contract 2023 had the same structure as before and was renewed with slightly better conditions than 2022. The positive results of MUNIS during the last few years contributed to this renewal.

### **RESULT PER BUSINESS LINE**

MUNIS has a license for marine hull and marine liability insurance. Since July 2014, the provided cover is for hull and machinery only. MUNIS no longer insures liability risk.

### **ACTUARIAL MANAGEMENT**

The Board of Directors has outsourced the first- and second-line actuarial functions to Arcturus, a professional actuarial consultant with expertise and experience in the implementation of Solvency II and actuarial analyses within relatively small insurance companies. Arcturus is working according to the guidelines of the Dutch Actuarial Society.

The Board of Directors had regular discussions with the actuary on how to contribute to MUNIS' operations and stay compliant with the demands of DNB in a proportional manner. This will be continued in 2024. The relatively small number of risks and claims limit the scope for actuarial assessment while the structure of the reinsurance programme reduces the relevance of it. Some first echelon work has been done by the financial director of MUNIS using specially developed actuarial tooling. It has been validated that MUNIS operates within the boundaries of the standard model and that there is no need to use a (partial) own model.

### **INTERNAL AUDIT**

At the beginning of 2023 MUNIS switched from InAudit to vMAS as internal auditor. The actual auditor remained the same. The organisation is specialised in auditing services to small insurance companies. The recommendations of former audits were implemented, except for some low-priority actions where management decided, with the support of the Supervisory Board, to take no further action and accept the residual risks. All critical processes are

reviewed every three years. Non-critical processes are reviewed every five years. The order of audits is determined by the risk assessment of these processes within MUNIS.

In 2023, the audit on the information security policy and general computer controls was conducted. The outcome of the audit was satisfactory based on the maturity levels determined by the board of directors. However, the Dutch Central Bank (DNB) informed that MUNIS needs to bring all management measures to its required maturity level.

The result of the audit on the reinsurance policy was satisfactory. vMAS worked in accordance with the International Professional Practices Framework of the Institute of Internal Auditors. All of the audit reports were discussed with the Supervisory Board. The Supervisory Board monitors the implementation of the audit recommendations on a regular basis. The annual internal audit plan has been approved by the Supervisory Board. At least once a year the internal auditor attends a meeting of the Supervisory Board.

### **COMPLIANCE**

The compliance function has been outsourced to Charco & Dique. They had been taken over by the Projective group in 2022. In the course of 2023, they started working under that name without change of the actual compliance officer.

The compliance officer met with the Managing Director every quarter via an online or live meetings. A template agenda that connected topics and frequency of discussion has been used. Relevant issues are discussed in the Supervisory Board. The annual compliance plan has been approved by the Supervisory Board. The Board of Directors has underwritten the "ethical code", which is part of the Governance Code.

MUNIS does not have a procedure for Product Oversight and Governance (POG), as MUNIS only insures the hull and machinery, and disbursements of the four participants. These insurance policies are based on co-insurance market conditions. MUNIS

does not apply own policy wordings. A potential wish to extend the exposure to other risk categories will always be discussed with participants, the Supervisory Board and the Board of Directors as stipulated in the Bylaws of MUNIS. The Systematic Integrity Risk Analysis (SIRA) was updated early 2024. Regular checks on the Ultimate Beneficial Owner and presence on the Dutch and EU and UN-Sanction List are in place.

## **RISK MANAGEMENT**

As a relatively small and specialised organisation, MUNIS has developed a simple and straightforward system of principles and policies to manage the different risks. Risks are discussed in full with the Supervisory Board every meeting based on a concise quarterly risk management report. As mentioned earlier, the Managing Director is responsible for the risk management. The Insurance Technical Committee (ITC) assists him with that responsibility. A selection of relevant risks is discussed in the ITC.

The following paragraphs refer to specific elements of risk management.

### **Market risks**

Van Lanschot actively manages the investment portfolio of MUNIS and provides quarterly reports to the Board of Directors. The Supervisory Board, Board of Directors and representatives of Van Lanschot discuss the investment policy and results at least once a year. The investments are based on a defensive and sustainable investment policy. The investment policy is in place to provide a match between assets and liabilities, more specifically, financial fixed assets and insurance liabilities. Bonds, deposits and liquid assets covered the technical provisions of MUNIS. The liquidity position has been aligned with the reinsurance programme. The applicable reinsurance programme ensures that no cash flow from the investment portfolio is needed to meet the insurance obligations.

The result on the portfolio was 7.94%. This result followed a year with a large loss (2022: -15.22%). The recovery resulted from a lower inflation and lower interest rates. The economic situation

was better than expected. The recovery on the investment portfolio was slightly below the benchmark. The sustainable concept exceeds the ESG criteria and is compliant with the Responsible Business Conduct agreement of the Dutch Association of Insurers.

MUNIS faces an acceptable exchange rate risk. Most insured values are nominated in euros and so are the financial fixed assets. A few of these assets are valued in US dollars. A “look through” of the financial assets made it clear that the direct and indirect investments valued in foreign currencies amounted to 20.3% (2022: 17.7%) of the total portfolio.

To have a sufficient cash position to pay potential claims, the cash flows of premium income, reinsurance premium payments and investments are closely monitored.

### **Credit risks**

Credit risks are related to the security of bonds, equity funds, bank balances, (re)insurance brokers and reinsurers. MUNIS invests in funds whose portfolios contain either individual government bonds, corporate bonds or shares. Bonds have a rating of at least BBB (S&P). Bank balances are retained at ABN AMRO and Van Lanschot. In the opinion of the MUNIS Board of Directors, credit risks are limited because ABN AMRO and Van Lanschot are well rated. Since the last quarter of 2022, ABN AMRO and Van Lanschot no longer charge a negative interest rate on credit accounts.

With the extensive reinsurance programme, the financial (solvency) position of reinsurers is of utmost importance. An accredited Lloyds reinsurance broker places the reinsurance programme with Lloyds’ syndicates and individual reinsurance companies. Lloyds is rated A+ by S&P and has a guarantee fund for insolvent syndicates. The individual reinsurance companies have at least an S&P or AM Best rating between A- and A+ at the time of renewal of the programme. Possible changes of the ratings of the reinsurers are discussed during every Supervisory Board meeting.

The rating is assessed throughout the year in cooperation with the reinsurance broker. If such an assessment gives cause, the Board of Directors will take measures to protect MUNIS against the identified credit risks in the near future. The measures have been described in the Capital Policy, part of the ORSA. If a rating drops below A-, the Board of Directors and a delegation of the Supervisory board discuss potential measures.

### **Underwriting risks**

MUNIS is a mutual insurance company for the marine contracting industry with a mono-line portfolio and a “to-follow” share in the marine co-assurance market. The underwriting risks are characterised by dependency on market premiums and conditions, relatively low-risk diversification and relatively high vulnerability for catastrophic events. With the present reinsurance programme, MUNIS has transferred all insurance risks to the reinsurance market. The reinsurance policy has been renewed in 2023 with slightly better conditions as 2022.

### **Business environment**

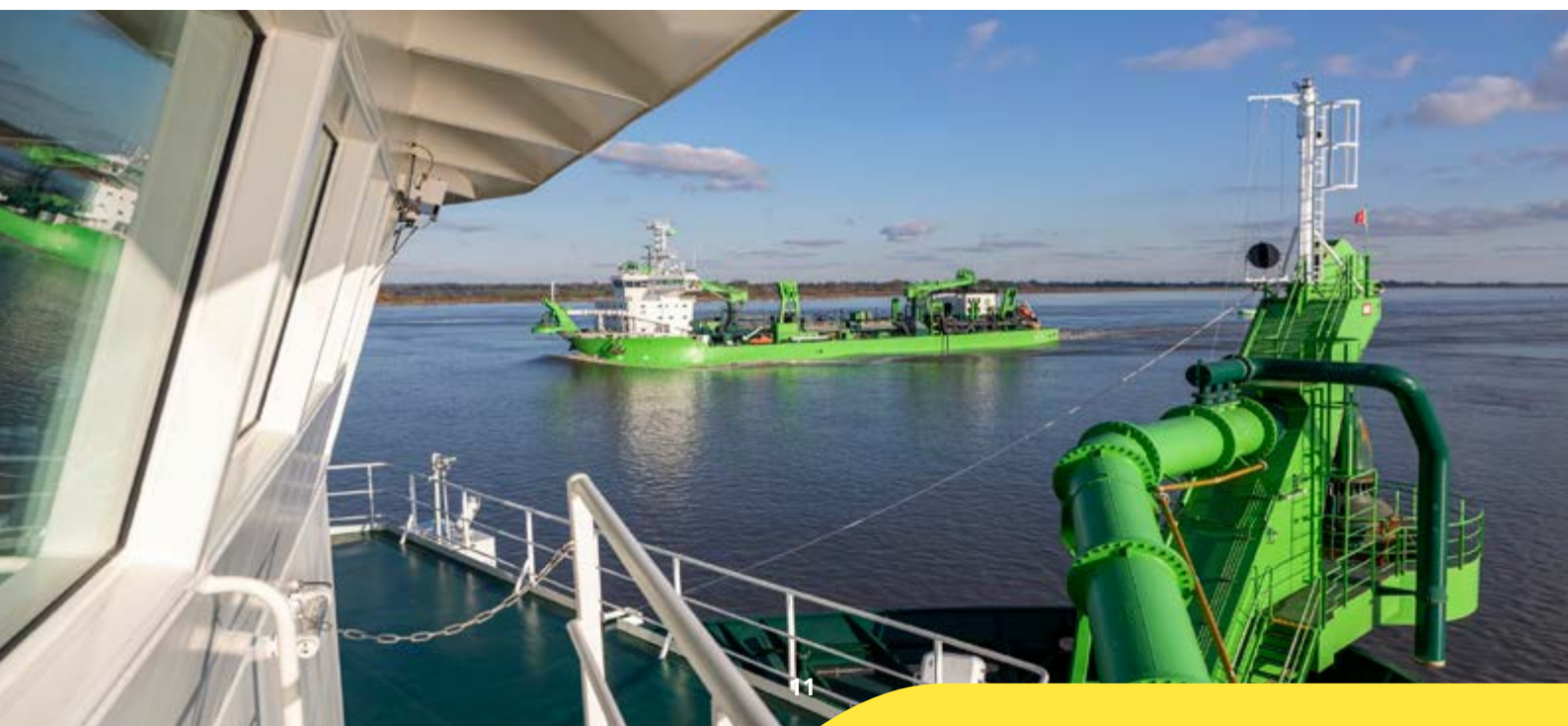
Following a few years of hard market with increasing premium rates the insurance market is moving into a more stable phase. Impacts of hardening or

softening of the direct market have limited effect on MUNIS its earned premium income. Qualitative and quantitative analyses of developments in the marine contracting industry related to the (re)insurance market are regularly discussed with experts from the industry, the ITC, the Board of Directors and the Supervisory Board.

### **Operational risks**

The main operational risks are related to the quality and integrity of underwriting, claims handling, investment decisions and internal control within a relatively small organisation. This is backed up with an internal planning and control cycle, and a balanced internal control system with divided responsibilities that meet the needs of the organisation. The planning and control system is discussed regularly within the Board of Directors.

None of MUNIS’ primary processes have been outsourced. The underwriting process and claims handling are supported by the brokers and leading underwriters of the respective policies. Brokers and underwriters are bound to Dutch or London market rules. MUNIS monitors the quality of the work of brokers and leading underwriters. As mentioned earlier, a compliance officer, internal auditor, actuary



and risk officer have supported and assessed the primary processes. The first three functions are performed by external, specialised companies.

Since the end of the COVID-19 pandemic the MUNIS staff works partially from home and in the office. The ICT systems support working remotely and all employees are properly equipped to work at home. The cyber security system functioned well and prevented any illegal external entries on the system. This has been assured by continuously monitoring all traffic at the server. At the end of 2023, Office 365 was implemented, which offers additional facilities to cyber security. For IT, a service-level agreement with an external service provider is in place. MUNIS' backup procedure consists of a backup made in the cloud next to the traditional in-house backup process on a separate computer.

BDO Audit & Assurance B.V. continued as financial auditor for the financial year 2023.

### FRAUD RISK

The risk of fraud has been reduced by applying several measures. The four-eyes principle has been implemented in as many procedures as possible. Relevant procedures are presented and discussed in a staff meeting annually as well as an awareness training given by the Compliance Officer. Payments above a certain amount have to be signed by both members of the Board of Directors. The Supervisory

Board receives an extensive management report every quarter.

### SUSTAINABILITY

MUNIS is greatly aware of the importance of sustainability. As previously stated, MUNIS invests in sustainable funds. In addition, a reduction of commuting kilometres is realised by partially working from home and the managing director drives an electric car. The European Union has established the Corporate Sustainability Reporting Directive (CSRD) in 2022. It is expected that it will not be applicable to MUNIS.

### SOLVENCY

With regard to solvency, two requirements are of importance: the Solvency Capital Requirement (SCR); and the Minimum Capital Requirement (MCR). The SCR is the risk-based capital that an insurer must hold, calculated in accordance with the Solvency II (SII) requirements of the standard formula. In addition to the SCR, there is a legally defined (Solvency II Directive) minimum capital requirement, the MCR. The mandatory solvency is the highest of either the SCR or the MCR. In addition, the available capital is calculated and the ratio between the capital and the solvency requirement indicates the solvency ratio.

At the conclusion of 2023, the SCR ratio was 393% (2022: 421%). The Solvency Capital Requirement (SCR)

	€ (x 1,000)	
Solvency ratios	2023	2022
Total own funds annual account	9,094	8,486
Total eligible own funds to meet the MCR	8,877	8,591
Total eligible own funds to meet the SCR	10,170	9,750
Minimum Capital Requirement (MCR)	4,000	4,000
Solvency Capital Requirement (SCR)	2,586	2,318
<b>Solvency ratio (MCR)</b>	<b>222%</b>	<b>215%</b>
<b>Solvency ratio (SCR)</b>	<b>393%</b>	<b>421%</b>

increased to €2,586,000. This increase results from an increase of both the market and counterparty risk.

According to rules of the Solvency II, directive the Minimum Capital Requirement (MCR) increased to €4,000,000 per 19 October 2022 and the MCR ratio is 222% (2022: 215%). As the MCR is higher than the SCR, the MCR instead of the SCR becomes normative for MUNIS.

The Internal Capital Requirement (ICR) is at least 130% of the MCR, which is €5,200,000. This ICR allows MUNIS to continue its activities for at least one more year under the worst possible circumstances. During this time, MUNIS will be able to take specific measures regarding continuation of its activities. Despite the above mentioned 130% the Board of Directors aims for a solvency ratio of at least 150%. At this level, more measures are available to increase the solvency ratio. The management of capital requirements has been described in the capital policy, which was approved by the General Assembly in May 2023.

## OUTLOOK FOR 2024

In 2024, the insurance market is in a fairly stable position. The impact on MUNIS due to expiring direct policies is uncertain. MUNIS changed the reinsurance broker in 2023. Based on the advice of the new broker the programme has been restructured resulting in slightly better conditions. The programme still implies 100% reinsurance. The interest to participate on the

MUNIS programme was satisfying, the number of reinsurers reduced a little, however the quality of the panel improved. Reinsurance commissions are still sufficient to expect a positive operational result for underwriting year 2024.

The total exposed value of the vessels and equipment insured by MUNIS will grow again in 2024 as investments in equipment powered by alternative fuel and offshore and windfarm equipment continue.

The geo-political situation is uncertain due to conflicts in the Middle East and Europe, and might impact the dredging market. In particular, the attacks in the Red Sea can have consequences for the insured. This is of less importance for MUNIS as it does not insure war risk.

The occupation of equipment has increased in the course of 2023. It is expected that this development will continue in 2024. As the inflation rate has gone down, it is expected the costs of repairs will stabilise. The costs of personnel will slightly increase.

The Board of Directors remains confident about the management of the overall risk profile of the insured fleets. This is based on the continuing efforts of its participant members in respect to loss prevention, safety measures and quality assurance.

*Voorburg, 27 March 2024  
The Board of Directors of MUNIS*



# Annual Accounts

## BALANCE SHEET AS AT 31 DECEMBER 2023 (BEFORE RESULT APPROPRIATION)

	€ (x 1,000)	
	2023	2022
<b>ASSETS</b>		
<b>1. Intangible assets</b>	<b>32</b>	<b>47</b>
<b>2. Financial fixed assets</b>		
2.1 Bonds	5,748	5,422
2.2 Shares	1,798	1,483
2.3 Other financial fixed assets	166	221
<b>Total</b>	<b>7,712</b>	<b>7,126</b>
<b>3. Receivables</b>		
3.1 Receivables from brokers insurance	0	566
<b>Total</b>	<b>0</b>	<b>566</b>
<b>4. Other assets</b>		
4.1 Tangible fixed assets	47	65
4.2 Cash and cash equivalents	2,685	2,358
<b>Total</b>	<b>2,732</b>	<b>2,423</b>
<b>5. Accrued income</b>		
5.1 Interests to be received	4	1
5.2 Corporate income tax	45	193
<b>Total</b>	<b>49</b>	<b>194</b>
<b>Total assets</b>	<b>10,525</b>	<b>10,356</b>



€ (x 1,000)

	2023	2022
<b>EQUITY AND LIABILITIES</b>		
<b>6. Equity</b>		
6.1 Paid in Guarantee Capital	1,813	1,813
6.2 Revaluation reserve shares	55	29
6.3 Revaluation reserve bonds	52	0
6.4 Revaluation reserve other financial fixed assets	4	0
6.5 Legal reserve	32	47
6.6 General reserve	6,612	6,934
6.7 Result before appropriation	526	-337
<b>Total</b>	<b>9,094</b>	<b>8,486</b>
<b>7. Technical provisions</b>		
7.1 Provision unearned premiums		
- Gross	840	1,364
- Reinsured	-652	-1,130
	188	234
7.2 Claims provision		
- Gross	7,151	7,194
- Reinsured	-7,064	-7,108
	87	86
<b>Total</b>	<b>275</b>	<b>320</b>
<b>8. Other provisions</b>	<b>39</b>	<b>10</b>
<b>9. Liabilities</b>		
9.1 Payable to brokers	821	247
9.2 Payable to reinsurance brokers	117	1,157
9.3 Other liabilities	179	136
<b>Total</b>	<b>1,117</b>	<b>1,540</b>
<b>Total equity and liabilities</b>	<b>10,525</b>	<b>10,356</b>

## PROFIT AND LOSS ACCOUNT 2023

	€ (x 1,000)	
	2023	2022
<b>TECHNICAL RESULT</b>		
Gross premium income	4,401	5,511
Premium income reinsured	-3,775	-4,956
<b>Total</b>	<b>626</b>	<b>555</b>
<b>Increase(-)/decrease in Provision unearned premiums</b>		
Gross	524	-337
Reinsured	-477	280
<b>Total</b>	<b>47</b>	<b>-57</b>
<b>10. Net earned premium income</b>	<b>673</b>	<b>498</b>
<b>Income investments</b>	<b>5</b>	<b>0</b>
Gross claims	-1,393	-898
Claims reinsured	1,389	892
<b>Net claims paid</b>	<b>-4</b>	<b>-6</b>
<b>12. Increase(-)/decrease in Claims provision</b>		
Gross	43	-3,015
Reinsured	-44	3,192
<b>Total</b>	<b>-1</b>	<b>177</b>
<b>11. Net claims</b>	<b>-5</b>	<b>171</b>
Commission	-372	-493
13. Operating expenses	-724	-652
Commission reinsurers	624	794
<b>Commissions and expenses</b>	<b>-472</b>	<b>-351</b>
<b>Technical result insurance</b>	<b>201</b>	<b>318</b>

€ (x 1,000)

	2023	2022
<b>OTHER RESULT</b>		
Technical result insurance	201	318
Income on investments		
Interest/Dividend	51	66
Unrealised result	565	8
Realised result	174	51
<b>Total</b>	<b>790</b>	<b>125</b>
Costs of investments		
Management costs and paid interest	-34	-36
Unrealised result	-5	-734
Realised result	-256	-125
	<b>-295</b>	<b>-895</b>
<b>14. Total Income on investments</b>	<b>495</b>	<b>-770</b>
Income on investments allocated to technical result	-5	0
<b>Profit/loss (-) before taxation</b>	<b>691</b>	<b>-452</b>
<b>15. Corporate income tax</b>	<b>-165</b>	<b>115</b>
<b>Profit/loss (-) after taxation</b>	<b>526</b>	<b>-337</b>

## CASH FLOW STATEMENT 2023

€ (x 1,000)

	2023	2022
<b>Cash flow from operational activities</b>		
Technical result insurance	201	318
Adjusted for income on investments allocated	-5	0
	196	318
<b>Adjusted for</b>		
Increase/decrease(-) technical provisions	-45	-120
Amortisation intangible assets	15	16
Depreciation tangible fixed assets	23	24
Increase/decrease(-) other liabilities	-423	775
Increase(-)/decrease receivables	566	954
Increase(-)/decrease accrued income	-19	-79
<b>Net cash from operational activities</b>	<b>313</b>	<b>1,888</b>
<b>Cash flow from investment activities</b>		
Investments		
- financial fixed assets	-3,598	-3,533
- intangible assets	0	0
- tangible fixed assets	-5	-2
Sales and redemptions		
- financial fixed assets	3,600	3,509
Interest/dividend	51	65
Management costs	-34	-35
<b>Net cash from investment activities</b>	<b>14</b>	<b>4</b>
<b>Cash flow from financing activities</b>		
Dividend	0	-336
<b>Net cash from financing activities</b>	<b>0</b>	<b>-336</b>
<b>Increase/decrease(-) cash and cash equivalents</b>	<b>327</b>	<b>1,556</b>
Cash and cash equivalents at 31 December	2,685	2,358
Cash and cash equivalents at 1 January	2,358	802
<b>Increase/decrease(-) cash and cash equivalents</b>	<b>327</b>	<b>1,556</b>

## EXPLANATORY NOTES

In 2023, the cash flow was €327,000 positive (2022: €1,556,000 positive).

## EXPLANATORY NOTES TO THE BALANCE SHEET

### ACCOUNTING POLICIES

#### General

Financial statements are prepared according to Part 9 of Book 2 of the Netherlands Civil Code including Standard 605 of the Dutch Accounting Standards Board. Assets and liabilities are carried at their face value, unless otherwise stated. Assets and liabilities denominated in foreign currencies are converted at the rates of exchange prevailing at the end of the year. The financial statements have been prepared in euros, which is the functional and reporting currency. All amounts are in thousands of euros, unless stated otherwise.

#### Going concern

The financial statements are prepared based on a going concern assumption. MUNIS has an insurance portfolio that generates sufficient net premium income to cover the operational costs and has a solid reinsurance programme signed by A- or higher rated reinsurers. The investment profile is defensive and in addition MUNIS has an adequate solvency ratio. The Board of Directors remains confident about the management of the overall risk profile of the insured fleets. This is based on the continuing efforts of its participant members in respect to loss prevention, safety measures and quality assurance. MUNIS' members are financially strong, have a good solvency and operate in profitable markets.

#### Estimates

In applying the principles and policies for drawing up the financial statements, the Board of Directors of MUNIS makes different estimates and judgments that may be essential to the amounts disclosed in the financial statements. The actual results may differ from these estimates. The estimates and the underlying assumptions are constantly assessed. Revisions of estimates are recognised in the period in which the estimates are revised and in future periods for which the revision has consequences. According to the management's opinion, the following accounting policies are the most critical for the purpose of presenting the financial position. Where applicable, estimates and assumptions are explained.

#### Foreign currency

Transactions in foreign currencies are stated in the financial statements at the exchange rate of the functional currency on the transaction date. Monetary assets and liabilities in foreign currencies are converted to the closing rate of the functional currency on the balance sheet date. The translation differences resulting from settlement and conversion are credited or charged to the income statement.

#### Intangible assets

Intangible fixed assets are stated at historical cost less amortisation. Impairments are taken into consideration; this is relevant in the event that the carrying amount of the asset (or of the cash-generating unit to which the asset belongs) is higher than its realisable value. Intangible fixed assets are included in the balance sheet when it is probable that the future benefits of that asset will accrue to the company and the costs of that asset can be measured reliably. Investments in computer software are amortised over a period of five years.

#### Financial fixed assets

Bonds, shares and other financial fixed assets are valued at fair value. Fair value is defined as the amount that would be received from the sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions. For quoted financial assets for which there is an active market, the fair value is the bid price at reporting date. In the absence of an active market, fair value is approximated by deriving it from the fair value of components or of a comparable financial instrument, or by approximating fair value using valuation models and valuation techniques. The investment in a real estate fund, which is not marketable at the moment, is valued at market value after deduction of an impairment and based on the expected cash flows. Realised gains and losses are accounted for in the Profit and Loss Account when occurred. Unrealised gains and losses are added to the revaluation reserve. In case the market value of an individual investment turns out to be lower than the historical cost price, the unrealised result

is accounted for in the Profit and Loss Account when they occur.

### **Receivables**

Receivables from brokers insurance on premiums written in the course of collection and receivables from brokers reinsurers are included in this item. They are initially recognised at fair value and then at their presumed recoverable amounts, if lower. Other receivables include all other receivables. They are recognised initially at fair value and subsequently measured at amortised cost.

### **Tangible fixed assets**

Tangible fixed assets are stated at historical costs minus depreciation. Small investments in office furniture and computer equipment are depreciated over a period of five years. The other investments are depreciated over a period of eight years. Any reimbursements received, with regard to investments, have been deducted from the historical cost price of the investment.

### **Cash and cash equivalents**

Cash and cash equivalents consist of bank balances free at disposal. They are carried at face value.

### **Revaluation reserve**

The revaluation reserve recognises unrealised value changes in financial fixed assets in case the market value of an individual asset is higher than the historical cost price. When determining the revaluation reserve, an amount for deferred tax liabilities has been calculated at the current tax rate and deducted.

### **Deferred tax liability**

A provision for deferred tax liabilities has been created to cover future taxation with regard to the differences in the book value and the fiscal value of assets and liabilities. The liability is valued at the nominal value of the fiscal liability as related to these differences. The nominal value of the liability is calculated according to the current Dutch corporate income tax rate.

### **Liabilities**

Liabilities are carried at face value.

### **Technical provisions**

A provision unearned premium is applicable for premiums and commissions already charged for the period after 31 December 2023. A claims provision is applicable for outstanding claims. The determination of this provision is based on the costs to be paid for reported claims as estimated by leading underwriters and/or based on (preliminary) survey reports of independent surveyors. For this, the most recently received information is used.

The cost of handling outstanding claims as well as the estimate for claims incurred before 1 January 2024, but not reported (IBNR) at the time of writing of the report, is included in the claims provision. Based on historical statistics (average claim amount x average number of IBNR claims over 10 years), the IBNR for the claims as at 31 December 2023 has been valued at €244,000 (2022: €262,000).

Reported and expected claims are valued at net estimated claim (net of primary and annual aggregate deductibles). Despite careful estimates, there may still be run-off results and uncertainties. This is inherent to the nature and size of the insured portfolio.

### **Cash flow statement accounting principles**

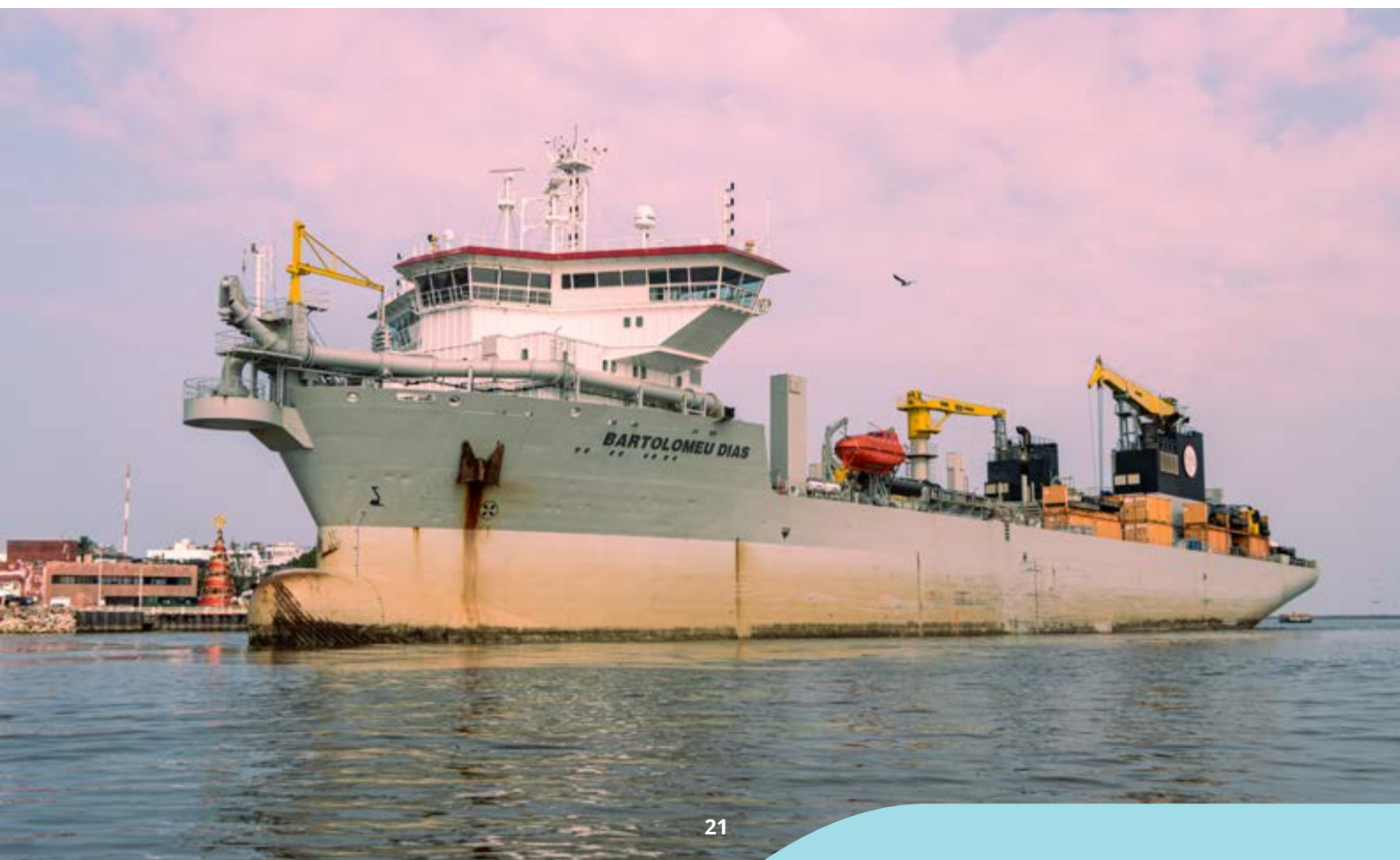
The statement of cash flows, prepared according to the indirect method, shows the structure of and changes in cash and cash equivalents of MUNIS during the financial year from the cash flows arising from operating activities, investing activities and financing activities. The cash flows from investing activities primarily comprise changes in investments (such as bonds and shares). Financing activities include all cash flows from transactions involving paid in Guarantee Capital and dividends. Cash flows from operating activities contain all other activities that belong to the principal revenue-generating activities.



## ASSETS

	€ (x 1,000)	
	2023	2022
<b>1. Intangible assets</b>		
Historical cost price	77	77
Accumulated amortisation	-30	-14
Intangible assets at 1 January	47	63
<b>Movements</b>		
Investments	0	0
Disinvestment	0	0
Amortisation	-15	-16
	-15	-16
Historical cost price	77	77
Accumulated amortisation	-45	-30
<b>Tangible fixed assets at 31 December</b>	<b>32</b>	<b>47</b>

Intangible assets relate to newly developed software for the MUNIS insurance administration. The software was implemented at the beginning of 2021.



		€ (x 1,000)	
		2023	2022
<b>2. Financial fixed assets</b>			
2.1 Bonds at 1 January		5,422	5,918
Purchase		2,150	3,034
Sale		-2,194	-2,630
		5,378	6,322
Realised gains and losses		40	-201
Unrealised gains and losses		330	-699
<b>Bonds at 31 December</b>		<b>5,748</b>	<b>5,422</b>
2.2 Shares at 1 January		1,483	2,475
Purchase		1,448	228
Sale		-1,344	-829
		1,587	1,874
Realised gains and losses		138	-80
Unrealised gains and losses		73	-311
<b>Shares at 31 December</b>		<b>1,798</b>	<b>1,483</b>
2.3 Other financial fixed assets at 1 January		221	0
Purchase		0	271
Sale		-62	-50
		159	221
Realised gains and losses		2	0
Unrealised gains and losses		5	0
<b>Other financial fixed assets at 31 December</b>		<b>166</b>	<b>221</b>
<b>Total Financial fixed assets</b>		<b>7,712</b>	<b>7,126</b>

Investments in bonds and shares include solely interests in investment funds.  
 Nearly all have a rating of at least BBB (S&P). The rating is determined by the look-through principle.  
 The rating of the investments in bonds is as follows:

€ (x 1,000)			
2023			
Rating	Investment funds Government Bonds	Investment funds Corporate Bonds	Total
AAA	721	23	744
AA	1,229	139	1,368
A	579	732	1,311
BBB	1,099	763	1,862
<BBB or not rated	161	302	463
<b>Total</b>	<b>3,789</b>	<b>1,959</b>	<b>5,748</b>

€ (x 1,000)			
2022			
Rating	Investment funds Government Bonds	Investment funds Corporate Bonds	Total
AAA	709	62	771
AA	977	102	1,079
A	468	679	1,147
BBB	1,087	847	1,934
<BBB or not rated	223	268	491
<b>Total</b>	<b>3,464</b>	<b>1,958</b>	<b>5,422</b>

The amount of investments in shares also includes an investment in a real estate fund that is not marketable at present. The Board of Directors considers the investment to be almost completely impaired and is valued at €16,000 (2022: €8,000).

Other financial fixed assets relate to an investment in a “money market fund”.

Financial fixed assets are valued as follows:

	€ (x 1,000)			
	2023			
	Investment funds Bonds	Investment funds Shares	Other financial fixed assets	Total
<b>Listed</b>				
Market value	5,748	1,782	0	7,530
<b>Not-listed</b>				
Net Asset Value	0	0	166	166
Other method	0	16	0	16
<b>Total</b>	<b>5,748</b>	<b>1,798</b>	<b>166</b>	<b>7,712</b>

	€ (x 1,000)			
	2022			
	Investment funds Bonds	Investment funds Shares	Other financial fixed assets	Total
<b>Listed</b>				
Market value	5,203	1,475	0	6,678
<b>Not-listed</b>				
Net Asset Value	219	0	221	440
Other method	0	8	0	8
<b>Total</b>	<b>5,422</b>	<b>1,483</b>	<b>221</b>	<b>7,126</b>

The historical cost price of bonds was €5,875,577.

The historical cost price of shares was €2,288,834.

The historical cost price of other financial fixed assets was €160,585.

### 3. Receivables

#### 3.1 Receivables from brokers

At the time of writing this report, receivables from brokers have been received in full or have been netted with amounts due to brokers in early 2024.

### 4. Other assets

	€ (x 1,000)	
	2023	2022
<b>4.1 Tangible fixed assets</b>		
Historical cost price	251	251
Accumulated depreciation	-186	-164
<b>Tangible fixed assets at 1 January</b>	<b>65</b>	<b>87</b>
<b>Movements</b>		
Investments	5	2
Disinvestments	0	-2
Depreciation Disinvestments	0	2
Depreciation	-7	-8
Depreciation allocated	-16	-16
	-18	-22
Historical cost price	256	251
Accumulated depreciation	-209	-186
<b>Tangible fixed assets at 31 December</b>	<b>47</b>	<b>65</b>

Investments in 2023 and 2022 mainly relate to new computer hardware.

Part of the depreciation is allocated and invoiced to the other organisations that are supported by the Secretariat.

	€ (x 1,000)	
	2023	2022
<b>4.2 Cash and cash equivalents</b>		
Deposits	2,629	1,013
Liquid assets	56	1,345
<b>Total cash and cash equivalents</b>	<b>2,685</b>	<b>2,358</b>

Deposits and liquid assets are at free disposal. As at 31 December 2023, interest rates on cash and cash equivalents varied from 1.5% to 1.75%.

## 5. Accrued income

### 5.1 Interest to be received

Interest to be received represent interest from deposits.

### 5.2 Corporate income tax

Corporate income tax represents tax to claim from the fiscal authorities because of the loss in book year 2022 as well as dividend taxes to be received.





## EQUITY AND LIABILITIES

	€ (x 1,000)	
	2023	2022
Equity at 1 January	8,486	9,527
Equity at 31 December	9,094	8,486
<b>Increase/ (decrease) equity</b>	<b>608</b>	<b>-1,041</b>
Increase(-)/decrease revaluation reserve shares	-26	304
Increase(-)/decrease revaluation reserve bonds	-52	64
Increase(-)/decrease revaluation other financial fixed assets	-4	0
Dividend paid	0	336
<b>Result</b>	<b>526</b>	<b>-337</b>

At the end of 2023, the solvency ratio of MUNIS was 393% (2022: 421%). The Solvency Capital Requirement (SCR) was €2,586,000, whereas the actual solvency was €10,170,000. The Minimum Capital Requirement (MCR) according to Solvency II rules and regulations is €4,000,000. This implies a ratio of 222% (2022: 215%). The Internal Minimum Capital Requirement is 130% of the MCR, which is €5,200,000.

	€ (x 1,000)	
	2023	2022
Total own funds annual account	9,094	8,486
Conversion to SII values	-60	105
Total available own funds Solvency II	9,034	8,591
Tier 3 own funds	0	0
Foreseeable dividend	-157	0
<b>Total eligible own funds to meet the MCR</b>	<b>8,877</b>	<b>8,591</b>
Tier 2 own funds (maximum)	1,293	1,159
<b>Total eligible own funds to meet the SCR</b>	<b>10,170</b>	<b>9,750</b>
<b>Minimum Capital Requirement (MCR)</b>	<b>4,000</b>	<b>4,000</b>
<b>Solvency Capital Requirement (SCR)</b>	<b>2,586</b>	<b>2,318</b>
<b>Solvency ratio (MCR)</b>	<b>222%</b>	<b>215%</b>
<b>Solvency ratio (SCR)</b>	<b>393%</b>	<b>421%</b>

## 6. Equity

### 6.1 Guarantee Capital

The maximum amount of the Guarantee Capital is fixed at €7,250,000 of which 25% (€1,812,500) has been paid in and 75% remains with the members. Should the actual solvency level fall below the required level, the Board of Directors will call upon the members to pay in the remaining 75%. According to article 16 of the Articles of the Association, at all times full payment of the Guarantee Capital must be actioned immediately after the Board of Directors has made a decision to that end.

	€ (x 1,000)	
	2023	2022
<b>6.2 Revaluation reserve shares at 1 January</b>	29	333
Increase/decrease(-)	26	-304
<b>Revaluation reserve shares at 31 December</b>	<b>55</b>	<b>29</b>
<b>6.3 Revaluation reserve bonds at 1 January</b>	<b>0</b>	<b>64</b>
Increase/decrease(-)	52	-64
<b>Revaluation reserve bonds at 31 December</b>	<b>52</b>	<b>0</b>
<b>6.4 Revaluation reserve other financial fixed assets at 1 January</b>	<b>0</b>	<b>0</b>
Increase/decrease(-)	4	0
<b>Revaluation reserve other financial fixed assets at 31 December</b>	<b>4</b>	<b>0</b>
<b>6.5 Legal reserve at 1 January</b>	<b>47</b>	<b>63</b>
Increase/decrease(-)	-15	-16
<b>Legal Reserve at 31 December</b>	<b>32</b>	<b>47</b>
<b>6.6 General reserve at 1 January</b>	<b>6,934</b>	<b>6,501</b>
Result last year	-337	753
Dividend paid	0	-336
Appropriation to the Legal Reserve	15	16
<b>General Reserve at 31 December</b>	<b>6,612</b>	<b>6,934</b>
<b>6.7 Result before appropriation at 1 January</b>	<b>-337</b>	<b>736</b>
Appropriation to the General Reserve	337	-753
Not appropriated result	526	-337
<b>Result before appropriation at 31 December</b>	<b>526</b>	<b>-337</b>

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The revaluation reserves are net after deduction of the provision for deferred tax liability. The increase or decrease of the revaluation reserves are the net result of unrealised losses or profits on bonds and shares in 2023. A Legal Reserve has been formed for the investment in newly developed software (intangible assets). The General Reserve as at 31 December 2023 is presented before result appropriation 2023. The Annual General Assembly decided to debit the result for 2022 to the General Reserves account.

### **Proposal for result appropriation**

The Board of Directors proposes to credit the result for 2023 to the General Reserves account.

### **Proposal for dividend**

In 2000, the Annual General Assembly established a dividend policy that allows a dividend payment to the members provided if there are enough funds available from the General Reserve, if the cumulative result over the last three book years is positive and if the solvency of MUNIS meets the legally required margins after distribution of the dividend.

If all these conditions are met and there is a positive result, MUNIS will pay a dividend of 50% of the average result of the last 3 years, provided the total dividend exceeds a minimum of €100,000. Since the cumulative result over the last three book years is positive, the Board of Directors proposes to withdraw €156,996 dividend from the General Reserve.



	€ (x 1,000)	
	2023	2022
<b>7. Technical provisions</b>		
<b>7.1 Provision unearned premiums</b>		
Gross at 1 January	1,364	1,027
Increase/decrease(-)	-524	337
Gross at 31 December	840	1,364
Reinsured at 1 January	-1,130	-850
Increase/decrease(-)	477	-280
Reinsured at 31 December	-652	-1,130
<b>Total provision unearned premiums</b>	<b>188</b>	<b>234</b>
<b>7.2 Claims provision</b>		
Gross at 1 January	6,932	3,953
Increase/decrease(-)	-25	2,979
Gross at 31 December	6,907	6,932
Reinsured at 1 January	-6,846	-3,690
Increase/decrease(-)	26	-3,156
Reinsured at 31 December	-6,820	-6,846
<b>Total claims provision</b>	<b>87</b>	<b>86</b>
<b>IBNR</b>		
Gross at 1 January	262	226
Increase/decrease(-)	-18	36
Gross at 31 December	244	262
Reinsured at 1 January	-262	-226
Increase/decrease(-)	18	-36
Reinsured at 31 December	-244	-262
<b>Total IBNR</b>	<b>0</b>	<b>0</b>
<b>Total technical provisions</b>	<b>275</b>	<b>320</b>

The average duration of claims is more than one year. As required by Dutch law, a liability adequacy test has been performed. This test is performed according to the quantitative method. Based on the survey report of outstanding claims and analysis of historical statistics, the management considers the technical provisions adequately assessed.

	€ (x 1,000)	
	2023	2022
<b>8. Other provisions</b>		
Deferred tax liability at 1 January	10	133
Increase/decrease(-)	29	-123
<b>Other provisions at 31 December</b>	<b>39</b>	<b>10</b>

The deferred tax liability relates to revaluation differences of investments. The liability is calculated based on a corporate income tax rate of 25.8%.

## 9. Liabilities

### 9.1 Payable to brokers

At the time of writing this report, payable to brokers has been paid in full or has been netted with amounts due from brokers in early 2024.

### 9.2 Payable to reinsurance brokers

Payable to reinsurance brokers relate to the balance of receivables from and liabilities to the reinsurance broker. This concerns one counterparty.

	€ (x 1,000)		
	2023		
Duration	Receivables	Liabilities	Total
Less than one year	2,125	-2,728	-603
More than one year	486	0	486
<b>Total</b>	<b>2,611</b>	<b>-2,728</b>	<b>-117</b>

	€ (x 1,000)		
	2022		
Duration	Receivables	Liabilities	Total
Less than one year	1,430	-3,034	-1,604
More than one year	447	0	447
<b>Total</b>	<b>1,877</b>	<b>-3,034</b>	<b>-1,157</b>

	€ (x 1,000)	
	2023	2022
<b>9.3 Other liabilities</b>		
Creditors	32	8
Current account other organisations	7	0
Accrued liabilities	140	105
<b>Total other liabilities</b>	<b>179</b>	<b>113</b>

The duration of all liabilities is less than one year.

### Subsequent events

There have been no subsequent events.

### Commitments and contingencies

In April 2018, the Secretariat's office moved to a new location at Stationsplein in Voorburg. The rental term started on 1 April 2018 and runs until 1 April 2026. The Secretariat's total financial obligation for the space is €74,756 per year (2022: €67,488) of which MUNIS is responsible for €20,184 per year (2022: €18,222). The landlord has received a bank guarantee for three months' rent. The rental obligation is indexed annually. The annual lease car obligations are €10,903 (of which MUNIS is responsible for €2,944); (2022: €11,058 of which MUNIS is responsible for €2,986).





## EXPLANATORY NOTES TO THE PROFIT AND LOSS ACCOUNT

### ACCOUNTING POLICIES

#### General

Profits and losses are allocated to the appropriate year unless otherwise stated.

Profits and losses denominated in foreign currencies are converted at the rates of exchange prevailing at the moment of receiving or expending.

The additions to and releases from liabilities are debited or credited to the profit and loss account.

#### Gross premium income

Gross premiums are recognised as revenues when they become due. Information about written premiums by country of origin is not disclosed to prevent competition sensitive information from being published.

#### Premium income reinsured

Premium income reinsured is incorporated into the Profit and Loss Account when it becomes liable. Profit commissions are recognised as revenues when the set conditions are met and are netted with premium income reinsured.

#### Claims

Gross claims are incorporated into the Profit and Loss Account at net value after deductibles when they become liable. Claims reinsured are recognised as revenues when they become receivable at net value after deductibles.

#### Commissions

Commissions are incorporated into the Profit and Loss Account when they become liable.

#### Commissions reinsurers

Commissions reinsurers are recognised as revenues when they become due.

#### Income investments

Investment income is recognised as revenue on an accrued basis for all interest-bearing assets. Realised gains and losses are accounted for in the Profit and Loss Account when occurred. Unrealised losses are accounted for in the Profit and Loss Account provided that the market value for the individual investment is lower than the historical cost price and the relevant revaluation reserve is nil.

#### Allocation of investments

The income on investments is allocated to the technical accounts and the general accounts based on the following:

- Investments with a smaller risks profile (i.e. bonds and deposits) are allocated to the technical accounts;
- If a surplus exists, this is allocated to the general accounts; and
- More volatile investments (shares) are allocated to the general accounts.

#### Corporate income tax

Tax on the result is calculated based on the result before tax in the income statement, taking account of the losses available for set-off from previous financial years (to the extent that they have not already been included in the deferred tax assets) and exempt profit components and after the addition of non-deductible costs. Due account is also taken of changes which occur in the deferred tax assets and deferred tax liabilities in respect of changes in the applicable tax rate.

	€ (x 1,000)	
	2023	2022
<b>10. Net earned premium income</b>		
Gross premium income	4,401	5,511
Increase(-)/decrease in Provision unearned premium	524	-337
Earned premium	4,925	5,174
Premium reinsured	-3,775	-4,956
Increase/decrease(-) in Provision unearned premium	-477	280
Earned premium reinsured	-4,252	-4,676
<b>Net earned premium income</b>	<b>673</b>	<b>498</b>

The gross premium income decreased due to the irregular premium bookings of some brokers and to a change in the conditions of the direct policies. The earned premium dropped by 4.8% to €4,925,000. This decrease is due to a change in the conditions of the direct policies. The decrease was partially compensated by the increase in insured value. Net premium grew as a result of the proportional booking of the profit commission in book year 2023 regarding underwriting year 2023. No profit commission was booked in book year 2022.

	€ (x 1,000)	
	2023	2022
<b>11. Claims</b>		
Gross claims	-1,393	-898
Increase(-)/decrease in claims provision	43	-3,015
Claims	-1,350	-3,913
Claims reinsured	1,389	892
Increase/decrease(-) in claims provision	-44	3,192
	1,345	4,084
<b>Net claims</b>	<b>-5</b>	<b>171</b>

The total claims (€1,350,000) consisted of €2,036,000 claims from 2023 (2022: €3,969,000) and €686,000 (2022: €55,000) positive adjustments on claims from previous years. Net claims (€-5,000) consisted of a negative result on claims for underwriting year 2015. The decrease of claims is partially due to a reduced number of claims in 2023 and only one large claim (2022: 2).

€ (x 1,000)

				2023	2022
<b>12. (Increase)/decrease claims provision</b>					
<b>Gross claims provision</b>	<b>Claims provision</b>	<b>Claims paid</b>	<b>Claims provision</b>	<b>Increase(-)/</b>	<b>Increase(-)/</b>
<b>Year of claim</b>	<b>31-12-2022</b>	<b>2023</b>	<b>31-12-2023</b>	<b>decrease</b>	<b>decrease</b>
Previous years	119	46	57	16	115
2018	67	-9	19	57	93
2019	679	101	536	42	-29
2020	217	89	92	36	58
2021	2,177	150	1,611	416	-182
2022	3,935	1,005	2,811	119	
	<b>7,194</b>	<b>1,382</b>	<b>5,126</b>	<b>686</b>	<b>55</b>
2023		11	2,025		
<b>Total</b>	<b>7,194</b>	<b>1,393</b>	<b>7,151</b>	<b>686</b>	<b>55</b>
<b>Claims provision reinsured</b>					
<b>Year of claim</b>					
Previous years	-101	-42	-41	-18	-18
2018	-62	9	-18	-53	11
2019	-673	-101	-533	-39	32
2020	-207	-89	-86	-32	-53
2021	-2,155	-150	-1,596	-409	175
2022	-3,910	-1,005	-2,785	-120	
	<b>-7,108</b>	<b>-1,378</b>	<b>-5,059</b>	<b>-671</b>	<b>147</b>
2023		-11	-2,005		
<b>Total</b>	<b>-7,108</b>	<b>-1,389</b>	<b>-7,064</b>	<b>-671</b>	<b>147</b>
<b>Claims provision after reinsurance</b>					
<b>Year of claim</b>					
Previous years	18	4	16	-2	97
2018	5	0	1	4	104
2019	6	0	3	3	3
2020	10	0	6	4	5
2021	22	0	15	7	-7
2022	25	0	26	-1	
	<b>86</b>	<b>4</b>	<b>67</b>	<b>15</b>	<b>202</b>
2023		0	20		
<b>Total</b>	<b>86</b>	<b>4</b>	<b>87</b>	<b>15</b>	<b>202</b>
Claims paid previous years				4	0
Claims 2023				-20	-25
<b>Increase (-)/decrease claims provision</b>				<b>-1</b>	<b>177</b>

	€ (x 1,000)	
	2023	2022
<b>Reinsurance balance</b>		
Premium reinsurances net of commissions	-3,628	-3,882
Claims reinsured	1,345	4,084
<b>Reinsurance balance</b>	<b>-2,283</b>	<b>202</b>

Claims reinsured as represented above are claims paid plus claims outstanding for account of reinsurers.



	€ (x 1,000)	
	2023	2022
<b>13. Operating expenses</b>		
<b>13.1 Personnel costs</b>		
Salaries	160	156
Social insurance	19	16
Pension premiums	43	42
Travel and car expenses	5	5
Educational costs	1	1
Sundry personnel costs	6	4
Benefits social insurance	-6	-1
Temporary personnel costs	1	0
<b>Total personnel costs</b>	<b>229</b>	<b>223</b>
<b>13.2 Office costs</b>		
Premises (rent)	24	22
Office materials	0	1
Postage	1	1
Communication costs	2	1
Subscription and contributions	34	28
Computers and hardware	15	11
Banking costs	2	1
Amortisation intangible assets	15	15
Depreciation costs	7	8
<b>Total office costs</b>	<b>100</b>	<b>88</b>
<b>13.3 Administration</b>		
Board and Committees	94	93
Insurance	6	6
Costs outsourced key functions	100	72
Auditors' costs	134	116
Costs other advice	2	14
Costs legal advice	-1	0
<b>Total administration</b>	<b>335</b>	<b>301</b>
<b>13.4 Annual General Assembly</b>	<b>60</b>	<b>40</b>
<b>Total operating expenses</b>	<b>724</b>	<b>652</b>

### 13.1 Personnel costs

At the end of 2023, the Secretariat supporting MUNIS temporarily employed ten staff members (8.05 fte; 2022: 7.0 fte) due to the retirement of an employee. The Secretariat supports two other organisations. By tracking hours worked, 27% (2022: 27%) of the Secretariat's salary costs and shared office costs were allocated to MUNIS. For the employees of the Secretariat, a pension facility applies based on a so-called middle salary pension scheme. Annually, the pension obligations are indexed. All decisions with regard to personnel costs are taken after consultation with the Presidents meeting.

### 13.2 Office costs

Office costs increased to €100,000 mainly due to tooling costs of the actuary and additional costs for external IT support.

### 13.3 Administration

The costs for the Supervisory Board comprise the remuneration of the Supervisory Board members, the reimbursement for their expenses and the D&O insurance on behalf of the Supervisory Board and the Board of Directors. The remuneration of the Supervisory Board was €56,900 (2022: €54,200) and relates to the fees for three independent members. In addition to the regular costs for Board and Committees, incidental costs were made for activities conducted by the Chairman of the Insurance Technical Committee.

The costs for outsourced key functions consist of support from the actuary, internal auditor and compliance officer. The increase in cost resulted from additional support to develop and audit the information security policy and the actuarial support for conducting the ORSA.

	€ (x 1,000)	
	2023	2022
<b>Auditors' costs</b>		
Audit of the financial statements	133	115
Other audit engagements	1	1
<b>Total auditors' costs</b>	<b>134</b>	<b>116</b>

### 13.4 Annual Convention

In 2023, the Annual Convention was held in Barcelona with a larger number of participants than usual, which resulted in an increase of costs.

	€ (x 1,000)	
	2023	2022
<b>14. Income on investments</b>		
<b>14.1 Bonds</b>		
Interest bonds	11	0
Realised result	-231	-123
Unrealised result	531	-691
<b>Total income bonds</b>	<b>311</b>	<b>-814</b>
<b>14.2 Shares</b>		
Dividend	32	66
Realised result	147	49
Unrealised result	29	-35
<b>Total income shares</b>	<b>208</b>	<b>80</b>
<b>14.3 Other financial fixed assets</b>		
Realised result	2	0
Unrealised result	0	0
<b>Total income other financial fixed assets</b>	<b>2</b>	<b>0</b>
<b>14.4 Interest cash and cash equivalents</b>	<b>8</b>	<b>-1</b>
<b>14.5 Costs of investments</b>	<b>-34</b>	<b>-35</b>
<b>Total income on investments</b>	<b>495</b>	<b>-770</b>

The financial fixed assets are managed by a professional fund manager at Van Lanschot based on a defensive investment policy. The income on investments improved from €770,000 negative to a positive result of € 495,000. This was mainly due to a lower interest rate and better economic circumstances than expected.

No exchange rate differences are recognised in the Profit and Loss Account.



	€ (x 1,000)	
	2023	2022
<b>15. Corporate income tax</b>		
Commercial result	691	-452
Permanent differences	0	0
Temporary differences	0	0
<b>Fiscal result</b>	<b>691</b>	<b>-452</b>
 Corporate income tax	 165	 -115
 Effective corporate income tax percentage	 24%	 25%

Voorburg, 27 March 2024





# Other information

## PROVISIONS IN THE ARTICLES OF ASSOCIATION REGARDING RESULT APPROPRIATION

According to Article 18 of the Articles of Association, the Annual General Assembly determines the appropriation of the Association's net result for the year.



## INDEPENDENT AUDITOR'S REPORT

To: the members of the company and Supervisory Board of Mutual Insurance Association "MUNIS" U.A.

### A. REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS 2023 INCLUDED IN THE ANNUAL REPORT

#### Our opinion

We have audited the financial statements 2023 of Mutual Insurance Association "MUNIS" U.A. (hereafter "MUNIS" or the company) based in 's-Gravenhage.

#### WE HAVE AUDITED

The financial statements comprise:

1. the balance sheet as at 31 December 2023;
2. the profit and loss account for 2023; and
3. the notes comprising of a summary of the accounting policies and other explanatory information.

#### OUR OPINION

In our opinion, the accompanying financial statements give a true and fair view of the financial position of Mutual Insurance Association "MUNIS" U.A. as at 31 December 2023 and of its result for 2023 in accordance with Part 9 of Book 2 of the Dutch Civil Code.

#### Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the 'Our responsibilities for the audit of the financial statements' section of our report.

We are independent of Mutual Insurance Association "MUNIS" U.A. in accordance with the EU Regulation on specific requirements regarding statutory audit of public-interest entities, the Wet toezicht accountantsorganisaties (Wta, Audit firms supervision act), the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant

independence regulations in the Netherlands. Furthermore we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics).

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

### B. INFORMATION IN SUPPORT OF OUR OPINION

We designed our audit procedures in the context of our audit of the financial statements as a whole and in forming our opinion thereon. The following information in support of our opinion was addressed in this context, and we do not provide a separate opinion or conclusion on these matters.

#### Materiality

Based on our professional judgement we determined the materiality for the financial statements as a whole at € 271.000. The materiality is based on a benchmark of the equity (representing 3,0%) which we consider to be one of the principal considerations for members of the company in assessing the financial performance of the company. We have also taken into account misstatements and/or possible misstatements that in our opinion are material for the users of the financial statements for qualitative reasons.

We agreed with the audit committee that misstatements in excess of € 13.550, which are identified during the audit, would be reported to them, as well as smaller misstatements that in our view must be reported on qualitative grounds.

#### Audit approach going concern

As explained in the section 'Outlook for 2024' on page 13 of the report of the Board of Directors and in the section 'Going concern' on page 19 financial statements, the board of directors has explained the going concern assumption. Our procedures to evaluate the going concern assessment of the board of directors include the audit of the solvency ratio and the capital requirement (under Solvency II) of Mutual Insurance

Association "MUNIS" U.A., as disclosed on page 27 of the financial statements.

The solvency ratio provides an important indication of the going concern assumption of an insurance company. A solvency ratio of 100% implies, according to the Solvency II-guidelines of the European Union, an assurance of 99.5% that the insurance company can cope with extreme losses for a period of 1 year. According to the internal requirements of Mutual Insurance Association "MUNIS" U.A. a solvency ratio of 222% of the reported Solvency Capital Requirement (SCR) is assessed as being sufficient. The SCR as per 31 December 2023 is equal to 393% as disclosed on page 27 of the financial statements.

Based on the level of the solvency ratio and our audit thereof, the review of the "Own Risk and Solvency Assessment" (ORSA), the reinsurance policy, the budget for 2024 and the determination of the acceptability of the used assumptions, the review of the subsequent events and the consideration of whether these events require an explanation or an adjustment of the financial statements and our meetings with the holders of the key functions within the company we conclude that there is no material uncertainty regarding the going concerns assumption of the company.

### **Audit approach fraud risks and non-compliance with laws and regulations**

We identified and assessed the risks of material misstatements of the financial statements due to fraud and non-compliance with laws and regulations. During our audit we obtained an understanding of the entity and its environment and the components of the system of internal control, including the risk assessment process and board's process for responding to the risks of fraud and monitoring the system of internal control and how the Supervisory Board exercises oversight, as well as the outcomes. We refer to section 'Fraud Risk' of the report of the board of directors for board's fraud risk assessment.

We evaluated the design and relevant aspects of the system of internal control and in particular the fraud risk assessment, as well as among others the code

of conduct ('Moreel ethische verklaring') and internal incident procedures. We evaluated the design and the implementation of internal controls designed to mitigate fraud risks.

As part of our process of identifying fraud risks, we evaluated fraud risk factors with respect to financial reporting fraud, misappropriation of assets and bribery and corruption. We evaluated whether these factors indicate that a risk of material misstatement due fraud is present.

We identified the following fraud risks and performed the following specific procedures:

#### **Risk of management override of controls**

In all of our audit work efforts we have paid attention to the risk, that management can override internal controls, including an evaluation of indications of inappropriate influence by management, which can result in a material misstatement in the financial statements due to fraud.

By performing a thorough fraud risk assessment we have determined the means available to management to override internal controls. The performance of specific audit procedures - among others the procedures described under the key audit matters - on these means did not give any findings indicative for fraud or non-compliance. This is confirmed by the reports of the holders of the key functions within the company.

#### **Risk on revenue recognition**

Based on the Dutch Standards on Auditing, we always assume a fraud risk with regard to revenue recognition. Based on our risk-analysis, this risk results from non-routine / manual journal entries for revenue recognition. We have analyzed all manual journal entries for revenues above our threshold. We determined all these journals for the revenues reconcile with the amounts according to the leading insurer or the asset manager.

We have taken knowledge of all corresponding between MUNIS and the Dutch Central Bank ('DNB'), we have determined that the key functions have been



implemented. We have read the reports of the holder of the key functions. This did not give an indication of MUNIS being non-compliant with law or regulation.

We incorporated elements of unpredictability in our audit. We also considered the outcome of our other audit procedures and evaluated whether any findings were indicative of fraud or non-compliance. We considered available information and made enquiries of relevant executives, directors and the Supervisory Board.

This did not lead to indicators for fraud potentially resulting in material misstatements.

### **Our key audit matters**

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements. We have communicated the key audit matters to the Supervisory Board. The key audit matters are not a comprehensive reflection of all matters discussed.

These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

### **VALUATION OF THE TECHNICAL PROVISION GROSS CLAIMS**

As stated at pages 20 of the notes to the 2023 financial statements the company recognized a technical provision gross claims at the balance sheet to cover the expected cash outflows for outstanding claims. The company takes part in coinsurance contracts and follows the lead insurance company in terms of the premiums set and the claims (to be) paid.

The company assesses and records their share of the expected claim on a case-by-case basis and includes an IBNR based on historical statistics.

Due to the uncertainty in making the estimation regarding the IBNR and the attention we have given to the audit of the valuation of the technical provision for outstanding claims, the provision for gross claims is a key audit matter for our audit.

### **OUR AUDIT APPROACH**

We verified the accuracy and completeness of the provision by performing a retrospective analysis of the settlement of claims of previous years. We also verified whether the board of directors has taken into account these results in their estimation of the technical provision for this year. For the case-by-case provision we verified documentation for a representative selection of claims as of 31 December 2023.

For these claims we checked whether the cause of the loss is covered by the policy and also verified whether these claims are in accordance with the supporting documentation like overview documents of the brokers and claim reports.

Furthermore we reviewed the payment of claims subsequent to year end to determine whether they were fully recognized in the technical provision as of 31 December 2023. The actuary of the company performed an adequacy test on the reporting date to establish whether the insurance liabilities in the balance sheet are sufficient. The actuary performed a review of the actuarial calculations made for the technical provisions and compared the outcome of these calculations with the provision as included on the balance sheet. The actuary determined whether the used assumptions were adequate. This actuary made up a report of their work performed and their conclusions. We reviewed this report.

An actuarial specialist was included in our audit team. He reviewed whether it was possible to use the work performed by the actuary in our audit. We evaluated the expertise and objectivity of both the actuary and our actuarial specialist.

Based on the audit procedures we performed, we haven't identified material findings.

## **SOLVENCY II**

At page 27 of the notes to the 2023 financial statements the company discloses the solvency ratio as at year end 2023 in accordance with Solvency II regulations. The determination of Solvency II ratio involves judgement in respect of the use of methodologies and setting best estimate assumptions.

Due to the uncertainties in making this estimation and assumptions Solvency II is a key audit matter for our audit.

## **OUR AUDIT APPROACH**

The company used the standard model for calculating the Solvency II ratio. During our audit we determined whether the used model was validated and assurance was given that this model is in accordance with the Standard model for calculating the Solvency II ratio. We also determined that the input of the model was in accordance with Solvency II regulations, valuation at market value. We determined whether the market value was calculated in a correct manner. We involved our actuarial specialist to assist us in performing the audit procedures with regard to the Solvency II calculations. We evaluated the expertise and objectivity of this specialist. Based on the audit procedures we performed, we haven't identified material findings.

## **C. REPORT ON OTHER INFORMATION INCLUDED IN THE ANNUAL REPORT**

In addition to the financial statements and our auditor's report thereon, the annual report contains other information that consists of:

- Introduction;
- Report of the Supervisory Board;
- Report of the Board of Directors;
- other information as required by Part 9 of Book 2 of the Dutch Civil Code.

Based on the following procedures performed, we conclude that the other information:

- is consistent with the financial statements and does not contain material misstatements;
- contains the information as required by Part 9 of Book 2 of the Dutch Civil Code for the report of the Board of Directors and the other information.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements.

The board of directors is responsible for the preparation of the other information, including the report of the Board of Directors in accordance with Part 9 of Book 2 of the Dutch Civil Code and other information as required by Part 9 of Book 2 of the Dutch Civil Code.

## **D. REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

### **Engagement**

We were engaged by the Supervisory Board as auditor of Mutual Insurance Association "MUNIS" U.A. on 21 November 2016, as of the audit for financial year 2016 and have operated as statutory auditor ever since that financial year.

### **No prohibited non-audit services**

We have not provided prohibited non-audit services as referred to in Article 5(1) of the EU Regulation on specific requirements regarding statutory audit of public-interest entities.

## **E. DESCRIPTION OF RESPONSIBILITIES REGARDING THE FINANCIAL STATEMENTS**

### **Responsibilities of the board of directors and the supervisory board for the financial statements**

The board of directors is responsible for the preparation and fair presentation of the financial statements in accordance with Part 9 of Book 2 of the Dutch Civil Code. Furthermore, the board of directors is responsible for such internal control as the board of directors determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, the board of directors is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting framework mentioned, the board of directors should prepare the financial statements 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.

The board of directors should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the financial statements.

The supervisory board is responsible for overseeing the company's financial reporting process.

### **Our responsibilities for the audit of the financial statements**

Our objective is to plan and perform the audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit.

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 financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgement and have maintained professional scepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included among others:

- identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining 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;
- obtaining 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 entity's internal control;



- evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the board of directors;
- concluding on the appropriateness of board's 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 entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements 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 auditor's report. However, future events or conditions may cause a company to cease to continue as a going concern;
- evaluating the overall presentation, structure and content of the financial statements, including the disclosures; and
- evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the supervisory board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identify during our audit. In this respect we also submit an additional report to the audit committee in accordance with Article 11 of the EU Regulation on specific requirements regarding statutory audit of public-interest entities. The information included in this additional report is consistent with our audit opinion in this auditor's report.

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

From the matters communicated with the supervisory board, we determine the key audit matters: those matters that were of most significance in the audit of the financial statements. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, not communicating the matter is in the public interest.

*Amstelveen, 27 March 2024*

For and on behalf of BDO Audit & Assurance B.V.,

w.s. drs. M.F. Meijer RA



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