Urenco Limited

Interim Financial Statements

FOR THE 6 MONTHS ENDED 30 JUNE 2022

Disclaimer

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This release may include certain forward-looking statements, beliefs or opinions, including statements with respect to the business, financial condition and results of operations of Urenco Limited or other members of the Urenco Group. These statements, which may contain the words “anticipate”, “believe”, “intend”, “estimate”, “expect” and words of similar meaning, reflect the Directors’ beliefs and expectations and involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. No representation is made that any of these statements or forecasts will come to pass or that any forecast results will be achieved. There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by these statements or forecasts. Past performance of Urenco Limited and the other members of the Urenco Group cannot be relied on as a guide to future performance. Any forward-looking statement is based on information available as of the date of the statement. All forward-looking statements contained in this release are qualified by this caution. Urenco Limited expressly disclaims any obligations or undertaking to release any update of, or revisions to, any forward-looking statements in this release. No statement in this release is intended to be a profit forecast and, as a result, any person reviewing this release should not rely on such forward-looking statements.

The Urenco Group

Urenco is an international supplier of enrichment services and fuel cycle products with sustainability at the core of its business. Operating in a pivotal area of the nuclear fuel supply chain for over 50 years, Urenco facilitates zero carbon electricity generation for consumers around the world.

With its head office near London, UK, Urenco's global presence ensures diversity and security of supply for customers through enrichment facilities in Germany, the Netherlands, the UK and the USA. Using centrifuge technology designed and developed by Urenco, and through the expertise of our people, the Urenco Group provides safe, cost effective and reliable services, operating within a framework of high environmental, social and governance standards, complementing international safeguards.

Urenco is committed to continued investment in the responsible management of nuclear materials; innovation activities with clear sustainability benefits, such as nuclear medicine, industrial efficiency and research; and nurturing the next generation of scientists and engineers.

For more information, please visit www.urenco.com

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CORPORATE INFORMATION

Board of Directors

Non-executive Directors

Stephen Billingham	Chairman
Mel Kroon	Non-Executive
Frank Weigand	Non-Executive
Alan Bevan	Non-Executive
Miriam Maes	Non-Executive
Justin Manson	Non-Executive
Michael Harrison	Non-Executive

Executive Directors

Boris Schucht	Chief Executive Officer
Ralf ter Haar	Chief Financial Officer

Registered Office

Urenco Limited
Urenco Court
Sefton Park, Bells Hill
Stoke Poges
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SL2 4JS

Registered No.1022786

Website:
www.urenco.com

Auditor

Deloitte LLP
Statutory Auditor
1 New Street Square
London
EC4A 3BZ

Summary

- Revenue at €615.4 million, EBITDA at €280.0 million and net income at €90.1 million.
- Cash generated from operating activities strengthened to €492.3 million, resulting in net cash at 30 June 2022 of €187.9 million (31 December 2021: net debt of €11.5 million).
- Successfully issued €500.0 million of new Eurobonds in June 2022.
- Order Book up by 30% since the start of the year to €11.3 billion, supported by both significant new contract wins in the period and higher forecast deliveries under existing contracts.

Financial Highlights

	Six months to 30 June 2022 (unaudited) €m	Six months to 30 June 2021 (unaudited) €m
Revenue	**615.4**	565.0
EBITDA(i)	**280.0**	322.9
EBITDA margin - %	**45.5%**	57.2%
Income from operating activities	**151.4**	209.9
Net income	**90.1**	84.8
Capital expenditure	**58.9**	58.6
Cash generated from operating activities	**492.3**	229.1

(i) EBITDA is defined as earnings before exceptional items, interest (including other finance costs), taxation, depreciation and amortisation and results of joint venture and other investments. Depreciation and amortisation are adjusted to remove elements of such charges included in changes to inventories and SWU assets and net costs of nuclear provisions. EBITDA is reconciled to income from operating activities on page 19.

Boris Schucht, Chief Executive of Urenco Group, commenting on the half year results, said:

"Urenco's half year results for 2022 demonstrate our performance and durability.

We have benefitted from the steady relaxation of COVID-19 restrictions worldwide. Sadly we have seen the emergence of another crisis with the conflict in Ukraine. As a company, we have been deeply concerned with the developments in the country, the home of one of our customers, and our thoughts and solidarity are with all the people who are suffering there. At the outset of the conflict, we terminated our contract with a Russian counterparty. We remain in contact with our customer in Ukraine and continue to offer our support.

Urenco's finances remain healthy. Revenue of €615.4 million is up on H1 2021 (€565.0 million) due primarily to increased SWU deliveries albeit at lower average unit prices. EBITDA of €280.0 million is down on H1 2021 (€322.9 million) due to increased cost of goods sold and higher operating costs. Net income of €90.1 million is higher than H1 2021 (€84.8 million), positively impacted by lower tax charges, predominantly as a result of H1 2021 including a one-off non-cash revaluation of net UK deferred tax liabilities. We retain a strong balance sheet, with net cash increasing to €187.9 million at the end of June 2022, up €199.4 million from 31 December 2021 (net debt €11.5 million).

In light of recent tragic and unprecedented global developments and the impact they have had on the market, we are responding by adjusting our strategy. We are planning ahead for future nuclear energy security needs and to support our customers. A large part of this adjustment is addressing our future capacity, and we are assessing where we can add new plant and hire and train new people so we can increase production of enriched uranium. Our progress on advanced fuels also continues apace.

Sustainability goes hand in hand with Urenco's future, and more widely nuclear energy's future. We will remain very active in this regard, striving to supply our products completely carbon free in advance of 2040 and helping to maximise nuclear energy's contribution to achieving a net zero, energy secure world."

Outlook and Order Book

Playing a fundamental role in the nuclear fuel cycle, and committing ourselves to ambitious climate targets in the clean-energy transition, Urenco is contributing to fuelling a sustainable, net zero world. Our core business of delivering enrichment services for nuclear fuel remains key, enabling our customers to supply carbon-free energy globally. Complementing this, we are advancing innovative and reliable nuclear solutions for the future.

SWU spot prices are increasing. From their low point of $34/SWU in August 2018, they have subsequently shown a rising trend with a steep increase in March 2022 and are now at $87/SWU in June 2022.

We are signing new contracts to maintain our customer base and continuing to raise our profile in new markets. We have security through the long-term visibility of our Order Book. Extending to the 2030s, our order book value as of 30 June 2022 is €11.3 billion, based on €/$ of 1 : 1.05 (31 December 2021: €8.7 billion based on €/$ of 1 : 1.14).

In other areas of our business, we are ramping up operations at our Tails Management Facility, and at our new stable and medical isotopes cascades to meet increased demand.

We continue to monitor the various political uncertainties that could impact us. In relation to Ukraine, we are focused on supporting our customer in the region, as well as ensuring we can meet increasing requests from our other customers and the nuclear industry. We are encouraged by the actions of several countries to actively support nuclear. For example, the introduction to the UK Parliament of the Energy Security Strategy with the objective of up to 25% of the UK's electricity demand being met by nuclear by 2050, up from circa 16% currently. In addition, the European Parliament's decision to support the Taxonomy Complementary Climate Delegated Act (CDA), covering certain gas and nuclear activities, now puts the European nuclear industry on an equal footing with other parts of the world and will encourage investment.

Further, the changing macroeconomic environment forecast as a result of events observed in H1 2022 is likely to result in a number of significant updates to our long term business model and strategy. This could result in a material update to several of the Group's key judgements and estimates, for example relating to the measurement of future cost estimates for provisions, with the impact being reflected in the Group's financial statements for the year ending 31 December 2022.

REVIEW OF FINANCIAL RESULTS

Income Statement for the period ended 30 June 2022

Revenue for the six months ended 30 June 2022 was €615.4 million, an increase of €50.4 million (8.9%) compared to the same period last year. The increase in revenue was mainly due to higher SWU revenue (€9.4 million) and Uranium revenue (€27.3 million).

Overall, revenue for 2022 is expected to show a comparable phasing to 2021 and to previous years when sales were weighted towards the second half of the year.

EBITDA for the first half of 2022 was €280.0 million, a decrease of €42.9 million (13.3%) from the same period last year (H1 2021: €322.9 million). Although revenue has improved, this has been achieved through an increased level of deliveries but at lower average unit prices. The higher cost of sales attributable to the increased level of deliveries has, in combination with increased operating costs, resulted in a decrease in EBITDA.

€ million (periods ended 30 June)	**2022**	**2021**	movement
Income from operating activities	**151.4**	**209.9**	(27.9%)
Adjustment for depreciation in inventories, SWU assets and nuclear provisions	(40.9)	(41.8)	
Add: depreciation and amortisation	173.8	157.6	
Adjustment for share of results of joint venture	(4.3)	(2.8)	
EBITDA	**280.0**	**322.9**	(13.3%)

The net costs of nuclear provisions were €68.3 million for the six months ended 30 June 2022, a decrease of €17.8 million (H1 2021: €86.1 million). The net costs for tails provisions in the first half of 2022 were €3.1 million lower than those for the same period last year. Net decommissioning provision costs were €7.7 million lower than the same period last year and provisioned costs for the re-enrichment of low assay feed were €7.0 million lower.

Depreciation and amortisation for the six months ended 30 June 2022 was €173.8 million, compared to €157.6 million for the half year 2021, with the increase primarily driven by the euro dollar exchange rate and increased depreciation of the Tails Management Facility as it moves further towards full operating phase.

Net finance costs for the six months ended 30 June 2022 were €21.6 million, compared to €32.0 million for the same period last year. Finance income for the six months ended 30 June 2022 was €132.2 million (H1 2021: €29.3 million), with the increase driven by foreign exchange gains on short term deposits held in US dollar. Finance costs for the six months ended 30 June 2022 were €153.8 million (H1 2021: €61.3 million), with the increase driven by foreign exchange losses on intercompany balances held in US dollars.
The net finance cost on borrowings of €18.0 million is lower than H1 2021 (€22.4 million) following the repayment at maturity of €534.4 million of the 2022 2.5% Eurobonds in February 2021, the associated swaps, and early redemption of the €405.0 million August 2022 2.25% Eurobonds on the 9th May 2022 and associated swaps.

In H1 2022 there were foreign exchange gains of €24.8 million (H1 2021: gains of €6.9 million) reflecting unhedged balances and movements in foreign exchange rates. The other key elements of net finance costs were capitalised interest of €18.5 million (H1 2021: €23.5 million) and the unwinding of discounting on provisions of €39.4 million (H1 2021: €33.6 million).

In the first half of 2022 the tax expense was €39.7 million (an effective tax rate (ETR) of 30.6%), a decrease of €53.4 million over the tax expense of €93.1 million for H1 2021 (ETR: 52.3%). The decrease in tax expense arose primarily due to the fact that H1 2021 included a non-cash revaluation of the net opening UK deferred tax liability following an increase in future tax rate from 19.0% to 25.0%, which was not repeated in H1 2022, together with the reduced level of income before tax generated in H1 2022. This was, however, partially offset by changes in non-taxable and non-deductible amounts, including foreign exchange financing gains and losses that are excluded from tax under the UK Disregard Regulations.

In the first six months of 2022 net income was €90.1 million, an increase of €5.3 million (6.3%) compared to net income of €84.8 million in the same period of 2021. The increase in net income reflects the lower tax expense which offsets the lower EBITDA

The net income margin for H1 2022 was 14.6% (H1 2021: 15.0%).

Cash Flow Statement for the period ended 30 June 2022

Operating cash flow before movements in working capital was €372.7 million (H1 2021: €412.7 million) and cash generated from operating activities was €492.3 million (H1 2021: €229.1 million). The higher cash flows from operating activities primarily reflecting increased revenue in the period and positive movements in working capital positions from the 2021 year end.

Tax paid in the period was €66.5 million (H1 2021: €103.9 million) due to the timing and phasing of cash payments which spans multiple years. Accordingly, net cash flow from operating activities after tax was €426.3 million compared to €125.2 million in H1 2021.

In the first six months of 2022 the Group invested a total of €58.6 million (H1 2021: €58.6 million), of which the investment in the Tails Management Facility (TMF) represented €9.5 million (H1 2021: €13.1 million).

Net cash outflow from financing activities in H1 2022 decreased to €43.8 million compared to €655.0 million in H1 2021. In the current period, proceeds from a new Eurobond issued in June 2022 of €497.5 million were partially offset by the repurchase and cancellation of the August 2022 Eurobond in May 2022 of €404.8 million. In H1 2021, the Eurobond of €534.4 million was repurchased and cancelled.

Statement of Financial Position as at 30 June 2022

Property, plant and equipment decreased by €45.6 million in the first half of the year to €4,465.2 million. The movement was predominantly driven by depreciation charges of €165.0 million, net of capital additions, including recognition of decommissioning assets and capitalised interest (€80.0 million) and foreign exchange translation gains (€56.6 million).

Inventories increased in the six months ended 30 June 2022 by €102.4 million to €249.3 million (31 December 2021: €146.9 million). SWU assets increased in the six months ended 30 June 2022 by €84.3 million to €361.8 million (31 December 2021: €277.5 million).

Total provisions as at 30 June 2022 were €2,839.4 million (31 December 2021: €2,725.1 million) of which €3.4 million (31 December 2021: €3.6 million) was included in current liabilities. In H1 2022, additional provisions and the unwinding of discounts were €212.5 million, while utilisation and release of provisions (including exchange differences) were €98.2 million. Nuclear liabilities and the associated provisions, together with underlying macro-economic assumptions and the required funding capability, are kept under constant review by Urenco. We have considered whether to update our cost estimates and inflation forecasts for provisions at the half year, but have retained our 31 December 2021 assumptions. See note 2 on page 17.

As at 30 June 2022, the Group held cash and cash equivalents of €790.1 million (31 December 2021: €559.5 million) and short term deposits of €563.9 million (31 December 2021: €516.3 million). Net cash was €187.9 million (31 December 2021: net debt of €11.5 million), reflecting strong operational cash flow performance in the period.

The Group has a €500.0 million sustainability linked revolving credit facility which was signed in October 2021 and runs until 2026, with two optional extensions. As at 30 June 2022 the facility was undrawn. The Company’s debt ratings were reconfirmed in April 2022 by Moody’s (Baa1/Stable) and S&P Global Ratings (BBB+/Stable).

Total equity increased by €2.2 million with retained earnings decreasing by €40.5 million in the period since 31 December 2021. This is primarily due to the net income for H1 2022 of €90.1 million being lower than the dividend paid in March 2022 in respect of 2021 (€150.0 million). The hedging reserve (including cost of hedging reserve) decreased by €53.0 million to €46.2 million of cumulative hedging losses (31 December 2021: Gains of €6.8 million). The foreign currency translation reserve increased by €95.7 million to €445.3 million principally due to foreign exchange gains on US assets.

Events after the Statement of Financial Position Date

There are no events after the statement of financial position date that require disclosure.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors of the Company as listed on page 4 hereby confirm that to the best of their knowledge the unaudited interim condensed consolidated set of financial statements has been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting" as adopted by the UK and gives a true and fair view of the assets, liabilities, financial position and profit and loss of the Urenco Group.

On behalf of the Board

Boris Schucht
Chief Executive Officer

Ralf ter Haar
Chief Financial Officer

4 August 2022

INDEPENDENT REVIEW REPORT TO URENCO LIMITED

Conclusion
We have been engaged by the Company to review the condensed set of consolidated financial statements in the half-yearly financial report for the six months ended 30 June 2022 which comprises the condensed consolidated income statement, the condensed consolidated statement of comprehensive income, the condensed consolidated statement of financial position, the condensed consolidated statement of changes in equity, the condensed consolidated cash flow statement and related notes 1 to 16.

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2022 is not prepared, in all material respects, in accordance with United Kingdom adopted International Accounting Standard 34.

Basis for Conclusion
We conducted our review in accordance with International Standard on Review Engagements ("ISRE") (UK) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Financial Reporting Council for use in the United Kingdom. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

As disclosed in Note 2, the annual financial statements of the group will be prepared in accordance with United Kingdom adopted international accounting standards. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with United Kingdom adopted International Accounting Standard 34, "Interim Financial Reporting".

Conclusion Relating to Going Concern
Based on our review procedures, which are less extensive than those performed in an audit as described in the Basis for Conclusion section of this report, nothing has come to our attention to suggest that the Directors have inappropriately adopted the going concern basis of accounting or that the Directors have identified material uncertainties relating to going concern that are not appropriately disclosed.

This conclusion is based on the review procedures performed in accordance with this ISRE (UK), however future events or conditions may cause the entity to cease to continue as a going concern.

Responsibilities of the Directors
In preparing the half-yearly financial report, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the review of the financial information
In reviewing the half-yearly financial report, we are responsible for expressing to the Group a conclusion on the condensed set of consolidated financial statements in the half-yearly financial report. Our conclusion, including our Conclusions Relating to Going Concern, are based on procedures that are less extensive than audit procedures, as described in the Basis for Conclusion paragraph of this report.

Use of our report
This report is made solely to the company in accordance with International Standard on Review Engagements (UK) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Financial Reporting Council. Our work has been undertaken so that we might state to the company those matters we are required to state to it in an independent review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company, for our review work, for this report, or for the conclusions we have formed.

Deloitte LLP
Statutory Auditor
London, United Kingdom
4 August 2022

INTERIM CONDENSED CONSOLIDATED INCOME STATEMENT

	Notes	Six months ended 30 June 2022 Unaudited €m	Six months ended 30 June 2021 Unaudited €m	Year ended 31 December 2021 Audited €m
Revenue from sales of goods and services	3	**615.4**	565.0	1,669.3
Changes to inventories of finished goods and work in progress and SWU assets		**17.7**	112.0	(89.0)
Raw costs of materials and consumables used		**(5.8)**	(11.8)	(16.0)
Net costs of nuclear provisions	12	**(68.3)**	(86.1)	(144.4)
Employee costs		**(100.6)**	(85.9)	(180.3)
Depreciation and amortisation	4	**(173.8)**	(157.6)	(331.0)
Restructuring provision release		**0.1**	-	0.5
Other expenses		**(137.6)**	(128.5)	(275.9)
Results of joint venture and other investments		**4.3**	2.8	2.6
Income from operating activities		**151.4**	209.9	635.8
Finance income		**132.2**	29.3	69.3
Finance costs		**(153.8)**	(61.3)	(133.6)
Income before tax		**129.8**	177.9	571.5
Income tax expense	5	**(39.7)**	(93.1)	(207.0)
Net income for the period / year attributable to the owners of the Company		**90.1**	84.8	364.5
Earnings per share:		**€**	€	€
Basic earnings per share		**0.5**	0.5	2.2

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Six months ended 30 June 2022 Unaudited	2021 Unaudited Re-presented(i)	Year ended 31 December 2021 Audited
	€m	€m	€m
Net income	**90.1**	84.8	364.5
Other comprehensive income:			
Items that may be reclassified subsequently to the income statement			
Cash flow hedges – recycled in relation to hedges of revenue	**9.2**	(6.9)	(3.9)
Cash flow hedges – recycled in relation to hedges of debt	**0.9**	33.7	40.9
Cash flow hedges – mark to market losses on hedges of revenue(i)	**(126.0)**	(28.7)	(69.5)
Cash flow hedges –mark to market gains/(losses) on hedges of debt(i)	**15.4**	(24.2)	(28.7)
Movements on cost of hedging reserve(ii)	**27.2**	1.6	1.5
Deferred tax income on financial instruments	**19.3**	5.2	13.8
Current tax (expense)/income on financial instruments	**(0.2)**	0.7	1.0
Exchange differences on hedge reserves(iii)	**1.2**	4.6	5.6
Total movements to hedging reserves	**(53.0)**	(14.0)	(39.3)
Exchange differences on foreign currency translation of foreign operations	**149.2**	36.7	95.4
Net investment hedge – mark to market (losses)/gains	**(62.0)**	40.5	38.8
Deferred tax (expense)/income on financial instruments	**(1.3)**	5.0	6.7
Current tax income/(expense) on financial statements	**9.8**	(6.0)	(4.9)
Share of joint venture exchange difference on foreign currency translation of foreign operations	**-**	(0.1)	(0.1)
Total movements to foreign currency translation reserve	**95.7**	76.1	135.9
Items that will not be reclassified subsequently to the income statement			
Actuarial gains on defined benefit pension schemes	**26.6**	17.0	68.0
Deferred tax expense on actuarial gains	**(7.2)**	(4.4)	(17.2)
Share of joint venture actuarial gains on defined benefit pension schemes	**-**	5.5	5.5
Share of joint venture deferred tax expense on actuarial gains on defined benefit pension schemes	**-**	-	(0.5)
Total movements to retained earnings	**19.4**	18.1	55.8
Other comprehensive income	**62.1**	80.2	152.4
Total comprehensive income relating to the period/year attributable to the owners of the Company	**152.2**	165.0	516.9

(i) Previously, the line items above, cash flow hedges – mark to market losses on hedges of revenue and cash flow hedges – mark to market gains/(losses) on hedges of debt were shown as a single line, cash flow hedges – mark to market (losses)/gains with a net loss of €52.9 million disclosed in the six months ended 30 June 2021 financial statements.

(ii) The movements on cost of hedging reserve relate to both Cash Flow and Net Investment Hedges.

(iii) Exchange differences on the hedging reserves arise as a result of the effects of translating the hedging reserves from the functional currency of the entities in which the hedging reserves are held to the Group's presentational currency.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	**30 June 2022 Unaudited €m**	31 December 2021 Audited €m	30 June 2021 Unaudited €m
ASSETS				
Non-current assets				
Property, plant and equipment	7	**4,465.2**	4,510.8	4,404.8
Investment property		**5.5**	5.8	5.9
Intangible assets		**29.8**	23.3	18.8
Investments including joint venture		**22.6**	29.7	26.9
Retirement benefit assets		**71.8**	51.2	-
Restricted cash		**0.9**	0.9	0.9
Derivative financial instruments	11	**21.9**	30.4	91.1
Deferred tax assets		**85.2**	82.8	103.0
Contract assets		**28.5**	35.5	26.4
		4,731.4	4,770.4	4,677.8
Current assets				
Inventories		**249.3**	146.9	181.2
SWU assets		**361.8**	277.5	409.0
Contract assets		**14.3**	12.5	12.7
Trade and other receivables		**163.7**	357.9	214.6
Derivative financial instruments	11	**17.7**	53.1	25.6
Income tax recoverable		**132.1**	101.4	105.8
Short term deposits	8	**563.9**	516.3	298.5
Cash and cash equivalents	9	**790.1**	559.5	277.3
		2,292.9	2,025.1	1,524.7
TOTAL ASSETS		**7,024.3**	6,795.5	6,202.5
EQUITY AND LIABILITIES				
Equity attributable to owners of the Company				
Share capital		**237.3**	237.3	237.3
Additional paid in capital		**16.3**	16.3	16.3
Retained earnings		**1,447.3**	1,487.8	1,320.4
Hedging reserves	10	**(46.2)**	6.8	32.1
Foreign currency translation reserve		**445.3**	349.6	289.8
Total equity		**2,100.0**	2,097.8	1,895.9
Non-current liabilities				
Interest bearing loans and borrowings	11	**1,135.6**	651.3	1,054.5
Trade and other payables		**97.8**	38.9	51.5
Lease liabilities		**27.2**	28.1	19.9
Provisions	12	**2,836.0**	2,721.5	2,542.2
Contract liabilities		**138.3**	126.1	76.5
Derivative financial instruments	11	**102.7**	56.5	68.7
Deferred tax liabilities		**256.7**	261.9	225.5
Retirement benefit obligations	13	**20.5**	30.9	31.5
		4,614.8	3,915.2	4,070.3
Current liabilities				
Interest bearing loans and borrowings	11	**-**	404.7	-
Trade and other payables		**208.9**	229.4	177.4
Lease liabilities		**3.3**	3.2	1.9
Provisions	12	**3.4**	3.6	3.8
Contract liabilities		**35.0**	62.6	35.6
Derivative financial instruments	11	**58.9**	62.7	14.4
Income tax payable		**-**	16.3	3.2
		309.5	782.5	236.3
Total liabilities		**4,924.3**	4,697.7	4,306.6
TOTAL EQUITY AND LIABILITIES		**7,024.3**	6,795.5	6,202.5

Registered Number 01022786
The financial statements were approved by the Directors and authorised for issue on 4 August 2022.

Boris Schucht
Chief Executive Officer

Ralf ter Haar
Chief Financial Officer

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital €m	Additional paid in capital €m	Retained earnings €m	Hedging reserves(i) €m	Foreign currency translation reserve €m	Attributable to the owners of the Company €m
As at 31 December 2021 (Audited)	**237.3**	**16.3**	**1,487.8**	**6.8**	**349.6**	**2,097.8**
Income for the period	**-**	**-**	**90.1**	**-**	**-**	**90.1**
Other comprehensive income/(loss)	**-**	**-**	**19.4**	**(53.0)**	**95.7**	**62.1**
Total comprehensive income/(loss)	**-**	**-**	**109.5**	**(53.0)**	**95.7**	**152.2**
Equity dividend paid	**-**	**-**	**(150.0)**	**-**	**-**	**(150.0)**
As at 30 June 2022 (Unaudited)	**237.3**	**16.3**	**1,447.3**	**(46.2)**	**445.3**	**2,100.0**

	Share capital €m	Additional paid in capital €m	Retained earnings €m	Hedging reserves(i) €m	Foreign currency translation reserve €m	Attributable to the owners of the Company €m
As at 31 December 2020 (Audited)	237.3	16.3	1,367.5	46.1	213.7	1,880.9
Income for the period	-	-	84.8	-	-	84.8
Other comprehensive income/(loss)	-	-	18.1	(14.0)	76.1	80.2
Total comprehensive income/(loss)	-	-	102.9	(14.0)	76.1	165.0
Equity dividend paid	**-**	**-**	(150.0)	-	-	(150.0)
As at 30 June 2021 (Unaudited)	237.3	16.3	1,320.4	32.1	289.8	1,895.9

(i) The hedging reserves are comprised of a cash flow hedging reserve and a cost of hedging reserve. The analysis for the reconciliation between opening and closing balances for each component is provided in note 10.

INTERIM CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	Notes	**Six months ended 30 June 2022 Unaudited €m**	Six months ended 30 June 2021 Unaudited €m	Year ended 31 December 2021 Audited €m
Income before tax		**129.8**	177.9	571.5
Adjustments to reconcile Group income before tax to net cash inflows from operating activities:				
Results of joint venture and other investments		**(4.3)**	(2.8)	(2.6)
Depreciation and amortisation	4	**173.8**	157.6	331.0
Finance income	4	**(132.2)**	(29.3)	(69.3)
Finance cost	4	**153.8**	61.3	133.6
Loss on write off of property, plant and equipment		**7.7**	0.9	2.1
Increase in provisions		**44.1**	47.1	59.9
Operating cash flows before movements in working capital		**372.7**	412.7	1,026.2
Increase in inventories		**(92.5)**	(56.4)	(2.1)
Increase in SWU assets		**(81.0)**	(93.7)	40.0
Decrease/(increase) in receivables and other debtors		**200.7**	18.5	(126.1)
Increase/(decrease) in payables and other creditors		**92.4**	(52.0)	89.6
Cash generated from operating activities		**492.3**	229.1	1,027.6
Income taxes paid		**(66.5)**	(103.9)	(146.4)
Net cash flow from operating activities		**425.8**	125.2	881.2
Investing activities				
Interest received		**11.6**	22.1	30.6
Payments in respect of settlement of debt hedges		**(56.5)**	(32.5)	(32.5)
Maturity of short term deposits		**210.6**	490.1	701.1
Placement of short term deposits		**(258.3)**	(259.8)	(688.6)
Purchases of property, plant and equipment		**(58.6)**	(58.6)	(141.8)
Purchase of intangible assets		**(0.3)**	-	(1.7)
Dividends received from investments and joint venture		**12.0**	12.5	12.5
Net cash flow used in investing activities		**(139.5)**	173.8	(120.4)
Financing activities				
Interest paid		**(29.1)**	(44.7)	(83.8)
Receipts on maturing swaps hedging matured debt		**43.6**	75.3	75.3
Receipts from new borrowings		**497.5**	-	-
Dividends paid to equity holders		**(150.0)**	(150.0)	(300.0)
Repayment of borrowings		**(404.8)**	(534.4)	(534.4)
Repayment of lease liabilities		**(1.0)**	(1.2)	(1.8)
Net cash flow from financing activities		**(43.8)**	(655.0)	(844.7)
Net increase/(decrease) in cash and cash equivalents		**242.5**	(356.0)	(83.9)
Cash and cash equivalents at beginning of period/year		**559.5**	630.0	630.0
Effect of foreign exchange rate changes		**(11.9)**	3.3	13.4
Cash and cash equivalents at end of the period/year[(i)]	9	**790.1**	277.3	559.5

(i) In addition to cash and cash equivalents, the Group held short term bank deposits of €563.9 million at 30 June 2022 (31 December 2021: €516.3 million).

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

Urenco Limited is a limited company incorporated in the United Kingdom and registered in England and Wales under the Companies Act 2006. The address of the registered office is given on page 4. Urenco Limited is the ultimate holding company of the Urenco Group. The nature of the Group's operations and its principal activities are set out in note 4.

The Unaudited Interim Condensed Consolidated Financial Statements of the Group were authorised for issue by the Audit Committee on 4 August 2022, under an authority granted by the Board.

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

Basis of preparation
The annual financial statements of Urenco Limited are prepared in accordance with United Kingdom adopted International Financial Reporting Standards ("IFRSs"). The condensed set of financial statements included in this half-yearly financial report for the six months ended 30 June 2022 have been prepared in accordance with United Kingdom adopted International Accounting Standard ("IAS") 34 "Interim Financial Reporting".

The interim condensed consolidated financial statements do not include all of the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's 2021 Annual Report and Accounts.

The financial information contained in this report is unaudited. The Interim Condensed Consolidated Income Statement, the Interim Condensed Consolidated Statement of Comprehensive Income, the Interim Condensed Consolidated Statement of Financial Position, the Interim Condensed Consolidated Statement of Changes in Equity and the Interim Condensed Consolidated Cash Flow Statement for the interim period to 30 June 2022 have been reviewed by the auditor. Their report to Urenco Limited is set out on page 11. The information for the year ended 31 December 2021 does not constitute statutory accounts within the meaning of Section 434 of the Companies Act 2006 and has been extracted from the statutory accounts for the year ended on that date, which have been filed with the Registrar of Companies. The report of the auditor on the statutory accounts for the year ended 31 December 2021 was unqualified and did not contain a statement under Section 498(2) or 498(3) of the Companies Act 2006.

Significant accounting policies
The accounting policies adopted in the preparation of the Group's interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2021.

The nature of the critical accounting judgements and key sources of estimation uncertainty made by management of the Group and applied in the accompanying condensed consolidated interim financial statements for the six months ended 30 June 2022 are consistent with those applied in the preparation of the consolidated financial statements of the Group for the year ended 31 December 2021.

We are mindful of global inflationary pressures, which have been exacerbated by the tragic events in Ukraine. Although we expect inflation to increase and continue at a heightened level in the short to medium term, we have a resilient business model to help mitigate this challenge. We have significant long term liabilities for tails and plant decommissioning. Current indications are that updating for general inflation alone, without adjusting for other mitigating factors, could result in provisions increasing by somewhere in the order of €80 million to €130 million, with around 50% of this impact being charged to the Income Statement. We have considered whether to update our cost estimates and inflation forecasts at the half year, but have retained our 31 December 2021 assumptions given that the nature of the costs are diverse and not all are impacted by inflation in the same way. In addition, there are possible offsetting impacts, such as changes to long term discount rates, changes to the macroeconomic environment, including their impact upon decommissioning strategy and timing of those activities. The assessment of updating all of these assumptions will be finalised in H2 2022, and the financial impact will be reflected in the Group financial statements for the year ending 31 December 2022.

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES continued

Going concern
The Directors have assessed the latest forecast future cash flows, including appropriate sensitivities, which indicate that available cash and committed financing facilities in place are sufficient to cover the Group's cash needs for at least twelve months after the date of approval of these interim financial statements. They are satisfied that the Group has adequate resources to continue in operational existence for the foreseeable future, and thus they continue to adopt the going concern basis of accounting in accordance with IAS 34 in preparing the interim financial statements. The Directors have considered the situation in Ukraine and have concluded that there is no substantial adverse impact on the going concern assumption.

3. REVENUES AND SEASONALITY OF OPERATIONS

The large majority of the Group's revenue arises from enrichment services for customers. Deliveries of separative work do not accrue evenly throughout the year. Demand for SWU is mainly driven by the reload demand patterns of the nuclear power plants, which often stretch beyond a year and to some extent can be viewed as seasonal. 34% of the Group's full year revenue was recorded in the first six months of 2021, compared to 36% in 2020. Overall, the phasing of revenue between the first half and second half of 2022 is expected to be broadly similar to 2021.

The Group's revenues are denominated in euros and dollars. Revenues largely relate to the sale of enrichment services, feed and EUP. Sales are predominantly in accordance with long-term fixed price contracts and therefore the order book of existing contracts is not significantly impacted by changes in the market prices.

4. SEGMENT INFORMATION

The Urenco Group's principal activity is the provision of a service to enrich uranium to provide fuel for nuclear power utilities, by enriching uranium provided by customers.

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision makers. The chief operating decision makers have been identified as the Executive Directors. Operating segments have been identified based on the risk and returns of the Group's major operations. The risks and returns of the Group's operations are primarily determined by the nature of the different activities that the Group engages in, rather than by the geographical location of these operations.

The Group's operating segments are as follows:
- for the enrichment business: the provision of enrichment, associated services, uranium sales and commodity contracts for the nuclear power industry and the construction of the Tails Management Facility at the UK site for deconversion of depleted UF_6 into U_3O_8.
- for construction of centrifuges: being Enrichment Technology Company Limited (ETC); the research, development, manufacture and installation of plant and equipment for the provision of enrichment services.
- other relates to Head Office based holding and financing companies, Group accounting consolidation adjustments and other entities not forming part of the enrichment business, including Urenco Nuclear Stewardship Limited (UNS), which provides uranium handling services at the Capenhurst facility.

Segment performance is evaluated based on net income or loss which is calculated on the same basis as income or loss from operating activities in the consolidated financial statements. Finance costs and finance income are allocated to the segments in accordance with underlying liabilities and assets. The accounting policies for the reportable segments are the same as the Group's accounting policies.

Urenco also measures and discloses EBITDA, which is a non-IFRS defined financial measure, to assess the Group's overall and segment performance. EBITDA is also used by investors and analysts to evaluate the financial performance of Urenco and its peer companies. EBITDA is reconciled to the relevant IFRS financial measure, Income/(loss) from operating activities in this note.

4. SEGMENT INFORMATION continued

Segment information for these businesses for the six months ended 30 June 2022 and 2021 respectively, and for the year ended 31 December 2021, is presented below:

Six months ended 30 June 2022 – Unaudited	Enrichment business €m	ETC €m	Other (i) €m	Consolidated €m
Revenue				
External sales	**592.2**	**-**	**23.2**	**615.4**
Total Revenue	**592.2**	**-**	**23.2**	**615.4**
Result				
Income/(loss) from operating activities	**171.2**	**3.9**	**(23.7)**	**151.4**
Finance income	**9.1**	**-**	**123.1**	**132.2**
Finance costs	**(38.8)**	**-**	**(115.0)**	**(153.8)**
Income/(loss) before tax	**141.5**	**3.9**	**(15.6)**	**129.8**
Income tax	**(29.5)**	**-**	**(10.2)**	**(39.7)**
Net income/(loss) for the period	**112.0**	**3.9**	**(25.8)**	**90.1**
Other information				
Depreciation and amortisation	**169.5**	**-**	**4.3**	**173.8**
Depreciation recognised in increased inventories and SWU assets	**(33.6)**	**-**	**-**	**(33.6)**
Depreciation expenses within net costs of nuclear provisions	**(7.3)**	**-**	**-**	**(7.3)**
Depreciation and amortisation for EBITDA calculation	**128.6**	**-**	**4.3**	**132.9**
Income/(loss) from operating activities	**171.2**	**3.9**	**(23.7)**	**151.4**
Depreciation and amortisation for EBITDA calculation	**128.6**	**-**	**4.3**	**132.9**
Results of joint venture and other investments	**(0.5)**	**(3.9)**	**0.1**	**(4.3)**
EBITDA(ii)	**299.3**	**-**	**(19.3)**	**280.0**
Capital additions:				
Property, plant and equipment	**78.6**	**-**	**1.5**	**80.1**
Intangible assets	**0.3**	**-**	**-**	**0.3**
Contract assets	**1.6**	**-**	**-**	**1.6**
Segment assets	**5,688.1**	**21.1**	**1,315.1**	**7,024.3**
Segment liabilities	**2,477.0**	**-**	**2,447.3**	**4,924.3**

(i) Other comprises Head Office based holding and finance companies, Group accounting consolidation adjustments and other entities not forming part of the enrichment business, including Urenco Nuclear Stewardship Limited.

(ii) EBITDA is defined as earnings before exceptional items, interest (including other finance costs), taxation, depreciation and amortisation and results of joint venture and other investments. Depreciation and amortisation are adjusted to remove elements of such charges included in changes to inventories and SWU assets and net costs of nuclear provisions.

4. SEGMENT INFORMATION continued

Six months ended 30 June 2021 – Unaudited	Enrichment business €m	ETC €m	Other (i) €m	Consolidated €m
Revenue				
External sales	549.0	-	16.0	565.0
Total Revenue	549.0	-	16.0	565.0
Result				
Income/(loss) from operating activities	214.5	3.2	(7.8)	209.9
Finance income	2.7	-	26.6	29.3
Finance costs	(26.4)	-	(34.9)	(61.3)
Income/(loss) before tax	190.8	3.2	(16.1)	177.9
Income tax	(101.9)	-	8.8	(93.1)
Net income/(loss) for the period	88.9	3.2	(7.3)	84.8
Other information				
Depreciation and amortisation	160.0	-	(2.4)	157.6
Depreciation recognised in increased inventories and SWU assets	(37.5)	-	-	(37.5)
Depreciation expenses within net costs of nuclear provisions	(4.3)	-	-	(4.3)
Depreciation and amortisation for EBITDA calculation	118.2	-	(2.4)	115.8
Income/(loss) from operating activities	214.5	3.2	(7.8)	209.9
Depreciation and amortisation for EBITDA calculation	118.2	-	(2.4)	115.8
Results of joint venture and other investments	-	(3.2)	0.4	(2.8)
EBITDA(ii)	332.7	-	(9.8)	322.9
Capital additions:				
Property, plant and equipment	114.6	-	2.0	116.6
Intangible assets	-	-	-	-
Contract assets	14.6	-	-	14.6
Segment assets	5,614.3	25.4	562.8	6,202.5
Segment liabilities	2,685.2	-	1,621.4	4,306.6

(i) Other comprises Head Office based holding and finance companies, Group accounting consolidation adjustments and other entities not forming part of the enrichment business, including Urenco Nuclear Stewardship Limited.
(ii) EBITDA is defined as earnings before exceptional items, interest (including other finance costs), taxation, depreciation and amortisation and results of joint venture and other investments. Depreciation and amortisation are adjusted to remove elements of such charges included in changes to inventories and SWU assets and net costs of nuclear provisions.

4. SEGMENT INFORMATION continued

Year ended 31 December 2021 – Audited	Enrichment business €m	ETC €m	Other (i) €m	Consolidated €m
Revenue				
External sales	1,637.0	-	32.3	1,669.3
Total Revenue	1,637.0	-	32.3	1,669.3
Result				
Income/(loss) from operating activities	645.7	6.6	(16.5)	635.8
Finance income	6.1	-	63.2	69.3
Finance costs	(58.6)	-	(75.0)	(133.6)
Income/(loss) before tax	593.2	6.6	(28.3)	571.5
Income tax	(210.5)	-	3.5	(207.0)
Net income/(loss) for the year	382.7	6.6	(24.8)	364.5
Other information				
Depreciation and amortisation	335.6	-	(4.6)	331.0
Depreciation recognised in increased inventories and SWU assets	16.9	-	-	16.9
Depreciation expenses within net costs of nuclear provisions	(10.0)	-	-	(10.0)
Depreciation and amortisation for EBITDA calculation	342.5	-	(4.6)	337.9
Income/(loss) from operating activities	645.7	6.6	(16.5)	635.8
Depreciation and amortisation for EBITDA calculation	342.5	-	(4.6)	337.9
Results of joint venture and other investments	-	(6.6)	4.0	(2.6)
EBITDA (ii)	988.2	-	(17.1)	971.1
Capital additions:				
Property, plant and equipment	281.0	-	12.2	293.2
Intangible assets	1.7	-	-	1.7
Contract assets	34.1	-	-	34.1
Segment assets	5,692.4	28.2	1,074.9	6,795.5
Segment liabilities	2,636.7	-	2,061.0	4,697.7

(i) Other comprises Head Office based holding and finance companies, Group accounting consolidation adjustments and other entities not forming part of the enrichment business, including Urenco Nuclear Stewardship Limited.

(ii) EBITDA is defined as earnings before exceptional items, interest (including other finance costs), taxation, depreciation and amortisation and results of joint venture and other investments. Depreciation and amortisation are adjusted to remove elements of such charges included in changes to inventories and SWU assets and net costs of nuclear provisions.

5. INCOME TAX

The major components of income tax expense in the consolidated income statement are:

	Six months ended 30 June		Year ended 31 December
	2022 Unaudited €m	2021 Unaudited €m	2021 Audited €m
Current tax			
UK corporation tax	**8.8**	**(12.2)**	2.7
Foreign income tax	**33.5**	**27.6**	80.2
Adjustments in respect of prior periods	**(14.4)**	**(1.2)**	(6.3)
Total current tax expense	**27.9**	**14.2**	76.6
Deferred tax			
Origination and reversal of temporary differences	**(1.9)**	**33.4**	68.7
Adjustments in respect of prior periods	**13.7**	**-**	5.7
Movement in unrecognised deferred tax	**-**	**-**	8.9
Impact of change in tax rate on deferred tax	**-**	**45.5**	47.1
Total deferred tax expense	**11.8**	**78.9**	130.4
Income tax expense reported in the consolidated income statement	**39.7**	**93.1**	207.0

The tax charged in the interim period has been calculated by applying the effective tax rate which is expected to apply to each Group member in the year ending 31 December 2022 to their respective results for the interim period, using rates substantively enacted by the reporting date.

The Group's ETR for the 2022 interim period is 30.6%, which is lower than the 2021 interim period rate of 52.3%. The decrease in ETR is predominately due to the fact that H1 2021 included a non-cash revaluation of the net opening UK deferred tax liability following an increase in future tax rate from 19.0% to 25.0%, which was not repeated in H1 2022. The impact of this was partially offset by changes in non-taxable and non-deductible amounts, including foreign exchange financing gains and losses that are excluded from tax under the UK Disregard Regulations.

The UK corporation tax expense of €8.8 million compares to a UK corporation tax income in the prior period (H1 2021: €12.2 million income). This €21.0 million adverse change arises predominately due to a change in the amount of foreign exchange gains and losses excluded from tax under the UK disregard regulations, partially offset by the impact of lower UK income before tax. The foreign income tax expense has increased by €5.9 million to €33.5 million (H1 2021: €27.6 million) predominately as a result of adverse movements in temporary differences, partially offset by the impact of lower income before tax.

There was no movement in unrecognised deferred tax in the period (H1 2021: € Nil).

There were no enacted or announced tax rate changes during H1 2022, and consequently no amounts were recorded during the period relating to revaluing deferred tax balances.

During H1 2021, an increase in the mainstream rate of UK corporation tax from 19.0% to 25.0%, effective 1 April 2023, was substantively enacted. As a result, the Group revalued its net UK deferred tax liabilities from 19.0% to 25.0%, resulting in a €45.5 million expense through the H1 2021 consolidated income statement. The average annual UK corporation tax rate for the year ending 31 December 2022 will be 19.0% (2021: 19.0%). The Group’s UK deferred tax assets and liabilities have been valued using a 25.0% tax rate (H1 2021: 25.0%).

During H2 2021, an increase in the Netherlands mainstream corporate income tax rate from 25.0% to 25.8%, effective 1 January 2022, was enacted. Consequently, the Group's Dutch deferred tax assets and liabilities have been valued using a 25.8% tax rate (H1 2021: 25.0%).

5. INCOME TAX continued

Urenco assesses its liabilities and contingencies for all tax years open to audit based upon the latest information available. For those matters where it is probable that an adjustment will be made, the Group records its best estimate of these tax liabilities. Inherent uncertainties exist in estimates of tax contingencies due to the complexities of interpretation and changes in tax laws. Whilst Urenco believes it has adequately provided for the outcome of these matters, future results may include favourable or unfavourable adjustments to these estimated tax liabilities in the period the assessments are made, or resolved. The final outcome of tax examinations may result in a materially different outcome than assumed in the tax liabilities.

6. DIVIDENDS PAID AND PROPOSED

	Six months ended 30 June		Year ended 31 December
	2022	2021	2021
	Unaudited	Unaudited	Audited
	€m	€m	€m
Amounts recognised as distributions to equity holders in the period:			
Final dividend for the year ended 31 December 2021: 89.29 cents per share, €150.0 million paid in March 2022	**150.0**	-	-
Interim dividend for the year ended 31 December 2021: 89.29 cents per share, €150.0 million paid in October 2021	**-**	-	150.0
Final dividend for the year ended 31 December 2020: 89.29 cents per share, €150.0 million paid in March 2021	**-**	150.0	150.0
Total	**150.0**	150.0	300.0

The final proposed dividend of €150.0 million for the year ended 31 December 2021 was approved by shareholders on 9 March 2022 and was paid to shareholders on 23 March 2022. No Interim dividend for the year ending 31 December 2022 has been proposed or paid.

7. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2022, the Group acquired assets and capitalised costs with a value of €80.1 million (six months ended 30 June 2021: €116.6 million; year ended 31 December 2021: €293.2 million), relating to property, plant and equipment. The majority of this cost relates to assets for the enrichment plants and for the Tails Management Facility.

See also note 14 for capital commitments.

8. SHORT TERM DEPOSITS

	At 30 June		At 31 December
	2022	2021	2021
	Unaudited	Unaudited	Audited
	€m	€m	€m
Short term deposits	**563.9**	298.5	516.3

Short-term bank deposits comprise deposits with an original maturity of more than three months and with an end date less than 12 months from the date of the statement of financial position.

9. CASH AND CASH EQUIVALENTS

	At 30 June		At 31 December
	2022	2021	2021
	Unaudited	Unaudited	Audited
	€m	€m	€m
Cash	**125.2**	115.3	176.9
Cash equivalents	**664.9**	162.0	382.6
Cash and cash equivalents	**790.1**	277.3	559.5

Cash comprises cash at bank and in hand. Cash at bank earns or pays interest at floating rates based on the banks' current account rates. Cash equivalents comprise on demand deposits, together with short-term highly liquid investments that are readily convertible to a known amount of cash and that are subject to an insignificant risk of changes in value. The carrying amount of these assets approximates to their fair value.

The Group has pledged as collateral several bank accounts and short term deposits to banks that have provided standby letters of credit in favour of the NRC to provide assurance that funds are available when needed to pay for decommissioning and tails liabilities of UUSA.

The carrying value of the collateral accounts at 30 June 2022, which earn interest at a variable rate, was €193.9 million (30 June 2021: €103.8 million; 31 December 2021: €178.6 million).

10. HEDGING RESERVES

Hedging reserve - summary

	Period ended 30 June		Year ended 31 December
	2022	2021	2021
	Unaudited	Unaudited Re-presented[(i)]	Audited
	€m	€m	€m
As at 1 January	**19.2**	58.6	58.6
Other comprehensive income/(loss):			
Cash flow hedges – recycled in relation to hedges of revenue	**9.2**	(6.9)	(3.9)
Cash flow hedges – recycled in relation to hedges of debt	**0.9**	33.7	40.9
Cash flow hedges – mark to market losses on hedges of revenue[(i)]	**(126.0)**	(28.7)	(69.5)
Cash flow hedges – mark to market gains/(losses) on hedges of debt [(i)]	**15.4**	(24.2)	(28.7)
Deferred tax income on financial instruments	**26.5**	6.0	14.3
Current tax (expense)/income on financial instruments	**(0.2)**	0.7	1.0
Exchange differences	**1.1**	5.1	6.5
Other comprehensive loss	**(73.1)**	(14.3)	(39.4)
Carried forward as at 30 June/31 December	**(53.9)**	44.3	19.2

Cost of hedging reserve - summary

	Period ended 30 June		Year ended 31 December
	2022	2021	2021
	Unaudited	Unaudited	Audited
	€m	€m	€m
As at 31 December	**(12.4)**	(12.5)	(12.5)
Other comprehensive income/(loss):			
Movements before tax	**27.2**	1.6	1.5
Deferred tax expense	**(7.2)**	(0.8)	(0.5)
Exchange differences	**0.1**	(0.5)	(0.9)
Other comprehensive income	**20.1**	0.3	0.1
Carried forward as at 30 June/31 December	**7.7**	(12.2)	(12.4)

Hedging reserves - totals

Carried forward as at 30 June/31 December	**(46.2)**	32.1	6.8

(i) Previously, the line items above, cash flow hedges – mark to market (losses)/gains on hedges of revenue and cash flow hedges – mark to market (losses)/gains on hedges of debt were shown as a single line, cash flow hedges – mark to market (losses)/gains with a net loss of €52.9 million disclosed in the six months ended 30 June 2021 accounts.

Hedging reserve

The hedging reserve is a separate component of equity used to record changes in the fair values of cash flow hedging instruments.

Cost of hedging reserve

The cost of hedging reserve is a separate component of equity used to record changes in the fair value of the currency basis spread as included in the fair value of financial instruments that are in a hedge relationship and the changes in the fair value of the forward points of forward foreign exchange contracts that are hedging future revenue.

11. OTHER FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Hedging activities and derivatives

Revenue related hedges

The Group maintains a rolling portfolio of forward foreign exchange contracts (“FFECs”) designated as cash flow hedges against forecast revenues receipted in foreign currencies. This is in order to hedge contracts denominated in euros and US dollars to the underlying European enrichment entities’ functional currencies, which are split between sterling and euro.

As at 30 June 2022, the net liability of the FFECs was €101.1 million (31 December 2021: net liability of €19.8 million), with the movement driven principally by the weakening of the forward foreign exchange rate of EUR and sterling against US dollar in the first half of the year. The vast majority of FFECs are designated as cash flow hedges, with the gains and losses deferred in the hedge reserve and the cost of hedging reserve within equity.

During the period, €9.2 million of hedging losses (H1 2021: gains of €6.9 million) were recycled to revenues due to the maturing of contracts in effective hedging relationships.

Borrowing related hedges

The Group uses Cross Currency Interest Rate Swaps (“CCIRSs”) to hedge its euro and yen debt instruments into sterling as they are held by Urenco Limited, a sterling functional currency entity. The Group’s portfolio of CCIRSs help to manage the foreign exchange volatility which would be recognised through the income statement.

The CCIRSs are split into two legs, the first leg swaps foreign currency denominated debt into sterling, and is designated as a cash flow hedge, and the second leg swaps sterling into US dollar and is designated as a net investment hedge of the Group’s investment in US subsidiaries (Urenco USA Inc. and Louisiana Energy Services LLC).

As at 30 June 2022, the Group’s portfolio of CCIRSs was held at a liability of €31.2 million (31 December 2021: liability of €23.6 million). In May 2022, CCIRS with a combined nominal value of €425.0 million contractually matured and resulted in net cash proceeds of €42.8 million. The Group entered into new CCIRS in June 2022 with a combined notional value of €300.0 million.

The notional value of currency swaps in a net investment hedge detailed above, total $0.5 billion (31 December 2021: $0.5 billion) and hedge the Group's investment in US subsidiaries (Urenco USA Inc. and Louisiana Energy Services LLC). Also included in loans at 30 June 2022 were borrowings of €0.6 billion (31 December 2021: €0.6 billion), which have been designated as hedges of the net investment in the Group's European subsidiaries. Gains or losses on the retranslation of these borrowings are transferred to other comprehensive income to offset any gains or losses on translation of the net investment in subsidiaries.

Uranium commodity contracts

Uranium commodity contracts are contracts to buy or sell uranium commodities that do not meet the own use exemption under IFRS 9. The fair value of such contracts was a net asset of €10.3 million as at 30 June 2022 (31 December 2021: net asset of €7.7 million). The fair value has increased due to increases in the market price of uranium in June 2022 compared to December 2021.

Borrowing and repayment of debt

On 9 May 2022 the Group repurchased and cancelled all outstanding August 2022 Eurobonds for a price of €405.0 million (100%). The total amount paid to the bondholders was €411.9 million, which included accrued interest of €6.9 million.

The Group has an undrawn €500.0 million medium term revolving credit facility which matures in 2026.

As at 30 June 2022, total current interest bearing loans and borrowings were € Nil (31 December 2021: €404.7 million), and total non-current interest bearing loans and borrowings were €1,135.6 million (31 December 2021: €651.3 million).

11. OTHER FINANCIAL ASSETS AND FINANCIAL LIABILITIES continued

Borrowing and repayment of debt continued

The calculation of net (cash) / debt as at 30 June 2022 and 31 December 2021 is set out below:

	At 30 June 2022 €m	At 31 December 2021 €m
Non-current interest bearing loans and borrowings	**1,135.6**	651.3
Current interest bearing loans and borrowings	**-**	404.7
Non-current lease liabilities	**27.2**	28.1
Current lease liabilities	**3.3**	3.2
Less: Short term deposits	**(563.9)**	(516.3)
Less: Cash and cash equivalents	**(790.1)**	(559.5)
Net (cash) / debt	**(187.9)**	11.5

Fair values

The carrying value of all financial assets and financial liabilities is approximately equal to their fair values, except for the interest bearing loans and borrowings. The carrying value and fair value of these interest bearing loans are set out in the following table.

	Period ended 30 June 2022		Year ended 31 December 2021	
	Book value €m	**Fair value €m**	Book value €m	Fair value €m
Financial liabilities measured at amortised cost	**1,135.6**	**1,208.8**	1,056.0	1,203.0

Fair value disclosures

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: Techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

Derivative financial instruments are initially recognised, categorised as Level 2 and are subsequently re-measured at fair value. The fair value on initial recognition is the transaction price unless part of the consideration given or received is for something other than the instrument itself. The fair value of derivative financial instruments is subsequently calculated using discounted cash flow techniques or other appropriate pricing models. The chosen method is used consistently for similar types of instruments. All valuation techniques take into account assumptions based upon market data. The fair value of forward contracts is the present value of the expected settlement amount, which is the present value of the difference between the contract rate and the current forward rate multiplied by the notional foreign currency amount. Fair value of interest rate swaps is the net present value of all expected future cash flows based on current market rates taking due account of counterparty credit risk and own credit risk. Fair value of commodity contracts is the risk adjusted present value of the difference between the contract price and the current forward price multiplied by the volume of the agreed sales or purchases.

11. OTHER FINANCIAL ASSETS AND FINANCIAL LIABILITIES continued

As at 30 June 2022, the Group held the following financial instruments, measured at fair value, all at a Level 2 hierarchy:

	At 30 June 2022 €m	At 31 December 2021 €m
Financial assets at fair value		
Forward Foreign Exchange Contracts – hedged	**11.0**	29.3
Forward Foreign Exchange Contracts – non hedged	**16.0**	6.8
Cross Currency Interest Rate Swaps – hedged	**1.0**	38.4
Commodity contracts at fair value– non hedged	**11.6**	9.0
Total assets measured at fair value	**39.6**	83.5
Financial liabilities at fair value		
Forward Foreign Exchange Contracts – hedged	**(123.0)**	(45.4)
Forward Foreign Exchange Contracts – non hedged	**(5.1)**	(10.5)
Cross Currency Interest Rate Swaps – hedged	**(32.2)**	(62.0)
Commodity contracts at fair value– non hedged	**(1.3)**	(1.3)
Total liabilities measured at fair value	**(161.6)**	(119.2)
Net FFEC liability	**(101.1)**	(19.8)
Net CCIRS liability	**(31.2)**	(23.6)
Net commodity assets at fair value	**10.3**	7.7
Total net liabilities	**(122.0)**	(35.7)

12. PROVISIONS

Six months ended 30 June 2022	**Tails €m**	**Decommissioning of plant and machinery €m**	**Re-enrichment of low assay feed €m**	**Other €m**	**Total €m**
As at 1 January 2022 – Audited	**1,582.5**	**1,001.6**	**120.6**	**20.4**	**2,725.1**
Additional provision	**110.5**	**10.6**	**49.4**	**2.6**	**173.1**
Unwinding of discount	**24.2**	**14.1**	**1.0**	**0.1**	**39.4**
Utilisation of provision	**(6.7)**	**(6.0)**	**(64.8)**	**(4.1)**	**(81.6)**
Release of provision	**(23.6)**	**(3.2)**	**-**	**(0.6)**	**(27.4)**
Exchange difference	**9.7**	**(2.4)**	**2.9**	**0.6**	**10.8**
As at 30 June 2022 – Unaudited	**1,696.6**	**1,014.7**	**109.1**	**19.0**	**2,839.4**
Included in current liabilities					**3.4**
Included in non-current liabilities					**2,836.0**
					2,839.4

Six months ended 30 June 2021	**Tails €m**	**Decommissioning of plant and machinery €m**	**Re-enrichment of low assay feed €m**	**Other €m**	**Total €m**
As at 1 January 2021 – Audited	1,364.7	840.1	131.4	19.5	2,355.7
Additional provision	104.7	46.3	27.5	1.8	180.3
Unwinding of discount	20.4	12.1	1.1	-	33.6
Utilisation of provision	(18.2)	(2.5)	(35.9)	(5.9)	(62.5)
Release of provision	(14.7)	(1.2)	-	(0.2)	(16.1)
Exchange difference	34.9	16.0	3.5	0.6	55.0
As at 30 June 2021 – Unaudited	1,491.8	910.8	127.6	15.8	2,546.0
Included in current liabilities					3.8
Included in non-current liabilities					2,542.2
					2,546.0

Year ended 31 December 2021	**Tails €m**	**Decommissioning of plant and machinery €m**	**Re-enrichment of low assay feed €m**	**Other €m**	**Total €m**
As at 1 January 2021 - Audited	1,364.7	840.1	131.4	19.5	2,355.7
Additional provision	195.4	149.3	55.7	11.1	411.5
Unwinding of discount	41.1	24.6	2.2	-	67.9
Utilisation of provision	(36.1)	(8.7)	(75.4)	(8.7)	(128.9)
Release of provision	(44.6)	(32.8)	-	(2.6)	(80.0)
Exchange difference	62.0	29.1	6.7	1.1	98.9
As at 31 December 2021 - Audited	1,582.5	1,001.6	120.6	20.4	2,725.1
Included in current liabilities					3.6
Included in non-current liabilities					2,721.5
					2,725.1

12. PROVISIONS continued

The net costs of nuclear provisions of €68.3 million (H1 2021: €86.1 million, FY 2021: €144.4 million) recognised in the income statement are set out below:

Six months ended 30 June 2022

	Tails disposal €m	Decommissioning of plant and machinery €m	Re-enrichment low assay feed €m	Total €m
Additional provision for the period	**110.5**	**-**	**49.4**	**159.9**
Release of provision	**(23.6)**	**(3.2)**	**-**	**(26.8)**
Utilisation of provision[(i)]	**-**	**-**	**(64.8)**	**(64.8)**
Charged/(credited) to income statement H1 2022	**86.9**	**(3.2)**	**(15.4)**	**68.3**

Six months ended 30 June 2021

	Tails disposal €m	Decommissioning of plant and machinery €m	Re-enrichment low assay feed €m	Total €m
Additional provision for the period	104.7	5.7	27.5	137.9
Release of provision	(14.7)	(1.2)	-	(15.9)
Utilisation of provision[(i)]	-	-	(35.9)	(35.9)
Charged/(credited) to income statement H1 2021	90.0	4.5	(8.4)	86.1

Year ended 31 December 2021

	Tails disposal €m	Decommissioning of plant and machinery €m	Re-enrichment low assay feed €m	Total €m
Additional provision in the year	195.4	46.1	55.7	297.2
Release of provision	(44.6)	(32.8)	-	(77.4)
Utilisation of provision[(i)]	-	-	(75.4)	(75.4)
Charged/(credited) to income statement 2021	150.8	13.3	(19.7)	144.4

(i) The utilisation of the provision for re-enrichment of the low assay feed is recognised in the income statement within 'net costs of nuclear provisions'. The expenditure incurred in re-enriching the low assay feed is initially recognised in the income statement (e.g. employee costs, energy costs, depreciation and tails provisions). The utilisation is credited to the income statement to reverse the costs of re-enrichment as the income statement charge for these costs was incurred when the material was produced through the creation of the re-enrichment of low asset feed provision.

Discount rates for tails and decommissioning provisions

The inflation rate and the risk free discount rate have been calculated on a jurisdiction specific basis. The applicable rates for both the 2022 half year and 2021 year end are as follows:

	Inflation Rate	Nominal Discount Rate	Real Discount Rate
	30 Jun 2022	**30 Jun 2022**	**30 Jun 2022**
USA	2.10%	3.35%	1.22%
UK	2.00%	3.25%	1.23%
Germany	1.50%	2.25%	0.74%
The Netherlands	1.75%	2.25%	0.49%

We have considered whether to update our inflation forecasts for provisions at the half year, but have retained our 31 December 2021 assumptions. See note 2 on page 17.

12. PROVISIONS continued

Provision for tails

The enrichment process generates depleted uranium ('tails'). Provision has been made on a discounted basis for the eventual safe disposal of the tails. The costs take account of conversion to a different chemical state, intermediate storage, transport and safe disposal and include the depreciation of capital cost of the facility that will perform these tasks.

The final amount of the provision is currently uncertain but is evaluated based upon the planned operational activity involved in successfully achieving safe disposal in accordance with regulatory requirements. The planned costs are based on historic experience, operational assumptions, internal cost forecasts and third party contract prices for the relevant parts of the disposal cycle. A key area of uncertainty remains the unit cost of deconversion in Europe which will remain uncertain until such time that the TMF project has been completed and the deconversion plant has been commissioned. The TMF has entered into operation and undergoing active commissioning, but as at 30 June 2022 the amount deconverted is not significant. The availability and cost of a repository suitable for the final disposal of depleted U_3O_8 is a key judgement and the level of uncertainty varies widely across the four countries in which Urenco operates. These costs are escalated where appropriate based on current expectations of inflation and discounted to provide a present value cost per unit, or tails rate, which is applied to the quantity of tails held at the statement of financial position date.

During the period the tails provision increased by €110.5 million (year to 31 December 2021: €195.4 million) due to tails generated in that period and an increase in the applied tails rate. Expenditure incurred during the period for the safe deconversion, storage and disposal of tails of €6.7 million (year to 31 December 2021: €36.1 million) have been utilised against the provision. A provision release of €23.6 million (year to 31 December 2021: €44.6 million) was recorded reflecting the impact of a review of various key underlying assumptions, an optimisation of operations and the impact of the reduction in higher assay tails, associated with enrichment service contracts.

It is expected that €579.4 million of the tails provision will be used within the next 10 years, €777.9 million of the provision will be used within the next 10 to 30 years and €339.3 million will be used within the next 30 to 100 years. The tails provisions held at 30 June 2022 comprised €1,315.3 million (31 December 2021: €1,226.9 million) of discounted future cash flows and €381.3 million (31 December 2021: €355.6 million) of discounted future depreciation of assets currently at cost held for the purpose of meeting tails liabilities.

Provision for decommissioning of plant and machinery

The Directors intend to decommission plant and machinery as soon as practicably possible after it is taken out of use. The enrichment plants will be disassembled, declassified, decommissioned and the sites returned to 'greenfield' or 'brownfield' status. Uranium containers will be cleaned, dismantled and scrapped. To meet these eventual costs of decommissioning, provisions are recognised in the financial statements, for all plant and machinery in operation, at amounts considered to be adequate for the purpose.

The final amount of the provision is currently uncertain but is evaluated based upon the planned operational activity involved in successfully achieving full decommissioning of any plant or equipment used in enrichment activities, in accordance with the Directors' intention and regulatory requirements. The planned costs are based on historic experience and price estimates for the relevant activities and processes of the decommissioning cycle, which include deconstruction, decontamination and disposal of all materials involved in the enrichment process. These costs are escalated based on current expectations of inflation and discounted to provide a present value cost based on the expected useful life of the asset in use and timing of subsequent decommissioning activity.

During the period the decommissioning provision increased by €10.6 million (year to 31 December 2021: €149.3 million) due to the installation of additional plant and machinery of €0.5 million (year to 31 December 2021: €36.1 million) and additional container purchases of €10.1 million (year to 31 December 2021: €14.5 million). A provision release of €3.2 million (year to 31 December 2021: €32.8 million) was recorded reflecting the disposal of some cylinders previously used for storage of uranium and a change in costing assumptions within the decommissioning models.

12. PROVISIONS continued

Provision for decommissioning of plant and machinery continued
The addition to the decommissioning provision associated with the installation of plant and machinery and additional container purchases has been recognised as an equivalent addition to the decommissioning asset in the statement of financial position.

It is expected that this provision will be used over the next 50 years.

Re-enrichment of low assay feed
Provisions for the future re-enrichment of low assay feed are calculated using assumptions on the amount of separative work that will be required in the future and the cost of providing enrichment capacity to perform that work. This cost includes the safe disposal of any resultant tails material. During the period, the provisions relating to the future re-enrichment of low assay feed increased by €49.4 million (year to 31 December 2021: €55.7 million) due to the creation of low assay feed and reduced by €64.8 million (year to 31 December 2021: €75.4 million) due to expenditure incurred on the re-enrichment of low assay feed. Both the increase and reduction are reported within net nuclear provision movements.

Other provisions
These comprise provisions relating to personnel provisions and restructuring provisions.

The majority of the other provisions will be utilised over the next three years and are not materially sensitive to discount rates.

13. RETIREMENT BENEFIT OBLIGATIONS

The Group operates pension schemes in the UK, Germany, the Netherlands and the USA. Some are defined benefit schemes (two in total); others are defined contribution schemes and are funded externally. The defined benefit schemes comprise both funded and unfunded schemes. No other post-retirement benefits are currently provided by the Group. ETC forms part of the Urenco's defined benefit pension schemes. Assets and liabilities are allocated on a notional basis by employee to enable correct accounting across the subsidiaries.

There was a €31.0 million increase in the overall Group net pension surplus during the six month period ended 30 June 2022 (30 June 2021: €25.3 million decrease in overall Group pension liability; 31 December 2021: €77.1 million decrease in overall Group pension liability). This increase in the overall Group net pension surplus was comprised of an increase of the UK retirement benefit assets and a reduction of the German pension liabilities, both driven by increases in discount rates.

During the period, Group companies contributed €9.0 million (30 June 2021 €5.6 million) for the benefit of employees into post-employment benefit plans.

The most recent actuarial assessments for the UK defined benefit scheme were carried out at 5 April 2021. The Group made the last deficit repair payment of £6.6 million in H1 2022. It is anticipated that no further deficit repair contributions are required unless future investments conditions or actuarial assumptions will change.

The Group closed the UK defined benefit pension scheme for further accrual from 5 April 2017 for most Group employees.

14. COMMITMENTS AND CONTINGENCIES

Contingent Liabilities

The Group has provided assurance to the NRC in the form of letters of credit and surety bonds that funds are available when needed to pay for nuclear liabilities of UUSA. The total amount of these assurances at 30 June 2022 exceeds the value of the recognised nuclear liabilities of UUSA in the consolidated statement of financial position at the same date by €210.6 million (31 December 2021: €192.0 million). These assurances exceed the nuclear liabilities recognised, because they use the undiscounted decommissioning and tails costs as their base.

The Group is subject to various claims which arise in the ordinary course of business. The Group believes that a material liability arising from these claims is remote.

Capital commitments

At 30 June 2022 the Group had capital commitments of €74.4 million (30 June 2021: €35.7 million; 31 December 2021: €41.3 million) relating to property, plant and equipment principally in relation to cascades, equipment and buildings.

15. RELATED PARTY TRANSACTIONS

During the period, Group companies entered into the following transactions with the following related parties who are not members of the Group. The following table provides the total amount of transactions which have been entered into with related parties during the six months ended 30 June 2022 and 30 June 2021 (both Unaudited) and the balances with related parties at 30 June 2022 (Unaudited) and at 31 December 2021 (Audited):

	Sales of Goods & Services Period ended		**Purchases of Goods & Services Period ended**		**Amounts Owed by Related Parties Period ended**		**Amounts Owed to Related Parties Period ended**	
	30/06/22 €m	30/06/21 €m	**30/06/22 €m**	30/06/21 €m	**30/06/22 €m**	31/12/21 €m	**30/06/22 €m**	31/12/21 €m
BEIS	**17.3**	15.5	**-**	-	**2.4**	4.4	**-**	-
E.ON	-	-	**6.6**	6.9	**-**	-	**1.0**	-
RWE	-	-	**0.2**	0.1	**-**	-	**0.2**	-
ETC(i)	**-**	-	**31.5**	29.4	**0.2**	0.1	**48.6**	60.7

(i) These amounts are 100% of the sales/purchases and amounts due from/to the Enrichment Technology Company Limited.

The Department for Business, Energy & Industrial Strategy (BEIS), E.ON SE (E.ON) and RWE AG (RWE) are related parties of the Group because of their indirect shareholdings in Urenco Limited. BEIS is a department of the UK government and the amounts reported under BEIS include transactions with the NDA. Enrichment Technology Company Limited is a related party due to the Group's 50% shareholding in the joint venture. Sales of goods and services to related parties and purchases of assets, goods and services from them were made under the Group's normal trading terms.

The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or received. The amounts due by related parties represent the net amount after deduction for a loss allowance for expected credit losses.

The Enrichment Technology Company Limited pension scheme is administered as part of the Urenco pension scheme. Included in Urenco's results of joint venture and other investments is 50% of the Enrichment Technology Company Limited Income Statement charges and liabilities arising from retirement benefit obligations. Included in the amount in the results of joint venture and other investments in respect of the defined benefit schemes is a charge of €0.8 million relating to the Joint Venture (30 June 2021 €0.8 million charge). Included in the share of net assets of the Joint Venture as a liability is €20.6 million relating to the Joint Venture (31 December 2021: €20.6 million).

During the period, Group companies contributed €9.0 million (30 June 2021: €5.6 million) for the benefit of employees into post-employment benefit plans.

15. RELATED PARTY TRANSACTIONS continued

Remuneration of key management personnel
The remuneration of the Directors, who are the key management personnel of the Group, is set out below in aggregate for each of the categories specified in IAS 24 Related Party Disclosures.

	Six months ended 30 June		Year ended 31 December
	2022	2021	2021
	Unaudited	Unaudited	Audited
	€m	€m	€m
Short-term employee benefits	**1.5**	1.5	2.9
Long-term incentive benefits	**0.9**	0.3	0.8
	2.4	1.8	3.7

Directors' transactions
None of the directors has had a loan from the Company or any other transaction with the Company other than remuneration for his services as a Director, covered above.

16. EVENTS AFTER THE STATEMENT OF FINANCIAL POSITION DATE

There are no events after the statement of financial position date that require disclosure.

DEFINITIONS

Capital Expenditure – Reflects investment in property, plant and equipment plus the prepayments in respect of fixed asset and intangible asset purchases for the period.

EBITDA – Earnings before exceptional items, interest (including other finance costs), taxation, depreciation and amortisation and results of joint venture and other investments. Depreciation and amortisation are adjusted to remove elements of such charges already included in changes to inventories and SWU assets and net costs of nuclear provisions.

Net Costs of Nuclear Provisions – The net costs charged to the income statement associated with the creation and release of provisions for tails, decommissioning and re-enrichment of low assay feed.

Net Debt/Net Cash – Loans and borrowings (current and non-current) plus obligations under leases less cash and cash equivalents and short term deposits.

Net Finance Costs – Finance costs less finance income net of capitalised borrowing costs and including costs/income of non-designated hedges and charges/reversals of expected credit losses on financial assets.

Net Income – Income for the period attributable to equity holders of the parent.

NRC – The Nuclear Regulatory Commission is an independent agency of the US government established under the Energy Reorganization Act of 1974 to ensure adequate protection of the public health and safety, the common defence and security, and the environment in the use of nuclear materials in the USA.

Order Book – includes both contracted and substantially agreed business estimated on the basis of “requirements” and “fixed commitment” contracts.

Other Operating and Administrative Expenses – Expenses comprising Raw costs of materials and consumables used, Employee costs, Restructuring charges, and Other expenses, but excluding the Net costs of nuclear provisions.

Revenue – Revenue from sale of goods and services and net fair value gains/losses on commodity contracts.

Separative Work Unit (SWU) – The standard measure of the effort required to increase the concentration of the fissionable U_{235} isotope.

Tails (Depleted UF_6) – Uranium hexafluoride that contains a lower concentration than the natural concentration (0.711%) of U_{235} isotope.

Uranium related sales – Sales of uranium in the form of UF_6, U_3O_8 or the UF_6 component of EUP.