



March 2022

2021 Annual Results Presentation

Stephen Billingham, Chairman
Boris Schucht, Chief Executive Officer
Ralf ter Haar, Chief Financial Officer

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Today's speakers



Boris Schucht

Chief Executive Officer

- Appointed May 2019.
- Previously CEO at 50Hertz, one of the German Transmission System Operators.
- 28 years in the energy sector.
- 20 years in senior executive positions across Europe, including for the Vattenfall Group.
- Director of the World Nuclear Association.
- Member of the Supervisory Board of Flughafen Wien AG (Vienna Airport).
- MA in Mechanical Engineering from the University of Aachen.



Ralf ter Haar

Chief Financial Officer

- Appointed November 2014.
- Previously worked as Senior Vice President and Corporate Controller at NXP Semiconductors and CFO Asia Pacific for Alcatel-Lucent.
- More than 30 years' experience in the energy sector, high tech industries and banking.
- Holds an MSc in economics and an LLM in business law from the Erasmus University Rotterdam.



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- CEO's Review of Business Highlights
 - CFO's Review of 2021 Financial Results
 - Outlook
 - Q&A

Urenco's 2021 business highlights

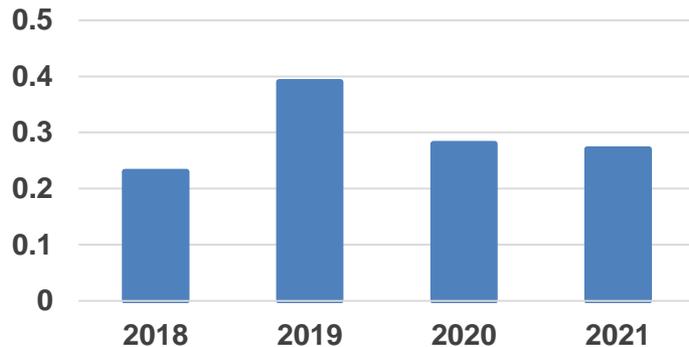


- Strong financial and operational performance, despite ongoing challenges from COVID-19 and enrichment market.
- Revenue remained stable at €1,669 million. New enrichment services to key customers extended our order book into the 2030s.
- Strong EBITDA and Net Income, as expected.
- Net debt reduced to €12 million. Our first sustainability-linked €500m bank facility arranged.
- Tails Management Facility operational in 2021.
- Progressed strategy, focused on maintaining our position as a trusted global industry leader and making a valuable contribution to a sustainable net zero carbon future.

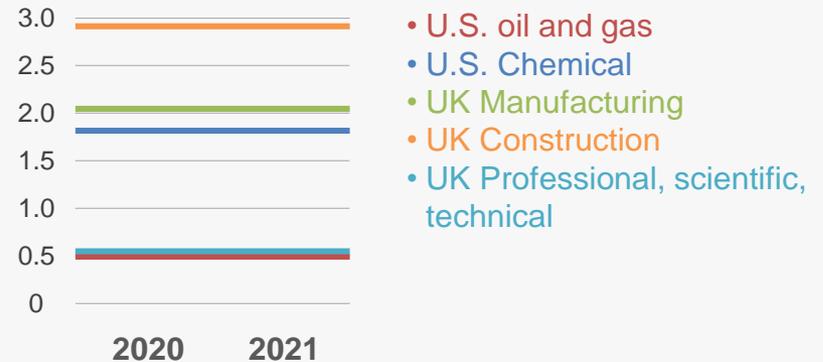
Urenco's 2021 sustainability highlights: 1



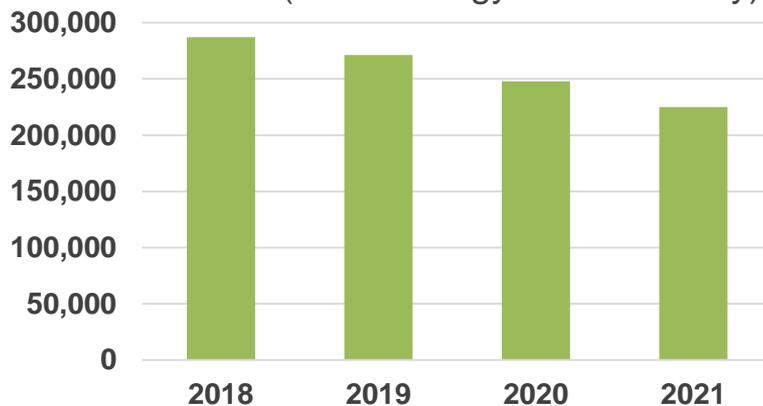
Safety: Total Reportable Injury Rate reduction (TRIR: LTIs/MTIs per 200,000 hours worked)



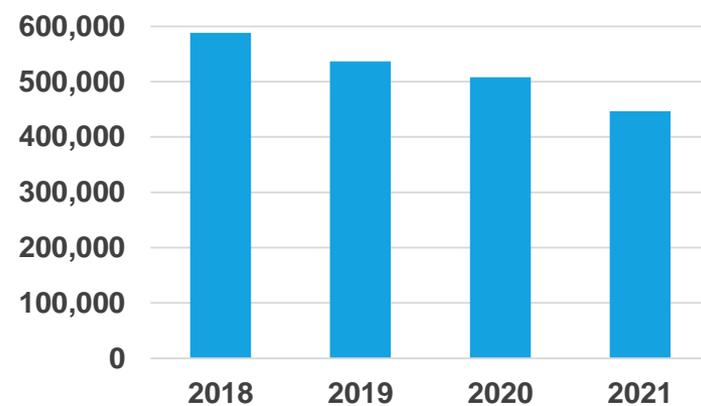
Industry Comparison Data



Carbon emissions (scope 1 & 2) metric tons CO₂e (direct energy and electricity)



Water withdrawal in m³



Urenco's 2021 sustainability highlights: 2



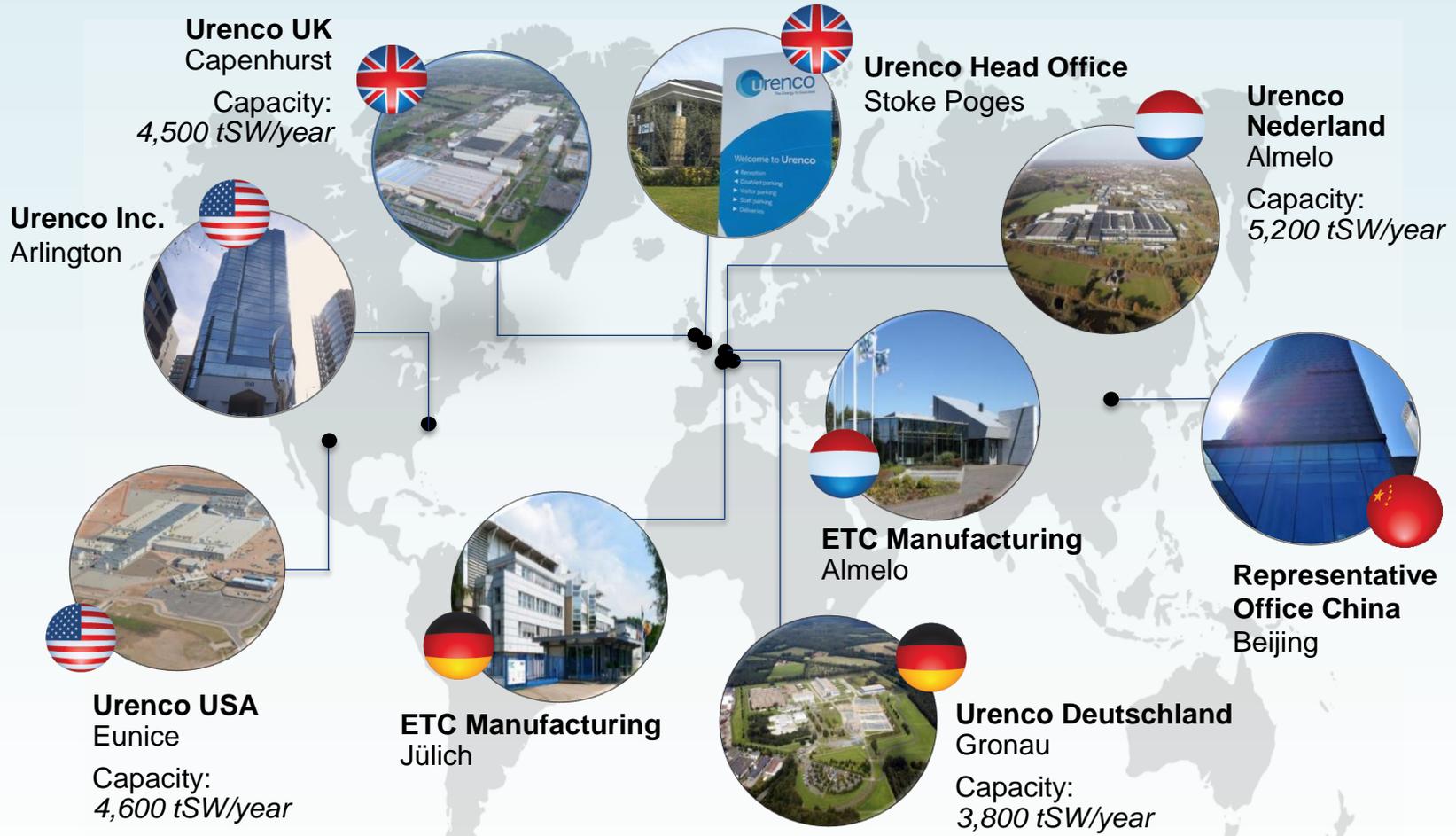
- Approximately two million patient treatments performed using medical radioisotopes produced from Urenco enriched stable isotopes products.
- Global 'Richie' education programme reached more than 57,000 schoolchildren.
- Entered into 14 social investment partnerships.
- ESG rating: "A" MSCI.
- Carbon Disclosure Project score: "B-"



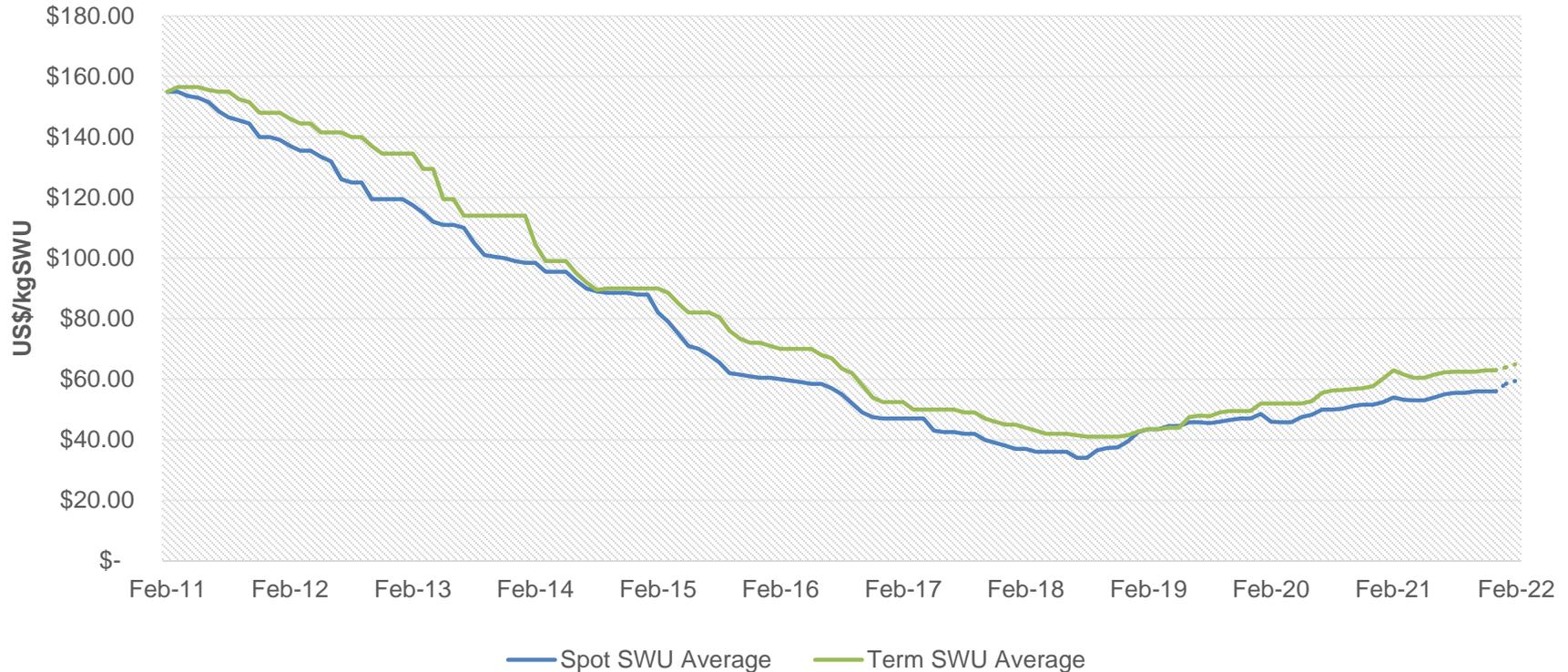
- Priority remained to maintain the health and wellbeing of our employees and integrity of our operations.
- Enriched uranium deliveries and operations continued without interruption.
- Global power consumption rebounded in 2021 after a decline in 2020.
- Extended reactor outages and delayed new build expected to affect future deliveries, but no impact in 2022.
- Fewer site visits and face-to-face engagement with stakeholders.

Our global reach

Total capacity: 18,100 tSW/year



SWU Prices (11-Year Period)



- From the lowest point in 2018 of \$34/kgSWU, SWU prices have recovered by 75%, with the latest average spot price of \$59.50/kgSWU.
- In 2021 the average SWU prices for TradeTech and UxC increased by 8.5% from \$51.60/kgSWU to \$56/kgSWU.

UF6 Month-End Prices



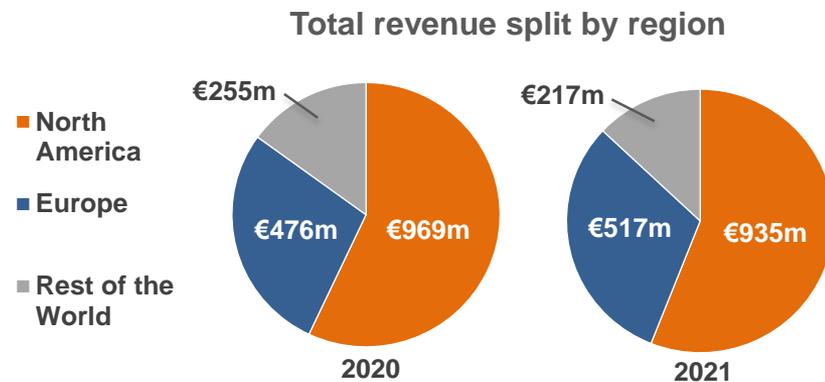
- The uranium feed market prices have increased by up to 45% since January 2020 from \$86.95/kgU to \$126/kgU (in December 2021), buoyed by U₃O₈ buying, primarily from investment vehicles.
- This has continued to rise following Russia's military invasion of Ukraine, due to concerns about the impact of sanctions against Russia on the supply of enriched uranium, as well as indirect effects of investors moving money into commodities as a result of the conflict.



- Enriched uranium remains an essential source of fuel for new and different types of nuclear technologies, with a significant pipeline of new reactors planned.
- European Commission classification of nuclear as “environmentally sustainable” as part of their Green Taxonomy.
- Key nuclear developments in 2021:
 - **The US:** reactor lifetime extensions; \$6 billion of subsidies. One reactor closure (Indian Point 3), but four reactors at risk of early shutdown were prevented from early closure with state support (Byron and Dresden Units).
 - **The UK:** new funding and introduction of The Nuclear Energy (Financing) Bill. Early closure of three units in the UK due to technical issues.
 - **The Netherlands:** initial funding to support two new units.
 - **France:** decision to start building new nuclear reactors.
 - **UAE:** completed construction of the third unit at Barakah nuclear power plant.
 - **Poland:** progress on plans to construct up to 9 GW of nuclear.



- Long term order book €8.7 billion.
- Our product offering:
 - Enrichment services
 - Natural uranium
 - Conversion
 - U_3O_8





Create a winning team

We will be the **employer of choice** with an inclusive culture and diversified workforce aligned to our values and ambitions, resulting in a healthy and high-performing organisation.



Maintain our strong customer base

We will be the **preferred supplier to our global customers**, offering a portfolio of products and services that are tailored to their needs and provide security of supply.



Defend and innovate our core business

We will actively **pursue innovation in order to remain a leading player** in the enrichment industry, while we continue to focus on the safe and efficient operation of our assets.



Promote organic growth

We will create value by becoming a **more diversified company, offering a broader portfolio of products and services** through expanding our core technologies and capabilities.



Shape and utilise regulatory frameworks

We **actively engage with key stakeholders** to create a supportive business environment and build on strong relationships with our regulators and communities.



Asset strategy

- Defining the investment needed for centrifuge and associated technology refurbishment and replacement, and the future expansion and decommissioning of our plants.
- Optimising the value of our assets across all sites to enhance our ability to respond flexibly to market developments and opportunities.



Focus topics of Our Strategy



Sustainability

THE
CLIMATE
PLEDGE

- Our enrichment services will become a low carbon product.
- We are committed to achieving net zero carbon emissions in advance of 2040, 10 years ahead of The Paris Agreement.
- We are developing a clear roadmap to achieve this ambition, with interim targets, using a science aligned approach.
- First Carbon Disclosure Project (CDP) submission: “B-” score.
- Strong safety culture further improved.
- Enhanced social investment programme.
- All other elements, including non-proliferation and health and safety plus overall business ethics, covered by our ESG rating (“A” MSCI) and forthcoming sustainability report.



Next generation fuels



- Laying the groundwork to provide the enrichment services needed to support the latest advancements in nuclear power generation.
- Launching LEU+ (low enriched uranium +) programme at US and UK sites for production of uranium enriched up to 10%.
- Planning the potential production of other advanced fuels with uranium enriched up to 20% for civil nuclear power generation.



Urenco Stable and Medical Isotopes

- Official opening of new Leonardo da Vinci cascade of centrifuges.
- Designed for the enrichment of multiple isotopes – for medical, industrial and research applications.

Urenco Nuclear Stewardship

- Long term decommissioning agreement with UK Nuclear Decommissioning Authority.
- Now offering support to the wider nuclear industry.

Industry engagement

- Growing demand for policy action in 2022 to help promote new nuclear and advanced nuclear technologies in achieving global decarbonisation goals.
- Urenco monitors global nuclear policy and engages with policymakers and legislative processes to support the passage of industry specific legislation.



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Financial summary 2021 vs. 2020

(€ million)



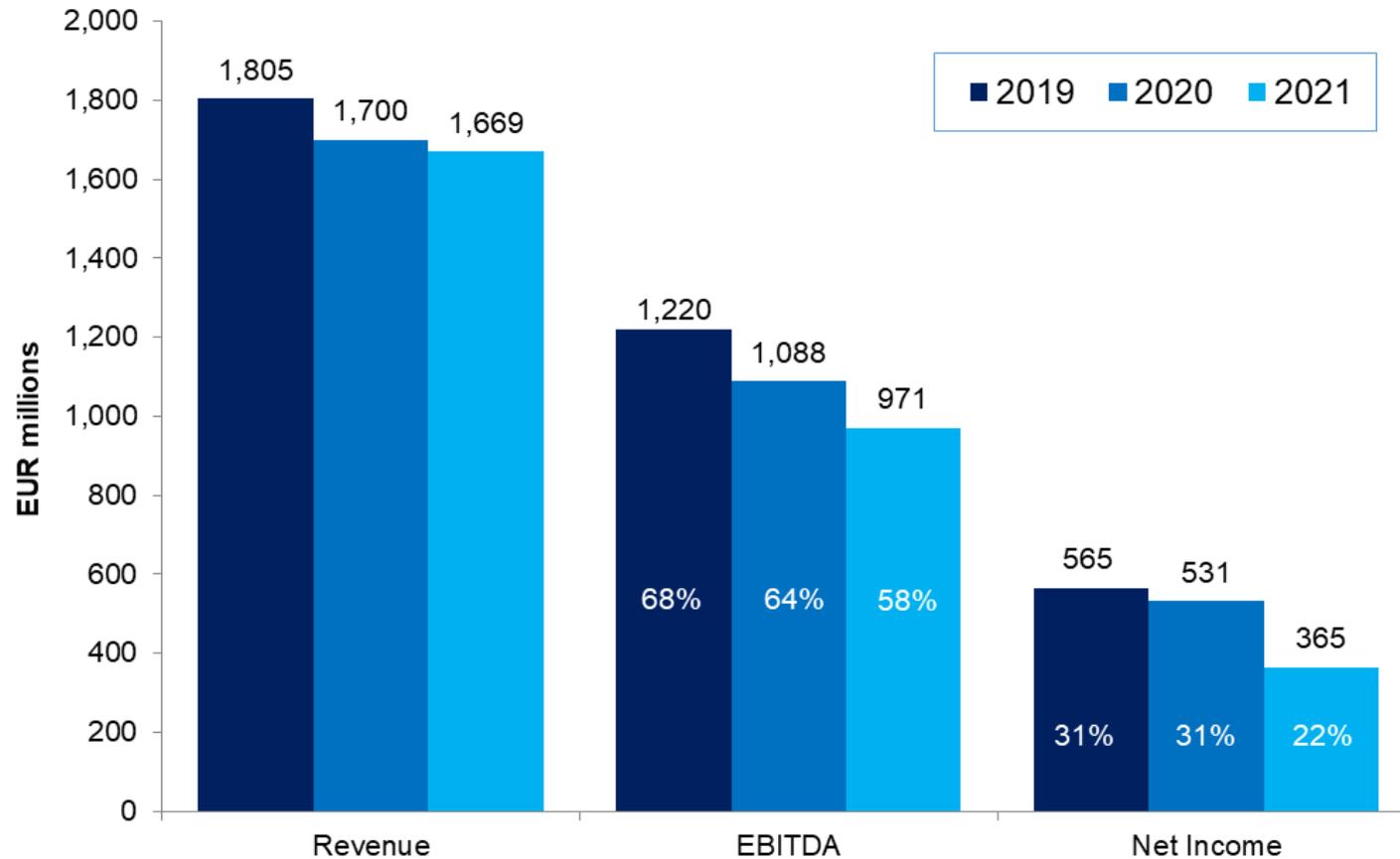
Year ended 31 December	2021	2020
Revenue	1,669	1,700
EBITDA ^{1, 2}	971	1,088
EBITDA margin %	58.2%	64.0%
Income from operating activities – pre exceptional items	636	774
Exceptional items ²	0	(26)
Net Income – pre exceptional items	365	531
Net income margin – pre exceptional items	22%	31%
Net income – post exceptional items	365	505
Capital expenditure ³	130	141
Cash generated from operating activities ⁴	1,028	1,171
Net debt	12	456

Note

1. EBITDA excludes exceptional items
2. Exceptional items in 2020 comprise an increase in nuclear provisions of €26m due to lower discount rates in the US. No exceptional items in 2021.
3. Capital expenditure reflects investment in property, plant and equipment and intangibles, plus prepayments in respect of fixed asset purchases for the period and includes €1m of capital accruals reported in working capital payables

Financial summary 2019 – 2021

(€ million)



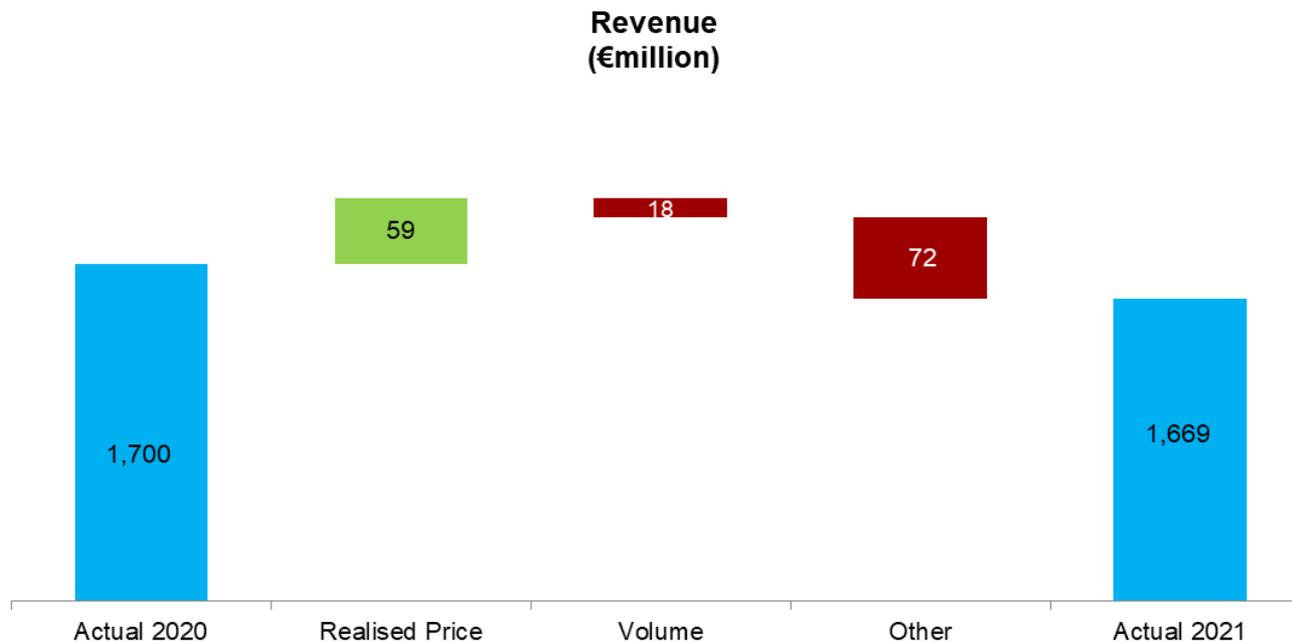
*2020 Net Income of €531 million is shown before exceptional items of €26 million (post-tax). After exceptional items, Net Income was €505 million.

*2019 Net Income of €565 million is shown before exceptional items comprising an impairment on USA operations (€446m post tax) and increase of nuclear provisions due to lower discount rates in Europe (€111m post tax). After exceptional items, Net Income was €8 million.

Revenue

(€ million)

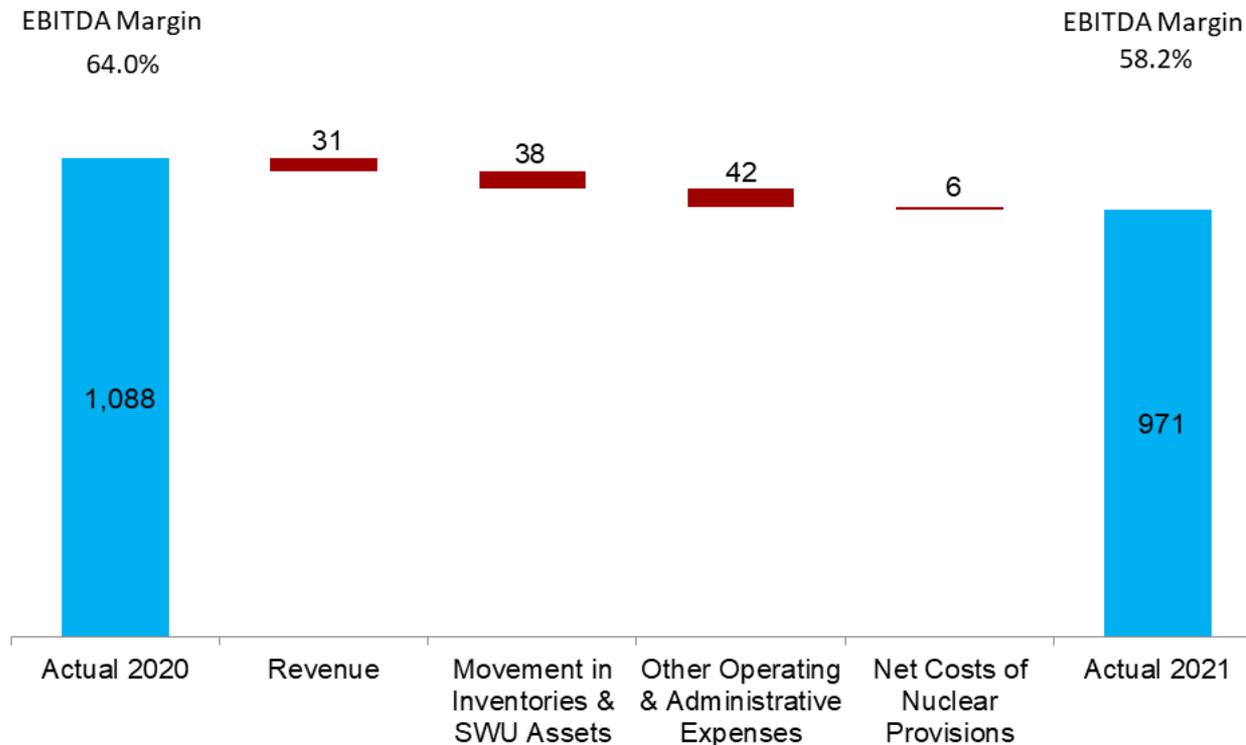
- Revenue impacted by:
 - Higher realised prices for both SWU and Uranium.
 - Higher SWU volumes being more than offset by lower Uranium volumes.
 - Lower Other Revenue in 2021, primarily due to one-off bankruptcy proceeds received in 2020.
 - On a like for like basis, ignoring one off Other Revenue, revenue increased compared to 2020.



EBITDA

(€ million)

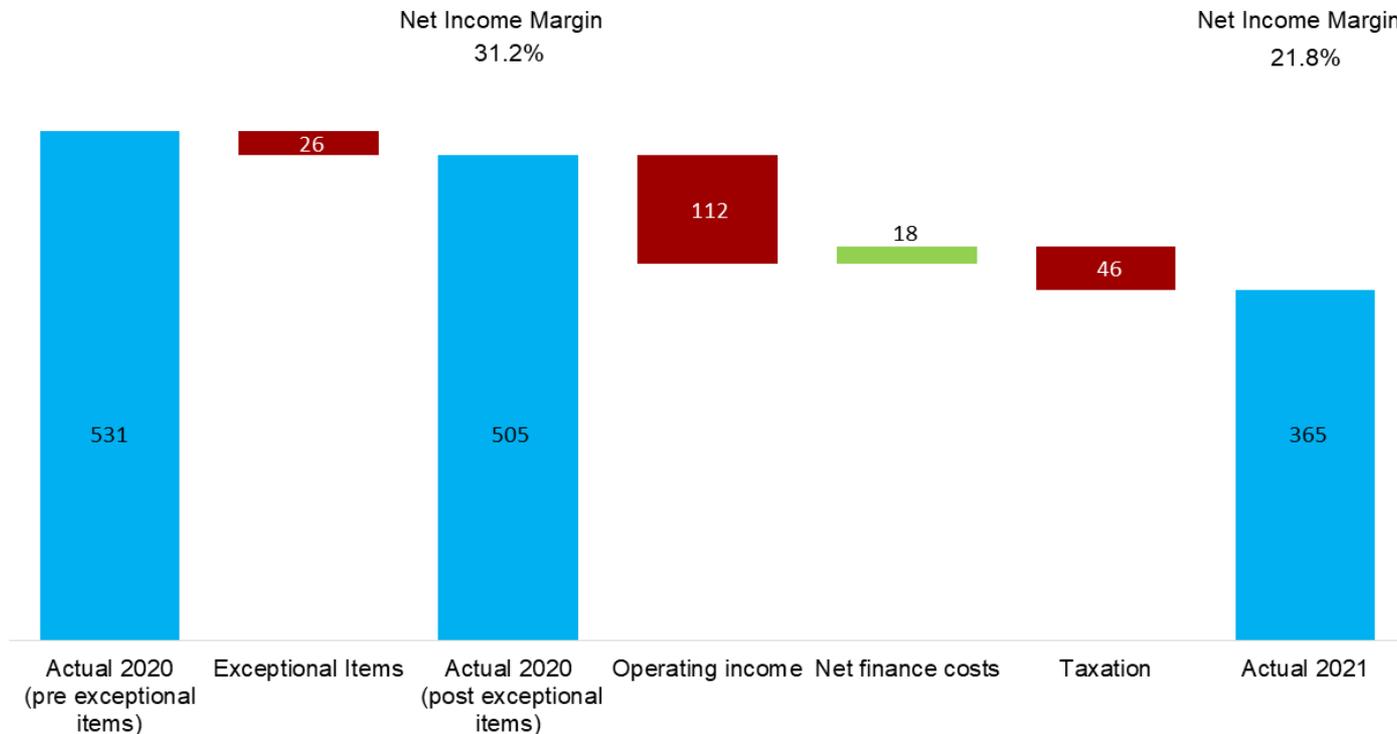
- EBITDA trajectory driven by:
 - Lower revenues combined with an increase in costs of production related to sales delivered in the year.
 - Higher operating and administrative expenses in 2021, partially due to a ramp up in planned activity on TMF and third party costs.



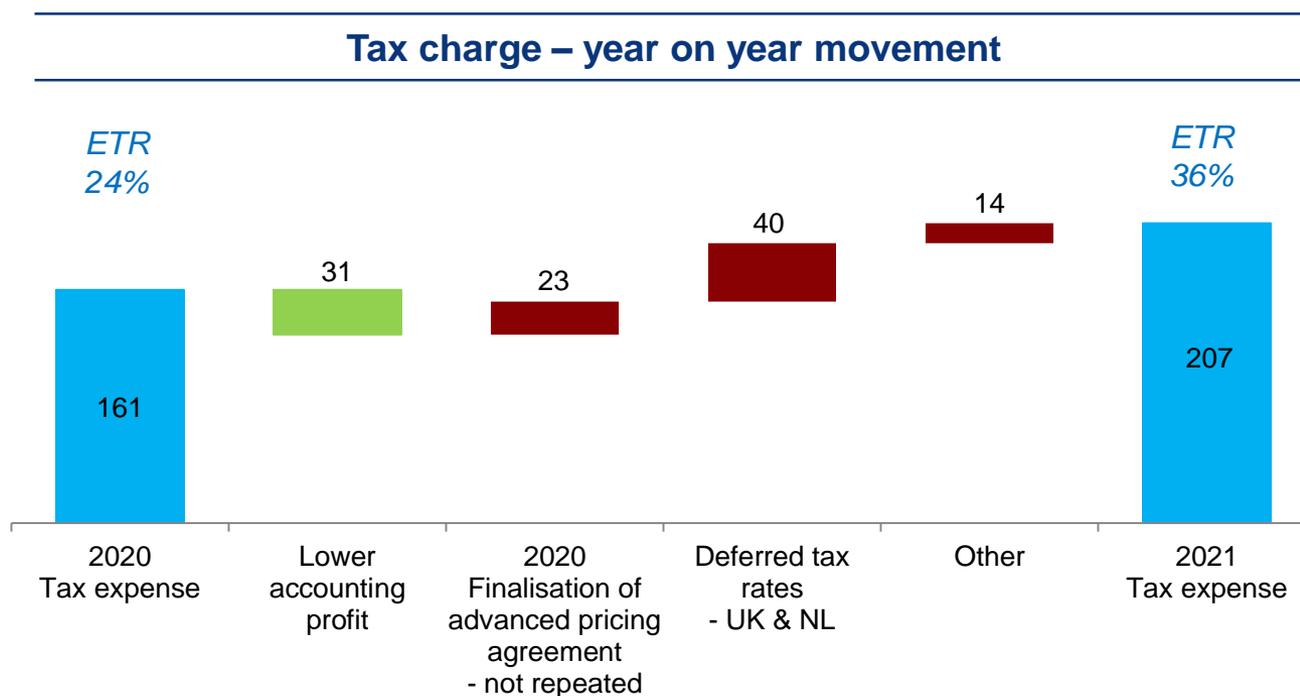
Net Income

(€ million)

- Decrease in Net Income (pre and post exceptional items) reflects:
 - Impact of lower EBITDA.
 - Lower net finance costs reflecting lower levels of debt.
 - Higher taxation expense, mainly due to the increase in the UK Corporate Tax rate from 19% to 25% from April 2023, which was enacted in 2021.



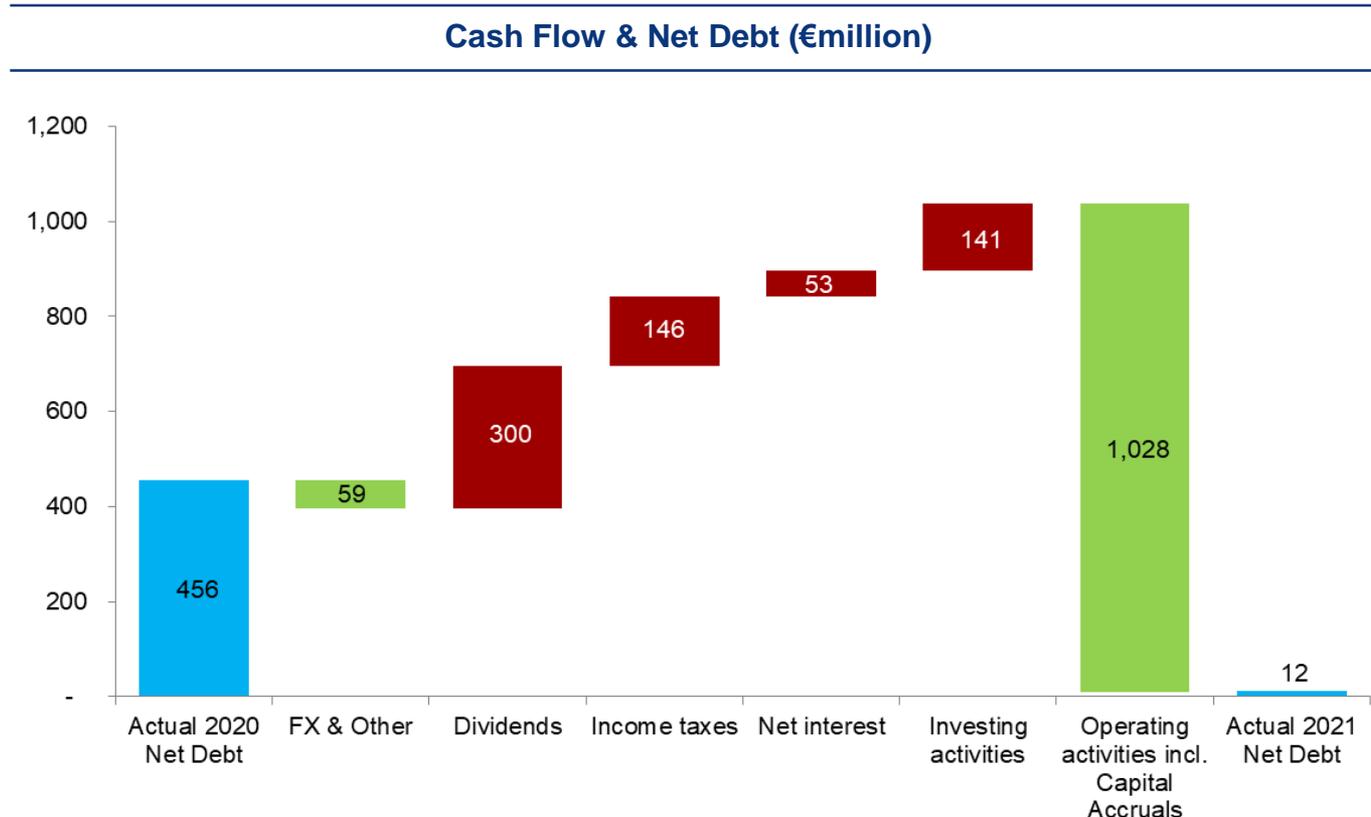
- Tax charge in 2021 was €207m (2020: €161m), the increase is mainly due to the non-cash deferred tax impact of future increases in corporation tax rates in the UK, enacted in the year.
- Cash tax paid in 2021 was €146m (2020: €36m), as 2020 was materially impacted by substantial refunds upon finalisation of an advanced pricing agreement in the UK, the Netherlands and Germany.



Cash flow & Net debt

(€ million)

- Cash generated from operating activities remains very strong at €1,028 million.
- Cash dividends paid in the year of €300 million (2020: €450 million).
- Net debt reduced by €444 million to €12 million.

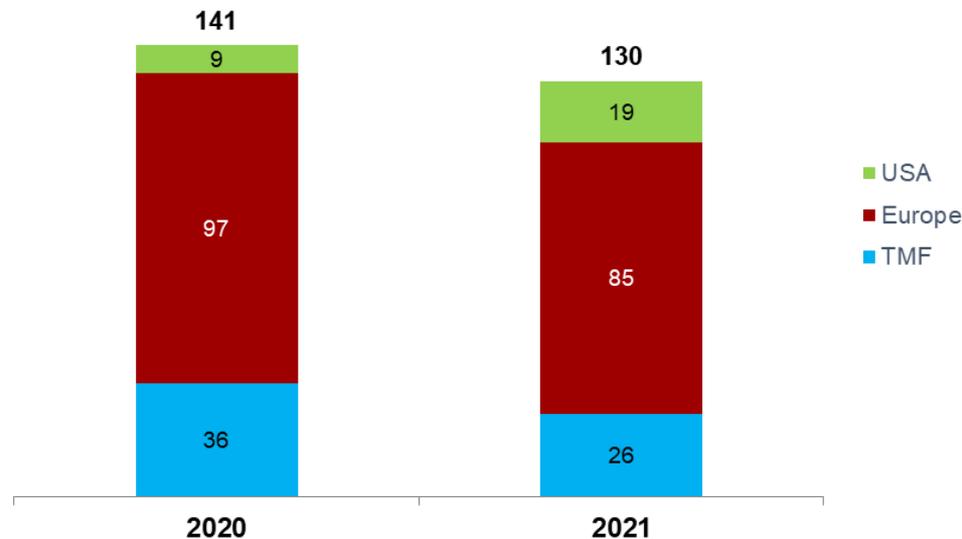


Capital expenditure

(€ million)

- Capital expenditure reached €130 million in 2021.
- Construction of TMF complete, active commissioning well advanced, therefore less costs being capitalised.
- Capital expenditure on enrichment assets now at a sustainable level to maintain the existing fleet in the near to mid-term.

Capital expenditure by region – € million



Net finance charges

(€ million)

- Following debt maturities in 2021, a reduction in the group's debt has resulted in lower interest charges for the year.
- Reduction in capitalised interest due to progression of TMF.

2020 Net finance charges



2021 Net finance charges



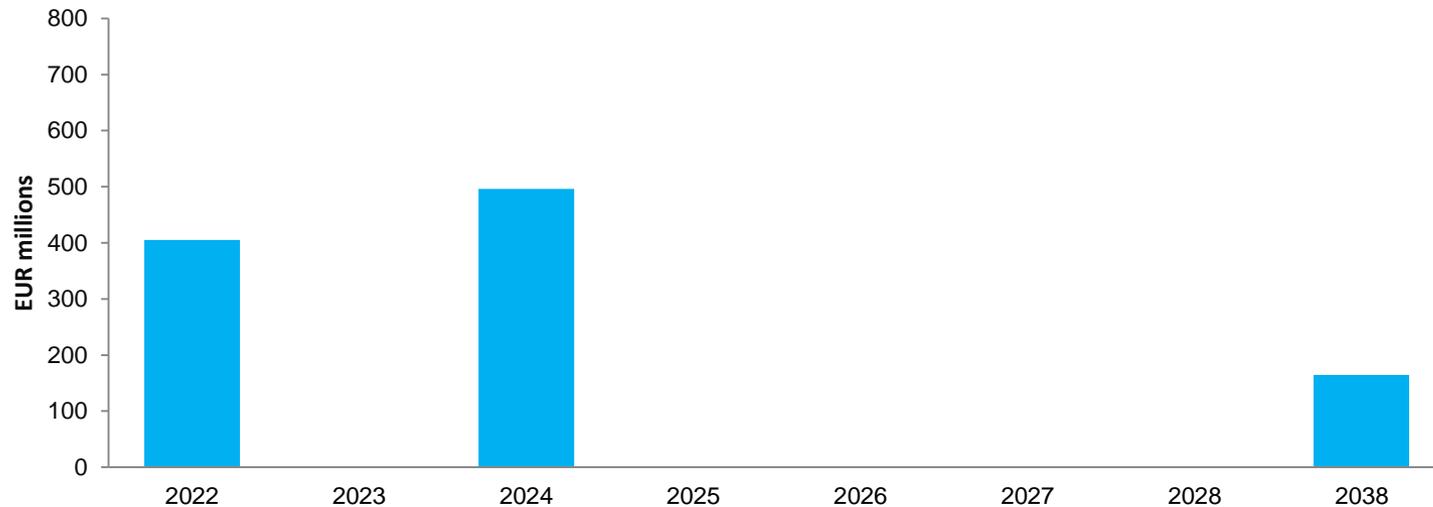
■ Capitalised interest charge
 ■ Non Cash discount unwind on pensions and provisions
 ■ FX on financing activities and impact of cashflow hedges
 ■ Debt interest

Key credit ratios:

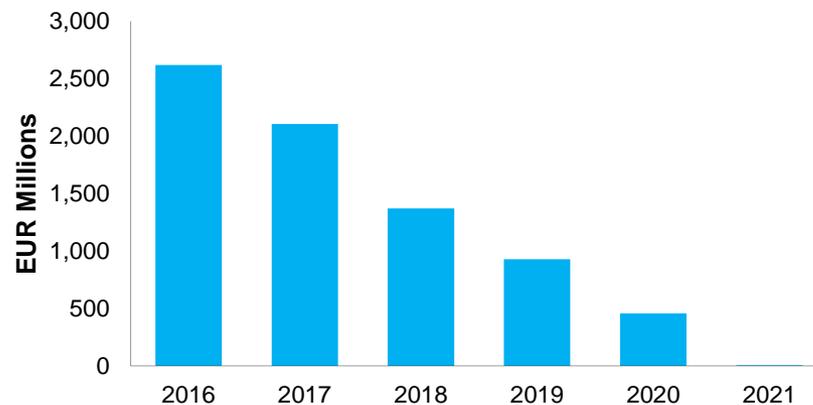
	2020	2021
• Funds Flow from Operations / Total Adjusted Debt (FFO/TAD)	39.3%	36.2%
• EBITDA / Interest cover	7.7x	8.4x

Debt structure – 31 December 2021

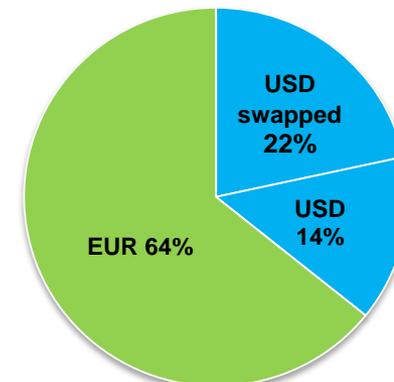
Debt maturity profile – Net debt €12 million



Net debt € million



Currency mix



Liquidity

- Cash and short term investments €1,076 million at 31 December 2021.
- €500 million sustainability–linked committed revolving credit facility (RCF) arranged, maturing 2026, undrawn at December 2021.
- Eurobond repaid at maturity in February 2021- €534 million.

Credit Rating

- Maintain strong investment-grade credit rating and healthy capital ratios in order to support long term business success:
 - Moody's Baa1 (stable)
 - S&P BBB+ (stable)

Financial Policy

- Dividend payments should not normally exceed earnings and be set to protect BBB+ / Baa1 credit rating and only higher if ratings headroom exists.

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Role of nuclear in Hydrogen & Net Zero

- We supported an independent study led by [Aurora Energy Research](#) on how to decarbonise hydrogen in a net zero economy.
- Both this work – and UK Government research – show that **low carbon hydrogen is necessary to decarbonise hard-to-abate sectors.**
- We found that **nuclear is an ideal energy source for low carbon hydrogen production due to:**
 - High utilisation of assets.
 - Lower total system costs.
 - Provision of heat as well as electricity.

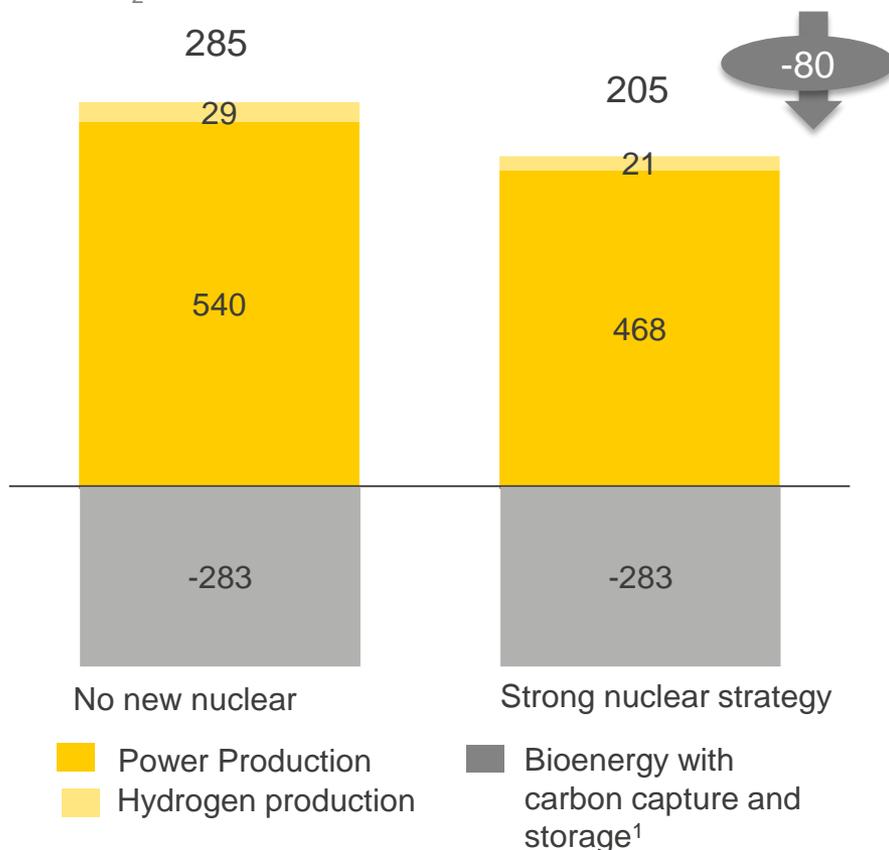


Aurora study findings: British Hydrogen Programme

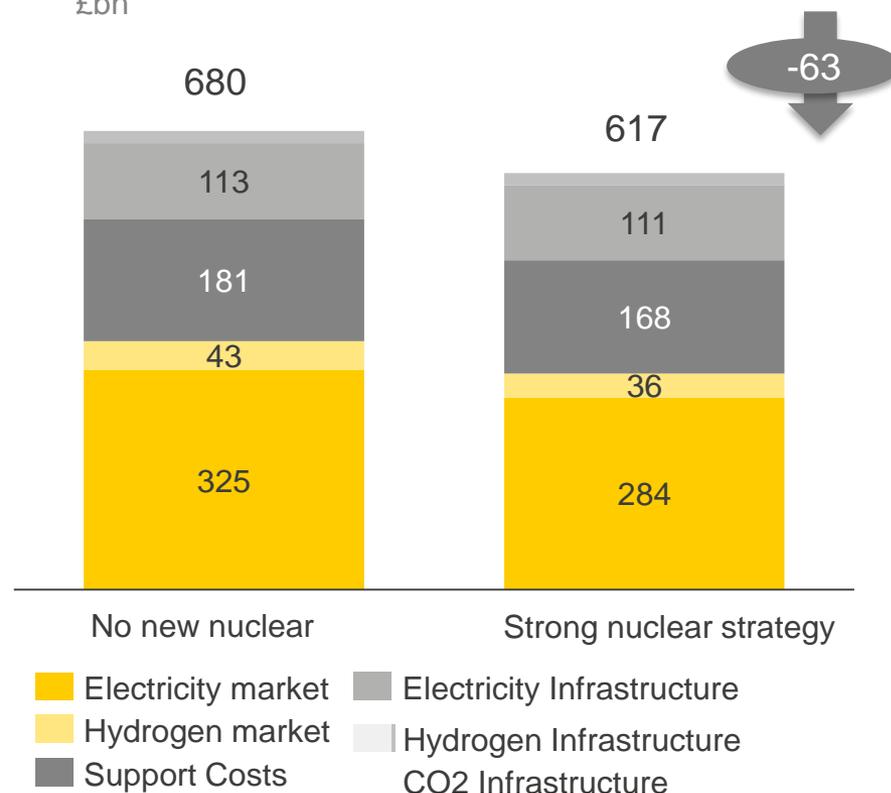
A strong nuclear hydrogen programme brings lower emissions...

... and lower costs.

GB cumulative power and H₂ emissions from 2021-50
MtCO₂

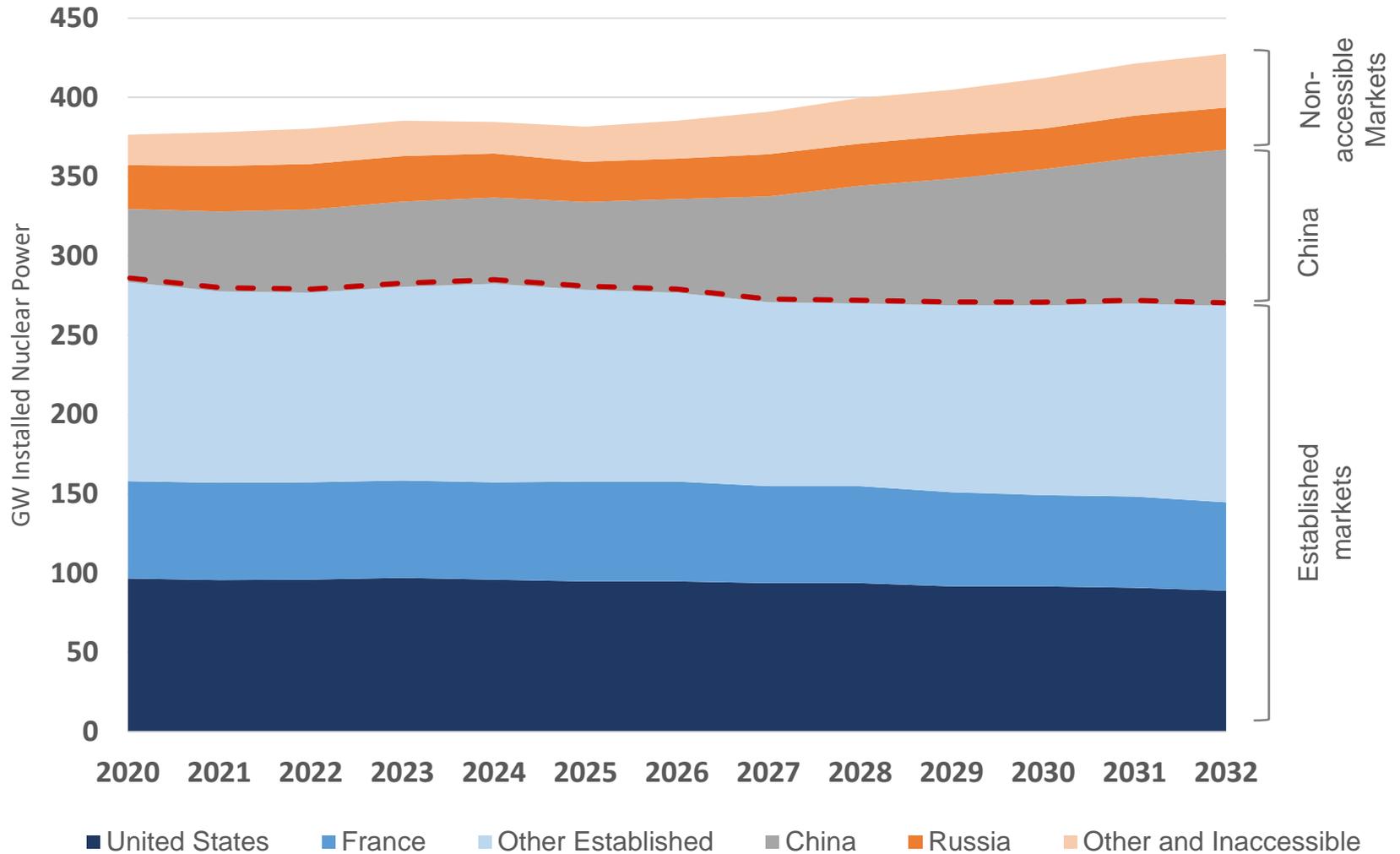


GB NPV total system spend from 2021 - 2050²
£bn



1) Potential to cancel out up to 36 MtCO₂ annually by considering negative emissions from sustainable biomass paired with CCS
2) Costs are discounted using a rate of 5%

Urenco's nuclear industry outlook



Net zero

Diversity
of supply

50
customers in
20 countries

18,100
tSW/a

Expertise
in related areas

- Driving the nuclear industry and Urenco's role in achieving net zero.
- Maintaining diversity and security of supply of enrichment services to meet evolving demands of our customers and industry.
- Strong financial and operational performance.
- Expanding our work in related areas where we can add real value.
- Maintaining the health and wellbeing of our employees and the integrity of our operations.

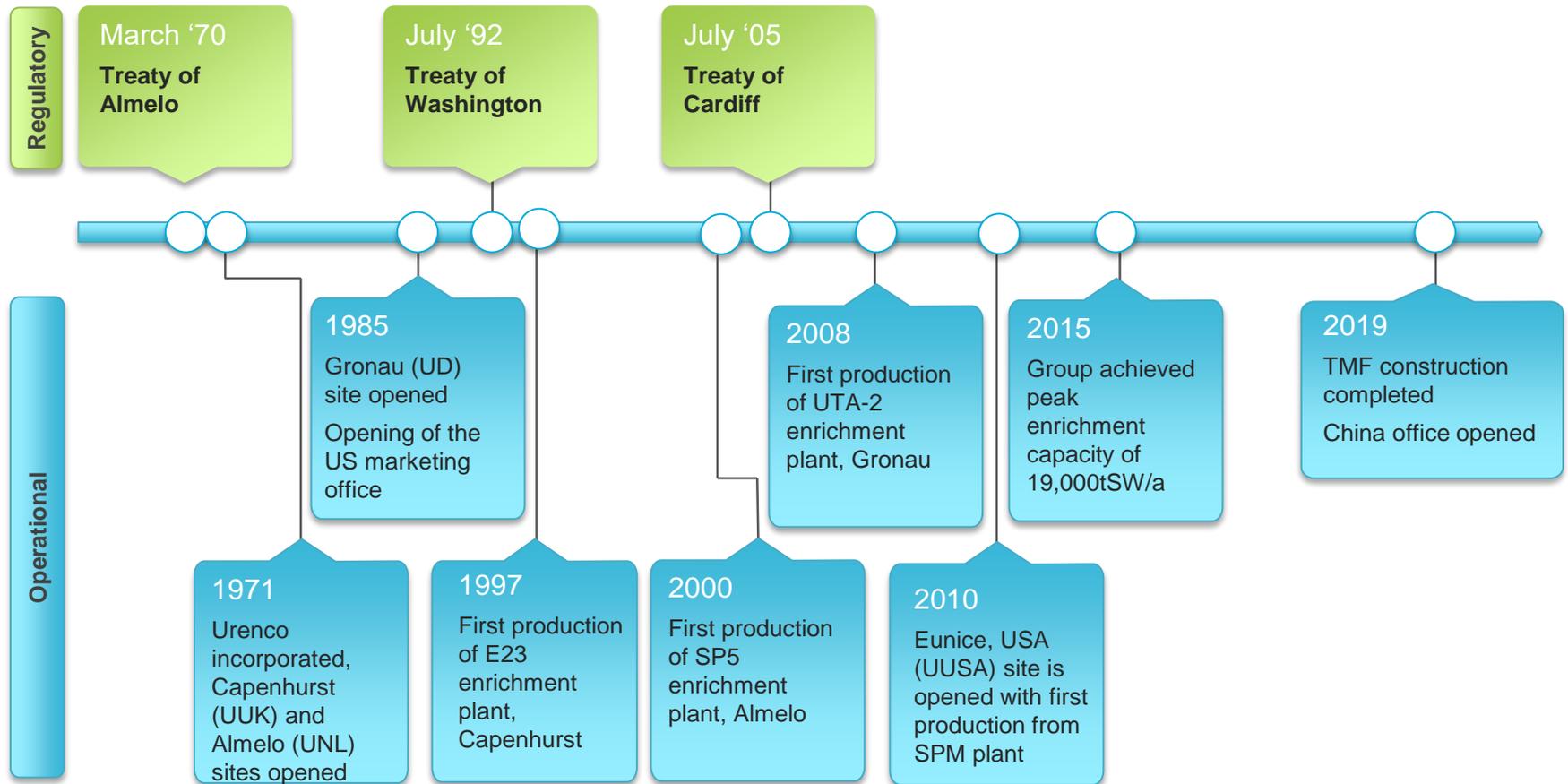
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Questions & Answers



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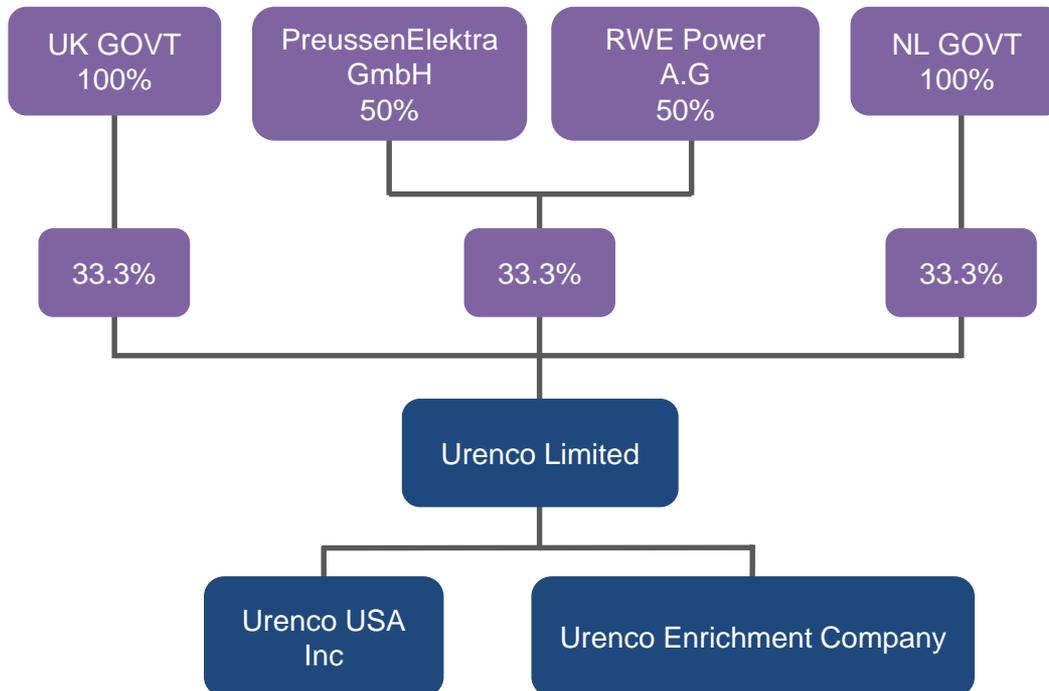


Our centrifuge technology

- An explanation of our uranium enrichment process:
www.urencocom/about/tours/cascade-hall

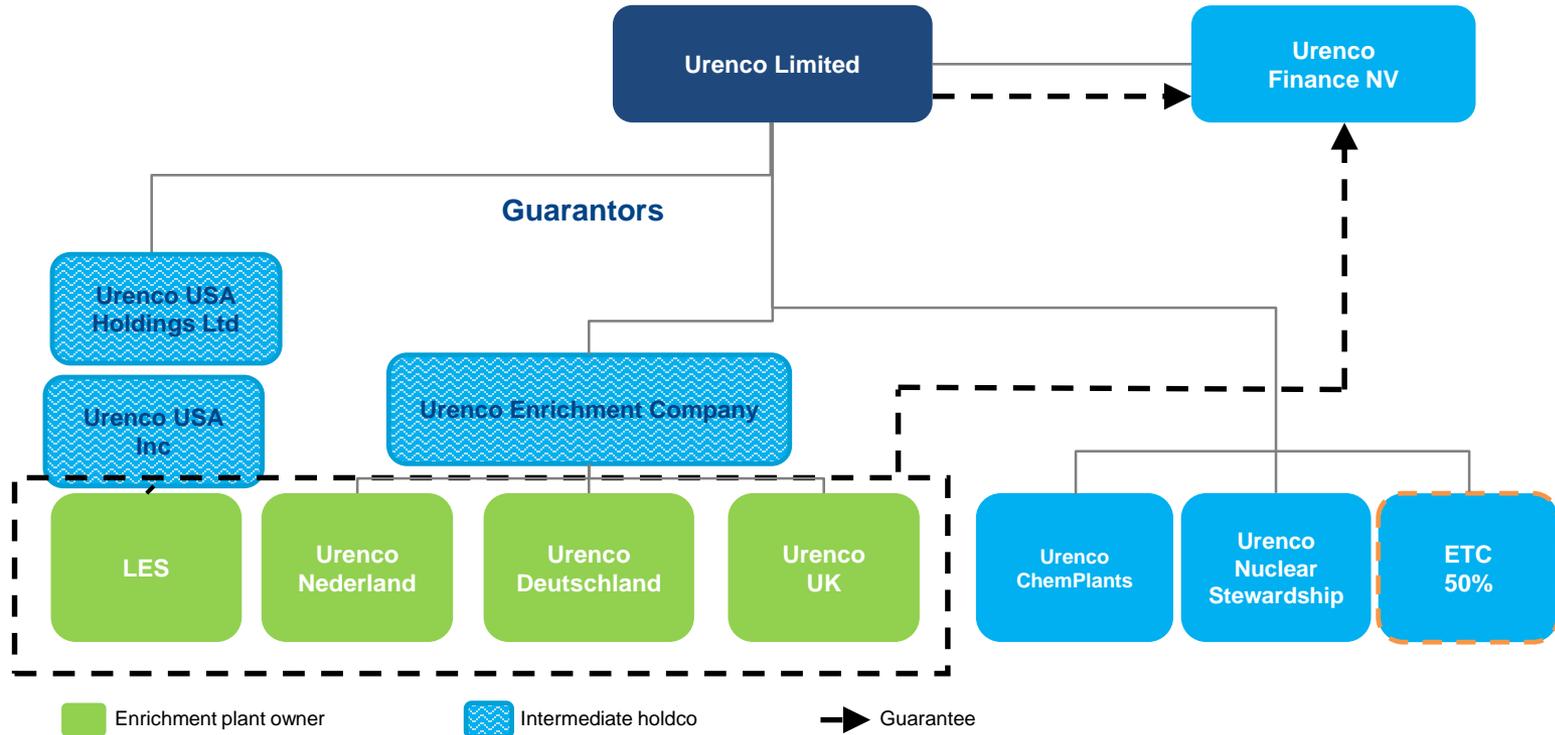


Ownership and oversight



- Treaties of Almelo, Washington and Cardiff
- Government representatives, named the 'Joint committee' provide oversight of Urenco's security and safeguards
- Urenco's shareholders and Board are responsible for the corporate governance of the company and approving commercial decisions

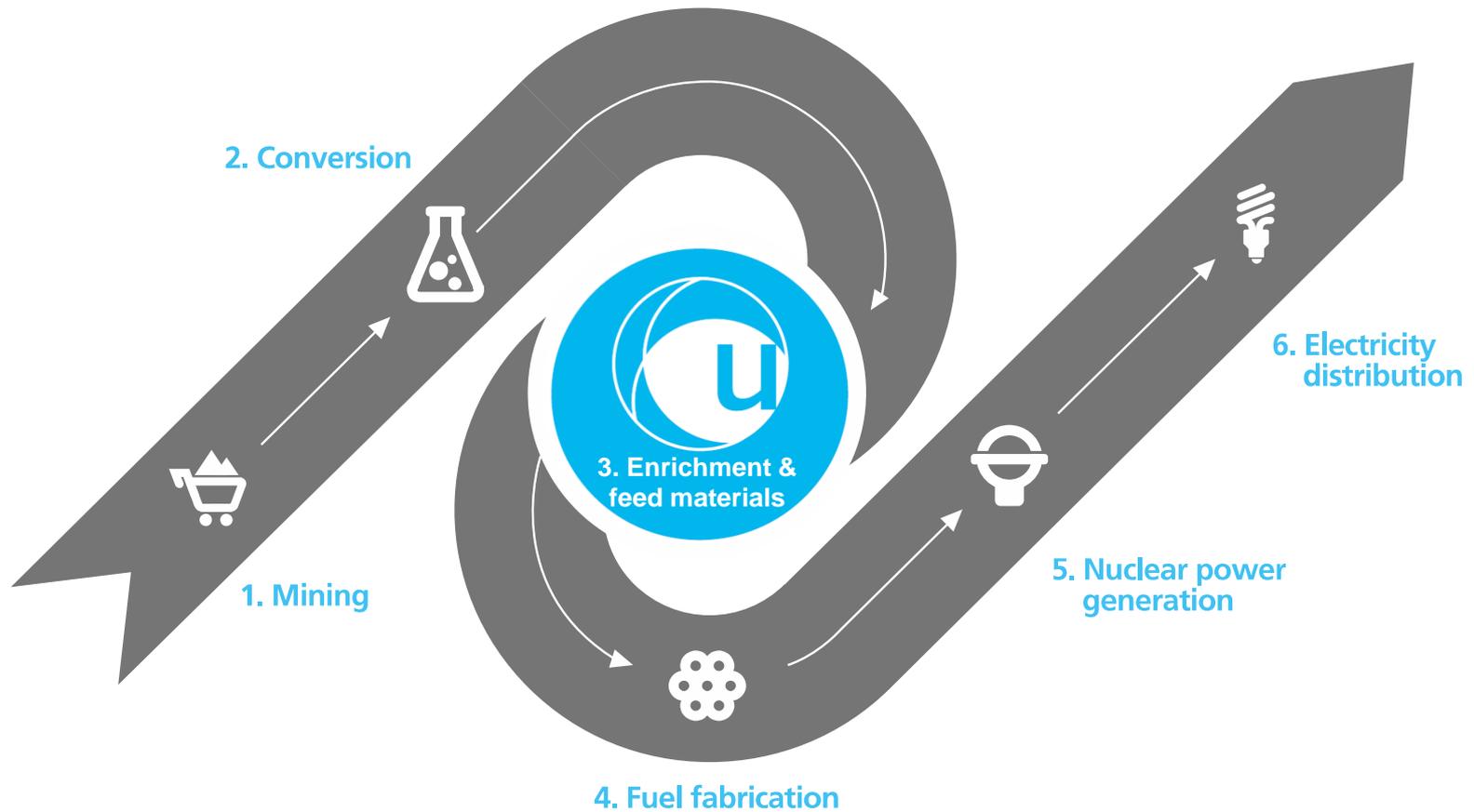
Group structure



- All borrowing for the Group is undertaken by Urenco Limited and Urenco Finance NV
- Repayment of the EMTN programme is guaranteed by Urenco Limited and certain key subsidiaries¹

Note Major entities only. Simplified structure. ETC is held 22% by Urenco Limited, 28% by Urenco Deutschland
 1. Subject to the terms and conditions of the notes. Refer to the Base Prospectus for further information

The nuclear fuel cycle



Enrichment · Tails · Deconversion

