CONSOLIDATED FINANCIAL STATEMENTS

Orano

December 31, 2021

Consolidated statement of income

(in millions of euros)	***Notes***	**December 31, 2021**	**December 31, 2020 ***
Income from goods and services		3,274	3,684
Other income **		1,452	-
REVENUE		**4,726**	**3,684**
Cost of goods and services and other income		(3,336)	(3,100)
GROSS MARGIN		**1,390**	**584**
Research and development expense		(108)	(104)
Marketing and sales expense		(34)	(36)
General expense		(113)	(112)
Other operating income	***5***	66	235
Other operating expense	***5***	(430)	(227)
OPERATING INCOME		**771**	**339**
Share in net income of joint ventures and associates	***14***	18	15
Operating income after share in net income of joint ventures and associates		**789**	**355**
Financial income from cash and cash equivalents		9	19
Cost of gross debt	***7***	(137)	(163)
Cost of net debt		**(128)**	**(144)**
Other financial income		848	310
Other financial expenses		(749)	(487)
Other financial income and expenses	***7***	**100**	**(177)**
NET FINANCIAL INCOME (EXPENSE)		**(29)**	**(321)**
Income tax	***8***	(30)	(54)
NET INCOME FOR THE PERIOD		**730**	**(21)**
NET INCOME ATTRIBUTABLE TO OWNERS OF THE PARENT		**678**	**(71)**
NET INCOME ATTRIBUTABLE TO NON-CONTROLLING INTERESTS		**52**	**50**

** Pursuant to the final decision of the IFRS IC in May 2021 concerning the attributing of post-employment benefits to periods of service (IAS 19), comparative 2020 data have been restated compared with the data reported in the 2020 financial statements. The impacts of these restatements are detailed in Note 36.*
*** Non-recurring revenue related to a transaction allowing for the return of the residue from the activity and the mass to German utilities, thus settling all pre-existing processing contracts (see Notes 1.1 and 3).*

Comprehensive income

(in millions of euros)	***Notes***	**December 31, 2021**	**December 31, 2020 ***
Net income		**730**	**(21)**
Other items not recyclable to the statement of income		**21**	**(48)**
Revaluation of the net liability in respect of defined-benefit obligations		17	(49)
Income tax related to non-recyclable items		0	0
Share in other non-recyclable items from joint ventures and associates, net of tax		5	0
Other items recyclable to the statement of income		**1**	**(17)**
Currency translation adjustments		150	(185)
Change in value of cash flow hedges		(151)	175
Income tax related to recyclable items		2	(6)
Share in other recyclable items from joint ventures and associates, net of tax		0	0
Total other items of comprehensive income (net of income tax)	***8***	**22**	**(65)**
COMPREHENSIVE INCOME		**752**	**(86)**
- Attributable to owners of the parent		694	(119)
- Attributable to non-controlling interests		59	33

** Pursuant to the final decision of the IFRS IC in May 2021 concerning the attributing of post-employment benefits to periods of service (IAS 19), comparative 2020 data have been restated compared with the data reported in the 2020 financial statements. The impacts of these restatements are detailed in Note 36.*

Consolidated statement of financial position

ASSETS

(in millions of euros)	***Notes***	**December 31, 2021**	**December 31, 2020**
NON-CURRENT ASSETS		**20,517**	**18,824**
Goodwill	***9***	1,268	1,174
Intangible assets	***10***	1,226	1,175
Property, plant and equipment	***11***	9,010	8,452
Right-of-use assets – leases	***12***	83	89
End-of-lifecycle assets – third-party share	***13***	110	122
Financial assets earmarked for end-of-lifecycle operations	***13***	8,513	7,561
Investments in joint ventures and associates	***14***	12	6
Other non-current assets	***15***	161	154
Deferred tax assets	***8***	133	92
CURRENT ASSETS		**4,428**	**4,997**
Inventories and work-in-process	***16***	1,428	1,388
Trade accounts receivable and related accounts	***17***	639	681
Contract assets	***18***	94	104
Other operating receivables	***19***	610	728
Other non-operating receivables		40	42
Current tax assets	***8***	69	40
Other current financial assets	***15***	315	460
Cash and cash equivalents	***20***	1,232	1,554
TOTAL ASSETS		**24,945**	**23,821**

EQUITY AND LIABILITIES

(in millions of euros)	***Notes***	**December 31, 2021**	**December 31, 2020 ***	**January 1, 2020 ***
Capital		132	132	132
Consolidated premiums and reserves		1,990	1,320	1,390
Revaluation of the net liability in respect of defined-benefit obligations		(225)	(243)	(195)
Unrealized gains and losses on financial instruments		12	160	(7)
Currency translation reserves		(34)	(186)	(18)
Equity attributable to owners of the parent		**1,876**	**1,183**	**1,302**
Non-controlling interests	***23***	(18)	(75)	(33)
EQUITY	***22***	**1,858**	**1,109**	**1,268**
NON-CURRENT LIABILITIES		**13,186**	**12,854**	**12,953**
Employee benefits	***24***	526	1,045	1,090
Provisions for end-of-lifecycle operations	***13***	9,249	8,189	8,010
Other non-current provisions	***25***	406	288	316
Share in negative net equity of joint ventures and associates	***14***	20	57	69
Non current financial liabilities	***26***	2,915	3,206	3,407
Non-current lease liabilities	***12***	69	69	62
Deferred tax liabilities	***8***	2	0	0
CURRENT LIABILITIES		**9,901**	**9,858**	**9,359**
Current provisions	***25***	2,444	2,188	2,003
Current financial liabilities	***26***	526	985	746
Current lease liabilities	***12***	23	27	20
Trade payables and related accounts		851	914	842
Contract liabilities	***18***	5,175	4,930	4,781
Other operating liabilities	***27***	857	784	940
Other non-operating liabilities		3	4	6
Current tax liabilities	***8***	22	26	20
TOTAL EQUITY AND LIABILITIES		**24,945**	**23,821**	**23,581**

** Pursuant to the final decision of the IFRS IC in May 2021 concerning the attributing of post-employment benefits to periods of service (IAS 19), comparative 2020 data have been restated compared with the data reported in the 2020 financial statements. The impacts of these restatements are detailed in Note 36.*

Consolidated statement of cash flows

(in millions of euros)	***Notes***	December 31, 2021	December 31, 2020
Net income		**730**	**(21)**
Net amortization, depreciation and impairment of PP&E and intangible assets and marketable securities maturing in more than 3 months	***10, 11 and 12***	578	482
Net increase in (reversal of) provisions	***13, 24 and 25***	246	(153)
(Payments)/repayment of insurers on assets earmarked for social security liabilities	***24***	(466)	44
Net effect of unwinding of assets and provisions		655	325
Income tax expense (current and deferred)		30	54
Net accrued interest included in cost of financial debt		125	140
Loss (gain) on disposal of fixed assets and change in fair value of financial assets	***5 and 7***	(767)	(216)
Share in net income of joint ventures and associates	***14***	(18)	(15)
Dividends received from joint ventures and associates and share of income from consortiums		12	4
Other non-cash items		(11)	37
Cash flow from operations before interest and taxes		**1,114**	**682**
Net interest received (paid)		(138)	(132)
Net interest paid on lease liabilities		(4)	(3)
Income tax paid		(90)	(50)
Cash flow from operations after interest and tax		**882**	**497**
Change in working capital requirement	***21***	217	185
NET CASH FLOW FROM OPERATING ACTIVITIES		**1,099**	**682**
Capital expenditure		(592)	(532)
Disposals of property, plant and equipment and intangible assets		7	11
Acquisitions of shares of consolidated companies, net of acquired cash		(44)	5
Acquisitions of hedging financial assets earmarked for end-of-lifecycle operations		(4,232)	(2,304)
Disposals of hedging financial assets earmarked for end-of-lifecycle operations		4037	2418
Change in cash management financial assets	***15***	143	(5)
Loans granted to joint ventures and associates		(23)	(12)
Repayment of loans from joint ventures and associates		0	0
Acquisitions of other financial assets		(9)	(30)
Disposals of other financial assets		0	0
NET CASH FLOW FROM INVESTING ACTIVITIES		**(712)**	**(448)**
Capital increases subscribed by non-controlling interests		-	-
Transactions with non-controlling interests		(3)	-
Dividends paid to non-controlling interests		(5)	(75)
Repayment of lease liabilities		(25)	(20)
Increase in financial debt	***26***	0	492
Decrease in borrowings	***26***	(720)	(534)
Change in other borrowings	***26***	(25)	0
NET CASH FLOW FROM FINANCING ACTIVITIES		**(778)**	**(137)**
Effect of exchange rate changes		17	(33)
CHANGE IN NET CASH		**(375)**	**64**
Net cash at the beginning of the period		**1,484**	**1,420**
Net cash at the end of the period	***20***	1,232	1,554
Less: short-term bank facilities and non-trade current accounts in credit	***26***	(123)	(71)
Net cash at the end of the period		**1,109**	**1,484**

Consolidated statement of changes in equity

(in millions of euros)	***Notes***	**Number of shares**	**Capital**	**Consolidated premiums and reserves**	**Revaluation of the net liability in respect of defined-benefit obligations**	**Unrealized gains and losses on financial instruments**	**Currency translation reserves**	**Total equity attributable to owners of the parent**	**Non-controlling interests**	**Total equity**
JANUARY 1, 2020 *		**264,152,778**	**132**	**1,390**	**(195)**	**(7)**	**(18)**	**1,302**	**(33)**	**1,268**
Net income for the period				(71)				(71)	50	(21)
Other items of comprehensive income	***8***				(48)	167	(168)	(49)	(17)	(65)
Comprehensive income				**(71)**	**(48)**	**167**	**(168)**	**(119)**	**33**	**(86)**
Dividends paid									(75)	(75)
Other changes				1				1		1
DECEMBER 31, 2020 (*)		**264,152,778**	**132**	**1,320**	**(243)**	**160**	**(186)**	**1,183**	**(75)**	**1,109**
Net income for the period				678				678	52	730
Other items of comprehensive income	***8***				21	(148)	143	16	6	22
Comprehensive income				**678**	**21**	**(148)**	**143**	**694**	**59**	**752**
Dividends paid									(5)	(5)
Other changes **				(8)	(3)		10	(1)	3	2
DECEMBER 31, 2021		**264,152,778**	**132**	**1,990**	**(225)**	**12**	**(34)**	**1,876**	**(18)**	**1,858**

** Pursuant to the final decision of the IFRS IC in May 2021 concerning the attributing of post-employment benefits to periods of service (IAS 19), comparative 2020 data have been restated compared with the data reported in the 2020 financial statements. The impacts of these restatements are detailed in Note 36.*
*** Other changes correspond to the takeover of Cominak (see Notes 1.1 and 23) and the acquisition of AREVA Mongol LLC securities (see Notes 2 and 23).*

Notes to the consolidated financial statements for the year ended December 31, 2021

All amounts are presented in millions of euros unless otherwise indicated. Certain totals may have rounding differences.

INTRODUCTION

Orano is a French public limited company (*société anonyme*) with a Board of Directors domiciled in France and governed by the French Commercial Code.

The group offers products and services with high added value throughout the entire nuclear fuel cycle, from raw materials to waste treatment. Its activities, from mining to dismantling, as well as in conversion, enrichment, recycling, logistics and engineering, contribute to the production of low-carbon electricity.

Orano SA has issued debt securities admitted to trading on the Euronext Paris regulated market; in accordance with Article L. 233-16 of the French Commercial Code, it is therefore required to publish consolidated financial statements.

The consolidated financial statements of the Orano group as of December 31, 2021 have been prepared in accordance with IFRS. They were approved by the Board of Directors of Orano SA on February 24, 2022.

Note 1 – SIGNIFICANT EVENTS, ESTIMATES AND JUDGMENTS AND ACCOUNTING PRINCIPLES

1.1 SIGNIFICANT EVENTS OF THE PERIOD

Signing of contracts for the return of German nuclear waste

In August 2021, the German utilities PreussenElektra, RWE, ENBW and Vattenfall signed a set of contracts with Orano for a total amount of more than one billion euros for the return of all German nuclear waste stored at the Orano La Hague plant. These contracts represent the balance of all commitments made in the past for waste from German utilities and provide for the return to Germany of the equivalent in mass and radioactivity of this waste contained in the used fuel elements from German reactors. More than 97% of the total radioactivity has already been returned. These contracts entered into force on September 7, 2021 after the signing of an intergovernmental agreement between Germany and France (see Note 3).

Impacts of the Covid-19 health crisis

In 2021, only the group's mining activities were impacted by the Covid crisis from January to May, with the shutdown of the Cigar Lake mine and the McClean Lake plant. At the end of December, the Covid-19 crisis had not affected the value of the group's industrial assets, however it had adversely affected the results for the period in the Mining sector.

Situation of the McArthur River mine and Key Lake processing plant in Canada

On February 9, 2022, Cameco announced the gradual restart in 2022 of the McArthur River mine (69.8% owned by Cameco and 30.2% by Orano) and the Key Lake ore processing plant (83.3% owned by Cameco and 16.7% by Orano), which had been mothballed until then. The ramp-up of production is expected to be spread over several years, with, as part of this timeframe, a reduction in production from the Cigar Lake mine in view of the market equilibria.

Cominak production shutdown

On March 31, 2021, the Akouta mine in Niger operated by Cominak definitively ceased production after more than 40 years and 75,000 metric tons of uranium extracted. Social (plan dedicated to supporting employees and subcontractors) and societal (measures to support the local economy, in particular through support for entrepreneurship, health, the education system and the transfer of infrastructure managed by Cominak to the State of Niger) transition began immediately. Redevelopment work will be followed by a period of environmental monitoring.

Since the end of February 2021, Orano Mining has held 59% of the share capital of Cominak after the acquisition of the stake held by one of the historical shareholders, the Japanese company OURD, which contributed to the dismantling and transition budget during the purchase of its stake by Orano. The other shareholders are SOPAMIN (Niger) (31%) and ENUSA (Spain) (10%) (see Notes 5 and 23).

Changes in the share capital of Orano SA

On February 22, 2021, the French State acquired 10,566,111 shares from AREVA SA, *i.e.* 4.0% of the share capital of Orano SA.

On July 12, 2021, in its role as trustee of the trust set up by AREVA SA for the benefit of its lenders, Caisse des Dépôts et consignations sold 12,121,953 Orano SA shares, *i.e.* 4.6% of the share capital, to the French State. As a result, this trust was closed and the balance of the 26,415,277 Orano SA shares held until then by Caisse des Dépôts et consignations, *i.e.* 14,293,324 shares, was transferred to AREVA SA.

On July 13, 2021, the French State acquired 31,698,333 Orano SA shares, *i.e.* 12.0% of the share capital, from AREVA SA.

On October 1, the French State acquired 24,830,361 Orano SA shares, representing approximately 9.4% of the Company’s share capital, from AREVA SA.

Since that date, the capital of Orano SA has been held by the French State (79.99%), AREVA SA (0.01%), CEA (1 share), JNFL (5%) and MHI (5%), as well as by Natixis (10%) in the context of a trust.

1.2 ESTIMATES AND JUDGMENTS

In preparing its consolidated financial statements, Orano must make estimates, assumptions and judgments impacting the carrying amount of certain assets and liabilities, income and expense items, or information disclosed in certain notes to the financial statements. Orano updates its estimates and judgments on a regular basis to reflect past experience and other factors deemed pertinent, based on economic conditions. As a function of changes in these assumptions or in circumstances, the amounts appearing in its future financial statements may differ from current estimates, particularly in the following areas:

- operating margins on contracts recognized according to the percentage-of-completion method, which are estimated by the project teams and reviewed by management in accordance with the group's procedures (see Notes 1.3.6 and 25);
- cash flow forecasts and the discount and growth rates used for impairment tests for goodwill and other property, plant and equipment and intangible assets (see Notes 1.3.7.5, 9, 10 and 11);
- all assumptions used to assess the value of pension commitments and other employee benefits, particularly future payroll increases and discount rates, retirement age and employee turnover (see Notes 1.3.10 and 24);
- all assumptions used to measure provisions for end-of-lifecycle operations (see Notes 1.3.12 and 13) and, where appropriate, the assets corresponding to the share financed by third-parties, in particular:
  - estimated costs of those operations,
  - inflation and discount rates,
  - schedule of future disbursements,
  - operating life of the facilities,
  - scenario chosen with regard to knowledge of the initial condition of the facilities, the target final condition, and waste treatment and removal methods and their availability,
  - procedures for final shutdown,
  - safety requirements and regulatory developments;
- assumptions used to measure the existence of provisions or contingent liabilities for nuclear materials belonging to the group: the estimated costs of those operations, the provisional payment schedule, the inflation rate and the discount rate (see Notes 1.3.11 and 25);
- estimates and judgments regarding the outcome of disputes in progress and, more generally, estimates regarding all of the provisions and contingent liabilities of Orano (see Notes 1.3.11 and 25);
- estimates and judgments relative to the recoverability of accounts receivable from the group's customers and other financial assets (see Notes 1.3.6 and 1.3.9.5); and
- estimates of future taxable income allowing the recognition of deferred tax assets (see Notes 1.3.13 and 8).

The challenges related to climate change are implemented through the implementation of a "Commitments" roadmap, an operational translation of our purpose. Orano has set targets for reducing its CO_2 emissions (a 40% reduction in scopes 1 and 2 emissions compared to the baseline year 2015) by 2025 based on both energy performance plans for its industrial sites and a targeted CAPEX strategy such as, for example, the complete electrification of steam production at the La Hague plant or the project to implement a photovoltaic installation for the Somaïr mining site in Niger.
The financial trajectories used for impairment tests include the expenses associated with these investments. In addition, the group analyzed the impact of its objectives on the useful life of property, plant and equipment or the valuation of provisions for contingencies and confirmed the absence of a significant impact on the financial statements.

1.3 ACCOUNTING PRINCIPLES

1.3.1. Basis of preparation

Pursuant to European Regulation 1606/2002 of July 19, 2002 on international accounting standards, the consolidated financial statements of Orano for the year ended December 31, 2021 were prepared in accordance with international accounting standards as published by the International Accounting Standard Board (IASB) and approved by the European Union as of December 31, 2021. They include IAS (International Accounting Standards), IFRS (International Financial Reporting Standards) and the interpretations issued by the IFRS Interpretations Committee (IFRS-IC) and by the former Standing Interpretation Committee (SIC).

The IFRS standards and interpretations as adopted in the European Union are available on the website: https://ec.europa.eu/finance/company-reporting/standards-interpretations/index_fr.htm.

The group has not adopted in advance any standards, amendments or interpretations published by the IASB whose implementation was not mandatory in 2021.

The consolidated financial statements have been prepared on a historical cost basis, with the exception of derivative instruments and certain financial assets, which have been measured at fair value. Financial liabilities (excluding derivatives) are measured on the amortized cost principle.

Standards, amendments and interpretations that came into force on January 1, 2021

- the amendments to IFRS 9, IAS 39, and IFRS 7 “Reform of benchmark interest rates (Phase II)”;
- amendments to IFRS 16 “Covid-19-Related Rent Concessions beyond June 30, 2021”.

These amendments and interpretations with mandatory application from January 1, 2021 did not have any significant impact on the group’s consolidated financial statements.

<u>IFRIC decision on IAS 19</u>

In May 2021, the IASB approved the IFRIC decision on the attribution of rights from post-employment benefit plans. This decision concerns the inclusion, at the rate of recognition of commitments, of the capping of rights provided for in collective agreements. This decision mainly concerns retirement benefits in France.
At the start of the 2020 financial year, the restatement resulted in a reduction in commitments for the plans concerned with, as counterparty, an increase in equity.

<u>IFRIC decision on SAAS contracts (IAS 38)</u>

The IFRIC has published a decision on the treatment of software configuration and customization costs used in SaaS (Software as a Service) mode, which results in these costs being recognized as expenses when the services are received. The Company has undertaken an inventory of capitalized costs that will have to be expensed due to the IFRIC decision. The analysis, which presents certain operational complexities, should be finalized in the first half of 2022. If the IFRIC decision has a significant impact, its implementation will result in a change in accounting method, the effects of which will be reflected retrospectively.

New standards and interpretations adopted by the European Union for which application is not yet mandatory and which have not been early adopted

- amendment to IFRS 3 “Reference to the Conceptual Framework”;
- annual improvements 2018-2020 relating to IFRS 9 and IFRS 16;
- amendments to IAS 1 “Presentation of financial statements - Classification of liabilities as current or non-current” and “Disclosure of accounting policies”;
- amendment to IAS 8 “Definition of accounting estimates”; and
- amendment to IAS 12 “Deferred tax related to assets and liabilities arising from a single transaction”.

Amendment to IAS 37 “Onerous contracts – Cost of fulfilling a contract”

The amendment specifies that, in order to assess the loss-making nature of a contract, the unavoidable costs of performing a contract include not only the incremental costs but also an allocation of common costs directly attributable to the contract. This amendment will be mandatory from January 1, 2022.

These amendments and improvements were not applied in advance at January 1, 2021. The group is currently analyzing the potential impacts of these amendments.

1.3.2. Financial statement presentation rules

Current and non-current assets and liabilities

The assets and liabilities constituting working capital requirement in the normal business cycle are classified as current in the consolidated statement of financial position. Other assets and liabilities are classified as current or non-current depending on whether their maturity is greater or lesser than one year from the reporting date.

Other operating income and expenses

Income and expenses that, by nature, are unusual, abnormal or infrequent are included in other operating income and expenses. This heading includes:
- impairment and reversals of impairment for loss of value;
- gains or losses on disposals of non-financial assets;
- changes in provisions for end-of-lifecycle operations on discontinued facilities caused by changes in cost estimates;
- dismantling and waste treatment and retrieval costs, as well as changes in the corresponding provisions;
- the effects of restructuring plans; and
- the effects of amendments to pension plans and other post-employment benefits.

1.3.3. Consolidation method

Subsidiaries

Entities over which the group exercises exclusive control are fully consolidated. Control by the group over its subsidiaries is based on its exposure or entitlements to variable income resulting from its investment in these entities, as well as its ability to exercise power over the entity in such a way as to influence the amount of the returns it receives.
In the event of a change in the percentage of the group’s interest in a subsidiary without loss of control, the change is recognized as a transaction between shareholders.

Intra-group balances and transactions are eliminated.

The acquisition date from which the group consolidates the financial statements of the acquiree is the date of its effective takeover.

Non-controlling interests in the net assets of consolidated subsidiaries are presented on a separate line of equity under “non-controlling interests.” Non-controlling interests include the amount of minority interests as of the acquisition date and the amount represented by minority interests in the change in equity since that date. In the absence of a binding agreement, the negative results of subsidiaries are systematically allocated to equity attributable to the owners of the parent company and to non-controlling interests, based on their respective percentage interests, even if they become negative.

Transactions with non-controlling interests, without impact on control, are treated as transactions with group shareholders and are recorded in equity.

Joint ventures and associates

An associate is an entity over which the group exercises significant influence. Significant influence is the power to influence the making of key financial and operational decisions within the entity, without this demonstrating control or joint control of the group.
A joint venture is a joint arrangement in which the parties, who exercise joint control, are entitled to a share of the net assets of the joint venture. Joint control is demonstrated when, on the basis of the rights provided for by this agreement, decisions on the relevant activities of the entity require the unanimous agreement of the parties.
The factors taken into account to demonstrate significant influence or joint control are similar to those used for analyzing the group’s control over its subsidiaries. Joint ventures and associates are accounted for using the equity method.

Interests in joint operations

A joint operation is a partnership in which the partners (joint owners), who exercise joint control over the entity, have direct rights over the assets of the entity, and obligations in respect of its liabilities. As a co-investor, the group recognizes the relevant assets and liabilities line by line, as well as the income and expenses related to its interests in the joint operations.

1.3.4. Consideration of the effect of foreign currencies

The group’s consolidated financial statements are denominated in euros, which is also the functional currency of the group’s parent company. The group has determined the functional currency of each of its subsidiaries based on the economic environment in which it conducts the major part of its operations. In most cases, the functional currency is the local currency.

Transactions denominated in foreign currencies

Foreign currency-denominated transactions are translated by group companies into their functional currency at the exchange rate prevailing at the transaction date.
Monetary assets and liabilities denominated in foreign currencies are revalued at the exchange rate prevailing on the last day of the period. Foreign exchange gains and losses are then recognized:

- in operating income when related to commercial transactions (trade accounts receivable, trade accounts payable) ;
- in financial income when they relate to financial transactions (loans or borrowings).

Translation of the financial statements of consolidated companies whose functional currency is different from that of the group

As part of the consolidation process, assets and liabilities denominated in foreign currencies are translated into euros at the closing rate, and expenses and income are converted at the rate prevailing on the date of the transaction. Foreign exchange differences are recognized in currency translation adjustments in Other items of comprehensive income. In the event of the disposal of a foreign entity, the share of accumulated currency translation adjustments relating to this entity is recycled in the statement of income.

1.3.5. Segment information

The operating segments selected for the purposes of segment information have been identified on the basis of the internal reporting used by the chief operating decision-maker to allocate resources to the various segments and assess their performance.

The group's chief operating decision-maker is the Executive Management, assisted by the Executive Committee.

The analysis of internal reporting and the specific features of the group's businesses have led Orano to present the following three operating segments: Mining, Front End and Back End. Information relating to Orano Med is presented under "Corporate and other activities".

Mining activities cover exploration (search for new deposits), mining projects (studies and construction of mines), operation (extraction of natural uranium, then chemical concentration into U3O8) and the redevelopment of sites after their operation.
Front End activities primarily include the conversion of uranium concentrate (U3O8) to uranium hexafluoride (UF_6), followed by the enrichment of UF_6 by centrifugation.
Lastly, Back End activities include used fuel recycling, nuclear logistics (cask design and manufacturing, and transportation of nuclear materials and waste), dismantling and services (dismantling of nuclear facilities, waste management and services to nuclear operators), as well as engineering activities (design and implementation of complex projects)

The methods used to measure the key indicators of each sector when preparing the internal reporting are identical to those used for the preparation of the consolidated financial statements. As a result, the segment information provided in the tables is presented in accordance with the same accounting principles as those used for the group's consolidated financial statements.
In addition, transactions between operating segments are carried out on an arm's length basis.

EBITDA is equal to operating income restated for net depreciation, amortization and operating provisions (excluding net impairment of current assets) as well as net gain on disposal of property, plant and equipment and intangible assets, gains and losses on asset leases and effects of takeovers and losses of control.
In addition, the calculation of EBITDA is restated to:
i) reflect the cash flows related to employee benefits (benefits paid and contribution to hedging assets) in lieu of the service cost recognized;
ii) exclude the cost of end-of-life operations for the group's nuclear facilities (dismantling, retrieval and conditioning of waste) carried out during the financial year.

Segment assets include "Inventories and work-in-progress", receivables (excluding tax) and non-current assets, with the exception of "Deferred tax" and "Investments in joint ventures and associates." Orano has adopted centralized management of its tax system and cash management. Therefore, the corresponding statement of financial position and statement of income items are not assigned to business operations.

Moreover, information on segment assets and liabilities is not regularly provided to the chief operating decision-maker; the group has nevertheless elected to present the assets allocatable by operating segment on a voluntary basis.

Orano also publishes information by region: Orano’s consolidated revenue is broken down between the following five regions by destination of sales: France, Europe excluding France, Americas (North and South), Asia-Pacific, Africa and Middle East.

1.3.6. Revenue

The group operates in the various stages of the fuel cycle, offering the following products and services:
- supply of uranium concentrates (U3O8);
- supply of conversion and enrichment services or UF_6 and enriched UF_6;
- treatment-recycling services;
- engineering support to the operator and dismantling of nuclear facilities; and
- transportation and warehousing logistics services and solutions, including cask design and manufacturing.

Customer contracts and performance obligations
Contracts with customers are analyzed to determine the performance requirements that constitute the unit of account for revenue recognition.

Contract price
The contract price is the amount of the consideration that Orano expects to receive in exchange for the goods and services transferred. This price includes firm fixed items, as well as variable items in the proportion considered highly likely to be received. Variable items include price revisions potentially resulting from indexation clauses or riders, the potential effects of penalties or discounts, etc.

The contract price is adjusted in the event that one of the parties to the contract receives a significant financing advantage from the other party, *i.e.* when the combination of (i) the time lag between receipt and transfer of control of the goods and services covered by the contract (*i.e.* revenue recognition) and (ii) the interest rate applicable to an equivalent credit facility has a significant impact on the contract price negotiated by the parties. This adjustment is equivalent to recognizing revenue on the basis of a transaction price reflecting the price that the customer would have paid for a spot transaction, *i.e.* net of any items related to the financing terms. The adjustment determined in this manner on the contract price is recognized at the same time as revenue, while the expense or financial income is recognized in proportion to the performance and amortization of the implied credit facility resulting from the terms of payment. The interest rate applied is the marginal financing rate that the party receiving the financing would have obtained from a financial institution by negotiating, on the date of the signature of the contract, a loan whose characteristics are similar to the implied financing granted.

Allocation of the contract price to performance obligations
The contract price is allocated to each performance obligation based on the proportions of the separate sale prices, generally in line with the contractual terms. Otherwise, the sale price of the performance obligation is calculated on the basis of costs and an expected margin for similar services.

Recognition of revenue associated with each performance obligation
Revenue is recognized when the company transfers control of the goods or services to the customer. In application of this principle, revenue is recognized:
- for concentrate supply contracts: on delivery of uranium concentrates to conversion sites designated by customers; the delivery can be materialized by a physical delivery or by a transfer from the material account held by Orano with the converter to the material account held by the customer with the same converter (“book transfer”);
- for conversion and enrichment contracts: upon delivery of UF_6. The delivery can be materialized by a physical delivery or by a transfer from the material account held by Orano to the material account held by the customer with the fuel enricher or assembler;
- for treatment-recycling, transportation and storage services: by the percentage-of-completion method; when the contract requires the customer to participate in the financing of the construction of an asset necessary for the performance of the services covered by the contract, the revenue relating to the financing received is recognized on the basis of the percentage of completion of the underlying services over the useful life of the asset, except if the customer takes control of the asset upon completion (in which case the revenue is recognized as the asset is constructed); and

- for design and equipment manufacturing contracts that meet the customer's technical specifications: by the percentage-of-completion method, except if the group does not have a sufficient right to payments for the services performed to date in the event of interruption of the contract for a reason other than the group's default.

When revenue recognition is made using the percentage-of-completion method in the cases described above, the percentage of completion is determined by the ratio of costs incurred to costs at termination. Revenue is recognized insofar as it is highly likely that it will not be subject to any subsequent reversal.

Contract assets and liabilities

Contract assets are the rights held by the group in respect of work performed, but which does not yet constitute an unconditional right to payment.

Contract liabilities are the amounts recognized in the event of payments received in excess of the amount recognized as revenue in satisfaction of a performance obligation. They include:

- amounts received from customers and used to finance capital expenditure for the performance of long-term contracts to which they are party; and
- other advances and down payments received from customers reversed as and when the services covered by the contract are realized.

In accordance with the provisions of the standard, the group offsets each contract between assets and liabilities.

Trade receivables represent the unconditional right of the group to receive a payment depending solely on the passage of time.

Costs of obtaining contracts

Costs incurred to obtain a contract are only capitalized if:

- they are marginal costs that the group would not have incurred if it had not obtained the contract; and
- the group expects to recover them.

1.3.7. Valuation of property, plant and equipment and intangible assets

1.3.7.1. Intangible assets

An intangible asset is recognized when it is probable that future economic benefits therefrom will accrue to the company and if the cost of this asset can be reliably estimated based on reasonable and documented assumptions.

Intangible assets are recorded at their acquisition or production cost.

Goodwill

The group applies the amendment to IFRS 3, which entered into force on January 1, 2020, to determine whether an acquisition should be accounted for as a business combination or as an acquisition of isolated asset(s).

In accordance with IFRS 3 "Business combinations", goodwill relating to a business combination represents the difference between:

- on the one hand, the sum of the following items:
  - the purchase price for the takeover at fair value at the acquisition date,
  - the amount of non-controlling interests in the acquired entity, and
  - for step acquisitions, the fair value, at the acquisition date, of the group's interest in the acquired entity before the acquisition of control;
- and on the other hand, the net amount of assets acquired and liabilities assumed, measured at their fair value at the acquisition date.

When the resulting difference is negative, it is immediately recognized in profit or loss.

The amount of goodwill is definitively set within 12 months of the date of acquisition.

Goodwill is allocated to the cash-generating units (CGUs) or group of CGUs in which it is monitored.

Goodwill from the acquisition of subsidiaries is presented separately in the statement of financial position. Goodwill is not amortized, but is subject to impairment testing whenever indications of loss of value are identified, and at least once a year, as described in 1.3.7.5.
After initial recognition, goodwill is recorded at cost less, where applicable, any impairment recognized. In the statement of income, impairment losses related to goodwill are presented under “Other operating expenses.”

Goodwill arising on the acquisition of associates and joint ventures is included in the carrying amount of the interest recorded in the group’s statement of financial position. In the statement of income, impairment losses related to this goodwill are recorded under “Share of net income of associates and joint ventures.”

When a CGU or part of a CGU is sold, the share of goodwill corresponding to the transferred entity is taken into account in the carrying amount of its net assets used to determine the gain or loss realized. The share of goodwill is measured based on the relative value of the scope transferred within the CGU or group of CGUs.

Research and Development expenses

Research expenses incurred by the group on its own account are expensed as incurred.

Research and Development expenses funded by customers under contracts are included in the production cost of these contracts and recorded under “Cost of sales.”

Expenses relating to development projects are recognized as intangible assets if the project meets the following criteria:
- the project is clearly defined and its costs are identified separately and measured reliably;
- the project’s technical feasibility has been demonstrated;
- it is the group’s intention to complete the project with a view to its use or sale;
- adequate technical and financial resources are available for the completion of the project; and
- it is likely that the future economic benefits associated with the project will accrue to the group.

Development costs capitalized on that basis are then amortized over the probable useful life of the intangible asset, as from the commissioning date. They are depreciated on a straight-line basis over a minimum period of time.

Mineral exploration and pre-mining development

Mineral exploration and pre-mining development work are valued on the basis of the following rules:
- exploration expenses whose purpose is to identify new mineral resources, and expenses related to assessments and pre-development of identified deposits are incurred before project profitability is determined and are recognized as “Research and Development expenses” for the financial year;
- pre-mining development expenses that concern a project which, as of the date of the financial statements, has a strong chance of technical success and commercial profitability, are capitalized. Indirect costs, excluding overhead expenses, are included in the valuation of these costs. Capitalized pre-mining expenses are amortized in proportion to the number of metric tons mined from the reserves they helped identify.

Other intangible assets

Other intangible assets, including mining rights and acquired technology, are measured at acquisition cost or production cost. They are amortized using the most appropriate method in view of their use (straight-line or by units of production), starting on the date they were placed in service and over the shorter of their probable period of use or, when applicable, the duration of their legal protection.

1.3.7.2. Property, plant and equipment

Property, plant and equipment are recognized at acquisition or production cost, including startup expenses, less cumulative depreciation and impairment.

In the event of the acquisition of a group of assets, the group has chosen, for the allocation of the acquisition cost, to measure the assets and liabilities that are not measured at cost according to the IFRS standards applicable to them, then allocate the residual acquisition cost to the assets and liabilities measured at cost price in proportion to their respective values (IFRIC Update 11/17).

The cost of in-house facilities includes all labor costs, parts and all other production costs involved in the construction of the asset.

The cost of nuclear facilities includes the group's share of provisions for end-of-lifecycle operations, estimated at the date they are placed in service, termed "Dismantling assets (own share)" (see Note 1.3.12). In accordance with IFRIC 1, changes in provisions for end-of-lifecycle operations coming from changes in estimates or calculation assumptions and relating to nuclear facilities in operation are offset by a change of the same amount to the assets to which these provisions relate.

Property, plant and equipment are depreciated based on the approach deemed most representative of the economic impairment of the assets (straight-line depreciation or as a function of the production units); each component is depreciated over its specific useful life.

Mining land is depreciated over the operating period of the deposit; site layout and preparation expenses are depreciated over 10 years; buildings over 10 to 45 years; production facilities, equipment and tooling other than nuclear facilities over 5 to 10 years; general facilities and miscellaneous fixtures over 10 to 20 years; industrial packaging over 10 to 20 years, and other transportation equipment, office equipment, computer equipment and furniture over 3 to 10 years. Nuclear facilities are depreciated on a straight-line basis over their estimated useful lives.

Depreciation periods are revised if there is a significant change in their estimated useful lives.

Changes in the value of dismantling assets (own share) are amortized on a prospective basis over the remaining useful lives of the facilities.

1.3.7.3. Leases

Leases are recognized in the statement of financial position as soon as they come into effect, by the recognition of right-of-use assets under "Right-of-use assets – Leases" and a liability recorded under "Lease liabilities." A contract contains a lease if it gives the group the right to control the use of an identified asset for a specified period in exchange for the payment of a consideration.

On the effective date of the contract, the lease liability is the present value of future payments.

Lease payments are discounted at the incremental borrowing rate. The rate used, determined by currency and by maturity, is the rate that the lessee would have had to pay to borrow, over a similar period and with a similar guarantee, the funds necessary to obtain goods of similar value to the right to use the leased asset in a similar economic environment.

The value of the right of use is determined on the effective date of the lease from the initial amount of the lease liability, plus, where applicable:

- advance payments made to the lessor, net of advantages received from the lessor;
- initial direct costs: these are the incremental costs incurred by the lessee for the conclusion of the contract;
- the estimated costs of remediation of the leased property; this amount is discounted and recorded against a provision for remediation.

In the statement of income, rental expense is replaced by an amortization expense for the right of use and an interest charge. This restatement results in the recognition of deferred taxes. In the statement of cash flows, only the interest expense impacts the cash flows generated by the activity; the repayment of the principal of the lease liability affects the cash flows linked to financing operations.

Leases on contracts for assets with a low unit value or for short terms are expensed directly.

The right of use and the lease liability are amortized over the term of the lease, which is the firm period of the commitment taking into account optional periods that are reasonably certain to be exercised. The probability of exercising a renewal option or not exercising a termination option is determined by type of contract or on a case-by-case basis based on contractual and regulatory provisions, the nature of the underlying asset, its specific features and its location, as appropriate.

For impairment testing, right-of-use assets are allocated to the CGU or group of CGUs to which they belong. To this end, the value of the right-of-use asset is integrated into the carrying amount of the CGU or group of CGUs and the lease payments used to calculate the lease liability are excluded from the future cash flows used for the determination of the value in use of the CGU or group of CGUs tested. These procedures for carrying out impairment testing in connection with the application of IFRS 16 did not have a material impact on the results of testing in view of the amount of right-of-use assets.

1.3.7.4. Incorporation of borrowing costs

In accordance with IAS 23 revised, effective since January 1, 2009, the borrowing costs related to property, plant and equipment and intangible assets for projects initiated after that date and for which the construction or development period is greater than one year are included in the costs of these assets.

Borrowing costs are not included in the measurement of property, plant and equipment and intangible assets when:

- they came into service before January 1, 2009; or
- they came into service after this date, but the expenses were incurred and recognized as fixed assets in progress at December 31, 2008.

1.3.7.5. Impairment of property, plant and equipment, intangible assets and goodwill

Assets that do not generate cash flows that are largely independent of each other are grouped together in the cash-generating units (CGUs) to which these assets belong. CGUs are uniform sets of assets whose ongoing use generates cash inflows that are largely independent of the cash inflows generated by other groups of assets. They reflect the way in which activities are managed within the group.

Impairment tests are performed on property, plant and equipment and intangible assets with finite useful lives whenever there is an indication of impairment. Impairment losses on property, plant and equipment or intangible assets may be reversed later if there has been a change in the estimates used to determine the recoverable value of the asset and if that amount again comes to be greater than the net carrying amount. The value of the asset after reversal of the impairment loss is capped at the carrying amount net of amortization, as if no impairment loss had been recognized in prior years.

The recoverable value of unexploited deposits of the Mining activity is assessed on the basis of multiples of deposits in the ground. Reversals of impairment losses, when possible, are assessed in the light of changes in these multiples and future operating prospects.

In addition, impairment tests are systematically performed at least once a year for goodwill and intangible assets with indefinite lives, and whenever there is an indication of loss of value. Such tests are performed at the level of the cash-generating units (CGU) or groups of CGUs to which the goodwill and intangible assets belong.

Impairment is recognized when the recoverable amount of the CGU is less than the net carrying amount of the assets belonging to it. Impairment losses recognized on goodwill cannot subsequently be reversed.

The group performs impairment tests on its assets on the basis of its best estimate of their recoverable value, which is the greater of:

- its fair value less costs to sell, corresponding to the net realizable value based on observable data, when available (recent transactions, offers received from potential acquirers, reported ratios for comparable publicly traded companies, multiples of uranium resources in the ground obtained by comparing the market capitalizations of comparable companies with the stated deposit reserves or resources); and
- and its value in use, which is equal to the present value of projected future cash flows generated, resulting from the strategic plan validated by the governance bodies and underlying assumptions, plus the “terminal value”, corresponding to the present value, discounted to infinity, of cash flows for the “normative” year estimated at the end of the period covered by future cash flow projections. However, some CGUs or groups of CGUs have finite lives (depending on the volume of ore resources in Mining or the duration of operating permits in nuclear operations); in such cases, the cash flows taken into account to assess their value in use are not discounted to infinity but within the limit of their expected useful lives.

The discount rates used are based on the weighted average cost of capital of each of the assets or groups of assets concerned. They are calculated after tax.

Impairment tests are sensitive to the macroeconomic (including the US dollar exchange rate) and sector-based assumptions used, particularly in terms of changes in ore prices or those of conversion and enrichment services, as well as the useful lives of the underlying assets. In view of this sensitivity, the group revises its underlying estimates and assumptions at least once a year, or more often as required by changes in market conditions.

1.3.8. Inventories and work-in-process

Inventories are carried at the lesser of their historical cost and their net realizable value, which is the estimated selling price in the ordinary course of business, less anticipated completion costs or costs to sell.

Inventory consumption is generally measured using the weighted average unit cost method.

The entry cost of inventory includes all direct material costs, labor costs and the allocation of indirect production costs.

In the case of material loans with transfer of ownership, the group recognizes in inventory the borrowed material at the weighted average unit cost, which corresponds to the estimated fair value of the consideration transferred on the transaction date. A liability corresponding to the obligation to return the material is recognized at the same value in the "Trade payables" account.
A provision for onerous contracts is made when the expected weighted average unit cost of the relinquishment comes to be greater than that of the liability initially recorded.

1.3.9. Financial assets and liabilities

Financial assets

Financial assets consist of:
- financial assets earmarked for end-of-lifecycle operations;
- equity interests in unconsolidated companies;
- loans, advances and deposits;
- trade accounts receivable and related accounts;
- certain other operating receivables;
- pledged bank accounts;
- cash and cash equivalents; and
- the positive fair value of derivative financial instruments.

Financial liabilities

Financial liabilities include:
- borrowings;
- trade payables;
- certain other operating liabilities;
- bank overdrafts; and
- the negative fair value of derivative financial instruments.

1.3.9.1. Classification and measurement of financial assets and liabilities

IFRS 9 requires financial assets to be classified in one of three categories : amortized cost, fair value through profit or loss, or fair value through other comprehensive income, depending on the business model defined by the entity and the characteristics of its contractual cash flows (the so-called "solely payments of principal and interest" criterion, SPPI).

Assets meeting the definition of debt instruments (contractual cash flows associated with interest payments and repayments of capital) are recognized:
- at amortized cost when the group holds them in order to collect all contractual cash flows;
- at fair value through profit or loss when the group holds them in order to sell them and realize a capital gain;
- at fair value through other comprehensive income where the group holds them for the mixed purpose of collecting contractual cash flows and selling them (with the gain or loss recycled in profit or loss on the date of transfer).

Assets meeting the definition of equity instruments (equities or equity mutual funds) are recognized at fair value through profit or loss unless the group opts irrevocably to recognize them at fair value through other items of comprehensive income (without recycling gains or losses in profit or loss).

As an exception to these principles, certain instruments may be recognized at fair value through profit or loss when this treatment makes it possible to offset a matching position affecting the statement of income.

1.3.9.2. Measurement methods for financial assets and liabilities

With the exception of financial assets and liabilities measured at amortized cost, the group measures its financial assets and liabilities at fair value at the reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in a normal transaction between market participants on the measurement date.

All assets and liabilities measured at fair value are valued using techniques that seek to maximize the use of observable market data. These techniques are hierarchical, and have three levels:

- level 1 (unadjusted quoted prices): price at which the group may access identical assets or liabilities in active markets;
- level 2 (observable inputs): valuation techniques based on inputs that are observable, either directly or indirectly, in an active market for similar instruments; and
- level 3 (unobservable inputs): valuation techniques primarily using unobservable inputs, including observable inputs with significant adjustments.

1.3.9.3. Financial assets earmarked for end-of-lifecycle operations

This heading brings together all the investments that Orano earmarks for the funding of its future end-of-lifecycle operations in nuclear operations, including facility dismantling and waste retrieval and packaging. It includes directly-held publicly traded shares and bonds, earmarked equity mutual investment funds, earmarked bond and money-market mutual investment funds, and cash. It also includes receivables resulting from agreements with third parties for the funding of end-of-lifecycle operations. These receivables are recognized using the method described in Note 1.3.9.5.

Orano does not consolidate the assets of its earmarked mutual funds line by line, insofar as it does not control them within the meaning of IFRS 10:

- Orano is not involved in the management of the earmarked mutual funds, which are managed by front-ranking independent management companies;
- Orano does not hold voting rights in the investment funds;
- the mutual funds do not trade directly or indirectly in financial instruments issued by Orano;
- none of the financial investments made by the funds are strategic to Orano;
- Orano receives no benefit and bears no risk other than that normally associated with investments in mutual funds and in proportion to its holding; and
- the management agreements governing termination by Orano restrict this to specific cases (gross negligence, fraud, etc.). This means that Orano cannot replace a fund’s management company at will.

Accordingly, the earmarked mutual funds are recorded on a single line in the statement of financial position in an amount corresponding to Orano’s share of their net asset value as of the reporting date.

Other than government bonds and the claim on the EDF and CEA, resulting from the overfinancing of ANDRA, which are recognized at amortized cost, the entire portfolio of assets earmarked for end-of-lifecycle operations is recorded as financial assets at fair value through profit or loss.

1.3.9.4. Loans, advances and deposits

This heading mainly includes loans related to unconsolidated interests, advances for acquisitions of interests, and security deposits.

These are valued at amortized cost. Impairment is recognized when the recoverable amount is less than the carrying amount.

1.3.9.5. Trade receivables

Trade receivables are recognized using the amortized cost method.

Impairment is calculated on the basis of the expected credit loss model. Under this model, 12-month expected credit losses (resulting from the risk of default in the next 12 months) are recorded on issued or purchased instruments at their initial recognition. Full lifetime expected credit losses (resulting from the risk of defaults over the remaining life of the instrument) are recognized when a significant increase in credit risk is recorded after initial recognition or in the case of short-term trade receivables. The group determines the expected loss based on (a) the amount of exposure at default, (b) the associated loss-given-default rate, and (c) the probability of default.

1.3.9.6. Other current financial assets

Cash management financial assets include negotiable debt securities with a maturity of more than three months and securities in non-money market funds with a short-term management horizon that can be easily mobilized and do not strictly meet the criteria for classification as cash equivalents laid down by IAS 7. Debt securities are measured using the amortized cost method, and UCITS at fair value through profit or loss.

1.3. 9.7. Cash and cash equivalents

Cash includes bank balances and non-trade current accounts with unconsolidated entities.

Cash equivalents include risk-free marketable securities with an initial maturity of three months or less, or which may be converted almost immediately into a known amount of cash and which are subject to negligible risk of change in value as per the criteria set out in IAS 7. They include in particular negotiable debt securities and securities in money market funds in euros that comply with European Regulation EU 2017/1131 (known as “MMF”); debt securities are valued using the amortized cost method and UCITS at fair value through profit or loss.

1.3.9.8. Financial liabilities

Borrowings include:

- certain interest-bearing advances received from customers: interest-bearing advances received from customers are classified as borrowings when they are settled in cash, and as contract liabilities in other cases;
- loans from financial institutions;
- bonds debt issued by Orano;
- bank overdrafts; and
- liabilities under finance leases.

Borrowings are measured at amortized cost based on the effective interest rate method.

Bonds debt hedged with a rate swap (fixed-rate/floating-rate swap) qualified as a fair value hedge are revalued in the same amount as the hedging derivative.

1.3.9.9. Derivative financial instruments and hedge accounting

The group elected to continue applying the hedge accounting provisions of IAS 39.

1.3.9.9.1. Hedged risks and financial instruments

Orano uses derivative instruments to hedge its foreign exchange and interest rate risks. The derivatives used are mainly forward currency contracts, currency and interest rate swaps, inflation swaps and currency options.

The hedged risks relate to receivables, liabilities and firm or projected obligations in foreign currencies.

1.3.9.9.2. Recognition of derivatives

Derivatives are measured at fair value on initial recognition and subsequently remeasured at the end of each accounting period until settled.

Accounting methods for derivatives vary, depending on whether the derivatives are designated as fair value hedging items, cash flow hedges, hedges of net investments in foreign operations, or do not qualify as hedging items.

<u>Fair value hedges</u>
This designation concerns hedges of firm commitments in foreign currencies: purchases, sales, receivables and debt. The hedged item and the derivative are revalued simultaneously and any changes in value are recorded simultaneously in the statement of income.

<u>Cash flow hedges</u>
This designation refers to hedges of probable future cash flows: projected purchases and sales in foreign currencies.

The highly probable hedged items are not valued in the statement of financial position. Only the derivative hedges are revalued at the end of each accounting period. The portion of the gain or loss that is considered effective is recognized under “Other items of comprehensive income” and presented directly in equity under the statement of financial position heading “Deferred unrealized gains and losses on financial instruments”, on an after-tax basis. Only the ineffective portion of the hedge impacts the statement of income.

The amounts recognized under “Deferred unrealized gains and losses on financial instruments” are released to income when the hedged item impacts the statement of income, *i.e.* when the hedged transaction is recognized in the financial statements.

<u>Hedges of net investments in foreign operations</u>
This designation relates to borrowings in a foreign currency and to borrowings in euros when the euro has been swapped against a foreign currency, to finance the acquisition of a subsidiary using the same functional currency, for instance. Currency translation adjustments on these borrowings are recognized under “Other items of comprehensive income” and presented on the statement of financial position under “Currency translation reserves” in their net amount after tax; only the ineffective portion is recognized through profit and loss.

The amount accumulated in currency translation reserves is released to profit and loss when the subsidiary in question is sold.

<u>Derivatives not qualifying as hedges</u>
When derivatives do not qualify as hedging instruments, fair value gains and losses are recognized immediately in the statement of income.

1.3.9.9.3. **Presentation of derivatives recognized in the statement of financial position and statement of income**

<u>Presentation in the statement of financial position</u>
Derivatives used to hedge risks related to commercial transactions are reported under operating receivables and liabilities in the statement of financial position. Derivatives used to hedge risks related to loans, borrowings and current accounts are reported under financial assets or borrowings.

<u>Presentation in the statement of income</u>
The revaluation of derivatives and hedged items relating to commercial transactions affecting the statement of income is recognized under “Other operating income and expense”, except for the component corresponding to the discount/premium, which is recognized in net financial income.

For loans and borrowings denominated in foreign currencies, the revaluation of financial hedging instruments and hedged items affecting the statement of income is recognized in net financial income.

1.3.9.10. Derecognition of financial assets and liabilities

The group derecognizes a financial asset when:

- the contractual rights to the cash flows generated by the asset expire; or
- the group has transferred the rights to receive the contractual cash flows related to the financial asset as a result of the transfer of substantially all the risks and rewards of ownership of the said asset.

The group derecognizes a financial liability when its contractual obligations are extinguished, when they are canceled or when they expire.

1.3. 10. Employee benefits

Pension, early retirement, severance pay, medical insurance, long-service awards, accident and disability insurance, and other related commitments, whether for active or retired personnel, are recognized pursuant to IAS 19 as amended.

The benefits provided under post-employment benefits can be distinguished according to whether the level of benefits depends on (i) contributions made by the employee (“defined-contribution” plans) or (ii) a level of benefit defined by the company (“defined-benefit” plans).
In the case of defined-contribution plans, the group’s payments are recognized as expenses for the period to which they relate.
For defined-benefit plans, benefit costs are estimated using the projected credit unit method: under this method, accrued pension benefits are allocated among service periods based on the plan vesting formula. For the calculation of retirement benefits, the capping of rights provided for in collective agreements is taken into account in the recognition of commitments.

The amount of future benefit payments to employees is determined on the basis of actuarial assumptions (change in wages, retirement age, probability of payment, turnover rate and mortality rate). These future payments are reduced to their present value using a discount rate determined according to the rates of prime corporate bonds with a maturity equivalent to that of the company’s corporate liabilities.

The group has built up financial assets with an insurer to cover the expenses of defined benefit plans. The recognition of plan assets is recorded as a counterpart to the cash paid to the insurer.
The amount of employee benefits results from the valuation of the commitments less the fair value of the assets intended to be hedged.

Remeasurements of the net liability for defined-benefit obligations (change in the obligation and financial assets due to changes in assumptions and experience differences) are recognized in “Other comprehensive income”; they cannot be reclassified to the statement of income.
In contrast, actuarial gains and losses relating to benefits for currently employed employees (e.g. long-service awards) are recognized in the statement of income under “Other operating income and expenses.”

The costs relating to employee benefits (pensions and other similar benefits) are split into two categories:

- the discounting reversal expense for the provision, net of the expected yield on assets earmarked for retirement plans, is charged to net financial income; the expected yield on the assets is calculated using the same interest rate used to discount the provision;
- the expense corresponding to the cost of the services rendered is divided between the different operating expense items by purpose: the costs of products and services sold, research and development expenses, sales and marketing expenses, administrative expenses.

Past service costs, including the expense or income related to plan amendments/settlements or the introduction of new plans, are recognized in the statement of income under “Other operating income and expenses.”

1.3. 11. Provisions related to operating activities

In accordance with IAS 37, a provision is recognized when there is a present legal obligation, contractual or constructive, resulting from a past event, the termination of which is likely to result in an outflow of resources for the entity without any counterparty expected after the reporting date. A reasonably reliable estimate of this net outflow must be determined in order to recognize a provision.

When the outflow of resources is expected to occur in more than two years, provisions are discounted to net present value if the impact of discounting is material.

Provisions for contract completion

Provisions for contract completion cover a series of future expenses to be incurred on the La Hague and Melox (Back End segment), Tricastin and Malvési (Front End segment) sites for waste treatment and other activities resulting from the operating cycle. For the Back End segment, the work mainly covers the warehousing, treatment, packaging, transportation and storage of technological and process waste, and, for the Front End segment, nitrate effluent and dust treatment and packaging.

Furthermore, the group holds nuclear materials in various physical or chemical forms that may require specific treatments to make them marketable. The group assesses the need to establish a provision on a case-by-case basis, based on (i) existing obligations at year-end, (ii) the existence and availability of treatment facilities or the feasibility of development projects for new processes, (iii) the estimated costs of recovering these materials and (iv) the commercial prospects or economic benefits expected from these materials once recovered. A provision is recognized when the business outlook or economic benefits are insufficient in relation to the costs of treating or developing the valuation channels and that the provision may be reliably estimated.

The discount rate is determined on the basis of the yield curve for French government securities (OAT rates) at the closing date, extended for non-liquid maturities using a long-term equilibrium rate, plus a spread applicable to investment grade corporate bonds as well as an illiquidity premium. Based on expected disbursements, a single equivalent rate is deducted from the rate curve constructed in this manner.

The inflation rate is set in accordance with the long-term inflation projections for the Eurozone and taking into account the European Central Bank’s target rate.

Changes in assumptions relating to changes in cost estimates, discount and inflation rates, and payment schedules are recognized in profit or loss.

Onerous contracts

An onerous contract is one in which the costs to fulfill the terms of the contract exceed the economic benefits expected from it. Costs to fulfill the terms of the contract reflect the net cost of exit from the contract, which is the lesser of the cost of performing the contract or any compensation or penalty arising from the failure to perform it.

When the group records an onerous contract, the present value of the resulting obligation is subject to a provision (after taking into account any impairment of the assets earmarked for its performance).

Provisions for restructuring

A provision for restructuring is recognized by the group when it has a constructive obligation, which is materialized when: (i) there is a formalized and detailed plan specifying the activity or part of the activity concerned, the location and number of people affected, the estimate of the expenses to be incurred and the date on which the plan will be implemented; and (ii) the people affected have been properly informed of the plan’s main features.

Provisions for mining site reclamation

These provisions correspond to foreseeable expenses stemming from the cost of rehabilitating mining sites borne by the group. The provision is constituted as and when the site is operated, in accordance with the principle of progressive deterioration.
The provision for mining site reclamation is equal to the proportion of tonnages processed since the commissioning of the site compared to the total tonnage of the site (quantities already processed and yet to be processed).

1.3.12. Provisions for end-of-lifecycle operations

Provisions for end-of-lifecycle operations cover:

- the costs of dismantling to bring the facility to the final state of decommissioning, including the costs of treatment and packaging of the waste resulting from the dismantling operations;
- the costs of storage, retrieval, treatment and packaging of certain legacy waste from older used fuel treatment contracts that could not be processed on site (WRP);
- costs related to the long-term management of radioactive waste (warehousing, transport and storage);
- costs relating to the monitoring of storage sites after their closure.

At the closing date, these costs are adjusted in view of the prevailing economic conditions, and are positioned by payment date so as to be discounted using the inflation rate and the discount rate corresponding to the schedule of forecast expenditure.

Provisions for end-of-lifecycle operations performed by the group and relating to the dismantling of facilities are an integral part of the cost of facilities.
They are therefore measured and recognized in full as of the date of active commissioning of the corresponding nuclear facility, against an end-of-lifecycle asset set out in property, plant and equipment (see Note 1.3.7.2).

Treatment of amortization

Dismantling assets are amortized on a straight-line basis over the same period as the relevant facilities.

The corresponding amortization expense does not contribute to the progress of the contracts and is not taken into account in the cost of inventories. It is however included in the statement of income under “Cost of sales”, deducted from gross profit.

Treatment of accretion expenses

The discounting of the provision is reversed at the end of each financial year: the discounting reversal corresponds to the increase in the provision due to the passage of time. This increase is recorded as a financial expense.

Inflation and discount rates used to discount end-of-lifecycle operations

The inflation and discount rates used to measure present value of provisions for end-of-lifecycle operations are determined on the basis of the principles described below.

The inflation rate is set in accordance with the long-term inflation projections for the Eurozone and taking into account the European Central Bank’s target rate.

The discount rate is set pursuant to IAS 37, *i.e.* based on market conditions at the reporting date and the specific characteristics of the liability. The rate is thus determined on the basis of a risk-free rate curve for France at the closing date, extended for illiquid maturities by a long-term equilibrium rate (source: UFR rate published by the European Insurance and Occupational Pensions Authority for very long-term insurance liabilities, with disbursements beyond market horizons), to which is added an investment-grade corporate bond spread and an illiquidity premium. Based on expected disbursements, a single equivalent rate is deducted from the rate curve constructed in this manner.

The revision of the discount rate is accordingly a function of market rates and structural changes in the economy resulting in sustainable medium- and long-term changes.

In accordance with Articles D. 594-1 *et seq.* of the French Environmental Code and the decree of March 21, 2007 on securing the financing of nuclear expenses, as amended on July 1, 2020, a deficit or surplus in coverage (ratio of earmarked assets at fair value to regulated end-of-lifecycle provisions) is calculated on the basis of the discount rate thus determined net of inflation, when this actual discount rate remains below:

- the projected rate of return on earmarked assets, prudently estimated taking into account the disbursement horizon; and
- the actual value of the ceiling set by order of the ministers in charge of the economy and energy, which is equal to the unrounded value representative of the actual long-term interest rate expectations, used for the calculation reported by the French Ministry of Finance, the European Insurance and Occupational Pensions Authority of the ultimate forward rate applicable on the date in question, increased by one hundred and fifty basis points. This cap is applicable from the year 2024. Prior to this date, the cap was equal to the weighted average of 2.3% and this new cap. The weighting allocated to the amount of 2.3% is set at 50% for 2020, 25% for 2021, 2022% for 2023 and 6.25% for 2023.

In the event that the actual discount rate used to calculate the discounting of end-of-life obligations is higher than the regulatory cap rate, the deficit or surplus coverage would be determined on the basis of the latter.

Treatment of changes in assumptions

Changes in assumptions relate to changes in cost estimates, discount and inflation rates, and payment schedules.

In application of the prospective method:

- if the facility is in operation, end-of-lifecycle assets are adjusted in the same amount as the provision; end-of-lifecycle assets are amortized over the remaining life of the facilities;
- if the facility is no longer in operation, or if the operations cover historical waste retrieval and packaging (WRP), the impact is expensed in the year of the change for the remaining share of the cost to the group. The impact of changes in cost estimates is recognized under operating income in “Other operating income and expenses”; the impact of changes in discount and inflation rates related to changes in market conditions and changes in the payment schedules is reflected in net financial income; and
- In the context of a commercial contract involving the acquisition of ownership of waste creating an obligation to constitute an end-of-lifecycle liability, the business margin must be impacted by the cost of this obligation, through an offsetting entry in the provision account of the statement of financial position.

End-of-lifecycle assets (third-party share)

The group may be required to carry out dismantling operations, funded in part by third parties. Provisions for end-of-lifecycle operations cover all operations. They are recognized against “End-of-lifecycle assets (own share)” for the group’s share, and, in return, against non-current asset account “End-of-lifecycle assets (third party share)” for the amount of the funding expected from the third party.

End-of-lifecycle assets (third party share) are not amortized.
They are discounted symmetrically with the corresponding provisions. Accretion effects increasing the value of the asset are recorded in a financial income account.
They are reduced as the contractual work is performed.

1.3.13. Income tax

Income taxes include current tax expense (income) and deferred tax expense (income), calculated in accordance with the tax laws of the countries where the income is taxable.

Current tax

Current tax assets and liabilities are measured based on the expected amount that will be received from or paid to the tax authorities.

Current tax relating to items recognized in equity is also recognized in equity, and not in the statement of income. When the positions it has taken in its tax returns are subject to interpretation, Management periodically reviews them, and records provisions accordingly when it deems necessary.

Deferred tax

As provided for in IAS 12, deferred tax is determined for all temporary differences between net carrying amounts and the tax basis of assets and liabilities, to which is applied the anticipated tax rate at the time of reversal of these temporary differences, and which has been adopted as of the reporting date. They are not discounted.

Temporary taxable differences generate a deferred tax liability.
Temporary deductible differences, tax loss carry-forwards, and unused tax credits generate a deferred tax asset equal to the probable amounts recoverable in the future. Deferred tax assets are analyzed case by case for recoverability, taking into account the income projections from the group's strategic action plan.

Deferred tax liabilities are recorded for all taxable temporary differences of subsidiaries, associates and joint ventures, unless the group is in a position to control the timing of reversal of the temporary differences and it is probable that such reversal will not take place in the foreseeable future. Tax accounts are reviewed at the end of each financial year, in particular to take into account changes in tax laws and the likelihood that amounts will be recovered.

Deferred tax is recognized in the statement of income, with the exception of that relating to "Other items of comprehensive income", which is also recorded under "Other items of comprehensive income."

Orano has elected to recognize the value added business tax (*contribution sur la valeur ajoutée des entreprises, CVAE*) as an income tax. Since 2010, its French subsidiaries have been subject to this tax (including the Chamber of Commerce and Industry tax) at the rate of 1.6%. As of 2021, this rate will be reduced to 0.75%. As provided in IAS 12, this election requires recognition of deferred taxes at the rate of 0.75% on the corresponding temporary differences.

<u>Recoverability of deferred tax assets</u>
The amount of deferred tax assets is reviewed at each reporting date, and is reduced where necessary if it is no longer probable that future taxable profits will permit the use of all or part of the amount. Similarly, unrecognized deferred tax assets are remeasured at each reporting date and recognized in the amount of the estimated future taxable profits against which they may be charged.
The recoverable share of the group's deferred tax assets is that for which the probability of recovery is higher than 50%. To establish this probability, the group performs a three-step analysis: (a) demonstration of the non-recurring nature of the losses (b) analysis of future earnings prospects, and (c) analysis of tax management opportunities.

Regarding the outlook for future income, the probability of future taxable profits to offset losses carried forward is assessed based on income projections from the strategic plan validated by the governance bodies.

The estimation of recoverable losses also takes into account the annual regulation on maximum recoverable amounts (50% for France).

<u>Offsetting of deferred tax</u>
Deferred tax assets and liabilities are offset for each taxable entity if the entity is allowed to offset its current tax receivables against its current tax liabilities.

Note 2 – SCOPE

BREAKDOWN OF CONSOLIDATED COMPANIES IN FRANCE AND INTERNATIONALLY

(number of companies)	**December 31, 2021**		**December 31, 2020**	
	French	Foreign	French	Foreign
Full consolidation	25	51	27	43
Joint operations	-	5	-	6
Equity method	1	4	1	5
Sub-Total	**26**	**60**	**28**	**54**
Total	**86**		**82**	

MAIN OPERATIONS IN 2021

Acquisition of control of Transnuclear Ltd

Transnuclear Ltd is the joint venture created in 1984 by KOBE STEEL and Orano Nuclear Packages and Services ("Orano NPS") for the development of dry storage projects in Japan, the conducting of engineering studies and safety analyses, and the transportation of certain nuclear materials for the Japanese market.
On January 15, 2021, Orano NPS and KOBE STEEL acquired the 5% stake held by SOJITZ (2.5% for Orano NPS and 2.5% for KOBE STEEL). At the end of the transaction, Transnuclear Ltd is 50% owned by Orano NPS and 50% by KOBE STEEL. In parallel with this acquisition, a renegotiation of the shareholders' agreement with KOBE STEEL was carried out and finalized, allowing Orano NPS to take control over the strategic aspects of operation and decisions of Transnuclear Ltd. This transaction has no significant impact on the financial statements.

Acquisition of AREVA Mongol LLC securities

On January 28, 2021, CFMM acquired the securities held by MITSUBISHI CORP in AREVA Mongol LLC, *i.e.* 34%. AREVA Mongol LLC is now wholly owned by CFMM. AREVA Mongol wholly owns Cogegobi and holds a 66% stake in Badrakh Energy LLC. As a result, the non-controlling interests in AREVA Mongol LLC and Cogegobi are reclassified in equity attributable to owners of the parent, as well as a portion of those in Badrakh Energy LLC (see Note 23).

Acquisition of companies from the Daher Group

On September 30, Orano NPS acquired the nuclear operations of the Daher Group in Germany and North America (mainly carried out by Daher Nuclear Technologies GmbH and TLI Inc., its subsidiary). This acquisition will enable Orano NPS to benefit from complementary know-how and locations, particularly in Germany and the United States, while expanding its range of products and services. The price amounts to 12 million euros plus a current account repayment granted by the former shareholder in the amount of 16 million euros, made simultaneously, *i.e.* a total amount paid of 28 million euros. The provisional allocation of the purchase price resulted in the recognition of goodwill of 10 million euros.

Revenue in 2021 amounted to 38 million euros, including 10 million euros since the acquisition date.

Acquisition of STSI

On October 29, Orano NPS acquired Société de Transports Spéciaux Industriels (STSI), a company specializing in the multimodal transportation of sensitive materials, in particular the rail and road transportation of nuclear materials, from Geodis, a subsidiary of the SNCF Group. The price was 22 million euros plus a simultaneous 2 million euro debt repayment to the previous shareholder, *i.e.* a total amount paid of 24 million euros. At December 31, 2021, provisional goodwill was recognized in the amount of 18 million euros. The allocation of the purchase price will be carried out during financial year 2022.

Revenue in 2021 amounted to 8 million euros, including 2 million euros since the acquisition date.

MAIN OPERATIONS IN 2020

Acquisition of three specialist industrial maintenance companies

On June 29, 2020, Orano DS, a subsidiary of Orano's Dismantling and Services business, acquired three companies specializing in industrial maintenance (valve systems, rotating machinery, boilermaking) from the German group KSB: KSB Service Energie (KSE), KSB Service Cotumer (KSC) and Société de Travaux d'Ingénierie Industrielle (STII). Recognized for the role they play in providing services to the French nuclear fleet and to the nuclear services industry, these companies enhance Orano's service offer with specialized resources which complement the nuclear maintenance businesses in which the group is already present.
This acquisition is part of Orano's development strategy in the services business, particularly in terms of industrial maintenance.

Acquisition of complementary interests by Orano in McClean Lake and Midwest

In December 2020, Orano Canada Inc. acquired complementary interests held by its Japanese partner OURD in the McClean Lake plant (7.5%) and the Midwest field (5.67%) in Canada. As a result, Orano's interest is increased to 77.5% for McClean Lake and 74.8% for Midwest, alongside Denison Mines, which holds the remaining interests. This transaction was recognized as an acquisition of a group of assets.

SCOPE OF CONSOLIDATED COMPANIES

(FC: Full consolidation; EM: equity method; JO: Joint operation)

Name of unit or controlling entity Company name, legal form		December 31, 2021		December 31, 2020	
	Country		Percentage interest		Percentage interest
FRANCE					
Orano		FC	100	FC	100
Orano Support		FC	100	FC	100
Orano Assurance et Réassurance		FC	100	FC	100
SI-nerGIE		EM	50	EM	50
Orano Mining		FC	100	FC	100
CFMM		FC	100	FC	100
Orano Expansion		FC	95.28	FC	95.28
Orano Chimie Enrichissement		FC	100	FC	100
Eurodif (2)		FC	100	FC	100
Sofidif (2)		FC	60	FC	60
SET Holding		FC	95	FC	95
SET		FC	95	FC	95
Laboratoire d'étalons d'activité		FC	100	FC	100
Orano Recyclage		FC	100	FC	100
Orano Temis		FC	100	FC	100
Orano NPS		FC	100	FC	100
Lemaréchal		FC	100	FC	100
STSI		FC	100		
Orano Démantèlement		FC	100	FC	100
Orano DS – Démantèlement et Services		FC	73.86	FC	73.86
Orano KSE (3)				FC	73.86
Orano Cotumer (3)				FC	73.86
Orano STII (3)				FC	73.86
CNS		FC	51	FC	51
Trihom (1)		FC	48.75	FC	48.75
SICN		FC	100	FC	100
Orano DA – Diagnostic Amiante		FC	74	FC	74
Orano Projets		FC	100	FC	100
Orano Med		FC	100	FC	100

(1) *The percentage control over these entities is greater than 50%.*

(2) *Following the recapitalization of Eurodif in 2019, Sofidif no longer holds a stake in any group companies.*

(3) *Merged companies*

Name of unit or controlling entity Company name, legal form	Country	December 31, 2021		December 31, 2020	
			Percentage interest		Percentage interest
EUROPE (excluding France)					
Urangesellschaft – Frankfurt	Germany	FC	100	FC	100
Orano Nuclear Cargo and Service (1)	Germany	FC	100		
Orano Nuclear Trucking (1)	Germany	FC	100		
Orano GmbH	Germany	FC	100	FC	100
Dekontaminierung Sanierung Rekultivierung	Germany	FC	100	FC	100
Orano UK Ltd.	United Kingdom	FC	100	FC	100
Enrichment Technology Company Ltd (ETC)	United Kingdom	EM	50	EM	50
Orano Projects Ltd.	United Kingdom	FC	100	FC	100
AMERICAS					
Orano USA LLC	USA	FC	100	FC	100
PIC	USA	FC	100	FC	100
Orano Federal Services LLC	USA	FC	100	FC	100
UG USA	USA	FC	100	FC	100
TN Americas LLC	USA	FC	100	FC	100
Orano CIS LLC	USA	FC	100	FC	100
Interim Storage Partners LLC	USA	EM	51	EM	51
TLI (1)	USA	FC	100		
TLI Freight Services (1)	USA	FC	100		
TLI Shipping (1)	USA	FC	100		
Orano Decommissioning Services LLC	USA	FC	100	FC	100
Orano Decommissioning Holdings LLC	USA	FC	100	FC	100
Accelerated Decommissioning Partners LLC	USA	EM	25	EM	25
Orano Med LLC	USA	FC	100	FC	100
Orano Canada Inc.	Canada	FC	100	FC	100
Cigar Lake	Canada	JO	37.10	JO	37.10
Key Lake	Canada	JO	16.67	JO	16.67
Kiggavik	Canada	JO	66.09	JO	66.09
McArthur River	Canada	JO	30.20	JO	30.20
McClean Lake	Canada	JO	77.5	JO	77.5
Midwest	Canada	JO	74.83	JO	74.83
Orano Est Canada	Canada	FC	100	FC	100
Urangesellschaft Canada Limited	Canada	FC	100	FC	100
Uranor Inc.	Canada	FC	100	FC	100
Orano Quebec Inc.	Canada	FC	100	FC	100
TLI Canada (1)	Canada	FC	100		
Uramin Inc	Virgin Islands	FC	100	FC	100
ASIA/PACIFIC					
Orano Japan	Japan	FC	100	FC	100
Orano Cycle Japan Projects	Japan	FC	100	FC	100
ANADEC-Orano ATOX D&D Solutions Co. Ltd.	Japan	EM	50	EM	50
Transnuclear Ltd	Japan	FC	50	-	-
Orano Beijing Technology Co. Ltd.	China	FC	100	FC	100
UG Asia Limited	China	FC	100	FC	100
AREVA Mongol LLC	Mongolia	FC	100	FC	66
COGEGOBI	Mongolia	FC	100	FC	66
Badrakh Energy LLC	Mongolia	FC	66	FC	43.56
Orano Korea	Rep. of Korea	FC	100	FC	100
AREVA India Private Ltd.	India	FC	100	FC	100
Katco	Kazakhstan	FC	51	FC	51
Nurlikum Mining LLC	Uzbekistan	FC	51	FC	51
Orano Holdings Australia Pty Ltd	Australia	FC	100	FC	100
Orano Australia Pty Ltd.	Australia	FC	100	FC	100

(1) Companies acquired from the Daher Group

Name of unit or controlling entity Company name, legal form	Country	December 31, 2021		December 31, 2020	
			Percentage interest		Percentage interest
AFRICA/MIDDLE EAST					
Somaïr	Niger	FC	63.40	FC	63.40
Imouraren SA	Niger	FC	63.50	FC	63.50
Cominak	Niger	FC	59	EM	34
TN Niger	Niger	FC	100	FC	100
Orano Mining (Namibia) Pty Ltd.	Namibia	FC	100	FC	100
Orano Processing Namibia	Namibia	FC	100	FC	100
Erongo Desalination Company (PTY) Ltd.	Namibia	FC	100	FC	100
Uramin Centrafrique	Central African Rep.	FC	100	FC	100
Orano Gabon	Gabon	FC	100	FC	100
Comuf	Gabon	FC	68.42	FC	68.42
Jordan AREVA Ressources	Jordan	FC	50	FC	50

UNCONSOLIDATED COMPANIES

At December 31, 2021, the net carrying amount of unconsolidated securities held at 50% or more represented 13 stakes, for which 9 million euros was recorded in the statement of financial position. The Company believes there is no risk associated with these holdings and considers them non-material.

Note 3 – SEGMENT INFORMATION

BY BUSINESS SEGMENT

2021 Result

(in millions of euros)	Mining	Front End	Back End	Corporate, other operations and eliminations	Total
Gross revenue	1,076	1,038	2,823	(210)	4,726
Inter-segment sales	(11)	(87)	(130)	228	-
Contribution to consolidated revenue	**1,065**	**951**	**2,693**	**18**	**4,726**
Operating income before end-of-lifecycle activity	**269**	**191**	**617**	**(20)**	**1,058**
Income from end-of-lifecycle activities	**-**	**(16)**	**(271)**	**-**	**(287)**
Operating income	**269**	**176**	**346**	**(20)**	**771**
Share in net income of joint ventures and associates	-	-	-	-	18
Net financial income (expense)	-	-	-	-	(29)
Income tax	-	-	-	-	(30)
Net income	**-**	**-**	**-**	**-**	**730**
EBITDA *	**429**	**204**	**764**	**1**	**1,398**
% of gross revenue	*39.9%*	*19.7%*	*27.1%*	*n/a*	*29.6%*

** see Notes 1.3.5 and 6*

At December 31, 2021, the group generated approximately 29% of its revenue with EDF.
In addition, the group generated non-recurring revenue from German utilities representing 31% of revenue for the period (see below).

Revenue is recognized when the control of the material is transferred for the Mining and Front End divisions, and predominantly on the basis of the percentage-of-completion method for the Back End segment.

The Back End segment was marked by two events:

- The signing of contracts for German nuclear waste;
- Production difficulties at the Recycling BU plants.

Signing of contracts for German nuclear waste

The contracts signed in August 2021 with German utilities provide for exchanges of units of waste material, allowing for the return of the residue from the activity and the mass in the form of vitrified waste and used packaging. These exchanges became effective when the contracts entered into force. A physical return to German utilities of the equivalent of the activity and metal mass associated with this waste has been set for no later than December 31, 2024. Prior to this deadline, the following will be carried out in respect of the equivalent metal mass (i) storage services for waste packages and (ii) clean-up and storage of transport packaging.

The agreement breaks down in essence into (i) an exchange of units of waste material, (ii) the extinguishment of previous performance obligations, and (iii) new performance obligations relating to (a) waste package storage and (b) the clean-up and storage of transport packaging. The return of all waste to the German customers leads to the unwinding of all historical contracts still active at the time of the exchange operation that took place in September 2021.

Since the exchange operation does not fall within the scope of IFRS 15 and, as it is a very significant amount, the income received is presented on a separate line “Other income” in the consolidated statement of income. The operation was nevertheless carried out as an extension of the group’s ordinary activities. Accordingly, this “other income” is presented in the “Revenue” aggregate in the Back End segment. Services relating to the storage of waste packages, clean-up and the storage of packaging do not, however, fall within the scope of IFRS 15.

These historical contracts have been fully paid in the past, and have given rise to a partial recognition of revenue based on the percentage of completion of services. The balance of advances paid and not yet recognized thus constitutes income for the financial year in addition to the amounts received in respect of the signing of the contracts with the utilities in August 2021.

This total amount is allocated between (i) the exchange operation and (ii) the identified performance obligations. For performance obligations relating to the storage of waste packages, clean-up and the storage of transport packaging, the price is allocated on the basis of an expected cost plus a margin applicable to similar services. The price allocated to the exchange operation is equal to the residual amount.

The impacts on 2021 revenue are recognized under “Other income” for an amount of 1,452 million euros in respect of the exchange operation and the settlement of pre-existing contracts, and under “Revenue from goods and services” for 0.8 million euros for services falling within the scope of IFRS 15.

Production difficulties at the Recycling BU plants

The Recycling plants encountered difficulties resulting in production losses, which had an impact on the progress of treatment-recycling contracts. Action plans are underway to restore the production capacity of the Melox plant and secure production at the La Hague plant.

2021 Statement of financial position

(in millions of euros)	**Mining**	**Front End**	**Back End**	**Corporate, other operations and eliminations**	**Total**
Property, plant and equipment and intangible assets (including goodwill and right-of-use assets on leases)	2671	4,291	4,509	118	**11,588**
Financial assets earmarked for end-of-lifecycle operations	-	1814	6,809	-	**8,624**
Other non-current assets	100	0	3	202	**305**
Subtotal: non-current assets	**2,771**	**6,105**	**11,321**	**320**	**20,517**
Inventories and receivables (excluding tax receivables)	515	1,245	875	176	**2,811**
Other current assets	-	0	-	1,617	**1,617**
Subtotal: current assets	**515**	**1,245**	**875**	**1,793**	**4,428**
TOTAL ASSETS	**3,286**	**7,350**	**12,197**	**2,113**	**24,945**

2020 RESULTS

(in millions of euros)	**Mining**	**Front End**	**Back End**	**Corporate, other operations and eliminations**	**Total**
Gross revenue	1,088	1,045	1,730	(179)	3,684
Inter-segment sales	(9)	(45)	(138)	192	-
Contribution to consolidated revenue	**1,079**	**999**	**1,592**	**13**	**3,684**
Operating income before end-of-lifecycle activity *	**371**	**234**	**(99)**	**(48)**	**458**
Income from end-of-lifecycle activities	**-**	**(10)**	**(110)**	**1**	**(119)**
Operating income *	**371**	**224**	**(209)**	**(47)**	**339**
Share in net income of joint ventures and associates	**-**	**-**	**-**	**-**	15
Net financial income (expense)	**-**	**-**	**-**	**-**	(321)
Income tax	**-**	**-**	**-**	**-**	(54)
Net income	**-**	**-**	**-**	**-**	**(21)**
EBITDA	**502**	**317**	**146**	**(34)**	**931**
% of gross revenue	*46.1%*	*30.4%*	*8.4%*	*n/a*	*25.3%*

** Pursuant to the final decision of the IFRS IC in May 2021 concerning the attributing of post-employment benefits to periods of service (IAS 19), comparative 2020 data have been restated compared with the data reported in the 2020 financial statements.*

In the year ended December 31, 2020, the group generated approximately 46% of its revenue with EDF.

2020 Statement of financial position

(in millions of euros)	Mining	Front End	Back End	Corporate, other operations and eliminations	Total
Property, plant and equipment and intangible assets (including goodwill)	2,522	4,312	3,935	120	**10,889**
Financial assets earmarked for end-of-lifecycle operations	-	1,718	5,965	-	**7,683**
Other non-current assets	82	1	4	164	**252**
Subtotal: non-current assets	**2,605**	**6,031**	**9,904**	**283**	**18,824**
Inventories and receivables (excluding tax receivables)	581	1,260	761	341	**2,943**
Other current assets	1	-	-	2,053	**2,054**
Subtotal: current assets	**582**	**1,260**	**761**	**2,395**	**4,997**
TOTAL ASSETS	**3,186**	**7,292**	**10,665**	**2,678**	**23,821**

BY REGION

2021 Financial year

Contribution to consolidated revenue by business segment and customer location

(in millions of euros)	Mining	Front End	Back End	Corporate and other operations	Total
France	460	436	789	10	**1,695**
Europe (excluding France)	148	103	1,566	8	**1,826**
North & South America	149	207	179	0	**535**
Asia-Pacific	260	205	156	0	**621**
Africa and Middle East	47	0	2	-	**49**
TOTAL	**1,065**	**951**	**2,693**	**18**	**4,726**

Acquisitions of property, plant and equipment and intangible assets (excluding goodwill) by business segment and region of origin of the units

(in millions of euros)	Mining	Front End	Back End	Corporate and other operations	Total
France	9	91	397	12	**509**
Europe (excluding France)	42	-	5	-	**48**
North & South America	30	-	8	5	**43**
Asia-Pacific	-	-	-	-	**-**
Africa and Middle East	29	-	-	-	**29**
TOTAL *	**105**	**91**	**410**	**17**	**629**

** See Notes 10 and 11*

2020 Financial year

Contribution to consolidated revenue by business segment and customer location

(in millions of euros)	**Mining**	**Front End**	**Back End**	**Corporate and other operations**	**Total**
France	343	495	1,089	10	**1,938**
Europe (excluding France)	78	199	199	2	**479**
North & South America	129	171	182	0	**482**
Asia-Pacific	503	134	116	0	**753**
Africa and Middle East	26	0	5	-	**32**
TOTAL	**1,079**	**999**	**1,592**	**13**	**3,684**

Acquisitions of property, plant and equipment and intangible assets (excluding goodwill) by business segment and region of origin of the units

(in millions of euros)	**Mining**	**Front End**	**Back End**	**Corporate and other operations**	**Total**
France	21	129	299	13	**463**
Europe (excluding France)	23	-	5	-	**29**
North & South America	24	-	8	2	**34**
Asia-Pacific	0	-	0	0	**0**
Africa and Middle East	24	-	-	-	**24**
TOTAL	**92**	**129**	**312**	**16**	**550**

Note 4 – ADDITIONAL INFORMATION BY TYPE

(in millions of euros)	**December 31, 2021**	**December 31, 2020**
Payroll expenses *	(1,360)	(1,243)
Average full-time equivalent workforce	18,835	17,946

** Excluding pension commitments*

Note 5 – OTHER OPERATING INCOME AND EXPENSES

OTHER OPERATING INCOME

(in millions of euros)	December 31, 2021	December 31, 2020
Gain on disposals of non-financial assets	7	15
Reversal of impairment on assets	-	70
Other income	58	149
Total other operating income	**66**	**235**

In 2020, the reversal of impairment relates mainly to the Philippe Coste plant.

In 2021, other income includes foreign exchange gains and losses on commercial transactions and reversals of unused provisions.

In 2020, other income includes:

- a reversal of a provision linked to the renegotiation of the framework contract for health and accident/disability insurance for an amount of 95 million euros (see Note 24);
- an insurance indemnity of 18 million euros to compensate material damage to the crystallizers at the Philippe Coste plant.

OTHER OPERATING EXPENSE

(in millions of euros)	December 31, 2021	December 31, 2020
Asset impairment (excluding goodwill)	(51)	(26)
Loss on disposals of non-financial assets	(2)	(5)
Dismantling costs net of provisions/reversals of provisions for end-of-lifecycle operations	(287)	(119)
Other expenses	(90)	(76)
Total other operating expense	**(430)**	**(227)**

Impairment losses on assets mainly relate to the impairment of assets recognized at TN Americas LLC as described in Note 11.
Decommissioning costs net of provisions/reversals of provisions are described in Note 13.

At December 31, 2021, other expenses mainly included:

- 16 million euros (17 million euros as of December 31, 2020) in charges related to the postponement the start of mining operations on the Imouraren and Trekkopje sites, as well as infrastructure maintenance;
- an effect related to the acquisition of the net liabilities of Cominak for 19 million euros (see Note 1.1); and
- allocations to provisions relating to the redevelopment of mining sites (see Note 25).

Note 6 – FROM OPERATING INCOME TO EBITDA

(in millions of euros)	**December 31, 2021**	**December 31, 2020**
Operating income	771	339
Net increase in depreciation and impairment of intangible assets, net of reversals	78	79
Net increase in depreciation and impairment of property, plant and equipment, net of reversals	474	380
Net increase in depreciation and impairment of right-of-use - asset leases, net of reversals	26	24
Net gain on disposal of property, plant and equipment and intangible assets	(6)	(10)
Effects of takeovers and losses of control	19	(3)
Charges to provisions, net of reversals *	258	(153)
(Payments)/repayment of insurers on assets earmarked for social security liabilities	** (466)	44
Costs of end-of-lifecycle operations performed	243	230
EBITDA	**1,398**	**931**

** Except provisions and reversals of provisions on current assets*
*** see Note 24*

Note 7 – NET FINANCIAL INCOME (EXPENSE)

COST OF GROSS DEBT

The cost of gross debt at the end of December 2021 includes interest expenses relating to bonds debt for an amount of 113 million euros (compared to 134 million euros at December 31, 2020).

The interest expense related to IFRS 16 incurred in financial year 2021 was 3 million euros (unchanged from December 31, 2020).

OTHER FINANCIAL INCOME AND EXPENSES

(in millions of euros)	December 31, 2021	December 31, 2020
Change in fair value through profit or loss of earmarked assets	758	206
Dividends received	66	59
Income from receivables and accretion gains on earmarked assets	4	5
Accretion expenses on end-of-lifecycle operations	(278)	(295)
Impact of changes in discount rates and inflation rates (see Note 13)	(231)	34
Impact of revisions of payment schedules	-	1
Share related to end-of-lifecycle operations	***319***	***10***
Foreign exchange gain (loss)	12	(0)
Change in fair value through profit or loss of non-earmarked assets	4	0
Interest on advances received on contracts	(69)	(71)
Financial income from pensions and other employee benefits	(5)	(7)
Accretion expenses on debt and other provisions net of effects of changes in discount rates and inflation rates	(145)	(62)
Other financial income	6	4
Other financial expenses	(22)	(53)
Share not related to end-of-lifecycle operations	***(219)***	***(188)***
Other financial income and expenses	**100**	**(177)**

Other financial expenses consists chiefly of premiums/discounts on currency hedging instruments.

Note 8 – INCOME TAX

ANALYSIS OF INCOME TAX EXPENSE

(in millions of euros)	December 31, 2021	December 31, 2020
Current taxes (France)	(26)	(31)
Current taxes (other countries)	(37)	(16)
Total current taxes	**(63)**	**(48)**
Deferred taxes	33	(6)
TOTAL TAXES	**(30)**	**(54)**

The main French subsidiaries in the scope of consolidation, which are at least 95% owned, established a tax consolidation group effective September 1, 2017.

No deferred tax assets were recognized in respect of the tax loss carryforwards of the French entities included in the tax consolidation group at December 31, 2021.

In view of the implementation of the tax consolidation group formed around Orano SA as of September 1, 2017, future relationships between the subsidiaries and Orano SA are governed by a tax consolidation agreement for the period covered by the tax consolidation, based on a principle of neutrality.

In 2020, the group benefited from certain tax measures introduced by the CARES Act in the United States, within the framework of the specific decisions made in order to deal with the economic fallout of the Covid crisis. It was therefore able to make use of the favorable provisions regarding carryback, which had been eliminated by the tax reform provisions that became effective on January 1, 2018.

Reconciliation between tax expense and pre-tax income

(in millions of euros)	**December 31, 2021**	**December 31, 2020**
Net income for the period	**730**	**(20)**
Less		
Share in net income of joint ventures and associates	(18)	(15)
Tax expense (income)	30	54
Income before tax	**742**	**19**
Theoretical tax gain/(expense) at 28.41% in 2021 and at 32.02% in 2020	(211)	(6)
IMPACT OF TAX CONSOLIDATION		
Operations taxed at a rate other than the full statutory rate	4	5
Unrecognized deferred taxes	142	(42)
Other changes in permanent differences	35	(11)
(Expense) / Actual tax income	**(30)**	**(54)**
Effective tax rate	**4%**	**n/a**

Orano does not recognize deferred tax assets in the French tax group. The net changes over the financial year are reflected in a reversal of deferred tax assets and a decrease in the associated impairment.

Breakdown of other changes in permanent differences

(in millions of euros)	**December 31, 2021**	**December 31, 2020**
Parent/subsidiary tax treatment and inter-company dividends	(1)	(1)
Impact of permanent differences for tax purposes	4	(21)
Differences between the French tax rate and tax rates applicable abroad	5	10
CVAE business tax	(16)	(25)
Impact of change in tax rate	47	31
Other	(4)	(5)
Total other changes in permanent differences	**35**	**(11)**

DEFERRED TAX ASSETS AND LIABILITIES

(in millions of euros)	**December 31, 2021**	**December 31, 2020**
Deferred tax assets	133	92
Deferred tax liabilities	2	0
Total deferred tax assets and (liabilities)	**131**	**91**

For all French companies, the expected tax rate for temporary differences is 25.83% for reversals from 2022.

Main consolidated deferred tax assets and liabilities by nature

(in millions of euros)	December 31, 2021	December 31, 2020
Tax impact of temporary differences related to:		
Property, plant and equipment, intangible assets and non-current assets	99	86
Working capital assets	9	3
Employee benefits	10	8
Tax-driven provisions	(164)	(160)
Provisions for end-of-lifecycle operations and mining site remediation	34	28
Impact of loss carry-forwards and deferred taxes	116	101
Other temporary differences	27	24
Total net deferred tax assets and (liabilities)	**131**	**91**

Change in consolidated deferred tax assets and liabilities

(in millions of euros)	December 31, 2021	December 31, 2020
At January 1	**91**	**108**
Tax recognized in profit or loss	33	(6)
Tax expense recognized directly in other items of comprehensive income	1	(6)
Change in consolidated group	0	1
Currency translation adjustments	6	(6)
Total deferred tax assets and (liabilities)	**131**	**91**

Consolidated deferred tax income and expense by category of temporary difference

(in millions of euros)	December 31, 2021	December 31, 2020
Property, plant and equipment, intangible assets and non-current assets	28	(23)
Working capital assets	(8)	1
Employee benefits	(144)	(21)
Tax-driven provisions	(8)	1
Provisions for end-of-lifecycle operations and mining site remediation	8	(5)
Net tax loss carryforwards and deferred taxes	13	48
Impairment of deferred taxes (not recognized)	142	(42)
Other temporary differences	2	35
Total deferred tax income (expenses)	**33**	**(6)**

Details of deferred taxes recognized in other comprehensive income

(in millions of euros)	December 31, 2021			December 31, 2020		
	Before tax	Income tax	After tax	Before tax	Income tax	After tax
Revaluation of the net liability in respect of defined-benefit obligations	17	(1)	16	(49)	-	(49)
Currency translation adjustments	150	-	150	(185)	-	(185)
Change in value of cash flow hedges	(151)	2	(149)	175	(6)	168
Share in comprehensive income of associates (net of income tax)	5	-	5	-		-
Total gains and (losses) from other comprehensive income after tax	**21**	**1**	**22**	**(59)**	**(6)**	**(65)**

UNRECOGNIZED DEFERRED TAX ASSETS

(in millions of euros)	December 31, 2021	December 31, 2020
Tax credits	-	-
Tax losses	699	647
Other temporary differences	825	920
Total unrecognized deferred taxes	**1,523**	**1,567**

Note 9 – GOODWILL

(in millions of euros)	December 31, 2020	Increases	Disposals	Impairment	Currency Translation adjustments and other	December 31, 2021
Mining	**786**	-	-	-	66	**851**
Front End	**161**	-	-	-	-	**161**
Back End	**227**	28	-	-	1	**256**
Total	**1,174**	**28**	**-**	**-**	**67**	**1,268**

GOODWILL IMPAIRMENT TESTS

As indicated in Notes 1.2. "Estimates and judgments" and 1.3.7.5 "Impairment of property, plant and equipment, intangible assets and goodwill", the group performs impairment tests at least once a year and whenever there is an indication of impairment. These tests consist of comparing the net carrying amount of the assets of cash-generating units (CGUs) or groups of CGUs to which goodwill has been allocated (after inclusion of impairment of property, plant and equipment and intangible assets listed in Notes 10 and 11) with their recoverable amount.

The discount rates used for impairment testing are based on the average cost of capital, and reflect current assumptions as regards the time value of money and the specific risk represented by the asset, the CGU or the group of CGUs; they are determined on the basis of observed market data and evaluations prepared by specialized firms (market risk-free rate, equity market risk premium, volatility indices, credit spreads and debt ratios of comparable companies in each sector).

The following assumptions were used to determine the net present value of the estimated future cash flows of the CGUs or groups of CGUs:

December 31, 2021	Discount rate after tax	Growth rate for standard year	Standard year
Mining	7.0%- 11.0%	n/a	n/a
Front End	6.5%	n/a	n/a
Back End	6.5%- 7.5%	1.5%	2040

December 31, 2020	Discount rate after tax	Growth rate for standard year	Standard year
Mining	7.0%- 12.0%	n/a	n/a
Front End	6.5%	n/a	n/a
Back End	6.5%- 7.5%	1.5%	2040

The exchange rates used to prepare these impairment tests are the rates in force at the reporting date or the hedging rates when the future cash flows were hedged.

Mining

The recoverable amount of the Mining group of CGUs is determined based on its value in use. The value in use of mining operations is calculated based on forecast data for the entire period, up to the planned end of mining operations at existing mines (Canada, Kazakhstan and Niger) and the commercialization of the corresponding products (*i.e.* no later than 2045), rather than on a normative year. This value in use is determined by discounting estimated future cash flows per mine at rates between 7.00% and 11.00% (between 7.00% and 12.00% at December 31, 2020) and based on exchange rates at December 31, 2021.

Future cash flows are determined using the contractually set prices for the fixed component of the backlog and, for the variable component, the market prices based on the forecast price curve prepared by Orano. The forecast price curve is also used for the portion of sales not yet covered by a contract. The price curve is based among other things on Orano's vision of changes in supply (uranium mines and secondary resources) and demand (reflecting the consumption of the global fleet of nuclear power plants over the length of the curve and the purchasing policy of the relevant utilities).

The value in use determined in this manner is greater than the net carrying amount of the Mining group of CGU assets, and therefore does not result in any impairment of goodwill.

The test remains sensitive to discount rates, to foreign exchange parity and to the anticipated future prices of uranium. The value in use of the assets of the Mining group of CGUs would fall by the amounts below if any of the following assumptions were used:

- a discount rate of 50 basis points higher: 92 million euros;
- a euro/US dollar exchange rate 5 eurocents higher (*i.e.* 1.18 instead of 1.13): 225 million euros; and
- sales price assumptions 5 US dollars per pound of uranium below Orano's projected price curves over the entire period of the business plans: 327 million euros.

On this point, the sensitivity analysis was carried out without taking into account a revision of economically mineable uranium quantities or production schedules resulting from this price change.

Taken individually or on a cumulative basis, deterioration of this nature would not result in the impairment of the goodwill allocated to the Mining group of CGUs.

In addition, impairment and sensitivity tests were performed on a going concern basis in Kazakhstan.

Front End

In the Front End segment, goodwill is carried by the Enrichment CGU. The recoverable amount of the CGU is determined from the value in use, calculated using forecast data for the entire period up to the planned end of the operation of industrial assets, without using a normative year. The value in use is determined by discounting estimated future cash flows at 6.50% (6.50% at December 31, 2020) and on the basis of a euro-US dollar exchange rate of 1.13, corresponding to the closing rate as at December 31, 2021 (1.23 at December 31, 2020).

Future cash flows are determined using the contractually set prices for the fixed component of the backlog and, for the variable component, the market prices based on the forecast price curve prepared and updated by Orano. The forecast price curve is also used for the portion of sales not yet covered by a contract. The price curve is based among other things on Orano's vision of changes in supply (enrichment capacities, secondary stocks and resources) and demand for enriched uranium (reflecting the consumption of the global fleet of nuclear power plants over the length of the curve and the purchasing policy of the relevant utilities).

Impairment testing performed at December 31, 2021 did not result in the recognition of any impairment of goodwill. The test is sensitive to the discount rate, as well as to the euro/US dollar parity. The value in use of the assets of the Enrichment CGU would fall by the amounts below if any of the following assumptions were used:

- a discount rate of 50 basis points higher: 301 million euros;
- a euro/US dollar exchange rate 5 eurocents higher (*i.e.* 1.18 instead of 1.13): 36 million euros; and
- sales price assumptions 5 euro per SWU below Orano's projected price curves: 255 million euros.

Taken individually or cumulatively, these sensitivities would not lead to any impairment of goodwill.

Back End

In the Back End segment, goodwill was carried by the Recycling BU in the amount of 172 million euros, the NPS BU in the amount of 69 million euros and the DS BU in the amount of 15 million euros. The values in use calculated to carry out the impairment tests are obtained by discounting the projected future cash flows at a rate between 6.5% and 7.5% (unchanged from those of December 31, 2020).
The production difficulties encountered by the recycling plants in 2021 had no impact on the test result.

The sensitivity analyses carried out show that the use of discount rates that are 50 basis points higher and/or standard-year growth rates that are 50 basis points lower would not have led to the recognition of any impairment of goodwill.

Note 10 – INTANGIBLE ASSETS

(in millions of euros)	Pre-mining expenses	R&D expenses	Mineral rights	Concessions & patents	Software	Intang. assets in progress	Other	Total
Gross amount at December 31, 2020	**1,953**	**56**	**1,088**	**404**	**353**	**61**	**182**	**4,097**
CAPEX	35	-	-	-	-	34	-	70
Disposals		-		-	(8)	(1)	(1)	(10)
Currency translation adjustments	123	-	61	2		3	3	191
Change in consolidated group	7	-	-	9	1	-	5	23
Other changes	9	-	-	1	17	(18)	-	9
Gross amount at December 31, 2021	**2,126**	**57**	**1,149**	**415**	**365**	**78**	**189**	**4,379**
Depreciation and provisions at December 31, 2020	**(1,223)**	**(56)**	**(1,087)**	**(102)**	**(307)**	**(4)**	**(142)**	**(2,922)**
Net charges to depreciation/impairment (1)	(48)	-	-	(8)	(9)	-	(13)	(78)
Disposals				1	8	-	1	9
Currency Translation adjustments	(70)	-	(61)	(1)	-	-	(3)	(136)
Change in consolidated group	(7)	-	-	(4)	(1)	-	(5)	(17)
Other changes	-	-	-	(1)	(7)	-	1	(8)
Depreciation and provisions at December 31, 2021	**(1,349)**	**(57)**	**(1,149)**	**(115)**	**(317)**	**(4)**	**(162)**	**(3,153)**
Net carrying amount at December 31, 2020	**729**	**-**	**-**	**302**	**46**	**57**	**40**	**1,175**
Net carrying amount at December 31, 2021	**777**	**0**	**0**	**299**	**48**	**75**	**27**	**1,226**

(1) No impairment loss was recognized in financial year 2021.

Note 11 – PROPERTY, PLANT AND EQUIPMENT

(in millions of euros)	Land	Buildings	Plant, equipment and tooling	End-of-lifecycle assets – attributable to owners of the parent	Other	In progress	Total
Gross amount at December 31, 2020	**150**	**1,960**	**20,715**	**1,244**	**1,435**	**1,918**	**27,422**
CAPEX	-	2	22	-	6	528	559
Disposals	(1)	(23)	(151)	-	(35)	-	(209)
Currency translation adjustments	4	22	90	-	60	5	181
Change in consolidated group	5	46	182	-	44	1	277
Other changes	-	42	124	378 (2)	19	(194)	369
Gross amount at December 31, 2021	**157**	**2,050**	**20,982**	**1,623**	**1,529**	**2,258**	**28,599**
Depreciation and provisions at December 31, 2020	**(81)**	**(1,119)**	**(15,340)**	**(649)**	**(1,158)**	**(624)**	**(18,970)**
Net charges to depreciation/impairment (1)	(1)	(44)	(323)	(46)	(27)	(32)	(474)
Disposals	-	23	150	-	34	-	208
Currency translation adjustments	-	(11)	(41)	-	(52)	(3)	(107)
Change in consolidated group	(1)	(37)	(174)	-	(42)	-	(255)
Other changes	1	48	(119)	-	22	57	9
Depreciation and provisions at December 31, 2021	**(81)**	**(1,140)**	**(15,846)**	**(695)**	**(1,224)**	**(602)**	**(19,589)**
Net carrying amount at December 31, 2020	**69**	**841**	**5,376**	**595**	**277**	**1,294**	**8,452**
Net carrying amount at December 31, 2021	**76**	**910**	**5,135**	**928**	**305**	**1,657**	**9,010**

(1) Including impairment of 51 million euros
(2) Including 69 million euros related to the revisions of estimates and 310 million euros related to the change in the actual discount rate of the end-of-lifecycle provisions (see Note 13)

MINING ASSETS

The property, plant and equipment and intangible assets of mining and industrial sites (constituting Mining segment CGUs) are subject to an impairment test at each year-end (in accordance with the principles set out in Note 1.3.7.5) taking into account the deteriorating conditions in the uranium market.

Mining assets in Namibia – Trekkopje

The carrying amount of property, plant and equipment and intangible net assets in Namibia includes the infrastructure of both mining and desalination plant producing industrial water.

The value in use of the desalination plant is tested separately from that of the mining infrastructure. It is determined on the basis of its business plan discounted at a rate of 8.00% (8.50% at December 31, 2020). No additional impairment losses were recognized as at December 31, 2021 (compared with an impairment of 7 million euros as at December 31, 2020).

The net carrying amount of the property, plant and equipment and intangible assets of the Trekkopje mine is justified on the basis of their fair value measured at December 31, 2021 based on a multiple of uranium resources in the ground.

INDUSTRIAL ASSETS OF THE CONVERSION CGU

The Conversion CGU includes the industrial assets of Malvési and Philippe Coste. At December 31, 2021, no indication of loss or recovery in value having a significant impact on the value in use of the Conversion CGU had been identified.

NPS BU ASSETS

In 2021, impairment losses of 28 million euros were recorded on several non-current assets acquired and/or developed by TN Americas LLC. These impairment losses are mainly caused by changes in business opportunities.

Note 12 – LEASES

RIGHT-OF-USE ASSETS

(in millions of euros)	**December 31, 2020**	New leases/ Increase	Withdrawals from leases/ Reductions	Net charges to depreciation	Other changes	Currency translation adjustments	**December 31, 2021**
Property assets	**64**	14	0	(15)	0	2	**65**
Other assets	**25**	4	0	(11)	(0)	0	**18**
Total	**89**	**18**	**0**	**(26)**	**0**	**2**	**83**

LEASE LIABILITIES

The following table presents the provisional disbursement schedule:

(in millions of euros)	**December 31, 2021**
Maturing in one year or less	22
Maturing in 1-2 years	17
Maturing in 2-3 years	12
Maturing in 3-4 years	9
Maturing in 4-5 years	8
Maturing in more than 5 years	32
TOTAL	**101**

The amounts represent future disbursements expressed before discounting.

Note 13 – END-OF-LIFECYCLE OPERATIONS

PROVISIONS FOR END-OF-LIFECYCLE OPERATIONS

(in millions of euros)	**Net carrying amount at December 31, 2020**	**Reversal (when risk has materialized)**	**Third-party expenses**	**Revisions to estimates**	**Discounting**	**Other changes**	**Net carrying amount at December 31, 2021**
Provisions for dismantling	5,173	(146)	(18)	359	173	285	5,827
Provisions for waste retrieval and packaging	1,202	(66)	-	98	44	79	1,357
Provisions for long-term waste management and site monitoring	1,447	(17)	-	33	49	151	1,663
Provisions for end-of-lifecycle operations (regulated *)	**7,821**	**(228)**	**(18)**	**490**	**266**	**516**	**8,846**
Provisions for end-of-lifecycle operations (non-regulated *)	368	(15)	(0)	11	12	28	403
PROVISIONS FOR END-OF-LIFECYCLE OPERATIONS	**8,189**	**(243)**	**(18)**	**501**	**278**	**544**	**9,249**

** Scope of application of the Act of June 28, 2006*

At December 31, 2021, used provisions in the amount of 243 million euros correspond to the expenses relating to the end-of-lifecycle operations incurred by the group.

Revisions to estimates for 501 million euros include allocations relating to:

- a revaluation of the cross-functional contingencies for 260 million euros offset by operating income;
- the dismantling of decommissioned facilities, WRP and long-term waste management operations for an amount of €175 million, offset by operating income; and
- the dismantling of facilities in operation for an amount of 66 million euros, offset by dismantling assets attributable to owners of the parent, for 69 million euros (see Note 11) and operating income for -3 million euros.

Other changes, amounting to 544 million euros, are due to the impacts of changes in rates, which break down as follows:

- change in the discount rate from 3.42% to 3.56% for -261 million euros;
- change in the long-term inflation rate from 1.15% to 1.60% for +805 million euros;

The counterparty to actual discount breaks down as follows:

- financial expense of 231 million euros (see Note 7);
- increase in dismantling assets attributable to owners of the parent, for 310 million euros (see Note 11); and
- increase in the third-party share of dismantling assets for 3 million euros.

Nature of the commitments

As a nuclear facility operator, the group has a legal obligation to secure and dismantle its production facilities when they are shut down, in whole or in part, on a permanent basis. It must also retrieve and package in accordance with prevailing standards certain legacy waste as well as the waste resulting from operating and dismantling activities. The group must also assume financial obligations to monitor storage sites after their closure.

In December 2004, the CEA, EDF and Orano signed an agreement concerning the Marcoule site, which transfers the responsibilities of site owner-operator to the CEA, which will be responsible for funding the dismantling of the site facilities. This agreement does not cover shipping and final storage costs for high and medium-level long-lived waste (HL-LLW/ML-LLW). Accordingly, provisions for the Marcoule site only cover Orano's share of waste shipping and final waste storage costs.
For all the facilities within the regulated scope and those outside the regulated scope, Orano uses the same methods to assess both the cost of end-of-lifecycle operations and expenses related to disposal and storage of radioactive waste.

In accordance with Article 20 of French planning law No. 2006-739 of June 28, 2006 on the sustainable management of radioactive materials and waste, codified in Articles L. 594-1 *et seq.* of the French Environmental Code, Orano submits a report on INBs to the administrative authority every three years setting out cost estimates and calculation methods for end-of-lifecycle provisions, as well as an annual update of this report.

Measuring of provisions for dismantling and for waste retrieval and packaging operations (WRP)

The costing of facility dismantling and WRP operations is based on methodologies and scenarios describing the nature and timing of the planned operations. The estimate is based on a parametric approach for facilities in operation (costing resulting from the inventory of the facility: volume of materials, equipment, etc.) and an analytical approach for shutdowns and RCD operations (quantification resulting from the estimated cost of each planned operation: volume and cost of work units required, collection of estimates from subcontractors, etc.).

The dismantling scenarios adopted by Orano are compliant with the French Environmental Code, which imposes the shortest possible time between the final shutdown of the facility and its dismantling under economically acceptable conditions and in compliance with the principles set out in the French Code of Public Health.

The group measures its provisions on the basis of a reference scenario, which notably defines the final state of the site. When Orano considers that the industrial reuse of buildings after the decommissioning of facilities is compatible with possible industrial use, the provisions exclude the cost of their deconstruction. In some situations, however, Orano provides for the dismantling of the buildings and so sets aside the associated costs. Orano also provides for the cost of treating radiologically marked soils when characterization studies of these soils make such operations likely.

Main opportunities and uncertainties

In view of the duration of the end-of-lifecycle operations, the main opportunities and uncertainties cited as examples below are taken into account as they occur:

- opportunities:
  - gains generated by the learning curve and industrial standardization of operating procedures;
  - in-depth investigations on the condition of the facilities using new technologies in order to reduce the uncertainty related to initial facility conditions; and
  - receipt of an exemption or a release threshold allowing the recycling of very low activity metallic materials resulting from the dismantling of facilities in the Front End segment.

- uncertainties:
    - revision of scenarios of certain WRP projects at La Hague during the qualification of waste retrieval processes;
    - differences between the expected initial conditions of the legacy facilities and the actual initial conditions;
    - change in regulations, particularly in terms of safety, security and respect for the environment; and
    - change in financial parameters (discount and inflation rates).

Consideration of identified risks and unforeseen events

The technical cost of end-of-lifecycle operations is backed up by consideration of:
- a baseline scenario that takes operating experience into account;
- amounts for risks identified through risk analyses conducted in accordance with the Orano standard and updated regularly as the projects advance; and
- amounts to cover unidentified risks.

Measurement of provisions for long-term waste management and monitoring of storage sites after their closure

Orano sets aside a provision for expenses related to radioactive waste in its possession.

These expenses include:
- disposal and surface storage of very low-level waste (VLLW) and low-level and medium-level short-lived waste (LL-SLW and ML-SLW) from facilities dismantling;
- the warehousing, disposal and underground storage of long-lived low-level waste (LL-LLW);
- the warehousing, disposal and storage of high- and medium-level long-lived waste (HL-LLW and ML-LLW) in deep geological repositories; and
- the share of post-closure monitoring of the various ANDRA storage sites.

The volumes of waste giving rise to provisions include packages relating to legacy waste, all waste coming from the dismantling of facilities, and HL-LLW and ML-LLW technological waste from the operation of facilities. These volumes are periodically reviewed in line with the data declared within the framework of the national waste inventory.

The measurement of the provision related to the long-term management of HL-LLW and ML-LLW is based on the assumption that a deep geological repository (subsequently referred to as CIGEO) will be built. It draws on the cost at completion of 25 billion euros set in the Ministerial Order of January 15, 2016 (gross value not discounted, under the economic conditions prevailing at December 31, 2011). This order takes notably into account the cost estimate of the project established by ANDRA, the ASN opinion and the observations made by nuclear operators. In application of this order, it is expected that the cost of the CIGEO project may be updated as the key stages in its development are completed (authorization of creation, commissioning, end of the “pilot industrial phase”, safety reviews), in accordance with the ASN opinion. On January 15, 2018, the ASN also issued its opinion on the CIGEO safety options file, finding that the project had reached satisfactory overall technological maturity at the safety options file stage and requesting additional elements of demonstration regarding the bituminous waste safety options.

This cost at completion, after adjustment to the economic conditions prevailing at December 31, 2021 and discounting, have been covered by a provision for the amount of the estimated share of financing that will ultimately be borne by the group and the proportion of waste existing at the closure, and waste coming from dismantling operations. The breakdown of funding between nuclear operators depends on many factors, including the volume and nature of the waste sent by each operator, the timing of the shipment of waste and the design of the underground facility.
For sensitivity analysis purposes, an increase of 1 billion euros in the amount of the CIGEO project estimate by value before discounting would result in an additional expense at present value of approximately 34 million euros for Orano, based on the methodology used to establish the existing provision.

In a letter dated July 5, 2021, the administrative authority ordered Orano to (i) revise its reference strategy for the storage of solid residues from the treatment of uranium concentrates at the ECRIN INB (Malvési site, Aude) so that it is based on a cautious phasing; and (ii) to revise the amount of provisions in connection with this change of scenario no later than December 31, 2021. In accordance with this requirement, Orano revised the reference strategy for the future ECRIN storage and took into account the increase in the related estimate at the closing of the financial statements at December 31, 2021.

Discount and inflation rates (see principles laid out in Note 1.3.12)

At December 31, 2021, Orano applied a discount rate assumption of 3.56% and a long-term inflation assumption of 1.60% (3.42% and 1.15% respectively at December 31, 2020).

At December 31, 2021, the use of a discount rate 10 basis points higher or lower than that used would have the effect of changing the closing balance of provisions for end-of-lifecycle operations by -188 million euros with a rate of 3.66% or +195 million euros with a rate of 3.46%.

Provisional schedule of provision disbursements

The following table shows the provisional schedule of provision disbursements both within and outside the regulated scope, excluding monitoring costs of ANDRA'S storage sites:

(in millions of euros)	**December 31, 2021**
2022	306
2023/2024	1,024
2025-2029	1,929
2030-2039	2,381
2040 and beyond	9,188
TOTAL PROVISIONS BEFORE DISCOUNTING	**14,828**

The amounts represent the future disbursements of provisions expressed in the economic conditions of the year 2021 and before discounting.

DISMANTLING ASSETS – THIRD-PARTY SHARE

Dismantling assets include two items:

- the group's share of dismantling assets, classified under property, plant and equipment in the statement of financial position (see Note 11); and
- the third-party share of dismantling assets (see Note 1.3.12 and described in this Note) corresponds to the financing expected from third parties contributing to the dismantling of certain facilities or equipment which Orano is legally or contractually obliged to dismantle.

(in millions of euros)	**Net carrying amount at December 31, 2020**	**Decrease from period expense**	**Acc retion**	**Change in assumptions, revision toestimates, etc.**	**Net carrying amount at December 31, 2021**
End-of-lifecycle assets – third-party share (regulated *)	117	(18)	4	3	105
Dismantling assets – third-party share (non-regulated *)	5	-	-	-	5
TOTAL DISMANTLING ASSETS - THIRD PARTY SHARE	**122**	**(18)**	**4**	**3**	**110**

** Scope of application of the Act of June 28, 2006*

FINANCIAL ASSETS EARMARKED FOR END-OF-LIFECYCLE OPERATIONS

(in millions of euros)	December 31, 2021		December 31, 2020	
	Net carrying amount	Market value	Net carrying amount	Market value
Portfolio of earmarked securities	8,450	8,618	7,498	7,707
Receivables related to end-of-lifecycle operations	63	63	63	63
TOTAL FINANCIAL ASSETS EARMARKED FOR END-OF-LIFECYCLE OPERATIONS	**8,513**	**8,681**	**7,561**	**7,770**
Of which earmarked assets (regulated *)	8,450	8,618	7,498	7,707
Of which earmarked assets (non-regulated *)	63	63	63	63

** Scope of application of the Act of June 28, 2006*

Objective of earmarked assets, portfolio of earmarked securities and end-of-lifecycle receivables

To secure the funding of end-of-lifecycle obligations, the group has built up a special portfolio earmarked for the payment of its future facility dismantling and waste management expenses. This obligation has applied to all nuclear operators in France since law No. 2006-739 of June 28, 2006 and implementing decree No. 2007-243 of February 23, 2007 came into force. This portfolio was composed based on a schedule of disbursements over more than a century and is therefore managed with long-term objectives. The portfolio is comprised of financial assets intended to cover all of the group's commitments, whether related to obligations imposed by the law of June 28, 2006 for regulated nuclear facilities located in France, or related to other end-of-lifecycle commitments for facilities located in France.
The group relies on independent consultants to study strategic target asset allocations to optimize the risk/return of the portfolio over the long term and to advise it on the choice of asset classes and portfolio managers. These recommendations are submitted to the End-of-Lifecycle Obligations Monitoring Committee of the Board of Directors. Long-term asset allocations indicate the target percentage of assets to cover liabilities (bonds and money market assets, including receivables from third parties) and diversification assets (shares, etc.), subject to limits imposed by decree No. 2007-243 of February 23, 2007 and its amendment by decree No. 2013-678 of July 24, 2013, both in terms of the control and spread of risks and in terms of the type of investments.

In December 2021, Orano made contributions for an amount of 353 million euros in decommissioning funds, part of which was for end-of-lifecycle commitments resulting from the signing of contracts with German customers as part of the waste return operation as well as those associated with the settlement of pre-existing German contracts in the amount of provisions made.

Following these operations, at December 31, 2021 for the end-of-lifecycle obligations falling within the scope of Articles L. 594-1 *et seq.* of the French Environmental Code, the legal entities comprising Orano had earmarked assets representing 98.6% of end-of-lifecycle liabilities (compared with 100.0% at December 31, 2020).

This coverage ratio is determined as follows:

(in millions of euros)	**December 31, 2021**	**December 31, 2020**
Provisions for end-of-lifecycle operations (regulated *)	**8,846**	**7,821**
Third-party share of end-of-life cycle assets (regulated *)	105	117
Earmarked assets at market value (regulated *)	8,618	7,707
End-of-lifecycle assets (regulated *)	**8,724**	**7,824**
(Deficit)/Surplus of earmarked assets (regulated *)	(122)	3
Coverage ratio of end-of-lifecycle operations (regulated *)	**98.6%**	**100.0%**

** Scope of application of the Act of June 28, 2006*

Since the decree of July 1, 2020, the regulatory ceiling for discount rates for end-of-lifecycle liabilities has been expressed in real terms (net of long-term inflation) and stood at 2.80% at December 31, 2021. Insofar as the discount rate used is below the regulatory discount rate used, the coverage ratio is calculated using the discount rate determined by Orano for discounting provisions for end-of-lifecycle operations within the regulated scope.

Portfolio of earmarked assets

Orano has ensured that all funds are kept, deposited and valued by a service provider in such a way as to be able to perform the necessary controls and valuations required by the implementing decree.

The Equity segment is primarily managed by external service providers *via*:

- equity management mandates; and
- earmarked mutual funds.

The Rate segment (bonds and money market) is invested *via*:

- open-ended mutual funds;
- earmarked mutual funds; and
- directly held bonds.

The portfolio of assets earmarked to fund end-of-lifecycle expenses includes the following:

(in millions of euros)	**December 31, 2021**	**December 31, 2020**
IN MARKET VALUE OR NET ASSET VALUE		
Equity mutual funds and publicly traded shares	3,901	3,361
Bond and money market mutual funds	3,401	3,135
Unlisted mutual funds	694	547
AT AMORTIZED COST		
Bonds and bond funds	454	456
Total portfolio of earmarked securities	**8,450**	**7,498**
Receivables related to end-of-lifecycle operations	63	63
TOTAL FINANCIAL ASSETS EARMARKED FOR END-OF-LIFECYCLE OPERATIONS	**8,513**	**7,561**

(in millions of euros)	December 31, 2021	December 31, 2020
BY REGION		
Eurozone	7,022	6,141
Other	1,491	1,419
TOTAL FINANCIAL ASSETS EARMARKED FOR END-OF-LIFECYCLE OPERATIONS	**8,513**	**7,561**

Financial assets held as securities or mutual funds represent 99% of all earmarked assets at December 31, 2021. They break down as follows: 54% equities and other non-amortizable equity securities, 45% bonds and money market securities, and 1% receivables.

Performance of financial assets earmarked for end-of-lifecycle operations by asset class

Asset class	December 31, 2021	December 31, 2020
Shares	+21.00%	+4.99%
Fixed income products (including receivables related to end-of-lifecycle operations)	-0.71%	+2.89%
TOTAL FINANCIAL ASSETS EARMARKED FOR END-OF-LIFECYCLE OPERATIONS	**+10.20%**	**+4.52%**

Receivables related to end-of-lifecycle operations

Receivables related to end-of-lifecycle operations are mainly receivables on EDF and the CEA, resulting from the over-funding of ANDRA assumed by Orano between 1983 and 1999 (payment by Orano of contributions divided between nuclear operators above its share).

Risk description and assessment

Equity investments in the portfolio of earmarked securities include mainly:

- mandates of publicly traded shares, which includes about 50 companies based in the European Union. The securities are held in order to generate gains over the long term. Although it is not a management guideline, these mandates will be assessed over the long term compared to an external MSCI EMU benchmark, net dividends reinvested; and
- dedicated equity funds with diversified management strategies and focused on European companies. Depending on the investment objective, the managers are required to comply with specific rules in terms of exposure: investment limits in absolute terms and relative to net assets, limited exposure in non-euro currencies, indication of a relative risk compared to a target benchmark index (tracking error) and limited investments on certain instruments. Together, these limits are designed to comply with investment rules established in the implementing decree of the law of June 28, 2006.

Fixed income products in the portfolio of earmarked securities mainly include:

- directly held securities consisting of government bonds from the Eurozone, which will be held to maturity and their redemption. They are recognized using the amortized cost method; and
- dedicated bond funds, listed bonds and open-ended money market funds. The sensitivity to interest rates of bond funds is limited in both directions, including the portfolio's overall consistency with preset long-term sensitivity objectives and the sensitivity of the liabilities to the discount rate used. The issuers' ratings (Moody's or Standard & Poor's) are used to manage the credit risk exposure of money market and bond funds and listed bonds.

Derivatives may be used for hedging or to acquire a limited exposure. They are subject to specific investment guidelines prohibiting leverage. Total nominal commitments may not exceed the fund's net assets. Sales of puts and calls must be fully covered by underlying assets (and are prohibited on assets not included in the portfolio).

Risk assessment and management of the earmarked portfolio

The risks underlying the portfolios and funds holding assets under the management mandate for end-of-lifecycle operations are assessed on a regular basis. For each fund or earmarked asset, this assessment allows the maximum total loss to be estimated with a 95% level of confidence for different portfolio maturities using the VaR (Value at Risk) method and volatility estimates. It provides a second estimate using deterministic scenarios: yield curve shock and/or equity market decline.

The impacts of changes in equity markets and rates on the valuation of earmarked financial assets are summarized in the following table:

(in millions of euros)	**December 31, 2021**
ASSUMPTION: DECLINING EQUITY MARKETS AND RISING INTEREST RATES	
-10% on equities	(459)
+100 basis points on fixed income	(71)
TOTAL	**(530)**
ASSUMPTION: RISING EQUITY MARKETS AND DECLINING INTEREST RATES	
+10% on shares	459
-100 basis points on fixed income	71
TOTAL	**530**

Note 14 – INFORMATION ON JOINT VENTURES AND ASSOCIATES

2021

(in millions of euros)	Share in net income of joint ventures and associates	Investments in joint ventures and associates	Share in negative net equity of joint ventures and associates
Cominak *	16	-	-
ETC	7	-	14
SI-nerGIE	(6)	-	6
ANADEC	-	-	-
Interim Storage Partners (ISP)	-	7	-
Accelerated Decommissioning Partners (ADP)	-	4	-
TOTAL	**18**	**12**	**20**

** Two months of activity prior to the takeover of the OURD shares at end-February 2021 (see Note 1.1)*

Orano considers that it has a constructive obligation to ensure the continuity of operations of ETC (joint venture equally owned by Orano and URENCO) and SI-nerGIE (GIE equally owned by Orano and Framatome, see Note 28); as a result, and in accordance with the provisions of IAS 28, Orano recognizes the share of negative equity as a liability in its consolidated statement of financial position and its share of negative net income in its consolidated statement of income and statement of comprehensive income.

Relations with ISP and ADP are described in Note 28.

2020

(in millions of euros)	Share in net income of joint ventures and associates	Investments in joint ventures and associates	Share in negative net equity of joint ventures and associates
Cominak	2	-	42
ETC	14	-	14
SI-nerGIE	(1)	-	1
ANADEC	0	-	-
ISP	0	5	-
ADP	0	1	-
TOTAL	**15**	**6**	**57**

SIGNIFICANT JOINT VENTURES

A joint venture is deemed to be significant if its revenue or statement of financial position total is more than 150 million euros. An associate is deemed to be significant when its statement of financial position total is more than 150 million euros.

Financial information required under IFRS 12 is presented before eliminations of intercompany transactions and restatements, and is based on 100% ownership.

(in millions of euros)	**December 31, 2021**	**December 31, 2020**
	ETC	**ETC**
	Front End	Front End
Country	UK	UK
% held	50%	50%
Revenue	**104**	**105**
Net income	**13**	**28**
including increases to amortization and depreciation	(6)	(6)
including interest income/expense	-	-
including tax income/expense	-	-
Other items of comprehensive income	**10**	**1**
Comprehensive income	**23**	**29**

(in millions of euros)	**December 31, 2021**	**December 31, 2020**
	ETC	**ETC**
	Front End	Front End
Country	UK	UK
% held	50%	50%
Current assets	**156**	**167**
including cash and cash equivalents	120	128
Non-current assets	**67**	**61**
Current liabilities	**55**	**46**
including current financial liabilities	-	-
Non-current liabilities	**56**	**67**
including non-current financial liabilities	5	4
Net assets	**113**	**115**

(in millions of euros)	**December 31, 2021**	**December 31, 2020**
	ETC	**ETC**
	Front End	Front End
Country	UK	UK
% held	50%	50%
Share of net assets before eliminations at beginning of year	**57**	**48**
Share of comprehensive income	11	15
Share of dividend distributions	(13)	(5)
Other changes	-	-
Share of net assets before eliminations at end of year	**56**	**57**
Consolidation adjustments	(70)	(71)
Investments in joint ventures at end of year	-	-
SHARE OF NEGATIVE NET EQUITY	**(14)**	**(14)**

NON-SIGNIFICANT JOINT VENTURES

(in millions of euros)	**December 31, 2021**	**December 31, 2020**
Securities of non-significant joint ventures in assets	**12**	**6**
Securities of non-significant joint ventures in liabilities	**6**	**43**
Share of net income	11	2
Share of other items of comprehensive income	1	(1)
Share of comprehensive income	12	1

Note 15 – OTHER CURRENT AND NON-CURRENT ASSETS

OTHER NON-CURRENT ASSETS

(in millions of euros)	December 31, 2021	December 31, 2020
Derivatives on financing activities	5	41
Other assets	156	113
TOTAL OTHER NON-CURRENT ASSETS	**161**	**154**

Other assets include inventories of uranium and deposits to finance future expenditure for the redevelopment of mining sites internationally in the amount of 95 million euros as of December 31, 2021 (81 million euros as of December 31, 2020).

OTHER CURRENT FINANCIAL ASSETS

(in millions of euros)	December 31, 2021	December 31, 2020
Derivatives on financing activities	2	5
Cash management financial assets	300	444
Other financial assets	13	10
Total Other current financial assets	**315**	**460**

Note 16 – INVENTORIES AND WORK-IN-PROCESS

(in millions of euros)	December 31, 2021	December 31, 2020
Raw materials and other supplies	451	453
In progress	808	737
Finished goods	311	321
Total gross amount	**1,570**	**1,511**
Provisions for impairment	(142)	(123)
TOTAL NET CARRYING AMOUNT	**1,428**	**1,388**
Of which inventories and work-in-process:		
at cost	733	667
at fair value net of disposal expenses	695	721
	1,428	**1,388**

Note 17 – TRADE ACCOUNTS RECEIVABLE AND RELATED ACCOUNTS

(in millions of euros)	December 31, 2021	December 31, 2020
Gross amount	649	691
Impairment	(10)	(10)
NET CARRYING AMOUNT	**639**	**681**

BREAKDOWN OF TRADE ACCOUNTS RECEIVABLE AND RELATED ACCOUNTS

(in millions of euros)	Net amount	Not yet due	of which due					
			Less than 1 month	1 to 2 months	2 to 3 months	3 to 6 months	Between 6 months and 1 year	More than 1 year
December 31, 2021	**639**	594	27	9	2	4	1	2
December 31, 2020	**681**	527	106	18	2	8	14	6

Note 18 – CONTRACT ASSETS AND LIABILITIES

(in millions of euros)	December 31, 2021	December 31, 2020
Contract assets	**94**	**104**

At December 31, 2021, contract assets include 30 million euros due in more than one year.

(in millions of euros)	December 31, 2021	December 31, 2020
Contract liabilities	**5,175**	**4,930**

Contract liabilities comprise prepaid income and operating and investment advances and prepayments by customers. They are deducted from the revenue generated under the contracts in question and mainly concern investment financing for the treatment and recycling of used fuels and uranium sales contracts.

At December 31, 2021, contract liabilities include 4,710 million euros due in more than one year.

Note 19 – OTHER OPERATING RECEIVABLES

(in millions of euros)	December 31, 2021	December 31, 2020
French State receivables	274	284
Advances and down payments to suppliers	103	85
Miscellaneous accounts receivable	187	185
Financial instruments	42	173
Other	4	1
Other operating receivables	**610**	**728**

Government receivables mainly include VAT receivables and tax credits.

"Miscellaneous accounts receivable" includes prepaid expenses, receivables from suppliers and receivables from employees and benefit management bodies.

"Financial instruments" include the fair value of derivatives hedging market transactions and the fair value of the firm commitments hedged.

Other operating receivables include 105 million euros due in more than one year.

Note 20 – CASH AND CASH EQUIVALENTS

(in millions of euros)	December 31, 2021	December 31, 2020
Cash	742	784
Cash equivalents	491	770
Total	**1,232**	**1,554**

At December 31, 2021, cash includes cash not immediately available to the group in the amount of 252 million euros (compared with 221 million euros at December 31, 2020), chiefly reflecting legal restrictions abroad in the amount of 251 million euros.

Note 21 – CASH FLOWS FROM OPERATING ACTIVITIES

Change in working capital requirement

(in millions of euros)	December 31, 2021	December 31, 2020
Net change in inventories and work-in-progress	(10)	125
Net change in trade and other receivables	104	(111)
Change in contract assets	10	(30)
Change in accounts payable and other liabilities	(96)	(27)
Change in contract liabilities	210	234
Change in advances and prepayments made	(20)	10
Change in Forex hedge of WCR	10	(10)
Change in other non-current non-financial assets	9	(5)
TOTAL	**217**	**185**

Note 22 – EQUITY

CAPITAL

Orano's share capital broke down as follows:

	December 31, 2021	December 31, 2020
French State	79.99%	50% + 1 share
AREVA SA	0.01%	20%
Natixis *	10%	10%
Caisse des Dépôts *	-	10%
CEA	1 share	1 share
MHI	5%	5%
JNFL	5%	5%
Total	**100%**	**100%**

* Under a trust agreement and as security on behalf of certain AREVA SA lenders, AREVA SA transferred 10% of the capital of Orano SA to Caisse des Dépôts and 10% of the capital of Orano SA to Natixis. Pursuant to the shareholders' agreement, it was nevertheless agreed that the voting rights held by Caisse des Dépôts and Natixis would be exercised exclusively in accordance with the instructions given by AREVA SA, pursuant to the provisions of the agreement.

During financial year 2021, the French State acquired a 29.99% stake in Orano SA (see Note 1.1).

Stock option plan

There is no stock option plan.

Note 23 – NON-CONTROLLING INTERESTS

Non-controlling interests consist of the share of net equity of interests held by third parties in a subsidiary controlled by the group.

(in millions of euros)	December 31, 2021	December 31, 2020
Orano Expansion and Imouraren SA	(308)	(307)
Somaïr	51	46
Katco	163	106
SET Holding and SET	108	102
Orano DS	5	3
AREVA Mongol LLC (see Note 2)	-	5
Cogegobi (see Note 2)	-	(30)
Badrakh Energy LLC (see Note 2)	(12)	(14)
Cominak (see Note 1.1)	(37)	-
Other	12	15
TOTAL	**(18)**	**(75)**

A subsidiary is considered significant if its revenue is greater than 200 million euros, if its total statement of financial position is greater than 200 million euros or if its net assets exceed 200 million euros in absolute value. Financial information on significant subsidiaries, required under IFRS 12, is presented before elimination of intercompany transactions.

December 31, 2021

(in millions of euros)	**Somaïr**	**Katco**	**SET**	**Orano DS**
	Mining	Mining	Front End	D&S
Country	Niger	Kazakhstan	France	France
Percentage stake in non-controlling interests	36.60%	49.00%	5.00% *	26.14%
Revenue	**137**	**230**	**684**	**353**
Net income	**20**	**121**	**205**	**1**
of which attributable to non-controlling interests	*7*	*59*	*10*	*0*
Current assets	95	257	665	169
Non-current assets	165	175	3,805	50
Current liabilities	28	(20)	(877)	(153)
Non-current liabilities	79	(20)	(1,457)	(31)
Net assets	**153**	**391**	**2,136**	**35**
of which attributable to non-controlling interests	56	192	107	9
Cash flow from operating activities	35	111	281	23
Cash flow from investing activities	(28)	(43)	44	3
Cash flow from financing activities	-	-	(352)	(13)
Change in net cash	**7**	**76**	**(27)**	**20**
Dividends paid to non-controlling interests	-	-	(4)	-

** SET is held directly by SET Holding, whose purpose is to finance its subsidiary. The data presented for SET and SET Holding are aggregated.*

December 31, 2020

(in millions of euros)	**Somaïr**	**Katco**	**SET**	**Orano DS**
	Mining	Mining	Front End	D&S
Country	Niger	Kazakhstan	France	France
Percentage stake in non-controlling interests	36.60%	49.00%	5.00% *	26.14%
Revenue	**122**	**199**	**713**	**295**
Net income	**(2)**	**111**	**142**	**(4)**
of which attributable to non-controlling interests	*(1)*	*55*	*7*	*(1)*
Current assets	93	142	676	149
Non-current assets	153	142	3,938	42
Current liabilities	(41)	(15)	(877)	(137)
Non-current liabilities	(72)	(17)	(1,678)	(29)
Net assets	**133**	**252**	**2,059**	**26**
of which attributable to non-controlling interests	49	123	103	7
Cash flow from operating activities	28	153	386	16
Cash flow from investing activities	(25)	(53)	27	(3)
Cash flow from financing activities	0	(147)	(253)	(6)
Change in net cash	**3**	**(59)**	**159**	**6**
Dividends paid to non-controlling interests	-	(72)	(1)	(1)

** SET is held directly by SET Holding, whose purpose is to finance its subsidiary. The data presented for SET and SET Holding are aggregated.*

Note 24 – EMPLOYEE BENEFITS

Depending on the prevailing laws and practices of each country, the group's companies make end-of-career payments to their retiring employees. Long-service awards and early retirement pensions are also paid, while supplementary pensions contractually guarantee a given level of income to certain employees.

The group calls on an independent actuary to evaluate its commitments each year.

In some companies, these commitments are covered in whole or in part by contracts with insurance companies or pension funds. In such cases, the obligations and the covering assets are valued independently.

The difference between the commitment and the fair value of the hedging assets is either a funding surplus or a shortfall. In the event of a shortfall, a provision is recorded. In the event of a surplus, an asset is recognized (subject to special conditions).

Insurance contract assets may only be used to finance the expenses of the plans covered.

The group's key benefits

The "CAFC plan" (*congés anticipation fin de carrière*) is an early retirement plan consisting of a working time account with matching contributions from the employer for personnel who work nights or in certain jobs identified in the agreement.

ANALYSIS OF EMPLOYEE BENEFITS ON THE STATEMENT OF FINANCIAL POSITION

(in millions of euros)	**December 31, 2021**	**December 31, 2020**
EMPLOYEE BENEFITS	**526**	**1,045**
Medical expenses and accident/disability insurance	3	4
Retirement benefits	217	344
Long-service awards	8	8
Early retirement benefits	284	674
Supplemental retirement benefits	14	15

By region *(in millions of euros)*	**Eurozone**	**Other**	**December 31, 2021**
Medical expenses and accident/disability insurance	1	2	3
Retirement benefits	217	0	217
Long-service awards	8	0	8
Early retirement benefits	272	12	284
Supplemental retirement benefits	13	1	14
TOTAL	**512**	**14**	**526**

ACTUARIAL ASSUMPTIONS

	December 31, 2021	**December 31, 2020**
Long-term inflation		
– Eurozone	1.7%	1.3%
Discount rate		
– Eurozone	0.9%	0.45%
– US zone	2.4%	1.9%
Pension benefit increases		
– Eurozone	1.5%	1.3%
Social security ceiling increase (net of inflation)	+0.4%	+0.5%

Mortality tables

	December 31, 2021	**December 31, 2020**
France		
- Annuities	Generation table	Generation table
- Lump sum payments	INSEE Men/Women 2000-2002	INSEE Men/Women 2000-2002

Retirement age in France

	December 31, 2021	December 31, 2020
Management personnel	65	65
Non-management personnel	62	62

The assumptions for average attrition reflect the natural rate of departure for employees prior to retirement age. These assumptions, set for each group company, are broken down by age group, with employees close to retirement being assumed to be less mobile than employees at the start of their career.

The rates in brackets indicate estimated maximum and minimum values in the group.

	Management personnel		Non-management personnel	
	December 31, 2021	**December 31, 2020**	**December 31, 2021**	**December 31, 2020**
France	[3.0% - 0.0%]	[3.0% - 0.0%]	[0.36% - 0.0%]	[0.36% - 0.0%]

Assumed rate of salary increase for the calculation of provisions includes inflation.
The rates in square brackets show average revaluations at the beginning of a career, which are assumed to be higher, and those at the end of a career.

	Management personnel		Non-management personnel	
	December 31, 2021	**December 31, 2020**	**December 31, 2021**	**December 31, 2020**
France	[2.7% - 1.7%]	[2.3% - 1.3%]	[2.7% - 1.7%]	[2.3% - 1.3%]

FINANCIAL ASSETS

As of December 31, 2021, the financial assets consisted of bonds for 98% and other monetary instruments for 2% (breakdown unchanged from December 31, 2020).

Effective return on plan assets

	December 31, 2021	December 31, 2020
Europe	2.3%	0.8%

BREAKDOWN OF NET AMOUNT RECOGNIZED

(in millions of euros)	Medical expenses and accident/disability insurance	Retirement benefits	Long-service awards	Early retirement benefits	Supplemental retirement benefits	December 31, 2021	December 31, 2020
Actuarial liability	3	351	8	639	48	**1,050**	**1,099**
Fair value of plan assets	0	135	0	355	35	**524**	**54**
Net amount recognized	**3**	**217**	**8**	**284**	**14**	**526**	**1,045**

Sensitivity of the actuarial liability to changes in the discount rate
An across-the-board decrease in the discount rate of 0.50% would increase the actuarial liability by 23 million euros.

(in millions of euros)	Medical expenses and accident/disability insurance	Retirement benefits	Long-service awards	Early retirement benefits	Supplemental retirement benefits	Total
Actuarial liability as of December 31, 2020	**4**	**346**	**8**	**699**	**43**	**1,099**
Current service cost	0	19	1	20	0	**39**
Past service costs (including plan changes and reductions)	0	0	0	0	0	**0**
Disposals/Liquidation/Plan reductions	0	0	0	0	0	**0**
Accretion expense	0	2	0	3	0	**5**
Employee contributions	0	0	0	0	0	**0**
Plan transfer	0	0	0	0	0	**0**
Expense with impact on the statement of income	**0**	**20**	**1**	**23**	**(1)**	**44**
Experience differences	0	11	0	(17)	(2)	**(8)**
Demographic assumption differences	0	0	0	0	0	**0**
Financial assumption differences (adjustment of discount rate)	0	(2)	0	(4)	0	**(6)**
Total expense with impact on other comprehensive income items	**0**	**9**	**0**	**(21)**	**(2)**	**(13)**
Benefits paid during the year	(1)	(24)	0	(62)	(3)	**(91)**
Acquisitions/Mergers	0	0	0	0	10	**10**
Currency translation adjustments	0	0	0	0	0	**0**
Actuarial liability as of December 31, 2021	**3**	**351**	**8**	**639**	**48**	**1,050**

Fair value of plan assets as of December 31, 2020	**0**	**0**	**0**	**25**	**29**	**54**
Interest income on assets	0	0	0	0	0	**0**
Income with impact on the statement of income	**0**	**0**	**0**	**0**	**0**	**0**
Actual yield on assets net of expected yield	0	0	0	(3)	7	**4**
Total expense with impact on other comprehensive income items	**0**	**0**	**0**	**(3)**	**7**	**4**
Payments / repayments over the year	0	135	0	333	(2)	**466**
Fair value of plan assets as of December 31, 2021	**0**	**135**	**0**	**355**	**35**	**524**

Net amount recognized as of December 31, 2020	**4**	**346**	**8**	**674**	**14**	**1,045**
Net amount recognized as of December 31, 2021	**3**	**217**	**8**	**284**	**14**	**526**

In 2021, Orano financed the expenses of certain social security liabilities such as retirement benefits and early retirement benefits (CAFC and TB6) with the insurer SOGECAP for a total amount of 475 million euros.

CHANGE IN EMPLOYEE BENEFITS

(in millions of euros)	
December 31, 2020	**1,045**
Total expense	27
Contributions / payments / refunds	(557)
Disposals/Liquidation/Plan reductions	-
Change in method	-
Change in consolidated group	10
Currency translation adjustment	-
December 31, 2021	**526**

PROVISIONAL SCHEDULE OF EMPLOYEE BENEFIT DISBURSEMENTS

(in millions of euros)	
2022-2024	17
2025-2029	93
2030 and beyond	417
December 31, 2021	**526**

The amounts represent the future disbursements of employee benefits after discounting.

Note 25 – OTHER PROVISIONS

(in millions of euros)	December 31, 2020	Allocations	Reversal (when risk has materialized)	Reversal (when risk has not materialized)	Other changes *	December 31, 2021
Mining site redevelopment and decommissioning of treatment facilities	285	25	(27)	(1)	121 **	404
Other non-current provisions	3	-	(1)	-	-	2
Non-current provisions	**288**	**25**	**(28)**	**(1)**	**121**	**406**
Provisions for onerous contracts	220	33	(36)	(14)	0	203
Provisions for contract completion	1,608	302	(122)	(42)	117	1,863
Other current provisions	360	38	(21)	(21)	23	378
Current provisions	**2,188**	**373**	**(180)**	**(77)**	**140**	**2,444**
Total provisions	**2,476**	**398**	**(207)**	**(77)**	**261**	**2,850**

** Including 145 million euros in accretion and changes in discount and inflation rates*
*** Including 91 million euros following the takeover of Cominak*

PROVISIONS FOR ONEROUS CONTRACTS

Provisions for onerous contracts mainly concern the Front End segment. For the conversion business, the backlog of orders over the year resulted in reversals of provisions in the amount of 35 million euros.

PROVISIONS FOR CONTRACT COMPLETION

The main provisions allocated for the financial year relate to the future costs of processing and storing waste and scrap.

The main reversals during the financial year relate to the expenses incurred for the treatment and storage of previously provisioned waste and scrap.

Main uncertainties

Uncertainties relating to provisions for contract completion bear notably on the definition of treatment channels for each category of waste and operating discharges, which are not all firmly established, the estimate of the cost of completion of the required facilities and the operational costs of future treatment, and on expenditure schedules. The measurement of provisions takes contingencies for risks into account.

Discount rate

For the year ended December 31, 2021, Orano adopted a long-term inflation assumption of 1.60% and discount rate assumptions of between 3.02% and 3.26% (see Note 1.3.11).

At December 31, 2021, the use of a discount rate 10 basis points higher or lower than that used would have the effect of changing the closing balance of provisions for work yet to be carried out by -27 million euros or +26 million euros.

OTHER CURRENT AND NON-CURRENT PROVISIONS

As of December 31, 2021, other current provisions include:
- provisions for disputes;
- provisions for customer guarantees;
- provisions for ongoing cleanup;
- provisions for the remediation of leased assets;
- provisions for restructuring and layoff plans;
- provisions for contingencies; and
- provisions for charges.

Note 26 – FINANCIAL LIABILITIES

(in millions of euros)	Non-current liabilities	Current liabilities	**December 31, 2021**	**December 31, 2020**
Bond debt *	2,753	200	2,953	3,682
Accrued interest not yet due on bond debt		58	58	71
Bank borrowings	5	-	5	5
Interest-bearing advances	153	89	242	262
Short-term bank facilities and current accounts in credit **	-	123	123	71
Miscellaneous debt	1	-	1	34
Derivatives	3	56	59	65
Total	**2,915**	**526**	**3,441**	**4,191**

** after interest rate risk management*
*** of which non-trade current accounts in credit for the ETC joint venture for 55 million euros (compared to 58 million euros as of December 31, 2020).*

CHANGE IN DEBT

(in millions of euros)	
Borrowings as of December 31, 2020	**4,191**
Cash flows	(859)
Non-cash flows:	
Accrued interest not yet due on borrowings	58
Currency translation adjustments	60
Other changes	(8)
Borrowings at December 31, 2021	**3,441**

Reconciliation of cash flows on financial liabilities between the note on financial liabilities and cash flows from financing activities:

(in millions of euros)	
Cash flows on Financial liabilities	**(859)**
Interest paid	86
Financial instruments	87
Short-term bank facilities and current accounts in credit	(58)
Cash flows of financial liabilities included in financing activities	**(745)**

Cash flows of financial liabilities included in financing activities mainly include the repayment of the bond maturing in 2021 for an amount of 715 million euros.

FINANCIAL LIABILITIES BY MATURITY *

(in millions of euros)	**December 31, 2021**
Maturing in one year or less	526
Maturing in 1-2 years	754
Maturing in 2-3 years	800
Maturing in 3-4 years	1
Maturing in 4-5 years	745
Maturing in more than 5 years	615
TOTAL	**3,441**

* *in present value*

FINANCIAL LIABILITIES BY CURRENCY

(in millions of euros)	**December 31, 2021**	**December 31, 2020**
Euro	3,298	3,993
US dollar	129	187
Other	14	11
TOTAL	**3,441**	**4,191**

FINANCIAL LIABILITIES BY TYPE OF INTEREST RATE

(in millions of euros)	**December 31, 2021**	**December 31, 2020**
Fixed rate	2,603	2,449
Floating rate	721	1,606
TOTAL	**3,324**	**4,055**
Other non-interest-bearing debt	58	71
Derivatives	59	65
TOTAL	**3,441**	**4,191**

The maturities of the group's financial assets and liabilities as of December 31, 2021 are presented in Note 29.

BOND DEBT

Issue date	**Balance sheet value** *(in millions of euros)*	**Currency**	**Nominal** *(in millions of currency)*	**Nominal rate**	**Maturity**
September 23, 2009	761	EUR	750	4.875%	September 23, 2024
April 4, 2012	200	EUR	200	TEC10 +2.125%	March 21, 2022
March 20, 2014	754	EUR	745	3.125%	March 20, 2023
April 23, 2019	743	EUR	750	3.375%	April 23, 2026
September 8, 2020	494	EUR	500	2.75%	March 08, 2028
TOTAL	**2,953**				

The fair value of this bond debt was 3,129 million euros as of December 31, 2021.

CONTRACTUAL PAYMENT SCHEDULE

December 31, 2021

(in millions of euros)	Balance sheet value	**Total payment flows**	Less than 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	More than 5 years
Bond debt	2,953	**2,953**	200	754	761	-	743	494
Accrued interest not yet due on bond debt	58	**58**	58	-	-	-	-	-
Bank borrowings	5	**5**	-	-	1	1	2	2
Interest-bearing advances	242	**242**	89	-	38	-	-	115
Short-term bank facilities and current accounts in credit	123	**123**	123	-	-	-	-	-
Miscellaneous debt	1	**1**	-	-	-	-	-	1
Future interest on financial liabilities	-	**380**	100	99	76	39	39	27
Total financial liabilities (excluding derivatives)	**3,382**	**3,763**	**570**	**854**	**875**	**40**	**784**	**640**
Derivatives – assets	(7)	**(7)**	n/a	n/a	n/a	n/a	n/a	n/a
Derivatives – liabilities	59	**59**	n/a	n/a	n/a	n/a	n/a	n/a
Total net derivatives	**52**	**52**	44	3	4	1	0	-
Total	**3,434**	**3,815**	**614**	**857**	**879**	**41**	**784**	**640**

December 31, 2020

(in millions of euros)	Balance sheet value	**Total payment flows**	Less than 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	More than 5 years
Bond debt	3,682	**3,682**	716	200	767	765	-	1,235
Accrued interest not yet due on bond debt	71	**71**	71	-	-	-	-	-
Bank borrowings	5	**5**	-	1	1	2	2	
Interest-bearing advances	262	**262**	35	-	-	-	-	227
Short-term bank facilities and current accounts in credit	71	71	71	-	-	-	-	-
Miscellaneous debt	34	34	33	-	-	-	-	2
Future interest on financial liabilities	-	613	121	100	99	76	39	178
Total financial liabilities (excluding derivatives)	**4,126**	**4,739**	**1,046**	**300**	**867**	**842**	**41**	**1,642**
Derivatives – assets	(37)	**(37)**	n/a	n/a	n/a	n/a	n/a	n/a
Derivatives – liabilities	65	65	n/a	n/a	n/a	n/a	n/a	n/a
Total net derivatives	**29**	**29**	24	18	(16)	2	0	
Total	**4,154**	**4,768**	**1,070**	**319**	**851**	**844**	**41**	**1,642**

Note 27 – OTHER OPERATING LIABILITIES

(in millions of euros)	**December 31, 2021**	**December 31, 2020**
Tax liabilities (excluding corporate income tax)	162	151
Social security liabilities	471	436
Financial instruments	31	4
Other	193	193
Other operating liabilities	**857**	**784**

As of December 31, 2021, other operating liabilities included 84 million euros maturing in more than one year.

Note 28 – RELATED PARTY TRANSACTIONS

Transactions between the parent company Orano SA and its subsidiaries, as well as those between the group's subsidiaries and joint activities are eliminated on consolidation, and are therefore not presented in the tables below.

Related-party transactions presented below include:

- current transactions with non-consolidated companies, associates, joint ventures and companies controlled by the French State;
- the gross compensation and benefits granted to directors and members of the Executive Committee.

December 31, 2021

(in millions of euros)	Interests held by the French State	Associates and joint ventures	Total
Operating income	1,559	18	**1,576**
Operating expenses	52	108	**160**
Trade accounts receivable and other	106	115	**221**
Trade accounts payable and other	2,002	20	**2,022**

December 31, 2020

(in millions of euros)	Interests held by the French State	Associates and joint ventures	Total
Operating income	1,911	16	**1,927**
Operating expenses	72	127	**199**
Trade accounts receivable and other	195	103	**298**
Trade accounts payable and other	2,689	16	**2,705**

RELATIONS WITH THE FRENCH STATE AND STATE-OWNED COMPANIES

The French State was the majority shareholder, directly, and indirectly *via* AREVA SA, in the capital of Orano at December 31, 2021. The French State accordingly has the faculty, like any shareholder, to control the decisions requiring the approval of shareholders. In accordance with the laws applicable to all companies in which the French State is a shareholder, Orano is subject to certain control procedures, in particular the economic and financial control of the French State, the control procedures of the Court of Auditors and the Parliament, and audits of the General Inspectorate of Finance.

The group has close relationships with companies controlled by the French State, including:

- transactions with the CEA concern the dismantling of the CEA's nuclear facilities, services associated with the operation of certain workshops and R&D contracts;
- transactions with AREVA relate in particular to tax and IT services;
- transactions with EDF concern the front end of the nuclear fuel cycle (uranium sales, conversion and enrichment services) and the back end of the cycle (used fuel shipping, storage, treatment and recycling services). The group has a master treatment/recycling agreement known as the "ATR Contract" with EDF, which specifies the terms of the industrial cooperation between them in the field of treatment/recycling until 2040. As part of this agreement, in February 2016, Orano and EDF signed a new implementation contract defining the technical and financial conditions for this master agreement for the 2016-2023 period; and
- transactions with ANDRA (National Agency for the Management of Radioactive Waste) cover the management, operation and monitoring of low- and medium-level radioactive waste storage facilities at the ANDRA centers in the Manche and Aube departments, as well as the funding of CIGEO *via* the additional tax and special contribution.

ASSOCIATES AND JOINT VENTURES

The group's significant joint ventures are ETC and SI-nerGIE (see Note 14).

ETC's main activity is to build, assemble and install centrifuges and associated piping systems enabling its customers to enrich uranium. ETC is also involved in the design of ultracentrifugation enrichment plants to meet its customers' needs and in project management for the construction of these facilities. Orano buys the centrifuges and associated engineering services for its Georges Besse 2 enrichment plant and its stable isotope laboratory from ETC.

SI-nerGIE is a consortium (*groupement d'intérêt économique – GIE*) created at the time of the restructuring of AREVA; it is owned by Orano and Framatome (owned by EDF). Its purpose is to share the infrastructure and certain applications of a joint information system, and as such to avoid the additional costs and operational risks relating to information systems.

Orano CIS LLC, owned by Orano USA and Waste Control Specialists (WCS) have created a joint venture named Interim Storage Partners (ISP), held at 51% and 49% respectively, in order to operate a centralized used fuel storage facility on the WCS site in Texas. Orano NPS is providing its unique expertise in cask design, transportation and used fuel storage. WCS brings its experience of operating a single facility serving both the nuclear industry and the US Department of Energy (DOE).

Accelerated Decommissioning Partners (ADP) is a joint venture between Orano and Northstar, a key player in industrial deconstruction and asbestos removal. It is consolidated using the equity method. In the United States, the utility Duke Energy has entrusted the complete dismantling and management of used fuel from its Crystal River 3 plant (Florida) to ADP. This global contract of nearly 540 million dollars, completed September 30, 2020, includes the cutting and conditioning of the reactor core, which will be carried out by the American Dismantling and Services teams (Orano Decommissioning Services LLC) over the next seven years.

JOINT OPERATIONS

Orano Canada Inc holds interests in uranium deposits and ore processing plants. These investments are classified as joint operations. They are thus consolidated for the share held by Orano Canada Inc. The most significant investments are as follows:

Cigar Lake
Cigar Lake is owned by Cameco Corporation (50.025%), Orano (37.1%), Idemitsu Uranium Exploration Canada Ltd (7.875%) and TEPCO Resources Inc (5%). The deposit is operated by Cameco and the ore is processed at the JEB – McClean Lake mill, operated by Orano. This deposit is an underground mine. Mining uses land freezing techniques combined with high-pressure water-jet boring (jet bore mining).

McClean Lake
McClean Lake is owned and operated by Orano (77.5%) together with its partner, Denison Mines Ltd (22.5%). This joint activity operates the JEB mill, which processes the ore from Cigar Lake using the dynamic leaching method.

McArthur River
McArthur River is owned by Cameco Corporation (69.8%) and Orano (30.2%). The mined ore is processed at the Key Lake mill. This deposit is mined underground using ground freezing techniques combined with mechanical extraction (raise boring) or explosives (long hole stopping).

Key Lake
This plant is owned by Cameco Corporation (83.33%) and Orano (16.67%). It processes the ore from McArthur River. A decision was taken in 2018 to temporary stop work on the McArthur River mine and its Key Lake mill.

COMPENSATION PAID TO KEY EXECUTIVES

(in thousands of euros)	December 31, 2021	December 31, 2020
Short-term benefits	5,100	5,035
Termination benefits	-	773
Post-employment benefits	36	57
TOTAL	**5,136**	**5,865**

The key executives are:

- the Chairman of the Board of Directors and the Chief Executive Officer appointed by the Board of Directors;
- members of the Executive Committee.

Note 29 – FINANCIAL INSTRUMENTS

Orano uses derivatives to manage its exposure to foreign exchange and interest rate risk. These instruments are generally qualified as hedges of assets, liabilities or specific commitments.

Orano manages all risks associated with these instruments by centralizing the commitment and implementing procedures setting out the limits and characteristics of the counterparties.

FOREIGN EXCHANGE RISK

Changes in the exchange rate of the US dollar against the euro may affect the group's income in the medium term.

In view of the geographic diversity of its locations and operations, the group is exposed to fluctuations in exchange rates, particularly the euro/ US dollar exchange rate. The volatility of exchange rates may impact the group's currency translation adjustments, equity and income.

Currency translation risk: The group does not hedge the currency translation risk resulting from the accounting impact of the conversion into euros of the consolidated financial statements of group subsidiaries that use a currency other than the euro, to the extent that this risk does not result in a flow. Only dividends expected from subsidiaries for the following year are hedged as soon as the amount is known.

Financing risk: The group finances its subsidiaries in their functional currencies to minimize the foreign exchange risk from financial assets and liabilities issued in foreign currencies. Loans and advances granted to subsidiaries by the department of Treasury Management, which centralizes financing, are then systematically converted into euros through foreign exchange swaps or cross-currency swaps.

To limit the currency risk for long-term investments generating future cash flows in foreign currencies, the group uses a liability in the same currency to offset the asset whenever possible.

Transactional risk: The principal foreign exchange exposure concerns fluctuations in the euro/US dollar exchange rate. The group's policy, which was approved by the Executive Committee, is to systematically hedge foreign exchange risk generated by sales transactions, whether certain or potential (in the event of hedging during the proposal phase), so as to minimize the impact of exchange rate fluctuations on net income.

To hedge transactional foreign exchange risk, including trade receivables and payables, firm off-balance sheet commitments (customer and supplier orders), highly probable future flows (sales or purchasing budgets, projected margins on contracts) and calls for proposals in foreign currencies, Orano purchases derivatives (mainly currency futures) or specific insurance contracts (issued by Coface). These hedging transactions are accordingly backed by underlying transactions in identical amounts and maturities, and are generally documented and eligible for hedge accounting (excluding possible hedges in the case of calls for proposals submitted in foreign currencies).

Derivatives set up to hedge exchange rate risk at December 31, 2021

	Notional amounts by maturity date							Market value
(in millions of euros)	**< 1 year**	**1 to 2 years**	**2 to 3 years**	**3 to 4 years**	**4 to 5 years**	**> 5 years**	**Total**	
Forward exchange transactions and currency swaps	1,817	796	446	395	35	-	**3,489**	**(50)**
Currency options	-	-	-	-	-	-	**-**	**-**
Cross-currency swaps		311			-	-	**311**	**(2)**
TOTAL	**1,817**	**1,107**	**446**	**395**	**35**	**-**	**3,800**	**(52)**

Derivatives set up to hedge exchange rate risk at December 31, 2020

	Notional amounts by maturity date							Market value
(in millions of euros)	**< 1 year**	**1 to 2 years**	**2 to 3 years**	**3 to 4 years**	**4 to 5 years**	**> 5 years**	**Total**	
Forward exchange transactions and currency swaps	1,612	641	397	179	3	-	**2,832**	**104**
Currency options	-	-	-	-	-	-	**-**	**-**
Cross-currency swaps	-	-	-	311	-	-	**311**	**23**
TOTAL	**1,612**	**641**	**397**	**489**	**3**	**-**	**3,143**	**127**

The breakdown by type of hedging strategy of currency derivatives can be analyzed as follows:

	December 31, 2021		December 31, 2020	
(in millions of euros)	**Notional amounts in absolute value**	**Market value**	**Notional amounts in absolute value**	**Market value**
Cash flow hedges	**2,951**	**(36)**	**2,293**	**96**
Forward exchange transactions and currency swaps	2,951	(36)	2,293	96
Fair value hedges	**771**	**(16)**	**751**	**30**
Forward exchange transactions and currency swaps	460	(13)	463	8
Cross-currency swaps	311	(2)	311	23
Derivatives not qualifying as hedges	**78**	**0**	**76**	**1**
Forward exchange transactions and currency swaps	78	0	76	1
Total	**3,800**	**(52)**	**3,143**	**127**

LIQUIDITY RISK

Liquidity risk is managed by the Financing and Treasury Operations Department ("DOFT"), which provides the appropriate short- and long-term financing resources.

Cash management optimization is based on a centralized system to provide liquidity and manage cash surpluses. This management is provided by DOFT chiefly through cash-pooling agreements and intragroup loans, subject to local regulations. Cash is managed to optimize financial returns while ensuring that the financial instruments used are liquid.

The next significant maturity for debt repayment is March 21, 2022. It relates to the redemption of a bond issued in a nominal amount of 200 million euros.
To meet its commitments and ensure longer-term operating continuity, Orano had a gross cash position of 1,232 million euros as of December 31, 2021 (see Note 20) and cash management financial assets of 300 million euros (see Note 15). The group also has a syndicated line of credit with a pool of 11 international banks in the amount of 940 million euros maturing in July 2023.

COUNTERPARTY RISK

Orano is exposed to counterparty risk in respect of cash deposits with banks and the use of derivative financial instruments to hedge its risks.

To minimize this risk, Orano deals with a diversified group of leading counterparties selected according to their investment grade ratings awarded by Standard & Poor's and Moody's.

INTEREST RATE RISK

Orano hedges its exposure to changes in the value of its fixed-rate debt through the use of fixed/variable interest rate swaps.

Derivatives set up to hedge interest rate risk at December 31, 2021

	Notional amounts by maturity date							
(in millions of euros)	**Total**	**< 1 year**	**1 to 2 years**	**2 to 3 years**	**3 to 4 years**	**4 to 5 years**	**> 5 years**	**Market value (1)**
Interest rate swaps – EUR variable lender	**811**	300	511	-	-	-	-	**(1)**
EUR fixed borrower	**400**	200	200	-	-	-	-	**(1)**
EUR variable borrower	**100**	100		-	-	-	-	**(0)**
CAD variable borrower	**311**	-	311	-	-	-	-	**(1)**
Interest rate swaps – EUR fixed lender	**200**	**-**	**200**	**-**	**-**	**-**	**-**	**5**
EUR variable borrower	**200**	-	200	-	-	-	-	**5**
Inflation rate swaps	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Variable lender – USD fixed borrower	**-**	-	-	-	-	-	-	**-**
TOTAL	**1,011**	**300**	**711**	**-**	**-**	**-**	**-**	**4**

(1) Foreign exchange portion.

At December 31, 2021, derivatives used to hedge interest rate exposure broke down by type of hedging strategy as follows:

		Market value of contracts [1]			
(in millions of euros)	**Nominal amount of contracts**	**Cash flow hedges (CFH)**	**Fair value hedges (FVH)**	**Unallocated (Trading)**	**Total**
Interest rate swaps – EUR variable lender					
EUR fixed borrower	400	-	-	(1)	(1)
EUR variable borrower	100	-	-	(0)	(0)
CAD variable borrower	311	-	-	(1)	(1)
Interest rate swaps – EUR fixed lender					
EUR variable borrower	200	-	5	-	5
Inflation rate swaps – USD variable lender	**-**	**-**	**-**	**-**	**-**
USD fixed borrower	-	-	-	-	-
TOTAL	**1,011**	**-**	**5**	**(1)**	**4**

(1) Interest rate portion.

The following tables summarize the group's net exposure to interest rate risk, before and after management transactions:

Maturity of the group's financial assets and financial liabilities at December 31, 2021

(in millions of euros)	**Less than 1 year**	**1 to 2 years**	**2 to 3 years**	**3 to 4 years**	**4 to 5 years**	**More than 5 years**	**Total**
Financial assets	**1,252**	**-**	**-**	**-**	**-**	**-**	**1,252**
including fixed-rate assets	-	-	-	-	-	-	-
including floating-rate assets	1,250	-	-	-	-	-	1,250
including non-interest-bearing assets	2	-	-	-	-	-	2
Financial liabilities	**(526)**	**(754)**	**(802)**	**(1)**	**(745)**	**(613)**	**(3,441)**
including fixed-rate financial liabilities	(107)	(754)	(800)	(1)	(745)	(613)	(3,019)
including floating-rate financial liabilities	(318)	-	-	-	-	-	(318)
including non-interest-bearing financial liabilities	(101)	-	(3)	-	-	-	(104)
Net exposure before hedging	**726**	**(754)**	**(802)**	**(1)**	**(745)**	**(613)**	**(2,189)**
share exposed to fixed rates	(107)	(754)	(800)	(1)	(745)	(613)	(3,019)
share exposed to floating rates	931	-	-	-	-	-	931
non-interest-bearing share	(99)	-	(3)	-	-	-	(102)
Off-balance sheet hedging	-	-	-	-	-	-	**-**
On financial liabilities: fixed-rate swaps	200	100	-	-	-	-	300
On financial liabilities: floating-rate swaps	-	(200)	-	-	-	-	(200)
Net exposure after hedging	**926**	**(854)**	**(802)**	**(1)**	**(745)**	**(613)**	**(2,089)**
share exposed to fixed rates	93	(654)	(800)	(1)	(745)	(613)	(2,719)
share exposed to floating rates	931	(200)	-	-	-	-	731
non-interest-bearing share	(99)	-	(3)	-	-	-	(102)

On the basis of exposure at the end of December 2021, a 1% increase in interest rates over a full year would have an adverse impact of 7 million euros on net financial debt, and as such on the group's consolidated pre-tax income.

Maturity of the group's financial assets and financial liabilities at December 31, 2020

(in millions of euros)	**Less than 1 year**	**1 to 2 years**	**2 to 3 years**	**3 to 4 years**	**4 to 5 years**	**More than 5 years**	**Total**
Financial assets	**1,611**	**-**	**-**	**-**	**-**	**-**	**1,611**
including fixed-rate assets	-	-	-	-	-	-	-
including floating-rate assets	1,605	-	-	-	-	-	1,605
including non-interest-bearing assets	5	-	-	-	-	-	5
Financial liabilities	**(985)**	**(200)**	**(774)**	**(767)**	**(2)**	**(1,464)**	**(4,191)**
including fixed-rate financial liabilities	(759)	(200)	(768)	(767)	(2)	(1,464)	(3,958)
including floating-rate financial liabilities	(96)	-	-	-	-	-	(96)
including non-interest-bearing financial liabilities	(130)	-	(6)	-	-	-	(136)
Net exposure before hedging	**626**	**(200)**	**(774)**	**(767)**	**(2)**	**(1,464)**	**(2,579)**
share exposed to fixed rates	(759)	(200)	(768)	(767)	(2)	(1,464)	(3,958)
share exposed to floating rates	1,509	-	-	-	-	-	1,509
non-interest-bearing share	(125)	-	(6)	-	-	-	(131)
Off-balance sheet hedging							
On financial liabilities: fixed-rate swaps	150	(200)	-	-	-	-	(50)
On financial liabilities: floating-rate swaps	(150)	200	-	-	-	-	50
Net exposure after hedging	**626**	**(200)**	**(774)**	**(767)**	**(2)**	**(1,464)**	**(2,579)**
share exposed to fixed rates	(609)	(400)	(768)	(767)	(2)	(1,464)	(4,009)
share exposed to floating rates	1,359	200	-	-	-	-	1,559
non-interest-bearing share	(125)	-	(6)	-	-	-	(131)

EQUITY RISK

The group holds a significant amount of publicly traded shares and is exposed to fluctuations in the financial markets. Those publicly traded shares are subject to a risk of volatility inherent in the financial markets. They are presented in the investment portfolio earmarked for end-of-lifecycle operations (see Note 13).

Note 30 – ADDITIONAL INFORMATION ON FINANCIAL INSTRUMENTS

FINANCIAL ASSETS AND LIABILITIES BY CATEGORY

December 31, 2021

Assets

(in millions of euros)	Balance sheet value	Non-financial assets	Financial assets at amortized cost	Financial assets at fair value through profit or loss	Fair value of financial assets
Non-current assets	**8,674**	**50**	**635**	**7,989**	**8,792**
Financial assets earmarked for end-of-lifecycle operations	8,513		543 *	7,971	8,681
Other non-current assets	161	50	92	19	111
Current assets	**2,836**	**552**	**1,824**	**459**	**2,284**
Trade accounts receivable and related accounts	639		639		639
Other operating receivables	610	514	55	41	96
Other non-operating receivables	40	38	2		2
Other current financial assets	315		13	302	315
Cash and cash equivalents	1,232		1,116	116	1,232
Total assets	**11,511**	**603**	**2,459**	**8,449**	**11,076**

** Including bond mutual funds for 454 million euros.*

(in millions of euros)	TOTAL
Hedging financial assets measured at amortized cost	543
Hedging financial assets measured at fair value through profit or loss	7,971
Hedging financial assets (carrying amount)	**8,513**
Change in fair value of the assets at amortized cost (bond mutual funds)	168
Fair value of hedging financial assets	**8,681**
Other financial assets measured at fair value through profit or loss	478
Fair value of financial assets analyzed by valuation technique	**9,160**
Other financial assets measured at amortized cost	1,916
Fair value of financial assets	**11,076**

Breakdown of assets recognized at fair value by valuation technique

(in millions of euros)	**Level 1** Listed prices, unadjusted	**Level 2** Observable inputs	**Level 3** Unobservable inputs	**TOTAL**
Non-current assets	**7,533**	**1,154**	**14**	**8,700**
Financial assets earmarked for end-of-lifecycle operations	7,533	1,149		8,681
Other non-current financial assets		5	14	19
Current assets	**417**	**43**		**459**
Other operating receivables		41		41
Other current financial assets	300	2		302
Cash and cash equivalents	116			116
Total assets	**7,949**	**1,197**	**14**	**9,160**

Liabilities and equity

(in millions of euros)	**Balance sheet value**	**Non-financial liabilities**	**Financial liabilities at amortized cost**	**Financial liabilities at fair value through profit or loss ***	**Fair value of financial liabilities**
Non-current liabilities	**2,983**		**2,981**	**3**	**3,159**
Non current financial liabilities	2,915		2,912	3	3,090
Non-current lease liabilities	69		69		69
Current liabilities	**2,260**	**167**	**2,001**	**93**	**2,094**
Current financial liabilities	526		465	62	527
Current lease liabilities	23		23		23
Trade payables and related accounts	851		851		851
Other operating liabilities	857	166	660	31	691
Other non-operating liabilities	3	1	2		2
Total liabilities	**5,243**	**167**	**4,982**	**95**	**5,253**

** Level 2.*

December 31, 2020

Assets

(in millions of euros)	Balance sheet value	Non-financial assets	Financial assets at amortized cost	Financial assets at fair value through profit or loss	Fair value of financial assets
Non-current assets	**7,715**	**42**	**622**	**7,051**	**7,881**
Financial assets earmarked for end-of-lifecycle operations	7,561		558 *	7,004	7,770
Other non-current assets	154	42	64	47	111
Current assets	**3,465**	**546**	**1,853**	**1,067**	**2,919**
Trade accounts receivable and related accounts	681		681		681
Other operating receivables	728	505	51	172	223
Other non-operating receivables	42	41	1		1
Other current financial assets	460		10	449	460
Cash and cash equivalents	1,554		1,109	446	1,554
Total assets	**11,180**	**588**	**2,474**	**8,118**	**10,801**

** Including bond mutual funds for 456 million euros.*

(in millions of euros)	TOTAL
Hedging financial assets measured at amortized cost	558
Hedging financial assets measured at fair value through profit or loss	7,004
Hedging financial assets (carrying amount)	**7,561**
Change in fair value of the assets at amortized cost (bond mutual funds)	209
Fair value of hedging financial assets	**7,770**
Other financial assets measured at fair value through profit or loss	1,114
Fair value of financial assets analyzed by valuation technique	**8,884**
Other financial assets measured at amortized cost	1,917
Fair value of financial assets	**10,801**

Breakdown of assets recognized at fair value by valuation technique

(in millions of euros)	**Level 1** Listed prices, unadjusted	**Level 2** Observable inputs	**Level 3** Unobservable inputs	TOTAL
Non-current assets	**6,936**	**875**	**6**	**7,817**
Financial assets earmarked for end-of-lifecycle operations	6,936	835		7,770
Other non-current financial assets		41	6	47
Current assets	**890**	**177**	**-**	**1,067**
Other operating receivables		172		172
Other current financial assets	444	5		449
Cash and cash equivalents	446			446
Total assets	**7,825**	**1,052**	**6**	**8,884**

Liabilities and equity

(in millions of euros)	Balance sheet value	Non-financial liabilities	Financial liabilities at amortized cost	Financial liabilities at fair value through profit or loss *	Fair value of financial liabilities
Non-current liabilities	**3,275**	**-**	**3,269**	**6**	**3,504**
Non current financial liabilities	3,206		3,200	6	3,435
Non-current lease liabilities	69		69		69
Current liabilities	**2,714**	**154**	**2,489**	**72**	**2,560**
Current financial liabilities	985		916	69	985
Current lease liabilities	27		27		27
Trade payables and related accounts	914		914		914
Other operating liabilities	784	153	628	3	631
Other non-operating liabilities	4	1	3		3
Total liabilities	**5,989**	**154**	**5,758**	**77**	**6,065**

** Level 2.*

NET GAINS AND LOSSES ON FINANCIAL INSTRUMENTS

Securities at fair value through profit or loss

(in millions of euros)	December 31, 2021	December 31, 2020
Interest income and dividends	68	62
Other income and expenses	-	-
Change in fair value	762	206

Loans and receivables

(in millions of euros)	December 31, 2021	December 31, 2020
Interest	2	1
Impairment	0	(3)
Forgiveness of debt	(1)	(2)

Financial assets and liabilities at amortized cost

(in millions of euros)	December 31, 2021	December 31, 2020
Interest income and expense and commissions	(117)	(140)
Other income and expenses	9	-
Gain (loss) from disposal	-	-
Impairment	-	-

Cash flow hedges

(in millions of euros)	**Value before tax at December 31, 2020**	New transactions	Change in value	Recycled through profit or loss	**Value before tax at December 31, 2021**
Cash flow hedging instruments	**168**	(24)	(47)	(77)	**19**

Note 31 – OFF-BALANCE SHEET COMMITMENTS

(in millions of euros)	**December 31, 2021**	*Less than 1 year*	*From 1 to 5 years*	*More than 5 years*	**December 31, 2020**
Commitments given	**687**	**90**	**256**	**341**	**580**
Operating commitments given	658	81	246	331	542
• *Contract guarantees given*	*584*	*79*	*176*	*329*	*485*
• *Other guarantees and guarantees related to operating activities*	*75*	*3*	*70*	*2*	*57*
Commitments given on financing	15	8	7	-	25
Other commitments given	13	1	3	9	13
Commitments received	**111**	**98**	**13**	**1**	**100**
Operating commitments received	105	92	13	0	95
Commitments received on collateral	0	-	-	0	2
Other commitments received	7	6	0	0	3
Reciprocal commitments	**1,189**	**38**	**1,151**	**-**	**1,242**

Reciprocal commitments bear chiefly on unused lines of credit and investment orders.

Note 32 – BACKLOG

At December 31, 2021, Orano's backlog amounted to 25.8 billion euros, and its breakdown by maturity was as follows:

(in billions of euros)	**Total**	Less than 1 year	From 1 to 5 years	From 6 to 10 years	Beyond 10 years
December 31, 2021	**25.8**	3.7	10.0	7.8	4.3

Note 33 – DISPUTES AND CONTINGENT LIABILITIES

Orano may be party to certain regulatory, judicial or arbitration proceedings in the normal course of business. The group is also the subject of certain claims, lawsuits or regulatory proceedings outside the ordinary course of business, the most significant of which are summarized below.

Uramin

In June 2018, Orano SA and Orano Mining became civil parties in the "acquisition" section of the Uramin investigation, following a "notice to victim" received by AREVA SA in 2015 from the investigating judge in charge of the case. The Orano group intends to defend its interests through Orano SA and Orano Mining. The judicial investigation is still in progress and no date concerning a possible judgment has been set to date.

Investigations

The company has been aware, since November 28, 2017, of a preliminary investigation opened by the French National Financial Prosecutor's Office at the end of July 2015 concerning a uranium trading operation carried out in 2011. It also learned, on November 23, 2020, of the opening of a judicial investigation in this same case and since August 27, 2018, of an investigation into the circumstances of the granting of mining licenses in Mongolia. Orano is working with the legal authorities in connection with these legal proceedings, which are ongoing. If it were found that there had been misappropriation or any other act that could have harmed the group, Orano would take the necessary legal action to defend its interests.

Comuf

On January 30, 2019, an association of former workers assigned Comuf (Compagnie Minière d'Uranium de Franceville), a subsidiary of Orano Mining, before the Civil Court of Libreville (Gabon), alleging a breach of the safety of former workers, who were supposedly exposed to chemicals and radiation from uranium matter. By a judgment of May 14, 2019, the suit brought by this association of former workers was dropped due to a procedural irregularity in the summons. The association filed a new summons for expert summary before the Gabonese courts. The judge rejected this association in a ruling of November 17, 2021. Orano has always made the protection of its employees a priority. The information provided to date does not show any damage attributable to Comuf.

Release of the Arlit hostages

On October 6, 2016, the manager of a protection services company sued AREVA SA and Orano Cycle SA before the Nanterre Tribunal de Grande Instance to obtain payment of a success fee that he claims to be due for services purportedly rendered to the AREVA group in Niger between September 2010 and October 2013. AREVA SA and Orano Cycle SA believes that these allegations are unfounded. Along with that proceeding, the parties to the suit tried to settle under court-appointed mediation. Despite the efforts of AREVA and Orano to find a compromise, this was unsuccessful. The procedure on the merits therefore resumed in 2020. Even if the court should not accept the Orano group's position, the financial impact would be limited, though it could entail other, indirect consequences, such as in the media.

Katco

Katco is currently in litigation with the Kazakh Ministry of Energy due to the latter's refusal to sign amendment 10 to the contract for the use of the subsoil concerning the changes made to the extraction program from 2020 to 2034. On December 24, 2020, Katco filed a claim with the Supreme Court of the Republic of Kazakhstan challenging the position and inaction of the Ministry of Energy with a view to signing this amendment. In a decision of May 24, 2021, the Supreme Court rejected Katco's claim without a decision on the merits. An appeal to the Supreme Court was filed in November 2021 against this rejection decision in order to obtain a decision on the merits. In January 2022, this appeal was dismissed. Katco can appeal to the President of the Supreme Court within six months. To date, this action has not been taken, to allow time for the conciliation process mentioned below to continue its course.

In parallel with the continuation of the legal action launched by Katco, the latter, the Ministry of Energy and the Ministry of Justice initiated a conciliation process aimed at resolving the situation. The events of early January 2022 in Kazakhstan should not affect the continuation of this approach. Given the uncertainties inherent in this situation, Katco's ability to operate in the medium term at its contractual capacity could be affected, and the value of the group's mining assets could be impacted (see Note 9).

Appeals against certain administrative decisions concerning the activities of the Orano group

The activities of the Orano group require the receipt of various authorizations or administrative decisions (such as prefectural orders, building permits, etc.). These decisions are sometimes challenged, in France and on the part of NGOs, which in certain cases can have an impact on the timetable for carrying out the relevant activities.

Tax proceedings and disputes

The group, comprising entities located in different countries, regularly faces controls by local tax and customs authorities. Several audits and tax-related proceedings or disputes have been initiated or are currently being conducted by those authorities or in the courts. However, none are expected to give rise to, or has given rise to, a material tax expense that could have a significant impact on the financial statements. The group considers that it has sound means of defense and that it employs the legal procedures available to it to prevent any unfavorable outcome.

Contingent liabilities

The group owns uranium and thorium materials that are currently not fully recovered. After processing, these materials should bring economic benefits to the group in the future. However, in the event of a change in regulations or the finding that the economic assumptions cannot be achieved, the group may be required to set aside provisions for the processing and storage of these materials.

Note 34 – STATUTORY AUDITORS' FEES

December 31, 2021

(in thousands of euros)	**PwC Audit**	**KPMG Audit**
	Amount excl. tax	Amount excl. tax
Independent audit, certification & examination of the individual and consolidated financial statements		
Orano SA	475	380
Consolidated French subsidiaries	917	687
Sub-Total	**1,392**	**1,067**
Services other than auditing the financial statements		
Orano SA	3	12
Consolidated French subsidiaries	171	139
Sub-Total	**174**	**151**
TOTAL	**1,565**	**1,217**

Services other than auditing the financial statements mainly concern:
- the review of environmental, social and societal information;
- declarations required by law;
- other services.

December 31, 2020

(in thousands of euros)	**PwC Audit**	**KPMG Audit**
	Amount excl. tax	Amount excl. tax
Independent audit, certification & examination of the individual and consolidated financial statements		
Orano SA	343	320
Consolidated French subsidiaries	793	787
Sub-Total	**1,136**	**1,107**
Services other than auditing the financial statements		
Orano SA	23	27
Consolidated French subsidiaries	120	429
Sub-Total	**143**	**456**
TOTAL	**1,279**	**1,564**

Note 35 – EVENTS SUBSEQUENT TO THE CLOSING OF THE FINANCIAL STATEMENTS AT DECEMBER 31, 2021

The group's exposure following international sanctions against Russia

The volume of business with Russia is limited in terms of the group's global revenue. The amount of the backlog in respect of this country represents less than 0.1% of the group's backlog at December 31, 2021.

Note 36 – TRANSITION FROM PUBLISHED FINANCIAL STATEMENTS FOR 2020 TO RESTATED FINANCIAL STATEMENTS FOR 2020

This note summarizes the main impacts of the application of the IFRS IC final decision in May 2021, concerning the allocation of post-employment benefits to periods of service (IAS 19) at the start of the comparative financial year on January 1, 2020.

RESTATEMENT OF EQUITY

(in millions of euros)	Capital	Consolidated premiums and reserves	Revaluation of the net liability in respect of defined-benefit obligations	Unrealized gains and losses on financial instruments	Currency translation reserves	**Total equity attributable to owners of the parent**	Non-controlling interests	**Total equity and non-controlling interests**
December 31, 2019 published	**132**	**1,370**	**(195)**	**(7)**	**(18)**	**1,282**	**(34)**	**1,248**
IFRS IC adjustment – IAS 19R		20				20	0	20
January 1, 2020 restated	**132**	**1,390**	**(195)**	**(7)**	**(18)**	**1,302**	**(33)**	**1,268**
December 31, 2020 published	**132**	**1,301**	**(244)**	**160**	**(186)**	**1,164**	**(75)**	**1,089**
IFRS IC adjustment – IAS 19R		19	1			20	0	20
January 1, 2021 restated	**132**	**1,320**	**(243)**	**160**	**(186)**	**1,183**	**(75)**	**1,109**

TRANSITION FROM EQUITY AND LIABILITIES PUBLISHED AT DECEMBER 31, 2020 TO EQUITY AND LIABILITIES RESTATED AT JANUARY 1, 2021

EQUITY AND LIABILITIES (in millions of euros)	**December 31, 2020 Published**	Adjustments	**JANUARY 1, 2021 Restated**
EQUITY	**1,089**	***20***	**1,109**
NON-CURRENT LIABILITIES	**12,875**	***(21)***	**12,854**
Employee benefits	1,066	***(21)***	1,045
Provisions for end-of-lifecycle operations	8,189		8,189
Other non-current provisions	288		288
Share in negative net equity of joint ventures and associates	57		57
Non current financial liabilities	3,206		3,206
Non-current lease liabilities	69		69
Deferred tax liabilities	0		0
CURRENT LIABILITIES	**9,858**	**-**	**9,858**
TOTAL EQUITY AND LIABILITIES	**23,822**	***(1)***	**23,821**

TRANSITION FROM THE STATEMENT OF INCOME PUBLISHED AT DECEMBER 31, 2020 TO THE STATEMENT OF INCOME RESTATED AT DECEMBER 31, 2020

(in millions of euros)	**December 31, 2020 Published**	Adjustments	**December 31, 2020 Restated**
Income from goods and services	3,684		3,684
Other revenues	-		-
REVENUE	**3,684**		**3,684**
Cost of goods and services and other income	(3,100)	(1)	(3,100)
GROSS MARGIN	**584**		**584**
Research and development expense	(104)		(104)
Marketing and sales expense	(36)		(36)
General expense	(112)		(112)
Other operating income	235		235
Other operating expense	(227)		(227)
OPERATING INCOME	**340**	**(1)**	**339**
Share in net income of joint ventures and associates	15		15
Operating income after share in net income of joint ventures and associates	**355**		**355**
NET FINANCIAL INCOME (EXPENSE)	**(321)**	**0**	**(321)**
Income tax	(54)	0	(54)
NET INCOME FOR THE PERIOD	**(20)**	**(1)**	**(21)**
NET INCOME ATTRIBUTABLE TO OWNERS OF THE PARENT	**(70)**	**(1)**	**(71)**
NET INCOME ATTRIBUTABLE TO NON-CONTROLLING INTERESTS	**50**		**50**