

# **Condensed Half-yearly Consolidated Financial Statements**

**Orano**

**June 30, 2022**

## CONSOLIDATED STATEMENT OF INCOME

<i>(in millions of euros)</i>	<b>Notes</b>	<b>H1 2022</b>	<b>H1 2021</b>
<b>REVENUE</b>		<b>2,142</b>	<b>1,883</b>
Cost of sales		(1,730)	(1,557)
<b>GROSS MARGIN</b>		<b>411</b>	<b>327</b>
Research and development expense		(51)	(48)
Marketing and sales expense		(20)	(18)
General expense		(51)	(57)
Other operating income	<b>4</b>	65	37
Other operating expense	<b>4</b>	(39)	(43)
<b>OPERATING INCOME</b>		<b>315</b>	<b>198</b>
Share in net income of joint ventures and associates	<b>12</b>	(1)	5
<b>Operating income after share in net income of joint ventures and associates</b>		<b>315</b>	<b>203</b>
Financial income from cash and cash equivalents		4	4
Cost of gross debt		(72)	(74)
<b>Cost of net debt</b>		<b>(67)</b>	<b>(69)</b>
Other financial income		751	564
Other financial expense		(1,256)	(319)
<b>Other financial income and expense</b>	<b>6</b>	<b>(504)</b>	<b>245</b>
<b>NET FINANCIAL INCOME (EXPENSE)</b>		<b>(572)</b>	<b>176</b>
<b>Income tax</b>	<b>7</b>	<b>(41)</b>	<b>(29)</b>
<b>NET INCOME FOR THE PERIOD</b>		<b>(298)</b>	<b>350</b>
<b>NET INCOME ATTRIBUTABLE TO OWNERS OF THE PARENT</b>		<b>(359)</b>	<b>316</b>
<b>NET INCOME ATTRIBUTABLE TO NON-CONTROLLING INTERESTS</b>		<b>61</b>	<b>34</b>

## CONSOLIDATED COMPREHENSIVE INCOME

<i>(in millions of euros)</i>	<b>H1 2022</b>	<b>H1 2021</b>
<b>NET INCOME</b>	<b>(298)</b>	<b>350</b>
<b>Other items not recyclable to the statement of income</b>	<b>103</b>	<b>45</b>
Revaluation of the net liability in respect of defined-benefit obligations	105	40
Income tax related to non-recyclable items	(1)	(1)
Share in other non-recyclable items from joint ventures and associates, net of tax	(1)	5
<b>Other items recyclable to the statement of income</b>	<b>(30)</b>	<b>3</b>
Currency translation differences	152	70
Change in value of cash flow hedges	(187)	(66)
Income tax related to recyclable items	4	(1)
Share in other recyclable items from joint ventures and associates, net of tax	(0)	-
<b>Total other items of comprehensive income (net of income tax)</b>	<b>73</b>	<b>48</b>
<b>COMPREHENSIVE INCOME</b>	<b>(226)</b>	<b>397</b>
- Attributable to owners of the parent	(285)	362
- Attributable to non-controlling interests	59	35

## ASSETS

<i>(in millions of euros)</i>	<i>Notes</i>	<b>June 30, 2022</b>	<b>December 31, 2021</b>
<b>NON-CURRENT ASSETS</b>		<b>19,052</b>	<b>20,517</b>
Goodwill	<b>8</b>	1,345	1,268
Intangible assets	<b>9</b>	1,298	1,226
Property, plant and equipment	<b>9</b>	8,471	9,010
Right-of-use – leases	<b>10</b>	82	83
End-of-lifecycle assets (third-party share)	<b>11</b>	100	110
Financial assets earmarked for end-of-lifecycle operations	<b>11</b>	7,435	8,513
Investments in joint ventures and associates	<b>12</b>	13	12
Other non-current assets	<b>13</b>	169	161
Deferred tax assets		139	133
<b>CURRENT ASSETS</b>		<b>4,356</b>	<b>4,428</b>
Inventories and work-in-process		1,441	1,428
Trade accounts receivable and related accounts		797	639
Contract assets		110	94
Other operating receivables		560	610
Other non-operating receivables		44	40
Current tax assets		34	69
Other current financial assets	<b>13</b>	315	315
Cash and cash equivalents	<b>14</b>	1,054	1,232
<b>TOTAL ASSETS</b>		<b>23,407</b>	<b>24,945</b>

## EQUITY AND LIABILITIES

<i>(in millions of euros)</i>	<b>Notes</b>	<b>June 30, 2022</b>	<b>December 31, 2021</b>
Capital	<b>15</b>	132	132
Consolidated premiums and reserves		1,626	1,990
Revaluation of the net liability in respect of defined-benefit obligations		(123)	(225)
Unrealized gains and losses on financial instruments		(169)	12
Currency translation reserves		119	(34)
<b>Equity attributable to owners of the parent</b>		<b>1,585</b>	<b>1,876</b>
Non-controlling interests		(3)	(18)
<b>EQUITY</b>		<b>1,583</b>	<b>1,858</b>
<b>NON-CURRENT LIABILITIES</b>		<b>11,243</b>	<b>13,186</b>
Employee benefits	<b>16</b>	438	526
Provisions for end-of-lifecycle operations	<b>11</b>	8,177	9,249
Other non-current provisions	<b>17</b>	370	406
Share in negative net equity of joint ventures and associates	<b>12</b>	27	20
Non-current financial liabilities	<b>18</b>	2,163	2,915
Non-current lease liabilities		68	69
Deferred tax liabilities		2	2
<b>CURRENT LIABILITIES</b>		<b>10,582</b>	<b>9,901</b>
Current provisions	<b>17</b>	2,245	2,444
Current financial liabilities	<b>18</b>	979	526
Current lease liabilities		24	23
Trade payables and related accounts		908	851
Contract liabilities		5,329	5,175
Other operating liabilities		1,069	857
Other non-operating liabilities		11	3
Current tax liabilities		15	22
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>23,407</b>	<b>24,945</b>

## CONSOLIDATED STATEMENT OF CASH FLOWS

<i>(in millions of euros)</i>	<i>Notes</i>	<b>H1 2022</b>	<b>H1 2021</b>
<b>Net income</b>		<b>(298)</b>	<b>350</b>
Net amortization, depreciation and impairment of PP&E and intangible assets and marketable securities maturing in more than 3 months		236	243
Net increase in (reversal of) provisions		(128)	(172)
(Payments)/repayment of insurers on assets earmarked for social security liabilities		44	1
Net effect of unwinding of assets and provisions		(482)	263
Income tax expense (current and deferred)		41	29
Net accrued interest included in cost of debt		68	67
Loss (gain) on disposal of fixed assets and change in fair value of financial assets	<b>4 and 6</b>	1,013	(514)
Share in net income of joint ventures and associates	<b>12</b>	1	(5)
Dividends received from joint ventures and associates and share of income from consortiums		12	12
Other non-cash items		(64)	3
<b>Cash flow from operations before interest and taxes</b>		<b>442</b>	<b>277</b>
Net interest received (paid)		(71)	(78)
Net interest paid on lease liabilities		(1)	(2)
Income tax paid		(7)	(19)
<b>Cash flow from operations after interest and tax</b>		<b>363</b>	<b>178</b>
Change in working capital requirement		70	362
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>		<b>433</b>	<b>540</b>
Capital expenditure		(307)	(253)
Disposals of property, plant and equipment and intangible assets		7	6
Acquisitions of shares of consolidated companies, net of acquired cash		0	2
Acquisitions of hedging financial assets earmarked for end-of-lifecycle operations		(1,341)	(693)
Disposals of hedging financial assets earmarked for end-of-lifecycle operations		1,408	772
Change in cash management financial assets	<b>13</b>	0	3
Loans granted to joint ventures and associates		-	(23)
Repayment of loans from joint ventures and associates		0	-
Acquisitions of other financial assets		(8)	(3)
Disposals of other financial assets		1	-
<b>NET CASH FLOW FROM INVESTING ACTIVITIES</b>		<b>(240)</b>	<b>(188)</b>
Capital increases subscribed by non-controlling interests		-	-
Transactions with non-controlling interests		(57)	(3)
Dividends paid to non-controlling interests		(39)	-
Repayment of lease liabilities	<b>10</b>	(11)	(11)
Increase in debt levels	<b>18</b>	-	-
Decrease in borrowings	<b>18</b>	(216)	(715)
<b>NET CASH FLOW FROM FINANCING ACTIVITIES</b>		<b>(322)</b>	<b>(730)</b>
Effect of exchange rate changes		13	1
<b>CHANGE IN NET CASH</b>		<b>(116)</b>	<b>(377)</b>
<b>Net cash at the beginning of the period</b>		<b>1,109</b>	<b>1,484</b>
Cash position at the end of the period	<b>14</b>	1,054	1,168
Less: short-term bank facilities and non-trade current accounts in credit	<b>18</b>	(62)	(61)
<b>Net cash at the end of the period</b>		<b>993</b>	<b>1,107</b>

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

<i>(in millions of euros)</i>	Number of shares	Capital (Note 15)	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
<b>JANUARY 1, 2021</b>	<b>264,152,778</b>	<b>132</b>	<b>1,320</b>	<b>(243)</b>	<b>160</b>	<b>(186)</b>	<b>1,183</b>	<b>(75)</b>	<b>1,109</b>
Net income for the first half of 2021			316				316	34	350
Other items of comprehensive income				44	(67)	69	47	1	48
<b>Comprehensive income</b>			<b>316</b>	<b>44</b>	<b>(67)</b>	<b>69</b>	<b>362</b>	<b>35</b>	<b>397</b>
Dividends paid							-	(5)	(5)
Other changes **			1	(3)		2	(1)	(5)	(6)
<b>JUNE 30, 2021 *</b>	<b>264,152,778</b>	<b>132</b>	<b>1,637</b>	<b>(202)</b>	<b>93</b>	<b>(115)</b>	<b>1,545</b>	<b>(50)</b>	<b>1,496</b>
<b>DECEMBER 31, 2021</b>	<b>264,152,778</b>	<b>132</b>	<b>1,990</b>	<b>(225)</b>	<b>12</b>	<b>(34)</b>	<b>1,876</b>	<b>(18)</b>	<b>1,858</b>
Net income for the first half of 2022			(359)				(359)	61	(298)
Other items of comprehensive income				102	(181)	153	74	(1)	73
<b>Comprehensive income</b>			<b>(359)</b>	<b>102</b>	<b>(181)</b>	<b>153</b>	<b>(285)</b>	<b>59</b>	<b>(226)</b>
Dividends paid								(44)	(44)
Other changes ***			(6)				(6)	(1)	(6)
<b>JUNE 30, 2022</b>	<b>264,152,778</b>	<b>132</b>	<b>1,626</b>	<b>(123)</b>	<b>(169)</b>	<b>119</b>	<b>1,585</b>	<b>(3)</b>	<b>1,583</b>

\* Pursuant to the IFRS IC decision concerning the allocation of post-employment benefits to periods of service (IAS 19), the comparative data at June 30, 2021 have been restated compared to the data published in the 2021 half-year financial statements in the amount of 20 million euros in consolidated premiums and reserves.

\*\* other changes in the first half of 2021 are mainly due to the acquisition of shares in Cominak and AREVA Mongol LLC.

\*\*\* other changes in the first half of 2022 include restatements related to the application of the IFRS IC decision concerning the recognition of software development costs under the SaaS method (IAS 38) for -6 million euros (see Notes 2 and 9).

## **NOTE TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF JUNE 30, 2022**

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

### **NOTE 1 - SIGNIFICANT EVENTS OF THE PERIOD**

#### **Impacts of the war in Ukraine**

At the end of June, the direct impacts of the Ukraine-Russia conflict on the group's sales and purchasing volumes were very limited. Orano does not carry out any activities in Russia or Ukraine, and does not have any local establishments or employees. In February, Orano immediately set up a dedicated unit to constantly ensure full compliance with the sanctions imposed by national and international authorities against Russia. A specific process for prior approval monitoring of the group's transactions that remained authorized was immediately activated. The volume of business to Russia is marginal compared to the group's total revenue and represents less than 2% of annual exchanges and 0.05% of the backlog at the end of June 2022.

At the end of June, the war in Ukraine did not affect the value of the group's industrial assets or the continuity of operation of its activities.

#### **Changes in uranium, conversion and enrichment market prices**

The market prices of uranium and conversion and enrichment services increased significantly during the first half-year 2022, notably due to the conflict in Ukraine. The long-term price of uranium rose from 35 US dollars per pound of U3O8 at the end of last year to nearly 50 US dollars per pound at the end of June 2022. The increases are also significant for conversion and enrichment. The long-term conversion price was 26.4 US dollars per kilogram of uranium at the end of June 2022, compared to 18 US dollars per kilogram of uranium at the end of 2021. Long-term enrichment prices have more than doubled from 63 US dollars per separative work unit ("SWU") at the end of 2021 to 132 US dollars per SWU at the end of June 2022.

#### **Financial market performance**

At the end of the first half-year 2022, all markets recorded a sharp decline in both equities and bonds, as the conflict in Ukraine had a significant impact on the economy and generated strong inflationary pressures.

In addition, the monetary tightening of central banks caused a very marked increase in interest rates during the half-year. For example, the French 10-year yield crossed 2.4%, a threshold that had not been reached since 2014. In this context, the equity markets have also fallen sharply over the last six months. These changes notably impact the valuation of earmarked assets and the discounting of provisions.

#### **Katco's situation**

Following the dispute between Katco and the Kazakh Ministry of Energy relating to amendment 10 to the contract for the use of the subsoil relating to the development and commissioning of the South Tortkuduk field, as part of their conciliation process aimed at resolving the situation, the parties reached a settlement agreement in May 2022 and agreed on the text of amendment 10 to the contract for the use of the subsoil.

The agreement reached is currently in the Kazakhstani administrative process of review and approval with the aim of a government decree authorizing its signature, thus ending the period of uncertainty concerning the start of the South Tortkuduk Project (see Note 22).



### **Acquisitions during the period**

On March 30, Orano Projets acquired a majority stake in CERIS Group, a company specializing in engineering in health-pharma, and acquired the engineering company Inevo Group on April 29 to develop its engineering activities in the sectors of health, pharmaceuticals, fine chemicals, biotechnology and cosmetics. These two transactions confirm Orano Projets's desire to become a leading player in engineering in these various sectors. The acquisition price amounted to 0.6 million euros for CERIS Group and 8 million euros for Inevo Group. Goodwill will be allocated within the next 12 months.

On May 18, Orano Canada Inc. and Cameco Corporation jointly acquired Idemitsu Canada Resources' stake in the joint operation of Cigar Lake in Canada. Following this transaction, Cameco holds 54.547% of the joint operation of Cigar Lake, Orano Canada Inc. 40.453% and TEPCO 5%. The acquisition price is 80 million Canadian dollars for the share acquired by Orano. This transaction was recognized as the acquisition of a business in accordance with the definition of a business combination. Goodwill will be allocated within the next 12 months.

## NOTE 2 - ESTIMATES, JUDGMENTS AND ACCOUNTING PRINCIPLES

### 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 that may arise, particularly in the context of the current health and economic crisis, 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 Note 17);
- 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 8 and 9);
- all assumptions used to assess the value of pension commitments and other employee benefits, including the rate of wage increases and discount rates, retirement age and employee turnover (see Note 16);
- all assumptions used to assess the value of provisions for end-of-lifecycle operations (see Note 11) and, where appropriate, the assets corresponding to the third-party share, 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 17 and 22);
- estimates and judgments regarding the outcome of ongoing litigation and, more generally, estimates regarding all of Orano's provisions and contingent liabilities (see Note 22);
- estimates and judgments relating to the recoverability of accounts receivable from the group's customers and other financial assets; and
- estimates of future taxable income allowing the recognition of deferred tax assets (see Note 7).

### Preparation of the financial statements

The consolidated financial statements for the six months to June 30, 2022, approved by the Board of Directors on July 28, 2022, were prepared in accordance with IAS 34 relating to interim financial information. Being condensed financial statements, they do not include all the disclosures required for the preparation of full consolidated financial statements under IFRS and should be read in conjunction with the consolidated financial statements for the year ended December 31, 2021.

#### Specific methods for the preparation of intermediate financial statements

- Orano applies the methodology prescribed by IAS 34 to determine the tax expense for the interim period. It is calculated by applying the estimated average effective tax rate for the year for each tax jurisdiction to the pre-tax result for the period. However, a different tax rate is used for income categories subject to specific tax rates, such as the results of disposals of securities subject to the long-term capital gains regime.
- The interim period expense relating to retirement benefits and other employee benefits is calculated using the discount rate determined as of December 31, 2021. In applying this method, Orano has calculated the expense for the first half of 2022 in respect of the current service cost, the accretion expense of the provision and the income relating to the expected return on hedging assets using the actuarial assumptions determined as of December 31, 2021, in accordance with IAS 19. Changes in actuarial assumptions taken into account for the valuation of employee liabilities as of June 30, 2022 are recorded in "Other items of comprehensive income" in almost their entire amount.

### Accounting principles

The accounting principles applied to prepare the condensed consolidated financial statements at June 30, 2022 are identical to those described in Note 1 to the consolidated financial statements for the period ended December 31, 2021. They were prepared in accordance with IFRS, as published by the International Accounting Standards Board (IASB) and adopted in the European Union as of June 30, 2022.

The standards and interpretations of IFRS as adopted in the European Union are available on the website:

[http://ec.europa.eu/finance/company-reporting/standards-interpretations/index\\_fr.htm](http://ec.europa.eu/finance/company-reporting/standards-interpretations/index_fr.htm)

The group has not adopted early any standards, amendments or interpretations published by the IASB whose application was optional or not mandatory within the European Union as of June 30, 2022.

#### **Standards, amendments and interpretations that came into force on January 1, 2022**

- IFRS IC decision on accounting SaaS contracts (IAS 38). As the IFRIC's decision has an insignificant impact, the data has been restated for the 2022 financial year (see changes in equity and Note 9);
- amendment to IAS 16 relating to the recognition of revenue generated before commissioning;
- amendment to IAS 37 relating to the costs to be taken into account to recognize a provision for onerous contracts;
- amendment to IFRS 3 "Reference to the Conceptual Framework"; and
- annual improvements 2018-2020 relating to IFRS 9 and IFRS 16.

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

- 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";
- amendment to IAS 12 "Deferred tax related to assets and liabilities arising from a single transaction"; and
- amendment to IFRS 17 "Insurance contracts".

These amendments and improvements were not applied in advance at January 1, 2022. The group is currently analyzing the potential impacts of these amendments.

## NOTE 3 - SEGMENT INFORMATION

### BY BUSINESS SEGMENT

#### H1 2022

<i>(in millions of euros)</i>	Mining	Front End	Back End	Corporate, other operations and eliminations	Total
Gross revenue	749	556	921	(85)	2,142
Inter-segment sales	(3)	(29)	(63)	95	-
<b>Contribution to consolidated revenue</b>	<b>746</b>	<b>527</b>	<b>858</b>	<b>10</b>	<b>2,142</b>
<b>Operating income before end-of-lifecycle activity</b>	<b>186</b>	<b>170</b>	<b>(18)</b>	<b>(12)</b>	<b>326</b>
<b>Income from end-of-lifecycle activities</b>	<b>-</b>	<b>(6)</b>	<b>(4)</b>	<b>-</b>	<b>(10)</b>
<b>Operating income</b>	<b>186</b>	<b>164</b>	<b>(22)</b>	<b>(12)</b>	<b>315</b>
Share in net income of joint ventures and associates	-	-	-	-	(1)
Net financial income (expense)	-	-	-	-	(572)
Income tax	-	-	-	-	(41)
<b>Net income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(298)</b>
<b>EBITDA *</b>	<b>282</b>	<b>221</b>	<b>93</b>	<b>0</b>	<b>596</b>
<i>% of gross revenue</i>	<i>37.6%</i>	<i>39.7%</i>	<i>10.1%</i>	<i>n.a.</i>	<i>27.8%</i>

\* (see Note 5)

In the first half of 2022, the group generated approximately 54% of its revenue with EDF.

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.

## H1 2021

<i>(in millions of euros)</i>	Mining	Front End	Back End	Corporate, other operations and eliminations	Total
Gross revenue	667	465	839	(88)	1,883
Inter-segment sales	(6)	(29)	(62)	96	-
<b>Contribution to consolidated revenue</b>	<b>662</b>	<b>436</b>	<b>778</b>	<b>8</b>	<b>1,883</b>
<b>Operating income before end-of-lifecycle activity</b>	<b>183</b>	<b>69</b>	<b>(44)</b>	<b>(5)</b>	<b>203</b>
<b>Income from end-of-lifecycle activities</b>	<b>-</b>	<b>(0)</b>	<b>(5)</b>	<b>-</b>	<b>(5)</b>
<b>Operating income</b>	<b>183</b>	<b>69</b>	<b>(49)</b>	<b>(5)</b>	<b>198</b>
Share in net income of joint ventures and associates	-	-	-	-	5
Net financial income (expense)	-	-	-	-	176
Income tax	-	-	-	-	(29)
<b>Net income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>350</b>
<b>EBITDA *</b>	<b>252</b>	<b>135</b>	<b>20</b>	<b>8</b>	<b>415</b>
<i>% of gross revenue</i>	<i>37.7%</i>	<i>29.0%</i>	<i>2.4%</i>	<i>n.a.</i>	<i>22.0%</i>

\* (see Note 5)

In the first half of 2021, the group generated approximately 50% of its revenue with EDF.

## CONTRIBUTION TO CONSOLIDATED REVENUE BY BUSINESS SEGMENT AND CUSTOMER LOCATION

### H1 2022

<i>(in millions of euros)</i>	Mining	Front End	Back End	Corporate and other operations	Total
France	411	243	627	5	1,286
Europe (excluding France)	74	58	68	4	204
North & South America	76	115	79	0	270
Asia-Pacific	159	111	84	0	354
Africa and Middle East	27	0	1	-	28
<b>TOTAL</b>	<b>746</b>	<b>527</b>	<b>858</b>	<b>10</b>	<b>2,142</b>

### H1 2021

<i>(in millions of euros)</i>	Mining	Front End	Back End	Corporate and other operations	Total
France	312	210	546	4	1,073
Europe (excluding France)	72	40	78	4	193
North & South America	112	102	74	-	289
Asia-Pacific	148	84	79	0	310
Africa and Middle East	18	0	1	-	19
<b>TOTAL</b>	<b>662</b>	<b>436</b>	<b>778</b>	<b>8</b>	<b>1,883</b>

## NOTE 4 - OTHER OPERATING INCOME AND EXPENSES

### Other operating income

<i>(in millions of euros)</i>	<b>H1 2022</b>	<b>H1 2021</b>
Gain on disposals of assets other than financial assets	-	1
Reversal of impairment on assets	30	-
Other income	35	37
<b>Total other operating income</b>	<b>65</b>	<b>37</b>

In the first half of 2022, the reversal of impairment losses concerns the industrial assets of the Conversion CGU (see Note 9).

Other income includes a provisional insurance indemnity for additional costs incurred by the failure of certain crystallizers at the Philippe Coste's plant in 2021 in the amount of 21 million euros.

In the first half of 2021, other income includes foreign exchange gains on market transactions and reversals of unused provisions.

### Other operating expense

<i>(in millions of euros)</i>	<b>H1 2022</b>	<b>H1 2021</b>
Loss on disposals of non-financial assets	-	(0)
Impairment of other assets (excluding goodwill)	(5)	(1)
Dismantling costs net of provisions/reversals of provisions for end-of-lifecycle operations	(10)	(5)
Other expenses	(24)	(37)
<b>Total other operating expense</b>	<b>(39)</b>	<b>(43)</b>

In the first half of 2022, other expenses include a provision for the risk of payment of a contractual indemnity in the amount of 14 million euros.

In the first half of 2021, other expenses mainly include:

- 10 million euros in expenses related to the postponement of the commissioning of the Imouraren and Trekkopje mining sites, as well as the maintenance of infrastructure; and
- 23 million euros related to the acquisition of the net liabilities of Cominak.

## NOTE 5 - STATEMENT OF OPERATING INCOME/EBITDA

<i>(in millions of euros)</i>	<b>H1 2022</b>	<b>H1 2021</b>
<b>Operating income</b>	<b>315</b>	<b>198</b>
Net increase in depreciation and impairment of intangible assets, net of reversals	46	35
Net increase in depreciation and impairment of property, plant and equipment, net of reversals	179	195
Net increase in depreciation and impairment of right-of-use - asset leases, net of reversals	12	13
Net gain on disposal of property, plant and equipment and intangible assets	(0)	(1)
Effects of takeovers and losses of control	-	23
Gains and losses on asset leases	(0)	-
Charges to provisions, net of reversals *	(118)	(169)
(Payments)/repayment of insurers on assets earmarked for social security liabilities	44	1
Costs of end-of-lifecycle operations performed	119	119
<b>EBITDA</b>	<b>596</b>	<b>415</b>

\* *except provisions and reversals of provisions on current assets*

## NOTE 6 - NET FINANCIAL INCOME (EXPENSE)

### Cost of gross debt

The cost of gross financial debt at the end of June 2022 includes interest expenses relating to bonds for an amount of 52 million euros (compared to 59 million euros at June 30, 2021).

The interest expense related to IFRS 16 incurred in the first half of 2022 was 1 million euros (identical to June 30, 2021).

## **Other financial income and expense**

<i>(in millions of euros)</i>	<b>H1 2022</b>	<b>H1 2021</b>
Change in fair value through profit or loss of earmarked assets	(1,011)	513
Dividends received	46	40
Accretion proceeds from end-of-lifecycle assets	2	2
Accretion expenses on end-of-lifecycle operations	(163)	(139)
Impact of changes in discount rates and inflation rates	453	(65)
<b><i>Share related to end-of-lifecycle operations</i></b>	<b>(673)</b>	<b>351</b>
Foreign exchange gain (loss)	15	7
Change in fair value through profit or loss of non-earmarked assets	(2)	1
Interest on advances	(41)	(34)
Financial income from pensions and other employee benefits	(2)	(2)
Impact of unwinding the discount and changes in discount and inflation rates on net debt and other provisions	193	(60)
Other financial income	9	2
Other financial expense	(1)	(19)
<b><i>Share not related to end-of-lifecycle operations</i></b>	<b>169</b>	<b>(106)</b>
<b>Other financial income and expense</b>	<b>(504)</b>	<b>245</b>

In the first half of 2022, other financial income mainly consists of the carryforward/discounting of foreign exchange hedging instruments.

In the first half of 2021, other financial expenses mainly comprise the carryforward/discounting of foreign exchange hedging instruments.

## **NOTE 7 - TAXES**

The income tax expense in the first half of 2022 was 41 million euros (compared to 29 million euros in the first half of 2021).

## **NOTE 8 - GOODWILL**

<i>(in millions of euros)</i>	<b>December 31, 2021</b>	<b>Increases</b>	<b>Disposals</b>	<b>Impairment</b>	<b>Currency translation differences and other</b>	<b>June 30, 2022</b>
Mining	851				76	<b>928</b>
Front End	161					<b>161</b>
Back End	256				0	<b>256</b>
<b>Total</b>	<b>1,268</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>77</b>	<b>1,345</b>



## **Mining**

Despite an increase in the uranium spot price, the group decided, given the uncertain economic context, to perform an impairment test for the assets of the Mining BU group of CGUs.

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. The value in use is determined by discounting estimated future cash flows per mine at rates between 7.50% and 11.00% (between 7.00% and 11.00% at December 31, 2021) and based on exchange rates at June 30, 2022.

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.

Valuation remains sensitive to discount rates, to foreign exchange parity and to the anticipated future prices of uranium. The impacts of using discount rates 50 basis points higher, a euro/US dollar exchange rate 5 cents higher, sales price assumptions 5 US dollars per pound lower of uranium compared to the projected price curves established by Orano over the entire period of the business plans, taken individually or cumulatively, would not result in any impairment of the goodwill allocated to the group of CGUs of the Mining BU.

The analysis of sensitivity to sales price assumptions was carried out without taking into account a revision of the economically mineable quantities of uranium or of the production schedules resulting from this price variation.

In addition, impairment and sensitivity tests were performed on a going concern basis in Kazakhstan (see Notes 1 and 22).

## **Front End**

In the Front End segment, goodwill is carried by the Enrichment activity. Given the absence of any indication of impairment identified for this activity, the group did not carry out an impairment test at June 30, 2022.

## **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. Given the absence of any indication of impairment for this activity during the first half-year, the group did not carry out an impairment test.

## NOTE 9 - PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

### NET INTANGIBLE ASSETS

<i>(in millions of euros)</i>	<b>December 31, 2021</b>	Increase:	Disposal:	Net charges to depreciation/* impairment	Currency translation differences	Other changes **	<b>June 30, 2022</b>
Pre-mining expenses	777	15	-	(36)	46	47	<b>850</b>
R&D expenses	0	-	-	(0)	-	-	<b>0</b>
Mineral rights	0	-	-	(0)	-	(0)	<b>0</b>
Concessions & patents	299	0	-	(4)	0	(0)	<b>295</b>
Software	48	0	(0)	(5)	0	10	<b>53</b>
Other	27	(0)	(1)	(1)	(0)	1	<b>27</b>
In progress	75	24	-	0	0	(27)	<b>73</b>
<b>Total</b>	<b>1,226</b>	<b>39</b>	<b>(1)</b>	<b>(46)</b>	<b>47</b>	<b>32</b>	<b>1,298</b>

\* No impairment was recognized in the first half of 2022;

\*\* Other changes include the entry into the scope of consolidation in the Cigar Lake joint venture (see Note 1) for 39 million euros and the restatement related to the IFRS IC decision concerning the recognition of software development costs under the SaaS method (IAS 38) for -7 million euros.

### NET PROPERTY, PLANT AND EQUIPMENT

<i>(in millions of euros)</i>	<b>December 31, 2021</b>	Increase:	Disposal:	Net charges to depreciation/* impairment	Currency translation differences	Other changes **	<b>June 30, 2022</b>
Land	76	0	(0)	(0)	3	1	<b>80</b>
Buildings	910	5	-	(26)	10	11	<b>909</b>
Plant, equipment and tooling	5,135	12	(0)	(146)	45	58	<b>5,105</b>
End-of-lifecycle assets – attributable to owners of the parent	928	-	-	14	0	(656)	<b>286</b>
Other	305	2	(0)	(13)	5	(66)	<b>234</b>
In progress	1,657	264	(5)	(8)	2	(53)	<b>1,857</b>
<b>Total</b>	<b>9,010</b>	<b>283</b>	<b>(5)</b>	<b>(179)</b>	<b>65</b>	<b>(704)</b>	<b>8,471</b>

\* Including 25 million euros of reversals of impairment losses net of provisions

\*\* Including -655 million euros in dismantling assets - Group share and -7 million euros in underlying assets related to the increase in the actual discount rate for end-of-lifecycle provisions (cf. Note 11)

## INDUSTRIAL ASSETS OF THE CONVERSION CGU

The Conversion CGU includes the industrial assets of Malvési and Philippe Coste.

An impairment test was carried out on June 30, 2022 on the industrial assets of the conversion given the positive evolution over the half-year of the conversion price indexes. This impairment test resulted in the recognition of a reversal of impairment of 30 million euros. The net carrying amount of industrial assets thus stood at 576 million euros.

The value in use of the Conversion CGU was measured at June 30, 2022 using a discount rate of 7.5% (compared to 7.1% at June 30, 2020, date of the last test), a discount rate of euro/US dollar exchange rate of 1.04 corresponding to the rate of June 30, 2022 (compared to 1.12 at June 30, 2020) and assumptions of the sales price of conversion units resulting from Orano's analysis of the foreseeable change in the medium and long-term balance between supply and demand. Assumptions for the construction of revised price curves led Orano to consider that from 2030, prices would be determined in euros.

In addition, the result of the test remains sensitive to the discount rate, long-term price expectations of the conversion, as well as the euro/US dollar parity. The value in use of the industrial conversion assets would deteriorate by the following amounts if used:

- a discount rate 50 basis points higher (*i.e.* 8.0% instead of 7.5%): 10 million euros;
- sales price assumptions that are one euro lower per kilogram of uranium converted than Orano's forecast price curves: 78 million euros; and
- a euro/US dollar exchange rate 5 eurocents higher (*i.e.* 1.09 instead of 1.04): 21 million euros.

## NOTE 10 - LEASES

### RIGHT OF USE – LEASES

<i>(in millions of euros)</i>	<b>December 31, 2021</b>	Increase/ New leases	Reduction/wit hdrawing from leases	Net charges to depreciation	Other changes	Currency translation differences	<b>June 30, 2022</b>
Property assets	65	3	(0)	(6)	-	2	<b>63</b>
Other assets	18	7	(0)	(6)	-	0	<b>19</b>
<b>Total</b>	<b>83</b>	<b>10</b>	<b>(1)</b>	<b>(12)</b>	<b>-</b>	<b>2</b>	<b>82</b>

## NOTE 11 - END-OF-LIFECYCLE OPERATIONS

### PROVISIONS FOR END-OF-LIFECYCLE OPERATIONS

<i>(in millions of euros)</i>	Net carrying amount at December 31, 2021	Reversal (when risk has materialized)	Third-party expenses	Revisions to estimates	Accretion	Other changes	Net carrying amount at June 30, 2022
Provisions for dismantling	5,827	(73)	(7)	-	103	(708)	5,140
Provisions for waste retrieval and packaging	1,357	(31)	-	(0)	25	(56)	1,294
Provisions for long-term waste management and site monitoring	1,663	(7)	-	4	30	(287)	1,403
<b>Provisions for end-of-lifecycle operations (regulated *)</b>	<b>8,846</b>	<b>(111)</b>	<b>(7)</b>	<b>4</b>	<b>157</b>	<b>(1,051)</b>	<b>7,837</b>
Provisions for end-of-lifecycle operations (non-regulated *)	403	(8)	(0)	1	6	(63)	339
<b>PROVISIONS FOR END-OF-LIFECYCLE OPERATIONS</b>	<b>9,249</b>	<b>(119)</b>	<b>(8)</b>	<b>5</b>	<b>163</b>	<b>(1,114)</b>	<b>8,177</b>

(\*) Scope of application of the Act of June 28, 2006

At June 30, 2022, used provisions in the amount of 119 million euros correspond to the expenses relating to the end-of-lifecycle operations incurred by the group.

Revisions to estimates amounting to a total of 4 million euros stem from the volume of operating waste in the first half-year 2022.

Other changes, amounting to -1,114 million euros, are due to the impacts of changes in rates, which break down as follows:

- change in the discount rate from 3.56% to 4.91% for -2,475 million euros;
- change in the long-term inflation rate from 1.60% to 2.10% for 1,082 million euros;
- the application of the current year inflation rate of 4.50%, replacing the previous year's long-term inflation rate of 1.60%, which increases the provision by 274 million euros.

The counterparty of interest rate impacts for -1,119 million euros is broken down as follows:

- financial income of 453 million euros (see Note 6);
- a decrease in the group's own share of assets of 655 million euros and the underlying asset for 7 million euros (see Note 9); and
- a decrease in the third-party share of assets for 4 million euros.

#### **Discount rate**

As of June 30, 2022, Orano applied a discount rate of 4.91% and a long-term inflation assumption of 2.10% (3.56% and 1.60%, respectively, as of December 31, 2021).

At June 30, 2022, an actual 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 -140 million euros with a rate of 5.01% or 145 million euros with a rate of 4.81%.

## **DISMANTLING ASSETS – THIRD-PARTY SHARE**

Dismantling assets include two items:

- The group's share of end-of-lifecycle assets is classified under property, plant and equipment (see Note 9);
- Third-parties' share of end-of-lifecycle assets (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.

<i>(in millions of euros)</i>	Net carrying amount at December 31, 2021	Decrease from period expense	Accretion	Change in assumptions, revision to estimates, etc.	Net carrying amount at June 30, 2022
End-of-lifecycle assets – third-party share (regulated *)	105	(7)	2	(4)	96
End-of-lifecycle assets – third-party share (non-regulated *)	5	(0)	-	-	5
<b>Total dismantling assets - third party share</b>	<b>110</b>	<b>(8)</b>	<b>2</b>	<b>(4)</b>	<b>100</b>

(\*) Scope of application of the Act of June 28, 2006

## **FINANCIAL ASSETS EARMARKED FOR END-OF-LIFECYCLE OPERATIONS**

<i>(in millions of euros)</i>	June 30, 2022		December 31, 2021	
	Net carrying amount	Market value	Net carrying amount	Market value
Portfolio of earmarked securities	7,372	7,431	8,450	8,618
Receivables related to end-of-lifecycle operations	63	63	63	63
<b>Total financial assets earmarked for end-of-lifecycle operations</b>	<b>7,435</b>	<b>7,494</b>	<b>8,513</b>	<b>8,681</b>
Of which earmarked assets (regulated *)	7,372	7,431	8,450	8,618
Of which earmarked assets (non-regulated *)	63	63	63	63

(\*) Scope of application of the Act of June 28, 2006

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

As of June 30, 2022, 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 96.0% of end-of-lifecycle liabilities (98.6% at December 31, 2021). This coverage ratio is determined as follows:

<i>(in millions of euros)</i>	June 30, 2022	December 31, 2021
<b>Provisions for end-of-lifecycle operations (regulated *)</b>	<b>7,837</b>	<b>8,846</b>
End-of-lifecycle assets – Third-party share (regulated*)	96	105
Earmarked financial assets at market value (regulated *)	7,431	8,618
<b>Earmarked for end-of-lifecycle operations (regulated *)</b>	<b>7,527</b>	<b>8,724</b>
(Deficit)/Surplus of earmarked assets (regulated *)	(310)	(122)
<b>Coverage ratio of end-of-lifecycle operations (regulated*)</b>	<b>96.0%</b>	<b>98.6%</b>

(\*) Scope of application of the Act of June 28, 2006

## NOTE 12 - INFORMATION ON JOINT VENTURES AND ASSOCIATES

### SHARE OF NET INCOME OF JOINT VENTURES AND ASSOCIATES

<i>(in millions of euros)</i>	<b>H1 2022</b>	<b>H1 2021</b>
Cominak *	-	10
ETC	4	4
SI-nerGIE	(4)	(8)
Interim Storage Partner	-	-
Other joint ventures	(1)	0
<b>Total</b>	<b>(1)</b>	<b>5</b>

\* Two months of activity prior to the takeover of the OURD shares at end-February 2021

### INVESTMENTS IN JOINT VENTURES AND ASSOCIATES

<i>(in millions of euros)</i>	<b>June 30, 2022</b>	<b>December 31, 2021</b>
Interim Storage Partner	8	7
Other joint ventures	5	4
<b>Total</b>	<b>13</b>	<b>12</b>

### SHARE IN NEGATIVE NET EQUITY OF JOINT VENTURES AND ASSOCIATES

<i>(in millions of euros)</i>	<b>June 30, 2022</b>	<b>December 31, 2021</b>
ETC	22	14
SI-nerGIE	4	6
<b>Total</b>	<b>27</b>	<b>20</b>

## NOTE 13 - OTHER CURRENT AND NON-CURRENT ASSETS

### OTHER NON-CURRENT ASSETS

<i>(in millions of euros)</i>	<b>June 30, 2022</b>	<b>December 31, 2021</b>
Derivatives on financing activities	-	5
Other assets	169	156
<b>Total</b>	<b>169</b>	<b>161</b>

Other assets include inventories of uranium and deposits to finance future expenditure for the redevelopment of mining sites internationally in the amount of 100 million euros as of June 30, 2022 (95 million euros as of December 31, 2021).

### OTHER CURRENT FINANCIAL ASSETS

<i>(in millions of euros)</i>	<b>June 30, 2022</b>	<b>December 31, 2021</b>
Derivatives on financing activities	3	2
Cash management financial assets	299	300
Other financial assets	13	13
<b>Total</b>	<b>315</b>	<b>315</b>

## NOTE 14 - CASH AND CASH EQUIVALENTS

<i>(in millions of euros)</i>	<b>June 30, 2022</b>	<b>December 31, 2021</b>
Cash	598	742
Cash equivalents	456	491
<b>Net amount</b>	<b>1,054</b>	<b>1,232</b>

At June 30, 2022, cash includes cash not immediately available to the group in the amount of 207 million euros (compared with 252 million euros at December 31, 2021), chiefly reflecting legal restrictions abroad in the amount of 206 million euros.

## NOTE 15 - CAPITAL

Orano's share capital broke down as follows:

	<b>June 30, 2022</b>	<b>December 31, 2021</b>
French State	79.99%	79.99%
AREVA SA	0.01%	0.01%
Natixis (*)	10%	10%
CEA	1 share	1 share
MHI	5%	5%
JNFL	5%	5%
<b>Total</b>	<b>100%</b>	<b>100%</b>

(\*) 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 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.

## NOTE 16 - EMPLOYEE BENEFITS

The discount rate used to value commitments as of June 30, 2022 was 2.90% for the euro zone (0.90% as of December 31, 2021) and 4.20% for the US zone (compared with 2.40% as of December 31, 2021).

### BREAKDOWN OF NET AMOUNT RECOGNIZED

<b>As of June 30, 2022</b>	<b>Medical expenses and accident/di sability insurance</b>	<b>Long- service awards</b>	<b>Job-related awards</b>	<b>Retirement benefits</b>	<b>Supplemen tal retirement benefits</b>	<b>Total</b>
<i>(in millions of euros)</i>						
Actuarial liability	3	306	8	552	44	<b>912</b>
Fair value of plan assets	-	123	-	318	34	<b>475</b>
<b>Total defined benefit obligation</b>	<b>3</b>	<b>183</b>	<b>8</b>	<b>234</b>	<b>10</b>	<b>438</b>

## CHANGE IN THE DEFINED BENEFIT OBLIGATION

<i>(in millions of euros)</i>	Medical expenses and accident/disability insurance	Long-service awards	Job-related awards	Retirement benefits	Supplemental retirement benefits	Total
<b>Actuarial liability as of December 31, 2021</b>	<b>3</b>	<b>351</b>	<b>8</b>	<b>639</b>	<b>48</b>	<b>1,050</b>
Current service cost		9		9		17
Past service costs (including plan changes and reductions)						-
Disposals/Liquidation/Plan reductions						-
Accretion expense		2		3		5
Employee contributions						-
Plan transfer						-
<b>Expense with impact on the statement of income</b>	<b>-</b>	<b>11</b>	<b>-</b>	<b>12</b>	<b>-</b>	<b>22</b>
Experience differences						-
Demographic assumption differences						-
Financial assumption differences (adjustment of discount rate)		(43)		(68)	(3)	(113)
<b>Total expense with impact on other comprehensive income items</b>	<b>-</b>	<b>(43)</b>	<b>-</b>	<b>(68)</b>	<b>(3)</b>	<b>(113)</b>
Benefits paid during the year		(13)		(32)	(2)	(46)
Acquisitions/Mergers						-
Currency translation adjustments						-
<b>Actuarial liability as of June 30, 2022</b>	<b>3</b>	<b>306</b>	<b>8</b>	<b>552</b>	<b>44</b>	<b>912</b>

## NOTE 17 - OTHER PROVISIONS

<i>(in millions of euros)</i>	December 31, 2021	Allocations	Reversal (when risk has materialized)	Reversal (when risk has not materialized)	Other changes (*)	June 30, 2022
Mining site redevelopment and decommissioning of treatment facilities	404	4	(19)	-	(19)	370
Other non-current provisions	2	-	-	(2)	-	0
<b>Other non-current provisions</b>	<b>406</b>	<b>4</b>	<b>(19)</b>	<b>(2)</b>	<b>(19)</b>	<b>370</b>
Provisions for onerous contracts	203	17	(26)	(10)	0	184
Provisions for contract completion	1,863	85	(48)	(1)	(200)	1,699
Other current provisions	378	18	(6)	(2)	(27)	362
<b>Current provisions</b>	<b>2,444</b>	<b>120</b>	<b>(80)</b>	<b>(13)</b>	<b>(226)</b>	<b>2,245</b>
<b>Total provisions</b>	<b>2,850</b>	<b>124</b>	<b>(99)</b>	<b>(15)</b>	<b>(245)</b>	<b>2,615</b>

\* Including -193 million euros for unwinding the discount and change in discount and inflation rates recognized in net financial income (see Note 6).

## PROVISIONS FOR ONEROUS CONTRACTS

Provisions for onerous contracts mainly concern the Front End segment. The sale of the backlog over the year led to reversals of provisions for 22 million euros.



## **PROVISIONS FOR CONTRACT COMPLETION**

The main provisions for the financial year relate to future costs of treatment and storage services for waste and scrap generated by operations.

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

### **Discount rate**

As of June 30, 2022, Orano applied a discount rate of between 4.78% and 4.93% and a long-term inflation rate of 2.1%.

As of December 31, 2021, Orano had assumed a discount rate of between 3.02% and 3.26% and a long-term inflation rate of 1.60%.

As of June 30, 2022, a discount rate 10 basis points higher or lower than that used would have the effect of changing the closing balance of provisions for contract completion by a negative or positive 21 million euros.

## **OTHER CURRENT PROVISIONS**

As of June 30, 2022, 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 18 - FINANCIAL LIABILITIES**

<i>(in millions of euros)</i>	Non-current liabilities	Current liabilities	June 30, 2022	December 31, 2021
Bonds (*)	1,991	734	2,724	2,953
Accrued interest not yet due on bonds	-	45	45	58
Bank borrowings	5	-	5	5
Interest-bearing advances	159	99	258	242
Short-term bank facilities and current accounts in credit **	-	62	62	123
Miscellaneous debt	2	-	2	1
Derivatives	7	39	46	59
<b>Total</b>	<b>2,163</b>	<b>979</b>	<b>3,142</b>	<b>3,441</b>

\* after interest rate risk management

\*\* of which financial current account credit to the ETC joint venture for 43 million euros (compared to 55 million euros at December 31, 2021).

## **CHANGE IN FINANCIAL LIABILITIES**

*(in millions of euros)*

<b>Value as of December 31, 2021</b>	<b>3,441</b>
Cash flows	(376)
<b>Non-cash flows:</b>	
Accrued interest not yet due on borrowings	45
Currency translation differences	41
Other changes	(10)
<b>Value as of June 30, 2022</b>	<b>3,142</b>

Cash flows on Financial liabilities mainly include the repayment of the bond issue maturing in March 2022 for 200 million euros.

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

*(in millions of euros)*

<b>Cash flows on Financial liabilities</b>	<b>(376)</b>
Interest paid	55
Financial instruments – Assets	55
Short-term bank facilities and current accounts in credit	51
<b>Cash flows on Financial liabilities included in financing activities</b>	<b>(216)</b>

## **BONDS**

<i>Issue date</i>	<b>Carrying amount</b> <i>(in millions of euros)</i>	<b>Currency</b>	<b>Nominal</b> <i>(in millions of currencies)</i>	<b>Nominal rate</b>	<b>Maturity</b>
September 23, 2009	757	EUR	750	4.875%	September 23, 2024
March 20, 2014	734	EUR	730	3.125%	March 20, 2023
April 23, 2019	740	EUR	750	3.375%	April 23, 2026
September 08, 2020	494	EUR	500	2.75%	March 08, 2028
<b>TOTAL</b>	<b>2,724</b>				

The fair value of these bonds was 2,611 million euros as of June 30, 2022.

NOTE 19 - ADDITIONAL INFORMATION ON FINANCIAL INSTRUMENTS

**FINANCIAL ASSETS AND LIABILITIES BY CATEGORY**

June 30, 2022

**Assets**

(in millions of euros)	Carrying amount	Non-financial assets	Financial assets		Fair value
			At amortized cost	At fair value through profit or loss	
<b>Non-current assets</b>	<b>7,604</b>	<b>49</b>	<b>781</b>	<b>6,774</b>	<b>7,614</b>
Financial assets earmarked for end-of-lifecycle operations	7,435		* 682	6,753	7,494
Other non-current assets	169	49	99	22	120
<b>Current assets</b>	<b>2,771</b>	<b>528</b>	<b>1,886</b>	<b>357</b>	<b>2,243</b>
Trade accounts receivable and related accounts	797		797		797
Other operating receivables	560	488	49	24	72
Other non-operating receivables	44	40	4		4
Other current financial assets	315		13	302	315
Cash and cash equivalents	1,054		1,023	32	1,054
<b>Total assets</b>	<b>10,375</b>	<b>578</b>	<b>2,666</b>	<b>7,131</b>	<b>9,857</b>

\* Including bond mutual funds for 628 million euros.

(in millions of euros)	TOTAL
Hedging financial assets measured at amortized cost	682
Hedging financial assets measured at fair value through profit or loss	6,753
<b>Hedging financial assets (carrying amount)</b>	<b>7,435</b>
Change in fair value of the assets at amortized cost (bond mutual funds)	59
<b>Fair value of hedging financial assets</b>	<b>7,494</b>
Other financial assets measured at fair value through profit or loss	378
<b>Fair value of financial assets analyzed by valuation technique</b>	<b>7,872</b>
Other financial assets measured at amortized cost	1,984
<b>Fair value of financial assets</b>	<b>9,857</b>

**Breakdown of assets recognized at fair value by valuation technique**

(in millions of euros)	Level 1 Non-adjusted listed prices	Level 2 Observable data inputs	Level 3 Unobservable data inputs	Total
<b>Non-current assets</b>	<b>6,396</b>	<b>1,097</b>	<b>22</b>	<b>7,515</b>
Financial assets earmarked for end-of-lifecycle operations	6,396	1,097		7,494
Other non-current financial assets			22	22
<b>Current assets</b>	<b>330</b>	<b>27</b>		<b>357</b>
Other operating receivables		24		24
Other current financial assets	299	3		302
Cash and cash equivalents	32			32
<b>Total assets</b>	<b>6,727</b>	<b>1,124</b>	<b>22</b>	<b>7,872</b>

## Liabilities and equity

(in millions of euros)	Carrying amount	Non-financial liabilities	Financial liabilities		Fair value
			At amortized cost	At fair value through profit or loss *	
<b>Non-current liabilities</b>	<b>2,231</b>		<b>2,224</b>	<b>7</b>	<b>2,121</b>
Non-current financial liabilities	2,163		2,156	7	2,053
Non-current lease liabilities	68		68		68
<b>Current liabilities</b>	<b>2,992</b>	<b>203</b>	<b>2,540</b>	<b>249</b>	<b>2,776</b>
Current financial liabilities	979		936	43	966
Current lease liabilities	24		24		24
Trade payables and related accounts	908		908		908
Other operating liabilities	1,069	202	661	206	868
Other non-operating liabilities	11	1	10		10
<b>Total liabilities</b>	<b>5,223</b>	<b>203</b>	<b>4,764</b>	<b>256</b>	<b>4,898</b>

(\*) Level 2

December 31, 2021

## Assets

(in millions of euros)	Carrying amount	Non-financial assets	Financial assets		Fair value
			At amortized cost	At fair value through profit or loss	
<b>Non-current assets</b>	<b>8,674</b>	<b>50</b>	<b>635</b>	<b>7,989</b>	<b>8,792</b>
Financial assets earmarked for end-of-lifecycle operations	8,513		543 *	7,971	8,681
Other non-current assets	161	50	92	19	111
<b>Current assets</b>	<b>2,836</b>	<b>552</b>	<b>1,824</b>	<b>459</b>	<b>2,284</b>
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
<b>Total assets</b>	<b>11,511</b>	<b>603</b>	<b>2,459</b>	<b>8,449</b>	<b>11,076</b>

\* Including bond mutual funds for 454 million euros.

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

**Breakdown of assets recognized at fair value by valuation technique**

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

**Liabilities and equity**

<i>(in millions of euros)</i>	<b>Carrying amount</b>	<b>Non-financial liabilities</b>	<b>Financial liabilities</b>		<b>Fair value</b>
			<b>At amortized cost</b>	<b>At fair value through profit or loss (*)</b>	
<b>Non-current liabilities</b>	<b>2,983</b>		<b>2,981</b>	<b>3</b>	<b>3,159</b>
Non-current financial liabilities	2,915		2,912	3	3,090
Non-current lease liabilities	69		69		69
<b>Current liabilities</b>	<b>2,260</b>	<b>167</b>	<b>2,001</b>	<b>93</b>	<b>2,094</b>
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
<b>Total liabilities</b>	<b>5,243</b>	<b>167</b>	<b>4,982</b>	<b>95</b>	<b>5,253</b>

(\*) Level 2

## NOTE 20 - RELATED-PARTY TRANSACTIONS

Transactions between the parent company, Orano SA, and its subsidiaries, as well as between the group's subsidiaries and joint operations, were eliminated on consolidation and are not disclosed in this note.

Related party transactions include:

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

The nature of related party transactions has not changed significantly since December 31, 2021.

## NOTE 21 - COMMITMENTS GIVEN AND RECEIVED

<i>(in millions of euros)</i>	June 30, 2022	December 31, 2021
<b>COMMITMENTS GIVEN</b>	<b>894</b>	<b>687</b>
Operating commitments given	874	658
• Contract guarantees given	797	584
• Other operating guarantees	77	75
Commitments given on financing	7	15
Other commitments given	13	13
<b>COMMITMENTS RECEIVED</b>	<b>107</b>	<b>111</b>
Operating commitments received	101	105
Commitments received on collateral	0	0
Other commitments received	6	7
<b>RECIPROCAL COMMITMENTS</b>	<b>1,131</b>	<b>1,189</b>

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

During the first half-year 2022, Orano refinanced its revolving credit facility (RCF) in advance for a total amount of 880 million euros with a margin indexed to environmental and governance criteria. This new confirmed syndicated credit line, signed with a pool of 10 banks, has a maturity of five years with two one-year extension options, exercisable in 2023 and 2024, and replaces the undrawn credit line concluded in July 2018.

## NOTE 22 - 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.

## Arlit hostages

On October 6, 2016, the manager of a protection services company sued AREVA SA and Orano Cycle (now Orano Démantèlement SAS) before the Nanterre Tribunal de Grande Instance to obtain payment of a success fee that he claims to be due for services he claims to have rendered to the AREVA group in Niger between September 2010 and October 2013. AREVA SA and Orano Cycle SA (Orano Démantèlement SAS) consider these claims to be 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.

On June 1, 2022 Orano Démantèlement SAS was informed of the existence of a judicial investigation opened on the court, in particular, of *unintentional injury by manifestly willful breach of a duty of care* concerning the kidnapping of hostages at the Arlit site in September 2010 and was convened on July 8, 2022 by the judge in charge of this case to be heard as an assisted witness.

## 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. Changes in this approach are described in the significant events of the period (see Note 1). As a reminder, in the absence of signature of amendment 10, 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.

## 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 23 - BACKLOG**

As of June 30, 2022, Orano's backlog amounted to 26.5 billion euros.

## **NOTE 24 - EVENTS AFTER THE END OF THE PERIOD**

On July 12, 2022, Natixis, as trustee of the trust set up by AREVA SA for the benefit of Siemens Bank, sold 26,415,277 Orano SA shares to the French State, *i.e.* approximately 10% of the share capital, which notably enabled the repayment by AREVA SA of the loan granted by Siemens Bank. As a result, Natixis is no longer a shareholder of Orano SA. On July 13, 2022, the French State acquired 29,074 Orano SA shares, *i.e.* 0.01% of the share capital, from AREVA SA. Since that date, the French State has held approximately 90% of Orano SA's share capital, the CEA holds one share, and JNFL and MHI 5% each.