



CONSOLIDATED FINANCIAL STATEMENTS

Orano

December 31, 2023

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CONSOLIDATED INCOME STATEMENT

<i>(in millions of euros)</i>	<i>Notes</i>	December 31, 2023	December 31, 2022
Income from goods and services		4,775	4,237
Other income		-	-
REVENUE		4,775	4,237
Cost of goods and services and other income		(3,885)	(3,441)
GROSS MARGIN		891	797
Research and development expense		(120)	(128)
Marketing and sales expense		(32)	(37)
General expense		(117)	(102)
Other operating income	5	200	125
Other operating expense	5	(186)	(146)
OPERATING INCOME		635	509
Share in net income of joint ventures and associates	14	(3)	(1)
Operating income after share in net income of joint ventures and associates		633	508
Financial income from cash and cash equivalents		16	12
Cost of gross debt	7	(127)	(133)
Cost of net debt		(111)	(122)
Other financial income		668	868
Other financial expense		(758)	(1,408)
Other financial income and expenses *	7	(91)	(540)
NET FINANCIAL INCOME (EXPENSE)		(202)	(662)
Income tax	8	(109)	(113)
NET INCOME		322	(267)
NET INCOME ATTRIBUTABLE TO OWNERS OF THE PARENT		217	(377)
NET INCOME ATTRIBUTABLE TO NON-CONTROLLING INTERESTS		105	110

* First-time adoption of IFRS 9 phase III at January 1, 2023, using the prospective method (see Note 1.3.1).

CONSOLIDATED COMPREHENSIVE INCOME

<i>(in millions of euros)</i>	<i>Notes</i>	December 31, 2023	December 31, 2022
NET INCOME		322	(267)
Other items not recyclable to the income statement		(4)	85
Revaluation of the net liability in respect of defined-benefit obligations		(4)	84
Income tax related to other non-recyclable items		0	(2)
Share in other non-recyclable items from joint ventures and associates, net of tax		0	3
Other items recyclable to the income statement		80	22
Currency translation differences		(51)	104
Change in value of cash flow hedges *		140	(97)
Income tax related to other recyclable items		(10)	14
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	76	107
COMPREHENSIVE INCOME		398	(160)
- Attributable to owners of the parent		293	(269)
- Attributable to non-controlling interests		104	109

* First-time adoption of IFRS 9 phase III at January 1, 2023, using the prospective method (see Note 1.3.1).

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS

<i>(in millions of euros)</i>	<i>Notes</i>	December 31, 2023	December 31, 2022
NON-CURRENT ASSETS		20,002	19,097
Goodwill	9	1,294	1,325
Intangible assets	10	1,256	1,266
Property, plant and equipment	11	8,955	8,534
Right-of-use assets – leases	12	73	75
End-of-lifecycle assets – third-party share	13	84	93
Financial assets earmarked for end-of-lifecycle operations	13	8,086	7,501
Investments in joint ventures and associates	14	8	15
Other non-current assets	15	148	172
Deferred tax assets	8	97	116
CURRENT ASSETS		4,598	4,080
Inventories and work-in-process	16	1,582	1,443
Trade accounts receivable and related accounts	17	766	689
Contract assets	18	89	98
Other operating receivables	19	614	618
Other non-operating receivables		39	43
Current tax assets	8	27	40
Other current financial assets	15	202	270
Cash and cash equivalents	20	1,278	879
TOTAL ASSETS		24,599	23,177

EQUITY AND LIABILITIES

<i>(in millions of euros)</i>	<i>Notes</i>	December 31, 2023	December 31, 2022
Capital		132	132
Consolidated premiums and reserves		1,478	1,600
Revaluation of the net liability in respect of defined-benefit obligations		(143)	(142)
Unrealized gains and losses on financial instruments		58	(70)
Currency translation reserves		23	72
Equity attributable to owners of the parent		1,550	1,591
Non-controlling interests	23	387	57
EQUITY	22	1,937	1,648
NON-CURRENT LIABILITIES		11,333	11,719
Employee benefits	24	514	475
Provisions for end-of-lifecycle operations	13	8,508	8,159
Other non-current provisions	25	328	359
Share in negative net equity of joint ventures and associates	14	21	23
Non-current financial liabilities	26	1,896	2,635
Non-current lease liabilities	12	65	65
Deferred tax liabilities	8	3	2
CURRENT LIABILITIES		11,329	9,810
Current provisions	25	2,448	2,179
Current financial liabilities	26	1,066	189
Current lease liabilities	12	17	16
Trade payables		1,093	1,010
Contract liabilities	18	5,691	5,396
Other operating liabilities	27	995	995
Other non-operating liabilities		6	3
Current tax liabilities	8	14	21
TOTAL EQUITY AND LIABILITIES		24,599	23,177

CONSOLIDATED STATEMENT OF CASH FLOWS

<i>(in millions of euros)</i>	<i>Notes</i>	December 31, 2023	December 31, 2022
Net income		322	(267)
Net amortization, depreciation and impairment of PP&E and intangible assets and marketable securities maturing in more than 3 months	10, 11 and 12	442	532
Net increase in (reversal of) provisions	13, 24 and 25	(199)	(297)
(Payments)/repayment of insurers on assets earmarked for social security liabilities	24	85	89
Net effect of accretion of assets and provisions		615	(384)
Income tax expense (current and deferred)		109	113
Net accrued interest included in cost of debt		112	122
Loss (gain) on disposal of fixed assets and change in fair value of financial assets	5 and 7	(582)	857
Share in net income of joint ventures and associates	14	3	1
Dividends received from joint ventures and associates and share of income from consortiums		5	12
Other non-cash items		44	(5)
Cash flow from operations before interest and taxes		955	772
Net interest received (paid)		(89)	(177)
Net interest paid on lease liabilities		(4)	(3)
Income tax paid		(56)	(53)
Cash flow from operations after interest and tax		807	539
Change in working capital requirement	21	298	269
NET CASH FLOW FROM OPERATING ACTIVITIES		1,104	808
Capital expenditure		(823)	(704)
Disposals of property, plant and equipment and intangible assets		8	13
Acquisitions of shares of consolidated companies, net of acquired cash		(2)	(6)
Disposals of shares of consolidated companies, net of cash disposed of		0	(2)
Acquisitions of financial assets earmarked for end-of-lifecycle operations		(4,694)	(3,778)
Disposals of financial assets earmarked for end-of-lifecycle operations		4,782	3,924
Change in cash management financial assets	15	47	69
Loans granted to joint ventures and associates		0	0
Repayment of loans from joint ventures and associates		8	4
Acquisitions of other financial assets		(7)	(8)
Disposals of other financial assets		0	1
NET CASH FLOW FROM INVESTING ACTIVITIES		(681)	(485)
Capital increases subscribed by non-controlling interests		0	0
Transactions with non-controlling interests		0	(58)
Dividends paid to non-controlling interests		(109)	(44)
Repayment of lease liabilities		(20)	(24)
Increase in financial liabilities	26	182	496
Decrease in financial liabilities	26	(38)	(947)
Change in other financial liabilities	26	0	(63)
NET CASH FLOW FROM FINANCING ACTIVITIES		15	(640)
Effect of exchange rate changes		(6)	5
CHANGE IN NET CASH		432	(312)
Net cash at the beginning of the period		798	1,109
Cash position at the end of the period	20	1,278	879
(-) short-term bank facilities and non-trade current accounts in credit	26	(49)	(81)
Net cash at the end of the period		1,230	798

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, 2022		264,152,778	132	1,990	(225)	12	(34)	1,876	(18)	1,858
Net income for the financial year				(377)				(377)	110	(267)
Other items of comprehensive income	8				84	(82)	106	108	(1)	107
Comprehensive income				(377)	84	(82)	106	(269)	109	(160)
Dividends paid								-	(44)	(44)
Other changes *				(14)	(1)		(1)	(15)	9	(6)
December 31, 2022		264,152,778	132	1,600	(142)	(70)	72	1,591	57	1,648
Net income for the financial year				217				217	105	322
Other items of comprehensive income	8				(4)	129	(49)	76	-	76
Comprehensive income				217	(4)	129	(49)	293	104	398
Dividends paid				0				0	(109)	(109)
Other changes **				(338)	3		-	(335)	335	-
December 31, 2023		264,152,778	132	1,478	(143)	58	23	1,550	387	1,937

* At December 31, 2022, other changes corresponded to restatements related to the application of the IFRS IC decision concerning the recognition of development costs for software in SAAS mode (IAS 38) for (6) million euros and the acquisition of additional interests in Cominak (see Note 2);

** At December 31, 2023, other changes in the amount of (335) million euros correspond to a financial contribution entirely assumed by Orano Expansion to the benefit of Imouraren SA (via a forgiveness of debt), with no modification to the percentages held by Imouraren shareholders, in accordance with the terms of the global partnership agreement with the State of Niger (see Note 1.1).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023

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 listed for trading on the Euronext Paris regulated market; in accordance with Article L. 233-16 of the French Commercial Code, it is therefore obliged to publish consolidated financial statements.

The consolidated financial statements of the Orano group as at December 31, 2023, have been prepared in accordance with IFRS. They were approved by the Board of Directors of Orano SA on February 15, 2024.

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

1.1 SIGNIFICANT EVENTS OF THE PERIOD

Extension of the production capacity of the Georges Besse II enrichment plant

On October 19, the Board of Directors approved the project to extend the production capacity of the Georges Besse II uranium enrichment plant at the Tricastin site (Drôme and Vaucluse). Estimated at nearly 1.7 billion euros, this investment will enable Orano to increase its production capacity by more than 30%, *i.e.*, 2.5 million SWUs. This project meets the demands of Orano's customers (i) to strengthen their security of supply by reducing reliance on the Russian sector and (ii) to prepare for long-term renewed interest in nuclear energy on a global level. The first productions are scheduled for 2028. SET Expansion will carry all the assets earmarked for this extension.

Signature of the global partnership agreement in Niger and the situation in Niger

On May 4, 2023, the State of Niger and Orano signed a global partnership agreement. This agreement, which reflects the intention of Niger and Orano to strengthen their long-term relationship, covers several topics including the execution of the Imouraren project and the clearance of Imouraren SA's financial position, the conditions for the ongoing operations of the Somaïr mine, the financing conditions for the Cominak redevelopment and Orano's social commitment in Niger. It reconciles Niger's desire to maximize the economic and financial benefits from the operation of mining companies, the preservation of the economic sustainability of Somaïr and the limitation of the socioeconomic impact of the closure of Cominak (see Change in equity and Note 5).

In addition, on July 26, 2023, a *coup d'état* toppled the incumbent President of Niger along with his government. In response, the ECOWAS (Economic Community of West African States) introduced an embargo leading to the closure of the main supply corridor to mining sites *via* Benin. In this context, Somaïr has gradually adjusted the organization of work by anticipating maintenance activities at its ore processing facilities and maintaining ore extraction activities at the mine for as long as possible. Security of supply for Orano's customers is always ensured thanks to the diversity of its supply sources. At the beginning of 2024, Somaïr has been testing reliable alternative logistics solutions that comply with its operating rules with a view to gradually restarting its activities. The Cominak redevelopment project is ongoing in accordance with the group's commitments and schedule. It is 100% financed

by the group. Studies are continuing on Imouraren. At the reporting date of the financial statements, Orano considers these events to have no immediate impact on the carrying amount of its assets but has recorded a provision for risks (see Notes 5 and 25) in the event of stagnation in the situation.

Development of the “batteries for electric vehicles” program

On May 16, 2023, Orano and the XTC New Energy group, a specialist in the production of cathode materials for batteries, signed agreements to create two joint ventures devoted to the production of critical materials for electric vehicle batteries. Under the terms of these agreements, Orano and XTC New Energy are committed to pooling their expertise to set up two production plants on a single industrial site in Dunkirk, in the Hauts-de-France region of France. At the same time, Orano is continuing to develop its project to recycle materials contained in batteries in order to reuse them in new components.

To consolidate the future supplies of these plants and secure the economic model, on October 24, 2023, the Orano group signed a memorandum of understanding with the Stellantis group. The ambition is to create a joint venture specializing in the recycling of gigafactory production waste and end-of-life electric vehicle batteries for Europe and North America. The locations of the pretreatment units should be defined according to needs, close to large collection centers for end-of-life batteries or the gigafactory production units, in Hauts-de-France and more broadly in Europe (Italy, *etc.*). To meet the needs identified by Stellantis, 18 pretreatment units could be built between 2026 and 2040 in France, Europe and North America.

Changes in uranium, conversion and enrichment market prices

Market prices for uranium and conversion and enrichment services continued to increase during the second half of 2023, carrying on the trend from 2022 and the first half of 2023. For all three markets, this increase began to accelerate after the summer. The conflict in Ukraine has continued and remains the leading cause of the increase in market indicators, especially for conversion and enrichment services.

On the uranium market, in addition to the situation in Ukraine and the *coup d'état* in Niger, production problems in Canada and Kazakhstan as well as the resumption of investment fund purchases pushed up the indicators significantly. The long-term uranium price rose from 52 US dollars per pound of U₃O₈ at the end of 2022 to 68 US dollars per pound at the end of 2023. The long-term conversion price, which averaged 27 US dollars per kilogram of uranium for the 2022 financial year, stood at 35 US dollars per kilogram of uranium at the end of 2023. Lastly, long-term enrichment price has increased from 136 US dollars per separative work unit (“SWU”) at the end of 2022 to 151 US dollars per SWU at December 31, 2023.

Financial market performance

The performance of the financial markets was very volatile in 2023, particularly in the bond markets. The European Central Bank raised its rates from 2.0% to 4.0%, managing to slow the annual rate of inflation from +9.2% to +2.9%. With economic activity remaining resilient, the valuation of earmarked assets has increased in this context, notably driven by the performance of the equity markets (+19% in the eurozone).

Governance: change of Chief Executive Officer

The Board of Directors of Orano, at its meeting of October 3, 2023, duly noted the resignation of Philippe KNOCHE from his position as Chief Executive Officer of the group, which he had held since July 2017. Pending the appointment of a successor, the French State appointed Claude IMAUVEN to serve as interim Chief Executive Officer as well as Chairman of the Board of Directors. On the proposal of the Board of Directors, Nicolas MAES was appointed Chief Executive Officer of Orano, by decree of the President of the French Republic on November 15, 2023.

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).

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, 2023, 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, 2023. 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: http://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 2023.

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.

Pension reform

Law 2023-270 of April 14, 2023, on the corrective financing of social security for 2023 raises the legal retirement age from 62 to 64 years. With effect from September 1, 2023, this age will gradually increase by three months per generation for those born after September 1, 1961, to reach age 64 in 2030 for those born in 1968 and thereafter.

At the same time, the contribution period to benefit from a full pension will be increased to 43 years in 2027, for generations born in 1965 and thereafter. The application of the so-called "Touraine" law of 2014 is being accelerated. It provided for an extension of the contribution period from 42 years today to 43 years by 2035, starting with the generation born in 1973. For people who would not have been able to make 43 years of contributions, the full retirement age (without discount) remains set at 67 years.

The impact of this reform on the pension obligation is treated as a plan amendment. Consequently, it constitutes a past service cost.

In the financial statements for the year ended December 31, 2023, the cost of past services was fully recognized in the income statement under "Other operating income" (see Note 5).

Application of IFRS 9 phase III

The group has opted for the IFRS 9 general hedge accounting model, under which it must ensure that its hedging relationships are consistent with its objectives and risk management strategy, and adopt a more qualitative approach to the assessment of its hedges.

The change in accounting method related to the adoption of IFRS 9 has been applied prospectively (with no impact on prior years or on the net position at January 1, 2022). Thus, the cost of premiums/discounts for new operations launched since January 1, 2023, is excluded from the hedge designation and recognized as a hedge cost in accordance with IFRS 9. This cost is recognized in equity as a change in fair value over the life of the hedge (*i.e.*, an expense of 3 million euros for the 2023 financial year) and will impact net financial income (expense) upon maturity.

For foreign exchange hedging transactions set up before 2023, the cost of the premium/discount continues to be recognized in net financial income (expense) over the life of the hedge, in accordance with IAS 39.

Greenhouse gas emission allowances

The Orano group is subject to a greenhouse gas emission allowance scheme system at its industrial site in la Hague.

In accordance with ANC Regulation 2014-03, the group recognizes:

- a provision if the greenhouse gas emissions for the financial year are higher than the emission allowances held by the entity. This provision corresponds to the cost of acquiring the allowances required to offset this deficit; or
- a stock of unused allowances if the greenhouse gas emissions for the financial year are lower than the emission allowances held by the entity. This stock is valued at the historical cost of the allowances acquired.

Standards and amendments published by the IASB but not adopted by the European Union as at January 1, 2023

- amendment to IAS 1 "Presentation of financial statements – Classification of liabilities as current or non-current";
- amendment to IFRS 16 "Lease liability in a sale and leaseback";
- amendment to IAS 7 and IFRS 7 "Supplier finance arrangements"; and
- amendment to IAS 21 "Lack of exchangeability".

Standards, amendments and interpretations that came into force on January 1, 2023

- amendment to IAS 1 "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 "International tax reform – Pillar 2 model rules" (see Note 8); and
- amendment to IFRS 17 "Insurance contracts".

These amendments have no significant impact on the annual financial statements.

Interpretations adopted by the European Union that do not yet require mandatory application

- IFRS 16 "Definition of a lease – Substitution rights";
- IFRS 9 "Guarantee over a derivative contract";
- IFRS 17 and IFRS 9 "Premiums receivable from an intermediary"; and
- IFRS 9 and IAS 19 "Homes and home loans provided to employees".

These interpretations were not applied early as at January 1, 2023. The group is currently analyzing their potential impacts.

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.

However, in cases where the consolidation of an entity (or a group of entities) represents an insignificant interest in terms of providing a true and fair report, the group has chosen not to consolidate it.

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 receivables, trade payables);
- 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 differences in "Other items of comprehensive income". In the event of the disposal of a foreign entity, the share of accumulated currency translation differences 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 operations".

Mining activities cover exploration (search for new deposits), mining projects (studies and construction of mines), operation (extraction of natural uranium, then chemical concentration into U_3O_8), the redevelopment of sites after their operation and the recycling of critical materials contained in the batteries of electric vehicles.

Front End activities primarily include the conversion of uranium concentrate (U_3O_8) 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 gains on the 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-lifecycle operations for the group's nuclear facilities (dismantling, waste retrieval and conditioning) carried out during the financial year.

Segment assets include "Inventories and work-in-process", "receivables (excluding tax)" and "non-current assets", with the exception of "Deferred tax assets" 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 allocatable assets 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, Asia, 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 (U_3O_8);
- 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 income 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 income 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 income 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 UF₆. 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 income 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;
- 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 income statement, 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 income statement, 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 recognized 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 their commissioning date, termed "Dismantling assets – attributable to owners of the parent" (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; and
- 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 acquisitions of 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 in the Mining business is measured on the basis of multiples of land (*i.e.*, by comparison with resources and reserves valued according to the market capitalization of juniors comparable to the group's mineral deposits that have not been mined). 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
- 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 value forecast and 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 forecast and 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 inventories 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 its estimated fair value on the transaction date. In return, a liability corresponding to the obligation to return the material, valued at each reporting date, according to the return assumption (based on the group's future production or external purchases), is recognized in "Trade payables".

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 derivatives.

Financial liabilities

Financial liabilities include:

- borrowings;
- trade payables;
- certain other operating liabilities;
- bank overdrafts; and
- the negative fair value of derivatives.

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 items of 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 or 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 items of 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 upon the sale of an asset or paid to transfer a liability as part of 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 mutual funds;
- the mutual funds do not trade directly or indirectly in financial instruments issued by Orano;
- none of the financial investments made by the mutual 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;
- bank borrowings;
- bonds issued by Orano;
- bank overdrafts; and
- liabilities under finance leases.

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

Bonds 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. Derivatives and hedge accounting

The group has adopted the IFRS 9 general hedge accounting model.

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.

Fair value hedges

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.

Cash flow hedges

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 hedging derivatives are revalued at each reporting date; in return:

- The effective portion of changes in value and changes in the fair value of the time value of the option and the effects of premiums/discounts over the life of the hedge are recognized in "Other items of comprehensive income" and presented in the statement of financial position for the amount net of tax, as "Deferred unrealized gains and losses on financial instruments" under Equity;
- The ineffective portion of the change in fair value resulting from the effectiveness test is recognized in profit or loss.

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.

Hedges of net investments in foreign operations

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 differences 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.

Derivatives not qualifying as hedges

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

Presentation in the statement of financial position

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.

Presentation in the statement of income

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 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 corporate bonds with a maturity equivalent to that of the Company's corporate liabilities, issued by prime corporate borrowers.

The group has built up financial assets with an insurer to cover the expenses of defined-benefit plans. The recognition of hedging assets is recorded as a counterpart to the sum 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 items of comprehensive income"; they cannot be reclassified to the income statement.

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 (expense); 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 income statement 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 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 reporting 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, an 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 remediation

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); and
- costs relating to the monitoring of storage sites after their closure.

At the reporting 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 a dismantling 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: ultimate forward rate "UFR" 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.

According to 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 actual discount rate (*i.e.*, net of inflation) thus determined, when:

- the gross discount rate remains lower than the projected rate of return on earmarked assets, prudently estimated taking into account the disbursement horizon; and
- the actual discount rate remains below the ceiling rate, set by order of the ministers responsible for the economy and energy, equal to the unrounded value representative of expectations regarding real long-term interest rates, used for the calculation published by the European Insurance and Occupational Pensions Authority of the ultimate forward rate applicable on the date in question, increased by 150 basis points.

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, dismantling assets are adjusted in the same amount as the provision; dismantling 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 (expense); 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 "Dismantling assets – own share" for the group's share, and, in return, against non-current asset account "Dismantling 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 taxes

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 opted for the recognition in income tax of the contribution on the added value of companies (CVAE) to which its French subsidiaries are subject. Since January 1, 2021, the rate has decreased from 1.5% to 0.75%, then to 0.375% in 2023. As provided in IAS 12, this election requires recognition of deferred taxes on the corresponding temporary differences.

Recoverability of deferred tax assets

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).

Offsetting of deferred tax

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 FRENCH / FOREIGN CONSOLIDATED COMPANIES

(number of companies)	December 31, 2023		December 31, 2022	
	French	Foreign	French	Foreign
Full consolidation	30	40	29	43
Joint operations	-	6	-	6
Equity method	1	5	1	5
Sub-Total	31	51	30	54
Total	82		84	

MAIN OPERATIONS IN 2023

Creation of SET Expansion

To meet a growing need for enrichment services, the Board of Directors of Orano SA decided, on October 19, 2023, to authorize the extension project at the Georges Besse II enrichment plant, located at the Tricastin site in France. SET Expansion will carry all the assets earmarked for this extension (see Note 1.1).

MAIN OPERATIONS IN 2022

Acquisition of CERIS Group and INEVO Group

On March 30, Orano Projets acquired a majority stake in CERIS Group, a company specializing in engineering 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 7 million euros for INEVO Group.

The allocation of goodwill did not result in the valuation of identifiable assets as intangible assets. The goodwill related to the acquisitions of CERIS Group and INEVO Group amounted to 1 million euros and 5 million euros respectively.

For CERIS Group, revenue in 2022 amounted to 4 million euros, including 3 million euros since the acquisition date.

For INEVO Group, revenue in 2022 amounted to 6 million euros, including 4 million euros since the acquisition date.

Acquisition of additional interests in Cigar Lake

On May 18, Orano Canada Inc. and Cameco Corporation jointly acquired Idemitsu Canada Resources' stake in the Cigar Lake joint venture in Canada. Following this transaction, Cameco holds 54.547% of the Cigar Lake joint venture, Orano Canada Inc. 40.453% and TEPCO 5%. The acquisition price was 80 million Canadian dollars for the share acquired by Orano. This transaction was recognized as an acquisition of a business in accordance with the definition of a business combination. Negative goodwill was recognized in other operating income for 8 million euros.

Acquisition of additional interests in Cominak

On December 22, ENUSA Industrias Avanzadas sold the 35,000 shares (10%) held in the capital of Cominak to Orano Mining. The new distribution of Cominak's capital is: Orano Mining (69%), SOPAMIN (31%).

Creation of the Spectrano joint venture

On April 13, the Spectrano joint venture was created between Spectra Tech, Inc., an American company and Orano Federal Services. The objective of this joint venture is to respond to calls for proposals issued by the United States Department of Energy and its subcontractors and to provide the required services.

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, 2023		December 31, 2022	
	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
Sofidif (2)	FC	60	FC	60
SET Holding	FC	95	FC	95
SET	FC	95	FC	95
SET Expansion	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
CERIS Group	FC	68.52	FC	68.52
CERIS Ingénierie	FC	68.52	FC	68.52
ELIX	FC	68.52	FC	68.52
INEVO Group	FC	100	FC	100
INEVO Technologies	FC	100	FC	100
INEVO PS	FC	100	FC	100
Orano Démantèlement	FC	100	FC	100
Orano DS – Démantèlement et Services	FC	73.86	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 of control over this entity is greater than 50%.

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

Name of unit or controlling entity Company name, legal form	Country	December 31, 2023		December 31, 2022	
			Percentage interest		Percentage interest
EUROPE (excluding France)					
Urangesellschaft – Frankfurt	Germany	FC	100	FC	100
Orano Nuclear Cargo and Service	Germany	FC	100	FC	100
Orano Nuclear Trucking	Germany	FC	100	FC	100
Orano GmbH	Germany	FC	100	FC	100
Dekontaminierung Sanierung Rekultivierung	Germany	FC	100	FC	100
Enrichment Technology Company Ltd (ETC)	United Kingdom	EM	50	EM	50
Orano Ltd	United Kingdom	FC	100	FC	100
AMERICAS					
Orano USA LLC	United States	FC	100	FC	100
PIC	United States	FC	100	FC	100
Orano Federal Services LLC	United States	FC	100	FC	100
UG USA	United States	FC	100	FC	100
TN Americas LLC	United States	FC	100	FC	100
Orano CIS LLC	United States	FC	100	FC	100
Interim Storage Partners LLC	United States	EM	51	EM	51
TLI (1)	United States	-	-	FC	100
TLI Shipping (1)	United States	-	-	FC	100
Orano Decommissioning Services LLC	United States	FC	100	FC	100
Orano Decommissioning Holding LLC	United States	FC	100	FC	100
Accelerated Decommissioning Partners LLC	United States	EM	25	EM	25
Orano Med LLC	United States	FC	100	FC	100
Spectrano	United States	EM	49	EM	49
Orano Canada Inc.	Canada	FC	100	FC	100
Cigar Lake	Canada	AC	40.45	AC	40.45
Key Lake	Canada	AC	16.67	AC	16.67
Kiggavik	Canada	AC	66.09	AC	66.09
McArthur River	Canada	AC	30.20	AC	30.20
McClean Lake	Canada	AC	77.5	AC	77.5
Midwest	Canada	AC	74.83	AC	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					
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	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	100
COGEOBI	Mongolia	FC	100	FC	100
Badrakh Energy LLC	Mongolia	FC	66	FC	66
Orano Korea	Rep. of Korea	FC	100	FC	100
Katco (see Note 23)	Kazakhstan	FC	51	FC	51
Nurlikum Mining LLC	Uzbekistan	FC	51	FC	51

(1) Companies merged into TN Americas LLC.

Name of unit or controlling entity Company name, legal form	Country	December 31, 2023		December 31, 2022	
			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	69	FC	69
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
Uramin Centrafrique	Central African Rep.	FC	100	FC	100
Comuf	Gabon	FC	68.42	FC	68.42

NON-CONSOLIDATED COMPANIES

At December 31, 2023, the net carrying amount of non-consolidated securities held at 50% or more represented 16 holdings, for which 11 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

2023 Income

	Mining	Front End	Back End	Corporate, other operations and eliminations	Total
<i>(in millions of euros)</i>					
Gross revenue	1,389	1,446	2,301	(361)	4,775
Inter-segment sales	(70)	(141)	(166)	377	-
Contribution to consolidated revenue	1,319	1,305	2,135	17	4,775
Operating income before end-of-lifecycle activity	196	422	109	(50)	677
Income from end-of-lifecycle activities	-	(55)	13	-	(42)
Operating income	196	368	122	(50)	635
Share in net income of joint ventures and associates	-	-	-	-	(3)
Net financial income (expense)	-	-	-	-	(202)
Income tax	-	-	-	-	(109)
Net income for the period	-	-	-	-	322
EBITDA *	421	446	395	(34)	1,228
<i>% of gross revenue</i>	<i>30.3%</i>	<i>30.8%</i>	<i>17.2%</i>	<i>n/a</i>	<i>25.7%</i>

* See Notes 1.3.5 and 6.

At December 31, 2023, the group had generated approximately 45% of its revenue with EDF.

2023 Statement of financial position

<i>(in millions of euros)</i>	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)	2,704	4,214	4,506	154	11,579
End-of-lifecycle assets and assets earmarked for end-of-lifecycle	-	1,705	6,466	-	8,170
Other non-current assets	82	-	3	167	253
Subtotal: non current assets	2,787	5,919	10,975	321	20,002
Inventories and receivables (excluding tax receivables)	635	1,287	933	236	3,090
Other current assets	-	-	-	1,507	1,507
Subtotal: current assets	635	1,287	933	1,743	4,598
TOTAL ASSETS	3,421	7,206	11,908	2,064	24,599

2022 Income

<i>(in millions of euros)</i>	Mining	Front End	Back End	Corporate, other operations and eliminations	Total
Gross revenue	1,355	1,213	1,901	(232)	4,237
Inter-segment sales	(12)	(103)	(139)	254	-
Contribution to consolidated revenue	1,343	1,111	1,762	21	4,237
Operating income before end-of-lifecycle activity	298	352	(56)	(40)	555
Income from end-of-lifecycle activities	-	(23)	(23)	-	(46)
Operating income	298	329	(79)	(40)	509
Share in net income of joint ventures and associates	-	-	-	-	(1)
Net financial income (expense)	-	-	-	-	(662)
Income tax	-	-	-	-	(113)
Net income for the period	-	-	-	-	(267)
EBITDA	491	470	154	(20)	1,095
<i>% of gross revenue</i>	<i>36.2%</i>	<i>38.8%</i>	<i>8.1%</i>	<i>n/a</i>	<i>25.8%</i>

At December 31, 2022, the group generated approximately 48% of its revenue with EDF.

2022 Statement of financial position

<i>(in millions of euros)</i>	Mining	Front End	Back End	Corporate, other operations and eliminations	Total
Property, plant and equipment and intangible assets (including goodwill)	2,760	4,115	4,200	125	11,200
End-of-lifecycle assets and assets earmarked for end-of-lifecycle operations	-	1,581	6,013	-	7,594
Other non-current assets	110	-	3	190	303
Subtotal: non current assets	2,870	5,696	10,216	316	19,097
Inventories and receivables (excluding tax receivables)	470	1,280	946	195	2,891
Other current assets	-	-	-	1,189	1,189
Subtotal: current assets	470	1,280	946	1,384	4,080
TOTAL ASSETS	3,339	6,976	11,162	1,700	23,177

BY REGION

2023 Financial year

Contribution to consolidated revenue by business segment and customer location

<i>(in millions of euros)</i>	Mining	Front End	Back End	Corporate and other operations	Total
France	530	414	1,454	11	2,409
Europe (excluding France)	82	345	286	4	717
Americas	151	299	190	1	640
Asia	459	247	201	1	907
Africa and Middle East	97	1	5	-	102
Total	1,319	1,305	2,135	17	4,775

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

<i>(in millions of euros)</i>	Mining	Front End	Back End	Corporate and other operations	Total
France	7	128	451	36	622
Europe (excluding France)	1	-	9	-	10
Americas	47	-	2	9	58
Asia	100	-	-	-	101
Africa and Middle East	19	-	-	-	19
Total *	173	128	462	45	809

* See Notes 10 and 11.

2022 financial year

Contribution to consolidated revenue by business segment and customer location

<i>(in millions of euros)</i>	Mining	Front End	Back End	Corporate and other operations	Total
France	673	413	1,193	12	2,291
Europe (excluding France)	27	113	238	9	387
Americas	130	298	194	-	621
Asia	438	277	135	-	850
Africa and Middle East	75	10	3	-	88
Total	1,343	1,111	1,762	21	4,237

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

<i>(in millions of euros)</i>	Mining	Front End	Back End	Corporate and other operations	Total
France	6	96	437	20	559
Europe (excluding France)	3	-	7	-	9
Americas	47	-	4	6	58
Asia	112	-	-	-	112
Africa and Middle East	29	-	-	-	29
Total	197	96	448	27	766

Note 4 – ADDITIONAL INFORMATION BY TYPE

<i>(in millions of euros)</i>	December 31, 2023	December 31, 2022
Payroll expenses (1)	(1,548)	(1,409)
Average full-time equivalent workforce (2)	19,266	18,990

(1) Excluding post-employment benefits.

(2) Including work-study students and fixed-term contracts.

Note 5 – OTHER OPERATING INCOME AND EXPENSES

OTHER OPERATING INCOME

<i>(in millions of euros)</i>	December 31, 2023	December 31, 2022
Gain on disposals of non-financial assets	-	11
Reversal of impairment on assets	120	30
Other income	79	84
Total other operating income	200	125

In 2022 and 2023, the reversal of impairment losses mainly concerns the industrial assets of the Conversion CGU (see Note 11).

In 2023, other income includes:

- the reversal of provisions following the elimination of certain tax risks in the amount of 30 million euros (see Note 25);
- the reversal of the provision for the redevelopment of mining sites for 30 million euros (see Note 25); and
- the decrease in Orano commitments related to the pension reform in the amount of 4 million euros (see Notes 1.3.1 and 24).

In 2022, other income included an insurance indemnity of 45 million euros for additional costs incurred by the failure of certain crystallizers at the Philippe Coste plant in 2021.

OTHER OPERATING EXPENSES

<i>(in millions of euros)</i>	December 31, 2023	December 31, 2022
Loss on disposals of non-financial assets	(7)	(1)
Asset impairment	(4)	(21)
Dismantling costs net of provisions/reversals of provisions for end-of-lifecycle operations	(42)	(46)
Other expenses	(134)	(78)
Total other operating expense	(186)	(146)

Dismantling costs net of provisions/reversals of provisions are described in Note 13.

In 2023, other expenses mainly include:

- a provision for expenses in connection with the societal commitment set out in the global partnership agreement with the State of Niger for 30 million euros (see Notes 1.1 and 25);
- a lower level of activity in Niger for 15 million euros (see Note 1.1) and an allocation to provisions for risks related to the situation in the country for 60 million euros (see Notes 1.1 and 25); and
- provisions made in relation to the redevelopment of mining sites for 19 million euros (see Note 25).

In 2022, other expenses notably included a contractual indemnity of 15 million euros, and charges to provisions relating to the redevelopment of mining sites for 16 million euros (see Note 25).

NOTE 6 – TRANSITION FROM OPERATING INCOME TO EBITDA

<i>(in millions of euros)</i>	December 31, 2023	December 31, 2022
Operating income	635	509
Net increase in depreciation and impairment of intangible assets, net of reversals	93	98
Net increase in depreciation and impairment of property, plant and equipment, net of reversals	327	415
Net increase in depreciation and impairment of right-of-use – asset leases, net of reversals	22	23
Net gain on disposal of property, plant and equipment and intangible assets	6	(10)
Losses and gains on leases	-	2
Effects of takeovers and losses of control	-	6
Charges to provisions, net of reversals *	(199)	(278)
Investment grant recognized in the income statement	0	(1)
Insurer (payments)/repayments on assets earmarked for social security liabilities **	85	89
Costs of end-of-lifecycle operations performed	258	243
EBITDA	1,228	1,095

* 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 2023 includes interest expenses relating to bonds for an amount of 107 million euros (unchanged from December 31, 2022).

The interest expense related to IFRS 16 incurred during the 2023 financial year was 4 million euros (compared to 3 million euros at December 31, 2022).

OTHER FINANCIAL INCOME AND EXPENSES

<i>(in millions of euros)</i>	December 31, 2023	December 31, 2022
Change in fair value through profit or loss of earmarked assets	580	(865)
Dividends received	71	76
Income from receivables and accretion gains on earmarked assets	5	3
Accretion expenses on end-of-lifecycle operations	(423)	(327)
Impact of changes in discount rates and inflation rates (see Note 13)	(60)	523
Impact of revisions of payment schedules	-	-
Share related to end-of-lifecycle operations	173	(590)
Foreign exchange gain (loss)	(14)	(8)
Change in fair value through profit or loss of non-earmarked assets	9	(1)
Interest on advances received on contracts	(80)	(77)
Financial income from pensions and other employee benefits	(18)	(5)
Impact on net debt and other provisions of accretion and changes in discount and inflation rates	(119)	189
Other financial income	3	3
Other financial expense	(44)	(52)
Share not related to end-of-lifecycle operations	(263)	50
Other financial income and expense	(91)	(540)

* First-time adoption of IFRS 9 phase III at Jan. 1, 2023, using the prospective method (see Note 1.3.1).

The premiums / discounts on foreign exchange hedging instruments are recognized in other financial expenses (see Note 1.3.1).

Note 8 – INCOME TAXES

ANALYSIS OF INCOME TAX EXPENSE

<i>(in millions of euros)</i>	December 31, 2023	December 31, 2022
Current taxes (France)	(22)	(26)
Current taxes (other countries)	(80)	(57)
Total current taxes	(102)	(83)
Deferred taxes	(7)	(30)
Total taxes	(109)	(113)

The main French subsidiaries in the scope of consolidation, which are at least 95% owned, established an Orano SA tax consolidation group effective September 1, 2017. Future relationships between the subsidiaries and Orano SA for the period covered by the tax consolidation are governed by a tax consolidation agreement, based on the principle of neutrality.

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, 2023.

Foreign current tax includes the impact of uncertain tax positions classified in the statement of financial position as a provision for tax risk (see Note 25).

The Orano group falls within the scope of application of the Globe rules and carries out the work necessary to assess the impacts of these new rules. The expected impacts are non-material.

Reconciliation between income tax expense and profit(loss) before tax

<i>(in millions of euros)</i>	December 31, 2023	December 31, 2022
Net income for the period	322	(267)
Share in net income of joint ventures and associates	3	1
Tax expense (income)	109	113
Income before tax	434	(153)
Theoretical tax (expense) / gain at 25.83%	(112)	40
<u>Impact of tax consolidation</u>		
Operations taxed at a rate other than the full statutory rate	-	-
Unrecognized deferred taxes	40	(132)
Other changes in permanent differences	(38)	(21)
Actual tax (expense) / income	(109)	(113)
Effective tax rate	25%	n/a

Breakdown of other changes in permanent differences

<i>(in millions of euros)</i>	December 31, 2023	December 31, 2022
Parent/subsidiary tax treatment and inter-company dividends	(1)	(1)
Differences between the French tax rate and tax rates applicable abroad	(3)	23
CVAE business tax	(7)	(12)
Impact of change in tax rate	3	(3)
Other	(29)	(28)
Total other changes in permanent differences	(38)	(21)

DEFERRED TAX ASSETS AND LIABILITIES

<i>(in millions of euros)</i>	December 31, 2023	December 31, 2022
Deferred tax assets	97	116
Deferred tax liabilities	3	2
Total deferred tax assets and (liabilities)	94	114

For all French companies, the expected tax rate for temporary differences is 25.83% for reversals from 2024.

Main consolidated deferred tax assets and liabilities by type

<i>(in millions of euros)</i>	December 31, 2023	December 31, 2022
<i>Tax impact of temporary differences related to:</i>		
Property, plant and equipment, intangible assets and non-current assets (including right-of-use assets on leases)	120	98
Working capital assets	9	15
Employee benefits	3	3
Tax-driven provisions	(159)	(165)
Provisions for end-of-lifecycle operations and mining site remediation	27	27
Impact of loss carry-forwards and deferred taxes	78	109
Other temporary differences (including lease liabilities and provisions for the remediation of leased assets)	17	13
Total deferred tax assets net of liabilities	94	114

Change in consolidated deferred tax assets and liabilities

<i>(in millions of euros)</i>	December 31, 2023	December 31, 2022
At January 1	114	131
Tax recognized in profit or loss	(7)	(30)
Tax expense recognized directly in other items of comprehensive income	(10)	12
Change in consolidated group	-	(2)
Currency translation differences	(2)	3
Total deferred tax assets and (liabilities)	94	114

Consolidated deferred tax income and expense by category of temporary difference

<i>(in millions of euros)</i>	December 31, 2023	December 31, 2022
Property, plant and equipment, intangible assets and non-current assets (including right-of-use assets on leases)	(33)	216
Working capital assets	5	(2)
Employee benefits	10	7
Tax-driven provisions	(2)	(6)
Provisions for end-of-lifecycle operations and mining site remediation	-	(8)
Net tax loss carryforwards and deferred taxes	(52)	(47)
Impairment of deferred taxes (not recognized)	45	(132)
Other temporary differences (including lease liabilities and provisions for the remediation of leased assets)	20	(59)
Total deferred tax income (expenses)	(7)	(30)

Breakdown of deferred taxes recognized in other items of comprehensive income

(in millions of euros)	December 31, 2023			December 31, 2022		
	Before tax	Income tax	After tax	Before tax	Income tax	After tax
Revaluation of the net liability in respect of defined-benefit obligations	(4)	-	(4)	84	(2)	82
Currency translation differences	(51)	-	(51)	104	-	104
Change in value of cash flow hedges	140	(10)	130	(97)	14	(83)
Share in comprehensive income of associates (net of income tax)	-	-	-	3	-	3
Total gains and (losses) from other items of comprehensive income after tax	86	(10)	76	95	13	107

UNRECOGNIZED DEFERRED TAX ASSETS

(in millions of euros)	December 31, 2023	December 31, 2022
Tax credits	-	-
Tax losses	629	642
Other temporary differences	903	969
Total unrecognized deferred taxes	1,532	1,612

Note 9 – GOODWILL

(in millions of euros)	December 31, 2022	Increases	Disposals	Impairment	Currency translation differences and other	December 31, 2023
Mining	902	-	-	-	(31)	872
Front End	161	-	-	-	-	161
Back End	262	-	-	-	-	261
Total	1,325	-	-	-	(31)	1,294

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 as detailed in Notes 10 and 11) with their recoverable value.

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, 2023	Discount rate after tax	Growth rate for standard year	Standard year
Mining	8.0% - 12.5%	n/a	n/a
Front End	8.0%	n/a	n/a
Back End	7.5% - 9%	1.5%	2040

December 31, 2022	Discount rate after tax	Growth rate for standard year	Standard year
Mining	8.5% - 12.5%	n/a	n/a
Front End	8.5%	n/a	n/a
Back End	8% - 9%	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 group of CGUs of the Mines BU 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 of between 8.00% and 12.50% (between 8.50% and 12.50% at December 31, 2022) and based on the exchange rates at December 31, 2023. 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 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, or selling price assumptions 5 US dollars per pound of uranium lower compared to the forecast price curves prepared by Orano over the entire period of the business plans, taken individually or together, would not result in any impairment of the goodwill allocated to the group of CGUs of the Mines BU.

The result of the test is not sensitive to the conditions of business resumption in Niger (see Note 1.1).

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

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 a rate of 8% (8.50% at December 31, 2022) and on the basis of a euro/US dollar exchange rate of 1.11, corresponding to the closing rate at December 31, 2023 (1.07 at December 31, 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 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).

The valuation remains sensitive to discount rates, to foreign exchange parity and to the anticipated future prices of the SWUs. The impacts of using discount rates 50 basis points higher, a euro / US dollar exchange rate 5 cents higher, or sales price assumptions 5 US dollars per SWU lower than the forecast price curves prepared by Orano over the entire period of the business plans, taken individually or together, would not result in any impairment of the goodwill allocated to the group of Enrichment CGUs.

BACK END

In the Back End segment, goodwill was carried by the Recycling BU in the amount of 172 million euros, the Nuclear Packages and Services BU in the amount of 68 million euros, the DS BU in the amount of 15 million euros and the Orano Projets BU in the amount of 6 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 of between 7.5% and 9% (down 0.5% or stable depending on the BU, compared to those of December 31, 2022).

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

<i>(in millions of euros)</i>	Pre-mining expenses	R&D expenses	Mineral rights	Concessions & patents	Software	Intangible assets in progress	Other	Total
Gross amounts at December 31, 2022	2,220	58	1,198	413	392	94	189	4,564
Capex	50	-	-	-	-	44	-	94
Disposals	(1)	-	-	-	(2)	-	-	(3)
Currency translation differences	(32)	-	(29)	(1)	-	(1)	(1)	(65)
Change in consolidated group	-	-	-	-	-	-	-	-
Other changes	20	-	-	1	14	(30)	-	5
Gross amounts at December 31, 2023	2,258	58	1,168	413	404	106	188	4,595
Amortization and provisions at December 31, 2022	(1,421)	(58)	(1,198)	(122)	(333)	(3)	(164)	(3,298)
Net amortization/ depreciation/ impairment (1)	(77)	-	-	(8)	(15)	-	(1)	(101)
Disposals	-	-	-	-	2	-	-	2
Currency translation differences	21	-	29	1	-	-	1	53
Change in consolidated group	-	-	-	-	-	-	-	-
Other changes	(3)	-	-	-	-	-	-	(3)
Amortization and provisions at December 31, 2023	(1,473)	(58)	(1,168)	(128)	(345)	(3)	(163)	(3,340)
Net carrying amount at December 31, 2022	799	1	-	291	59	91	26	1,266
Net carrying amount at December 31, 2023	784	-	-	285	59	103	24	1,256

(1) Including net impairment reversal of 7 million euros.

Note 11 – PROPERTY, PLANT AND EQUIPMENT

<i>(in millions of euros)</i>	Land	Buildings	Plant, equipment and tooling	Dismantling assets – attributable to owners of the parent	Other	In progress	Total
Gross amounts at December 31, 2022	158	2,151	20,966	965	1,527	2,564	28,330
Capex	-	7	51	-	4	652	715
Disposals	-	(2)	(54)	(3)	(25)	-	(84)
Currency translation differences	(1)	(5)	(24)	-	(25)	(3)	(59)
Change in consolidated group	-	-	-	-	-	-	-
Other changes (2)	-	124	575	58	40	(723)	75
Gross amounts at December 31, 2023	158	2,275	21,513	1,020	1,522	2,490	28,977
Depreciation and provisions at December 31, 2022	(82)	(1,212)	(15,954)	(688)	(1,287)	(574)	(19,797)
Net amortization/ depreciation/ impairment (1)	(1)	(54)	(262)	(16)	(26)	32	(327)
Disposals	-	2	48	3	11	-	64
Currency translation differences	-	3	13	-	24	-	40
Change in consolidated group	-	-	-	-	-	-	-
Other changes	-	(2)	(1)	-	2	-	(2)
Depreciation and provisions at December 31, 2023	(83)	(1,264)	(16,156)	(701)	(1,277)	(541)	(20,021)
Net carrying amount at December 31, 2022	76	939	5,011	277	240	1,990	8,534
Net carrying amount at December 31, 2023	75	1,011	5,357	319	245	1,949	8,955

(1) Including net impairment reversal of 109 million euros.

(2) Including 64 million euros related to the revisions of estimates and (8) 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).

Mining assets in Namibia – Trekkopje

The net 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 10.50% (11.00% at December 31, 2022). No additional impairment loss has been recognized as at December 31, 2023 (compared to impairment of 14 million euros at December 31, 2022).

The net carrying amounts of the property, plant and equipment and intangible assets of the Trekkopje mine are justified on the basis of their fair value measured at December 31, 2023, using a multiple of uranium resources in the ground.

Mining assets in Canada - Midwest

The carrying amount of the property, plant and equipment and intangible assets of the Midwest deposit were subject to impairment in the amount of 8 million euros at December 31, 2019, based on their fair value measured using a multiple of uranium resources in the ground.

Given the increase in the multiple of uranium resources in the ground over several years since that date, the increase in the uranium spot price during 2023 and its development outlook, as well as the presence of industrial facilities in operation close to the deposit, the potential development prospects for the deposit have led to a reversal, in 2023, of the provision for impairment recorded in 2019.

After taking into account this provision reversal of 8 million euros, the net carrying amount of the Midwest assets was 57 million euros at December 31, 2023 (compared to 49 million euros at December 31, 2022).

INDUSTRIAL ASSETS OF THE CONVERSION CGU

The Conversion CGU includes the industrial assets of Comurhex II in Malvési and Philippe Coste in Tricastin.

An impairment test was carried out on June 30, 2023, on the industrial assets of the Conversion CGU and resulted in the recognition of a reversal of impairment of 50 million euros.

A second impairment test was carried out on December 31, 2023, in light of the projected positive evolution of conversion price indices. This resulted in a further reversal of impairment in the amount of 50 million euros. The net carrying amount of the Conversion CGU's industrial assets thus stood at 693 million euros at December 31, 2023.

The value in use of the Conversion CGU was measured at December 31, 2023 using a discount rate of 8% (compared to 8.5% at June 30, 2023, the date of the last test), a euro/US dollar exchange rate of 1.11 corresponding to the rate at December 31, 2023 (1.08 at June 30, 2023) and sales price assumptions for conversion units resulting from Orano's analysis of the foreseeable medium- and long-term change in the balance between supply and demand. The price curves for the remainder to be sold are 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 assets of the Conversion CGU would fall by the amounts below in the event of use of:

- a discount rate 50 basis points higher (*i.e.*, 8.5% instead of 8%): 35 million euros;
- sales price assumptions 1 euro lower per kilogram of converted uranium compared with Orano's projected price curves: 63 million euros; and
- a euro/US dollar exchange rate 5 cents higher (*i.e.*, 1.16 instead of 1.11): 23 million euros.

Note 12 – LEASES

RIGHT-OF-USE ASSETS

<i>(in millions of euros)</i>	December 31, 2022	New leases/ Increase	Withdrawals from leases/ Reductions	Net charges to depreciation	Other changes	Currency translation differences	December 31, 2023
Property assets	63	14	(3)	(13)	-	(1)	60
Other assets	12	10	-	(9)	-	-	13
Total	75	24	(3)	(22)	-	(1)	73

LEASE LIABILITIES

The following table presents the provisional disbursement schedule:

<i>(in millions of euros)</i>	December 31, 2023
Maturing in 1 year or less	20
Maturing in 1-2 years	15
Maturing in 2-3 years	14
Maturing in 3-4 years	12
Maturing in 4-5 years	12
Maturing in more than 5 years	20
Total	95

The amounts represent future disbursements expressed before discounting.

NOTE 13 – END-OF-LIFECYCLE OPERATIONS

PROVISIONS FOR END-OF-LIFECYCLE OPERATIONS

<i>(in millions of euros)</i>	Net carrying amount at December 31, 2022	Reversal used	Third-party expenses	Revisions to estimates	Discounting	Other changes	Net carrying amount at December 31, 2023
Provisions for dismantling	5,048	(141)	(17)	121	259	(29)	5,241
Provisions for waste retrieval and packaging	1,333	(73)	-	(17)	72	80	1,395
Provisions for long-term waste management and site monitoring	1,427	(15)	-	36	74	(2)	1,520
Provisions for end-of-lifecycle operations (regulated *)	7,808	(230)	(17)	141	405	48	8,156
Provisions for end-of-lifecycle operations (non-regulated *)	352	(22)	-	-	18	5	352
PROVISIONS FOR END-OF-LIFECYCLE OPERATIONS	8,159	(252)	(18)	141	423	53	8,508

* Scope of application of the French law of June 28, 2006.

At December 31, 2023, used provisions in the amount of 252 million euros correspond to the expenses relating to the end-of-lifecycle operations incurred by the group.

Revisions to estimates for 141 million euros include allocations and reversals relating to:

- the dismantling of facilities in operation for 55 million euros (offset by end-of-lifecycle assets attributable to owners of the parent for 66 million euros (see Note 11), with the notable commissioning of the new fission product concentrators (NCPF), a decrease in underlying assets for (2) million euros (see Note 11) and operating income for (8) million euros;
- the dismantling of decommissioned facilities and WRP and long-term waste management operations for 44 million euros, offset by operating income;
- the dismantling of facilities financed by third parties for 2 million euros (offset by the end-of-lifecycle assets – third-party share); and
- the dismantling of part of the discontinued facilities in the north zone of the Tricastin site for 40 million euros (financed by the CEA).

The other changes amounting to 53 million euros are due to changes in financial assumptions over the 2023 financial year. The changes in financial assumptions are offset by the following:

- a financial expense of 60 million euros (see Note 6);
- a decline in dismantling assets attributable to owners of the parent, for (8) million euros (see Note 9); and
- an increase in dismantling assets – third-party share for 2 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. Furthermore, the group must 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 wastes (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 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 WRP 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 standards 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, 2023, and discounting, has 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 +29 million euros for Orano, based on the methodology used to establish the existing provision.

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

At December 31, 2023, Orano applied a discount rate assumption of 4.90% and a long-term inflation assumption of 2.00%, *i.e.*, an actual rate of 2.84% (compared to 5.19% and 2.35% respectively at December 31, 2022, *i.e.*, an actual rate of 2.77%).

At December 31, 2023, 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 -146 million euros with a rate of 5.00% or +151 million euros with a rate of 4.80%.

Provisional schedule of provision disbursements

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

<i>(in millions of euros)</i>	December 31, 2023
2024	339
2025-2027	1,454
2028-2030	1,190
2031-2033	1,094
2034-2040	1,799
2041 and beyond	11,171
TOTAL PROVISIONS BEFORE DISCOUNTING	17,046

The amounts represent the future disbursements of provisions expressed in the economic conditions of the year 2023 and before discounting.

DISMANTLING ASSETS – THIRD-PARTY SHARE

Dismantling assets include two items:

- the dismantling assets attributable to owners of the parent, classified under property, plant and equipment in the statement of financial position (see Note 11); and
- the dismantling assets third-party share (see Note 1.3.12 and described herein) corresponding to the financing expected from third parties contributing to the dismantling of certain facilities or equipment for which Orano has a legal or contractual obligation to dismantle.

<i>(in millions of euros)</i>	Net carrying amount at December 31, 2022	Decrease from period expense	Discounting	Change in assumptions, revision to estimates, etc.	Net carrying amount at December 31, 2023
Dismantling assets – third-party share (regulated *)	88	(17)	5	5	80
Dismantling assets – third-party share (non-regulated *)	4	-	-	-	4
TOTAL DISMANTLING ASSETS – THIRD-PARTY SHARE	93	(18)	5	4	84

* Scope of application of the French law of June 28, 2006.

HEDGING FINANCIAL ASSETS EARMARKED FOR END-OF-LIFECYCLE OPERATIONS

<i>(in millions of euros)</i>	December 31, 2023		December 31, 2022	
	Net carrying amount	Market value	Net carrying amount	Market value
Portfolio of earmarked securities	7,968	8,036	7,438	7,437
Receivables related to end-of-lifecycle operations	118	118	63	63
Total financial assets earmarked for end-of-lifecycle	8,086	8,154	7,501	7,500
Of which earmarked hedging financial assets (regulated *)	8,023	8,091	7,438	7,437
Of which earmarked hedging financial assets (non-regulated *)	63	63	63	63

* Scope of application of the French law 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.

At December 31, 2023, 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 100.2% of end-of-lifecycle liabilities (compared with 96.4% at December 31, 2022) in accordance with regulatory requirements.

This coverage ratio is determined as follows:

<i>(in millions of euros)</i>	December 31, 2023	December 31, 2022
Provisions for end-of-lifecycle operations (regulated *)	8,156	7,808
Dismantling assets – third-party share (regulated *)	80	88
Earmarked financial assets at market value (regulated *)	8,091	7,437
End-of-lifecycle assets (regulated *)	8,171	7,525
(Deficit)/Surplus of earmarked assets (regulated *)	16	(283)
Coverage ratio of end-of-lifecycle operations (regulated *)	100.2%	96.4%

* Scope of application of the French law 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 2.85% at December 31, 2023. The discount rate used is lower than the regulatory ceiling discount rate (in real terms).

Portfolio of earmarked securities

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:

<i>(in millions of euros)</i>	December 31, 2023	December 31, 2022
In market value or net asset value		
Equity mutual funds and publicly traded shares	3,187	3,288
Bond and money market mutual funds	2,637	2,423
Unlisted mutual funds	1,140	1,118
At amortized cost		
Bonds and bond funds	1,005	609
Total portfolio of earmarked securities	7,968	7,438
Receivables related to end-of-lifecycle operations	118	63
	8,086	7,501
Total financial assets earmarked for end-of-lifecycle		

<i>(in millions of euros)</i>	December 31, 2023	December 31, 2022
By region		
Eurozone	5,992	5,829
Other	2,094	1,672
	8,086	7,501
Total financial assets earmarked for end-of-lifecycle		

Financial assets held as securities or mutual funds represent 99% of all hedging assets at December 31, 2023. They break down as follows: 54% equities and other non-redeemable 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, 2023	December 31, 2022
Shares	11.9%	- 12.34%
Fixed-income products (including receivables related to end-of-lifecycle operations)	8.0%	- 10.4%
Total financial assets earmarked for end-of-lifecycle	9.9%	- 11.27%

Receivables related to end-of-lifecycle operations

Receivables related to end-of-lifecycle operations correspond to:

- an EDF and CEA receivable, 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) in the amount of 63 million euros;
- a CEA receivable in respect of the final payment to finance the dismantling of part of the discontinued facilities in the north zone of the Tricastin site in the amount of 40 million euros, recognized in June 2023 and paid in December 2023; and
- an EDF receivable in respect of the financing of the dismantling of new fission product concentrators (NCPF) for 55 million euros.

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 eurozone government bonds, 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 on underlying assets not included in which the bond fund has not invested or not covered by the investment are prohibited.

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% degree 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 and fixed-rate markets on the valuation of earmarked financial assets are summarized in the following table:

<i>(in millions of euros)</i>	December 31, 2023
Assumption: declining equity markets and rising interest rates	
- 10% on equities	(406)
+ 100 basis points on fixed income products	(89)
Total	(495)
Assumption: rising equity markets and declining interest rates	
+ 10% on equities	406
- 100 basis points on fixed income products	89
Total	495

Note 14 – INFORMATION ON JOINT VENTURES AND ASSOCIATES

December 31, 2023

<i>(in millions of euros)</i>	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
ETC	6	-	21
SI-nerGIE	1	-	-
ANADDEC	-	-	-
SPECTRANO	-	-	-
Interim Storage Partners (ISP)	(9)	-	-
Accelerated Decommissioning Partners (ADP)	(1)	8	-
Total	(3)	8	21

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 jointly 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 income statement and statement of comprehensive income.

Relations with ISP and ADP are described in Note 28.

December 31, 2022

<i>(in millions of euros)</i>	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
ETC	6		17
SI-nerGIE	(6)	-	6
ANADEC	-	-	-
SPECTRANO	-	-	-
Interim Storage Partners (ISP)	-	9	-
Accelerated Decommissioning Partners (ADP)	-	6	-
Total	(1)	15	23

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.

<i>(in millions of euros)</i>	December 31, 2023	December 31, 2022
	ETC	ETC
	Front End	Front End
Country	UK	UK
% held	50%	50%
Revenue	178	130
Net income	12	13
including increases to amortization and depreciation	(10)	3
including interest income/expense	-	-
including tax income/expense	-	1
Other items of comprehensive income	-	6
Comprehensive income	12	19

(in millions of euros)	December 31, 2023	December 31, 2022
	ETC	ETC
	Front End	Front End
Country	UK	UK
% held	50%	50%
Current assets	154	165
including cash and cash equivalents	60	124
Non-current assets	93	74
Current liabilities	102	88
including current financial liabilities	-	-
Non-current liabilities	44	42
including non-current financial liabilities	4	4
Net assets	100	108

(in millions of euros)	December 31, 2023	December 31, 2022
	ETC	ETC
	Front End	Front End
Country	UK	UK
% held	50%	50%
Share of net assets before eliminations at beginning of year	54	56
Share of comprehensive income	6	9
Share of dividend distributions	(10)	(12)
Other changes	-	-
Share of net assets before eliminations at end of year	50	54
Consolidation adjustments	(70)	(70)
Investments in joint ventures at end of year	-	-
Share of negative net equity	(21)	(17)

NON-SIGNIFICANT JOINT VENTURES

(in millions of euros)	December 31, 2023	December 31, 2022
Securities of non-significant joint ventures in assets	8	15
Securities of non-significant joint ventures in liabilities	0	6
Share of net income	(9)	(7)
Share of other items of comprehensive income	0	1
Share of comprehensive income	(9)	(6)

Note 15 – OTHER CURRENT AND NON-CURRENT ASSETS

OTHER NON-CURRENT ASSETS

<i>(in millions of euros)</i>	December 31, 2023	December 31, 2022
Derivatives on financing activities	7	-
Other assets	141	172
Total other non-current assets	148	172

Other assets include inventories of uranium and deposits to finance future expenditure for the redevelopment of mining sites abroad in the amount of 77 million euros as of December 31, 2023 (105 million euros at December 31, 2022).

OTHER CURRENT FINANCIAL ASSETS

<i>(in millions of euros)</i>	December 31, 2023	December 31, 2022
Derivatives on financing activities	5	30
Cash management financial assets	192	231
Other financial assets	4	9
Total other current financial assets	202	270

Note 16 – INVENTORIES AND WORK-IN-PROCESS

<i>(in millions of euros)</i>	December 31, 2023	December 31, 2022
Raw materials and other supplies	382	382
In process	886	837
Finished goods	467	382
Total gross amount	1,735	1,602
Provisions for impairment	(154)	(158)
Total net carrying amount	1,582	1,443
Of which inventories and work-in-process measured:		
at cost	772	682
at fair value net of disposal expenses	810	761
	1,582	1,443

All uranium inventories are recognized as inventories of finished goods.

Note 17 – TRADE ACCOUNTS RECEIVABLE AND RELATED ACCOUNTS

<i>(in millions of euros)</i>	December 31, 2023	December 31, 2022
Gross amount	774	696
Impairment	(8)	(7)
Net carrying amount	766	689

Breakdown of trade accounts receivable and related accounts

<i>(in millions of euros)</i>	Net amount	Not yet due	of which due					
			Less than 1 month	1 to 2 months	2 to 3 months	3 to 6 months	6 months and 1 year	More than 1 year
December 31, 2023	766	752	10	1	0	1	1	1
December 31, 2022	689	659	23	2	1	2	3	0

NOTE 18 – CONTRACT ASSETS AND LIABILITIES

<i>(in millions of euros)</i>	December 31, 2023	December 31, 2022
Contract assets	89	98

At December 31, 2023, contract assets included 56 million euros due in more than one year.

<i>(in millions of euros)</i>	December 31, 2023	December 31, 2022
Contract liabilities	5,691	5,396

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 (i) investment financing for the treatment and recycling of used fuels and (ii) to a lesser extent, uranium sales contracts.

At December 31, 2023, contract liabilities included 5,027 million euros due in more than one year.

Note 19 – OTHER OPERATING RECEIVABLES

<i>(in millions of euros)</i>	December 31, 2023	December 31, 2022
French State receivables	275	267
Advances and down payments to suppliers	47	89
Miscellaneous accounts receivable	171	184
Financial instruments	119	68
Other	2	10
Other operating receivables	614	618

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.

At December 31, 2023, other operating liabilities included 169 million euros maturing in more than one year.

NOTE 20 – CASH AND CASH EQUIVALENTS

<i>(in millions of euros)</i>	December 31, 2023	December 31, 2022
Net cash	537	423
Cash equivalents	741	456
Total	1,278	879

At December 31, 2023, cash included cash not immediately available to the group in the amount of 121 million euros (compared with 240 million euros at December 31, 2022), chiefly reflecting legal restrictions abroad in the amount of 121 million euros.

Note 21 – CASH FLOW FROM OPERATING ACTIVITIES

Change in working capital requirement

<i>(in millions of euros)</i>	December 31, 2023	December 31, 2022
Net change in inventories and work-in-process	(157)	(16)
Net change in trade and other receivables	(133)	(47)
Change in contract assets	9	(4)
Change in accounts payable and other liabilities	177	147
Change in contract liabilities	317	207
Change in advances and prepayments made	42	14
Change in Forex hedge of WCR	12	(27)
Change in other non-current non-financial assets	33	(5)
Total	298	269

Note 22 – EQUITY

SHARE CAPITAL

Orano's share capital broke down as follows:

	December 31, 2023	December 31, 2022
French state	90%	90%
CEA	1 share	1 share
MHI	5%	5%
JNFL	5%	5%
Total	100%	100%

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.

<i>(in millions of euros)</i>	December 31, 2023	December 31, 2022
Orano Expansion and Imouraren SA	25	(309)
Somaïr	72	51
Katco	213	241
SET Holding, SET and SET Expansion	121	113
Orano DS	2	2
Badrakh Energy LLC	(20)	(17)
Cominak	(27)	(30)
Other	1	7
Total	387	57

Following the signature of the amendment to the contract for the use of the subsoil between Katco and the Ministry of Energy of the Republic of Kazakhstan, KazAtomProm benefits from an additional percentage interest of 11% from 2022 without calling into question the group's control of Katco.

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, 2023

<i>(in millions of euros)</i>	Somair	Katco	SET	Orano DS
Country	Mining Niger	Mining Kazakhstan	Front End France	D&S France
Percentage stake in non-controlling interests	36.60%	49.00%	5.00% *	26.14%
Revenue	189	297	896	403
Net income	30	134	256	9
<i>Of which attributable to non-controlling interests</i>	<i>11</i>	<i>66</i>	<i>13</i>	<i>2</i>
<i>Of which an additional 11% attributable to non-controlling interests</i>		<i>15</i>		
Current assets	188	179	581	188
Non-current assets	137	328	3,763	31
Current liabilities	61	(47)	(231)	(165)
Non-current liabilities	93	(25)	(1,174)	(32)
Net assets	171	435	2,940	22
<i>Of which attributable to non-controlling interests</i>	<i>63</i>	<i>213</i>	<i>147</i>	<i>6</i>
Cash flow from operating activities	21	159	352	18
Cash flow from investing activities	(17)	(103)	(97)	(4)
Cash flow from financing activities	-	(172)	(303)	(10)
Change in net cash	4	(114)	(48)	4
Dividends paid to non-controlling interests	-	(102)	(5)	(2)

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

December 31, 2022

<i>(in millions of euros)</i>	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	151	299	739	368
Net income	(11)	171	690	(10)
<i>of which attributable to non-controlling interests</i>	<i>(4)</i>	<i>84</i>	<i>34</i>	<i>3</i>
<i>Of which an additional 11% attributable to non-controlling interests</i>		<i>19</i>		
Current assets	113	272	575	176
Non-current assets	177	264	3,560	28
Current liabilities	64	(36)	(150)	(156)
Non-current liabilities	85	(22)	(1,313)	(28)
Net assets	141	478	2,673	20
<i>of which attributable to non-controlling interests</i>	<i>52</i>	<i>234</i>	<i>134</i>	<i>5</i>
Cash flow from operating activities	17	199	333	20
Cash flow from investing activities	(25)	(101)	33	(5)
Cash flow from financing activities	(3)	(76)	(397)	(8)
Change in net cash	(11)	16	(31)	7
Dividends paid to non-controlling interests	(1)	(37)	(4)	(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 pension reform resulted in a reduction of 4 million euros in Orano's commitments (see Notes 1.3.1 and 5).

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.

AN ALYSIS OF EMPLOYEE BENEFITS ON THE STATEMENT OF FINANCIAL POSITION

(in millions of euros)	December 31, 2023	December 31, 2022
EMPLOYEE BENEFITS	514	475
Medical expenses and accident/disability	2	2
Retirement benefits	218	204
Long-service awards	6	6
Early retirement benefits	277	253
Supplemental retirement benefits	11	9

By region (in millions of euros)	Eurozone	Other	December 31, 2023
Medical expenses and accident/disability	-	2	2
Retirement benefits	216	2	218
Long-service awards	6	-	6
Early retirement benefits	266	11	277
Supplemental retirement benefits	10	1	11
Total	498	16	514

ACTUARIAL ASSUMPTIONS

	December 31, 2023	December 31, 2022
Long-term inflation		
• Eurozone	2.2%	2.2%
Discount rate		
• Eurozone	3.3%	3.3%
• US zone	5.4%	4.9%
Pension benefit increases		
• Eurozone	0.8%	1.5%
Social security ceiling increase (net of inflation)	0%	0%

Mortality tables

	December 31, 2023	December 31, 2022
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, 2023	December 31, 2022
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, 2023	December 31, 2022	December 31, 2023	December 31, 2022
France	[6.4%-0.0%]	[6.4%-0.0%]	[2.88%-0.0%]	[2.88%-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, 2023	December 31, 2022	December 31, 2023	December 31, 2022
France	[3.9%-2.7%]	[3.9%-2.7%]	[3.45%-2.7%]	[3.45%-2.7%]

FINANCIAL ASSETS

As of December 31, 2023, financial assets consisted of bonds for 98% and other monetary instruments for 2% (breakdown unchanged from December 31, 2022).

Effective return on plan assets

	December 31, 2023	December 31, 2022
Europe	4.9%	2.1%

BREAKDOWN OF NET AMOUNT RECOGNIZED

<i>(in millions of euros)</i>	Medical expenses and accident/disability	Retirement benefits	Long-service awards	Early retirement benefits	Supplemental retirement benefits	December 31, 2023	December 31, 2022
Defined benefit obligation	2	309	6	504	42	863	900
Fair value of hedging assets	-	92	-	226	31	349	425
Net amount recognized	2	218	6	277	11	514	475

Sensitivity of the defined benefit obligation to changes in the discount rate

An across-the-board decrease in the discount rate of 0.25% would increase the defined benefit obligation by 19 million euros.

<i>(in millions of euros)</i>	Medical expenses and accident/disability	Retirement benefits	Long-service awards	Early retirement benefits	Supplemental retirement benefits	Total
Defined benefit obligation December 31, 2022	2	313	6	536	42	900
Current service cost	-	15	-	16	-	30
Past service costs (including plan changes and reductions)	-	(5)	-	1	-	(4)
Disposals/liquidation/plan reductions	-	-	-	-	-	-
Accretion expense	-	11	-	18	2	30
Employee contributions	-	-	-	-	-	-
Plan transfer	-	-	-	-	-	-
Impact on the income statement	-	20	-	36	2	57
Experience differences	-	-	-	(2)	2	-
Demographic assumption differences	-	-	-	-	-	-
Financial assumption differences (adjustment of discount rate)	-	-	-	-	-	-
Impact on other items of comprehensive income	-	-	-	(2)	2	-
Benefits paid during the year	-	(25)	-	(65)	(3)	(94)
Acquisitions/mergers	-	-	-	-	-	-
Currency translation differences	-	-	-	-	-	-
Defined benefit obligation December 31, 2023	2	309	6	504	42	863

<i>(in millions of euros)</i>	Medical expenses and accident/disability	Retirement benefits	Long-service awards	Early retirement benefits	Supplemental retirement benefits	Total
Fair value of hedging assets at December 31, 2022	-	110	-	282	33	425
Interest income on assets	-	3	-	8	1	13
Income with impact on the statement of income	-	3	-	8	1	13
Actual yield on assets net of expected yield	-	(2)	-	(1)	(1)	(4)
Expense with impact on other items of comprehensive income	-	(2)	-	(1)	(1)	(4)
Payments/repayments over the year	-	(19)	-	(64)	(2)	(85)
Fair value of hedging assets at December 31, 2023	-	92	-	226	31	349

<i>(in millions of euros)</i>	Medical expenses and accident/disability	Retirement benefits	Long-service awards	Early retirement benefits	Supplemental retirement benefits	Total
Net amount recognized as of December 31, 2022	2	204	6	253	9	475
Net amount recognized as of December 31, 2023	2	218	6	277	11	514

CHANGE IN EMPLOYEE BENEFITS

<i>(in millions of euros)</i>	
December 31, 2022	475
Total expense	48
Contributions/payments/refunds	(8)
Disposals/liquidation/plan reductions	-
Change in method	-
Change in consolidated group	-
Currency translation differences	-
December 31, 2023	514

PROVISIONAL SCHEDULE OF EMPLOYEE BENEFIT DISBURSEMENTS

<i>(in millions of euros)</i>	
2024–2025	22
2026–2030	186
2031 and beyond	306
December 31, 2023	514

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

Note 25 – OTHER PROVISIONS

<i>(in millions of euros)</i>	December 31, 2022	Allocations	Reversal (when risk has materialized)	Reversal (when risk has not materialized)	Other changes *	December 31, 2023
Mining site redevelopment and decommissioning of treatment facilities	356	21	(25)	(31)	4	325
Other non-current provisions	3	-	-	-	-	3
Non-current provisions	359	21	(25)	(31)	4	328
Provisions for onerous contracts	164	130	(48)	(41)	-	204
Provisions for contract completion	1,694	226	(127)	(71)	95	1,818
Other current provisions	321	139	(13)	(40)	18	425
Current provisions	2,179	495	(187)	(151)	113	2,448
Total provisions	2,538	515	(212)	(182)	116	2,776

* Including 118 million euros in accretion and changes in discount and inflation rates.

PROVISIONS FOR ONEROUS CONTRACTS

For the Front End Conversion business, the backlog of orders over the year resulted in reversals of provisions in the amount of 33 million euros. In addition, the updating of the indices and cost assumptions for the Conversion business resulted in a charge of 52 million euros.

For the Mining business, a charge for onerous contracts was recognized 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, 2023, Orano assumed a long-term inflation rate of 2.00% and discount rates of between 4.70% and 4.94%.

For the year ended December 31, 2022, Orano assumed a long-term inflation rate of 2.35% and discount rates of between 5.11% and 5.24%.

At December 31, 2023, the use of an actual discount rate 10 basis points higher or lower than that used would change the closing balance of provisions for contract completion by -25 million euros or +26 million euros.

OTHER CURRENT AND NON-CURRENT PROVISIONS

At December 31, 2023, other current provisions include:

- provisions for disputes;
- provisions for business risks;
- provisions for customer guarantees;
- provisions for ongoing clean-up;
- provisions for the remediation of leased assets;
- provisions for restructuring and layoff plans;
- provisions for tax risks (see Note 8);
- provisions for contingencies (see Notes 1.1 and 5); and
- provisions for losses (see Note 5).

NOTE 26 – FINANCIAL LIABILITIES

<i>(in millions of euros)</i>	Non-current liabilities	Current liabilities	December 31, 2023	December 31, 2022
Bonds *	1,734	713	2,447	2,478
Accrued interest not yet due on bonds	-	56	56	42
Bank borrowings	5	-	5	6
Commercial paper	-	181	181	-
Interest-bearing advances	150	-	150	148
Short-term bank facilities and current accounts in credit **	-	49	49	81
Miscellaneous financial liabilities	2	-	2	2
Derivatives	5	68	73	66
Total	1,896	1,066	2,961	2,824

* After interest rate risk management.

** Of which financial current accounts in credit for the ETC joint venture for 23 million euros (compared to 54 million euros at December 31, 2022).

CHANGE IN FINANCIAL LIABILITIES

<i>(in millions of euros)</i>	
Financial liabilities at December 31, 2022	2,824
Cash flows	80
Non-cash flows:	
Accrued interest not yet due on borrowings	56
Currency translation differences	(10)
Other changes	12
Financial liabilities at December 31, 2023	2,961

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

<i>(in millions of euros)</i>	
Cash flows from financial liabilities	80
Interest paid	42
Financial instruments	(18)
Short-term bank facilities and current accounts in credit	40
Cash flow from financial liabilities included in net cash flow from financing activities	144

FINANCIAL LIABILITIES BY MATURITY *

<i>(in millions of euros)</i>	December 31, 2023
Maturing in 1 year or less	1,066
Maturing in 1-2 years	2
Maturing in 2-3 years	748
Maturing in 3-4 years	498
Maturing in 4-5 years	496
Maturing in more than 5 years	151
Total	2,961

* Present value.

FINANCIAL LIABILITIES BY CURRENCY

<i>(in millions of euros)</i>	December 31, 2023	December 31, 2022
Euro	2,908	2,773
US dollar	31	33
Other	22	19
Total	2,961	2,824

FINANCIAL LIABILITIES BY TYPE OF INTEREST RATE

<i>(in millions of euros)</i>	December 31, 2023	December 31, 2022
Fixed rate	2,603	2,546
Floating rate	230	170
Total	2,832	2,716
Other non-interest-bearing debt	56	42
Derivatives	73	66
Total	2,961	2,824

The maturities of the group's financial assets and liabilities as of December 31, 2023, are presented in Note 29.

BONDS

<i>Issue date</i>	Carrying amount (in millions of euros)	Currency	Nominal (in millions of currencies)	Nominal rate	Maturity
September 23, 2009	713	EUR	713	4.875%	September 23, 2024
April 23, 2019	742	EUR	750	3.375%	April 23, 2026
November 15, 2022	496	EUR	500	5.375%	May 15, 2027
September 8, 2020	496	EUR	500	2.750%	March 8, 2028
Total	2,447				

The fair value of this bonds was 2,463 million euros as of December 31, 2023.

CONTRACTUAL PAYMENT SCHEDULE

At December 31, 2023

<i>(in millions of euros)</i>	Carrying amount	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
Bonds	2,447	2,447	713	-	742	496	496	-
Accrued interest not yet due on bonds	56	56	56	-	-	-	-	-
Bank borrowings	5	5	-	2	2	2	-	-
Commercial paper	181	181	181	-	-	-	-	-
Interest-bearing advances	150	150	-	-	-	-	-	150
Short-term bank facilities and current accounts in credit	49	49	49	-	-	-	-	-
Miscellaneous financial liabilities	2	2	-	-	-	-	-	2
Future interest on financial liabilities	-	311	106	70	69	44	17	4
Total financial liabilities (excluding derivatives)	2,889	3,199	1,104	71	813	543	514	155
Derivatives – assets	(12)	(12)	NA	NA	NA	NA	NA	NA
Derivatives – liabilities	73	73	NA	NA	NA	NA	NA	NA
Total net derivatives	62	62	24	15	19	6	(2)	-
Total	2,950	3,261	1,128	86	832	549	511	155

Not Available

December 31, 2022

<i>(in millions of euros)</i>	Carrying amount	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
Bonds	2,478	2,478	-	752	-	736	495	495
Accrued interest not yet due on bonds	42	42	42	-	-	-	-	-
Bank borrowings	6	6	-	1	1	2	2	-
Interest-bearing advances	148	148	12	-	-	-	-	136
Short-term bank facilities and current accounts in credit	81	81	81	-	-	-	-	-
Miscellaneous financial liabilities	2	2	-	-	-	-	-	2
Future interest on financial liabilities	-	392	102	103	66	66	41	14
Total financial liabilities (excluding derivatives)	2,758	3,150	238	857	67	804	538	647
Derivatives – assets	(30)	(30)	NA	NA	NA	NA	NA	NA
Derivatives – liabilities	66	66	NA	NA	NA	NA	NA	NA
Total net derivatives	36	36	(12)	14	7	20	7	-
Total	2,794	3,186	226	871	74	824	545	647

Not Available

Note 27 – OTHER OPERATING LIABILITIES

<i>(in millions of euros)</i>	December 31, 2023	December 31, 2022
Tax liabilities (excluding corporate income tax)	208	142
Social security liabilities	512	477
Financial instruments	43	123
Other	232	253
Other operating liabilities	995	995

At December 31, 2023, other operating liabilities included 80 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; and
- the gross compensation and benefits granted to directors and members of the Executive Committee.

At December 31, 2023

<i>(in millions of euros)</i>	Interests held by the French State	Associates and joint ventures	Total
Operating income	2,329	53	2,382
Operating expenses	65	85	150
Trade receivables and other	279	117	396
Trade payables and other (1)	3,285	14	3,298

(1) Balances including IFRS 15 restatements.

December 31, 2022

<i>(in millions of euros)</i>	Interests held by the French State	Associates and joint ventures	Total
Operating income	2,180	52	2,232
Operating expenses	74	79	153
Trade receivables and other	195	122	317
Trade payables and other (1)	3,234	15	3,249

(1) Balances including IFRS 15 restatements.

RELATIONS WITH THE FRENCH STATE AND STATE-OWNED COMPANIES

At December 31, 2023, the French State owns a majority stake in the capital of Orano. Consequently, the French State has the ability, 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 an implementation contract defining the technical and financial conditions for this master agreement for the 2016-2023 period. A transitional contract was signed in December 2023 to cover the services of the ATR contract for the first half of 2024 pending the signature of the implementation contract for the 2024-2026 period. In addition, a term sheet was signed in September 2023 ruling on the quantities and price applicable to services provided during the 2024-2026 period;
- transactions with ANDRA (French 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.

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 II 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 U.S. Department of Energy (DOE). In September 2021, the U.S. Nuclear Regulatory Commission (NRC) granted ISP a 40-year license to receive, hold, transfer and store up to 5,000 metric tons of used fuel (phase 1) and up to 231 metric tons of high-level radioactive waste in a Consolidated Interim Storage Facility (CISF) in Andrews, Texas. The NRC's decision has since been challenged in several courts by the states of Texas and New Mexico, environmental and anti-nuclear groups, local landowners and mine owners.

Accelerated Decommissioning Partners (ADP) is a joint venture between Orano and Northstar, a key player in industrial decommissioning 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 US dollars, signed on September 30, 2020, notably covers 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 a period of seven years. The cutting operations were completed in November 2023 and transport is underway.

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 (54.547%), Orano (40.453%), and TEPCO Resources Inc (5%). The deposit is operated by Cameco and the ore is processed at the JEB - McClean Lake plant, operated by Orano. This deposit is an underground mine. Mining uses land freezing techniques combined with high-pressure water-jet boring (jet bore mining).

McClellan Lake

McClellan 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. The decision was taken in 2018 to temporarily suspend work at the McArthur River mine and its Key Lake mill; production resumed in late 2022.

COMPENSATION PAID TO KEY EXECUTIVES

<i>(in thousands of euros)</i>	December 31, 2023	December 31, 2022
Short-term benefits	6,360	5,270
Termination benefits	220	-
Post-employment benefits	(112)	(9)
Total	6,468	5,261

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 differences, 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 in 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 centralized Treasury Management Department are then systematically converted into euros through foreign exchange swaps or cross-currency swaps.

To limit the foreign exchange risk on 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 risk 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 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 foreign exchange risk at December 31, 2023

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	
Forward exchange transactions and currency	2,314	1,362	1,167	693	43	-	11
Currency options	-	-	-	-	-	-	-
Cross-currency swaps	70	70	105	105	140	-	8
Total	2,384	1,431	1,272	798	184	-	19

Derivatives set up to hedge foreign exchange risk at December 31, 2022

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	
Forward exchange transactions and currency	1,542	1,136	1,007	794	169	-	(108)
Currency options	-	-	-	-	-	-	-
Cross-currency swaps	311	-	-	-	-	-	(1)
Total	1,853	1,136	1,007	794	169	-	(109)

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

<i>(in millions of euros)</i>	December 31, 2023		December 31, 2022	
	Notional amounts in absolute value	Market value	Notional amounts in absolute value	Market value
Cash flow hedges	4,982	8	4,552	(109)
Forward exchange transactions and currency swaps	4,982	8	4,552	(109)
Fair value hedges	886	12	371	-
Forward exchange transactions and currency swaps	396	4	61	1
Cross-currency swaps	490	8	311	(1)
Derivatives not qualifying as hedges	201	(1)	36	-
Forward exchange transactions and currency swaps	201	(1)	36	-
Total	6,070	19	4,959	(109)

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 the DOFT chiefly through cash-pooling agreements and intragroup loans, subject to local regulations. Cash is managed to optimize income while ensuring that the financial instruments used are liquid.

To meet its commitments and ensure longer-term operating continuity, at December 31, 2023, Orano had a gross cash position of 1,278 million euros (see Note 20) and cash management financial assets of 190 million euros (see Note 15). The group also has a syndicated credit facility with a pool of ten international banks in the amount of 880 million euros maturing in May 2028, with two one-year extension options.

COUNTERPARTY RISK

Orano is exposed to counterparty risk in respect of cash deposits with banks and the use of derivatives 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, 2023

(in millions of euros)	Notional amounts by maturity date							Market value ⁽¹⁾
	Total	< 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	> 5 years	
Interest rate swaps – EUR variable lender	200	-	-	-	100	-	-	-
<i>EUR variable payer / EUR variable recipient</i>	200	-	100	-	100	-	-	(7)
Total	200	-	100	-	100	-	-	(7)

(1) Foreign exchange portion.

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

December 31, 2023:

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 transactions	200	-	(7)	-	(7)
<i>EUR variable payer / EUR variable recipient</i>	200	-	(7)	-	(7)
Total	200	-	(7)	-	(7)

(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, 2023

<i>(in millions of euros)</i>	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	1,487	-	-	-	-	-	1,487
including fixed-rate assets	1,271	-	-	-	-	-	1,271
including floating-rate assets	192	-	-	-	-	-	192
including non-interest-bearing assets	23	-	-	-	-	-	23
Financial liabilities	(1,066)	(2)	(748)	(498)	(496)	(151)	(2,961)
including fixed-rate liabilities	(713)	(2)	(743)	(498)	(496)	(151)	(2,603)
including floating-rate liabilities	(230)	-	-	-	-	-	(230)
including non-interest-bearing liabilities	(124)	-	(5)	-	-	-	(129)
Net exposure before hedging	421	(2)	(748)	(498)	(496)	(151)	(1,474)
share exposed to fixed rates	559	(2)	(743)	(498)	(496)	(151)	(1,332)
share exposed to floating rates	(37)	-	-	-	-	-	(37)
non-interest-bearing share	(100)	-	(5)	-	-	-	(105)
Off-balance sheet hedging							
on liabilities: fixed-rate swaps	100	-	-	100	-	-	200
on liabilities: floating-rate swaps	-	-	-	-	-	-	-
Net exposure after hedging	521	(2)	(748)	(398)	(496)	(151)	(1,274)
share exposed to fixed rates	659	(2)	(743)	(398)	(496)	(151)	(1,132)
share exposed to floating rates	(37)	-	-	-	-	-	(37)
non-interest-bearing share	(100)	-	(5)	-	-	-	(105)

On the basis of exposure at the end of December 2023, a 1% increase in interest rates over a full year would have an adverse impact of 1 million euros on the cost of net debt and, as such, on the group's consolidated profit (loss) before tax.

Maturity of the group's financial assets and financial liabilities at December 31, 2022

<i>(in millions of euros)</i>	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	918	-	-	-	-	-	918
including fixed-rate assets	-	-	-	-	-	-	-
including floating-rate assets	886	-	-	-	-	-	886
including non-interest-bearing assets	32	-	-	-	-	-	32
Financial liabilities	(189)	(758)	(1)	(746)	(497)	(633)	(2,824)
including fixed-rate liabilities	(25)	(753)	-	(738)	(467)	(633)	(2,646)
including floating-rate liabilities	(70)	-	-	-	-	-	(70)
including non-interest-bearing liabilities	(94)	(5)	(1)	(9)	-	-	(109)
Net exposure before hedging	729	(758)	(1)	(746)	(497)	(633)	(1,906)
share exposed to fixed rates	(25)	(753)	-	(738)	(467)	(633)	(2,646)
share exposed to floating rates	817	-	-	-	-	-	817
non-interest-bearing share	(62)	(5)	(1)	(9)	-	-	(77)
Off-balance sheet hedging							
on liabilities: fixed-rate swaps	200	100	-	100	-	-	400
on liabilities: floating-rate swaps	200	-	-	-	-	-	200
Net exposure after hedging	1,129	(658)	(1)	(646)	(497)	(633)	(1,306)
share exposed to fixed rates	175	(653)	-	(638)	(497)	(633)	(2,246)
share exposed to floating rates	1,017	-	-	-	-	-	1,017
non-interest-bearing share	(62)	(5)	(1)	(9)	-	-	(77)

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

At December 31, 2023

Assets

<i>(in millions of euros)</i>	Carrying amount	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	8,234	23	1,281	6,930	8,278
Financial assets earmarked for end-of-lifecycle operations	8,086	-	1,178	6,908	8,154
Other non-current assets	148	23	103	22	125
Current assets	2,900	500	1,338	1,061	2,400
Trade accounts receivable and related accounts	766	-	766	-	766
Other operating receivables	614	463	35	116	151
Other non-operating receivables	39	37	2	-	2
Other current financial assets	202		4	197	202
Cash and cash equivalents	1,278	-	530	748	1,278
Total assets	11,134	523	2,619	7,991	10,678

<i>(in millions of euros)</i>	Total
Financial assets earmarked for end-of-lifecycle operations measured at amortized cost	1,178
Financial assets earmarked for end-of-lifecycle operations measured at fair value through profit or loss	6,908
Financial assets earmarked for end-of-lifecycle operations (carrying amount)	8,086
Change in fair value of the assets at amortized cost (bond mutual funds)	68
Fair value of financial assets earmarked for end-of-lifecycle operations	8,154
Other financial assets measured at fair value through profit or loss	1,083
Fair value of financial assets analyzed by valuation technique	9,237
Other financial assets measured at amortized cost	1,441
Fair value of financial assets	10,678

Breakdown of assets recognized at fair value by valuation technique

	Level 1	Level 2	Level 3	Total
(in millions of euros)	Listed prices, unadjusted	Observable inputs	Unobservable inputs	
Non-current assets	6,842	1,319	15	8,175
Financial assets earmarked for end-of-lifecycle operations	6,842	1,312	-	8,154
Other non-current financial assets	-	7	15	22
Current assets	941	121	-	1,061
Other operating receivables		116		116
Other current financial assets	192	5	-	197
Cash and cash equivalents	748		-	748
Total assets	7,782	1,439	15	9,237

Liabilities and equity

(in millions of euros)	Carrying amount	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	1,960	-	1,955	5	1,975
Non-current financial liabilities	1,896	-	1,891	5	1,910
Non-current lease liabilities	65		65		65
Current liabilities	3,176	217	2,849	110	2,961
Current financial liabilities	1,066	-	998	68	1,068
Current lease liabilities	17		17		17
Trade payables	1,093	-	1,093	-	1,093
Other operating liabilities	995	216	735	43	778
Other non-operating liabilities	6	1	5	-	5
Total liabilities	5,136	217	4,804	115	4,936

* Level 2.

December 31, 2022

Assets

<i>(in millions of euros)</i>	Carrying amount	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	7,673	56	777	6,840	7,617
Financial assets earmarked for end-of-lifecycle operations	7,501	-	675	6,826	7,500
Other non-current assets	172	56	102	14	116
Current assets	2,499	536	1,602	361	1,963
Trade accounts receivable and related accounts	689	-	689	-	689
Other operating receivables	618	497	54	68	121
Other non-operating receivables	43	39	4	-	4
Other current financial assets	270	-	9	261	270
Cash and cash equivalents	879	-	847	32	879
Total assets	10,172	591	2,379	7,201	9,580

<i>(in millions of euros)</i>	Total
Financial assets earmarked for end-of-lifecycle operations measured at amortized cost	675
Financial assets earmarked for end-of-lifecycle operations measured at fair value through profit or loss	6,826
Financial assets earmarked for end-of-lifecycle operations (carrying amount)	7,501
Change in fair value of the assets at amortized cost (bond mutual funds)	(1)
Fair value of financial assets earmarked for end-of-lifecycle operations	7,500
Other financial assets measured at fair value through profit or loss	375
Fair value of financial assets analyzed by valuation technique	7,876
Other financial assets measured at amortized cost	1,704
Fair value of financial assets	9,580

Breakdown of assets recognized at fair value by valuation technique

	Level 1	Level 2	Level 3	
(in millions of euros)	Listed prices, unadjusted	Observable inputs	Unobservable inputs	Total
Non-current assets	6,318	1,183	14	7,514
Financial assets earmarked for end-of-lifecycle operations	6,318	1,183	-	7,500
Other non-current financial assets	-	-	14	14
Current assets	264	98	-	361
Other operating receivables	-	68	-	68
Other current financial assets	231	30	-	261
Cash and cash equivalents	32	-	-	32
Total assets	6,581	1,280	14	7,876

Liabilities and equity

(in millions of euros)	Carrying amount	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	2,700	-	2,687	14	2,671
Non-current financial liabilities	2,635	-	2,622	14	2,606
Non-current lease liabilities	65	-	65	-	65
Current liabilities	2,214	151	1,885	178	2,063
Current financial liabilities	189	-	132	57	189
Current lease liabilities	16	-	16	-	16
Trade payables	1,010	-	1,010	-	1,010
Other operating liabilities	995	150	724	121	845
Other non-operating liabilities	3	1	2	-	2
Total liabilities	4,914	151	4,571	192	4,733

* Level 2.

NET GAINS AND LOSSES ON FINANCIAL INSTRUMENTS

Securities at fair value through profit or loss

<i>(in millions of euros)</i>	December 31, 2023	December 31, 2022
Interest income and dividends	73	77
Other income and expenses	-	-
Change in fair value	582	(866)

Loans and receivables

<i>(in millions of euros)</i>	December 31, 2023	December 31, 2022
Interest	5	2
Impairment	(2)	1
Forgiveness of debt	-	(1)

Financial assets and liabilities at amortized cost

<i>(in millions of euros)</i>	December 31, 2023	December 31, 2022
Interest income and expense and commissions	(95)	(110)
Other income and expenses	-	-
Gain (loss) from disposal	-	-
Impairment	-	-

Cash flow hedges

<i>(in millions of euros)</i>	Value before tax at December 31, 2022	New transactions	Change in value	Recycled through profit or loss	Value before tax at December 31, 2023
Cash flow hedging instruments	(75)	26	77	40	69

Note 31 – ISSUES RELATED TO CLIMATE RISKS

Convinced of the role that nuclear power can play in the fight against climate change and the energy transition towards low-carbon electricity, Orano has long been committed to a program to reduce its own emissions in order to contribute to the reduction in residual emissions in the electronuclear industry's carbon footprint.

Issues related to the alleviation of climate change effects are thus addressed as part of Orano's corporate project and its roadmap, with milestones in 2025 and 2030, particularly on the Climate focus of its strategic plan. Through this plan, the group is committed to contributing to climate change mitigation efforts and subscribes to the carbon neutrality objective that it intends to achieve in 2050. Orano has set targets for reducing its CO₂ emissions (25% reduction in scope 1 and 2 emissions compared to the 2019 baseline year) by 2025 by building on the following four priorities for existing operations and future projects: energy efficiency,

reduction of fossil fuels, decarbonization of electricity in countries with high emission factors (Kazakhstan, Niger, Canada) and the reduction of greenhouse gas emissions from processes.

Each year, the group monitors its projected GHG emissions trajectory in order to verify the compatibility of the actions identified with the objectives. The investments needed to reduce the carbon footprint are consolidated and their integration into the financial trajectory is verified.

The financial trajectories used for asset impairment tests include the expenses associated with these investments. Any impact on the useful lives of the assets impacted by the decarbonization commitments has been taken into account. 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.

Since 2021, Orano has also been working on adapting to climate change through analyses of the vulnerability of its activities to climate change. The physical risks related to climate change have been analyzed on the basis of the RCP-4.5 and 8.5 emission scenarios, by 2050. Transition risks have been analyzed on the basis of the International Energy Agency (IEA) World Energy Outlook.

Analysis of the physical risks shows that the vulnerability of Orano's activities is moderate but that the vulnerabilities identified require the definition and development of an adaptation plan. This climatic vulnerabilities adaptation plan was co-constructed with the sites in 2022. It was approved by each entity in 2023 for planning and implementation.

Note 32 – OFF-BALANCE SHEET COMMITMENTS

COMMITMENTS RELATED TO OPERATIONAL ACTIVITIES

<i>(in millions of euros)</i>	December 31, 2023	Less than 1 year	From 1 to 5 years	More than 5 years	December 31, 2022
Commitments given	807	187	388	231	807
Commitments given in connection with the performance of contracts	684	118	371	195	718
Operating commitments given	92	68	10	15	79
Other commitments given	30	2	7	21	10
Commitments received	110	97	11	3	98
Contractual commitments	110	97	11	3	98
Other commitments received	-	-	-	-	-
Reciprocal commitments	387	206	182	-	233

The amount of guarantees given for facilities classified for environmental protection (ICPE) has been included in the provision for site redevelopment (see Note 25).

Reciprocal commitments concern investment orders.

FINANCING COMMITMENTS

<i>(in millions of euros)</i>	December 31, 2023	Less than 1 year	From 1 to 5 years	More than 5 years	December 31, 2022
Commitments given	7	6	1	-	8
Commitments received	5	5	-	-	6
Reciprocal commitments	880	-	880	-	880

Reciprocal commitments relate to unused syndicated credit facilities.

During 2022, Orano refinanced its syndicated revolving credit facility (RCF) in advance for a total amount of 880 million euros with a margin indexed to environmental and governance criteria. This confirmed syndicated credit facility, taken out with a pool of ten banks, with an associated five-year maturity, was the subject of a first extension option exercised during the first half of 2023. A second extension option may be exercised in 2024.

Note 33 – BACKLOG

At December 31, 2023, Orano's backlog amounted to 30.8 billion euros, and its breakdown by maturity was as follows:

<i>(in billions of euros)</i>	Total	Less than 1 year	From 1 to 5 years	From 6 to 10 years	Beyond 10 years
Dec. 31, 2023	30.8	3.7	10.5	9.6	7.0

Note 34 – 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 the same case and became a civil party in December 2022.

Since August 27, 2018, it has also been aware of a preliminary investigation conducted by the French National Financial Prosecutor's Office into the circumstances surrounding the granting of mining licenses to Mongolian subsidiaries of the Orano group in Mongolia.

Orano is working with the legal authorities in connection with these legal proceedings, which are ongoing. If it were found in either of these cases that there had been misappropriation or any other act that could have harmed the group or any of its subsidiaries, Orano would take the necessary legal action to defend its interests.

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 believe 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.

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. The group anticipates the emergence of disputes related to differences of interpretation, mainly relating to transfer pricing policy issues. The group disputes the arguments put forward by the tax authorities and will initiate litigation or bilateral proceedings in order to assert its position.

Materials awaiting supply chains

The group owns uranium and thorium materials awaiting appropriate channels 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 35 – STATUTORY AUDITORS' FEES

December 31, 2023

<i>(in thousands of euros)</i>	PwC Audit	KPMG Audit
	Amount excl. tax	Amount excl. tax
Independent audit, certification & examination of the individual and consolidated financial statements		
Orano SA	563	354
Consolidated subsidiaries	987	811
Sub-Total	1,550	1,166
Services other than auditing the financial statements		
Orano SA	15	77
Consolidated subsidiaries	337	62
Sub-Total	352	138
Total	1,901	1,304

Services other than auditing the financial statements mainly concern:

- the review of environmental, social and societal information;
- declarations required by law; and
- other services.

December 31, 2022

<i>(in thousands of euros)</i>	PwC Audit	KPMG Audit
	Amount excl. tax	Amount excl. tax
Independent audit, certification & examination of the individual and consolidated financial statements		
Orano SA	515	337
Consolidated subsidiaries	887	770
Sub-Total	1,403	1,107
Services other than auditing the financial statements		
Orano SA	30	89
Consolidated subsidiaries	223	92
Sub-Total	253	180
Total	1,656	1,287

NOTE 36 – EVENTS AFTER THE REPORTING PERIOD

No subsequent event that could have a material impact on the group's financial statements was identified.