URENCO FINANCE N.V.

Amsterdam, the Netherlands.

Annual Report
For the financial year ended 31 December 2023

Legal seat:
Amsterdam,
The Netherlands.
Chamber of Commerce
File number 34236929

URENCO Finance N.V.

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Directors' report

The Board of Directors herewith submits the financial statements of Urenco Finance N.V. ("the Company") for the year ended 31 December 2023.

Board composition
Gerard Tyler was appointed to the Board on 4 April 2014. Ralf ter Haar was appointed to the Board on 1 January 2016. Michael Karaiskos was appointed to the Board on 4 March 2021. All three members of the Board during the year are male.

No target has been set regarding the creation of a balanced ratio of the number of men and women in the Board of Directors. The ratio between men and women within the Board of Urenco Finance N.V. is determined by whoever occupy the roles of Group Treasurer, Executive Director Finance & Control and Chief Financial Officer of the Urenco Group.

Due to the position and role of Urenco Finance N.V. within the Urenco Group, the Company is dependent on the availability of directors within the Urenco Group. The Group adheres to all laws pertaining to gender equality. The three directors who represented the company during the year were individuals holding the Urenco Group posts of Chief Financial Officer, Executive Director – Finance & Control, and Group Treasurer. Further information regarding the Board and committees of the Urenco Group to which the Company belongs is available in the Urenco Group annual report and accounts which can be found at www.Urenco.com.

Group structure and legislation changes
Urenco Finance N.V. is a Company incorporated in the Netherlands under the Dutch Civil Code. The ultimate parent company of Urenco Finance N.V., Urenco Limited is domiciled in the United Kingdom, incorporated in England & Wales. Under Dutch legislation, Urenco Finance N.V. will deposit this annual report to the Dutch Chamber of Commerce.

Corporate governance
The performance of the Company is reported to the Directors monthly using a general ledger system common to the rest of the Urenco Group to which the Company belongs. As part of this process, key accounts within the ledger are subject to a regular reconciliation process conducted and reviewed by different individuals.

Activities
The Company's main activity is to finance the entities within the Urenco Group by raising funds through medium term notes and borrowing by way of loan agreements. The Company has a very low risk appetite with all borrowings being at a fixed rate of interest and all borrowings being denominated in the Company's functional currency resulting in no foreign currency risk.

Result for the period
The result on the ordinary activities after taxation of the Company for the year ended 31 December 2023, was €nil (Dec 2022: loss of €125,000). All long term debt issued externally was mirrored with Urenco Limited, and interest payable and receivable on these items is equal and offsetting within the current and prior years and anticipated to continue to be going forward.

The solvability, defined as equity as a percentage of the balance sheet total, remained stable at 0.8% (2022: 0.8%). The Company's liabilities have maturities that are in line with the maturities of the assets.

The liquidity, measured by current assets as a percentage of current liabilities, decreased during 2023 to 101.6% (2022: 189.6%)

Directors' report - continued

Risks relating to Urenco Finance N.V.

The main risks the Company faces are with regard to its financial instruments: counterparty credit risk, refinancing risk, interest rate risk, liquidity risk, regulatory risk and fraud risk. Urenco Finance N.V. has a low risk tolerance and seeks to limit these risks by being a wholly owned subsidiary of Urenco Limited, with the sole objective of providing finance to other wholly owned subsidiaries of the Urenco Group. Urenco Group is lent funds based on the same terms and conditions as the external borrowings. External loans are guaranteed by Urenco Limited and the principal operating subsidiaries within the Urenco Group. These risks are therefore actively monitored and managed at the Company and the Group level. The Company does not use derivative financial instruments to hedge its risks.

Counterparty credit risk

Counterparty credit risk is the risk of a loss being sustained by the Company as a result of payment default by the counterparty with whom the Company has placed funds on deposit. The extent of loss, for example, could be the full amount of the deposit. The only counterparty for loans and receivables has been Urenco Limited since 24 April 2017 when, for reasons of simplicity and clarity, the loan structure was rationalised. Copies of the financial statements of Urenco Limited may be obtained from its registered office at Urenco Court, Sefton Park, Bells Hill, Stoke Poges, Buckinghamshire, SL2 4JS.

Refinancing risk

Refinancing risk is the risk of the Company not being able to issue debt for external reasons beyond the control of the Company. The Company will continue to regularly review the need for any update, if appropriate, of its EMTN programme to ensure it has the documentation in place to issue under the EMTN programme should it decide to.

Interest rate risk

As at 31 December 2023, all of the Company's borrowings were at a fixed rate of interest (31 December 2022: 100 per cent).

Liquidity risk

The Company is exposed to liquidity risk given that it has external debt that will need to be repaid. Repayment of this debt will be made using funds received from the parent company, when it repays loans the Company made to it. Please refer to the consolidated accounts of Urenco Limited where investors may analyse the liquidity position of the parent company.

Regulatory risk

Urenco maintains activities across the business to ensure it complies with applicable legislation and regulations.

Fraud risk

The Directors consider the risk of fraud occurring within Urenco Finance N.V. to be low due to the nature of operations of the entity resulting in a number of limited transactions.

All cash transactions are subject to a dual approval process.

It is of paramount importance that all employees of Urenco adopt and uphold its high ethical standards at all times. These standards ensure Urenco carries out its business professionally, fairly and with complete integrity. Urenco has an organisation-wide Code of Conduct, which sets outs a series of non-negotiable behaviours for its employees. The Code includes a zero tolerance approach to bribery and corruption, and a commitment to upholding human rights in all areas of its business. The Code of Conduct is available at the website of Urenco.

Foreign currency sensitivity analysis

All of the loans receivable and payable are denominated in the functional currency and as a result there is no foreign currency risk on these items. The Company is registered for tax purposes in the United Kingdom therefore taxation related balances in sterling are retranslated into euros and are subject to foreign exchange risk.

Directors' report - continued

Employees
The Company has no employees (2022: nil).

Research and development
Due to the nature of its business, the Company has no research and development activities.

Financing
The Company's main activity is to finance the entities within the Urenco Group by raising funds through medium term notes and borrowing by way of loan agreements. Repayment of this debt is made using funds received from the parent company as it repays loans the Company made to it. The bonds issued by the Company that will mature in December 2024 (€500.0 million) and in June 2032 (€500.0 million) are listed on the London Stock Exchange.

Outlook
The Board foresees a continuation of the Company's operations in line with previous years. Urenco Group's funding requirements and intentions to raise funds through Urenco Finance N.V. will determine the level of activities in the future. In forthcoming years, assuming the Company does not change its current long term loan back-to-back structure, the Company expects to generate small net costs, mostly relating to charges of general administration fees.

Statement
The Board hereby declares that, to the best of its knowledge:

- the financial statements for the year ended 31 December 2023 give a true and fair view of the assets, liabilities, financial position and profits or losses of the Company; and
- the Directors' report gives a true and fair view of the position as per 31 December 2023, and of the development and performance during the 2023 financial year of the Company, and the principal risks facing the Company have been described herein.

Board of Directors

14 March 2024
Urenco Finance N.V.

G. Tyler	M. Karaiskos	R. ter Haar

INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	**2023**	2022
		€000	€000
Finance income	3	**28,997**	25,140
Finance costs	4	**(28,997)**	(25,265)
		-	(125)
General administrative expenses		**-**	-
Result on ordinary activities before taxation	5	**-**	(125)
Income tax	6	**-**	-
Result on ordinary activities after taxation		**-**	(125)

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2023

	2023	2022
	€000	€000
Result for the year	**-**	(125)
Other comprehensive income	**-**	-
Total comprehensive result, net of tax	**-**	(125)

STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2023

(after appropriation of result for the year)

	Notes	**2023**	2022
		€000	€000
Assets			
Non-current assets			
Loans receivable from group companies	7	**496,235**	994,259
		496,235	994,259
Current assets			
Receivable from group companies	8	**517,732**	18,838
Tax receivable		**27**	26
Cash and cash equivalents	9	**5**	5
		517,764	18,869
Total assets		**1,013,999**	1,013,128
Equity and liabilities			
Share capital	10	**45**	45
Retained earnings	11	**7,668**	7,668
Total equity		**7,713**	7,713
Non-current liabilities			
Interest bearing loans and borrowings	13	**496,843**	995,465
		496,843	995,465
Current liabilities			
Accrued interest and other payables	14	**509,443**	9,950
		509,443	9,950
Total liabilities		**1,006,286**	1,005,415
Total equity and liabilities		**1,013,999**	1,013,128

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2023

	Share capital €000	Retained earnings €000	Total equity €000
As at 1 January 2022	45	7,793	7,838
Total loss and comprehensive result for the year	-	(125)	(125)
As at 31 December 2022	45	7,668	7,713
As at 1 January 2023	45	7,668	7,713
Total comprehensive result for the year	-	-	-
As at 31 December 2023	45	7,668	7,713

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	**2023 €000**	2022 €000
Result on ordinary activities after taxation		**0**	(125)
Finance income	3	**(28,997)**	(25,140)
Finance cost	4	**28,997**	25,265
Operating cash flows before movements in working capital		**-**	-
Movement in working capital		**-**	(42)
Movement in other payables		**-**	42
Net cash flow from operating activities		**-**	-
Investing activities			
Interest received		**28,125**	18,789
Proceeds from loan assets		**-**	405,025
Investments in loan assets		**-**	(496,265)
Net cash flow from investing activities		**28,125**	(72,451)
Financing activities			
Interest paid		**(28,125)**	(18,789)
Repayment of borrowings		**-**	(405,025)
Proceeds from new borrowings		**-**	496,265
Net cash flow from financing activities		**(28,125)**	72,451
Net movement in cash and cash equivalents		**-**	-
Cash and cash equivalents at start of the year		**5**	5
Cash and cash equivalents at the end of the year	9	**5**	5

Notes to the Financial Statements

1. Authorisation of financial statements & compliance with IFRS

The financial statements of Urenco Finance N.V. for the period ended 31 December 2023 were authorised for issue by the Board of Directors on 14 March 2024 and were signed on the Board's behalf by Gerard Tyler, Mike Karaiskos and Ralf ter Haar.

Urenco Finance N.V. is a company incorporated in the Netherlands under the Netherlands Civil Code. The statutory seat is in Amsterdam, The Netherlands. The business address is Urenco Court, Sefton Park, Bells Hill, SL2 4JS in Stoke Poges, United Kingdom. The nature of Urenco Finance N.V. and its principal activities are financing the Urenco Group to which Urenco Finance N.V. belongs. Urenco Limited is the direct and ultimate holding company of Urenco Finance N.V. and, in addition, the controlling company of the Urenco Group. Urenco Limited is domiciled in the United Kingdom, incorporated in England & Wales.

2. Material accounting policies

Basis of preparation and presentation
The Company's financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and with Part 9 of Book 2 of the Dutch Civil Code.
Urenco Finance N.V.'s financial statements have been prepared under the historical cost basis. The financial statements are presented in Euros which is also the Company's functional currency.

Going concern
After making enquiries, the Directors are satisfied that the Company has access to adequate resources to continue in operational existence for the foreseeable future and continues to adopt the going concern basis in preparing the financial statements. In reaching their conclusion, the Directors have considered the offer of support in the form of the cross guarantees provided by the parent company undertaking, ensuring that the Company is able to settle its liabilities as and when they fall due for a period of not less than 12 months following signing of these financial statements.

Adoption of new and revised accounting standards

None of the amendments to IFRSs issued by the International Accounting Standards Board that are mandatorily effective for an accounting period that begins in or after 1 January 2023 had an impact on the financial statements of the Company. No new standards or amendments to existing standards, effective in 2024, will have a significant impact on the financial statements of the Company.

Amendments to accounting standards that are mandatorily effective for the current year

International Accounting Standards (IFRS / IAS)	IASB Effective Date - periods commencing on or after	EU endorsed effective Date - periods commencing on or after
IFRS 17 Insurance Contracts (issued on 18 May 2017); including Amendments to IFRS 17 (issued on 25 June 2020)	1 January 2023	1 January 2023
Definition of Accounting Estimates (Amendments to IAS 8) (issued on 12 February 2021)	1 January 2023	1 January 2023
Disclosure of Accounting policies (Amendments to IAS 1 and IFRS Practice Statement 2) (Issued on 12 February 2021)	1 January 2023	1 January 2023

2. Material accounting policies – continued

International Accounting Standards (IFRS / IAS)	IASB Effective Date - periods commencing on or after	EU endorsed effective Date - periods commencing on or after
Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction (Amendments to IAS 12) (issued on 7 May 2021)	1 January 2023	1 January 2023
International Tax Reform – Pillar Two Model Rules (Amendments to IAS 12). Application of the exception and disclosure of that fact, effective 23 May 2023	1 January 2023	1 January 2023
International Tax Reform – Pillar Two Model Rules (Amendments to IAS 12)- Other disclosure requirements	1 January 2023	1 January 2023

New standards and interpetations
At the date of authorisation of these financial statements, the following Standards and Interpretations which have not been applied in these financial statements were in issue but not yet effective (and in some cases had not yet been endorsed):

International Accounting Standards (IFRS / IAS)	IASB Effective Date - periods commencing on or after	EU endorsed effective date - periods commencing on or after
Amendments to IAS 1 Presentation of Financial Statements • Non-current Liabilities with Covenants • Deferral of Effective Date Amendment (published 15 July 2020) • Classification of Liabilities as Current or Non-Current (Amendments to IAS 1) (published 23 January 2020)	1 January 2024	1 January 2024
Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)	1 January 2024	1 January 2024
Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)	1 January 2024	Not yet endorsed
Lack of Exchangeability (Amendment to IAS 21)	1 January 2025	Not yet endorsed

Critical accounting judgements and key sources of estimation uncertainty
In the process of applying IFRS, the Directors are required to make significant estimates, assumptions and judgements. There could be a risk that the carrying values of the entity's assets and liabilities could be different should assumptions be materially incorrect. The main area of risk is:

- Estimates are made regarding fair values of loans receivable as disclosed in Note 12. The measurement of the value of these loans receivable are based on the fair value of the external Euro bonds.
- Judgement is made as to the recoverability of loans receivable from Group companies (expected credit loss). The percentage of loss allowance is based on the cashflow forecasts of the debtor entity.

2. Material accounting policies – continued

Interest income
Interest income is accrued on a time basis by reference to the principal outstanding using the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

Interest expense
Interest expense is calculated by applying the effective interest rate to the debt instrument. This is the rate that exactly discounts estimated future cash payments through the expected life of the debt instrument to the gross carrying amount of the debt instrument on initial recognition.

Foreign currency translation
The functional currency of the Company is the Euro. Transactions in other currencies are initially reported using the exchange rate at the date of the transaction. Gains and losses from the settlement of such transactions and gains and losses on translation of monetary assets and liabilities denominated in other currencies are included in income.

Taxation
The tax charge/ credit represents the current tax on Urenco Finance N.V.'s result for the year.

Current income tax
The current tax payable is based on taxable income for the year. Urenco Finance N.V.'s liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the statement of financial position date.

Deferred income tax
Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable income and is accounted for using the balance sheet liability method. Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable income will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the tax income nor the accounting income.

Loans receivable
The loans receivable are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans receivable are initially recorded at fair value including transaction cost, and subsequently carried at amortised cost using the effective interest rate method. Gains and losses are recognised in the income statement when the loans are derecognised or impaired, as well as through the amortisation process.

Loans receivable are assessed individually for impairment at each statement of financial position date. A provision for expected credit loss is recognised against the carrying value based on the credit rating of the debtor, the term of the loan receivable and the number of days past the contractual due date for loan and interest payments.

A financial asset is derecognised when the contractual cash flows from the asset expire or when the Company transfers the rights to receive the contractual cash flows from the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Company is recognised as a separate asset or liability.

Cash and cash equivalents
Cash and cash equivalents in the statement of financial position and cash flow statement comprise cash at bank and short-term deposits with an original maturity of three months or less.

2. Material accounting policies – continued

Financial liabilities
Financial liabilities include loans, interest payable and accrued expenses. The financial liabilities are initially measured at fair value and subsequently measured at amortised cost.

Obligations for loans and borrowings are recognised when the Company becomes party to the related contracts and are measured initially at fair value and subsequently at amortised cost.

Gains and losses arising on the repurchase, settlement or otherwise cancellation of liabilities, are recognised in finance income or finance cost.

The Company derecognises a financial liability when its contractual obligations are discharged, cancelled or expired.

Trade payables
Trade payables are usually not interest bearing and are stated at cost as their maturity is within one year.

3. Finance income

	2023 **€000**	2022 €000
Interest income from group companies:		
United Kingdom	**28,996**	25,140
Foreign exchange gains on sterling tax balance	**1**	-
	28,997	25,140

4. Finance costs

	Maturity	**2023** **€000**	2022 €000
Interest expense relating to:			
€405 million Eurobond	**5 Aug 22**	**-**	3,544
€500 million Eurobond	**2 Dec 24**	**12,398**	12,398
€500 million Eurobond	**13 Jun 32**	**16,598**	9,199
Increase of expected credit loss		**1**	123
Foreign exchange losses on sterling tax balance		**-**	1
		28,997	25,265

5. Result on ordinary activities before taxation

The audit fee of €52,530 for the audit of the financial statements of the Company for the year was borne by Urenco Limited. From the perspective of the Company this is not at an arms' length basis.

The number of employees during the year was NIL (2022: NIL).

6. Income tax

The Company has been tax resident in the United Kingdom since 1 January 2016 and consequently is subject to United Kingdom taxation on its profits from that date onwards.

a) Analysis of tax credit in the profit and loss account

	2023	2022
	€000	€000
Current tax:		
Corporation tax on profits for the year	**-**	-
Total tax credit on profit on ordinary activities	**-**	-

b) Factors affecting tax credit for the year

The tax assessed for the year is equal to (2022: higher than) the average standard rate of corporation tax in the United Kingdom of 23.5% (2022: 19.0%). The differences are explained below:

	2023	2022
	€000	€000
Results on ordinary activities before taxation	**-**	(125)
Results on ordinary activities before tax multiplied by the average standard rate of corporation tax in the UK of 23.5% (2022: 19.0%)	**-**	(24)
Effects of:		
Revised credit losses on loans receivable	**-**	24
Total tax credit reported in income statement	**-**	-

c) Factors that may affect future tax charges

An increase in the mainstream rate of UK corporation tax from 19.0% to 25.0%, effective from 1 April 2023, was enacted during 2021. The annual UK corporation tax rate for the year ended 31 December 2023 increased to 23.5% (2022: 19.0%).

The Company has applied the temporary exception issued by the IASB in May 2023 from the accounting requirements for deferred taxes in IAS 12 relating to Pillar Two income taxes. Accordingly, the Company neither recognises nor discloses information about deferred tax assets and liabilities related to Pillar Two income taxes.

6. Income tax- continued

During 2023, the government of the UK, where the ultimate parent company is resident, enacted Pillar Two income tax legislation which will first apply to the Urenco Group in its financial year commencing on 1 January 2024. A group wide impact assessment was performed using recent actual financial data as part of the preparation of the Urenco Group's consolidated financial statements, which supports that, based on the current understanding of the rules and guidance, no exposure to top-up taxes are expected in the foreseeable future.

The Urenco Group is continuing to assess the impact of the Pillar Two income taxes legislation on its future financial performance.

7. Loans receivable – Non-current

	Urenco Ltd **2023** **€000**	Urenco Ltd Restated (i) 2022 €000
Loans at start of year	**1,000,000**	500,000
Loans issued	**-**	500,000
Loans reclassified to current assets (note 8)	**(500,000)**	-
Loans at end of year	**500,000**	1,000,000
Expected credit loss	**(1,207)**	(1,206)
Expected credit loss reclassified to current assets (note 8)	**599**	-
Net Loans at end of year	**499,392**	998,794
Opening deferred interest	**(4,535)**	(1,878)
Capitalised bond issue costs	**-**	(3,735)
Amortisation of capitalised bond issue costs	**896**	1,078
Closing deferred interest	**(3,639)**	(4,535)
Less current deferred interest	**482**	-
Closing non-current deferred interest	**(3,157)**	(4,535)
Opening balance at start of year	**994,259**	497,874
Closing balance at end of year	**496,235**	994,259

(i): The opening balance of deferred interest has been represented to include the current and non-current portion of deferred interest. The opening deferred interest has been represented from €(1,528) to €(1,878) and the capitalised bond issue costs has been increased from €728 to €1,078 with no impact on closing deferred interest. Any current portion is excluded after the movements for the year have been calculated.

As at 31 December 2023 there are two (31 December 2022: two) loans to the parent company, that mirror the terms of the external bonds issued by the Company as disclosed in Note 13.

Deferred interest

Certain notes have been issued below par value. The resulting discount is accounted for using the effective interest method. The effective interest method is a method of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including transaction costs and other premiums or discounts) through the expected life of the financial asset to the net carrying amount on initial recognition.

8. Other receivables (current)

	2023	2022
	€000	€000
Current account shareholder	**8,888**	8,888
Loans receivable (note 7)	**500,000**	-
Expected Credit loss reclassification from Loans (note 7)	**(599)**	-
Deferred interest transfer to current (note 7)	**(482)**	-
Interest receivable Urenco Limited	**9,925**	9,950
Other receivables	**517,732**	18,838

The current account with the shareholder represents amounts repayable on demand by the parent company Urenco Limited on which no interest is chargeable.

9. Cash and cash equivalents

Cash and cash equivalents comprises solely cash at bank that is freely available to the Company. The carrying amount of these assets approximates to their fair value.

10. Share capital

	2023 €000	2022 €000
Authorised:		
2,000 ordinary shares of € 100 each	**200**	200
Issued and fully paid:		
450 ordinary shares of € 100 each	**45**	45

There are no movements in share capital and the number of shares during the years 2023 and 2022.

11. Retained earnings

	Retained earnings €000
As at 1 January 2022	7,793
Total comprehensive result, net of tax	(125)
As at 31 December 2022	7,668
As at 1 January 2023	7,668
Total comprehensive result, net of tax	-
As at 31 December 2023	7,668

12. Financial risk management objectives and policies

The Company's principal financial instruments comprise loans to group companies, and borrowings from financial institutions. The main purpose of these financial instruments is to raise finance for the Urenco Group's operations to which Urenco Finance N.V. belongs.

The Company has a policy not to undertake any speculative trading in financial instruments.

The main risks the Company faces are with regard to its financial instruments: counterparty credit risk, refinancing risk, interest rate risk and liquidity risk. Urenco Finance N.V. has a low risk tolerance and seeks to limit these risks by being a wholly owned subsidiary of Urenco Limited, with the sole objective of providing finance to other wholly owned subsidiaries of the Urenco Group. Urenco Group is lent funds based on the same terms and conditions as the external borrowings. External loans are guaranteed by Urenco Limited and the principal operating subsidiaries within the Urenco Group. These risks are therefore actively monitored and managed at the Company and the Group level. The Company does not use derivative financial instruments to hedge its risks.

Counterparty credit risk
Counterparty credit risk is the risk of a loss being sustained by the Company as a result of payment default by the counterparty with whom the Company has placed funds on deposit. The extent of loss, for example, could be the full amount of the deposit. The main counterparty for receivables is Urenco Limited.

No collateral is pledged or received in respect of the financial instruments. External loans are guaranteed by Urenco Limited and the principal operating subsidiaries within the Urenco Group, being Urenco UK Limited, Urenco Nederland B.V., Urenco Deutschland GmbH and Louisiana Energy Services LLC. All off balance sheet arrangements are disclosed in note 15.

Refinancing risk
Refinancing risk is the risk of the Company not being able to issue debt for external reasons beyond the control of the Company. The Company will continue to regularly review the need for any update, if appropriate, of its EMTN programme to ensure it has the documentation in place to issue under the EMTN programme should it decide to.

Interest rate risk
As at 31 December 2023, all of the Company's borrowings and long term loan receivables were at a fixed rate of interest (31 December 2022: 100 per cent). To the extent that debt obligations have floating interest rates, the Company's interest charge will change due to changes in the market interest rates, and any such change could be adverse as well as favourable.

Interest rate sensitivity analysis
Changes in the market interest rates of non-derivative financial instruments with fixed interest rates only affect income if these are measured at their fair value. As such, financial instruments with fixed interest rates that are carried at amortised cost do not cover the interest rate risk as defined in IFRS 7 and accordingly changes in the interest rates will not result in significant changes in the profit and equity.

Liquidity risk
The Company is exposed to liquidity risk given that it has external debt that will need to be repaid. Repayment of this debt will be made using funds received from the Parent Company when it repays loans the Company made to it or by refinancing the debt under the EMTN programme.

Foreign currency sensitivity analysis
Tax balances at the end of the year in Sterling are subject to foreign exchange revaluation. A 10% increase in the value of the Euro against Sterling would result in a €2,673 foreign exchange gain in the income statement (2022: €2,634). A 10% reduction on the value of the Euro against Sterling would result in a €2,673 foreign exchange loss in the income statement (2022: €2,634). The company believes the factors considered in preparing the sensitivity analysis to be a fair approximation of possible actual changes.

12. Financial risk management objectives and policies– continued

Bond maturity

The table below summarises the maturity profile of the Company's financial liabilities at 31 December based on contractual undiscounted payments, including loan principal and future interest payments:

2023	**On demand €000**	**Less than 3 months €000**	**3 – 12 months €000**	**1 – 5 years €000**	**> 5 years €000**	**Total €000**
Interest bearing loans	**-**	**-**	**500,000**	**-**	**500,000**	**1,000,000**
Interest payments	**-**	**-**	**28,125**	**65,000**	**65,000**	**158,125**
	-	**-**	**528,125**	**65,000**	**565,000**	**1,158,125**

2022	On demand €000	Less than 3 months €000	3 – 12 months €000	1 – 5 years €000	> 5 years €000	Total €000
Interest bearing loans	-	-	-	500,000	500,000	1,000,000
Interest payments	-	-	28,125	76,875	81,250	186,250
	-	-	28,125	576,875	581,250	1,186,250

Capital management

Capital of the Urenco Group is managed by Urenco Limited. Urenco Finance N.V. is tasked with raising the required finance for the Urenco Group. Dividends will be proposed by the Directors within the framework of Dutch law and regulations.

The Company's capital consists of Share Capital and retained earnings. There are no externally imposed capital requirements. Management regularly monitors the capital balances and would take action should a deficit be identified. There have been no changes to the requirements or processes for capital management.

Fair values

Set out below is a comparison by category of book values and fair values of the Company's financial assets and liabilities as at 31 December 2023 and 31 December 2022:

	Carrying value 2023 €000	**Fair value 2023 €000**	Carrying value 2022 €000	Fair value 2022 €000
Financial assets				
Loans receivable (long term)	**496,235**	**464,915**	994,259	915,274
Cash and short-term deposits	**5**	**5**	5	5
Current account shareholder	**8,888**	**8,888**	8,888	8,888
Current interest bearing receivables	**498,919**	**492,900**	-	-
Interest receivable group companies	**9,925**	**9,925**	9,950	9,950
Financial liabilities				
Interest bearing loans and borrowings (long term)	**496,843**	**464,915**	995,465	916,480
Current interest bearing borrowings	**499,518**	**492,900**	-	-
Interest payable	**9,925**	**9,925**	9,950	9,950

12. Financial risk management objectives and policies– continued

All financial assets and financial liabilities are held at amortised cost.

The Company uses the following hierarchy for determining and disclosing the fair value of financial assets and liabilities by valuation technique:

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

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

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

The fair values of interest bearing bonds and borrowings shown in the table above are categorised as level 1 with market values having been used to determine the fair value of Urenco Finance N.V.'s listed Eurobonds based on the published prices. The fair value of loans receivable has been derived from the published prices of Urenco Finance N.V.'s listed Eurobonds and hence classified as level 1.

Loans receivable and payable are initially recorded at fair value and subsequently measured at amortised cost. Financial assets consist of cash and loans receivables.

13. Interest bearing loans and borrowings

At 31 December	Nominal interest rate %	Effective interest rate %	Maturity	**2023 €000**	2022 €000
Other loans:					
(1) €500 million Eurobond	2.375%	2.49%	2 Dec 24	**500,000**	500,000
(2) €500 million Eurobond	3.25%	3.336%	13 Jun 32	**500,000**	500,000
				1,000,000	1,000,000
Capitalised finance costs				**(3,639)**	(4,535)
Total loans and borrowings				**996,361**	995,465
Total Current				**(499,518)**	-
Carrying amount interest bearing loans and borrowings				**496,843**	995,465

Movements on Interest bearing loans and borrowings

Movements during the year relating to the amortisation of Capitalised finance costs of €896k (2022: €1,078k) and the carrying amount of the Eurobond maturing in Dec 24 being reclassified to current liabilities.

Deferred interest

Certain notes have been issued below par value. The resulting discount is accounted for using the effective interest method. The effective interest method is a method of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including transaction costs and other premiums or discounts) through the expected life of the financial liability to the net carrying amount on initial recognition.

14. Other payables (current)

	Maturity	2023 €000	2022 €000
Accrued interest relating to:			
€500 million Eurobond	2 Dec 2024	**957**	957
€500 million Eurobond	13 Jun 2032	**8,968**	8,993
		9,925	9,950
Bonds maturing December 2024		**499,518**	-
		509,443	9,950

Other payables comprise interest payable and issued bonds maturing within 12 months.

15. Off balance sheet arrangements

The external loans issued by the Company are guaranteed by Urenco Limited and the principal operating subsidiaries within the Urenco Group as disclosed in note 12 counterparty credit risk.

The Company is exposed to a number of joint contingent liabilities due to its position within the Urenco Group. The Company has the following contingent liability exposures:

A joint contingent liability as a result of a cross guarantee for loans entered into by Urenco Limited amounting to €128.5 million (2022: €142.5 million) and guaranteed by the Company, Urenco UK Limited, Urenco Nederland B.V., Urenco Deutschland GmbH, Urenco Enrichment Company Limited, Urenco ChemPlants Limited, Urenco USA Holdings Limited, Urenco USA Inc. and Louisiana Energy Services LLC.

Banking facilities consisting of €500 million multicurrency revolving credit facility, undrawn and a Surety Bond held by Louisiana Energy Services LLC of €90.6 million (2022: €383.9 million) guaranteed by the Company, Urenco Limited and the principal operating entities being Urenco UK Limited, Urenco Nederland B.V. and Urenco Deutschland GmbH.

An amount of €55.0 million (2022: €136.5 million) as guarantors under International Swap and Derivative Association (ISDA) agreements together with Urenco Limited and the principal operating entities being Urenco UK Limited, Urenco Nederland B.V., Urenco Deutschland GmbH and Louisiana Energy Services LLC.

Management considers it highly unlikely that the contingent liabilities disclosed above would become a recognised liability on the Statement of Financial Position.

16. Related party transactions

Transactions between the Company and Urenco Limited, which is a related party, have been disclosed in Note 7, Note 5 and Note 3.

No Director has ever received a loan from the Company or any other transaction with the Company. Key management consists of the three Directors; G. Tyler, M Karaiskos and R. ter Haar.

The remuneration of the Directors was paid by, and charged in, the accounts of another Urenco Group company, and no amounts were reimbursed by this Company. From the perspective of the Company, this is not at an arms' length basis.

17. Appropriation of result for the financial year 2023

The 2022 annual report was determined in the general meeting of shareholders held on 6 March 2023. The general meeting of shareholders determined the appropriation of result in accordance with the proposal being made in the annual report.

The Board of Directors propose to allocate the net result for 2023 to retained earnings. Pending the decision of the Annual General Meeting of Shareholders, the net result for the year of €nil (2022: net loss of €125,000) has been allocated to retained earnings.

18. Events after the balance sheet date

As of 14 March 2024, no other material structural changes or business events have occurred that might serve to alter any of the disclosures contained in the 2023 financial statements.

19. Cash flow statement

The cash flow statement has been drawn up using the indirect method. With this method, the net result is adjusted for items in the income statement that have no impact on cash flows in the year under review and for changes in items in the balance sheet whose income and expenses are not considered to impact cash flows. The cash position in the cash flow statement comprises cash and cash equivalents.

20. Expected credit losses

The below table is a reconciliation of the opening and closing expected credit losses on financial assets.

	As at 1 January	**Due to changes in receivable**	**Due to changes in recoverability**	**Reclassification**	**As at 31 December**
	€000	**€000**	**€000**	**€000**	**€000**
Long term receivables	**1,206**	**1**	**-**	**(599)**	**608**
Short term receivables	**10**	**-**	**-**	**599**	**609**
	1,216	**1**	**-**	**-**	**1,217**

The Company recognises an expected credit loss based on the forecast cashflows of the debtor from which the receivables are due.

Board of Directors

14 March 2024
Urenco Finance N.V.

G. Tyler M. Karaiskos R. ter Haar

Other information

Independent auditor's report
Reference is made to the auditor's report as included hereinafter.

Statutory rules concerning appropriation of result
In Article 22 of the Company's statutory regulations the following has been presented concerning the appropriation of the result:

1. The allocation of profits earned in a financial year shall be determined by the General Meeting.
2. Distributions can only take place up to the amount of the Distributable part of the net assets.
3. Distribution of profits shall take place after the adoption of the Annual Accounts from which it appears it is approved.
4. The General Meeting may resolve to pay distributions from the reserves or an account of the profits of the current financial year, provided that the aggregate amount of such distributions will not exceed the amount of the Distributable part of the net assets, which has to be evidenced by an interim balance sheet within the meaning of and in accordance with article 2:105 of the Dutch Civil Code.
5. The General Meeting may, subject to due observance of paragraph 2, resolve to make payments to the charge of any reserve which need not to be maintained by virtue of the law.
6. A claim of a shareholder for payment of a dividend shall be barred after five years have elapsed.

mazars

Independent auditor’s report

To the shareholders of Urenco Finance N.V.

Report on the audit of the financial statements 2023 included in the annual report

Our opinion

We have audited the financial statements 2023 of Urenco Finance N.V. based in Amsterdam.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of Urenco Finance N.V. as at 31 December 2023 and of its result and its cash flows for 2023 in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRS) and with Part 9 of Book 2 of the Dutch Civil Code.

The financial statements comprise:

1. the statement of financial position as at 31 December 2023;
2. the following statements for 2023: the income statement, the statements of comprehensive income, changes in equity and cash flows; and
3. the notes comprising material accounting policy information and other explanatory information.

Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the 'Our responsibilities for the audit of the financial statements' section of our report.

We are independent of Urenco Finance N.V. in accordance with the Wet toezicht accountantsorganisaties (Wta, Audit firms supervision act), the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics for Professional Accountants).

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

mazars

Information in support of our opinion

We designed our audit procedures in the context of our audit of the financial statements as a whole and in forming our opinion thereon. The following information in support of our opinion was addressed in this context, and we do not provide a separate opinion or conclusion on these matters.

Materiality

Based on our professional judgement we determined the materiality for the financial statements as a whole at € 10 million (2022: € 10 million). The materiality is based on 1% of total assets. We have also taken into account misstatements and/or possible misstatements that in our opinion are material for the users of the financial statements for qualitative reasons.

We agreed that misstatements in excess of € 300,000, which are identified during the audit, would be reported, as well as smaller misstatements that in our view must be reported on qualitative grounds.

Audit approach fraud risks

We refer to section “Fraud risk” of the Directors’ report for management’s fraud risk assessment.

In our audit we had attention for the risk of management override of controls.

We have evaluated the design and the implementation and, where considered appropriate, tested the operating effectiveness of internal controls that mitigate fraud risks. We have, among others, performed journal entry testing procedures based upon risk criteria and paid attention to the appropriateness of journal entries in the general ledger and other adjustments made in the preparation of the financial statements. We also tested significant transactions, if any, outside the normal course of business. In addition, we performed specific audit procedures in relation to key accounting estimates such as the expected credit loss provisions. Furthermore, we have performed other specific relevant audit procedures.

The aforementioned audit procedures have been performed in the context of the audit of the financial statements. Consequently they are not planned and performed as a specific investigation regarding fraud and non-compliance with laws and regulations. Our audit procedures have not led to any findings.

Audit approach going concern

As disclosed in section “Going concern” in Note 2 to the financial statements, the financial statements have been prepared on a going concern basis. When preparing the financial statements, management made a specific assessment of the ability of the company and its parent Urenco Limited to continue as a going concern and to continue its operations for at least the next 12 months after the preparation of the Annual Report.

We discussed and evaluated the assessment with management exercising professional judgement and maintaining professional scepticism. We considered whether management's going concern assessment, based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, contains all events or conditions that may cast significant doubt on the company's ability to continue as a going concern.

Based on these procedures, we did not identify any reportable findings related to Urenco Finance N.V.'s ability to continue as a going concern for the next 12 months.

Our key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements. We have communicated the key audit matters to the board of directors. The key audit matters are not a comprehensive reflection of all matters discussed.

These matters were addressed in the context of the audit of the financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	Audit response and observation
Loans receivable, including valuation and accounting The risk associated with the possible impairment of the loans receivable which are measured against amortized cost, and the disclosure of the fair value of these receivables was a key matter in our audit. Reference is made to notes 7 and 12 of the financial statements.	Audit response We obtained an understanding and evaluated the design and implementation of the system of internal controls relating to the valuation of loans receivable. Furthermore, we performed substantive testing on the impairment analysis of management for the loans receivable and obtained supporting information. For the fair value disclosure, we obtained published prices for the listed bonds as a reference. Also, we reviewed management's assessment of the going concern assumption of Urenco Finance N.V.'s parent company Urenco Limited as applied in preparing the financial statements. We assessed the reasonableness of the expected credit losses ('ECL') as recognized. Our procedures included substantive audit procedures on the ECL calculations, challenging the assumptions applied by management and obtaining supporting documentation for the key assumptions.

Key audit matter	Audit response and observation
	Our observation Based on the work performed as mentioned above, on the impairment of the loans receivable and the disclosure of the fair value of this receivable, we did not identify any reportable matters.

Report on the other information included in the annual report

The annual report contains other information, in addition to the financial statements and our auditor's report thereon. The other information consists of:

- Directors' report;
- Other information.

Based on the following procedures performed, we conclude that the other information:

- is consistent with the financial statements and does not contain material misstatements;
- contains all the information regarding the Directors' report and the other information as required by Part 9 of Book 2 of the Dutch Civil Code.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements.

Management is responsible for the preparation of the Directors' report in accordance with Part 9 of Book 2 of the Dutch Civil Code and other information as required by Part 9 of Book 2 of the Dutch Civil Code.

Description of responsibilities regarding the financial statements

Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with EU-IFRS and with Part 9 of Book 2 of the Dutch Civil Code. Furthermore, management is responsible for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, management is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting frameworks mentioned, management should prepare the financial statements using the going concern basis of accounting, unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Management should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the financial statements.

Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgement and have maintained professional scepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included among others:

- identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control;
- evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- concluding on the appropriateness of management's use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or

conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company to cease to continue as a going concern.

- evaluating the overall presentation, structure and content of the financial statements, including the disclosures; and
- evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identify during our audit.

Breda, 14 March 2024

Mazars Accountants N.V.

Already signed on the original: A.N. Terstegen