URENCO FINANCE N.V.

Amsterdam, the Netherlands.

Annual Report
For the financial year ended 31 December 2020

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 2020.

Board composition
Gerard Tyler was appointed to the Board on 4 April 2014. Ralf ter Haar and Richard Ozsanlav were appointed to the Board on 1 January 2016. Richard Ozsanlav resigned from the Board on 31 July 2020. All three members of the Board during the year are male.

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 Netherlands 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
Urenco Finance N.V. made a gain after tax in the period ended 31 December 2020 of €93,000 (Dec 2019: gain of €206,000). This is mainly due to reversals of expected credit losses on Group loans receivable. All long term debt issued externally was mirrored with other Urenco Group companies, 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 Company repurchased and cancelled €95.0 million of the August 2022 Eurobonds for a price of €98.2 million (103.4%) in July 2020. The transaction was completed for a total amount of €100.1 million, which included €1.9 million of accrued interest. As at 31 December 2020, a nominal amount of €405.0 million remained outstanding on the August 2022 Eurobonds.

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 and liquidity risk. These risks are limited within Urenco Finance N.V., as it is a wholly owned subsidiary of Urenco Limited, with the objective of providing finance to other wholly owned subsidiaries of 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.

Directors' report - continued

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 regularly reviews the need for and will update, if appropriate, its €3 billion Euro medium-term note (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 2020, all of the Company's borrowings were at a fixed rate of interest (31 December 2019: 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, if it repays loans the Company made to it. Please refer to the consolidated accounts of Urenco Limited where investors may analyse solvency and liquidity ratios.

Regulatory risk
During the year, Urenco finalised preparations for the UK's withdrawal from the European Union and Euratom treaty, ensuring that our products are in the right locations across the world and bringing forward international procurement of key supplies in case of transport disruption. These actions, and others the Company has taken, will enable the Company to continue to perform its services of providing finance for the Urenco group by raising funds through medium term Notes and loan finance.

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.

Employees
The Company has no employees.

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 matured on 15 February 2021 (€534.4 million) and will mature in December 2024 (€500.0 million) are listed on the London Stock Exchange. Those maturing in August 2022 (€405.0 million) are listed on the Dublin 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. The Directors have considered the impact of COVID-19 on Urenco Finance N.V. and have concluded that there is no substantial impact on it's business.

Statement

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

- the financial statements for the year ended 31 December 2020 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 2020, and of the development and performance during the 2020 financial year of the Company, and the principal risks facing the Company have been described herein.

Board of Directors

4 March 2021
Urenco Finance N.V.

G. Tyler	R. ter Haar

INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	**2020**	2019
		€000s	€000s
Finance income	3	**40,740**	49,083
Finance costs	4	**(40,629)**	(48,830)
		111	253
General administrative expenses		**(23)**	(60)
Income before tax	5	**88**	193
Income tax credit	6	**5**	13
Profit for the year		**93**	206

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2020

	2020	2019
	€000s	€000s
Result for the year	**93**	206
Other comprehensive income	**-**	-
Total comprehensive result, net of tax	**93**	206

STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2020

(after appropriation of result for the year)

	Notes	**2020**	2019
		€000s	€000s
Assets			
Non-current assets			
Loans receivable from group companies	7	**900,953**	1,527,567
		900,953	1,527,567
Current assets			
Receivable from group companies	8	**559,086**	26,257
Tax receivable		**17**	12
Cash and cash equivalents		**5**	5
		559,108	26,274
Total assets		**1,460,061**	1,553,841
Equity and liabilities			
Share capital	9	**45**	45
Retained earnings	10	**7,193**	7,100
Total equity		**7,238**	7,145
Non-current liabilities			
Interest bearing loans and borrowings	12	**902,035**	1,529,402
		902,035	1,529,402
Current liabilities			
Accrued interest and other payables	13	**550,788**	17,294
		550,788	17,294
Total liabilities		**1,452,823**	1,546,696
Total equity and liabilities		**1,460,061**	1,553,841

The financial statements were approved by the management Board of Directors on 4 March 2021.

They were signed on its behalf by:

G. Tyler R. ter Haar

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2020

	Issued capital €000s	Retained earnings €000s	Total equity €000s
As at 1 January 2019	45	6,894	6,939
Total profit and comprehensive result for the year	-	206	206
As at 31 December 2019	45	7,100	7,145
As at 1 January 2020	45	7,100	7,145
Total profit and comprehensive result for the year	-	93	93
As at 31 December 2020	45	7,193	7,238

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	**2020 €000s**	2019 €000s
Profit before tax		**88**	193
Finance income	3	**(40,740)**	(49,083)
Finance cost	4	**40,629**	48,830
Operating cash flows before movements in working capital		**(23)**	(60)
Movement in working capital		**17**	900
Movement in other payables		**6**	28
Income taxes paid		**-**	(868)
Net cash flow from operating activities		**-**	-
Investing activities			
Interest received		**36,310**	41,521
Decrease in loan assets		**98,156**	225,518
Net cash flow from investing activities		**134,466**	267,039
Financing activities			
Interest paid		**(36,310)**	(41,521)
Premium on early repayment of borrowings		**(3,181)**	(9,918)
Repayment of borrowings		**(94,975)**	(215,600)
Net cash flow from financing activities		**(134,466)**	(267,039)
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		**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 2020 were authorised for issue by the Board of Directors on 4 March 2021 and were signed on the Board's behalf by Gerard Tyler and Ralf ter Haar.

Urenco Finance N.V. is a company incorporated in the Netherlands under the Netherlands Civil Code. The address of the registered office is given on the front page. The business address is 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 and controlling company of the Urenco Group and domiciled in the United Kingdom, incorporated in England & Wales.

2. Significant 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 from 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. The Directors have considered the impact of COVID-19 and have concluded that there is no substantial impact on the going concern assumption.

Adoption of new and revised accounting standards

Amendments to accounting standards that are mandatorily effective for the current year
The accounting policies adopted in the preparation of the Company's annual financial statements for the year ended 31 December 2020 are consistent with those followed in the preparation of the Company's annual financial statements for the year ended 31 December 2019, except as follows:

In the current year, the Company has applied a number of amendments to IFRSs issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that begins on or after 1 January 2020. The impact of their adoption on the disclosures or on the amounts reported in these financial statements is assessed below.

2. Significant 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
Amendment to IFRS 16 Leases Covid 19-Related Rent Concessions (issued on 28 May 2020)	1 June 2020*	1 June 2020
Amendments to IFRS 3 Business Combinations (issued on 22 October 2018)	1 January 2020	1 January 2020
Amendments to IFRS 9, IAS 39 and IFRS17: Interest Rate Benchmark Reform (issued on 26 September 2019)	1 January 2020	1 January 2020
Amendments to IAS 1 and IAS 8: Definition of Material (issued on 31 October 2018)	1 January 2020	1 January 2020
Amendments to References to the Conceptual Framework in IFRS Standards (issued on 29 March 2018)	1 January 2020	1 January 2020

* applies to covid-19-related rent concessions that reduce lease payments due on or before 30 June 2021

Assessment of impact
The Directors do not expect that the adoption of the Standards listed above will have a material impact on the financial statements of the Company in future periods.

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 adopted by the EU):

International Accounting Standards (IFRS / IAS)	IASB Effective Date - periods commencing on or after	EU-endorsed effective Date - periods commencing on or after
Standards		
IFRS 17 Insurance Contracts (issued on 18 May 2017); including Amendments to IFRS 17 (issued on 25 June 2020)	1 January 2023	Not yet endorsed
Amendments		
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 Interest Rate Benchmark Reform – Phase 2 (issued on 27 August 2020)	1 January 2021	1 January 2021
Amendments to IFRS 4 Insurance Contracts – deferral of IFRS19 (issued on 25 June 2020)	1 January 2021	1 January 2021

2. Significant accounting policies – continued

New standards and interpetations – continued

International Accounting Standards (IFRS / IAS)	IASB Effective Date - periods commencing on or after	EU-endorsed effective Date - periods commencing on or after
Amendments - continued		
IFRS 3 Business Combinations; • IAS 16 Property, Plant and Equipment; • IAS 37 Provisions, Contingent Liabilities and Contingent Assets • Annual Improvements 2018-2020 (All issued 14 May 2020)	1 January 2022	Not yet endorsed
IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current and Classification of Liabilities as Current or Non-current - Deferral of Effective Date (issued on 23 January 2020 and 15 July 2020 respectively)	1 January 2023	Not yet endorsed

The Directors do not expect that the adoption of the Standards listed above will have a material impact on the financial statements of the Company in future periods.

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 estimates. 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:

- Judgements are made regarding fair values of loans receivable as disclosed in Note 12. The measurement of the future 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 and recorded as an expected credit loss. The percentage of loss allowance is based on the cashflow forecasts of the debtor entity.

Revenue recognition

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.

2. Significant accounting policies – continued

Taxation – continued

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.

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

	2020 €000s	2019 €000s
Interest income from group companies:		
United Kingdom	**40,628**	48,828
Reversal of expected credit loss	**111**	255
	40,739	49,083

4. Finance costs

	Maturity	2020 €000s	2019 €000s
Interest expense relating to:			
€534.4 million Eurobond	**15 Feb 21**	**13,839**	14,550
€405 million Eurobond (2019: €500.0 million)	**5 Aug 22**	**11,165**	11,965
€500 million Eurobond	**2 Dec 24**	**12,402**	12,395
Premium paid on Eurobond repurchase		**3,181**	9,917
Bank interest/charges		**41**	3
		40,628	48,830

5. Income before tax

Included within income before tax is:	2020 €000s	2020 %	2019 €000s	2019 %
Audit services:				
Fees payable to the Company's auditor for the audit of the Company's annual accounts	**34**	**100**	28	100
Total	**34**	**100**	28	100

Audit fees for the Company are paid by the parent company. This audit fee has therefore been netted against the current account with shareholder, see Note 8.

The number of employees during the year was NIL (2019: 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

	2020	2019
	€000	€000
Current tax:		
Corporation tax on profits for the year	**(5)**	(13)
Total tax credit on profit on ordinary activities	**(5)**	(13)

b) Factors affecting tax charge for the year

The tax assessed for the year is lower than (2019: lower than) the average standard rate of corporation tax in the United Kingdom of 19% (2019: 19%). The differences are explained below:

	2020	2019
	€000	€000
Profit before tax	**88**	**193**
Profit before tax multiplied by the average standard rate of corporation tax in the UK of 19% (2019: 19%)	**17**	37
Effects of:		
Revised credit losses on loans receivable	**(22)**	(49)
Prior year tax adjustments	**-**	(1)
Income (credit) reported in income statement	**(5)**	(13)

c) Factors that may affect future tax charges

A reduction in the UK mainstream corporation tax rate from 19% to 17%, effective from 1 April 2020, was enacted during 2016. On 11 March 2020, the UK government announced in the Budget that it would reverse the reduction to 17%. This reversal was substantively enacted on 17 March 2020. The annual UK corporation tax rate for the year ended 31 December 2020 remained at 19% (2019: 19%).

7. Loans receivable

	Urenco Ltd	Urenco Ltd
	2020	2019
	€000s	€000s
Loans at start of year	**1,534,400**	1,750,000
Loans repaid	**(94,975)**	(215,600)
Loans reclassified to current assets (note 8)	**(534,340)**	-
Loans at end of year	**905,085**	1,534,400
Expected credit loss	**(1,724)**	(1,835)
Expected credit loss reclassified to current assets (note 8)	**641**	-
Net Loans at end of year	**904,002**	1,532,565
Opening deferred interest	**(4,998)**	(7,128)
Movement	**1,949**	2,130
Closing deferred interest	**(3,049)**	(4,998)
Opening balance at start of year	**1,527,567**	1,740,782
Closing balance at end of year	**900,953**	1,527,567

There are three loans to the parent company, that mirror the terms of the external bonds issued by the Company as disclosed in Note 12.

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)

	2020	2019
	€000s	€000s
Current account shareholder	**8,973**	8,991
Loans receivable (note 7)	**534,340**	-
Expected Credit loss reclassification from Loans (note 7)	**(641)**	-
Interest receivable Urenco Limited	**16,414**	17,266
Other receivables	**559,086**	26,257

The current account with the shareholder represents amounts repayable on demand by the parent company Urenco Limited, on which interest was charged during the year, on the loan at an average rate of negative 0.257%.

9. Share capital

	2020 €000s	2019 €000s
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 2020 and 2019.

10. Retained earnings

	Retained earnings €000s
As at 1 January 2019	6,894
Total comprehensive result, net of tax	206
As at 31 December 2019	7,100
As at 1 January 2020	7,100
Total comprehensive result, net of tax	93
As at 31 December 2020	7,193

11. 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. These risks are limited within Urenco Finance N.V., as it is a wholly owned subsidiary of the Urenco Group, with the objective of providing finance to other wholly owned subsidiaries of the Urenco Group. These risks are therefore actively monitored and managed at the Company and the Group level.

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.

Interest rate risk

As at 31 December 2020, all of the Company's borrowings and long term loan receivables were at a fixed rate of interest (31 December 2019: 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.

11. Financial risk management objectives and policies– continued

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 if 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 €1,700 foreign exchange gain in the income statement (2019: €1,000). A 10% reduction on the value of the Euro against Sterling would result in a €1,700 foreign exchange loss in the income statement (2019: €1,000). The company believes the factors considered in preparing the sensitivity analysis to be a fair approximation of possible actual changes.

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:

2020	**On demand €000s**	**Less than 3 months €000s**	**3 – 12 months €000s**	**1 – 5 years €000s**	**> 5 years €000s**	**Total €000s**
Interest bearing loans	**-**	**534,400**	**-**	**905,025**	**-**	**1,439,425**
Interest payments	**-**	**13,360**	**20,988**	**44,738**	**-**	**79,086**
	-	**547,760**	**20,988**	**949,763**	**-**	**1,518,511**

2019	On demand €000s	Less than 3 months €000s	3 – 12 months €000s	1 – 5 years €000s	> 5 years €000s	Total €000s
Interest bearing loans	-	-	-	1,534,400	-	1,534,400
Interest payments	-	13,360	23,125	83,360	-	119,845
	-	13,360	23,125	1,617,760	-	1,654,245

Early repayment of Bonds

An early repayment of Bonds occurred in July 2020 of €95.0 million of the Bond originally due for repayment in August 2022. The repurchase price was €98.2 million (103.4% of the Bond) (In 2019 an early repayment of €215.6 million of Bonds due to be repaid in February 2021 occurred. The repurchase price was €225.5 million (104.6% of the Bond)).

Funds required for both repayments were provided by the parent company, Urenco Limited.

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 determined by the Directors within the framework of Dutch law and regulations.

11. Financial risk management objectives and policies– continued

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.

12. Interest bearing loans and borrowings

At 31 December	Nominal interest rate %	Effective interest rate %	Maturity	**2020 €000s**	2019 €000s
Non-current					
Other loans:					
(1) €534.4 million Eurobond	2.50%	2.60%	15 Feb 21	**534,400**	534,400
(2) €405 million Eurobond	2.25%	2.41%	5 Aug 22	**405,025**	500,000
(3) €500 million Eurobond	2.375%	2.49%	2 Dec 24	**500,000**	500,000
				1,439,375	1,534,400
Capitalised finance costs				**(3,050)**	(4,998)
Total Non-current				**1,436,375**	1,529,402
Total Current				**(534,340)**	-
Carrying amount interest bearing loans and borrowings				**902,035**	1,742,872

Movements on Interest bearing loans and borrowings

During the year, the Company repaid bonds of €95.0 million with a maturity date of 5 August 2022 (2019: €215.6 million with maturity date of 15 February 2021). The other movement during the year was the amortisation of Capitalised finance costs of €1,949k (2019: €2,130k).

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.

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 2020 and 31 December 2019:

	Carrying value 2020 €000s	**Fair value 2020 €000s**	Carrying value 2019 €000s	Fair value 2019 €000s
Financial assets				
Loans receivable (long term)	**900,953**	957,366	1,527,567	1,621,434
Cash and short-term deposits	**5**	**5**	5	5
Current account shareholder	**8,974**	**8,974**	8,991	8,991
Current interest bearing receivables	**533.699**	**535,214**	-	-
Interest receivable group companies	**16,414**	**16,414**	17,266	17,266
Financial liabilities				
Interest bearing loans and borrowings (long term)	**902.035**	**958,450**	1,529,402	1,623,269
Current interest bearing borrowings	**534,340**	**535,854**	-	-
Interest payable	**16,414**	**16,414**	17,266	17,266

12. Interest bearing loans and borrowings - 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, using the joint liability for the credit risk of the group as a whole as input factor and hence also classify as level 2.

Financial assets consist of cash and loans receivables. Financial liabilities are at amortised cost.

13. Other payables (current)

	Maturity	**2020** **€000s**	2019 €000s
Accrued interest relating to:			
€534.4 million Eurobond	15 Feb 2021	**11,717**	11,713
€405 million Eurobond	5 Aug 2022	**3,720**	4,580
€500 million Eurobond	2 Dec 2024	**976**	973
Audit provision		**34**	28
		16,448	17,294
Bonds maturing February 2021		**534,340**	-
		550,788	17,294

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

14. Contingent liabilities

The Company has a joint contingent liability as a result of a cross guarantee for loans entered into by Urenco Limited 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.

15. Related party transactions

Transactions between the Company and Urenco Limited, which is a related party, have been disclosed in Note 7 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 two Directors; G. Tyler 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.

16. Appropriation of result for the financial year 2021

The 2020 annual report was determined in the general meeting of shareholders held on 4 March 2021. 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 proposes to allocate the net income for 2020 to retained earnings. Pending the decision of the Annual General Meeting of Shareholders, the net income for the year of €93,000 (2019: €206,000) has been added to the retained earnings.

17. Events after the balance sheet date

The Company repaid the remaining amount of the €750.0 million Eurobond on the maturity date of 15 February 2021. The total amount paid to the bond holders was €547.8 million, which included accrued interest of €13.4 million.

As of 4 March 2021, no other material structural changes or business events have occurred that might serve to alter any of the disclosures contained in the 2020 financial statements.

18. 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.

19. 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
	€000s	€000s	€000s	€000s	€000s
Long term receivables	1,835	(111)	-	(641)	1,083
Short term receivables	9	-	-	641	650
	1,844	(111)	-	-	1,733

Upon transition to IFRS 9 on 1 January 2018, the Company recognised an expected credit loss based on the forecast cashflows of the debtor Company. The expected credit loss provision has reduced as loans from the parent company have been received and hence the financial asset reduced in value.

Board of Directors

4 March 2021
Urenco Finance N.V.

G. Tyler 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 profit is at the disposal of the general meeting of shareholders.
2. The Company is only allowed to distribute profit if the equity is more than the authorised share capital and the reserves which are required by statute.
3. Distribution of profit occurs after signing of the financial statements which shows that the distribution is permitted.
4. The general meeting can decide to pay an interim dividend if this is permitted under Article 22(2).
5. The general meeting of shareholders can decide to repay share capital if this is permitted under Article 22(2).
6. Any dividend not claimed after five years will expire and revert to the Company.

Board of Directors

4 March 2021
Urenco Finance N.V.

G. Tyler	R. ter Haar

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Independent auditor's report

To the shareholders of Urenco Finance N.V.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS 2020 INCLUDED IN THE ANNUAL REPORT

Our opinion

We have audited the accompanying financial statements 2020 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 2020, and of its result and its cash flows for 2020 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 2020.

2. The following statements for 2020: the income statement, the statements of comprehensive income, changes in equity and cash flows.

3. The notes comprising a summary of the significant accounting policies 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 EU Regulation on specific requirements regarding statutory audit of public-interest entities, 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).

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

Materiality

Based on our professional judgement we determined the materiality for the financial statements as a whole at EUR 14,500,000. The materiality is based on 1% of total assets and rounded down. 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 with the shareholder that misstatements in excess of EUR 725,000, which are identified during the audit, would be reported to them, as well as smaller misstatements that in our view must be reported on qualitative grounds.

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 shareholder. The key audit matters are not a comprehensive reflection of all matters discussed.

These matters were addressed in the context of our 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.

<u>Loans receivable, including valuation and accounting</u>

Key audit matter
The risk associated with the possible impairment of the loan receivable on the parent company which is measured against amortized cost, and the disclosure of the fair value of this receivable was a key matter in our audit. Reference is made to notes 7 and 12 of the financial statements.

Audit response
We tested the design and implementation of relevant controls, and performed substantive testing, on the impairment analysis of management for the loan receivable on the parent company and obtained supporting information from group management. For the fair value disclosure, we challenged management's assumptions used in their determination of the fair value and obtained published prices for the listed bonds as a reference. Also, we reviewed the assessment of the Directors of Urenco Finance N.V. in respect to the going concern assumption of the Urenco group as whole applied in preparing the financial statements and challenged the assumptions supporting their assessment.

Observation
Based on the work performed as mentioned above, on the impairment of the loan receivable on the parent company 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

In addition to the financial statements and our auditor's report thereon, the annual report contain other information that consists of:

- Director's report.
- Other Information as required by Part 9 of Book 2 of the Dutch Civil Code.

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 the 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 other information, including Director's report in accordance with Part 9 of Book 2 of the Dutch Civil Code, and the other information as required by Part 9 of Book 2 of the Dutch Civil Code.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Engagement

We were engaged by the shareholder as auditor of Urenco Finance N.V. on 5 March 2012, as of the audit for the year 2011 and have operated as statutory auditor ever since that financial year.

No prohibited non-audit services

We have not provided prohibited non-audit services as referred to in Article 5(1) of the EU Regulation on specific requirements regarding statutory audit of public-interest entities.

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 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 assignment 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 skepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included e.g.:

- 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 company'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 the company to cease to continue as a going concern.

- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures.

- Evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with management 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 identified during our audit. In this respect we also submit an additional report to the Directors in accordance with Article 11 of the EU Regulation on specific requirements regarding statutory audit of public-interest entities. The information included in this additional report is consistent with our audit opinion in this auditor's report.

We provide the shareholder with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the shareholder, we determine the key audit matters: those matters that were of most significance in the audit of the financial statements. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, not communicating the matter is in the public interest.

Amsterdam, 4 March 2021

Deloitte Accountants B.V.

Signed on the original: M. van Luijk