URENCO NEDERLAND B.V.

Almelo, the Netherlands

Annual Report
For the financial period ended 31 December 2023

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Business Model
Urenco is a global supplier of nuclear fuel enrichment services and fuel cycle products for the civil nuclear industry with sustainability at the core of our operations. We have served the nuclear fuel supply chain for over 50 years, equipping us with the expertise to reliably deliver our services and solutions, which are critical for the clean energy transition. With our head office near London, UK, our international presence ensures diversity and security of supply for customers through our enrichment facilities in Germany, the USA, the UK and the Netherlands (UNL).

Urenco's role in nuclear fuel production
The enrichment process is crucial to making nuclear fuel for power plants, and is the third step in the fuel cycle after mining and conversion. Our customers are predominately energy utility companies or those who operate reactors, and it is our role to enrich the feed (UF_6, uranium hexafluoride) they send us from the conversion step, using a toll model approach.

We heat UF_6 to turn it into a gas and then feed it into our gas centrifuges. The centrifuge separates the two isotopes contained in uranium: uranium 235 (^{235}U) and uranium 238 (^{238}U). The lighter ^{235}U is typically enriched to up to 5%, which is sufficient to sustain a continuous fission reaction in a nuclear power plant. After enriching our customers' uranium, it is transported to fuel fabricators (step 4) where it is converted into pellets, before being loaded into fuel rods. These rods are then placed inside reactors (step 5) and used to generate the steam that drives the turbines, which in turn power electricity generators.

Purpose, Vision and Mission
- Our Purpose – To enrich the future with carbon free energy
- Our Vision – A sustainable net zero world
- Our Mission – Delivering trusted and innovative nuclear services and solutions

We deliver a diverse and secure supply of enrichment services for our valued customers through our global presence, with our Head Office near London, UK, and our enrichment facilities in the UK, USA, the Netherlands, and Germany.

Urenco's positioning
Thanks to our presence in four countries, we remain uniquely capable of providing a secure and diverse supply of enrichment services to global markets from our sites in the US, UK and two in the European Union, of which one is our 100% owned subsidiary Urenco Netherlands.
Our purpose is to enrich the future with carbon free energy, helping to provide energy security and facilitating the reliable delivery of low carbon electricity generation for consumers around the world. Over our 50 years of operation and service to our customers, we have consistently delivered high quality operational and financial performance with an exemplary delivery record.
We are investing in tomorrow's world through our work in advanced fuels and lifesaving isotopes for use in the medical sector and other innovative applications.
Overall, we believe that our high service levels and strong collaborations will enable us to continue to be a partner of choice for customers and stakeholders in the decades to come. We look forward to continuing the momentum to help the world benefit from sustainable, low carbon nuclear energy.

DIRECTORS REPORT

Nuclear energy's upward trajectory has continued this year, which has given both Urenco and the wider nuclear industry a renewed purpose. This is largely the result of three essential drivers.

The first is climate change. Nuclear is increasingly recognised as one of the solutions to decarbonise our economies and this was underlined towards the end of the year at the COP28 climate change conference with the declaration of more than 25 governments to triple global nuclear capacity by 2050. We should not underestimate the significance of nuclear taking centre stage as a result of agreements made at COP28.

The second driver is security of supply. There is now greater consideration of where to source energy from, whether there is enough reliable energy available and how diverse a supply should be. Nuclear power can offer countries the reassurance of both energy independence as well as baseload, reliable energy to meet increasing demand.

These two primary drivers are creating a momentum. There is now a concerted effort and push for new nuclear, including both large scale and small scale reactors. The nuclear sector sees this as essential to our future success, and is identifying opportunities to be increasingly innovative, for example, with the delivery of small modular and advanced modular reactors (SMRs, AMRs). This year has seen countries where nuclear technology already exists extending the lifetime of power plants or planning to build new ones.

In countries where the technology doesn't currently exist, approximately 30 are considering, planning or starting nuclear power programmes. We have a duty and a responsibility to harness this momentum to ensure that nuclear can fulfil its potential in mitigating climate change and delivering energy security.

For Urenco, the result of these three drivers is growth in customer demand. This activity has reinforced our strategic priorities and direction, and in 2023 we announced the increase of capacity at our enrichment sites in the USA, the Netherlands and Germany, investing EUR 2bln in the coming years to meet market needs for extended and diversified fuel supplies.

Progress in other strategic areas
Development of our Urenco Isotopes business progressed. We achieved important contracts: one with the semiconductor industry and one with a utility to help prevent corrosion in nuclear reactors.

Our people and culture work, which is at the foundation of our strategy, continued at pace in 2023. We need to add to our workforce to meet our expansion plans and this was supported by a refresh of our career websites and the launch of a new Employee Value Proposition. We completed the roll out of a regular employee pulse survey to measure engagement. Our global culture themes were refreshed to increase efforts and we implemented further inclusion and diversity training for all employees and line managers.

Our important work on sustainability progressed. Our intention remains to make a positive contribution to global climate change goals, not only as part of our role in the nuclear industry, but also through our plan to achieve net zero carbon emissions by 2030 within our operations (scope 1 and 2), and by 2040 within our supply chain. We have published our first Net Zero Transition Plan, which outlines how we will turn ambition into action. We have built two large-scale solar panel installations at the UNL site, capable of reducing the site's peak electricity demands from the grid by up to 15%.

Financial and operational performance in 2023
UNL's financial and operational performance remains strong.

Revenue increased to €648.2 million (2022: €507.8 million). EBITDA rose at €309.0 million and net income to €182.4 million (EBITDA 2022: €259.8 million, net income €144.1 million). Cash generated from operating activities was € 344.1 million (2022: €342.5 million), net cash flow from operating activities was at a level of €285.2 million (2022: €310.6 million). We have security in our core business through the long-term visibility of the Urenco order book. The order book extends into the 2040s with a group value of €14.7 billion (2022: € 10.8 billion).

In addition to the capacity programme, UNL site improvements included the expansion of Urenco Isotopes which progressed as well as a sizable refurbishment to upgrade equipment for our uranium enrichment plant SP5, such as the automated cranes at our cylinder receipt and dispatch buildings. An Asset Health report was drawn up for the extension of the operating life of our longest serving enrichment plant.

Future developments
Our priority for 2024 is our UNL capacity programme, which prepares for SP5 hall 8. This project will provide an additional capacity to the plant over the next four years. A revised site licence has been issued which allows for the expansion and growth plans to be implemented. The first conceptual design phase is underway and site preparations have started. Work to refurbish the automated cranes on site is also progressing well.

To expand our enrichment capacity we are investing in new centrifuges and associated technology, with corresponding headcount increase as well as R&D spend. Funding for this will be achieved via cash flow from operating activities and from deposits due from the ultimate parent company.

As part of expanding our Urenco isotopes portfolio, we will be exploring further ways in which our offering in the nuclear medicine space can be enhanced through collaborations, partnerships and internal growth to bring more stability and robustness to supply chain challenges.

Through our people and culture programme, we will continue to prioritise our workforce, ensuring it is skilled, inclusive, diverse, and well supported to deliver the ambitions of our strategy. Recruitment and retention plans remain crucial and challenging. We will maintain our encouragement of internships, apprenticeships and graduate placements and embark on further training and development of our managers.

Sustainability and the decarbonisation of our operations and assets is vital. We will focus on tackling the challenge of mitigating emissions while meeting increased demand for our services. We are preparing for the ESG reporting obligations as off January 1 2025.

We are reviewing our core company processes, introducing a new enterprise resource planning system to ensure we are working as efficiently as possible.

We will also continue to ensure the safe production of enrichment services under our existing contracts, which was ahead of target for the year. We have always ensured our enrichment plants are maintained to the highest level of reliability and asset integrity, which has been demonstrated by their online performance and the achievement of production and delivery goals. Our refurbishment projects, as part of the capacity programme, will continue allowing us to maintain these standards.

There is a lot of excitement around nuclear. Specific measures still need to be developed, but the important role of nuclear in the energy transition is clear, and the industry recognises its duty to act. This creates a great deal of optimism for our industry as is.

Market overview
The market fundamentals for nuclear have continued to gain considerable momentum with the growing need for energy security alongside the ongoing push for decarbonisation throughout the world.

2023 has seen more countries take tangible actions to either embrace nuclear for the first time, or to revitalise their use of nuclear power by announcing plans to expand or maintain the share of nuclear in their energy mix. France, Sweden and Japan have, for example, taken steps to change laws that will provide a simpler and streamlined pathway for new nuclear builds or to extend the operations of their existing fleets. Broader laws and initiatives also continue to take shape, such as the European Commission's Net-Zero Industry Act. This wide ranging piece of legislation is designed to decarbonise the EU's industry and includes nuclear energy alongside renewables among the technologies to be used.

During the past two years the spot enrichment price, as reported by both TradeTech and UxC, has rebounded from its low point in 2011, reaching US$155.00/SWU and US$159.00/SWU respectively by the end of December 2023.

Talks are being held with three potential suppliers regarding the construction of the two new nuclear power stations that are expected to be located in Borssele, the location of the country's current sole operating nuclear power plant. Additionally, the Dutch province of Zeeland has started a two stage consultation on Government plans to build those units in addition to prolonging the operation of the existing Borssele reactor beyond its scheduled closure in 2033.

Our strategy
In 2023, Urenco reaffirmed our strategy for growth and expansion, to meet the world's need for secure, sustainable energy. This built on the strategic refresh that had taken place in 2022, which was implemented following the changes to the international energy market in the wake of the conflict in Ukraine. The strategy is also being driven by the momentum in nuclear globally. Around 30 countries are now considering or planning to build new nuclear assets, in addition to the countries that already have nuclear energy technology in place and are planning on new builds and renewals themselves. This shift in approach has impacted every area of our business, but we have embraced the challenge as part of our responsibility and duty to our customers and countries worldwide to support them with their energy security and net zero aspirations.

We are making real progress in delivering on our strategic objectives. Our long term focus is on meeting increased demand in the market with a flexible, resilient and sustainable operation. In order to achieve this, we are implementing our refurbishment and capacity expansion programme which is taking place at all of our sites, as well as deepening our decommissioning and deconversion capabilities. For each site, we have identified near, mid and long term plans, which consist of a mixture of refurbishment, safely extending the lifetimes of older plants, extending plants with new modules, and new builds.

Our strategy requires long term commitments from both governments and customers, and strong collaboration across the nuclear industry. To date, we have had sufficient customer commitments to progress on our capacity programme, and in 2023 we committed to projects at three different sites, which will bring us around 1.6 million of SWU capacity.

Our strategic ambitions
Our strategy remains driven by our purpose, mission and vision.

Our strategic ambitions have been refreshed and are now:

- **Trusted global partner**: Reliable strategic partner to customers, governments and society
- **Safe and reliable operator**: A dynamic, learning and responsible nuclear organisation with world class safety and reliability
- **Engaged and accountable teams**: Inclusive and inspiring place to work, with engaged, accountable, and empowered teams
- **Expanded and sustainable assets**: Delivering sustainable, net zero assets to meet growing and changing nuclear fuel demand
- **Industry leading innovation**: Innovating and developing focused opportunities that strengthen and expand our business

Case Study: Urenco Isotopes
At UNL we are exploring new opportunities to bring our expertise to other enrichment products. Our Urenco Isotopes facility is serving the market well. Our enriched and depleted isotopes of elements other than uranium have many applications, including for medical purposes, quantum computing, and other R&D activities. One particular area we are looking at more closely is medical isotopes and their applications in the field of nuclear medicine. Today we supply isotopes that support two million patient treatments every year, and the demand for these products is increasing and so is the variety of applications in the fields of treatment and diagnostics. We plan to further extend our facility to meet this global need, and will continue to work with partners and customers to develop new applications. The potential future size of the global market for radiopharmaceuticals is £35 billion, because patients will need a reliable and secure supply of these critical products. This represents a major opportunity. As we look to expand our offering in the nuclear medicine space, we will seek to identify collaborations, partnerships and internal growth to bring stability and robustness to current supply chain challenges.

Sustainability
The pressure on our planet from climate change has never been more acute and it is clear that businesses need to embed sustainability into every aspect of their work to reduce their impact on the environment and increase their positive effect on society. At Urenco, our vision is clear – a sustainable net zero world. We want to make a positive contribution to global climate change goals not only through being an integral part of the nuclear industry, but also through our commitment to achieve net zero carbon emissions by 2030 within our operations, and by 2040 within our supply chain. Our Urenco Isotopes products – with medical, research and industrial applications, our partnerships with charities and a commitment to volunteering and nurturing the next generation of scientists and engineers, enable us to provide additional social value from our work.

In 2023 our sustainability efforts gathered even more momentum. We have built on our priorities in relation to the environment; social impact and governance (ESG), and our science-based targets commitments, and we are well positioned to make further improvements. At UNL we have started preparing for the ESG reporting guidelines, on which we will report for the first time over 2025. The measurement of key performance criteria will start at the end of the coming year.

Net Zero

Scope 1: Direct greenhouse (GHG) emissions

In 2023, we instigated a Net Zero working Group to identify how we can decarbonise our plant towards our 2030 targets. This resulted in a feasibility report, identifying suitable low carbon solutions for our plant. The output of these working group will proceed into implementation from 2024. This will include projects to replace high Global Warming Potential (GWP) refrigerants, reducing the need for natural gas through installations of heat pumps and electric boilers and replacing diesel fuel with Hydrotreated Vegetable Oil (HVO) in our plant backup generators where possible. Also the proof of concept for internal district heating in Almelo by Urenco site waste heat, is being investigated. These actions will commence through 2024 and will enable us to reduce our scope 1 emissions towards 2030.

At UNL we achieved a 12% natural gas saving in 2023 compared to 2022. This converts to 70.000 m3 natural gas savings annually through reusing waste heat from the enrichment process in the Recycling Centre. This makes the Recycling Centre free of natural gas.

Scope 2: Indirect greenhouse (GHG) emissions (from purchased electricity)

In 2023 UNL progressed towards decarbonised grid contracts which is the primary strategy to support Scope 2 reduction targets. This includes new contracts considering a wide range of supply options across renewables and nuclear technologies. These contracts are expected to be finalised in 2024.

To additionally support our scope 2 reduction UNL completed construction of two solar arrays, a roof mounted array consisting of 8,750 panels and solar carports over the employee parking area.

Scope 3: Other indirect emissions from assets not owned or controlled by Urenco

Scope 3 (supply chain) emissions are a challenge for all organisations. We are engaging with our suppliers, several of whom now have science-based net zero ambitions, which will contribute towards our own carbon reductions. We have identified our highest carbon impact suppliers and held reuse supplier engagement sessions on net zero. We are working with suppliers on carbon reducti-on plans.

We held our first internal Net Zero Summit in November in Almelo, an opportunity to share innovative ideas and experience with representation from our net zero leads, engineers, procurement, commercial, asset management, communications and sustainability teams. Areas for action and improvement have been identified, and have been taken forward for consideration with a view to measures being implemented.

Safety, health and wellbeing

Safety remains the first of Urenco' s five key values – and we are proud to maintain high compliance standards. These standards are supported by nuclear industry regulation. We are continuing to work towards achieving the 'interdependent' stage of the DuPont Bradley Curve, which will see employees taking personal accountability for our safety and the safety of others. A 10 year Health and Safety plan is currently being developed which will further underpin the organisations journey to this position. Our employee and contractor safety performance remained robust throughout 2023, comparing well to our external peers. A focus for 2023 has been collaborative engagement with our supply chain partners, improving the safety culture and performance across our operational facilities. This focus will continue in 2024 and beyond as our expansion programme gains momentum and will include a new safety campaign to strengthen our safety culture for all our workforce.

Case Study: Incident and Injury Free training

Urenco' s capacity programme will require new ways of working to deliver growth plans against a backdrop of zero harm. Expansion and refurbishment of our plants to meet demand means different capabilities and skill sets will need to be developed. This is in addition to a requirement for the workforce to maintain its current operational activities at the highest standards of safety, efficiency, compliance, reliability and sustainability.

In addition to the framework of robust safety procedures and policies in place at both group level and UNL level, an approach to support the development of a safety culture has been created. The Incident and Injury Free (IIF) programme was first introduced to Urenco' s Technology and Development (UTD) Function in 2022 under the guidance of partner, JMJ Associates, and rolled-out in 2023.

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Related to auditor's report
Dated 13 March 2024

The programme and in-person training are aimed at raising the level of awareness of safety by making it personal, relevant and very prominent so that it impacts on everyday choices and actions. So far over 75% of the technology and development function's workforce have completed the initial orientation training session. Many contractors have also participated in the training which has helped to bring teams together, aligning attitudes and behaviours.

Ethical and transparent business
We continue to ensure our compliance with regulatory frameworks, to preserve the security of the civil nuclear industry, to operate in an open and accountable manner and ensure that Urenco remains a trustworthy and valuable contributor to society and local communities. We are proud to have had another strong year in which we met our governance targets around nuclear safety and we continue to participate in a number of cross-industry working groups where we act as an enabler for non-proliferation techniques growing. This promotes collaboration, learning from experience and continually improving industry performance as a whole

Fair Workplace Practices
Our Code of Conduct establishes the ethical standards we expect from our workforce, and key stakeholders. A complementary Supplier Code of Ethics and Conduct sets out Urenco' s fundamental principles and business conduct requirements. One of Urenco' s core values is integrity. We expect all of those within our supply chain to operate and behave in a way that protects the interests of Urenco as well as adopting principles of sustainability, accountability and equality. As part of this, we are fostering a strong speak-out culture to address any actions which may be in breach of the Code of Conduct or regulations.

Our Speak-Out procedure, available to staff, customers, suppliers, the public and other stakeholders, has been designed to ensure grievances are dealt with in a timely, sympathetic, fair and effective manner. Anonymity is maintained and those who speak out are fully protected against any form of negative consequences, while ensuring there is a fair process for all parties involved.

Inclusion and Diversity
Businesses work better when there is diversity in perspective and people feel that their voice is heard and acknowledged.

One area of focus is to improve our overall gender mix across the business. Our key goals are to have more than 30% of women in leadership or management roles, and more than 20% of the workforce from underrepresented groups by 2025, with all selections made on merit.

To support this, we are applying a range of inclusive recruitment principles with the goal of ensuring all under-represented groups are given a fair opportunity to be included in our candidate attraction and shortlisting processes. We are also providing all our managers and employees with inclusion and diversity (I&D) training. By the end of 2023, 97% of our managers had completed this training. Next year, similar training will be delivered for non-managers with a completion goal of 95%. The training will boost understanding of unconscious bias, self-awareness, and how you can establish a positive work environment.

Another key element is employee engagement, which we track regularly and is above the industry benchmark at 7.8 out of 10 for Energy and Utilities.

Social impact
Our ongoing efforts to ensure best practice in regard to human rights and modern slavery, saw us commissioning KPMG to complete a full benchmarking review and human rights risk assessment. This work is being completed in two phases – the first is a detailed assessment of our human rights performance which includes all our relevant KPIs, policies and procedures. This goes much further than modern slavery but also encapsulates worker rights, employee rights, and labour rights. This will enable phase two – which will help us establish and improve due diligence processes within our procurement and commercial teams - identifying our salient human rights risks across the business and ensuring they are mitigated.

More broadly in relation to social impact, we also invested in additional multi-year partnerships with charitable organisations aligned with our wider sustainability priorities. In the Netherlands we continued to run our global Richie education programme, which supports STEM (Science, Technology, Engineering and Mathematics) education in schools and online, and reached hundreds children in 2023 alone. In addition, we maintained our donations to charitable organisations local to our operating sites and our volunteering initiatives.

We are proud to have developed 8 interns by the end of 2023 and have plans to welcome more through our Early Careers programme, helping them grow and nurturing the valuable talent we and the wider nuclear industry need.

Case study: Making a sustainable difference with Pump Aid
In November 2023, Urenco sent three employees to Malawi from our Procurement, Engineering and Sustainability teams to lend their expertise to some of the core engineering and logistical issues Pump Aid was experiencing on the ground.

The team met charity staff and saw how the water pumps were built and maintained to further understand opportunities (and limitations) for engineering and design enhancements, especially focused on high wearing parts to improve their efficiency, reliability and affordability. They also visited a farmer to see how Urenco could help make local irrigation pumps more portable.

The trip concluded with a visit to an under 5s community based childcare centre, to see how access to clean water helps enable greater agricultural productivity to feed the community, as well as facilitating education, improved sanitation, health and also supports a women farmers' group.

Urenco is incredibly proud of its relationship with Pump Aid and is looking forward to making even more meaningful contributions to its work to reduce water inequality across our extended partnership, providing opportunities to suggest design efficiencies to pumps.

People and culture
During a time of expansion for the business, it is more important than ever that we attract, retain, and grow our workforce. Our people are the foundation of our strategy, and to support the company's growth agenda we anticipate a significant workforce expansion in the coming years. This will be both a challenge and an opportunity.

We have seen our culture become more inclusive in 2023, with people feeling more engaged, as evidenced by our annual Demographic and Inclusion survey. This is while our recruitment efforts have realised nearly 70 vacancies in the Netherlands filled, despite a challenging market.

There is no policy with regard to male/female seats in board of directors or supervisory board as there is only one director and the members of the supervisory board are the directors from the parent Company.

To support this growth, we have redoubled our efforts on the key themes for our People and Culture work, which has been informed by our Organisational Health Index (OHI) survey. The themes are:

- Enhanced clarity and leadership
- Empowerment and accountability to deliver
- Improved organisational learning
- Supported and enabled by a positive employee experience

These themes tie closely with the strong set of values (Safety, Integrity, Leadership, Innovation and Sustainability) that our workforce embody.

We are making changes such as implementing a new HR information system (HRIS), better aligning our people and culture plans with business needs, and deepening our management and leadership programmes.

In 2023, we concluded a global leadership programme for which 90 senior managers had participated in total. Our development and skills programme, 'DevelopU', has now been rolled out also in the Netherlands, and we have implemented the 'Your Voice' feedback tool globally, so we hear more from our employees. Next year, we will be embarking on a people manager development programme, to equip our people with the skills they require to be better managers, which will in turn improve the employee experience.

We have also launched our Employee Value Proposition (EVP), which captures the essence of the opportunities Urenco offers, reinforcing our credentials as an employer of choice for potential new employees. It communicates the opportunity to work in an exciting industry that is making a positive difference to the world, and outlines how we can offer every employee a fulfilling and rewarding career. UNL operates with a robust code of conduct, and protects it's employees with high level whistle blower policies and anti-fraud mechanisms.

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Stakeholder engagement

In 2023 we continued our engagement with government and industry, as well as our efforts to boost awareness of the essential role nuclear energy has to play in the transition to net zero. We have been speaking to the right people, in the right places and on some of the world's biggest energy stages to international colleagues, partners, decisionmakers and the next generation of scientists and engineers. Some highlights:

February

Almelo saw a successful visit by the Minister for Health, Wellbeing and Sports to Urenco Stable Isotopes. The Minister toured the Stable Isotopes facilities and lab and discussed the European nuclear medicine production cycle and the requirement for it to be robust and independent.

March

Almelo received another high-level guest with the State Secretary for Infrastructure and Water Management, who supervises our regulator ANVS, visiting.

April

We hosted group tours of our sites in the Netherlands and Germany, organised as part of the World Nuclear Fuel Cycle 2023 conference in the Hague. Both sites hosted a number of customer visits over several days from 14-21 April that saw in excess of 160 attend from all corners of the world including the USA, Europe, Asia and the Middle East.

May

Urenco participated at the IAEA's International Symposium of Trends in Radiopharmaceuticals, where Urenco' s Head of Medical Isotopes, spoke about our stable and medical isotopes business and explained how it makes a valuable contribution to lifesaving patient treatments.

Separately, Urenco's Netherlands team travelled to the European Nuclear Young Generation Forum (ENYGF) in Krakow, Poland. They took part in the ENYGF's career day, where they spoke to young people about jobs in the nuclear sector and Urenco, and the interesting and rewarding career paths on offer.

June

Urenco attended and sponsored the 2023 World Nuclear Fuel Market conference, where security and diversity of supply and ESG were all top of the agenda. Laurent Odeh, Chief Commercial Officer, said that investments in both the conversion and enrichment areas of the nuclear fuel supply chain would be urgently needed.

Also in June, Urenco joined the United Nations Global Compact, the world's largest sustainability initiative. Our membership has helped us align our sustainability strategy with the ten universal principles.

November

Urenco' s People and Culture Transformation Programme Director, spoke on the "Building a diverse pool of talents for nuclear industry success" panel and highlighted Urenco' s efforts in nurturing the next generation of scientists and engineers.

Another event of note was Urenco' s first Global Supplier Day, which took place in Almelo to revitalise our supply chain to support the capacity programme.

And Urenco also co-hosted an energy "dinner debate" in the European Parliament, Strasbourg, in conjunction with the European Energy Forum (EEF) and EDF. The debate explored the concept and applications of Small Modular Reactors (SMRs), their potential as an enabler of the energy transition, and the role of the nuclear fuel cycle in supporting the development and deployment of SMRs in Europe. Chaired by Jerzy Buzek MEP, Urenco's Director of Government Affairs Netherlands & EU, provided one of the key note speeches.

December

The year concluded with the biggest climate change summit in the world – COP, the 28th edition of which took place in Dubai. Urenco was represented by our CEO, Boris Schucht, who spoke on a panel concerning "Fuelling the Race to Net Zero" at the inaugural Net Zero Nuclear Summit. Urenco' s Business Development Programme Manager, also spoke at the "How can we meet growing energy demand whilst minimising use of raw material and natural capital?" panel, organised by the European Nuclear Society, detailing how nuclear energy can reduce the use of fossil fuels and be an effective solution in the clean energy transition.

Case study: Supplier Day at Almelo
In November, a group of almost 100 suppliers from all over the world attended the first Urenco Global Supplier Day in Almelo. The main aim of the day was to build networks, strengthen ties and convey a message of optimism and promise on the many business opportunities nuclear has to offer in the years to come. The Global Procurement team hosted the day, and the attendees covered the whole range of core suppliers of services and products from our cylinders to our centrifuges.

Principal risks and uncertainties
Risk management and mitigation is a key area of focus for UNL. Across all areas, UNL works hard to raise risk awareness and has developed a range of measures to help identify, manage and mitigate potential risks and threats which could impact the business. Operating in a heavily regulated industry, the primary focus is managing and mitigating risks through a continuous cycle of internal audit, identification, analysis, evaluation and response.

We need to ensure that we operate to the highest safety standards to maintain a safe environment for our colleagues and stakeholders. Therefore, we have implemented safety management systems, designed to minimize our risks, whilst regular monitoring ensures compliance with safety standards. We focus on continuous improvement and the detection and remediation of potential hazards before incidents have a chance to occur.

We work closely with our government and regulator in the field of creation of and compliance to safeguard regimes and we continually maintain and review our uranium tracking methods on site.
A common set of safeguards' standards is applied across the organization to ensure non-proliferation and to prevent the misappropriation of uranic materials. Our safeguard programs are also supported by a rigorous accounting and audit approach to the uranic materials we keep on site, in order to ensure that we consistently meet the stringent inspection criteria set by ANVS, IAEA and EURATOM.

We need to ensure the security of fissile material and of our classified technology and assets, particularly with regard to the increasing threat that cybercrime poses to the energy sector. We ensure that we comply with all applicable national and international security requirements and we make sure that we comprehend the nature of new and emerging physical and cyber security threats. The ongoing monitoring of the effectiveness of security policies and arrangements, as well as risk assessment takes place on an ongoing basis.

Financial risks are outlined in note 23.

UNL operates under an infinite nuclear license.

Statement

The Managing Director and the Head of Finance hereby declare that, to the best of their 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 director's report gives a true and fair view of the position as per the balance sheet date, 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.

Almelo, 13 March 2024

Urenco Nederland B.V.

A.S. Louter
Managing Director

A.J.G. Broenink
Head of Finance

Deloitte Accountants B.V.
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Related to auditor's report
Dated 13 March 2024

INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER

	Notes	**2023** **Results for the year** **€ 000**	2022 Results for the year € 000
Revenue from sales of goods and services	3	**648,221**	507,782
Changes to inventories of finished goods and work in progress	14	**(136,408)**	(47,748)
Raw materials and consumables used	14	**(5,913)**	(3,061)
Net costs of nuclear provisions (i)	24	**(47,355)**	(71,168)
Employee benefits expense	5	**(36,414)**	(31,332)
Depreciation and amortisation	10/11/12	**(59,878)**	(60,564)
Group overhead expense	29	**(52,595)**	(36,525)
Other expenses (i)		**(60,528)**	(58,142)
Income from operating activities		**249,130**	199,242
Finance income	6	**21,949**	3,593
Finance costs	7	**(23,298)**	(16,023)
Income before tax		**247,781**	186,812
Income tax expense	8	**(65,354)**	(42,735)
Profit for the year		**182,427**	144,077

(i) For the year ended 31 December 2022 an amount of € 20.4 million that was previously reported under other expenses has been reclassified as net costs of nuclear provisions.

STATEMENT OF COMPREHENSIVE INCOME

	Notes	2023 €000	2022 €000
Profit for the year		**182,427**	144,077
Other comprehensive income			
Items that may be reclassified subsequently to the income statement			
Cash flow hedges – transfers to revenue	23	**19,880**	27,226
Cash flow hedges – mark to market	23	**12,775**	(25,056)
Deferred tax charge on cash flow hedges	8	**(8,425)**	(560)
		24,230	1,610
Total comprehensive income, net of tax		**206,658**	145,687

STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER

		2023	2022
Assets	Notes	**€000**	€000
Non-current assets			
Property, plant and equipment	10	**511,156**	466,781
Investment property	11	**1,390**	1,500
Intangible assets	12	**125**	190
Investments	13	**1,549**	1,549
Derivative financial instruments	23	**20,736**	12,622
Deferred tax asset	8	**12,571**	13,203
Contract assets	16	**8,209**	6,522
Trade and other receivables > 1 year	17	**23,799**	-
		579,535	502,367
Current assets			
Inventories	14	**119,066**	119,272
SWU assets	15	**1,261**	7,088
Trade and other receivables	17	**112,204**	65,524
Income tax receivable	8	**5,282**	19,510
Interest bearing receivable	18	**560,555**	610,547
Derivative financial instruments	23	**5,916**	6,356
		804,284	828,298
Total assets		**1,383,819**	1,330,666
Equity and liabilities			
Equity attributable to equity holders of the parent			
Share capital	19	**69,161**	69,161
Share premium	20	**17,243**	17,243
Retained earnings	21	**275,472**	343,045
Hedging reserve	23	**13,313**	(10,917)
Total equity		**375,189**	418,532
Non-current liabilities			
Provisions > 1 year	24	**794,874**	681,803
Derivative financial instruments	23	**1,928**	10,280
Contract liabilities > 1 year	22	**37,339**	32,285
Other payables	26	**58,579**	41,291
Lease liabilities	10	**755**	94
		893,475	765,753
Current liabilities			
Provisions < 1 year	24	**40,165**	52,980
Contract liabilities < 1 year	22	**18,011**	33,209
Trade and other payables	26	**49,610**	35,540
Lease liabilities	10	**587**	138
Derivative financial instruments	23	**6,782**	24,514
		115,155	146,381
Total liabilities		**1.008,630**	912,134
Total equity and liabilities		**1,383,819**	1,330,666

STATEMENT OF CHANGES IN EQUITY

	Notes	Issued capital €000	Share premium €000	Retained earnings €000	Hedging reserve €000	Total equity €000
As at 1 January 2023		**69,161**	**17,243**	**343,045**	**(10,917)**	**418,532**
Income from the period	21	**-**	**-**	**182,427**	**-**	**182,427**
Other comprehensive income	8/23	**-**	**-**	**-**	**24,230**	**24,230**
Total comprehensive income		**-**	**-**	**182,427**	**24,230**	**206,657**
Interim dividend distributed to parent company	9	**-**	**-**	**(250,000)**	**-**	**(250,000)**
As at 31 December 2023		**69,161**	**17,243**	**275,472**	**13,313**	**375,189**

	Notes	Issued capital €000	Share premium €000	Retained earnings €000	Hedging reserve €000	Total equity €000
As at 1 January 2022		69,161	17,243	348,968	(12,527)	422,845
Income from the period	21	-	-	144,077	-	144,077
Other comprehensive income	8/23	-	-	-	1,610	1,610
Total comprehensive income		-	-	144,077	1,610	145,687
Interim dividend distributed to parent company	9	-	-	(150,000)	-	(150,000)
As at 31 December 2022		69,161	17,243	343,045	(10,917)	418,532

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER

	Notes	**2023 €000**	2022 €000
Income before tax		**247,781**	186,812
Adjustments to reconcile Group income before tax to net cash inflows from operating activities:			
Depreciation and amortisation	5	**59,878**	60,564
Finance income	6	**(21,949)**	(3,593)
Finance cost	7	**23,298**	16,023
Non-cash reclassification of expected credit loss		**(650)**	680
Unrealised foreign exchange		**(1,927)**	1,669
Increase in contract assets	16	**(1,942)**	(1,016)
Increase in receivables	17	**(23,799)**	-
Increase in provisions	24	**76,990**	89,805
Increase in contract liabilities	22	**5,909**	4,771
Increase in other payables	26	**17,288**	41,291
Operating cash flows before movements in working capital		**380,877**	397,006
Decrease / (Increase) in inventories	14	**208**	(79,869)
Decrease / (Increase) in SWU assets	15	**5,827**	(6,493)
(Decrease) / Increase in contract liabilities	22	**(14,824)**	9,361
(Increase) / decrease in receivables	17	**(45,141)**	21,639
Increase in payables	26	**17,148**	819
Cash generated from operating activities		**344,095**	342,463
Income taxes paid	8	**(58,919)**	(31,838)
Net cash flow from operating activities		**285,176**	310,625
Investing activities			
Interest received	6	**18,217**	2,980
Purchases of property, plant and equipment	10	**(107,131)**	(46,802)
Increase investment	13	**-**	(55)
Net cash flow from investing activities		**(88,914)**	(43,877)
Financing activities			
Interest paid	7	**(31)**	(1,042)
Receipts on maturing forwards and swaps	22	**2,630**	-
Dividends paid to equity holders	9	**(250,000)**	(150,000)
Repayment of lease liabilities	10	**1,110**	(83)
Net cash flow from financing activities		**(246,291)**	(151,125)
Movement in cash and cash equivalents	29	**(50,029)**	115,622
Cash and cash equivalents at 1 January		**611,162**	495,540
Cash and cash equivalents at 31 December (i)		**561,133**	611,162

(i) excluding the expected credit loss € 0.6 million (2022: € 0.6 million)

1. Authorisation of financial statements & compliance with IFRS

The IFRS financial statements of Urenco Nederland BV ("UNL" or "the Company") for the year ended 31 December 2023 were authorised for issue by the Board of Directors on 13 March 2024 and were signed on the Board's behalf by A.S. Louter.

The shares of UNL are held 100% by Urenco Enrichment Company Limited ("UEC"), domiciled in the United Kingdom, incorporated in England & Wales. The ultimate parent company of UNL, Urenco Limited is domiciled in the United Kingdom, incorporated in England & Wales. UNL is a company domiciled and incorporated in the Netherlands under the Netherlands Civil Code 06070616. The address of the registered office is Drienemansweg 1, 7601 PZ Almelo, The Netherlands. The nature of the Company's operations are the enrichment of uranium and the enrichment/depletion of and trade in stable isotopes.

The Company's financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union (hereinafter: IFRS) and also comply with the financial reporting requirements included in section 9 of Book 2 of the Dutch Civil Code, as far as applicable.

2. Significant accounting policies

Basis of preparation and presentation

UNL is part of the Urenco group ("the group"). Urenco Limited, the parent company of the group is registered in the United Kingdom. UNL financial statements are fully incorporated in the consolidated accounts of the parent company. The group has two main activities, the enriching of uranium and development of plant and equipment for enrichment. UNL is part of the enrichment activity, which is led by UEC. UNL is a 100% subsidiary of UEC. The UNL IFRS financial statements have been prepared under the historical cost convention, except for those financial instruments that have been measured at fair value. The carrying values of recognised financial assets and liabilities are carried at amortised cost or are adjusted to record changes in the fair values.

The UNL IFRS financial statements are presented in Euros and all values are rounded to the nearest thousand (€000) except where otherwise indicated. The functional currency of the Company is Euro.

Going concern

In the coming years the business expects to expand, following increasing worldwide demand for nuclear energy and isotopes. During the next years investments will grow to a higher level as part of our expansion program. Headcount is anticipated to increase accordingly over the next years.

The Director has assessed the latest forecast future cash flows, including appropriate sensitivities, which indicate that available cash and committed financing facilities in place are sufficient to cover the entity's cash needs for at least twelve months after the date of approval of these financial statements. He is satisfied that the entity has adequate resources to continue in operational existence for the foreseeable future, and thus they continue to adopt the going concern basis of accounting in preparing these financial statements.

As a result, we have adopted the going concern principle with regards to our accounting principles.

Adoption of new and amended 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 2023 are consistent with those followed in the preparation of the Company's annual financial statements for the year ended 31 December 2022, except as follows:

In the current year, the Group has applied a number of amendments to IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that begins on or after 1 January 2023. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

Deloitte Accountants B.V.
For identification purposes only.
Related to auditor's report
Dated 13 March 2024

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
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
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 and revised accounting standards and interpretations in issue but not yet effective
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

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

2. Significant accounting policies – continued

Critical accounting judgements

The following are the critical judgements, apart from those involving estimations (which are dealt with separately below), that the directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Timing of SWU revenue recognition

SWU revenue is recognised at a point in time, not over a period of time. Judgment is required in reaching this conclusion, including an assessment as to whether Urenco is enhancing any specific customer's asset as described in IFRS 15. Management has assessed that enrichment activity does not meet the definition of enhancing a customer's asset and that therefore control of SWU passes to the customer at a point in time on delivery. This is supported by the facts that the customer continues to have legal title to the uranium and retains the associated residual risks and rewards of ownership until the point control of SWU transfers to the customer. Further, as uranium is fungible the customer of any enrichment activity can only be identified just prior to the point of time that control of SWU transfers to the customer.

Management has applied judgement in concluding that each SWU delivery under an enrichment contract is a separate performance obligation and therefore each contract is a series of performance obligations rather than a single overall service. The overall transaction price under an enrichment contract is allocated to each discrete SWU delivery in accordance with the relative stand-alone selling price. Any amount invoiced to the customer in excess of the revenue recognised is recorded as a contract liability and any amount invoiced to the customer below the revenue recognised is recorded as a contract asset.

Over the life of an enrichment contract the total revenue recognised will equal the overall transaction price, it is only the timing of revenue recognition that may be deferred or accrued.

Judgement is required when enrichment contracts are modified, to assess whether or not treatment as a separate contract is necessary. If the contract modification results in an addition of promised SWU deliveries and an increase of the transaction price by an amount that reflects the stand-alone selling prices of the additional SWU deliveries, then this is treated as a separate contract.

Otherwise the remaining deliveries under the existing contract and the additional deliveries under the new contract are combined and the allocation of the revenue under this combined contract is determined based on the relative stand-alone selling price applicable at the date of contract modification.
Assessing whether the change in contract meets these criteria requires significant judgement, particularly where the changes will affect deliveries not yet performed under the original contract.

Determination of stand-alone selling price

The stand-alone selling price is the price at which the Group would sell a promised good or service to a customer. Management judge that this price varies over time and therefore separate deliveries will have different stand-alone selling prices at the contract inception. Due to the absence of a liquid market for sales of enrichment services or uranium related goods, there is no observable price available when the Group sells such services or goods. Hence judgement is required to determine the appropriate method to calculate the stand-alone selling prices over time for each type of performance obligation. Management assessed that the most appropriate method to determine this stand-alone selling price is an adjusted market assessment approach, whereby management evaluates the enrichment market and estimates a narrow range of prices for each point in time that a customer in that market would be willing to pay, supported by information on observable inputs and including previous contract prices. The array of stand-alone selling prices, including their range, for each type of performance obligation over time, is reviewed on a periodic basis for application to new contracts or contract modifications.

Significant estimates and assumptions

In the process of applying UNL's accounting policies, management estimates and assumptions were made. As cashflows will unwind in far future years, there is an inherent high risk that the carrying values of UNL's assets and liabilities could change should these assumptions be different. Company management has prepared their best estimate in preparing the provisions.

2. Significant accounting policies – continued

Provisions for tails disposal and for decommissioning of plant and machinery and final disposal of cylinders are made on a discounted basis to meet long-term liabilities. The discounting is unwound annually to recognise progression towards the full escalated cost estimate for eventual safe disposal or decommissioning. The final amounts of these provisions are uncertain but are evaluated based upon the planned operational activity and final capital investment costs involved in successfully achieving safe disposal or decommissioning as well as third party pricing assumptions where available/applicable.

The provision for tails is calculated as a rate applicable to the quantity of tails held at the statement of financial position date. Consequently, a movement in the rate or quantity of tails held would result in a movement in the provision. Decommissioning costs are also escalated and discounted based upon current operational and macro-economic expectations. These include all costs associated with returning the site to 'greenfield' or 'brownfield' status. Adjustments to the decommissioning provisions associated with property, plant and equipment result in adjustments to the value of the related asset. Where the related asset has no remaining useful life, the movements in the provision are recognised in the income statement

The cash flows have been inflated at 2.10% (2022: 2.20%) per annum and discounted at 2.70% (2022: 3.10%), to take account of the time value of money. The fundamental assumptions underlying these provisions are reviewed on an annual basis. In addition, decommissioning provisions are subject to a detailed triennial review, with the latest review carried out in 2021. There has also been a detailed cost review carried out in 2022 on a significant proportion of main decommissioning cost drivers. Details of the provisions and sensitivities, in relation to the quantum and timing of cash flows, as well as the inflation rate and discount rate, are given in note 24.

UNL has entered into contracts with embedded derivatives, many of which are designated as accounting hedges (further references are made on note 23). Judgement is applied in management's assessment of the effectiveness of these hedges in particular where the probability and timing of the cash revenues or expenditures (the hedged items) is concerned to which the hedging instruments are related.

Revenue recognition

The Company principally operates as a supplier of uranium enrichment services. Customers usually provide UF6 to the Company as part of their contract for enrichment with Urenco. Customers are billed for the enrichment services, expressed as SWU deemed to be contained in the Enriched Uranium Product (EUP) delivered. SWU is a standard unit of measurement that represents the effort required to separate a given amount of uranium into two streams: EUP having a higher percentage of U235 than natural uranium and depleted uranium having a lower percentage of U235 than natural uranium. The SWU contained in EUP is calculated using an industry standard formula based on the physics of enrichment.

Revenue is recognised when the Company transfers control of a product or service to a customer. Revenue is measured based on a judgement of the comparative value of each delivery based on an allocation of the total consideration received or receivable during the life of the contract and represents amounts receivable for services and goods provided in the normal course of business, excluding VAT and other sales related taxes.

Customers may make advance payments to be applied against future orders or deliveries. Advances are accounted for as a contract liability and revenue is recognised on provision of the service or transfer of legal title to the goods.

The Company also generates revenue from the sale of Urenco owned uranium to customers. Contracts with customers are usually for the long-term supply of enrichment services or uranium related goods and normal payment terms are 30 days from the invoice date. Generally, the date of invoicing is the date that control of the SWU or uranium transfers to the customer. Contracts will typically comprise elements of fixed and variable consideration, the latter of which may include, but not be limited to indexation. Contracts may also include volume flexibilities for the customer to take off additional quantities of enrichment services or uranium over and above contractual minimums.

2. Significant accounting policies – continued

Sale of services

An enrichment contract usually has a series of distinct performance obligations, each one relating to the enrichment of uranium as provided by the customer. The timing of passing of control of the enriched uranium to the customer occurs at the same time when the Company acquires title to the uranium provided by the customer and the point in time when the Company acquires title to the tails generated by the associated enrichment activity. Revenue is derived from the sales of the SWU component of EUP arising from the enrichment service provided. Revenue is recognised at the point in time control of the service transfers to the customer, which is at the point the underlying SWU is transferred to the customer. This is the earlier of allocation of the enrichment activity (SWU) to the customer's book account (either held at a third party or with Urenco) or physical delivery by Urenco of the SWU component of EUP.

The overall contract price is determined based on the contractual terms agreed with the customer, combined with management's forecast of future customer deliveries and inflation assumptions where appropriate. If the transaction price includes variable consideration, then this amount is constrained to the extent that it is highly probable that a significant reversal of the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved. Variable consideration that is promised in a contract may be attributable to the entire contract or to a specific delivery.

The Company allocates a variable amount entirely to a single delivery if the terms of a variable payment relate specifically to the Company's efforts to satisfy that delivery and this allocation method is consistent with the objective to allocate the transaction price to each delivery in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for transferring the promised goods or services to the customer.

In typical contracts, price indexation adjustments are allocated to the specific delivery to which they relate. The transaction price excludes any incremental amounts that become payable only if the customer chooses to exercise an option to purchase additional goods or services.

Where that option includes a discount giving rise to a material right, an element of the transaction price is allocated to that material right and deferred accordingly. This overall transaction price is allocated to the discrete performance obligations based on an assessment of the standalone selling price for each performance obligation. The determination of the standalone selling price requires judgement, as explained in this note under Critical accounting judgements.

Revenue from sales of SWU is recorded at the point in time when control of the underlying SWU passes to the customer and therefore there are no contract assets relating to partially completed performance obligations. Any direct costs incurred to fulfil enrichment contracts prior to transfer of control of the SWU to the customer are capitalised and classified as SWU assets on the statement of financial position.

Where contracts are modified, an assessment is made on a contract-by-contract basis as to whether the effective price of any additional quantities is equal to the standalone selling price for those quantities. If additional quantities are assessed to be at the standalone selling price, then the additional quantities are treated as a new contract with the revenues under the existing deliveries being recognised in accordance with the pre-modified contract.

If the additional quantities are assessed to be at a price which is not the standalone selling price, then this is treated as a contract modification to be applied prospectively, resulting in an allocation of revenues to the sum of remaining deliveries under the pre-modified contract and additional deliveries under the modified contract that does not necessarily accord with the amounts invoiced or cash received. Any such differences will be recognised as contract assets if the amounts invoiced for deliveries are lower than revenue recognised or as contract liabilities, if the amounts invoiced are higher than revenue recognised. As set out in this note under Critical accounting judgements the treatment of a contract modification as a separate contract or not may require judgement.

Additionally, revenue is derived from the sales of services for handling uranic materials and from rental income on investment property, which is recognised over the period of time the service is provided.

2. Significant accounting policies – continued

Sale of goods
Revenue is derived from the sale of uranium in the form of UF6 or U3O8 that is owned by Urenco and occasionally from the sale of the uranium component of EUP. Revenue from the sale of goods is recognised for each delivery when the Company has transferred control of goods to the buyer. Measurement is based on a judgment of the comparative value of each delivery based on an allocation of the overall value of the contract.

This requires judgment of the stand-alone selling price (SSP) for UF6 and for U3O8. The standalone selling price for each type of good is determined based on observable inputs, including spot prices, estimated forward prices and management's ongoing assessments. The overall contract price for the sale of these goods is allocated to each delivery on a relative standalone selling price basis, based on the same methodology as adopted for sale of services.

Application of the Company's revenue recognition policy
Judgement is required in determining the amount and timing of recognition of revenue for enrichment services and uranium related sales due to the complex nature of certain enrichment contracts and contractual delivery terms. See also this note under Critical accounting judgements. This is particularly relevant at period ends where a large volume of sales is made to customers, often for individually high values. This judgement includes an assessment of whether revenues are recognised in accordance with the Company's revenue recognition policy and updating of this policy for any new types of transactions. Details of revenues are given in note 3.

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.

Foreign currencies
The Company's functional currency, that is the currency in the main environment in which it operates, is Euro. Transactions in currencies other than the entity's functional currency are recorded at the rates of exchange prevailing on the dates of the transactions. At each statement of financial position date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at the statement of financial position date.

Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Gains and losses arising on retranslation are included in the income statement.
In order to hedge its exposure to certain foreign exchange risks, the Company enters into forward contracts (see below for details of the Company's accounting policies in respect of such derivative financial instruments).

Retirement benefit costs
All rights have been handed over to a multi-employer defined contribution scheme with Pensioenfonds Grafische Bedrijven (PGB).

For defined contribution schemes the cost paid are immediately recognised in cost.

Taxation
The tax expense represents the sum of the tax currently payable on UNL's taxable income for the year and attributable deferred tax. Further details are contained in note 8.

Current income tax
The tax currently payable is based on taxable income for the year. Taxable income differs from income before tax as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible.

2. Significant accounting policies – continued

UNL's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the statement of financial position date.

Current income tax relating to items recognised directly in equity is also recognised in equity and not in the income statement.

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.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates and interests in joint ventures, except where UNL is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each statement of financial position date and reduced to the extent that it is no longer probable that sufficient taxable income will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated on an undiscounted basis, at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

UNL's deferred tax position is calculated using tax rates enacted or substantively enacted by the statement of financial position date.

Property, plant and equipment
Plant and equipment are stated at cost, excluding the costs of day to day servicing, less accumulated depreciation and impairment losses (if any). Such cost includes the cost of replacing part of the plant and equipment when that cost is incurred, if the recognition criteria are met. Further details are contained in note 10. Decommissioning assets are also reported under plant and machinery and are measured at net present value of future decommissioning costs and revised for changes. Decommissioning assets are depreciated over 2 – 20 years using the straight-line-method.

Land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the statement of financial position at their cost less accumulated depreciation and impairment losses.

Properties in the course of construction for production, rental or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognised impairment loss. Cost includes professional fees. Depreciation of these assets commences when the assets are commissioned for use.

Office fixtures and fittings and computer equipment are stated at cost less accumulated depreciation and any recognised impairment.

Depreciation is charged so as to write off the cost of assets, other than freehold land and properties under construction, over their estimated useful lives, using the straight-line method, on the following bases:

Buildings	15 - 40 years
Plant and machinery	2 – 20 years
Office fixtures and fittings	12 years
Motor vehicles	4 years
Computer equipment	4 years

Deloitte Accountants B.V.
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Related to auditor's report
Dated 13 March 2024

2. Significant accounting policies – continued

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis In 2023 we have not identified any accounting estimate changes.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the income statement.
The carrying amount of property, plant and equipment is reviewed for impairment when events or changes in circumstances indicate the carrying amount may not be recoverable.

Investment property

UNL has elected the cost model to measure investment property, whilst information about the fair value is disclosed in note 11 about investment property.

Investment property, which is property held to earn rentals, is stated at cost, less accumulated depreciation and impairment losses (if any). Cost includes the purchase price and directly attributable costs of bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management, excluding the costs of day-to-day servicing.

Depreciation is charged so as to write off the cost of the assets, other than the land element, over its estimated useful life of 10 years, using the straight-line method.

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the income statement.

The carrying amount of the investment property is reviewed for impairment when there is any indication that the carrying amount may not be recoverable.

Intangible assets

Software, is externally developed for company use for future benefit, is stated at cost less accumulated amortization and any recognised impairment.

Amortization is charged so as to write off the cost of assets over their estimated useful lives, using the straight-line method, on the following basis:

Software	5 years

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the income statement.

The carrying amount of software is reviewed for impairment when events or changes in circumstances indicate the carrying amount may not be recoverable. Further details are contained in note 12.

Investments

Investments are valued at the lower of costs or market value as long as the company has no significant influence.

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the income statement.

The carrying amount of the investment is reviewed for impairment when there is any indication that the carrying amount may not be recoverable. Further details are contained in note 13.

2. Significant accounting policies – continued

Impairment of property, plant and equipment, investments, investment property and intangible assets

At each statement of financial position date, UNL reviews the carrying amounts of its property, plant and equipment, investments, investment property and its intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, UNL estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less selling costs and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised as income immediately.

Inventories

Inventories are stated at the lower of cost and net realisable value. For raw materials costs comprise direct material costs; for work-in-progress and finished goods costs comprise direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average method. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

SWU assets

SWU assets are the costs incurred to date in enriching UF6 to fulfil customer SWU contracts. These costs are capitalised in accordance with IFRS 15 as costs incurred to fulfil a contract with a customer. The costs are charged to the income statement at the point in time the revenue associated with these assets is recognised.

Contract assets

Contract assets relate to balances due from customers under enrichment contracts that arise when the revenue recognised for a delivery exceeds the amount of consideration received or for which a receivable has been recognised.

Contract liabilities

Contract liabilities relate to balances due to customers under enrichment contracts or storage service agreements for which the Company has received consideration from the customer prior to transferring control of the underlying good or service. These balances also arise when the revenue recognised for a delivery is lower than the amount of consideration received or that has been recognised as a receivable.

Inventory borrowings

UNL periodically borrows SWU or feed from third parties in order to optimise its operational efficiency and inventory position. During the term of the agreement UNL recognises both an asset and liability on its statement of financial position, valued at the weighted average cost of SWU or feed, unless sales have been made from borrowings, in which case the liability is measured at market price. Any movements in UNL's weighted average cost would lead to revaluation of both asset and liability. At the end of the loan period UNL returns the SWU or feed to the lender and UNL has the intention to source this from its own production.

2. Significant accounting policies – continued

Cash and cash equivalents

Cash and cash equivalents in the statement of financial position and cash flow statement comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less. Currently the ultimate parent company executes the cash payments or receipts on behalf of the Company. The associated amounts are debited or credited via the intercompany account, which is separately reported as interest bearing receivable.

Trade receivables

Trade receivables can carry interest in accordance with the contract conditions. Trade receivables are stated at amortised cost less any expected credit losses.

Financial assets

Financial assets are measured in their entirety at either amortised cost or fair value, depending on the classification of the financial asset.

Classification of financial assets

(i) Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest over the relevant period.

The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all legal fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit impaired (see below).

For financial assets that have subsequently become credit impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit impaired, interest income is recognised by applying the effective rate to the gross carrying amount of the financial asset.

Interest income is recognised in the consolidated income statement and is included in the “finance income” line item.

(ii) Financial assets at fair value through profit or loss (FVTPL)

Financial assets that do not meet the criteria for being measured at amortised cost are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in the income statement to the extent they are not part of a designated hedging relationship (see hedge accounting policy under “Derivative financial instruments and hedging”).

Impairment of financial assets

The Company recognises a loss allowance for expected credit losses (ECL) on investments in debt instruments that are measured at amortised cost and trade receivables. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

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Registered Number: 06070616 | Chamber of Commerce Enschede

2. Significant accounting policies – continued

The Company always recognises lifetime ECL for trade receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Company recognises lifetime ECL when there has been a significant increase in credit risk since credit recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to the 12-month ECL.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

Measurement and recognition of expected credit losses (ECLs)
The measurement of ECLs is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date.

For financial assets, the ECL is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

If the Group has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Group measures the loss allowance at an amount equal to 12 month ECL at the current reporting date, except for assets for which the simplified approach was used.

Derecognition of financial assets

The entity derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the entity neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the entity recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the entity retains substantially all the risks and rewards of ownership of a transferred financial asset, the entity continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortized cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in the consolidated income statement.

Financial liabilities
Financial liabilities are classified according to the substance of the contractual arrangements entered into, either at amortised cost of at fair value through profit and loss.

Interest-bearing loans and borrowings
Obligations for loans and borrowings are recognised when UNL becomes party to the related contracts and are measured initially at fair value less directly attributable transaction costs.
After initial recognition, interest-bearing loans and borrowings are subsequently re-measured at amortised cost using the effective interest method.

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

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2. Significant accounting policies – continued

Trade payables
Trade payables are usually not interest bearing and are stated at amortised cost.

Derivative financial instruments and hedging
The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates. The Company uses foreign exchange forward contracts to hedge these exposures.

The Company does not use derivative financial instruments for trading purposes. All derivative instruments that are not designated in a hedge relationship, or do not qualify for hedge accounting purposes, are economic hedges for existing exposures.

Derivative financial instruments are initially recognised and subsequently re-measured at fair value. The fair value on initial recognition is the transaction price unless part of the consideration given or received is for something other than the instrument itself. The fair value of derivative financial instruments is subsequently calculated using discounted cash flow techniques or other appropriate pricing models. The chosen method is used consistently for similar types of instruments. All valuation techniques take into account assumptions based upon market data.

The fair value of forward contracts is the present value of the expected settlement amount, which is the present value of the difference between the contract rate and the current forward rate multiplied by the notional foreign currency amount.
Any gains or losses arising from changes in the fair value of derivatives that do not qualify for hedge accounting are taken to the income statement. Such gains or losses are recorded in finance income or finance costs.

Financial assets and financial liabilities are disclosed on a gross basis. UNL settles all financial assets and liabilities on a gross basis and intends to continue to do so.

The treatment of gains and losses arising from revaluing derivatives designated as hedging instruments depends on the nature of the hedging relationship as follows:

Cash flow hedges
Changes in the fair value of derivative financial instruments that are designated and are effective as hedges of highly probable future cash flows are recognised directly in other comprehensive income and any ineffective portion is recognised immediately in the income statement. The ineffective portion is recorded in finance income or finance costs.

Amounts deferred in other comprehensive income are recognised in the income statement in the same period in which the hedged item affects net income or loss. These amounts are recorded in the same line of the income statement as the hedged item.

Hedging reserve
The hedging reserve represents the cumulative amount of gains and losses of hedging instruments utilised within a cash flow hedge and deemed effective. The cumulative deferred gain or loss on the hedging instruments is recognised in profit or loss only when the hedged transaction affects the profit or loss. The hedging reserve is presented within hedging reserves, together with the cost of hedging reserve.

Provisions
Provisions are recognised when UNL has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources will be required to settle that obligation which can be assessed with reasonable certainty. Where the time value of money is material, provisions are discounted using pre-tax rates applicable to the risks specific to the liability and to its geographic location. Where discounting is used, the increase in the provision due to the passage of time is recognised within finance costs.

The enrichment process generates depleted uranium ("tails"). Provisions are made for all estimated costs and for the eventual disposal of tails and are discounted to reflect the expected timing of expenditure in the future. The costs take account of conversion to a different chemical state, intermediate storage, transport and safe disposal.

2. Significant accounting policies – continued

The Company intends to decommission a plant (or parts of it) after its useful life. To meet these possible decommissioning costs, provisions are charged in the accounts for all contaminated assets in operation, at a rate considered to be adequate for the purpose. Once a plant has been commissioned, the full discounted cost of decommissioning plant is recognised in the accounts as a provision. This is matched by capitalised decommissioning costs which are included in property, plant and equipment, under plant and machinery.

For the production process the Company uses cylinders. These cylinders are required to be scrapped at the end of their useful life. The Company provides for this cost.

The Company recognises overfeeding provisions. These arise when low assay feed is generated with the aim of converting that into natural feed. The overfeeding provision is comprised of a SWU liability, representing the enrichment activity for the re-feeding process and a tails liability representing the tails generated after completion of the re-feeding process.

Cash Flow statement

The cash flow statement is prepared according to the indirect method.

The funds in the cash flow statement consist of cash and cash equivalents. Cash equivalents can be considered to be highly liquid investments. Currently the ultimate parent company executes the cash payments or receipts on behalf of the Company. The associated amounts are debited or credited via the intercompany account, which is reported under cash equivalents. Cash flows in foreign currencies are translated at an average rate. Corporate income taxes are presented under cash flow from operating activities. Interest received and dividends received are presented under the cash flow from investing activities. Interest paid and dividends paid are presented under the cash flow from financing activities.

3. Revenue

An analysis of the Company's revenue is as follows:	**Year ended 31/12/2023 €000**	Year ended 31/12/2022 €000
Sales of goods and services - enrichment	**633,960**	489,451
Sales of goods and services - Stable Isotopes	**14,261**	18,331
	648,221	507,782

In 2023, €19,880k of net losses (2022: €27,226k of net losses) relating to foreign currency hedging activities have been included in sales revenue.

4. Income from operating activities before tax and net finance costs

Income from operating activities before tax and net finance costs has been arrived at after charging:

	Year ended 31/12/2023 €000	Year ended 31/12/2022 €000
Net foreign exchange (gains)/losses	**7**	745
Depreciation of property, plant and equipment and investment property (note 10 and 11)	**59,813**	60,498
Amortisation of intangible assets (note 12)	**65**	65
Employee benefits expense (note 5)	**36,414**	31,332

An analysis of auditors' (Deloitte Accountants B.V.) remuneration for UNL is provided below:

	Year ended 31/12/2023 €000	**%**	Year ended 31/12/2022 €000	%
Audit services:				
Fees payable to the company's auditor for the audit of the company's annual accounts	**134**	**100**	112	100
Fees payable to Deloitte Accountants B.V. other services:				
Other services	**-**	**-**	-	-
Total	**134**	**100**	112	100

5. Employee benefits expense

The average number of UNL employees (including the Managing Director) was:

	Year ended 31/12/2023 Number	Year ended 31/12/2022 Number
Technical	**254**	237
Commercial	**5**	3
Administration	**67**	54
	326	294

	Year ended 31/12/2023 €000	Year ended 31/12/2022 €000
Wages and salaries	**26,878**	23,117
Social security costs	**4,449**	3,650
Other pension costs	**5,087**	4,565
	36,414	31,332

None of the employees are employed outside the Netherlands.

6. Finance income

	Year ended 31/12/2023 €000	Year ended 31/12/2022 €000
Interest income other	**18,217**	2,980
Credits to income statement from non-designated derivatives	**3,732**	613
	21,949	3,593

7. Finance costs

	Year ended 31/12/2023 €000	Year ended 31/12/2022 €000
Interest payable other	**31**	12
Related parties interest payable	**-**	1,030
Unwinding of discount on provisions	**23,267**	14,981
	23,298	16,023

8. Income tax

The major components of income tax expense are:

	Year ended 31/12/2023 €000	Year ended 31/12/2022 €000
Current income tax		
Dutch corporation tax	**74,009**	63,320
Adjustments in respect of current income tax of prior periods	**(862)**	(6,930)
Current income tax charge / (credit)	**73,147**	56,390
Deferred income tax (see Deferred income tax analysis below)		
Accelerated depreciation facility	**(3,584)**	(3,589)
Depreciation investment property	**(28)**	(28)
Movement in deco / tails / cylinder / overfeeding provisions	**(4,345)**	(9,863)
Expected credit loss	**168**	(175)
Leases	**(4)**	-
Deferred income tax charge / (credit)	**(7,793)**	(13,655)
Income tax expense reported in the income statement	**65,354**	42,735

Income tax related to items charged or credited directly to other comprehensive income

	Year ended 31/12/2023 €000	Year ended 31/12/2022 €000
Deferred tax relating to effective cash flow hedging	**8,425**	560
Income tax charge / (credit) reported in equity	**8,425**	560

The charge for the year can be reconciled to the income per the income statement as follows:

	Year ended 31/12/2023 €000	%	Year ended 31/12/2022 €000	%
Income before tax	**247,781**		186,812	
Weighted at the Dutch statutory income tax rate of 25.8% (2022: 25,8%)	**63,927**	**25.8**	48,198	25.8
Adjustments in respect of income tax of previous years	**(862)**	**(0.3)**	(6,930)	(3.7)
Tax effect of non-deductible expenses	**2,289**	**0.9**	1,467	0.8
Income tax expense reported in income statement	**65,354**	**26.4**	42,735	22.9

Deferred income tax
Deferred income tax at 31 December relates to the following:

	Statement of financial position		Income statement	
	31/12/2023 €000	31/12/2022 €000	Year ended 31/12/2023 €000	Year ended 31/12/2022 €000
Deferred tax assets				
Other temporary differences	**43,573**	39,021	**(4,659)**	(10,066)
Unrealised effective cash flow hedging	**-**	3,796	**-**	-
Deferred tax assets	**43,573**	42,817		
Deferred tax liabilities				
Fixed assets (accelerated depreciation facility)	**(26,030)**	(29,614)	**(3,584)**	(3,589)
Unrealised effective cash flow hedging	**(4,629)**	-	**-**	-
Other temporary differences	**(343)**		**450**	-
Deferred tax liabilities	**(31,002)**	(29,614)	**(7,793)**	(13,655)
Net deferred tax asset/(liability)	**12,571**	13,203		

Other temporary differences contains a.o. cylinder provision (€14,259), decommissioning provision (€11,915) and tails provision (€16,320).

8. Income tax - continued

The Netherlands corporate tax rate for the year ended 31 December 2023 was set at 25.8% (2022: 25.8%) which has been used for current tax calculations.

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.

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 Company assesses its liabilities and contingencies for all tax years open to audit based upon the latest information available. For those matters where it is probable that an adjustment will be made, the Company records its best estimate of these tax liabilities. Inherent uncertainties exist in estimates of tax contingencies due to the complexities of interpretation and changes in tax laws. Whilst Urenco believes it has adequately provided for the outcome of these matters, future results may include favourable adjustments to these estimated tax liabilities in the period the assessments are made, or resolved. The final outcome of tax examinations may result in a materially different outcome than assumed in the tax liabilities.

9. Dividends paid and proposed

	Year ended 31/12/2023 €000	Year ended 31/12/2022 €000
Declared and paid during the year		
Amounts recognised as distribution to equity holders in the period:		
Interim dividend for the year ended 31 December 2023 of 1,644.72 Euro per ordinary share. (2022: Interim dividend of 986.83 Euro per ordinary share)	**250,000**	150,000
	250,000	150,000
Proposed for approval at the Annual General Meeting		
Proposed final dividend for the year ended 31 December	**-**	-

The resolution of shareholders for the 2023 interim dividend was signed on May 23rd 2023 and payment was done on the same date. In 2022 interim dividend was signed and paid on October 18th 2022.

The final dividend is subject to approval by shareholders at the Annual General Meeting and has not been presented as a liability in these financial statements.

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10. Property, plant and equipment

2023	Freehold land & buildings €000	Plant & machinery €000	Fixtures & fittings €000	Motor vehicles €000	Assets under construction €000	Total €000
Cost as at 1 January 2023	218,879	1,679,278	78,884	15,796	51,846	2,044,683
Additions	2,563	43,747	9,169	1,872	47,584	104,935
Transfers	1,079	33,634	984	514	(36,211)	-
Disposals	(34)	(3,728)	-	(256)	-	(4,018)
Cost as at 31 December 2023	**222,487**	**1,752,931**	**89,037**	**17,926**	**63,219**	**2,145,600**
Accumulated depreciation as at 1 January 2023	162,079	1,336,375	64,041	15,407	-	1,577,902
Charge for the year	8,097	45,755	5,453	398	-	59,703
Disposals	(34)	(2,871)	-	(256)	-	(3,161)
Accumulated depreciation as at 31 December 2023	**170,142**	**1,379,259**	**69,494**	**15,549**	**-**	**1,634,444**
Carrying amount as at 1 January 2023	56,800	342,903	14,843	389	51,846	466,781
Carrying amount as at 31 December 2023	**52,345**	**373,672**	**19,543**	**2,377**	**63,219**	**511,156**

All land, buildings and other tangible fixed assets are carried at historic cost less accumulated depreciation and impairment losses (if any). The category of fixtures and fittings comprises office fixtures and fittings and computer equipment. Assets under construction comprise of cost which will subsequently be capitalised as property, plant, equipment, investment property or intangible assets.

2022	Freehold land & buildings €000	Plant & machinery €000	Fixtures & fittings €000	Motor vehicles €000	Assets under construction €000	Total €000
Cost as at 1 January 2022	216,481	1,647,024	70,826	15,901	43,326	1,993,558
Additions	783	22,255	7,500	80	20,728	51,346
Transfers	1,615	9,999	558	36	(12,208)	-
Disposals	-	-	-	(221)	-	(221)
Cost as at 31 December 2022	218,879	1,679,278	78,884	15,796	51,846	2,044,683
Accumulated depreciation as at 1 January 2022	154,194	1,288,314	59,812	15,410	-	1,517,730
Charge for the year	7,885	48,061	4,229	215	-	60,390
Disposals	-		-	(218)	-	(218)
Accumulated depreciation as at 31 December 2022	162,079	1,336,375	64,041	15,407	-	1,577,902
Carrying amount as at 1 January 2022	62,287	358,710	11,014	491	43,326	475,828
Carrying amount as at 31 December 2022	56,800	342,903	14,843	389	51,846	466,781

10. Property, plant and equipment - continued

Included in plant and machinery are the following amounts relating to capitalised decommissioning costs:

	2023 €000	2022 €000
Cost as at 1 January 2023	**143,466**	122,235
Additions	**32,191**	21,231
Cost as at 31 December 2023	**175,657**	143,466
Depreciation as at 1 January 2023	**77,991**	75,071
Charge for the year	**2,198**	2,920
Depreciation as at 31 December 2023	**80,189**	77,991
Carrying amount as at 1 January 2023	**65,474**	47,164
Carrying amount as at 31 December 2023	**95,468**	65,474

Included in freehold land & buildings are the following amounts relating to right of use lease buildings:

2023	2023 €000	2022 €000
Cost as at 1 January 2023	**-**	-
Additions	**1,143**	-
Disposals	**-**	-
Cost as at 31 December 2023	**1,143**	-
Depreciation as at 1 January 2023	**-**	-
Charge for the year	**191**	-
Disposals	**-**	-
Depreciation as at 31 December 2023	**191**	-
Carrying amount as at 1 January 2023	**-**	-
Carrying amount as at 31 December 2023	**952**	-

Included in motor vehicles are the following amounts relating to right of use leased vehicles:

2023	2023 €000	2022 €000
Cost as at 1 January 2023	**678**	820
Additions	**315**	79
Disposals	**(256)**	(221)
Cost as at 31 December 2023	**737**	678
Depreciation as at 1 January 2023	**446**	508
Charge for the year	**171**	156
Disposals	**(256)**	(218)
Depreciation as at 31 December 2023	**361**	446
Carrying amount as at 1 January 2023	**232**	312
Carrying amount as at 31 December 2023	**376**	232

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11. Investment property

2023	**Land €000**	**Building €000**	**Total €000**
Cost as at 1 January 2023	**733**	**1,917**	**2,650**
Additions	**-**	**-**	**-**
Cost as at 31 December 2023	**733**	**1,917**	**2,650**
Depreciation as at 1 January 2023	**-**	**1,150**	**1,150**
Charge for the year	**-**	**110**	**110**
Depreciation as at 31 December 2023	**-**	**1,260**	**1,260**
Carrying amount as at 1 January 2023	**733**	**767**	**1,500**
Carrying amount as at 31 December 2023	**733**	**657**	**1,390**

The investment property relates to land and buildings acquired by UNL in 2005. The cost includes the purchase price of €2,650k. An independent valuation of the investment property was undertaken in 2019. . The fair value has been assessed by the Director using a discounted cash flow valuation method. The fair value, determined based on internal validation, at 31 December 2023 was €1,390k. No formal valuation has been conducted this year on the investment property held by the Company.

The property rental income earned by UNL from its investment property, all of which is leased out under operating leases, amounted to €143k (2022: €133k). Direct operating expenses arising on the investment property amounted to €9k (2022: €10k). Rental income is recognised within revenue.

2022	Land €000	Building €000	Total €000
Cost as at 1 January 2022	733	1,917	2,650
Additions	-	-	-
Cost as at 31 December 2022	733	1,917	2,650
Depreciation as at 1 January 2022	-	1,041	1,041
Charge for the year	-	109	109
Depreciation as at 31 December 2022	-	1,150	1,150
Carrying amount as at 1 January 2022	733	876	1,609
Carrying amount as at 31 December 2022	733	767	1,500

12. Intangible assets

	31/12/2023 Customer contracts €000	31/12/2022 Customer contracts €000	**31/12/2023 Software €000**	31/12/2022 Software €000	**31/12/2023 Total €000**	31/12/2022 Total €000
Cost as at 1 January	**2,996**	2,996	**12,591**	12,591	**15,587**	15,587
Additions	**-**	-	**-**	-	**-**	-
Transfers	**-**	-	**-**	-	**-**	-
Cost as at 31 December	**2,996**	2,996	**12,591**	12,591	**15,587**	15,587
Amortisation as at 1 January	**2,996**	2,996	**12,401**	12,336	**15,397**	15,332
Charge for the year	**-**	-	**65**	65	**66**	65
Amortisation as at 31 December	**2,996**	2,996	**12.466**	12,401	**15,462**	15,397
Carrying amount as at 1 January	**-**	-	**190**	255	**190**	255
Carrying amount as at 31 December	**-**	-	**125**	190	**125**	190

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13. Investments

UNL has a 9.9% share in Twente Technology Fund (TTF). TTF is an innovative venture capital fund. The fund invests in promising young and starting high tech corporations in the Twente area. UNL committed to limited capital of € 1.5 million in TTF. Up to the end of 2023 €1.5m was called up (2022: €1.5m).

14. Inventories

	31/12/2023 €000	31/12/2022 €000
Raw materials	**77,928**	91,334
Work-in-progress	**19,141**	15,296
Finished goods	**21,997**	12,642
	119,066	119,272

No provision has been taken into account.

15. SWU assets

	31/12/2023 €000	31/12/2022 €000
SWU assets	**1,261**	7,088
	1,261	7,088

SWU assets are the costs incurred to date in enriching UF6 to fulfil enrichment contracts with customers.

16. Contract assets

	31/12/2023 €000	31/12/2022 €000
As at 1 January	**6,522**	5,197
Revaluation within the Group	**(255)**	310
Revenue recognised during the year	**1,942**	1,015
Reversal of accrued revenue	**-**	-
As at 31 December	**8,209**	6,522
Included in current assets	**-**	-
Included in non-current assets	**8,209**	6,522

Contract assets relate to balances due from customers under enrichment contracts that arise when the revenue recognised for a delivery exceeds the amount of consideration received.

17. Trade and other receivables

	31/12/2023 €000	31/12/2022 €000
Trade receivables	**50,281**	54,722
Other receivables	**24,184**	291
Taxation (VAT)	**16,512**	5,990
Other accrued income	**45,026**	4,521
As at 31 December	**136,003**	65,524
Included in current assets	**112,204**	65,524
Included in non-current assets	**23,799**	-

The average credit period taken on sales of goods and services is 30 days (2022: 30 days). Trade receivables can carry interest in accordance with contract conditions. Trade receivables are stated at amortised cost less a loss allowance for expected credit losses. Trade receivables comprises an expected credit loss of €376k (2022: €889k). For trade receivables, the Company has applied the simplified approach in IFRS 9 to measure the loss allowance at lifetime expected credit loss. The Company determines the expected credit losses on these items by using a provision matrix, estimated based on historic credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions. All current trade and other receivables are expected to be received within 2024. Non-current assets comprises of a new agreement with Orano to deconvert tails in the future.

For terms and conditions relating to related party receivables, refer to note 29.

The Company considers that the carrying amount of trade and other receivables approximates their fair value.

18. Cash equivalents

This is the internal account with Urenco Ltd, UNL's ultimate parent company. The average interest rate for 2023 was 3.6% (2022: 0.2%). This is calculated using a floating rate of one month EUR short term plus a margin of 0.15%.

19. Share capital

	31/12/2023 €000	31/12/2022 €000
Authorised:		
510,000 ordinary shares of € 455 each	**232,050**	232,050
Issued and fully paid:		
152,002 ordinary shares of € 455 each	**69,161**	69,161

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

20. Share premium

	31/12/2023 €000	31/12/2022 €000
Share premium	**17,243**	17,243

There were no movements in share premium during the years 2023 and 2022.

The share premium reserve is fully exempt from distribution under Dutch tax legislation.

21. Retained earnings

	€000
As at 1 January 2022	**348,968**
Profit for the year	144,077
Dividends paid	(150,000)
As at 1 January 2023	**343,045**
Profit for the year	182,427
Dividends paid	(250,000)
As at 31 December 2023	**275,472**

22. Contract liabilities

Contract liabilities relate to the Company's obligations to transfer enrichment services to a customer for which the Company has received consideration or recognised a receivable prior to transferring control to the underlying good or service.

	31/12/2023 €000	31/12/2022 €000
As at 1 January	**65,494**	50,673
Revaluation within the Group	**(1,131)**	625
Delivered during the year	**(27,117)**	1,864
Payments received in year	**18,104**	12,332
As at 31 December	**55,350**	65,494
Included in current liabilities	**18,011**	33,209
Included in non-current liabilities	**37,339**	32,285

Revenue recognised during the year mainly related to deliveries made in the year for which the customer made payments in advance in 2022. The current contract liabilities balance at year-end relates to deferred income for SWU deliveries to be recognised as revenue in 2024. The non-current contract liabilities balance at year-end relates to deferred income for SWU deliveries to be recognised as revenue during the period from 2025 to 2032.

23. Financial risk management objectives and policies

UNL's principal financial liabilities comprise related parties financing and trade payables. The main purpose of these financial instruments is to raise finance for UNL's operations. UNL also has various financial assets such as trade receivables and cash, which arise directly from its operations. All financial instruments are unsecured. No collateral is pledged or received in respect of UNL's financial instruments.

It is, and has been throughout 2023 and 2022, UNL's policy that no speculative trading in financial instruments shall be undertaken.

The main risks arising from UNL's financial instruments are credit risk, interest rate risk, foreign currency risk and liquidity risk. The management reviews and agrees policies for managing each of these risks and they are summarised below.

Credit risk

UNL's principal financial assets are trade and other receivables, cash equivalents and derivative financial instruments, which represent UNL's maximum exposure totalling €678,675 (2022: €681,784k).

The Urenco Group trades on behalf of UNL only with creditworthy third parties, who are mainly other participants in the nuclear fuel supply chain. It is Urenco Group's policy that all customers wishing to trade on credit are subject to an internal approval process based on a system of credit scoring similar to that used by external rating agencies. Customers are assigned credit limits based on this credit score and their credit balances are monitored and managed against these limits on a monthly basis. Historically, there has been no payment default by any counterparty trading with the Urenco Group under this procedure.

With respect to credit risk arising from other financial assets of UNL, comprising cash and cash equivalents and derivative financial instruments, UNL's credit risk is the risk of default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments. The counterparty for all derivative financial instruments is Urenco Limited, the ultimate parent company of Urenco Group. Counterparties for cash and cash equivalents are banks with investment-grade credit ratings assigned by international credit-rating agencies.

Interest rate risk

All financing agreements are entered through the Urenco Group. Of the loans on the UNL balance sheet 0% have a fixed rate of interest (2022: 0%).
The entity's exposure to interest rates on financial assets and liabilities are detailed in the section about liquidity risk management of this note.

23. 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, all financial instruments with fixed interest rates that are carried at amortised cost are not subject to interest rate risk as defined in IFRS 7.

Changes in the market interest rates affect the interest income or expense of non-derivative variable-interest financial instruments, the interest payments of which are not designated as hedged items of cash flow hedges against interest rate risks. As a consequence, they are included in the calculation of income-related sensitivities.

The following demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of UNL's income before tax (through the impact on floating rate borrowings).

If market interest rates had been 100 basis points higher/(lower) at 31 December 2023, interest expense would not change as the interest rate on all debt is fixed. (2022: fixed rates). Interest income varies (+/- 1%) and therefore would change by €5.6m (2022: €6.1m).

Foreign currency risk
Foreign currency risks as defined by IFRS 7 arise on account of financial instruments being denominated in a currency that is not the functional currency and being of a monetary value.

UNL has transactional currency exposures as a result of approximately 64% (2022: 60%) of its revenues being denominated in US dollars, whilst currently a minimal amount of its costs are US dollar-based.

In order to mitigate these exposures, from 1 January 2015, UNL's policy has been to hedge its net contracted US dollar exposure (i.e. cash revenues less cash costs) with forward currency contracts. All hedging contracts are taken out with Urenco Limited.

UNL receives their part of both realised and unrealised hedging gains and losses, based on the sharing ratio for the year. The sharing ratio is the UNL part of the total production of Urenco' s European enrichment sites.

The following table demonstrates the sensitivity to changes in euro against the dollar:

	Change in €/ US$ rate	Effect on income before tax €m	Effect on equity €m
2023	+10%	**0**	**81.1**
	-10%	**0**	**(102.4)**
2022	+10%	10.9	94.8
	-10%	(12.5)	(106.7)

Liquidity risk
UNL, as part of the Urenco Group, plans its funding operations and monitors the risk of a shortage of funds on a monthly basis, using a forward planning model that considers the maturity of existing borrowings, projected capital expenditure and projected cash flows from operations.

The table below summarises the maturity profile of the company's financial liabilities at 31 December based on contractual undiscounted payments:

2023	On demand €000	Less than 3 months €000	3 – 12 months €000	1 – 5 years €000	> 5 years €000	Total €000
Foreign exchange contracts	-	**72**	**3,157**	**(440)**	-	**2,789**
Trade and other payables	-	**17,206**	**32,404**	**-**	-	**49,610**
	-	**17,278**	**35,561**	**(440)**	-	**52,399**

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23. Financial risk management objectives and policies - continued

2022	On demand	Less than 3 months	3 – 12 months	1 – 5 years	> 5 years	Total
	€000	€000	€000	€000	€000	€000
Foreign exchange contracts	-	5,731	16,828	15,797	-	38,356
Trade and other payables	-	9,787	24,006	1,104	-	34,897
	-	15,518	40,834	16,901	-	73,253

Capital Management
The primary objective of the Group's capital management is to ensure that it maintains a strong investment-grade credit rating and healthy capital ratios in order to support the long-term success of the business and to maintain an appropriate level of shareholder returns.

Cash flow hedges
The Company maintains a rolling portfolio of forward foreign exchange contracts (FFECs) designated as cash flow hedges against forecast revenue receipted in US Dollars.

As at 31 December 2023, the net asset of these hedges is € 17.9 million, disclosed in the fair value table below.

During the period, € 19,9 million of hedging losses (year ending 31 December 2022: losses of €27.2 million) were recycled to revenue due to the maturing of contracts in effective hedging relationships.

The following table details the effectiveness of the hedging relationships of currency hedges and the amounts reclassified from hedging reserve to profit and loss.

	2023 Revenue related hedges €000	2022 Revenue related hedges €000
Change in fair value of hedging instrument recognised in OCI	**12,776**	(25,056)
Amount reclassified from cash flow hedge reserve due to hedged item affecting profit or loss	**19,880**	27,226
Line item in profit or loss affected by the reclassification	**Revenue**	Revenue

The critical terms of the hedge instruments are considered 100% matched with those of the hedged item.

Fair values
The company makes yearly a comparison by class of the carrying amounts and fair values of the Company's financial instruments that are carried in the financial statements.
The fair values of all items have been calculated by discounting the future cash flows at prevailing interest rates. At the end of 2023 there is no difference between the fair value and the book value.
The recognised financial instruments are not subject to an enforceable master netting arrangement or similar agreement.

23. Financial risk management objectives and policies - continued

Fair value disclosures

As at 31 December, the Company held the following instruments measured at fair value, all at Level 2 hierarchy:

Assets and liabilities measured at fair value

	2023	2022
	Level 2	Level 2
	€000	€000
Financial assets at fair value through profit and loss		
Forward foreign exchange contracts – hedged	**26,652**	18,978
Total assets measured at fair value	**26,652**	18,978
Financial liabilities at fair value through profit and loss		
Forward foreign exchange contracts – hedged	**8,710**	34,794
Total liabilities measured at fair value	**8,710**	34,794

Derivative financial instruments are initially recognised, categorised as level 2 and are subsequently re-measured at fair value. The fair value on initial recognition is the transaction price unless part of the consideration given or received is for something other than the instrument itself. The fair value of derivative financial instruments is subsequently calculated using discounted cash flow techniques or other appropriate pricing models. The chosen method is used consistently for similar types of instruments. All valuation techniques take into account assumptions based upon market data. The fair value of forward contracts is the present value of the expected settlement amount, which is the present value of the difference between the contract rate and the current forward rate multiplied by the notional foreign currency amount.

Total liabilities from financing activities

As at 31 December, the Company held the following liabilities from financing activities, measured at book value:

	2022	Cash flows	Other movements	**2023**
	€'000s	€'000s	€'000s	**€'000s**
Non-current borrowings	-	-	-	**-**
Non-current lease liabilities	94	-	661	**755**
Current lease liabilities	138	(379)	828	**587**
Total liabilities from financing activities	232	(379)	1,489	**1,342**

24. Provisions

	Tails €000	Decommissioning of plant and machinery €000	Cylinder €000	Overfeeding & Other €000	Total €000
At 1 January 2023	**427,660**	**186,442**	**86,481**	**34,200**	**734,783**
Additional provision in the year	**76,028**	**27,564**	**10,620**	**49,153**	**163,365**
Release of provision in year	**-**	**(1,666)**	**(1,866)**	**-**	**(3,532)**
Revaluation of provision in year	**(7,156)**		**-**	**612**	**(6,544)**
Unwinding of discount	**14,001**	**5,780**	**2,818**	**668**	**23,267**
Utilisation of prepayments	**-**	**-**	**-**	**-**	**-**
Utilisation of provision	**(2,207)**	**(1,099)**	**-**	**(72,994)**	**(76,300)**
At 31 December 2023	**508,326**	**217,021**	**98,053**	**11,639**	**835,039**
Included in current liabilities	**24,827**	**1,131**	**3,002**	**11,205**	**40,165**
Included in non-current liabilities	**483,499**	**215,890**	**95,051**	**434**	**794,874**

	Tails €000	Decommissioning of plant and machinery €000	Cylinder €000	Overfeeding & Other €000	Total €000
At 1 January 2022	366,053	169,334	75,590	19,020	629,997
Additional provision in the year	50,758	15,384	10,675	38,660	115,477
Release of provision in year	-	(22)	(1,732)	(84)	(1,838)
Revaluation of provision in year	2,346	-	-	-	2,346
Unwinding of discount	8,819	3,810	2,078	274	14,981
Utilisation of prepayments	608	-	-	-	608
Utilisation of provision	(924)	(2,064)	(130)	(23,670)	(26,788)
At 31 December 2022	427,660	186,442	86,481	34,200	734,783
Included in current liabilities	16,829	3	2,438	33,710	52,980
Included in non-current liabilities	410,831	186,439	84,043	490	681,803

The net costs of nuclear provisions of € 47.4 million (2022: € 71.2 million) recognised in the income statement are set out below:

	Tails €000	Decommissioning of plant and machinery €000	Cylinder €000	Overfeeding €000	Total €000
Additional provision in the year excluding changes in the discount rates	**76,028**	**2,463**	**2,202**	**49,757**	**130,450**
Change in discount rates	**(7,427)**	**-**	**-**	**-**	**(7,427)**
Release of provision	**-**	**(1,666)**	**(1,008)**	**-**	**(2,674)**
Utilisation of provision [i]	**-**	**-**	**-**	**(72,994)**	**(72,994)**
Charged to income statement 2023	**68,601**	**797**	**1,194**	**(23,237)**	**47,355**

	Tails €000	Decommissioning of plant and machinery €000	Cylinder €000	Overfeeding €000	Total €000
Additional provision in the year excluding changes in the discount rates	50,758	4,264	564	38,660	94,246
Change in discount rates	2,346	(22)	-	-	2,324
Release of provision	-	-	(1,731)	-	(1,731)
Utilisation of provision [i]	-	-	-	(23,671)	(23,671)
Charged to income statement 2022	53,104	4,242	(1,167)	14,990	71,168

([i]) The utilisation of the provision for overfeeding is recognised in the income statement within 'net costs of nuclear provisions'. The expenditure incurred in overfeeding is initially recognised in the income statement (e.g. employee costs, energy costs, depreciation and tails provisions). The utilisation is credited to the income statement to reverse the costs of re-enrichment as the income statement charge for these costs was incurred when the material was produced through the creation of the overfeeding provision.

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24. Provisions - continued

Provision for tails

The enrichment process generates depleted uranium ("tails"). Provision has been made on a discounted cash flow basis for all estimated future costs for the eventual safe disposal of the tails. The costs take account of conversion to a different chemical state, intermediate storage, transport and safe disposal.

The final amount of the provision is currently uncertain (as detailed in note 2 within the critical accounting judgements and key sources of estimation uncertainty) but is evaluated based upon the planned operational activity involved in successfully achieving safe disposal in accordance with regulatory requirements. The planned costs are based on historic experience, operational assumptions, internal cost forecasts and third-party contract prices for the relevant parts of the disposal cycle. A key area of uncertainty remains the unit cost of deconversion which will remain until such time that the Tails Management Facility project has been completed and the deconversion plant has been commissioned.

These costs are escalated where appropriate based on current expectations of inflation and discounted to provide a present value cost per unit, or tails rate, which is applied to the quantity of tails held at the statement of financial position date.

Management has considered the applicable inflation rate of 2.10% per annum (2022: 2.20% per annum) and the risk-free discount rate of 2.70% per annum (2022: 3.10% per annum). Rates have been adjusted to reflect market developments. The real discount rate is 0.59% (2022: 0.88%).

Sensitivity analysis:

	Change in TMF deconversion price	Effect on provision €m	Change in inflation rate	Effect on provision €m	Change in discount rate	Effect on provision €m
2023	+10%	**31.0**	+0.25%	**8.2**	+0.25%	**(8.1)**
	-10%	**(31.0)**	-0.25%	**(8.1)**	-0.25%	**8.4**
2022	+10%	18,1	+0.25%	6.7	+0.25%	(6.6)
	-10%	(18.1)	-0.25%	(6.5)	-0.25%	6.8

The provision for tails disposal is dependent on certain assumptions and estimates, such as timing of disposal and the applicable discount and inflation rates.

Provision for decommissioning of plant and machinery

The Directors intend to decommission the plant as soon as practicably possible after it is taken out of use. The enrichment plants will be disassembled, declassified, decommissioned and the site returned to 'brownfield' status. To meet these eventual costs of decommissioning, provision is recognised in the financial statements, for all plant and machinery in operation, at amounts considered to be adequate for the purpose.

The final amount of the provision is currently uncertain but is evaluated based upon the planned operational activity involved in successfully achieving full decommissioning of any plant or equipment used in enrichment activities, in accordance with the Directors' intention and regulatory requirements. The planned costs are based on historic experience and price estimates for the relevant activities and processes of the decommissioning cycle, which include deconstruction, decontamination and disposal of all materials involved in the enrichment process. A key area of uncertainty remains the cost for disposal of waste streams arising from the decommissioning process. These costs are escalated based on current expectations of inflation and discounted to provide a present value cost based on the expected useful life of the asset in use and timing of subsequent decommissioning activity. Further description of the estimates and assumptions applied are given in note 2.

These costs are inflated based on current expectations of inflation and discounted to provide a present value cost based on the expected useful life of the asset in use and timing subsequent decommissioning activity.

Management has considered the applicable inflation rate of 2.10% per annum (2022: 2.20% per annum) and the risk-free discount rate of 2.70% per annum (2022: 3.10% per annum). %). Rates have been adjusted to reflect market developments. The real discount rate is 0.59 % (2022: 0.88). It is expected that this provision will be used over the next 30 years.

24. Provisions - continued

The provision for decommissioning plant and machinery is dependent on certain assumptions and estimates, such as timing of decommissioning and the applicable discount and inflation rates.

Sensitivity analysis:

	Change in volume or cost of waste to be disposed of	Effect on provision €m	Change in inflation rate	Effect on provision €m	Change in discount rate	Effect on provision €m	Delay of decommissioning activities in years	Effect on provision €m
2023	+10%	**5.0**	+0.25%	**6.8**	+0.25%	**(7.3)**	**+5**	**(5.6)**
	-10%	**(5.0)**	-0.25%	**(6.5)**	-0.25%	**7.6**		
2022	+10%	4.4	+0.25%	6.0	+0.25%	(6.3)	+2	(3.5)
	-10%	(4.4)	-0.25%	(5.8)	-0.25%	6.7		

In 2023 a regular review has taken place. Both the timing of the decommissioning and the technical execution have been updated. Also, the input parameters have been adjusted based upon latest technical knowhow. Aligning to the definition more radioactive contaminated areas have been brought in scope of this provision.

Cylinder

Uranium cylinders will be cleaned, dismantled and scrapped. To meet these eventual costs a provision has been recognised in the financial statements at amounts considered to be adequate for the purpose. The planned costs are based on historic experience and price estimates for the relevant activities. These costs are escalated based on current expectations of inflation and discounted to provide a present value cost based on the expected useful life of the asset in use and timing of subsequent decommissioning activity.

Management has considered the applicable inflation rate of 2.125% per annum (2022: 2.20% per annum) and the risk-free discount rate of 3.35% per annum (2022: 3.26% per annum). Rates have been adjusted to reflect market developments. The real discount rate is 1.20% (2022: 1.06%).

Overfeeding & other provisions

UNL has entered into the process of generating increased EUP quantities by setting the plants to operate at “high tails” mode. In this mode the plants consume more feed for a given quantity of SWU and the resulting tails material is less depleted than would usually occur, containing quantities of U^{235} that would be economically viable to re-enrich at a point in the future. As feed material is generally owned by the customer, a provision is required to “unlock” the U^{235} in this high tails/poor feed. The provision is released if the depleted feed is re-enriched or disposed.

Other provisions contain personnel provisions.

25. Retirement benefit obligations

In the first half of 2019 the assets and liabilities of the Dutch defined benefit pension scheme were transferred to Pensioenfonds Grafische Bedrijven (“PGB”), a multi-employer defined benefit pension scheme. The PGB has all the features of a defined contribution pension scheme and therefore accounting for this scheme following the transfer has been done on that basis.

The agreement between UNL and PGB has an end date of 31 December 2027. If the agreement will not be terminated by one of the parties at least six months before the termination date, then it will be automatically extended for another five years. Under this agreement PGB will administer the pension rights of the employees of UNL and pay benefits to pensioners. UNL is required to contribute premiums to PGB, which are now set on a scale based on age from 19.08-32.49%, 2022: 19.08-32.49%. UNL is solely responsible for contributions for its own employees and cannot be held liable for the obligations of other entities’ obligations under the terms and conditions of the multi-employer plan. In the event of termination of the agreement with PGB, then this should not result in any deficit or surplus for UNL, assuming that they have paid the appropriate contributions. This risk has been transferred to PGB, in accordance with the nature of this insured arrangement.

The coverage ratio of PGB was 112.5% at 31 December 2023.

26. Trade and other payables

Current

	31/12/2023 €000	31/12/2022 €000
Trade payables	**17,574**	23,709
Other payables	**22,620**	5,079
Accruals	**9,416**	6,752
	49,610	35,540

Trade and other payables principally comprise amounts outstanding for trade purchases and on-going costs. The average credit period taken for trade purchases is 25 days (2022: 24 days).

The Director considers that the carrying amount of trade payables approximates to their fair value.

Non-current

	31/12/2023 €000	31/12/2022 €000
Other payables	**58,579**	41,291
	58,579	41,291

Non-current other payables comprised SWU inventory borrowed from third parties and Feed liabilities to third parties for the purpose of optimising Urenco' s production flexibility. The SWU borrowings and Feed liabilities as at 31 December 2023 have been classified as non-current payables because they are expected to be returned after 2024.

UNL has already entered into commitments relating to trade and other payables amounting to € 58.7 million (2022: €199.1 million) at balance sheet date.

27. Lease arrangements

UNL as lessee

In compliance to IFRS 16 commercial leases on certain motor vehicles and items of machinery have been transferred to the balance sheet with effect from 1 January 2019.

In accordance with IFRS 16 we have identified any lease over short life and low value assets. The expenses recognised in the income statement for these leases amount to €141k in 2023 (2022: €249k).

28. Contingent liabilities

The Company is party to composite guarantees of borrowings of the group from various private placements which, at the statement of financial position date, amounted to € 1.2 billion (2022: €1.6 billion). The directors do not expect any liability to arise under these guarantees.

At 31 December 2023, UNL had entered into contractual commitments for the investment in property, plant and equipment amounting to €14,411k (2022: €34,657k).

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29. Related party transactions

Trading transactions

During the year, UNL entered into the following transactions with the following related parties:

	Sales of good & services		**Purchases of goods, services & interest**		**Amounts owed by related parties**		**Amounts owed to related parties**	
	Year ended 31/12/2023 €000	Year ended 31/12/2022 €000	**Year ended 31/12/2023 €000**	Year ended 31/12/2022 €000	**Year ended 31/12/2023 €000**	Year ended 31/12/2022 €000	**Year ended 31/12/2023 €000**	Year ended 31/12/2022 €000
UEC	**-**	-	**26,971**	18,510	**-**	-	**-**	-
ULTD	**5,063**	3,579	**9,058**	16,764	**561,133**	611,162	**-**	-
UD	**63**	17,251	**27**	-	**-**	21	**-**	-
UUK	**7,576**	93	**-**	-	**-**		**-**	
LES	**67,782**	40,815	**-**	-	**-**	-	**-**	-
USI	**-**	-	**270**	173	**-**	-	**-**	-
UCNS	**1**	-	**-**		**-**	-	**-**	-
UCP	**-**		**4**	2	**-**	-	**-**	-
ETC	**-**	-	**98,629**	42,817	**-**	-	**12,166**	6,577
RWE	**-**	-	**375**	449	**-**	-	**-**	-

Besides the transactions mentioned above also a dividend of € 250 million (2022: €150m) was paid to the shareholder.

UEC Ltd (Urenco Enrichment Company Limited) is the parent company of the enrichment division of the Urenco Group, of which UNL is part.
ULtd (Urenco Limited) is the ultimate parent company of the Urenco Group.
UD (Urenco Deutschland GmbH) is part of the enrichment division to which UNL belongs and is a sister company of UNL.
UUK (Urenco UK Ltd) is part of the enrichment division to which UNL belongs and is a sister company of UNL.
LES (Louisiana Energy Services LLC) is part of the enrichment division to which UNL belongs and is a sister company of UNL.
USI (Urenco Stable Isotopes NA) is part of the enrichment division to which UNL belongs and is a sister company of UNL.
UCNS (URENCO Capenhurst Nuclear Services Limited) is part of the enrichment division to which UNL belongs and is a sister company of UNL.
UCP (Urenco ChemPlants Limited) is part of the enrichment division to which UNL belongs and is a sister company of UNL.
ETC (Enrichment Technology Company Ltd) is the technology division of the Urenco Group and a joint venture with a third party .
RWE is one of the shareholders of Urenco Limited.

Sales of goods, services and interest charges to related parties and purchases of goods, services and interest charged by them were made under normal trading terms.

In 2016, a related party agreement relating to services provided by UEC was executed. The agreement calculates charges for services as a percentage of UNL turnover, instead of cost and reflects the increased activities and value created by UEC. Included in sales to LES is €2.85m (2022: €2.78m) for licensing of intellectual property resulting from a related party agreement.

The amounts outstanding are unsecured and will be settled through related parties account with ULTD. No guarantees have been given or received.

30. Remuneration board of directors

The remuneration of the board of directors:

	31/12/2023 €000	31/12/2022 €000
Key management		
Short-term employee benefits	**656**	608
Aggregate pension contributions	**32**	28
	688	636
Other management		
Short-term employee benefits	**2,426**	1,921
Aggregate pension contributions	**300**	229
	2,726	2,150
other		
Short-term employee benefits	**849**	723
Aggregate pension contributions	**118**	112
	967	835
	4,381	3,621

Key management consists of the managing director, other management are the other members of the lead team. Other consists of all other employees registered at the Chamber of Commerce (KvK). Of the short-term employee benefits €196k (2022: €119k) in key management and €161k (2022: €98k) in other management are charged into the accounts of other Group companies.

The remuneration of the Supervisory Board:
The members of the Supervisory Board have not received any remuneration from the Company. Their remuneration was paid by and charged in the accounts of other Group companies.

31. Appropriation of result

Appropriation of net profit

It is proposed to add the net profit of €182.4m to retained earnings.

Interim dividends of €250 million have been paid out in 2023. The dividend has been charged to retained earnings.

Appropriation of result for the financial year 2022

The annual report 2022 is determined in the general meeting of shareholders held on 7 March 2023. The general meeting of shareholders has determined the appropriation of result in accordance with the proposal being made to that end.

33. Events after balance sheet date

No further subsequent events have occurred, which should have been accounted for or disclosed in the 2023 annual report of Urenco Nederland B.V.

Deloitte Accountants B.V.
For identification purposes only.
Related to auditor's report
Dated 13 March 2024

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Registered Number: 06070616 | Chamber of Commerce Enschede

Almelo, 13 March 2024
Urenco NEDERLAND B.V.

A.S. Louter
Managing Director

C.R. Chater
Member of the Supervisory Board

B. Schucht
Member of the Supervisory Board

R. ter Haar
Member of the Supervisory Board

Deloitte Accountants B.V.
For identification purposes only.
Related to auditor's report
Dated 13 March 2024

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 23 of the company statutory regulations the following has been presented concerning the appropriation of the result:

1. The profit is at disposal of the general meeting of shareholders.
2. The company is only allowed to pay out profit if the equity is more than the authorized share capital and the reserves which are statutory required.
3. Pay out of profit occurs after signing of the financial statements which shows that the pay-out is permitted.
4. The general meeting of shareholders can decide to pay out interim dividend if this complies with sub 2.
5. The general meeting of shareholders can decide to pay out on shares if this complies with sub 2.
6. Dividend not claimed after five years will expire and fall to the company.

Independent auditor's report

Deloitte.

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INDEPENDENT AUDITOR'S REPORT

To the shareholders and the Supervisory Board of Urenco Nederland B.V.

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

Our opinion

We have audited the financial statements 2023 of Urenco Nederland B.V., based in Almelo, the Netherlands.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of Urenco Nederland B.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.

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 Nederland B.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).

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

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.

Audit approach fraud risks

We identified and assessed the risks of material misstatements of the financial statements due to fraud. During our audit we obtained an understanding of the entity and its environment and the components of the system of internal control, including the risk assessment process and management's process for responding to the risks of fraud and monitoring the system of internal control and how the Supervisory Board exercises oversight, as well as the outcomes. We refer to section 'Governance and ethics' of the directors report for management's fraud risk assessment.

We evaluated the design and relevant aspects of the system of internal control and in particular the fraud risk assessment, as well as among others the code of conduct, whistle blower procedures and incident registration. We evaluated the design and the implementation and, where considered appropriate, tested the operating effectiveness, of internal controls designed to mitigate fraud risks.

As part of our process of identifying fraud risks, we obtained an understanding of Urenco Nederland B.V. and its environment, including the entity's internal controls. we evaluated fraud risk factors with respect to financial reporting fraud, misappropriation of assets and bribery and corruption. We evaluated whether these factors indicate that a risk of material misstatement due fraud is present.

Following these procedures, and the presumed risks under the prevailing auditing standards, we considered the fraud risks in relation to management override of controls and revenue, which included evaluating whether there was evidence of bias by the Management Board and other members of management, which could represent a risk of material misstatement due to fraud.

As part of our audit procedures to respond to these fraud risks, we evaluated the design and implementation of the internal controls relevant to mitigate these risks. The procedures described are in line with the applicable auditing standards and are not primarily designed to detect fraud.

We performed specific procedures on the presumed risk on management override of controls ,including the following:

- We incorporated elements of unpredictability in our audit. We also considered the outcome of our other audit procedures and evaluated whether any findings were indicative of fraud or non-compliance.

- We considered available information and made enquiries of relevant executives, Management Board, the financial reporting department, the group internal audit department, the legal department and the Supervisory Board.

- We tested the appropriateness of journal entries which were selected based on fraud risk factors.

- We tested the appropriateness of journal entries recorded in the general ledger and other adjustments made in the preparation of the financial statements.

- We performed a retrospective review of management judgments and assumptions related to significant accounting estimates reflected in prior year's financial statements.

- We evaluated whether the selection and application of accounting policies by the entity, particularly those related to subjective measurements and complex transactions, may be indicative of fraudulent financial reporting.

- We evaluated whether the judgments and decisions made by management in making the accounting estimates included in the financial statements indicate a possible bias that may represent a risk of material misstatement due to fraud. Management insights, estimates and assumptions that might have a major impact on the financial statements are disclosed in note 2 of the financial statements.

- For significant transactions, we evaluated whether the business rationale of the transactions suggests that they may have been entered into to engage in fraudulent financial reporting or to conceal misappropriation of assets.

This did not lead to indications for fraud potentially resulting in material misstatements.

The risk on revenue recognition has been identified as a significant audit risk due to the presumed fraud risk under ISA 240. We identified a risk on the accuracy of determining the standalone selling price under IFRS 15.

We performed specific procedures on the presumed risk on revenue, including the following:

- We evaluated the design and determined the implementation of relevant controls in the revenue process and where applicable we tested the operation effectiveness of controls over revenue.

- We performed substantive testing on revenue related accounts.

- We performed substantive testing on contracts with customers.

Our procedures performed did not lead to indications of fraud or suspicions of fraud.

Audit approach compliance with laws and regulations

We assessed the laws and regulations relevant to the entity through discussion with relevant executives, the compliance department, reading minutes and reports of internal audit.

As a result of our risk assessment procedures, and while realizing that the effects from non-compliance could considerably vary, we considered the following laws and regulations: (corporate) tax law, the requirements under the International Financial Reporting Standards as adopted by the European Union (EU-IFRS) and Part 9 of Book 2 of the Dutch Civil Code with a direct effect on the financial statements as an integrated part of our audit procedures, to the extent material for the financial statements.

We obtained sufficient appropriate audit evidence regarding provisions of those laws and regulations generally recognized to have a direct effect on the financial statements.

Apart from these, the Urenco Nederland B.V. is subject to other laws and regulations where the consequences of non-compliance could have a material effect on amounts and/or disclosures in the financial statements, for instance, through imposing fines or litigation.

Given the nature of Urenco Nederland B.V.'s business and the complexity of the Dutch Nuclear Energy law (Dutch: Kernenergiewet), there is a risk of non-compliance with the requirements of such laws and regulations.

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Our procedures are more limited with respect to these laws and regulations that do not have a direct effect on the determination of the amounts and disclosures in the financial statements. Compliance with these laws and regulations may be fundamental to the operating aspects of the business, to Urenco Nederland B.V.'s ability to continue its business, or to avoid material penalties (e.g. compliance with the terms of operating licenses and permits or compliance with environmental regulations) and therefore non-compliance with such laws and regulations may have a material effect on the financial statements.

Our responsibility is limited to undertaking specified audit procedures to help identify non-compliance with those laws and regulations that may have a material effect on the financial statements. Our procedures are limited to (i) inquiry of management, the Supervisory Board, the Executive Board and others within Urenco Nederland B.V.'s as to whether the Urenco Nederland B.V. is in compliance with such laws and regulations and (ii) inspecting correspondence, if any, with the relevant licensing or regulatory authorities to help identify non-compliance with those laws and regulations that may have a material effect on the financial statements.

Naturally, we remained alert to indications of (suspected) non-compliance throughout the audit.

Finally, we obtained written representations that all known instances of (suspected) fraud or non-compliance with laws and regulations have been disclosed to us.

Audit approach going concern

Management has prepared the annual report on the basis of going concern of all activities for the period of twelve months from the date of preparing of the annual report. We refer to the going concern section of the annual report for managements conclusion on preparing the annual report on the basis of going concern. Our procedures to evaluate the managements going concern assessment include, among other things:

- Assessment of current financing facilities including the nature of undrawn facilities, repayment terms and covenants.
- Assessment of the consistency of the forecasts with the business model and medium-term risks.
- Evaluating the assumptions used in the forecasts.
- Performing a sensitivity analysis on management’s forecast cash flows.
- Assessing the Group’s level of forward order book and contracted future cash flows.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company’s ability to continue as a going concern for a period of at least twelve months from when this auditors report is signed.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Report on the other information included in the annual accounts

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

The other information 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 all the information regarding the management 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 other information, including the 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 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.

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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 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 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 the Supervisory Board 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.

Zwolle, 13 March 2024

Deloitte Accountants B.V.

C. Dams