Condensed Half-yearly Consolidated Financial Statements

Orano

June 30, 2020

CONSOLIDATED STATEMENT OF INCOME

(in millions of euros)	*Note*	H1 2020	H1 2019
Revenue		**1,782**	**1,654**
Cost of sales		(1,571)	(1,335)
Gross margin		**211**	**318**
Research and development expense		(51)	(47)
Marketing and sales expense		(17)	(18)
General expense	*4*	(52)	(52)
Other operating income	*4*	97	14
Other operating expense	*4*	(30)	(37)
Operating income		**158**	**179**
Share in net income of joint ventures and associates	*12*	5	7
Operating income after share in net income of joint ventures and associates		**163**	**186**
Financial income from cash and cash equivalents		11	11
Financial interest on debt		(81)	(128)
Cost of net debt		**(70)**	**(117)**
Other financial income		266	549
Other financial expense		(542)	(317)
Other financial income and expense	*6*	**(276)**	**232**
Net financial income (expense)		**(346)**	**115**
Income tax	*7*	**(15)**	**(24)**
Net income from continuing operations		**(198)**	**277**
Net income for the period		**(198)**	**277**
Net income attributable to owners of the parent		**(212)**	**259**
Net income attributable to non-controlling interests		**14**	**18**

CONSOLIDATED COMPREHENSIVE INCOME

(in millions of euros)	H1 2020	H1 2019
Net income	**(198)**	**277**
Items not recyclable to the statement of income	**16**	**(63)**
Actuarial gains and losses on employee benefits	16	(60)
Income tax related to non-recyclable items	(1)	0
Share in other non-recyclable items from joint ventures and associates, net of tax	1	(3)
Items recyclable to the statement of income	**(30)**	**51**
Currency translation adjustments	(44)	41
Change in value of cash flow hedges	10	18
Income tax related to recyclable items	4	(7)
Share in other recyclable items from joint ventures and associates, net of tax	-	-
Total other items of comprehensive income (net of income tax)	**(14)**	**(11)**
Comprehensive income	**(212)**	**265**
- Attributable to owners of the parent	(218)	246
- Attributable to non-controlling interests	6	19

ASSETS

(in millions of euros)	***Notes***	**June 30, 2020**	**December 31, 2019**
Non-current assets		**18,153**	**18,761**
Goodwill	***8***	1,248	1,247
Intangible assets	***9***	1,193	1,247
Property, plant and equipment	***9***	8,186	8,380
Right-of-use – leases	***10***	75	77
End-of-lifecycle assets (third-party share)	***11***	116	121
Financial assets earmarked for end-of- lifecycle operations	***11***	7,101	7,471
Investments in joint ventures and associates	***12***	5	4
Other non-current assets	***13***	120	106
Deferred tax assets	***7***	109	109
Current assets		**4,835**	**4,820**
Inventories and work-in-process		1,435	1,511
Trade accounts receivable and related accounts		729	617
Contract assets		97	95
Other operating receivables		636	518
Other non-operating receivables		44	45
Current tax assets		25	93
Other current financial assets	***13***	376	448
Cash and cash equivalents	***14***	1,492	1,492
Total assets		**22,988**	**23,582**

SHAREHOLDERS' EQUITY AND LIABILITIES

(in millions of euros)	*Note*	June 30, 2020	December 31, 2019
Capital		132	132
Consolidated premiums and reserves		1,159	1,370
Actuarial gains and losses on employee benefits		(179)	(195)
Unrealized gains and losses on financial instruments		7	(7)
Currency translation reserves		(53)	(18)
Equity attributable to owners of the parent		**1,066**	**1,282**
Non-controlling interests		(54)	(34)
Equity	***15***	**1,011**	**1,248**
Non-current liabilities		**11,913**	**12,974**
Employee benefits	***16***	1,109	1,111
Provisions for end-of-lifecycle operations	***11***	7,660	8,010
Other non-current provisions	***17***	299	316
Share in negative net equity of joint ventures and associates	***12***	66	69
Non-current financial liabilities	***18***	2,717	3,407
Non-current lease liabilities	***10***	62	62
Current liabilities		**10,063**	**9,359**
Current provisions	***17***	2,035	2,003
Current financial liabilities	***18***	1,358	746
Current lease liabilities	***10***	21	20
Trade accounts payable and related accounts		844	842
Contract liabilities		4,840	4,781
Other operating liabilities		943	940
Other non-operating liabilities		9	6
Current tax liabilities		13	20
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**22,988**	**23,582**

CONSOLIDATED STATEMENT OF CASH FLOWS

(in millions of euros)	*Note*	H1 2020	H1 2019
Net income		**(198)**	**277**
Net amortization, depreciation and impairment of PP&E and intangible assets and marketable securities maturing in more than 3 months		176	257
Net increase in (reversal of) provisions		(31)	(131)
Net effect of unwinding of assets and provisions		(59)	240
Income tax expense (current and deferred)		15	24
Net accrued interest included in financial debt		68	117
Loss (gain) on disposal of fixed assets and marketable securities maturing in more than 3 months; change in fair value	*4 and 6*	301	(381)
Share in net income of joint ventures and associates	*12*	(5)	(7)
Dividends received from joint ventures and associates and share of income from consortiums		4	-
Other non-cash items		24	19
Cash flow from operations before interest and taxes		**295**	**414**
Net interest received (paid)		(76)	(60)
Net interest paid on lease liabilities		(2)	(1)
Tax paid		(12)	(21)
Cash flow from operations after interest and tax		**205**	**332**
Change in working capital		32	(95)
Net cash flow from operating activities		**237**	**237**
Capital expenditure		(211)	(229)
Proceeds from disposals of PP&E and intangible assets		5	6
Acquisitions of shares of consolidated companies, net of acquired cash		(1)	(1)
Acquisitions of financial assets earmarked for end-of-lifecycle operations		(1,520)	(1,121)
Disposals of financial assets earmarked for end-of-lifecycle operations		1,586	1,053
Change in cash management financial assets	*13*	90	(300)
Loans granted to joint ventures and associates		(15)	-
Repayment of loans from joint ventures and associates		-	6
Acquisitions of other financial assets		(4)	(3)
Net cash flow from investing activities		**(70)**	**(589)**
Parent company capital increases		-	-
Capital increases subscribed by non-controlling interests		-	-
Dividends paid to non-controlling interests		(24)	-
Repayment of lease liabilities	*10*	(8)	(8)
Increase in borrowings	*18*	0	742
Decrease in borrowings	*18*	(132)	(314)
Net cash flow from financing activities		**(164)**	**420**
Effect of change in classification of non-monetary funds	*14*	-	(460)
Effect of exchange rate changes		(9)	2
Change in net cash		**(5)**	**(390)**
Net cash at the beginning of the period		**1,420**	**1,953**
Net cash at the end of the period	*14*	1,492	1,626
(-) short-term bank facilities and non-trade current accounts in credit	*18*	(77)	(63)
Net cash at the end of the period		**1,414**	**1,563**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(in millions of euros)	***Note***	Number of outstanding shares	Capital	Consolidated premiums and reserves	Actuarial gains and losses on employee benefits	Unrealized gains and losses on financial instruments	Currency translation reserves	**Total equity attributable to owners of the parent**	Non-controlling interests	**Total shareholders' equity**
JANUARY 1, 2019		**264,152,778**	**132**	**1,007**	**(138)**	**(10)**	**(64)**	**927**	**(204)**	**723**
Net income for the first half of 2019				259				259	18	277
Other items of comprehensive income					(62)	11	39	(13)	1	(11)
Comprehensive income				**259**	**(62)**	**11**	**39**	**246**	**19**	**265**
Dividends paid									(3)	(3)
Other transactions with shareholders								-		-
June 30, 2019		**264,152,778**	**132**	**1,266**	**(201)**	**1**	**(26)**	**1,173**	**(187)**	**986**
JANUARY 1, 2020		**264,152,778**	**132**	**1,370**	**(195)**	**(7)**	**(18)**	**1,282**	**(34)**	**1,248**
Net income for the first half of 2020				(212)				(212)	14	(198)
Other items of comprehensive income					16	14	(35)	(6)	(8)	(14)
Comprehensive income				**(212)**	**16**	**14**	**(35)**	**(218)**	**6**	**(212)**
Dividends paid									(27)	(27)
Other transactions with shareholders				1				1	-	1
JUNE 30, 2020		**264,152,778**	**132**	**1,159**	**(179)**	**7**	**(53)**	**1,066**	**(54)**	**1,011**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS TO JUNE 30, 2020

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

NOTE 1 - HIGHLIGHTS OF THE PERIOD

Impacts of the Covid-19 health crisis

Since the outbreak of the Covid-19 health crisis, Orano has implemented a set of measures to ensure both the health of its employees and the continuity of its customers' strategic businesses, in compliance with the directives of national and international health authorities.

The shutdown of the Cigar Lake mine operated by Cameco and the shutdown of the McClean ore processing plant in Canada, in order to protect the northern communities that live in this region, are the only significant disruptions as of the date of the half-yearly consolidated financial statements.

In addition to the shutdown of these mining sites, the measures put in place from the outset of the crisis resulted in a reduction or temporary suspension of activities at certain Front End and Back End industrial sites, the temporary shutdown or significant disruption of Back End service activities and additional costs related to pandemic protection and prevention measures (safety-related facility costs, purchase of masks for employees at all of the group's sites and for certain stakeholders near the sites).

As of the date of the half-yearly consolidated financial statements, unforeseen events related to the pandemic have not led to any contract termination, or dispute with customers or suppliers. Ad hoc discussions are nevertheless under way with some of them to restructure certain contractual obligations without prejudice to the parties.

Finally, high volatility in the financial markets since the beginning of the crisis has led to a significant decline in the value of assets earmarked for end-of-lifecycle commitments.

The various financial consequences of the pandemic have not been set out specifically in the statement of income or statement of financial position. In particular:

- the shutdown of certain mining sites did not lead to delivery delays but resulted in idle capacity costs impacting the gross margin;
- the shutdown of certain Back End facilities resulted in production losses impacting revenue and gross margin;
- compensation related to furlough measures in France (representing approximately €5 million in the first half) has been presented as a reduction to payroll expenses;
- the cost of putting in place prevention and protection measures (including the purchase of masks for €9 million) has been recorded in gross profit;
- the change in the value of assets earmarked for end-of-lifecycle operations has been recognized in net financial income (expense).

Given the impairment indicators identified in connection with the shutdown of certain businesses, impairment tests were carried out on goodwill and certain industrial and mining assets, but no impairment was recognized at June 30, 2020 (see Notes 8 and 9).

In addition, the group's credit risk exposure on its operating businesses did not lead to reconsideration of expected credit losses on its customers at June 30, 2020.

Lastly, regarding its liquidity position, Orano had €1,841 million at June 30, 2020, breaking down into €1,492 million in cash and cash equivalents (Note 14) plus €349 million in cash management financial assets (Note 13) enabling it to meet its medium-term commitments and in particular the repayment of the balance on its bonds of €402 million in September 2020, €715 million in March 2021 and €200 million in March 2022. Furthermore, the group has a confirmed, undrawn €940 million syndicated line of credit. This line, signed with a pool of 11 international banks, matures in July 2023.

Acquisition of three specialist industrial maintenance companies

Orano DS, a subsidiary of Orano's Dismantling and Services business, acquired three companies specializing in industrial maintenance (valve systems, rotating machinery, boilermaking) from the German group KSB, on June 30, 2020: KSB Service Energie (KSE), KSB Service Cotumer (KSC) and Société de Travaux d'Ingénierie Industrielle (STII). Recognized for the role they play in providing services to the French nuclear fleet and to industry, these companies enhance Orano's service offer with specialized resources which complement the nuclear maintenance businesses in which the group is already present.

This acquisition fits with Orano's development strategy in service businesses, particularly in industrial maintenance, and also consolidates Orano's presence with nuclear operators in France and abroad. Revenue for 2019 was €31 million.

The allocation of goodwill will be completed within the next 12 months.

NOTE 2 - ACCOUNTING ESTIMATES, JUDGMENTS AND PRINCIPLES

ESTIMATES AND JUDGMENTS

In preparing its consolidated financial statements, Orano must make estimates, assumptions and judgments impacting the carrying amount of certain assets and liabilities, income and expense items, or information disclosed in certain notes to the financial statements. Orano updates its estimates and judgments on a regular basis to reflect past experience and other factors deemed pertinent, based on economic conditions. As a function of changes in these assumptions or in circumstances that may arise, particularly in the context of the current health and economic crisis, the amounts appearing in its future financial statements may differ from current estimates, particularly in the following areas:

- operating margins on contracts recognized according to the percentage-of-completion method, which are estimated by the project teams and reviewed by management in accordance with the group's procedures (see Note 17);
- cash flow forecasts and the discount and growth rates used for impairment tests for goodwill and other plant, property and equipment and intangible assets (see Notes 8 and 9);
- all assumptions used to assess the value of pension commitments and other employee benefits, including the rate of wage increases and discount rates, retirement age and employee turnover (see Note 16);
- all assumptions used to assess the value of provisions for end-of-lifecycle operations (see Note 11) and, where appropriate, the assets corresponding to the third-party share, in particular:
  - the estimated costs of those operations,
  - the inflation and discount rates,
  - the schedule of future disbursements,
  - the operating life of the facilities,
  - the scenario chosen with regard to knowledge of the initial condition of the facilities, the target final condition, and waste treatment and removal methods and their availability,
  - the procedures for final shutdown,
  - safety requirements and regulatory developments;
- assumptions used to measure provisions for contract completion, in particular for waste treatment channels not yet existing: the estimated costs of those operations, the provisional payment schedule, the inflation rate and the discount rate (see Note 17);
- estimates and judgments regarding the outcome of ongoing litigation and, more generally, estimates regarding all of Orano's provisions and contingent liabilities (see Note 22);
- estimates and judgments relating to the recoverability of accounts receivable from the group's customers and other financial assets;
- estimates of future taxable income allowing the recognition of deferred tax assets (see Note 7).

Preparation of the financial statements

The consolidated financial statements for the six months to June 30, 2020, approved by the Board of Directors on July 30, 2020, were prepared in accordance with IAS 34 relating to interim financial information. Being condensed financial statements, they do not include all the disclosures required for the preparation of full consolidated financial statements under IFRS and should be read in conjunction with the consolidated financial statements for the year ended December 31, 2019.

Specific methods for the preparation of intermediate financial statements

- Orano applies the methodology prescribed by IAS 34 to determine the tax expense for the interim period. It is calculated by applying the estimated average effective tax rate for the year for each tax jurisdiction to the pre-tax result for the period. However, a different tax rate is used for income categories subject to specific tax rates, such as the results of disposals of securities subject to the long-term capital gains regime.

- The interim period expense relating to retirement benefits and other employee benefits is calculated using the discount rate determined as of December 31, 2019. In applying this method, Orano has calculated the expense for the first half of 2020 in respect of the current service cost, the accretion expense of the provision and the income relating to the expected return on hedging assets using the actuarial assumptions determined as of December 31, 2019, in accordance with IAS 19. Changes in actuarial assumptions taken into account for the valuation of employee liabilities as of June 30, 2020 are recorded in "Other items of comprehensive income" in almost their entire amount.

Accounting principles

The accounting principles applied to prepare the condensed consolidated financial statements at June 30, 2020 are identical to those described in Note 1 to the consolidated financial statements for the period ended December 31, 2019. They were prepared in accordance with IFRS, as published by the International Accounting Standards Board (IASB) and adopted in the European Union as of June 30, 2020.

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

http://ec.europa.eu/finance/company-reporting/standards-interpretations/index_en.htm

The group has not early adopted any standards, amendments or interpretations published by the IASB whose application was optional or not mandatory within the European Union as of June 30, 2020.

Standards, amendments and interpretations that came into force on January 1, 2020

- Amendments relating to changes in references to the IFRS Conceptual Framework;
- Amendments to IAS 1 and IAS 8 relating to the "Definition of Material";
- Amendments to IFRS 3 "Definition of a Business";
- Amendments to IFRS 9, IAS 39 and IFRS 7 "Benchmark Rate Reform".

Amendments and interpretations with mandatory application from January 1, 2020 did not have an impact on the group's consolidated financial statements. In particular the benchmark rate reform has not led the group to change its contracts to date.

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

As of June 30, 2020, there were no texts adopted by Europe and applicable early.

NOTE 3 - OPERATING SEGMENTS

BY BUSINESS SEGMENT

H1 2020

(in millions of euros)	Mining	Front End	Back End	Corporate, other operations and eliminations	Total
Gross revenue	**629**	**488**	**731**	**(66)**	**1,782**
Inter-segment sales	(3)	(25)	(44)	72	-
Contribution to consolidated revenue	**626**	**463**	**687**	**6**	**1,782**
Operating income	**209**	**45**	**(76)**	**(21)**	**158**
Share in net income of joint ventures and associates	-	-	-	-	5
Net financial income (expense)	-	-	-	-	(346)
Income tax	-	-	-	-	(15)
Net income	-	-	-	-	**(198)**
EBITDA (Note 5)	**280**	**112**	**28**	**(14)**	**406**
% of gross revenue	*44.5%*	*23.1%*	*3.9%*	*n.a.*	*22.8%*

In the first half of 2020, the group generated approximately 51% of its revenue with the EDF group.

Revenue is recognized when the control of the material is transferred for the Mining and Front End divisions, and predominantly on the basis of the percentage-of-completion method for the Back End segment.

H1 2019

(in millions of euros)	Mining	Front End	Back End	Corporate, other operations and eliminations	Total
Gross revenue	**495**	**373**	**824**	**(39)**	**1,654**
Inter-segment sales	(3)	(5)	(41)	49	-
Contribution to consolidated revenue	**492**	**369**	**783**	**10**	**1,654**
Operating income	**179**	**44**	**(25)**	**(18)**	**179**
Share in net income of joint ventures and associates	-	-	-	-	7
Net financial income (expense)	-	-	-	-	115
Income tax	-	-	-	-	(24)
Net income	-	-	-	-	**277**
EBITDA (Note 5)	**271**	**101**	**60**	**(27)**	**404**
% of gross revenue	*54.8%*	*26.9%*	*7.2%*	*n.a.*	*24.4%*

In the first half of 2019, the group generated approximately 51% of its revenue with EDF.

CONTRIBUTION TO CONSOLIDATED REVENUE BY BUSINESS SEGMENT AND CUSTOMER LOCATION

H1 2020

(in millions of euros)	Mining	Front End	Back End	Other	Total
France	245	274	475	6	**1,000**
Europe (excluding France)	16	83	77	0	**176**
North & South America	81	92	84	0	**258**
Asia-Pacific	275	14	49	0	**338**
Africa and Middle East	8	0	2	0	**10**
Total	**626**	**463**	**687**	**6**	**1,782**

H1 2019

(in millions of euros)	Mining	Front End	Back End	Other	Total
France	174	212	573	10	**969**
Europe (excluding France)	4	47	73	0	**124**
North & South America	98	61	81	0	**241**
Asia-Pacific	204	48	54	0	**306**
Africa and Middle East	12		2	-	**14**
Total	**492**	**369**	**783**	**10**	**1,654**

NOTE 4 - OTHER OPERATING INCOME AND EXPENSES

Other operating income

(in millions of euros)	H1 2020	H1 2019
Gain on disposals of assets other than financial assets	2	5
Reversal of impairment on assets	70	-
Other income	25	9
Total other operating income	**97**	**14**

In the first half of 2020, the reversal of impairment concerns the Philippe Coste plant (See Note 9).

Other income includes a provisional insurance indemnity of €18 million to compensate material damage to the crystallizers at the Philippe Coste plant.

Other operating expense

(in millions of euros)	H1 2020	H1 2019
Restructuring and early retirement plan costs	0	(2)
Impairment of other assets (excluding goodwill)	(6)	-
Loss on disposals of assets other than financial assets	-	(1)
Dismantling costs net of provisions/reversals of provisions for end-of-lifecycle operations	(3)	(7)
Other expenses	(22)	(27)
Total other operating expenses	**(30)**	**(37)**

Impairments of other assets correspond to the impairment of studies in the Front End segment.

As of June 30, 2020, other expenses included €10 million (€10 million as of June 30, 2019) in charges related to the postponement of mining operations on the Imouraren and Trekkopje sites, as well as the maintenance of infrastructure.

NOTE 5 - RECONCILIATION BETWEEN OPERATING INCOME AND EBITDA

(in millions of euros)	H1 2020	H1 2019
Operating income	**158**	**179**
Net increase in depreciation and impairment of intangible assets, net of reversals	37	48
Net increase in depreciation and impairment of property, plant and equipment, net of reversals	129	200
Net increase in depreciation and impairment of intangible assets, net of reversals of right-of-use assets – leases	11	9
Impairment of current assets, net of reversals	(9)	2
Provisions, net of reversals (*)	(31)	(131)
Costs of end-of-lifecycle operations performed (**)	111	97
EBITDA	**406**	**404**

(*) including increases and reversals of provisions for employee benefits and end-of-lifecycle operations
(**) Group EBITDA is determined excluding the impact of end-of-lifecycle operations

NOTE 6 - NET FINANCIAL INCOME (EXPENSE)

Financial interest on debt

Cost of net debt as of June 30, 2020 includes interest expense on bonds in the amount of €67 million (€82 million in the six months to June 30, 2019 plus the €32 million cash payment to partially redeem the 2024 bond in April 2019).

The interest expense related to IFRS 16 incurred in the first half of 2020 was €2 million (versus €2 million at June 30, 2019).

Other financial income and expense

(in millions of euros)	H1 2020	H1 2019
Change in fair value through profit or loss of earmarked assets	(303)	377
Dividends received	36	166
Income from receivables and accretion gains on hedging assets	2	5
Unwinding expenses on end-of-lifecycle operations	(148)	(156)
Impact of changes in discount rates and inflation rates	177	(9)
Impact of revisions of payment schedules	-	-
Share related to end-of-lifecycle operations	***(235)***	***383***
Foreign exchange gain (loss)	(1)	(1)
Change in fair value through profit or loss of non-earmarked assets	(0)	(0)
Interest on advances	(32)	(29)
Financial income from pensions and other employee benefits	(3)	(9)
Accretion expenses of borrowings and other provisions net of the effects of changes in discount rates and inflation	31	(69)
Other financial income	2	1
Other financial expense	(36)	(44)
Share not related to end-of-lifecycle operations	***(41)***	***(151)***
Other financial income and expense	**(276)**	**232**

Other financial expense consist chiefly of premiums/discounts on currency hedging instruments.

NOTE 7 - INCOME TAX

The income tax expense in the first half of 2020 was €15 million.

The group benefited from certain tax measures introduced by the CARES ACT in the United States, within the framework of the specific decisions made in order to deal with the economic fallout of the Covid crisis. It was therefore able to make use of the favorable provisions regarding carryback, which had been eliminated by the tax reform provisions that became effective on January 1, 2018.

NOTE 8 - GOODWILL

(in millions of euros)	**December 31, 2019**	Increase	Disposal	Impairment	Currency translation adjustments and other	**June 30, 2020**
Mining	858				1	**859**
Front End	161					**161**
Back End	228					**228**
Total	**1,247**	**-**	**-**	**-**	**1**	**1,248**

In view of the shutdown of Cigar Lake and the reduction or temporary suspension of some operations in the Back End as a result of the health crisis, the group performed impairment tests on the goodwill of the Mining Segment and the Recycling and DS BUs as at June 30, 2020**.**

Mining

The recoverable amount of the Mining group of CGUs is determined based on its value in use. The value in use of mining operations is calculated based on forecast data for the entire period, up to the planned end of mining operations at existing mines and the marketing of the corresponding products (i.e. no later than 2043), rather than on a normative year. This value in use is determined by discounting estimated future cash flows per mine at rates between 7.55% and 12.00% (these rates being identical to those at December 31, 2019) and based on exchange rates as at June 30, 2020.

Future cash flows are determined using the contractually set prices for the fixed component of the backlog and, for the variable component, the market prices based on the forecast price curve prepared by Orano. The forecast price curve is also used for the portion of sales not yet covered by a contract. The price curve is based among other things on Orano's vision of changes in supply (uranium mines and secondary resources) and demand (reflecting the consumption of the global fleet of nuclear power plants over the length of the curve and the purchasing policy of the relevant utilities).

The value in use determined in this manner is greater than the net carrying amount, and therefore does not result in any impairment of goodwill.

The test remains sensitive to discount rates, to foreign exchange parity and to the anticipated future prices of uranium. The value in use of the assets of the Mining group of CGUs would fall by the amounts below if any of the following assumptions were used:

- a discount rate of 50 basis points higher: €97 million;
- a euro/US dollar exchange rate 5 eurocents higher (i.e. 1.17 instead of 1.12): €206 million;
- sales price assumption US$5 per pound of uranium below Orano's projected price curves over the entire period of the business plans: €299 million.

On this point, the sensitivity analysis was carried out without taking into account a revision of economically mineable uranium quantities or production schedules resulting from this price change.

Taken individually or on a cumulative basis, deterioration of this nature would not result in the impairment of the goodwill allocated to the Mining group of CGUs.

Back End

In the Back End segment, goodwill was carried by the Recycling BU in the amount of €172 million, the Logistics BU in the amount of €41 million and the DS BU in the amount of €15 million.

The impairment tests performed as at June 30, 2020 on the CGUs related to the operations of the Recycling BU and the DS BU did not result in the recognition of any goodwill impairment.
The value in use is determined by discounting estimated future cash flows at rates of 7.45% (compared to 6.80% as of December 31, 2019) for the Recycling BU and between 6.20% and 7.60% (compared to 6.05%-7.75% as of December 31, 2019) for the DS BU.

Sensitivity analyses show that the use of a discount rate 50 basis points higher or a growth rate for the standard year 1 percentage point lower than the above-mentioned rates would not have led to the recognition of impairment on goodwill.

NOTE 9 - PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

NET INTANGIBLE ASSETS

(in millions of euros)	**December 31, 2019**	Increase	Disposal	Net increase in depreciation/impairment (*)	Currency translation adjustments	Other changes	**June 30, 2020**
Pre-mining expenses	786	9	-	(23)	(33)	9	**747**
R&D expenses	-	-	-	-	-	-	**-**
Mineral rights	-	-	-	-	-	-	**-**
Concessions & brevets	311	-	-	(4)	-	-	**307**
Software	34	-	-	(3)	-	2	**34**
Other	55	-	-	(8)	-	-	**48**
In progress	61	7	-	-	(3)	(8)	**57**
Total	**1,247**	**15**	**-**	**(37)**	**(35)**	**4**	**1,193**

(*) No impairment was recognized in the first half

NET PROPERTY, PLANT AND EQUIPMENT

(in millions of euros)	**December 31, 2019**	Increase	Disposal	Net increase in depreciation/impairment (*)	Currency translation adjustments	Other changes (**)	**June 30, 2020**
Land	73	-	(1)	-	(2)	-	**71**
Buildings	914	1	-	(20)	(7)	1	**889**
Plant, equipment and tooling	5,284	7	-	(149)	(22)	33	**5,153**
End-of-lifecycle assets	579	-	-	(9)	-	(201)	**368**
Other	291	1	-	(14)	(3)	14	**289**
In progress	1,239	195	(12)	64	(1)	(69)	**1,416**
Total	**8,380**	**205**	**(13)**	**(129)**	**(35)**	**(222)**	**8,186**

(*) Including €64 million in reversals of impairment losses
(**) Including (€203) million linked to the increase in the discount rate net of end-of-lifecycle provisions (see Note 11)

MINING ASSETS

The property, plant and equipment and intangible assets of the mining and industrial sites (constituting the CGUs of the Mining segment) were subjected to an impairment test as of June 30, 2020 (pursuant to the principles stated in Note 1.3.7.5) in view of the shutdown of some mines. The tests did not result in the recognition of any impairment as of June 30, 2020.

INDUSTRIAL ASSETS OF THE CONVERSION CGU

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

The value in use of property, plant and equipment was estimated as of June 30, 2020, using a discount rate of 7.1% (identical to December 31, 2019), a euro-US dollar exchange rate of 1.12 corresponding to the rate as of June 30, 2020 (unchanged from December 31, 2019) and sales price assumptions for the conversion units resulting from Orano's analysis of expected medium- and long-term supply and demand trends. Assumptions in respect of the construction of revised price curves have prompted Orano to consider that prices will be determined in euros from 2030.
A test was performed on the industrial assets of the conversion as of June 30, 2020 in view of the sensitivity of their values to operating assumptions. This value testing resulted in the recognition of a reversal of impairment of €70 million. The net carrying amount of the industrial assets was thus €495 million.

Moreover, the test result is sensitive to the discount rate, long-term conversion price expectations and the euro/US dollar exchange rate. The value in use of the industrial assets of the Conversion CGU would fall by the following amounts if any of the following assumptions were used:

- a discount rate 50 basis points higher (i.e. 7.6% instead of 7.1%): €27 million
- sales price assumptions per kilogram of converted uranium 1 euro below Orano's projected price curves: €82 million
- a euro/US dollar exchange rate 5 eurocents higher (i.e. 1.17 instead of 1.12): €17 million

Any variation in these assumptions would imply additional loss of value.

NOTE 10 - LEASES

RIGHT OF USE – LEASES

(in millions of euros)	**December 31, 2019**	Increase/New leases	Reduction/withdrawal from leases	Net increase in depreciation	Other changes	Currency translation adjustments	**June 30, 2020**
Property assets	63	5	0	(7)	0	(0)	**60**
Other assets	15	4	0	(4)	0	(0)	**15**
Total	**77**	**9**	**0**	**(11)**	**0**	**(0)**	**75**

NOTE 11 - END-OF-LIFECYCLE OPERATIONS

PROVISIONS FOR END-OF-LIFECYCLE OPERATIONS

(in millions of euros)	**December 31, 2019**	**Reversal (when risk has materialized)**	**Accretion**	**Change in assumptions, revised budgets, etc.**	**June 30, 2020**
Provisions for dismantling	5,069	(62)	94	(244)	**4,858**
Provisions for waste retrieval and packaging	1,182	(36)	21	(29)	**1,137**
Provisions for long-term waste management and site monitoring	1,438	(10)	27	(99)	**1,356**
Provisions for end-of-lifecycle operations (regulated*)	**7,689**	**(108)**	**142**	**(372)**	**7,351**
Provisions for end-of-lifecycle operations (non-regulated*)	322	(3)	6	(15)	**309**
Total provisions for end-of-lifecycle operations	**8,010**	**(111)**	**148**	**(387)**	**7,660**

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

As of June 30, 2020, used provisions in the amount of €111 million reflect the expenses relating to end-of-lifecycle operations incurred by the group in the first half of the year.

Changes in assumptions, revisions of estimates and other variations in the amount of (€387) million include:

- the effects of the change in the net discount rate of (€382) million (of which (€367) million within the regulated scope) being offset by own share of end-of-lifecycle assets of (€198) million, third party share of end-of-lifecycle assets of (€2) million, the underlying asset of (€5) million and financial income of €177 million;
- changes in estimates in the positive amount of €3 million;
- expenditure on works carried out on facilities financed by third parties in the amount of (€7) million.

Discount rate

As of June 30, 2020, Orano applied a long-term inflation assumption of 1.20% and a discount rate of 3.70% (1.40% and 3.70% respectively as of December 31, 2019).

At June 30, 2020, the use of a discount rate 10 basis points higher or lower than that used would have the effect of changing the closing balance of provisions for end-of-lifecycle operations by negative €145 million with a rate of 3.80% or positive €150 million with a rate of 3.60%.

The Decree of July 1, 2020 amending the Decree of March 21, 2007, regarding the securing of financing for nuclear costs, introduced a change in the methodology for determining the ceiling of the discount rate. This ceiling is now expressed as a net long-term discount rate of a value equal to the ultimate forward rate published by the European Insurance and Occupational Pensions Authority, plus one hundred and fifty basis points. During the transition period from 2020 to 2023, the value of the ceiling to be used will be equal to an average between 2.3% and the new ceiling rate, depending on the weightings to be applied to the new ceiling rate which are 50%, 75%, 87.5% and 92.75% in 2020, 2021, 2022 and 2023 respectively.

END-OF-LIFECYCLE ASSETS

End-of-lifecycle assets include two items:

- The group's share of end-of-lifecycle assets is classified under property, plant and equipment in the statement of financial position (see Note 9);
- Third-parties' share of end-of-lifecycle assets (described in this Note) corresponds to the financing expected from third parties contributing to the dismantling of certain facilities or equipment which Orano is legally or contractually obliged to dismantle.

(in millions of euros)	**Net carrying amount at December 31, 2019**	**Decrease from period expense**	**Accretion**	**Change in assumptions, revised budgets, etc.**	**Net carrying amount as of June 30, 2020**
End-of-lifecycle assets – third party share (regulated*)	120	(7)	2	(2)	112
End-of-lifecycle assets – third party share (non-regulated*)	1			3	4
Total third-party share of assets	**121**	**(7)**	**2**	**(1)**	**116**

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

FINANCIAL ASSETS EARMARKED FOR END-OF-LIFECYCLE OPERATIONS

(in millions of euros)	**June 30, 2020**		**December 31, 2019**	
	Net carrying amount	Market value	Net carrying amount	Market value
Portfolio of earmarked securities	7,038	7,216	7,408	7,582
Receivables related to end-of-lifecycle operations	63	63	63	63
Total financial assets earmarked for end-of-lifecycle operations	**7,101**	**7,279**	**7,471**	**7,645**
Of which earmarked assets (regulated*)	7,038	7,216	7,408	7,582
Of which earmarked assets (non-regulated*)	63	63	63	63

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

Receivables related to end-of-lifecycle operations mainly reflect two claims, one on the CEA and the other on EDF, resulting from the over-funding of Andra assumed by Orano between 1983 and 1999 (payment by Orano of contributions divided between nuclear operators above its share).

As of June 30, 2020, for the end-of-lifecycle obligations falling within the scope of Articles L. 594-1 et seq. of the French Environmental Code, the legal entities comprising Orano had earmarked assets representing 99.7% of end-of-lifecycle liabilities (100.2% at December 31, 2019). This coverage ratio is determined as follows:

(in millions of euros)	**June 30, 2020**	**December 31, 2019**
Provisions for end-of-lifecycle operations (regulated*)	**7,351**	**7,689**
Third party assets (regulated*)	112	120
Earmarked assets at market value (regulated*)	7,216	7,582
Earmarked for end-of-lifecycle operations (regulated*)	**7,328**	**7,702**
(Deficit)/Surplus of earmarked assets (regulated*)	(24)	14
Coverage ratio (regulated*)	**99.7%**	**100.2%**

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

NOTE 12 - INFORMATION ON JOINT VENTURES AND ASSOCIATES

SHARE IN NET INCOME OF JOINT VENTURES AND ASSOCIATES

(in millions of euros)	**H1 2020**	**H1 2019**
Cominak	4	(2)
ETC	2	8
SI-nerGIE	(1)	(0)
Other joint ventures	(0)	(0)
Total	**5**	**7**

INVESTMENTS IN JOINT VENTURES AND ASSOCIATES

(in millions of euros)	**June 30, 2020**	**December 31, 2019**
Total	**5**	**4**

SHARE IN NEGATIVE NET EQUITY OF JOINT VENTURES AND ASSOCIATES

(in millions of euros)	**June 30, 2020**	**December 31, 2019**
Cominak	40	45
ETC	25	23
SI-nerGIE	1	1
Other joint ventures	-	-
Total	**66**	**69**

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

Other non-current assets

(in millions of euros)	**June 30, 2020**	**December 31, 2019**
Derivatives on financing activities	40	29
Other assets	80	77
Total	**120**	**106**

Other assets include inventories of uranium and deposits to finance future expenditure for the redevelopment of mining sites internationally in the amount of €53 million as of June 30, 2020 (€52 million as of December 31, 2019).

Other current financial assets

(in millions of euros)	**June 30, 2020**	**December 31, 2019**
Derivatives on financing activities	5	2
Cash management financial assets	349	439
Other financial assets	23	7
Total	**376**	**448**

NOTE 14 - CASH AND CASH EQUIVALENTS

(in millions of euros)	June 30, 2020	December 31, 2019
Cash and cash equivalents	994	941
Cash equivalents	498	551
Net amount	**1,492**	**1,492**

At June 30, 2020, cash and cash equivalents included cash and cash equivalents not immediately available to the group amounted to €266 million (€270 million at December 31, 2019), chiefly reflecting regulatory restrictions in the amount of €73 million and legal restrictions in international markets in the amount of €194 million.

NOTE 15 - EQUITY

Capital

At December 31, 2018, Orano's share capital broke down as follows:

	June 30, 2020	December 31, 2019
French State	50% + 1 share	50% + 1 share
AREVA SA	20%	20%
Natixis (*)	10%	10%
Caisse des Dépôts (*)	10%	10%
CEA	1 share	1 share
MHI	5%	5%
JNFL	5%	5%
Total	**100%**	**100%**

(*) Under a trust agreement and as security on behalf of certain AREVA SA lenders, AREVA SA transferred 10% of the capital of Orano SA to Caisse des Dépôts and 10% of the capital of Orano SA to Natixis. Pursuant to the shareholders' agreement, it was nevertheless agreed that the voting rights held by Caisse des Dépôts and Natixis will be exercised exclusively in accordance with the instructions given by AREVA SA, pursuant to the provisions of the agreement.

NOTE 16 - EMPLOYEE BENEFITS

The discount rate used to value commitments as of June 30, 2020 was 0.75% for the euro zone (0.6% as of December 31, 2019) and 2.10% for the US zone (compared with 2.6% as of December 31, 2019).

NET AMOUNT RECOGNIZED

As of June 30, 2020 *(in millions of euros)*	**Medical expenses and accident/disability insurance**	**Retirement benefits**	**Job-related awards**	**Early retirement benefits**	**Supplemental retirement benefits**	**Total**
Defined benefit obligation	98	341	8	690	44	**1,180**
Fair value of plan assets	-	1	-	33	37	**71**
Total defined benefit obligation	**98**	**340**	**8**	**656**	**7**	**1,109**

CHANGE IN THE DEFINED BENEFIT OBLIGATION

(in millions of euros)	**Medical expenses and accident/disability insurance**	**Retirement benefits**	**Job- related awards**	**Early retirement benefits**	**Supplemental retirement benefits**	**Total**
Defined benefit obligation As of December 31, 2019	**101**	**349**	**8**	**719**	**46**	**1,224**
Current service cost	1	8		9		**18**
Past service costs (including plan changes and reductions)	-	-	-	-	-	**-**
Disposals/Liquidation/Plan reductions	-	-	-	-	-	**-**
Discount cost	-	1	-	2	-	**3**
Benefits paid during the year	(1)	(10)		(32)	(1)	**(44)**
Employee contributions	-	-	-	-	-	**-**
Mergers, acquisitions, transfers	-	-	-	-	-	**-**
Plan transfer	-	-	-	-	-	**-**
Actuarial difference	(3)	(8)		(9)	(1)	**(21)**
Currency translation adjustments	-	-	-	-	-	**-**
Defined benefit obligation as of June 30, 2020	**98**	**341**	**8**	**689**	**44**	**1,180**

NOTE 17 - OTHER PROVISIONS

(in millions of euros)	**December 31, 2019**	Charges	Reversal (when risk has materialized)	Reversal (when risk has not materialized)	Other changes *	**June 30, 2020**
Mining site redevelopment and decommissioning of treatment facilities	313	1	(4)	-	(14)	**296**
Other non-current provisions	3	-	-	-	-	**3**
Other non-current provisions	**316**	**1**	**(4)**	**-**	**(14)**	**299**
Restructuring and layoff plans	3	-	-	-	(2)	**1**
Provisions for onerous contracts	150	57	(8)	(1)	-	**199**
Accrued costs	1,520	51	(27)	(1)	(32)	**1,511**
Other current provisions	330	4	(1)	(3)	(6)	**325**
Current provisions	**2,003**	**113**	**(35)**	**(5)**	**(41)**	**2,035**
Total provisions	**2,319**	**114**	**(39)**	**(5)**	**(54)**	**2,335**

**Including €31 million in accretion and change in discount and inflation rates*

PROVISIONS FOR ONEROUS CONTRACTS

Provisions for onerous contracts mainly concern the Front End segment. For the conversion business, the backlog of orders over the year resulted in reversals of provisions in the amount of €5 million. In addition, the updating of the indices and production cost assumptions for the conversion business resulted in an allowance of €57 million.

PROVISIONS FOR CONTRACT COMPLETION

The main allowances for the financial year relate to the waste and discharges generated by operations, as well as storage costs, particularly in the Back End.

Reversals of provisions mainly cover the treatment of waste that has been processed and sent to the dedicated storage sites operated by Andra.

Discount rate

As of June 30, 2020, Orano applied a long-term inflation assumption of 1.20% and a discount rate of between 3.22% and 3.46%.

As of June 30, 2020, the use of a discount rate 10 basis points higher or lower than that used would have the effect of changing the closing balance of provisions for contract completion by a negative or positive €24 million.

OTHER CURRENT PROVISIONS

As of June 30, 2020, other current provisions include:

- provisions for disputes;
- provisions for customer guarantees;
- provisions for ongoing cleanup;
- provisions for the restoration of leased assets;
- provisions for contingencies;
- provisions for charges.

NOTE 18 - FINANCIAL LIABILITIES

(in millions of euros)	Non-current liabilities	Current liabilities	**June 30, 2020**	**December 31, 2019**
Bond issues (*)	2,478	1,122	**3,600**	3,743
Accrued interest not yet due on bond debt and financial derivatives		51	**51**	62
Bank borrowings	5	-	**5**	5
Interest-bearing advances	225	-	**225**	157
Short-term bank facilities and current (**) accounts in credit	-	77	**77**	72
Financial derivatives	7	72	**79**	77
Miscellaneous debt	1	36	**37**	36
Total	**2,717**	**1,358**	**4,075**	**4,153**

(*) after management of the interest rate risk
(**) including a financial current account credit balance for the ETC joint venture in the amount of €53 million

CHANGE IN FINANCIAL LIABILITIES

(in millions of euros)	
Value as of December 31, 2019	**4,153**
Cash flows	(167)
Non-cash flows:	
accrued interest not yet due on borrowings	44
Currency translation adjustments	(34)
Reclassification	55
Other changes	24
Value as of June 30, 2020	**4,075**

The reclassification as financial liabilities is due to the portion of a prepayment received from a customer that was initially expected to be repaid in the form of the delivery of materials but which will instead be completed in cash pursuant to an agreement signed during the first half of 2020.

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

(in millions of euros)	
Cash flows on borrowings	**(167)**
Interest paid	57
Financial instruments – Assets	(15)
Short-term bank facilities and current accounts in credit	(7)
Cash flows of borrowings included in net cash flows from financing activities	**(132)**

BOND DEBT

Issue date	**Balance sheet value** *(in millions of euros)*	Currency	Nominal amount *(in millions of currency units)*	Nominal rate	Term
sept-23-09	767	EUR	750	4.875%	September 2024
Sept-22-10	718	EUR	715	3.50%	March 2021
Apr-04-12	200	EUR	200	TEC10 + 2.125%	March 2022
Sept-04-13	404	EUR	402	3.25%	September 2020
Mar-20-14	770	EUR	750	3.125%	March 2023
Apr-23-19	741	EUR	750	3.375%	April 2026
Total	**3,600**				

The fair value of this bond debt was €3,654 million as of June 30, 2020.

NOTE 19 - ADDITIONAL INFORMATION ON FINANCIAL INSTRUMENTS

FINANCIAL ASSETS AND LIABILITIES BY CATEGORY

June 30, 2020

Assets

(in millions of euros)	Balance sheet value	Non-financial assets	Assets at amortized cost	Assets at fair value through profit or loss	Fair value of financial assets
Non-current assets	**7,221**	**37**	**556**	**6,628**	**7,361**
Financial assets earmarked for end-of- lifecycle operations	7,101		521 (*)	6,581	7,279
Other non-current assets	120	37	35	47	82
Current assets	**3,278**	**552**	**2,260**	**466**	**2,726**
Trade accounts receivable and related accounts	729		729		729
Other operating receivables	636	508	88	40	128
Other non-operating receivables	44	44	1		1
Other current financial assets	376		23	353	376
Cash and cash equivalents	1,492		1,419	73	1,492
Total assets	**10,499**	**589**	**2,816**	**7,094**	**10,088**

(*) of which €458 million in held-to-maturity investment funds with a fair value of €635 million.

Breakdown of assets recognized at fair value by valuation technique

(in millions of euros)	**Level 1** Listed prices, unadjusted	**Level 2** Observable inputs	**Level 3** Non-observable inputs	**Total**
Non-current assets	**6,484**	**772**	**7**	**7,263**
Financial assets earmarked for end-of- lifecycle operations	6,484	732		7,216
Other non-current financial assets		40	7	47
Current assets	**422**	**45**	**-**	**466**
Other operating receivables		40		40
Other current financial assets	349	5		353
Cash and cash equivalents	73			73
Total assets	**6,905**	**817**	**7**	**7,729**

Liabilities and equity

(in millions of euros)	Balance sheet value	Non-financial liabilities	Liabilities at amortized cost	Liabilities at fair value through profit or loss (*)	Fair value of financial liabilities
Non-current liabilities	**2,778**		**2,771**	**7**	**2,828**
Non-current financial liabilities	2,717		2,710	7	2,767
Non-current lease liabilities	62		62		62
Current liabilities	**3,175**	**261**	**2,801**	**112**	**2,918**
Current financial liabilities	1,358		1,286	72	1,362
Current lease liabilities	21		21		21
Trade accounts payable and related accounts	844		844		844
Other operating liabilities	943	260	642	41	683
Other non-operating liabilities	9	1	8		8
Total liabilities	**5,953**	**261**	**5,573**	**119**	**5,746**

(*) Level 2

December 31, 2019

Assets

(in millions of euros)	Balance sheet value	Non-financial assets	Assets at amortized cost	Assets at fair value through profit or loss	Fair value of financial assets
Non-current assets	**7,577**	**37**	**690**	**6,850**	**7,714**
Financial assets earmarked for end-of- lifecycle operations	7,471		657 (*)	6,815	7,646
Other non-current assets	106	37	33	35	68
Current assets	**3,120**	**490**	**2,092**	**538**	**2,630**
Trade accounts receivable and related accounts	617		617		617
Other operating receivables	518	446	51	21	72
Other non-operating receivables	45	44	1		1
Other current financial assets	448		7	441	448
Cash and cash equivalents	1,492		1,416	76	1,492
Total assets	**10,697**	**527**	**2,782**	**7,388**	**10,345**

(*) of which €457 million in held-to-maturity investment funds with a fair value of €632 million.

Breakdown of assets recognized at fair value by valuation technique

(in millions of euros)	**Level 1** Listed prices, unadjusted	**Level 2** Observable inputs	**Level 3** Non-observable inputs	**Total**
Non-current assets	**6,669**	**806**	**7**	**7,482**
Financial assets earmarked for end-of-lifecycle operations	6,669	778	-	7,446
Other non-current financial assets		29	7	35
Current assets	**515**	**23**	**-**	**538**
Other operating receivables	-	21	-	21
Other current financial assets	439	2	-	441
Cash and cash equivalents	76	-	-	76
Total assets	**7,184**	**830**	**7**	**8,020**

Liabilities and equity

(in millions of euros)	Balance sheet value	Non-financial liabilities	Liabilities at amortized cost	Liabilities at fair value through profit or loss (*)	Fair value of financial liabilities
Non-current liabilities	**3,468**		**3,462**	**6**	**3,694**
Non-current financial liabilities	3,407		3,401	6	3,633
Non-current lease liabilities	62		62		62
Current liabilities	**2,555**	**248**	**2,203**	**104**	**2,307**
Current financial liabilities	746		675	71	746
Current lease liabilities	20		20		20
Trade accounts payable and related accounts	842		842		842
Other operating liabilities	940	247	660	33	693
Other non-operating liabilities	6	1	5		5
Total liabilities	**6,023**	**248**	**5,665**	**110**	**6,001**

(*) Level 2

NOTE 20 - RELATED PARTY TRANSACTIONS

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

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

The nature of related party transactions has not changed significantly since December 31, 2019.

NOTE 21 - COMMITMENTS GIVEN AND RECEIVED

(in millions of euros)	June 30, 2020	December 31, 2019
COMMITMENTS GIVEN	**398**	**491**
Operating commitments given	362	429
• *Contract guarantees given*	*339*	*376*
• *Other operating guarantees*	*23*	*53*
Commitments given on financing	25	49
Other commitments given	11	13
COMMITMENTS RECEIVED	**90**	**97**
Operating commitments received	87	97
Commitments received on collateral	-	-
Other commitments received	2	-
RECIPROCAL COMMITMENTS	**1,283**	**1,378**

NOTE 22 - DISPUTES AND CONTINGENT LIABILITIES

Orano may be party to certain regulatory, judicial or arbitration proceedings in the normal course of business. The group is also the subject of certain claims, lawsuits or regulatory proceedings outside the ordinary course of business, the most significant of which are summarized below.

URAMIN CASE

In June 2018, Orano SA and Orano Mining entered into the "acquisition" part of the judicial investigation in the Uramin case. AREVA SA, the former holding company of the AREVA group, filed a civil suit as part of this investigation following a "notice to victim" received from the investigating magistrate in charge of the case in 2015. The Orano group intends to defend its interests through Orano SA and Orano Mining. The judicial investigation is still in progress and no date concerning a possible judgment has been put forward to date.

INVESTIGATIONS

The company has been aware since November 28, 2017 of a preliminary investigation opened by the French National Financial Prosecutor's Office in late July 2015 concerning a uranium trading transaction performed in 2011, and since August 27, 2018 of an investigation into the circumstances surrounding the granting of mining licenses in Mongolia. Orano is collaborating with the judicial authorities as part of these judicial proceedings. No entity of the Orano group is currently implicated.

LIBERATION OF THE ARLIT HOSTAGES

On October 6, 2016, the manager of a protection services company sued AREVA SA and Orano Cycle SA before the Nanterre Tribunal de Grande Instance to obtain payment of a success fee that he claims to be due for services he claims to have rendered to the Orano group in Niger between September 2010 and October 2013. Along with that proceeding, the parties to the suit tried to settle under court-appointed mediation. Despite the efforts of AREVA and Orano to find a compromise, this was without result. The trial on the merits will thus resume in 2020. Even if the court should not accept the Orano group's position, the financial impact would be limited, though it could entail other, indirect consequences, such as in the media.

APPEALS AGAINST CERTAIN ADMINISTRATIVE DECISION CONCERNING THE ACTIVITIES OF THE ORANO GROUP

The activities of the Orano group require the receipt of various authorizations or administrative decisions (such as prefectural orders, building permits, etc.). These decisions are sometimes challenged, in France and on the part of NGOs, which in certain cases can have an impact on the timetable for carrying out the relevant activities.

Moreover, since the group includes a great many entities located in other countries, it is regularly audited by the tax authorities. Several audits and tax-related proceedings or disputes have been initiated or are currently being conducted by those authorities or in the courts, but none are expected to give rise to or has given rise to material tax expense that could have a significant impact on the financial statements as the group considers that it has sound means of defense and that it employs the legal procedures available to it to prevent any unfavorable outcome.

NOTE 23 - BACKLOG

As of June 30, 2020, Orano's backlog amounted to €28.9 billion.

NOTE 24 - SUBSEQUENT EVENTS

The Decree of July 1, 2020 confirmed the change in the methodology for determining the ceiling discount rate for end-of-lifecycle obligations (see Note 11).