15 March 2024, Astana

OPERATING AND FINANCIAL REVIEW FOR 2023

This Operating and Financial Review is intended to assist with the understanding and assessment of trends and significant changes related to the operations and financial position of NAC Kazatomprom JSC ("the Company", "Kazatomprom" or "KAP").

In this document, "the Group" refers to the Company and its consolidated subsidiaries, i.e. companies that the Group controls by having (i) the power to direct their relevant activities that significantly affect their returns, (ii) exposure, or rights, to variable returns from its involvement with these entities, and (iii) the ability to use its power over these entities to affect the amount of the Group's returns. The existence and effect of substantive rights, including substantive potential voting rights, are considered when assessing whether the Group has power over another entity.

The Group, with its associates and joint ventures ("JVs"), are collectively referred to as "the Holding".

This review is based on the consolidated financial statements of the Group the year ended 31 December 2023 ("Financial Statements"), in each case without material adjustment, unless otherwise stated. It should be read in conjunction with those statements and the accompanying notes, in addition to the Kazatomprom 4Q23 Operations and Trading Update, and other Company reports. All financial data and discussions thereof are based upon audited Consolidated Financial Statements prepared in accordance with the International Financial Reporting Standards ("IFRS"), unless otherwise indicated.

The functional currency of Kazatomprom is the national currency of Kazakhstan, the Kazakhstani Tenge ("KZT"). All references to pounds ("lb") herein are referring to pounds of uranium oxide (U_3O_8). References to dollars are referring to the United States dollar ("USD").

Additional information about the Group and its businesses and operations is available in regularly published documents submitted to the Regulatory News Service of the London Stock Exchange ("LSE"), on the Astana International Exchange ("AIX") and on Kazatomprom's corporate website (www.kazatomprom.kz).

This document contains forward-looking information ("FLI"). For more information regarding the risks and assumptions associated with FLI, see the Risks and FLI section at the end of the document.

TABLE OF CONTENTS

1.0 CORPORATE OVERVIEW

Kazatomprom is the world's largest producer of natural uranium, with priority access to one of the world's largest uranium resource bases. According to UxC, LLC ("UxC") data, the Company's attributable uranium production in 2023 for approximately 20% of the total global primary uranium supply. The Holding, which includes all uranium production from Kazakhstan, accounts for about 39% of the global uranium production volume in 2023.

As the National Atomic Company of the Republic of Kazakhstan, Kazatomprom holds the status of a national operator for the export and import of uranium and its compounds, nuclear power plant fuel, special equipment, and technologies. In 2023, approximately 28,600 tonnes of the world's annual uranium production were extracted using the in-situ recovery method ("ISR"), of which about 73% was carried out from the Holding's mines in Kazakhstan.

The Holding operates 14 mining assets with 26 uranium deposits/blocks ("deposits"), all of which are located in Kazakhstan and mined using the ISR mining method, including:

- Two uranium producing subsidiaries, wholly-owned by Kazatomprom (100% share ownership), operating on five uranium deposits/blocks;
- Twelve uranium producing companies, partly owned by Kazatomprom (based on equity shareholding), operating on 21 uranium deposits/blocks.

At 31 December 2023, the Group's attributable Proved and Probable Ore Reserves totalled 300.9 thousand tonnes of Uranium Metal Content Equivalent ("UME"). Attributable Measured and Indicated Mineral Resources (inclusive of the Mineral Resources categorized as Ore Reserves) totalled 508.9 thousand tonnes of UME. Each category is reported in accordance with the terms and definitions of the Joint Ore Reserves Committee ("JORC") Code. Please see the Competent Person's Report ("CPR") for further details, available in the Investor section of the Company's website. An update letter from the independent consultant on the Mineral Resource and Ore Reserve statements valid as at 31 December 2023 has also been published and is now available on the Company's website.

As was previously disclosed by the Company, on 20 January 2023 the Ministry of Energy of the Republic of Kazakhstan granted an extension of uranium mining contracts and signed corresponding addendums with the Company's two wholly-owned (100% share ownership) subsidiaries:

- Kazatomprom-SaUran LLP for Kanzhugan and Eastern Mynkuduk deposits. The addendums provide extension of subsoil use rights period at Kanzhugan deposit until 2047 and at Eastern Mynkuduk deposit until 2027;
- RU-6 LLP for Northern Karamurun and Southern Karamurun deposits. The addendum to the contract provides extension of subsoil use rights period at these two mines until 2040.

In early August 2022, JV Katco LLP (a joint venture entity in which the Group holds a 49% ownership interest) was issued a license from the Ministry to mine the South Tortkuduk block of the Moinkum uranium deposit. On December 31, 2022, JV Katco LLP signed the addendum to the Subsoil Use Agreement with the Ministry of Energy of the Republic of Kazakhstan, which envisions an update of the mining schedule with an anticipated return to a production level of 4,000 tonnes of uranium per year not earlier than 2026.

On 11 August 2022 participants of JV Katco LLP signed amendment to the Partnership Agreement on further development of the entity, under which the Group became entitled to the one-time compensation in the amount of KZT 7,671 million from the second participant, which was recognized as income in 2022. According to the amendment, the Group is also entitled to an additional 11% from distributable annual profit starting from 2022 with the Company's ownership interest of 49% remaining unchanged.

In 2021, JV Budenovskoye LLP (a joint venture entity in which the Group has a 51% interest) obtained an amendment for the right to commence commercial production under JV Budenovskoye LLP's Subsoil Use Agreement for the blocks 6 and 7. The 25-year plan (2021-2045) provides for the future development of Budenovskoye blocks 6 and 7 after the completion of its ongoing pilot production program, with a commercial ramp-up of up to 2,500 tU beginning no earlier than 2024, and the potential for maximum annual production capacity of up to 6,000 tU no earlier than 2026. In 2023, as part of preparation for pilot uranium mining at sites 6 and 7 of the Budenovskoye deposit the activities were carried out to prepare uranium reserves for mining and pilot production began. The Group obtained control over JV Budenovskoye LLP from 1 January 2024 as a result of significant changes in charter documents that became effective from 1 January 2024. The Group's ownership interest remained 51%. The Group plans to complete the assessment of fair value for the business combination until the end of March 2024.

In October 2017, the Group obtained a Contract for uranium exploration at Zhalpak field for a period up to 31 May 2018. In May 2018, the Ministry of Energy of the Republic of Kazakhstan agreed to extend the exploration period under the Contract until 31 December 2022 for mineral resource assessment. However, the Project for Assessment Works was not approved by the Ministry of Energy of the Republic of Kazakhstan, therefore the pilot production stopped in April 2020. The volume of unauthorised uranium at the Zhalpak field for the period from June 2018 to April 2020 amounted to 162.45 tonnes. On 15 August 2023 MC Ortalyk LLP paid a compensation for the uranium mined without license in the amount of KZT 11,404 million including exchange rate difference at the date of payment. In relation to this payment the Company also has accrued a provision for payment of compensation to the second participant of MC Ortalyk LLP in the amount of KZT 4,679 million due to the potential possibility of paying compensation, depending on the applicability of certain conditions of the Sale and Purchase Agreement for a 49% share in the MC Ortalyk LLP, dated 2021.

Kazatomprom's core business is the mining and marketing of natural uranium products. In addition, the Group is also present in other stages of the front-end nuclear fuel cycle, including the production of ceramic uranium dioxide (UO_2) powder and fuel pellets for fuel assemblies used for nuclear power plants. The Group also has access to uranium enrichment services through a long-term contract for the supply of enriched uranium product (EUP) with JSC Uranium Enrichment Centre, part of Rosatom. In December 2022, a plant for the production of fuel assemblies (FA) "Ulba-FA" LLP which started operating in 2021, carried out the first delivery of nuclear fuel in the volume of one reload (a little over 30 tonnes of low-enriched Uranium) to China, where the products were accepted by the China General Nuclear Power Corporation-Uranium Resources Co. ("CGNPC-URC"). In 2023, Ulba-FA LLP plant successfully supplied four more batches of fuel assemblies (a little more than 130 tonnes of low-enriched uranium) to nuclear power plants in China; all supplied fuel assemblies were accepted by CGNPC-URC. In 2024, Ulba-FA plant plans to reach full production capacity (200 tonnes per year in terms of low-enriched uranium in fuel assemblies).

In addition to its uranium operations, the Group includes one subsidiary that is engaged in the processing of selected rare metals, primarily tantalum, niobium and beryllium.

The Group also includes subsidiaries that are primarily engaged in providing supporting services to the uranium segment, such as drilling, transportation, IT and security services.

1.1 Strategy, mission and vision

Kazatomprom's Mission is to develop its uranium deposits and their value chain components in order to create long-term value for all of its stakeholders, in accordance with the principles of Sustainable Development. The Vision of the Company is to become the partner of choice for the global nuclear fuel industry. The Company's 2018-2028 Development Strategy is to achieve continued growth and strengthen its position as the leading company in the uranium industry by focusing on:

- Uranium mining as the core business;
- Optimising production, processing and sales volumes based on market conditions;
- Creating value by enhancing the marketing function and expanding sales channels;
- Implementing best-practice business processes;
- Development of a corporate ethics culture that is commensurate with industry leader status.

The Company strives to be the first choice in the provision of uranium and related front-end services, focusing on reliability, technical excellence, outstanding Health, Safety and Environmental ("HSE") performance, and fair dealings with customers.

The Group's Mission highlights:

- **Sustainability –** the Group is committed to the best HSE practices and the management team is focused on continual improvement.
- **Uranium deposits and their value chain components** – the focus of the Group's commercial activities will remain where it has the most significant competitive advantage: uranium mining.
- **Long-term value creation** – The Group focuses on high-margin, cash generating operations with relatively modest requirements for further expansion capital in its uranium segment. The Group seeks to return substantial cash flows to its shareholders, whilst preserving a conservative financial position and comfortable leverage to best position itself to act on market and investment opportunities.

1.2 Update on geopolitical events

Amid the current global geopolitical situation, sanctions packages and lists of sanctioned goods, works and services were constantly updated throughout 2023.

The Company constantly works on the assessment and monitoring of sanctions risks and minimisation of potential consequences from their realization. Based on initial risk assessment and subsequent updates to sanctions packages and lists, the Company has developed an action plan to minimise possible negative impacts on the Company’s activities. This plan evolves upon identification of new risks and adapts to sanctions packages and lists updates in order to prevent adverse impacts on business.

To date, events in Ukraine have not affected the Group’s financial position. The majority of the Group's revenues are received in US dollars, and financing is also raised in US dollars, creating a natural hedging effect against currency risks. Accordingly, fluctuations in the exchange rate of the national currency do not have a significant impact on the Group’s financial results.

Due to active international sanctions processes against Russian banks, it is not advisable for the Group to engage in operations or interact with these banks and their subsidiaries. The Group took measures to redistribute available funds to banks that are not currently sanctioned.

The Group has a contract for uranium processing with Uranium Enrichment Center JSC (UEC), a resident of the Russian Federation. At the date of the financial statements, the Group expects that the provision of services under this contract will continue. Increased attention is being paid to this issue, and risks and plans associated with compliance with sanctions regimes are being analysed.

The Group exports goods through Russia, which creates risks associated with both transit through Russia and the delivery of goods by sea; logistics restrictions may also increase the cost of imports. The Group continuously monitors potential impact that sanctions may have on the ability to transport material. At the date of the Group's financial statements, there are no restrictions on the Group's activities related to the supply of the Group's products to end customers. Kazatomprom also has the permission to transit uranium along the Trans-Caspian International Transport Route (TITR), which the Company has successfully used since 2018 in order to mitigate the risk of the northern route being unavailable for any reason.

Late December, the U.S. House of Representatives passed H.R.1042, a legislative act prohibiting import of Russian enriched uranium products (EUP) starting from 2028. The ban, if passed, will start 90 days after enactment, with waivers available until 2028 in case of supply concerns among domestic nuclear reactors. The bipartisan bill is yet to be voted on by the U.S. Senate. If H.R.1042 passes, this will not have any effect on Kazatomprom, since Kazatomprom’s primary business is production of natural uranium. Whether shipped by Kazatomprom or its JV partners, Kazakh-origin uranium retains its origin until its arrival at a conversion facility.

As part of the ongoing risk assessment program, senior management analyses the impact of anti-Russian sanctions on the Group's activities. To date, the sanctions have not had a significant impact on the Group's operations, although the resulting market uncertainty caused by Russia’s invasion of Ukraine has resulted in significant volatility in the uranium spot price, domestic currency exchange rate and the Company's share price.

2.0 ENVIRONMENTAL, SOCIAL AND CORPORATE GOVERNANCE (ESG)

2.1 Industry ESG

The uranium mining industry is largely open pit mine-based and is therefore often perceived as an antagonist in the context of environmental sustainability. However, it is now being acknowledged as an essential part to climate change solution. Following the inclusion of nuclear power as a sustainable economic activity to the taxonomy of the European Union, investors and customers are increasingly recognizing the industry as a critical raw materials supplier needed for the global energy transition.

Inspired by such Global initiatives as the Paris Agreement, the annual Conference of the Parties to the UN Framework Convention on Climate Change (COP), the UN Global Compact, corporations and governments are now more willing to demonstrate their commitment to fiduciary obligations, including those ESG-related — from climate change issues to human rights due diligence and preventing social unrest.

Over the next decade, decisions made by uranium mining companies and the way they prepare themselves for the energy transition, given the increasing energy scarcity, will determine their resilience and create or abolish their competitive advantage in the global market. Companies need to find new ways to advance existing environmental, social and governance (ESG) frameworks, ensuring they are future-proofed for and resilient to economic realias of tomorrow. Integrating ESG into long-term business strategies as a tool to add value, rather than a discretionary cost that is frequently cut, will be critical for achieving this goal.

Requirements for ESG reporting are progressing every year. Recently published by The International Sustainability Standards Board (ISSB), IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 Climate-related Disclosures are set to become the basis for the harmonizing non-financial reporting around the world. In order to keep up with demands, companies need to not only allocate resources to train employees in non-financial reporting standards, but also take actions to foster environmental consciousness, promote sustainable development principles along the entire value chain.

In 2023, the International Sustainability Standards Board (ISSB) published the first two standards in the field of sustainable development, the Global Reporting Initiative (GRI) completed public discussions on a Sector Standard for Mining Industry. Companies in the industry continued to implement the requirements of non-financial reporting standards and obtain independent ESG scores.

2.2 ESG at Kazatomprom

As the largest global uranium mining company and industry leader, Kazatomprom recognizes its role in the development of society and its potential impact on the environment, population and people in the areas of presence. Therefore, sustainable development represents a crucial part of the Group's Development Strategy and by extension, ESG-related targets and objectives are integral to the Company's plans, including:

- Reducing the environmental impact of subsidiaries, associates and joint ventures;
- Environmental protection, including effective water and land resources management, ecosystem and biodiversity conservation, and the reduction of emissions;
- Ensuring resources are extracted in a way and at a rate that minimizes subsoil impact;
- Progress in production, energy and resource efficiency;
- Growth of socio-economic prosperity in the regions where the Company operates; and
- Facilitation of access to affordable, reliable, sustainable and modern energy sources, and enhancement of energy security.

Kazatomprom continuingly fosters and advances its management of sustainable development and integration of ESG principles in core business areas and processes. As part of the Corporate Policy on sustainable development, the Company is focused on nine key sustainable development areas, delineated based on an analysis of core ESG risks facing the business. Active engagement with stakeholders aims to define and prioritize the various ecological, social and government issues that are most impacted by the Company's activities.

Kazatomprom recognises and accepts responsibility in designing the foundations for a sustainable future and support the Global 2030 Sustainable Development agenda.

2.3 ESG updates in 2023

In 2023, the Company developed a Sustainable Development Program for 2023-2030 (the "Program"), approved by the Company's Board of Directors. The purpose of the document is to ensure the implementation of the Company's development strategy in accordance with the principles of sustainable development to ensure shareholder value growth and long-term value creation for all stakeholders. The Program contains key goals, objectives and specific targets for Kazatomprom until 2030, grouped into three components - ecology, social responsibility and corporate governance.

During the reporting period, in order to further enhance implementation of ESG principles and apply best global sustainable development practices, the Company implemented the activities from the 2023-2024 ESG Roadmap approved by the Company's Board of Directors.

As part of promoting environmental sustainability, the Radioactive Waste Management Program for 2023-2030 was approved at Kazatomprom defining the Group's medium-term unified policy and integrated approach in the field of radioactive waste management. In October 2023, the Board of Directors of Kazatomprom approved the Water Resources Management Strategy for 2023-2030. This strategic document emphasises the Company's commitment to the rational and careful use of water in the production processes and operations.

Along with the constant improvement of sustainable development practices, the Company's priority is to obtain independent ESG ratings and scores. In December 2023, based on the Corporate Sustainability Assessment questionnaire the international rating agency S&P Global Ratings rated Kazatomprom at the same level as last year. In 2023, Kazatomprom disclosed data on "Climate Change" for the first time as part of the CDP (Carbon Disclosure Project) climate score, receiving its first climate score at a level "B" ("management"). Such an assessment indicates the presence of environmental management that ensures proper management of the Company's environment impact. It should be noted that the average CDP score for the Asia region is "C" and "B-" for the metals smelting, refining & forming sector. Thus, the Company exceeded the average score for the industry and the region. This confirms Kazatomprom's efforts to reduce and prevent negative environmental impacts, through implementing its Decarbonisation Strategy aimed at achieving carbon neutrality by 2060.

Supporting global sustainable development agenda, in 2023, the Company prepared its first Progress Report to the UN Global Compact and joined the UN Global Compact SDG Ambition Program. The Company continued its work on improving non-financial information disclosure practices aimed at enhancing transparency. Since last year, information in Kazatomprom's integrated annual report is disclosed in accordance with SASB, GRI and TCFD standards.

2.4 Occupational health, fire and industrial safety

Health, safety, and environmental protection, including nuclear and radiation safety, are priorities for the Company. The Company is continuously improving the management system of its industrial HSE programs as it strives to a goal of zero injuries.

None of the Company's plans and objectives can be achieved without its most important resource: a team of over 20,000 dedicated employees. Kazatomprom ensures they have the skills, access to training and equipment needed to work safely. The Company's business culture is built on a foundation of personal and group responsibility where people are empowered to make safe choices, voice any safety concerns, and report both actual incidents and near misses, to ensure continual improvement. Kazatomprom's commitment to safety and well-being is demonstrated by its membership in the International Social Security Association's Vision Zero, initiative to reduce workplace injuries and promote comfortable and safe working conditions guided by the Vision Zero program's "Seven Golden Rules". These rules apply to all employees of the Company's entities and their contractors, with the main purpose of achieving the goal of zero injuries.

The Company conducts its production activities in compliance with both Kazakh and international requirements for labour protection and industrial safety, implementing comprehensive measures to prevent incidents and accidents. Health and safety management systems that meet international standards (ISO 45001) have been implemented and annually confirmed by external audit, and the Company carries out systematic work to improve the safety culture among employees and managers at all levels.

The measures undertaken in 2023 to enhance the focus on safety awareness helped to prevent significant industrial accidents (including uncontrolled explosions, releases of hazardous substances or destruction of buildings) at the KAP's enterprises. In 2023, the Company spent about KZT 12.47 billion (KZT 8.08 billion in 2022) on labour protection, fire and industrial safety programs. It is worth noting that 2023 amount includes the cost on fire safety in the amount of about KZT 1.3 billion.

The table below reflects the safety results of 2023 and 2022:

Indicator	2023	2022	Change
Industrial accidents[1]	–	–	-
LTIFR (per million man-hours)[2]	0.15	0.11	36%
Unsafe conditions, unsafe actions, near-miss reporting	36,145	36,913	(2%)
Number of accidents[3]	4	3	33%
Fatalities	–	1	(100%)

[1] Defined as uncontrolled explosions, emissions of dangerous substances, or destruction of buildings.
[2] Lost-Time Injury Frequency Rate (LTIFR) per million hours.
[3] Defined as impact on the employee of a harmful and (or) dangerous production factor in performance of his work (job) duties or tasks of the employer, which resulted in an industrial accident, sudden deterioration of health, or poisoning of the employee that led to temporary or persistent disability, or death.

During 2023, Kazatomprom continued taking active production safety measures, resulting in the prevention of major industrial accidents, including uncontrolled explosions, emissions of hazardous substances, building destructions, and fatal occupational injuries at the Company's operations.

Notwithstanding the continuing actions taken to improve workplace health and safety, four accidents were reported in 2023. The accidents included two slip-and-fall accidents and two cases of exposure to hazardous chemicals.

The Group continues to pay significant attention to constant improvement of HSE protocols. However, despite the comprehensive measures taken during the 2023, there were four accidents in which five employees were injured. These accidents include two cases of falling on a slippery surface and two cases of chemical burns, one of which involved two employees.

Following each accident, a thorough investigation was completed, the main causes were identified, preventative measures were developed and procedures were changed to prevent similar incidents in the future. The investigation results were reported to other Group entities to ensure all operations could learn from the event and adjust their processes accordingly. The Company will continue working to increase the involvement and awareness of employees in industrial safety.

As part of the ongoing work to improve the safety management system and implement the 2018-2028 Development Strategy, in 2023 the Company carried out the following activities:

- Activities as part of Samruk-Kazyna 2023 Health & Safety Action Plan were carried out;
- Fire and industrial safety months were held;
- Measures were taken to increase the involvement of the production departments in HSE issues, including: Master class “Incident Investigation” at the Company’s Corporate Center; training production personnel on the “Safe Work Culture” course with the involvement of the Company’s internal trainers;
- Improved HSE reporting processes;
- TUV Thuringen International Certification (Germany) recertified the integrated management system, which complies with the requirements of international standards ISO 45001 (occupational health and safety) and ISO 14001 (environmental management);
- The measures provided for by the road map of the Environmental and Social Action Plan (ESAP) aimed at increasing environmental and social stability in the regions of the Company’s operation, were implemented;
- An assessment was made of the level of freedom to express personal opinions (speak up culture) by the Company's employees by analyzing employee requests through internal communication channels, the practice of using STOP cards and conducting behavioral safety audits;
- Three full-scale training sessions on the prevention and response to emergency situations were conducted with the participation of formations of authorized state bodies in the field of civil protection;
- The building of the Company's Headquarters was audited for fire safety by a specialized accredited organization;
- “Maps of exposure of enterprises to natural and man-made emergencies” have been developed and approved;

- “Fire Safety Data Sheets” have been developed and approved for each facility of a subsidiary and affiliated company.

Respective activities will continue in 2024 as well:

- Implementation of the Action Plan of NAC Kazatomprom JSC to improve HSE for 2024;
- Monitoring the use of the Lock out/Tag out system (locking equipment with posting warning tags);
- Automation of occupational safety processes;
- Conducting training sessions on fire safety, civil defence and emergencies;
- Improving business processes through digitalization of the work permit system;
- Other activities to improve safety culture.

These measures are aimed at using proactive indicators, a risk-based approach in organizing the production process and improving the safety culture among the Group’s employees.

2.5 Environmental protection, nuclear and radiation safety

The main advantage of the uranium mining method using ISR (In-Situ Recovery) is its low environmental and radiation impact on the surrounding environment. Unlike uranium mining with underground and open-pit methods, ISR does not create tailings or significant tailing ponds. All Company facilities utilize ISR in uranium extraction, which minimizes the Group's impact on soil, atmosphere, and groundwater. Minimizing and mitigating the Company's impact is a central part of its business strategy, with a focus on continuous research, development, and implementation of new environmentally friendly technologies and processes. Kazatomprom is actively working on determining the baseline impact of its operations on local ecosystems and biodiversity, conducting extensive long-term research and specialized training courses on biodiversity assessment at uranium deposits for its employees.

Given the high importance of the issue of rational and economical use of water resources, in 2023 the Company developed Kazatomprom’s water resources management strategy and standard. The Company employs reliable systems for monitoring the environment and radiation safety at all of its uranium mines and production facilities (ISO 14001 compliant). In 2023 there were no environmental incidents although the Holding paid the fines for violations of environmental legislation, totalling KZT 22.2 million (UMP JSC, Semizbay-U LLP, RU-6 LLP, JV Katco LLP, Baiken-U LLP, JV Khorasan-U LLP (Kyzylkum LLP)) compared to KZT 1.65 billion in 2022 (Baiken-U LLP, Semizbay-U LLP, Kyzylkum LLP, RU-6 LLP, JV Inkai LLP, JV Katco LLP, SKZ-U LLP). Administrative fines were imposed by the authorized state body for violation of environmental standards and requirements, namely for land pollution due to spills of technological solutions and minor littering of the territory. However, the total limits allowed by the state bodies for the generation of waste, emissions, and discharges were not exceeded. The reasons behind all violations have been identified, promptly addressed, and efforts are currently underway to prevent similar occurrences in the future.

Radiation exposure and nuclear safety remained stable in 2023 with no exceedances or radiation accidents. All work was carried out in accordance with the requirements of regulatory legal acts and internal documentation on radiation and nuclear safety.

As part of the implementation within the ESAP Roadmap approved by the Board of Directors of Kazatomprom in September 2018, the following activities were fulfilled:

- Research of the environmental and social impacts of production facilities on the environment and the local population;
- Creation of an industry-wide system of environmental regulation and environmental monitoring of uranium mining enterprises.

At the same time, it is worth noting that the ESAP Program ended in 2023, however, all environmental activities will continue.

In 2023, Kazatomprom developed and implemented the following significant Group standards:

- ST NAK 17.8-2023 “System of standards in the field of nature conservation. Water Resources Management";
- ST NAK 17.7-2023 “System of standards in the field of nature conservation. Methodology for determining the environmental rating in subsidiaries, affiliated and jointly controlled organizations of NAC Kazatomprom JSC;

- ST NAK 17.2-2023 “System of standards in the field of nature conservation. Rules for managing production and consumption waste at the enterprises of NAC Kazatomprom JSC;
- ST NAK 5.3.4-2023 “Industrial safety standards system. Environmental protection. Management structure. Authority and responsibility in the environmental management system”.

Indicator*		2023	2022
Energy consumption	thousand GJ	3,971	3,910
The volume of waste	thousand tonnes	417.96	572.02
Expenses for carrying out measures to protect the environment	KZT mln	1,306	1,074

* Detailed ESG indicators will be disclosed in the Company’s integrated annual report.

In 2023, there was an increase in the consumption of electricity due to the commissioning of new equipment that allows saving thermal energy. The volume of waste increased per mined unit of production of uranium mining and processing enterprises in connection with the implementation of new investment projects.

In 2023, the total costs for environmental protection measures amounted to KZT 1,306 million (in 2022 – KZT 1,074 million). The increase in costs for environmental protection measures compared to 2022 is due to additional training of employees of subsidiaries and affiliates as part of the project on water resources management, and implementation of the Program of Comprehensive Environmental and Social Research of the impact of production activities, as well as the implementation of other significant environmental projects.

2.6 Human rights and fundamental freedoms

The Company understands that its responsibilities go beyond the workplace, which is why it supports the development and growth in Kazakh communities through the promotion of health and wellbeing across the regions in which it operates. Kazatomprom has funded children’s playgrounds, sports facilities, community centres and contributed to the redevelopment of the city of Turkistan, a historical and cultural jewel in Kazakhstan’s crown. The Company has also implemented real-time radiation monitoring in communities surrounding its extraction and processing facilities, ensuring an immediate response to any unusual conditions. Caring for employees and the wider community across the areas of operation will always remain a key aspect of Kazatomprom’s business.

Indicator*	2023		2022	
Headcount	m	f	m	f
	17 852	3 702	17,511	3,742
Composition of governing bodies and personnel, %	83%	17%	82%	18%
Share of employees covered by collective agreements, %	94%		99%	
Expenses for training, KZT million	2,746.7		1,898.9	
The ratio of the minimum wage among men and women	m / f 1:1		m / f 1:1	
Social stability index (SRS), %	74%		76%	
Transfers to the budget for the socio-economic development of the regions of presence, KZT mln.	2,263.8		2,625.0	

* Detailed ESG indicators will be disclosed in the Company’s integrated annual report.

The employment of women in the total number of employees in 2023 was 17.2%, which is in line with the figures for 2022. The ratio of the minimum wage among men and women in the reporting period, compared to 2022, remains stable at a ratio of 1:1.

In 2023, the Centre for Social Interaction and Communications PI conducted research to determine the level of social stability (Samruk Research Service (SRS)) at 21 entities of the Group. SRS is calculated based on the assessments of employees and their personal perception of the components of the index. SRS includes three components:

- Index of involvement: the level of satisfaction with working conditions and safety, relationships and communications in the company, as well as the level of employee loyalty.

- The index of social well-being: captures the mood of employees, determined mainly by external factors and the social environment.
- Index of social tranquillity: reflects the level of social tension of the team, the assessment of the protest potential and the motives of the hypothetical readiness for civil unrests.

According to the results of the study, the SRS level at the end of 2023 was 74%, which is lower than in 2022 (76%), but corresponds to a favourable level.

In 2023, contributions to the socio-economic development of the regions where the Company operates and the development of area infrastructure under the terms of subsoil use contracts amounted to KZT 2.3 billion (2022: KZT 2.6 billion). The largest transfers were made to the budgets of Turkestan and Kyzylorda regions (KZT 1.7 billion and KZT 545.3 million respectively, in 2022 KZT 2.2 billion and KZT 351.1 million).

3.0 MARKETING

3.1 The uranium market

The sale of natural uranium and uranium products is Kazatomprom's primary source of revenue and profit. Market prices for uranium have a significant impact on the Company's financial results and like any commodity, the balance of supply and demand determines the market price for uranium products. The sales prices realized for U_3O_8 by any primary uranium producer are highly dependent upon the specific types of contracts they deliver into and the structure of their sales portfolio (including terms, price formulae used in each contract, proportion of spot and term contracts).

Kazatomprom expects that in the years to come, nuclear power, as a reliable source of carbon-free, baseload electricity, will maintain and strengthen its position in the broader energy market, resulting in increased demand for uranium. Accordingly, the rising uranium prices should represent a significant opportunity for Kazatomprom as a low-cost producer with a high degree of leverage to market prices.

3.2 Sales

As at 31 December 2023, there are over 70 utilities companies globally, operating 438 nuclear power reactors. As part of the Company's strategic goal to create value by expanding sales channels, its marketing and sales departments are constantly working to grow the Company's customer base, with ongoing negotiations in Europe, North and South America and the Middle East.

In 2023, the Company sold its uranium products, directly and through its Swiss marketing subsidiary "Trade House KazakAtom" AG ("THK"), to 23 customers in 9 countries (2022: 24 customers in 11 countries). Kazatomprom was successful to add new geographies to its customer base in 2023, including UAE's Emirates Nuclear Energy Corporation. Kazatomprom delivers U_3O_8 and finished uranium products to various destinations based upon customer requirements:

- **Converters:** The Group transports U_3O_8 to licensed conversion facilities owned by companies such as Honeywell (US), Cameco (Canada) and Orano (France), first by rail from the Company's operations in Kazakhstan, generally to the port of St. Petersburg in Russia (see Section 0 The Company strives to be the first choice in the provision of uranium and related front-end services, focusing on reliability, technical excellence, outstanding Health, Safety and Environmental ("HSE") performance, and fair dealings with customers.

The Group's Mission highlights:

- **Sustainability –** the Group is committed to the best HSE practices and the management team is focused on continual improvement.
- **Uranium deposits and their value chain components** – the focus of the Group's commercial activities will remain where it has the most significant competitive advantage: uranium mining.
- **Long-term value creation** – The Group focuses on high-margin, cash generating operations with relatively modest requirements for further expansion capital in its uranium segment. The Group seeks to return substantial cash flows to its shareholders, whilst preserving a conservative financial position and comfortable leverage to best position itself to act on market and investment opportunities.
- Update on geopolitical events), then by sea to various ports in the US, Canada and Europe. The material then moves by rail or road to the processing facilities and is transferred to the customer's accounts. The Company has effectively leveraged the Trans-Caspian International Transport Route (TITR) since 2018. In the entirety of 2023, 64% of all uranium shipments originating in Kazakhstan and destined for Western markets were efficiently transported via the TITR. The deviation from the initially projected 71% share of export shipments through the TITR in 2023 was primarily attributed to an unanticipated export delivery to France through the northern transport corridor during the fourth quarter of the same year. This resulted in a lower proportion of shipments via TITR. In some cases, the Group enters into swap (exchange) agreements at the conversion facility to reduce risks and transportation costs. This can include the exchange of U_3O_8 with partners of the Group at the conversion facility.
- **China.** When transporting material to China, the Company delivers its cargo to the Alashankou railway station near the Kazakhstan-China border.
- **Russia.** When shipping to the Russian Federation — recipients include "Siberian Chemical Combine" JSC (SCC) — the Group delivers its cargo by rail from its operations to the Russian railway station, depending on the final destination of the products.

- **Others.** The transportation methods and routes to other countries may differ depending on the terms of delivery agreed with customers.

The following table provides the geographical distribution of uranium segment sales over the past three years:

Consolidated sales* of U_3O_8 products by region**

(% of consolidated U_3O_8 sales volume)

Region	**2023**	**2022**	**2021**
Americas	26%	28%	32%
Asia	45%	46%	41%
Europe	29%	26%	27%

** Includes sales of uranium to JV partners.*
*** The breakdown by region was made not on the basis of the counterparty's domicile, but on the basis of the domicile of the counterparty's ultimate beneficiary or the domicile of the decision-maker's office.*
Source: Internal company data. Percentages have been rounded.

KAP & THK sales of U_3O_8 products by region**

(% of U_3O_8 sales volume*)

Region	**2023**	**2022**	**2021**
Americas	19%	23%	23%
Asia	49%	50%	48%
Europe	32%	27%	29%

** U_3O_8 sales volume (incl. in Group): includes only the total external sales of KAP HQ and THK. Intercompany transactions between KAP HQ and THK are not included.*
*** The breakdown by region was made not on the basis of the counterparty's domicile, but on the basis of the domicile of the counterparty's ultimate beneficiary or the domicile of the decision-maker's office.*
Source: Internal company data. Percentages have been rounded.

4.0 PRESENTATION OF FINANCIAL INFORMATION

4.1 Segments

During the year, the Group operated through three principal business segments:

- **Uranium segment** includes uranium mining and processing operations from the Group's mines, the Group's purchases of uranium from the Group's JVs and associates engaged in uranium production, and external marketing and sales of uranium products. The Uranium segment includes the Group's share in net results of its JVs and associates engaged in uranium production and sale, as well as results of the Company as the head office of the Group.
- **"Ulba Metallurgical Plant" JSC ("UMP") segment** includes production and sales of products containing beryllium, tantalum and niobium, hydrofluoric acid and by-products. This segment is also engaged in the processing of uranium raw materials under tolling arrangements, and the production of UO_2 powder, fuel pellets and production of fuel assemblies and their components.
- **Other segment** includes revenue and expenses of the Group's subsidiaries that are primarily engaged in providing supporting services to the Uranium segment, such as drilling, transportation, R&D, IT and security services. These businesses are not included within reportable operating segments, as their financial results do not meet the materiality threshold. This segment is not disclosed in this report due to immateriality.

4.2 Consolidation

In addition to the operations of the Company and its consolidated subsidiaries, the Group has a number of joint operations, joint ventures and associates.

- **Subsidiaries** are entities that the Group controls because the Group (i) has power to direct the relevant activities of the investees that significantly affect their returns, (ii) has exposure, or rights, to variable returns from its involvement with the investees, and (iii) has the ability to use its power over the investees to affect the amount of the investor's returns. The existence and effect of substantive rights, including substantive potential voting rights, are considered when assessing whether the Group has power over another entity.
- **Joint operations** ("JOs") are entities in respect of which the Group has joint control and has rights to their assets and revenues and has obligations relating to their expenses, as well as financial obligations in proportion to the Group's interests. The Group's JOs, being JV "Akbastau" JSC and "Karatau" LLP, are consolidated as JOs from 1 January 2018. The Group's interests in JOs are accounted for on a proportional consolidation basis.
- **Joint ventures** ("JVs") are entities that are under the joint control of the Group acting collectively with other parties, and decisions over the relevant activities of such entity require unanimous consent of all parties sharing control. The Group's interests in JVs are accounted for using the equity method of accounting.
- **Associates** are entities over which the Group has, directly or indirectly, significant influence, but not sole or joint control, which is typical for a shareholding of between 20% and 50% of the voting rights. The Group's investments in associates are accounted for using the equity method of accounting.
- **Equity investments** are entities in which the Group has less than 20% of the voting rights. Equity investments are recognised at fair value as "other investments" in the Company's consolidated IFRS financial statements.

The following table lists the Group's subsidiaries, JVs, JOs and associates and other Group's investments, as of 31 December 2023. In all cases, the share percentage shown is equal to the Group's voting rights, with the exception of "Ulba Metallurgical Plant" JSC and "Volkovgeologia" JSC, where the Group has 100% voting rights in each entity. In ANU Energy OEIC Ltd (ANU Energy) the Group does not have representation in the Board of Directors, has no voting rights and does not take part in decision-making on key strategic issues of the ANU Energy (see footnote four (3) below the table).

Treatment	Name	Share (%)
Uranium Mining and Processing		
Subsidiaries	“Kazatomprom-SaUran” LLP	100.00%
	“RU-6” LLP	100.00%
	“Appak” LLP	65.00%
	“JV “Inkai” LLP	60.00%
	“Baiken-U” LLP (1)	52.50%
	“MC “Ortalyk” LLP	51.00%
	“JV “Khorassan-U” LLP	50.00%
Joint Ventures	“JV “Budenovskoye” LLP	51.00%
	“Semizbay-U” LLP	51.00%
Joint Operations	“JV “Akbastau” JSC	50.00%
	“Karatau” LLP	50.00%
	Energy Asia (BVI) Limited (1)	50.00%
Associates	“JV “Katco” LLP	49.00%
	“JV “South Mining Chemical Company” LLP	30.00%
	“JV “Zarechnoye” JSC	49.98%
	“Kyzylkum” LLP (1)	50.00%
	“Zhanakorgan-Transit” LLP (2)	*60.00%*
Nuclear Fuel Cycle and Metallurgy		
Subsidiaries	“Ulba Metallurgical Plant” JSC (“UMP” JSC)	94.33%
	“ULBA-CHINA Co” Ltd (2)	*100.00%*
	“Mashzavod” LLP (2)	*100.00%*
	“Ulba-FA” LLP (2)	*51.00%*
Nuclear Fuel Cycle		
Investments (3)	“International Uranium Enrichment Centre” JSC	10.00%
Ancillary Operations		
Subsidiaries	“High Technology Institute” LLP	100.00%
	“KazakAtom TH” AG or “THK”	100.00%
	“KAP Technology” LLP	100.00%
	“KAP Logistics” LLP (4)	99.99%
	“Volkovgeologia” JSC	99.34%
	“Rusburmash-Kazakhstan” LLP (2)	*49.00%*
	“Qorǵan-Security” LLP	100.00%
	"Taiqonyr Qyshqyl Zauyty" LLP (5)	100.00%
Joint Ventures	“SKZ-U” LLP	49.00%
	“Uranenergo” LLP	79.17%
Associates	“SSAP” LLP (6)	9.89%

The following asset is currently subject to liquidation:

Treatment	Name	Share (%)
Nuclear Fuel Cycle		
Joint Ventures	“JV “UKR TVS” Closed Joint Stock Company (7)	33.33%

[1] The Company holds 50% (direct ownership) in Energy Asia (BVI) Limited. Energy Asia (BVI) Limited holds 40% (direct ownership) in “Kyzylkum” LLP and 95% (direct ownership) in “Baiken-U” LLP.
[2] These companies are 3rd level entities for the Company indirectly through the interests in subsidiaries, JVs and associates presented above these companies in the table. The corresponding interests belongs to the 2nd tier entities, not the Company.
[3] As at the reporting date, the Group classifies JSC Uranium Enrichment Centre (TsOU) with 1 share as other investment.
The Group made an investment of USD 24.25 million in March 2022 (equivalent to KZT 12,368 million), which constitutes 32.7% of the entity's equity. The Group does not have a significant influence on the management operations of the entity, and the Group therefore recognizes this investment at fair value through profit or loss and does not increase the number of entities within the Holding. As at the December 31, 2023, the Group classifies ANU Energy as “other investments” within other financial assets in the consolidated financial statements.
[4] On September 20, 2022 “Trading and Transportation Company” LLP was re-registered as “KAP Logistics” LLP.
[5] On March 29, 2023, the Taiqonyr Qyshqyl Zauyty LLP was registered, established for the purpose of implementing the project for the construction of a sulphuric acid plant in the Sozak district of the Turkestan region. The founders of the Taiqonyr Qyshqyl Zauyty LLP are: NAC Kazatomprom JSC (49%), RU-6 LLP (25%), and Kazatomprom-SaUran LLP (26%). In January 2024, as part of the restructuring aimed at simplifying and optimising the ownership structure, Kazatomprom sold a 49% stake in the charter capital of the Taiqonyr Qyshqyl

Zauyty LLP (TQZ LLP) to Kazatomprom-SaUran LLP. As a result, the participants of the TQZ LLP are Kazatomprom-SaUran LLP with a 75% stake and RU-6 LLP with a 25% stake, which in turn are 100% subsidiaries of Kazatomprom. Considering that sulphuric acid production is not Kazatomprom's core business, the Company expects to decrease its indirect ownership in TQZ LLP via Kazatomprom's fully-owned subsidiaries.

[6] In accordance with decree of the Government of the Republic of Kazakhstan dated August 2, 2022 No. 523, SSAP LLP was excluded from the list of assets subject to privatisation and transfer into a competitive environment.

[7] On June 22, 2022, Kyiv Economic Court declared JV UKR TVS CJSC bankrupt and a liquidation procedure was introduced. On February 21, 2024, the Kyiv Economic Court extended the bankruptcy procedures for JV UKR TVS CJSC until June 22, 2024.

5.0 SIGNIFICANT FACTORS AFFECTING THE GROUP'S RESULTS OF OPERATIONS

The significant factors that affected the Group's results of operations during 2023 and 2022, and which the Company expects to continue to affect the Group's results of operations in the future, include:

- the price received for the sale of natural uranium and changes in natural uranium product prices;
- changes in the Group structure;
- the impact of changes in foreign exchange rates;
- taxation, including mineral extraction tax;
- the cost and availability of sulphuric acid;
- inflation pressure on costs, as well as availability of critical operating materials caused by supply-chain disruption;
- impact of changes in ore reserves estimates; and
- transactions with subsidiaries, JVs, JOs and associates.

5.1 Price received for the sale of natural uranium and changes in natural uranium product prices

Spot market prices for U_3O_8, which is the main marketable product of the Group, have the most significant effect on the Group's revenue. The majority of the Group's revenue is derived from sales of U_3O_8 under contracts with a price formula containing a reference to spot price. In addition to spot prices, the Group's effective realized price depends on the proportion of contracts in the portfolio with a fixed price component in a given period. The average realized price for each period can therefore deviate from the prevailing spot market price. More information regarding the impact of spot market prices on average realized price is provided in section 12.1 Uranium sales price sensitivity analysis.

The following table provides the average spot price and average realized price per pound of U_3O_8 for the periods indicated:

		2023	2022	Change
Average weekly spot price (per lb U_3O_8)[1]	USD	60.53	49.61	22%
	KZT	27,616	22,863	21%
Average realized price of the Group (per lb U_3O_8)	USD	55.09	43.44	27%
	KZT	25,135	20,021	26%
Average realized price of Kazatomprom (per lb U_3O_8)	USD	52.10	42.50	23%
	KZT	23,768	19,587	21%

[1] Prices per TradeTech LLC and UxC LLC.

The pricing of the Company's contract portfolio is interrelated with the current spot prices for uranium (see Section 12.1 Uranium sales price sensitivity analysis). However, for short-term deliveries to consumers, there is a certain time lag between the date of pricing fixation according to the transfer pricing legislation of Kazakhstan and the spot market price at the time of actual delivery. The high market volatility during these time lags becomes more evident as prices fluctuate both during periods of growth and decline. Moreover, deliveries under some long-term contracts in 2023 incorporated a proportion of fixed price component, including price ceilings that were negotiated during a comparatively lower price environment. As a result, although the average realized price of the Company and the Group for the reporting period increased compared to 2022, outpaced the rise in uranium spot prices during this timeframe, still the average realized prices turned out to be lower than the average weekly spot price for the reporting period.

For additional details related to specific market developments that influenced the pricing of uranium in 2023, please see the *Kazatomprom 4Q2023 Operations and Trading Update*, available on the corporate website, www.kazatomprom.kz.

5.2 Changes in the Group structure

In 2023, the Group completed the following transactions:

- On 30 December 2021, a Purchase and Sale Contract of 40% of shares in Caustic JSC was signed between the Company and Trading House United Chemical Technologies LLP. According to the terms of the contract, payment for shares was made in instalments. On 28 March 2023, Trading House United Chemical Technologies LLP made full payment under the contract. On 11 April 2023, a Certificate confirming the acceptance and transfer of shares was signed.

- In January 2024, as part of a restructuring aimed at simplifying and optimizing the ownership structure, Kazatomprom divested a 49% stake in the charter capital of Taiqonyr Qyshqyl Zauyty LLP (TQZ LLP') to Kazatomprom-SaUran LLP. As a result, the participants of TQZ LLP are Kazatomprom-SaUran LLP with a 75% stake and RU-6 LLP with a 25% stake, which, in turn, are 100% subsidiaries of Kazatomprom. In January 2024, a significant step towards securing investment for the construction of a new sulphuric acid plant was achieved through the establishment of a strategic partnership with the renowned Italian firm, Ballestra S.p.A., and Kazatomprom's Board of Directors made a decision to engage a local partner of Ballestra in Kazakhstan for this project. Under this partnership, Ballestra will assume responsibility for the project's design, equipment procurement, and provision of technical support. It is worth noting that Ballestra's technology has a well-documented history of successful implementation at the existing sulphuric acid plants, SKZ-U LLP and SSAP LLP. Considering that sulphuric acid production is not Kazatomprom's core business, the Company expects to decrease its indirect ownership in TQZ LLP via Kazatomprom's fully-owned subsidiaries.

In 2022:

- According to the Framework Agreement signed on November 22, 2021, the Group and Genchi Global Limited, agreed to establish ANU Energy. The purpose of ANU Energy is to store physical uranium as a long-term investment. The Group made an investment of USD 24.25 million in March 2022 (equivalent to KZT 12,368 million), which constitutes 32.7% of the entity's equity. The Group does not have representation in the governing body of the entity and does not take part in decision-making of the entity. Accordingly, the Group does not have a significant influence on the management operations of the entity, and the Group therefore recognizes this investment at fair value through profit or loss. As at 31 December 2023, the Group classifies ANU Energy as "other investments" within other financial assets in the consolidated financial statements. As of 31 December 2023, the fair value of investment in ANU Energy OEIC Ltd. was KZT 30,667 million (2022: KZT 17,066 million).

In total, the number of the Group's subsidiaries, JVs, JOs, associates and other equity investments has increased to 36 as at 31 December 2023 (compared to 35 as at 31 December 2022).

5.3 Impact of Changes in Exchange Rates

The Group's exposure to currency fluctuations is associated with sales, purchases and loans in foreign currencies. Significant cash flows of the Group are in USD due to:

- uranium is generally priced in USD, therefore most of the Group's consolidated sales revenue is generated in USD (92% in 2023, 90% in 2022);
- the Company purchases uranium and uranium products from its JVs and associates pursuant to KZT-denominated contracts, with the prices determined by reference to prevailing spot market prices of U_3O_8, which are in USD;
- most of the Group's borrowings are denominated in USD (96% in 2023, 95% in 2022), which is the principal currency of the Group's revenue. For more details see Section 10.0 INDEBTEDNESS.

A significant portion of the Group's expenses, including its operating, production and capital expenditures, are denominated in KZT. Accordingly, as most of the Group's revenue is denominated in USD, while a significant share of its costs are KZT denominated, the Group generally benefits from appreciation of USD against KZT which subsequently has a positive effect on the Group's financial performance. However, given that the Group has outstanding USD-denominated liabilities the positive effect of USD appreciation may fully or partially be offset. In addition, the Company purchases uranium and uranium products from its JVs and associates pursuant to KZT-denominated contracts, with the prices determined by reference to prevailing spot market prices of U_3O_8, which are denominated in USD. Accordingly, a significant appreciation of USD would result in a corresponding increase in the KZT-denominated price of such contracts.

The Group attempts to mitigate the risk of fluctuations in exchange rate, where possible, by matching the currency denomination of its payments with the currency denomination of its cash flows. Through this matching, the Group achieves natural hedging without the use of derivatives.

In 2023, the KZT/USD exchange rate fluctuated between KZT 431.08 and KZT 482.77 (in 2022 between KZT 414.67 and KZT 512.19). As at 31 December 2023, the National Bank of the Republic of Kazakhstan (NBK) KZT/USD exchange rate was KZT 454.56 (as at 31 December 2022 was KZT 465.65). Changes in exchange rates had a negative effect on the financial performance of the Group in 2023. The

Group's incurred a net foreign exchange loss of KZT 21,330 million in 2023 (compared to an exchange rate profit of KZT 17,304 million in 2022).

The following table provides annual average and year-end closing KZT/USD exchange rates, as reported by the NBK, as of 31 December 2023 and 2022:

		2023	2022	Change
Average exchange rate for the period[1]	KZT / USD	456.24	460.85	(1%)
Closing exchange rate for the period	KZT / USD	454.56	462.65	(2%)

[1] The average rates are calculated as the average of the daily exchange rates on each calendar day.

5.4 Taxation and Mineral Extraction Tax ("MET")

Before 01 January 2023, MET was determined by applying a 29% tax charge to the taxable base related to mining production costs (see footnote under the table below). Taxable expenditures were made up of all direct expenditures associated with mining operations, including wellfield development depreciation charges and any other depreciation charges allocated to direct mining activities, but excluded processing and general and administrative expenses. The MET is calculated separately for each subsoil use license. The resulting MET paid was therefore directly dependent upon the cost of mining operations.

In January 2022, the Government of the Republic of Kazakhstan announced that it intended to update the country's tax code. On 11 July 2022, additions and amendments to the Kazakh tax code were adopted (Laws of the Republic of Kazakhstan "On the Enactment of the Code of the Republic of Kazakhstan "On Taxes and Other Mandatory Payments to the Budget" No. 135-VII LRK), which introduced changes in the MET base and rate for tax calculation. The amendments to the Tax Code came into force on 1 January 2023. In accordance with the amendments, the mineral extraction tax base for uranium is defined as the weighted average price of uranium from public sources for a certain reporting period multiplied by the amount of uranium mined and the mineral extraction tax rate of 6%.

The following table provides a summary of taxes accrued by the Group for the years shown:

(KZT million)	2023	2022	Change
Corporate income tax[1]	157,610	118,853	33%
Mineral extraction tax[2]	52,283	29,616	77%
Other taxes and payments to budget[3]	150,830	111,051	36%
Total tax accrued	**360,723**	**259,520**	**39%**

1 Applicable rate: 20%; calculation: taxable income (based on tax reporting accounts) multiplied by corporate income tax rate.

[2] Applicable rate and calculation from 2023 and further: 6% × (average month-end spot price for period) × (volume of uranium mined). Previously applicable rate: 18.5% for uranium cost in pregnant solution; calculation: the tax charge is a cost of mining and is based on a deemed 20% profit margin on certain expenditures, and a MET rate of 18.5%. The tax charge of 29% is determined by the following formula: (1 + 20%) × 18.5% ÷ (1 – (1 + 20%) × 18.5%).

[3] Includes: VAT, property tax, land tax, transport tax, social tax, and other payments to budget and PIT (on PIT Company acts as a tax agent).

The total amount of accrued taxes increased by an average of 39% by the end of 2023 compared to 2022, due to:

- The increase in corporate income tax is due to an increase in pre-tax profit associated with an increase in the average selling price related to the growth of the market spot price and increase in sales volume of U_3O_8 (see Sections 6.2 Consolidated revenue and other financial metrics and 6.9 Profit before tax and tax expense).
- an increase in the MET by 77% is due to an increase in the spot price for U_3O_8, as well as change in the tax base for calculating the MET since 1 January 2023.
- an increase in other taxes and other payments to the budget by 36%, which is mainly due to an increase in accrued value added tax as a result of the growth of the value of intra-group sales in the territory of the Republic of Kazakhstan.

5.5 Cost and availability of sulphuric acid

Extraction of uranium using the ISR mining method requires substantial amounts of sulphuric acid. If sulphuric acid is unavailable, the Group's production schedule may be disrupted, while higher prices for sulphuric acid may adversely affect the Group's profits.

The Group's weighted average cost of sulphuric acid increased by 33.6% to KZT 40,455 per tonne in 2023 (from KZT 30,263 per tonne in 2022) due to the increase in the price of raw materials and temporary shortages on the Kazakhstan market. On average in 2023, the price of sulphuric acid represented about 10% of the Group's uranium production costs (12% in 2022).

Looking ahead in the medium term, the existing deficit of sulphuric acid is expected to alleviate as a result of the potential increase in sulphuric acid supply from local non-ferrous metals mining and smelting operations. The Company also intends to enhance its in-house sulphuric acid production capacity by constructing a new plant Taiqonyr Qyshqyl Zauyty LLP (see Section 5.2 Changes in the Group structure). As previously disclosed, the construction of the sulphuric acid plant serves as a strategic risk mitigation initiative aimed at ensuring self-reliant production capabilities. The plant is anticipated to have a nominal capacity of 800,000 tonnes of sulphuric acid annually. When combined with the existing supply volumes of SKZ-U LLP and SSAP LLP, totalling around 680,000 tonnes, Kazatomprom envisions a consolidated sulphuric acid supply volume of approximately 1.5 million tonnes.

5.6 Inflation-related costs, as well as availability of critical operating materials & equipment

The extraction of uranium using the ISR mining method requires the import of certain key operating materials and components. These items are either imported into Kazakhstan directly by the Group, or by local suppliers from whom the Group procures such materials.

In some cases, shipping and availability constraints have resulted in a higher cost to acquire the necessary production materials, including inflationary pressure as a result of commodity price changes, driving an increase in production costs. (see Section 6.3.2 Uranium segment production and sales metrics).

5.7 Impact of changes in Ore Reserves estimates

The Group reviews its JORC-compliant estimates of Ore Reserves and Mineral Resources on an annual basis, including a review of the estimates by a qualified third-party. As a result, certain Ore Reserves and Mineral Resources may be reclassified annually in accordance with applicable standards. Such reclassifications may have an impact on the Group's financial statements. For example, if a reclassification results in a change to the Group's life of mine plans, there may be a corresponding impact on depreciation and amortization expenses, impairment charges, as well as mine closure charges incurred at the end of the life of mine.

5.8 Transactions with subsidiaries, JVs, JOs and Associates

The Company purchases U_3O_8 from its subsidiaries, JOs, JVs and associates, principally at spot price with market-based discounts, which may vary by operation. Purchased volumes generally correspond to the Company's interest in the respective selling entities.

The Group's Uranium segment revenue is primarily composed of two streams:

- the sale of U_3O_8 purchased from JVs and associates, as well as from third parties, and
- the sale of U_3O_8 produced by the Company and by its consolidated subsidiaries and JOs.

Cost of sales of purchased uranium is equal to the purchase price from JVs and associates, which in most cases is the prevailing spot price with certain applicable discounts. The share of results of JVs and associates represents a significant part of the Group's profits and should be considered in the assessment of the Group's financial results. In 2023, U_3O_8 was purchased at a weighted average discount of 3.63% (2022: 3.73%) on the prevailing spot price.

When uranium produced by the Company, consolidated subsidiaries and JOs, is sold, the cost of sales is predominantly represented by the cost of production. For those sales, the entire profit margin from uranium products, including uranium for export is reflected in the Group's consolidated results.

The following table provides the volumes purchased by the Company for the periods indicated.

(tU)	2023	2022	Change
U_3O_8 purchased from JVs and associates	2,703	2,805	(4%)
U_3O_8 purchased from JOs and subsidiaries	9,898	9,533	4%
Total	**12,601**	**12,338**	**2%**

* For some JVs, the Company has a right to purchase additional volumes beyond its attributable share if the JV partner chooses to forgo its entitled share of production (beyond the production volume attributable to the Company).

In 2023 the total volume of U_3O_8 purchased from JVs and associates, JOs and Subsidiaries was comparable to 2022 and comprised 12,601 tonnes (2022: 12,338 tonnes).

In addition to the above volumes, the Company (including its trading subsidiary THK) also purchases volumes from third parties at variable prices.

6.0 KEY PERFORMANCE INDICATORS ANALYSIS

6.1 Consolidated financial metrics

The analysis in this section of the report is based on 12 months ended 31 December 2023 compared to 12 months ended 31 December 2022. The table below provides financial information related to the consolidated results of the Group for 2023 and 2022.

(KZT million)	2023	2022	Change
Revenue	**1,434,635**	**1,001,171**	43%
Cost of sales	(671,862)	(475,097)	41%
Gross profit	**762,773**	**526,074**	45%
Selling expenses	(28,851)	(25,605)	13%
G&A expenses	(53,110)	(44,507)	19%
Operating profit	**680,812**	**455,962**	49%
Other income/(loss), including the following one-time effects:	(50,855)	38,667	<(200%)
Income from an associate development agreement[1]	-	7,671	(100%)
Share of results of associates	76,049	75,736	0%
Share of results of joint ventures (JVs)	22,336	13,340	67%
Pre-tax income	**728,342**	**583,705**	25%
Corporate income tax	(148,007)	(110,742)	34%
Net profit, attributable to:	**580,335**	**472,963**	23%
- Owners of the Company	419,184	348,048	20%
- Non-controlling interest	161,151	124,915	29%
Earnings per share attributable to owners (basic and diluted), KZT/share[2]	1,616	1,342	20%
Adjusted Net profit (net of one-time effects)	**580,335**	**465,292**	25%
Adjusted EBITDA[3]	828,623	630,898	31%
Attributable EBITDA[4]	639,407	495,357	29%

[1] The "JV "Katco" LLP participants made amendments to the Partnership Agreement on further development of "JV "Katco" LLP dated 11 August 2022, under which the Group became entitled to compensation in the amount of KZT 7,671 million from the second participant of "JV "Katco" LLP, which was recognized as other income in 2022 and other receivables.

[2] Calculated as: Profit for the year attributable to owners of the Company divided by Total share capital from Section 11.0 OUTSTANDING SHARES, rounded to the nearest KZT.

[3] Adjusted EBITDA is calculated by excluding from EBITDA items not related to the main business and having a one-time effect. Calculation: Profit before tax - finance income + finance expense +/- Net FX loss/(gain) + Depreciation and amortization + Impairment losses - reversal of impairment +/- one-off or unusual transactions.

[4] Attributable EBITDA (previously "Adjusted Attributable EBITDA") is calculated as: Adjusted EBITDA less the share of the results in the net profit in JVs and associates, plus the share of Adjusted EBITDA of JVs and associates engaged in the uranium segment (including share of Adjusted EBITDA of JV Budenovskoye LLP for 2023 in the amount of KZT 3 048 million, while in 2022 it is excluded due to minor effect), less non-controlling share of adjusted EBITDA of "Appak" LLP, JV "Inkai" LLP, "Baiken-U" LLP, "Ortalyk" LLP and JV "Khorasan-U" LLP, less any changes in the unrealized gain in the Group.

6.2 Consolidated revenue and other financial metrics

The Group's consolidated revenue was KZT 1,434,635 million in 2023, an increase of 43% compared to 2022 (in 2022 the Group's consolidated revenue was KZT 1,001,171 million). The increase is mainly due to:

- the growth in the average realized price associated with an increase in the market spot price for U_3O_8;
- an increase in sales volume of U_3O_8 (see Section 6.3.2 Uranium segment production and sales metrics) mainly related to additional requests from customers to flex up their annual delivery quantities within the frame of existing contracts, as well as some new long-term contracts with the delivery in a prompt window during 2023
- an increase in revenue from sale of enriched uranium and other uranium products (including fuel pellets and tolling services) related to growth of FA deliveries by Ulba-FA LLP in 2023, and increase in revenue from UMP segment rare metal products (see Section 6.4 UMP Segment).

The main revenues by source in 2023 compared to 2022, are presented below.

(KZT million)	2023	2022	Change	Proportion 2023	Proportion 2022
Uranium[1]	1,180,722	851,427	39%	82%	85%
Uranium products and enriched uranium[2]	151,798	57,806	>100%	11%	6%
Beryllium products	31,857	31,986	(0%)	2%	3%
Tantalum products	27,061	23,171	17%	2%	2%
Others	43,197	36,781	17%	3%	4%
Total Revenue	**1,434,635**	**1,001,171**	**43%**	**100%**	**100%**

[1] Includes only U_3O_8 sales proceeds (across the Group).

[2] Includes, but is not limited to sale of EUP, UF_6, production and sales of UO_2 powder and fuel pellets by "UMP" JSC.

Operating profit in 2023 was KZT 680,812 million, an increase of 49% compared to 2022 (in 2022 was KZT 455,962 million). The increase was mainly due to a higher revenue in 2023 as indicated above.

In 2023 other loss amounted to KZT 50,855 million (in 2022, other income was KZT 38,667 million). This is primarily due to revaluation expense under a short-term inventory loan agreement between the Group and ANU Energy OEIC totalling KZT 37,977 million, which is due to be returned until March 2024. Additionally, a 100% provision on the overdue amount of KZT 15,692 million was accrued due to difficulties with the payments from Dioxitek S.A. (Argentina), due to new import legislative requirements introduced by the government of Argentina. The Group expects difficulties with the payments from Dioxitek S. A., debt repayment negotiations are ongoing.

Net profit in 2023 amounted to KZT 580,335 million, an increase of 23% compared to 2022 (in 2022 was KZT 472,963 million). The increase was mainly due to a higher operating profit in 2023.

Profit for the period attributable to non-controlling interest increased significantly in 2023 and comprised KZT 161,151 million due to a growth of net profit of the mining subsidiaries that have non-controlling interest, driven by an increase in the average realized price due to an increase in the spot price for U_3O_8, and an increase of sales volumes to second participants of the subsidiaries in question.

Adjusted EBITDA comprised KZT 828,623 million in 2023, an increase of 31% compared to 2022 (KZT 630,898 million in 2022), while attributable EBITDA was KZT 639,407 million in 2023, an increase of 29% compared to 2022 (KZT 495,357 million in 2022). The changes were mainly driven by higher operating profit on consolidated level, higher EBITDA of JVs and associates, and growth in the average realized price associated with an increase of the spot price for U_3O_8.

6.3 Uranium segment

6.3.1 Uranium segment financial metrics

(KZT million unless noted)		2023	2022	Change
Average exchange rate for the period	KZT/USD	456.24	460.85	(1%)
Uranium segment revenue[1]		1,211,524	920,093	32%
Including U_3O_8 sales proceeds (across the Group)[2]		1,180,722	851,427	39%
Share of a revenue from U_3O_8 in total revenue	%	82%	85%	(3%)

[1] Calculated from Financial Statements Note Segment Information as a sum of external revenue and revenues from other segments for uranium segment.

[2] Includes only U_3O_8 sales proceeds (across the Group).

Consolidated U_3O_8 sales were KZT 1,180,722 million in 2023, an increase of 39% compared to 2022 (in 2022 was KZT 851,427 million) was due to:

- the growth in the average realized price associated with an increase in the market spot price for U_3O_8;
- the increase in sales volume of U_3O_8 (see Section 6.3.2 Uranium segment production and sales metrics) mainly related to additional requests from customers, as well as some new long-term contracts;

6.3.2 Uranium segment production and sales metrics

		2023	2022	Change
Production volume of U_3O_8 (100% basis)	tU	21,112	21,227	(1%)
Production volume of U_3O_8 (attributable basis)[1]	tU	11,169	11,373	(2%)
U_3O_8 sales volume (consolidated)	tU	18,069	16,358	10%
Including KAP U_3O_8 sales volume[2, 3]	tU	14,915	13,572	10%
Group inventory of finished goods (U_3O_8)	tU	7,242	9,352	(23%)
Including KAP inventory of finished goods (U_3O_8)[4]	tU	6,108	7,749	(21%)
Group average realized price	KZT/kg	65,344	52,051	26%
Group average realized price	USD/lb	55.09	43.44	27%
KAP average realized price[5]	USD/lb	52.10	42.50	23%
Average weekly spot price	USD/lb	60.53	49.61	22%
Average month-end spot price[6]	USD/lb	62.51	49.81	25%

[1] The Production volumes of U_3O_8 (attributable basis) are not equal to the volumes purchased by KAP headquarters (HQ) in the Section 5.8 Transactions with subsidiaries, JVs, JOs and Associates.
[2] KAP U_3O_8 sales volume (incl. in Group): includes only the total external sales of KAP HQ and THK. Intercompany transactions between KAP HQ and THK are not included. Yet, some part of Group U_3O_8 production goes to the production of EUP, fuel pellets and fuel assemblies (FA) at Ulba-FA LLP.
[3] Group sales volume and KAP sales volume (incl. in Group) does not include approximately 1,300 tonnes of natural uranium equivalent used for the supply of EUP in 2023 for the project of "Ulba-FA" LLP.
[4] KAP inventory of finished goods (incl. in Group): includes the inventories of KAP HQ and THK.
[5] KAP average realized price: the weighted average price per pound for the total external sales of KAP and THK. The pricing of intercompany transactions between KAP and THK are not included.
[6] Source: UxC, TradeTech. Values provided represent the average of the uranium spot prices quoted at month end, and not the average of each weekly quoted spot price, as contract price terms generally refer to a month-end price.

Kazatomprom 2023 production and sales results were within the guided ranges. Production volumes on both a 100% and an attributable basis were slightly lower throughout 2023 compared to 2022, primarily due to an insignificant decrease in the production plan for 2023, compared to 2022.

In 2023, both Group and KAP sales volumes were higher compared to 2022, primarily due to additional requests from customers to flex up their annual delivery quantities within the frame of existing contracts, as well as some new long-term contracts with the delivery in a prompt window during 2023. Sales volumes may vary substantially each period based on timing of customer delivery requests during the year and terms of physical delivery activity.

Consolidated Group inventory of finished U_3O_8 products amounted to 7,242 tonnes as at 31 December 2023, 23% lower than at 31 December 2022. At the KAP HQ and THK level, inventory of finished U_3O_8 products amounted to 6,108 tonnes which was 21% lower than at 31 December 2022. Overall, the decrease in inventory is attributed to the increased sales volume.

The Group's average realized price in KZT in the 2023 was KZT 65,344 per kg (55.09 USD/lb), an increase of 26% compared to 2022 due to an increase in the average spot price for uranium products. The average sales prices at the KAP level were also higher due to the same reasons.

The Company's current overall contract portfolio price is correlated to uranium spot prices (see Section 12.1 Uranium sales price sensitivity analysis). The increase in average realized prices in 2023 was comparable to the increase in the spot market price for uranium. For short-term deliveries to end-user utilities, the spot price can vary between the time contract pricing is established according to Kazakh transfer pricing regulations, and the spot price in the general market when the actual delivery takes place. The impact of market volatility during the time lag between price-setting and delivery becomes more pronounced as volatility increases, in both rising and falling market conditions. At the same time, pricing mechanisms for some long-term contracts include fixed basic price components that were set in lower price conditions.

6.3.3 Uranium segment production by operation

The information presented in the table provides the total uranium production level at each asset (100% basis). The impact of delays and/or limited access to some key materials & equipment in 2023 and 2022 (see Sections 5.5 Cost and availability of sulphuric acid and 5.6 Inflation-related costs, as well as availability of critical operating materials & equipment), was not equal across all operations due to the nature of the ISR mining process, and differences in the mine plans and development phase at each operation.

(tU as U_3O_8)	Ownership	2023	2022	Change
Kazatomprom-SaUran LLP	100%	1,070	1,273	(16%)
RU-6 LLP	100%	833	830	0%
Appak LLP	65%	832	803	4%
JV Inkai LLP[1]	60%	3,230	3,201	1%
Baiken-U LLP	52.5%	1,066	1,315	(19%)
DP Ortalyk LLP	51%	1,648	1,650	(0%)
Semizbay-U LLP	51%	963	940	2%
JV Budenovskoye LLP	51%	180	0	>100%
Karatau LLP	50%	2,611	2,560	2%
JV Akbastau JSC	50%	1,647	1,545	7%
JV Khorassan-U LLP	50%	1,681	1,580	6%
JV Zarechnoye JSC	49.98%	757	741	2%
JV Katco LLP	49%	2,103	2,564	(18%)
JV South Mining Chemical Company LLP	30%	2,488	2,225	12%
Total		**21,112**	**21,227**	**(1%)**

[1] For JV "Inkai" LLP annual share of production on attributable basis is determined as per Implementation Agreement, concluded between participants of the entity. Company's annual attributable share of production in 2023 comprised 1,615 tU (2022: 1,600 tU).

6.4 UMP Segment

6.4.1 UMP segment uranium product sales

UO_2 powder and Fuel pellets*		2023	2022	Change
Fuel pellets	Sales and tolling, tonnes	196.5	198.2	(1%)
Ceramic powder	Sales and tolling, tonnes	87.8	88.9	(1%)
Dioxide from scraps	Sales and tolling, tonnes	7.6	22.8	(67%)

* Volumes include products and materials sold under tolling services.

Sales volumes of fuel pellets, including material produced under tolling services, in 2023 were 196.5 tonnes, and ceramic powders were 87.8 tonnes, which corresponds to the volumes of 2022 and is related to contracted sales volumes in accordance with customer demand. A 67% reduction in sales volumes of dioxide from scraps to 7.6 tonnes in 2023 is due to decrease in the quantity of orders from customers.

6.4.2 UMP segment rare metal products sales

Rare metals products*		2023	2022	Change
Beryllium products	Sales and tolling, tonnes	898.19	1,332.46	(33%)
	KZT/kg	35,468	24,005	48%
Tantalum products	Sales and tolling, tonnes	146.27	165.52	(12%)
	KZT/kg	185,011	139,990	32%
Niobium products	Sales and tolling, tonnes	1.29	13.45	(90%)
	KZT/kg	91,121	24,572	>200%

* Volumes include products and materials sold under tolling services.

Sales volume of beryllium products, including material produced under tolling services, decreased by 33% in 2023 compared to 2022. Sales price increased by 48% in 2023 mainly due to change in the product mix to higher value-added refined products.

Sales volume of tantalum products, including material produced under tolling services, decreased by 12% compared to 2022 due to lower customer demand. Sales prices for tantalum products increased by 32% due to a change in the structure of products sold towards an increase in the share of more high-tech and expensive products (rolled products and powders).

Sales volumes, including tolling services significantly decrease in 2023 decreased by 90% compared to 2022, due to lower demand, whereas sales prices for niobium products in 2023 increased compared to the same period in 2022 due to changes in product mix of the realized products.

6.5 *Cost of sales*

The table below illustrates the components of the Group's cost of sales for 2023 and 2022:

(KZT million)	2023	2022	Change	Proportion 2023	Proportion 2022
Materials and supplies	364,841	261,825	39%	54%	55%
Depreciation and amortization	92,824	79,037	17%	14%	18%
Processing and other services	71,126	31,361	>100%	11%	7%
Payroll costs	61,886	49,348	25%	9%	10%
Taxes other than income tax	55,868	32,216	73%	8%	7%
Other	25,317	21,310	19%	4%	4%
Cost of Sales	**671,862**	**475,097**	**41%**	**100%**	**100%**

Cost of sales totalled KZT 671,862 million in 2023, an increase of 41% compared to 2022 (in 2022 was KZT 475,097 million in 2022) mainly due to a higher production cost for uranium produced by consolidated subsidiaries and JOs, higher cost for purchased uranium (as described below) as well as increased sales volumes of U3O8 in 2023.

The cost of materials and supplies was KZT 364,841 million in 2023, an increase of 39% compared to 2022 (in 2022 was KZT 261,825 million in 2022) due to an increase in the cost of sales of uranium purchased from JVs and associates, as well as from third parties (when such uranium is sold, the cost of sales is predominantly represented by the cost of purchased materials and supplies at the prevailing spot price with certain applicable discounts). The growth of cost of materials and supplies also was due to an increase of purchase price of materials and supplies, including U_3O_8 as a result of inflationary pressure and an increase in the spot prices.

Depreciation and amortization totalled KZT 92,824 million in 2023, an increase of 17% compared to 2022 (in 2022 was KZT 79,037 million), mainly due to higher sales volume of consolidated subsidiaries and JOs' produced uranium, as well as an increase in the costs of repayment of the PGR (see Section 7.0 CAPITAL EXPENDITURES REVIEW).

The cost of processing and other services was KZT 71,126 million in 2023, significantly increased compared to 2022 (in 2022 was KZT 31,361 million), mainly due to an increase in a volume of U_3O_8 processed for a production of Ulba-FA LLP.

Payroll costs totalled KZT 61,886 million in 2023, an increase of 25% compared to 2022 (in 2022 was KZT 49,348 million), mainly due to a higher sales volume of consolidated subsidiaries and JOs' produced material. The increase was also associated with the slight growth in the number of production personnel due to preparations for production expansion and increase of services provided by entities of Other segment (see 4.1 Segments) as well as a lagged effect from standardisation of remuneration across the Group that was introduced in prior periods.

The taxes other than income tax totalled KZT 55,868 million, which is comprised mostly of MET, increased by 25% compared to 2022 (in 2022 was KZT 32,216 million) due to an increase in spot prices as per formula mentioned in section 5.4 Taxation and Mineral Extraction Tax ("MET") as well as an increase in the sales volume of uranium produced by consolidated subsidiaries.

The other categories of costs, including items such as maintenance and repair, transportation and other expenses totalled KZT 25,317 million in 2023 (in 2022 was KZT 21,310 million), an increase of 19% compared to 2022 mainly due to inflationary pressure.

6.5.1. *Uranium segment C1 cash cost, all-in sustaining cash cost, and capital expenditures*

(KZT million unless noted)		2023	2022	Change
C1 Cash cost (attributable basis)	USD/lb	13.27	10.25	29%
Capital cost (attributable basis)	USD/lb	8.10	5.94	36%
All-in sustaining cash cost (attributable C1 + capital cost)	USD/lb	21.37	16.19	32%
Capital expenditures of mining companies (100% basis)[1]		201,321	146,499	37%

[1] Excludes liquidation funds and closure costs. Note that in Section 7.0 CAPITAL EXPENDITURES REVIEW total results include liquidation funds and closure cost.

C1 Cash cost (attributable) increased by 29% and All-in-sustaining cash costs (AISC) (attributable C1 + capital cost) increased by 32% in USD equivalent for 2023 compared to 2022. The increase in C1 Cash cost was primarily due to an increase in the MET tax expenses related to its changes introduced from 2023, see section 5.4 Taxation and Mineral Extraction Tax ("MET"), as well as increase in wages and salaries of the production personnel and inflationary pressure on services, certain materials and reagents.

AISC increased due to an overall increase in capital cost on an attributable basis.

Capital expenditures of mining companies (100% basis) in 2023 totalled KZT 201,321 million, an increase of 37% compared to 2022 (146,499 million in 2022), primarily due to a shift in wellfield development activities, as well as a rise in purchase prices for materials, supplies, equipment and cost of drilling (see Section 7.0 CAPITAL EXPENDITURES REVIEW).

Kazatomprom's attributable C1 cash cost categories are generally broken down as follows (proportions vary year-to-year, and vary between operations, deposits and regions):

General Attributable Cash cost (C1) Categories	2023	2022
MET	28%	22%
Material and supplies	21%	24%
Payroll costs	18%	19%
Processing and other services	15%	15%
General and administrative expenses	5%	7%
Selling expenses	4%	3%
Others	10%	10%
Total	**100%**	**100%**

6.6 Selling expenses

				Proportion	
(KZT million)	**2023**	**2022**	**Change**	**2023**	**2022**
Shipping, transportation and storing	22,408	20,331	10%	78%	79%
Payroll costs	1,916	1,744	10%	7%	7%
Rent	385	214	80%	1%	1%
Materials	170	199	(15%)	1%	1%
Depreciation and amortization	93	56	66%	0%	0%
Others	3,879	3,061	27%	13%	12%
Selling expenses	**28,851**	**25,605**	**13%**	**100%**	**100%**

Selling expenses totalled KZT 28,851 million in 2023 and significantly increased compared to 2022 (in 2022 was KZT 25,605 million). The increase is mainly due to an increase in sales volume and as well as higher volumes shipped using the TITR (see Section 3.2 Sales).

6.7 General & Administrative expenses (G&A)

				Proportion	
(KZT million)	**2023**	**2022**	**Change**	**2023**	**2022**
G&A expenses	53,110	44,507	19%	100%	100%
Incl. Depreciation and amortization	2,059	2,110	(2%)	4%	5%

The increase in G&A expenses includes compensation paid to the government in the amount of KZT 11,357 million and a provision for the payment of compensation to the second participant of "MC "Ortalyk" LLP, in the amount of KZT 4,679 million as explained below.

In October 2017, the Group obtained a Subsoil Use Agreement (SUA) for uranium exploration at Zhalpak field for a period up to 31 May 2018. In May 2018, the Ministry of Energy of the Republic of Kazakhstan agreed to extend the exploration period for mineral resource assessment purposes under the SUA until 31 December 2022 However, the Project for Assessment Works was not approved by the Ministry of Energy of the Republic of Kazakhstan, therefore the pilot production stopped in April 2020. The volume of uranium mined at the Zhalpak field for the period from June 2018 to April 2020 amounted to 162.45 tonnes was recognized as unauthorised. On 15 August 2023 Ortalyk LLP paid a compensation of KZT 11,404 million including exchange rate difference at the date of payment for this unauthorized volume.

In relation to this payment the Company has also accrued a provision for payment of compensation to the second participant of Ortalyk LLP in the amount of KZT 4,679 million due to a possible probability of paying compensation, depending on the applicability of certain conditions of the Sale and Purchase Agreement for a 49% share in the Ortalyk LLP, dated 2021.

In 2022 expenses included compensation to the government in the amount of KZT 7,310 million for overproduction by JV Akbastau JSC of 249 tonnes of uranium compared to its approved volumes under subsoil use agreement.

6.8 The share of associates' and JVs' results

The share of results of associates and JVs in 2023 was KZT 98,385 million, an increase of 10% compared to 2022 (in 2022 was KZT 89,076 million). The increase was related to a growth in the average realized price associated with an increase in the market spot price for U_3O_8, in 2023.

6.9 Profit before tax and tax expense

(KZT million)	2023	2022	Change
Profit before tax	728,342	583,705	25%
Total income tax expense, including:	148,007	110,742	34%
Current income tax	157,610	118,853	33%
Deferred income tax	(9,603)	(8,111)	18%

The Group's profit before tax was KZT 728,342 million in 2023, significantly higher than in 2022 which is mainly due to increase in operating income driven by the growth in the average realized price with an increase in the market spot price for U_3O_8 as well as an increase in sales volume of U_3O_8 and uranium products.

In 2023, corporate income tax expense was KZT 148,007 million, a significant increase compared to 2022 (in 2022 was KZT 110,742 million) related to the increased current income tax and increase in profit before tax in 2023.

The corporate tax rate applicable to the Group's profits was 20% in 2023 and 2022. Effective income tax rates were 20% and 19% for 2023 and 2022, respectively. The effective tax rate differs from corporate income tax rate primarily due to certain elements of reported income and expenses that are not recognised in tax accounting. In general, difference between effective tax rate and applicable Kazakhstani corporate tax rate of 20% is insignificant.

7.0 CAPITAL EXPENDITURES REVIEW

Most capital expenditures of the Group are incurred by subsidiaries, JO's, JVs and associates engaged in the mining of natural uranium. Such expenditures are comprised of the following key components:

- uranium well construction costs;
- expansion costs, which typically include expansion of processing facilities, extension of services and transport routes to new wellfield areas, implementation of new production systems and processes;
- sustaining capital, largely reflecting recurring, infrastructure, maintenance and equipment replacement related costs, which typically to cease three years prior to the end of production at the asset; and
- liquidation fund contributions and mine closure costs (not included in the calculation of AISC).

The following table provides the capital expenditures for the Group's subsidiaries, JOs, JVs and associates engaged in uranium mining on the 100% basis for the periods indicated. Capital expenditure amounts shown were derived from stand-alone unaudited management information of certain entities within the Group based on a stand-alone account information of these entities, and they are therefore not comparable with or reconcilable to the amounts of additions to property, plant and equipment as presented in the Consolidated Financial Statements, therefore, investors are strongly advised not to place undue reliance on such capital expenditure information.

					2023				2022
(KZT million)	**Ownership**	**WC[1]**	**S&E[2]**	**LF/C[3]**	**Total**	**WC[1]**	**S[2]**	**LF/C[3]**	**Total**
Kazatomprom-SaUran LLP	100%	10,787	3,832	260	**14,879**	11,286	2,249	1,857	**15,392**
RU-6 LLP	100%	6,762	1,230	472	**8,464**	5,050	1,165	382	**6,597**
Appak LLP	65%	7,669	1208	288	**9,165**	7,260	630	2,009	**9,899**
JV Inkai LLP	60%	11,478	2,535	(5)	**14,008**	10,637	1,385	18	**12,040**
Baiken-U LLP	52.5%	8,153	985	100	**9,238**	5,161	847	246	**6,254**
DP Ortalyk LLP	51%	16,380	1,199	(57)	**17,522**	12,246	453	1,427	**14,126**
Semizbay-U LLP	51%	8,976	1,433	(41)	**10,368**	6,399	1,699	1,987	**10,085**
JV Budenovskoye LLP	51%	10,035	318	83	**10,436**	1,143	1,610	71	**2,824**
Karatau LLP	50%	7,962	587	174	**8,723**	2,571	1,122	1,478	**5,171**
JV Akbastau JSC	50%	10,711	520	80	**11,311**	6,750	638	742	**8,130**
JV Khorassan-U LLP	50%	12,322	1,171	221	**13,714**	11,364	1,222	1,362	**13,948**
JV Zarechnoye JSC	49.98%	6,546	295	2,966	**9,807**	6,426	135	913	**7,474**
JV Katco LLP	49%	29,167	26,722	2,849	**58,738**	20,150	18,068	2,879	**41,097**
JV South Mining Chemical Company LLP	30%	9,104	3,231	239	**12,574**	6,458	2,376	1,040	**9,874**
Total of mining assets		**156,052**	**45,266**	**7,628**	**208,947**	**112,901**	**33,599**	**16,411**	**162,911**

[1] Well construction.
[2] Sustaining. Includes total expansion investments.
[3] Liquidation fund / closure.

In order to achieve the planned levels of production, the Group's mining companies assess the required level of wellfield and mining preparation based on the availability of reserves. These costs relate to the capitalised costs of maintaining the sites, with the main component being well construction. The increase in capital investments is mainly due to the costs of constructing wells and building infrastructure for new facilities commissioned at JV Katco LLP and JV Budenovskoye LLP. And also by increasing the volume of well construction in order to restore the use factor of ready-to-produce reserves and increasing prices for work and materials for the construction and strapping of wells.

(KZT million)	**2023**	**2022**	**Change**
Well construction	156,052	112,901	38%
Sustaining[1]	26,852	22,735	18%
Total wellfield construction and sustaining costs	**182,904**	**135,636**	**35%**
Expansion	18,414	10,863	70%
Capital expenditures of mining companies (100% basis)[2]	**201,321**	**146,499**	**37%**

[1] Excludes total expansion investments.
[2] Excludes liquidation funds and closure costs.

The wellfield construction and sustaining costs for 14 mining entities in 2023 amounted to KZT 182,904 million, which significantly exceeds the results of 2022. This is due to the fulfilling the production plan for 2023 and reserves preparation for 2024, as well as inflationary pressure caused by the increase in procurement prices for raw materials, materials, equipment, and drilling services.

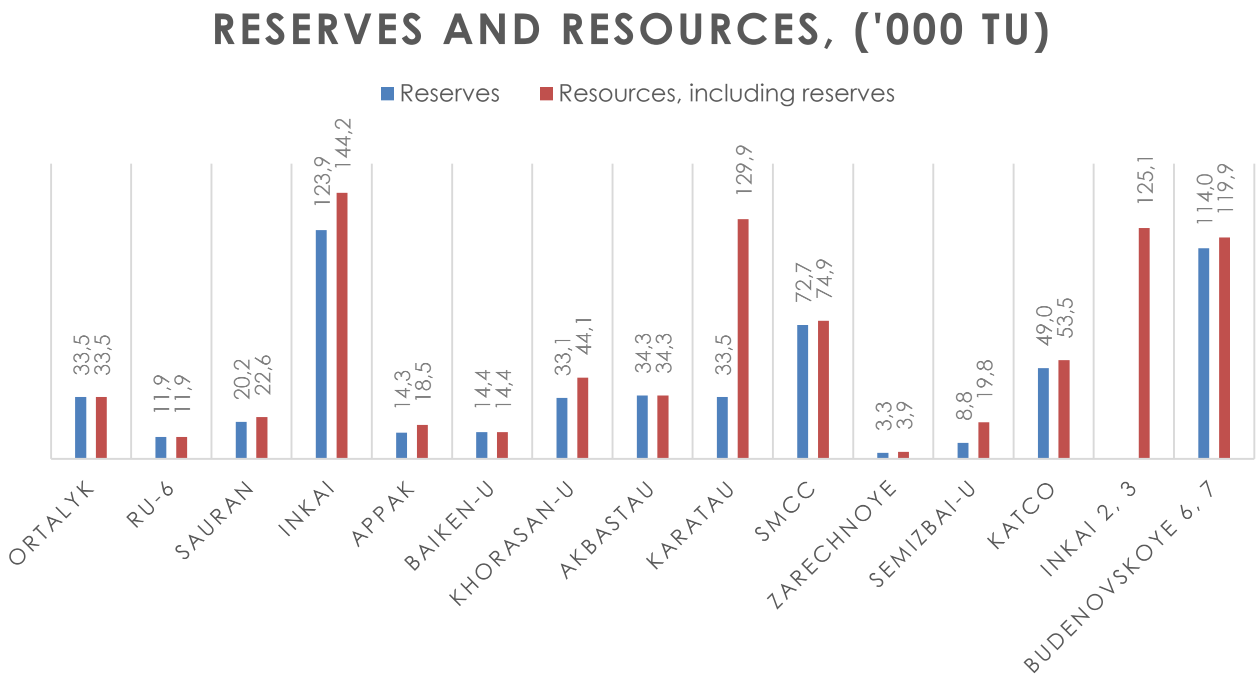
Total capital expenditures of mining companies in 2023 were in line with the updated guidance range provided for 2023 (KZT 200 – 210 billion), which contributed to the implementation of the production program for the reporting year.

The information presented in the table below reflects the wellfield development depreciation (commonly known as PGR), property, plant and equipment, and depreciation and amortization data for each mining asset in 2023.

(KZT million unless noted)	PGR volumes (tU)	PGR at the end of period	Exploration value at the end of period	Historical cost of PPE (excl. wellstock) at the end of period	Carrying amount of PPE (excl. wellstock) at the end of period	D&A (excl. wellstock)
Kazatomprom-SaUran LLP	2,912	18,842	2,297	26,482	14,238	1,220
RU-6 LLP	3,073	12,291	-	9,072	4,892	723
Appak LLP	1,459	9,068	1,681	11,319	5,953	487
JV Inkai LLP	4,225	14,724	15,712	105,367	59,176	2,441
Baiken-U LLP	1,741	5,821	4,821	22,659	10,209	1,054
DP Ortalyk LLP	3,388	14,324	1,078	23,146	13,333	969
Semizbay-U LLP	1,895	8,943	36	20,622	9,707	1,398
JV Budenovskoye LLP	223	447	12,569	2,385	2,176	17
Karatau LLP	3,822	4,288	2,263	30,473	14,878	1,146
JV Akbastau JSC	2,234	6,927	5,575	12,086	6,895	601
JV Khorassan-U LLP*	2,637	9,737	10,522	2,565	2,188	179
JV Katco LLP	4,568	47,980	3,324	97,586	58,723	2,643
JV Zarechnoye JSC	1,918	9,780	2,234	10,251	2,680	458
JV South Mining Chemical Company LLP	3,528	7,078	5,550	29,106	14,319	1,903

* includes the fixed assets of “Kyzylkum” LLP

8.0 RESERVES AND GEOLOGICAL SURVEYS



In accordance with the SRK Consulting (UK) Limited Letter (dated 16 January 2024), the Ore reserves of all mining assets as of 31 December 2023 (including annual depletion) totalled 566.9 thousand tU, (100% basis), with 300.9 thousand tU attributable (in 2022: 588.8 thousand tU on a 100% basis, 312.9 thousand tU attributable). Total mineral resources (including ore reserves) were estimated at 850.5 thousand tU (100% basis), with 508.9 thousand tU attributable to the Company (in 2022: 761.6 thousand tU on 100% basis, 464.8 thousand tU attributable). In comparison to 2022, total mineral resources increased by about 88.9 thousand tU, mainly due to the completion of work on the revaluation of uranium reserves at enterprises: Karatau LLP, Khorasan-U LLP and Appak LLP, including the development of deposits due to production in the amount of 21 thousand tU in 2023 on 100% basis. For more information, please see in a letter from SRK Consulting (UK) Limited about Mineral Resources and Ore Reserves, available in the "Investors" section on the Company's website.

9.0 LIQUIDITY AND CAPITAL RESOURCES

Kazatomprom's management aims to preserve financial stability in a constantly changing market environment. The Group's financial management policy is intended to maintain an appropriate amount of cash reserves to support existing operations and business development.

The Group's liquidity requirements primarily relate to funding working capital, capital expenditures, service of debt, and payment of dividends. The Group has historically relied primarily on cash flow from operating activities to fund its working capital and long-term capital requirements, and it expects to continue to do so, although it maintains the option to use external financial resources when required. It is expected that there will be no significant change in the sources of the Group's liquidity in the foreseeable future. If required, the Company will consider entering into project financing arrangements to fund certain investment projects.

9.1 Cash and available source of financing

The Group manages its liquidity requirements to ensure the continued availability of cash sufficient to meet its obligations on time, avoid unacceptable losses, and settle its financial obligations without jeopardizing its reputation.

(KZT million)	2023	2022	Change
Cash and cash equivalents	211,912	169,536	25%
Term deposit (deemed as cash equivalents)	8	930	(99%)
Total cash	**211,920**	**170,466**	**24%**
Undrawn borrowing facilities	115,004	84,665	36%

Total cash, including term deposits, at 31 December 2023 comprised KZT 211,920 million, compared to KZT 170,466 million at 31 December 2022, due to explanations that are presented below in the Section 9.4 Cash Flows.

Undrawn borrowing facilities are the credit lines available to the Group and considered as an additional liquidity source payable within 12 months, primarily used to temporarily cover cash deficits related to uneven receipts of trade receivables.

As of 31 December 2023, the total limit on the Group's revolving credit lines was USD 253 million, which was fully available for use at the Company's discretion (as of 31 December 2022, the limit on revolving credit lines was USD 235 million).

9.2 Dividends received and paid

The Company is the parent for the Group, and in addition to revenue from its business operations, it receives dividends from JVs and associates, and from other investments. In 2023 and 2022, the Group received dividends of KZT 87,794 million and KZT 45,346 million, respectively, from its JVs and associates, and from other investments. The increase in 2023 is mainly due to increase in the operating results of joint ventures and associates, and other investments as well as due to a growth of dividends received from JV KATCO LLP and related compensation received from the second participant for the additional 11% from distributable annual profit. The Company balances dividend maximisation and sustainable development goals at subsidiaries, JVs and associates. Dividends received by the Company from investees domiciled in the Republic of Kazakhstan are exempt from dividend tax.

In 2023, the Company announced a dividend of KZT 200,970 million that was paid to shareholders in July 2023 based upon the results of 2022 operations (KZT 227,388 million was paid to the shareholders in July 2022 based upon the results of 2021 operations).

9.3 *Working capital*

The table below provides a breakdown of the Group's working capital in 2023 and 2022.

(KZT million)	2023	2022	Change
Inventory	423,314	392,621	8%
Receivables	430,319	270,921	59%
Recoverable VAT	146,450	62,389	>100%
Other financial assets[1]	49,399	19,748	>100%
Other non-financial assets	19,398	19,274	1%
CIT prepayment	9,536	11,451	(17%)
Payables	(176,011)	(98,809)	78%
Employee remuneration liabilities	(326)	(325)	0%
Income tax liabilities	(5,022)	(4,221)	19%
Other taxes and compulsory payments liabilities	(37,437)	(24,688)	52%
Other current liabilities	(116,421)	(83,883)	>100%
Net working capital	**743,199**	**564,478**	**32%**

[1] Excludes term deposits in amount of KZT 8 million in 2023 (2022: KZT 930 million) as these deemed as equivalent to cash (see Section 9.1 Cash and available source of financing).

An increase in receivables was mainly due to the growth of revenues in 2023 (see Section 6.2 Consolidated revenue and other financial metrics).

Recoverable VAT significantly increased and totalled KZT 146,450 million due to increase in cost of uranium purchased by the Company from its subsidiaries, JOs, JVs and associates due to increase of the market spot prices (see Section 5.8 Transactions with subsidiaries, JVs, JOs and Associates).

Other financial assets mainly represent the Group's investments in short-term debt securities issued by the National Bank of the Republic of Kazakhstan, the U.S. Department of the Treasury, and foreign commercial banks. As at 31 December 2023, these investments amounted to KZT 46,276 million.

Other current liabilities include liabilities under a short-term inventory loan agreement of uranium for KZT 91,151 million (revalued at a fair value), concluded between the Group and ANU Energy with return period until March 2024.

Uranium loans are part of the Group's normal inventory management policy, required to mitigate logistical risks that could affect the timely delivery of Kazakhstani uranium to Western conversion enterprises due to the current unstable geopolitical situation.

The Group's net working capital remained positive during all periods under review.

The following table sets forth the components of the Group's inventories in 2023 and 2022:

(KZT million)	2023	2022	Change
Finished goods and goods for resale	331,494	296,833	12%
Including uranium products	*328,015*	*295,051*	*11%*
Work-in-process	62,496	54,016	16%
Raw materials	26,451	34,831	(24%)
Other materials	2,793	7,486	(63%)
Spare parts	1,800	1,488	21%
Fuel	1,233	989	25%
Provision for obsolescence and write-down to net realizable value	(2,953)	(3,022)	(2%)
Total inventories	**423,314**	**392,621**	**8%**

The Group constantly monitors the uranium market and may pursue a strategy of increasing its inventories in certain market conditions.

The Group's main inventory items are finished goods and goods for resale, which primarily consist of U_3O_8 and other uranium products.

An increase in inventory balance was mainly due to an increase in spot price of U_3O_8 during 2023, which increased the cost of purchased uranium from JVs, associates and third parties, along with the increase in a cost of finished goods. In alignment with the Company's value strategy, Kazatomprom's inventory levels vary based upon timing of customer requirements and the resulting differences in the timing of deliveries, and mining and sales volumes, in alignment with changing market conditions.

9.4 Cash Flows

The following cash flow discussion is based on, and should be read in conjunction with the Financial Statements and related notes.

The following table provides the Group's consolidated cash flows in 2023 and 2022:

(KZT million)	2023	2022
Cash flows from operating activities[1]	432,225	283,859
Cash flows from/(used in) investing activities	(61,200)	(10,893)
Cash flows (used in) financing activities	(319,425)	(268,877)
Net increase/(decrease) in cash and cash equivalents	**51,600**	**4,089**

[1] Includes income tax and interest paid.

9.4.1 Cash Flows from Operating Activities

Operating cash flows in 2023 totalled KZT 432,225 million, a significant increase compared to KZT 283,859 million in 2022 mainly due to:

- KZT 246,449 million increase in cash receipts from customers and under swap transactions during 2023 compared to 2022, due to a growth in the average realized price associated with an increase in the spot price for U_3O_8, as well as an increase in the sales volumes and change in timing of the sales schedules;
- offset by KZT 50,546 million decrease in 2023 inflows from VAT refunds from the budget;
- offset by KZT 39,573 million due to an increase in other taxes paid, primarily from the higher amount of accrued value-added tax resulting from an increase in intra-group sales within the territory of Republic of Kazakhstan, along with an in increase in the mineral extraction tax;
- KZT 28,667 million increase in income tax paid due to an increase in profit before tax. (see Section 6.9 Profit before tax and tax expense);

9.4.2 Cash Flows from Investing Activities

Net cash outflows from investing activities were KZT 61,200 million in 2023 compared to Net cash outflows KZT 10,893 million in 2022 mainly due to:

Changes in investing cash flows in 2023 were due to:

- a KZT 42,448 million increase in 2023 in dividends received from associates, joint ventures and other investments (see Section 9.2 Dividends received and paid);
- an increase in investments for the purchase of debt securities issued by the US Department of the Treasury and the Eurasian Development Bank, net of the amount – KZT 41,249 million;
- an increase in 2023 in acquisition of property, plant and equipment, acquisition of mine development assets and acquisition of exploration and evaluation assets in sum for KZT 35,283 million primarily due to a shift in wellfield development activities, as well as higher purchase prices for equipment (see Section 7.0 CAPITAL EXPENDITURES REVIEW).

9.4.3 Cash Flows from financing activities

Net cash outflows from financing activities were KZT 319,425 million in 2023 compared to KZT 268,877 million in 2022.

The principal factors affecting the comparable cash flows used in financial activities was:

- an increase in the net of cash outflow from proceeds and repayment of loans and borrowings totalling KZT 95,517 million;
- offset by a decrease in the payment of dividends paid to shareholders and dividends paid to non-controlling interests by KZT 26,418 and 18,422 million, respectively.

10.0 INDEBTEDNESS

The total debt and guarantees of the Group as of 31 December 2023 were KZT 102,473 million (KZT 157,381 million in 2022).

(KZT million)	2023	2022	Change
Bank loans	-	23,953	(100%)
Non-bank loans	86,377	114,491	(25%)
Off-balance sheet guarantees	16,096	18,937	(15%)
Total debt and guarantees	**102,473**	**157,381**	**(35%)**

The following table summarises the Group's debt for the years ended 31 December 2023 and 2022:

(KZT million)	2023	2022	Change
Non-current	**100**	**83,441**	**(100%)**
Bank loans	-	-	
Non-bank loans, including:	100	83,441	
Lease liabilities	100	141	
Bonds issued	-	83,300	
Current	**86,277**	**55,003**	**57%**
Bank loans	-	23,953	
Non-bank loans, including:	86,277	31,050	
Bonds issued	82,746	24,016	
Promissory note issued	3,506	7,002	
Lease liabilities	25	32	
Total debt	**86,377**	**138,444**	**(38%)**

As of 31 December, 2023, the Group has no bank loans.

The amount of non-bank loans as of 31 December 2023 comprised KZT 86,377 million and includes:

- long-term USD-indexed Company coupon bonds with a nominal amount of KZT 70 billion and maturity in October 2024, issued in September 2019 on the Kazakhstan Stock Exchange (KASE);
- promissory notes owned by JV "Khorasan-U" LLP are with maturity "on demand". As of 31 December 2022, the right to claim under the promissory notes belongs to "Kyzylkum" LLP. In 2023, the notes were partially redeemed.

Guarantees represent off-balance sheet irrevocable obligations of the Group to effect payment in the event that another cannot meet its obligations.

Other liabilities of the Group are finance leases, other debt and leases.

Under the loan and guarantee agreements, the Group is required to comply with certain established non-financial obligations (covenants). During the year the Group fulfilled all of the above obligations. The Group has no obligations under financial covenants.

The following table summarises the Group's weighted average interest rate for bank loans in 2023 and 2022:

(%)	2023	2022
Weighted average interest rate, including:	3.81	3.62
Fixed interest rate	3.81	3.62

As of 31 December 2023, the weighted average interest rate was 3.81%, which was higher compared to the prior year. The Group's weighted average interest rate on loans and borrowings in 2023 was mainly influenced by the Group's long-term fixed interest rate liabilities (bonds with a coupon of 4% per annum).

As of 31 December 2023, the Group's liabilities are fully formed from debt with a fixed interest rate.

The Company has been assigned credit ratings from international rating agencies:

- Moody's Investors Service: **Baa2**, outlook – Positive (confirmed on 30 October 2023);
- Fitch Ratings: **BBB**, outlook – Stable (confirmed on 19 January 2024).

10.1 Net debt / Adjusted EBITDA

The following table summarises the key ratios used by the Company's management to measure financial stability in 2023 and 2022. Management targets a net debt to adjusted EBITDA of less than 1.0.

(KZT million)	**2023**	**2022**	**Change**
Total debt (excluding guarantees)	86,377	138,444	(38%)
Total cash balances (see Section 9.1)	(211,920)	(170,466)	24%
Net debt	(125,543)	(32,022)	<(200%)
Adjusted EBITDA* (see Section 6.0)	828,623	630,898	31%
Net debt / Adjusted EBITDA (coefficient)	(0.15)	(0.05)	<(100%)

*Adjusted EBITDA is calculated by excluding from EBITDA items not related to the main business and having a one-time effect. Calculation: Profit before tax - finance income + finance expense +/- Net FX loss/(gain) + Depreciation and amortization + Impairment losses - reversal of impairment +/- one-off or unusual transactions.

11.0 OUTSTANDING SHARES

There were no changes to Kazatomprom's share capital structure during 2023. As of 31 December 2023, the number of outstanding ordinary shares of the Company was 259,356,608 (same in 2022), of which 75% was held by Samruk-Kazyna JSC and 25% of shares/global depositary receipts listed on the Astana International Exchange (AIX) and the London Stock Exchange (LSE) were free floated. One global depositary receipt represents one ordinary share. Each ordinary share grants the right to one vote.

(at Dec 31, 2023)	Shares and GDRs	%
Samruk-Kazyna	194,517,456	75
Public free-float	64,839,152	25
Total share capital	**259,356,608**	**100**

12.0 GUIDANCE FOR 2024

	Guidance for 2024	Actual for 2023
	460 KZT/1USD	456.24 KZT/1USD*
Production volume U_3O_8, (tU) (100% basis)[1, 2]	21,000 – 22,500[2]	21,112
Production volume U_3O_8, (tU) (attributable basis)[3]	10,900 – 11,900[2]	11,169
Group sales volume, (tU) (consolidated)[4]	15,500 – 16,500	18,069
Incl. KAP sales volume (included in Group sales volume), (tU)[5]	11,500 – 12,500	14,915
Revenue – consolidated, (KZT billions)[6]	1,700 – 1,800	1,435
Revenue from Group U_3O_8 sales, (KZT billions)[6]	1,300 – 1,400	1,181
C1 cash cost (attributable basis) (USD/lb) **	$16.50 – $18.00	13.27
All-in sustaining cash cost (attributable C1 + capital cost) (USD/lb)**	$26.00 – $27.50	21.37
Total capital expenditures (KZT billions) (100% basis)[7]	250 – 270	201

[1] Production volume U_3O_8 (tU) (100% basis): Amounts represent the entirety of production of an entity in which the Company has an interest; it disregards that some portion of production may be attributable to the Group's JV partners or other third-party shareholders. Precise actual production volumes remain subject to converter adjustments and adjustments for in-process material.
[2] The duration and full impact including, but not limited to sanctions pressure due to the Russian-Ukrainian conflict and limited access to some key materials are not known. As a result, annual production volumes may differ from internal expectations.
[3] Production volume U_3O_8 (tU) (attributable basis): Amounts represent the portion of production of an entity in which the Company has an interest, corresponding only to the size of such interest; it excludes the portion attributable to the JV partners or other third-party shareholders, except for JV "Inkai" LLP, where the annual share of production is determined as per Implementation Agreement as disclosed in IPO Prospectus. Actual drummed production volumes remain subject to converter adjustments and adjustments for in-process material. For JV Budenovskoye LLP, 100% of the 2024-2026 annual production is fully committed for supplying the needs of the Russian civil nuclear energy industry, under an offtake contract at market-related terms.
[4] Group sales volume: includes Kazatomprom's sales and those of its consolidated subsidiaries (according to the definition of the Group provided on page one of this document). Group U_3O_8 sales volumes do not include other forms of uranium products (including, but not limited to, the sales of fuel pellets).
[5] KAP sales volume: includes only the total external sales of KAP HQ and THK. Intercompany transactions between KAP HQ and THK are not included.
[6] Revenue expectations are based on uranium prices taken at a single point in time from third-party sources. The prices used do not reflect any internal estimate from Kazatomprom, and 2023 revenue could be materially impacted by how actual uranium prices and exchange rates vary from the third-party estimates.
[7] Total capital expenditures (100% basis): includes only capital expenditures of the mining entities, includes significant CAPEX for investment and expansion projects. Excludes liquidation funds and closure costs. For 2024 includes development costs for mining infrastructure of JV Budenovskoye LLP, JV Katco LLP (South Tortkuduk) and MC Ortalyk LLP (Zhalpak) for a total amount of approximately KZT 85 billion.
* The average exchange rate for 2023.
** Note that the conversion of kgU to pounds U3O8 is 2.5998.
*** For some JVs, the Company has a right to purchase additional volumes beyond its attributable share if the JV partner chooses to forgo its entitled share of production (beyond the production volume attributable to Company).

Production in 2024 is expected to be in the range of 21,000 – 22,500 tonnes of uranium on a 100% basis and in the range of 10,900 – 11,900 tonnes of uranium on an attributable basis (previously in 2022, initial production plans for 2024 were announced as 25 000 – 25 500 tonnes of uranium on a 100% basis). The decrease in production volumes is caused by difficulties related to the availability of sulphuric acid and delays in construction work at new deposits/sites, as previously announced by the Company on 12 January 2024.

The Company expects that the level of uranium production of most mining assets will be at the level of -20% of the Subsoil Use Contracts and the Company will make every effort to exclude cases of violation of obligations in terms of production volumes according to the Subsoil Use Contracts. But enterprises that have subsoil use rights to newly commissioned deposits/areas have the risk of a reduction in production levels by more than 20% of Contractual obligations due to delays in construction work on the surface complex and infrastructure.

The Company has contracted the relevant volumes of sulphuric acid to meet its 2024 production guidance of about 20% below Subsoil Use Contract levels. However, delays in construction works at new deposits/sites make significant uncertainties and may affect the Company's forecast operating performance for 2024. The Company will inform stakeholders accordingly.

Sales volume guidance for 2024 is aligned with the Company's market-centric strategy as well. The Group expects to sell between 15,500 tU and 16,500 tU, including KAP sales of between 11,500 tU and 12,500 tU. Decrease in 2024 sales volume guidance in comparison to 2023 at both the Group and KAP levels is due to higher sales of EUP to "Ulba-FA" LLP for subsequent production of fuel assemblies and aimed at ensuring sufficient level of inventories for the future periods.

Revenue, C1 cash cost (attributable basis) and All-in Sustaining cash cost (attributable C1 + capital cost) may vary from the guidance provided if the KZT to USD exchange rate fluctuates significantly during 2024. Increase in spot market price for U_3O_8 affecting the MET (see Section 5.4 Taxation and Mineral Extraction Tax ("MET")) as well as procurement and supply chain issues, including inflationary pressure on production materials and reagents, are expected to continue throughout 2024, this may affect the Company's financial metrics and giving rise to an expectation that C1 cash cost and All-in Sustaining cash cost will be higher in 2024 than in 2023. Guidance will be updated if the aforementioned uncertainties persist throughout 2024.

Total capital expenditures on 100% basis guidance for 2024 increased significantly in comparison to 2023 results to cover increase in purchase prices for materials, supplies, equipment and cost of drilling, as well as development costs for mining infrastructure of JV Budenovskoye LLP, JV Katco LLP (South Tortkuduk) and MC Ortalyk LLP (Zhalpak) for a total amount of approximately KZT 85 billion.

The Company may purchase uranium from the spot market, while continuing to monitor market conditions for opportunities to optimise its inventory.

12.1 Uranium sales price sensitivity analysis

The table below indicates how the Group's U_3O_8 annual average sales price may respond to changes in spot prices (shown in the left column), for a given year (shown across the top row). At present, the table clearly indicates that the Group's U_3O_8 average sales prices are closely correlated with the uranium spot market price.

This sensitivity analysis should be used only as a reference, and actual uranium market spot prices may result in different U_3O_8 annual average sales prices than those shown in the table. The table is based upon several key assumptions, including estimates of future business opportunities, which may change and are subject to risks and uncertainties outside the Group's control. Please review the footnotes under that table and refer to the section 13.1 Forward-looking statements for more information.

Average Annual Spot Price (USD)	2024E	2025E	2026E	2027E	2028E
20	30	26	24	25	22
40	42	39	39	39	39
60	56	55	57	57	58
80	68	69	74	73	76
100	79	80	88	87	93
120	90	92	102	100	109
140	100	109	115	114	126

Values are rounded to the nearest dollar. The sensitivity analysis above is based on the following key assumptions:
- Annual inflation is assumed to be 2% in the US based on historic values, for the purposes of this analysis;
- Analysis is as of 31 December 2023 and prepared for 2024–2028 on the basis of minimum average Group annual sales during the specified period of approximately 18.0 thousand tonnes of uranium in the form of U_3O_8, of which the volumes contracted as of 31 December 2023 will be sold per existing contract terms (i.e. contracts with hybrid pricing mechanisms with a fixed price component (calculated in accordance with an agreed price formula) and / or combination of separate spot, mid-term and long-term prices); Kazatomprom's marketing strategy does not target a specific proportion of fixed and market related contracts in its portfolio in order to remain flexible and react appropriately to market signals.
- For the purpose of the table, uncommitted volumes of U_3O_8 are assumed to be sold under short-term contracts negotiated directly with the customers and based on spot prices.

13.0 RISKS AND FORWARD-LOOKING INFORMATION

The Company is exposed to the following key risks that could have a material adverse effect on the Group and its results:

- complex and unquantifiable risks associated with sanctions against Russia, including but not limited to State Atomic Energy Corporation Rosatom (the Russian state atomic enterprise) and its subsidiaries, and risks related to the current situation in Ukraine, which could lead to a deterioration in the financial stability of the Group and an increase in social tension, related, but not limited to restrictions on mutual settlements in US dollars and other currencies and suspension of shipment of goods through the territory of the Russian Federation;
- the Group's profitability is directly related to the market prices of uranium, which are volatile;
- major accidents affecting the nuclear industry may result in a dramatic fall in uranium prices;
- nuclear energy competes with several other sources of energy, and sustained lower prices of such alternative energy sources may result in lower demand for nuclear raw materials and fuel, a reduction in nuclear energy development programs and the construction of nuclear power plants and consequently, in a reduction in demand for uranium which could impact market prices;
- nuclear energy is subject to public opinion risks that could have a material adverse impact on the demand for nuclear power and increase the regulatory burden on the nuclear power industry;
- the Group faces competition and could lose customers to other suppliers of uranium and uranium products;
- the Group is currently dependent on a small number of customers that purchase a significant portion of the Group's uranium, and the loss of a significant customer could have a material impact;
- certain customers and business associates of the Group may be subjected to international sanctions, and such sanctions could have a material impact;
- the Group is a large taxpayer and is subject to tax risks, the most significant being an increase in the tax on mining for uranium, and transfer pricing within the limitation period;
- the Group's uranium extraction and transportation activities are subject to operational risks, hazards and unexpected disruptions, which could delay the production and delivery of the Group's uranium and uranium products, increase the Group's cost of extraction, or result in accidents at the Group's extraction locations;
- the availability to procure and the cost of sulphuric acid materially affects the continuity and commercial viability of the Group's operations, as the Group uses substantial amounts of sulphuric acid to extract uranium;
- the Group may face difficulty using railroads or other transportation infrastructure connecting Kazakhstan with neighbouring countries;
- the Group may be unsuccessful in maintaining existing ore reserves or discovering new ore reserves, and the reported quantities or classifications of the Group's uranium ore reserves may be lower than estimated because of inherent uncertainties in the estimation process;
- the Group is subject to various financial risks related to certain financial and other restrictive covenants, fluctuations of interest and currency rates, liquidity constraints or fail to obtain the necessary funding, or defaults of counterparties;
- the Group may face arbitration or litigation, legal consequences of non-compliance/misinterpretation of legislation;
- the Group's insurance coverage may not be adequate to cover losses arising from potential operational hazards and unforeseen interruptions;
- IT system failures or cyber-attacks against the Group may negatively affect the performance;
- failure to achieve planned uranium production or products (U_3O_8) output volumes, sales, or production costs of products and services;
- failure to successfully improve corporate governance systems and health, safety, and environmental programs;
- failure to fulfil the plan for production and sale of fuel assemblies in the Republic of Kazakhstan;

- the Group is impacted by the macroeconomic, social and political conditions in Kazakhstan, and the Group may be exposed to risks related to adverse sovereign action by local government, or subject to extensive government regulation and legislation;
- the Group may be affected by labour unrest or increased social tension in Kazakhstan;
- the Group's performance is subject to economic, political and legal changes in China, India, Southeast Asia, Russia and other countries with an increased risk of direct and secondary sanctions;
- unexpected catastrophic events, including acts of vandalism and terrorism;
- the deterioration of the epidemiological situation in Kazakhstan and other countries may lead to a deterioration in the financial stability of the Group, an increase in social tension and the inability to purchase basic operating materials.

13.1 Forward-looking statements

This document contains statements that are considered as “forward-looking statements”. The terminology used for describing the future, including, inter alia, such words as “believes”, “according to preliminary estimates”, “expects”, “forecasts”, “intends”, “plans”, “suggests”, “will” or “should” or, in each case, similar or comparable terminology, or references to discussions, plans, objectives, goals, future events or intentions, is used to denote forward-looking statements. These forward-looking statements include all statements that are not historical facts. These statements include, without limitation, statements regarding intentions, opinions and announcements on the Company’s expectations concerning, among other things, the results of operations, financial state, liquidity, prospects, growth, potential acquisitions, strategies and sectors, in which the Company operates. In their nature, forward-looking statements involve risks and uncertainties because they relate to future events and circumstances that may or may not occur. Forward-looking statements do not guarantee future or actual performance. The Company’s financial position and liquidity, as well as the development of the country and industries, in which the Company operates, may significantly differ from the options described herein or assumed pursuant to the forward-looking statements contained herein. The company does not plan and does not assume obligations to update any information regarding the industry or any forward-looking statements contained herein, whether as a result of obtaining new information or occurrence of future events or any other circumstances. The Company makes no representations, provides no assurances and publishes no forecasts as to whether the outcomes described in such forward-looking statements will be achieved.