

**Event:** 1H2025 Results Conference Call – Astana

**Date/Time:** Friday, 22 August 2025, 17:00 GMT+5

## Kazatomprom 1H2025 Results Conference Call Transcript



### Botagoz Muldagaliyeva NAC Kazatomprom JSC – Director, Investor Relations

Hello everyone, and welcome to Kazatomprom’s Conference Call to discuss 2025 Half-Year Operating and Financial Results. My name is Botagoz, and I am leading the Investor Relations team at Kazatomprom. Thank you for taking the time to join us today.

Traditionally, our conversation will begin with a management presentation, which today will be delivered by Mr. Dastan Kosherbayev, Chief Strategy and International Development Officer. Let me take this chance and pass the apologies from our CEO who could not participate at today’s call due to business travels.

At this time and through the management presentation, all participants will be in listen-only mode. This call is open to all stakeholders, with the question-and-answer portion intended to be an opportunity for members of the investment community to engage with the management team and ask their questions through the phone lines in English. English line participants will also have an option to submit questions through the webcast page using the “Ask a question” button.

The simultaneous translation of the English Q&A will be available for the Russian-speaking line.

For those who joined through the Company’s or the London Stock Exchange’s websites, there will be slides displayed during the remarks. These webcast slides will be available for download in English and in Russian shortly after the call.

Note that our press release, full version of the 2025 Half Year Operating and Financial Review, along with the financial statements for three and six months ended 30 June 2025, are now available on Kazatomprom’s website.

Participating in today’s call, we have Dastan Kosherbayev, Chief Strategy and International Development Officer, and Seitzhan Zhanybekov, Managing Director, Sales.



Please note, that this conference call may include forward-looking statements. These statements include all matters that are not historical facts. By their nature, forward-looking statements involve risk and uncertainties, and they are not guarantees of future performance. The Company does not make any representation, warranty or prediction that the results anticipated by such forward-looking statements will be achieved.

I am now passing the floor to Mr. Kosherbayev.

### Dastan Kosherbayev NAC Kazatomprom JSC – Chief Strategy & International Development Officer

Thank you. I am delighted to welcome and thank everyone for joining our conference call on 2025 half-year operating and financial results.



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### Strong Fundamentals

- Nuclear is key to energy security and net-zero emissions**
- 1 Critical role to play in the transition to net zero as a safe and clean source of energy
  - 2 Increasingly becoming a part of the national energy security strategies
  - 3 Stable, baseload power to underpin renewable generation
  - 4 Thousands of cumulative reactor years of safe power production
  - 5 Recognised by EU, UK, CA as green
  - 6 Japan restarts post-Fukushima; US plans to restart mothballed reactors; Microsoft, Oracle, Google, Amazon and Facebook embracing nuclear
  - 7 More than 30 countries and 14 major financial institutions pledged to support tripling nuclear output by 2050, including Kazakhstan

Kazatomprom continues to demonstrate both reliability and a responsible, disciplined approach in its operations.

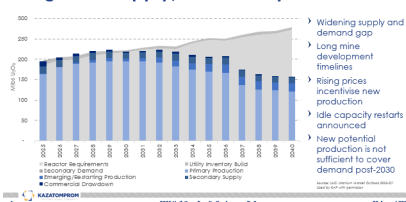
Prior to moving to the Company-level discussion, we would like to reiterate the worldwide-recognized importance of nuclear energy, which by now has become an integral part of the global energy policy. The strong fundamentals of the uranium market underpin our confidence in the industry's long-term prospects.

News from various jurisdictions about their plans to incorporate nuclear energy into their energy mix as a baseload option, to expand existing capacities by constructing new nuclear power plants, or extending the lifespan of operating ones continue to support the global nuclear agenda. This reinforces our conviction that the second nuclear renaissance is not a short-term trend, but a lasting structural shift.

The most recent example of that comes from Japan, which has announced plans for construction of the first new nuclear power plant post-Fukushima.

As the world's largest producer and seller of natural uranium, Kazatomprom fully recognises the critical role the Company has in supporting the global energy transition. We remain committed to delivering long-term value to all stakeholders.

### Long-term Supply/Demand Dynamics



Industry forecasts remain to reveal a growing supply gap that current production volumes will not be able to meet in the expected future. By 2040, the cumulative uranium supply deficit is projected to reach approximately 570 million pounds of  $U_3O_8$  – a volume that underscores the significant supply challenge facing the industry.

In response, several producers have made the decision to restart idled capacity and bring new projects into production. While these efforts will help address near-term requirements, they will not be enough to cover the industry's growing uranium needs beyond 2030. This shortfall is exacerbated by geopolitical uncertainty, inflationary pressures, and global supply chain constraints. Some of these factors were previously viewed as transitory but are appearing to be persistent. As we have repeatedly stated in previous disclosures, the market will require the equivalent of another Kazatomprom-sized producer to keep pace with future demand.

A frequent misconception in the market is the assumption that new uranium supply can be developed quickly and at low cost. In reality, advancing new projects is a lengthy and complex process that involves exploration, permitting, infrastructure, and financing, all of which require significant time and capital. This reality is often underestimated, leading to overly optimistic expectations about how fast new supply can come online.

Surveys, including those conducted by the IAEA, confirm that the world hosts sufficient uranium resources to meet long-term demand. However, a growing proportion of these resources is more technically challenging and costly to access. As a result, depending on one's position on the production cost curve,

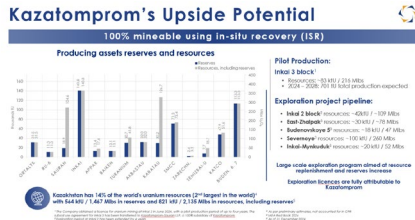
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current market prices may not be sufficient to justify the investment needed to bring these projects into production.

The typical 8-to-15-year lag from discovery to production means that even “near-ready” projects face hurdles like permitting, financing, environmental approvals, staffing issues, and technical ramp-up. Even when a project achieves commercial production, it still is subject to operational challenges.

All these factors point to a slower-than-expected supply response at precisely the time when utilities, concerned about geopolitical supply risks, are restarting to lock in into longer-term contracts.

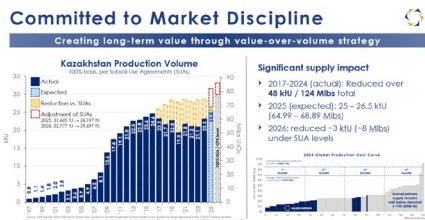


Kazatomprom is currently undertaking a large-scale exploration in Kazakhstan, which is a top priority for replenishing its resource base and maintaining its leading position as a global nuclear fuel supplier.

It is worth noting that this strategic initiative received full support at the highest governmental level.

The unique geology of Kazakhstan enables us to augment substantial volumes of our resource balance at a far lower investment scale in comparison. Such an advantage reaffirms our trust in investment into exploration of new territories, depreciating any efforts to acquire additional non-attributable reserves at our existing mines.

Speaking about the production from other parts of the world, we are eager to hear more positive developments from new and previously idled mines. We firmly believe that the current market conditions offer opportunities for every participant in the fuel cycle to thrive.



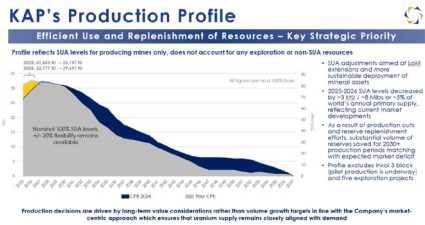
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is measured. Concurrently, negotiations with joint venture partners remain in progress. The outcomes of these discussions may result in further refinements to Kazatomprom’s 2026 production expectations.

In line with the updated Development Strategy for 2025–2034, which emphasises the efficient use of the resource base, the Company expects to exercise a responsible, disciplined approach and downflex (within the acceptable 20% deviation) under the updated 2026 Subsoil Use production levels. Actual 2026 production guidance remains subject to ongoing negotiations with JV partners and broader market considerations.

Sulphuric acid supplies for 2026 are estimated to be stable. Diverse geological characteristics of the Company’s assets, combined with residual effects from past supply constraints, may lead to variations in uranium recovery rates and different percentage rate decreases compared to the levels stipulated in the Subsoil Use Agreements across individual mining operations.



Detailed in the newly published 2024 Competent Person’s Report on the mineral assets of the Company, 2026 nominal production level (on a 100% basis) is expected to change from around 85 million pounds of U3O8 (as per 2021 data) to about 77 million pounds, representing about 8 million pounds or roughly 10% decrease, most of which is attributable to JV Budenovskoye’s production adjustments.

The Company believes that the Group’s updated production profile represent a more sustainable deployment of its mineral assets, in line with the updated Development Strategy for 2025–2034, which concentrates on the efficient use of Kazatomprom’s resource base.

The Company maintains a robust inventory position and a disciplined sales strategy, ensuring that all delivery obligations will be met in full while retaining flexibility to respond quickly to market developments.



Turning to our half-year results, the Company has demonstrated a robust performance, which reinforces our confidence in achieving our 2025 targets.

**Uranium sales price sensitivity**

Group’s U<sub>3</sub>O<sub>8</sub> average realized price response to spot price change

Avg. Annual Spot Price (USD)	2025E	2026E	2027E	2028E	2029E
20	22	27	27	28	27
40	46	40	40	39	39
60	57	58	57	58	58
80	68	73	72	75	76
100	78	83	84	90	93
120	87	93	96	105	110
140	97	103	108	120	127

Let me now draw your attention to our updated sensitivity analysis. Our estimated Group average realized price remains in line with the levels shown in our previous sensitivity table, with several changes in the years ahead, attributed to amendments to the methodology expected to deliver more precise results.

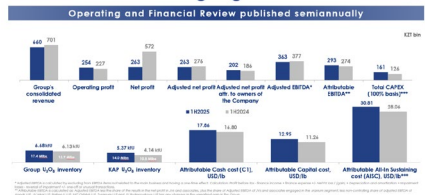
Our sales portfolio continues to show one of the strongest correlations with spot prices in the entire market.



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## 1H2025 Financial Highlights



Our first-half 2025 financial performance reflects both the strength of our operations and certain one-time effects that influenced year-on-year comparisons.

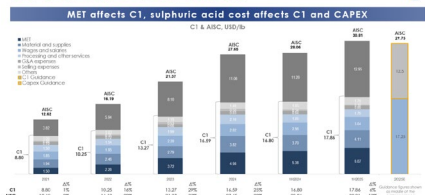
For the period, the Group’s consolidated revenue totalled 660 billion tenge, down 6% from 701 billion tenge in the first half of 2024. This decline was mainly driven by a decrease in sales volume.

Operating profit for the first half of 2025 reached 254 billion tenge, a 12% increase compared to 227 billion tenge in same period of 2024. This improvement was mainly due to a decrease in the cost of sales related to lower share of purchased uranium from JV’s and associates in the total volume of sales to third-parties.

Net profit amounted to 263 billion tenge, down from the same period of 2024, mainly due to the gain from consolidation of JV Budenovskoye and other one-off income recorded last year. When adjusted for these one-time effects, net profit decreased only by 5%. This adjusted figure was also impacted by a net foreign exchange loss of 12.7 billion tenge, compared to a gain of 7.3 billion tenge in the first half of 2024.

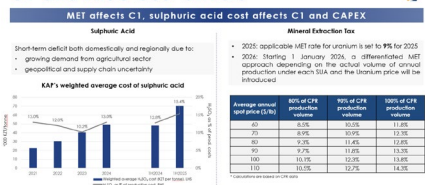
Taken together, these results underscore the resilience of our core business, the strength of our cost position, and our ability to deliver solid operating performance despite market price fluctuations and external headwinds.

## C1 and AISC cost drivers



In the first half of 2025, our C1 cash costs rose by 6% and our all-in sustaining costs increased by 10% in US dollar terms compared to the same period in 2024. The main drivers of the increase in C1 cash costs were a higher mineral extraction tax rate and rising sulphuric acid prices.

## C1 and AISC cost drivers



On average, our cost of sulphuric acid increased by 46%. This reflects the ongoing price uncertainty in the Kazakhstan market, as well as higher prices for imported volumes.

In the first half of this year, sulphuric acid accounted for about 15% of the Group’s uranium production cost, compared to 13% during the same period last year.

For investors’ convenience, we have also updated the sensitivity for mineral extraction tax in line with a new CPR report. As you can notice, the table itself changed very little, with incremental changes across the board.

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## Looking Ahead

2025 guidance – consistent focus on value strategy

Key performance indicators	Unit of measure	Updated 2025 guidance		Initial 2025 guidance	
		min	max	min	max
Production volume (UO, 100% basis)*	ktU	14,000 – 14,500	14,000 – 14,500	14,000 – 14,500	14,000 – 14,500
Production volume (UO, attributable basis)*	ktU	13,000 – 14,000	13,000 – 14,000	13,000 – 14,000	13,000 – 14,000
Group sales volume (production)*	ktU	17,000 – 18,500	17,000 – 18,500	17,000 – 18,500	17,000 – 18,500
KAP sales volume (incl. in Group)*	ktU	18,000 – 19,500	18,000 – 19,500	18,000 – 19,500	18,000 – 19,500
Revenue – consolidated*	KZT bn	1,400 – 1,700	1,400 – 1,700	1,400 – 1,700	1,400 – 1,700
Revenue from Group (UO) sales	KZT bn	1,400 – 1,600	1,400 – 1,600	1,400 – 1,600	1,400 – 1,600
UO cost of attributable basis	\$/ktU	210.00 – 210.00	210.00 – 210.00	210.00 – 210.00	210.00 – 210.00
Adjusted cost of attributable (C1 + capex)	\$/ktU	200.00 – 200.00	200.00 – 200.00	200.00 – 200.00	200.00 – 200.00
Total capital expenditures of mining entities (100% basis)*	KZT bn	385 – 415	385 – 415	385 – 415	385 – 415

The Company leaves all guidance metrics for 2025 unchanged, except for the KAP sales volume range, which is reduced by 500 tonnes. This adjustment resulted from a shift in the 2025 delivery schedule, where a contract delivery has been re-scheduled to a later period as per the customer's request. The Group's sales guidance for 2025 remains intact within the earlier announced range.

## 1H2025 Non-Financial Highlights

- Paid dividends for FY2024 with a yield of ~5.3%**
  - Dividends for FY2024 were paid in July 2025 and amounted to KZT 327.8 bn (\$2.34/GDR)
- Large-scale exploration programme aimed at replenishment of resource base**
  - Pilot production underway at Inkai 3
  - Five exploration projects in the pipeline (Inkai 2, East-Zhirdak, Severnoye, Budenovskoye S, Inkak, Myrkuduk), total estimated resources 200+ ktU
  - Exploration upside 100% attributable to KAP
  - Exploration roadmap outlined in CFR report
- First reactor to begin construction in Kazakhstan**
  - On 8 August 2025, an inauguration ceremony was held for the beginning of construction of the first nuclear power plant in Kazakhstan
  - In total, there are plans for three nuclear plants

Beyond our operational and financial results, we would like to highlight some major corporate developments.

In July, we completed the payment of dividends for the year 2024, totalling KZT 328 billion, or approximately \$2.34 per share (GDR). Our dividend yield remains to be the highest in the industry.

Our Chief Executive Officer, Mr. Meirzhan Yussupov, has been elected to the Board of Governors of the World Nuclear Association. He is the first representative from Kazakhstan to join this key governing body.

On 8 August, an inauguration ceremony was held for the beginning of construction of the first nuclear power plant in Kazakhstan.

It's worth mentioning that Kazakhstan's intentions to build three nuclear power plants could create a substantial domestic demand in the future. With each plant requiring around 400 tonnes of uranium annually, over their respective operational lifetimes this translates to a cumulative demand of 72 thousand tonnes. A portion of the Company's production could be therefore allocated to national needs over time.

## Updated Strategy for 2025 – 2034

The Company remains committed to **Value Over Volume**

**Mission**  
Support the global transition to clean energy, paving the way for a sustainable future

**Vision**  
To be an international leader in the nuclear industry

Dependent to explore via geological exploration

Current production profile under existing UO (100% of guidance)

**2025 – 2034 STRATEGIC GOALS**

- Optimize focus on uranium mining as our core business, with efforts concentrated on expansion and efficient use of resource base
- Expand our footprint in the nuclear fuel cycle, given the rising opportunities substantiated by economic value
- Develop and expand rare and rare-earth metals segment under the critical minerals agenda
- Continue to diversify sales and further enhance trading function
- Improve and strengthen leading business and ESG practices in order to ensure and uphold integrity of business

As we conclude, I want to reaffirm our unwavering commitment to a market-focused strategy – a keystone of our long-term success.

With world-class assets, a sustainable reserve base, and strong, diverse sales portfolio, Kazatomprom is well positioned to capture the opportunities ahead.

The Company takes its role in strengthening global energy policy seriously. Its leadership in ESG, combined with the scale of its operations, enables the Company to remain a reliable and responsible supplier of natural uranium globally.

We are ready to participate in diversification of utilities' supply sources, and our strong position in this new cycle of long-term contracting reflects the trust and confidence the market places in us.

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Thank you for your attention. I will now ask the Operator to open the line to allow questions from this call's participants.



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## QUESTIONS AND ANSWERS

### Operator

We will now begin the question-and-answer session. (Operator Instructions)

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### Q: Andrew Wong, RBC Capital Markets – Analyst

Hey, thank you for taking my questions. I appreciate it. Could you maybe provide a little bit more commentary on the 2026 production and the sulphuric acid supplies look like they might be above flattish or both stable versus 2025? Would it be fair to assume that maybe the 2026 production levels are somewhat similar to 2025, given that? And I know you can't provide specific numbers, but maybe just directionally what 2026 look like versus 2025? Thank you.

### A: Dastan Kosherbayev NAC Kazatomprom JSC – Chief Strategy and International Development Officer

Hi! Thank you for your question. Well, this is an ongoing process, as we already mentioned. Right now, we're in discussion with our JV partners on what is going on. There are a lot of implications. Certainly, I say it would be safe to say that the production level in 2026 may exceed the level in 2025, but the overall level would be disclosed further down the road, I guess.

### Q: Andrew Wong, RBC Capital Markets – Analyst

Okay, thank you, regarding the extra sulphuric acid plants that Kazatomprom is looking to construct. Has the construction started, and what's the timeline on that?

### A: Dastan Kosherbayev NAC Kazatomprom JSC – Chief Strategy and International Development Officer

Well, as we previously disclosed, the timeline was the second quarter of 2027 – the end of first quarter of 2027, and we don't expect that to change.

### Q: Andrew Wong, RBC Capital Markets - Analyst

Ok, and has construction started yet? Or just the financing has been secured at, I saw that.

### A: Dastan Kosherbayev NAC Kazatomprom JSC – Chief Strategy and International Development Officer

No, the construction has already commenced overground and underground, for instance the excavating works are in process as we speak.

### Q: Andrew Wong, RBC Capital Markets - Analyst



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Okay. Thank you very much. I much appreciate it.

**A: Dastan Kosherbayev NAC Kazatomprom JSC – Chief Strategy and International Development Officer**

The construction preparation work and everything is basically according to the schedule.

**Q: Andrew Wong, RBC Capital Markets - Analyst**

Okay, excellent. Thank you.

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**Operator** (Operator Instructions)

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**Q: Alexander Pearce, BMO Capital Markets – Equity Analyst**

Hi, Dastan. Thanks for taking my question. Can you just provide a little bit more detail on the current contracting discussions that you're having. It looks like, in terms of total market, volume of contracts signed year-to-date, we're still well below replacement rates for utilities. What do you think we need to see or what is going to drive the step up in contracting with utilities?

**A: Dastan Kosherbayev NAC Kazatomprom JSC – Chief Strategy and International Development Officer**

Let Seitzhan take this question since you get the information firsthand.

**A: Seitzhan Zhanybekov NAC Kazatomprom JSC – Managing Director, Sales**

Many thanks for the question. I think it's fair to say that we're seeing more and more activity going on. Like this year, there were several requests for proposals being sent from different parts of the world. It's been publicly known that utilities from the US, utilities from Europe and utilities from Asia, all of them are issuing requests for quotations and requests for proposals. Indeed, a lot of procurement teams from utilities are looking at where the world is moving politically in terms of sanctioning, in terms of tariffs, et cetera. And because of that, there is a lot of uncertainty.

But even though we're seeing requests, we're seeing requests from the utilities, and it's meaning that they do need to contract uranium for themselves. And so we have negotiations with customers from different parts of the world, as they have mentioned. Many of them are interested in contracting in order to be sure that they do secure supply for the needs of their nuclear power plants. So later this year, we are having a World Nuclear Association symposium, which is usually been like another starting point for discussion as all the market players are attending that and they're gathering in one place in order to start negotiations, start the discussion, and we might see more activity after the World Nuclear Association symposium that's going to be in two weeks from now. Thank you.

**Q: Alexander Pearce, BMO Capital Markets – Equity Analyst**

Great, thanks for that. Maybe I can just ask a second question. You reiterated CAPEX guidance for this year, but your CAPEX spend in the first half of the year was below half. How confident are you that you're going to get to the full CAPEX guidance level by the second half of the year?

**A: Ulan Khassanov NAC Kazatomprom JSC – Managing Director, Economics and Planning**

Thank you for the question. With regards to capital expenditures, actually, majority of capital expenditures are carried out in the second of the year. That is why we have now a little bit lower than the expected level of capital expenditures. We plan to meet our guided levels, we don't have any big problems related with the capital expenditures. So from last period, you can also see that the capital expenditures in the first half is a little bit lower than it is in the total year. So [it's reasonable to assume that in the second half of the year, we'll catch up on capital expenditures].

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**Q: Alexander Pearce, BMO Capital Markets – Equity Analyst**

Okay, thank you very much.

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**Q: Grace Symes, Energy Intelligence – Analyst**

Hi, thanks for taking my question. I noted that it says there's been an increase in cost due to changes in delivery destination points and then an increase in transportation pay I was just curious if you could say anything more in terms of what delivery destinations are being switched and if those transportation tariffs are the Trans-Caspian route or somewhere else? Thanks.

**A: Seitzhan Zhanybekov NAC Kazatomprom JSC – Managing Director, Sales**

Grace, it is Seitzhan here. Yes, thanks a lot for the question. I think that's a common knowledge on the market right now that a lot of utilities ask to deliver uranium to ConverDyn to Metropolis plant, and ask for a book transfer there. And for us, it's literally the other side of the globe. And because of that, the transportation takes a bit more ... the transportation has been a bit more expensive than, for example, to China or to Russia. We do utilise the Trans-Caspian route, and we do not provide any breakdown on a half-year basis. So when we would provide a 2025 results, there would be an information of how much of uranium to the West went through the Trans-Caspian route and how much went through St. Petersburg. Thank you.

**Q: Grace Symes, Energy Intelligence – Analyst**

Thanks and sorry, one more question. So you've mentioned the downgrade or the decrease in the subsoil use agreements for 2026 is mostly due to JV Budenovskoye. Are there any other projects that are expected to have their agreements decreased as well?

**A: Dastan Kosherbayev NAC Kazatomprom JSC – Chief Strategy and International Development Officer**

Apart from Budenovskoye – this is Dastan here – Appak has also revised their production program, but the exact figure is best to be viewed in the CPR report.

**Q: Grace Symes, Energy Intelligence – Analyst**

All right. Thank you.

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**Operator** (Operator Instructions)

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**Q: Paul Kirjanovs, Bank of America – Analyst**

Good afternoon, Mr. Kosherbayev and Mr. Zhanybekov. It's Paul Kirjanovs from Bank of America. I have two questions as well actually. Can you talk about the uranium market overall, how do you see the uranium supply-demand balance? And is it right to think that the fact that your 2026 production is still under review means that the current market balance is not as obvious as it was previously?

**A: Seitzhan Zhanybekov NAC Kazatomprom JSC – Managing Director, Sales**

Thanks a lot for the question. Indeed, we're witnessing changes in terms of market fundamentals. Like quite recently, I've heard an opinion that there were discussions regarding deficits, and that a deficit is coming for many, many years and the deficit was not coming. But I think this time we are seeing that, and it's getting closer, like because years ago, back in 2015, when people were speaking about the deficit, they anticipated a deficit within 10 years at the time. Now, they're speaking about a deficit five years from now. I mean in the end, utilities do understand that.

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On an annual basis, we do a customer survey among our clients, and we are asking what has been priority for them when they do [procurement] through a supplier, and starting two years ago, the priority for our customers has been the security of supply, not the price. I think that's a true sign that utilities do understand that there is a need to secure supply for them, as the deficit is coming in the long run. But overall, there is a lot of political uncertainty, which stops utilities from doing ... which forces utilities to do some other things in order to secure conversion and enrichment services provision. But in the [long-run], natural uranium is an innate part of the nuclear fuel cycle, and there would be a need to procure uranium [eventually].

**Q: Paul Kirjanovs, Bank of America – Analyst**

Okay, understood. My second question is on Budenovskoye. Can you give us a bit more colour on the progress of the infrastructure build-out over there and the overall ramp-up? I believe the previous plan was to have two phases, right? So Phase I over 2024 and 2025 and then Phase II over 2025 and 2026 – is that still the case? And have you now moved to Phase II?

**A: Dastan Kosherbayev NAC Kazatomprom JSC – Chief Strategy and International Development Officer**

Right now, we're in the progress of concluding a lot of contracts with subcontractors over Budenovskoye. So everything right now is according to track. We've been able to settle all outstanding issues with the health and safety regulations, the water management regulations and everything that was imposed upon us by the state. So it's a negotiating process between the company and everyone involved.

But the project on construction of a processing shop with the annual capacity of 6,000 tonnes is progressing in accordance with the schedule, as we've already stipulated. And all auxiliary infrastructure as well. And I'm speaking here from the point of knowledge, just to give you more confidence with regards to that because I'm the Chairman of the JV Budenovskoye Supervisory Board.

**Q: Paul Kirjanovs, Bank of America – Analyst**

Yes, that's clear. Thank you guys.

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**Q: Andrew Wong, RBC Capital Markets – Analyst**

Hi, thanks for taking my follow up. Can I just clarify when we would have some more certainty on the 2026 production guidance? Would that come in January when we get the trading update for Q4? Or is that ... or can we expect it more in March when you report the full-year results for 2025?

**A: Dastan Kosherbayev NAC Kazatomprom JSC – Chief Strategy and International Development Officer**

Yes, the trading update is in January, that's when you should expect the figures to be disclosed. But as I've said, this is a dynamic process.

**Q: Andrew Wong, RBC Capital Markets - Analyst**

Okay, fair enough.

**A: Dastan Kosherbayev NAC Kazatomprom JSC – Chief Strategy and International Development Officer**

Early February, sorry, I misspoke. I said January. I meant early February.

**Q: Andrew Wong, RBC Capital Markets – Analyst**

Okay. Perfect. Thank you. And then the inventory levels look like they increased a little bit, but they are still below what they were in 2023 and 2022. Are you still comfortable with the level of inventory you have on hand today? Or does that number need to be built up a little bit more?

**A: Seitzhan Zhanybekov NAC Kazatomprom JSC – Managing Director, Sales**



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Hi Andrew, it's Seitzhan here. Yes, we do feel comfortable with the current level of inventories. It makes us comfortable in terms of being sure that we would be able to fulfil our obligations to deliver uranium to our customers in any place of the world.

**Q: Andrew Wong, RBC Capital Markets – Analyst**

Okay. That's great. Thank you. And then just on the new nuclear plants in Kazakhstan. It's pretty exciting to be adding nuclear power to the energy mix there. Can you just maybe expand on Kazatomprom's role in that process?

**A: Dastan Kosherbayev NAC Kazatomprom JSC – Chief Strategy and International Development Officer**

Yes, sure. I'd be happy to do that, Dastan here once again. Well, as you know, Kazatomprom as a separate entity is not involved in the decision-making process or anything associated with how and where and what going to be built. But as a supplier and the biggest leading world supplier of natural uranium, of course, we take into consideration potential future demand coming from this nuclear power plant. So in all our strategic endeavours and plans that we foresee for the future, we take these considerations into account. But as I've said, we are not involved in the direct negotiations between the separate entity the Kazakhstan nuclear power plant company, the one that's dealing with this process. But then again, I mean simply speaking, if they built one gigawatt reactor, the consumption level is basically around 250 tonnes of natural uranium per year from 250 to 400 tonnes. So it's not that substantial.

**Q: Andrew Wong, RBC Capital Markets – Analyst**

Okay, and do you have a sense on when the contracting for those volumes might have to take place? Or is that closer obviously closer to when it's constructed. So maybe would it be three or four years ahead of that? Just trying to get a sense of it.

**A: Dastan Kosherbayev NAC Kazatomprom JSC – Chief Strategy and International Development Officer**

That's going to be sometime well into the next decade.

**Q: Andrew Wong, RBC Capital Markets – Analyst**

Okay, understood. Thank you.

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**Operator** (Operator Instructions)

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**Q: Anna Antonova, JPMorgan Chase & Co – Analyst**

Yes, hello. Good afternoon. Can you hear me well?

**A: Dastan Kosherbayev NAC Kazatomprom JSC – Chief Strategy and International Development Officer**

I hear you well. We hear you well.

**Q: Anna Antonova, JPMorgan Chase & Co – Analyst**

Yes, apologies. I had some difficulties on the line. Thank you. Anna Antonova from JPMorgan. Just maybe two follow-up questions from our side. So first, on the subsoil use agreements, you mentioned the changes and the adjustments to the levels in 2025 and 2026. Also somewhat in line with what Kazatomprom was kind of doing in the last couple of years. So my first question is, could you please maybe comment on whether there are any discussions that are currently held or maybe are planned for any changes to the subsoil use agreements in 2027? Or maybe comment on how these discussions are generally structured in terms of timing and process? That would be very helpful. That's my first question.

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**A: Dastan Kosherbayev NAC Kazatomprom JSC – Chief Strategy and International Development Officer**

Well, I think it's too early to discuss what's going to happen in 2027. We usually do it a year ahead. I wouldn't be able to comment anything with regards to 2027. In terms of how the process happens, like basically, there are several stakeholders involved in the process that will be the partners from the joint ventures and the government itself. Previously, that would be the Ministry of Energy. But since spring of this year, it's the Agency for Nuclear Energy that has been recently established in Kazakhstan.

Just one note, I mean, for everyone to understand the revision, of a subsoil use contract, it's a very lengthy and challenging and complicated process because it takes a lot of justification, whether you want to decrease it or increase it. So the government has a very strict stance on that. I just wanted to stipulate that. It's a challenging process because people always talk about revising subsoil legislation, I mean, contracts, but it sounds easy, but in fact, there is a lot of background work done.

**Q: Anna Antonova, JPMorgan Chase & Co – Analyst**

That's very helpful. Thank you. My second question is on the rare metals production in H1. So we noticed that beryllium and tantalum product sales and tolling decreased year-on-year in H1. So my question is whether we can consider this seasonal effect or kind of the adjustments to the plans of rare metals production for this year or for the medium term, especially given that this is the area of the strategic focus for the company.

**A: Seitzhan Zhanybekov NAC Kazatomprom JSC – Managing Director, Sales**

Hi Anna, it's Seitzhan here. Yes, indeed, there are several factors that have been a part of the changes that you have mentioned, seasonality has been one of them. And also, the current geopolitical tension is another factor that affects the breakdown of sales of rare metals sector. Generally, in the long-run, we're not seeing anything that would significantly affect the numbers of our sales of rare metals, including beryllium, tantalum and niobium. There might be some changes in terms of the market price because tantalum has been one of commodities that is being traded more or less publicly, and there is a market price for that. And there are fluctuations of the market price for that.

The same as in beryllium and niobium, but they have been more of the off-market commodities than market traded commodity. So indeed, yes, we are being affected by the market prices. There is a seasonality, but in the long run, we are not seeing anything that would or should affect our sales of rare metals significantly. Thank you.

**Q: Anna Antonova, JPMorgan Chase & Co – Analyst**

It's very clear. Thank you so much. And the final question from our side. Is there any update on the potential expansion of the footprint in the nuclear fuel cycle, kind of going downstream for Kazatomprom given, again, it's one of the strategic areas for the company. And I mean, with the nuclear power plants in Kazakhstan, kind of, are now in motion for construction approval and everything. Are there any more active talks maybe now around the enrichment or kind of setting enrichment and/or processing capacities in Kazakhstan, given the developments on the kind of consumer side?

**A: Dastan Kosherbayev NAC Kazatomprom JSC – Chief Strategy and International Development Officer**

That is an excellent question. That is a dynamic and ongoing process basically as we speak. We have several discussions with different parties involved. But as it stands, there is nothing to announce yet, but I think the announcement will follow in due course, maybe not this year, maybe next year. But as you've stipulated this is a strategic direction that we're going to move into, but we always like to reiterate to everyone that most and foremost, the most important thing is to have the economic feasibility and a guaranteed demand for any future production of any potential conversion or enrichment capacity.

**Q: Anna Antonova, JPMorgan Chase & Co – Analyst**

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Very clear. Thank you so much. No more comments from our side.

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**Q: Grace Symes, Energy Intelligence - Analyst**

Hi, thanks for taking my follow up question. I'm just curious, you mentioned in your results that during interim the price has remained around \$80 per pound, and that is not viewed as sufficient to return to 100% subsoil use agreement levels. I'm curious if there's like a specific price that would merit returning to 100% level. And if you think that \$80 per pound kind of reflects the actual contracting that's going on in the market. Thanks.

**A: Dastan Kosherbayev NAC Kazatomprom JSC – Chief Strategy and International Development Officer**

Well, Grace, it appears as if you're asking whether there is an incentive price for us to ... that we're going to rely upon with regards to our production level. Am I correct?

**Q: Grace Symes, Energy Intelligence - Analyst**

Yes, sort of, which I assume you'll not answer directly, but ...

**A: Dastan Kosherbayev NAC Kazatomprom JSC – Chief Strategy and International Development Officer**

Well, we know each other well enough at this point, I guess. So ... it's not that I don't want to answer, it's just that I don't have an answer, because we don't have an incentive price. We have a different methodology here. And then again, I'm not at liberty to disclose this once again. But well, as history shows us our market-oriented approach basically guides us with regards to production levels. So yeah, of course we take into consideration what's going on with overall market price, but that's not a deciding factor overall, if one may say so.

**Q: Grace Symes, Energy Intelligence - Analyst**

All right, thank you.

**A: Dastan Kosherbayev NAC Kazatomprom JSC – Chief Strategy and International Development Officer**

There are a lot of implications attributed to that.

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**Paul Kirjanovs, Bank of America - Analyst**

Hey guys, it's Paul Kirjanovs of Bank of America again. Thanks for taking my follow up. I just wanted to ask on sulphuric acid. So you are saying that 2026 supplies are estimated to be stable. You're also progressing your own plant, TQZ. And if I understand correctly, there are also two more acid plants coming online in Kazakhstan next year. So does all of this mean that sulphuric acid issues are largely behind us now? Or does there still remains uncertainty on supply of sulphuric acid in the country?

**A: Dastan Kosherbayev NAC Kazatomprom JSC – Chief Strategy and International Development Officer**

Well, overall, it is safe to say that the challenges we faced back in the end of 2023, the beginning of 2024, are passed beyond us. But then again, we cannot completely decide or guarantee on the behaviour of the sulphuric acid producers, which in their turn are trying to maximise their profits by demanding the highest price possible. But overall, I don't expect any production shortfalls. We do not expect any production shortfalls associated with lack of sulphuric acid or associated with high sulphuric acid prices.

**Paul Kirjanovs, Bank of America - Analyst**

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Okay, understood thank you.

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**Operator**

And that concludes the question-and-answer session from the audio line. I will now pass the call back to Mrs. Muldagaliyeva to take written questions from the webcast participants. Please go ahead.

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**Botagoz Muldagaliyeva NAC Kazatomprom JSC – Director, Investor Relations**

Thank you very much. We have several questions that were submitted through the written line. And the first one is coming from the individual investor, Mr. Samo Jarvela.

**Q:** So the question is what is going on with ANU Energy's pounds?

**A: Seitzhan Zhanybekov NAC Kazatomprom JSC – Managing Director, Sales**

Hi! It's Seitzhan here. Yes. Thanks a lot for the question, but we're not authorized to comment on that. As we are not being in a part of the ANU Energy's Board of Directors. We are not being represented there. We're only a shareholder of that. Should you have any questions regarding ANU Energy's plans to ... regarding how they're going to manage their uranium that they have on their accounts. Please refer to our IR team, and we will be able to provide you contact details of the Board of Directors of ANU Energy. Thank you.

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**Botagoz Muldagaliyeva NAC Kazatomprom JSC – Director, Investor Relations**

The next question is coming from Citi.

**Q:** Hello from Citi and thanks for your presentation. What's the reason for the restatement in the accounts?

**Botagoz Muldagaliyeva NAC Kazatomprom JSC – Director, Investor Relations**

And the answer will be provided by Mr. Khassanov, who is the Managing Director, Economics and Planning.

**A: Ulan Khassanov NAC Kazatomprom JSC – Managing Director, Economics and Planning**

Hello! Thank you for the question. Actually, it's not a restatement, it's just an explanation of the additional income that was reported last year. It was mostly related with obtaining control over Budenovskoye. That's why we have put it in our accounting that about KZT 295 billion as additional non-cash income for obtaining control over the Budenovskoye. That's why actually, we shouldn't say that it's a real restatement. It's just an explanation of what happened last year.

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**Botagoz Muldagaliyeva NAC Kazatomprom JSC – Director, Investor Relations**

Yes, the next question is coming from Arthur Hyde from Segra Capital Management.

**Q:** Congratulations on the impressive results. The company continues to see increased cash flows and today has a significant net cash position. Can you please speak to the company's options from a capital allocation standpoint? Do you foresee cash levels continuing to rise? And if so, would the company entertain a special dividend or share buyback option?

**Botagoz Muldagaliyeva NAC Kazatomprom JSC – Director, Investor Relations**

So the answer will also be answered by Mr. Khassanov.

**A: Ulan Khassanov NAC Kazatomprom JSC – Managing Director, Economics and Planning**

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Thank you for the question. Kazatomprom is showing great results last few years. You can see that our all financial positions, all indicators are very good. Our dividend policy is based on free cash flow. That is why we are not expecting to change it, and we are not expecting any additional dividends or any buybacks. Main idea of our initial dividend policy was [designed around] cash flows [via distribution of] dividend payments to our shareholders. We still [maintain] this position and no big changes are going to happen related with the dividends. No other optional or additional dividends related to excess cash flows, it will not happen.

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**Botagoz Muldagaliyeva NAC Kazatomprom JSC – Director, Investor Relations**

Thank you, Mr. Khassanov. The next question is coming from Alex Bedwany, Canaccord Genuity.

**Q:** Hi team, nice results. Can you please update on the sulphuric acid plant? Have permits been received?

**A: Dastan Kosherbayev NAC Kazatomprom JSC – Chief Strategy and International Development Officer**

Yes. Alex, once again, I guess it's safe to say that the permits have been received, as I already said. And basically, it's an ongoing process that is happening as we speak.

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**Botagoz Muldagaliyeva NAC Kazatomprom JSC – Director, Investor Relations**

Thank you, Mr. Kosherbayev. The next question is coming from Benjamin Finegold from Ocean Wall:

**Q:** When do you expect to see India emerging as a larger regional buyer of Kazatomprom's production. How are considerations going with Indian utilities? And do you expect India to become a top five destination for Kazatomprom production before 2030?

**Botagoz Muldagaliyeva NAC Kazatomprom JSC – Director, Investor Relations**

The answer will be provided by Mr. Zhanybekov.

**A: Seitzhan Zhanybekov NAC Kazatomprom JSC - Managing Director, Sales**

Thank you, Ben, for the question. We have worked with Indian counterparties regarding supply of uranium and these contracts were public, we have disclosed that we have been working with Indian utilities. And being the largest uranium producer, I think we've been in a short list in terms of when they do consider uranium procurement. And quite recently, there were news from India that India has decided to nearly quadruple its uranium imports by 2033, which has been the part of their National Nuclear Energy mission in order to support the country's growing fleet of nuclear reactors. So as I mentioned, Kazatomprom being the world's largest uranium producer, we would be happy to provide uranium there. So we have always been in contact with our counterparty from India. And shall there be any changes, you might see it publicly disclosed if there would be any significant changes.

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**Botagoz Muldagaliyeva NAC Kazatomprom JSC – Director, Investor Relations**

I thank you, Seitzhan. The next question is coming from Max Christoph, individual investor. And the question is:

**Q:** You have big changes in net working capital. What is behind the big decrease in receivables in Q1 '25? And what do you expect for the rest of the year? The answer will be provided by Mr. Khassanov.

**A: Ulan Khassanov NAC Kazatomprom JSC – Managing Director, Economics and Planning**

Thank you for the question. Actually, the decrease of the receivables related with the sales that happened in last quarter 2024. So, we did have receivables at the end of last year. So, after the payment of them, we

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have decreased the amount of receivables. It is the main issue of it. This is the main cause of it. In an annual basis, it can change from year to year because the sales are not happening at the same time each period. That is why, if we have, for example, sales in October and we received cash flow in December, so the receivables will also be at a low level. So this is related with the time issues related with the sales of volume.

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**Botagoz Muldagaliyeva NAC Kazatomprom JSC – Director, Investor Relations**

Yeah, thank you, Mr. Khassanov. The next two questions are coming from Kirill Tachennikov.

**Q:** The first one is what were the reasons for revision of Budenovskoye 2026 production? And the answer will be provided by Mr. Kosherbayev.

**A: Dastan Kosherbayev NAC Kazatomprom JSC – Chief Strategy and International Development Officer**

Yes, hi, thank you for this question. Well, it's not only 2026 production that has been revised for Budenovskoye, but in 2025 & 2027. We previously explained this and I'm happy to do so once again. The issue basically is, as you know Kazakhstan is a water scarce country. We had a new ministry that was established back in 2023 or 2022 with the water management responsibilities.

And then they had to revise the entire legislation associated with water consumption, health and safety regulations, and in order for the JV to be in line with everything that the government expected, they had to revise everything and that basically halted the entire program. That's why we had to switch and that's why we were able to successfully negotiate the production level with the government because they understood the rationale behind such an initiative.

I hope this answers your question and the second part is going to be answered by Mr. Khassanov.

**Botagoz Muldagaliyeva NAC Kazatomprom JSC – Director, Investor Relations**

Yes, the second question is materials and supplies expenses declined 16% y-o-y in the first half of 2025. Should we expect decline on this line for the full-year results of 2025?

**A: Ulan Khassanov NAC Kazatomprom JSC – Managing Director, Economics and Planning**

Thank you for the question. Actually, the expenses related with the materials include the purchased uranium in the P&L statement. That is why due to the decrease of spot prices, we do have a decline in the materials [and supplies line]. So if the spot price stays the same, which is lower than the period of the last year, so we will see the decline in materials. So we should understand the most part of, the huge part of the materials includes the materials that are purchased, like uranium products.

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**Botagoz Muldagaliyeva NAC Kazatomprom JSC – Director, Investor Relations**

Yes, and the last question so far is coming from Daniyar Serikov.

**Q:** Over the past year, it has become known that foreign companies such as C29, and Laramide will be looking for uranium in Kazakhstan, including the areas near Kazatomprom mines. At the same time, uranium exploration in the country is expected to become the exclusive prerogative of Kazatomprom next year after the Subsoil Code is amended in Parliament. Do you plan to obtain licenses from these companies or the affiliates?

**A: Dastan Kosherbayev NAC Kazatomprom JSC – Chief Strategy and International Development Officer**

Thank you for this question. Well, as you probably know, the legislation allows for a uranium exploration to be carried out by any company. It's only the production that needs to be carried out with Kazatomprom's participation. So I guess it is too early to say or to discuss this matter. And with regards to suggested

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changes to the legislation I am in no position to comment on that. So I think we should discuss this further down the road.

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**Botagoz Muldagaliyeva NAC Kazatomprom JSC – Director, Investor Relations**

Thank you, gentlemen. I do not see any further written questions submitted so far. Operator, could you check if there are any additional questions coming in?

**Operator**

As of the moment, there are no further questions on the conference line.

**Botagoz Muldagaliyeva NAC Kazatomprom JSC – Director, Investor Relations**

Okay. Thank you very much. Since there are no questions, thank you, everyone, for participating in today's call. Thank you, and thanks to our management for taking all these questions. As always, if there are any follow-up questions you might have based on our results, please feel free to contact IR team. We're always happy to answer those in written form. Thank you very much, and have a good day.