

04 May 2021, Nur-Sultan, Kazakhstan

Kazatomprom 1Q21 Operations and Trading Update

JSC National Atomic Company “Kazatomprom” (“Kazatomprom”, “KAP” or “the Company”) announces the following operations and trading update for the first quarter ended 31 March 2021.

This update provides a summary of recent developments in the uranium industry, as well as provisional information related to the Company’s key first quarter operating and trading results, and reiterated 2021 guidance. The information contained in this Operations and Trading Update may be subject to change.

Market Overview

The world continued to manage through the COVID-19 pandemic, with the focus shifting to the rollout of a massive global vaccination campaign throughout the first quarter of 2021. Increasing immunity is expected to stimulate global economic recovery, though in the meantime, the nuclear industry and its supply chains continued to respond to the current reality accordingly, and adjusted as required.

During the first quarter, a number of positive policy developments in major nuclear power regions added support to the fundamental outlook for the sector:

- The United States, representing around 15% of global greenhouse gas emissions, officially rejoined the Paris Agreement from which it had formally withdrawn in November 2020. The Paris Agreement aims to maintain this century’s global temperature rise well below 2°C above pre-industrial levels, and to pursue actions that would further limit the temperature increase to less than 1.5°C above pre-industrial levels.
- Also in the US, President Biden announced that his proposed "American Jobs Plan" would increase incentives for the generation of clean electricity, including funding for the development of advanced nuclear reactors, and support for the existing US commercial nuclear power fleet.
- The Chinese government ratified its 14th Five Year Plan, covering a wide range of economic objectives and giving a broad view of how the country expects to build out its energy infrastructure. The Plan continues with strong support for nuclear energy, calling for a near 40% expansion compared to 2020, with 70 GWe of gross nuclear power capacity in place by the end of 2025. At that time, Chinese officials indicated an additional 30 GWe of nuclear capacity is expected to be under construction, thereby pushing capacity to about 100 GWe by 2030.
- In its April 2021 communications, the European Commission announced that it will include nuclear energy in the European Union’s sustainable taxonomy, under a complimentary delegated act consistent with the results of the independent and scientific technical report published in March, by the Joint Research Centre. A review of the report by two groups of experts is ongoing, and will be finalized in June 2021.
- The Russian Federation included nuclear energy in the draft national Taxonomy of green projects. The final government approval of the Taxonomy and related documents is expected in May 2021.
- Also in Russia, Rosatom, the country’s state nuclear power company, released plans to increase nuclear’s contribution to electricity generation from about 20% in 2020, to 25% by 2045.
- Poland’s cabinet adopted the country’s energy policy through 2040, which targets a reduction of coal power generation from 72% of the country’s energy mix in 2020, to about 56% in 2030. The policy estimates six- to nine-GWe of Generation III or III+ reactors will be built by 2043, with the first of the planned 1,000 MWe to 1,600 MWe-sized nuclear units entering operation in 2033.

Also in the first quarter, there were a number of longer-term demand-side developments:

- According to India’s Department of Atomic Energy, Kakrapar unit 3, the first domestically designed 700 MWe Indian Pressurized Heavy Water Reactor-700 (IPHWR-700), was connected to the Indian grid on 10 January 2021. A second 700 MWe reactor, Kakrapar unit 4, is expected to enter commercial operation in 2022.

- The Pakistan Atomic Energy Commission announced that it had connected Karachi unit 2 to the national grid, making it the first Chinese-designed Hualong One (HPR1000) pressurized water reactor to do so outside of China.
- First concrete was poured for Akkuyu unit 3, a reactor under construction in the Mersin province of Turkey, with the Russian and Turkish heads of state joining the ceremony by video conference. Four Russian VVER-1200 units are being constructed at Akkuyu on a build-own-operate basis by Rosatom, with commissioning of the first unit planned for 2023.
- At the end of the quarter, construction began at China National Nuclear Corporation and China Huaneng Group's Changjiang Phase II, in Hainan, where two Hualong One units are expected to be in operation. First concrete has been poured for Changjiang unit 3.
- The State Nuclear Regulatory Inspectorate of Ukraine approved a 10-year extension for the operating licence of Zaporozhye unit 5. The new licence extends the operation of the VVER-1000/V-320 reactor to May 2030.
- Similarly, the Spanish nuclear regulator approved the renewal of the operating licence for Iberdrola's Cofrentes 1064 MWe boiling water reactor, until the end of November 2030. The plant entered commercial operation in March 1985 and is scheduled to be decommissioned once the current licence expires.

Spot price in the first quarter was positively impacted by a series of near-term transactions, with at least six non-producing, supply-side participants unexpectedly entering the spot market to purchase uranium. With these participants pointing to a strategy of investing in the commodity and holding it on their balance sheets (in some cases to fund possible future mine development), market observers generally deemed the resulting reduction in available spot material to be a bullish market signal. Including Yellow Cake PLC exercising their option to purchase US\$100 million in uranium at market price from KAP in Q1, the aggregate near- to medium-term volumes purchased by non-traditional buyers under these various arrangements totaled in excess of nine million pounds of U₃O₈ (~3,500 tU).

On the supply side, Rio Tinto's Energy Resources of Australia Ltd confirmed that the Ranger Uranium Mine in the Northern Territory of Australia had stopped processing stockpiled ore in January as expected, and was moving into decommissioning. Ranger began operations in 1981, producing 291 million pounds of U₃O₈ (~112,000 tU) over its operational life.

Also impacting the annual supply stack, Orano's Akouta mine in Niger, operated by COMINAK, ceased production after 43 years of operation, due to the depletion of its resources. The operation produced approximately 195 million pounds of U₃O₈ (75,000 tU) from 1978 to the end of 2020.

According to Cameco Corporation and Orano Canada, the Cigar Lake mine and McClean Lake uranium mill are expected to resume production during the second quarter of 2021. Operations at the facilities were temporarily suspended in December 2020 due to the increasing risks to the local workforce posed by the COVID-19 pandemic.

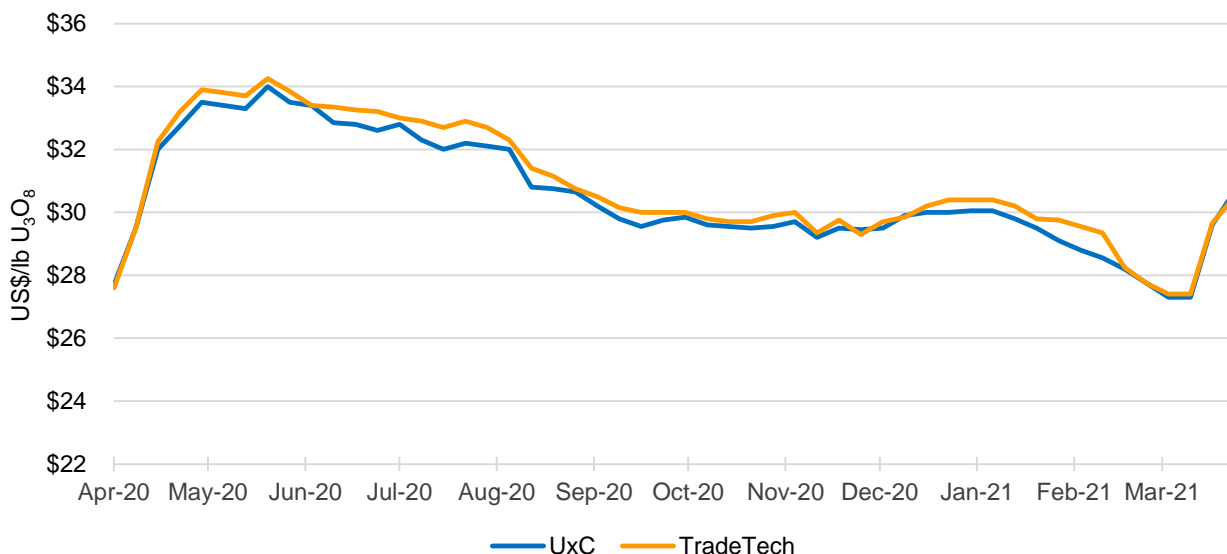
Further down the nuclear fuel supply chain, Honeywell announced plans to restart its Metropolis Works conversion plant, the only uranium conversion facility in the US, in early 2023. Operations at the plant were suspended and a portion of its capacity was decommissioned in 2018 due to an oversupplied global UF₆ market, but with improved pricing in recent years, a return of their idled capacity was deemed economic.

Spot Market

The level of spot market activity through most of the first quarter was generally weak to moderate. As a result, the spot price decreased from US\$30.20 per pound U₃O₈, to US\$27.35 by the first week of March. However, the second half of March saw a number of emerging uranium developers, junior companies, and investors, stepping into the spot market to acquire physical uranium as both an investment and for long-term strategic needs, driving the spot price back up to US\$30.60 at the end of the quarter.

According to third-party market data, spot volumes transacted over the first three months of 2021 were slightly higher than the same period last year, with about 21 million pounds U₃O₈ (8,200 tU) transacted at an average weekly spot price of US\$29.12 per pound (compared to about 18 million pounds U₃O₈ (7,000 tU) at an average weekly spot price of US\$24.76 per pound in the first quarter of 2020).

2020 Weekly Spot Price Dynamics



Long-term Market

In the long-term market, third-party data indicated that contracted volumes amounted to nearly 11 million pounds U₃O₈ (4,200 tU) through the first quarter of 2021 (compared to about 17 million pounds U₃O₈ (6,600 tU) in the first quarter of 2020). Limited term market activity led to a decrease of the long-term price from US\$35.00 in December 2020, to US\$33.75 by the end of March (reported only on a monthly basis by third-party sources).

Company Developments

COVID-19 Update

The Company continues to rigorously monitor the COVID-19 situation across all operations and administrative offices, ensuring all current protocols remain effective. When the first cases were identified in Kazakhstan, the Company began to take all the necessary measures to prevent the spread among employees. If a case of COVID-19 is detected, the Company and its subsidiaries implement preventive measures to prevent further spread, with the health of the individual being constantly monitored and assistance provided as necessary.

Based on a letter from the Ministry of Health of the Republic of Kazakhstan, Kazatomprom, along with other Samruk Kazyna portfolio companies, has been included in the priority group of the population for vaccination (employees of the Samruk-Kazyna JSC group of companies). On 22 April and 26 April 2021, field vaccination clinics were organized for all interested employees of the Company and its subsidiaries and affiliates, along with their families. To date, 1600 employees have been vaccinated with additional clinics planned.

Sale of Kazakhstan Solar Silicon LLP

On 15 April 2021, Kazatomprom conducted an auction to sell 100% of the authorized share capital of Kazakhstan Solar Silicon LLP, with no reserve price, through an electronic auction on the web portal of the Kazakh state property register. The auction was carried out in accordance with the Law of the Republic of Kazakhstan on the Sovereign Wealth Fund and State Property Regulations. The procedures for concluding the transaction have not yet been completed.

Corporate Governance

Board of Directors

During the first quarter, the Company's majority shareholder, the Samruk-Kazyna Sovereign Wealth Fund ("SK"), undertook a series of senior management changes. The appointments included the promotion of Almassadam Satkaliyev, a member of the KAP Board of Directors, to the position of Chief Executive Officer and Chairman of the Board of SK. In April, SK provided the Company with its executive decision to nominate three new directors to represent SK's interests on Kazatomprom's Board of Directors. Almassadam Satkaliyev will therefore depart Kazatomprom's Board, along with Kanat Kudaibergen, and Beybit Karymsakov (who has already resigned effective 13 April 2021). In their places, SK expects to put forth Mr. Bolat Akchulakov (SK's Managing Director of Asset Management), Mrs. Nazira Nurbayeva (SK's Managing Director on Economics and

Finance), and Mr. Yernar Zhanadil (SK's Managing Director for Investments, Privatization, and International Cooperation) as their representatives.

Appointment of the new members the Company's Board of Directors and termination of Mr. Satkaliyev and Mr. Kudaiberger's duties are expected to be voted upon at an Extraordinary General Meeting of Kazatomprom Shareholders, planned to be called for June 2021.

It should be noted that the anticipated changes and the related departures/pending approvals, do not impact the effectiveness and continuing operations of the Company's Board of Directors.

Kazatomprom Management Changes

The Company is pleased to announce the following appointments to the Company's senior management team, with appointees moving into currently-vacant roles, effective 04 May 2021.

Chief Operations Officer ("COO")

Askar Kasabekov has been appointed to the COO position. Mr. Kasabekov has 10 years of experience in the Kazatomprom group of companies, and additional experience with one of the largest international companies - the Marubeni Corporation. During his time in the Kazatomprom Group, Mr. Kasabekov led several of the largest uranium mining field development projects, along with overseeing the implementation of technological solutions that contributed to a significant reduction in the cost of uranium production. His international expertise and 16 years of experience in the nuclear industry will allow Mr. Kasabekov to make a strong contribution to the Company's future development.

Chief Transformation Officer ("CTO")

Alibek Aldongarov has been appointed as CTO of Kazatomprom. Mr. Aldongarov is former CEO of KAP Technology LLP, a 100% subsidiary of the Company. Mr. Aldongarov has seven years of experience in the Kazakhstani uranium industry, holding top managerial positions as Chief engineer and the leader of KAP Technology LLP. In his previous role, Mr. Aldongarov contributed to the development of corporate IT systems, led support work for the Company's robotization, production automation and cybersecurity processes. With his experience and active participation in the Company's transformation and digitalization projects, Mr. Aldongarov's appointment will be a positive addition to the Company's senior management team.

"I would like to welcome these experienced colleagues to our senior management team. The appointments were very carefully selected to ensure high quality and efficient team work across the senior executive group", said Galymzhan Pirmatov, Kazatomprom's Chief Executive Officer, "I am excited to see the current leadership team continue to build a strong, resilient and successful company."

The Company's Board of Directors will meet in May to vote upon the addition of Mr. Kasabekov and Mr. Aldongarov to Kazatomprom's Executive Board, which currently includes:

- Galymzhan Pirmatov, Chief Executive Officer and Chairman of the Executive Board;
- Kamila Syzdykova, Chief Financial Officer;
- Askar Batyrbayev, Chief Commercial Officer;
- Mazhit Sharipov, Chief Nuclear Fuel Cycle Officer;
- Birzhan Duisembekov, Chief Strategy and Development Officer (currently on study leave);
- Beksultan Bekmuratov, Chief Human Resources and Communications Officer;
- Marat Yelemessov, Managing Director of Legal Support and Risks.

Kazatomprom's 2021 First Quarter Operational Results¹

<i>(tU as U₃O₈ unless noted)</i>	Three months Ended March 31		Change
	2021	2020	
Production volume (100% basis) ²	4,925	5,221	(6)%
Production volume (attributable basis) ³	2,791	2,981	(6)%
Group sales volume ⁴	1,278	1,754	(27)%
KAP sales volume (incl. in Group) ⁵	1,278	1,518	(16)%
KAP average realized price (USD/lb U ₃ O ₈) ^{6*}	29.71	26.43	12%

Average month-end spot price (USD/lb U ₃ O ₈) ^{7*}	29.12	25.59	14%
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¹ All values are preliminary.

² Production volume (100% basis): Amounts represent the entirety of production of an entity in which the Company has an interest; it therefore disregards the fact that some portion of that production may be attributable to the Group's joint venture partners or other third party shareholders. Actual drummed production volumes remain subject to converter adjustments and adjustments for in-process material.

³ Production volume (attributable basis): Amounts represent the portion of production of an entity in which the Company has an interest, which corresponds only to the size of such interest; it therefore excludes the remaining portion attributable to the JV partners or other third party shareholders, except for production from 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. Also, excludes the change in attributable share of production related to the potential sale of a 49% share in "Ortalyk" LLP to China General Nuclear (CGN), pending various approvals and closing conditions, but expected to take place in 2021.

⁴ Group sales volume: includes Kazatomprom's sales and those of its consolidated subsidiaries (companies that KAP 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 KAP has power to control another entity).

⁵ KAP sales volume (incl. in Group): includes only the total external sales of KAP HQ and Trade House KazakAtom AG (THK). Intercompany transactions between KAP HQ and THK are not included.

⁶ KAP average realized price: the weighted average price per pound for the total external sales of KAP HQ and THK. The pricing of intercompany transactions between KAP HQ and THK are not included.

⁷ Source: UxC, TradeTech. Amounts provided represent the average of the uranium spot prices quoted at month end, and not the average of each weekly quoted spot price. Contract price terms generally refer to a month-end price.

* Note that the conversion of kgU to pounds U₃O₈ is 2.5998.

Production on both an attributable and on a 100% basis were lower in the first quarter of 2021 compared to the same period in 2020. The decrease was mainly due to the Company's decreased wellfield development activity and lower staff levels throughout the second quarter of 2020. As previously disclosed, there is a four- to eight-month lag between the wellfield development phase and production phase of the in-situ recovery mining process, and the safety measures implemented in 2020 continued to have a modest impact on drummed production. Additionally, the supply chain for importing certain types of pipes and pumps has seen some modest pandemic-related delays, resulting in slightly slower development work at some operations. Mitigation plans, including the pooling of resources across operations, has been effectively implemented where required.

In the first quarter, Group and KAP sales volumes were both lower in 2021 than in 2020, primarily due to the timing of customer-scheduled deliveries. Sales volumes can vary substantially each quarter, and quarterly sales volumes vary year to year due to variable timing of customer delivery requests during the year, and physical delivery activity.

The average realized price for the quarter was slightly higher in the first quarter of 2021 due to a higher uranium spot price, compared to the same period in 2020. The Company's contract portfolio is closely correlated to current uranium spot prices.

Kazatomprom's 2021 Guidance

(exchange rate 430 KZT/1USD)	2021
Production volume U ₃ O ₈ (tU) (100% basis) ¹	22,500 – 22,800 ²
Production volume U ₃ O ₈ (tU) (attributable basis) ^{3,4}	12,550 – 12,800 ²
Group sales volume (tU) (consolidated) ⁵	15,500 – 16,000
Incl. KAP sales volume (incl. in Group) (tU) ⁶	13,500 – 14,000
Revenue - consolidated (KZT billions) ⁷	620 – 640
Revenue from Group U ₃ O ₈ sales, (KZT billions) ⁷	540 – 560
C1 cash cost (attributable basis) (USD/lb) ^{4,*}	\$9.00 – \$10.00
All-in sustaining cash cost (attributable C1 + capital cost) (USD/lb) ^{4,*}	\$12.00 – \$13.00
Total capital expenditures of mining entities (KZT billions) (100% basis) ⁸	90 – 100

¹ Production volume (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.

² The duration and full impact of the COVID-19 pandemic is not yet known. Annual production volumes could therefore vary from our expectations.

³ Production volume (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.

⁴ Excludes the change in attributable share of production, C1 cash cost and all-in sustaining cash cost related to the potential sale of a 49% share in "Ortalyk" LLP to China General Nuclear (CGN), pending various approvals and closing conditions, but expected to take place in 2021.

⁵ Group sales volume: includes Kazatomprom's sales and those of its consolidated subsidiaries.

⁶ KAP sales volume: includes only the total external sales of KAP HQ and THK. Intercompany transactions between KAP HQ and THK are not included.

⁷ 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 2020 revenue could be materially impacted by how actual uranium prices and exchange rates vary from the third-party estimates.

⁸ Total capital expenditures (100% basis): includes only capital expenditures of the mining entities.

* Note that the conversion of kgU to pounds U₃O₈ is 2.5998.

Although first quarter production was lower year-over-year due to the impact of lower wellfield development in the second quarter of 2020, the Company expects production rates to recover in the second half of 2021. As a result, Kazatomprom continues to expect 2021 to remain consistent with the Company's market-centric strategy and the intention to flex down planned production volumes by 20% for 2018 through 2022 (versus planned production levels under Subsoil Use Agreements). Production volume in 2021 is expected to be between 22,500 tU and 22,800 tU on a 100% basis, and between 12,550 tU to 12,800 tU on an attributable basis.

All other guidance metrics also remain unchanged at this time.

The Company continues to target an ongoing inventory level of approximately six to seven months of annual attributable production (roughly 6,500 tU to 7,500 tU, excluding trading volumes held by THK). However, the market is being constantly monitored and, in alignment with its value strategy, Kazatomprom may carry an inventory level outside of the target range at any point in time based on seasonality, and to optimise mining and sales volumes in line with changing market conditions.

Kazatomprom's 2020 Integrated Annual Report

As previously disclosed, the text-only version of the 2020 Integrated Annual Report was approved by the Company's Board of Directions and has now been published to Kazatomprom's website, as required, on 30 April 2021. A fully interactive electronic version of the Report will be made available on the Company's website no later than 30 June 2021.

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About Kazatomprom

Kazatomprom is the world's largest producer of uranium, with the Company's attributable production representing approximately 23% of global primary uranium production in 2020. The Group benefits from the largest reserve base in the industry and operates, through its subsidiaries, JVs and Associates, 26 deposits grouped into 14 mining assets. All of the Company's mining operations are located in Kazakhstan and mined using ISR technology with a focus on maintaining industry-leading health, safety and environment standards.

Kazatomprom securities are listed on the London Stock Exchange and Astana International Exchange. As the national atomic company in the Republic of Kazakhstan, the Group's primary customers are operators of nuclear generation capacity, and the principal export markets for the Group's products are China, South and Eastern Asia, Europe and North America. The Group sells uranium and uranium products under long-term contracts, short-term contracts, as well as in the spot market, directly from its headquarters in Nur-Sultan, Kazakhstan, and through its Switzerland-based trading subsidiary, Trade House KazakAtom AG (THK).

For more information, please see the Company website at <http://www.kazatomprom.kz>

Forward-looking statements

All statements other than statements of historical fact included in this communication or document are forward-looking statements. Forward-looking statements give the Company's current expectations and projections relating to its financial condition, results of operations, plans, objectives, future performance and business.

These statements may include, without limitation, any statements preceded by, followed by or including words such as “target,” “believe,” “expect,” “aim,” “intend,” “may,” “anticipate,” “estimate,” “plan,” “project,” “will,” “can have,” “likely,” “should,” “would,” “could” and other words and terms of similar meaning or the negative thereof. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors beyond the Company’s control that could cause the Company’s actual results, performance or achievements to be materially different from the expected results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Company’s present and future business strategies and the environment in which it will operate in the future. THE INFORMATION WITH RESPECT TO ANY PROJECTIONS PRESENTED HEREIN IS BASED ON A NUMBER OF ASSUMPTIONS ABOUT FUTURE EVENTS AND IS SUBJECT TO SIGNIFICANT ECONOMIC AND COMPETITIVE UNCERTAINTY AND OTHER CONTINGENCIES, NONE OF WHICH CAN BE PREDICTED WITH ANY CERTAINTY AND SOME OF WHICH ARE BEYOND THE CONTROL OF THE COMPANY. THERE CAN BE NO ASSURANCES THAT THE PROJECTIONS WILL BE REALISED, AND ACTUAL RESULTS MAY BE HIGHER OR LOWER THAN THOSE INDICATED. NONE OF THE COMPANY NOR ITS SHAREHOLDERS, DIRECTORS, OFFICERS, EMPLOYEES, ADVISORS OR AFFILIATES, OR ANY REPRESENTATIVES OR AFFILIATES OF THE FOREGOING, ASSUMES RESPONSIBILITY FOR THE ACCURACY OF THE PROJECTIONS PRESENTED HEREIN. The information contained in this communication or document, including but not limited to forward-looking statements, applies only as of the date hereof and is not intended to give any assurances as to future results. The Company expressly disclaims any obligation or undertaking to disseminate any updates or revisions to such information, including any financial data or forward-looking statements, and will not publicly release any revisions it may make to the Information that may result from any change in the Company’s expectations, any change in events, conditions or circumstances on which these forward-looking statements are based, or other events or circumstances arising after the date hereof.