

CONFERENCE CALL



KAZATOMPROM
NATIONAL ATOMIC COMPANY

2024 HALF-YEAR OPERATING AND FINANCIAL RESULTS



23 AUGUST
17:00 (AST) / 13:00 (BST) / 08:00 (EDT)

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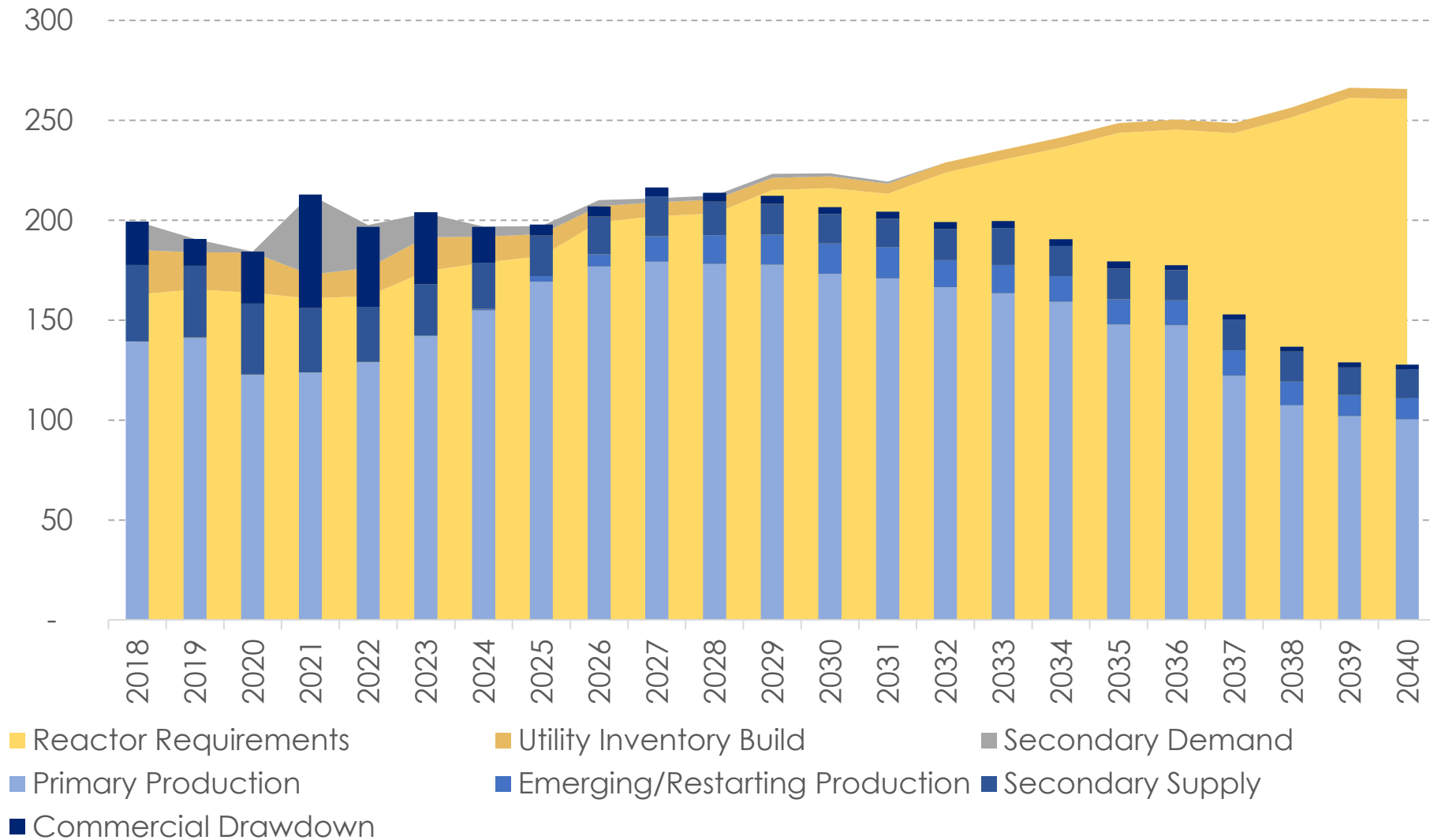
THE INFORMATION WITH RESPECT TO ANY PROJECTIONS PRESENTED HEREIN IS BASED ON A NUMBER OF ASSUMPTIONS ABOUT FUTURE EVENTS AND IS SUBJECT TO SIGNIFICANT ECONOMIC AND COMPETITIVE UNCERTAINTY AND OTHER CONTINGENCIES, NONE OF WHICH CAN BE PREDICTED WITH ANY CERTAINTY AND SOME OF WHICH ARE BEYOND THE CONTROL OF THE COMPANY. THERE CAN BE NO ASSURANCES THAT THE PROJECTIONS WILL BE REALIZED, 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.

Strong Fundamentals

 Nuclear is key to energy security and net-zero emissions

-  ✓ Part of the solution to achieve carbon neutrality, with no direct carbon emissions, baseload source of energy, available 24/7
-  ✓ Increasingly becoming a part of the national energy security strategies
-  ✓ Stable, baseload power to underpin renewable generation
-  ✓ Thousands of cumulative reactor years of safe power production
-  ✓ Recognized by EU, UK, CA as green
-  ✓ Japan restarts post-Fukushima
-  ✓ More than 20 countries pledged to triple nuclear output by 2050 at COP28
-  ✓ China has approved 11 new reactor builds across 5 sites

Long-term Supply/Demand Dynamics



- Widening supply and demand gap
- Long mine development timelines
- Rising prices incentivise new production
- Idle capacity restarts announced
- New potential production is not sufficient to cover demand post-2030

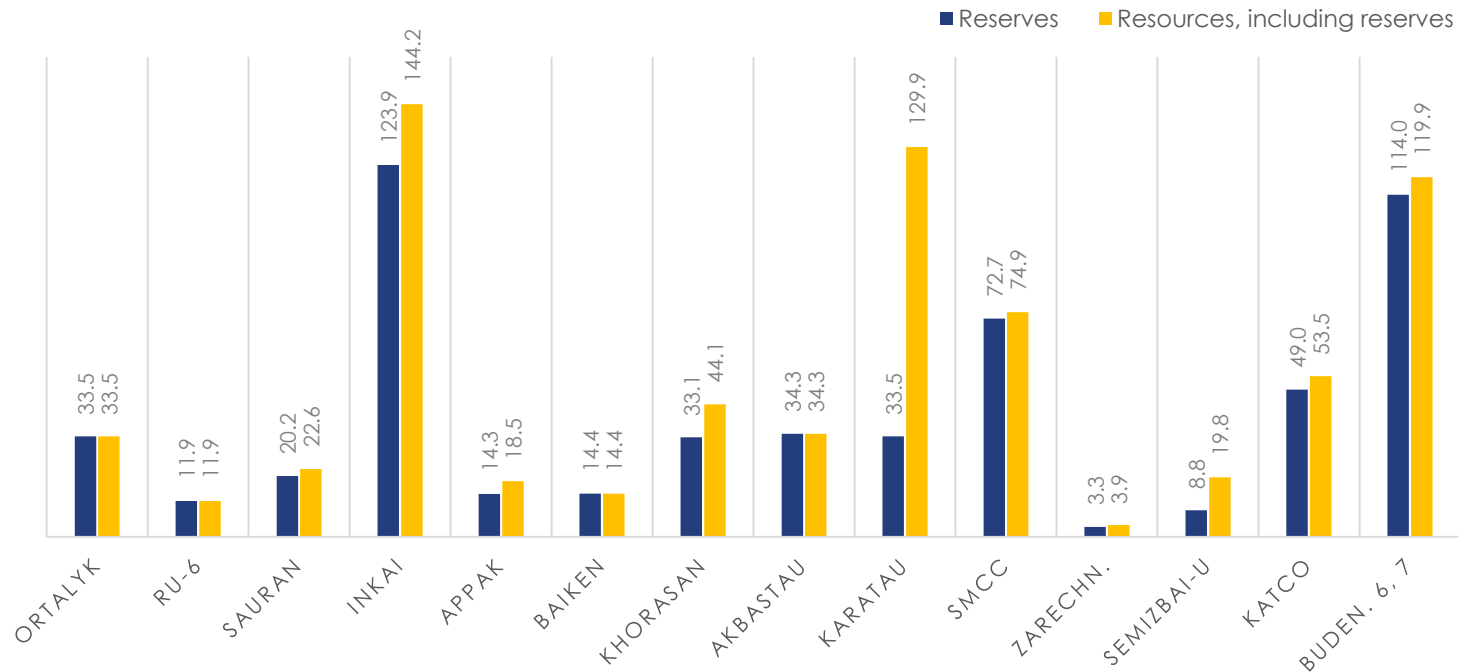
Source: UxC, Uranium Market Outlook 2024-Q1
Used by KAP with permission

Kazatomprom's Upside Potential



- 100% Mineable using in-situ recovery (ISR)

Producing assets reserves and resources (ktU)



Pilot Production:

Inkai 3 block¹

- Reserves/resources: - / 83 ktU
- 2024-2028: 701 tU total production expected

Upcoming projects in the queue:

Inkai 2 block²

- Reserves/resources: - / 42 ktU (2024-2028)

East-Zhalpak³

- Reserves/resources: - / up to 30 ktU

Large scale exploration program is expected to be launched aimed at resource replenishment and reserves increase



Kazakhstan has 12% of the world's uranium resources (2nd largest in the world)⁴ with 567 ktU in reserves and 850 ktU in resources, including reserves⁵

¹ The Company obtained a SSU Agreement licence for uranium mining at Inkai 3 in [June 2024](#), with a pilot production period of up to four years. The subsoil use agreement for Inkai 3 has been transferred to Kazatomprom-Sauran LLP, a 100% subsidiary of Kazatomprom.

² Exploration period at Inkai 2 has been extended by 4 years.

³ As per preliminary expectation of the Company, not accounted for in CPR.

⁴ According to World Nuclear Association, as of June 2022.

⁵ As of 31 December 2023.

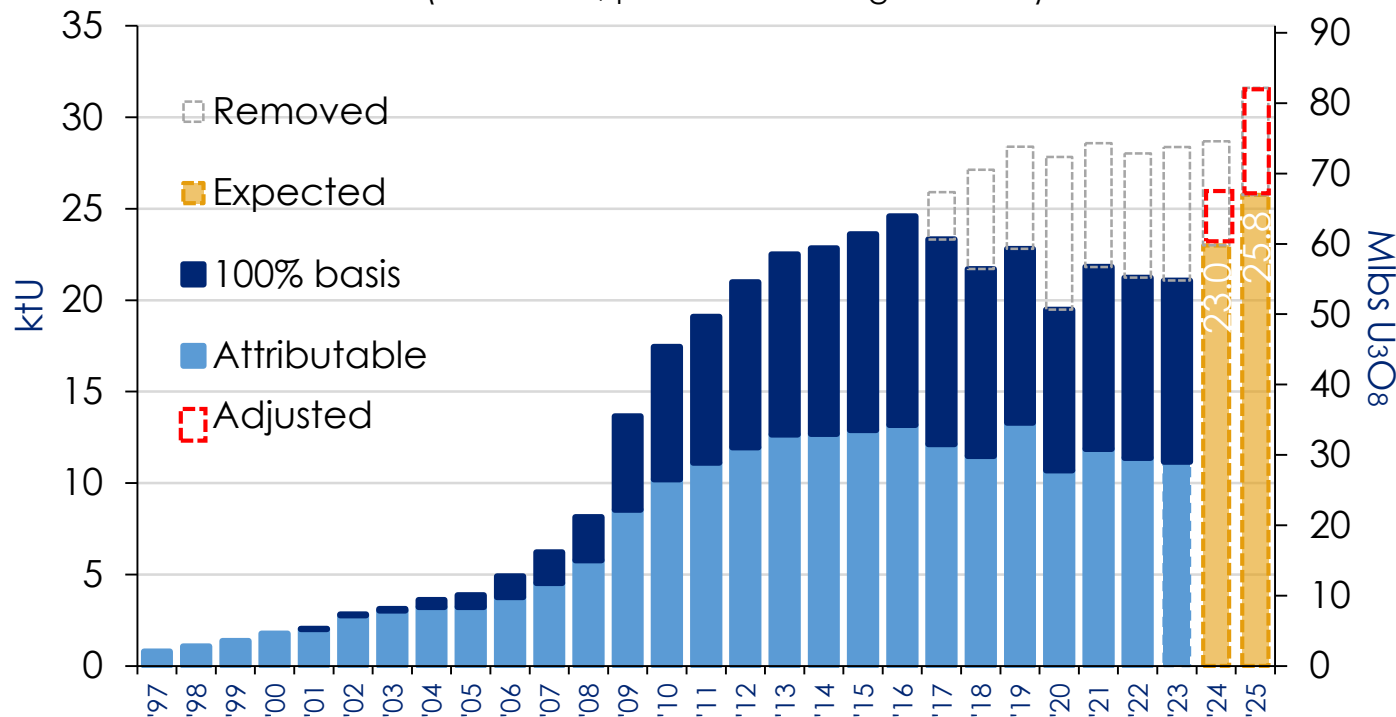
Committed to Market Discipline



Creating long-term value through value-over-volume strategy

Kazakhstan Production Volume

(100% basis, per subsoil use agreements)



Production volumes of U₃O₈ (attributable basis) is not equal to the volumes purchased by Company and THK. Production guidance for 2024 illustrated the guidance range disclosed in TU 2Q24, production guidance for 2025 illustrated as the middle of the guidance range disclosed in OFR as the middle of 1H2024. Adjustment refers to difference between initial expectations for 2024/2025 production and latest guidance

Significant supply impact

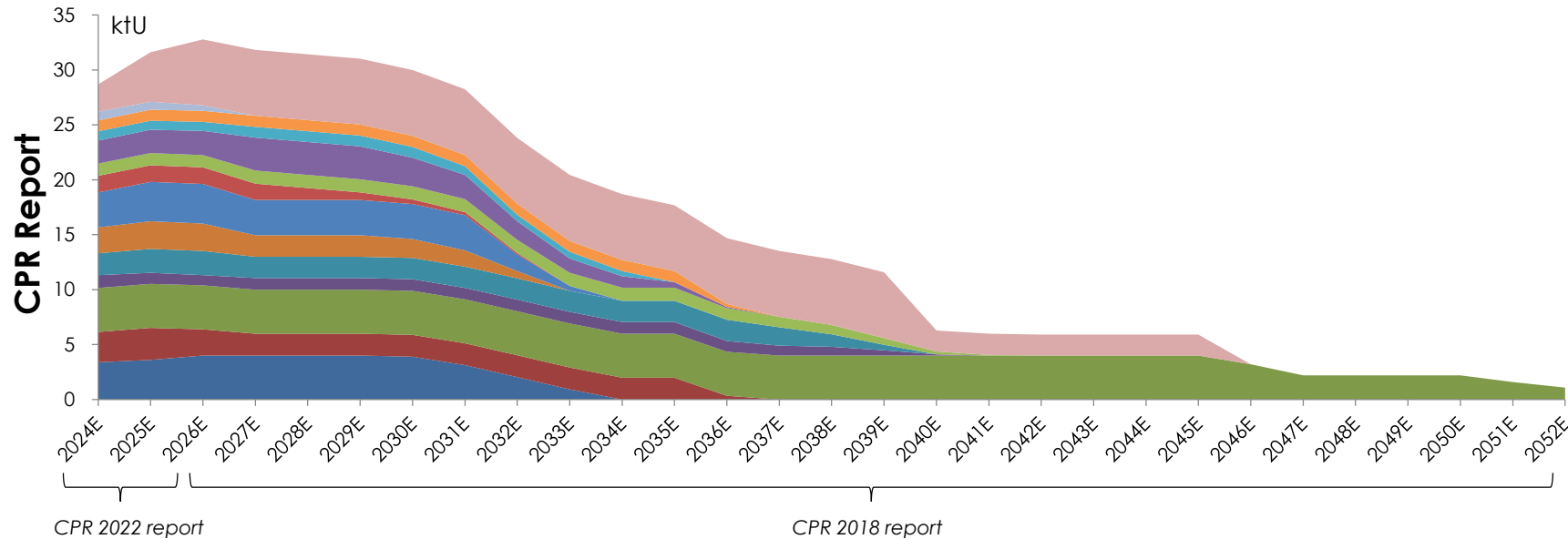
- 2017-2023 (actual): Reduced over **42,800 tU** total
- 2024 (estimate): **~6,000 tU** total expected reduction vs. SSUs
- 2025 (expected): **~25,000 – 26,500 tU** on 100 % basis

Ongoing challenges and contributions

- Limited access to sulphuric acid
- Construction schedule delays at newly developed deposits
- Production schedule adjustments at the SUAs for JV Budenovskoye and other mining entities

* expected changes to SUAs as disclosed in OFR 1H2024 are not taken into account

KAP's Production Profile (100% basis)



Production curve is expected to shift to the right due to:

Expected changes, subject to approval:

JV Budenovskoye LLP:

- 2024: 500 tU vs. CPR: 2,500 tU
- 2025: 1,300 tU vs. CPR: 4,000 tU
- 2026: 3,750 tU vs. CPR: 6,000 tU
- 2027+: 6,000 tU/year

Appak LLP:

- 2024+: 800 tU/year vs. CPR: 1,000 tU

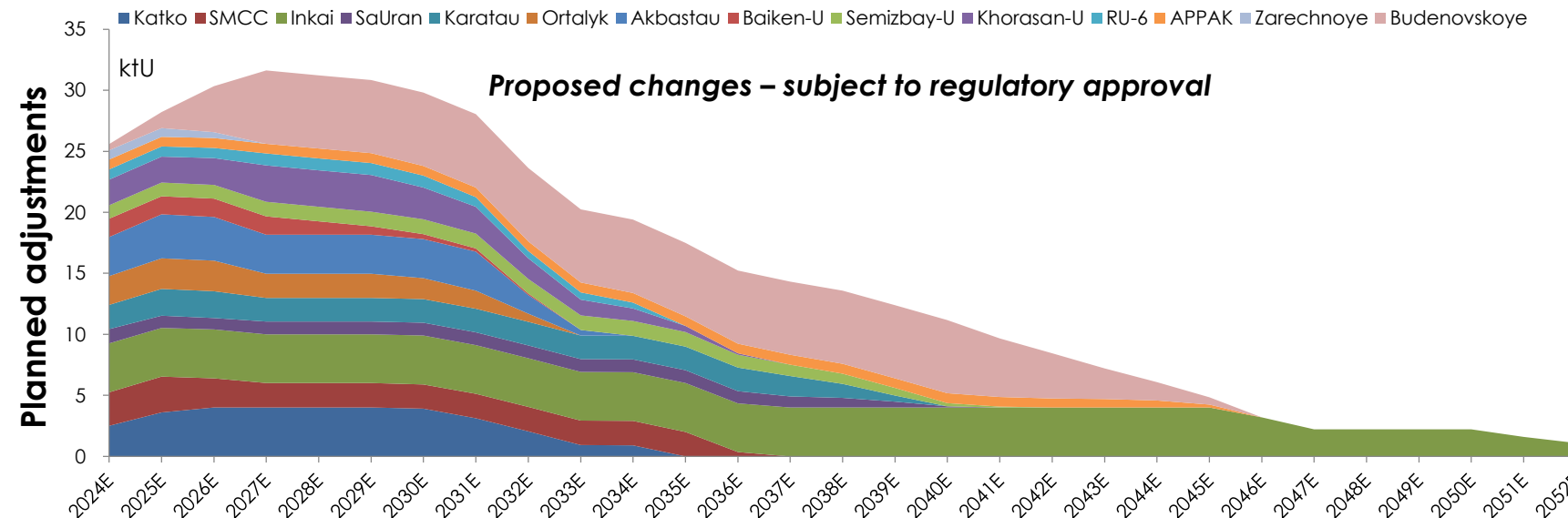
Approved, addendums to SUAs signed:

JV Katco LLP:

- 2024: 2,500 tU (CPR: 3,400 tU)

Semizbay-U LLP:

- SUA duration extension until 2030 (previously – 2024)



Mineral Extraction Tax changes (1/2)



MET rate is due to change in two stages

- **2023–2024:** Uranium price considered for MET purposes is the average of spot prices quoted by the uranium price reporters (UxC and TradeTech) multiplied by the actual amount of uranium mined and a MET rate of **6%**.
- **2025:** Starting 1 January 2025, applicable MET rate for uranium will change to **9%** (only for the year 2025).
- **2026 and beyond:** Starting 1 January 2026, a differentiated MET approach depending on the actual volume of annual production under each SUA and the Uranium price will be introduced.

Annual production volume	Rate, %
Up to and including 500 tU	4%
Up to and including 1,000 tU	6%
Up to and including 2,000 tU	9%
Up to and including 3,000 tU	12%
Up to and including 4,000 tU	15%
Above 4,000 tU	18%

Furthermore, if U_3O_8 price exceeds the values specified in the table below, an additional MET rate increase will be applicable:

Weighted average U_3O_8 price (UxC/TradeTech)	Additional rate, %
Above \$70/lb	0.5%
Above \$80/lb	1.0%
Above \$90/lb	1.5%
Above \$100/lb	2.0%
Above \$110/lb	2.5%

Mineral Extraction Tax changes (2/2)



- MET is paid by Kazatomprom's mining entities, rather than at the group level. But MET is not calculated on a mining entity basis, but on a Subsoil Use Agreement (SUA) basis. Some mining entities hold multiple SUAs.
- MET is neither a progressive nor a marginal tax approach.
- Uranium price considered for MET purposes is the average of spot prices quoted by the uranium price reporters (UxC and TradeTech), not the average realized price.
- Uranium produced by Kazatomprom's JVs and associates is purchased from them by Kazatomprom at spot less applicable discount. In the 1H2024, U₃O₈ was purchased at a weighted average discount of 3.93% to the prevailing spot price (3.61% in 1H2023).
- This setup creates a financial incentive for Kazatomprom to keep its group average realized price as close to U₃O₈ spot price as possible.
- **A sensitivity analysis of the MET rate for different scenarios of uranium production and uranium prices for the year 2026* has been developed for investors use:**

Average annual spot price (\$/lb)	80% of CPR production volume	90% of CPR production volume	100% of CPR production volume
60	8.4%	10.4%	11.7%
70	8.8%	10.8%	12.2%
80	9.2%	11.3%	12.7%
90	9.6%	11.7%	13.2%
100	10.0%	12.2%	13.7%
110	10.4%	12.6%	14.2%

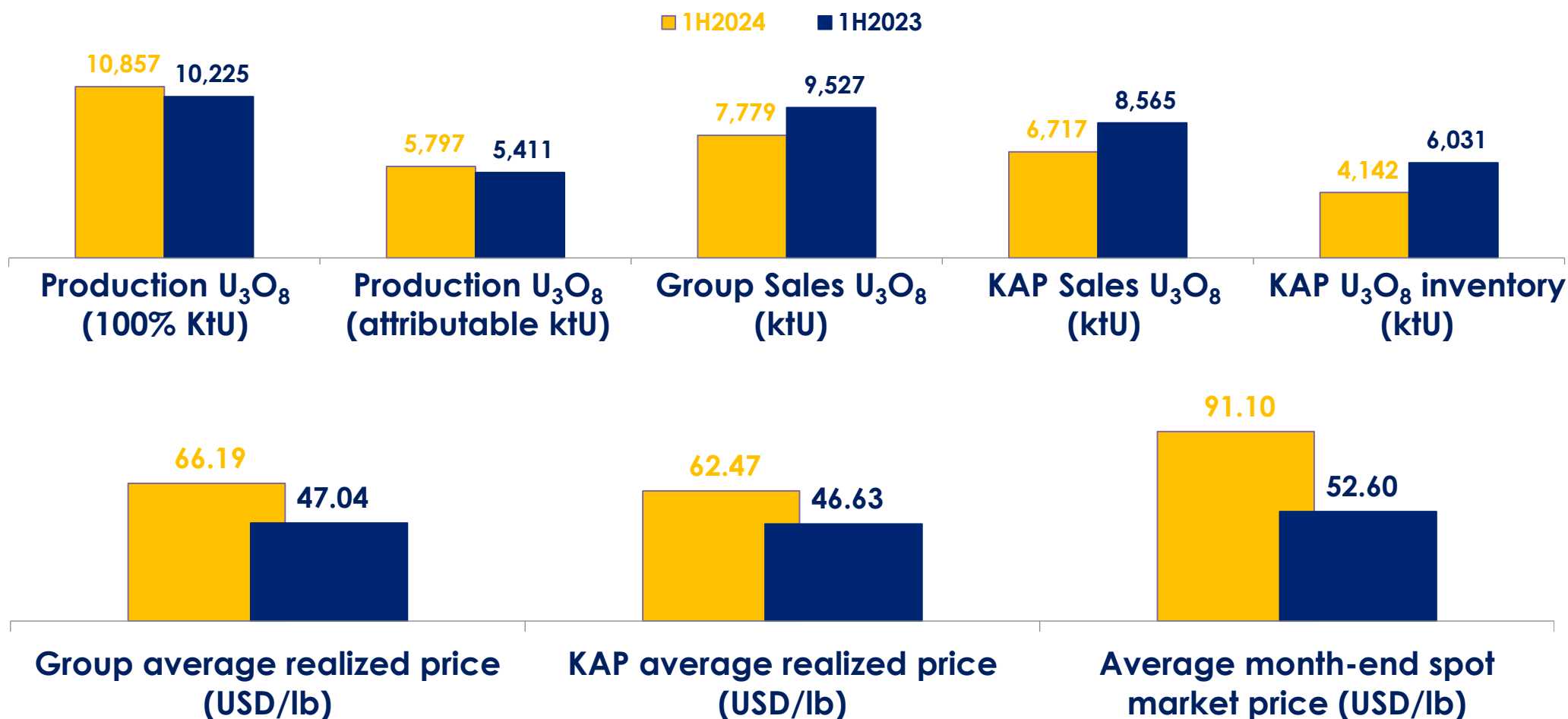
* Calculations are based on data from the CPR report, except for JV Budenovskoye LLP, which assumes a production level of 3,750 tU (6,000 tU is a current level as per CPR)

- MET increases will be offset to some extent due to a decrease in taxable base for corporate income tax calculation purposes.

1H2024 Operational Highlights



- Key operational and sales metrics disclosed on quarterly basis



Existing and Potential Transportation Routes



Typical delivery timeframe:

China	Russia	France	North America
14 days	14 days	45 days	60 days

Some of Kazatomprom's products are exported through the northern transport route via the port of St. Petersburg

Kazatomprom continues to monitor the growing list of sanctions on Russia and the potential impact they could have on the transportation of products through Russian territory

Currently there no restrictions or issues to use the northern transport route

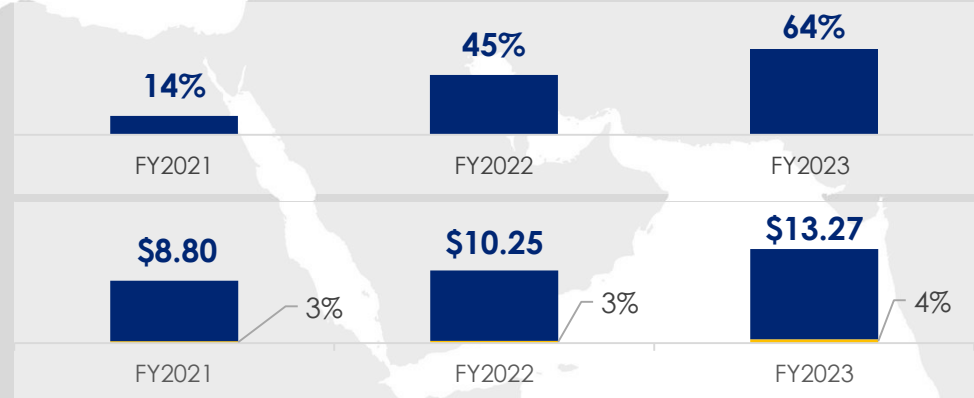


TRANS-CASPIAN INTERNATIONAL TRANSPORT ROUTE (TITR) successfully utilised since 2018

Kazatomprom is currently ensuring that TITR has the capacity to potentially accommodate greater quantities for both Kazatomprom and its JV partners

Kazatomprom constantly works on diversifying and improving its transportation capabilities

TITR deliveries to Western customers



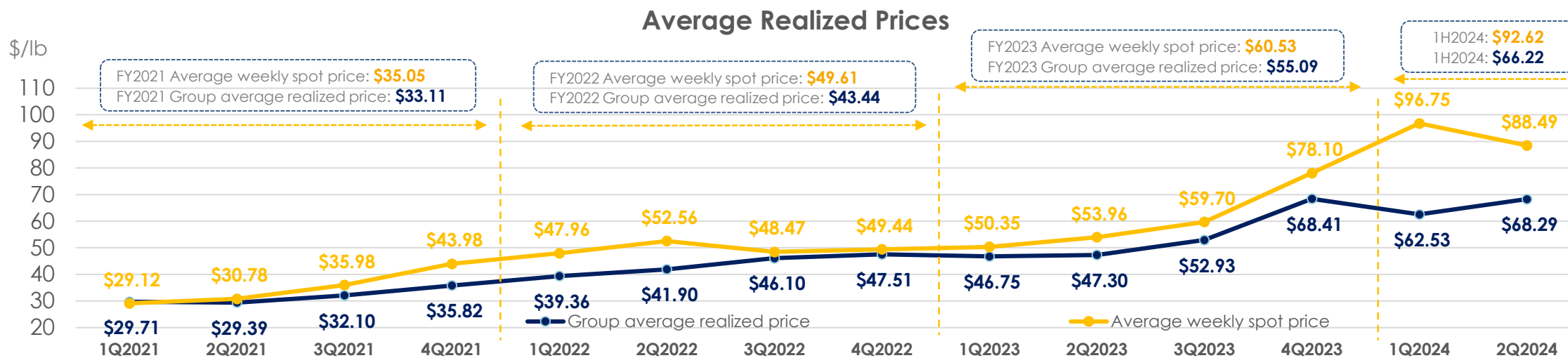
Selling expenses as % of C1

In addition to physical deliveries, Kazatomprom maintains inventories at western converters and has the ability to negotiate swaps with market participants to help mitigate potential risks to Kazatomprom's deliveries to its western customers

Uranium sales price sensitivity



Group's U₃O₈ average realized price response to spot price change



Avg. Annual Spot Price (USD)	2024E	2025E	2026E	2027E	2028E
20	-	26	24	25	22
40	-	40	40	40	39
60	50	54	56	56	58
80	67	70	74	74	75
100	83	82	89	88	92
120	98	95	104	103	109
140	113	107	119	117	126

Values are rounded to the nearest dollar. The sensitivity analysis above is based on the following key assumptions:

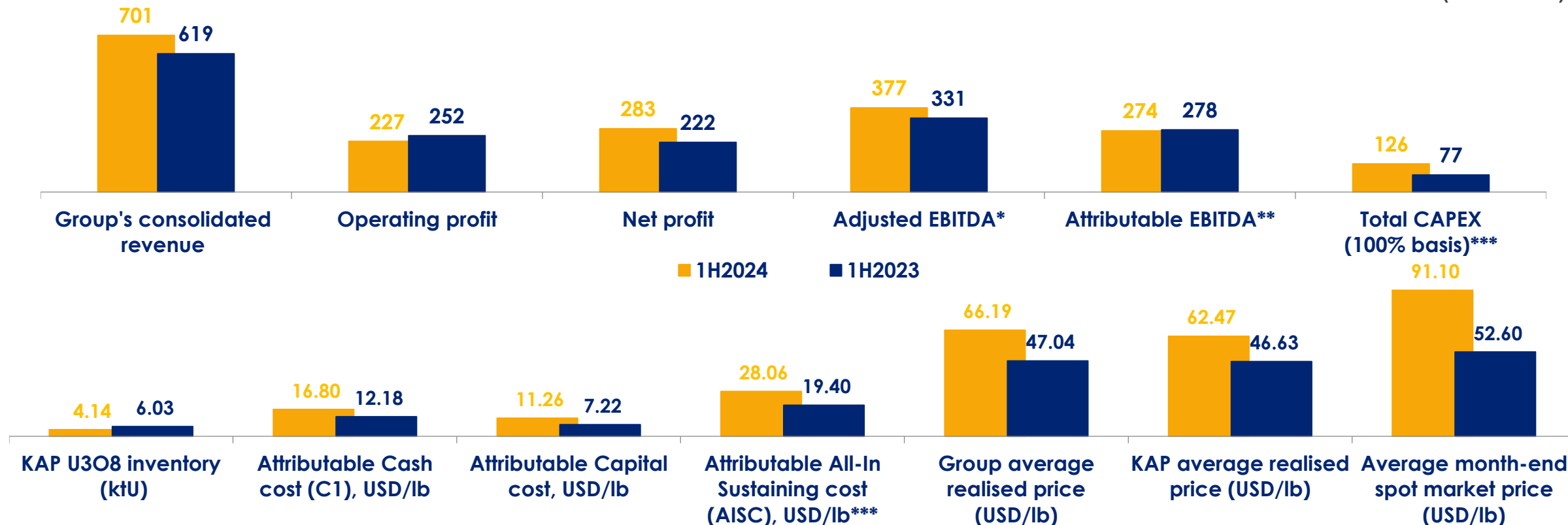
- Annual inflation is assumed to be 2% in the US for the purposes of this analysis.
- Analysis is as of 30 June 2024 and prepared for 2024–2028 on the basis of sales guidance of approximately 16,5 thousand tU of uranium in the form of U₃O₈ in 2024, and an assumption of an average annual sales of 22,3 thousand tU (not guidance) of uranium in the form of U₃O₈ in the following years, of which the volumes contracted as of 30 June 2024 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.
- A difference between sales prices and spot prices is expected for 2024, since deliveries under some long-term contracts in 2024 incorporate a proportion of fixed pricing that was negotiated during a lower price environment.
- For the purpose of the table, uncommitted volumes of U₃O₈ are assumed to be sold under short-term contracts negotiated directly with the customers and based on spot prices.
- The average realized price at spot prices of \$20 and \$40 is not shown in this analysis for 2024E. After the first half of the year, the average monthly spot price was \$91.10. It is important to note that the average annual spot price cannot mathematically be equal to \$20 or \$40. This is because the second half of the year would not reduce the overall average price enough to reach such low values given the high price levels in the first half of the year.
- The calculations of average annual sales volume are based on CPR report data on production, except for Budenovskoye LLP, for which the calculation of sensitivity to spot prices is based on the assumption that production of Budenovskoye LLP in 2026 will be 3,750 tonnes (vs 6,000 tonnes in CPR).

1H2024 Financial Highlights



- Key financial, operational and sales metrics

(KZT billions)



* Adjusted EBITDA is calculated by excluding from EBITDA items not related to the main business and having a one-time effect

** 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, less non-controlling share of adjusted EBITDA of "Appak" LLP, JV "Inkai" LLP, "Baiken-U" LLP, "Ortalyk" LLP, JV "Khorasan-U" LLP and JV "Budenovskoye" LLP, less any changes in the unrealized gain in the Group (in 1H2023 JV "Budenovskoye" LLP's EBITDA was not counted due to its minor effect)

*** 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.

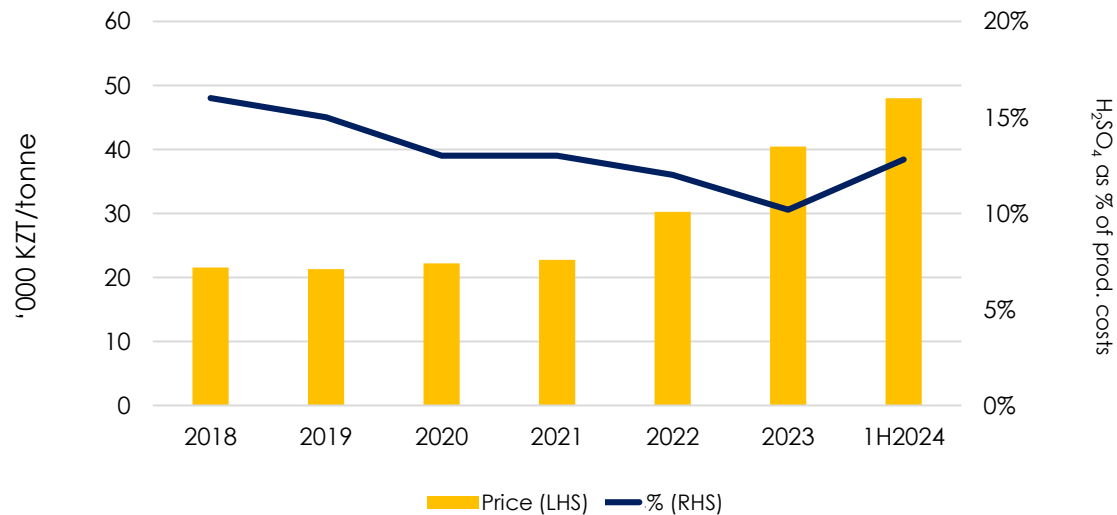
C1 and AISC cost drivers



Sulphuric Acid cost affects C1 and capex

- ~60% of the world's sulphuric acid is utilised in the production of fertilisers
- 2023 Kazatomprom's needs: 1.7 mln tU
- Short-term deficit both domestically and regionally due to:
 - growing demand from agricultural sector
 - supply chain, geopolitical uncertainty

KAP's weighted average cost of sulphuric acid



Mineral Extraction Tax affects C1

- **pre-2023:** 18.5% for uranium cost; 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: $(1 + 20\%) \times 18.5\% \div (1 - (1 + 20\%) \times 18.5\%)$.
- **2023–2024:** Uranium price considered for MET purposes is the average of spot prices quoted by the uranium price reporters (UxC and TradeTech) multiplied by the amount of actual volume of uranium mined and a MET rate of **6%**.
- **2025:** Starting 1 January 2025, applicable MET rate for uranium will change to **9%** (only for the year 2025).
- **2026 and beyond:** Starting 1 January 2026, a differentiated MET approach depending on the actual volume of annual production under each SUA and the Uranium price will be introduced.

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100	10.0%	12.2%	13.7%
110	10.4%	12.6%	14.2%

* Calculations are based on data from the CPR report, except for JV Budenovskoye LLP, which assumes a production level of 3,750 tU (6,000 tU is a current level as per CPR)

Looking Ahead



2024 guidance – consistent focus on value strategy

Key performance indicators

		2024 updated guidance	2024 initial guidance	2023 actual
		USD:KZT 460	USD:KZT 460	USD:KZT 456.24
Production volume U ₃ O ₈ (100% basis) ^{1,2}	tU	22,500 – 23,500	21,000 – 22,500	21,112
Production volume U ₃ O ₈ (attributable basis) ³	tU	11,600 – 12,600	10,900 – 11,900	11,169
Group sales volume (consolidated) ⁴	tU	15,500 – 16,500	15,500 – 16,500	18,069
KAP sales volume (incl. in Group) ⁵	tU	11,500 – 12,500	11,500 – 12,500	14,915
Revenue – consolidated ⁶	KZT billions	1,700 – 1,800	1,700 – 1,800	1,434
Revenue from Group U ₃ O ₈ sales	KZT billions	1,300 – 1,400	1,300 – 1,400	1,181
C1 cash cost (attributable basis)	\$US/lb	\$16.50 – \$18.00	\$16.50 – \$18.00	13.27
All-in sustaining cash cost (attributable C1 + capital)	\$US/lb	\$27.00 – \$28.50	\$26.00 – \$27.50	21.37
Total capital expenditures of mining entities (100% basis) ⁷	KZT billions	260 – 280	250 – 270	201

¹ Production volume U₃O₈ (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 U₃O₈ (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, concluded between participants of the entity. Actual drummed production volumes remain subject to converter adjustments and adjustments for in-process material.

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 OFR). For consistency, Group U₃O₈ sales volumes do not include other forms of uranium products (including, but not limited to the sales of fuel pellets and enriched uranium product (EUP)). Yet, some part of Group U₃O₈ production goes to the production of EUP, fuel pellets and fuel assemblies (FA) at Ulba-FA LLP.

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 2024 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.

* 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).

** 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.

*** Please note the conversion of kgU to pounds U₃O₈ is 2.5998.

1H2024 Non-Financial Highlights



Value-over-volume strategy for production, market-centric approach to sales



- Extension of production cut against subsoil use agreements
- ~42,800 tU removed from global supply to date

ESG



- Carbon Disclosure Project assessment completed, score “B”

Dividend payment amounted to 6.5% div. yield



- Paid FY23 dividend in June 2024 which amounted to KZT 315 bln / US\$673 mln (\$2.6/GDR)

Best positioned for future growth



- The strongest asset portfolio and balance sheet
- Fully prepared to meet utilities' needs in diversifying their supply sources
- Success in securing a strong presence in a new up-trending cycle of long-term contracting activity



OUR STRATEGY: VALUE OVER VOLUME



➤ Focusing on uranium mining as our core business



➤ Optimise production & sales volumes based on market conditions



➤ Create value by enhancing marketing & sales capabilities



➤ Implement best-practice business processes



➤ Develop a corporate culture suitable for an industry leader



Q&A session with Management



Vladislav Baiguzhin
Chief Commercial
Officer



Dastan Kosherbayev
Chief Strategy &
International
Development Officer



Ulan Khassanov
Managing Director,
Economics and
Planning

