



KAZATOMPROM
NATIONAL ATOMIC COMPANY

Report on payments to government bodies made by NAC Kazatomprom JSC in 2020

1. Introduction

This report is a summary of payments made to government bodies by NAC Kazatomprom JSC (“the Company” or “Kazatomprom”) and its controlled entities in 2020, and has been developed in accordance with the 2014 United Kingdom (UK) Rules for reporting on payments to governments (as amended in December 2015). These Rules are based upon the provisions of Chapter 10 of the Act “On reports on payments to governments” of the Reporting Guidelines dated 2013, as amended. According to these rules, oil, gas, mining and forestry companies registered in the UK must disclose annual information on payments to governments by country and by project.

This disclosure obligation is determined based on the European Union country where the issuer's shares were initially offered publicly, or where the issuer first applied for admission of its securities for trading in a regulated market. It therefore applies to Kazatomprom as a mining company whose securities are traded on the London Stock Exchange, in accordance with the rules of the Financial Conduct Authority in the UK.

2. General Information

Kazatomprom was established in 1997 with the status of the National Operator of the Republic of Kazakhstan for the export and import of uranium and its compounds, nuclear fuel for nuclear power plants, special equipment and technologies. The Company is the world's largest producer of natural uranium with priority access to one of the world's largest resource bases.

Kazatomprom’s main activity is uranium mining and the sale of uranium products, with mining activities occurring exclusively within the Republic of Kazakhstan.

As of 31 December 2020, the Sovereign Wealth Fund Samruk-Kazyna JSC owned 75% of the total outstanding shares of the Company, while 25% was in free circulation on the Astana International Stock Exchange and the London Stock Exchange.

Kazatomprom, realizing that its core activities are directly related to the use of natural resources, recognizes the need for socially responsible extraction of these resources and environmental protection.

3. Reporting companies

This report includes information on payments to government made by the Company, its subsidiaries, and by the joint entities, for activities directly or indirectly related to subsoil use.

4. Reporting period and report coverage

This is the Company's report on payments to government for 2020, which has been prepared in accordance with applicable laws and best practices of disclosure. The report considers the activities of the Company and its subsidiaries engaged in the extraction and processing of uranium, and the requirement to report ensures companies involved in uranium mining are transparent and accountable.

The reporting period is 01 January 2020 through 31 December 2020.

5. Government/State

The government/state includes local executive bodies (Akimats - mayor's offices), bodies of the State Revenue Committee of the Ministry of Finance of the Republic of Kazakhstan, as well as other government bodies.

6. Companies

The companies whose data on payments is contained in this report are the following subsidiaries and joint entities operating in the territory of Kazakhstan:

- NAC Kazatomprom JSC
- JV Inkai LLP
- Karatau LLP
- JV Akbastau JSC
- PE Ortalyk LLP
- Appak LLP
- Kazatomprom-Sauran LLP
- RU-6 LLP
- Baiken-U LLP
- Khorassan-U LLP

7. Payments categories

This report was compiled on the basis of the amounts of taxes and payments for 2020 paid to the budget (by cash) of Kazakhstan, in millions of Tenge. The types of payments are categorized as follows:

Corporate Income Tax (CIT).

Corporate income tax, except for corporate income tax withheld from the income of non-residents.

Mineral Extraction Tax (MET).

The mineral extraction tax is a compulsory payment made by subsoil users separately for each type of mineral raw material extracted in the Republic of Kazakhstan.

Bonuses - commercial discovery bonus, subscription bonus.

The commercial discovery bonus is paid by subsoil users under the contracts for the extraction of minerals and/or for combined exploration and production for each commercial discovery of minerals in the contract territory, including for discoveries during additional exploration.

This tax was repealed starting January 01, 2019 within the framework of changes in legislation on subsoil and subsoil use, and the tax code.

The subscription bonus is paid by the subsoil user each time a new subsoil use right is obtained and a contract is signed for exploration, production, or combined exploration and production of mineral resources, as well as when the contract area is expanded.

Payments for infrastructure improvement

Payments for infrastructure improvement are expenditures on the socio-economic development of the region and the development of infrastructure in the areas impacted by Kazatomprom's operations, according to the terms of the contracts for subsoil use (including payments to local executive bodies)

Other

Other taxes constitute payments of historical costs, social tax, and taxes on property, land and transport and exclude value added tax and excise tax, which do not affect the amount of profit.

8. Currency

This report is presented in Kazakhstan Tenge, which is the functional currency of the Company. Transactions in foreign currencies are recorded in the functional currency at the prevailing exchange rate on the transaction date. Monetary assets and liabilities denominated in foreign currencies are converted to the functional currency at exchange rates effective at the reporting date.

9. Contact details

This report, along with additional information on the Company's activities, can be found on the corporate website at www.kazatomprom.kz.

Questions or comments related to the information provided in this report should be sent to: 17/12, Syganak Street, Nur-Sultan, the Republic of Kazakhstan, Z05T1X3; Tel. +7 7172 45 81 01; nac@kazatomprom.kz.

1. Report by countries in 2020 (million Tenge)

State (Country)	Type of payment					Total
	CIT	MET	Bonuses	Infrastructure improvement	Other	
Kazakhstan	65,307	23,224	0	1,319	5,281	95,131

2. Report by state body in 2020 (million Tenge)

State body	Type of payment					Total
	CIT	MET	Bonuses	Infrastructure improvement	Other	
State (including akim's offices)				1,319		1,319
State Revenue Department	65,307	23,224	0		5,281	93,812
TOTAL	65,307	23,224	0	1,319	5,281	95,131

3. Report by company in 2020 (million Tenge)

Company	Type of payment					Total
	CIT	MET	Bonuses	Infrastructure improvement	Other	
NAC Kazatomprom JSC	15,380	1,190		165	884	17,619
JV Inkai LLP	10,209	3,561		60	1,095	14,925
Karatau LLP	11,993	1,782		53	491	14,319
JV Akbastau JSC	6,668	1,542		215	220	8,645
PE Ortalyk LLP	3,743	2,610		83	859	7,295
Appak LLP	2,548	998		40	251	3,837
Kazatomprom-SaUran LLP	1,873	3,107		428	558	5,966
RU-6 LLP	1,695	2,171		107	389	4,362
Baiken-U LLP	6,045	2,917		42	410	9,414
Khorassan-U LLP	5,153	3,346		126	124	8,749
TOTAL	65,307	23,224		1,319	5,281	95,131