



KAZATOMPROM

NATIONAL ATOMIC COMPANY

2020 Half-Year Results Conference Call

27 August 2020

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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.

COVID-19 Timeline and KAP Response



Preventive measures

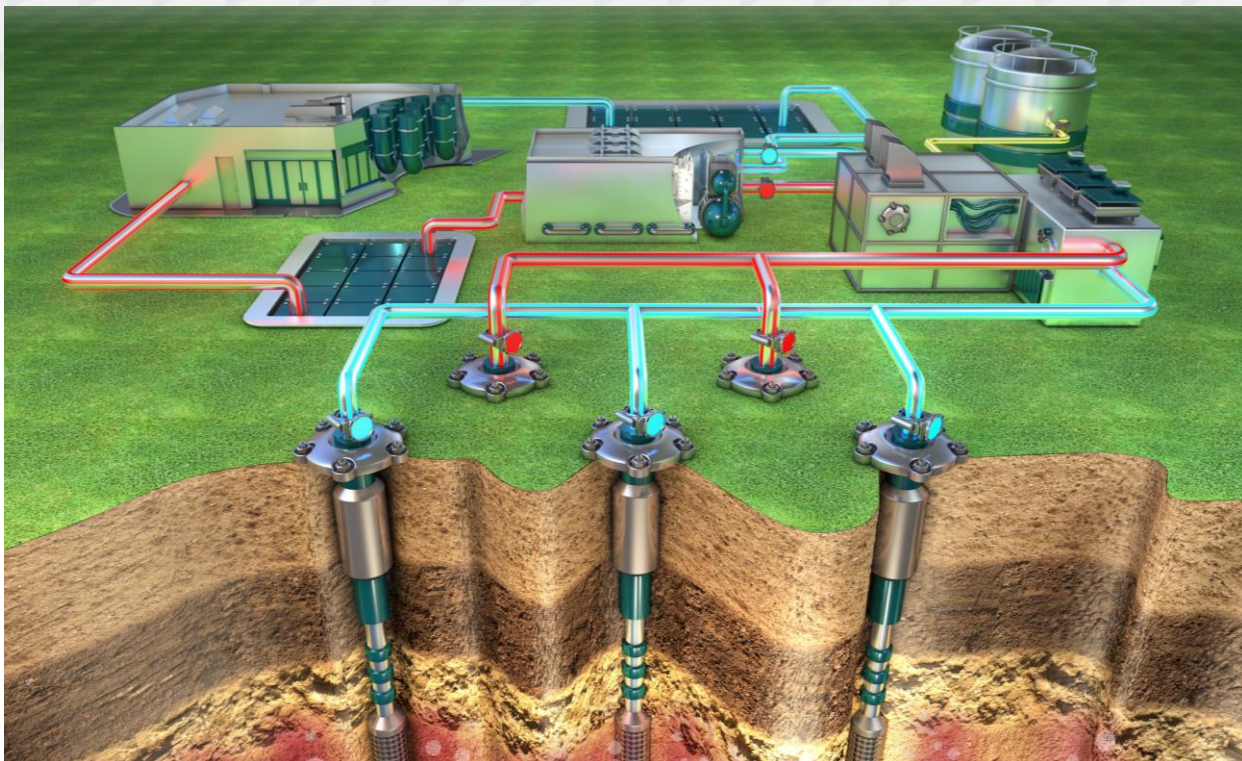
- ✓ Cross-functional committee to monitor, take actions
- ✓ High risk groups work remotely, rotating remote work schedules
- ✓ Travel is limited, no meetings or direct contact is permitted

Lockdown restrictions

- ✓ Kazakh government measures implemented in all regions
- ✓ Restricted movement of people
- ✓ Strict disinfection processes, mandatory social distancing
- ✓ Site staff reduced to minimum possible levels

Return policy

- ✓ COVID testing of all returning employees (sites and offices)
- ✓ Site quarantine areas established
- ✓ Rigorous site staff response training, should any cases arise
- ✓ Sites to be at normal staff levels within three weeks if safe to return



100% OF KAZATOMPROM URANIUM

MINED USING
IN-SITU RECOVERY (ISR)

ISR recognized by IAEA as
**the safest and most environmentally
friendly** mining technology



Low disturbance...

No stripping, open pits
or mine shafts



Low exposure...

Less human interaction
with uranium ore, dust



Small footprint...

Decreased impact on
land, environment

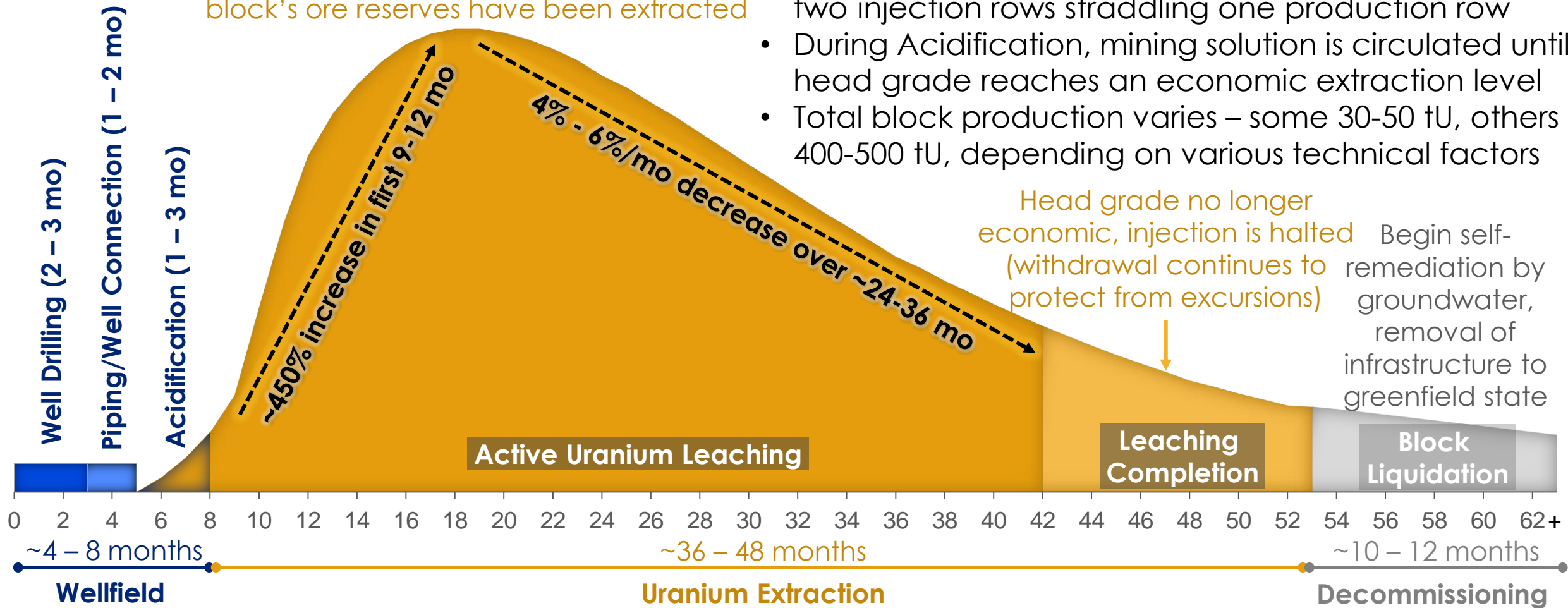


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Wellfield Block Production Profile*

At peak production rate, ~20%-40% of the block's ore reserves have been extracted

- Blocks of ~25-50 wells in three rows 30-60 meters apart: two injection rows straddling one production row
- During Acidification, mining solution is circulated until head grade reaches an economic extraction level
- Total block production varies – some 30-50 tU, others 400-500 tU, depending on various technical factors

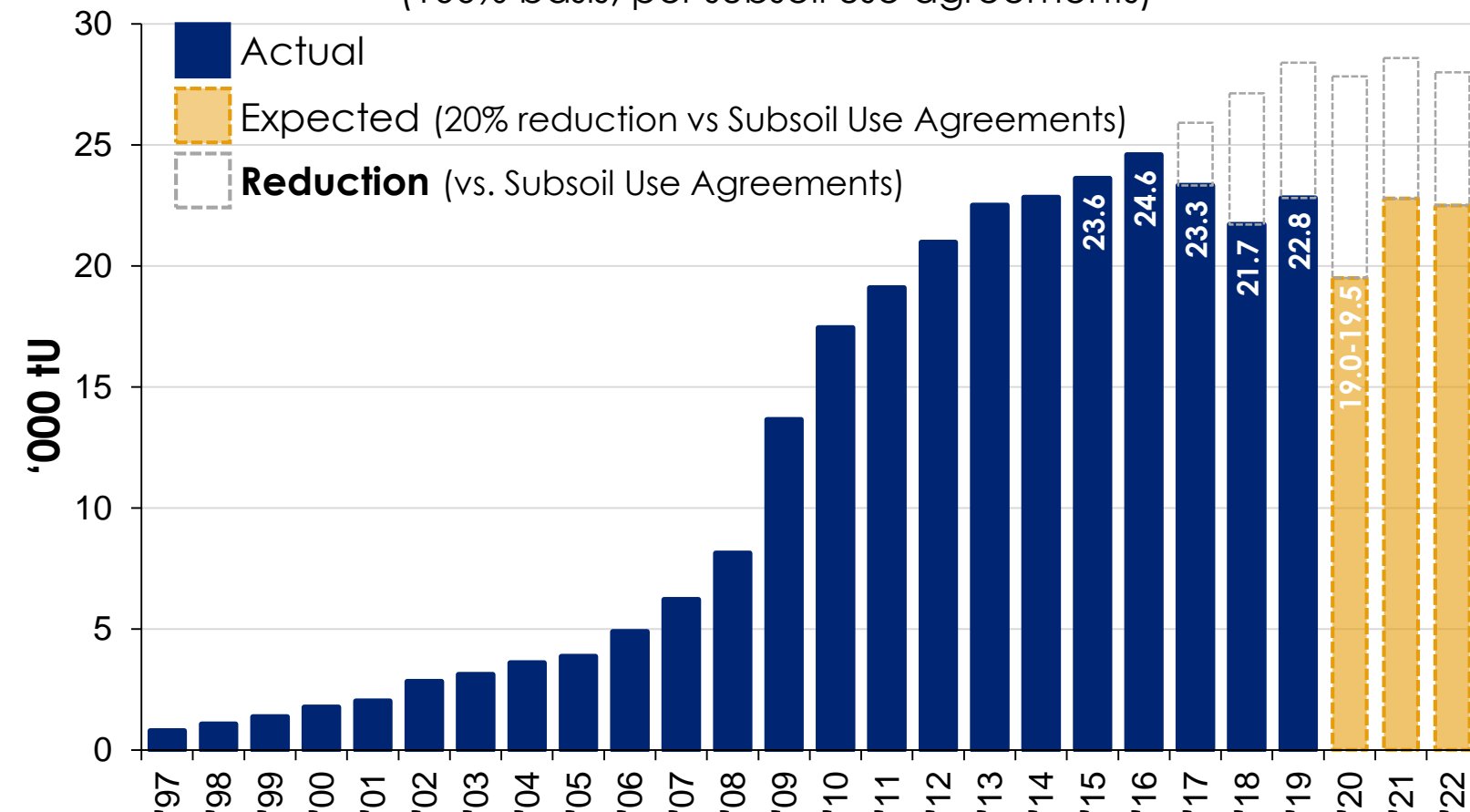


*representative model – specific block and orebody profiles will vary from this statistical model

Committed to Market Discipline

Kazakhstan Production Volume

(100% basis, per subsoil use agreements)



Significant Supply discipline

- 2017-2019: Reduced **~13,500 tU** total
- 2020-2022: up to **~20,000 tU** total (including up to **~4,000 tU** total due to COVID-19 impact)

Committed to a strategy driven by value, and not production volume

Source: Competent Persons' Report on the Mineral Assets of JSC Kazatomprom NAC, Republic of Kazakhstan, Kazatomprom IPO Prospectus, October 31, 2018.

Market Context

Uranium market in 1H2020

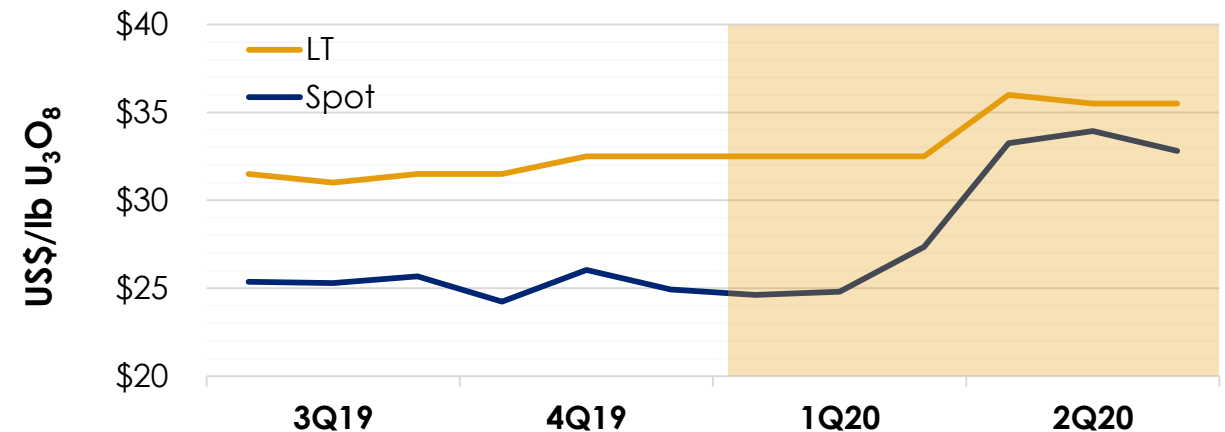
- COVID-19 reshaped primary supply picture
- Supply reductions by major producers
- Increased spot activity, quiet long-term
- Accelerated global inventory drawdown
- Russian suspension agreement uncertainty

Kazatomprom in 1H2020

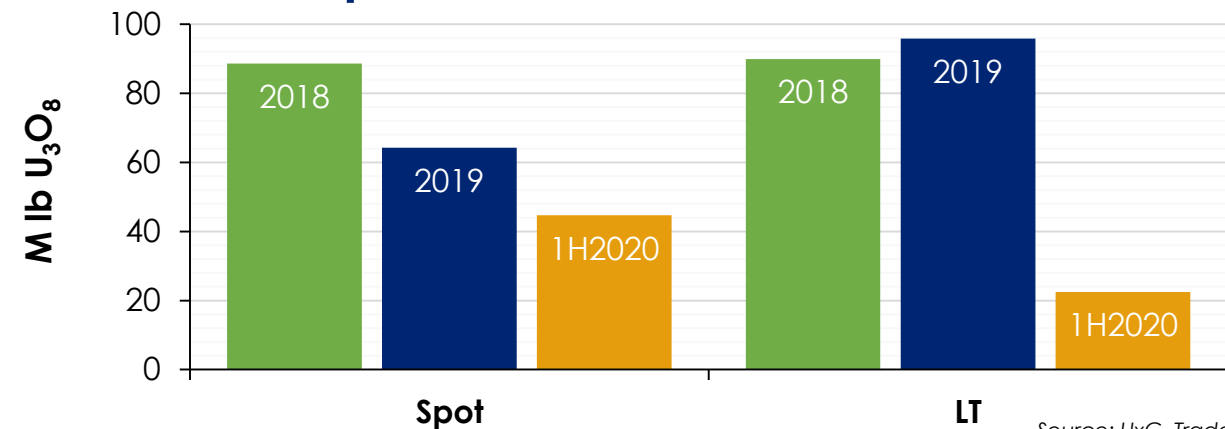
- Four-month reduction of wellfield development activities
- Extended production cut through 2022



Spot and LT Month-end U_3O_8 Price



Spot and LT Contract Volumes



Source: UxC, TradeTech

First-Half 2020 Highlights

Delivering on commitments, creating value

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



- 1H20 production was 20% lower than Subsoil Use Agreement volumes
- Selling according to value strategy

Strong financial performance in-line with guidance



- C1/AISC costs better than expected
- Higher adjusted net profit and EBITDA

Exceeded commitment of US\$200M dividend payment in 2020 (KZT equivalent)



- Paid 2020 dividend of KZT 99 billion (nearly US\$240M at time of payment)
- Dividend calculated based on policy formula

Refocusing on core business – uranium mining

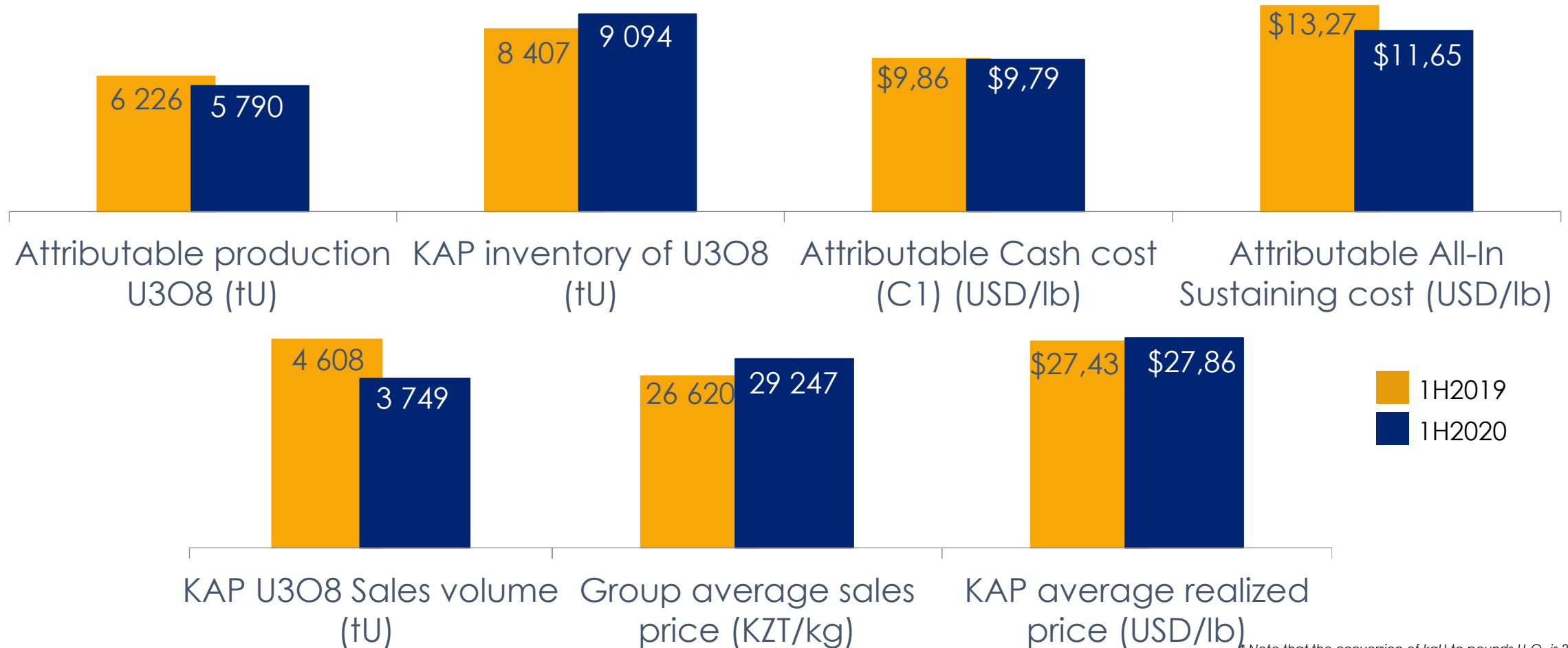


- UEC sale completed (50% minus 1 share)
- Euro 90 million cash received



First-Half 2020 Results

Production and sales metrics



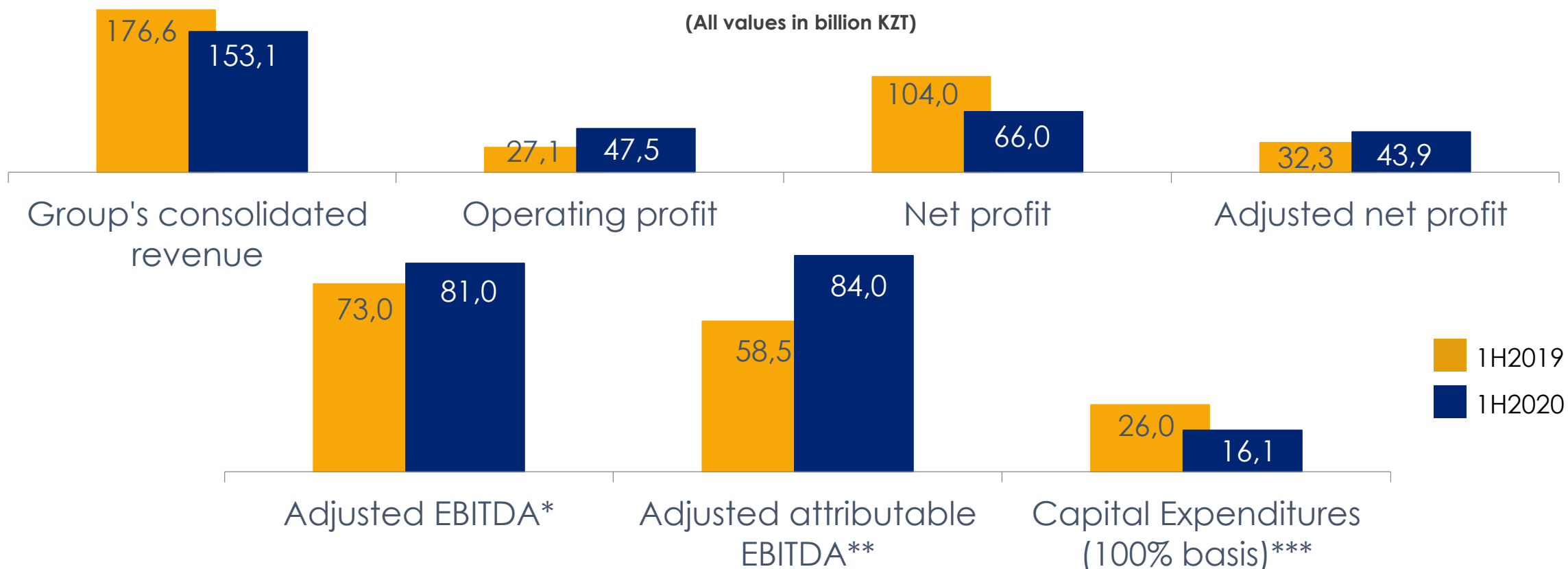
* Note that the conversion of kgU to pounds U₃O₈ is 2.5998.



First-Half 2020 Results

Key Financial Metrics

(All values in billion KZT)



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

** Adjusted Attributable EBITDA is calculated as an 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 (except Budenovskoye JV LLP's EBITDA due to minor effect it has during each reporting period) less non-controlling share of adjusted EBITDA of Appak LLP, Inkai JV LLP, Baiken-U LLP and Khorasan-U JV LLP less any changes in the unrealized gain in the Group.

*** Excludes liquidation funds and closure costs and includes expansion investments

Looking Ahead – 2020 Guidance

(Exchange Rate Assumption KZT/USD = 450)

		2019 Actual	2020 Guidance
Production volume (100% basis) ¹	tU	22,808	19,000 – 19,500 ²
Production volume (attributable basis) ³	tU	13,291	10,500 – 10,800 ²
Group sales volume ⁴	tU	16,044	15,500 – 16,500
KAP sales volume (incl. in Group) ⁵	tU	14,148	13,500 – 14,500
Revenue (consolidated) ⁶	KZT billions	502.3	580 – 600
Revenue from U ₃ O ₈ sales (incl. in consolidated) ⁶	KZT billions	424.8	460 – 510
C1 cash cost (attributable basis)	\$US/lb*	\$9.28	\$10.00 – \$11.00
All-in sustaining cash cost (attributable C1 + capital)	\$US/lb*	\$11.94	\$13.00 – \$14.00
Total capital expenditures (100% basis) ⁷	KZT billions	67.0	65 – 75

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, depending on the actual impact.

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 attributable share is calculated in accordance with the formula described in Kazatomprom's IPO Prospectus. The Company anticipates that the annual share of production in JV "Inkai" LLP in 2020 will be approximately 1,066 tU. 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 (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: 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 2020 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.

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



OUR STRATEGY...

➤ Focussing 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



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Q&A Session with Management



Galymzhan Pirmatov,
Chief Executive Officer



Meirzhan Yussupov,
Chief Financial Officer



Riaz Rizvi,
Chief Commercial Officer





The **world's largest** uranium producer with **priority access** to Kazakh uranium deposits, and a **robust financial profile** combining **growth and profitability** with one of the **lowest operating costs** in the industry.



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Stock Exchange Group
KAP

