



**KAZATOMPROM**  
NATIONAL ATOMIC COMPANY

# Investor Handout 1H2023

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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.

A blue-tinted photograph of two female scientists in a laboratory. They are wearing white lab coats and safety glasses. One scientist is holding a tablet, and the other is pointing at it. In the background, there is a microscope and some laboratory equipment.

# KAZATOMPROM OVERVIEW



# About Kazakhstan

## A PEACEFUL COUNTRY

The first country to voluntarily give up  
**nuclear weapons**

The first country in Central Asia in  
**UN Security Council**

## AN ECONOMICALLY STABLE COUNTRY

**52<sup>nd</sup> largest economy by GDP** according to  
World Bank 2020 ranking (from 101st in 2000)

**Gross foreign investments**

~376 billion USD since 1991

**Credit ratings**

- Moody's – Baa2 positive (2023)
- S&P – BBB-/A-3 stable (2023)
- Fitch – BBB stable (2023)

## A PRO-BUSINESS COUNTRY

**25th** according to World Bank 2020 “**Ease of Doing Business**” ranking (from 63rd in 2010)

**4th in terms of Enforcing Contracts and  
7th in terms of Protecting minority investors**  
according to World Bank

## A FAST DEVELOPING ECONOMY

**9th largest country** by territory

**20.0 mln** population (2023)

**12,310 USD GDP per capita** (2023, IMF)

**4.6% GDP growth** (2023 IMF forecast, 2022  
actual GDP growth amounted to 3.2%)

**10.8%** inflation (October 2023)

**460.85** average **KZT/USD** exchange rate (2022)

## ABUNDANT NATURAL RESOURCES

~**5,000** deposits

**99** out of **118** periodic table elements

**#1** zinc, tungsten, barite reserves

**#2 uranium**, chromite, argentum, lead  
reserves

**#6** gold reserves

**#7** coal reserves

**#12** oil reserves

**#24** gas reserves



# Kazatomprom at-a-Glance



Largest producer of natural uranium with priority access to one of the world's largest reserve bases

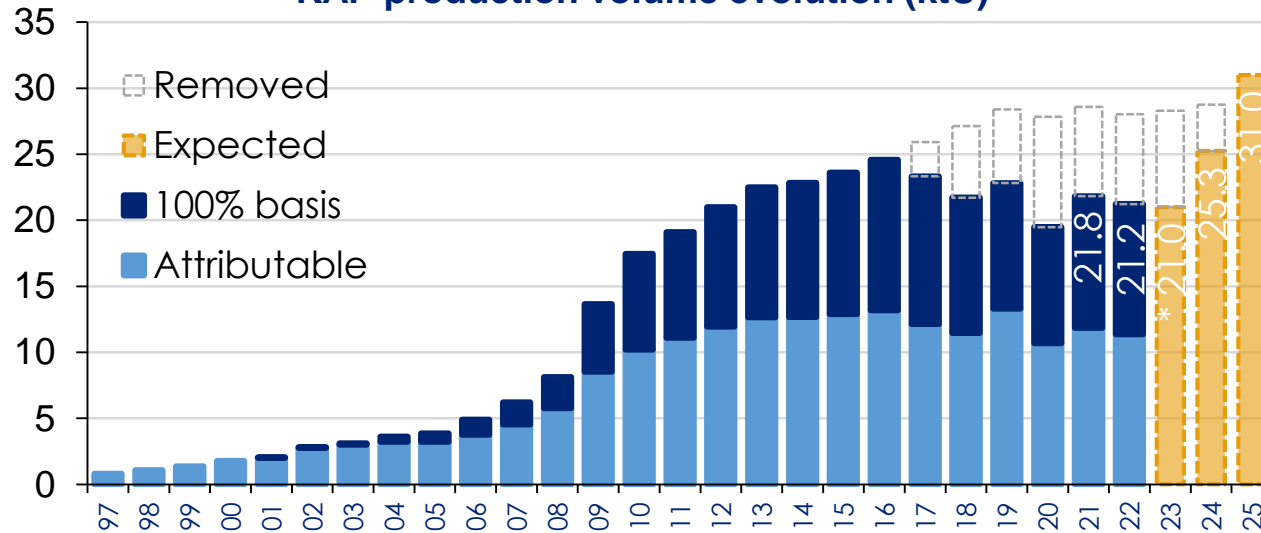


In URANIUM  
Production  
& Sales

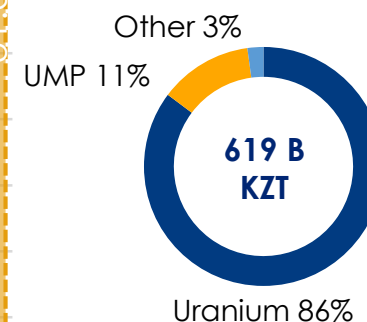
- 14 mining units
- 2 exploration projects
- 1<sup>st</sup> quartile cost of production
- 12 producing JVs with world-class partners

- 22% share of global production in 2022
- 313 ktU in attributable reserves<sup>2</sup>
- 100% reserve base amenable to In-Situ Recovery ("ISR") mining method
- Significant uranium processing, fuel pellets and FA production capabilities at UMP

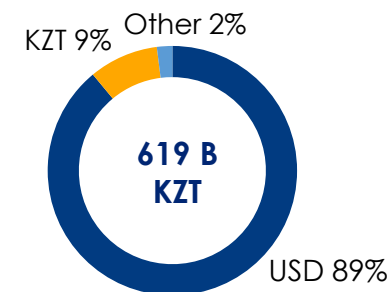
KAP production volume evolution (ktU)<sup>1</sup>



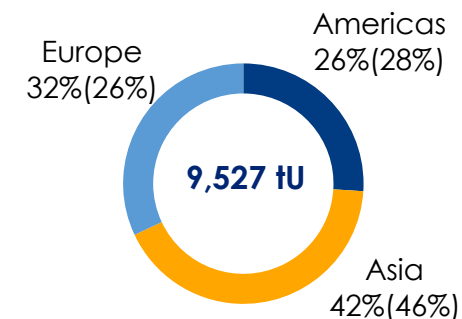
Group revenue  
by segment 1H23<sup>3</sup>



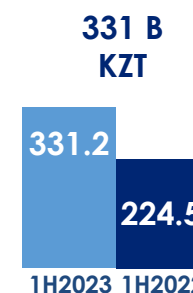
Group revenue  
by currency 1H23<sup>5</sup>



Group uranium sales by  
regions 1H23<sup>4</sup>



Adjusted EBITDA  
1H23<sup>6</sup>



Source: Company information, third-party sources

<sup>1</sup> Production volumes of U<sub>3</sub>O<sub>8</sub> (attributable basis) is not equal to the volumes purchased by Company and THK

<sup>2</sup> As per the CPR letter 2022 (dated 16 January 2023)

<sup>3</sup> Based on consolidated financial statements for three and six months ended 30 June 2023

<sup>4</sup> Based on legal address of the clients' parent company or decision-making HQ, may differ from financial statements data under IFRS.

Figures for FY2022 are shown in parentheses

<sup>5</sup> At average USD:KZT exchange rates for the relevant period, i.e. 451.86 average for 1H2023

<sup>6</sup> Adjusted EBITDA is calculated by excluding from EBITDA items not related to the main business and having a one-time effect

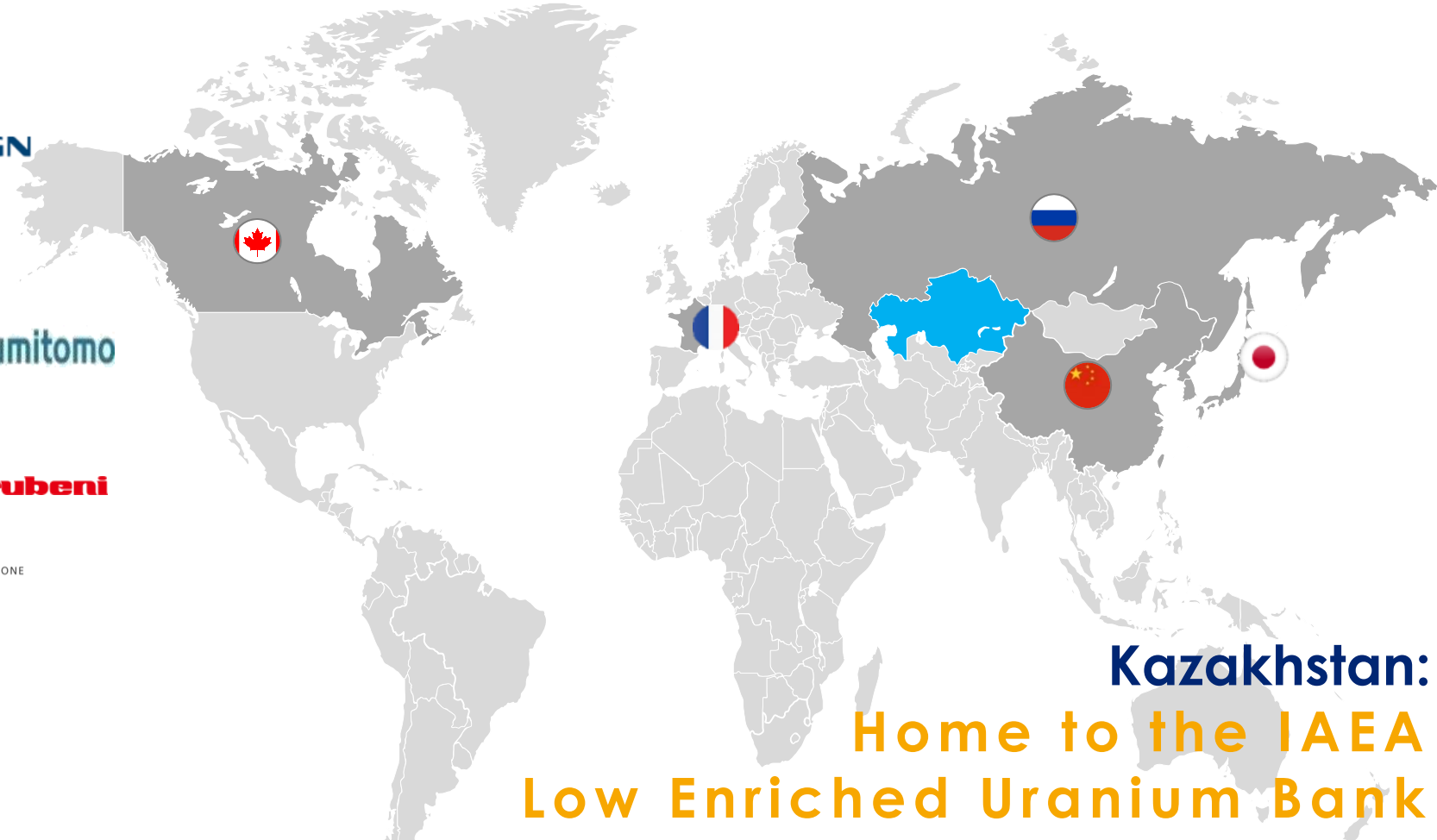
\* Production guidance for 2023 illustrated on the chart as middle of the guidance range disclosed in OFR FY22 and TU 2Q23. 2024 and 2025 expectations shown are middle of the ranges disclosed in corresponding press-releases and may be changed when full operating guidance is published

# Kazakhstan – Central to the Industry



## 12 Joint Ventures located in **Kazakhstan** with nuclear industry leaders

- **Canadian JV**  
Inkai, 60% (1996)
- **Chinese JV**  
Semizbai-U, 51% (2008)  
Ortalyk, 51% (2021)\*
- **French JV**  
Katco, 49% (1996)
- **Japanese JVs**  
Appak, 65% (2005)  
Baiken-U, 52.5% (2006)
- **Russian/Japanese JV**  
Khorasan-U, 50% (2014)
- **Russian JVs**  
Karatau, 50% (2007)  
Akbastau, 50% (2006)  
SMCC, 30% (2014)  
Zarechnoye, 49.98% (2001)  
Budenovskoye, 51% (2016)



**Kazakhstan:**  
**Home to the IAEA**  
**Low Enriched Uranium Bank**

Percentages indicate KAP ownership stake; numbers in brackets represent foundation years. Excluding companies in which KAP owns 100% (SaUran LLP, RU-6 LLP). JVs include assets defined as associates and subsidiaries by IFRS standards

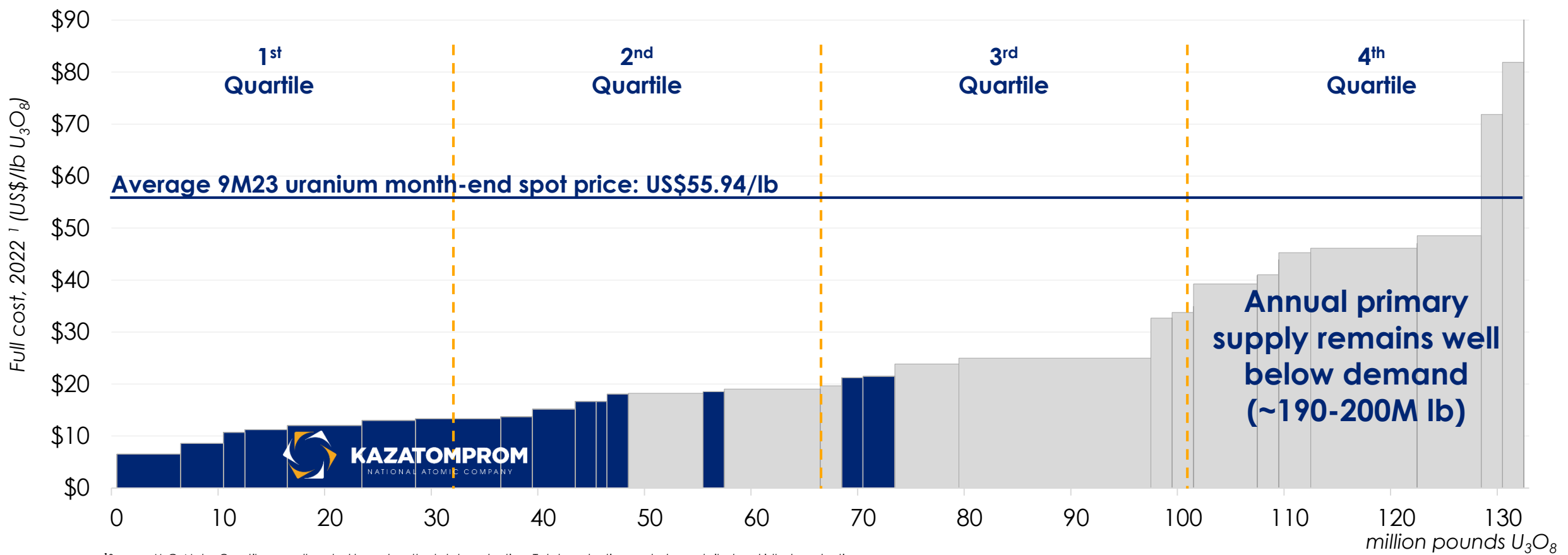
\* Foundation year 2011, reregistered as JV in July 2021

# One of the Lowest Cost Producers



Low cash costs driven by cost-efficient ISR mining method

2022 Global Production Cost Curve



<sup>1</sup>Source: UxC. Note: Quartiles are allocated based on the total production. Total production excludes curtailed and idled production. UxC's Full Cost consists of operating and capital costs across company projects. Operating costs are made up of mining costs, hauling, milling, production/property taxes, environmental costs, and royalty severance tax. Capital costs are made up of acquisition/exploration costs, mine development costs, mill construction costs, environmental/infrastructure costs, and General & Administrative costs.



# Investment Thesis



Largest producer, lowest costs, flexible production

Largest ISR uranium reserves, priority access to Kazakhstan's resources

Positioned for growth, global customer portfolio

Resilient financials, committed to sustainable returns

Solid health, safety and environmental records, commitment to strong ESG

Committed to high international standards of governance



**#1**  $\text{U}_3\text{O}_8$  **PRODUCTION SALES**



22% of Global Production (2022)



100% In-Situ Recovery mining



# Strategy Aligned with the Market

- Focus on uranium mining as our core business
- Optimise production & sales based on market conditions
- Enhance marketing & sales capability to create value
- Implement best-practice business processes
- Develop a corporate culture suitable for an industry leader



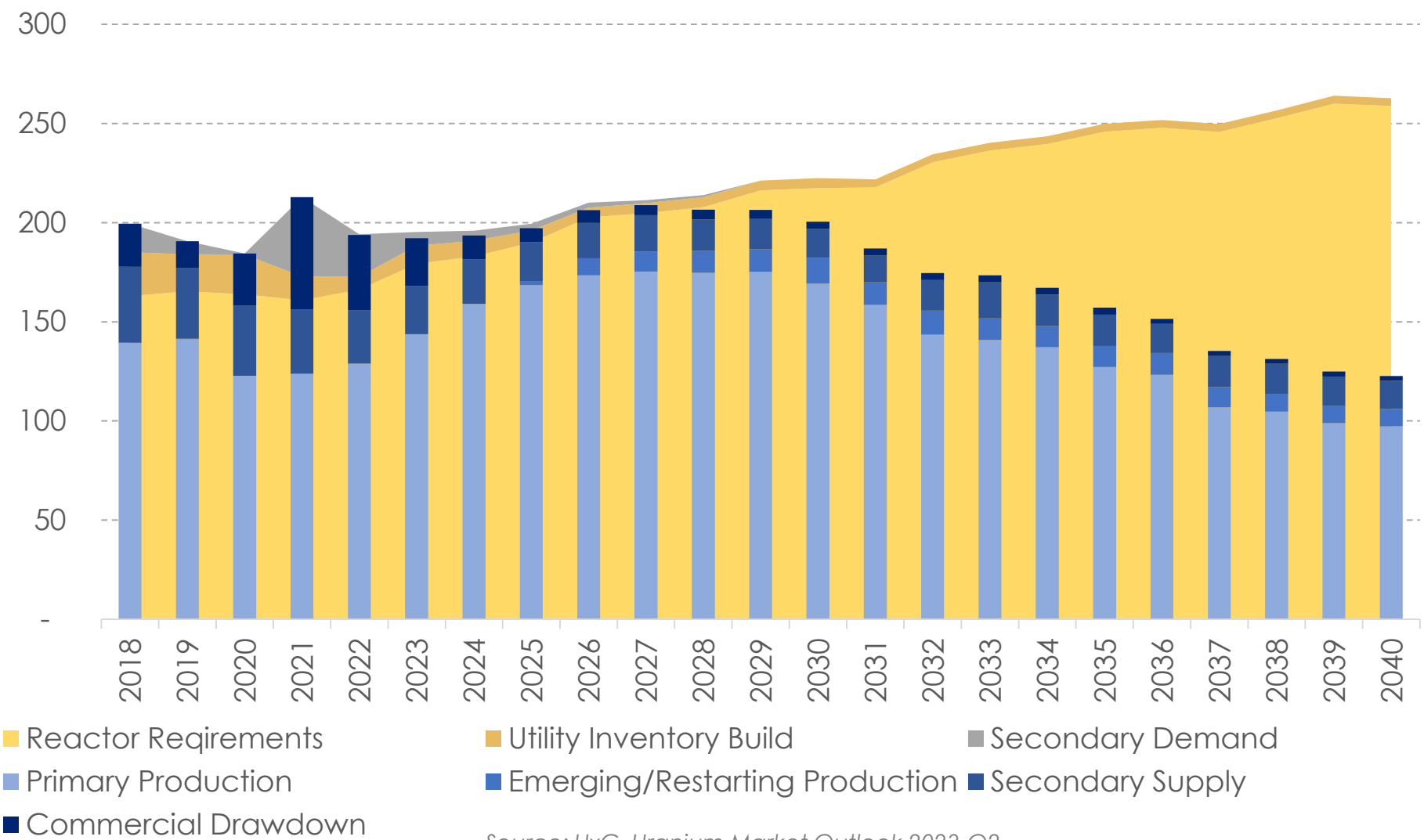
**VISION:** To be the partner-of-choice for the global nuclear fuel industry

**MISSION:** To sustainably develop our uranium deposits and their value chain components to create long-term value for all our stakeholders

A background image showing two female scientists in a laboratory setting. They are wearing white lab coats and safety glasses. One scientist is holding a tablet and pointing at it, while the other is looking at it. In the background, there is a microscope and some laboratory equipment. The image is overlaid with a dark blue semi-transparent layer.

# URANIUM MARKET OVERVIEW

# Long-term Supply/Demand Dynamics



- Widening supply and demand gap
- Long mine development timelines
- Idle capacity restarts/announced
- New potential production is not sufficient to cover demand post-2030
- Secondary demand from financial players creating competition in mid-term

Source: UxC, Uranium Market Outlook 2023-Q2  
Used by KAP with permission

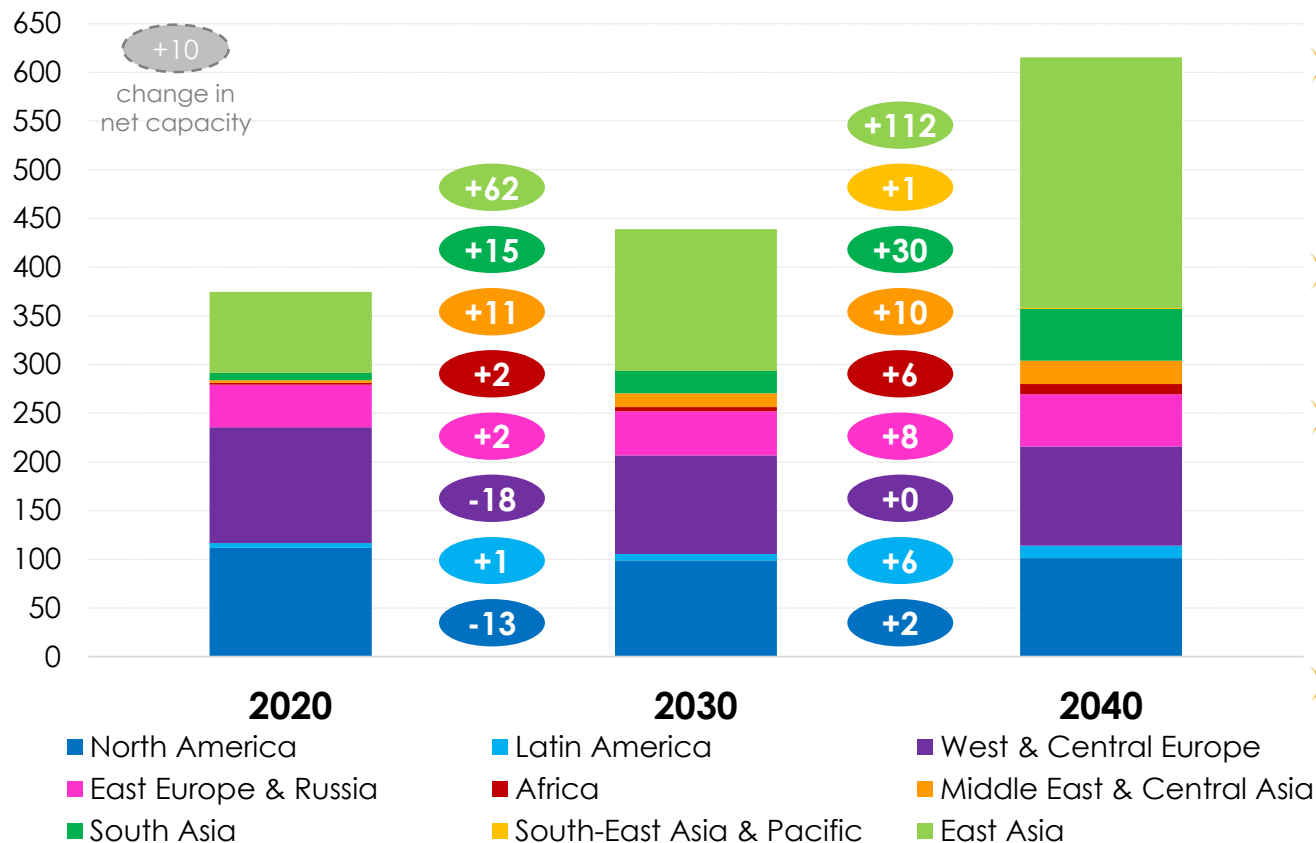
# Strong Long-Term Fundamentals



Nuclear electricity growth translates to uranium demand

## 2020-2040 Nuclear generating capacities

(WNA Reference Scenario, MWe net)



Source: WNA

- Safe, clean, and reliable baseload energy source
- Nuclear currently about 10% of installed capacity, forecast to retain market share and growing ~2.5% per year
- Benefits from low operating cost and provides energy fuel diversity
- Strong pipeline of new nuclear projects in Asia, Middle East, and Eastern Europe offsets expected closures and phase-outs in Western Europe and the US
- SMRs possibly reshaping the industry. Deployment opportunities in Argentina, Canada, China, Estonia, Ghana, Jordan, Poland, Russia, Saudi Arabia, USA, UK, etc.



# Blue-Sky Long-Term Demand Drivers



New nuclear capacity supported by demand for clean energy

**55%<sup>1</sup>**

EU emission reduction  
target by 2030  
(compared to 1990 levels)



**68%<sup>2</sup>**

Populations in cities  
by 2050  
(55% in 2017)



**350 million<sup>3</sup>**

Electric cars  
by 2030  
(16.5m in 2021)



**80%<sup>3</sup>**

Increase in  
electricity demand  
(between 2020 and 2050)



**> 110**

**COUNTRIES COMMITTED TO  
BECOMING CARBON NEUTRAL  
BY 2050**

**> 20%**

**OF THE WORLD'S 2,000 LARGEST PUBLIC  
COMPANIES HAVE COMMITTED TO "NET-  
ZERO" EMISSIONS**

<sup>1</sup> Source: European commission

<sup>2</sup> Source: United Nations

<sup>3</sup> Source: IEA

# Long-Term Supply/Demand Dynamics



## Policy Developments

- China at 53GW nuclear, 14th 5-year plan calling for 70GW by 2025
- France and UK building new nuclear
- US extending NPP operating licenses. Financial support by DOE's Civil Nuclear Credit Program.
- EU taxonomy for sustainable finance covers certain nuclear energy activities
- Japan's energy policy targets 20-22% nuclear share in energy mix by 2030
- Countries committing to a legally binding target of net-zero emissions

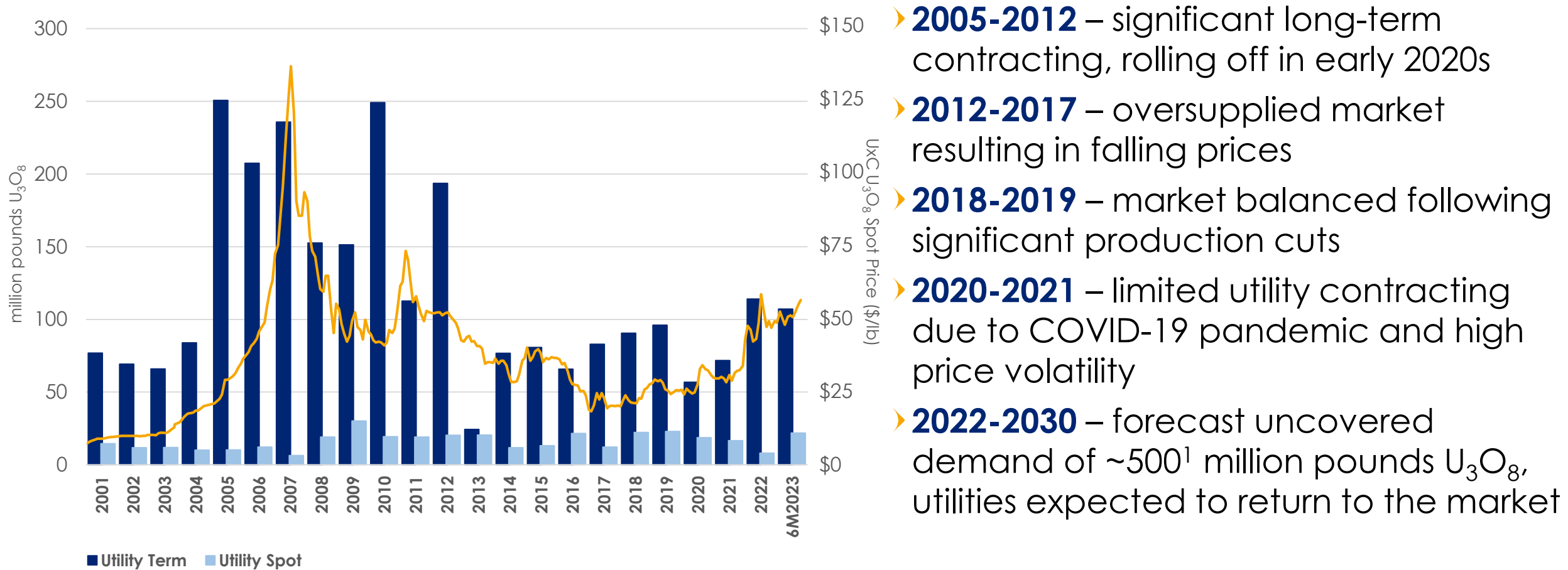
## Positive Long-term Fundamentals

- Widening supply and demand gap
- Declining role of secondary supplies over the next decade
- Long lead time for new mine development
- Producers have cut CAPEX by >2/3 since 2013
- Utilities entering a major long-term contracting cycle
- Robust financial demand driven by strong long-term fundamentals

# Historic Demand – A Long-term Market



## Historical annual spot and term trading volumes



<sup>1</sup>Source: UxC, with permission.

# Near-Term Volatility



## Demand aspects

- Significant global trade and energy security uncertainty emerging following recent geopolitical events
- EU lawmakers classified specific nuclear activities as green energy
- Japanese nuclear industry recovery delays
- Juniors/ developers and producers entering a thinning spot market to buy physical uranium
- Rising Unconventional Demand:
  - Demand from financial players
  - Strategic inventories (warehouses, storages, hubs)

## Supply aspects

- COVID-19 reshaped primary supply picture through 2020-2022
- Sanctions against Russia creating supply chain challenges and enhanced risk
- Depletion of major mines in Australia and Africa in 2021
- Accelerated global inventory drawdown
- Declining secondary supplies (down >40% by 2030<sup>1</sup>, excluding commercial inventories)
- Positive price movement attracting renewed exploration/development





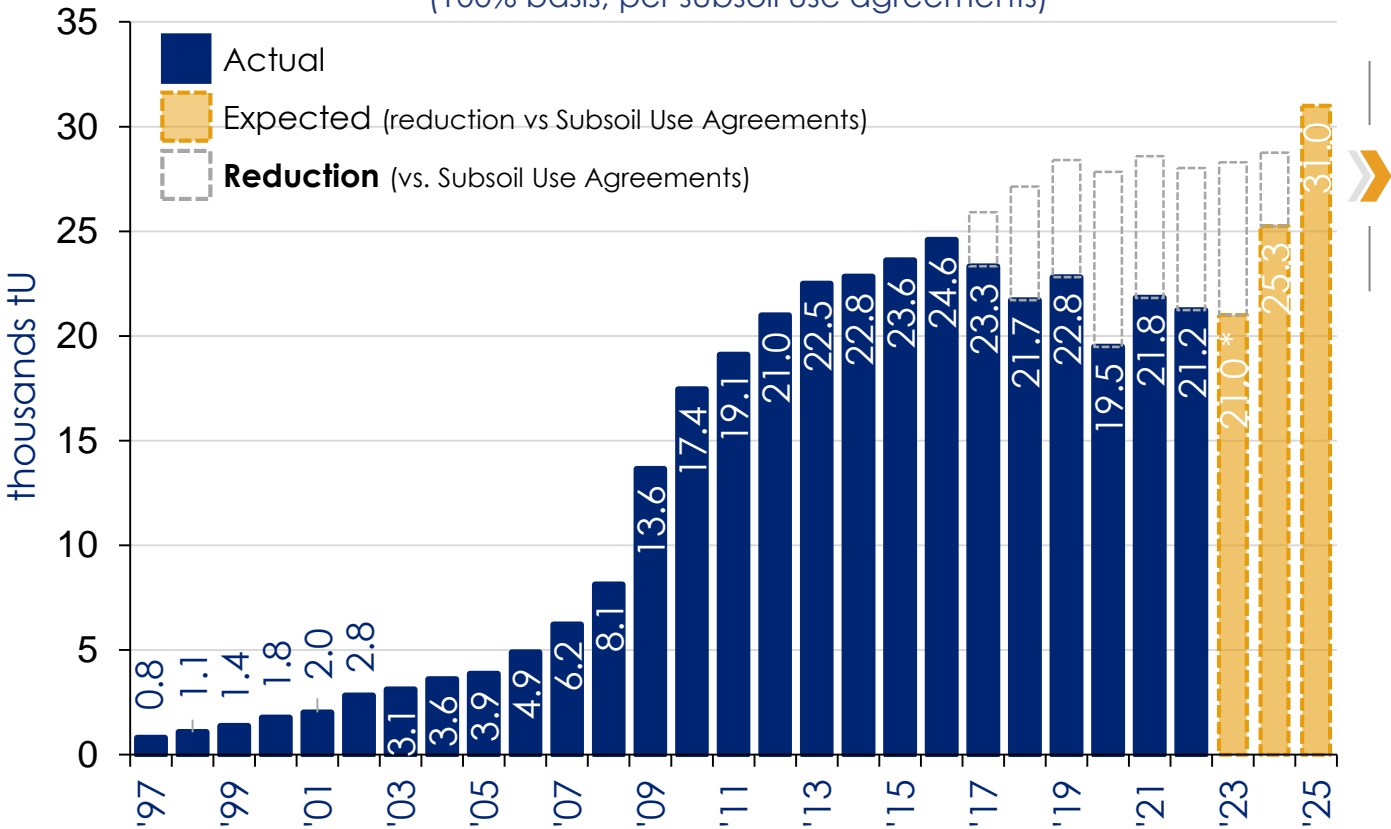
# Committed to Market Discipline



Expecting to return to 100% in 2025 backed by strong contract book

## Kazakhstan Production Volume

(100% basis, per subsoil use agreements)



Source: OFR reports, Full Competent Persons' Report on the Mineral Assets of NAC Kazatomprom JSC as at December 31, 2022  
\*Production guidance for 2023 illustrated on the chart as middle of the guidance range disclosed in OFR FY22 and TU 2Q23. 2024 and 2025 expectations shown are middle of the ranges disclosed in corresponding press-releases and may be changed when full operating guidance is published

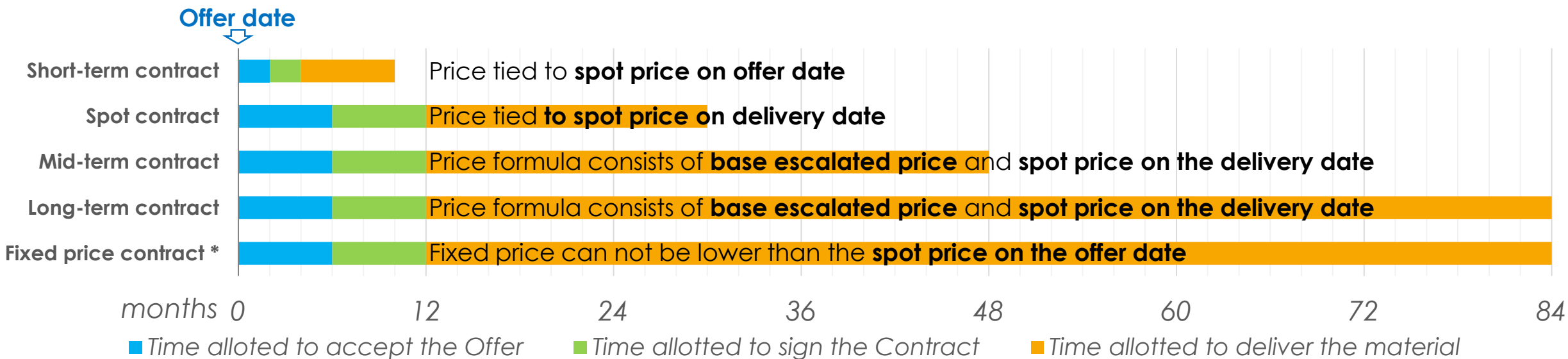
## Significant supply impact

- Committed to a strategy driven by value in compliance with market fundamentals and contract book
- 2017-2022 (actual): Reduced over **35,000 tU** total
- 2023-2024 (estimate): over **~10,000 tU** total expected reduction vs. SSUs

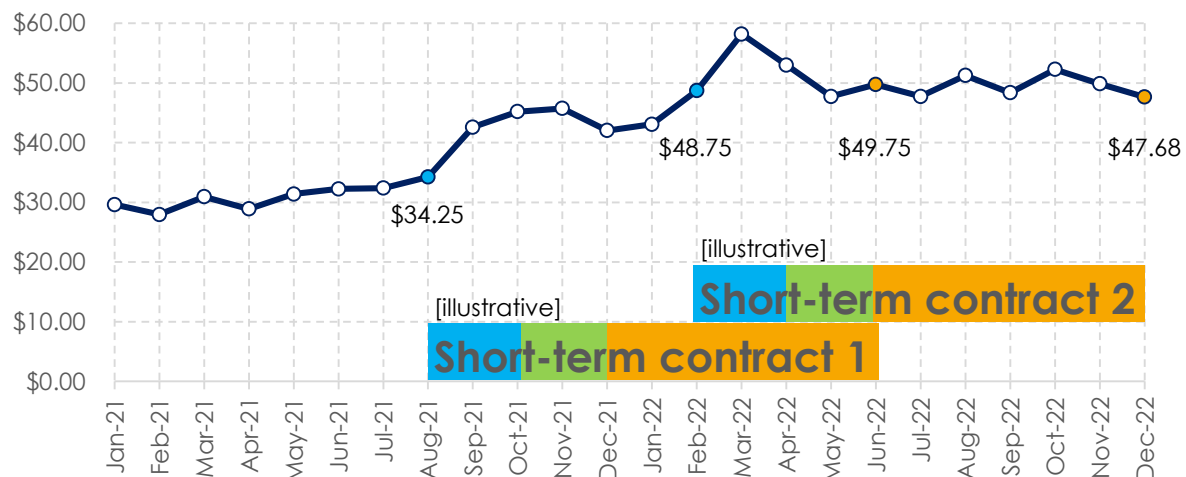
## Sales discipline

- Focus on growing long-term contract book
- Engaging in long-term sales when aligned with value strategy

# Pricing Methodology Provided by TPL<sup>1</sup>



**Month-end spot price dynamics 2021-2022**



- Under short-term contracts price is fixed on the offer date
- Given time allotted by Kazakhstani Transfer price legislation, delivery date (at which the sales revenue is recorded) could take up to ten months from the offer date

<sup>1</sup> Transfer Pricing Law of the Republic of Kazakhstan, Pricing methodology for Uranium concentrates

# Existing and Potential Transportation Routes



A significant proportion of Kazatomprom's products are exported on a well-established primary route through Russia to the Port of St. Petersburg.

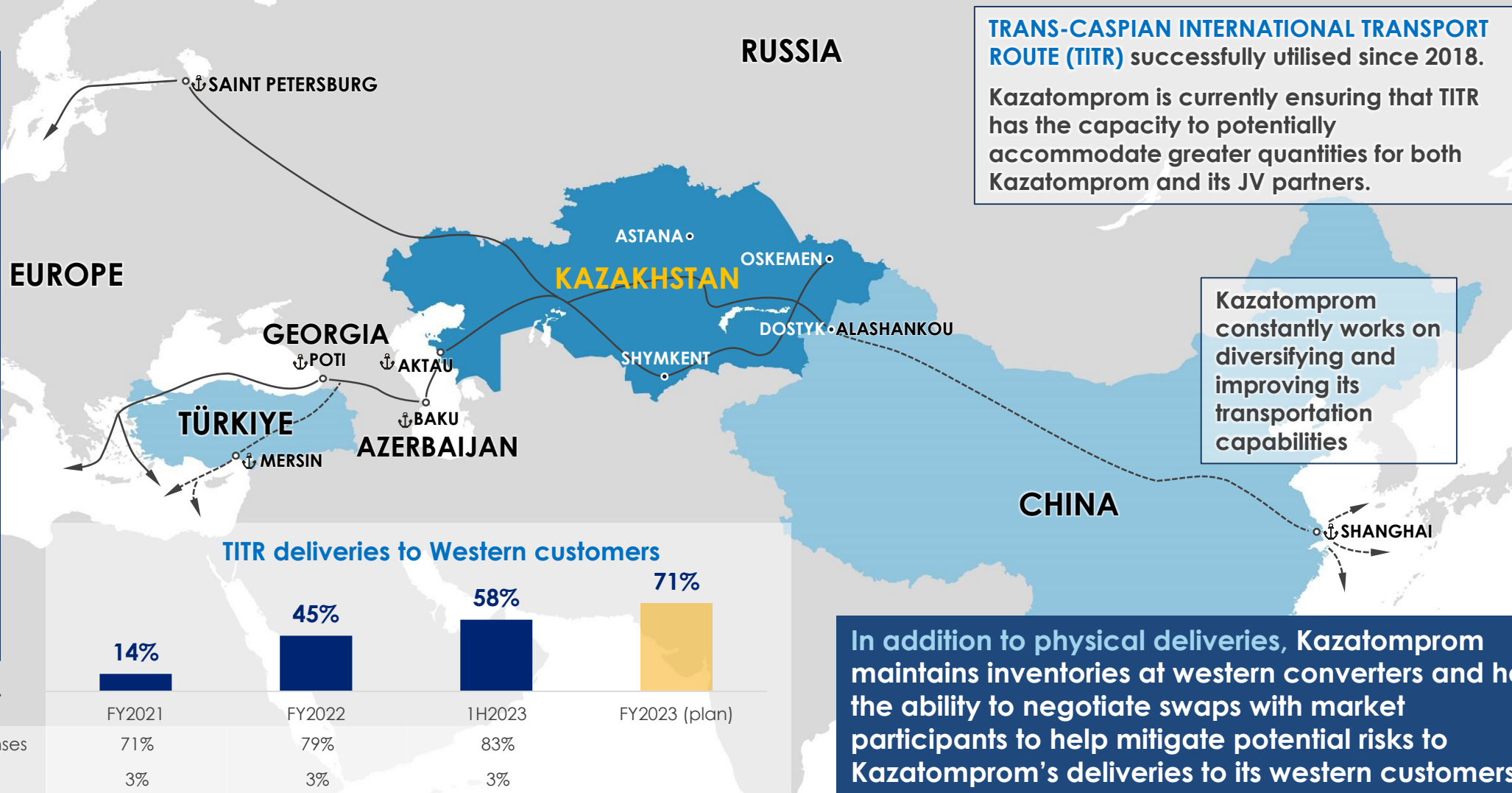
Currently no restrictions or issues to use transportation route via Port of St. Petersburg.

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.

— ESTABLISHED ROUTES  
- - - ROUTES UNDER DEVELOPMENT

Shipping expenses / Selling expenses

Selling expenses / C1



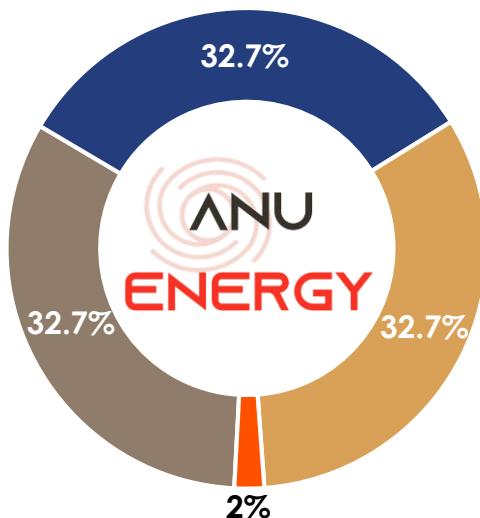
# Investing in Physical Uranium



ANU Energy physical uranium fund targeting Asia and Middle East



**KAZATOMPROM**  
NATIONAL ATOMIC COMPANY



## First stage

Seed investment  
KAP, NIC, SK Group Company,  
Genchi Global Limited



**US \$74 million**



## Second stage

Public or private placement



**up to US \$500 million**

- The Fund is an independent entity and not KAP's subsidiary
- Investment in the Fund aligns with KAP's value-over-volume strategy
- KAP will be a key supplier of uranium
- A number of mechanisms in place to ensure responsible management of the fund's uranium:
  - lock-up period
  - price threshold
  - priority right for KAP to repurchase uranium



**KAZATOMPROM**  
NATIONAL ATOMIC COMPANY



# Future Uranium Trading Hub

## Alashankou Uranium Bonded Warehouse

- **Beginning of 2023 – 3,000 tU** storage capacity – completed ✓  
The first shipment to the warehouse was made by Kazatomprom in Jan 2023
- **End of 2023 – 13,000 tU** expected storage capacity
- **2026 – 23,000 tU** proposed storage capacity



- **23,000 tU** is equal to the annual production of Kazakhstan
- Roughly **double** the annual attributable production of Kazatomprom

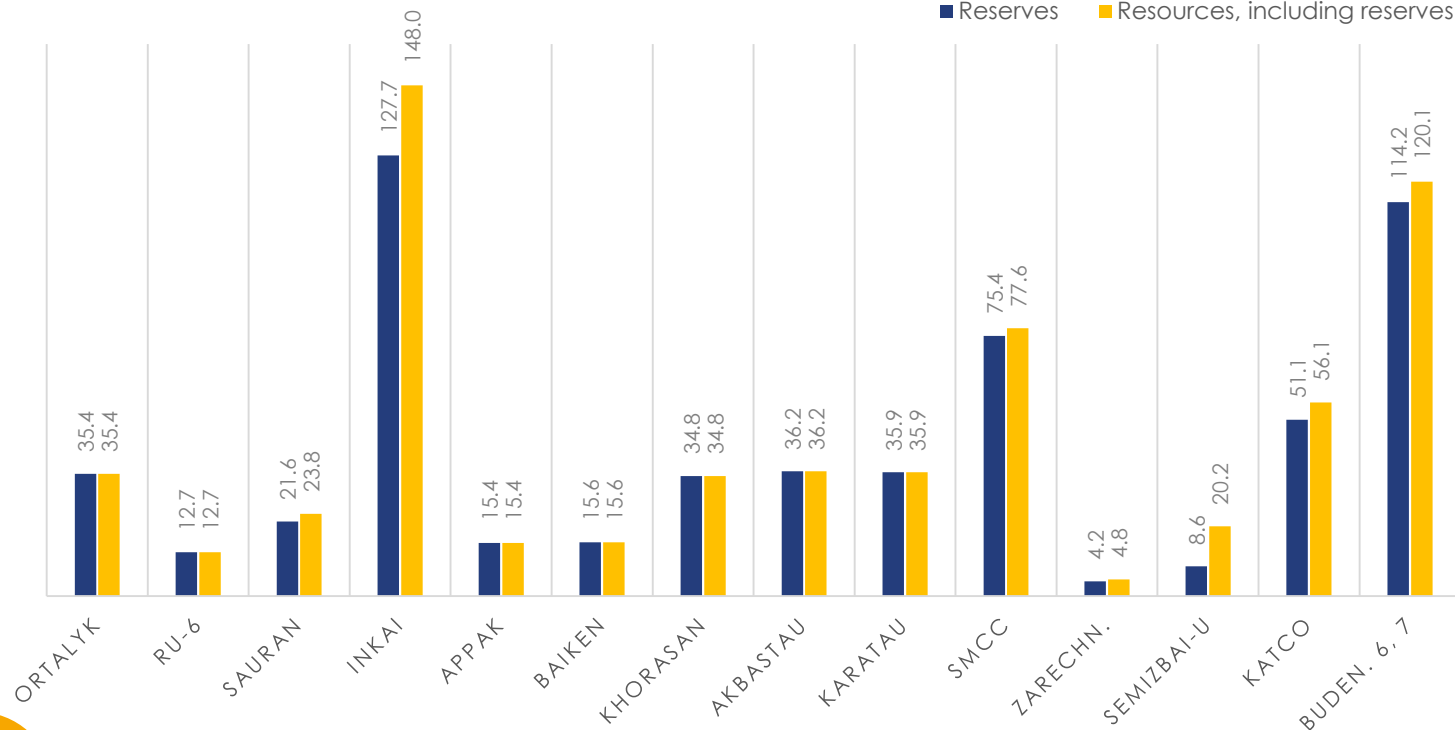


# Kazatomprom's Upside Potential



100% Mineable using in-situ recovery (ISR)

## PRODUCING ASSETS RESERVES AND RESOURCES (KTU)



## Upcoming exploration projects in the queue:

### Inktai 3 block<sup>1</sup>

- Contract Holder: KAP
- Contract Type: Exploration
- Reserves/resources: - / 83,158 tU

### Inktai 2 block

- Contract Holder: KAP
- Contract Type: Exploration
- Reserves/resources: - / 42,001 tU

### East-Zhalpak and East-Moinkum blocks<sup>2</sup>

- Contract Holder: KAP
- Contract Type: geological survey
- Reserves/resources: - / 35,354 tU

**Kazakhstan has 12% of the world's uranium resources (2nd largest in the world)<sup>3</sup> with 589 ktU in Reserves and 762 ktU in Resources, including reserves**

<sup>1</sup> The Company is currently in negotiations with the Ministry of Energy with respect to obtaining SSU Agreement licence for uranium mining at Inktai 3

<sup>2</sup> As per preliminary expectation of the Company, not accounted for in CPR

<sup>3</sup> According to World Nuclear Association, as of June 2022





# ESG OVERVIEW

# Kazatomprom ESG Landscape



## 2022/2023:

- S&P Global Ratings has assigned Kazatomprom an ESG score of 51/100. Kazatomprom is better positioned than its wider mining sector peers (Metal & Mining sector average is 50/100, best is 68/100)
- According to PwC, Kazatomprom became a winner of the best Kazakh companies rating by the level of ESG disclosure
- Joined the United Nations Global Compact, the world's largest sustainable development initiative
- Human Rights policy approved by the Board
- Decarbonisation and Carbon Neutrality Strategy until 2060 approved by the Board
- 2023-2024 Roadmap for ESG practices advancement at Kazatomprom approved by the Board
- 2022 Integrated annual report's non-financial data disclosed in compliance with GRI, SASB, and TCFD standards & recommendations

## Environment and Social

- KAP extracts uranium using in-situ recovery (ISR) mining, the most environmentally friendly production method
- Ongoing implementation of the Board-approved Environmental and Social Action Plan (ESAP)
- Company continues to bolster ongoing transition to a risk-based approach to meet transparent ESG reporting demands
- Focus on decarbonisation, climate risks and water resources
- KAP approved Comprehensive Action Plan for Decarbonisation and Carbon Neutrality until 2040
- KAP submitted CDP questionnaire on climate change for the first time

## Governance

- Received Corporate Governance Rating "A"
- Consistent integration of sustainable development principles into the corporate governance system
- The Company's governance systems and principles comply with international standards recognised by the global economic community (OECD Principles of Corporate Governance)



# Core Values align global SD agenda



Kazatomprom is a member of the United Nations Global Compact, the world's largest corporate sustainability initiative. Joining this initiative reinforces our commitment to consistently implement the 10 universal principles of the UN Global Compact in their activities, covering the fields of human rights, labour, environment and anti-corruption



Kazatomprom recognises the importance of all 17 UN Sustainable Development Goals (SDGs) and, due to the specifics of our activities, has identified 6 priority UN SDGs

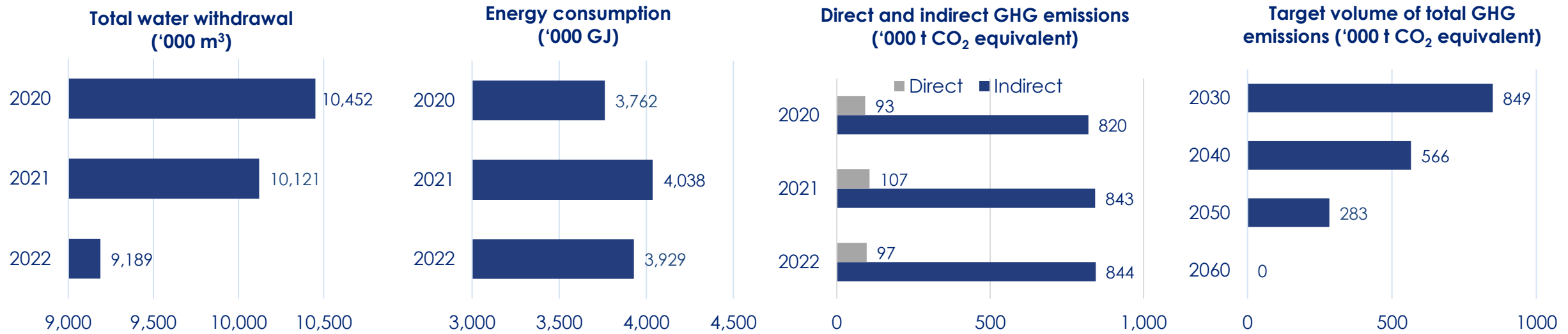
Supporting the global agenda in the field Sustainable Development of the United Nations and best industry practices in the field of Sustainable Developments



# Environmental protection



Environmental protection, including effective water and land resource management, and reduction of emissions



- ✓ 824,000 tonnes of CO<sub>2</sub> is Kazatomprom's total carbon footprint from the production of uranium oxide concentrate
- ✓ Company developed a Strategy for Decarbonization and Carbon Neutrality until 2060
- ✓ **KZT 313 million** invested to implement the Environmental and Social Action Plan (ESAP) in 2022
- ✓ All Group entities have implemented the energy management system in line with the ISO 50001



**ISR mining method: inherently low environmental and radiological impact**

# Strong Focus on Health and Safety



Health, safety, including nuclear and radiation safety are priorities

## Kazatomprom companies certified ISO 14001, ISO 45001

- › Strict government regulations, frequent inspections by state authorities
- › Regular audits by Kazatomprom's HSE department
- › Ongoing knowledge exchange with JV partners and partner audits
- › Maintaining strong program governance per international standards

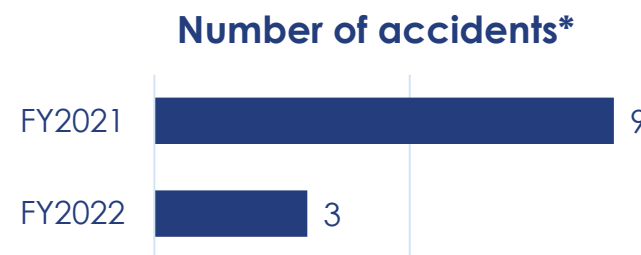
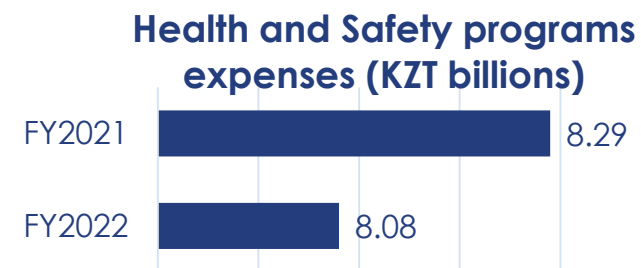
## Commitment to continuous improvement

- › No environmental or radiation-related incidents year-to-date
- › Vision Zero program: transformational approach to prevention, integrates safety, health and well-being at all levels of work
- › Emphasis on safety with increased “near-miss” reporting, implementation of “STOP” work cards



**Absence of any major environmental, industrial and radiation accidents in the Group's operations since inception**

\*Defined as impact on the employee of a harmful and (or) dangerous production factor in performance of his work (job) duties or tasks of the employer, which resulted in an industrial accident, sudden deterioration of health, or poisoning of the employee that led to temporary or persistent disability, or death



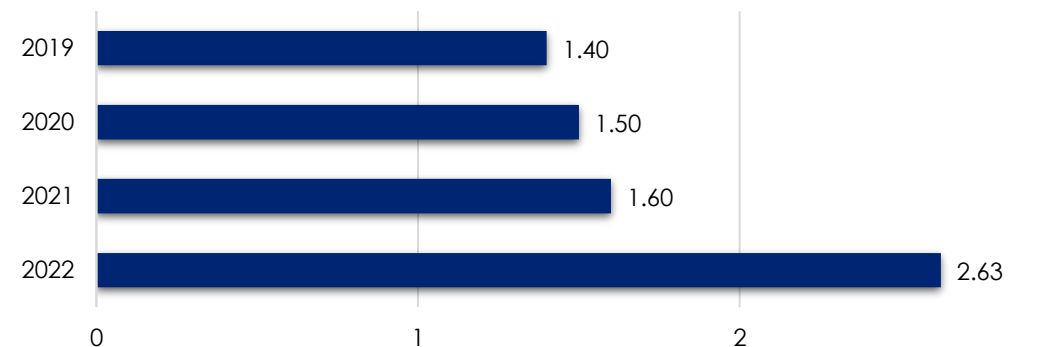
# Social Impact



KAP recognises the impact of its businesses on both local and global social development

- › Social Stability Index (Samruk Research Services) – 76% (2022)
- › KAP ranks among the top employers of choice in the industry
- › Leadership Development Program aimed at developing managers at the levels of CEO, CEO-1, and CEO-2 (70% of the recent appointees are the successors from the management pool)

**Social / economic development contributions in regions near operations (KZT billions)**



- › Significant contributions to well-being and socioeconomic development of the regions of operations by:
  - generating significant tax revenues for regional budgets;
  - making payments to regional budgets under subsoil use contracts;
  - providing jobs for the local population





# Corporate Governance



## Commitment to high corporate governance standards

- KAP expanded the composition of the Management Team and Board of Directors
- Management and employee KPIs for HSE
- Top management availability for the investor community

## Full commitment to the dividend policy

- KZT 200.97 bln dividend paid in July 2023 (~1.7 USD/GDR) for the results of FY'22
- The Company remains committed to strong shareholder returns



 **Arman Argingazin**  
Independent Director



 **Nodir Sidikov**  
Independent Director



 **Armanbay Zhubaev**  
Independent Director

### Chair of the Board

Committees chaired

- HSE
- Nomination and Remuneration

- Strategic Planning and Investments

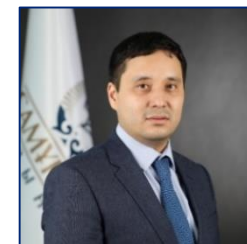
- Audit



**Meirzhan Yussupov**  
Board Member, CEO



**Aidar Ryskulov**  
Board Member, SK representative



**Yelzhas Oтынshiyev**  
Board Member, SK representative



**Yernat Berdigulov**  
Board Member, SK representative

- ✓ 3 Board members including Chairman are **INEDs**
- ✓ All Board committees chaired by **INEDs**



# 1H2023 HIGHLIGHTS

# Mining Assets Production Breakdown



Mining Asset	Partner	KAP Interest (%)	Accounting Treatment	Depletion (year) <sup>1</sup>	1H2023, tU as U <sub>3</sub> O <sub>8</sub> , (100% basis)	1H2022, tU as U <sub>3</sub> O <sub>8</sub> , (100% basis)
SaUran	100% KAP	100	Full consolidation	2049	541	612
RU-6	100% KAP	100	Full consolidation	2037	402	423
Appak	Sumitomo, KANSAI	65	Full consolidation	2037	399	414
Inkai	Cameco	60	Full consolidation	2051	1,640	1,371
Baiken-U	Energy Asia	52.50	Full consolidation	2033	493	602
Ortalyk	CGN	51	Full consolidation	2042	762	724
Khorasan-U	Energy Asia, Uranium One	50	Full consolidation	2038	779	717
Akbastau	Uranium One	50	Proportionate	2041	810	768
Karatau	Uranium One	50	Proportionate	2032	1,239	1,238
Budenovskoye	SMCP	51	Equity accounting	2045	118	–
Semizbai-U	CGN	51	Equity accounting	2035	443	426
Zarechnoye	Uranium One	49.98	Equity accounting	2028	395	361
Katco	Orano	49	Equity accounting	2035	960	1,347
SMCC	Uranium One	30	Equity accounting	2057	1,244	1,067

Source: Company information.  
<sup>1</sup> Based on mine plans, KAP CPR 2022

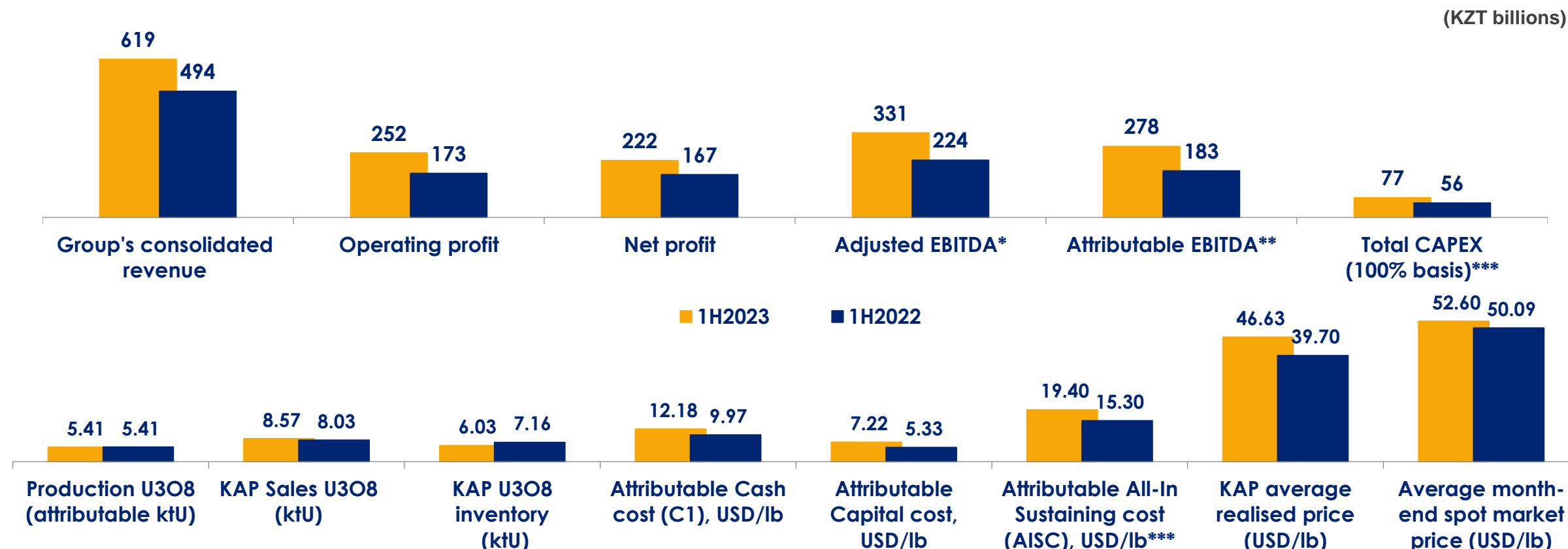
**10,225**

**10,070**

# 1H2023 Financial Highlights



Key financial, operational and sales metrics



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

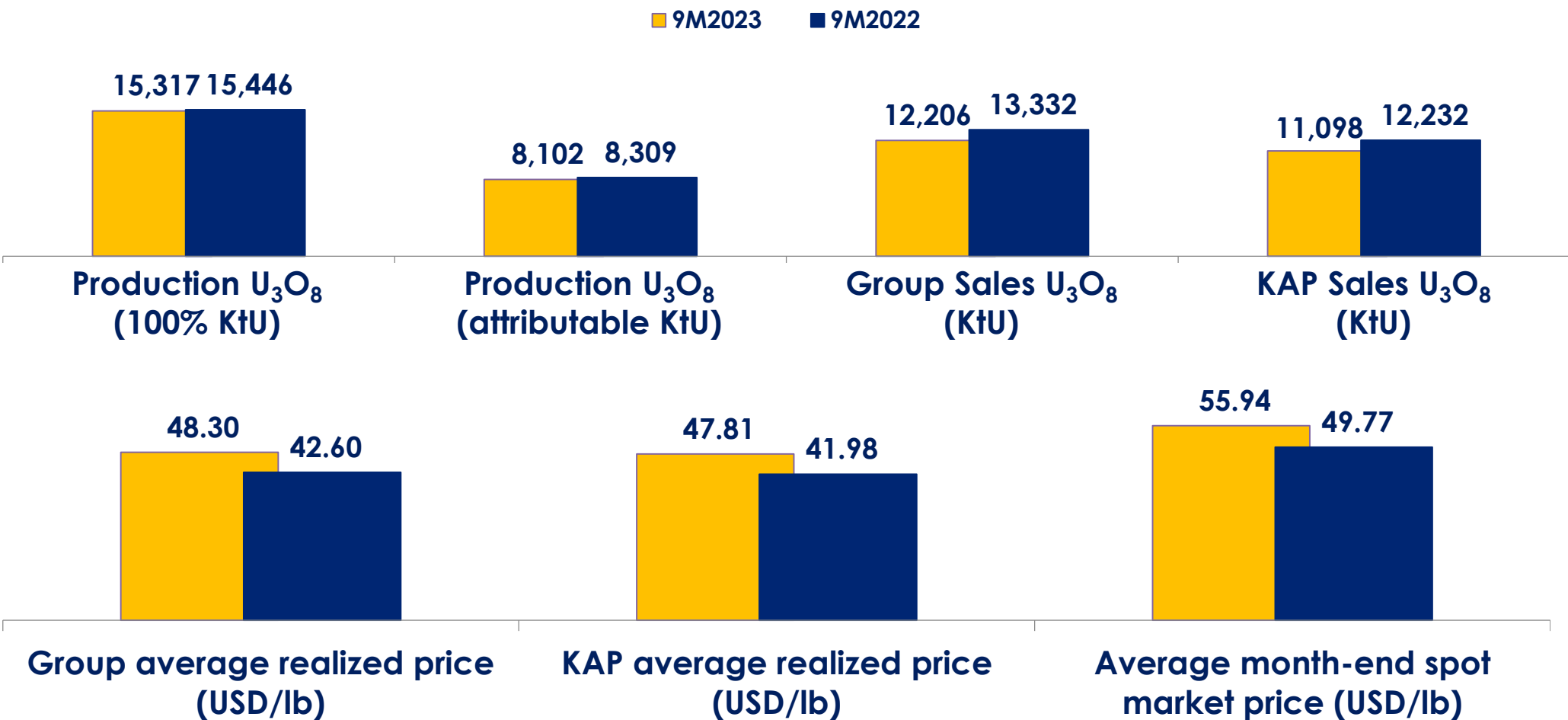
\*\*\* Total capital expenditures (100% basis): includes only capital expenditures of the mining entities, includes significant CAPEX for investment and expansion projects. Excludes liquidation funds and closure costs. For the first half of 2023, the all-in sustaining cash cost excluding the expenditures for the expansion is 18.80 USD/lb. In the first half of 2022, significant CAPEX for expansion projects are excluded



# 9M2023 Operational Highlights



Key operational and sales metrics disclosed on quarterly basis



# Debt and Cash Overview

as at June 30, 2023

## Gross debt: US\$282m

- Debt of US\$245m
- Off Balance sheet guarantees US\$37m provided to JVs and Associates
- Almost 100% of Debt in USD, the currency of the most of the Group's revenue
- 100% of Debt at fixed rate

## Cash and short-term deposits: US\$635m

- KAP places cash in financially stable second-tier banks of the RoK in form of short-term highly liquid instruments

## Dividends

- In July 2023 KAP distributed a total amount of ~US\$444m in dividends to its shareholders for the results of FY'22

## Net debt: US\$(391)m

- As of June 30, 2023, the total limit on the Group's revolving credit lines was USD 235 million, of which USD 50 million were borrowed (USD 185 million were available for use).

FitchRatings **BBB- (Stable)**

Moody's **Baa2 (Stable)**



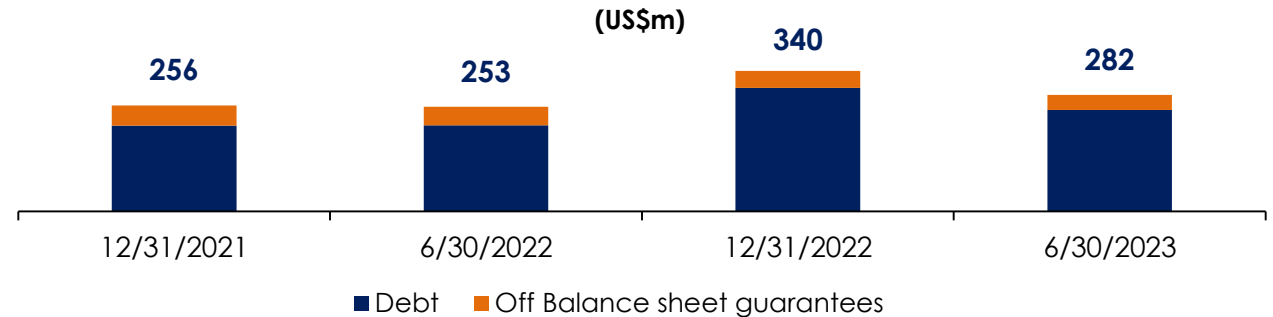
Source: Company information, IFRS financial statements.

Note: Gross debt primarily consists of Bonds issued, other items include Off Balance sheet guarantees and Finance lease liabilities. Net debt as of June 30, 2023 is calculated as Debt – Cash and cash equivalents – Short-term deposits.

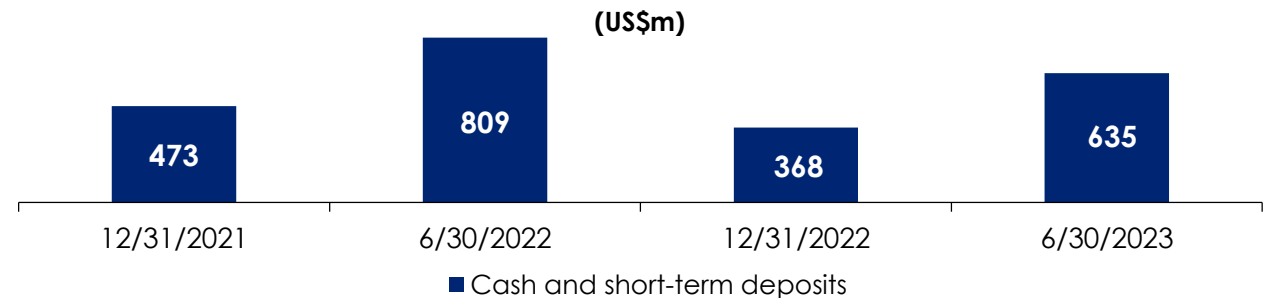
Balance sheet items are converted into US\$ at relevant spot US\$:KZT exchange rates, i.e. 431,8, 470,34, 462,65, 452,51 for 31 December year-end of 2021, 2022 and for 30 June of 2022, 2023



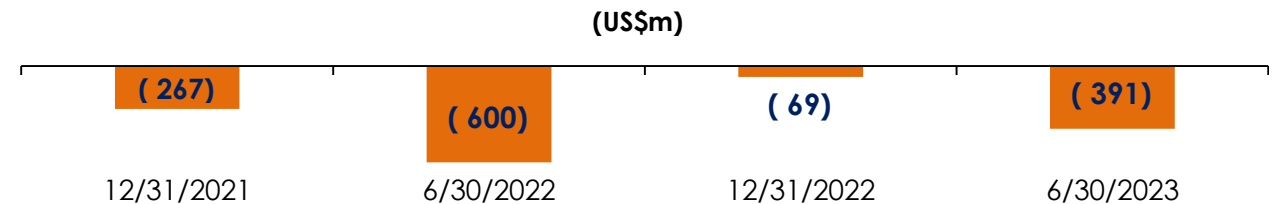
## Debt and Off Balance sheet guarantees



## Cash and short-term deposits



## Net debt / (net cash)



# Dividend Policy



**FCF** is a base for dividend distribution, consistent dividends, compelling dividend yield

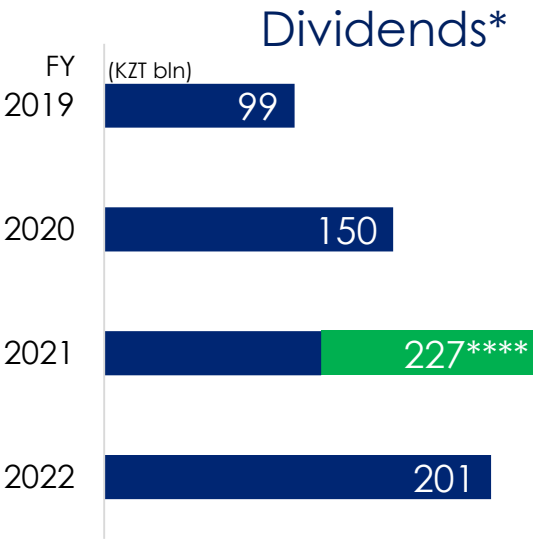
- Cash flow from operating activities
- Acquisition of PPE (incl. advances), Acquisition of intangible assets
- Acquisition of mine development assets, Acquisition of expl/eval assets
- + Dividends from JVs/associates (claimed before AGM)
- + Dividends from JVs/associates (declared after AGM and not taken into account for the previous period)
- + Proceeds from sale of shares in subsidiaries and affiliates (net of cash outflows from shares' purchase)\*\*
- Purchase of investments in JVs/associates and other investments in cash
- =

## Free cash flow

Latest dividend amounted to KZT 200.97 bln (~1.7 USD/GDR) for FY'22, paid in July 2023  
Total price appreciation of Kazatomprom's shares since IPO: **202%**  
Total shareholder return taking into account historical dividend payments amounts to **259%** since IPO

Net Debt / Adj.EBITDA***	≤ 1.0x	< 1.5x	≥ 1.5x
FCF payout ratio	min 75%	min 50%	Shareholders discretion

**+100%** proceeds from disposal of assets under the Comprehensive Privatization Plan 2016-2020



\* Total dividends paid  
\*\* At the end of December 31 of the previous calendar year  
\*\*\* Excluding assets within the framework of the Comprehensive Privatization Plan for 2016-2020, approved by the Resolution of the Government of the Republic of Kazakhstan dated December 30, 2015 No. 1141, which are subject to distribution for payment of dividends in the amount of 100%  
\*\*\*\* Dividends for FY'21 include a one-time effect resulting from sale of a 49% stake in Ortalyk LLP

# Looking Ahead



## 2023 updated guidance – consistent focus on value strategy

Key performance indicators		Revised 30 September 2023	Previous 30 June 2023	2022 actual*
Production volume U <sub>3</sub> O <sub>8</sub> (100% basis) <sup>1</sup>	tU	<b>20,500 – 21,500<sup>2</sup></b>	20,500 – 21,500 <sup>2</sup>	21,227
Production volume U <sub>3</sub> O <sub>8</sub> (attributable basis) <sup>3</sup>	tU	<b>10,600 – 11,200<sup>2</sup></b>	10,600 – 11,200 <sup>2</sup>	11,373
Group sales volume (consolidated) <sup>4</sup>	tU	<b>18,000 – 18,500<sup>5</sup></b>	17,500 – 18,000 <sup>5</sup>	16,358
KAP sales volume (incl. in Group)	tU	<b>14,650 – 15,150<sup>5</sup></b>	14,500 – 15,000 <sup>5</sup>	13,572
Revenue – consolidated <sup>6</sup>	KZT billions	<b>1,370 – 1,410</b>	1,270 – 1,310	1,001
Revenue from Group U <sub>3</sub> O <sub>8</sub> sales <sup>6</sup>	KZT billions	<b>1,120 – 1,160</b>	1,020 – 1,060	851
C1 cash cost (attributable basis)**	\$US/lb <sup>7</sup>	<b>\$13.00 – \$14.50</b>	\$13.00 – \$14.50	\$10.25
All-in sustaining cash cost (attributable C1 + capital) <sup>7**</sup>	\$US/lb <sup>7</sup>	<b>\$20.50 – \$22.00</b>	\$21.00 – \$22.50	\$16.19
Total capital expenditures of mining entities (100% basis) <sup>8</sup>	KZT billions	<b>200 – 210</b>	220 – 230	146.5

<sup>1</sup> Production volume U<sub>3</sub>O<sub>8</sub> (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.

<sup>2</sup> The duration and full impact of the Russian-Ukrainian conflict and the COVID-19 pandemic are not yet known. Annual production volumes could therefore vary from expectations.

<sup>3</sup> Production volume U<sub>3</sub>O<sub>8</sub> (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 disclosed in the IPO Prospectus.

<sup>4</sup> Group sales volume: includes the sales of U<sub>3</sub>O<sub>8</sub> by Kazatomprom 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). Group U<sub>3</sub>O<sub>8</sub> sales volumes do not include other forms of uranium products (including, but not limited to, the sales of fuel pellets).

<sup>5</sup> KAP sales volume: includes only the total external sales of U<sub>3</sub>O<sub>8</sub> of KAP and THK. Intercompany transactions between KAP and THK are not included.

<sup>6</sup> Revenue expectations are based on uranium prices taken from third-party sources at a single point in time and on an exchange rate assumption of KZT460:USD1 in both guidance updates. There continues to be significant volatility in both uranium price and the tenge exchange rate. Therefore, 2023 revenue could be materially impacted if actual uranium prices and exchange rates vary from the third-party and internal estimates, respectively.

<sup>7</sup> Excluding capital expenditure for expansion, the project range will be \$19.50 – \$21.00 USD/lb.

<sup>8</sup> Total capital expenditures (100% basis): includes only capital expenditures of the mining entities. Includes significant CAPEX for investment and expansion projects (JV Budenovskoye LLP and JV Katco LLP for a total amount of approximately KZT 40 billion). Excludes liquidation funds and closure costs.

\* Average exchange rate for 2022 was 460.85 KZT/USD.

\*\* Please note that the conversion ratio of kgU to pounds U<sub>3</sub>O<sub>8</sub> is 2.5998.





# APPENDIX

# The Nuclear Fuel Cycle

## Refining and $UF_6$ Conversion

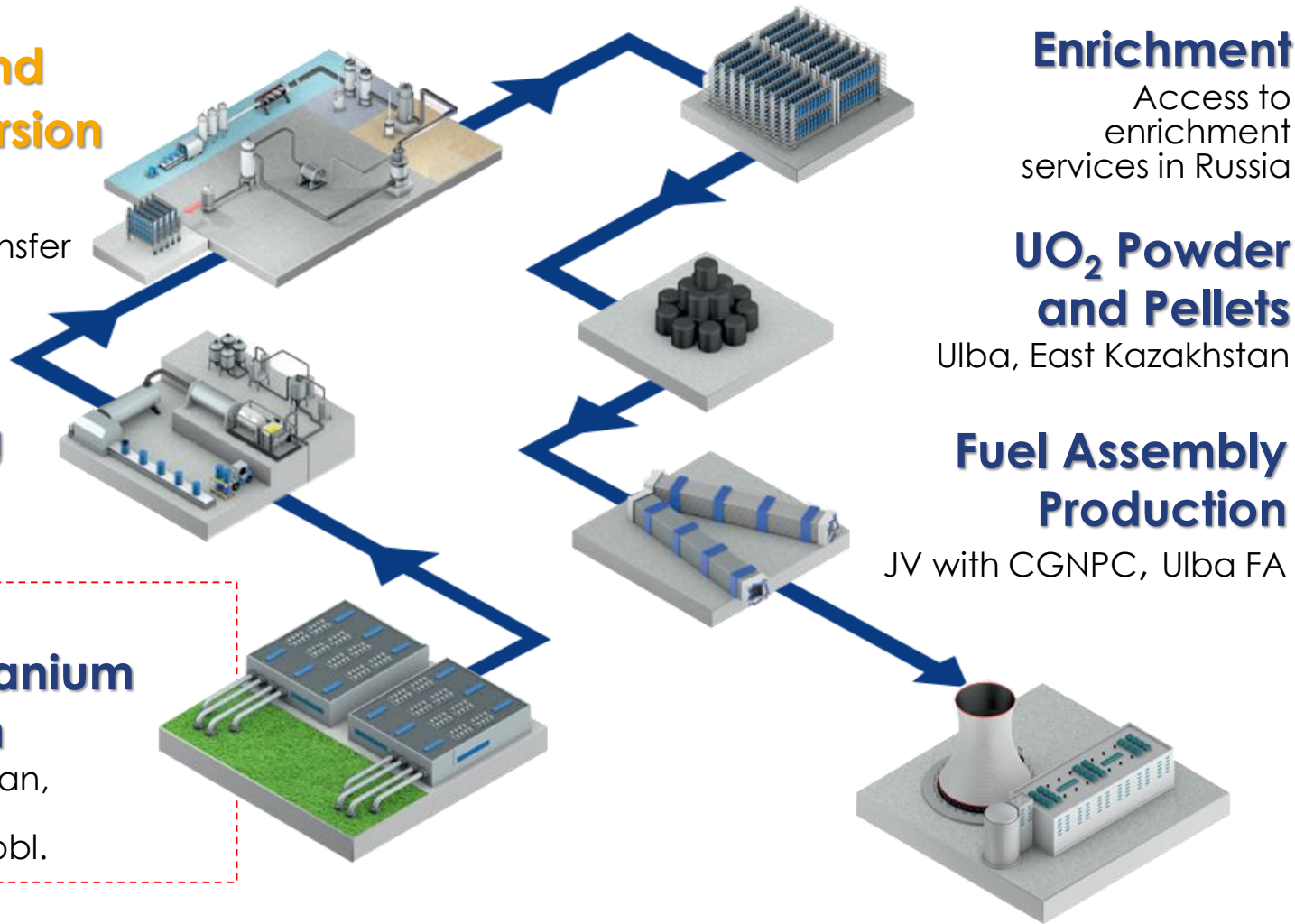
Refining and conversion technology transfer from Cameco

## Uranium Processing

South and East Kazakhstan

## FOCUS: Primary Uranium Production

South Kazakhstan, Kyzylorda and Akmolinskaya obl.



## Enrichment

Access to enrichment services in Russia

## $UO_2$ Powder and Pellets

Ulba, East Kazakhstan

## Fuel Assembly Production

JV with CGNPC, Ulba FA

➤ Focusing on uranium mining as our core business

➤ Optimise production & sales volumes based on market conditions

● Kazatomprom is present ● Projects in development



# Key Historical Milestones



pre-  
  
1997

- Company established as National Operator
- #13 global uranium producer

1998  
  
2002

- Grew to #6 global uranium producer
- Expansion of exports to US, Europe, Chinese and South Korean markets

2003  
  
2007

- #2 beryllium producer
- #4 tantalum producer
- First credit ratings assigned

2008  
  
2012

- **#1 global uranium producer**
- Raised \$500m with debut 5-year Eurobond
- Commissioned sulfuric acid plant

2013  
  
2017

- Gained access to enrichment facilities in Russia
- Eurobond fully repaid
- Strategic agreement with China for FA

2018  
  
2020

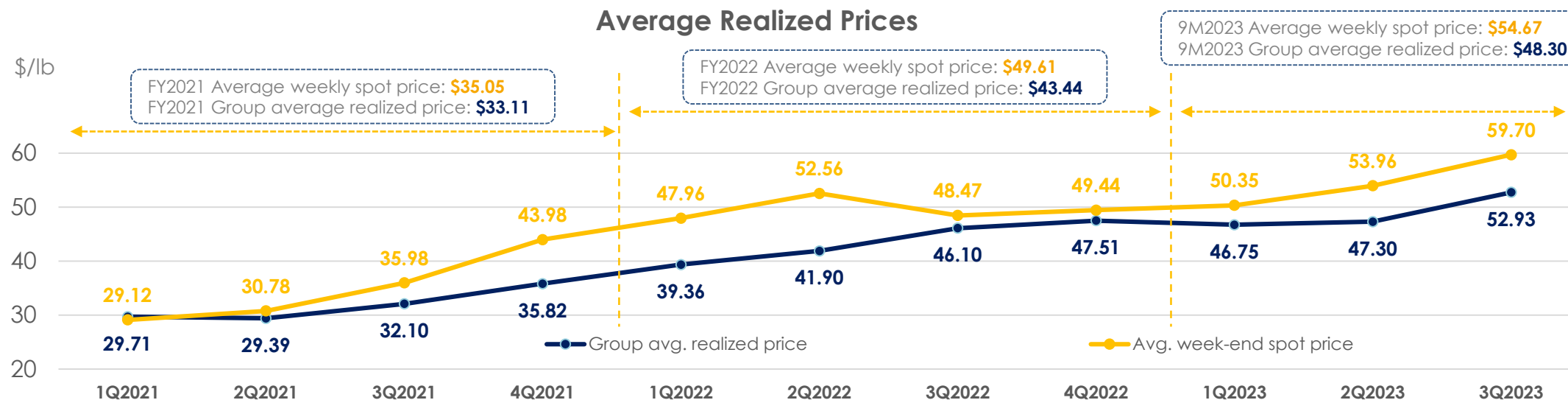
- Board of Directors adopts value strategy
- **Becomes #1 in uranium sales**
- **IPO Nov 2018, SPO by SK Sept 2019 and June 2020 – now 25% free float**
- First AGM as a public company
- First Capital Markets Day

2021  
  
2022

- Commissioned Ulba FA plant
- Invested into ANU Uranium Fund
- Joined UN Global Compact
- Began export of fuel assemblies
- ESG score obtained (51/100)

# 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)	2023E	2024E	2025E	2026E	2027E
20	40	25	26	24	25
40	45	40	39	39	39
60	51	56	55	57	57
80	56	70	69	73	73
100	61	82	81	87	87
120	66	95	92	101	100
140	71	108	104	114	114

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 2023 and prepared for 2023–2027 on the basis of minimum average Group annual sales during the specified period of approximately 18 thousand tonnes of uranium in the form of U<sub>3</sub>O<sub>8</sub>, of which the volumes contracted as of 30 June 2023 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 2023, since deliveries under some long-term contracts in 2023 incorporate a proportion of fixed pricing that was negotiated during a lower price environment.

- For the purpose of the table, uncommitted volumes of U<sub>3</sub>O<sub>8</sub> are assumed to be sold under short-term contracts negotiated directly with the customers and based on spot prices.

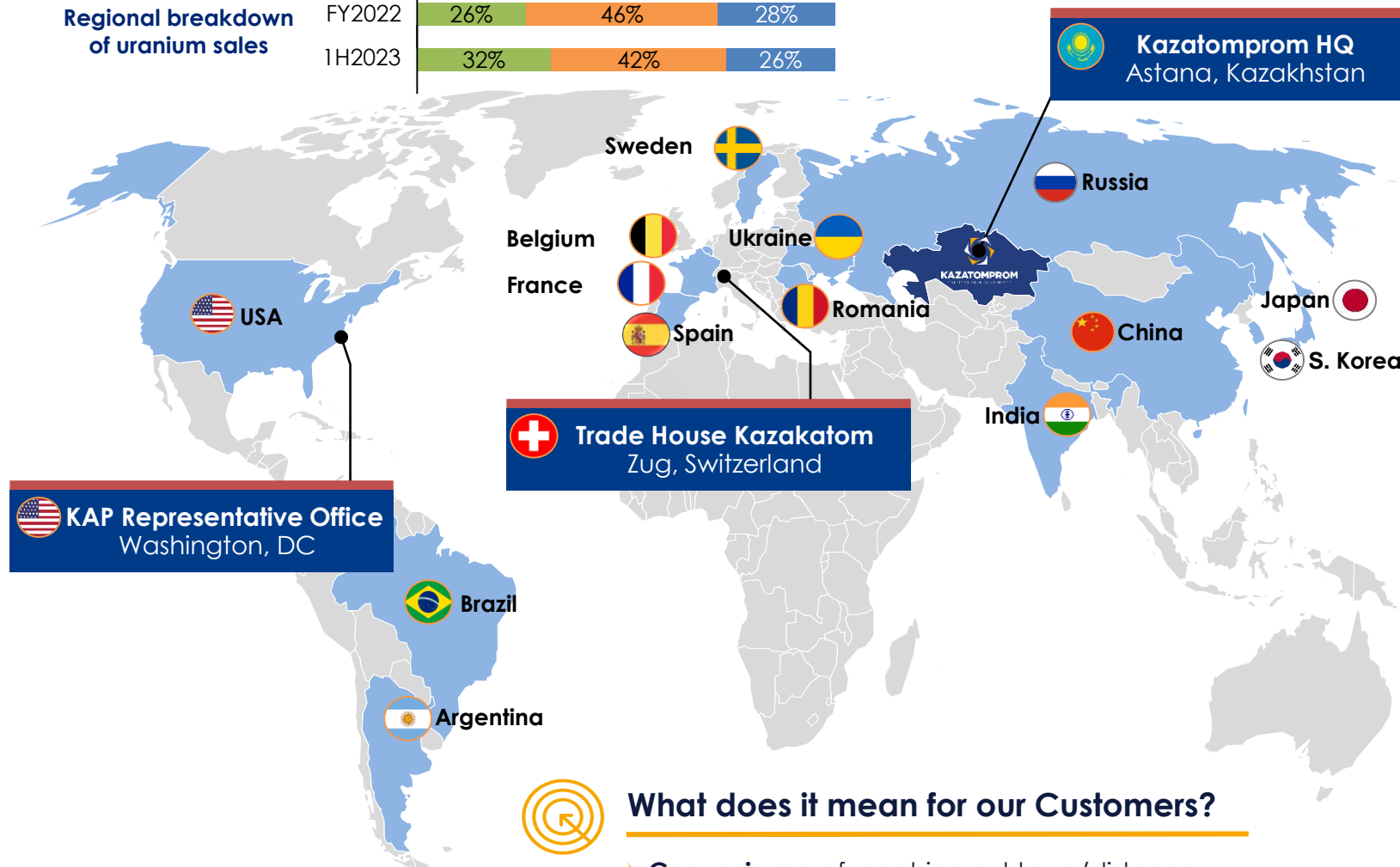


# Global Presence, Strong Customer Base



## Regional breakdown of uranium sales

	Europe	Asia	Americas
FY2022	26%	46%	28%
1H2023	32%	42%	26%



■ End-customer locations



## What does it mean for our Customers?

- › **Convenience** of reaching out to us (distance and time zones)
- › **Better understanding** of regional markets

## Kazatomprom has enjoyed:

- More than 20-year track record and reputation of reliable long-term deliveries to its customers
- Supply contracts with most major nuclear utilities around the world
- Strong partnerships in Kazakhstan and abroad
- A logistical proximity to major growth markets allowing it to grow with the new nuclear entrants of Asia

## The establishment of Trade House Kazakatom (THK) is helping Kazatomprom enhance its customer offering:

- Bringing structured contracting and new pricing mechanisms, especially for long-term transactions
- Streamlining to provide faster responses to plain vanilla spot and forward trades
- Increasing customer diversification
- Increasing market liquidity and price transparency
- Actively purchasing in addition to selling in spot market

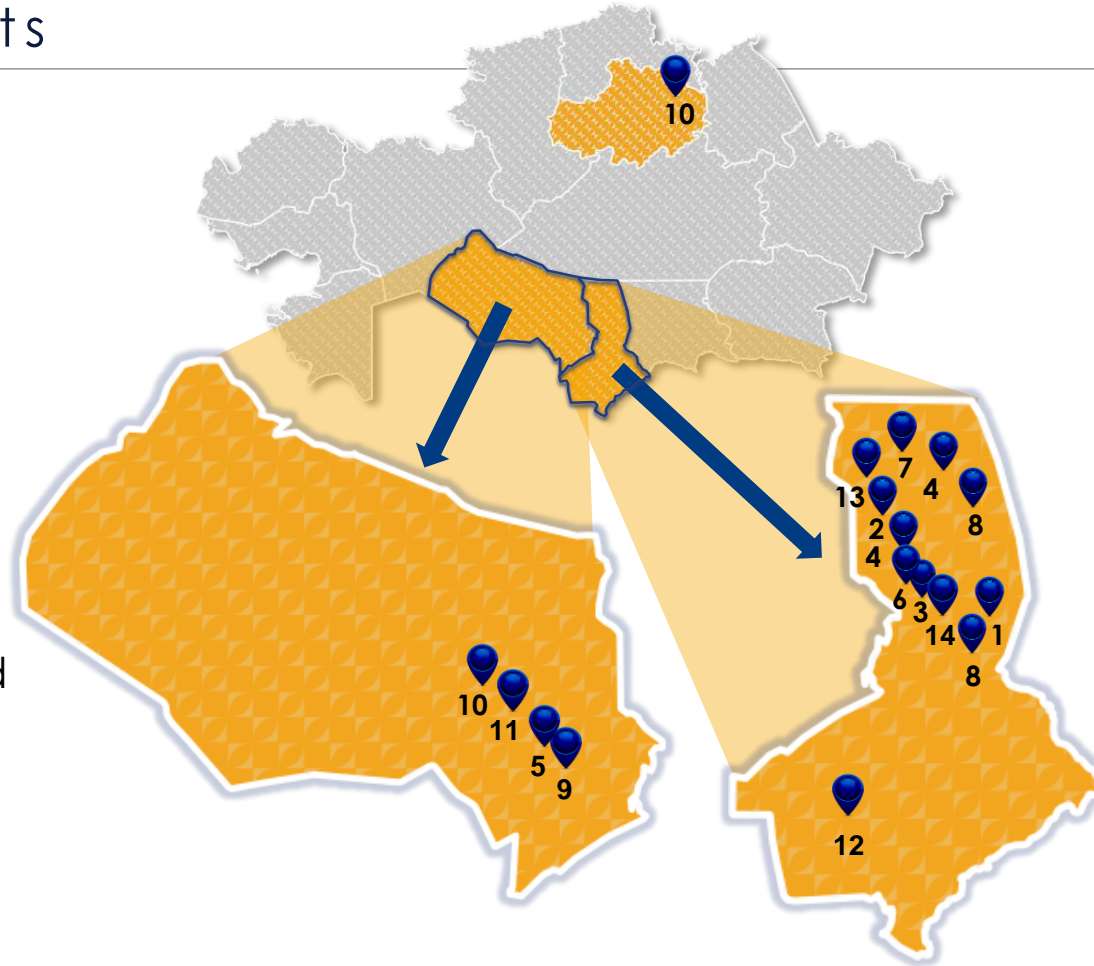
# Geography of Kazatomprom Operations

## Natural advantages of Kazakhstan's ISR deposits

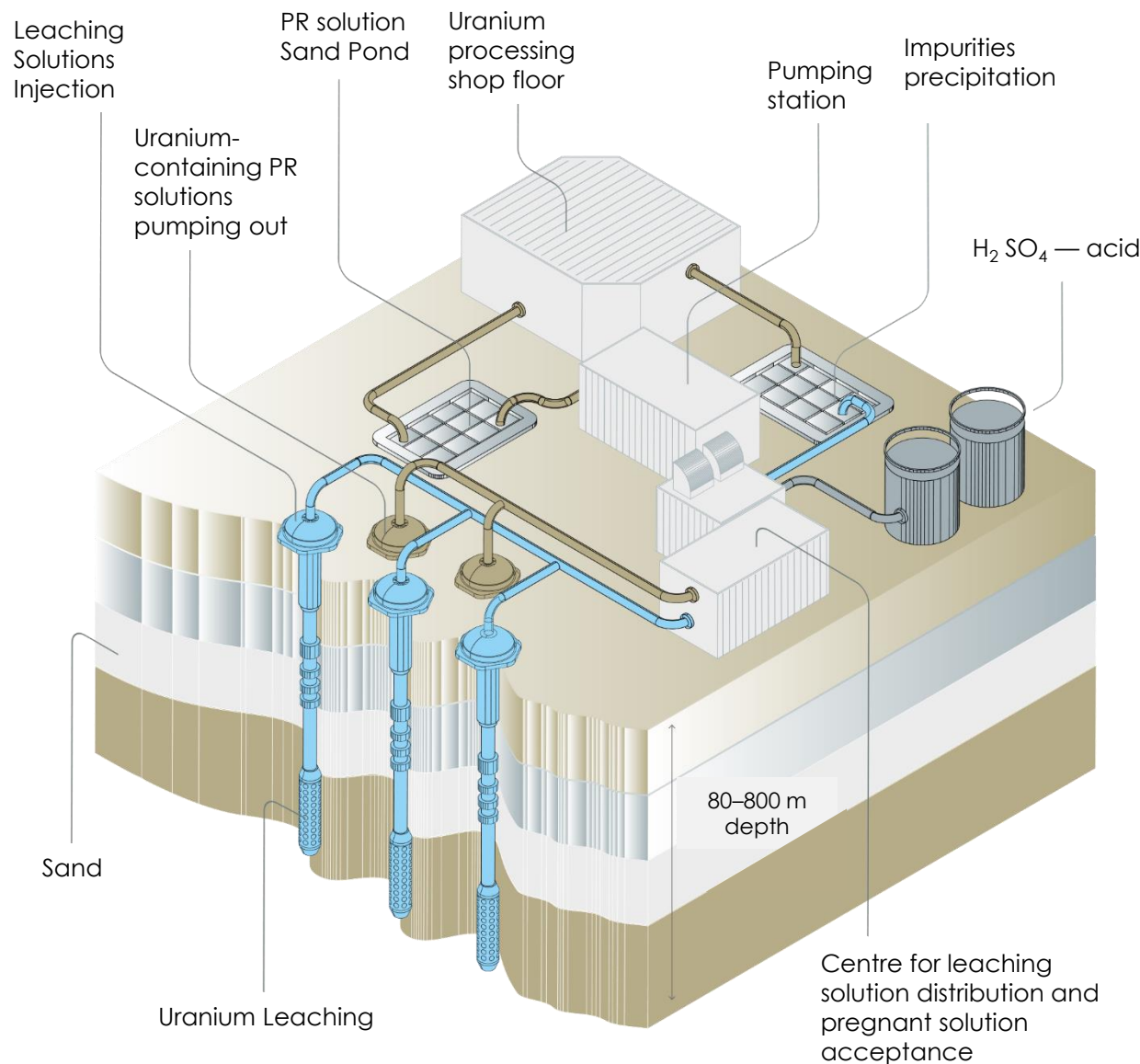
- Uranium in sandstone as coatings on sand grains at depths of up to 700 meters
- Uranium is insoluble in natural groundwater, low pH solution circulated through the orebody to dissolve it
- Closed-loop system: solution pumped to a processing facility to recover the uranium, pH is re-adjusted and solution is re-injected
- Upon decommissioning, groundwater has been proven to return to pre-mining chemistry through natural attenuation
- Limited operational risks with ISR mining method

## KAP's mining subsidiaries

1. **Katco**
2. **Inkai**
3. **Karatau**
4. **SMCC**
5. **Khorasan-U**
6. **Akbastau**
7. **Ortalyk**
8. **SaUran**
9. **Baiken-U**
10. **Semizbai-U**
11. **RU-6**
12. **Zarechnoye**
13. **Appak**
14. **Budenovskoye**



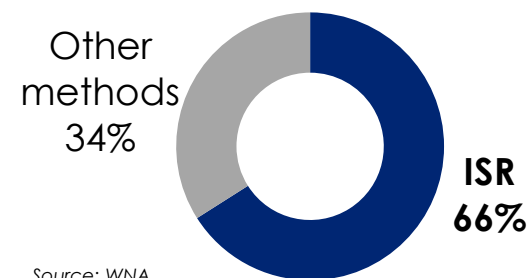
# Overview of ISR uranium mining



## Natural uranium production by ISR vs conventional mining

- ✓ Lower cost to build
- ✓ Shorter construction timelines
- ✓ Lowest quartile operating cost
- ✓ Small environmental footprint
- ✓ Limited health and safety exposure to personnel

## Share of ISR mining in total uranium production (2022)



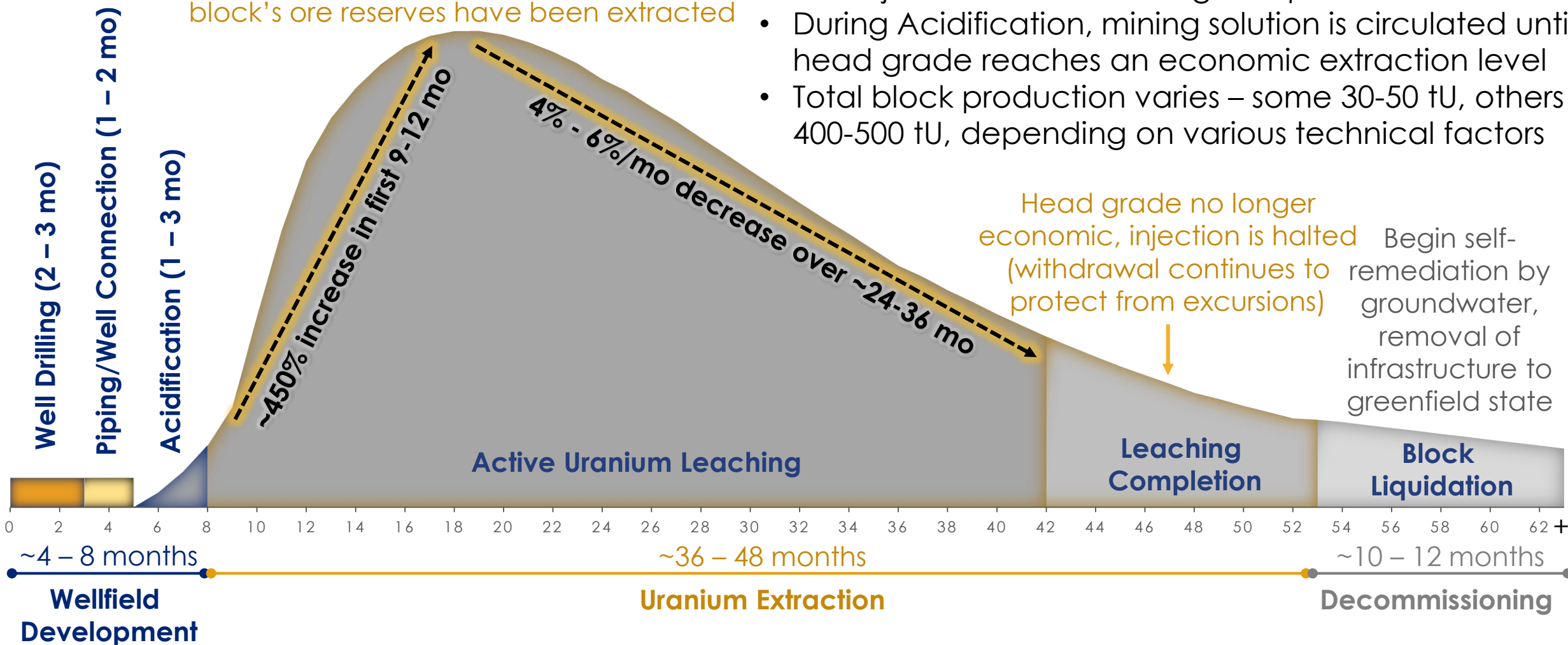
Source: WNA

# 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



# Ulba Metallurgical Plant (UMP)

## UMP at a Glance

- One of the world's largest facilities for fuel pellet and rare metals production
- UMP's operational know-how and operational platform provide KAP with optionality in participating in other parts of the NFC (should the economics be attractive)
- Established in 1949, became a subsidiary of KAP in 1997
- Location: Ust-Kamenogorsk, East Kazakhstan Region
- Facilities are under IAEA safeguards
- UMP obtained a rare metals exploration licence in 2023<sup>1</sup>
- Production facilities include:
  - $U_3O_8$ , ceramic grade  $UO_2$  and fuel pellet production shops
  - Fuel fabrication plant
  - Scrap processing facility
  - Rare metals production facilities

<sup>1</sup> [https://www.kazatomprom.kz/en/media/view/deposit\\_of\\_rare\\_metals](https://www.kazatomprom.kz/en/media/view/deposit_of_rare_metals)

## Key features of UMP products

<b><math>U_3O_8</math></b>	High purity of nuclear grade products
<b><math>UO_2</math> powder</b>	Technical properties may vary depending on customer specifications
<b>Fuel pellets</b>	Regulated microstructure and pellet type. Use of burnable absorbers
<b>Fuel assemblies</b>	UMP's subsidiary, Ulba-FA plant exports nuclear fuel since 2022
<b>Beryllium</b>	One of only three facilities in the world with a fully integrated cycle of beryllium production
<b>Tantalum</b>	The sole facility in the region with tantalum production capabilities
<b>Other</b>	Optionality of participating in other parts of the NFC cycle







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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**  
**AVERAGE OPERATING COSTS** IN THE INDUSTRY