



KAZATOMPROM

NATIONAL ATOMIC COMPANY

2020 Full-Year Results Conference Call

16 March 2021

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The Unprecedented Year of COVID-19

1Q 2020	<ul style="list-style-type: none">➤ 14-16 March First COVID cases identified in Kazakhstan➤ 07 April KAP announcement of reduced staff levels
2Q 2020	<ul style="list-style-type: none">➤ April - July 3 months at reduced staff levels
3Q 2020	<ul style="list-style-type: none">➤ 06 July +1 month extension to initial period due to HSE dynamics in regions➤ 03 August Staff returning to sites, remote office work continues
4Q 2020	<ul style="list-style-type: none">➤ 08 October COVID-19 cases at Ulba Metallurgical Plant, due to epidemiological situation in East Kz➤ 23 October – 11 November 43 positive cases identified at Semizbai-U
1Q 2021* <small>To March 15, 2021</small>	<ul style="list-style-type: none">➤ 13 January 84 positive cases in outbreak on KATCO➤ 19 January 44 additional positive cases at KATCO➤ End of January 25 cases at Karatau, 10 cases at Semizbai-U

Kazakhstan lockdown restrictions

- › Kazakh government took early and decisive measures in all regions
- › Nationwide lockdown during State of Emergency (16 March – 11 May 2020)
- › Strict hygiene and disinfection procedures, mandatory social distancing

Kazatomprom preventive measures

- › Internal cross-functional committee to monitor, build action plans
- › Vulnerable staff working remotely, rotating remote work schedules for others
- › Business travel restriction implemented, no meetings or direct contact is permitted
- › Site staff reduced to minimum levels to enable appropriate social distancing

Operating during the pandemic

- › Daily monitoring of health conditions using information systems
- › Social distancing at workplaces
- › Contactless video thermometry is performed
- › Disinfection tunnels installed
- › Quarantine areas established
- › Rigorous site staff response training has been conducted, should any cases arise
- › Rigorous safety protocols introduced by KAP for shift changes
- › COVID testing of returning employees (sites and offices) and outgoing shift changes



Nuclear Power in a Green Economy

Definition of “Green Economy” and its attributes is under debate



Nuclear offers stand-out environmental and economic benefits:



- part of the solution to climate change and cleaner air with no direct carbon emissions



- Low operating cost



- High energy density, managed waste and spent fuel

- Stable, baseload power to underpin renewable generation



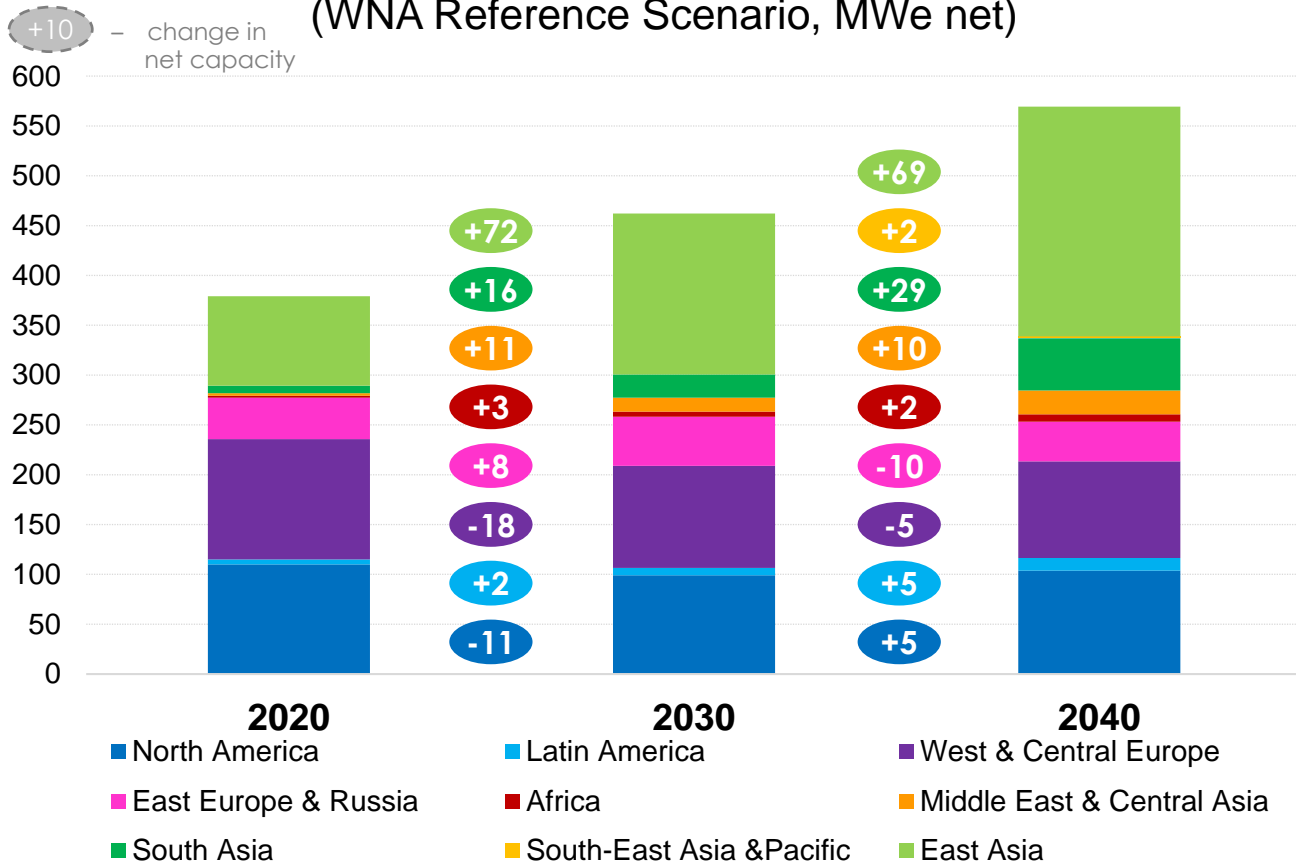
- Thousands of cumulative reactor years of safe power production

Strong Long-Term Fundamentals

Nuclear electricity generation growth translates to uranium demand

2020-2040 Nuclear generating capacities

(WNA Reference Scenario, MWe net)



- Safe, clean and reliable baseload
- Nuclear ~10% of installed capacity, forecast to retain market share
- Growing ~1.0% - 1.5% per year
- China reiterated long-term commitment to nuclear
- Strong pipeline of new nuclear projects in Asia, Middle East, several in Europe, more than offsetting expected closures and phase-outs

Source: WNA

Market Context

Uranium market developments

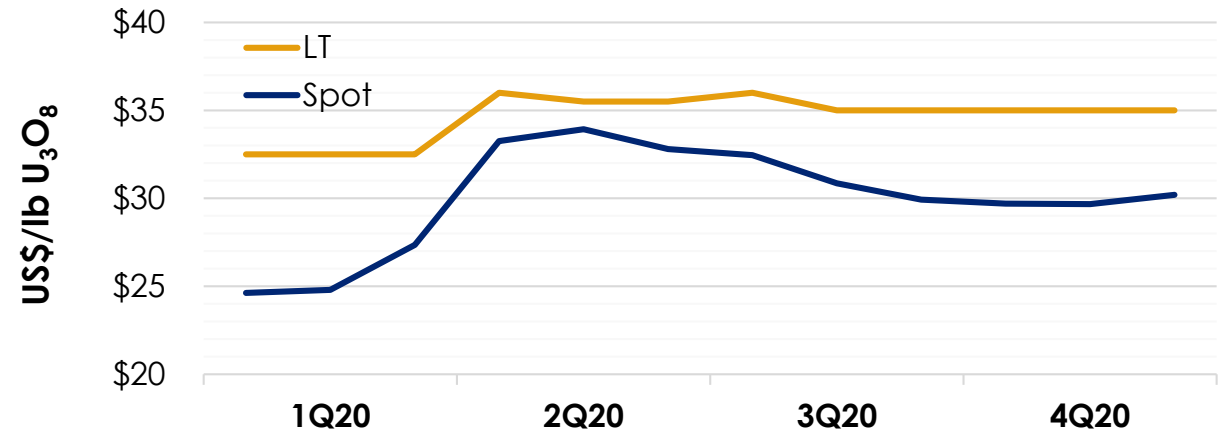
- COVID-19 reshaped primary supply picture
- Accelerated global inventory drawdown
- Supply reductions by major producers
- Trade uncertainty issues resolved
- Increased spot activity, weak long-term
- More supply than demand in 1Q21

Kazatomprom in 2020

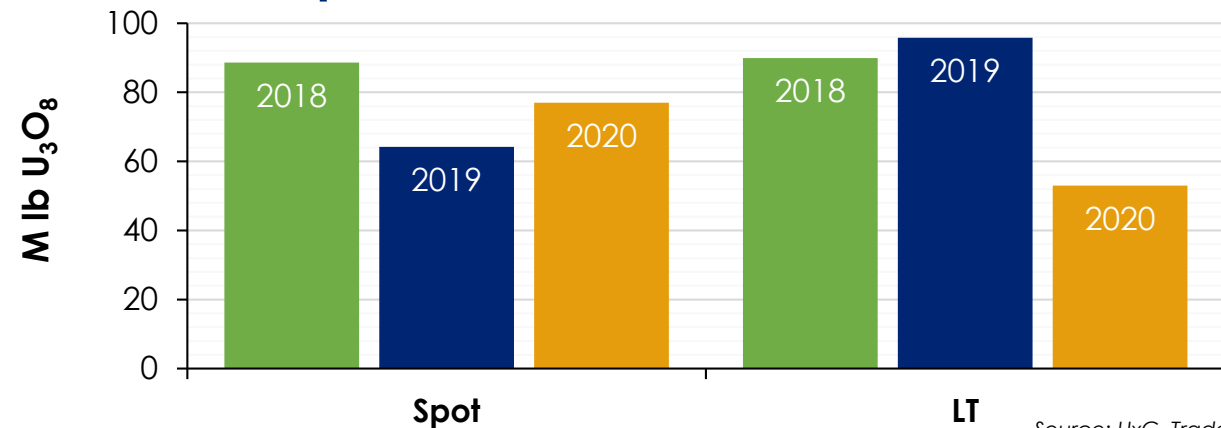
- Four-month reduction of wellfield development activities, annual production down 15% (100% basis) vs. 2019
- Extended 20% production cut (vs. Subsoil Use Agreements) through 2022



Spot and LT Month-end U₃O₈ Price



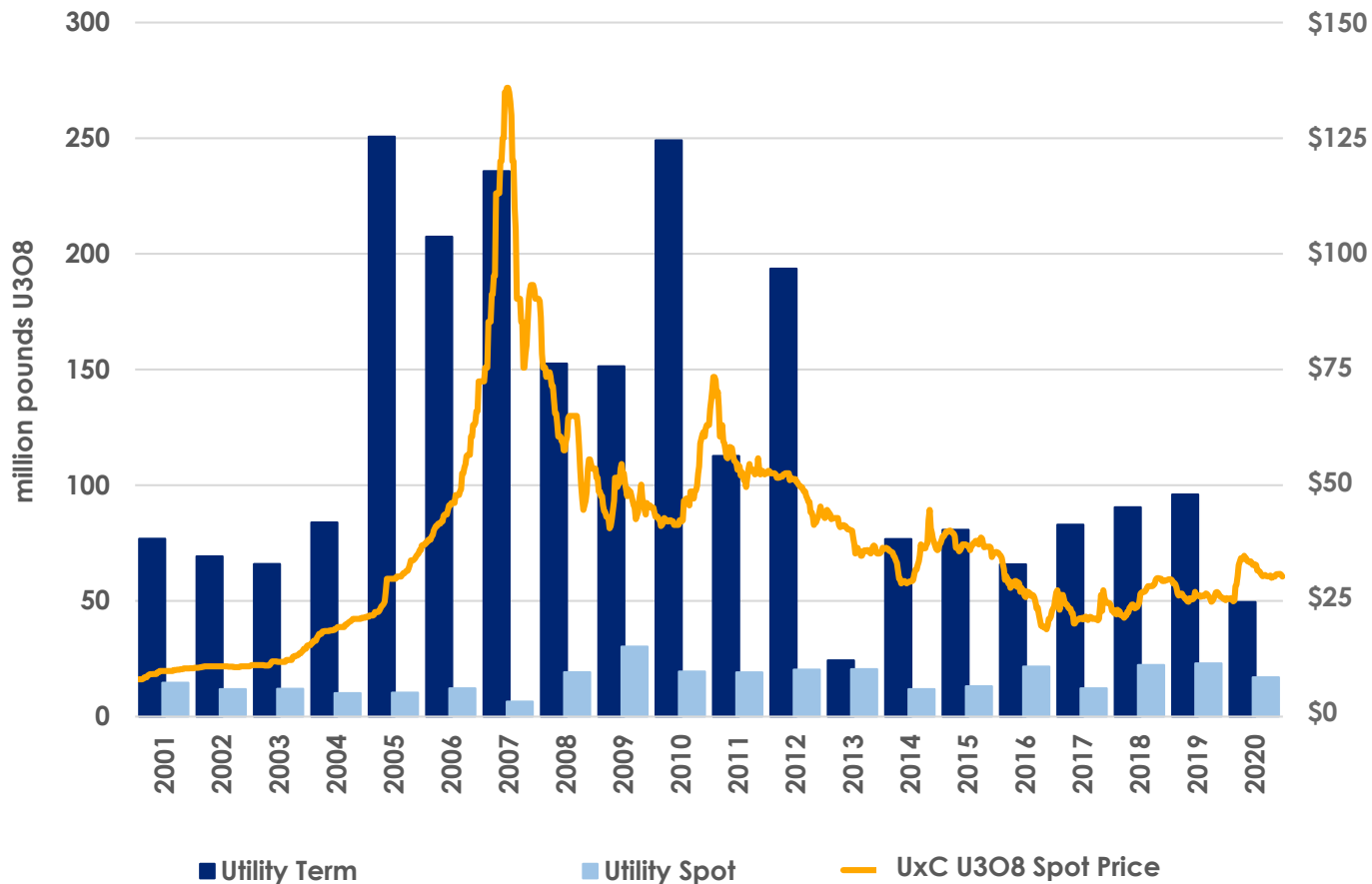
Spot and LT Contract Volumes



Source: UxC, TradeTech

The Long-term Nature of Nuclear Fuel Supply

Historical term and spot volumes – a long-term story



- Complete shift to spot contracting is unlikely
- Spot market volumes insufficient for annual consumption, available spot volumes are shrinking
- Prices today must support the economics of future supply
- Electrical infrastructure is too important to risk a fuel shortage

¹ Source: UxC, with permission.



2020 Highlights

Continued commitment to strong ESG



- Environmental protection record intact
- Continuously working to improve safety
- Added Marc Kasher as INED Board member

Refocusing on core business – uranium mining



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

Exceeded commitment of US\$200M dividend payment



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

Ongoing support from majority shareholder, Samruk Kazyna



- Completed a secondary offering in June
- Kazatomprom free-float now at 25%, as envisioned by the Privatization Plan

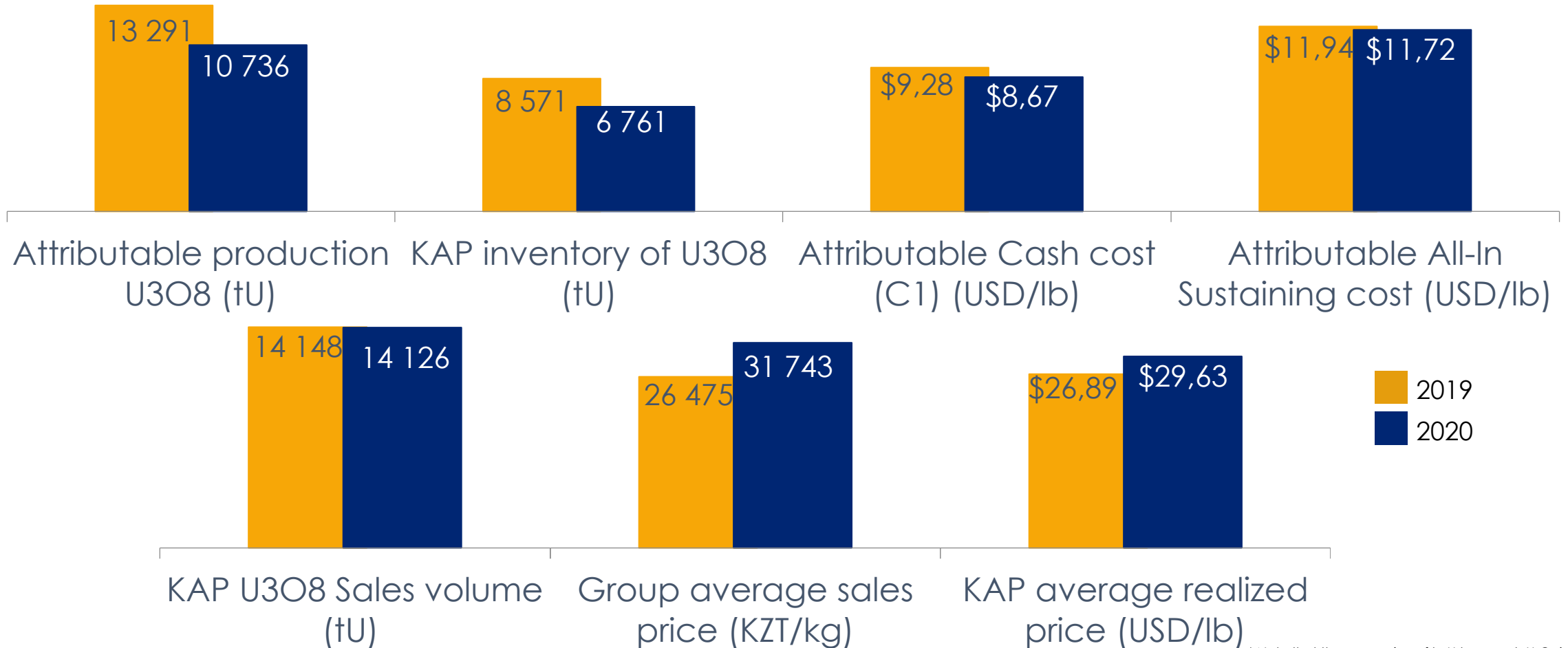
Progress on Fuel Fabrication JV with CGNPC



- Sale of 49% share in Ortalyk expected in 2021
- Proceeds to be used for environmental, capacity replacement projects

2020 Results

Production and sales metrics



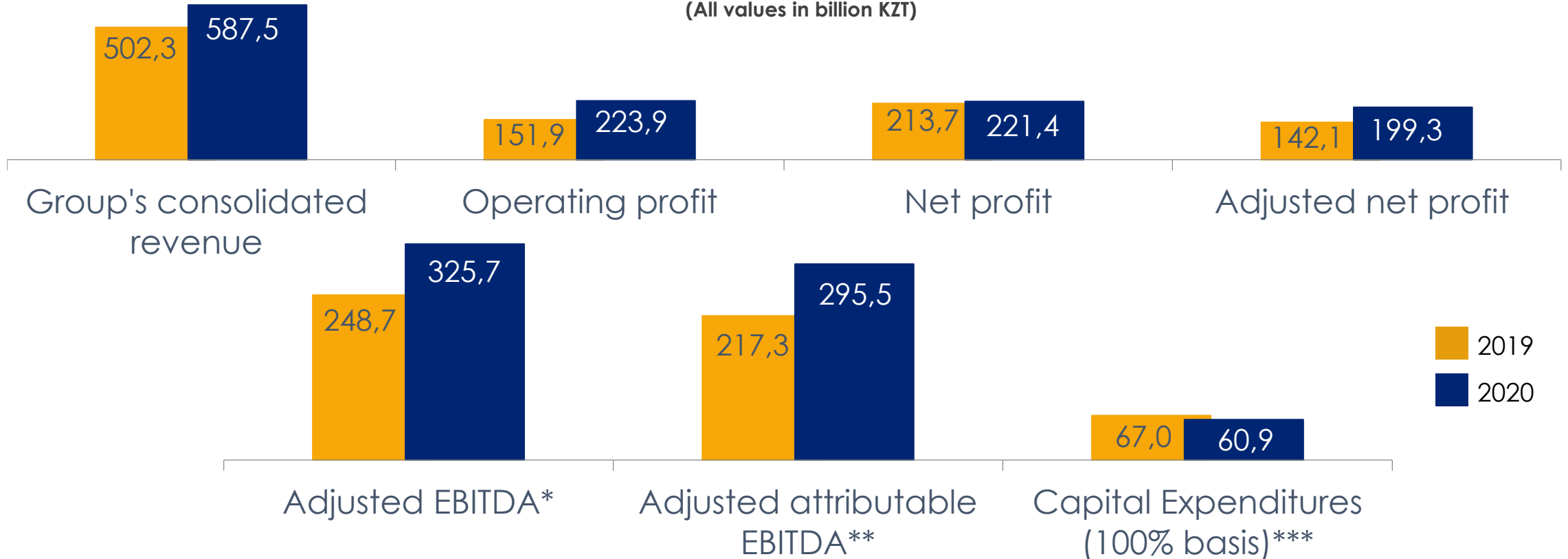
* Note that the conversion of kgU to pounds U₃O₈ is 2.5998.



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.

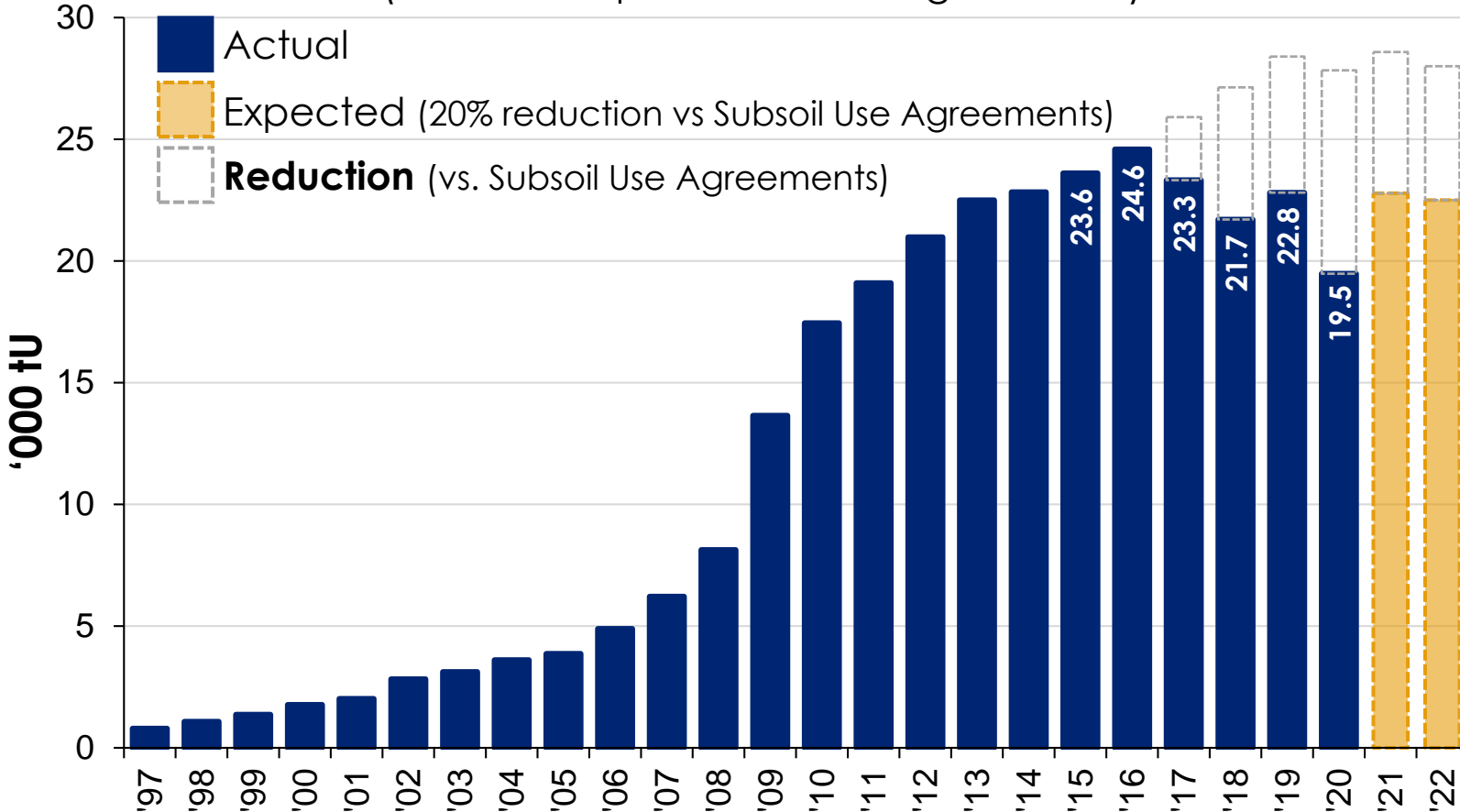
** Adjusted Attributable EBITDA is calculated as an adjusted EBITDA less the share of the results in the net profit in JVs and Associates, plus the share of adjusted EBITDA of JVs and Associates engaged in the uranium segment (except Budenovskoye JV LLP's EBITDA due to minor effect it has during each 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

Committed to Market Discipline

Kazakhstan Production Volume

(100% basis, per subsoil use agreements)



Significant Supply discipline

- 2017-2020 Actual: Reduced **~22,000 tU** total (including **~3,300 tU** total due to COVID-19 in 2020)
- 2021-2022 Estimated: decrease of up to **~11,300 tU** total
- Maximum flex down, 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.

Looking Ahead – 2021 Guidance

(Exchange Rate Assumption KZT/USD = 430)

		2020 Actual	2021 Guidance
Production volume (100% basis) ¹	tU	19,477	22,500 – 22,800 ²
Production volume (attributable basis) ^{3,4}	tU	10,736	12,550 – 12,800 ²
Group sales volume ⁵	tU	16,432	15,500 – 16,000
KAP sales volume (incl. in Group) ⁶	tU	14,126	13,500 – 14,000
Revenue (consolidated) ⁷	KZT billions	587.5	620 – 640
Revenue from U ₃ O ₈ sales (incl. in consolidated) ⁷	KZT billions	521.6	540 – 560
C1 cash cost (attributable basis) ⁴	\$US/lb*	\$8.67	\$9.00 – \$10.00
All-in sustaining cash cost (attributable C1 + capital) ⁴	\$US/lb*	\$11.72	\$12.00 – \$13.00
Total capital expenditures (100% basis) ⁸	KZT billions	61.0	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 effect of transfer of 49% shares of "Ortalyk" LLP to China General Nuclear (CGN).

⁵ 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)

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.



OUR STRATEGY...UNCHANGED



➤ 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



Q&A Session with Management



Galymzhan Pirmatov,
Chief Executive Officer



Kamila Syzdykova,
Chief Financial Officer



Askar Batyrbayev,
Chief Commercial Officer

