

1 February 2021, Nur-Sultan, Kazakhstan

Kazatomprom 4Q20 Operations and Trading Update

JSC National Atomic Company “Kazatomprom” (“Kazatomprom”, “KAP” or “the Company”) announces the following operations and trading update for the fourth quarter and year ended 31 December, 2020.

This update provides a summary of recent developments in the uranium industry, provisional information related to the Company’s key fourth-quarter and 2020 operating and trading results, and 2021 production and sales guidance. The information contained in this Operations and Trading Update may be subject to change. It may differ from the final audited results in the 2020 Operating and Financial Review, which is expected to be released on 16 March, 2021.

Market Developments

The COVID-19 pandemic impacted global industries to varying degrees in 2020, and as the year came to a close, the International Energy Agency (IEA) released its Electricity Market Report, which provided insight into the overall effect on electricity generation in 2020. According to the report, global GDP declined about 4.4% due to the economic slow-down and the measures taken to prevent the spread of the virus. Global electricity consumption is estimated to have decreased by about 2% overall, with generation from renewable sources expected to be about 7% higher compared to 2019, while coal power and gas-fired generation expected to be about 5% and 2% lower, respectively. The report estimates that nuclear power generation ended the year 4% lower than in 2019. However, the IEA also noted that overall nuclear capacity was lower in 2020, in part due to nuclear reactor retirements and closures in late 2019 and early 2020.

Although a decrease in nuclear generation can be expected to have a modest impact on uranium consumption, COVID-19 also continued to have an impact on supply. In December, Cameco Corporation and Orano Canada announced a temporary suspension of the Cigar Lake uranium mine and McClean Lake mill in northern Saskatchewan, Canada, due to increasing community transmission risks posed by the COVID-19 pandemic. According to Cameco, the timing of a restart and the rate of production will depend on the ongoing availability of the required workforce, the trend of positive cases in Saskatchewan and its northern communities, and the views of the local public health authorities.

Unrelated to the pandemic, but impacting future supply, Rio Tinto Group’s subsidiary, Energy Resources of Australia, proceeded with a planned 2021 shut-down of uranium processing activities at the Ranger mine in the Northern Territory, Australia, after four decades of mining and production operations. Based on the mine’s recent production volume, the closure is expected to remove about 1,350 tU (3.5 million pounds U₃O₈) of annual supply.

Also related to future supply, Indústrias Nucleares do Brasil announced the expected start-up of uranium mining operations at the Engenho open-pit mine, in the state of Bahia, Brazil. The mine’s planned annual capacity of 260 tU (about 675,000 lb U₃O₈) is expected to be achieved in 2022, which would be sufficient to cover the country’s domestic nuclear fuel requirements.

A number of demand-side highlights emerged in the fourth quarter:

- In October, China General Nuclear (CGN) announced the start of construction at Taipingling unit 2, located in Guangdong province. Construction of Taipingling unit 1 began in December 2019, with both units based on the Hualong One reactor design;
- At the end of November, China National Nuclear Corporation (CNNC) announced that Fuqing unit 5, located in Fujian province, was connected to the grid, with Fuqing unit 6 expected to follow by the end of 2021;
- In December, CNNC announced the start of construction for a second pool-type sodium-cooled CFR-600 fast reactor in Fujian Province;

- CGN announced the pouring of first concrete for the Sanao unit 1 in China’s Zhejiang province, marking the official start of plant construction;
- Belarus joined the global list of nuclear power nations with unit 1 of the Belarusian nuclear power plant, located in Astravyets District, Grodno Region, supplying electricity to the grid for the first time in November. The reactor is the first VVER-1200 unit to begin operations outside of Russia. Construction of unit 2 is expected to be complete by mid-2022;
- Rosenergoatom’s Leningrad-II unit 2 in Sosnovy Bor, Russia, was connected to the grid in October 2020, and began supplying electricity in November. Unit 2, a VVER-1200-type reactor, replaced the Leningrad unit 2 RBMK-type reactor, which was permanently shut down in November 2020 after 45 years of operation; and
- In Sweden, Ringhals unit 1, a 910MWe BWR, was officially shut down on 31 December 2020, after 44 years of operation. The remaining Ringhals units 3 and 4 are expected to continue operating for two more decades.

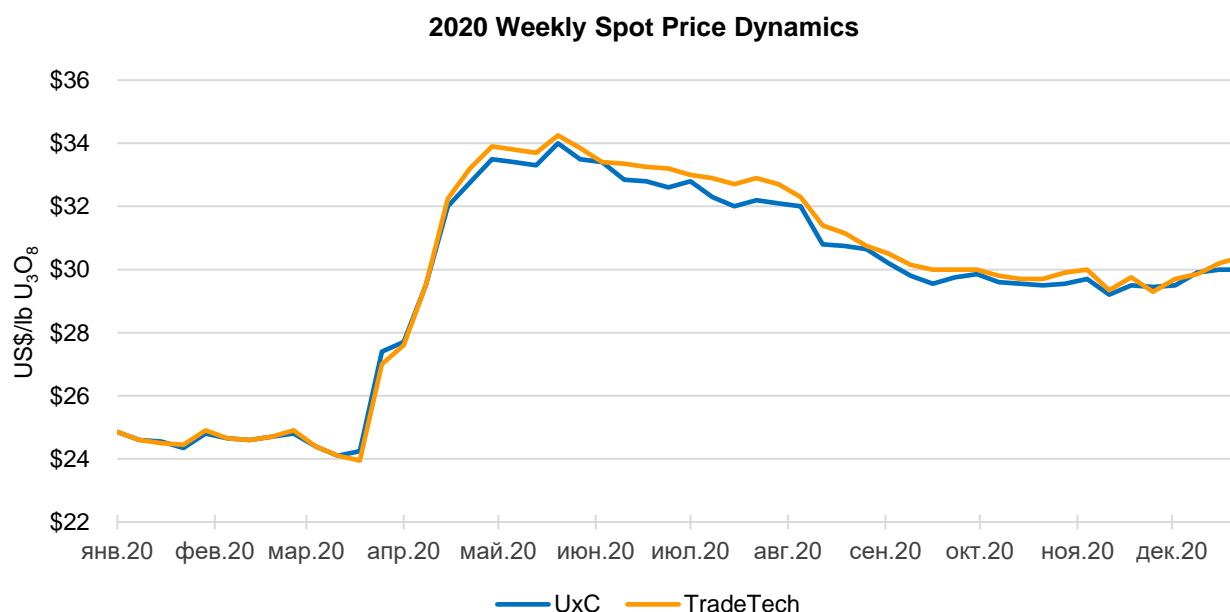
On the policy front, South Korea’s Ministry of Trade, Industry and Energy announced its ninth basic plan for long-term electricity supply and demand, from 2020 to 2034. In line with its target to achieve zero carbon emissions by 2050, South Korea plans to close aging coal power plants and retire nuclear reactors, accelerating its shift toward renewable energy by 2034.

Finally, in the United States, the Administration passed the Consolidated Appropriations Act of 2021, which includes US\$75 million in government funding to establish a US uranium reserve, which was recommended by the Nuclear Fuel Working Group in 2020. The recommendation was intended to create captive uranium demand by building up a supply of domestically mined uranium, meant to protect the country’s national security.

Spot Market

In the fourth quarter of 2020, spot market activity was relatively moderate compared to the previous quarter. The lower level of activity resulted in a flattening of the spot price, which ended up slightly higher than US\$30.00 per pound by the end of the year.

According to the average taken from available third-party market data, spot volumes transacted in 2020 were about 40% higher than in 2019, with over 77 million pounds U₃O₈ (29,800 tU) transacted at an average weekly spot price of US\$29.60 per pound, compared to about 56 million pounds U₃O₈ (21,500 tU) at an average weekly spot price of US\$25.84 per pound in 2019.



Long-term Market

Term market activity was also moderate during the fourth quarter, resulting in no changes to the US\$35.00 average long-term price reported by third-party sources on a monthly basis. In the term market, according to the average taken from available third-party market data, 2020 long-term contracted volumes totaled nearly 53 million pounds U₃O₈ (20,400 tU), compared to about 96 million pounds U₃O₈ (36,900 tU) in 2019.

Company Developments

COVID-19 Outbreak at JV KATCO

In January 2021, Kazatomprom announced a COVID-19 outbreak at its Kazakh-French Joint Venture, KATCO LLC (“KATCO”), operating in the Turkestan region of the Republic of Kazakhstan. As of 22 January 2021, all employees and contractors at KATCO’s Moinkum and Tortkuduk operations were tested for COVID-19, showing 128 positive cases out of the 666 PCR tests performed, with 20 cases showing modest symptoms at the time.

Personnel who tested positive were isolated and receiving treatment if required, and contact tracing was completed to quarantine exposed individuals. In accordance with the orders of local health authorities in the Suzak District of the Turkestan Region, both sites were placed under quarantine.

As of 01 February 2021, all 158 employees and contractors at KATCO’s Moinkum operation had been retested and the results indicated there were no longer any positive cases. According to medical authority protocols, the quarantine at Moinkum was lifted and following enhanced cleaning procedures, a shift change was completed. Employees and contractors arriving at site underwent the Company’s COVID-19 screening process prior to arrival.

At KATCO’s Tortkuduk operation, partial results indicate 30 employees out of 470 retested remain positive for COVID-19, with further results still pending. The quarantine at Tortkuduk therefore remains in effect, with additional protections in place, including a slow-down of several operational activity to minimize further spread. However, the site is able to safely continue key production processes and therefore does not expect any significant impact on its planned 2021 annual production volumes.

COVID-19 cases at Semizbai-U and Karatau

At the end of January 2021, three employees who had previously tested negative upon arriving for shift change, presented symptoms while at work at JV Semizbai-U LLP, at the mine in the Akmola region. According to the lessons learned from the previous cases at the site, the affected employees were immediately taken to a specialized regional hospital and testing was carried out on 158 employees and contractors working at the operation. Including the initial three cases, a total of 10 positive cases were identified and sent to hospital for observation, and 16 close contacts were identified and isolated. A shift change began on 29 January and the situation is stable; production and development activities have not been impacted.

At Karatau LLP, mandatory exit testing of 143 employees leaving for shift change at the end of January revealed 25 positive cases, all of which were immediately taken to regional hospitals. Contact tracing resulted in the isolation and quarantine of an additional 17 personnel to date. As a result of the exit testing, the plan to rotate personnel was halted and retesting is underway at both Karatau, as well as nearby JV Akbastau, with the results pending.

The Company is working with health authorities to ensure the employees with positive tests are quarantined and isolated according to Government protocols, and taking all necessary measures to ensure the health and wellbeing of personnel both on and off site.

Kazatomprom is monitoring the situation at KATCO, Karatau and at all other operations, and will continue to follow national and regional COVID-19 developments, restrictions, and governmental directives, to ensure that any required actions to reduce the spread and/or impact of the pandemic are implemented without delay.

Sale of an interest in Ortalyk LLP to China General Nuclear

As disclosed in December 2020, Kazatomprom is working with China General Nuclear Power Corporation and its subsidiaries (“CGNPC”) to construct a fuel assembly plant (“Ulba-FA”) at the Ulba Metallurgical Plant in the East Kazakhstan Region. In accordance with the agreements, CGNPC committed to procure 200 tonnes of uranium metal content equivalent (“UME”) in the form of fuel assemblies annually from the Ulba-FA plant within 20 years (4,000 tonnes UME in total). The Company and CGNPC agreed that subject to Ulba-FA receiving the first fuel assembly contract from CGNPC, the Company would sell to CGNPC or its affiliates up to a 49% interest in its wholly owned subsidiary, Ortalyk LLP, on market terms determined by a third-party valuation (underway).

Under the current ramp-up and product qualification plan, and assuming no further delays, the first production from the Ulba-FA plant is expected near the end of 2021, with the first delivery of finished, certified fuel assemblies to the customer in 2022. With respect to the purchase commitment from CGNPC, the first five-year contract for the procurement of fuel assemblies was signed between Ulba-FA LLP and CGNPC Uranium Resources Company Limited in December 2020, subject to approval by appropriate competent authorities. The subsequent transfer of a 49% interest in Ortalyk LLP to CGNPC or its affiliates is expected to be completed by

30 June 2021 (subject to corporate and governmental approvals).

Upon completing the sale of an interest in Ortalyk LLP, Kazatomprom will retain a 51% interest and CGNPC or its affiliates will acquire a 49% interest, with each partner purchasing a proportionate share of uranium production from the operation according to interest.

Kazatomprom's Operational Results¹

(tU as U ₃ O ₈ unless noted)	Three months ended December 31			Year ended December 31		
	2020	2019	Change	2020	2019	Change
Production volume (100% basis) ²	4,386	5,926	(26)%	19,477	22,808	(15)%
Production volume (attributable basis) ³	2,427	3,448	(30)%	10,736	13,291	(19)%
Group sales volume ⁴	6,574	8,042	(18)%	16,432	16,044	2%
KAP sales volume (incl. in Group) ^{5,6}	5,402	7,231	(25)%	14,126	14,148	0%
KAP average realized price (USD/lb U ₃ O ₈) ^{7*}	29.31	26.08	12%	29.63	26.91	10%
Average month-end spot price (USD/lb U ₃ O ₈) ^{8*}	29.86	25.08	19%	29.96	25.64	17%

¹ All values are preliminary.

² Production volume (100% basis): Amounts represent the entirety of production of an entity in which the Company has an interest; it therefore disregards the fact that some portion of that production may be attributable to the Group's joint venture partners or other third party shareholders. Actual drummed production volumes remain subject to converter adjustments and adjustments for in-process material.

³ Production volume (attributable basis): Amounts represent the portion of production of an entity in which the Company has an interest, which corresponds only to the size of such interest; it therefore excludes the remaining portion attributable to the JV partners or other third party shareholders, except for production from JV "Inkai" LLP, where the annual share of production in 2020 as per the terms of Implementation Agreement as disclosed in IPO Prospectus, amounted 1,094 tU.

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 (incl. in Group): includes only the total external sales of KAP HQ and Trade House KazakAtom AG (THK). Intercompany transactions between KAP HQ and THK are not included.

⁶ Group sales volume and KAP sales volume (incl. in Group) does not include approximately 100 tU equivalent sold as UF₆ in 1Q20, and does not include approximately 315 tU equivalent sold as low-enriched UF₆ to the IAEA fuel bank in 4Q19.

⁷ KAP average realized price: the weighted average price per pound for the total external sales of KAP HQ and THK. The pricing of intercompany transactions between KAP HQ and THK are not included.

⁸ Source: UxC, TradeTech. Values provided represent the average of the uranium spot prices quoted at month end, and not the average of each weekly quoted spot price. Contract price terms generally refer to a month-end price.

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

On both a 100% and attributable basis, production volumes for the fourth quarter and for 2020 were significantly lower, related to the expected impact of the pandemic and the Company's decreased wellfield development activity and lower staff levels from April through July 2020. There is a four- to eight-month lag between the wellfield development phase and production phase of the in-situ recovery mining process and as a result, the safety measures implemented during the first half of 2020 had a more significant production impact in the second half of the year, compared to the first half.

Although fourth quarter Group and KAP sales volumes were lower than in 2019 due to the timing of customer delivery requests, year-end 2020 sales volumes were similar year-over-year, reaching the upper end of the 2020 guidance ranges for both metrics.

The uranium spot price did not change significantly from the third to fourth quarter, but it remaining higher than in 2019, resulting in a positive impact on Kazatomprom's average realized price for the fourth quarter and for 2020 (12% and 10% higher, respectively).

All annual operational and sales results presented above were in line with the Company's 2020 guidance.

Kazatomprom's 2021 Production and Sales Guidance

	2020	2021
Production volume U ₃ O ₈ (tU) (100% basis) ²	19,000 – 19,500 ¹	22,500 – 22,800
Production volume U ₃ O ₈ (tU) (attributable basis) ³	10,500 – 10,800 ¹	12,550 – 12,800

Group sales volume (tU) (consolidated) ⁴	15,500 – 16,500	15,500 – 16,000
KAP sales volume (tU) (incl. in Group) ⁵	13,500 – 14,500	13,500 – 14,000

¹ Production volume guidance for 2020 was decreased due to the impact of COVID-19. Prior to the decrease, the volume in 2020 was expected to be similar to the production levels now presented for 2021. See the Company's 1Q20 Operations and Trading update for details.

² 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.

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 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 and THK. Intercompany transactions between KAP and THK are not included

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

Kazatomprom's production expectations for 2021 remain consistent with its market-centric strategy and the intention to flex down planned production volumes by 20% for 2018 through 2022 (versus planned production levels under Subsoil Use Agreements). Production volume in 2021 is therefore expected to be between 22,500 tU and 22,800 tU on a 100% basis, and between 12,550 tU to 12,800 tU on an attributable basis; without the reduction production was expected to be approximately 28,000 tU (100% basis) in 2021 according to Subsoil Use Agreements.

Sales volume guidance for 2021 is also aligned with the Company's market-centric strategy. The Group expects to sell between 15,500 tU and 16,000 tU, which includes KAP sales of between 13,500 tU and 14,000 tU, consistent with sales volumes in 2020. Sales in excess of planned attributable production are expected to be sourced from inventories, from KAP subsidiaries under contracts and agreements with joint venture partners, and from other third parties.

The Company continues to target an ongoing inventory level of approximately six to seven months of annual attributable production (roughly 6,000 tU to 7,000 tU, excluding trading volumes held by THK). However, the market is being constantly monitored and, in alignment with its value strategy, Kazatomprom may carry an inventory level outside of the target range at any point in time based on seasonality, and to optimize mining and sales volumes in line with changing market conditions.

Guidance for 2021 related to the Company's financial metrics will be published alongside the financial results in the 2020 Operating and Financial Review, expected to be released on 16 March 2021.

Conference Call Notification - 2020 Operating and Financial Review (16 March 2021)

Kazatomprom expects to schedule a conference call to discuss the full 2020 operating and financial results, after they are released on Tuesday, 16 March 2021. Further details will be provided closer to the date of the event.

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About Kazatomprom

Kazatomprom is the world's largest producer of uranium, with the Company's attributable production representing approximately 23% of global primary uranium production in 2020. The Group benefits from the

largest reserve base in the industry and operates, through its subsidiaries, JVs and Associates, 26 deposits grouped into 14 mining assets. All of the Company's mining operations are located in Kazakhstan and mined using ISR technology with a focus on maintaining industry-leading health, safety and environment standards.

Kazatomprom securities are listed on the London Stock Exchange and Astana International Exchange. As the national atomic company in the Republic of Kazakhstan, the Group's primary customers are operators of nuclear generation capacity, and the principal export markets for the Group's products are China, South and Eastern Asia, Europe and North America. The Group sells uranium and uranium products under long-term contracts, short-term contracts, as well as in the spot market, directly from its headquarters in Nur-Sultan, Kazakhstan, and through its Switzerland-based trading subsidiary, Trade House KazakAtom AG (THK).

For more information, please see the Company website at <http://www.kazatomprom.kz>

Forward-looking statements

All statements other than statements of historical fact included in this communication or document are forward-looking statements. Forward-looking statements give the Company's current expectations and projections relating to its financial condition, results of operations, plans, objectives, future performance and business. These statements may include, without limitation, any statements preceded by, followed by or including words such as "target," "believe," "expect," "aim," "intend," "may," "anticipate," "estimate," "plan," "project," "will," "can have," "likely," "should," "would," "could" and other words and terms of similar meaning or the negative thereof. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors beyond the Company's control that could cause the Company's actual results, performance or achievements to be materially different from the expected results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Company's present and future business strategies and the environment in which it will operate in the future. 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 REALISED, 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. The information contained in this communication or document, including but not limited to forward-looking statements, applies only as of the date hereof and is not intended to give any assurances as to future results. The Company expressly disclaims any obligation or undertaking to disseminate any updates or revisions to such information, including any financial data or forward-looking statements, and will not publicly release any revisions it may make to the Information that may result from any change in the Company's expectations, any change in events, conditions or circumstances on which these forward-looking statements are based, or other events or circumstances arising after the date hereof.