



KAZATOMPROM

NATIONAL ATOMIC COMPANY

2022 Full-Year Results Conference Call

17 March 2023

Disclaimer

IMPORTANT: You must read the following before continuing. The following applies to this document, the oral presentation of the information in this document by Joint stock company "National atomic company "Kazatomprom" (the "**Company**") or any person on behalf of the Company, and any question-and-answer session that follows the oral presentation (collectively, the "**Information**"). In accessing the Information, you agree to be bound by the following terms and conditions.

The Information does not constitute or form part of, and should not be construed as an offer or the solicitation of an offer to subscribe for or purchase any securities in the Company or any other entity, nor shall it or any part of it nor the fact of its distribution form the basis of, or be relied on in connection with, any contract or investment decision in relation thereto, and no part of the Information shall form the basis of or be relied on in connection with any contract or commitment whatsoever, nor does it constitute a recommendation regarding the any such securities. The Information is not directed to, or intended for distribution to or use by, any person or entity that is a citizen or resident of, or located in, any locality, state, country or other jurisdiction where such distribution or use would be contrary to law or regulation or which would require any registration or licensing within such jurisdiction.

The Information is preliminary and indicative in nature, and does not purport to contain all information necessary to evaluate the Company, its financial position and/or any investment decision. The Information is not intended to provide, and should not be relied upon for, accounting, legal or tax advice nor does it constitute a recommendation to purchase any securities in the Company or any other entity. Accordingly, by attending any presentation or meeting in which the Information is made available or by receiving this document through any other means, you represent that you are able to receive the Information without contravention of any legal or regulatory restrictions applicable to you and will not use the Information in relation to any investment decisions.

No reliance may be placed for any purposes whatsoever on the Information or on its completeness. The Information is subject to updating, revision, further verification and amendment. The Company is not under any obligation to update or keep current the Information. No representation or warranty, whether express or implied, is given by or on behalf of the Company or any of the entities accounted for in the Company's financial statements as joint ventures, joint operations, associates or financial investments (the "**JVs and Associates**"), any of their respective affiliates, agents or advisers or any of the foregoing persons' affiliates, directors, officers or employees or any other person as to the fairness, accuracy, completeness or verification of the Information or the opinions contained therein, and no liability is accepted for any such information or opinions by any party. While the Information is believed to be accurate, the Company, its shareholders, and its advisors as well as the directors and officers of such parties disclaim any and all responsibility and liability whatsoever, whether arising in tort, contract or otherwise, for the contents of, errors in or omissions from, the Information for any loss, cost or damage suffered or incurred howsoever arising, directly or indirectly, from any use of the Information or otherwise in connection with the Information. No representations or warranties are made as to the accuracy or completeness of any statements, estimates and projections with regard to the future performance of the Company or any of the JVs and Associates. Nothing in the Information is intended to be, nor may be construed as, a profit forecast. Interested parties should conduct their own investigation and analysis of the Company and of the data contained in the Information.

Certain Information, including but not limited to market data, has been obtained or derived from published or non-published sources prepared by other parties, which in certain cases have not been updated to the date hereof. While such information is believed to be reliable for the purposes of the Information, no responsibility is assumed for the accuracy or completeness of such information, and such information has not been independently verified by the Company. Market data used in the Information not attributed to a specific source are estimates of the Company which have not been independently verified. Except where otherwise indicated herein, the Information is based on matters as they exist as of the date hereof and not as of any future date, and will not be updated or otherwise revised to reflect information that subsequently becomes available, or circumstances existing or changes occurring after the date hereof. The Information, 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 the 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.

All statements other than statements of historical fact included in the Information 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 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.

Significant Events of 2022

January 2022: Protests in Kazakhstan

- › Kazakh government declared temporary State of Emergency
- › Restrictions on movement
- › Short-term interruptions to internet, banking and transportation

No tangible impact on Kazatomprom's activities

- › Operations continued without disruptions
- › Existing risk management measures ensured stability of production and sales plans

February 2022 to present: Escalation of Russian-Ukrainian conflict

- › No sanctions against Kazakhstan or Kazakh uranium industry
- › Kazatomprom carefully monitors potential risks:
 - Partnership with Rosatom and five JVs through Uranium One
 - Financial risks and exchange rates fluctuations
 - Supply chain challenges and availability of key operating materials
 - Transportation through Russian territory

Kazatomprom is monitoring developments to ensure its business is not disrupted, mitigation plans constantly revised/adjusted to manage changing risks

Committed to Delivery Obligations



Some 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.



TRANS-CASPIAN INTERNATIONAL TRANSPORT ROUTE (TITR) successfully utilized since 2018.

Kazatomprom is currently ensuring that TITR has the capacity to potentially accommodate greater quantities for both Kazatomprom and its JV partners.






Kazatomprom constantly works on diversifying and improving its transportation capabilities.

In addition to physical deliveries, Kazatomprom maintains inventories at western converters and has the ability to negotiate swaps with market participants to help mitigate potential risks to Kazatomprom's deliveries to its western customers.

— ESTABLISHED ROUTES
 ---- ROUTES UNDER DEVELOPMENT

Nuclear Power Back in Focus

 Nuclear is key to energy security and net-zero emissions

-  ✓ Part of the solution to climate change and cleaner air, with no direct carbon emissions and 24-hour availability
-  ✓ Increasingly becoming a part of the national energy security strategies
-  ✓ Stable, baseload power to underpin renewable generation
-  ✓ Thousands of cumulative reactor years of safe power production
-  ✓ Recognized by EU Sustainable Finance Taxonomy as a transitional green source of energy

Kazatomprom's ESG Landscape



Continuous improvement

- S&P Global Ratings has assigned Kazatomprom ESG rating of 51/100. Kazatomprom is better positioned than its wider mining sector peers (Metal & Mining sector average: 50/100, sector max: 68/100)
- Joined the United Nations Global Compact, the world's largest sustainable development initiative
- Received Corporate Governance Rating "A"

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)
- Focus on decarbonisation

Governance

- Consistent integration of sustainable development principles into the corporate governance system
- Board composition, half of which are INEDs
- The Company's governance systems and principles comply with international standards recognised by the global economic community (OECD Principles of Corporate Governance)

Market Context

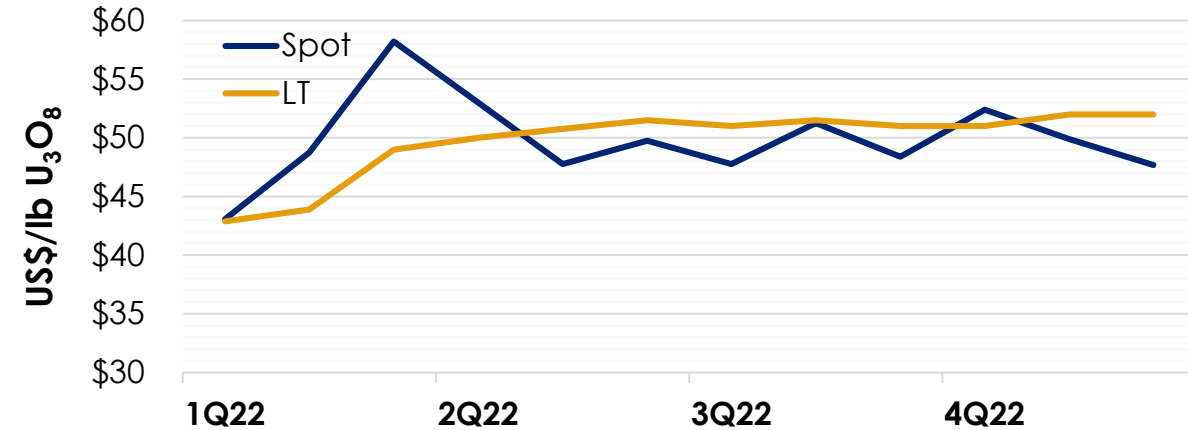
Uranium market developments

- Russia-Ukraine conflict reshaping the primary supply picture
- Demand from intermediaries accounting for ~80% of 2022 spot market
- Better balanced and thinner spot market
- Supply capacity additions driven by increased long-term contracting activity
- Accelerated inventory drawdown due to increasing uncertainty

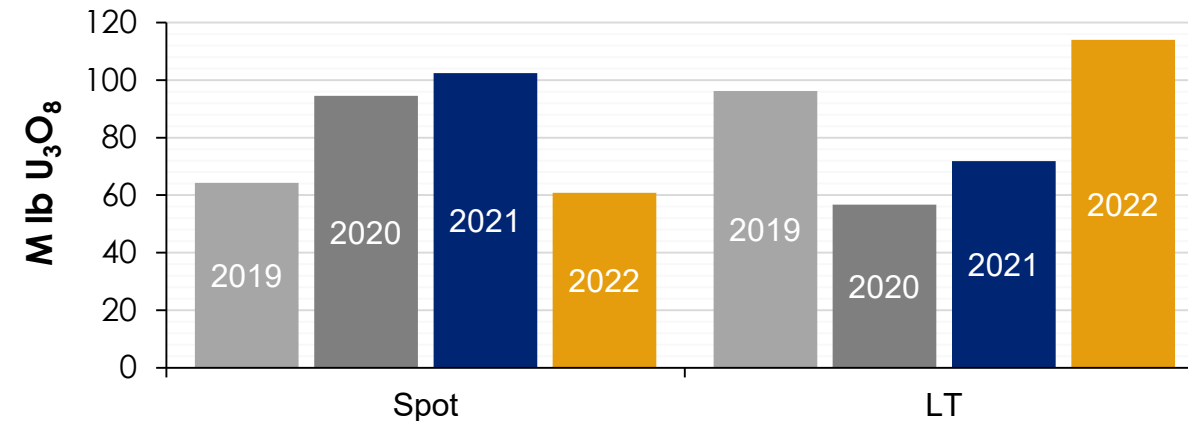
Kazatomprom in FY 2022

- Inflationary pressure and supply chain challenges may affect development and production plans
- Extended production discipline through 2024

Spot and LT Month-end U₃O₈ Price



Spot and LT Contract Volumes



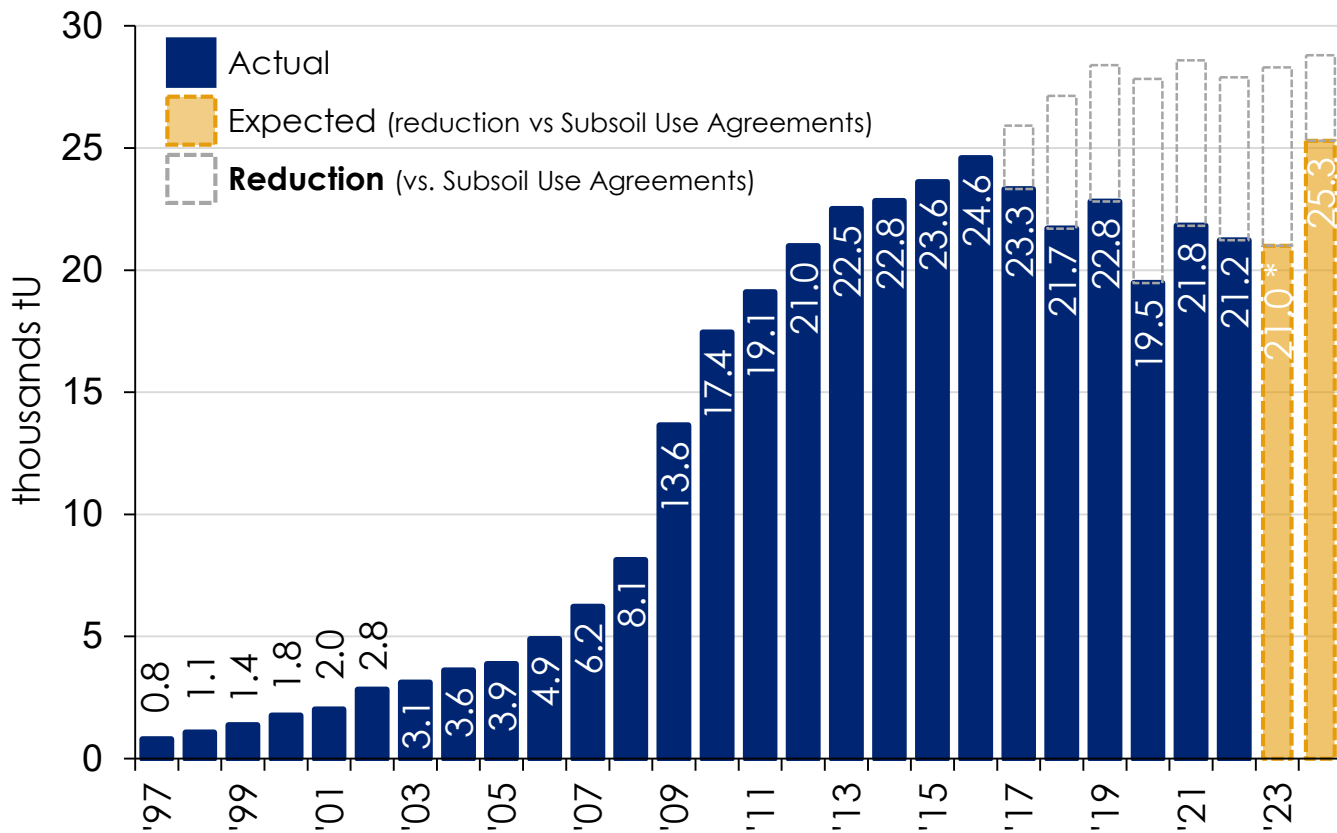
Source: UxC

Committed to Market Discipline

2018-2023 production discipline extended through 2024 (-10%)

Kazakhstan Production Volume

(100% basis, per subsoil use agreements)



Source: Full Competent Persons' Report on the Mineral Assets of NAC Kazatomprom JSC, Republic of Kazakhstan, Kazatomprom as at December 31, 2021
 *2023 expectation shown is middle of the range of Guidance disclosed in 4Q2022 Trading Update and is subject to change

Significant supply impact

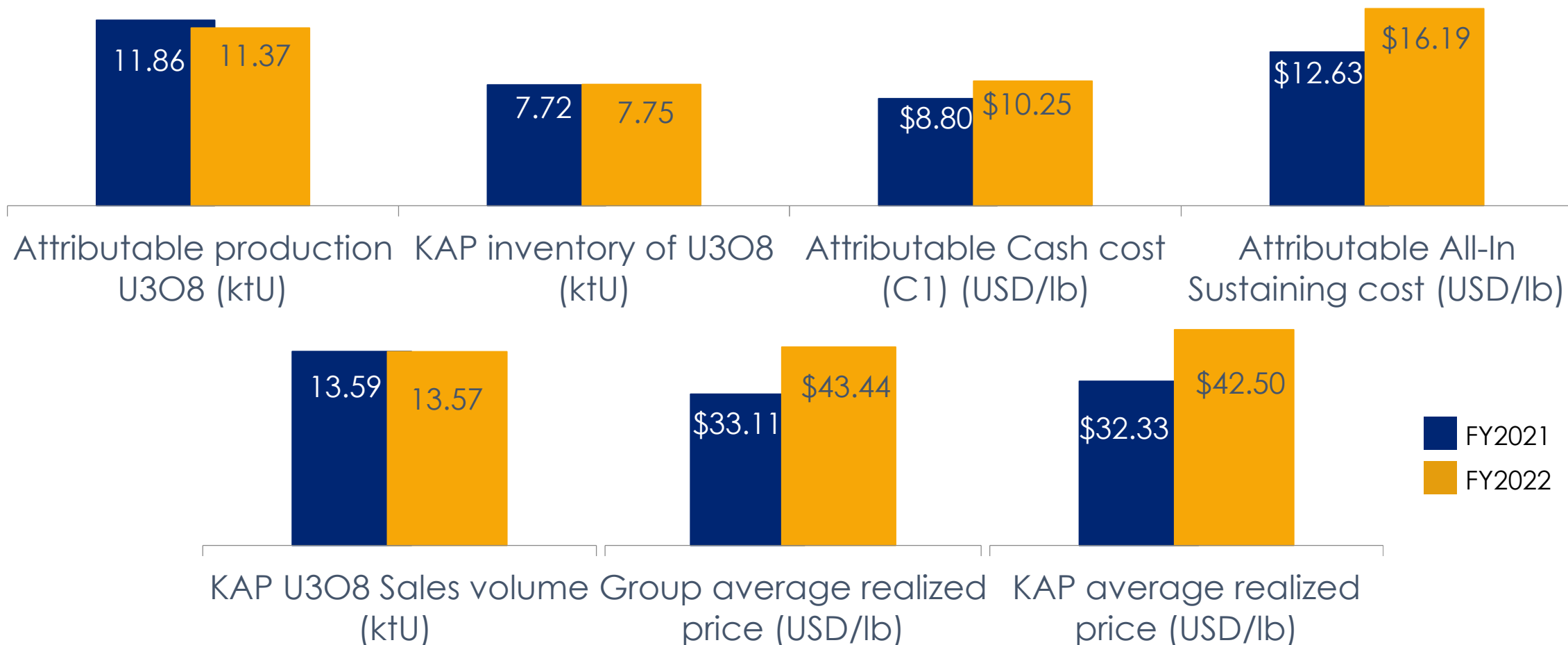
- 2017-2021 (actual): Reduced over **29,000 tU** total (including **~3,300 tU** total due to COVID-19 impact)
- 2022-2024 (estimate): over **~15,000 tU** total expected reduction vs. SSUs
- Committed to a strategy driven by value and not production volume

Sales discipline

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

FY 2022 Operational and Results

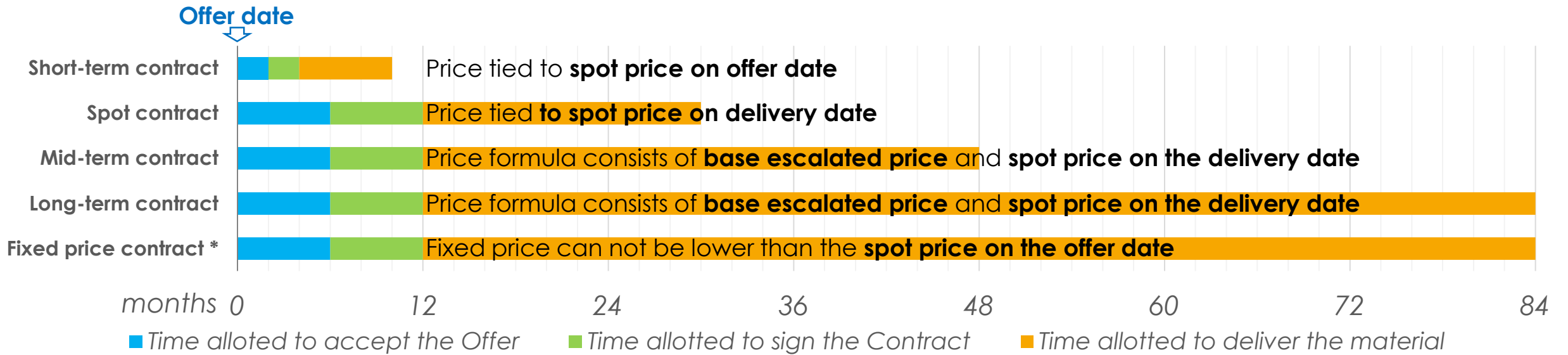
Production and sales metrics



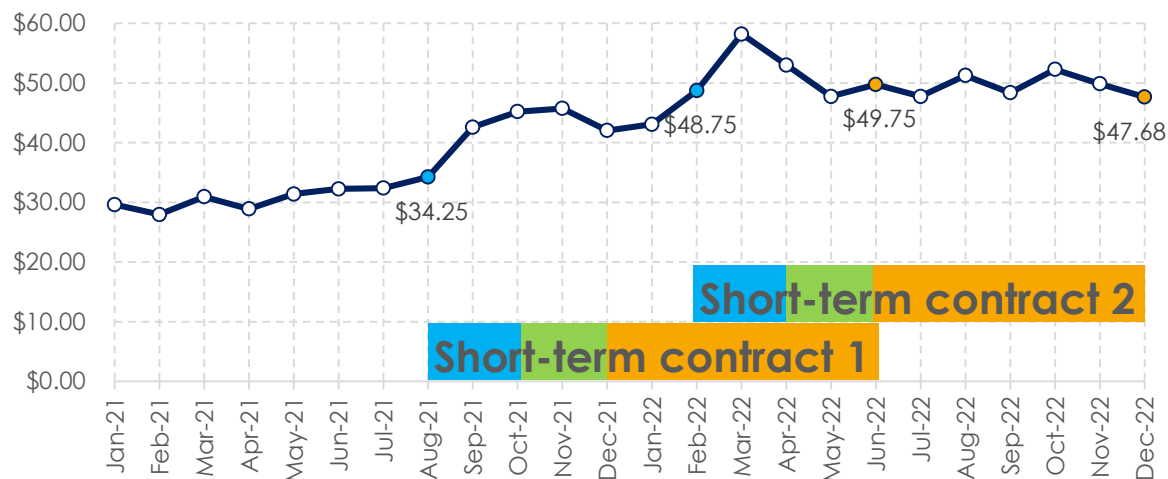
Note that the conversion of kgU to pounds U₃O₈ is 2.5998



Pricing Methodology Provided by TPL¹



Month-end spot price dynamics 2021-2022



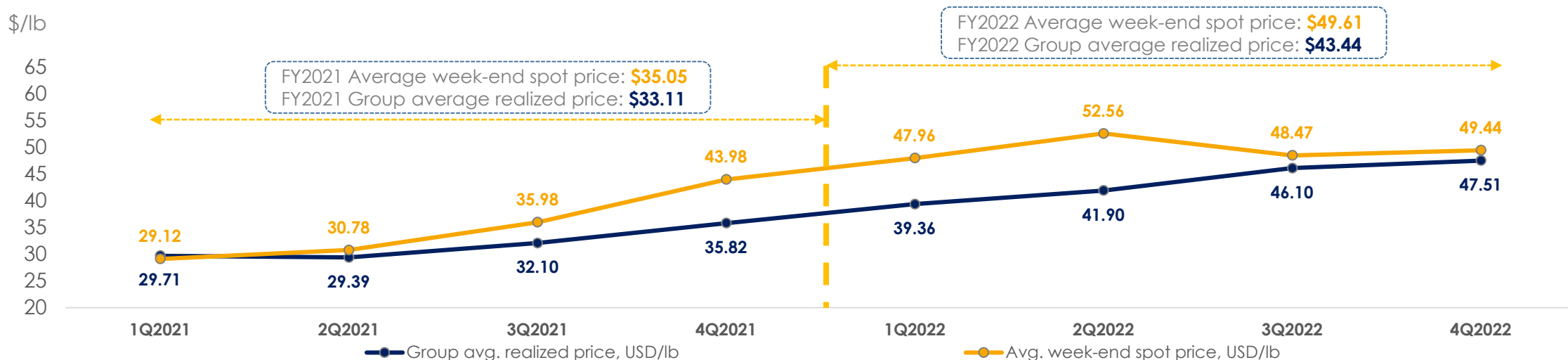
- Under short-term contracts price is fixed on the offer date
- Given time allotted by Kazakhstani Transfer price legislation, delivery date (at which the sales revenue is recorded) could take up to ten months from the offer date

¹ Transfer Pricing Law of the Republic of Kazakhstan, Pricing methodology for Uranium concentrates

Uranium sales price sensitivity

Group's U₃O₈ annual average realized price response to spot price change

Average Realized Prices



Avg. Annual Spot Price (USD)	2023E	2024E	2025E	2026E	2027E
20	33	26	27	25	26
30	37	33	34	33	33
40	42	40	41	41	41
50	47	48	48	49	49
60	52	56	56	58	58
70	57	63	63	66	66

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 based on historic values, for the purposes of this analysis;

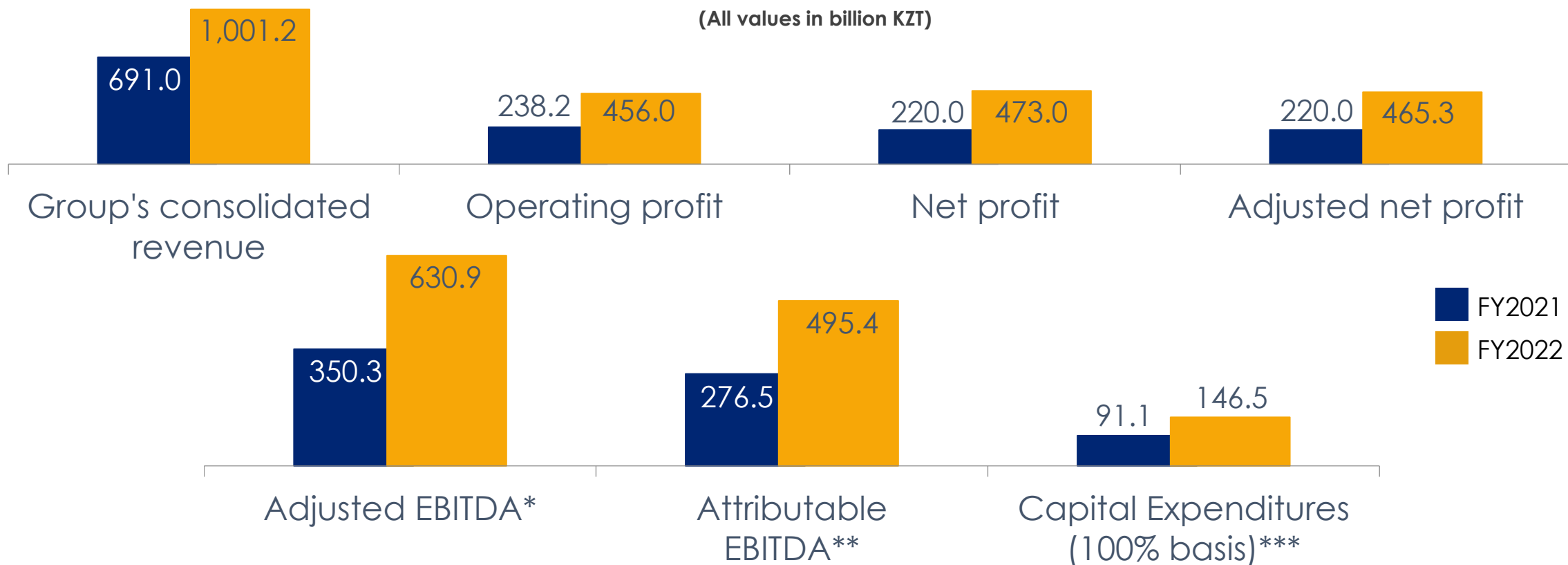
- Analysis is as of 31 December 2022 and prepared for 2023–2027 on the basis of minimum average Group annual sales during the specified period of approximately 18.0 thousand tonnes of uranium in the form of U₃O₈, of which the volumes contracted as of 31 December 2022 will be sold per existing contract 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.

- For the purpose of the table, uncommitted volumes of U₃O₈ are assumed to be sold under short-term contracts negotiated directly with the customers and based on spot prices.

FY2022 Financial Metrics

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. Calculation: Profit before tax - finance income + finance expense +/- Net FX loss/(gain) + Depreciation and amortisation + Impairment losses - reversal of impairment +/- one-off or unusual transactions.

** 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, DP Ortalyk LLP and Khorasan-U JV LLP less any changes in the unrealized gain in the Group.

*** 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.

FY2022 Non-Financial Highlights

Recent management changes



- Mr. Yerzhan Mukanov appointed as CEO following Mr. Mazhit Sharipov resignation
- Mr. Ruslan Beketayev appointed as Chief Financial Officer
- Mr. Alisher Taizhanov appointed as Chief Commercial Officer

2022 dividend payment 52% higher than in 2021



- Paid 2022 dividend of KZT 227 billion (nearly US\$475M at time of payment). Includes the proceeds from sale of 49% share of Ortalyk

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



- Extension of production cut against subsoil use agreements through 2024 (-10%)
- ~ 3,500tU removed from future global supply
- Tax base is now derived from the market price of U_3O_8 vs cost of production
- Effective starting 01 January, 2023

Tax code MET changes



Looking Ahead – 2023 Guidance

	exchange rate	2023 Guidance 470 KZT / 1 USD	2022 Actual 460.85 KZT / 1 USD*
Production volume U ₃ O ₈ (100% basis) ^{1,2}	tU	20,500 – 21,500 ²	21,227
Production volume U ₃ O ₈ (attributable basis) ³	tU	10,600 – 11,200 ²	11,373
Group sales volume (consolidated) ⁴	tU	15,400 – 15,900	16,358
KAP sales volume (incl. in Group) ⁵	tU	12,100 – 12,600	13,572
Revenue – consolidated ⁶	KZT billions	1,080 – 1,090	1,001
Revenue from Group U ₃ O ₈ sales ⁶	KZT billions	820 – 840	851
C1 cash cost (attributable basis)**	\$US/lb	\$12.00 – \$13.50	\$10.25
All-in sustaining cash cost (attributable C1 + capital)**	\$US/lb	\$20.00 – \$21.50	\$16.19
Total capital expenditures (100% basis) ⁷	KZT billions	240 – 250	146

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 Russian-Ukrainian conflict and the COVID-19 pandemic are 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 Group sales volume: includes Kazatomprom's sales and those of its consolidated subsidiaries. Group U₃O₈ sales volumes do not include other forms of uranium products (including, but not limited to, the sales of fuel pellets).

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 2023 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 and significant CAPEX for investment and expansion projects. Excludes liquidation funds and closure costs. For 2023 includes well construction and mine development costs of JV Budenovskoye LLP and JV Katco LLP (South Tortkuduk) for a total amount of approximately KZT 70 billion.

* The average exchange rate for 2022.

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



OUR STRATEGY... UNCHANGED

➤ Focusing 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



**Yerzhan Mukanov,
Chief Executive Officer**



**Ruslan Beketayev,
Chief Financial Officer**



**Alisher Taizhanov,
Chief Commercial Officer**

