KAZATOMPROM
NATIONAL ATOMIC COMPANY

2019 Full-Year Results Conference Call

05 March 2020

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Full-Year 2019 Highlights

Delivering on commitments, creating value

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

- 2019 production was 20% lower than Subsoil Use Agreement volumes
- Selling according to value strategy

Delivered strong financial performance in-line with guidance

- Exceeded uranium revenue expectations
- C1/AISC costs better than expected
- Higher adjusted net profit and EBITDA

Met commitment of US$200M dividend payment in 2019 (KZT equivalent)

- Paid 2019 dividend of KZT 80 billion
- Minimum dividend of US$200 million expected again in 2020

OUR STRATEGY…

- Focussing on uranium mining as our core business
- Optimise production & sales volumes based on market conditions
- Create value by enhancing marketing & sales capabilities
- Implement best-practice business processes
- Develop a corporate culture suitable for an industry leader

Focus on ESG Impacts

Industry-leading operations with solid Health, Safety and Environmental records

- No environmental accidents
- Focus on safety culture
- Emphasis on safety with increased “near-miss” reporting
- Maintaining strong governance to international standards

Market Context

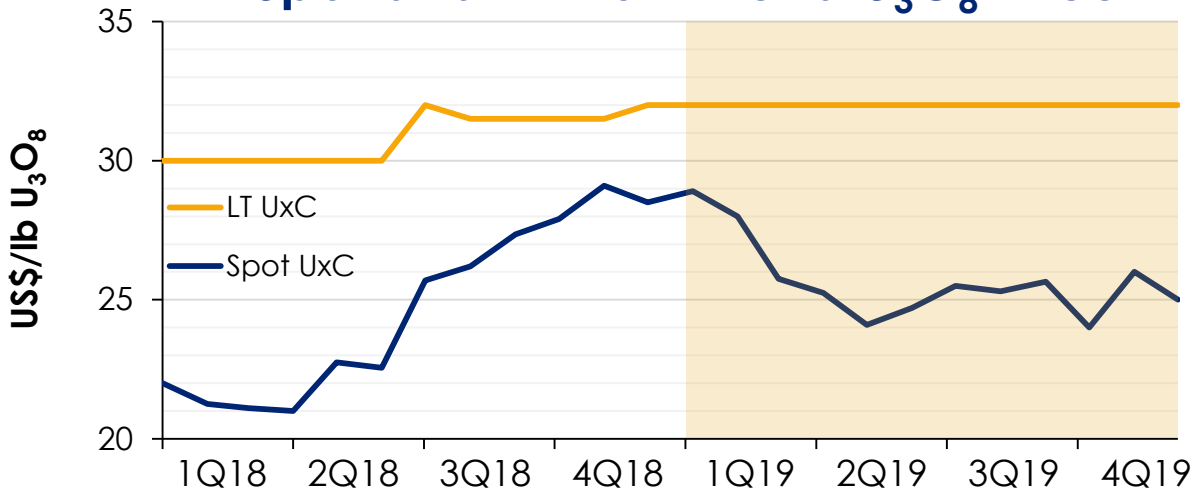
Continued uncertainty:

- Ongoing US trade uncertainty (232 in 2019, US NFWG into 2020, Russian suspension agreement, Iran sanctions)
- Slow Japanese nuclear industry recovery
- Financial players, producers entering spot market

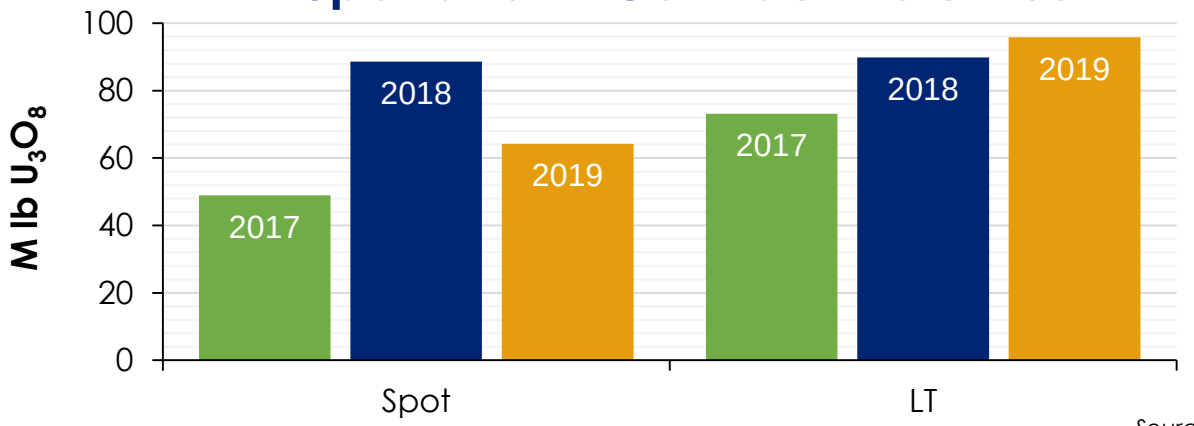
Supply aspects:

- Production cuts by all major producers, 13 mines in C&M since 2011
- Declining secondary supplies (expected down ~25% 2018 - 2022)
- Inventory and depth of spot market remains unclear, but correcting

Spot and LT Month-end U_3O_8 Price



Spot and LT Contract Volumes

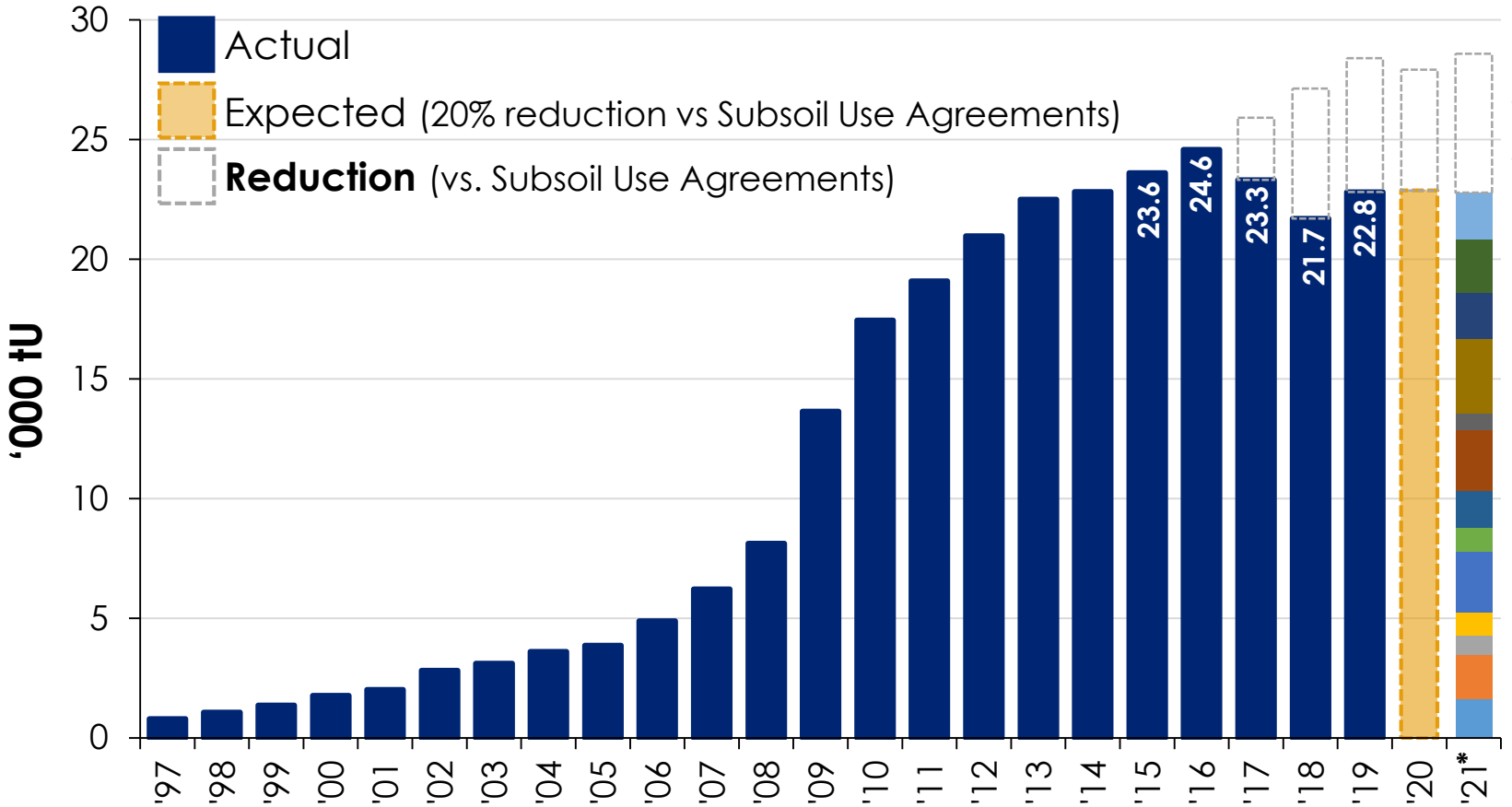


Source: UxC

Committed to Market Discipline

Kazakhstan Production Volume

(100% basis, per subsoil use agreements)



Source: Competent Persons' Report on the Mineral Assets of JSC Kazatomprom NAC, Republic of Kazakhstan, Kazatomprom IPO Prospectus, October 31, 2018.
** Colours on bar for 2021 represent the contribution levels of each of the 13 operations, operating at -20%.*

Supply discipline

- 2017-2019: Reduced **~13,500 tU** total
- 2020-2021: Reduced **~11,000 tU** total

Sales discipline

- Strong contract book
- Long-term sales only when aligned with value strategy

Looking Ahead – 2020 Guidance

(Exchange Rate Assumption KZT/USD = 390)		2019 Actual	2020 Guidance
Production volume (100% basis)[1]	tU	22,808	22,750 – 22,800
Production volume (attributable basis)[2]	tU	13,291	12,800 – 13,300
Group sales volume[3]	tU	16,044	15,500 – 16,500
KAP sales volume (incl. in Group)[3]	tU	14,148	13,500 – 14,500
Revenue (consolidated)[4]	KZT billions	502.3	490 – 510
Revenue from U_3O_8 sales (incl. in consolidated)[4]	KZT billions	424.8	400 – 440
C1 cash cost (attributable basis)*	$US/lb	$9.28	$10.00 – $11.00
All-in sustaining cash cost (attributable C1 + capital)*	$US/lb	$11.94	$13.50 – $14.50
Total capital expenditures (100% basis)[5]	KZT billions	67.0	80 – 90

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 Production volume (attributable basis): Amounts represent the portion of production of an entity in which the Company has an interest, corresponding only to the size of such interest; it excludes the portion attributable to the JV partners or other third-party shareholders, except for JV "Inkai" LLP, where attributable share is calculated in accordance with the formula described in Kazatomprom's IPO Prospectus. The Company anticipates that the share of production in JV "Inkai" LLP in 2020-2021 will be approximately 1300 tU. This change has been reflected in the 2020 guidance shown, which is now slightly lower than the attributable production guidance shown in the 4Q19 Operations and Trading Update (3 February 2020).
3 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)
4 KAP sales volume: includes only the total external sales of KAP HQ and THK. Intercompany transactions between KAP HQ and THK are not included.
5 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 vary from the third-party estimates.
6 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.

Q&A Session with Management

Galymzhan Pirmatov,
Chief Executive Officer

Meirzhan Yussupov,
Chief Financial Officer

Riaz Rizvi,
Chief Marketing Officer

KAZATOMPROM
NATIONAL ATOMIC COMPANY

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

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