



AIX: KAP, KAP.Y (GDR)
 LSE: KAP (GDR)
 Currency: KZT (₸), unless otherwise noted

17 March 2023, Astana, Kazakhstan

Kazatomprom 2022 Financial Results

JSC National Atomic Company "Kazatomprom" ("Kazatomprom", "KAP" or "the Company") announces its consolidated financial results for the year ended 31 December 2022, prepared in accordance with International Financial Reporting Standards (IFRS).

"2022 was a turbulent year for Kazakhstan and the global community in general. Kazatomprom and the nuclear industry overall are not exceptions. We've seen tremendous and tragic events unfolding in the region since the start of 2022, and while the impact of Qantar has resulted in a wide range of liberal reforms in Kazakhstan, it is difficult to predict the possible impact and consequences of the Russian-Ukrainian conflict. We still hope for a peaceful resolution very soon," said Yerzhan Mukanov, Kazatomprom's Chief Executive Officer.

"2022 has tested our risk management practices, which have proven to be resilient in key areas of performance, such as finance, operations, and the supply chain. Our risk management processes and mitigation plans have remained robust, the Company continues to monitor the overall situation and responds to the challenges of a changing environment."

"2023 has started with key Management role changes for Kazatomprom. We had two new members joining the executive team - Ruslan Beketayev as the Chief Financial Officer and Alisher Taizhanov as the Chief Commercial Officer - both bearing extensive experience and expertise in their pertinent fields and the competence to deliver on the Company's strategy. With that being said, we reassure stakeholders that the Company's strategy remains the same, and we, as management, are committed to the strategy's main pillars and focus on being the partner of choice for the global nuclear fuel industry, as well as sustainably developing our uranium deposits and their value chain components to create long-term value for all stakeholders."

"In terms of 2022 results, I am proud to confirm that we once again delivered on our guidance. Adjusted Net Profit and adjusted EBITDA almost doubled in 2022 compared to 2021. This is an outstanding achievement. Our production and sales expectations for 2023 remain consistent with our market-centric strategy in accordance with our long-term commitments and improving market fundamentals. Despite the current volatile environment, we expect to deliver on our guidance in 2023 established under our value-focused approach."

"Apart from the financial performance, we at Kazatomprom have a strong commitment to ESG and fully endorse its prominence, which is once again proved by our actions. In 2022, we joined the UN Global Compact, received an above industry average rating from S&P Global, and introduced several cornerstone initiatives within the Company aimed at achieving carbon-neutrality, improving production safety, and enhancing the social well-being of our employees."

"Amidst the unprecedented global economic uncertainty and significant geopolitical developments in 2022, Kazatomprom is well-positioned to benefit from the improving market dynamics and maximize the value for our stakeholders through continued production and sales discipline more than ever."

Key financial metrics

(KZT billion unless noted)	2022	2021	Change
Group's consolidated revenue	1,001.2	691.0	45%
Operating profit	456.0	238.2	91%
Net profit	473.0	220.0	115%
Income from an associate development agreement ¹	7.7	-	100%
Adjusted net profit	465.3	220.0	111%
Earnings per share attributable to owners (basic and diluted), KZT/share ²	1,342	543	147%
Adjusted EBITDA ³	630.9	350.3	80%
Attributable EBITDA ⁴	495.4	276.5	79%
Cash flow from operating activities ⁵	283.9	118.7	139%

¹ The "JV "Katco" LLP participants made amendments to the Partnership Agreement on further development of "JV "Katco" LLP dated 11 August 2022, under which the Group became entitled to compensation in the amount of KZT 7.671 million from the second participant of

"JV "Kato" LLP, which was recognized as other income in 2022 and other receivables.

² Calculated as: Profit for the year attributable to owners of the Company divided by Total share capital, rounded to the nearest KZT.

³ 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.

⁴ 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.

⁵ Includes income tax and interest paid

Operating and Financial Review and Financial Statements

The Operating and Financial Review, and Audited Consolidated Financial Statements provide detailed explanations of Kazatomprom's results for the year ended 31 December 2022, as compared to the same period in 2021, with guidance for 2023. This press release should be read alongside these documents, all of which are available at www.kazatomprom.kz. All abbreviations, links and references provided below are related to respective abbreviations and sections used in the Operating and Financial Review.

Geopolitical events

During 2022 significant geopolitical events occurred in Kazakhstan and in Russia/Ukraine. These events have not had a material impact on the Group's operations to date although the resulting market uncertainty has caused significant volatility in the tenge exchange rate and traded price of the Company's securities. Management is unable to predict the consequences or future impacts of these events, if any, on the Group's financial position or operating performance. Management will continue to monitor the potential impact of the above events and will take all necessary steps to mitigate the risks and prevent adverse business impacts.

(a) January 2022 civil unrest in Kazakhstan

On 2 January 2022 protests triggered by a rise in fuel prices began in the Mangistau region of Kazakhstan which spread to other regions in the country. The protestors demanded a number of social, economic and political reforms. Although the Government took measures to respond to these demands, including a decrease in fuel prices, the protests escalated into significant social unrest in Almaty and southern regions of the country.

As a result, on 5 January 2022 a state of emergency was declared until 19 January 2022, and restrictions were imposed on communication and transportation of people and vehicles, including railway and airline carriage.

By the end of January 2022, the situation in all regions of the country stabilised, and the state of emergency was lifted. The functioning of utilities and infrastructure were fully restored, and restrictions on communication and transportation were removed.

(b) Events in Ukraine

On 24 February 2022, the Russian President announced that Russia would recognise independence of the Luhansk People's Republic and Donetsk People's Republic and the Russian military mobilised its troops over the border of Ukraine. As a response to the Russian actions, the United States, the European Union and a number of other countries imposed sanctions against Russia including the disconnection of a number of Russian financial institutions from SWIFT.

In connection with the Russian/Ukraine conflict and its consequences, the Tenge exchange rate began to be more volatile and the annual inflation rate was 20.3% in 2022. To date, the National Bank of the Republic of Kazakhstan has taken a number of measures to maintain the stability of the Kazakhstan financial system.

The Group's financial position and results are currently unaffected by the events in Ukraine. The majority of Group revenues is earned in US dollars and funding is also raised in US dollars, creating a natural hedging effect on foreign exchange risk. Accordingly, fluctuations in the exchange rate of the national currency do not have a significant impact on the financial performance of the Group.

Due to active international sanctions processes against Russian banks, including Sberbank, VTB Bank and other organisations, it is inappropriate for the Group to service or interact with these banks and their subsidiaries. The Group has taken measures to redistribute funds to banks that are not under current sanctions.

The Group has a Uranium Processing Agreement with the Uranium Enrichment Center (UEC) (a resident of the Russian Federation). At the date of the financial statements, the Group anticipates that provision of services under this agreement will continue. A high-priority risk analysis is being carried out on a continuous basis with respect to compliance with the sanctions.

Some of the Group's exported products are transported through the Russian Federation and, accordingly, there are risks associated with the transit through the territory of Russia, shipping insurance, and the delivery of cargo by sea vessels. The Group constantly monitors the situation with sanctions against Russia and the potential impact on the transportation of finished products. At the date of financial statements, there are no restrictions on the Group's activities related to the supply of the Group's products to end customers.

The Group's exported products are transported through Russia which creates risks associated with both transit through the territory of Russia and the delivery of cargo by sea vessels. Logistical constraints could also increase import costs. The Group constantly monitors the potential impact of sanctions on the transportation of finished products. At the date of Financial Statements, there are no restrictions on the Group's activities related to the supply of the Group's products to end customers. Kazatomprom also has permission to transit uranium through the Trans-Caspian International Transport Route (TITR), which Kazatomprom has successfully used as an alternative route since 2018 to help mitigate the risk of the primary route being unavailable, for any reason.

As part of its ongoing risk assessment program, management is reviewing the impact of anti-Russian sanctions on the Group's operations. To date, the sanctions have not had a significant impact on the Group's operations, although the resulting market uncertainty caused by the conflict between Russia and Ukraine has led to significant volatility in the spot uranium price, the exchange rate of the national currency and the quotations of the Company's securities. During 2022, the Company experienced some difficulties with certain bank payments, but these were resolved in January 2023.

Management update

In March 2022, Mr. Aslan Bulekbay, Kazatomprom's Chief Operating Officer (COO), has decided to pursue other opportunities and resigned from his position.

In September 2022 the Company's Board of Directors approved the appointment of Mr. Yerzhan Mukanov as Chief Executive Officer (CEO) and Chair of Kazatomprom's Management Board. Mr. Mukanov had been acting CEO since July after Mr. Mazhit Sharipov departed from his position in the Company.

Ruslan Beketayev and Alisher Taizhanov joined the executive team as CFO and CCO respectively in the beginning of the 2023, after Mrs. Kamila Syzdykova and Mr. Askar Batyrbayev have decided to leave their roles in the Company at the end of 2022.

ESG at Kazatomprom

As the world's largest uranium mining company and a nuclear industry leader, Kazatomprom recognizes its role in the sustainable development and its potential impact on the environment, regulation and people in the areas of

the sustainable development and its potential impact on the environment, population and people in the areas of presence. Therefore, sustainable development represents a crucial part of the Group's Development Strategy and by extension, ESG-related targets and objectives are integral to the Company's plans, including:

- Reducing the environmental impact of subsidiaries, associates and joint ventures;
- Environmental protection, including effective water and land resources management, ecosystem and biodiversity conservation, and the reduction of emissions;
- Ensuring resources are extracted in a way and at a rate that minimizes subsoil impact;
- Progress in production, energy and resource efficiency
- Growth of socio-economic prosperity in the regions where the Company operates; and
- Facilitation of access to affordable, reliable, sustainable and modern energy sources, and enhancement of energy security.

Kazatomprom continually fosters and advances its management of sustainable development and integration of ESG principles in core business areas and processes. As part of the Corporate Policy on sustainable development, the Company is focused on nine key sustainable development areas, delineated based on an analysis of core ESG risks facing the business. Active engagement with stakeholders aims to define and prioritize the various ecological, social and government issues that are most impacted by the Company's activities.

Kazatomprom recognizes and accepts responsibility in designing the foundations for a sustainable future and support the Global 2030 Sustainable Development agenda.

ESG Updates in 2022

In December 2022, the international rating agency S&P Global Ratings ("the Agency") assigned Kazatomprom its first independent ESG rating at a score of 51 (the global average score for the mining sector is 50). The Agency's assessment was based upon an in-depth analysis of Kazatomprom's exposure to mining, environmental and social risks. The Agency noted Kazatomprom's contribution to the global efforts in achieving decarbonization, highlighted the effective management of ESG-related risks. Moreover, according to Agency's assessment, compared to global peers Kazatomprom is relatively better positioned due to the environmentally friendly and progressive uranium mining method (ISR) and KAP's HSE risk management practice is in line with the world's leading practices. Noteworthy, Kazatomprom's disclosure practices are rated as "strong" by the Agency.

The current ESG assessment is the result of dedicated joint efforts performed by both Kazatomprom and its subsidiaries, aiming at maturing their practices, including sustainable development-oriented practices.

Health, safety and environment (HSE) results

Health, safety, and environmental protection, including nuclear and radiation safety, are priorities for the Company. The Company is continuously improving the management system of its industrial HSE programs as it strives to a goal of zero injuries.

The Company conducts its production activities in compliance with both Kazakh and international requirements for labour protection and industrial safety, implementing comprehensive measures to prevent incidents and accidents. Health and safety management systems that meet international standards (ISO 45001) have been implemented and annually confirmed by results of external audit, and the Company carries out systematic work to improve the safety culture among employees and managers at all levels.

The measures undertaken in 2022 to enhance the focus on safety awareness helped to prevent major industrial accidents (including uncontrolled explosions, emissions of dangerous substances or destruction of buildings) at Kazatomprom's enterprises. In 2022, Kazatomprom and its enterprises spent more than KZT 8.08 billion (in 2021: KZT 8.29 billion) within its occupational health and safety programs. The table below reflects the safety results of 2022 and 2021:

Indicator	2022	2021	Change
Industrial accidents ¹	-	-	-
LTIFR (per million man-hours) ²	0.11	0.55	(80%)
Unsafe conditions, unsafe actions, near-miss reporting	36,913	44,271	(17%)
Number of accidents ³	3	9	(67%)
Fatalities	1	2	(50%)

¹ Defined as uncontrolled explosions, emissions of dangerous substances, or destruction of buildings.

² Lost-Time Injury Frequency Rate (LTIFR) per million hours.

³ 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.

Notwithstanding the continuing actions taken to improve workplace health and safety, three accidents occurred in 2022. The accidents included: one case of cut injury on hand, one case of road accident and one case resulting from the impact of a moving object. The fatal case occurred as a result of a road accident.

Following each accident, thorough investigations were completed, the main causes were identified, preventative measures were developed and procedures were changed to prevent similar incidents in the future. The investigation results were reported to other Group entities to ensure all operations could learn from the event and adjust their processes accordingly. The Company will continue working to increase the level of involvement and awareness of employees in industrial safety.

Revenue, net profit, EBITDA

The Group's consolidated revenue was KZT 1,001,171 million in 2022, an increase of 45% compared to 2021, primarily due to an increase in the average realized price associated with an increase in the spot price for U₃O₈ and the weakening of KZT against USD in 2022, whereas U₃O₈ sales volume was comparable to 2021 (see Section 6.3.2 Uranium segment production and sales metrics). An increase in overall revenue includes an increase in revenues from UMP segment (see Section 6.4 UMP Segment and Note 7 "Segment Information" in Financial Statements) by KZT 61,179 million including revenues from external segments.

Operating profit in 2022 was KZT 455,962 million, an increase of 91% compared to 2021. The increase was mainly due to an increase in average realized price of uranium sold.

Net profit in 2022 was KZT 472,963 million, an increase of 115% compared to 2021 and the percentage increase is consistent with the increase in the operating profit in 2022. Adjusted net profit for 2022 was KZT 465,292 million, an increase of 111% compared to 2021, which is also due to the increase in the operating profit in 2022. In 2022 the "JV "Katco" LLP participants made amendments to the Partnership Agreement on further development of "JV "Katco" LLP dated 11 August 2022, under which the Group became entitled to compensation in the amount of KZT 7,671 million from the second participant of "JV "Katco" LLP, which was recognized as other income, which is considered as a one-time effect.

Profit for the period attributable to non-controlling interest increased significantly in 2022 compared to 2021, impacted by the sale of a 49% share of "Ortalyk" LLP in July 2021 in addition to the explanations stated above. In 2021, the Company sold 49% of its interest in "Ortalyk" LLP, while Kazatomprom retains a controlling 51% interest, according to which, under IFRS, the financial effect of this transaction is reflected in the Financial Statements in cash flows (see Section 9.4.3 Cash Flows from financing activities) and equity.

Adjusted EBITDA comprised KZT 630,898 million in 2022, an increase of 80% compared to 2021 due to a higher

operating profit. Attributable EBITDA was KZT 495,357 million in 2022, an increase of 19% compared to 2021 mainly due to the higher operating profit, as well as an increase in the EBITDA of JVs and associates. Also, starting from 2022 and until the end of "JV "Katco" LLP operations, according to amendments to the Partnership Agreement of the entity, the Group also became entitled to an additional 11% of the "JV "Katco" LLP annual profit allocation, with the ownership interest being unchanged. This additional 11% impacts the allocation of "JV "Katco" LLP dividends, therefore, in the financial statements the Group recognized a share in the results of the "JV "Katco" LLP for 2022 in the amount of 60%. Net assets are still recognized as 49% in accordance with the participants' initial agreement.

Operating cash flows in 2022 totalled KZT 283,859 million, a significant increase compared to 2021 mainly due to:

- a KZT 433,508 million increase in cash receipts from customers during 2022 compared to 2021, mainly due to growth in the average realized price associated with an increase in the market spot price for U₃O₈ and the weakening of the KZT against the USD;
- offset by a KZT 188,775 million increase in payments for accounts payable to suppliers during 2022, mostly due to the weakening of the KZT against the USD and an increase in the market spot price for U₃O₈ ;
- a KZT 29,706 million increase in 2022 inflows from VAT refunds from the budget.
- a KZT 38,377 million increase in other taxes paid mostly due to the increase in VAT expense arising from increased volume of intra-group sales in Kazakhstan (see Section 5.4 Taxation and Mineral Extraction Tax ("MET"));
- a KZT 28,167 million increase in income tax paid due to the increase in profit before tax (see Section 6.9 Profit before tax and tax expense);
- payments as part of operating cash flows include: payment held as restricted funds in amount KZT 14,812 million paid to a supplier earlier in the year whose bank account was subsequently included in the list of legal entities that fell under U.S. Department of the Treasury Office of Foreign Assets Control (OFAC) sanctions, the correspondent bank which initially erroneously blocked the payment returned funds in January, 2023 in full with interest; compensation paid under subsoil use agreement by JV Akbastau JSC in amount KZT 7,310 million for 249 tonnes of overproduced uranium based on current uranium spot prices.

Cost of sales

Cost of sales totalled KZT 475,097 million in 2022, an increase of 18% compared to 2021.

The cost of materials and supplies was KZT 261,825 million in 2022, an increase of 8% compared to 2021 due to increase in the purchase price of materials and supplies as a result of an increased inflationary pressure. In 2022 the purchase price of uranium from JVs and associates, as well as from third parties was higher than in 2021 caused by an increase in the spot price for U₃O₈ and the weakening of KZT against USD in 2022. When such uranium is sold, the cost of sales is predominantly represented by the cost of purchased uranium (accounted in materials and supplies) at the prevailing spot price with certain applicable discounts.

Distribution expenses

Distribution expenses totalled KZT 25,605 million in 2022 and significantly increased compared to 2021. The increase was mainly due to changes in the delivery destination points for uranium products (see Section 3.2 Sales), an increase in transportation tariffs as well as by using the TTR and the weakening of the KZT against the USD, as a significant portion of shipping, transportation and storing expenses are denominated in foreign currency.

General & administrative expenses (G&A)

In comparison to 2021 G&A expenses increased due in part to a compensation liability to tax authority of Republic of Kazakhstan in the amount of KZT 7,310 million for overproduction by JV Akbastau JSC compared to its approved subsoil use agreement for 249 tonnes of uranium, as well as an increase in payroll costs.

Liquidity

The Group manages its liquidity requirements to ensure the continued availability of cash sufficient to meet its obligations on time, avoid unacceptable losses, and settle its financial obligations without jeopardizing its reputation.

(KZT million)	2022	2021	Change
Cash and cash equivalents	169,536	161,190	5%
Current term deposit (deemed as cash equivalent)	930	43,220	(98%)
Total cash	170,466	204,410	(17%)
Undrawn borrowing facilities	84,665	177,902	(52%)

Total cash at 31 December 2022 comprised KZT 170,466 million, compared to KZT 204,410 million at 31 December 2021, due to explanations that are presented below in the Section 9.4 Cash Flows.

Undrawn borrowing facilities are the revolving corporate credit lines available to the Group and are considered as an additional short-term liquidity source to cover temporary cash deficit related to uneven receipts of trade receivables.

As of December 31, 2022, the Group's fully available revolving credit lines comprised a total of USD 235 million, out of which USD 183 million were available for use (as at 31 December 2021 available credit lines totalled USD 412 million). The decrease is primarily related to the closure of unused credit lines.

In October 2022, the Company's Board of Directors approved four issues of the unsecured commercial bonds totalling USD 200 million on the Kazakhstan Stock Exchange JSC (KASE). The interest rate (coupon) is fixed for each bond issue and determined as the Secured Overnight Financing Rate (SOFR) published on the official website of Federal Reserve Bank of New York five business days prior to the date of the first auction in the trading system of KASE.

Subsequently, in December 2022 the Company placed the first out of four issues of commercial bonds with nominal value of USD 50 million, interest rate (coupon) of 4.32% and maturity of 30 calendar days. The bonds were redeemed on 23 January 2023 with a payment in the amount USD 50.18 million, including a coupon amount of USD 0.18 million. Yield to maturity of the bonds comprised 4.6%.

Debt leverage ratios

The following table summarises the key ratios used by the Company's management to measure financial stability in 2022 and 2021. Management targets a net debt to adjusted EBITDA of less than 1.0.

(KZT million)	2022	2021	Change
Total debt (excluding guarantees)	138,444	89,308	55%
Total cash balances (see Section 9.1)	(170,466)	(204,410)	(17%)
Net debt	(32,022)	(115,102)	(72%)
Adjusted EBITDA* (see Section 6.0)	630,898	350,294	80%
Net debt / Adjusted EBITDA (coefficient)	(0.05)	(0.33)	(85%)

*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.

Uranium segment production and sales metrics

		2022	2021	Change
Production volume of U ₃ O ₈ (100% basis)	tU	21,227	21,819	(3%)
Production volume of U ₃ O ₈ (attributable basis) ¹	tU	11,373	11,858	(4%)
U ₃ O ₈ sales volume (consolidated)	tU	16,358	16,526	(1%)
Including KAP U ₃ O ₈ sales volume ^{2, 3}	tU	13,572	13,586	(0%)
Group inventory of finished goods (U ₃ O ₈)	tU	9,352	8,824	6%
Including KAP inventory of finished goods (U ₃ O ₈) ⁴	tU	7,749	7,724	0%
Group average realized price	KZT/kg	52,051	36,677	42%
Group average realized price	USD/lb	43.44	33.11	31%
KAP average realized price ⁵	USD/lb	42.50	32.33	31%
Average weekly spot price	USD/lb	49.61	35.05	42%
Average month-end spot price ⁶	USD/lb	49.81	35.28	41%

¹ The Production volumes of U₃O₈ (attributable basis) is not equal to the volumes purchased by Company and THK.

² KAP U₃O₈ sales volume (incl. in Group): includes only the total external sales of KAP HQ and THK. Intercompany transactions between KAP HQ and THK are not included.

³ Group sales volume and KAP sales volume (incl. in Group) does not include approximately 32 tU equivalent sold as UF₆ in 2Q22 and 225 tU equivalent sold as UF₆ in 4Q21.

⁴ KAP inventory of finished goods (incl. in Group): includes the inventories of KAP HQ and THK.

⁵ KAP average realized price: the weighted average price per pound for the total external sales of KAP and THK. The pricing of intercompany transactions between KAP and THK are not included.

⁶ 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, as contract price terms generally refer to a month-end price.

All annual operational and sales results in the uranium segment were in line with the updated guidance provided for 2022, which was adjusted in the Company's Third Quarter 2022 Operations and Trading Update.

Production volumes on a 100% basis and attributable basis for both fourth quarter of 2022 and throughout 2022 were slightly lower compared to 2021, as the COVID-19 pandemic had an impact on wellfield development in 2021. This had a lagged effect on production in 2022, it usually takes from eight to ten months between wellfield development and the resulting uranium extraction by in-situ recovery. As a consequence delays and/or limited access to certain materials and equipment in 2021, resulted in lower production in 2022 compared to the same period in 2021. Additionally, attributable production was impacted by the sale of a 49% share of "Ortalyk" LLP to CGN Mining UK Limited in July 2021.

Uranium sales at the Group and KAP levels in 2022 were on the same level as in 2021. Shipments through the TITR (that included the JV Inkai-owned portion of material) were successfully delivered in 2022.

Consolidated Group inventory of finished U₃O₈ products amounted to 9,352 tonnes as at 31 December 2022, which was 6% higher than at 31 December 2021. At the Company level, inventory of finished U₃O₈ products was 7,749 tonnes and were comparable to 2021. Consistent with the Company's value strategy, Kazatomprom's inventory levels vary based on the timing of customer requirements and the resulting differences in the timing of deliveries and mining and sales volumes, in alignment with changing market conditions.

The Group's average realized price in KZT in the 2022 was KZT 52,051 per kg (43.44 USD/lb), an increase of 42% compared to 2021 due to an increase in the average spot price for uranium products, and the weakening of the KZT against the USD. The average sales prices at the KAP level were also higher and for the same reasons.

The Company's current overall contract portfolio price is correlated to uranium spot prices (see Section 12.1 Uranium sales price sensitivity analysis). However, the increase in average realized prices in 2022 was lower than the increase in the spot market price for uranium due to the spot price volatility in the uranium market in 2022 and 2021: low of 42.48 USD/lb and high of 63.75 USD/lb (2021: low of 27.35 USD/lb and high of 50.38 USD/lb). For short-term deliveries to end-user utilities, the spot price can vary between the time contract pricing is established according to Kazakh transfer pricing regulations, and the spot price in the general market when the actual delivery takes place. The impact of market volatility during the time lag between price-setting and delivery becomes more pronounced as volatility increases, in both rising and falling market conditions. In addition, some long-term contracts incorporated a proportion of fixed pricing negotiated prior to the sharp increase in spot price in the second half of 2021. As a result, increases in both the Group and KAP's average realised prices in 2022 compared to 2021 were lower than the increases in the spot market price for uranium over the same intervals.

Uranium segment costs and capital expenditures

(KZT million unless noted)		2022	2021	Change
C1 Cash cost (attributable basis)	USD/lb	10.25	8.80	16%
Capital cost (attributable basis)	USD/lb	5.94	3.83	55%
All-in sustaining cash cost (attributable C1 + capital cost)	USD/lb	16.19	12.63	28%
Capital expenditures of mining companies (100% basis) ¹		146,499	91,087	61%

¹ Excludes liquidation funds and closure costs.

Compared to 2021, in 2022 C1 Cash cost (attributable) increased by 16% mainly due to a payroll increase of production personnel and an increase in the cost of materials driven by inflationary pressure. All-in-sustaining cash costs ("AISC") (attributable C1 + capital cost) increased by 28% in USD equivalent in 2022 due to an increase in capital expenditures of mining companies (see section 7.0 CAPITAL EXPENDITURES REVIEW). The results were within the guidance ranges provided for 2022 (guidance of US\$9.50 - 11.00 for attributable C1 cash cost, US\$16.00 - 17.50 for AISC).

Capital expenditures of mining companies (100% basis) comprised KZT 146,499 million, an increase of 61% compared to 2021, primarily due to a shift in wellfield development activities, as well as higher purchase prices for materials, supplies, equipment and cost of drilling.

Kazatomprom's 2023 Guidance

	2023	2022
	470 KZT/1USD	460.85 KZT/1USD
Production volume U ₃ O ₈ , (tU) (100% basis) ^{1, 2}	20,500 - 21,500 ²	21,227
Production volume U ₃ O ₈ , (tU) (attributable basis) ³	10,600 - 11,200 ²	11,373
Group sales volume, (tU) (consolidated) ⁴	15,400 - 15,900	16,358
Incl. KAP sales volume (included in Group sales volume), (tU) ⁵	12,100 - 12,600	13,572
Revenue - consolidated, (KZT billions) ⁶	1,080 - 1,090	1,001

Revenue from Group U ₃ O ₈ sales, (KZT billions) ⁶	820 - 840	851
C1 cash cost (attributable basis) (USD/lb)*	\$12.00 - \$13.50	\$10.25
All-in sustaining cash cost (attributable C1 + capital cost) (USD/lb)*	\$20.00 - \$21.50	\$16.19
Total capital expenditures (KZT billions) (100% basis) ⁷	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 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 Group sales volume: includes Kazatomprom's sales and those of its consolidated subsidiaries.

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, including 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.

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

Kazatomprom's production expectations for 2023 remain consistent with its market-centric strategy and the intention to flex down planned production volumes by 20% for 2018 through 2023 (versus planned production levels under Subsoil Use Agreements). Production volume in 2023 is expected to be between 20,500 tU and 21,500 tU on a 100% basis and between 10,900 tU to 11,500 tU on an attributable basis. The decrease in production guidance for 2023 in comparison to 2022 is mainly due to continued delays and/or limited access to certain key materials, including sulfuric acid, and equipment impacting the wellfield commissioning schedule in 2022.

Sales volume guidance for 2023 is aligned with the Company's market-centric strategy as well. The Group expects to sell between 15,400 tU and 15,900 tU, which includes KAP sales of between 12,100 tU and 12,600 tU. The decrease in U₃O₈ sales volume guidance for 2023 in comparison to 2022 both at the Group and KAP levels is due to the expected lower production and higher sales in forms other than U₃O₈, including but not limited to fuel pellets produced from KAP's U₃O₈.

Revenue, C1 cash cost (attributable basis) and All-in Sustaining cash cost (attributable C1 + capital cost) may vary from the guidance provided if the KZT to USD exchange rate fluctuates significantly during 2023. Ranges for C1 cash cost (attributable basis) and All-in Sustaining cash cost (attributable C1 + capital cost) remained flat to reflect the uncertainty in the current geopolitical situation and widening offsetting effects of current KZT devaluation and potential inflationary impacts (see Section 1.2 Geopolitical events). Guidance will be updated if the recent fluctuations and geopolitical uncertainties persist throughout 2023.

Wellfield development, procurement and supply chain issues, including inflationary pressure on production materials and reagents, are expected to continue throughout 2023, impacting the Company's financial metrics and giving rise to an expectation that C1 cash cost and All-in Sustaining cash cost will be higher in 2023 than in 2022. Changes to the tax code of the Republic of Kazakhstan on Mineral Extraction Tax, which came into effect in 2023, will have an additional impact on the Company's financial performance. The expenditures related to the local social funding requests are possible as well. However, these risks cannot be quantified or estimated at this time.

Total capital expenditures on 100% basis guidance for 2023 increased significantly in comparison to 2022 results to cover the shift in wellfield development activities (see Section 7.0 CAPITAL EXPENDITURES REVIEW), increase in purchase prices for materials, supplies, equipment and cost of drilling, as well as increasing of 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 Company continues to target an ongoing inventory level of approximately six to seven months of annual attributable production. The Company may purchase uranium from the spot market, while continuing to monitor market conditions for opportunities to optimise its inventory.

Conference Call Reminder - 2022 Full-Year Operating and Financial Review

Kazatomprom has scheduled a conference call to discuss the 2022 year operating and financial results later today, 17 March 2023. The call will begin at 17:00 (Astana) / 11:00 (GMT) / 07:00 (ET). Following Management remarks, an interactive English Q&A session will be held with investors (remarks in Russian/English, with a simultaneous Russian translation of the Q&A available on a listen-only line).

For the **English** live **webcast** (participants on the webcast can submit questions during the event), **conference call dial-in details** and for information on how to participate in the Q&A, please visit:

<https://www.scgissuerservices.com/spark/JSCNationalAtomicCoKazatomprom/events/40370bbb-481b-40a3-abbc-ae59a58aee2e>

For the **Russian** live **webcast** (participants on the webcast can also submit questions during the event, after English Q&A session ends) and corresponding **dial-in details**, please visit:

<https://www.scgissuerservices.com/spark/JSCNationalAtomicCoKazatomprom/events/1c2c2682-cb47-4f97-8941-79402d232fc7>

A recording of the webcast will also be available at www.kazatomprom.kz shortly after it concludes.

For further information, please contact:

Kazatomprom Investor Relations Inquiries

Yerlan Magzumov, Director of Investor Relations
Tel: +7 (7172) 45 81 80
Email: ir@kazatomprom.kz

Kazatomprom Public Relations and Media Inquiries

Sabina Kumurbekova, Director, Government and Public Relations
Gazhaiy Kumisbek, Chief Expert, Government and Public Relations
Tel: +7 (7172) 45 80 63
Email: pr@kazatomprom.kz

About Kazatomprom

Kazatomprom is the world's largest producer of uranium, with the Company's attributable production representing

Kazatomprom is the world's largest producer of uranium, with the Company's attributable production representing approximately 24% of global primary uranium production in 2021. 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 extract uranium using ISR technology with a focus on maintaining industry-leading health, safety and environment standards.

Kazatomprom securities are listed on the London Stock Exchange, Astana International Exchange, and Kazakhstan Stock 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 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.

This information is provided by RNS, the news service of the London Stock Exchange. RNS is approved by the Financial Conduct Authority to act as a Primary Information Provider in the United Kingdom. Terms and conditions relating to the use and distribution of this information may apply. For further information, please contact rs@seg.com or visit www.ms.com.

RNS may use your IP address to confirm compliance with the terms and conditions, to analyse how you engage with the information contained in this communication, and to share such analysis on an anonymised basis with others as part of our commercial services. For further information about how RNS and the London Stock Exchange use the personal data you provide us, please see our [Privacy Policy](#).

END

ACSSFLSMWEDSEID