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Kazatomprom 1H24 Financial Results and 2025 Production Plan Update

National Atomic Company "Kazatomprom" JSC ("Kazatomprom", "KAP" or "the Company") announces its consolidated financial results for six months ended 30 June 2024, prepared in accordance with International Financial Reporting Standards (IFRS). The Company also informs about adjustments to its initial 2025 production intentions, Chief Financial Officer change and other important developments.

"The growing importance of nuclear energy has now become an integral part of the global green energy policy. This shift significantly bolsters the uranium market fundamentals, which are now stronger than ever. As the world's largest producer and seller of natural uranium, we at Kazatomprom fully recognize the vital role we play in supporting the global transition away from fossil fuels. We remain committed to delivering long-term value to all our stakeholders," said Meirzhan Yussupov, CEO of Kazatomprom.

"In light of this, Kazatomprom's recent news about receiving a pilot production license for Inkai 3 block and an exploration license for the East Zhalpak block, as well as the extension of the exploration period at Inkai 2, demonstrate strategic moves aimed at addressing potential supply and demand imbalances.

"Amid our continued success in long-term contracting activity, Kazatomprom had initially intended to ramp up its 2025 production to a 100% of Subsoil Use Agreement levels. However, the uncertainty around the sulphuric acid supplies for 2025 needs and delays in the construction works at the newly developed deposits resulted in a need to re-evaluate our 2025 plans. Despite 2025 production plan adjustments, Kazatomprom remains steadfast in fulfilling its existing 2025 sales commitments, having maintained an unblemished record of delivery over its 27-year history.

"Speaking about our performance, the Company demonstrated robust financial results for the first half of 2024, which continue to reflect strong fundamental factors of nuclear industry. Our revenue increased by 13% and net profit showed 27% growth to 283 billion tenge. Following an increase of production volume guidance for 2024 earlier this month, I need to highlight a noticeable increase in our costs, partially driven by an increase in MET tax expenses and the cost of sulphuric acid.

"Uranium industry in Kazakhstan have been historically enjoying a much more favourable tax framework compared to other extracting industries in Kazakhstan and in other jurisdictions. Despite inevitable tax changes we feel positive to remain a global leader in terms of production cost and scale. This adds confidence in our ability to meet utilities' needs in diversifying their supply sources, and we are proud to be succeeding in securing a strong presence in a new up-trending cycle of long-term contracting activity," concluded Mr. Yussupov.

Corporate Update

Changes in Subsoil Use Agreements

The Company has highlighted several times that certain uranium mining entities are facing challenges related to delays in completing construction works at the newly developed deposits. The Company has also warned that these entities face the potential challenge of descending beneath the threshold of minus 20% (in relation to the stipulations of the Subsoil Use Agreements). As was noted, such risk is primarily attributed to delays in the construction of surface facilities and infrastructure. These delays, in turn, are a consequence of the extended timelines required for the development and subsequent approval of project design documentation.

Both factors resulted in a significant shift in the production schedules at the newly established deposits. As a result, corresponding Subsoil Use levels for production volumes at the newly established deposits are expected to be decreased in order to comply with production volume obligations under the Subsoil Use Agreements.

The Company expects that JV Budenovskoye LLP and Appak LLP will introduce changes to their current Subsoil Use Agreements that are subject to approval of governmental bodies. If approved, adjusted production levels will be reflected in the next CPR. The changes are adjusting mining works schedule to actual production plans resulting from delays in construction of ground infrastructure:

- for JV Budenovskoye LLP: 2024 - 500 tonnes (currently - 2,500 tonnes), 2025 - 1,300 tonnes (currently - 4,000 tonnes), 2026 - 3,750 tonnes (currently - 6,000 tonnes), nameplate capacity of 6,000 tonnes now expected no earlier than 2027;
- for Appak LLP: annual mining capacity - 800 tonnes (currently - 1,000 tonnes).

Semizbay-U LLP and Baiken-U LLP signed addendums to corresponding Subsoil Use Agreements that include production schedule adjustments in order to match the actual production results. Semizbay-U LLP's Addendum also extends the duration of Semizbay-U LLP's Subsoil Use Agreement until 31 December 2030.

On 30 April 2024, JV KATCO LLP signed Amendment 12 to the Subsoil Use Agreement with the Ministry of Energy of the Republic of Kazakhstan, which updates the production schedule for 2024 to 2,500 tonnes (currently - 3,400 tonnes) and expects a return to the production level of 4,000 tonnes of uranium per year no earlier than 2026.

2025 Production Plan Update

Kazatomprom has previously warned that if limited access to sulphuric acid continues throughout this year, and should the Company not succeed in catching up with the construction works schedule at the newly developed deposits in 2024, Kazatomprom's 2025 production plan may also be affected. The Company is now adjusting its initial intentions for 2025 production volumes of 30,500 - 31,500 tU (100% basis). Kazatomprom's 2025 production is now expected to be between 25,000 and 26,500 tU (100% basis), an approximately 12% growth compared to its 2024 guidance.

A significant portion of the adjusted 2025 production is attributed to JV Budenovskoye LLP's production delays as specified above. JV Budenovskoye LLP's 2025 production is expected at 1,300 tU instead of the previously approved 4,000 tU (more than a 65% decrease).

Continuing uncertainty in relation to sulphuric acid supplies for 2025 has significantly impacted the Company's 2025 production plans. Due to different geological features of the deposits, consequences of 2023-2024 sulphuric acid deficit have a different degree of impact on uranium mining entities and their production rates. While all uranium-mining entities are supplied with acid volumes equally proportioned to their requirements (to minimize the risk of harm to the uranium mining process and geological structure of the deposit), depending on the geological structure of the deposits, the same amount of undersupply of sulphuric acid to different blocks can have varying effects on production rates.

As a result, it is expected that in 2025 mining entities will have different percentage rate decreases compared to the levels stipulated in the Subsoil Use Agreements within the acceptable 20% deviation. If changes to Subsoil Use Agreements of certain mining entities as specified above are approved and corresponding Ammendments to Subsoil Use Agreements are signed, these entities are expected to result in producing at 100% level of their revised Subsoil Use Agreements.

Kazatomprom remains committed to its 2025 contractual obligations to all existing clients. The Company has a comfortable level of inventories to fulfil its existing contractual commitments in 2025 and will persist in ensuring the availability of essential inventory levels, thereby ensuring its capability to fulfil delivery commitments while optimising resource utilisation. Additionally, the Company usually reserves a segment of its annual production as uncommitted. This approach enables us to capitalize on emerging opportunities and adapt to fluctuations in the market landscape. This strategic approach enables the Company to mitigate risks effectively and uphold our contractual obligations to clients, even amidst production-related challenges.

Taking into consideration high level of uncertainties related to the sulphuric acid supply and construction delay challenges, no decision has been taken regarding mine development activity and production volumes for 2026 and beyond. In order to improve the forecast quality, the Company expects its 2026 productions plans to be announced not earlier than a year from now as part of the 2025 half-year financial results disclosure.

Management changes - Chief Financial Officer

Sultan Temirbayev, Chief Financial Officer and member of the Management Board of Kazatomprom, decided to resign from his role effective 19 August 2024. Mr. Temirbayev has held the Chief Financial Officer position since August 2023.

Marat Tulebayev is expected to be appointed as CFO of Kazatomprom subject to corporate approval procedures. Mr. Tulebayev brings 18 years of extensive experience to his new role, including 10 years in various positions at Kazatomprom. He served as the Director of the Corporate Governance Department from 2014 to 2017, prior to becoming the Director of Economics and Budgeting Department in 2017, preparing the Company to the IPO and playing a crucial role in the process. Mr. Tulebayev left the Company in 2019 with his most recent role being the CEO of Kazakhstan Investment Development Fund. His expertise, knowledge and skills shall serve to the best interests of our shareholders and the Company.

Mineral Extraction Tax

As previously disclosed, on 1 July 2024, the Government of the Republic of Kazakhstan introduced amendments to the Tax Code of the Republic of Kazakhstan, which include changes to the MET rate on uranium. Starting from 1 January 2025, the applicable MET rate for uranium will be changed to 9% (only for the year 2025). From 1 January 2026, a differentiated approach will be introduced to calculate the MET rate for uranium, depending on the actual annual production volumes for each subsoil use agreement and price for natural uranium concentrate (U_3O_8).

To understand the potential effect, expected from the MET rate change, the Company has developed a sensitivity analysis of the MET rate for different scenarios of uranium production and prices. The table below is based on production volumes from the current 2026 Subsoil Use Agreements' levels as specified in CPR, and does not account for any potential Subsoil Use Agreement changes specified in Section 1.0 of the Operating and Financial Review until they are approved and reflected in the next CPR.

Average annual spot price ($/lb)	80% of CPR production volume	90% of CPR production volume	100% of CPR production volume
60	8.4%	10.4%	11.7%
70	8.8%	10.8%	12.2%
80	9.2%	11.3%	12.7%
90	9.6%	11.7%	13.2%
100	10.0%	12.2%	13.7%
110	10.4%	12.6%	14.2%

* Calculations are based on data from the CPR report, except for JV Budenoskoye LLP, for which a production level of 3,750 tonnes in 2026 is assumed (compared to 6,000 tonnes in the CPR).

Changes in Kazatomprom's shareholding structure

As of 20 July 2024, subsequent to the reporting period, the off-market transaction between the National Bank of the Republic of Kazakhstan and Samruk-Kazyna JSC on the purchase of Kazatomprom shares to the National Fund of the Republic of Kazakhstan was completed. As a result of this transaction, Samruk-Kazyna's share decreased from 75% to 62.99336549%. According to the shareholder register data maintained by the Central Securities Depository of the Republic of Kazakhstan, the 12.00663451% equity stake sold by Samruk-Kazyna JSC now belongs to the Ministry of Finance of the Republic of Kazakhstan.

Kazatomprom's free float has not been affected and remains at 25% with a dual listing at the London Stock Exchange and Astana International Exchange.

Key financial metrics

(KZT billion unless noted)	Six months ended 30 June 2024	Six months ended 30 June 2023	Change
Group's consolidated revenue	701,1	618,7	13%
Operating profit	226,7	252,5	(10%)
Net profit	283,2	222,3	27%
Earnings per share attributable to owners (basic and diluted), KZT/share[1]	744	695	7%
Adjusted EBITDA[2]	377,01	331,2	14%
Attributable EBITDA[3]	273,9	278,3	(2%)
Operating cash flow[4]	322,3	419,8	(23%)

[1] Calculated as: Profit for the period attributable to owners of the Company divided by Total share capital from Section 9.0 OUTSTANDING SHARES of the Operating and Financial Review, rounded to the nearest KZT.

[2] 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 amortization + Impairment losses - reversal of impairment +/- one-off or unusual transactions.

[3] 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, less non-controlling share of adjusted EBITDA of Appak LLP, JV Inkai LLP, Baiken-U LLP, Ortalyk LLP, JV Khorasan-U LLP and JV Budenovskoye LLP less any changes in the unrealized gain in the Group (in 1H2023 EBITDA of JV Budenovskoye LLP was not included due to its minor effect).

[4] Includes income tax and interest paid.

Operating and Financial Review and Financial Statements

The Operating and Financial Review, and Consolidated Financial Statements (unaudited, reviewed) provide detailed explanations of Kazatomprom's results for the first half-year ended 30 June 2024 with guidance for 2025. This press release should be read alongside these documents, all of which are available at www.kazatomprom.kz.

Changes in the Group structure

In the first half of 2024 the Group completed the following transactions:

- Beginning from 1 January 2024 the Group consolidates JV Budenovskoye LLP as a subsidiary, with the Group's ownership stake remaining unchanged at 51%. The Group is planning to complete the assessment of the fair value of JV Budenovskoye LLP in accordance with IFRS requirements by the end of 2024.
- In early 2024, the Company transferred its 49% stake in TQZ to Kazatomprom-SaUran LLP as part of a restructuring process. In January 2024, a strategic partnership agreement was signed with the Italian company Ballestra S.p.A. for the construction of a new sulphuric acid plant. Kazatomprom-SaUran sold its 60% stake in TQZ to Ballestra's local partner, reducing Kazatomprom's indirect stake in TQZ to 40%.

Revenue, net profit, EBITDA

During the first half of 2024 the Group's consolidated revenue was KZT 701,120 million, an increase of 13% compared to the same period of 2023 (KZT 618,744 million in the first half of 2023). The increase was mainly due to:

- the growth in the average realized price associated with an increase in the market spot price for U_3O_8;
- an increase in revenue from sale of enriched uranium and other uranium products (including fuel pellets and tolling services) related to demand of Ulba-FA LLP for FA production in the first half of 2024.

Operating profit in the first half of 2024 was KZT 226,723 million, a 10% decrease compared to the same period of 2023 (KZT 252,497 million in the first half of 2023), which was mainly due to the growth of cost of sales related to the increase in the cost of purchased uranium resulted from significant rise in the U3O8 spot price.

Net profit in the first half of 2024 increased 27% compared to the same period of 2023 amounting to KZT 283,244 million (KZT 222,333 million in the first half of 2023). Such increase is due to a higher share of net profit from JVs and associates in the first half of 2024 compared to the same period of 2023, which is mainly driven by the rise in the average selling price of these entities associated with an increase in spot prices for U_3O_8, as well as an increase in other incomes as mentioned above.

Adjusted EBITDA totalled KZT 377,013 million in the first half of 2024, an increase of 14% compared to the same period of 2023 (KZT 331,247 million in the first half of 2023). Adjusted EBITDA growth is mainly attributable to an increase in the share of results of JVs and associates.

Attributable EBITDA was KZT 273,902 million in the first half of 2024, a decrease of 2% compared to the same period of 2023 (KZT 278,257 million in the first half of 2023) mainly due to the increase in EBITDA of the mining subsidiaries with non-controlling interest.

Cost of sales

Cost of sales totalled KZT 443,363 million in the first half of 2024, an increase of 38% compared to the same period of 2023 (totalled KZT 320,543 million in the first half of 2023) primarily due to an increase in the cost of uranium purchased from JVs and associates, and uranium produced by consolidated subsidiaries and joint operations.

The cost of materials and supplies was KZT 296,869 million in the first half of 2024, an increase of 53% compared to the same period of 2023 (KZT 194,574 million in the first half of 2023) due to an increase in the cost of sales of uranium purchased from JVs and associates (when such uranium is sold, the cost of sales is predominantly represented by the cost of purchased materials and supplies at the prevailing spot price with certain applicable discounts). The growth of cost of materials and supplies also was due to an increase of purchase price of materials and supplies, including U_3O_8, as a result of increase in the spot prices and inflationary pressure.

Selling expenses

Selling expenses totaled KZT 10,760 million in the first half of 2024, a 20% year-on-year decrease (KZT 13,521 million in the first half of 2023). The decrease was mainly due to the lower sales volumes for six months of 2024 compared to the same period of 2023 which is related to a lower 2024 sales guidance.

General & administrative expenses (G&A)

G&A comprised KZT 20,274 million in the first half of 2024, reflecting a decrease compared to the same period of 2023 (KZT 32,183 million in the first half of 2023). The decrease was primarily due to the fact that the G&A for the first half of 2023 included KZT 11,357 million compensation of MC Ortalyk LLP to the government and the provision for the payment of compensation to the second participant, in the amount of KZT 4,657 million. In the first half of 2024 the Group made financial contribution to regions of the Republic of Kazakhstan that were affected by a natural disaster (floods), in the amount of KZT 3,022 million, recognized as G&A.

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 undermining its reputation.

(KZT million)	As at June 30, 2024	As at December 31, 2023	As at June 30, 2023	Change for six months of 2024
Cash and cash equivalents	152,100	211,912	268,467	(28%)
Current term deposit	17	8	18,947	113%
Total cash	**152,117**	**211,920**	**287,414**	**(28%)**
Undrawn borrowing facilities	116,922	115,004	83,714	(1%)

As at 30 June 2024 total cash and cash equivalents, including current term deposits, amounted to KZT 152,117 million, decreasing by 28% compared to KZT 211,920 million as at 31 December 2023 and lower in comparison to KZT 287,414 million as of 30 June 2023, mainly due to earlier period of the 2023 dividend payment in June 2024. Other explanations are presented below in the Section 7.4 Cash Flows of the Operating and Financial Review.

Undrawn borrowing facilities are the credit lines available to the Group and considered as an additional liquidity source payable within 12 months, primarily used to temporarily cover cash deficits related to uneven receipts of trade receivables. As at 30 June 2024, the total limit on the Group's revolving credit lines comprised a total of KZT 119,279 million (USD 253 million), of which KZT 116,922 million (USD 248 million) were available for use (as at 31 December 2023, the total limit on the Group's revolving credit lines, available in full amounted to a total of KZT 115,004 million (USD 253 million); as at 30 June 2023, the total limit on the Group's revolving credit lines was comprised a total of KZT 106 340 million (USD 235 million), of which KZT 83,714 million (USD 185 million) were available for use).

Debt leverage ratios

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

(KZT million)	As at June 30, 2024	As at December 31, 2023	As at June 30, 2023	Change for six months of 2024
Total debt (excluding guarantees)	131,665	86,377	110,682	52%
Total cash balances[1]	(152,117)	(211,920)	(287,414)	(28%)
Net debt	(20,452)	(125,543)	(176,732)	(84%)
Adjusted EBITDA[2]	874,389	828,623	737,689	6%
Net debt / Adjusted EBITDA (coefficient)	(0.02)	(0.15)	(0.24)	(87%)

Net debt / Adjusted EBITDA (coefficient)	(0.02)	(0.13)	(0.24)	(87%)

1 See Section 7.1 of the Operating and Financial Review.

2 For the purposes of Net debt/Adjusted EBITDA (coefficient) calculation Adjusted EBITDA for the six months 2024 and 2023 was calculated for 12 months (the first half of the reporting period and the second half of the previous period). Adjusted EBITDA is calculated as 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

		Six months ended 30 June		
		2024	**2023**	**Change**
Production volume of U_3O_8 (100% basis)	tU	10,857	10,225	6%
Production volume of U_3O_8 (attributable basis)[1]	tU	5,797	5,411	7%
U_3O_8 sales volume (consolidated)	tU	7,779	9,527	(18%)
Including KAP U_3O_8 sales volume[2,3]	tU	6,717	8,565	(22%)
Group inventory of finished goods (U_3O_8)	tU	6,132	7,644	(20%)
Including KAP inventory of finished goods (U_3O_8)[4]	tU	4,142	6,031	(31%)
Group average realized price	KZT/kg	77,261	55,257	40%
Group average realized price	USD/lb	66.19	47.04	41%
KAP average realized price[5]	USD/lb	62.47	46.63	34%
Average weekly spot price	USD/lb	92.62	52.16	78%
Average month-end spot price[6]	USD/lb	91.10	52.60	73%

1 The Production volumes of U_3O_8 (attributable basis) are not equal to the volumes purchased by KAP headquarters (HQ) in the Section 4.8 Transactions with subsidiaries, JVs, JOs and associates of the Operating and Financial Review.

2 KAP U_3O_8 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. Yet, some part of Group U_3O_8 production goes to the production of EUP, fuel pellets and fuel assemblies (FA) at Ulba-FA LLP.

3 Group sales volume and KAP sales volume (incl. in Group) does not include approximately 1,300 tonnes of natural uranium equivalent which were sent for the processing of EUP in the first half of 2024 for the project of Ulba-FA LLP.

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.

Production on both a 100% basis and an attributable basis was slightly higher in the first half of 2024 compared to the same period in 2023, due to an insignificant increase in both the full year and the first half of 2024 production plan as per the Subsoil Use Agreement requirements in 2024 compared to 2023. An increase in production volume has also resulted from resumption of 2023 drilling works and the Company's efforts on catching up on the production rates. As was previously disclosed, the Company was able to secure necessary volumes of sulphuric acid required for its 2024 production at minus 20% level relative to Subsoil Use Agreements.

In the first half of 2024, both Group and KAP sales volumes were lower compared to the same period in 2023, primarily due to the timing of customer-scheduled deliveries and decrease in total sales plan for 2024 compared to 2023. Sales volumes may vary substantially throughout the year based on variable timing of customer delivery requests during the year, and physical delivery activity.

Consolidated Group inventory of finished U_3O_8 products as at 30 June 2024 amounted to 6,132 tonnes, a 20% year-on-year decrease (7,644 tonnes as at 30 June 2023). At the Kazatomprom HQ and THK level the inventory of finished U_3O_8 products decreased 31% to 4,142 tonnes compared to 6,031 tonnes as at 30 June 2023. The decrease in inventory in the first half of 2024 compared to the previous year was mainly related to the timing of the deliveries requested by our clients. Therefore, the inventory levels may vary during the year.

Average realized price for the first half of 2024 was higher compared to the same period of 2023 due to a higher uranium spot price. The Company's current overall contract portfolio pricing correlates to the uranium spot prices, however deliveries under some long-term contracts in 2024 incorporated a proportion of fixed pricing components, including price ceilings that were negotiated during a comparatively lower price environment. In the uranium market, the trends in quarterly metrics and interim results are rarely representative of annual expectations; for annual expectations, please see the Company's guidance metrics, as well as its price sensitivity table from section 10.1 Uranium sales price sensitivity analysis of the Operating and Financial Review.

Uranium segment costs and capital expenditures

		Six months ended 30 June		
(KZT million unless noted)		**2024**	**2023**	**Change**
C1 Cash cost (attributable basis)	USD/lb	16.80	12.18	38%
Capital cost (attributable basis)	USD/lb	11.26	7.22	56%
All-in sustaining cash cost (attributable C1 + capital cost)	USD/lb	28.06	19.40	45%
Capital expenditures of mining entities (100% basis)[1]		125,906	76,845	64%

1 Excludes liquidation funds and closure costs. Note that in Section 6.0 CAPITAL EXPENDITURES REVIEW of the Operating and Financial Review total results include liquidation funds and closure cost.

ESG Update at Kazatomprom

During the reporting period, in order to further enhance implementation of ESG principles and apply best global sustainable development practices, the Company implemented the activities from the 2023-2024 ESG Roadmap approved by the Company's Board of Directors. Kazatomprom continued its work on the implementation of the Sustainable Development Program for 2023-2030.

In accordance with the Water Resources Management Standard, approved in October 2023 by the Company's Board of Directors, and the distribution of roles and responsibilities for water resources management, the Company developed an action plan to reduce the expenditure and rational use of water resources for subsidiaries and affiliates for 2024 and prepared a report for the first half of 2024.

In accordance with the Law of the Republic of Kazakhstan "On Energy Saving and increase of Energy Efficiency", Kazatomprom takes measures to save energy and improve energy efficiency. The action plan is prepared in accordance with the energy audit conducted every 5 years by an accredited organization. The Company developed an action plan for energy saving and energy efficiency improvement for the subsidiaries and affiliates and prepared a report for the first half of 2024.

The Company continues to improve its disclosure of non-financial information. The Integrated Annual Report of Kazatomprom for 2023 has been prepared in accordance with GRI, SASB and TCFD standards. Also, in the current period, Kazatomprom has prepared a Progress Report for the UN Global Compact, where the Company has been a member since March 2022.

Health, safety and environment (HSE) results

During the first half of 2024, active measures continued in the field of ensuring production safety, resulting in the prevention of major industrial accidents, including uncontrolled explosions, emissions of hazardous substances, building collapses, and fatal occupational injuries at the Company's facilities.

The following table shows key labour protection and industrial safety metrics for of the first half of 2024 and 2023:

	Six months ended 30 June		
Indicator	**2024**	**2023**	**Change**
Industrial accidents[1]	-	-	-
LTIFR (per million man-hours)[2]	0.12	0.31	(61%)
Unsafe conditions, unsafe actions, near-miss reporting	16,931	18,049	(8%)
Number of accidents[3]	2	4	(50%)
Fatalities	-	-	-

[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.

The Group continues to pay significant attention to improving health and safety in the workplace. However, despite the comprehensive measures taken during the first half of 2024, there were two (2) accidents in which two (2) employees were injured. Both two accidents happened because of falling on a slippery surface.

After each accident, thorough special and internal investigations were conducted, identifying the root causes, developing preventive measures, and modifying procedures to prevent the recurrence of similar incidents in the future. The investigation results were communicated to all entities within the Group to ensure learning from the event and appropriately adjusting the processes. The Company will continue its efforts to enhance employee production safety engagement and awareness.

Kazatomprom's updated guidance for 2024

	2024	
	previous guidance (exchange rate USD / KZT 460)	**revised guidance (exchange rate USD / KZT 460)**
Production volume U_3O_8 (tU) (100% basis)[1,2]	21,000 - 22,500[2]	**22,500 - 23,500[2]**
Production volume U_3O_8 (tU) (attributable basis)[3]	10,900 - 11,900[2]	**11,600 - 12,600[2]**
Group U_3O_8 sales volume (tU) (consolidated)[4]	15,500 - 16,500	**15,500 - 16,500**
Incl. KAP U_3O_8 sales volume (incl. in Group) (tU)[5]	11,500 - 12,500	**11,500 - 12,500**
Revenue - consolidated (KZT billions)[6]	1,700 - 1,800	**1,700 - 1,800**
Revenue from Group U_3O_8 sales, (KZT billions)[6]	1,300 - 1,400	**1,300 - 1,400**
C1 cash cost (attributable basis) (USD/lb)*	\$16.50 - \$18.00	**\$16.50 - \$18.00**
All-in sustaining cash cost (attributable C1 + capital cost) (USD/lb)*	\$26.00 - \$27.50	**\$27.00 - \$28.50**
Total capital expenditures of mining entities (KZT billions) (100% basis)[7]	250 - 270	**260 - 280**

[1] Production volume U_3O_8 (tU) (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. Precise actual production volumes remain subject to converter adjustments and adjustments for in-process materia.

[2] The duration and full impact including, but not limited to sanctions pressure due to the Russian-Ukrainian conflict and limited access to some key materials are not known. As a result, annual production volumes may differ from internal expectations.

[3] Production volume U_3O_8 (tU) (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, concluded between participants of the entity. 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). For consistency, Group U_3O_8 sales volumes do not include other forms of uranium products (including, but not limited to the sales of fuel pellets and enriched uranium product (EUP)). Yet, some part of Group U_3O_8 production goes to the production of EUP, fuel pellets and fuel assemblies (FA) at Ulba-FA LLP.

[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 estimates 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 2024 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, includes significant CAPEX for investment and expansion projects. Excludes liquidation funds and closure costs. For 2024 includes development costs for mining infrastructure of JV Budenovskoye LLP, JV KATCO LLP (South Tortkuduk) and MC Ortalyk LLP (Zhalpak) for a total amount of approximately KZT 85 bln.

* For some JVs, the Company has a right to purchase additional volumes beyond its attributable share if the JV partner chooses to forgo its entitled share of production (beyond the production volume attributable to Company).

** For JV Budenovskoye LLP, 100% of the 2024-2026 annual production is fully committed for supplying the needs of the Russian civil nuclear energy industry, under an offtake contract at market-related terms.

*** Please note the conversion of kgU to pounds U_3O_8 is 2.5998.

As previously reported in Kazatomprom's 2Q24 Operations and Trading Update, 2024 full year production guidance on both a 100% and attributable basis was increased as the half year results show that the production rates with which the mining entities are now progressing will result in a higher than initially expected volumes. As was previously disclosed, the Company was able to secure necessary volumes of sulphuric acid required for its 2024 production at minus 20% level relative to Subsoil Use Agreements.

The Company's sales guidance remains unchanged. Uranium expected to be produced as a result of production guidance increase will be used for replenishing the Company's inventories.

The Company is revising its 2024 guidance for total capital expenditures of mining entities (on a 100% basis), as well as for All-in Sustaining cash cost (AISC). The increase is related to the revision of the 2024 production program and the preparation of reserves for 2025, as well as the construction of infrastructure at the newly developed deposits, and the increased volume of well construction. This also includes the rise in costs for drilling and well constructions services.

Revenue, C1 cash cost (attributable basis) and All-in Sustaining cash cost (attributable C1 + capital cost) may vary from the ranges shown, to the extent that the USD/KZT exchange rate and uranium spot price differ significantly from the Company's assumptions.

The Company only intends to update annual guidance in relation to operational factors and internal changes that are within its control. Key assumptions used for external metrics, such as exchange rates and uranium prices, are established using third-party sources during the Company's annual budget process in the previous year; such assumptions will only be updated on an interim basis in exceptional circumstances.

Conference Call Notification - 2024 Half-Year Operating and Financial Review (23 August 2024)

Kazatomprom has scheduled a conference call to discuss its 2024 half-year operating and financial results, after they are released on 23 August 2024. The call will begin at 17:00 (AST) / 13:00 (BST) / 08:00 (EDT). Following management remarks, an interactive English Q&A session will be held with investors.

For the English live webcast registration and conference call dial-in details, please visit:

https://sparklive.lseg.com/JSCNationalAtomicCoKazatomprom/events/5506e4e5-d58a-45c3-917f-af0a8b3cf20c/2024-half-year-operating-and-financial-review-conference-call

For the Russian live webcast registration and corresponding dial-in details, please visit:

https://sparklive.lseg.com/JSCNationalAtomicCoKazatomprom/events/82033459-c7c8-4380-988c-1823d992f4ec/2024

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

Kazatomprom's 2024 Mine Tour

Kazatomprom is pleased to announce the 2024 two-day Mine Tour to the Company's in-situ recovery uranium mines in the South region of Kazakhstan. The mine tour will be held on 1-2 October and is open to interested institutional investors and analysts.

Online registration for the 2024 Mine Tour is now open for interested institutional investors and analysts and can be found on the Company's website www.kazatomprom.kz.

For more information, please contact:

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A copy of this announcement is available at www.kazatomprom.kz.

About Kazatomprom

Kazatomprom is the world's largest producer of uranium, with the Company's attributable production representing approximately 20% of global primary uranium production in 2023. 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 Astana, 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.