19 March 2025, Astana

OPERATING AND FINANCIAL REVIEW FOR 2024

This Operating and Financial Review is intended to assist with the understanding and assessment of trends and significant changes related to the operations and financial position of NAC Kazatomprom JSC ("the Company", "Kazatomprom" or "KAP").

In this document, "the Group" refers to the Company and its consolidated subsidiaries, i.e. companies that the Group 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 the Group has power over another entity.

The Group, with its associates and joint ventures ("JVs"), are collectively referred to as "the Holding".

This review is based on the consolidated financial statements of the Group for the year ended 31 December 2024 ("Financial Statements"), in each case without material adjustment, unless otherwise stated. It should be read in conjunction with those statements and the accompanying notes, in addition to the Kazatomprom 4Q24 Operations and Trading Update, and other Company reports. All financial data and discussions thereof are based upon audited Consolidated Financial Statements prepared in accordance with the International Financial Reporting Standards ("IFRS"), unless otherwise indicated.

The functional currency of Kazatomprom is the national currency of Kazakhstan, the Kazakhstani Tenge ("KZT"). All references to pounds ("lb") herein are referring to pounds of uranium oxide (U_3O_8). References to dollars are referring to the United States dollar ("USD").

Additional information about the Group and its businesses and operations is available in regularly published documents submitted to the Regulatory News Service of the London Stock Exchange ("LSE"), on the Astana International Exchange ("AIX") and on Kazatomprom's corporate website (www.kazatomprom.kz).

This document contains forward-looking information ("FLI"). For more information regarding the risks and assumptions associated with FLI, see the Risks and FLI section at the end of the document.

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1.0 CORPORATE OVERVIEW

Kazatomprom is the world's largest producer of natural uranium, with priority access to one of the world's largest uranium resource bases. According to UxC, LLC ("UxC") data, the Company's attributable uranium production in 2024 accounted for approximately 21% of the total global primary uranium supply. The Holding, which includes all uranium production from Kazakhstan, represented about 39% of the global uranium production volume in 2024.

As the National Atomic Company of the Republic of Kazakhstan, Kazatomprom holds the status of a national operator for the export and import of uranium and its compounds, nuclear power plant fuel, special equipment, and technologies. In 2024, approximately 32,000 tonnes of the world's annual uranium production were extracted using the in-situ recovery ("ISR") method, of which about 73% was produced at the Holding's mines in Kazakhstan.

The Holding operates 14 mining assets with 27 uranium deposits/blocks ("deposits"), all of which are located in Kazakhstan and mined using the ISR mining method, including:

- Two uranium producing subsidiaries, wholly-owned by Kazatomprom (100% share ownership), operating six uranium deposits/blocks;
- Twelve uranium producing companies, partly owned by Kazatomprom (based on equity shareholding), operating 21 uranium deposits/blocks.

At 31 December 2024, the Group's attributable Proved and Probable Ore Reserves totalled 300.3 thousand tonnes of Uranium Metal Content Equivalent ("UME"). Attributable Measured and Indicated Mineral Resources (inclusive of the Mineral Resources categorized as Ore Reserves) totalled 492.9 thousand tonnes of UME. Each category is reported in accordance with the terms and definitions of the Joint Ore Reserves Committee ("JORC") Code. An update letter from the independent consultant on the Mineral Resource and Ore Reserve statements valid as at 31 December 2024 has been published and is now available on the Company's website. A full version of the Competent Person's Report ("CPR") as of 31 December 2024, reflecting changes to Subsoil Use Agreements and production profiles, is now in preparation and expected to be finalized by the end of the first half of 2025, and will be made available accordingly.

Adjustments to Free Cash Flow formula affecting dividends for results of FY2025

As of the date of publication of this report, the Company is making adjustments to the Free Cash Flow (FCF) calculation, which are subject to consideration at the upcoming Annual General Meeting of Shareholders in May of 2025.

The adjustments affect the method for calculating FCF, which is currently calculated using the following formula: FCF = Cash flows from operating activities minus (-) acquisition of fixed assets (FA, including advances) and intangible assets (IA) - acquisition of mine development assets - acquisition of exploration and evaluation assets plus (+) dividends from JVs and associated companies, to be distributed before the annual general meeting of shareholders (AGM) following the reporting year + dividends from JVs and associated companies, distributed after the AGM and not accounted for in the previous period + receipts/disposals (on a net basis) from the sale/acquisition of shares, participation interests in subsidiaries and dependent companies - acquisition of investments in JVs and associated companies, other equity investments in cash.

It is proposed to adjust the current FCF calculation as follows:

- exclude from the cash flows from operating and investing activities proportionate share of cash flows of a non-controlling interest (NCI);
- include cash flows from the sale of fixed assets, intangible assets and other long-term assets, less proportionate share of cash flows of NCI;
- include cash receipts from dividends received by the Company's subsidiaries in the reporting period from associates, joint ventures and other investments of third-tier enterprises in which the Company has equity shares/participation interests indirectly through direct interests in subsidiaries, joint ventures and associates (see Section 4.2. Consolidation), less proportionate share of cash flows of NCI.

Since the approval of the existing FCF formula in 2020, the following events have occurred in the structure of the Group, increasing the share of non-controlling interest in FCF, thereby reducing the share of Kazatomprom, as the parent company:

- sale of a 49% stake of the Company in MC Ortalyk LLP in July 2021;
- inclusion of JV Budenovskoye LLP in the Group line-by-line consolidation perimeter through the gain of control with a 51% stake in January 2024.

Adjustments to the FCF calculation formula, if approved by the Annual General Meeting of Shareholders, will be applied on the results of FY2025 and onwards. Dividends for 2024 will be distributed in accordance with the dividend policy in effect on the reporting date.

Adjustments to production plans and subsoil use agreements (SUA)

In December 2024, JV Budenovskoye LLP introduced amendments to the Development Project for Blocks 6, 7 of the Budenovskoye deposit adjusting the Subsoil Use Agreement (SUA) production levels (100%) in line with actual production plans, which were downscaled due to a delay in commissioning of productive solution processing shop to the following levels:

- 2024: 500 tU (previously 2,500 tU);
- 2025: 1,300 tU (previously 4,500 tU);
- 2026: 3,750 tU (previously 6,000 tU);
- 2027 and further: 6,000 tU/year (full capacity)

Addendums to the SUA have been signed with the Ministry of Energy of the Republic of Kazakhstan for the following entities:

Semizbay-U LLP:

- For the Irkol deposit – the duration of the SUA has been extended until 31 December 2030;
- For the Semizbay deposit – the annual production level of the SUA has been adjusted to 406 tonnes (compared to 507.6 tonnes in the previous SUA) to align the production schedule with actual production plans.

JV Zarechnoye JSC – the duration of the SUA has been prolonged until 31 December 2028.

JV Katco LLP signed Amendment 12 to the SUA which updates the production schedule for 2024 to 2,500 tonnes (previously – 3,400 tonnes) and expects a return to the production level of 4,000 tonnes of uranium per year no earlier than 2026. Also, on 20 December 2024, JV Katco LLP signed Addendum 13 to the SUA with the Ministry of Energy of the Republic of Kazakhstan, which introduces updates to the angular coordinates of the Mining Allotment.

As previously reported, in July 2024, **Kazatomprom-SaUran LLP**, a 100%-owned subsidiary of Kazatomprom, has received a license through a transfer of SUA from the Company for pilot production of uranium at Block 3 of the Inkai deposit. Pilot production is approved for up to four years with the total volume of 701 tU for the entire period of pilot production. Uranium reserves (C1+C2) at Inkai 3 deposit are estimated at 83.1 thousand tonnes.

Exploration Program and New Exploration Licenses

In line with Kazatomprom's strategy on replenishment of uranium resources, an amendment that extends the Subsoil Use Agreement at Inkai 2 (estimated resources in P1 and P2 categories – 42 thousand tonnes) for uranium exploration period by four years was signed. Exploration licenses have also been obtained for blocks 5 and Severnoye of Budenovskoye deposit (estimated resources in P1 and P2 categories – 18 and 100 thousand tonnes, correspondingly) and the Eastern Zhalpak block (estimated resources in P1 and P2 categories – 30 thousand tonnes).

After the reporting period, in January 2025, Kazatomprom has also obtained a SUA for exploration of uranium at Inkai-Mynkuduk block (estimated resources in P1 and P2 categories – 20 thousand tonnes).

Geological exploration works are planned to be carried out for a period of 6 years with a possibility of 5-year extension. The Company's exploration efforts will aim to convert these resources into C1 and C2 categories, maximising the blocks' potential and supporting the Company's long-term strategic goals.

The exploration licenses are exclusive to Kazatomprom, and the Company plans to develop these deposits solely on its own. The Company expects to continue its efforts on finding new promising territories for uranium exploration in Kazakhstan. Amid growing attention to environmental sustainability and energy security, the Company strives to support this global transition paving the way for a sustainable future and strengthening its position as an international leader in the nuclear industry.

Company's Business Segments

Kazatomprom's core business is the mining and marketing of natural uranium products. In addition, the Group is also present in other stages of the front-end nuclear fuel cycle, including the production of ceramic uranium dioxide (UO_2) powder and fuel pellets for fuel assemblies used for nuclear power plants. The Group also has access to uranium enrichment services through a long-term contract for the supply of enriched uranium product (EUP) with JSC Uranium Enrichment Centre, part of Rosatom group.

In December 2022, a fuel assemblies' (FA) producing plant "Ulba-FA" LLP, which was launched in 2021 as a joint venture with Chinese partner, carried out the first delivery of nuclear fuel in the volume of one reload (a little over 30 tonnes of low-enriched uranium) to China. In 2023 and 2024, Ulba-FA LLP plant has successfully supplied four batches (~130 tonnes of low-enriched uranium) and five batches of FAs (~170 tonnes of low-enriched uranium) to nuclear power plants in China. All supplied fuel assemblies have passed quality verification and accepted by the China General Nuclear Power Corporation-Uranium Resources Co. ("CGNPC-URC"). As a result, in 2024, Ulba-FA reached its nameplate production capacity of 200 tonnes of low-enriched uranium in the form of fuel assemblies.

Kazatomprom is also engaged in the processing of selected rare metals, primarily tantalum, niobium and beryllium through its subsidiary, Ulba Metallurgical Plant (UMP) JSC.

The Group also includes subsidiaries that are primarily engaged in providing supporting services to the uranium segment, such as drilling, transportation, IT and security services. For more details please see Section 4.1 Segments.

1.1 Strategy, mission and vision

As was previously announced, as a result of the early achievement of key strategic goals set for 2018 – 2028 and fundamental changes in the nuclear industry the Company's Board of Directors has approved the updated Development Strategy for the years 2025-2034, aimed at sustainable entrenchment of Kazatomprom's position and leveraging opportunities emerging in the second nuclear renaissance.

Kazatomprom's mission is to support the global transition to clean energy through sustainable development and consists of three key elements:

- **Support** – implies the Company's active participation in the energy transformation processes, not just as a supplier of raw materials, but also as a strategic partner for the industry.
- **Global transition to clean energy** – indicates the scale of activities and focus on nuclear energy with a low carbon footprint.
- **Through sustainable development** – emphasises the balance between economic, environmental and social aspects, including rational use of resources, implementation of ESG principles and a long-term growth strategy.

In the long term, Kazatomprom sees itself as an international leader in the nuclear industry, playing a significant role in the uranium and nuclear sectors, contributing to energy security and environmental sustainability.

The updated Development Strategy for 2025-2034 remains committed to the "Value over Volume" principle, while adapting to changes in the nuclear fuel market and taking into account the growing demand for uranium products, rare and rare earth metals.

The Company's Board of Directors has identified the following strategic objectives for 2025–2034:

- Enhance focus on uranium mining as our core business, with efforts concentrated on replenishment and efficient use of resource base
- Expand our footprint in the nuclear fuel cycle, given the arising opportunities, substantiated by economic value
- Develop and expand rare and rare-earth metals segment under the critical minerals agenda
- Continue to diversify sales and further enhance trading function
- Improve and strengthen leading business and ESG practices in order to ensure and uphold integrity of business

Kazatomprom remains committed to its core principles of creating sustainable value, solidifying its reputation and credibility among investors, customers, and partners. Concurrently, the Company significantly contributes to the economic and social development of local communities, as well as the country as a whole.

1.2 Update on geopolitical events

The Company continues to constantly monitor international sanctions' regimes and packages assessing potential risks. Based on initial risk assessment and subsequent updates to sanctions packages and lists, a permanent Working Group on sanctions has been established and a corresponding action plan to minimise possible negative impacts on the Company's activities has been developed. This plan evolves upon identification of new risks and adapts to sanctions packages and lists updates in order to prevent adverse impacts on business.

To date, events in Ukraine have not affected the Group’s financial position. The majority of the Group's revenues are received in US dollars, and financing is also raised in US dollars, creating a natural hedging effect against currency risks. Accordingly, fluctuations in the exchange rate of the national currency do not have a significant impact on the Group’s financial results.

The Group exports goods through Russia, which creates risks associated with both transit through Russia and the delivery of goods by sea. The Group continuously monitors potential impact that sanctions may have on the ability to transport material. At the date of the Group's 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 transports uranium along the Trans-Caspian International Transport Route (TITR), which the Company has successfully used since 2018 in order to mitigate the risk of the northern route being unavailable for any reason. To date, both transport routes are fully operational.

In August 2024, Act No. 118-62 (formerly referred to as H.R. 1042) came into force on a ban on the import from the Russian Federation to the United States of unirradiated low-enriched uranium produced in the Russian Federation or by a Russian enterprise (the law was signed by US President Joe Biden on 13 May 2024). At the same time, the US Department of Energy notes that Russian enrichment capacities provide approximately 35% of the US import of nuclear fuel, and therefore the United States allows the possibility of importing some types of low-enriched uranium from Russia “for a limited period of time” in order to avoid possible disruptions.

In November 2024, the Russian Federation imposed restrictions on the export of enriched uranium to the United States in response to the previously adopted Act No. 118-62 of May 13, 2024, banning the import of Russian enriched uranium product to the United States starting from 2028. The restrictions apply both to direct export of uranium to the United States and to exports conducted under agreements with entities registered in the United States. At the same time, deliveries under one-time licenses issued by the Federal Service for Technical and Export Control of the Russian Federation remain possible.

At the time of reporting, the above events did not affect the Group's activities.

As part of the ongoing risk assessment program, senior management analyses the impact of anti-Russian sanctions on the Group's activities. To date, the sanctions have not had a significant impact on the Group's operations, although the resulting market uncertainty caused by the war in Ukraine has resulted in significant volatility in the uranium spot price, domestic currency exchange rate and the Company's share price.

2.0 ENVIRONMENTAL, SOCIAL AND CORPORATE GOVERNANCE (ESG)

2.1 Industry ESG

The uranium mining industry is largely open pit mine-based and is therefore often perceived as an antagonist in the context of environmental sustainability. However, it is now being acknowledged as an essential part to climate change solution. Following the inclusion of nuclear power as a sustainable economic activity to the taxonomy of the European Union, investors and customers are increasingly recognizing the industry as a critical raw materials supplier needed for the global energy transition.

Inspired by such Global initiatives as the Paris Agreement, the annual Conference of the Parties to the UN Framework Convention on Climate Change (COP), the UN Global Compact, corporations and governments are now more willing to demonstrate their commitment to fiduciary obligations, including those ESG-related — from climate change issues to human rights due diligence and preventing social unrest. In November 2024, the COP29 Conference expanded the list of nations backing nuclear power. During the event, six more countries – Kazakhstan, Kenya, Kosovo, Nigeria, Turkey and El Salvador – joined the Net Zero Nuclear declaration, which calls for tripling global nuclear capacity by 2050. The declaration was first initiated at COP28 in 2023 and signed by 25 countries with existing and emerging nuclear programs.

Over the next decade, decisions made by uranium mining companies and the way they prepare themselves for the energy transition, given the increasing energy scarcity, will determine their resilience and create or abolish their competitive advantage in the global market. Companies need to find new ways to advance existing environmental, social and governance (ESG) frameworks, ensuring they are future-proofed for and resilient to economic realities of tomorrow. Integrating ESG into long-term business strategies as a tool to add value, rather than a discretionary cost that is frequently cut, will be critical for achieving this goal.

Requirements for ESG reporting are progressing every year. IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 Climate-related Disclosures, published by The International Sustainability Standards Board (ISSB), are set to become the basis for the harmonizing non-financial reporting around the world. In order to keep up with demands, companies need to not only allocate resources to train employees in non-financial reporting standards, but also take actions to foster environmental consciousness, promote sustainable development principles along the entire value chain.

In 2024, the Global Reporting Initiative (GRI) published Sector Standard for Mining Industry GRI 14: Mining Sector. Companies in the industry continued to implement the requirements of non-financial reporting standards and obtain independent ESG scores.

2.2 ESG at Kazatomprom

As the largest global uranium mining company and industry leader, Kazatomprom recognises its role in the development of society 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 use 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 continuingly 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 recognises and accepts responsibility in designing the foundations for a sustainable future and support the Global 2030 Sustainable Development agenda.

2.3 ESG updates in 2024

In 2024, the Company's Board of Directors approved an updated Sustainable Development Program for 2024-2030 (the "Program"). The document is aimed to ensure implementation of the Company's development strategy in accordance with the principles of sustainable development. The Program outlines the Company's key goals, objectives and specific targets until 2030, grouped into three components - environment, social responsibility and corporate governance.

Supporting global sustainable development agenda, in 2024, the Company has successfully completed the UN Global Compact SDG Ambition Program. The Company also continued on improving non-financial information disclosure practices aimed at enhancing transparency. Kazatomprom's integrated annual report is prepared in compliance with SASB, GRI and TCFD information disclosure standards.

Along with the constant improvement of sustainable development practices, the Company's priority is to obtain independent ESG ratings and scores. On 6 December 2024, S&P Global, an international rating agency, has assigned the Company a Corporate Sustainability Assessment (CSA) score of 48/100, with a total ESG score of 50/100. Kazatomprom's CSA score is 7 points higher compared to the previous year, and almost twice the industry average, which confirms the success of the Company's sustainable development strategy.

In 2024, Kazatomprom disclosed data on "Climate Change" and on "Water Security" for the first time as part of the CDP (Carbon Disclosure Project).

In October 2024, Kazatomprom was included in the list of the TOP-500 "World's Best Companies - Sustainable Growth" according to the international TIME Magazine jointly with the statistical organization Statista. Kazatomprom was ranked 126th and was placed 6th among companies in the resource production and infrastructure sector, being the only Kazakh company included in this ranking. This significant achievement for Kazatomprom, reflects the Company's successful efforts in implementation of the best sustainable development practices.

2.4 Occupational health, fire and industrial safety

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.

None of the Company's plans and objectives can be achieved without its most important resource: a team of over 22,000 dedicated employees. Kazatomprom ensures they have the skills, access to training and equipment that is necessary to work safely. The Company's business culture is built on a foundation of personal and group responsibility where people are empowered to make safe choices, voice any safety concerns, and report both actual incidents and near misses, to ensure continual improvement. Kazatomprom's commitment to safety and well-being is demonstrated by its membership in the International Social Security Association's Vision Zero, initiative to reduce workplace injuries and promote comfortable and safe working conditions guided by the Vision Zero program's "Seven Golden Rules". These rules apply to all employees of the Holding and their contractors, with the main purpose of achieving the 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 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 2024 to enhance the focus on safety awareness helped to prevent significant industrial accidents (e.g. uncontrolled explosions, releases of hazardous substances, building destructions, and fatal occupational injuries) at the Company's operations. In 2024, the Holding spent approximately KZT 12.95 billion (2023: KZT 12.5 billion) on labour protection, fire and industrial safety programs. It is worth noting that reporting period amount includes the fire safety expenditures in the amount of approximately KZT 1.85 billion.

The table below reflects the safety results of 2024 and 2023:

Indicator	2024	2023	Change
Industrial accidents[1]	–	–	–
LTIFR (per million man-hours)[2]	0.09	0.15	(40%)
Unsafe conditions, unsafe actions, near-miss reporting	33,434	36,145	(8%)
Number of accidents[3]	3	4	(25%)
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.

Notwithstanding the continuing actions taken to improve workplace health and safety, three accidents were recorded, in which three workers were injured. The accidents included two slip-and-fall accidents and one case of exposure to hazardous chemicals.

Following each accident, a thorough investigation was completed, the main causes were identified, preventative measures were developed and additional procedures implemented to prevent similar incidents in the future. 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 involvement and awareness of employees in industrial safety.

As part of the ongoing work to improve the safety management system, in 2024 the Company carried out the following activities:

- Activities under the Samruk-Kazyna JSC's 2024 Health & Safety Action Plan were executed, including fire and industrial safety months, and inspections of industrial safety across Holding entities.
- The integrated management system was recertified by TUV Thuringen International Certification (Germany), meeting ISO 45001 (occupational health and safety) and ISO 14001 (environmental management) standards.
- Measures were implemented to reduce fire and emergency risks during fire-hazardous periods (summer, autumn-winter) and flood season (spring).
- Employee “speak up culture” was assessed through internal communication channels, STOP cards, and behavioral safety audits.
- HSE reporting processes were enhanced using IT technologies, a digital work permit system for high-risk work and a Standard for contractor management were introduced.
- Two civil defense training sessions were conducted with state bodies and Samruk-Kazyna representatives.
- Corporate programs (ESRP, “Zero Waste,” and migratory bird protection) were implemented, alongside a Memorandum of Cooperation on environmental protection with Ulba Metallurgical Plant JSC and Ministry of Ecology and Natural Resources of Republic of Kazakhstan.

The following activities will continue in 2025 as well:

- Implementation of the 2025 HSE Action Plans for Samruk-Kazyna JSC and Kazatomprom.
- Conducting industrial safety inspections at the Holding enterprises and monitoring the Lock out/Tag out system.
- Oversight of contractors' industrial safety practices and improvement/automation of occupational safety processes.
- Participation in the HSE Committee of Samruk-Kazyna JSC and the Project Office with the Ministry of Labor and Social Protection of Kazakhstan to review the "Concept of Labor Safety 2030."
- Participation in working groups for developing nuclear energy legislation.

The Group puts constant efforts to enhance safety culture through various initiatives.

These measures are aimed at using proactive indicators, a risk-based approach in organising the production process and improving the safety culture among the Group's employees.

2.5 Environmental protection, nuclear and radiation safety

The main advantage of the uranium mining method using ISR (In-Situ Recovery) is its low environmental and radiation impact on the surrounding environment. Unlike uranium mining with underground and open-pit methods, ISR does not create tailings or significant tailing ponds. All Company facilities utilize ISR in uranium extraction, which minimizes the Group's impact on soil, atmosphere, and groundwater. Minimizing and mitigating the Company's impact is a central part of its business strategy, with a focus on continuous research, development, and implementation of new environmentally friendly technologies and processes. Kazatomprom is actively working on determining the baseline impact of its operations on local ecosystems and biodiversity, conducting extensive long-term research and specialized training courses on biodiversity assessment at uranium deposits for its employees.

Given the high importance of the issue of rational and economical use of water resources, the Company developed Kazatomprom's water resources management strategy and standard in 2023. The Company employs reliable systems for monitoring the environment and radiation safety at all of its uranium mines and production facilities (ISO 14001 compliant). Administrative fines were imposed by the authorized state body for land pollution due to spills of technological solutions and minor littering of the territory. However, the total limits allowed by the state bodies for the generation of waste, emissions, and discharges were not exceeded. The reasons behind all violations have been identified, promptly addressed, and efforts are currently underway to prevent similar occurrences in the future.

Radiation exposure and nuclear safety remained stable in 2024 with no exceedances or radiation accidents. All works were carried out in accordance with the requirements of regulatory legal acts and internal documentation on radiation and nuclear safety. The work was carried out in accordance with the requirements of regulatory legal acts and internal documentation on radiation and nuclear safety. The following measures are carried out to further enhance radiation safety:

- improving the competence of employees of Holding on radiation safety issues;
- participation in the IAEA project in the direction of “Radiation protection of personnel engaged in activities related to handling natural radionuclides“;
- participation in the preparation of a pilot project on the use of the “FREMES“ installation for the flow sorting of contaminated radioactive soils.

The Group is also implementing environmental projects in the following areas:

- Implementation of the Bird Protection Program;
- Projects in the field of atmospheric air protection;
- Corporate Program for the Development of a Waste-Free Production Culture “Zero Waste“;
- Program of Integrated Environmental and Social Research “ESRP“;
- Strategy for low-carbon development and decarbonisation;
- Strategy for water resources management.

Indicator*		2024	2023
Energy consumption	thousand GJ	4,176	3,975
The volume of waste	thousand tonnes	1,070.53	417.96
Expenses for carrying out measures to protect the environment	KZT mln	1,089	1,306

* Detailed ESG indicators will be disclosed in the Company's integrated annual report.

In 2024, there was an increase in the consumption of electricity due to increase in the uranium production volumes. Significant increase in waste generation volumes is due to the resumption of quartz-fluorite ore mining operations and the formation of overburden at the Karadzhal mine, as well as an increase in drilling volumes at some mining operations.

In 2024, the total costs for environmental protection measures amounted to KZT 1,089 million (2023: KZT 1,306 million).

2.6 Human rights and fundamental freedoms

The Company pays special attention to human rights and the well-being of the population across the regions of its operations. Kazatomprom has funded the construction of children's playgrounds, sports facilities and other projects, contributing to the development of infrastructure and improving the quality of life of local communities. To ensure environmental safety, a real-time radiation monitoring system has been implemented, which allows for a prompt response to changes in the environment. Caring for employees and the wider community across the areas of operation remains a key priority for Kazatomprom, which is consistent with the principles of sustainable development and social responsibility.

Indicator*	2024		2023	
Headcount	m	f	m	f
	18,432	3,742	17 852	3 702
Composition of governing bodies and personnel, %	83%	17%	83%	17%
Share of employees covered by collective agreements, %	96%		94%	
Expenses for training, KZT million	3,523.8		2,746.7	
The ratio of the minimum wage among men and women	m / f 1:1		m / f 1:1	
Social stability index (SRS), %	83%		74%	
Transfers to the budget for the socio-economic development of the regions of presence, KZT mln.	3,969.9		2,263.8	

* Detailed ESG indicators will be disclosed in the Company's integrated annual report.

In 2024 the share of female representation within the Group's employees resulted in 17%, in line with the 2023 figure. The ratio of the minimal wage among men and women in the reporting period, compared to 2023, remains stable at a 1:1 proportion.

In 2024, the Centre for Social Interaction and Communications PI conducted research to determine the level of social stability (Samruk Research Service, "SRS") at 21 entities of the Group. SRS is calculated based on the assessments of employees and their personal perception of the components of the index. SRS includes three components:

- index of involvement: the level of satisfaction with working conditions and safety, relationships and communications in the company, as well as the level of employee loyalty.
- index of social well-being: captures the mood of employees, determined mainly by external factors and the social environment.
- index of social tranquillity: reflects the level of social tension of the team, the assessment of the protest potential and the motives of the hypothetical readiness for civil unrests.

According to the results of the study, the SRS level at the end of 2024 was 83%, which is 9% higher than in 2023 (74%).

In 2024, contributions to the socio-economic development of the regions of operations, including social obligations under the terms of SUA amounted to KZT 3.9 billion (2023: KZT 2.3 billion). The largest transfers were made to the budgets of Turkestan and Kyzylorda regions (KZT 3.3 billion and KZT 595.2 million respectively, 2023: KZT 1.7 billion and KZT 545.3 million).

3.0 MARKETING

3.1 The uranium market

The sale of natural uranium and uranium products is Kazatomprom's primary source of revenue and profit. Market prices for uranium have a significant impact on the Company's financial results and like any commodity, the balance of supply and demand determines the market price for uranium products. The sales prices realized for U_3O_8 by any primary uranium producer are highly dependent upon the specific types of contracts they deliver into and the structure of their sales portfolio (including terms, price formulae used in each contract, proportion of spot and term contracts).

Kazatomprom expects that in the years to come, nuclear power, as a reliable source of carbon-free, baseload electricity, will maintain and strengthen its position in the broader energy market, resulting in increased demand for uranium. Accordingly, the rising uranium prices should represent a significant opportunity for Kazatomprom as a low-cost producer with a high degree of leverage to market prices.

3.2 Sales

As at 31 December 2024, there are over 70 utility companies globally, operating 440 nuclear power reactors. As part of the Company's strategic goal to create value by expanding sales channels, its marketing and sales departments are constantly working to grow the Company's customer base, with ongoing negotiations in Europe, North and South America and the Middle East.

In 2024, the Company sold its uranium products, directly and through its Swiss marketing subsidiary "Trade House KazakAtom" AG ("THK"), to 19 customers in 8 countries (2023: 24 customers in 9 countries). Kazatomprom delivers U_3O_8 and finished uranium products to various destinations based upon customer requirements:

- **Converters:** The Group transports U3O8 to licensed conversion facilities owned by companies such as Honeywell (US), Cameco (Canada) and Orano (France), first by rail from the Company's operations in Kazakhstan, to the port of St. Petersburg in Russia or the port of Aktau in Kazakhstan (see Section 1.2 Update on geopolitical events), then by sea to various ports in the US, Canada and Europe. The material then moves by rail or road to the processing facilities and is transferred to the customer's accounts. In the entirety of 2024, 26% of all uranium shipments originating in Kazakhstan and destined for Western markets were efficiently transported via the TITR. The proportion of shipment allocation between transportation routes may vary depending on total shipment volume to the west, as well as customers' needs and requests for a preferred transportation route. In some cases, the Group enters into swap (exchange) agreements at the conversion facility to reduce risks and transportation costs. This can include the exchange of U3O8 with partners of the Group at the conversion facility.
- **China.** When transporting material to China, the Company delivers its cargo to the Alashankou railway station near the Kazakhstan-China border.
- **Russia.** When shipping to the Russian Federation — recipients include "Siberian Chemical Combine" JSC (SCC) — the Group delivers its cargo by rail from its operations to the Russian railway station, depending on the final destination of the products.
- **Others.** The transportation methods and routes to other countries may differ depending on the agreed terms of delivery or the preference of customers.

The following table provides the geographical distribution of uranium segment sales over the past three years:

Consolidated sales* of U_3O_8 products by region**

(% of consolidated U_3O_8 sales volume)

Region	2024	2023	2022
Americas	22%	26%	28%
Asia	50%	45%	46%
Europe	28%	29%	26%

** Includes sales of uranium to JV partners.*
*** The breakdown by region was made not on the basis of the counterparty's domicile, but on the basis of the domicile of the counterparty's ultimate beneficiary or the domicile of the decision-maker's office.*
Source: Internal company data. Percentages have been rounded.

KAP & THK sales of U_3O_8 products by region**

(% of U_3O_8 sales volume*)

Region	2024	2023	2022
Americas	15%	19%	23%
Asia	58%	49%	50%
Europe	27%	32%	27%

** 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.*
*** The breakdown by region was made not on the basis of the counterparty's domicile, but on the basis of the domicile of the counterparty's ultimate beneficiary or the domicile of the decision-maker's office.*
Source: Internal company data. Percentages have been rounded.

Despite an insignificant shift in the geographic distribution of sales, the Company is committed to its strategy of diversifying the sales portfolio.

4.0 PRESENTATION OF FINANCIAL INFORMATION

4.1 Segments

During the year, the Group operated through three principal business segments:

- **Uranium segment** includes uranium mining and processing operations from the Group's mines, the Group's purchases of uranium from the Group's JVs and associates engaged in uranium production, and external marketing and sales of uranium products. The Uranium segment includes the Group's share in net results of its JVs and associates engaged in uranium production and sale, as well as results of the Company as the head office of the Group.
- **Ulba Metallurgical Plant JSC (UMP) segment** includes production and sales of products containing beryllium, tantalum and niobium, hydrofluoric acid and by-products. This segment is also engaged in the processing of uranium raw materials under tolling arrangements, and the production of UO_2 powder, fuel pellets and production of fuel assemblies and their components.
- **Other segment** includes revenue and expenses of the Group's subsidiaries that are primarily engaged in providing supporting services to the Uranium segment, such as drilling, transportation, R&D, IT and security services. These businesses are not included within reportable operating segments, as their financial results do not meet the materiality threshold. This segment is not disclosed in this report due to immateriality.

4.2 Consolidation

In addition to the operations of the Company and its consolidated subsidiaries, the Group has a number of joint operations, joint ventures and associates.

- **Subsidiaries** are entities that the Group controls because the Group (i) has power to direct the relevant activities of the investees that significantly affect their returns, (ii) has exposure, or rights, to variable returns from its involvement with the investees, and (iii) has the ability to use its power over the investees to affect the amount of the investor's returns. The existence and effect of substantive rights, including substantive potential voting rights, are considered when assessing whether the Group has power over another entity. Beginning from 1 January 2024 the Group consolidates JV Budenovskoye LLP as a subsidiary, with the Group's ownership stake remaining unchanged at 51% through having majority of the voting rights and representation in the Supervisory Board.
- **Joint operations** ("JOs") are entities in respect of which the Group has joint control and has rights to their assets and revenues and has obligations relating to their expenses, as well as financial obligations in proportion to the Group's interests. The Group's JOs, being JV Akbastau JSC and Karatau LLP, are consolidated as JOs from 1 January 2018. The Group's interests in JOs are accounted for on a proportional consolidation basis.
- **Joint ventures** ("JVs") are entities that are under the joint control of the Group acting collectively with other parties, and decisions over the relevant activities of such entity require unanimous consent of all parties sharing control. The Group's interests in JVs are accounted for using the equity method of accounting.
- **Associates** are entities over which the Group has, directly or indirectly, significant influence, but not sole or joint control, which is typical for a shareholding of between 20% and 50% of the voting rights. The Group's investments in associates are accounted for using the equity method of accounting.
- **Equity investments** are entities in which the Group has less than 20% of the voting rights. Equity investments are recognised at fair value as "other investments" in the Company's consolidated IFRS financial statements.

The following table lists the Group's subsidiaries, JVs, JOs and associates and other Group's investments, as of 31 December 2024. In all cases, the share percentage shown is equal to the Group's voting rights, with the exception of Ulba Metallurgical Plant (UMP) JSC and Volkovgeologia JSC, where the Group has 100% voting rights in each entity. In ANU Energy OEIC Ltd (ANU Energy) the Group does not have representation in the Board of Directors, has no voting rights and does not take part in decision-making on key strategic issues of the ANU Energy (see footnote four (6) below the table).

Treatment	Name	Share (%)
Uranium Mining and Processing		
Subsidiaries	"Kazatomprom-SaUran" LLP	100.00%
	"RU-6" LLP	100.00%
	"Appak" LLP	65.00%
	"JV "Inkai" LLP	60.00%
	"Baiken-U" LLP (1)	52.50%
	"MC "Ortalyk" LLP	51.00%
	"Turanium" LLP (previously JV "Khorassan-U" LLP) (2)	50.00%
	"JV "Budenovskoye" LLP (3)	51.00%
Joint Ventures	"Semizbay-U" LLP	51.00%
Joint Operations	"JV "Akbastau" JSC	50.00%
	"Karatau" LLP	50.00%
	Energy Asia (BVI) Limited (1)	50.00%
Associates	"JV "Katco" LLP	49.00%
	"JV "South Mining Chemical Company" LLP	30.00%
	"JV "Zarechnoye" JSC (4)	49.98%
	"Kyzylkum" LLP (1)	50.00%
	"Zhanakorgan-Transit" LLP (5)	*60.00%*
Nuclear Fuel Cycle and Metallurgy		
Subsidiaries	"Ulba Metallurgical Plant" JSC (UMP JSC)	94.33%
	"ULBA-CHINA Co" Ltd (5)	*100.00%*
	"Mashzavod" LLP (5)	*100.00%*
	"Ulba-FA" LLP (5)	*51.00%*
Nuclear Fuel Cycle		
Investments (6)	"International Uranium Enrichment Centre" JSC	10.00%
Ancillary Operations		
Subsidiaries	"High Technology Institute" LLP	100.00%
	"KazakAtom TH" AG or "THK"	100.00%
	"KAP Technology" LLP	100.00%
	"KAP Logistics" LLP (7)	99.99%
	"Volkovgeologia" JSC	99.78%
	"Rusburmash-Kazakhstan" LLP (5)	*49.00%*
	"Qorġan-Security" LLP	100.00%
Joint Ventures	"Uranenergo" LLP "	79.23%
	SKZ-U" LLP	49.00%
	"Taiqonyr Qyshqyl Zauyty" LLP (5) (7)	40.00%
Associates	"SSAP" LLP	9.89%

The following asset is currently subject to liquidation:

Treatment	Name	Share (%)
Nuclear Fuel Cycle		
Joint Ventures	"JV "UKR TVS" Closed Joint Stock Company (8)	33.33%

[1] The Company holds 50% (direct ownership) in Energy Asia (BVI) Limited. Energy Asia (BVI) Limited holds 40% (direct ownership) in "Kyzylkum" LLP and 95% (direct ownership) in "Baiken-U" LLP.
[2] Uranium One Group JSC, a subsidiary of the Rosatom State Corporation, sold its 30% equity stake in the charter capital of JV Khorasan-U LLP and the 30% equity stake in the charter capital of Kyzylkum LLP to China Uranium Development Company Limited, the ultimate beneficiary of which is China General Nuclear Power Corporation (CGN, China). Following the deal closure, JV Khorasan-U LLP was renamed into Turanium LLP effective 22 January 2025. Kazatomprom's shares remain unchanged and the Company continues to hold 50% in Turanium LLP (former JV Khorasan-U LLP) and 50% (indirectly) in Kyzylkum LLP.
[3] Beginning from 1 January 2024 the Group consolidates JV Budenovskoye LLP as a subsidiary, with the Group's ownership stake remaining unchanged at 51% through having majority of the voting rights and representation in the Supervisory Board.
[4] In December 2024, Uranium One Group JSC has sold its 49.979% share in JV Zarechnoye JSC to SNURDC Astana Mining Company Limited, the ultimate beneficiary of which is State Nuclear Uranium Resources Development Co., Ltd. (China). Kazatomprom's equity stake in this joint venture remains unchanged at 49.979%.
[5] These companies are 3rd level entities for the Company indirectly through the interests in subsidiaries, JVs and associates presented above these companies in the table. The corresponding interests belongs to the 2nd tier entities, not the Company.
[6] As at the reporting date, the Group classifies JSC Uranium Enrichment Centre (TsOU) with 1 share as other investment.

The Group made an investment of USD 24.25 million in March 2022 (equivalent to KZT 12,368 million), which constituted 32.7% of the entity's equity. The Group does not have a significant influence on the management operations of the entity, and the Group therefore recognizes this investment at fair value through profit or loss and does not increase the number of entities within the Holding. As at the December 31, 2023, the Group classifies ANU Energy as “other investments” within other financial assets in the consolidated financial statements.

[7] On March 29, 2023, the Taiqonyr Qyshqyl Zauyty LLP (TQZ), implementing the project for the construction of a sulphuric acid plant in the Sozak district of the Turkestan region, was registered. The founders of the TQZ were: Kazatomprom (49%) and Kazatomprom’s subsidiaries: RU-6 LLP (25%), and Kazatomprom-SaUran LLP (26%). In January 2024, as part of the restructuring aimed at simplifying and optimising the ownership structure, Kazatomprom sold a 49% stake in the charter capital of the TQZ to Kazatomprom-SaUran LLP. Further, Kazatomprom-SaUran LLP sold its 60% stake in TQZ to Ballestra's local partner, reducing Kazatomprom's indirect stake in TQZ to 40%.

[8] On June 22, 2022, Kyiv Economic Court declared JV UKR TVS CJSC bankrupt and a liquidation procedure was introduced. The Kyiv Economic Court extended the bankruptcy procedures for JV UKR TVS CJSC.

5.0 SIGNIFICANT FACTORS AFFECTING THE GROUP'S RESULTS OF OPERATIONS

The significant factors that affected the Group's results of operations during 2024 and 2023, and which the Company expects to continue to affect the Group's results of operations in the future, include:

- the price received for the sale of natural uranium and changes in natural uranium product prices;
- changes in the Group structure;
- the impact of changes in foreign exchange rates;
- taxation, including mineral extraction tax;
- the cost and availability of sulphuric acid;
- inflation pressure on costs, as well as availability of critical operating materials caused by supply-chain disruption;
- impact of changes in ore reserves estimates; and
- transactions with subsidiaries, JVs, JOs and associates.

5.1 Price received for the sale of natural uranium and changes in natural uranium product prices

Spot market prices for U_3O_8, which is the main marketable product of the Group, have the most significant effect on the Group's revenue. The majority of the Group's revenue is derived from sales of U_3O_8 under contracts with a price formula containing a reference to spot price. In addition to spot prices, the Group's effective realized price depends on the proportion of contracts in the portfolio with a fixed price component in a given period. The average realized price for each period can therefore deviate from the prevailing spot market price. More information regarding the impact of spot market prices on average realized price is provided in section 12.1 Uranium sales price sensitivity analysis.

The following table provides the average spot price and average realized price per pound of U_3O_8 for the periods indicated:

		2024	**2023**	**Change**
Average weekly spot price (per lb U_3O_8)[1]	USD	86.28	60.53	43%
	KZT	40,474	27,616	47%
Average realized price of the Group (per lb U_3O_8)	USD	69.48	55.09	26%
	KZT	32,592	25,135	30%
Average realized price of Kazatomprom (per lb U_3O_8)	USD	65.78	52.10	26%
	KZT	30,858	23,768	30%

[1] Prices per TradeTech LLC and UxC LLC.

The pricing of the Company's contract portfolio is interrelated with the current spot prices for uranium (see Section 12.1 Uranium sales price sensitivity analysis). However, for short-term deliveries to consumers, there is a certain time lag between the date of pricing fixation according to the transfer pricing legislation of Kazakhstan and the spot market price at the time of actual delivery. The high market volatility during these time lags becomes more evident as prices fluctuate both during periods of growth and decline. Moreover, deliveries under some long-term contracts in 2024 incorporated a proportion of fixed price component, including price ceilings that were negotiated during a comparatively lower price environment.

For additional details related to specific market developments that influenced the pricing of uranium in 2024, please see the *Kazatomprom 4Q2024 Operations and Trading Update*, available on the corporate website, www.kazatomprom.kz.

5.2 Changes in the Group structure

In 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% through having majority of the voting rights and representation in the Supervisory Board. The Group did not make any cash payments to gain control. Net gain from business combination presented in the Consolidated Statement of Profit or Loss and Other Comprehensive Income is KZT 295,719 mln.

- In early 2024, the Company transferred its 49% stake in Taiqonyr Qyshqyl Zauyty LLP ("TQZ") to Kazatomprom-SaUran LLP as part of a restructuring process aimed at simplifying and optimizing the ownership structure. 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%.

In 2023:

- According to the plans for the sale of non-core assets as presented in the Company's 2018 IPO Prospectus, a contract for the purchase and sale of 40% of the shares of Caustic JSC was signed on 30 December 2021 between Kazatomprom and United Chemical Technologies Trading House LLP. On 28 March 2023, United Chemical Technologies Trading House LLP made full payment according to the purchase and sale agreement. On 11 April 2023, a Certificate confirming the acceptance and transfer of shares was signed.

In total, the number of the Group's subsidiaries, JVs, JOs, associates and other equity investments remained 36 as at 31 December 2024 (same as at 31 December 2023).

5.3 Impact of Changes in Exchange Rates

The Group's exposure to currency fluctuations is associated with sales, purchases and loans in foreign currencies. Significant cash flows of the Group are in USD due to the following:

- uranium is generally priced in USD, therefore most of the Group's consolidated sales revenue is generated in USD or KZT, but linked to the pricing denominated in USD (94% in 2024, 92% in 2023);
- the Company purchases uranium and uranium products from its JVs and associates pursuant to KZT-denominated contracts, with the prices determined by reference to prevailing spot market prices of U_3O_8, which are in USD;
- most of the Group's borrowings are denominated in USD (70% in 2024, 96% in 2023), which is the principal currency of the Group's revenue. For more details see Section 10.0 INDEBTEDNESS.

A significant portion of the Group's expenses, including its operating, production and capital expenditures, are denominated in KZT. Accordingly, as most of the Group's revenue is denominated in USD, while a significant share of its costs are KZT-denominated, the Group generally benefits from appreciation of USD against KZT which subsequently has a positive effect on the Group's financial performance. However, given that the Group has outstanding USD-denominated liabilities the positive effect of USD appreciation may fully or partially be offset. In addition, the Company purchases uranium and uranium products from its JVs and associates pursuant to KZT-denominated contracts, with the prices determined by reference to prevailing spot market prices of U_3O_8, which are denominated in USD. Accordingly, a significant appreciation of USD would result in a corresponding increase in the KZT-denominated price of such contracts.

The Group attempts to mitigate the risk of fluctuations in exchange rate, where possible, by matching the currency denomination of its payments with the currency denomination of its cash flows. Through this matching, the Group achieves natural hedging without the use of derivatives.

In 2024, the KZT/USD exchange rate fluctuated between KZT 439.40 and KZT 524.66 (2023: KZT 431.08 - KZT 482.77). As at 31 December 2024, the National Bank of the Republic of Kazakhstan (NBK) reported KZT/USD exchange rate at KZT 523.54 (31 December 2023: KZT 454.56). Changes in exchange rates had a positive effect on the financial performance of the Group in 2024. The Group's incurred a net foreign exchange gain of KZT 73,494 million in 2024 (compared to a net foreign exchange loss of KZT 21,330 million in 2023).

The following table provides annual average and year-end closing KZT/USD exchange rates, as reported by the NBK, as of 31 December 2024 and 2023:

		2024	2023	Change
Average exchange rate for the period[1]	KZT / USD	469.11	456.24	3%
Closing exchange rate for the period	KZT / USD	523.54	454.56	15%

[1] The average rates are calculated as the average of the daily exchange rates on each calendar day.

5.4 *Taxation and Mineral Extraction Tax ("MET")*

Before 1 January 2023, MET was determined by applying a 29% tax charge to the taxable base related to mining production costs (see footnote under the table below). Taxable expenditures were made up of all direct expenditures associated with mining operations, including wellfield development depreciation charges and any other depreciation charges allocated to direct mining activities, but excluded processing and general and administrative expenses. The resulting MET paid was therefore directly dependent upon the cost of mining operations.

The MET is calculated separately for each subsoil use license, and is therefore arises and paid at the mining entities level.

From 1 January 2023, the MET base for uranium is defined as the weighted average price of uranium (in the form of natural uranium concentrate U_3O_8) from public sources for a certain reporting period multiplied by the amount of uranium mined and the MET rate of 6%.

The following table provides a summary of taxes accrued by the Group for the years shown:

(KZT million)	2024	2023	Change
Corporate income tax[1]	252,893	157,610	60%
Mineral extraction tax[2]	86,576	52,283	66%
Other taxes and payments to budget[3]	237,490	150,830	57%
Total tax accrued	**576,959**	**360,723**	**60%**

[1] Applicable rate: 20%; calculation: taxable income (based on tax reporting accounts) multiplied by corporate income tax rate.

[2] Applicable rate and calculation from 2023 and further: 6% × (average month-end spot price for period) × (volume of uranium mined). Previously applicable rate: 18.5% for uranium cost in pregnant solution; calculation: the tax charge is a cost of mining and is based on a deemed 20% profit margin on certain expenditures, and a MET rate of 18.5%. The tax charge of 29% is determined by the following formula: (1 + 20%) × 18.5% ÷ (1 – (1 + 20%) × 18.5%).

[3] Includes: VAT, property tax, land tax, transport tax, social tax, and other payments to budget and PIT (on PIT Company acts as a tax agent).

The total amount of accrued taxes increased by an average of 60% in 2024 compared to 2023, due to:

- an increase in corporate income tax by 60% due to an increase in pre-tax profit associated with an increase in the average realized price as a result of the growth of the market spot price and increase in sales volume of enriched uranium (see Sections 6.2 Consolidated revenue and other financial metrics and 6.9 Profit before tax and tax expense).
- an increase in the MET by 66% due to an increase in the spot price for U_3O_8, as well as KZT/USD exchange rate volatility.
- an increase in other taxes and other payments to the budget by 57%, which is mainly due to an increase in accrued value added tax as a result of the growth of the value of intra-group sales in the territory of the Republic of Kazakhstan, as well as an increase in the withholding tax at the source of payment from the income of non-resident legal entities on the dividends paid by the Group.

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 2026 Subsoil Use Agreements' levels as specified in CPR, and does not account for Subsoil Use Agreement changes specified in Section 1.0 of this Operating and Financial Review until they are reflected in the next CPR.

Average annual spot price (USD / lb)	80% from CPR production volumes*	90% from CPR production volumes*	100% from CPR production volumes*
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 Budenovskoye LLP, for which a production level of 3,750 tonnes in 2026 is assumed (compared to 6,000 tonnes in the CPR).

5.5 Cost and availability of sulphuric acid

Extraction of uranium using the ISR mining method requires substantial amounts of sulphuric acid. If sulphuric acid is unavailable, the Group's production schedule may be disrupted, while higher prices for sulphuric acid may adversely affect the Group's profits.

The Group's weighted average cost of sulphuric acid increased by 21.5% to KZT 49,153 per tonne inclusive VAT in 2024 (from KZT 40,455 per tonne inclusive VAT in 2023) due to the increase in the price of raw materials and temporary shortages on the Kazakhstan market, as well as higher prices for imported sulphuric acid volumes. On average in 2024, the price of sulphuric acid represented about 13% of the Group's uranium production costs (10% in 2023).

Looking ahead in the medium term, the existing deficit of sulphuric acid is expected to alleviate as a result of the potential increase in sulphuric acid supply from local non-ferrous metals mining and smelting operations, and construction of Kazatomprom's Taiqonyr Qyshqyl Zauyty LLP. As previously disclosed it is planned that the launch of new plant will enhance Company's in-house sulphuric acid production capacity (see Section 5.2 Changes in the Group structure) and will serve as a strategic risk mitigation initiative aimed at ensuring self-reliant production capabilities. The plant is anticipated to have a nominal capacity of 800,000 tonnes of sulphuric acid annually. When combined with the existing supply volumes of SKZ-U LLP and SSAP LLP, totalling around 680,000 tonnes, Kazatomprom envisions a consolidated in-house sulphuric acid supply volume of approximately 1.5 million tonnes starting from 2028.

5.6 Inflation-related costs, as well as availability of critical operating materials & equipment

The extraction of uranium using the ISR mining method requires the import of certain key operating materials and components. These items are either imported into Kazakhstan directly by the Group, or by local suppliers from whom the Group procures such materials.

In some cases, shipping and availability constraints have resulted in a higher cost to acquire the necessary production materials, including inflationary pressure as a result of commodity price changes, driving an increase in production costs (see Section 6.3.2 Uranium segment production and sales metrics).

5.7 Impact of changes in Ore Reserves estimates

The Group reviews its JORC-compliant estimates of Ore Reserves and Mineral Resources on an annual basis, including a review of the estimates by a qualified third-party. As a result, certain Ore Reserves and Mineral Resources may be reclassified annually in accordance with applicable standards. Such reclassifications may have an impact on the Group's financial statements. For example, if a reclassification results in a change to the Group's life of mine plans, there may be a corresponding impact on depreciation and amortization expenses, impairment charges, as well as mine closure charges incurred at the end of the life of mine.

5.8 Transactions with subsidiaries, JVs, JOs and Associates

The Company purchases U_3O_8 from its subsidiaries, JOs, JVs and associates, principally at spot price with market-based discounts, which may vary by operation. Purchased volumes generally correspond to the Company's interest in the respective selling entities.

The Group's Uranium segment revenue is primarily composed of two streams:

- the sale of U_3O_8 purchased from JVs and associates, as well as from third parties, and
- the sale of U_3O_8 produced by the Company and by its consolidated subsidiaries and JOs.

Cost of sales of purchased uranium is equal to the purchase price from JVs and associates, which in most cases is the prevailing spot price with certain applicable discounts. The share of results of JVs and associates represents a significant part of the Group's profits and should be considered in the assessment of the Group's financial results. In 2024, U_3O_8 was purchased at a weighted average discount of 3.74% (2023: 3.63%) on the prevailing spot price.

When uranium produced by the Company, consolidated subsidiaries and JOs, is sold, the cost of sales is predominantly represented by the cost of production. For those sales, the entire profit margin from uranium products, including uranium for export is reflected in the Group's consolidated results.

The following table provides the volumes purchased by the Company for the periods indicated.

(tU)	2024	2023	Change
U_3O_8 purchased from JVs and associates	2,738	2,703	1%
U_3O_8 purchased from JOs and subsidiaries	10,263	9,898	4%
Total	**13,001**	**12,601**	**3%**

* 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 the Company).

In 2024 the total volume of U_3O_8 purchased from JVs and associates, JOs and Subsidiaries comprised 13,001 tonnes (2023: 12,601 tonnes).

In addition to the above volumes, the Company (including its trading subsidiary THK) also purchases volumes from third parties at variable prices.

6.0 KEY PERFORMANCE INDICATORS ANALYSIS

6.1 Consolidated financial metrics

The analysis in this section of the report is based on 12 months ended 31 December 2024 compared to 12 months ended 31 December 2023. The table below provides financial information related to the consolidated results of the Group for 2024 and 2023.

(KZT million)	2024	2023	Change
Revenue	**1,813,352**	**1,434,635**	26%
Cost of sales	(931,621)	(671,862)	39%
Gross profit	**881,731**	**762,773**	16%
Selling expenses	(26,216)	(28,851)	(9%)
G&A expenses	(48,666)	(53,110)	(8%)
Operating profit	**806,849**	**680,812**	19%
Other income/(loss), including the following one-time effect:	402,700	(50,855)	-
Gain from business combination (one-time effect)[1]	295,719	-	-
Share of results of associates	142,533	76,049	87%
Share of results of joint ventures (JVs)	17,030	22,336	(24%)
Pre-tax income	**1,369,112**	**728,342**	88%
Corporate income tax	(236,997)	(148,007)	60%
Net profit, attributable to:	**1,132,115**	**580,335**	95%
- Owners of the Company	872,263	419,184	108%
- Non-controlling interest	259,852	161,151	61%
Earnings per share attributable to owners (basic and diluted), KZT/share[2]	3,363	1,616	108%
Adjusted Net profit (net of one-time effects), attributable to:	**836,396**	**580,335**	44%
- Owners of the Company	576,544	419,184	38%
Adjusted EBITDA[3]	1,096,711	828,623	32%
Attributable EBITDA[4]	788,681	639,407	23%

[1] Net result from business combination for control obtained over JV Budenovskoye LLP.

[2] Calculated as: Profit for the year attributable to owners of the Company divided by total number of shares outstanding from Section 11.0 OUTSTANDING SHARES, 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 amortization + 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, less non-controlling share of adjusted EBITDA of Appak LLP, JV Inkai LLP, Baiken-U LLP, Ortalyk LLP, Turanium (previously JV "Khorasan-U") LLP and JV Budenovskoye LLP less any changes in the unrealized gain in the Group.

6.2 Consolidated revenue and other financial metrics

The Group's consolidated revenue continued to show sustainable growth amounting to KZT 1,813,352 million in 2024, an increase of 26% compared to 2023 (in 2023 the Group's consolidated revenue was KZT 1,434,635 million). The increase is 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 related to the growth of FA deliveries by Ulba-FA LLP in 2024.

The main revenues by source in 2024 compared to 2023, are presented below.

				Proportion	
(KZT million)	**2024**	**2023**	**Change**	**2024**	**2023**
Uranium[1]	1,412,466	1,180,722	20%	78%	82%
Uranium products and enriched uranium[2]	252,369	151,798	66%	14%	11%
Beryllium products	30,666	31,857	(4%)	2%	2%
Tantalum products	19,670	27,061	(27%)	1%	2%
Others	98,181	43,197	127%	5%	3%
Total Revenue	**1,813,352**	**1,434,635**	**26%**	**100%**	**100%**

[1] Includes only U_3O_8 sales proceeds (across the Group).

[2] Includes, but is not limited to sale of EUP, UF_6, production and sales of UO_2 powder and fuel pellets by UMP JSC.

Operating profit in 2024 was KZT 806,849 million, an increase of 19% compared to 2023 (in 2023 was KZT 680,812 million). The increase was mainly due to a higher gross profit in 2024 as indicated above.

In 2024 other income amounted to KZT 402,700 million (2023: KZT 50,855 million loss), originated primarily from a net result from business combination (one-time effect), namely control obtained over JV Budenovskoye LLP for KZT 295 719 million (2023: nil) in accordance with the independent valuation report. The Group obtained control over JV Budenovskoye LLP through having majority of the voting rights and representation in the Supervisory Board as of 1 January 2024. Excluding the one-time effect of net gain from business combination, other income is mostly represented by gain from revaluation and disposal of inventory loan returned until March 2024 to ANU Energy OEIC for KZT 14,332 million (2023: loss on revaluation for KZT 37,977 million). Also, in Q4 2023 the Group accrued a provision amount of KZT 15,692 million on receivables from Dioxitek S.A. (Argentina) for the sales of uranium. The payment was received as of the reporting date, thus reversal of impairment was recognised.

Net profit in 2024 amounted to KZT 1,132,115 million, an increase of 95% compared to 2023 (2023: KZT 580,335 million). The increase was mainly due to the gain from control acquired over JV Budenovskoye LLP, a higher operating profit, as well as due to higher share in results of associates in 2024, primarily driven by an increase in the average realized price of associates due to an increase in the spot price for U_3O_8.

Profit for the period attributable to non-controlling interest increased significantly by 61% in 2024 and comprised KZT 259,852 million due to a growth of net profit of the mining subsidiaries that have non-controlling interest, primarily driven by an increase in the average realized price due to an increase in the spot price for U_3O_8.

Adjusted EBITDA amounted to KZT 1,096,711 million in 2024, a 32% year-on-year (KZT 828,623 million in 2023), while attributable EBITDA was KZT 788,681 million in 2024, an increase of 23% compared to previous year (KZT 639,407 million in 2023). The changes were mainly driven by higher operating profit on consolidated level, higher EBITDA of JVs and associates, and growth in the average realized price associated with an increase of the spot price for U_3O_8.

6.3 Uranium segment

6.3.1 Uranium segment financial metrics

(KZT million unless noted)		2024	2023	Change
Average exchange rate for the period	KZT/USD	469.11	456.24	3%
Uranium segment revenue[1]		1,666,978	1,211,524	38%
Including U_3O_8 sales proceeds (across the Group)[2]		1,412,466	1,180,722	20%
Share of a revenue from U_3O_8 in total revenue	%	78%	82%	(5%)

[1] Calculated from Financial Statements Note Segment Information as a sum of external revenue and revenues from other segments for uranium segment.

[2] Includes only U_3O_8 sales proceeds (across the Group).

Consolidated U_3O_8 sales amounted to KZT 1,412,466 million in 2024, an increase of 20% compared to 2023 (2023: KZT 1,180,722 million) attributable to the growth in the average realized price associated with an increase in the market spot price for U_3O_8.

6.3.2 *Uranium segment production and sales metrics*

		2024	2023	Change
Production volume of U_3O_8 (100% basis)	tU	23,270	21,112	10%
Production volume of U_3O_8 (attributable basis)[1]	tU	12,286	11,169	10%
U_3O_8 sales volume (consolidated)	tU	16,670	18,069	(8%)
Including KAP U_3O_8 sales volume[2, 3]	tU	12,769	14,915	(14%)
Group inventory of finished goods (U_3O_8)	tU	6,334	7,242	(13%)
Including KAP inventory of finished goods (U_3O_8)[4]	tU	5,431	6,108	(11%)
Group average realized price	KZT/kg	84,733	65,344	30%
Group average realized price	USD/lb	69.48	55.09	26%
KAP average realized price[5]	USD/lb	65.78	52.10	26%
Average weekly spot price	USD/lb	86.28	60.53	43%
Average month-end spot price[6]	USD/lb	85.14	62.51	36%

[1] The Production volumes of U_3O_8 (attributable basis) are not equal to the volumes purchased by KAP headquarters (HQ) in the Section 5.8 Transactions with subsidiaries, JVs, JOs and Associates.
[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 1,800 tonnes of natural uranium equivalent used for the supply of EUP in 2024 for the project of "Ulba-FA" LLP (2023: 1,300 tonnes).
[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.

Kazatomprom's 2024 production results were within the guided ranges. Production volumes on a 100% basis and on attributable basis were higher throughout 2024 compared to 2023 due to an increase in the production plan in accordance with the commitments under the Subsoil Use Agreements.

Both Group and KAP sales volumes slightly exceeded guidance in 2024 due to an increase in physical deliveries associated with additional requests from customers to flex up their annual delivery quantities within the frame of existing contracts, as well as due to prior periods' adjustments associated with conversion facility certification and weighing procedures.

Consolidated Group inventory of finished U_3O_8 products amounted to 6,334 tonnes as at 31 December 2024, 13% lower than at 31 December 2023. At the KAP HQ and THK level, inventory of finished U_3O_8 products amounted to 5,431 tonnes which was 11% lower than at 31 December 2023. Overall, the decrease in inventory is due to higher sales of EUP to "Ulba-FA" LLP, as well as return of U_3O_8 under inventory loans and swap deals. Inventory loans and swap deals are part of the Group's normal inventory management activity, required to mitigate potential logistical risks that could affect the timely delivery of Kazakh uranium to Western conversion enterprises due to heightened geopolitical instability.

The Group's average realized price in 2024 was KZT 84,733 per kgU (69.48 USD/lb U_3O_8), a 30% increase on KZT/kgU (26% on USD/lb U_3O_8) compared to 2023 due to higher uranium spot prices. The Company's current contract portfolio pricing correlates with the spot uranium prices, however some deliveries in 2024 were made under long-term contracts, which include fixed pricing components, including price ceilings that were negotiated during a comparatively lower price environment.

The Company's current overall contract portfolio price is correlated to uranium spot prices (see Section 12.1 Uranium sales price sensitivity analysis). 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. At the same time, pricing mechanisms for some long-term contracts include fixed basic price components that were set in lower price conditions.

6.3.3 Uranium segment production by operation

The information presented in the table provides the total uranium production level at each asset (100% basis). The impact of delays and/or limited access to some key materials & equipment in first half of 2024 (see Sections 5.5 Cost and availability of sulphuric acid), was not equal across all operations due to the nature of the ISR mining process, and differences in the geological structure of the deposits, mine plans and development phase at each operation.

(tU as U_3O_8)	Ownership	2024	2023	Change
Kazatomprom-SaUran LLP	100%	1,020	1,070	(5%)
RU-6 LLP	100%	833	833	0%
Appak LLP	65%	833	833	(0%)
JV Inkai LLP[1]	60%	2,992	3,230	(7%)
Baiken-U LLP	52.5%	1,141	1,066	7%
MC Ortalyk LLP	51%	1,739	1,649	5%
Semizbay-U LLP	51%	963	963	0%
JV Budenovskoye LLP	51%	617	180	>100%
Karatau LLP	50%	3,299	2,612	26%
JV Akbastau JSC	50%	2,001	1,647	22%
Turanium LLP (JV Khorassan-U) LLP	50%	2,030	1,681	21%
JV Zarechnoye JSC	49.98%	611	757	(19%)
JV Katco LLP	49%	2,388	2,103	14%
JV South Mining Chemical Company LLP	30%	2,803	2,488	13%
Total		**23,270**	**21,112**	**10%**

[1] For JV "Inkai" LLP annual share of production on attributable basis is determined as per Implementation Agreement, concluded between participants of the entity. Company's annual attributable share of production in 2024 comprised 1,619 tU (2023: 1,615 tU).

6.4 UMP Segment

6.4.1 UMP segment uranium product sales

UO_2 powder and Fuel pellets*		2024	2023	Change
Fuel pellets	Sales and tolling, tonnes	295.0	196.5	50%
Ceramic powder	Sales and tolling, tonnes	5.5	87.8	(94%)
Dioxide from scraps	Sales and tolling, tonnes	8.1	7.6	7%

* Volumes include products and materials sold under tolling services.

Sales volume of fuel pellets (including material produced under tolling services) and ceramic powders amounted 295 tonnes and 5.5 tonnes respectively in 2024. These results correspond to the planned 2024 in accordance with contracted sales volumes and customer demand. A 7% increase in sales volumes of dioxide from scraps up to 8.1 tonnes in 2024 is due to an increase in the quantity of orders from customers.

6.4.2 UMP segment rare metal products sales

Rare metals products*		2024	2023	Change
Beryllium products	Sales and tolling, tonnes	629.88	898.19	(30%)
	KZT/kg	48,851	35,468	38%
Tantalum products	Sales and tolling, tonnes	141.59	146.27	(3%)
	KZT/kg	170,695	185,011	(8%)
Niobium products	Sales and tolling, tonnes	9.18	1.29	>200%
	KZT/kg	27,434	91,121	(70%)

* Volumes include products and materials sold under tolling services.

Sales volume of beryllium products (including material produced under tolling services) decreased by 30% due to lower customer demand in 2024 compared to 2023, while price increased by 38% mainly due to change in the product mix to higher value-added refined products.

Sales volume of tantalum products (including material produced under tolling services) decreased by 3% in 2024 compared to 2023 due to lower customer demand. Sales prices for tantalum products decreased by 8% due to a change in the structure of products sold.

Sales volume of niobium products (including tolling services) significantly increased in 2024 compared to 2023, due to higher demand, whereas sales prices for niobium products in 2024 decreased compared to the same period in 2023 due to changes in product mix of the realized products.

6.5 Cost of sales

The table below illustrates the components of the Group's cost of sales for 2024 and 2023:

				Proportion	
(KZT million)	**2024**	**2023**	**Change**	**2024**	**2023**
Materials and supplies	518,578	364,841	42%	56%	54%
Depreciation and amortization	119,922	92,824	29%	13%	15%
Processing and other services	103,655	71,126	46%	11%	11%
Taxes other than income tax	91,487	55,868	64%	10%	8%
Payroll costs	71,346	61,886	15%	8%	9%
Other	26,633	25,317	5%	3%	4%
Cost of Sales	**931,621**	**671,862**	**39%**	**100%**	**100%**

Cost of sales totalled KZT 931,621 million in 2024, an increase of 39% compared to previous year (2023: KZT 671,862 million) mainly due to a higher cost for purchased uranium (as described below) and a higher production cost for uranium produced by consolidated subsidiaries and JOs.

The cost of materials and supplies was KZT 518,578 million in 2024, an increase of 42% compared to 2023 (2023: KZT 364,841 million) due to an increase spot price of U_3O_8 affecting the cost of uranium purchased from JVs and associates, as well as from third parties (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 was also due to an increase of purchase price of production materials, supplies and reagents (including sulphuric acid) due to an inflationary pressure (see Section 5.6 Inflation-related costs, as well as availability of critical operating materials & equipment).

Depreciation and amortization totalled KZT 119,922 million, an increase of 29% compared to 2023 (2023: KZT 92,824 million), mainly due to increase in the costs of repayment of the wellfield development depreciation (PGR) (see Section 7.0 CAPITAL EXPENDITURES REVIEW).

The cost of processing and other services was KZT 103,655 million in 2024, a significant growth compared to 2023 (2023: KZT 71,126 million), due to an increase in the volumes of processing, as well due to consolidation of JV Budenovskoye LLP, increase in tariffs for processing and inflationary pressure from other production services.

Taxes other than income tax totalled KZT 91,487 million, which is comprised mostly of MET, increased by 64% compared to 2023 (2023: KZT 55,868 million) due to an increase in spot prices as per formula mentioned in section 5.4 Taxation and Mineral Extraction Tax ("MET").

Payroll costs totalled KZT 71,346 million in 2024, an increase of 15% compared to 2023 (2023: KZT 61,886 million), mainly associated with the slight growth in the number of production personnel due to preparations for production expansion and increase of services provided by entities of other segment (see 4.1 Segments).

The other categories of costs, including items such as maintenance and repair, transportation and other expenses totalled KZT 26,633 million in 2024 (2023: KZT 25,317 million), an increase of 5% compared to 2023 mainly due to inflationary pressure.

6.5.1. Uranium segment C1 cash cost, all-in sustaining cash cost, and capital expenditures

(KZT million unless noted)		2024	2023	Change
C1 Cash cost (attributable basis)	USD/lb	16.59	13.27	25%
Capital cost (attributable basis)	USD/lb	11.06	8.10	37%
All-in sustaining cash cost (attributable C1 + capital cost)	USD/lb	27.65	21.37	29%
Capital expenditures of mining companies (100% basis)[1]		317,540	201,321	58%

[1] Excludes liquidation funds and closure costs. Note that in Section 7.0 CAPITAL EXPENDITURES REVIEW total results include liquidation funds and closure cost.

C1 Cash cost (attributable) for 2024 was within the 2024 guided range ($16.50 – $18.00/lb), while All-in-sustaining cash cost (attributable C1 + capital cost, “AISC”) was slightly below the 2024 guided range ($27.75 – $29.25/lb), caused by the factors listed below.

C1 Cash cost (attributable) increased by 25% and AISC increased by 29% in USD equivalent for 2024 compared to 2023. The increase in C1 Cash cost was primarily due to an increase in spot prices affecting MET as per formula mentioned in section 5.4 Taxation and Mineral Extraction Tax (“MET”), as well as increasing inflationary pressure on materials and supplies.

Kazatomprom’s attributable C1 cash cost categories are generally broken down as follows (proportions vary year-to-year, and vary between operations, deposits and regions):

General Attributable Cash cost (C1) Categories	2024	2023
MET	30%	28%
Material and supplies	23%	21%
Payroll costs	17%	18%
Processing and other services	13%	15%
General and administrative expenses	5%	5%
Selling expenses	3%	4%
Others	9%	10%
Total	**100%**	**100%**

AISC increased due to an overall increase in capital cost on an attributable basis, driven by factors as specified below.

Capital expenditures of mining entities (100% basis) in 2024 totalled KZT 317,540 million, an increase of 58% compared to 2023 (2023: KZT 201,321 million) and were higher than the updated guidance range provided for 2024 (KZT 285 – 305 billion). The increase was attributable to:

- capital investments for the wells construction and building infrastructure for new facilities commissioned at JV Katco LLP, MC Ortalyk LLP and JV Budenovskoye LLP for an aggregate amount of KZT 108 bln (previously guided - KZT 97 billion);
- an increase in purchase prices for materials, supplies, equipment and cost of drilling (see Section 7.0 CAPITAL EXPENDITURES REVIEW) and preparation of wellfields for 2025 increase (compared to 2024 volumes) as per 2025 guidance (see Section 12.0 GUIDANCE FOR 2025).

6.6 Selling expenses

				Proportion	
(KZT million)	2024	2023	Change	2024	2023
Shipping, transportation and storing	19,291	22,408	(14%)	74%	78%
Payroll costs	2,163	1,916	13%	8%	7%
Rent	110	385	(71%)	0%	1%
Materials	179	170	5%	1%	1%
Depreciation and amortization	99	93	6%	0%	0%
Others	4,374	3,879	13%	17%	13%
Selling expenses	**26,216**	**28,851**	**(9%)**	**100%**	**100%**

Selling expenses totalled KZT 26,216 million in 2024 and decreased by 9% compared to 2023 (in 2023 was KZT 28,851 million). The decrease is mainly due to a decrease in sales volume and a change in transportation routes.

6.7 General & Administrative expenses (G&A)

(KZT million)	2024	2023	Change	Proportion 2024	Proportion 2023
G&A expenses	48,666	53,110	(8%)	100%	100%
Incl. Depreciation and amortization	1,914	2,059	(7%)	4%	4%

G&A expenses comprised KZT 48,666 million in 2024 and decreased by 8% compared to 2023 due to the following reasons.

G&A in 2023 included compensation paid to the government in the amount of KZT 11,404 million due to unauthorised volume of uranium mined (about 162 tonnes) at the Zhalpak field for the period from June 2018 to April 2020.

The decrease of G&A was partially offset by financial assistance of KZT 3,032 million provided to support the regions of the Republic of Kazakhstan affected by the floods.

6.8 The share of associates' and JVs' results

The share of results of associates and JVs in 2024 was KZT 159 563 million, an increase of 62% compared to 2023 (in 2023 was KZT 98,385 million). The significant increase was due to a growth of average realized price associated with an increase in the market spot price for U_3O_8 in 2024.

6.9 Profit before tax and tax expense

(KZT million)	2024	2023	Change
Profit before tax	1,369,112	728,342	88%
Total income tax expense, including:	236,997	148,007	60%
Current income tax	252,893	157,610	60%
Deferred income tax	(15,896)	(9,603)	66%

The Group's profit before tax was KZT 1,369,112 million in 2024, significantly higher than in 2023 which is mainly due to increase in operating income driven by the growth in the average realized price with an increase in the market spot price for U_3O_8 as well as an increase in sales volume of uranium products (EUP) and the growth of USD/KZT exchange rate.

In 2024, corporate income tax expense was KZT 236,997 million, a significant increase compared to 2023 (in 2023 was KZT 148,007 million) related to the increased current income tax and increase in profit before tax in 2024.

The corporate tax rate applicable to the Group's profits was 20% in 2024 and 2023. Effective income tax rates were 17% and 20% for 2024 and 2023, respectively. The effective tax rate differs from corporate income tax rate primarily due to certain elements of reported income and expenses that are not recognised in tax accounting. In general, difference between effective tax rate and applicable Kazakhstani corporate tax rate of 20% is insignificant.

7.0 CAPITAL EXPENDITURES REVIEW

Most capital expenditures of the Group are incurred by subsidiaries, JOs, JVs and associates engaged in the mining of natural uranium. Such expenditures are comprised of the following key components:

- uranium well construction costs: the main components of these costs are the costs of construction, well piping and acidification at existing and new fields;
- expansion costs, which typically include expansion of processing facilities, including at existing fields, at new sites as additions to existing contracts for subsoil use, extension of services and transport routes to new wellfield areas, implementation of new production systems and processes;
- sustaining capital, largely reflecting recurring, infrastructure at existing and new fields, expenses on maintenance of buildings and equipment replacement related costs, which typically to cease three years prior to the end of production at the asset; and
- liquidation fund contributions and mine closure costs (not included in the calculation of AISC).

The following table provides the capital expenditures for the Group's subsidiaries, JOs, JVs and associates engaged in uranium mining on the 100% basis for the periods indicated. Capital expenditure amounts shown were derived from stand-alone unaudited management information of certain entities within the Group based on a stand-alone account information of these entities, and they are therefore not comparable with or reconcilable to the amounts of additions to property, plant and equipment as presented in the Consolidated Financial Statements.

					2024				2023
(KZT million)	**Owner-ship**	**WC[1]**	**S&E[2]**	**LF/C[3]**	**Total**	**WC1**	**S&E[2]**	**LF/C3**	**Total**
Kazatomprom-SaUran LLP	100%	11,681	2,035	1,512	**15,228**	10,787	3,832	260	**14,879**
RU-6 LLP	100%	6,786	1,429	1,065	**9,280**	6,762	1,230	472	**8,464**
Appak LLP	65%	9,924	1883	1,062	**12,869**	7,669	1,208	288	**9,165**
JV Inkai LLP	60%	17,058	3,201	42	**20,301**	11,478	2,535	(5)	**14,008**
Baiken-U LLP	52.5%	8,123	1318	442	**9,883**	8,153	985	100	**9,238**
MC Ortalyk LLP	51%	21,337	5,726	1,153	**28,216**	16,380	1,199	(57)	**17,522**
Semizbay-U LLP	51%	10,641	902	925	**12,468**	8,977	1,433	(41)	**10,369**
JV Budenovskoye LLP	51%	43,153	11,127	285	**54,565**	10,035	318	83	**10,436**
Karatau LLP	50%	13,427	1,221	942	**15,590**	7,962	587	174	**8,723**
JV Akbastau JSC	50%	23,280	3916	534	**27,730**	10,711	520	80	**11,311**
Turanium LLP (JV Khorassan-U LLP)	50%	16,044	4,428	442	**20,914**	12,322	1,171	221	**13,714**
JV Zarechnoye JSC	49.98%	6,512	861	2,186	**9,559**	6,546	295	2,966	**9,807**
JV Katco LLP	49%	41,215	26,580	5,418	**73,213**	29,167	26,722	2,849	**58,738**
JV South Mining Chemical Company LLP	30%	19,926	3,805	1,544	**25,275**	9,104	3,231	238	**12,573**
Total of mining assets		**249,107**	**68,432**	**17,552**	**335,091**	**156,053**	**45,266**	**7,628**	**208,947**

[1] Well construction, not including geologic exploration costs.
[2] Sustaining. Includes total expansion investments.
[3] Liquidation fund / closure.

Capital expenditures of 14 mining entities in 2024 significantly exceeded the level of 2023. The growth of capital investments, excluding liquidation fund/closure expenses, is associated with:

- construction of the necessary infrastructure and costs of well construction at JV Budenovskoye LLP, JV Katco LLP (South Tortkuduk) and MC Ortalyk LLP (Zhalpak) as part of significant investment projects;
- expansion of production capacities at existing fields in order to achieve the planned levels of uranium production;
- growth of wells constructed to achieve the production level within the framework of contractual obligations and restore the ratio of reserves ready for production;
- growth of purchase prices for work and materials for the construction and piping of wells.

(KZT million)	2024	2023	Change
Well construction	249,107	156,053	60%
Sustaining[1]	40,915	26,853	52%
Total wellfield construction and sustaining costs	**290,022**	**182,906**	**59%**
Expansion	27,518	18,414	49%
Capital expenditures of mining entities (100% basis)[2]	**317,540**	**201,321**	**58%**

[1] Excludes total expansion investments.

[2] Excludes liquidation funds and closure costs.

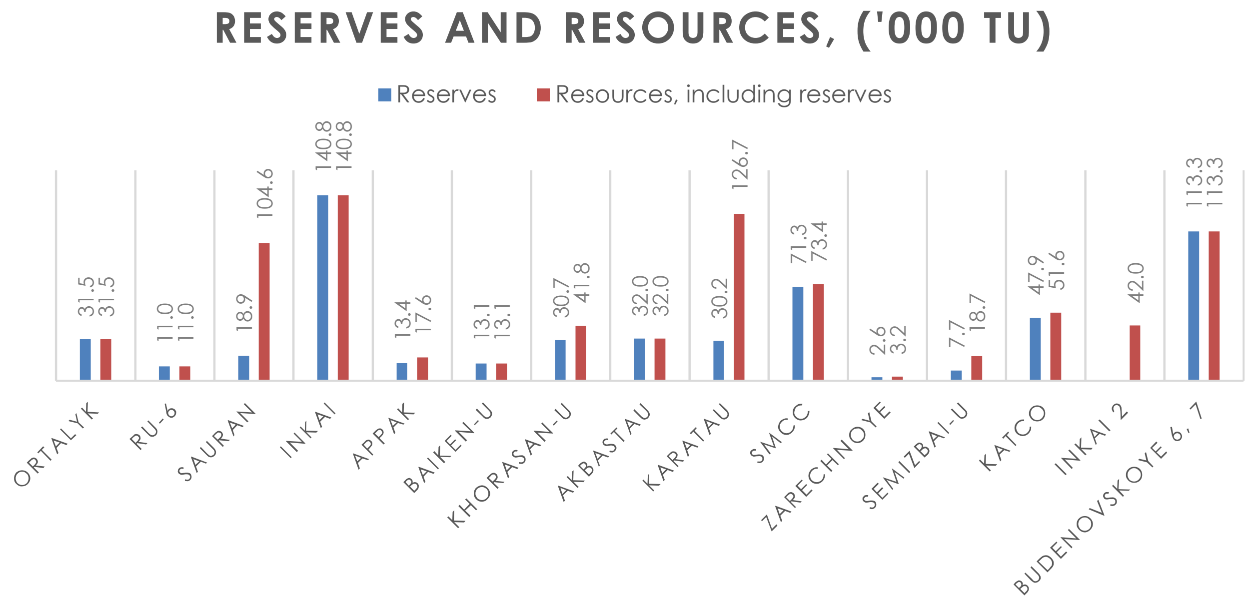
Total capital expenditures of mining entities in 2024 were higher than the updated guidance range provided for 2024 (KZT 285 – 305 billion). The increase in capital expenditures of mining entities to KZT 317.5 billion in 2024 is mainly attributable to wellfield and infrastructure construction for new facilities commissioned at JV Budenovskoye LLP, JV Katco LLP (South Tortkuduk) and MC Ortalyk LLP (Zhalpak), for the total amount of KZT 108 billion (previously published guidance for 2024: KZT 97 billion), as well as expansion of production capacities at existing fields.

The information presented in the table below reflects the wellfield development depreciation (commonly known as PGR), property, plant and equipment, and depreciation and amortization data for each mining asset in 2024.

(KZT million unless noted)	PGR volumes (tU)	PGR at the end of period	Exploration value at the end of period	Historical cost of PPE (excl. wellstock) at the end of period	Carrying amount of PPE (excl. wellstock) at the end of period	D&A (excl. wellstock)
Kazatomprom-SaUran LLP	2,426	18,385	15,578	28,179	14,954	1,602
RU-6 LLP	3,212	15,055	-	9,900	5,076	874
Appak LLP	1,367	10,096	1,572	12,545	6,643	868
JV Inkai LLP	4,548	15,996	15,132	107,889	59,603	2,446
Baiken-U LLP	2,554	9,674	4,395	25,149	11,744	1,208
MC Ortalyk LLP	2,669	12,320	1,048	30,524	19,616	1,223
Semizbay-U LLP	1,986	11,759	36	21,674	9,647	1,540
JV Budenovskoye LLP	553	1,672	12,493	13,799	13,470	124
Karatau LLP	3,167	5,661	2,018	32,180	15,366	1,602
JV Akbastau JSC	2,937	10,708	5,205	15,927	9,969	793
Turanium LLP (JV Khorassan-U LLP)*	3,378	15,151	9,971	23,429	14,384	1,117
JV Katco LLP	7,229	81,729	6,010	122,441	82,860	3,442
JV Zarechnoye JSC	1,587	10,907	1,712	13,358	5,157	673
JV South Mining Chemical Company LLP	4,476	14,104	5,357	33,035	16,521	1,861

* includes the fixed assets of Kyzylkum LLP

8.0 RESERVES AND GEOLOGICAL SURVEYS



In accordance with the SRK Consulting (UK) Limited Letter (dated 17 January 2025), the Ore reserves of all mining assets (does not include estimated resources of exploration assets) as of 31 December 2024 (including annual depletion) totalled 564.3 thousand tU, (100% basis), with 300.3 thousand tU attributable to the Company (2023: 566.9 thousand tU on a 100% basis, 300.9 thousand tU attributable). Total mineral resources (including ore reserves) were estimated at 821.3 thousand tU (100% basis), with 492.9 thousand tU attributable to the Company (2023: 850.5 thousand tU on 100% basis, 508.9 thousand tU attributable). In comparison to 2023, total mineral resources decreased by about 29.3 thousand tU, mainly due to the depletion of mineral resources related to the mining of 23.4 thousand tU in 2024 on 100% basis and corresponding losses, regulated in project documents. Furthermore, mineral resources in the amount of 5.8 thousand tU, recorded in 2023, were not accounted in the current estimation due to completion of Exploration contract for Budenovskoye 6 and 7, which belongs to Budenovskoye LLP. For more information, please see in a letter from SRK Consulting (UK) Limited about Mineral Resources and Ore Reserves, available in the “Investors” section on the Company's website.

9.0 LIQUIDITY AND CAPITAL RESOURCES

Kazatomprom's management aims to preserve financial stability in a constantly changing market environment. The Group's financial management policy is intended to maintain an appropriate amount of cash reserves to support existing operations and business development.

The Group's liquidity requirements primarily relate to funding working capital, capital expenditures, service of debt, and payment of dividends. The Group has historically relied primarily on cash flow from operating activities to fund its working capital and long-term capital requirements, and it expects to continue to do so, although it maintains the option to use external financial resources when required. It is expected that there will be no significant change in the sources of the Group's liquidity in the foreseeable future. If required, the Company will consider entering into project financing arrangements to fund certain investment projects.

9.1 Cash and available source of financing

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)	2024	2023	Change
Cash and cash equivalents	294,385	211,912	39%
Term deposit (deemed as cash equivalents)	28	8	250%
Total cash	**294,413**	**211,920**	**39%**
Undrawn borrowing facilities	101,346	115,004	(12%)

Total cash, including term deposits, at 31 December 2024 amounted to KZT 294,413 million, compared to KZT 211,920 million at 31 December 2023, due to explanations that are presented below in the Section 9.4 Cash Flows.

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 of 31 December 2024, the total limit on the Group's undrawn revolving credit lines was KZT 101,346 million (USD 194 million), which was fully available for use at the Company's discretion (31 December 2023: USD 253 million).

9.2 Dividends received and paid

The Company is the parent for the Group, and in addition to revenue from its business operations, it receives dividends from JVs and associates, and from other investments. In 2024 and 2023, the Group received dividends of KZT 91,110 million and KZT 87,794 million, respectively, from its JVs and associates. The Company balances dividend maximisation and sustainable development goals at subsidiaries, JVs and associates. Dividends received by the Company from investees domiciled in the Republic of Kazakhstan are exempt from dividend tax.

In 2024, the Company announced dividends of KZT 314,649 million, which were paid to its shareholders in June 2024 based upon the results of 2023 operations (compared to KZT 200,970 million paid to shareholders in July 2023 based upon the results of 2022 operations).

9.3 *Working capital*

The table below provides a breakdown of the Group's working capital in 2024 and 2023.

(KZT million)	2024	2023	Change
Inventory	388,157	423,314	(8%)
Receivables	676,161	430,319	57%
Recoverable VAT	219,672	146,450	50%
Other financial assets[1]	20,393	49,399	(59%)
Other non-financial assets	18,235	19,398	(6%)
CIT prepayment	9,508	9,536	(0%)
Payables	(281,672)	(176,011)	60%
Employee remuneration liabilities	(399)	(326)	22%
Income tax liabilities	(7,482)	(5,022)	49%
Other taxes and compulsory payments liabilities	(47,931)	(37,437)	28%
Other current liabilities	(27,701)	(116,540)	>100%
Net working capital	**966,941**	**743,080**	**30%**

[1] Excludes term deposits in amount of KZT 28 million in 2024 (2023: KZT 8 million) as these deemed as equivalent to cash (see Section 9.1 Cash and available source of financing).

An increase in receivables was mainly due to growth of revenues in 2024 (see Section 6.2 Consolidated revenue and other financial metrics).

Recoverable VAT significantly increased and totalled KZT 219,672 million due to an increase in cost of uranium purchased by the Company from its subsidiaries, JOs, JVs and associates due to increase of the U_3O_8 spot prices (see Section 5.8 Transactions with subsidiaries, JVs, JOs and Associates).

Other financial assets are mainly represented by the Group's investments in short-term debt securities issued by the National Bank of the Republic of Kazakhstan, the U.S. Department of the Treasury, and international financial institutions. As at 31 December 2024, these investments amounted to KZT 20,393 million.

An increase in payables was mainly due to the increase in cost of uranium purchased by the Company from its JVs and associates.

Other current liabilities as at 31 December 2023 included liabilities under a short-term inventory loan agreement of uranium for KZT 91,151 million (revalued at a fair value), concluded between the Group and ANU Energy, which was returned in 2024. Uranium loans are part of the Group's normal inventory management policy, required to mitigate logistical risks that could affect the timely delivery of Kazakh uranium to Western conversion facilities due to the current unstable geopolitical situation.

The Group's net working capital remained positive during all periods under review.

The following table sets forth the components of the Group's inventories in 2024 and 2023:

(KZT million)	2024	2023	Change
Finished goods and goods for resale	317,727	331,494	(4%)
Including uranium products	*314,367*	*328,015*	*(4%)*
Work-in-process	36,712	62,496	(41%)
Raw materials	30,549	26,451	15%
Other materials	3,582	2,793	28%
Spare parts	974	1,800	(46%)
Fuel	1,283	1,233	4%
Provision for obsolescence and write-down to net realizable value	(2,670)	(2,953)	(10%)
Total inventories	**388,157**	**423,314**	**(8%)**

The Group constantly monitors the uranium market and may pursue a strategy of increasing its inventories in certain market conditions.

The Group's main inventory items are finished goods and goods for resale, which primarily consist of U_3O_8 and other uranium products.

A decrease in inventory balance was mainly due to a decrease in physical inventory levels at Group level (see Section 6.3.2 Uranium segment production and sales metrics). In alignment with the Company's value strategy, Kazatomprom's inventory levels vary based upon timing of customer requirements and the resulting differences in the timing of deliveries, and mining and sales volumes, in alignment with changing market conditions.

9.4 Cash Flows

The following cash flow discussion is based on, and should be read in conjunction with the Financial Statements and related notes.

The following table provides the Group's consolidated cash flows in 2024 and 2023:

(KZT million)	2024	2023
Cash flows from operating activities[1]	516,487	432,225
Cash flows from/(used in) investing activities	(42,415)	(61,200)
Cash flows (used in) financing activities	(415,264)	(319,425)
Net increase/(decrease) in cash and cash equivalents	**58,808**	**51,600**

[1] Includes income tax and interest paid.

9.4.1 Cash Flows from Operating Activities

Operating cash flows in 2024 totalled KZT 516,487 million, a significant increase compared to KZT 432,225 million in 2023 mainly due to:

- KZT 314,230 million increase in cash receipts from customers and under swap transactions during 2024 compared to 2023, due to a growth in the average realized price associated with an increase in the spot price for U_3O_8;
- KZT 29,501 million increase in 2023 inflows from VAT refunds from the budget.

Offset by:

- KZT 72,642 million increase in cash payments to suppliers and under swap transactions during 2024 compared to 2023, due to a growth in the spot price for U_3O_8 as well as inflationary pressure on materials and supplies;
- KZT 77,717 million due to an increase in other taxes paid, primarily from the higher amount of accrued value-added tax resulting from an increase in intra-group sales within the territory of Republic of Kazakhstan, along with an in increase in the mineral extraction tax (see Section 5.4 Taxation and Mineral Extraction Tax ("MET"));
- KZT 76,110 million increase in income tax paid due to an increase in profit before tax (see Section 6.9 Profit before tax and tax expense).

9.4.2 Cash Flows from Investing Activities

Net cash outflows from investing activities were KZT 42,415 million in 2024 compared to Net cash outflows KZT 61,200 million in 2023.

Changes in investing cash flows in 2024 were due to:

- an increase in acquisition of property, plant and equipment, acquisition of mine development assets and acquisition of exploration and evaluation assets totalling for KZT 64,723 million primarily due to costs of constructing wells and building infrastructure for new facilities commissioned at MC Ortalyk LLP and JV Budenovskoye LLP as well as increase in purchase price of equipment (see Section 7.0 CAPITAL EXPENDITURES REVIEW).

Offset by:

- an increase in net cash inflow from redemption and placement of investments in both short and long-term debt securities issued by the US Department of the Treasury, Ministry of Finance of Republic of Kazakhstan and international financial institutions matured in 2024, net of the amount – KZT 75,108 million;
- acquisition of control over JV Budenovskoye LLP and inclusion of its cash and equivalents in the total amount of KZT 11,885 million;
- KZT 3,316 million increase in dividends received from associates, joint ventures and other investments in 2024 (see Section 9.2 Dividends received and paid).

9.4.3 Cash Flows from financing activities

Net cash outflows from financing activities were KZT 415,264 million in 2024 compared to KZT 319,425 million in 2023.

The principal factors affecting the comparable cash flows used in financial activities was:

- an increase in the payment of dividends to shareholders and dividends paid to non-controlling interests by KZT 113,679 and KZT 53,007 million, respectively.
- an increase in comparable cash flows from receipts from loans and borrowings by KZT 137,297 million and repayments by KZT 65,641 million, resulting in a total levelling of KZT 71,656 million.

10.0 INDEBTEDNESS

The total debt and guarantees of the Group as of 31 December 2024 were KZT 176,645 million (KZT 102,473 million in 2023).

(KZT million)	2024	2023	Change
Bank loans	1 988	-	100%
Non-bank loans	147,719	86,252	71%
Off-balance sheet guarantees	26,692	16,096	66%
Lease liabilities	246	125	97%
Total debt and guarantees	**176,645**	**102,473**	**72%**

The following table summarises the Group's debt for the years ended 31 December 2024 and 2023:

(KZT million)	2024	2023	Change
Non-current	**106,401**	**-**	**100%**
Bank loans	1,379	-	
Non-bank loans, including:	105,022	-	
Bonds issued	105,022	-	
Current	**43,306**	**86,252**	**(50%)**
Bank loans	609	-	
Non-bank loans, including:	42,697	86,252	
Bonds issued	457	82,746	
Loan from partner-participant	42,240	-	
Promissory note issued	-	3,506	
Total debt	**149,707**	**86,252**	**74%**

The Group's bank loan balance as of December 31, 2024 amounted to KZT 1,989 million and includes a long-term bank loan taken by KAP Logistics LLP, received from AB Bank of China in Kazakhstan JSC for the purchase of tank wagons, locomotives and vehicles.

The amount of non-bank loans as of 31 December 2024 comprised KZT 147,718 million and includes:

- long-term bonds placement of USD 200 million with maturity period December 2027, issued in accordance with regulations of Astana International Exchange. The placement took place through a targeted bond purchase and sale transaction between Company as the "Seller" and "Samruk-Kazyna" JSC as the "Buyer" at the Secured Overnight Financing Rate (SOFR) +1%. The purpose of this bond issue is to replenish working capital;
- loans of JV "Budenovskoye" LLP received from the second partner-participant for construction of the wellfield and infrastructure for new facilities commissioned at JV Budenovskoye LLP as well as financing its operational activities.

The Group's off-balance sheet guarantees outstanding as of 31 December, 2024 amounted to KZT 26,692 million represented by off-balance sheet irrevocable liabilities of UMP JSC for KZT 12,397 million provided as collateral for the loan of Ulba-FA LLP to Halyk Bank of Kazakhstan JSC and liabilities for Taiqonyr Qyshqyl Zauyty LLP under the underlining agreements on joint implementation of the project on sulphuric acid plant construction for KZT 14,295 million.

Other liabilities of the Group are finance leases, other debt and leases.

Under the loan and guarantee agreements, the Group is obliged to comply with certain covenants, primarily related to loans and guarantees. As of 31 December 2024 and 31 December 2023, the Group was in compliance with the covenants set out in the loan and guarantee agreements.

The following table summarises the Group's weighted average interest rate for bank loans in 2024 and 2023:

(%)	2024	2023
Weighted average interest rate, including:	7.04	3.62
Fixed interest rate	7.03	3.62
Floating interest rate	7.15	-

As at 31 December 2024, the weighted average interest rate was 7.04%, an increase compared to the previous year. The Group's weighted average interest rate on loans and borrowings in 2024 was mainly affected by the Group's long-term fixed rate liabilities, including bonds with a coupon of 4% per annum, redeemed in October 2024, and loans from JV Budenovskoye LLP, which the Group consolidates as a subsidiary from 1 January

2024.

As of 31 December 2024, 72% of the Group's liabilities are formed from loans and borrowings with a floating interest rate (2023: nil).

The Company has been assigned credit ratings from international rating agencies:

- Moody's Investors Service: **Baa1**, outlook – Stable (confirmed on 11 September 2024);
- Fitch Ratings: **BBB**, outlook – Stable (confirmed on 15 January 2025).

10.1 Net debt / Adjusted EBITDA

The following table summarises the key ratios used by the Company's management to measure financial stability in 2024 and 2023. Management targets a net debt to adjusted EBITDA of less than 1.0.

(KZT million)	2024	2023	Change
Total debt (excluding guarantees)	149,953	86,377	74%
Total cash balances (see Section 9.1)	(294,413)	(211,920)	39%
Net debt	(144,460)	(125,543)	15%
Adjusted EBITDA* (see Section 6.1)	1,096,711	828,623	32%
Net debt / Adjusted EBITDA (coefficient)	(0.13)	(0.15)	(13%)

*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.

11.0 OUTSTANDING SHARES

As of 20 July 2024, 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.

As at 31 December 2024	Shares and GDRs	%
Samruk-Kazyna JSC	163,377,456	62.99336549
Ministry of Finance of the Republic of Kazakhstan	31,140,000	12.00663451
Free-float	64,839,152	25
Total shares outstanding	**259,356,608**	**100**

12.0 GUIDANCE FOR 2025

	Guidance for 2025
	520 KZT/1USD*
Production volume U_3O_8, (tU) (100% basis)[1, 2]	25,000 – 26,500[2]
Production volume U_3O_8, (tU) (attributable basis) [2,3]	13,000 – 14,000[2]
Group sales volume, (tU) (consolidated)[4]	17,500 – 18,500
Incl. KAP sales volume, (tU) (included in Group sales volume) [5]	14,000 – 15,000
Revenue – consolidated, (KZT billions)[6]	1,600 – 1,700
Revenue from Group U_3O_8 sales, (KZT billions)[6]	1,400 – 1,500
C1 cash cost (attributable basis) (USD/lb) *	16.50 – 18.00
All-in sustaining cash cost (attributable C1 + capital cost) (USD/lb)*	29.00 – 30.50
Total capital expenditures of mining entities (KZT billions) (100% basis)[7]	385 – 415

[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 material.
[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 as disclosed in IPO Prospectus. Actual drummed production volumes remain subject to converter adjustments and adjustments for in-process material. 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.
[4] Group sales volume: includes Kazatomprom's sales and those of its consolidated subsidiaries (according to the definition of the Group provided on page one of this document). 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).
[5] KAP sales volume (included in Group 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 2025 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 2025 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 153 billion.
* Note that the conversion of kgU to pounds U_3O_8 is 2.5998.
** 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).

Production in 2025 is expected to be in the range of 25,000 – 26,500 tonnes of uranium on a 100% basis and in the range of 13,000 – 14,000 tonnes of uranium on an attributable basis. The JV Inkai LLP is expected to revise its production plans for 2025 downwards, as a result of not achieving its target production in 2024, and the temporary suspension of production in January 2025.

As was disclosed earlier, 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.

Sales volume guidance for 2025 is aligned with the Company's market-centric strategy as well. The Group expects to sell between 17,500 tU and 18,500 tU, including KAP sales of between 14,000 tU and 15,000 tU. Increase in 2025 sales volume guidance in comparison to 2024 at both the Group and KAP levels is attributed to the growth in U_3O_8 sales commitments under existing contracts, along with the pipeline of discussions for new U_3O_8 sales contracts underway.

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 2025. Increase in spot market price for U_3O_8 affecting the MET (see Section 5.4 Taxation and Mineral Extraction Tax ("MET")) as well as procurement and supply chain issues, including inflationary pressure on production materials and reagents, are expected to continue throughout 2025. This may affect the Company's financial metrics for 2025. Guidance will be updated if the aforementioned uncertainties persist throughout 2025.

The Company foresees significant increase in its 2025 total capital expenditures of mining entities on 100% basis in comparison to 2024 (see Section 7.0 CAPITAL EXPENDITURES REVIEW). This growth is mainly attributed to the expected capital expenditures of KZT 153 billion for development of mining infrastructure and ensuring production at JV Budenovskoye LLP, JV Katco LLP (South Tortkuduk) and MC Ortalyk LLP (Zhalpak), as well as to the higher volume of wellfield preparation and wellfield development (drilling and well construction) in 2025 required for future production periods. In this regard guidance range for capital expenditures of mining entities on 100% basis has been widened, which translates into the increase in guidance for All-in Sustaining cash cost (attributable C1 + capital cost) in comparison to 2024 results.

The Company may purchase uranium from the spot market, while continuing to monitor market conditions for opportunities to optimise its inventory.

12.1 Uranium sales price sensitivity analysis

The table below indicates how the Group's U_3O_8 annual average sales price may respond to changes in spot prices (shown in the left column), for a given year (shown across the top row). At present, the table clearly indicates that the Group's U_3O_8 average sales prices are closely correlated with the uranium spot market price.

This sensitivity analysis should be used only as a reference, and actual uranium market spot prices may result in different U_3O_8 annual average sales prices than those shown in the table. The table is based upon several key assumptions, including estimates of future business opportunities, which may change and are subject to risks and uncertainties outside the Group's control. Please review the footnotes under that table and refer to the section 13.1 Forward-looking statements for more information.

Average Annual Spot Price (USD)	2025E	2026E	2027E	2028E	2029E
20	30	26	24	21	21
40	40	39	39	39	39
60	55	58	57	58	58
80	67	74	74	76	76
100	76	87	89	94	94
120	84	100	104	111	111
140	93	113	119	128	129

Values are rounded to the nearest dollar. The sensitivity analysis above is based on the following key assumptions:
- Annual inflation is assumed to be 2% in the US based on historic values, for the purposes of this analysis;
- Analysis is as of 31 December 2024 and prepared for 2025–2029 based on Group's guidance of sales volume of approximately 18.5 thousand tonnes of uranium in the form of U_3O_8 in 2025, assuming an average annual sales volume of approximately 24 thousand tonnes of uranium (not relevant to the guidance figure) in the form of U_3O_8 in subsequent years. The sales volume contracted as of 31 December 2024 will be sold per existing contract terms (i.e. contracts with hybrid pricing mechanisms with a fixed price component (calculated in accordance with an agreed price formula) and / or combination of separate spot, mid-term and long-term prices); Kazatomprom's marketing strategy does not target a specific proportion of fixed and market related contracts in its portfolio in order to remain flexible and react appropriately to market signals.
- A difference between sales prices and spot prices is expected for 2025, since deliveries under some long-term contracts in 2025 incorporate a proportion of fixed pricing that was negotiated during a lower price environment.
- For the purpose of the table, uncommitted volumes of U_3O_8 are assumed to be sold under short-term contracts negotiated directly with the customers and based on spot prices.

13.0 RISKS AND FORWARD-LOOKING INFORMATION

The Company is exposed to the following key risks that could have a material adverse effect on the Group and its results:

- complex and unquantifiable risks associated with sanctions against Russia, including but not limited to State Atomic Energy Corporation Rosatom (the Russian state atomic enterprise) and its subsidiaries, and risks related to the current situation in Ukraine, which could lead to a deterioration in the financial stability of the Group and an increase in social tension, related, but not limited to restrictions on mutual settlements in US dollars and other currencies and suspension of shipment of goods through the territory of the Russian Federation, physical security of goods;
- the Group's profitability is directly related to the market prices of uranium, which are volatile. Price volatility may have significant negative impact on the Group operations;
- major accidents affecting the nuclear industry may result in a dramatic fall in uranium prices;
- nuclear energy competes with several other sources of energy, and sustained lower prices of such alternative energy sources may result in lower demand for nuclear raw materials and fuel, a reduction in nuclear energy development programs and the construction of nuclear power plants and consequently, in a reduction in demand for uranium which could impact market prices;
- nuclear energy is subject to public opinion risks that could have a material adverse impact on the demand for nuclear power and increase the regulatory burden on the nuclear power industry;
- the Group faces competition and could lose customers to other suppliers of uranium and uranium products;
- the Group is currently dependent on a small number of customers that purchase a significant portion of the Group's uranium, and the loss of a significant customer could have a material impact;
- certain customers and business associates of the Group may be subjected to international sanctions, and such sanctions could have a material impact;
- the Group is a large taxpayer and is subject to tax risks, the most significant being an increase in the tax on mining for uranium, and transfer pricing within the limitation period;
- the Group's uranium extraction and transportation activities are subject to operational risks, hazards and unexpected disruptions, which could delay the production and delivery of the Group's uranium and uranium products, increase the Group's cost of extraction, or result in accidents at the Group's extraction locations;
- the availability to procure and the cost of sulphuric acid materially affects the continuity and commercial viability of the Group's operations, as the Group uses substantial amounts of sulphuric acid to extract uranium;
- the Group may face difficulty using railroads or other transportation infrastructure connecting Kazakhstan with neighbouring countries;
- the Group may be unsuccessful in maintaining existing ore reserves or discovering new ore reserves, and the reported quantities or classifications of the Group's uranium ore reserves may be lower than estimated because of inherent uncertainties in the estimation process;
- the Group is subject to various financial risks related to certain financial and other restrictive covenants, fluctuations of interest and currency rates, liquidity constraints or fail to obtain the necessary funding, or defaults of counterparties;
- the Group may face arbitration or litigation, legal consequences of non-compliance/misinterpretation of legislation;
- the Group's insurance coverage may not be adequate to cover losses arising from potential operational hazards and unforeseen interruptions;
- the Group may face listing and regulatory risks (violation of listing requirements, violation of exchange regulators' requirements for disclosure of information, fines/claims for non-compliance with applicable laws from government agencies, from stock market regulators, lawsuits from minority shareholders and investors);
- IT system failures or cyber-attacks against the Group may negatively affect the performance;

- failure to achieve planned uranium production or products (U_3O_8) output volumes, sales, or production costs of products and services;
- failure to successfully improve corporate governance systems and health, safety, and environmental programs;
- failure to fulfil the plan for production and sale of fuel assemblies in the Republic of Kazakhstan;
- the Group is impacted by the macroeconomic, social and political conditions in Kazakhstan, and the Group may be exposed to risks related to adverse sovereign action by local government, or subject to extensive government regulation and legislation;
- the Group may be affected by labour unrest or increased social tension in Kazakhstan;
- the Group's performance is subject to economic, political and legal changes in China, India, Southeast Asia, Russia and other countries with an increased risk of direct and secondary sanctions;
- unexpected catastrophic events, including acts of vandalism and terrorism;
- the deterioration of the epidemiological situation in Kazakhstan and other countries may lead to a deterioration in the financial stability of the Group, an increase in social tension and the inability to purchase basic operating materials.

13.1 Forward-looking statements

This document contains statements that are considered as “forward-looking statements”. The terminology used for describing the future, including, inter alia, such words as “believes”, “according to preliminary estimates”, “expects”, “forecasts”, “intends”, “plans”, “suggests”, “will” or “should” or, in each case, similar or comparable terminology, or references to discussions, plans, objectives, goals, future events or intentions, is used to denote forward-looking statements. These forward-looking statements include all statements that are not historical facts. These statements include, without limitation, statements regarding intentions, opinions and announcements on the Company’s expectations concerning, among other things, the results of operations, financial state, liquidity, prospects, growth, potential acquisitions, strategies and sectors, in which the Company operates. In their nature, forward-looking statements involve risks and uncertainties because they relate to future events and circumstances that may or may not occur. Forward-looking statements do not guarantee future or actual performance. The Company’s financial position and liquidity, as well as the development of the country and industries, in which the Company operates, may significantly differ from the options described herein or assumed pursuant to the forward-looking statements contained herein. The company does not plan and does not assume obligations to update any information regarding the industry or any forward-looking statements contained herein, whether as a result of obtaining new information or occurrence of future events or any other circumstances. The Company makes no representations, provides no assurances and publishes no forecasts as to whether the outcomes described in such forward-looking statements will be achieved.