

Integrated Annual Report 2023

Kazatomprom

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MESSAGE FROM THE CHAIRMAN OF THE BOARD OF DIRECTORS

GRI 2-22

Dear Shareholders,

We bring to your attention the Kazatomprom's Annual Report for 2023. In this report you can find the key results of the Development Strategy implementation and the Company's performance over the past year.

2023 was a year of significant events and important achievements for us. Innovation, continuous development, and high-level technological expertise help Kazatomprom retain its leading position in the uranium sector. In 2023, Kazatomprom's contribution to global uranium production was about 20%. Kazakhstan accounted for about 39% of global uranium production.

Ulba-FA successfully implemented its plans. One of the primary objectives was global diversification of the client base and expansion of supply geography. In 2023, we delivered nuclear fuel to China, which confirms the high level of Company's technical expertise and readiness to develop new areas.

The 2023-2030 Sustainable Development Programme has become the basis of our growth and development strategy. This document defines our goals and objectives for environmental, social and corporate responsibility. We are committed to minimising our environmental impact and actively support social programmes, which contributes to the development of corporate governance principles.

Kazatomprom actively invests in the socio-economic development of the regions where it operates, supporting projects in education, sports, culture and charity. In 2023, the company allocated KZT 659 million for such projects. We recognise the importance of interaction with local communities and regularly hold public hearings on environmental and social policy issues.

ESG principles remain the cornerstone of our further development and our commitment to carbon neutrality and reducing environmental footprint. Our Company also actively monitors safety and environmental protection, adhering to international standards. In 2023, the Company successfully passed ISO 45001 and ISO 14001 compliance audits. It actively manages risks, conducts safety audits and records hazardous conditions, actions and incidents without consequences. During 2023, four accidents occurred at our entities resulting in injuries to five employees. A thorough investigation of each case was conducted to identify the causes and develop measures to prevent them in the future. No radiation incidents were recorded.

Transparency and responsibility remain the key principles of our work. We regularly monitor sanctions risks and maintain an open dialogue with our leaders and the public.

The Company demonstrates financial strength, investment attractiveness, and a high level of investor trust. The "value over volume" strategic approach adopted in 2018 has proven its effectiveness.

Lower production costs and improved financial performance were the results of efforts to enhance operational efficiency. Control over production costs at a competitive level allows the Company to maintain high profitability, keeping EBITDA Margin at least 50%. Kazatomprom's share price increased by 45%, providing shareholders with a return of 51%.

With current trends such as growing energy consumption in developing countries and increasing demand for clean energy, the uranium and uranium products market presents significant prospects for development. Kazatomprom, as a leader in uranium production, makes a significant contribution to the development of energy and environmentally sustainable technologies.

We continue to explore various spheres for the Company's further development to maximise the use of our competitive advantages and strengthen further long-term development. Continuous strengthening of its position and investments in new technologies will help the Company successfully deliver on its ambitious plans and remain a key player in this forward-looking market segment.

The Board will continue to provide governance and performance improvement to the Company, representing the interests of all parties involved. On behalf of the Board of Directors, I would like to thank all our stakeholders – especially Kazatomprom’s shareholders, employees, customers and partners – for their mutually beneficial cooperation in 2023.

Arman Argingazin
Chairman of the Board of Directors
Independent Director of NAC Kazatomprom JSC

MESSAGE FROM THE CHAIRMAN OF THE MANAGEMENT BOARD

GRI 2-22

Dear colleagues, partners and investors,

Hereby I would like to present the Kazatomprom's integrated annual report for 2023 containing the key performance results of the nuclear holding company.

I am proud to address you to share the key events that have shaped our path in 2023. The year was a time of significant achievements and strategic moments that strengthened our position in the global nuclear arena and enhanced our relationships with partners around the world.

The renewal of subsoil use contracts for our subsidiaries including Kazatomprom-SaUran LLP and RU-6 LLP ensures stable and sustainable uranium production in Kazakhstan on a long-term basis. This step not only supports our nuclear development strategy but also confirms our position as one of the world's leading uranium producers.

We successfully deliver uranium to the Romanian energy company Societatea Națională Nuclearelectrică S.A. via the Trans-Caspian International Transport Route. This demonstrates our reliability as a nuclear fuel supplier to the global market. This also reflects our geographic expansion strategy which gives us additional confidence for the future.

The IAEA Head's visit to the Republic of Kazakhstan and his visit to our facilities emphasised the importance of our country as a key player in the global nuclear fuel market. This is recognition of our role and contribution to the common good and safety in the field of nuclear energy. We are proud to be an important link in ensuring international safety standards.

The launch of the refining facility in the Turkestan region was a significant event. This allowed us to improve product quality and increase the uranium recovery rate to 100%. The project not only raises our technology platform to a new level but also benefits society through the creation of new jobs and the development of the region.

The signing of a co-operation agreement with Framatome and the execution of a long-term uranium supply contract with China National Uranium Corporation Limited open new horizons for our company. This not only expands our partnerships but also helps us meet the growing demand for clean energy, thereby supporting our commitment to innovation and development.

Another important step in our strategic partnership is the signing of the contract on uranium supply to the Barakah nuclear power plant in the UAE during the President of Kazakhstan's official visit. This contract confirms our reputation as a reliable supplier and our commitment to global energy security.

On the occasion of the fifth anniversary of our IPO, I would like to express my sincere gratitude to all our partners, investors and employees for their support and trust. This significant anniversary reminds us of our common path to success and the appreciation of every member of our team. We appreciate your role in helping us achieve our goals and are confident in continuing our mutually beneficial partnership in the future. Thank you for your trust and participation in our success.

Meirzhan Yussupov
Chairman of the Management Board
NAC Kazatomprom JSC

HIGHLIGHTS 2023

Indicator	2023
Production highlights	
Uranium output (in proportion to the shareholding)	11,169 tonnes
Niobium product output	7.7 tonnes of Nb
Beryllium product output	842.8 tonnes of Be
Tantalum product output	153.8 tonnes of Ta
Fuel pellet output	196.5 tonnes
Financial highlights	
Group revenue, KZT billion	1,435
Operating profit, KZT billion	580.3
Net debt/adjusted EBITDA	(0.15)
Earnings per share, KZT/share	1,616
Dividends paid, KZT billion	201
Sustainable development	
Headcount across the Holding, employees	21,554
Female share of total headcount, %	17.2
Contributions to budgets for the social and economic development of the regions where the Company operates, KZT million	2,264
LTIFR (per 1 million man-hours)	0.15
GHG emissions (Scope 1)	120.6 thousand tonnes CO ₂ eq.
Awards and ratings	
The international Carbon Disclosure Project (CDP) has assigned the company a "B" ("management") climate rating for 2023.	
S&P Global Ratings has assigned a CSA (Corporate Sustainability Assessment) rating of 43/100.	
Top 3 ranking of Best ESG Disclosure by PwC	
Kazatomprom Integrated Annual Report 2022 won the gold MarCom Award.	
Kazatomprom Integrated Annual Report 2022 received the highest score, 5 stars, from the RAEX annual report rating	
Kazatomprom Integrated Annual Report 2022 was recognised as the best annual report for 2022 in the non-financial sector in the KASE annual report competition.	
KASE Diploma "For the Pursuit of Transparency" in 2022 among listed companies of non-financial sector of economy.	

MILESTONES 2023

January

- Company renewed subsoil use contracts for two Kazatomprom's enterprises.

April

- Kazatomprom successfully delivered uranium for Romania's nuclear power plant.
- IAEA Head visited the IAEA LEU Bank and the Ulba-FA plant located on the territory of Ulba Metallurgical Plant JSC.

May

- Company delivered the second batch of fuel assemblies (FA) to a nuclear power plant in China.
- Kazatomprom published information on the election of its new Board of Directors.

July

- Kazatomprom launched a refining facility in the Turkestan region.

September

- Kazatomprom has got representation at the country pavilion at the IAEA General Conference.
- Kazatomprom awarded the best production employees.

October

- Kazatomprom exported a batch of fuel assemblies for a Chinese NPP.

November

- Kazatomprom and Framatome signed an agreement to develop co-operation in the field of the nuclear fuel cycle.
- Kazatomprom signed a long-term uranium supply contract with China National Uranium Corporation Limited.
- Kazatomprom signed a long-term uranium supply contract with State Nuclear Uranium Resource Development Company Limited.
- Kazatomprom celebrated five years since its IPO.
- Kazatomprom and Siemens signed an agreement on cooperation in digitalisation and automation.
- Kazatomprom delivered the third and fourth batches of fuel assemblies to the nuclear power plant in China.

December

- Kazatomprom delivered the fifth batch of fuel assemblies to the nuclear power plant in China
- The fuel assembly production plant Ulba-FA LLP received Framatome certificate on fuel assemblies production of AFA 3G design type A.
- Kazatomprom signed a contract with Emirates Nuclear Energy Corporation for the natural uranium concentrate supply.

1. BUSINESS PROFILE

1.1 Our Strategy

Mission

To develop our uranium deposits and value chain components to create long-term value for all Company stakeholders in line with sustainable development principles.

Vision

To become the Partner of Choice for the global nuclear fuel industry.

Values

- Security and safety.
- Professionalism.
- Responsibility.
- Development.
- Team.

GRI 2-6

Kazatomprom is the largest global producer of natural uranium with priority access to one of the world's largest uranium reserves.

Core business:

- natural uranium mining;
- making uranium products;
- prospecting and exploration;
- producing rare metals.

The Company's assets include the entire range of enterprises involved in the product chain – from prospecting and exploration, uranium mining, and nuclear fuel cycle products manufacture to science, social welfare and staff training.

The Company employs over 21,000 people. Kazatomprom is committed to sustainable development and international standards of corporate social responsibility. The Company's achievements have been recognised with international and national awards.

Kazatomprom is:

- The world's largest uranium producer: in excess of 20% of the world's uranium production.
- Owner of the largest uranium reserves with priority access to a high-quality resource base.
- Low-cost and easy-to-scale uranium mining by in-situ recovery.
- Industry leader in operational efficiency, occupational health and safety as well as environmental protection.
- A leader in the development of strategies for the sustainable, long-term future of the uranium market.

In 2018, Kazatomprom adopted a new development strategy, focusing on five strategic goals for 2018-2028:

- Focus on the core business.
- Streamline mining, processing and sales volumes based on market conditions.
- Create value by enhancing marketing function and expanding sales channels.
- Introduce best-practice business processes.
- Develop industry leader corporate culture.

Strategy Implementation in 2023

Strategic goals	Key results
Focus on the core business	<ul style="list-style-type: none">• In 2023, Kazatomprom retained its position of the leading global uranium producer (on respective production share basis). As per data provided by UxC Kazatomprom's uranium production in 2023 made up 20% of the total global primary supply. The Holding's share which comprises all the uranium supply by Kazakhstan as a country amounted to 39% of the global share of uranium supply in 2023.• In 2023, Ulba-FA LLP delivered four batches of fuel assemblies (FA) (about 130 tonnes of low-enriched uranium). All fuel assemblies in the deliveries passed acceptance control and were accepted by the Chinese nuclear power plant.
Streamline mining, processing and sales volumes based on market conditions	<ul style="list-style-type: none">• Kazatomprom's production volume expectations remain consistent with a market-oriented strategy and intent to optimize uranium production volumes in line with market conditions and the Company's production capabilities.
Create value by enhancing marketing function and expanding sales channels	<ul style="list-style-type: none">• Successful operation of THK, Kazatomprom's trading subsidiary.• Kazatomprom and the UAE energy company Emirates Nuclear Energy Corporation signed the first-ever contract for the supply of Kazakh natural uranium concentrate for the energy needs of the UAE Barakah nuclear power plant. Execution of this contract with a major UAE energy company will serve as a new impetus for co-operation between the nuclear companies of both countries as well as open a new country in Kazatomprom's sales geography.

Introduce best-practice business processes

- The Company enhance IT security processes at headquarter and a number of subsidiaries and affiliates.
- The Company enhanced the quality of geological and geophysical data of its mining enterprises. As part of the initiative, we performed automated checks of data completeness and take systematic measures on the improvement of the data quality.
- We introduced a unified corporate geoinformation system KAP-MAP. As part of project activities, the Company standardised and digitised map data in subsidiaries and affiliates, and developed an interactive web portal.
- In 2023, Kazatomprom confirmed its TÜV International Certification (Germany) for compliance with international requirements and standards on health care, occupational safety and environmental management.
- In 2023, information on identified hazardous conditions, dangerous actions, and potentially dangerous situations (Near-Miss) was provided on an ongoing basis. All the data is available in the eKAP information system. The Company encouraged freedom of expression of personal opinion in relation to occupational safety. We carried out the work to raise awareness of the STOP Cards importance, their monitoring and analysis. To develop a safety culture, the Company's internal trainers covered all production personnel with the Occupational Safety Culture course. In 2023, Kazatomprom conducted an employee survey to determine the current level of conscious compliance with occupational safety requirements by employees and managers of all levels. It reflected positive dynamics of changes in employee behaviour. It also confirmed an increase in the number of respondents willing to express their opinion.
- The Chairman's Award for Excellence in Occupational Safety was presented to particularly distinguished subsidiaries and affiliates, as well as their employees.
- Kazatomprom introduced practice of informing all Group's employees of incidents via newsletters. We conducted behavioural safety audits and cascade communications. All Kazatomprom Senior Managers have signed and made personal commitments as part of the Vision Zero concept, which aims to reduce occupational injuries to zero.
- The Kazatomprom Group implements the following environmental projects:
 - Bird Protection Programme.
 - Atmospheric Air Protection Projects.
 - Zero Waste Corporate Programme for the Development of Zero Waste Culture.
 - ESRP Integrated Environmental and Social Research Programme.
 - Low Carbon Development and Decarbonisation Strategy.
- In October 2023, Kazatomprom developed and approved the Water Resources Management Strategy for 2023-2030. For 2024, the Company developed an action plan for its subsidiaries and affiliates to reduce the consumption and rational use of water resources.
- Kazatomprom also obtained its first international climate rating from CDP (Carbon Disclosure Project) at level "B" for climate change.
- Almost all subsidiaries and affiliates organise international environmental events, environmental lessons in schools, clean-up days, territory clean-up with further waste removal and other events, with wide media coverage.
- Kazatomprom participates in working group on changes to environmental legislation on regular basis.
- JV Katco LLP received the Paryz Award of the President of the Republic of Kazakhstan in the nomination "For Contribution to Ecology" (3rd

		<p>place).</p> <ul style="list-style-type: none"> • Kazatomprom carries out environmental studies at fields, conducts biodiversity assessments; the results obtained are used in environmental and social risk assessment and environmental monitoring at Kazatomprom's enterprises.
Develop leader culture	industry corporate	<ul style="list-style-type: none"> • A leading international rating agency S&P Global confirmed an independent ESG rating. • As part of the corporate well-being programme, the Company implemented large-scale events such as the Kazatomprom marathon, the XXII Spartakiada, Nomad time Kazatomprom national sports competitions, and Healthy Heart Days. We organised an IQanat summer educational camp for the children of subsidiaries and affiliates' employees. A corporate psychologist works to support the mental health of employees. To promote the policy of gender equality development, Kazatomprom's women took part in the programme of Samruk-Kazyna JSC's gender equality development programme.

Key risks of Strategy implementation

- The complex and non-quantifiable risks associated with the sanctions against Russia, including but not limited to possible imposition of sanctions against the State Atomic Energy Corporation Rosatom and its subsidiaries, as well as risks related to the current situation in Ukraine could undermine the Group's financial stability and trigger social tensions. There are also risks related but not limited to restrictions on mutual settlements in US dollars and other currencies, suspension of transshipment of goods through the territory of the Russian Federation, physical security of goods.
- The Group's profitability is directly linked to the uranium market price. The volatility of uranium prices may have a material adverse effect on the Group.
- Major accidents in the nuclear industry may lead to a decline in uranium prices.
- Nuclear energy competes with a number of other energy sources, and stable and lower prices for alternative energy sources could lead to a reduction in demand for nuclear feedstock, reductions in nuclear power development and nuclear power plant construction programs and, consequently, a reduction in demand for uranium and its market price.
- Nuclear energy is subject to public opinion risks, which could have a material adverse effect on the demand for nuclear energy and lead to increased regulation of the nuclear energy industry.
- The Group faces competition from other uranium suppliers and may lose end users of uranium products.
- The Group currently depends on a small number of customers who purchase a significant share of the Group's uranium, and any loss of important customers could have a material adverse effect.
- Some of the Group's customers and business partners may be subject to international sanctions and, if so, this might have a material adverse effect.
- The Group is a major taxpayer and thus exposed to tax risks, including changes in the uranium extraction tax rate and transfer pricing within the limitation period as the most significant risks.
- The Group's uranium mining and transportation operations are subject to operational risks, hazards, and unforeseen disruptions that could cause delays in the production and delivery of the Group's uranium and uranium products, increase the Group's production costs or lead to accidents on the Group's mining sites.
- The availability and cost of sulphuric acid significantly affect the continuity and commercial viability of the Group's operations, as the Group uses significant quantities of sulphuric acid to extract uranium.
- The Group may encounter difficulties in utilising railway lines connecting Kazakhstan with neighbouring countries or other transport infrastructure.
- The Group may see unfavourable outlooks regarding its current ore reserves or the discovery of new ore reserves; therefore, estimates or classifications of the Group's uranium ore reserves may be underestimated due to inherent uncertainties in the estimation of ore reserves.
- The Group is exposed to various financial risks related to compliance with certain financial and other restrictive covenants, fluctuations in interest rates and exchange rates, liquidity restrictions or inability to obtain necessary financing, and counterparty defaults.

- The Group may face arbitration or litigation to which it is not a party, and legal consequences of non-compliance/misinterpretation of laws.
- The Group's insurance coverage may not be sufficient to cover losses arising from potential operational risks and unforeseen interruptions.
- Any failures of the Group's IT systems or cyber-attacks could adversely affect results.
- Failure to meet targets for uranium (U₃O₈) production, output, sales, cost of products and services.
- Failure to improve corporate governance, safety and environmental performance.
- Failure to meet targets of fuel assembly production in the Republic of Kazakhstan.
- The Group is highly dependent on the macroeconomic, social and political conditions prevailing in Kazakhstan and may be subject to adverse sovereign action by local authorities or be subject to extensive government regulations and laws.
- The Group may be affected by labour unrest or rising social tension in Kazakhstan, which could have a material adverse effect on the Group's business and reputation.
- The Group's operations are subject to economic, political and legal developments in China, India, South-East Asia, Russia and other countries with increased risk of direct and secondary sanctions.
- Unexpected catastrophic events, including acts of vandalism and terrorism, could adversely affect the Group's business.
- Deterioration of the epidemiological situation in Kazakhstan and elsewhere may undermine the Group's financial stability, increased social tensions and inability to procure key operating materials.

In 2023, NAC Kazatomprom JSC implemented a number of important projects aimed at developing production capabilities and improving the environmental situation:

1. Construction of a sulphuric acid plant with an annual production capacity of 800,000 tonnes
Construction of a sulphuric acid plant with a production capacity of 800,000 tonnes per annum is underway in the village of Taikonur in Sozak District, Turkestan region. The project is expected to be completed in 2027.

Outcomes of the Initiative:

- Creation of jobs (150 people in construction, 500 people in operation).
- Annual tax deductions of about KZT 4 billion.
- Reducing dependence on sulphuric acid imports.
- Addressing the perceived shortage of sulphuric acid in Kazakhstan.
- Associated power generation of 30 MW.
- Socio-economic development of the region and SMEs.
- Introduction of new advanced technologies for sulphuric acid production in line with international environmental and energy saving standards.
- Retaining competitive advantage of the low-cost uranium industry in the world.

Construction and design timeframes: 2022-2027

2. Uranium Oxide Refining plant construction – UMP JSC

Construction of uranium refinery with an annual capacity of 6,000 tonnes in line with global environmental and energy saving standards. Share in the project – 100%. Portfolio company – UMP JSC. Creation of jobs after commissioning of the plant.

Outcomes of the Initiative:

- Creation of jobs.
- Increase in tax deductions to the state budget.
- Increase of Kazakhstan's share in raw material processing in the global market.
- Increase of natural uranium production up to 6,000 tonnes per annum.

Construction and design timeframes: 2020-2026

3. Supply of domestic raw materials for tantalum and beryllium production by Ulba Metallurgical Plant JSC

Provision of existing tantalum, niobium and beryllium production facilities of Ulba Metallurgical Plant JSC with domestic mineral raw materials (Verkhniy Irgiz tantalum deposit, Karajal beryllium deposit) well as active search for other potential domestic deposits for further development to meet Ulba Metallurgical Plant's production needs.

Outcomes of the Initiative:

- Reduction of production costs
- Elimination of dependence on imported minerals
- Creation of new jobs
- Improvement of UMP JSC's production efficiency

Implementation timeframes: 2023-2029

4. Corporate Well-being programme

The programme aims to improve the physical and mental health, financial as well as career and social well-being of employees. These actions are aimed at enhancing the general well-being of personnel, stimulating their productivity and creating a favourable atmosphere for the full development of their professional and personal potential for the benefit of both the employees and the Company.

Outcomes of the Initiative:

- Reduction of risks of social instability.
- Labour productivity increase.
- Increase of employees' welfare.
- Increase of employees' engagement and loyalty.

Implementation timeframes: 2023-2026

5. Igilik social project

The Company's social project aimed at social and economic, infrastructural development, resolving social problems in the regions of the Company's presence as well as improving working conditions at the production facilities based on the submitted initiatives and suggestions from the Company's employees, subsidiaries and affiliates as well as local communities.

Outcomes of the Initiative:

- Reduction of risks of social tension.
- Forming a positive image among local communities in the regions.
- Employer brand development.

Implementation timeframes: annual

6. 360° Health Protection Programme of NAC Kazatomprom JSC

The programme aims at improving the employees' health to ensure sustainable economic activity in the long term.

Kazatomprom implements the project through:

1. Improvement of disease prevention and management.
2. Formation of employees' commitment to a healthy lifestyle.
3. Efficiency enhancement of available resources utilization.

Outcomes of the Initiative:

- Positive dynamics of key health indicators, reduction of sudden death rate due to health reasons.
- Involvement of personnel in disease prevention processes and formation of healthy lifestyle skills.
- Provision of safe food, medical care, and optimal microclimate conditions in shift camps.
- Methodological guidance and creation of a unified health protection policy.

Implementation timeframe: 2023-2027

7. Izbasar local programme for young specialists

The programme aims to develop talented leaders with the prospect of step-by-step career at NAC Kazatomprom JSC enterprises. The programme provides a 15-month paid internship in the Company and its subsidiaries and affiliates. Those entered the programme through a rigorous competitive selection undergo special training and gain a great deal of experience. Each young specialist has a mentor from among experienced employees.

Outcomes of the Initiative:

- Raising interest in the nuclear industry on the part of talented young people.
- Development of young specialists' potential.
- Career development of young specialists from among the employees of the Company and subsidiaries and affiliates.
- Enhancement of the level of employees' involvement and loyalty.

Implementation timeframes: annual

8. Murager educational grants programme

The programme supports applicants, college graduates and elementary students from the Company operation regions. As part of the programme, participants can get a free educational grant for one-year study in Kazakhstan's technical colleges and universities in priority technical specialties. If successful, past academic period, the programme participants will be able to continue with the Murager Education Grant in the following academic year.

Outcomes of the Initiative:

- Popularisation of technical specialties among young people.
- Enhancement and strengthening of the local population trust and loyalty to the Company and its subsidiaries and affiliates.
- Improvement of Kazatomprom's sustainable development policy.
- Attraction of the young people's attention to working professions, including technical and industrial training.

Implementation timeframes: annual

9. Launch of pilot production at sections 6, 7 of the Budenovskoye deposit

In 2023, JV Budenovskoye LLP started pilot uranium mining at section 6, 7 of the Budenovskoye deposit.

Outcomes of the Initiative:

- Creation of jobs.
- Increase in tax revenues.
- Increase of socio-economic level of the region and SME development.

Reaching capacity timeframes: 2023-2026

1.2. Business Model

CAPITAL	STRATEGIC GOALS	OPERATIONAL CYCLE		COMPETITIVE ADVANTAGES	VALUE CREATION
Financial capital	Focus on the core business	MINING		World's largest uranium producer	Revenues – KZT 1,435 billion Dividends paid – KZT 201 billion
Natural resources	Streamline mining, processing, and sales based on market conditions	NATURAL URANIUM: U ₃ O ₈ 88% Company's revenue	26 deposits/blocks >14 mining assets PRIMARY URANIUM MINING Current line of business	Effective and environmentally efficient mining technologies	Environmental protection – KZT 1,306.5 million Energy efficiency – KZT 1,292 million
Production capital	Create value by enhancing our marketing function and expanding sales channels	PROCESSING		Kazakhstan's national operator	Capital expenditures – KZT 201.3 billion ¹ Procurements – KZT 339.6 billion

¹ Includes unconsolidated entities – joint ventures and associates on a 100% basis, as well as liquidation funds and liquidation costs.

Intellectual property	Introduce best practice business processes	REFINING AND CONVERSION New business line	PRODUCTION OF URANIUM OXIDE Current business line	Successful implementation of partnership projects	Training expenses – KZT 3.2 billion² R&D – KZT 2.623 billion
		RECONVERSION, PRODUCTION OF URANIUM DIOXIDE POWDER AND FUEL PELLETS Current business line	PRODUCTION OF NUCLEAR FUEL Current business line		
Human capital	Develop a corporate culture appropriate to an industry leader	DISTRIBUTION		Responsible approach to business	H&S investments – KZT 12.47 billion Headcount – 21,554
Social capital and reputation		Sales of uranium products: under long-term and short-term contracts, as well as in the spot market through its Switzerland-based trading subsidiary China, Southeast Asia, North America, Europe	DISTRIBUTION Current business line TRANSPORTATION Current business line	Risk management	Contributions to regional development – KZT 2.264 billion

² Includes expenses for employee professional development, training and retraining, knowledge retention and sharing within the Group.

1.3. Company's Asset Structure

14 mining assets operating in 26 deposits/blocks located in Kazakhstan, using the in-situ recovery (ISR) mining method, including:

- 2 wholly owned uranium mining subsidiaries operating at 5 uranium deposits/blocks.
- 12 uranium mining companies partly owned by Kazatomprom that operate in 21 uranium deposits/blocks.

Kazatomprom's key assets in 2023

Company	Asset description
Subsoil use	
Subsoil use contracts that grant the Group's subsidiaries mining rights in relation to 17 uranium deposits/blocks located in Shu-Sarysu and Syrdariya regions of Kazakhstan	Proven and probable ore reserves: 319,000 tonnes of UME Measured and indicated mineral resources: 578,600 tonnes of UME
Subsoil use contracts that grant Group's joint ventures and associates mining rights in relation to 9 uranium deposits/blocks in the Shu-Sarysu, Syrdariya, and North Kazakhstan regions	Proven and probable ore reserves: 247,900 tonnes of UME Total mineral resources (including measured, indicated, and inferred resources): 271,900 tonnes of UME
Production	
Ulba Metallurgical Plant JSC	Productivity in 2023: <ul style="list-style-type: none"> • 3,819.5 tonnes of uranium products • 842.8 tonnes of beryllium products • 153.8 tonnes of tantalum products • 7.7 tonnes of niobium products • 276.2 tonnes of hydrofluoric acid
Commerce	
Trade House KazakAtom TH AG.	Uranium trading
Ancillary businesses	
SKZ-U LLP	680,000 tonnes of sulphuric acid – total annual production capacity
SSAP LLP	
Volkovgeologia JSC	Prospecting and drilling company
KAP Logistics (formerly known as Trade and Transport Company LLP)	Transport and logistics company serving production assets
Qorgan-Security LLP	Security services for Kazatomprom, its subsidiaries, and affiliates
KAP Technology LLP	Ensures local and corporate telephone communications, data transmission, and VHF radio communications services to Kazatomprom's entities
Uranenergo LLP	Electricity transmission and distribution, operations of power grid and stations, reliable and uninterrupted power supply to uranium mining enterprises of Kazatomprom
Science, Engineering and Education	

1.4. Analysis of Performance Dynamics

1.4.1. Production highlights

GRI 2-6, SASB EM-MM-000.A

Kazatomprom is a national operator for the export and import of uranium and its compounds. This grants the Company certain privileges when granting subsoil use rights for uranium mining through direct negotiations. This ensures priority access to the high-quality natural uranium deposits in Kazakhstan using the in-situ recovery (ISR) mining method. In 2023, Kazatomprom confirmed its position as the world's leading uranium producer, accounting for about 20% of global production, with 39% of global uranium production coming from the Holding's mines in Kazakhstan.

Kazatomprom's share in the global natural uranium mining market (based on its attributable share of production), %

2023	20
2022	22

In 2023, Kazatomprom confirmed its leading position as the largest uranium producer, holding the largest share of the global market. According to UxC, the share of uranium produced by the Company in 2023 was approximately 20% of the global primary uranium production. At the same time, the share of uranium produced by Kazatomprom Holding companies in Kazakhstan reached approximately 39% of total global uranium production within the same period.

Kazatomprom's uranium output (attributable share of production), tonnes

2023	11,169
2022	11,373

Production in 2023 decreased due to a reduced production plan compared to 2022, as well as delays and limited access to materials and equipment. This impacted the well start-up schedule and overall ISR uranium production. Problems with access to key materials, such as sulphuric acid, may continue into 2024, impacting production volumes.

Niobium product output, tonnes of Nb

2023	7.7
2022	7.9

In 2023, niobium production decreased by 2.53% against 2022, in response to a change in demand for niobium products.

Beryllium product output, tonnes of Be

2023	842.8
2022	1,295.4

Compared to 2022, the output of beryllium products in volume terms decreased by 34.94% in the reporting period, in response to a decrease in demand for beryllium products.

Tantalum product output, tonnes of Ta

2023	153.8
2022	165.3

Compared to 2022, the output of tantalum products in volume terms increased by 7.38% in 2023 due to increased demand from customers.

Fuel pellet output, tonnes

2023	196.5
2022	198.2

The volume of fuel pellets production in 2023 amounted to 196.5 tonnes that is comparable to the production volume for 2022.

1.4.2. Financial highlights

Group revenue, KZT billion

2023	1,434.6
2022	1,001.1

The Group's consolidated revenue was KZT 1,434,635 million in 2023, an increase of 43% against 2022. This growth is mainly attributable to:

- an increase in the average selling price due to an increase in the U₃O₈ spot price;
- an increase in U₃O₈ sales volume due to additional customer requests as well as new long-term contracts;
- an increase in revenues from the sale of EUP and other uranium products (including sales of pellets and tolling services) in accordance with the increase in the volume of FA deliveries by Ulba-FA LLP during 2023 and an increase in revenues from the sale of UMP rare metal products.

Dividends paid, KZT billion

2023	201
2022	227.4

In 2023, the Company declared dividends to its shareholders amounting to KZT 200,970 million and paid them in July 2023 based on 2022 performance (in 2022, the Company accrued dividends to its shareholders amounting to KZT 227,388 million, and paid them in July 2022 based on 2021 performance). There are no agreements in accordance with which dividends are not collected or a refusal to pay dividends is planned.

Net profit, KZT billion

2023	580.3
2022	473

Net profit in 2023 was KZT 580,335 million, an increase of 23% year-on-year (in 2022: KZT 472,963 million). Net profit percentage increase is in line with the growth in operating profit in 2023 as mentioned above.

Operating profit, KZT billion

2023	680.8
2022	456

Operating profit in 2023 was KZT 680,812 million, an increase of 49% year-on-year (in 2022: KZT 455,962 million), mainly due to the increase in revenue in 2023 as mentioned above.

Net debt/adjusted EBITDA

2023	(0.15)
2022	(0.05)

The net debt to Adjusted EBITDA ratio increased by 0.1 against 2022. In 2023, adjusted EBITDA was KZT 828,623 million, an increase of 31% year-on-year (KZT 630,898 million in 2022), while EBITDA proportional to shareholding at the end of 2023 amounted to KZT 639,407 million, an increase of 29% year-on-year (KZT 495,357 million in 2022). The changes were mainly driven by higher operating profit at the consolidated level, as well as higher EBITDA at JVs and associates, which was mainly due to an increase in the average selling price associated with higher U₃O₈ spot price.

Earnings per share, KZT/share

2023	1,616
2022	1,342

Earnings per share in 2023 increased by 20% against 2022 and reached KZT 1,616.

Adjusted earnings per share, KZT/share

2023	2,237
2022	1,794

In 2023, adjusted earnings per share was KZT 2,237, emphasising the increase in adjusted net profit for the year excluding temporary effect affecting net earnings.

1.5. Uranium products market and competitive environment

1.5.1 Geography and Market Presence

GRI 2-1

Mineral assets

Company's mineral assets are located in four key administrative districts of Kazakhstan, namely Kyzylorda, Turkestan, North Kazakhstan and Akmola Regions. This provides Kazatomprom with access to one of the world's largest uranium reserves.

Kazakhstan's uranium provinces and distribution of uranium reserves based on the State Commission on Mineral Reserves standard³

Province	Reserves
Caspian	2.9%
North Kazakhstan	11.9%
Shu-Sarysu	70.1%
Pribalkhashskaya	0.6%
Syrdariya	8.8%
Ili	5.7%

Highlights 2023

Global uranium demand with regards to nuclear power plant reactor needs and commercial and strategic reserves	76.3 k tU
Global uranium supply	76.1 k tU
Global natural uranium production	54.4 k tU
Average spot quotes	\$60.53 (w)/\$62.51 (m)

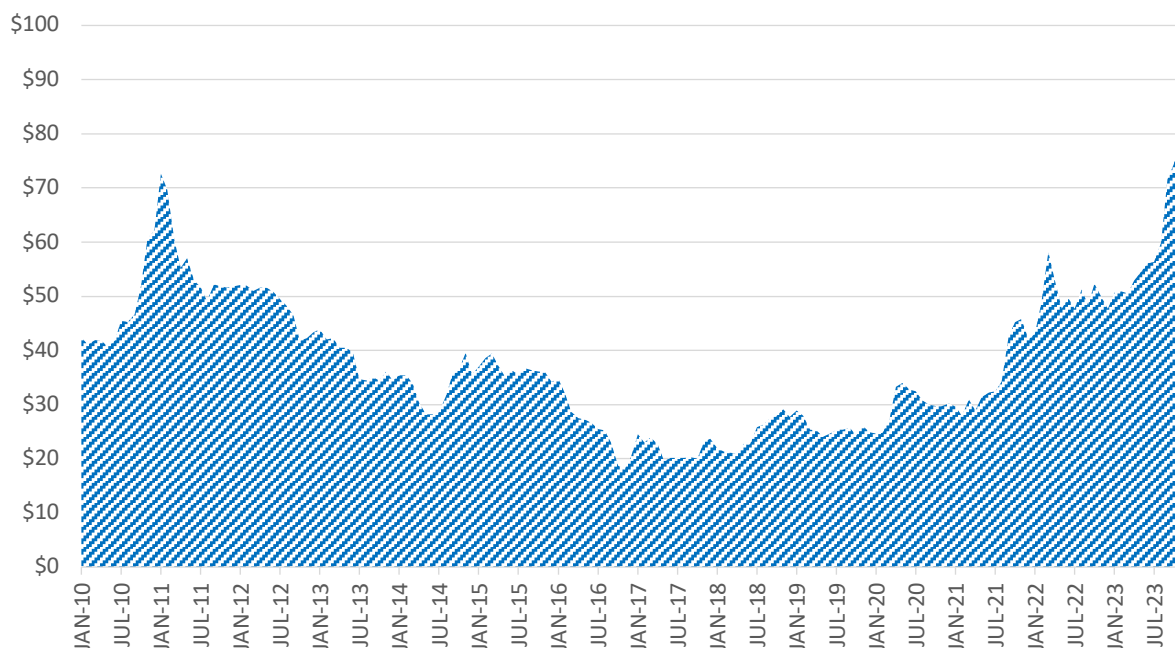
Significant developments in the global uranium market

³ State Commission on Mineral Reserves. Distribution of uranium reserves, percentage.

Global geopolitical issues	The Russian nuclear industry has remained unaffected by sanctions, but sanctions sentiment among lawmakers in the UK, EU and US has led to some new initiatives and measures since the beginning of 2023, including the inclusion of some companies and senior executives from Russia's nuclear industry on the UK and US sanctions lists.
EU	Government officials from 16 European countries, as part of the European Nuclear Alliance, which includes countries such as Belgium, France, Italy and the UK, aim to achieve 150 GW of nuclear power by 2050, significantly more than the current 100 GW. The alliance intends to achieve the target by building an additional 30-45 large reactors and small modular reactors (SMRs), thereby maintaining the current 25 per cent share of nuclear energy in EU electricity generation.
UK	The UK's Department of Energy Security announced the launch of Great British Nuclear, a programme aimed at developing the construction of new nuclear power stations in the country, with funding that could reach up to GBP 20 billion (~USD 25.8 billion).
France	France's Constitutional Council has approved a law aimed at speeding up the construction of new reactors by simplifying administrative procedures and planning. The law, approved by the parliament in May, removes France's previous cap on nuclear capacity and the requirement that nuclear power should account for only 50% of the national electricity mix by 2035. Nuclear power will thus account for more than 50 per cent of total electricity generation by 2050.
Global Climate Strategy	The outlook for nuclear power continues to improve. At the UN climate change conference COP28, more than 20 countries signed a declaration to triple nuclear power capacity by 2050. The declaration recognises that nuclear power will play an important role in achieving zero emissions globally. Key aspects of the declaration also include intentions to call on international financial institutions to encourage the inclusion of nuclear power in energy infrastructure financing programmes.

Pricing

Uranium prices, 2010–2023, USD per lb U₃O₈⁴



Uranium output in 2023

GRI 2-6

Production volumes on a 100% basis and pro-rata ownership basis for 2023 were lower than those for 2022, primarily due to a slight decrease in the production plan for 2023 compared to 2022. This reflects the Company's disciplined approach to production and sales focused on creating long-term value.

Reactors commissioning and decommissioning in 2023

5 nuclear reactors with a total capacity of 5.0 GW were put into operation

1	Belarus
1	China
1	South Korea
1	Slovakia
1	USA

5 nuclear reactors with a total capacity of 6.0 GW were phased out

3	Germany
1	Taiwan
1	Belgium

Construction of 5 nuclear reactors with a total capacity of 5.6 GW began

4	China
1	Egypt

1.6. Sales and Distribution

1.6.1. Sales of uranium products

⁴ Source: TradeTech, UxC.

GRI 2-6

In 2023, the Company sold uranium products directly and through its subsidiary Trade House KazakAtom AG ("THK") to 23 customers in 9 countries (in 2022: 24 customers in 11 countries).

The table below provides data on the geographical distribution of the Group's sales:

Consolidated sales* of Kazatomprom uranium products by region, %⁵

Region	2021	2022	2023
America	32%	28%	26%
Asia	41%	46%	45%
Europe	27%	26%	29%

*Include sales of uranium products to joint venture partners.

Including data on the geographical distribution of customers for the Company's uranium products:

Sales of uranium products (U₃O₈) by the Company and THK by region⁶

(% of sales volume* U₃O₈)

Region	2021	2022	2023
America	23%	23%	19%
Asia	48%	50%	49%
Europe	29%	27%	32%

*The Company's sales volume (accounted for in the Group): includes total sales volumes to external buyers of the Company and THK. Intra-group transactions between the Company and THK are not considered.

Key achievements:

- Kazatomprom added 2 new clients to its portfolio;
- Kazatomprom expanded its sales geography by signing a contract to supply natural uranium to two new countries;
- sales volume increased;
- the level of contracting has increased.

1.6.2. Transportation

Kazatomprom deploys safe, secure, and reliable logistics solutions to deliver uranium products to its customers across the globe. Uranium products are shipped by rail and/or sea in 20-foot containers. All shipments are insured against any risks associated with the uranium transportation.

In 2023, the Company made several physical deliveries via the Trans-Caspian International Transport Route (TITR) to final consignees in Romania, the USA and Canada. At the end of 2023, 64% of all uranium shipments from Kazakhstan to Western countries were successfully made through TITR.

In 2023, Kazatomprom delivered U₃O₈ and finished products to various destinations in accordance with customer needs and requirements:

Converters. The Group transported 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 most commonly to the port of St. Petersburg in Russia, then by sea to various ports in the US, Canada or Europe. Afterwards, the supplies were moved by rail or road to processing facilities.

China. When transporting material to China, Company delivered its cargo to the Alashankou railway station.

⁵ Source: Data by Kazatomprom.

⁶ Source: Company data, figures are rounded.

Russia. When shipping to the Russian Federation, including to Siberian Chemical Combine JSC, the Company delivered its cargo by rail to Tomsk-2 Railway Station.

Romania: When delivering to Romania, the customer obtained title at the conversion plant in Feldior.

Argentina. When delivering to Argentina, the customer obtained title at the port of Buenos Aires. The average cost of shipping products to destinations shown on the map ranges from USD 0.7 to USD 6.6 per kilo of U_3O_8 . The Group also enters into swap agreements to minimise delivery time and transportation cost and to reduce risks associated with the uranium products transportation.

MINING ASSETS

ME ORTALYK LLP

Subsidiary

Company owns a 51% interest in the authorized capital of ME ORTALYK LLP (China National Nuclear Energy Group owns CGNM UK Limited 49%). The LLP operates at the central block of the Mynkuduk deposit and at the Zhalpak deposit in the Sozak District of Turkestan Region.

Deposit

The Mynkuduk deposit was discovered in 1973, and the commercial operation of the central block began in 2008. A subsoil use contract No.1796 to develop the Central Mynkuduk deposit block was concluded on 8 July 2005. The rights to the exploration, production and marketing of uranium are valid until 2033.

Pilot production was conducted at the Zhalpak deposit. The exploration contract No.4996 was concluded on 14 December 2021. The rights to the production and marketing of uranium are valid until 2042.

As of 1 January 2024, the total volume of ore reserves of the deposits (including annual depletion) was 33,500 tonnes. Total mineral resources (including reserves) stood at 33,500 tonnes.

Features

Year of creation	23.02.2011
Production	1,650 tonnes (Central Mynkuduk production capacity – 2,000 t/year, Zhalpak – 900 t/year)
Location	Republic of Kazakhstan, Turkestan Region, Sozak District
Number of employees	576
CEO	Beysenbekov Aidyn Zhenisovich ⁷
Date of the subsoil use contracts	2000-2043
Group's ownership interest	51%
Deposit	1. Mynkuduk, central block 2. Zhalpak

⁷ Erlan Lesbekovich Tashimov until 13 November 2023.

KAZATOMPROM-SAURAN LLP

Subsidiary

Company is the only participant at Kazatomprom-SaUran LLP.

In November 2018, the Company transferred to Kazatomprom-SaUran LLP its rights and obligations under subsoil use contracts for the Kanzhugan deposit, the south part of block No.1 (South) and the north part of block No.3 (Central) of the Moinkum deposit, the Vostochny block of the Mynkuduk deposit and the Uvanas deposit, together with related manufacturing assets.

Deposit

The Kanzhugan deposit was discovered in 1972; commercial operation began in 1997. A subsoil use contract to develop the Kanzhugan deposit was concluded on 27 November 1996. The rights to the exploration, production, and sale of uranium are valid until 31 December 2047⁸.

The south part of block No.1 (South) of the Moinkum deposit was discovered in 1976, and the north part of block No.3 (Central) in 1974. Commercial operation of the southern part of block No.1 began in 1997, and the northern part of block No.3 in 2017.

A subsoil use contract for the south part of block No.1 (South) was concluded on 26 September 2000. The rights to the extraction, exploration, and sale of uranium are valid until 26 September 2021.

A subsoil use contract for the north part of block No.3 (Central) was concluded on 31 May 2010. The rights to the extraction, exploration, and sale of uranium are valid until 31 May 2041.

The Uvanas deposit was discovered in 1963, and commercial operation began in 1997. A subsoil use contract to develop the Uvanas block was concluded on 27 November 1996. The rights to the exploration, production, and sale of uranium to be valid until 15 November 2022.

The Mynkuduk deposit was discovered in 1973, and commercial operation of the Vostochny block began in 1997. A subsoil use contract to develop the Vostochny block of the Mynkuduk deposit was concluded on 27 November 1996. The rights to the exploration, production, and sale of uranium are valid until 31 December 2027⁹.

Currently, uranium mining in the southern part of block No.1 (South) of the Moinkum deposit and the Uvanas deposit has been suspended due, to a depletion of reserves. Work is underway to return the territories to the state.

As of 1 January 2024, the total volume of ore reserves of deposits (including annual depletion) was 20,200 tonnes of uranium. Total mineral resources (including reserves) stood at 22,600 tonnes of uranium.

Features

Year of creation	2015
Production	1,273 tonnes
Location	Republic of Kazakhstan, Turkestan Region, Sozak District
Number of employees	957
CEO	Toksanbaev Bauyrzhan Medetkhanovich ¹⁰
Date of the subsoil use contracts	1996-2047
Group's ownership interest	100%

⁸ Decision of the Ministry of Energy of Kazakhstan according to Minutes No.2/1 of the meeting of the Subsoil Use Expert Commission dated 13 January 2023.

⁹ Decision of the Ministry of Energy of Kazakhstan according to Minutes No.2/1 of the meeting of the Subsoil Use Expert Commission dated 13 January 2023.

¹⁰ Zhubanov Askar Aitzhanuly from 22 February 2023 to 26 October 2023.

Deposit

1. Kanzhugan (including the Kainarsky block)
 2. Moinkum, block No.1 (South), the southern part
 3. Moinkum, block No.3 (Central), northern part
 4. Uvanas
 5. Mynkuduk, East block
-

RU-6 LLP

Subsidiary

Company is the only participant at RU-6 LLP.

In November 2018, the Company transferred to RU-6 LLP its rights and obligations under a subsoil use contract to develop the North Karamurun and South Karamurun deposits in the Shieli District of Kyzylorda Region.

Deposit

The North Karamurun and South Karamurun deposits were discovered in 1979, and commercial operation began in 1997.

A subsoil use contract to develop the North Karamurun and South Karamurun deposits was concluded on 27 November 1996. The rights to the exploration, production, and marketing of uranium are valid until 31 November 2040¹¹.

As of 1 January 2024, the total amount of ore reserves in the deposits (including annual depletion) was 11,900 tonnes of uranium. Total mineral resources (including reserves) stood at 11,900 tonnes of uranium.

Features

Year of creation	1983
Production	833 tonnes
Location	Republic of Kazakhstan, Kyzylorda Region, Shieli District
Number of employees	441
CEO	Abdimaulenov Zhandos Zhumadillaevich ¹²
Date of the subsoil use contract	1996-2022
Group's ownership interest	100%
Deposit	1. North Karamurun 2. South Karamurun

¹¹ Decision of the Ministry of Energy of Kazakhstan according to Minutes No.1/5 of the meeting of the Subsoil Use Expert Commission dated 11 January 2023.

¹² Iskakov Daurzhan Mukhamedzhanovich from 20 May 2021 to 26 October 2023.

APPAK LLP

Subsidiary

Company holds a 65% interest in the charter capital of APPAK LLP (Sumitomo Corporation holds 25%, Kansai Electric Power Co., Inc. holds 10%).

The joint venture operates in the Western block of the Mynkuduk deposit in the Sozak District of Turkestan Region.

Deposit

The Mynkuduk deposit was discovered in 1973, and commercial operation of the Zapadnoye block began in 2008.

A subsoil use contract was signed on 8 July 2005 to develop the Zapadnoye block of the Mynkuduk deposit. The rights to the exploration, production, and marketing of uranium are valid until 8 July 2035.

As of 1 January 2024, the total amount of ore reserves in the deposits (including annual depletion) was 14,300 tonnes of uranium. Total mineral resources (including reserves) stood at 18,500 tonnes of uranium.

Features

Year of creation	2005
Production	803 tonnes
Location	Republic of Kazakhstan, Turkestan Region, Sozak District
Number of employees	354
CEO	Taizhanov Alisher Sabitovich ¹³
Date of the subsoil use contract	2005-2035
Group's ownership interest	65%
Deposit	West Mynkuduk

¹³ Abdimoldaev Darkhan Kairatovich from 30 November 2021 to 29 May 2023.

JV INKAI LLP

Subsidiary

Company owns a 60% interest in the charter capital of JV Inkai LLP (Cameco holds 40%).

The joint venture operates at block No.1 of the Inkai deposit in the Sozak District of Turkestan Region.

Deposit

The Inkai deposit was discovered in 1976 and testing of block No.1 began in 2002.

A subsoil use contract was signed on 13 July 2000 to develop the Inkai deposit, block No.1. The rights to the exploration, production, and marketing of uranium are valid until 13 July 2045.

As of 1 January 2024, the total volume of ore reserves of deposits (including annual depletion) was 123,900 tonnes of uranium. Total mineral resources (including reserves) stood at 144,200 tonnes of uranium.

Features

Year of creation	1996
Production	3,201 tonnes
Location	Republic of Kazakhstan, Turkestan Region, Sozak District
Number of employees	744
CEO	Nurgaliev Askar Kadyrbekovich ¹⁴
Date of the subsoil use contract	2000-2045
Group's ownership interest	60%
Deposit	Inkai, block No.1

¹⁴ Pernesh Elnar Kairatuly until 21 February 2023, Zhylkaidarov Birzhan Sakenuly since 15 January 2024.

BAIKEN-U LLP

Subsidiary

Baiken-U LLP is owned 52.5% by the Company, with a direct share of 5% and 47.5% through Energy Asia (BVI) Limited.

The joint venture operates at the Khorasan-2 block of the North Khorasan deposit in the Zhanakorgan District of Kyzylorda Region.

The deposit is the deepest uranium deposit in Kazakhstan mined using the ISR method.

Deposit

The North Khorasan deposit was discovered in 1972, and commercial operation of the block began in 2010.

A subsoil use contract to develop the Khorasan-2 block of the North Khorasan deposit was concluded on 1 March 2006. The rights to the exploration, production, and marketing of uranium are valid until 1 March 2055.

As of 1 January 2024, the total volume of ore reserves of the deposits (including annual depletion) was 14,400 tonnes. Total mineral resources (including reserves) stood at 14,400 tonnes.

Features

Year of creation	2006
Production	1,315 tonnes
Location	Republic of Kazakhstan, Kyzylorda Region, Zhanakorgan district
Number of employees	439
CEO	Zhumagali Markenbayev
Date of the subsoil use contract	2006-2055
Group's ownership interest	52.5%
Deposit	North Khorasan, Khorasan-2 block

SEMIZBAY-U LLP

Joint venture

Company holds a 51% interest in the charter capital of Semizbay-U LLP (Chinese National Nuclear Power Group holds 49%).

The joint venture operates at the Irkol deposit in the Shieli District of Kyzylorda Region and at the Semizbay deposit in the Birzhan Sal district of Akmola Region.

Deposit

The Irkol deposit was discovered in 1976, and commercial operation began in 2008. A subsoil use contract to develop the Irkol deposit was concluded on 14 July 2005. The rights to the exploration, production, and marketing of uranium are valid until 4 March 2030.

The Semizbay deposit was discovered in 1973, commercial operation began in 2009. A subsoil use contract to develop the Semizbay deposit was concluded on 2 June 2006. The rights to the exploration, production, and sale of uranium are valid until 2 June 2031.

As of 1 January 2024, the total amount of ore reserves in the deposits (including annual depletion) was 8,800 tonnes of uranium. Total mineral resources (including reserves) stood at 19,800 tonnes of uranium.

Features

Year of creation	2006
Production	940 tonnes
Location	Republic of Kazakhstan, Kyzylorda Region, Shielskiy District and Akmola Region, Birzhan Sal district
Number of employees	575
CEO	Dosanov Daniyar Bulatovich ¹⁵
Date of the subsoil use contracts	2005-2030
Group's ownership interest	51%
Deposit	1. Irkol 2. Semizbay

¹⁵ Maillybaev Almas Abdillauly until 05 April 2023, Berdigulov Almat Kudaibergenovich from 06 April 2023 to 13 November 2023.

KARATAU LLP

Joint operations

Company and Uranium One Netherlands B.V. (part of Rosatom Group) each hold a 50% interest in the charter capital of Karatau LLP.

The LLP operates at block No.2 of the Budenovskoye deposit in the Sozak District of Turkestan Region.

Deposit

The Budenovskoye deposit was discovered in 1979, and the commercial operation of block No 2 began in 2008.

A subsoil use contract was signed on 8 July 2005 to develop block No.2 of the Budenovskoye deposit. The rights to the exploration, production, and marketing of uranium are valid until 8 July 2040.

As of 1 January 2024, the total amount of ore reserves in the deposits (including annual depletion) was 33,500 tonnes of uranium. Total mineral resources (including reserves) stood at 129,900 tonnes of uranium.

Features

Year of creation	2005
Production	2,560 tonnes
Location	Republic of Kazakhstan, Turkestan Region, Sozak District
Number of employees	564
CEO	Iskakov Daurzhan Mukhamedzhanovich ¹⁶
Date of the subsoil use contract	2005-2040
Group's ownership interest	50%
Deposit	Budenovskoye, block No.2

¹⁶ Kalibekov Saken Kazbekovich from 19 November 2021 to 13 November 2023.

JV KHORASAN-U LLP

Subsidiary

Company holds a 50% interest in the charter capital of JV Khorasan-U LLP (Uranium One Utrecht B.V. (part of Rosatom group) holds 30%, Energy Asia Holdings Ltd holds 20%).

The JV operates at the Khorasan-1 block of the North Khorasan deposit in the Zhanakorgan district of Kyzylorda Region.

Deposit

The North Khorasan deposit was discovered in 1972, and commercial operation of the Khorasan-1 block began in 2008.

A subsoil use contract to develop the Khorasan-1 block of the North Khorasan deposit was concluded on 8 July 2005. The rights to the exploration, production, and sale of uranium are valid until 8 July 2058.

As of 1 January 2024, the total amount of ore reserves in the deposits (including annual depletion) was 33,100 tonnes of uranium. Total mineral resources (including reserves) stood at 44,100 tonnes of uranium.

Features

Year of creation	2014
Production	1,580 tonnes
Location	Republic of Kazakhstan, Kyzylorda Region, Zhanakorgan district
Number of employees	14
CEO	Aiduysenov Bagdat Abzhapparuly ¹⁷
Date of the subsoil use contract	2005-2058
Group's ownership interest	50%
Deposit	North Khorasan, Khorasan-1 block

¹⁷ Umirbekov Adai Esirkepovich from 18 September 2020 to 13 November 2023.

JV ZARECHNOYE JSC

Associate

Company and Uranium One Holland B.V. (part of the Rosatom group) each own 49.98% of the shares of JV ZARECHNOYE JSC, and Karabaltinsky Mining Plant JSC owns 0.04%.

The joint venture operates in the Zarechnoye deposit in the Otyrar district of Turkestan Region.

Deposit

The Zarechnoye deposit was discovered in 1977, and commercial operation of the deposit began in 2007.

A subsoil use contract to develop the Zarechnoye deposit was concluded on 23 September 2002. The rights to the exploration, production, and marketing of uranium are valid until 23 September 2025.

As of 1 January 2024, the total amount of ore reserves in the deposits (including annual depletion) was 3,300 tonnes of uranium. Total mineral resources (including reserves) stood at 3,900 tonnes of uranium.

Features

Year of creation	2001
Production	741 tonnes
Location	Republic of Kazakhstan, Turkestan Region, Otyrar District
Number of employees	369
CEO	Nurzhanov Kanat Amangeldiuly ¹⁸
Date of the subsoil use contract	2002-2025
Group's ownership interest	49.98%
Deposit	Zarechnoye

¹⁸ Bekbaev Zh.N. from 07 March 2023 to 02 February 2024, the duties of the General Director were assigned to deputies from 07 March 2023 to 01 February 2024.

JV AKBASTAU JSC

Joint operations

Kazatomprom and Uranium One Group (Part of Rosatom Group) each hold a 50% interest in JV Akbastau JSC.

The JSC operates at blocks No.1, No.3 and No.4 of the Budenovskoye deposit in the Sozak District of Turkestan Region.

Deposit

The Budenovskoye deposit was discovered in 1976 and commercial operation of blocks No.1, No.3, and No.4 began in 2012.

Subsoil use contracts to develop blocks No.1, No.3 and No.4 of the Budenovskoye deposit were concluded on 20 November 2007. The rights to the exploration, production, and marketing of uranium in area No.1 are valid until 20 November 2037, and in blocks No.3 and No.4 until 20 November 2038.

As of 1 January 2024, the total volume of ore reserves of the deposits (including annual depletion) was 34,300 tonnes. Total mineral resources (including reserves) stood at 34,300 tonnes.

Features

Year of creation	2006
Production	1,545 tonnes
Location	Republic of Kazakhstan, Turkestan Region, Sozak District
Number of employees	52
CEO	Omarbekov Kuanysh Altynbekovich ¹⁹
Date of the subsoil use contract	2007-2038
Group's ownership interest	50%
Deposit	Budenovskoye, blocks No.1, No.3, No.4

¹⁹ Zhunisov Amur Zhumabekovich since 28 December 2023, Mailybaev Almas Abdillauly from 31 July 2023 to 28 December 2023.

JV KATCO LLP

Associate

Company holds a 49% interest in the charter capital of JV Katco LLP, and Orano (formerly known as AREVA) holds 51%.

The joint venture operates in the northern part of block No.1 (South) and at block No.2 (Tortkuduk) of the Moinkum deposit in the Sozak District of Turkestan Region.

Deposit

The Moinkum deposit was discovered in 1976, and the commercial operation of block No.1 began in 2001.

A subsoil use contract to develop the northern part of block No.1 (South) and block No.2 (Tortkuduk) of the Moinkum deposit was concluded on 3 March 2000. The rights to the exploration, production, and sale of uranium are valid until 4 March 2039.

As of 1 January 2024, the total volume of the ore reserves of deposits (including annual depletion) was 49,000 tonnes of uranium. Total mineral resources (including reserves) stood at 53,500 tonnes of uranium.

Features

Year of creation	1996
Production	2,564 tonnes
Location	Republic of Kazakhstan, Turkestan Region
Number of employees	1,245
CEO	Pascal Bastien
Date of the subsoil use contract	2000-2039
Group's ownership interest	49%
Deposit	1. Moinkum, block No.1 (South), the northern part 2. Moinkum, block No.2 (Tortkuduk)

JV SOUTHERN MINING AND CHEMICAL COMPANY LLP

Associate

In the associated company JV Southern Mining and Chemical Company LLP, the Company has a 30% share, while the main share of 70% is owned by Uranium One Group JSC, which is part of the Rosatom group.

The joint venture operates at the Akdala deposit and at block No.3 of the Inkai deposit in the Sozak District of Turkestan Region.

Deposit

The Akdala deposit was discovered in 1982, and commercial operation began in 2004. A subsoil use contract to develop the Akdala deposit was concluded on 28 March 2001. The rights to the extraction, exploration, and sale of uranium are valid until 28 March 2026.

The Inkai deposit was discovered in 1976, and commercial operation of block No.4 began in 2007. A subsoil use contract was signed on 8 July 2005 to develop block No.4 of the Inkai deposit. The rights to the exploration, production and sale of uranium are valid until 8 July 2029.

As of 1 January 2024, the total amount of ore reserves in the deposits (including annual depletion) was 72,700 tonnes of uranium. Total mineral resources (including reserves) stood at 74,900 tonnes of uranium.

Features

Year of creation	2014
Production	2,225
Location	Republic of Kazakhstan, Turkestan Region, Sozak District
Number of employees	879
CEO	Acting Pylnoy Alexander Vladimirovich ²⁰
Date of the subsoil use contract	2001-2029
Group's ownership interest	30%
Deposit	1. Akdala 2. Inkai, block No.4

²⁰ Umirbekov Adai Yesirkepovich since 13 November 2023.

JV Budenovskoye LLP

Joint venture

Company holds a 51% interest in the charter capital of JV Budenovskoye LLP (Limited Liability Partnership Stepnogorsk Mining and Chemical Plant holds 49%²¹.

The joint venture operates at blocks No.6 and No.7 of the Budenovskoye deposit in the Sozak District of Turkestan Region. A subsoil use contract for the development of Blocks 6 and 7 of Budenovskoye deposit was made on 16 October 2020. Uranium production and marketing rights are valid until 16 October 2045.

Deposit

The Budenovskoye deposit was discovered in 1976, and pilot production began in 2023 at site No. 6 and 7.

As of 1 January 2024, the total amount of ore reserves in the deposits (including the increase in balance reserves) was 114,000 tonnes of uranium. Total mineral resources (including reserves) stood at 119,900 tonnes of uranium.

Features

Year of creation	2016
Production	-
Location	Republic of Kazakhstan, Turkestan Region, Sozak District
Number of employees	48
CEO	Kalmataev Mukhtar Ermekovich ²²
Date of the subsoil use contract	2020-2045
Group's ownership interest	51%
Deposit	Budenovskoye, block No.6, 7

²¹ As part of the audited financial statements of JV Budenovskoye LLP based on the results of 2022, information was received from JV Budenovskoye LLP on a change in the composition of the participants of Stepnogorsk Mining and Chemical Plant LLP, which includes Uranium One Group JSC and NFC Logistics JSC.

²² Medeo Rustam Kolybekovich until 24 March 2023, Zhansugurov Dauren Orashovich since 29 December 2023.

2. OPERATING AND FINANCIAL REVIEW

2.1. Significant factors affecting the Group's results of operations

The significant factors that affected the Group's results of operations during 2023 and 2022, 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.

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

Spot market prices for U₃O₈, 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 U₃O₈ under contracts with price formulae 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 Uranium sales price sensitivity analysis.

The following table provides the average spot price and average realized price per pound of U₃O₈ for the periods indicated:

		2022	2023	Change
Average weekly spot price (per lb U ₃ O ₈) ²³	USD	49.61	60.53	22%
	KZT	22 863	27,616	21%
Average realized price of the Group (per lb U ₃ O ₈)	USD	43.44	55.09	27%
	KZT	20 021	25,135	26%
Average realized price of Kazatomprom (per lb U ₃ O ₈)	USD	42.50	52.10	23%
	KZT	19 587	23,768	21%

The Company's current overall contract portfolio price correlates to current uranium spot prices (see Section 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 2023 incorporated a proportion of fixed price component, including price ceilings that were negotiated during a comparatively lower price environment. As a result, although the average realized price of the Company and the Group for the reporting period increased compared to 2022, outpaced the rise in uranium spot prices during this timeframe, still the average realized prices turned out to be lower than the average weekly spot price for the reporting period.

For additional details related to specific market developments that influenced the pricing of uranium in 2023, please see the *Kazatomprom 4Q2023 Operations and Trading Update*, available on the corporate website www.kazatomprom.kz.

2.1.2. Changes in the Group structure

²³ Prices per TradeTech LLC and UxC LLC.

In 2023, the Group completed the following transactions:

- On 30 December 2021, a Purchase and Sale Contract of 40% of shares in Caustic JSC was signed between the Company and Trading House United Chemical Technologies LLP. According to the terms of the contract, payment for shares was made in instalments. On 28 March 2023, Trading House United Chemical Technologies LLP made full payment under the contract. On 11 April 2023, a Certificate confirming the acceptance and transfer of shares was signed.
- In January 2024, as part of a restructuring aimed at simplifying and optimizing the ownership structure, Kazatomprom divested a 49% stake in the charter capital of Taiqonyr Qyshqyl Zauyty LLP (TQZ LLP') to Kazatomprom-SaUran LLP. A significant step towards securing investment for the construction of a new sulphuric acid plant was achieved through the establishment of a strategic partnership with the renowned Italian firm, Ballestra S.p.A., and Kazatomprom's Board of Directors made a decision to engage a local partner of Ballestra in Kazakhstan for this project. Under this partnership, Ballestra will assume responsibility for the project's design, equipment procurement, and provision of technical support. It is worth noting that Ballestra's technology has a well-documented history of successful implementation at the existing sulphuric acid plants, SKZ-U LLP and SSAP LLP.

In 2022:

- According to the Framework Agreement signed on November 22, 2021, between the Group and Genchi Global Limited on participation in ANU Energy, established on the basis of the Astana International Financial Center (AIFC). The purpose of ANU Energy is to store physical uranium as a long-term investment. The Group made an investment of USD 24.25 million in March 2022 (equivalent to KZT 12,368 million), which constitutes 32.7% of the entity's equity. The Group does not have representation in the governing body of the entity and does not take part in the decision-making of the entity. Accordingly, 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. As of 31 December 2022, the Group classifies ANU Energy as "other investments" within other financial assets in the consolidated financial statements. As of 31 December 2023, the fair value of investment in ANU Energy OEIC Ltd. was KZT 30,667 million (2022: KZT 17,066 million).

In total, the number of the Group's subsidiaries, JVs, JOs, associates and other equity investments has increased to 36 as at 31 December 2023.

2.1.3. 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:

- uranium is generally priced in USD, therefore most of the Group's consolidated sales revenue is generated in USD (92% in 2023, 90% in 2022);
- 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 (96% in 2023, 95% in 2022), which is the principal currency of the Group's revenue. For more details see Section 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 is KZT-denominated, the Group generally benefits from the 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 the 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 2023, the KZT/USD exchange rate fluctuated between KZT 431.08 and KZT 482.77 (2022: KZT 414.67 and KZT 512.19). As at 31 December 2023, the National Bank of the Republic of Kazakhstan (NBK) KZT/USD exchange rate was KZT 454.56 (as at 31 December 2022 was KZT 465.65). Changes in exchange rates had a negative effect on the financial performance of the Group in 2023. The Group's incurred a net foreign exchange loss of KZT 21,330 million in 2023 (compared to an exchange rate profit of KZT 17,304 million in 2022).

The following table provides the annual average and year-end closing KZT/USD exchange rates, as reported by the National Bank of the Republic of Kazakhstan (NBK), as of 31 December 2023 and 2022.

		2022	2023	Change
Average exchange rate for the period ²⁴	KZT/USD	460.85	456.24	(1%)
Closing exchange rate for the period	KZT/USD	462.65	454.56	(2%)

2.1.4. Taxation and Mineral Extraction Tax ("MET")

Before 01 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 MET is calculated separately for each subsoil use license. The resulting MET paid was therefore directly dependent upon the cost of mining operations.

In January 2022, the Government of the Republic of Kazakhstan announced that it intended to update the country's tax code. On 11 July 2022, additions and amendments to the Kazakh tax code were adopted (Laws of the Republic of Kazakhstan *On the Enactment of the Code of the Republic of Kazakhstan "On Taxes and Other Mandatory Payments to the Budget No.135-VII LRK*), which introduced changes in the MET base and rate for tax calculation. The amended tax code came into force beginning 01 January 2023. In accordance with the introduced changes, the tax base for MET on uranium is determined as the weighted average price of uranium from public sources for the specific reporting period, multiplied by the amount of uranium mined and a MET rate of 6%.

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

(KZT million)	2022	2023	Change
Corporate income tax ²⁵	118,853	157,610	33%
Mineral extraction tax ²⁶	29,616	52,283	77%
Other taxes and payments to budget ²⁷	111,051	150,830	36%
Total tax accrued	259,520	360,723	39%

The total amount of accrued taxes increased by an average of 39% by the end of 2023 compared to 2022, due to:

- The increase in corporate income tax by 33% is due to an increase in pre-tax profit associated with an increase in the average selling price related to the growth of the market spot price and

²⁴ The average rates are calculated as the average of the daily exchange rates on each calendar day.

²⁵ Applicable rate: 20%; calculation: taxable income (based on tax reporting accounts) multiplied by corporate income tax rate.

²⁶ 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%).

²⁷ Including VAT, property tax, land tax, transport tax, social tax, other payments to budget and PIT (on PIT Company acts as a tax agent).

increase in sales volume of U_3O_8 (see Sections Consolidated Revenue and Other financial indicators and Profit before tax and income tax expenses);

- an increase in the MET by 77% is due to an increase in the spot price for U_3O_8 , as well as change in the tax base for calculating the MET since 1 January 2023;
- an increase in other taxes and other payments to the budget by 36%, 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.

2.1.5. 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, it could impact the Group's production schedule, while higher prices for sulphuric acid could adversely impact the Group's profits.

The Group's weighted average cost of sulphuric acid increased by 33.6% to KZT 40,455 per tonne in 2023 (2022: from KZT 30,263 per tonne) due to the increase in the price of raw materials and temporary shortages in the Kazakhstan market. On average in 2023, expenses on sulphuric acid represented about 10% of the Group's uranium production costs (12% in 2022).

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. The Company also intends to enhance its in-house sulphuric acid production capacity by constructing a new plant Taiqonyr Qyshqyl Zauyty LLP (see Section Changes in the Group structure). As previously disclosed, the construction of the sulphuric acid plant serves 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 sulphuric acid supply volume of approximately 1.5 million tonnes.

2.1.6. 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 they are imported 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 operating materials, including inflationary pressure as a result of commodity price changes, driving an increase in production costs and a negative impact on profitability (see Section Uranium segment production and sales metrics).

2.1.7. 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.

2.1.8. 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 operations (JVs and associates), the 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 2023, U₃O₈ was purchased at a weighted average discount of 3.63% (2022: 3.73%) 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)	2022	2023	Change
U ₃ O ₈ purchased from JVs and associate	2,805	2,703	(4%)
U ₃ O ₈ purchased from JOs and subsidiaries	9,533	9,898	4%
Total	12,338	12,601	2%

In 2023, the volume of U₃O₈ purchased from JVs and associates, JOs and Subsidiaries was comparable to 2022 and comprised 12,601 tonnes (2022: 12,338 tonnes).

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

2.2. Key performance indicators analysis

2.2.1. Consolidated financial metrics

The analysis in this section of the report is based on 12 months ended 31 December 2023 compared to 12 months ended 31 December 2022. The table below provides financial information related to the consolidated results of the Group for 2023 and 2022.

(KZT million)	2022	2023	Change
Revenue	1,001,171	1,434,635	43%
Cost of sales	(475,097)	(671,862)	41%
Gross profit	526,074	762,773	45%
Selling expenses	(25,605)	(28,851)	13%
G&A expenses	(44,507)	(53,110)	19%
Operating profit	455,962	680,812	49%
Other income/(loss), including the following one-time effects:	38,667	(50,855)	<(200%)
Income from an associate development agreement ²⁸	7,671	-	(100%)
Share of results of associates	75,736	76,049	(0%)
Share of results of JVs	13,340	22,336	67%
Pre-tax income	583,705	728,342	25%
Corporate income tax	(110,742)	(148,007)	34%
Net profit, attributable to:	472,963	580,335	23%
- Owners of the Company	348,048	419,184	20%
- Non-controlling interest	124,915	161,151	29%
Earnings per share attributable to owners (basic and diluted), KZT/share ²⁹	1,342	1,616	20%
Adjusted net profit (net of one-time effects)	465,292	580,335	25%
Adjusted EBITDA ³⁰	630,898	828,623	31%
Attributable EBITDA ³¹	495,357	639,407	29%

2.2.2. Consolidated revenue and other financial metrics

The Group's consolidated revenue was KZT 1,434,635 million in 2023, an increase of 43% compared to 2022 (in 2022 the Group's consolidated revenue was KZT 1,001,171 million).

The increase is mainly due to:

- the growth in the average realized price associated with an increase in the market spot price for U₃O₈;
- an increase in sales volume of U₃O₈ (see Section Uranium segment production and sales metrics) mainly related to additional requests from customers, as well as some new long-term contracts;

²⁸ On 11 August 2022, the JV Katco LLP participants made amendments to the Partnership Agreement on the further development of JV Katco LLP since 10 April 2017, under which the Group became entitled to compensation in the amount of KZT 7,671 million from the second participant of JV Katco LLP, which was recognized as other income in 2022 and other receivables.

²⁹ Calculated as: Profit for the year attributable to owners of the Company divided by Total share capital from Section Outstanding shares, rounded to the nearest KZT.

³⁰ Adjusted EBITDA is calculated by excluding from EBITDA items not related to the main business and having a one-time effect. Calculation: Profit before tax - finance income + finance expense +/- Net FX loss/(gain) + Depreciation and amortisation + Impairment losses - reversal of impairment +/- one-off or unusual transactions.

³¹ 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 (including share of Adjusted EBITDA of JV Budenovskoye LLP for 2023 in the amount of KZT 3,048 million, while in 2022 it is excluded due to minor effect), less non-controlling share of adjusted EBITDA of APPAK LLP, JV Inkai LLP, "Baiken-U" LLP, ORTALYK LLP and JV Khorasan-U LLP, less any changes in the unrealized gain in the Group.

- increase in revenue from sale of uranium products (including fuel pellets and tolling services) related to growth of FA deliveries by Ulba-FA LLP in 2023, and increase in revenue from UMP segment rare metal products (see Section UMP Segment).

The main revenues by source in 2023 compared to 2022, are presented below.

(KZT million)	Proportion				
	2022	2023	Change	2022	2023
Uranium products (only U ₃ O ₈) ³²	851,427	1,180,722	39%	85%	82%
Uranium products ³³	57,806	151,798	>100%	6%	11%
Beryllium products	31,986	31,857	(0%)	3%	2%
Tantalum products	23,171	27,061	17%	2%	2%
Others	36,781	43,197	17%	4%	3%
Total Revenue	1,001,171	1,434,635	43%	100%	100%

Operating profit in 2023 was KZT 680,812 million, an increase of 49% compared to 2022 (2022: KZT 455,962 million). The increase was mainly due to an increase in revenue in 2023 as indicated above.

In 2023 other loss amounted to KZT 50,855 million (in 2022, other income was KZT 38,667 million). This is primarily due to revaluation expense under a short-term inventory loan agreement between the Group and ANU Energy OEIC totalling KZT 37,977 million, which is due to be returned until March 2024. Additionally, a 100% provision on the overdue amount of KZT 15,692 million was accrued due to difficulties with the payments from Dioxitek S.A. (Argentina), due to new import legislative requirements introduced by the government of Argentina. The Group expects difficulties with the payments from Dioxitek S. A., debt repayment negotiations are ongoing.

Net profit in 2023 amounted to KZT 580,335 million, an increase of 23% compared to 2022 (in 2022 was KZT 472,963 million). The increase was mainly due to a higher operating profit in 2023 as indicated above.

Profit for the period attributable to non-controlling interest increased significantly in 2023 and comprised KZT 161,151 million due to a growth of net profit of the mining subsidiaries that have non-controlling interest, driven by an increase in the average realized price due to an increase in the spot price for U₃O₈, and an increase of sales volumes to second participants of the subsidiaries in question.

Adjusted EBITDA comprised KZT 828,623 million in 2023, an increase of 31% compared to 2022 (in 2022 was KZT 630,898 million), while attributable EBITDA was KZT 639,407 million in 2023, an increase of 29% compared to 2022 (2022: KZT 495,357 million). 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 in the market spot price for U₃O₈.

2.3. Uranium segment

2.3.1. Uranium segment financial metrics

(KZT million unless noted)		2022	2023	Change
Average exchange rate for the period	KZT/USD	460.85	456.24	(1%)
Uranium segment revenue ³⁴		920,093	1,211,524	32%
Including U ₃ O ₈ sales proceeds (across the Group) ³⁵		851,427	1,180,722	39%
Share of revenue from uranium products	%	85%	82%	(3%)

³² Includes only U₃O₈ sales proceeds (across the Group).

³³ Includes, but is not limited to sale of EUP, UF₆, production and sales of UO₂ powder and fuel pellets by "UMP" JSC.

³⁴ Calculated from Financial Statements Note "Segment Information" as a sum of external revenue and revenues from other segments for uranium segment.

³⁵ Includes only U₃O₈ sales proceeds (across the Group).

Consolidated U₃O₈ sales were KZT 1,180,722 million in 2023, an increase of 39% compared to 2022 (in 2022 was KZT 851,427 million) was due to:

- the growth in the average realized price associated with an increase in the market spot price for U₃O₈;
- the increase in sales volume of U₃O₈ (see Section Uranium segment production and sales metrics) mainly related to additional requests from customers, as well as some new long-term contracts.

2.3.2. Uranium segment production and sales metrics

		2022	2023	Change
Production volume of U ₃ O ₈ (100% basis)	tU	21,227	21,112	(1%)
Production volume of U ₃ O ₈ (attributable basis) ³⁶	tU	11,373	11,169	(2%)
U ₃ O ₈ sales volume (consolidated)	tU	16,358	18,069	10%
Including KAP U ₃ O ₈ sales volume ^{37,38}	tU	13,572	14,915	10%
Group inventory of finished goods (U ₃ O ₈)	tU	9,352	7,242	(23%)
Including KAP inventory of finished goods (U ₃ O ₈) ³⁹	tU	7,749	6,108	(21%)
Group average realized price	KZT/kg	52,051	65,344	26%
Group average realized price	USD/lb	43.44	55.09	27%
KAP average realized price ⁴⁰	USD/lb	42.50	52.10	23%
Average weekly spot price	USD/lb	49.61	60.53	22%
Average month-end spot price ⁴¹	USD/lb	49.81	62.51	25%

All annual operational and sales results in the uranium segment were in line with the updated guidance provided for 2023.

2023 production volumes on both a 100% and ownership basis were lower compared to 2022 due to a slight decrease in 2023 production plan compared to 2022.

In 2023, both Group and KAP sales volumes were higher compared to 2022, primarily due to additional requests from customers to flex up their annual delivery quantities within the frame of existing contracts, as well as some new long-term contracts with the delivery in a prompt window during 2023.

Sales volumes may vary substantially each period based on timing of customer delivery requests during the year and terms of physical delivery activity.

Consolidated Group inventory of finished U₃O₈ products amounted to 7,242 tonnes as at 31 December 2023, which was 23% lower than at 31 December 2022. At the KAP HQ and THK level, inventory of finished U₃O₈ products was 6,108 tonnes which was 21% lower than at 31 December 2022. Overall, the decrease in inventory is attributed to the increased sales volume.

³⁶ The Production volumes of U₃O₈ (attributable basis) is not equal to the volumes purchased by Company and THK in the Section Transactions with Subsidiaries, JVs, JOs and Associates.

³⁷ KAP U₃O₈ sales volume (incl. in Group): includes only the total external sales of KAP HQ and THK. Intercompany transactions between KAP HQ and THK are not included. Yet, some part of Group U₃O₈ production goes to the production of EUP, fuel pellets and fuel assemblies (FA) at Ulba-FA LLP.

³⁸ Group sales volume and KAP sales volume (incl. in Group) does not include approximately 1,300 tonnes of natural uranium equivalent used for supply of EUP in 2023 for the project of "Ulba-FA" LLP.

³⁹ KAP inventory of finished goods (incl. in Group): includes the inventories of KAP HQ and THK.

⁴⁰ 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.

⁴¹ 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.

The Group's average realized price in KZT in the 2023 was KZT 65,344 per kg (55.09 USD/lb), an increase of 26% compared to 2022 due to an increase in the average spot price for uranium products. The average sales prices at the KAP level were also higher and for the same reasons.

The Company's current overall contract portfolio price is correlated to uranium spot prices (see Section Uranium sales price sensitivity analysis). The increase in average realized prices in 2023 was comparable to the increase in the spot market price for uranium. 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.

2.3.3. Uranium segment production by operation

The information presented in the table below 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 2023 and 2022 (see Sections Cost and availability of sulphuric acid and Inflation-related costs, as well as availability of critical operating materials & equipment), was not equal across all operations due to the nature of the ISR mining process, and differences in the mine plans and development phase at each operation.

(tU as U ₃ O ₈)	Ownership	2022	2023	Change
Kazatomprom-SaUran LLP	100%	1,273	1,070	(16%)
RU-6 LLP	100%	830	833	0%
Appak LLP	65%	803	832	4%
JV Inkai LLP ⁴²	60%	3,201	3,230	1%
Baiken-U LLP	52.5%	1,315	1,066	(19%)
ORTALYK LLP	51%	1,650	1,648	(0%)
Semizbay-U LLP	51%	940	963	2%
JV Budenovskoye LLP	51%	0	180	100%
Karatau LLP	50%	2,560	2,611	2%
JV Akbastau JSC	50%	1,545	1,647	7%
JV Khorassan-U LLP	50%	1,580	1,681	6%
JV Zarechnoye JSC	49.98%	741	757	2%
JV Katco LLP	49%	2,564	2,103	(18%)
JV SMCC LLP	30%	2,225	2,488	12%
Total		21,227	21,112	(1%)

2.4. UMP Segment

2.4.1. UMP segment uranium product sales

UO ₂ powder and Fuel pellets ⁴³		2022	2023	Change
Fuel pellets	Sales, tonnes	198.2	196.5	(1%)
Ceramic powder	Sales, tonnes	88.9	87.8	(1%)
Dioxide from scraps	Sales, tonnes	22.8	7.6	(67%)

Sales volumes of fuel pellets, including material produced under tolling services, in 2023 were 196.5 tonnes, and ceramic powders were 87.8 tonnes, which corresponds to the volumes of 2022

⁴² For JV Inkai LLP annual share of production on attributable basis is determined as per Implementation Agreement as disclosed in IPO Prospectus. Company's annual attributable share of production in 2023 comprised 1,615 tU (2022: 1,600 tU).

⁴³ Includes sales volumes of products and materials sold through tolling services.

and is related to contracted sales volumes in accordance with customer demand. A 67% reduction in sales volumes of dioxide from scraps to 7.6 tonnes in 2023 occurred in accordance with the volume of supply of raw materials for processing from the customer.

2.4.2. UMP segment rare metal product sales

Rare metals products ⁴⁴		2022	2023	Change
Beryllium products	Sales, tonnes	1,332.46	898.19	(33%)
	KZT/kg	24,005	35,468	48%
Tantalum products	Sales, tonnes	165.52	146.27	(12%)
	KZT/kg	139,990	185,011	32%
Niobium products	Sales, tonnes	13.45	1.29	(90%)
	KZT/kg	24,572	91,121	>200%

Sales volume of beryllium products decreased by 33% in 2023 compared to 2022. Sales price increased by 48% in 2023 mainly due to change in the product mix to higher value-added refined products.

Sales volume of tantalum products decreased by 12% compared to 2022 due to lower customer demand. Sales prices for tantalum products increased by 32% due to a change in the structure of products sold towards an increase in the share of more high-tech and expensive products (rolled products and powders).

Sales volume of niobium, including tolling services significantly decreased in 2023 compared to 2022, due to lower demand, whereas sales prices for niobium products in 2023 increased compared to the same period in 2022 due to changes in product mix of the realized products.

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Due to the expiration of the contract for fluorite extraction at the Karadzhal deposit in April 2022, UMP JSC suspended fluorite mining operations. Since February 2024, following the acquisition of a new extraction contract, fluorite mining operations have resumed. However, during this period, the production of fluorspar concentrate continued uninterrupted, as processing of previously mined mineral resources was ongoing.

2.5. Cost of sales

The table below illustrates the components of the Group's cost of sales for 2023 and 2022:

(KZT million)	2022	2023	Change	Proportion	
				2022	2023
Materials and supplies	261,825	364,841	39%	55%	54%
Depreciation and amortisation	79,037	92,824	17%	18%	14%
Wages and salaries	31,361	71,126	>100%	7%	11%
Taxes other than income tax	49,348	61,886	25%	10%	9%
Processing and other services	32,216	55,868	73%	7%	8%
Other	21,310	25,317	19%	4%	4%
Cost of Sales	475,097	671,862	41%	100%	100%

Cost of sales totalled KZT 671,862 million in 2023, an increase of 41% compared to 2022 (in 2022 was KZT 475,097 million) mainly due to higher production cost for uranium produced by consolidated subsidiaries and JOs, higher cost for purchased uranium (described below) as well as increased sales volume of U₃O₈ in 2023.

The cost of materials and supplies was KZT 364,841 million in 2023, an increase of 39% compared to 2022 (in 2022 was KZT 261,825 million) due to an increase in the cost of sales 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

⁴⁴ Includes sales volumes of products and materials sold through tolling services.

with certain applicable discounts). The growth of cost of materials and supplies also was due to an increase of purchase price of materials and supplies, including U₃O₈ as a result of inflationary pressure and an increase in the spot prices.

Depreciation and amortization totalled KZT 92,824 million in 2023, an increase of 17% compared to 2022 (in 2022 was KZT 79,037 million), mainly due to higher sales volume of consolidated subsidiaries and JOs' produced uranium, as well as an increase in the costs of repayment of the PGR (see Section Capital expenditures review).

The cost of processing and other services was KZT 71,126 million in 2023, significantly increased compared to 2022 (in 2022 was KZT 31,361 million), mainly due to an increase in a volume of U₃O₈ processed for a production of Ulba-FA LLP.

Payroll costs totalled KZT 61,886 million in 2023, an increase of 25% compared to 2022 (in 2022 was KZT 49,348 million), mainly due to a higher sales volume of consolidated subsidiaries and JOs' produced material. The increase was also associated with a lagged effect from standardisation of remuneration across the Group that was introduced in prior periods.

The taxes other than income tax totalled KZT 55,868 million, which is comprised mostly of MET, increased by 25% compared to 2022 (in 2022 was KZT 32,216 million) due to an increase in spot prices as per formula mentioned in Section Taxation and Mineral Extraction Tax ("MET") as well as an increase in the sales volume of uranium produced by consolidated subsidiaries.

The other categories of costs, including items such as maintenance and repair, transportation and other expenses totalled KZT 25,317 million in 2023 (in 2022 was KZT 21,310 million), an increase of 19% compared to 2022 mainly due to inflationary pressure.

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

(KZT million unless noted)		2022	2023	Change
C1 Cash cost (attributable basis)	USD/lb	10.25	13.27	29%
Capital cost (attributable basis)	USD/lb	5.94	8.10	36%
All-in sustaining cash cost (attributable C1 + capital cost)	USD/lb	16.19	21.37	32%
Capital expenditures of mining companies (100% basis) ⁴⁵		146,499	201,321	37%

C1 Cash cost (attributable) increased by 29% and All-in-sustaining cash costs (AISC) (attributable C1 + capital cost) increased by 32% in USD equivalent for 2023 compared to 2022. The increase in C1 Cash cost was primarily due to an increase in the MET tax expenses related to its changes introduced from 2023, see section Taxation and Mineral Extraction Tax ("MET"), as well as increase in wages and salaries of the production personnel and inflationary pressure on services, certain materials and reagents.

AISC increased due to an overall increase in capital cost on an attributable basis.

Capital expenditures of mining companies (100% basis) in 2023 totalled KZT 201,321 million, an increase of 37% compared to 2022 (in 2022 was 146,499 million), primarily due to a shift in wellfield development activities, as well as a rise in purchase prices for materials, supplies, equipment and cost of drilling (see Section Capital expenditures review).

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):

⁴⁵ Excludes liquidation funds and closure costs. Note that in Section Capital Expenditures Review total results include liquidation funds and closure cost.

General Attributable Cash cost (C1) Categories	2022	2023
MET	22%	28%
Material and supplies	24%	21%
Wages and salaries	19%	18%
Processing and other services	15%	15%
General and administrative expenses	7%	5%
Selling expenses	3%	4%
Others	10%	10%
Total	100%	100%

2.6. Selling expenses

(KZT million)	2022	2023	Change	Proportion	
				2022	2023
Shipping, transportation and storing	20,331	22,408	10%	79%	78%
Payroll costs	1,744	1,916	10%	7%	7%
Rent	214	385	80%	1%	1%
Materials	199	170	(15%)	1%	1%
Depreciation and amortisation	56	93	66%	0%	0%
Others	3,061	3,879	27%	12%	13%
Selling expenses	25,605	28,851	13%	100%	100%

Selling expenses totalled KZT 28,851 million in 2023 and significantly increased compared to 2022. The increase is mainly due to an increase in sales volume and as well as higher volumes shipped using the TITR (see Section Sales).

2.7. General & Administrative expenses (G&A)

(KZT million)	2022	2023	Change	Proportion	
				2022	2023
G&A expenses	44,507	53,110	19%	100%	100%
Incl. depreciation and amortisation	2,110	2,059	(2%)	5%	4%

The increase in G&A expenses includes compensation paid to the government in the amount of KZT 11,357 million and a provision for the payment of compensation to the second participant of MC Ortalyk LLP, in the amount of KZT 4,679 million as explained below.

In October 2017, the Group obtained a Contract for uranium exploration at Zhalpak field for a period up to 31 May 2018. In May 2018, the Ministry of Energy of the Republic of Kazakhstan agreed to extend the exploration period under the Contract until 31 December 2022 for mineral resource assessment. However, the Project for Assessment Works was not approved by the Ministry of Energy of the Republic of Kazakhstan, therefore the pilot production stopped in April 2020. The volume of unauthorised uranium at the Zhalpak field for the period from June 2018 to April 2020 amounted to 162.45 tonnes. On 15 August 2023 MC Ortalyk LLP paid a compensation of KZT 11,404 million including exchange rate difference at the date of payment.

In relation to this payment the Company also has accrued a provision for payment of compensation to the second participant of MC Ortalyk LLP in the amount of KZT 4,679 million due to the potential possibility of paying compensation, depending on the applicability of certain conditions of the Sale and Purchase Agreement for a 49% share in the MC Ortalyk LLP, dated 2021.

In 2022 expenses included compensation to the government in the amount of KZT 7,310 million for overproduction by JV Akbastau JSC of 249 tonnes of uranium compared to its approved volumes under subsoil use agreement.

2.8. The share of associates' and JVs' results

The share of results of associates and JVs in 2023 was KZT 98,385 million, an increase of 10% compared to 2022 (in 2022 was KZT 89,076 million). The increase was related to a growth in the average realized price associated with an increase in the market spot price for U₃O₈, in 2023.

2.9. Profit before tax and tax expense

(KZT million)	2022	2023	Change
Profit before tax	583,705	728,342	24%
Total income tax expense, including:	110,742	148,007	34%
Current income tax	118,853	157,610	33%
Deferred income tax	(8,111)	(9,603)	18%

The Group's profit before tax was KZT 728,342 million in 2023, significantly higher than in 2022 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 U₃O₈ as well as an increase in sales volume of U₃O₈ and uranium products.

In 2023, corporate income tax expense was KZT 148,007 million, a significant increase compared to 2022 (2022: KZT 110,742 million) related to the increased current income tax and increase in profit before tax in 2023.

The corporate tax rate applicable to the Group's profits was 20% in 2023 and 2022. Effective income tax rates were 20% and 19% for 2023 and 2022, respectively. The effective tax rate differs from the corporate income tax rate primarily due to certain elements of reported income and expenses that are not recognised in tax accounting. In general, the difference between the effective tax rate and the applicable Kazakhstani corporate tax rate of 20% is insignificant.

2.10. Capital expenditures review

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

- uranium well construction costs;
- expansion costs, which typically include expansion of processing facilities, the extension of services and transport routes to new wellfield areas, implementation of new systems and processes;
- sustaining capital, largely reflecting recurring, infrastructure, maintenance 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, therefore, investors are strongly advised not to place undue reliance on such capital expenditure information.

(KZT million)	Owners hip	2022				2023			
		WC ⁴⁶	S ⁴⁷	LF/C ⁴⁸	Total	WC	S&E	LF/C	Total
Kazatomprom-SaUran LLP	100%	11,286	2,249	1,857	15,392	10,787	3,832	260	14,879
RU-6 LLP	100%	5,050	1,165	382	6,597	6,762	1,230	472	8,464
APPAK LLP	65%	7,260	630	2,009	9,899	7,669	1,208	288	9,165
JV Inkai LLP	60%	10,637	1,385	18	12,040	11,478	2,535	(5)	14,008
Baiken-U LLP	52.5%	5,161	847	246	6,254	8,153	985	100	9,238
ORTALYK LLP	51%	12,246	453	1,427	14,126	16,380	1,199	(57)	17,522
Semizbay-U LLP	51%	6,399	1,699	1,987	10,085	8,976	1,433	(41)	10,368
JV Budenovskoye LLP	51%	1,143	1,610	71	2,824	10,035	318	83	10,436
Karatau LLP	50%	2,571	1,122	1,478	5,171	7,962	587	174	8,723
JV Akbastau JSC	50%	6,750	638	742	8,130	10,711	520	80	11,311
JV Khorassan-U LLP	50%	11,364	1,222	1,362	13,948	12,322	1,171	221	13,714
JV ZARECHNOYE JSC	49.98%	6,426	135	913	7,474	6,546	295	2,966	9,807
JV Katco LLP	49%	20,150	18,068	2,879	41,097	29,167	26,722	2,849	58,738
JV SMCC LLP	30%	6,458	2,376	1,040	9,874	9,104	3,231	239	12,574
Total		112,901	33,599	16,411	162,911	156,052	45,266	7,628	208,947

In order to achieve the planned levels of production, the Group's mining companies assess the required level of wellfield and mining preparation based on the availability of reserves. These costs relate to the capitalised costs of maintaining the sites, with the main component being wellfield construction.

⁴⁶ Well construction.

⁴⁷ Sustaining. Includes total expansion investments.

⁴⁸ Liquidation fund/closure.

(KZT million)	2022	2023	Change
Well construction	112,901	156,052	38%
Sustaining ⁴⁹	22,735	26,852	18%
Total wellfield construction and sustaining costs	135,636	182,904	35%
Expansion	10,863	18,414	70%
Capital expenditures of mining companies (100% basis)⁵⁰	146,499	201,321	37%

The wellfield construction and sustaining costs for 14 mining entities in 2023 amounted to KZT 182,904 million, which significantly exceeds the results of 2022. This is due to the fulfilling the production plan for 2023 and reserves preparation for 2024, as well as inflationary pressure caused by the increase in procurement prices for raw materials, materials, equipment, and drilling services.

Total capital expenditures of mining companies in 2023 were in line with the updated guidance range provided for 2023 (KZT 200-210 billion), which contributed to the implementation of the production program for the reporting year.

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 2023.

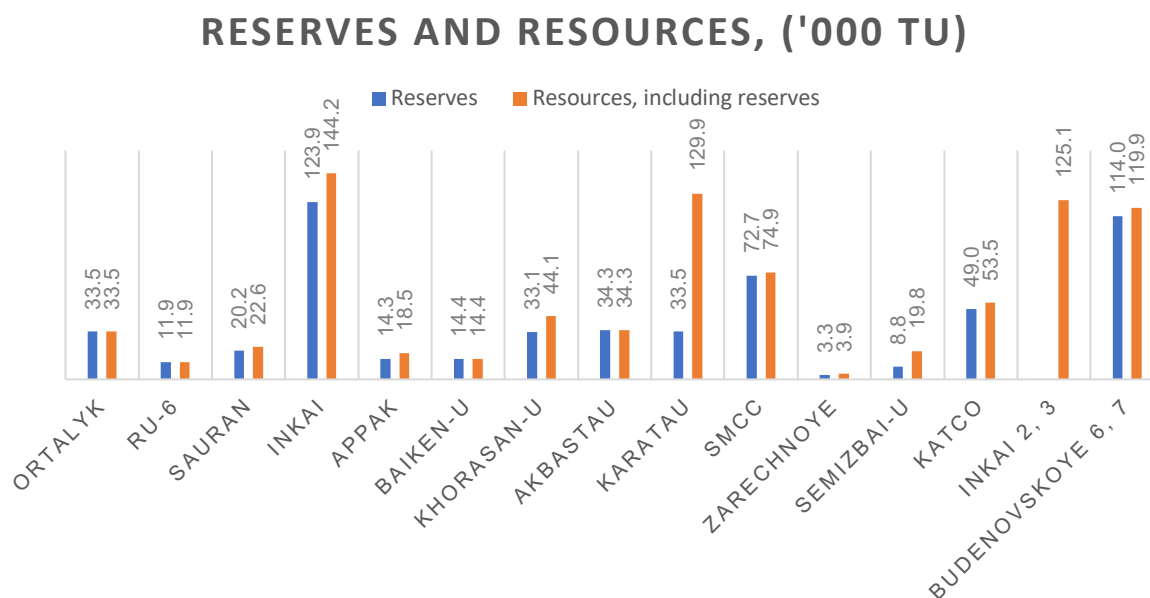
(KZT million unless noted)	PGR volumes (tU)	PGR at the end of period	Exploration value at the end of period	Historical cost of PPE (excl. wellstock) at the end of period	Carrying amount of PPE (excl. wellstock) at the end of period	D&A (excl. wellstock)
Kazatomprom-SaUran LLP	2,912	18,842	2,297	26,482	14,238	1,220
RU-6 LLP	3,073	12,291	-	9,072	4,892	723
APPAK LLP	1,459	9,068	1,681	11,319	5,953	487
JV Inkai LLP	4,225	14,724	15,712	105,367	59,176	2,441
Baiken-U LLP	1,741	5,821	4,821	22,659	10,209	1,054
ME ORTALYK LLP	3,388	14,324	1,078	23,146	13,333	969
Semizbay-U LLP	1,895	8,943	36	20,622	9,707	1,398
JV Budenovskoye LLP	223	447	12,569	2,385	2,176	17
Karatau LLP	3,822	4,288	2,263	30,473	14,878	1,146
JV Akbastau JSC	2,234	6,927	5,575	12,086	6,895	601
JV Khorasan-U LLP ⁵¹	2,637	9,737	10,522	2,565	2,188	179
JV Katco LLP	4,568	47,980	3,324	97,586	58,723	2,643
JV ZARECHNOYE JSC	1,918	9,780	2,234	10,251	2,680	458
JV SMCC LLP	3,528	7,078	5,550	29,106	14,319	1,903

⁴⁹ Excludes general expenses for expansion.

⁵⁰ Excludes liquidation funds and closure costs.

⁵¹ Includes the fixed assets of Kyzylkum LLP.

2.11. Reserves and geological surveys



In accordance with the SRK Consulting (UK) Limited Letter (dated 16 January 2024), the Ore reserves of all mining assets as of 31 December 2023 (including annual depletion) totalled 566.9 thousand tU, (100% basis), with 300.9 thousand tU attributable (in 2022: 588.8 thousand tU on a 100% basis, 312.9 thousand tU attributable). Total mineral resources (including ore reserves) were estimated at 850.5 thousand tU (100% basis), with 508.9 thousand tU attributable to the Company (in 2022: 761.6 thousand tU on 100% basis, 464.8 thousand tU attributable). In comparison to 2022, total mineral resources increased by about 88.9 thousand tU, mainly due to the completion of work on the revaluation of uranium reserves at enterprises: Karatau LLP, Khorasan-U LLP and APPAK LLP, and including the depletion of deposits due to production in the amount of 21 thousand tU in 2023 on 100% basis. 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.

2.12. Liquidity and capital sources

Kazatomprom's management aims to preserve financial stability in a constantly changing market environment. The Group's financial management policy is intended to maintain a strong capital base 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.

2.12.1. 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)	2022	2023	Change
Cash and cash equivalents	169,536	211,912	25%
Term deposit	930	8	(99%)
Total cash	170,466	211,920	24%
Undrawn borrowing facilities	84,665	115,004	36%

Total cash at 31 December 2023 comprised KZT 211,920 million, compared to KZT 170,466 million at 31 December 2022, due to explanations that are presented below in the Section Cash Flows.

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

As of 31 December 2023, the total limit on the Group's revolving credit lines was USD 253 million, which was fully available for use at the Company's discretion (as of 31 December 2022, the limit on revolving credit lines was USD 235 million).

2.12.2. 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 2023 and 2022, the Group received dividends of KZT 87,794 million and KZT 45,346 million, respectively, from its JVs and associates, and from other investments. The increase in 2023 is mainly due to increase in the operating results of joint ventures and associates, and other investments as well as due to a growth of dividends received from JV KATCO LLP and related compensation received from the second participant for the additional 11% from distributable annual profit. 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 2023, the Company announced dividends of KZT 200,970 million which was paid to shareholders in July 2023 based upon the results of 2022 operations (KZT 227,388 million was paid to the shareholders in July 2022 based upon the results of 2021 operations).

2.12.3. Working capital

The table below provides a breakdown of the Group's working capital in 2023 and 2022.

(KZT million)	2022	2023	Change
Inventory	392,621	423,314	8%
Receivables	270,921	430,319	59%
Recoverable VAT	62,389	146,450	>100%
Other financial assets ⁵²	19,748	49,399	>100%
Other non-financial assets	19,274	19,398	1%
CIT prepayment	11,451	9,536	(17%)
Payables	(98,809)	(176,011)	78%
Employee remuneration liabilities	(325)	(326)	0%
Income tax liabilities	(4,221)	(5,022)	19%
Other taxes and compulsory payments liabilities	(24,688)	(37,437)	52%
Other current liabilities	(83,883)	(116,421)	>100%
Net working capital	564,478	743,199	32%

An increase in receivables was mainly due to the growth of revenues in 2023 (see Section Consolidated

⁵² Excludes term deposits in amount of KZT 8 million in 2023 (2022: KZT 930 million) as these deemed as equivalent to cash (see Section Cash and available source of financing).

revenue and other financial metrics).

Recoverable VAT significantly increased and comprised KZT 146,450 million due to increase in cost of uranium purchased by the Company from its subsidiaries, JOs, JVs and associates which is associated with the increase of the market spot prices (see Section Transactions with subsidiaries, JVs, JOs and Associates).

As of 31 December 2023, other financial assets mainly represent 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 foreign commercial banks. As at 31 December 2023, these investments amounted to KZT 46,276 million.

As of 31 December 2023, other current liabilities include 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 with return period until March 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 Kazakhstani uranium to Western conversion enterprises 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 2023 and 2022:

(KZT million)	2022	2023	Change
Finished goods and goods for resale	296,833	331,494	12%
<i>Including uranium products</i>	295,051	328,015	11%
Work-in-process	54,016	62,496	16%
Raw materials	34,831	26,451	24%
Other materials	7,486	2,793	(63%)
Spare parts	1,488	1,800	21%
Fuel	989	1,233	25%
Provision for obsolescence and write-down to net realizable value	(3,022)	(2,953)	(2%)
Total inventories	392,621	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 largest inventory item is finished goods and goods for resale, which primarily consists of U₃O₈ and other uranium products.

An increase in inventory balance was mainly due to an increase in spot price of U₃O₈ during 2023, which increased the cost of purchased uranium from JVs, associates and third parties, along with the increase in a cost of finished goods. 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.

2.12.4. 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 2023 and 2022:

(KZT million)	2022	2023
Cash flows from operating activities ⁵³	283,859	432,225
Cash flows from/(used in) investing activities	(10,893)	(61,200)
Cash flows (used in) financing activities	(268,877)	(319,425)
Net increase/(decrease) in cash and cash equivalents	4,089	51,600

2.12.4.1. Cash Flows from Operating Activities

Operating cash flows in 2023 totalled KZT 432,225 million, a significant increase compared to 2022 KZT 283,859 million during the same period of 2022 mainly due to:

- a KZT 246,449 million increase in cash receipts from customers and under swap transactions during 2023 compared to 2022, due to growth in the average realized price associated with an increase in the market spot price for U₃O₈, as well as increase in the sales volume and change in timing of sales schedule;
- offset by a KZT 50,546 million decrease in 2023 inflows from VAT refunds from the budget;
- offset by KZT 39,573 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 increase in the mineral extraction tax;
- a KZT 28,667 million increase in income tax paid due to the increase in profit before tax (see Section Profit before tax and tax expense).

2.12.4.2. Cash Flows from Investing Activities

Net cash outflows from investing activities were KZT 61,200 million in 2023 compared to outflows KZT 10,893 million in 2022.

Changes in investing cash flows in 2023 were due to:

- a KZT 42,448 million increase in 2023 in dividends received from associates, joint ventures and other investments (see Section Dividends received and paid);
- an increase in investments for the purchase of debt securities issued by the US Department of the Treasury and the Eurasian Development Bank, net of the amount – KZT 41,249 million;
- an increase in acquisition of property, plant and equipment, acquisition of mine development assets and acquisition of exploration and evaluation assets in sum for KZT 35,283 million primarily due to a shift in wellfield development activities, as well as higher purchase prices for equipment (see Section Capital Expenditures Review).

2.12.4.3. Cash Flows from financing activities

Net cash outflows from financing activities were KZT 319,425 million in 2023 and KZT 268,877 million in 2022.

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

- an increase in the net of cash outflow from proceeds and repayment of loans and borrowings totalling KZT 95,517 million;
- offset by a decrease in the payment of dividends paid to shareholders and dividends paid to non-controlling interests by KZT 26,418 and 18,422 million, respectively.

2.13. Indebtedness

The total debt and guarantees of the Group as of 31 December 2023 were KZT 102,473 million (KZT 157,381 million in 2022).

⁵³ Includes income tax and interest paid.

(KZT million)	2022	2023	Change
Bank loans	23,953	-	(100%)
Non-bank loans	114,491	86,377	(25%)
Off-balance sheet guarantees	18,937	16,096	(15%)
Total debt and guarantees	157,381	102,473	(35%)

The following table summarises the Group's debt for the years ended 31 December 2023 and 2022:

(KZT million)	2022	2023	Change
Non-current	83,441	100	(100%)
Bank loans	-	-	
Non-bank loans, including:	83,441	100	
<i>Lease liabilities</i>	141	100	
<i>Bonds issued</i>	83,300	-	
Current	55,003	86,277	57%
Bank loans	23,953	-	
Non-bank loans, including:	31,050	86,277	
<i>Bonds issued</i>	24,016	82,746	
<i>Promissory note issued</i>	7,002	3,506	
<i>Lease liabilities</i>	32	25	
Total debt	138,444	86,377	(38%)

As of 31 December 2023, the Group has no long-term bank loans.

The amount of non-bank loans as of 31 December 2023 comprised KZT 86,377 million and includes:

- long-term USD-indexed Company coupon bonds with a nominal amount of KZT 70 billion and maturity in October 2024, issued in September 2019 on the Kazakhstan Stock Exchange (KASE);
- promissory notes owned by JV Khorasan-U LLP are with maturity "on demand". As of 31 December 2023, the right to claim under the promissory notes belongs to Kyzylykum LLP.

Guarantees represent off-balance sheet irrevocable obligations of the Group to effect payment in the event that another cannot meet its obligations.

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

Under the loan and guarantee agreements, the Group is required to comply with certain established non-financial obligations (covenants). During the year the Group fulfilled all of the above obligations. The Group has no obligations under financial covenants.

The following table summarises the Group's weighted average interest rate for bank loans in 2023 and 2022:

(%)	2022	2023
Weighted average interest rate, including:	3.62	3.81
Fixed interest rate	3.62	3.81

As of 31 December 2023, the weighted average interest rate was 3.81%, which was higher compared to the prior year. The Group's weighted average interest rate on loans and borrowings in 2023 was mainly influenced by the Group's long-term fixed-interest rate liabilities (bonds with a coupon of 4% per annum).

As of 31 December 2023, the Group's liabilities are fully formed from debt with a fixed interest rate.

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

- Moody's Investors Service Baa2, the outlook is "Positive" (confirmed on 30 October 2023);

- Fitch Ratings BBB, the outlook is "Stable" (confirmed on 19 January 2024).

2.13.1. Net debt/Adjusted EBITDA

The following table summarises the key ratios used by the Company's management to measure financial stability in 2023 and 2022. Management targets a net debt to adjusted EBITDA of less than 1.0.

(KZT million)	2022	2023	Change
Total debt (excluding guarantees)	138,444	86,377	(38%)
Total cash balances	(170,466)	(211,920)	24%
Net debt	(32,022)	(125,543)	<(200%)
Adjusted EBITDA ⁵⁴	630,898	828,623	31%
Net debt/Adjusted EBITDA (coefficient)	(0.05)	(0.15)	<(100%)

2.14. Outstanding shares

There were no changes to Kazatomprom's share capital structure during 2023. As of 31 December 2023, the number of outstanding ordinary shares of the Company was 259,356,608 (same in 2022), of which 75% was held by Samruk-Kazyna JSC and 25% of shares/global depository receipts listed on the Astana International Exchange (AIX) and the London Stock Exchange (LSE) were free floated. One global depository receipt represents one ordinary share. Each ordinary share grants the right to one vote.

(at December 31, 2023)	Shares and GDRs	%
Samruk-Kazyna	194,517,456	75
Public free-float	64,839,152	25
Total share capital	259,356,608	100

⁵⁴ Adjusted EBITDA is calculated by excluding from EBITDA items not related to the main business and having a one-time effect. Calculation: Profit before tax - finance income + finance expense +/- Net FX loss/(gain) + Depreciation and amortisation + Impairment losses - reversal of impairment +/- one-off or unusual transactions.

2.15. Guidance for 2024

	Actual for 2023	Guidance for 2024
	456.24	
	KZT/1USD⁵⁵	460 KZT/1USD
Production volume U ₃ O ₈ , (tU) (100% basis) ^{56,57}	21,112	21,000-22,500 ²
Production volume U ₃ O ₈ , (tU) (attributable basis) ⁵⁸	11,169	10,900-11,900 ²
Group sales volume, (tU) (consolidated) ⁵⁹	18,069	15,500-16,500
Incl. KAP sales volume (included in Group sales volume), (tU) ⁶⁰	14,915	11,500-12,500
Revenue – consolidated, (KZT billions) ⁶¹	1,435	1,700-1,800
Revenue from Group U ₃ O ₈ sales, (KZT billions)	1,181	1,300-1,400
C1 cash cost (attributable basis) (USD/lb) ⁶²	\$13.27	\$16.50-\$18.00
All-in sustaining cash cost (attributable C1 + capital cost) (USD/lb) ⁶³	\$21.37	\$26.00-\$27.50
Total capital expenditures (KZT billions) (100% basis) ⁶⁴	201	250-270

** For certain joint ventures, in cases where a partner declines to purchase their share of production, the Company has the right to purchase such additional volume (beyond the volume of production proportional to the Company's shareholding).*

Production in 2024 is expected to be in the range of 21,000-22,500 tonnes of uranium and in the range of 10,900-11,900 tonnes of uranium on a 100% basis and on an attributable basis, respectively (earlier in 2022, initial production plans for 2024 were announced as 25,000-25,500 tonnes of uranium on a 100% basis). The decrease in production volumes is caused by difficulties related to the availability of sulphuric acid and delays in construction work at new deposits/sites, as previously announced by the Company on 12 January 2024.

The Company expects that the level of uranium production of most mining assets will be at the level of -20% of the Subsoil Use Contracts and the Company will make every effort to exclude cases of violation

⁵⁵ The average exchange rate for 2023.

⁵⁶ Production volume (100% basis): Amounts represent the entirety of production of an entity in which the Company has an interest; it disregards that some portion of production may be attributable to the Group's JV partners or other third-party shareholders.

⁵⁷ The duration and the full impact of the Russian-Ukrainian conflict are not yet known. Annual production volumes could therefore vary from internal expectations.

⁵⁸ Production volume U₃O₈ (tU) (attributable basis): Amounts represent the portion of the 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.

⁵⁹ Group sales volume, tons: includes sales of U₃O₈ by Kazatomprom and its consolidated subsidiaries and affiliates (companies that KAP controls by having: (i) the power to direct relevant activities that materially affect their profitability, (ii) the influence or right to change earnings its involvement with such entities and (iii) its ability to use its power over such entities to influence the Group's earnings. The existence and influence of substantive rights, including significant potential voting rights, are taken into account when assessing KAP's control over another entity). The Group's U₃O₈ sales volumes do not include sales of other forms of uranium (including, but not limited to, sales of fuel pellets).

⁶⁰ KAP sales volume: includes only the total external sales of KAP HQ and THK. Intercompany transactions between KAP HQ and THK are not included.

⁶¹ Expected revenues are based on uranium prices and tenge/U.S. Dollar exchange rates obtained at a given point in time from third party sources. The prices and tenge/US Dollar exchange rates used do not reflect Kazatomprom's internal forecasts, and 2023 revenues may be significantly affected by differences in actual prices and tenge/US Dollar exchange rates from those forecast by third party sources.

⁶² The conversion of kgU to pounds U₃O₈ is 2.5998.

⁶³ The conversion of kgU to pounds U₃O₈ is 2.5998.

⁶⁴ Total capital expenditures (100% basis): includes only capital expenditures of the mining entities, includes significant CAPEX for investment and expansion projects. Excludes liquidation funds and closure costs. For 2024 includes development costs for mining infrastructure of JV Budenovskoye LLP, JV Katco LLP (South Tortkuduk) and MC Ortalyk LLP (Zhalpak) for a total amount of approximately KZT 85 billion

of obligations in terms of production volumes according to the Subsoil Use Contracts. But enterprises that have subsoil use rights to newly commissioned deposits/areas have the risk of a reduction in production levels by more than 20% of Contractual obligations due to delays in construction work on the surface complex and infrastructure.

To date, the Company has entered into contracts for the supply of the required volume of sulfuric acid, which may allow it to meet expectations for the production plan for 2024 at a level of minus 20% of the volumes established in subsoil use contracts. The difficult situation with the availability of sulphuric acid and delays in construction work at new deposits/sites makes significant uncertainties and may affect the Company's forecast operating performance for 2024. But the Company will make every effort to solve these problems and will inform stakeholders as the situation changes.

Sales volume guidance for 2024 is aligned with the Company's market-centric strategy as well. The Group expects to sell between 15,500 tU and 16,500 tU, including expectations for the Company sales volumes in the range of 10,900-1,900 tons of uranium, which corresponds to actual figures for 2023. Decrease in 2024 sales volume guidance in comparison to 2023 at both the Group and KAP levels is due to higher sales of EUP to "Ulba-FA" LLP for subsequent production of fuel assemblies and aimed at ensuring sufficient level of inventories for the future periods.

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 2024. Increase in spot market price for U_3O_8 affecting the MET (see Section 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 2024, this may affect the Company's financial metrics and giving rise to an expectation that C1 cash cost and All-in Sustaining cash cost will be higher in 2024 than in 2023. Guidance will be updated if the aforementioned uncertainties persist throughout 2024.

Total capital expenditures on 100% basis guidance for 2024 increased significantly in comparison to 2023 results to cover the shift in wellfield development activities (see Section Expenditures review), increase in purchase prices for materials, supplies, equipment and cost of drilling, as well as growth in the well construction and mine development costs of JV Budenovskoye LLP and JV Katco LLP (South Tortkuduk) and MC Ortalyk LLP (Zhalpak) for a total amount of approximately KZT 85 billion.

The Company continues to target an ongoing inventory level of approximately six to seven months of annual attributable production. The Company may purchase uranium from the spot market while continuing to monitor market conditions for opportunities to optimise its inventory.

2.15.1. 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 Forward-looking statements for more information.

Average Annual Spot Price (USD)	2024E	2025E	2026E	2027E	2028E
20	30	26	24	25	22
40	42	39	39	39	39
60	56	55	57	57	58
80	68	69	74	73	76
100	79	80	88	87	93
120	90	92	102	100	109
140	100	109	115	114	126

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 2023 and prepared for 2024-2028 on the basis of minimum average Group annual sales during the specified period of approximately 18,000 tonnes of uranium in the form of U₃O₈, of which the volumes contracted as of 31 December 2023 will be sold per existing contract terms (i.e. contracts with hybrid pricing mechanisms with a fixed price component (calculated in accordance with an agreed price formula) and/or combination of separate spot, mid-term and long-term prices); Kazatomprom's marketing strategy does not target a specific proportion of fixed and market related contracts in its portfolio in order to remain flexible and react appropriately to market signals.
- For the purpose of the table, uncommitted volumes of U₃O₈ are assumed to be sold under short-term contracts negotiated directly with the customers and based on spot prices.

3. ESG AND SUSTAINABLE BUSINESS

3.1. Strategic approach

3.1.1. Sustainable development milestones

2011:

- The Integrated Annual Report was based on the GRI non-financial reporting standards for the first time.

2017:

- The Company developed Corporate and Social Responsibility Sustainability Programme 2017-2019.

2019:

- Kazatomprom developed and published Sustainable Development Policy.
- The Company reinforced the corporate sustainability management function by establishing a dedicated unit, the Sustainable Development Department.
- The Integrated Annual Report includes information on sustainability management approaches and the Company's contribution to achieving the UN global sustainable development goals (UN SDGs).
- The Company identified priority UN SDGs and key targets for each of the UN SDGs.

2020:

- The ESG information in the 2020 Integrated Annual Report was independently assured in line with global best practices for the first time.
- More GRI indicators disclosed.

2021:

- Kazatomprom started work on climate risk management.
- The Company identified sustainable development risks.
- The 2021 Integrated Annual Report included key indicators of achievement of the UN Conference on Trade and Development (UNCTAD) Sustainable Development Goals.
- The Company successfully passed the first supervisory audit and confirmed its certificate from the TÜV International Certification (Germany) in accordance with the requirements of two international standards, ISO 45001 and ISO 14001.
- All enterprises of the Group have the ISO 50001 energy management system in place. Energy audits were regularly conducted as part of the Group's energy management systems.

2022:

- The Company identified and assessed climate risks.
- The Company developed the Decarbonisation and Carbon Neutrality of NAC Kazatomprom JSC until 2060.
- The Company developed Kazatomprom Human Rights Policy.
- Kazatomprom joined UN Global Compact.
- The Company extended the list of GRI disclosures.
- Kazatomprom made disclosures as recommended by the Task Force on Climate-related Financial Disclosures (TCFD).
- Kazatomprom received its first independent ESG rating from leading international rating agency S&P Global Ratings.

2023:

- The Company received the first international climate CDP (Carbon Disclosure Project) rating at the level "B" ("governance").
- Kazatomprom received a CSA (Corporate Sustainability Assessment) rating of 41/100 from leading international rating agency S&P Global Ratings.
- The Company's Board of Directors approved the Sustainable Development Programme of NAC Kazatomprom JSC for 2023-2030.
- The Company's Board of Directors approved the Water Resources Management Strategy of NAC Kazatomprom JSC for 2023-2030.
- The Company implements the Roadmap for improving ESG practices in NAC Kazatomprom JSC for 2023-2024.
- Kazatomprom developed the Radioactive Waste Management Programme for 2023-2030.

- The Company disclosed information in accordance with SASB standards.
- Kazatomprom included climate risks in the Company's risk register.
- The Company held an annual town hall for the Group's employees dedicated to sustainable development of the uranium mining industry in Kazakhstan.
- Kazatomprom participated in the UN Global Compact Programme SDG Ambition.

Plans for 2024:

- Update CSA (Corporate Sustainability Assessment)/receive an independent ESG rating.
- Update the international climate CDP rating (Carbon Disclosure Project).
- Implement the Sustainable Development Programme of NAC Kazatomprom JSC for 2023-2030.
- Implement the Road Map to improve ESG practices at Kazatomprom in 2023-2024.
- Develop, get approval and implement the Comprehensive Action Plan on the Water Resources Management Strategy for 2023-2030.
- Prepare for information disclosure in accordance with IFRS S2.
- Hold events for employees of the Group to raise awareness and promote adherence to ESG principles.

3.1.2. Our approach

Kazatomprom strives to comply with the principles of sustainable development across its operations and promotes responsible business and social responsibility practices among its partners, suppliers, and other stakeholders. The principles of sustainable development lie at the core of the Company's operations. Compliance with these principles is vital not only for long-term business development but also for instilling Kazatomprom's core corporate values.

GRI 2-23

Principles of sustainable development of NAC Kazatomprom JSC

- Openness
- Accountability
- Transparency
- Ethical conduct
- Respect
- Lawfulness
- Respect for human rights
- Zero tolerance for corruption
- No conflict of interest
- Lead by example

When determining priority sustainability areas, Kazatomprom follows the principles of the UN Global Compact and the UN Sustainable Development Goals 2030 (UN SDGs), as well as other international standards and initiatives in this area.

Kazatomprom's priority areas of sustainable development

Areas	UN SDGs
Economic sustainability	8, 11
Human capital and culture development	3, 4, 8, 10
Health and safety	3, 4, 8, 10
Environmental responsibility	6, 7, 12, 13, 15
R&D, innovations, and technological development	8, 9, 12
Effective corporate governance and risk culture	17
High ethical standards and anti-corruption measures	16, 17
Responsible procurement	8, 12
Responsible business practices – engagement with stakeholders and local communities and reporting	3, 4, 17

GRI 2-9, GRI 2-12, GRI 2-13, GRI 2-14

The Company integrates sustainability issues at all management levels. At the top of the hierarchy, the Board of Directors pays special attention to this topic, considering it as strategic priority. The Board of Directors approves and monitors the implementation of the Company's Development Strategy. The Strategy integrates Kazatomprom's sustainable development principles and goals, as well as other programme and planning documents containing goals, values and processes related to the Company's sustainable development. The Board of Directors is provided with reports on sustainable development areas and processes on a regular basis (annual, quarterly). When considering them, if necessary, the Board of Directors members discuss these issues with stakeholders (Company employees, external stakeholders, etc.). The Board of Directors review such reports at regular and extraordinary meetings. Committees within the Board of prepare recommendations to the Board of Directors on the introduction and implementation of sustainable development principles and strategic objectives in this area. At the management level, the Company's Management Board directly supervises the implementation of strategic plans, programmes and initiatives, monitors the achievement of established goals and the effectiveness of sustainable development activities. We distribute tasks in specific areas of sustainable development among the relevant Company's divisions at the centralised level and in subsidiaries and affiliates at the local level. This ensures holistic and effective management in this important area.

The Company reviews the list of material topics to be disclosed in the Company's non-financial statements on the annual basis. The Board of Directors approves it as part of the Company's Integrated Annual Report.

For more information, see the Kazatomprom Integrated Annual Report for 2022
https://www.kazatomprom.kz/storage/93/kazatomprom_iar_2022_eng.pdf

The Company has adopted a number of internal documents governing sustainability aspects and business processes on good governance and integrity, health and safety, environmental protection, personnel management, community involvement, and supply chain management.

For more information, please see Kazatomprom Integrated Annual Report 2021
https://www.kazatomprom.kz/storage/1e/kazatomprom_iar_2021_engpdf.pdf

Promoting sustainability standards and initiatives

Standard/initiative	Kazatomprom's participation
UN and ILO Conventions	We declare support and take them into account in our internal corporate documents
UN Sustainable Development Goals 2030	We declare support, integrate into daily operations, and submit reports
Key indicators of achievement of the UN Conference on Trade and Development (UNCTAD) Sustainable Development Goals	We submit reports
UN Global Compact Office	We submit reports

In November 2023, the Board of Directors of NAC Kazatomprom JSC approved the Company's Sustainable Development Programme for 2023-2030.

The Programme aims to implement the Company's Development Strategy according to the sustainable development principles to ensure growth in shareholder value and value-added in the long term for the benefit of all stakeholder groups through active management of economic, social and environmental impacts.

Programme objectives in accordance with the UN SDGs:

E – ENVIRONMENTAL			S – SOCIAL			G – GOVERNANCE		
1	Environmental protection		1	Achieving zero fatal injuries		1	Striving for gender equality	  
2	Sustainable consumption and lean production	 	2	Safety Culture improvement		2	Ensuring respect for human rights	
3	Biodiversity conservation		3	Coverage of contractors and suppliers with the Company's industrial safety system	3	Zero tolerance for corruption		
4	Support and promotion of global initiatives in the field of ecology and biodiversity		4	Attracting and retaining qualified personnel		4	Improving the corporate governance system	
			5	Increasing social stability and employee engagement		5	Development of risk culture and compliance	
			6	Development of regions of presence		6	Implementation of a responsible procurement system along the Company's supply chain	
			7	Health care and welfare of employees				

Expected key results of the Programme implementation by 2030:

- Increase in the Company's ESG rating/assessment by 10% from 2022 level.
- Reduction of the Company's greenhouse gas emissions under Scopes 1 and 2 by 10% from 2021 level.
- Increase in green electricity share (RES+AES) in the Company's energy mix to 10%.
- Increase in the economic efficiency of recycling by 40% from 2021 level.
- Increase in water reuse share up to 10%.
- Reduction in specific water consumption (m3/tonne of production) by 2022 level:
 - in uranium mining – by 15%;
 - in uranium production (UMP JSC) – by 100%;
 - in tantalum production (UMP JSC) – by 50%;
 - in beryllium production (UMP JSC) – by 100%;
 - in sulphuric acid production – by 5%.
- Elimination of liquid radioactive waste generation during natural uranium chemical concentrate processing per production unit.
- Elimination of fatal injuries at production facilities.
- Reduction of LTIFR indicator to 0.1.
- Reduction of staff turnover to 12%.
- Increase in the social stability level up to 77%.
- Increase in the share of women in the Holding's management bodies to 30%.
- Maintaining in-country value in the procurement of the Holding's goods, works and services at the level of at least 50% for goods and 91% for works and services.
- 100% coverage of the Holding's employees trained in human rights protection on annual basis.
- 15-fold increase in the number of the Holding's supplier's voluntary trained on ethics, compliance and ESG principles compared to 2022.

3.1.3. Commitment to the UN Global Compact Principles

GRI 2-23

In 2022, Kazatomprom joined the UN Global Compact initiative (UNGC) and continues to work towards this cause. The Global Compact's ten principles in the areas of human rights, employment, environment, and anti-corruption are included in the substantive topics that the Company has identified as the most significant and relevant. Cooperation with the UNGC builds trust with the investment community, allows us to measure and demonstrate our progress in implementing the Ten Principles in a consistent and coherent manner, and provides an opportunity to benchmark our progress against that of other global companies.

Every year, UNGC participants publish a Progress Report, which is available on the official UNGC website. In June 2023, Kazatomprom released its first Progress Report. In addition, Kazatomprom employees have access to the UNGC's academic platform, where various workshops and conferences are held monthly, covering the most significant topics of the global ESG agenda.

Principles	Section of the Report
1. Businesses should support and respect the protection of internationally proclaimed human rights	HR management
2. Businesses should make sure that they are not complicit in human rights abuses	HR management
3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining	HR management
4. Businesses should uphold the elimination of all forms of forced and compulsory labour	HR management
5. Businesses should uphold the effective abolition of child labour	HR management
6. Businesses should uphold the elimination of discrimination in respect of employment and occupation	HR management
7. Businesses should support a precautionary approach to environmental challenges	Environmental sustainability
8. Businesses should undertake initiatives to promote greater environmental responsibility	Environmental sustainability
9. Businesses should encourage the development and diffusion of environmentally friendly technologies	Environmental sustainability
10. Businesses should work against all forms of corruption, including extortion and bribery	Corporate Ethics and Compliance

3.1.4. Stakeholder engagement

GRI 2-29

Kazatomprom sees its mission as creating value for stakeholders in alignment with their interests and needs. To deliver on this mission, the Company is building a system of effective interaction with stakeholders, using various engagement methods and communication channels, and paying special attention to improving two-way communication systems and receiving feedback.

Key underlying documents regulating the Company's stakeholder engagement are Kazatomprom Disclosure Policy and Stakeholder Map.

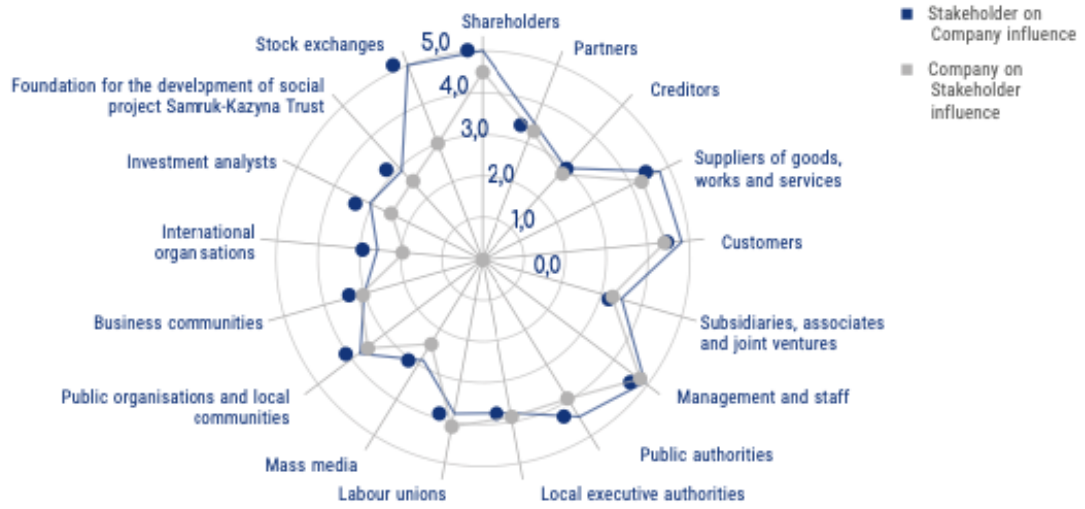
To identify and select stakeholders for further engagement, Kazatomprom relies on the assessment of the impact on its current operations and strategic development, as well as the established practice of the Company's engagement with external stakeholders and their dependence on its performance.

Stakeholder communication channels

- Analyst days.
- Performance conference calls.
- Surveys and questionnaires.
- Newsletters and mailouts.
- General and individual meetings.
- Direct contact by email and telephone.
- Sectoral events.
- Presentations.
- Corporate reporting.
- Official website.
- Publications in media.
- Social media.
- Grievance mechanisms.

The Company updates its stakeholder map annually. In 2023, a management survey confirmed the relevance of the map.

Kazatomprom stakeholder ranking map 2023



Stakeholder engagement mechanisms

GRI 2-29

Stakeholder's interest in the Company	Stakeholder engagement mechanisms
Shareholders	
<ul style="list-style-type: none"> • Economic profit/consolidated net profit/economic performance • Free funds for development and dividends • Net asset value (NAV) • Corporate governance rating • Market share/Market presence • Reduction of environmental emissions 	<ul style="list-style-type: none"> • Decisions of the General Meeting of Shareholders of the Company, the Board of Directors and Management Board of the Fund, the Board of Directors of the Company • Joint working groups, meetings, negotiations • Discussion of the implementation status of sustainable development processes with the Fund • Regular reporting to shareholders, including the Fund, in the agreed format • Special session on sustainable development with the relevant Board of Directors • Correspondence on the operations of the Group • Surveys, questionnaires, testing • Internal corporate communication channels • Annual report and website of the Company
Customers	
<ul style="list-style-type: none"> • Market share/Market presence • Products and service labelling • Marketing communications • Reduction of environmental emissions 	<ul style="list-style-type: none"> • Customer feedback • Meetings, negotiations, questionnaires • Signing of agreements, memoranda, and strategic cooperation agreements • The Hotline • Annual report and website of the Company
Investment analysts	
<ul style="list-style-type: none"> • Analysis of various aspects of the Company's operations • The Company's entering into analytical ratings 	<ul style="list-style-type: none"> • Conferences, forums, annual meetings, analyst days, production site visit with investors • Meetings, negotiations, questionnaires • Annual report and website of the Company • Quarterly operating results • Quarterly financial statements and press releases
Senior managers and staff	
<ul style="list-style-type: none"> • Employment, relations between employees and management, non-discrimination/diversity and equal opportunities/level of employee satisfaction with work and the work of Company-controlled services • Training and education • Improvements in the production safety culture 	<ul style="list-style-type: none"> • Fair and transparent conditions for staff remuneration, professional growth of employees, safe working conditions • Staff development • Production safety briefings and implementation of programmes to improve working conditions • Implementation of measures for social support of workers and members of their families • Staff training, upskilling and development • Regular meetings with management, negotiations • Notification of employees on the Company's operations, professional growth opportunities through corporate magazines, social media • Surveys, questionnaires, testing • The Hotline, internal corporate communication channels, website of the Company

Suppliers of goods, works, and services

- Equal access to tenders
- Benefits from the implementation of category-based procurement strategies
- Support for domestic manufacturers
- Transparent procurement system with public access
- Regular analytical meetings, negotiations, business correspondence
- Signing of agreements, memoranda, strategic cooperation agreements, licensing
- Information/reporting on the implementation of production, investment and social plans and obligations forwarded to the Company
- Reporting on the Company's financial and economic performance
- Consideration of letters (requests) sent to the Company
- Surveys, questionnaires, testing
- The Hotline
- Annual report and website of the Company

Business communities (Associations, National Chamber of Entrepreneurs, Union of Legal Entities)

- Participation of the Company in improvements in and compliance with industry standards
- Participation of the Company in improvements to the business environment
- Support for the Company at the state authorities through mechanisms of interaction of the business environment with the state authorities, assistance with the promotion of the legislative initiatives of the Company
- Development of proposals on amendments and supplements to the laws of Kazakhstan
- Signing of agreements, memoranda, and strategic cooperation agreements
- Joint working groups, meetings, negotiations, questionnaires
- Annual report and website of the Company

Partners

- Market share/Market presence
- Unit production cost of U₃O₈ produced by the Company and all uranium mining subsidiaries
- Memorandums of association
- Decisions of the Company management bodies/participants of subsidiaries and affiliates, joint consultative and advisory bodies
- Joint working groups, joint inspections
- Meetings, negotiations, business correspondence, questionnaires
- Reports on current operations
- Correspondence on the operations of the Group of subsidiaries and affiliates
- Annual report and website of the Company

Government authorities

- Compliance, stability and business sustainability
- Creation and maintenance of jobs
- Representation of the country's economic interests in the international arena (economic, political and image benefits for the country through the prism of development of the uranium industry in Kazakhstan)
- Improvement in the energy and resource efficiency in production
- Reduction of environmental emissions
- Verification of the compliance by the Company's subsidiaries and affiliates with licensing and contractual obligations
- Audit of compliance with the laws of Kazakhstan, development of proposals on amendments to the laws of the Republic of Kazakhstan
- Coordination of the subsoil use contracts and state registration of the right of subsoil use
- Information/reporting on the implementation of production, investment and social plans and obligations in line with requests
- Negotiations, business correspondence, control, production, operational and other meetings, questionnaires
- Reports on the performance by the Company's subsidiaries and affiliates of licensing and contractual obligations, submission of quarterly reports to the Ministry of Energy of the Republic of Kazakhstan, reporting on the Company's financial and economic performance
- The Hotline
- Annual report and website of the Company

International organisations

- Participation of the Company in international agreements and initiatives
- Conferences, forums, annual meetings
- Signing of agreements, memoranda, and strategic cooperation agreements
- Joint working groups, meetings, negotiations, questionnaires
- Annual report and website of the Company

Lenders

- Economic profit/Consolidated net profit/Economic performance
- Free funds for development and dividends
- Net asset value (NAV).
- Investment and procurement practices/Benefits from the implementation of category-based procurement strategies
- Regular analytical meetings, negotiations, business correspondence, questionnaires
- Media coverage of the Company's operations
- The Hotline
- Annual report and website of the Company

Local executive authorities

- Compliance with requirements, creation and retention of workplaces, sponsorship and philanthropy
- Occupational health and safety of the employees of the Company
- Improvement in the energy and resource efficiency in production, reduction of environmental emissions
- Memoranda of cooperation between the local executive authorities and the Company to support and develop the social sector in the regions
- General agreements between the local executive authorities and the Company on financing the social sector in the regions
- The Hotline, social media
- Annual report and website of the Company

CSOs and local communities

- Improvements in the production safety culture
- Improvement in the energy and resource efficiency in production
- Reduction of environmental emissions
- Compliance with legislative requirements, sponsorship and philanthropy
- Training and education
- Public hearings
- Developing proposals to amend and supplement the laws of Kazakhstan
- Media coverage of the Company's operations
- Surveys, questionnaires, testing
- Information on the current operations of the Company, its subsidiaries and affiliates
- Handling letters (complaints, requests) sent to the Company
- The Hotline, social media
- Annual report and website of the Company

Trade union

- Creation and maintenance of jobs
- Improvements in the production safety culture
- Public hearings
- Signing of agreements, memoranda, and strategic cooperation agreements
- Regulation of employment relations with the employees of the Company through the collective bargaining agreement
- Remuneration of employees in accordance with the labour laws of Kazakhstan, training and education, safe working conditions
- Information on the current operations of the Company's subsidiaries and affiliates
- Receiving letters (complaints, requests) sent to the Company
- The Hotline, social media, internal corporate communication channels
- Annual report and website of the Company

Subsidiaries and affiliates

- Employment and level of remuneration, relations between employees and management, non-discrimination, diversity and equal opportunities
- Improvements in the production safety culture, training and education
- Market share/Market presence, products and service labelling
- Decisions of the Company as a participant/shareholder of the subsidiaries and affiliates
- Reporting in accordance with the Non-Disclosure Agreement between Samruk-Kazyna and Kazatomprom
- Decisions of the management bodies of the Company, decisions of participant of subsidiaries and affiliates
- Audit of compliance with the laws of the Republic of Kazakhstan and the internal regulations of the Group
- Verification of the compliance by the Company's subsidiaries and affiliates with licensing and contractual obligations
- Developing proposals to amend and supplement the laws of Kazakhstan
- Provision of information at the request of the government authorities on different lines of business of the Company
- Signing of agreements, memoranda, and strategic cooperation agreements
- Orders and instructions, hearings of management reports (subsidiaries and affiliates)
- Information/reporting on the implementation of production, investment and social plans and obligations forwarded to the Company
- Operational and other meetings, public hearings
- Production safety briefings, training and education
- The Hotline, social media, internal corporate communications channels, Annual report and the website of the Company

Specialised organisations (including Samruk-Kazyna Trust Social Project Development Fund)

- Implementation of projects and programmes aimed at addressing socially significant issues
- Function of a single operator of philanthropic efforts of the Samruk-Kazyna group
- Incoming and outgoing correspondence
- Business correspondence
- Meetings, negotiations, etc.
- Reports on current operations
- Media coverage of the Company's operations
- The Hotline
- Company's website

Stock exchanges

- Compliance
- Timely submission of financial statements and other information
- Meetings and negotiations
- Company's website
- Report
- Websites of exchange regulators

3.1.4.1. Consultations between stakeholders and the Company

Kazatomprom has adopted specific procedures for conducting consultations on economic, environmental and social issues between key stakeholder groups and the highest governing body. Economic, environmental and social issues are regularly considered by the specialised Committees of the Board of Directors and the management bodies of subsidiaries and affiliates.

Relying on the preliminary work performed by the BoD committees, namely preliminary consideration of the most important matters reserved to the Board of Directors and development of recommendations for decision-making on these matters, the Board of Directors is able to quickly adapt to the changing circumstances and observe particularly important principles of corporate governance.

3.1.4.2. Processes to remediate negative impacts

GRI 2-25

As a public company, Kazatomprom strictly complies with listing rules and disclosure requirements. The Company's corporate governance system rests on the principles of efficiency, prompt response, and transparency, ensuring good governance and control in all areas: human rights protection, shareholder protection, HR policy, supplier relations, law and ethics, occupational health and safety, environmental protection, corporate conflicts and conflicts of interest, as well as issues and processes related to remediation of potential and/or emerging adverse impacts.

We fully recognise that any incident involving our business and/or a breach of the law could lead to negative consequences, such as financial losses, undermined the trust of investors and stakeholders, lower share prices, damage to the reputation, fines, etc.

Kazatomprom has built, and continues to develop, a system of engagement with all stakeholders, using a variety of communication methods and channels, which allows focussing on improvements in two-way communication systems.

To ensure effective cooperation in identifying and/or addressing adverse impacts, the Company has established clear and accessible grievance mechanisms to allow all stakeholders to raise concerns about potential and/or actual adverse impacts and to seek response and remedy. All our employees and stakeholders can communicate their requests, questions, suggestions or complaints through the communication channels in place. Moreover, Kazatomprom's internal documents oblige all employees who become aware of any circumstances and/or actions related to the occurrence of negative impacts to report them to the Company's hotline, via internal corporate communication channels, social media accounts or website. Kazatomprom strictly prohibits any retaliatory measures against whistleblowers, guaranteeing confidentiality and anonymity.

The materiality of all issues raised is established against the criteria approved and appropriate to every topic raised. Depending on the actual/potential adverse impact and/or the complaint received, Kazatomprom will take appropriate corrective action.

In particular, we seek to identify all possible risks in advance and reduce our exposure to operational, environmental and financial damage to the lowest possible level to eliminate our negative impact. The Company follows this approach in all relevant business processes, including strategy, business planning, business operations and capital value creation processes, and has already effectively identified and remediated adverse impacts, as well as ensures effective control of risk mitigation. Kazatomprom takes adequate and timely measures to prevent and/or eliminate adverse impacts through rigorous processes to investigate hazardous conditions, potential accidents/incidents and awareness of environmental conditions, as well as a responsible approach.

We assess the effectiveness of our communication channels through corporate culture audits, in particular through staff engagement and interaction within the Company, the promptness of crisis resolution, production efficiency and the achievement of our strategic development goals.

3.1.4.3. Creating economic value

GRI 3-3

Kazatomprom openly and transparently informs shareholders, employees, partners and other stakeholders about its efforts taken to create economic value. This disclosure helps the Company's stakeholders see how the Group creates and distributes economic value over the reporting period.

Retained economic value amounted to KZT 580.34 billion in 2023.

GRI 201-1

Direct economic value generated and distributed, KZT billion

Description	Stakeholder group	2021	2022	2023
Direct economic value generated				
Incomes ⁶⁵	Broad stakeholder group	761.53	1,146.9	1,579.23
Distributed economic value, incl.				
Operating expenses ⁶⁶	Suppliers of goods, works, and services	373.59	440.95	611.62
Salaries	Staff	53.05	71.69	86.00
Financial expenses	Shareholders, creditors, investment analysts	6.71	8.43	9.59
Taxes, except income tax		26.14	32.57	56.20
Income tax expenses	Government authorities	61.62	110.74	148.01
Other expenses		15.86	8.43	86.18
Social expenditures (investment in local communities)	Local communities	4.54	1.13	1.30
Retained economic value		220.03	472.96	580.34

⁶⁵ Incomes are calculated in line with the GRI Standards methodology and include the revenues and all incomes of the Company.

⁶⁶ Operating expenses include the following expenditures: cost of sales (excluding salaries and taxes), selling expenses (excluding salaries and taxes), general and administrative expenses (excluding salaries and taxes).

3.1.5. Determining material topics

GRI 3-1

The Company's Department for Strategic and Sustainable Development has embarked on preparing an Integrated Annual Report (IAR) of Kazatomprom for 2023 to comply with the disclosure and transparency rules of the listing agency of the United Kingdom DTR 4.1.3 (UKLA's Disclosure and Transparency Rules), the requirements of the Kazakhstan Stock Exchange (KASE) and Astana International Stock Exchange (AIX) for the publication of annual reports as well as with Kazatomprom's Information Disclosure Rules and the corporate governance standards recommended by the Company's Corporate Governance Code. At the same time, the 2023 IAR will be prepared in line with the GRI, SASB, and TCFD non-financial reporting standards.

The Company's Department for Strategic and Sustainable Development carried out a number of activities to determine the material topics for the Company and their disclosure in the 2023 IAR.

It conducted a stakeholder survey to determine material topics to be disclosed in the 2023 IAR. These topics demonstrate the Company's significant impacts on the economy, environment, and people, including impacts on their human rights. Overall, the Company received responses from the following stakeholder groups:

- its subsidiaries and affiliates;
- partners;
- international organisations;
- business communities;
- suppliers of goods, works and services.

The list of topics for evaluation included the topics of the GRI Topic Standards and Kazatomprom's indicators. The stakeholders were asked to rate each topic on the organisation's impact on the economy, environment, and people, including impacts on their human rights, on a 5-point scale, with 1 being "very low" and 5 being "very high". The preliminary list included topics that scored 4 and 5 points out of 5 possible.

Also, the Company's Department for Strategic and Sustainable Development analysed the material topics for the leading companies in the nuclear and mining industries, as well as the material ESG-related issues for independent international rating agencies.

Thus, they developed a list of 16 material topics to be disclosed in the 2023 IAR. The Management Board approved the list.

Changes in material topics

GRI 3-2

2022		2023	
ECONOMIC TOPICS			
GRI 201	Economic Performance	GRI 201	Economic Performance
GRI 203	Indirect Economic Impacts	GRI 203	Indirect Economic Impacts
GRI 204	Procurement Practices		
GRI 205	Anti-corruption	GRI 205	Anti-corruption
GRI 207	Tax	GRI 207	Tax
ENVIRONMENTAL TOPICS			
GRI 302	Energy	GRI 302	Energy
GRI 303	Water	GRI 303	Water
GRI 304	Biodiversity and ecosystems	GRI 304	Biodiversity and ecosystems
GRI 305	Emissions	GRI 305	Emissions
GRI 306	Effluents and Waste	GRI 306	Effluents and Waste
SOCIAL TOPICS			
		GRI 402	Labour/Management Relations
GRI 403	Occupational Health and Safety	GRI 403	Occupational Health and Safety
		GRI 404	Training and Education
		GRI 405	Diversity and Equal Opportunity
GRI 413	Local Communities	-	
N/A	Human rights	N/A	Human rights
INDICATORS OF NAC KAZATOPROM JSC			
KAP1	Operational life of production sites	KAP1	Operational life of production sites
KAP2	Emergency preparedness	KAP2	Emergency preparedness
KAP3	Radiation safety	KAP3	Radiation safety

The list of material topics for 2023 was used to prepare the 2023 IAR for detailed disclosure of the economic, environmental and social impacts of the Company in line with the requirements of the GRI, SASB and TCFD standards.

As required by GRI 3-3, the Company conducted an additional analysis of potential positive and negative impacts of Kazatomprom on the economy, environment or people, including impacts on the human rights (see Annexes).

3.2. Climate Change and Energy Efficiency

3.2.1. Our approach

GRI 3-3

To reduce the impact of technologies on climate and move towards a low-carbon economy, Kazatomprom supports the efforts of countries that have adopted the Paris Agreement, striving to reduce greenhouse gas emissions. The Company implements measures to reduce its carbon footprint and develops plans to achieve carbon neutrality and climate resilience strategies. Kazatomprom views decarbonisation as one of multiple important tools to fight against climate change. As part of its Decarbonisation Strategy, which was developed in 2022, Kazatomprom implemented projects to reduce greenhouse gas emissions and protect water resources and biodiversity. Karatau LLP put into operation four solar collector systems to supply hot water to a hotel, household facilities, a hostel, and a sports complex, facilities of the Physico-Chemical Laboratory and the Household and Utility Complex. The conversion of hot water boilers from diesel fuel to liquefied gas in the boiler units of Karatau LLP's shift camp was completed.

In the Strategy for Decarbonisation and Carbon Neutrality, we have identified three main development scenarios:

- A pessimistic scenario of inertial business development without any steps towards decarbonisation.
- A realistic scenario with the gradual achievement of carbon neutrality, given the moderate pace of decarbonisation of the country's economy.
- An optimistic scenario seeking to achieve carbon neutrality quickly.

The realistic and optimistic scenarios prioritised by the Company include a list of measures, including increasing energy efficiency, applying offset mechanisms, increasing the use of renewable energy sources, modernising the car fleet or switching to electric transport, and reducing carbon intensity.

For more information about The Company's decarbonization strategy and achieving carbon neutrality by 2060, please see the Company's official website.

3.2.2. Greenhouse gas emissions

The Company regularly monitors greenhouse gas emissions by quantifying direct and indirect emissions in accordance with international standards and guidelines such as the GHG protocol and ISO 14064.

The Group carries out consolidation of greenhouse gases on a 100% basis regardless of the Company's equity participation in joint ventures.

GRI 305-1, SASB EM-MM-110a.1.

Direct greenhouse gas emissions, 2021-2023 (Scope 1), '000 tonnes of CO₂-eq.

Indicator	2021	2022	2023
Direct greenhouse gas emissions	106.91	97.26	120.62

The 24% increase in greenhouse gas emissions of Scope 1 emissions by the Group compared to 2022 is attributed to the expansion of drilling and mine preparation activities, increased freight transportation, and the development of new mining areas.

The Company has no emissions from combustion or decomposition of biomass.

GRI 305-2

Indirect GHG emissions, 2021-2023 (Scope 2), tonnes of CO₂-eq.

Activity	Electricity consumption-related			Thermal energy consumption-related			Total emissions		
	2022 (market)	2022 (regional)	2023 (regional)	2022 (market)	2022 (regional)	2023 (regional)	2022 (market)	2022 (regional)	2023 (regional)
Uranium mining and processing	547,642	403,914	378,712	511	511	1,608	548,152	404,425	380,320
Nuclear fuel cycle and metallurgy	151,561	98,712	92,318	94,872	94,873	87,990	246,434	193,585	180,308
Ancillary activities	48,138	33,440	34,300	1,310	1,310	1,706	49,448	34,750	36,006
Total	747,341	536,066	505,331	96,693	96,694	91,304	844,034	632,760	596,634

Compared to the benchmark in 2022, the decrease in indirect emissions (Scope 2) in 2023 by 5.70% (632,760 tonnes CO₂-eq. in 2022) is associated with an increase in the purchase of additional green electricity. In late 2022, Kazatomprom's subsidiaries and affiliates purchased electricity through spot trading on the platform of Kazakhstan Operator of Electricity and Capacity Market JSC (KOREM JSC). In 2023, the total volume of electricity purchased from Moynak HPP JSC on the KOREM JSC platform amounted to 142 million kWh.

Also, due to the amendment of the Law of the Republic of Kazakhstan *On Electricity*, the method for calculating GHG emissions under Scope 2 has changed from market-based to regional according to the GHG protocol. In this regard, the above table reflects actual data for 2023, obtained by the regional method. The calculation of greenhouse gas emissions using the market method for 2023 is 793,299 tonnes of CO₂eq.

In accordance with the amended Law of the Republic of Kazakhstan *On Electricity* of 01 July 2023, the Financial Settlement Centre of Renewable Energy Sources LLP of the Ministry of Energy of the Republic of Kazakhstan is a single buyer of electricity in the Republic of Kazakhstan. In accordance with subparagraph 3, paragraph 5, Article 19-1 of the Law of the Republic of Kazakhstan *On Electricity*, subjects of the wholesale electricity market shall purchase electricity only from a single buyer of electricity. Contracts for the purchase of electricity from Moynak HPP JSC in the second half of 2023 had to be terminated accordingly. In the first half of 2023, the actual volume of green electricity purchased including direct contracts and spot trading totalled 49,615,000 kWh, which resulted in the reduction of the Company's Scope 2 indirect GHG emissions for 2023.

Annual greenhouse gas emissions at each subsidiary and affiliate do not exceed the threshold of 20,000 tonnes of CO₂ equivalent as adopted at the national level for reporting emissions and participating in the Kazakhstan Emissions Trading System.

In the reporting period, Kazatomprom held several campaigns to help reduce the Company's climate change impact. In particular, we continued planting trees on the territory of the fields and in the adjacent settlements. We also held a Car-Free Day when employees and stakeholders ditched private cars for a day and used public transport, reducing CO₂ emissions from road transport.

Kazatomprom employees actively participated in the Earth Hour campaign when they disconnected all devices from electricity for an hour. The aim was not only to save electricity and reduce greenhouse gas emissions associated with its consumption, but also to draw public attention to the climate change issues.

GRI 305-3

Other indirect greenhouse gas emissions (Scope 3), tonnes of CO₂-eq.

Indicator	2022	2023
Emissions from goods and materials	580,399	516,773
Emissions from transportation	161,723	188,776
Total	742,122	705,549

The decrease in greenhouse gas emissions under Scope 3 for 2023 compared to 2022 is due to a decrease in purchased goods, in particular, sulphuric acid at JV Zarechnoye JSC, Baiken-U LLP, ME Ortalyk LLP, Kazatomprom-SaUran LLP, UMP JSC, ammonium nitrate at Karatau LLP, Kazatomprom-SaUran LLP, and ammonia water at UMP JSC.

Earlier, until 2021, the Company did not calculate greenhouse gases for Scopes 2 and 3, as the applicable Kazakhstan Law provides only for calculations for Scope 1 based on assessments of independent and licensed companies. In this regard, the Company did not recalculate greenhouse gas emissions.

GRI 305-4

In 2023, the intensity of greenhouse gas emissions was 34.5 tonnes per tonne of produced uranium. The metric selected by the Company (denominator) for calculating the coefficient was the volume of uranium production by Kazatomprom (20,996 tonnes) in 2023. Direct emissions (scope 1) and indirect energy-related greenhouse gas emissions (scope 2) were considered in the intensity ratio.

Intensity of greenhouse gas emissions

Indicator	Unit	2023
Direct GHG emissions (scope 1)	tonnes of CO ₂ -eq.	120,618
Indirect GHG emissions (scope 2)	tonnes of CO ₂ -eq.	596,634
Uranium production volume	tonn	20,996
Intensity of direct GHG emissions	tonnes of CO ₂ -eq.	5.74
Intensity of indirect GHG emissions	tonnes of CO ₂ -eq.	28.41
Intensity of GHG emissions (scope 1 and 2)	tonnes of CO ₂ -eq.	34.2

3.2.3. Energy efficiency and energy saving**GRI 3-3, GRI 302-4**

Kazatomprom aims to minimise its impact on the environment and emphasises reducing its carbon footprint. The Company implements measures to reduce and optimise energy use. All subsidiaries and affiliates of the Group have an energy management system that manages energy efficiency issues and complies with the requirements of ISO 50001:18001.

The Company is also in a phased transition to an upgraded energy management system that complies with ISO 50001:2019, which helps on an ongoing basis reduce energy consumption, minimise emissions of harmful substances and receive financial benefits.

Kazatomprom improves energy efficiency and reduces the energy intensity of production by introducing energy-efficient equipment, rational using natural resources and modernising production processes. In the field of energy consumption and energy efficiency improvement, the Company established a KPI that does not allow exceeding the annual planned specific electricity consumption rates for uranium production.

An energy audit is conducted at the Group's enterprises once every five years to assess the possibility and potential for energy saving. Its results form the basis when developing an Action Plan for energy saving and energy efficiency improvement. The plan is formed annually as part of the Implementation Plan of the Kazatomprom Development Strategy until 2028.

In 2023, the Company implemented a range of measures to improve energy efficiency. The actual economic effect was KZT 1,292 million, or up by 4% of the target. Our energy saving and energy efficiency measures helped save 218 GJ in 2023.

As part of decarbonisation and carbon neutrality projects, Karatau LLP completed conversion of hot water boilers from diesel fuel to liquefied gas in the boiler units of a shift camp. Works are completed, flow meters are installed. Savings in 2023 amount to KZT 43,715.

GRI 302-1, 302-4, SASB EM-MM-130a.1.

Energy consumption, '000 GJ⁶⁷

Indicator	2021	2022	2023
Thermal energy	950	868	808
Heat from renewables	7	4	5
Electricity	3,069	3,043	3,148
Electricity from renewables	12	14	14
Total energy consumption	4,038	3,929	3,975

Sokol-M(O)-5 Water Desalination Plant launched at UMP JSC reduced thermal energy consumption in steam in 2023 as compared to 2022. This allowed obtaining distilled water without using thermal energy in steam for further use in the technological process. Total consumption of fuel and energy resources for production, extraction and processing of raw materials reached 5,556,000 GJ.

Earlier, the Company produced distilled water from saturated steam by cooling tubular heat exchangers (distillers) with recycled water.

Use of primary energy sources, '000 GJ

Source type	2021	2022	2023
Coal	17.6	12.7	65.3
Natural gas	2.5	7.7	9.9
Fuel (gasoline, fuel oil, diesel)	1,431	1,461	1,506

The increase in coal consumption is linked to the inclusion of the ore enrichment plant for fluor spar concentrate production in the city of Kurchatov within UMP JSC. Coal is utilized there for generating heat and steam for production purposes and heating facilities.

Excess gas consumption in 2023 compared to 2022 is due to the gradual replacement of diesel with natural gas.

The annual electricity output generated by the Group's solar photovoltaic plants is 3,020 MWh. The generated electricity is used for own needs, allowing annual savings of KZT 72 million. Excess electricity is supplied to local power grids for use by households and businesses in the regions where the Group operates.

Energy intensity

GRI 2-4, GRI 302-3

In 2023, the consumption of fuel and energy resources (FER) at the Group's enterprises increased by 2.7% compared to 2022. This is due to the commissioning of blocks No.6 and No.7 of the Budenovskoye deposit and low uranium content in pregnant solutions, which required the commissioning of additional capacities. In 2023, the specific energy intensity was 265 GJ/t and includes energy consumption from all fuel and energy resources.

⁶⁷ The 2021-2023 figures have been adjusted. Indicators for heat and electricity consumption from RES have been added to the table.

Energy intensity⁶⁸

Indicator	2021	2022	2023
Consumption of fuel and energy resources for production, extraction and processing of raw materials, '000 GJ	5,470	5,411	5,556
Uranium production volume	21,834	21,279	20,996
Specific energy intensity, '000 GJ/t	0.251	0.254	0.265

Alternative energy

Kazatomprom aims to improve its energy efficiency and reduce its carbon footprint by moving from traditional energy sources to more sustainable and environmentally friendly methods. This approach helps reduce greenhouse gas emissions and save fuel and energy resources.

- photovoltaic stations (PV);
- solar collectors (or solar water heaters).

Electricity generation by PV stations, '000 MWh

Indicator	2021	2022	2023
Generated energy	3.34	3.01	3.02

Effect from the use of alternative energy sources in 2023, '000 KZT

Indicator	2021	2022	2023
PV stations	90,950	133,523	123,317
Solar collectors	29,902	46,520	37,214

The Company is constantly looking for new ways to use alternative energy sources at its enterprises. In 2022-2023, Karatau LLP developed design documentation and received a positive opinion from a non-departmental expert review for the installation of four solar collector systems. The Company will use these systems to supply hot water to a hotel, household facilities, a hostel, and a sports complex. The facility was put into operation in Q1 2023.

Recycling

KZT 6.85 billion was the actual economic effect from the Company's recycling project in 2023.

Plans for 2024 and a medium term

In 2024, we plan actions to reduce the carbon footprint of products in line with the developed Strategy for Decarbonisation and Carbon Neutrality of NAC Kazatomprom JSC until 2060. To achieve this goal, we will focus our efforts on the development of renewable energy sources and the reduction of greenhouse gas emissions across Kazatomprom. Work will continue on energy saving and energy efficiency of our operations. Focus areas include:

- Installation of solar collectors.
- Rational distribution and use of electricity, lighting, heating, hot water supply, and ventilation systems.
- Upgrade of electrical equipment, replacement with energy-efficient equipment.
- Efforts to ensure the proper technical condition and rational operation of power equipment and power plants.

In 2024, JV SMCC LLP plans to develop design documentation for the technical re-equipment of existing boiler houses and their conversion to liquefied imported gas. The first stage includes Central Boiler House and Mini Boiler House No.1 of a shift camp. Construction and installation works are scheduled for 2025. The second stage includes Mini Boiler House No.2 of a new shift camp and Mini Boiler House of VIP-settlement. Construction and installation works are scheduled for 2026.

3.3. Environmental sustainability

3.3.1. Our approach

⁶⁸ The 2020-2021 figures have been adjusted. Heat consumption for production, extraction and processing of raw materials has been added to the data on fuel and energy consumption.

Kazatomprom recognises the negative impact of natural uranium extraction on the environment and aims to minimise it. The Company conducts regular environmental monitoring, ensures rational use of natural resources and implements innovative technologies.

The Company implements its environmental policy through the environmental and energy management system implemented at all Group's production facilities and complies with ISO 14001 and ISO 50001 standards. Strict controls help prevent pollution of water, soil and air, as well as conserve biodiversity and reduce noise levels. This system allows the Company to set goals, measure results and comply with regulatory requirements.

The main principles and approaches to environmental protection management are set out in the Policy of NAC Kazatomprom JSC in the field of health and safety, environmental protection, and radiation and nuclear safety.

The Company's Production Safety (HSE) Committee operates under the Board of Directors and coordinates the relevant activities. The Corporate HSE Department of the parent company provides overall guidance on environmental protection activities, analyses the effectiveness of environmental safety and emergency response activities, and prepares reports for the Company's management. Within the structure of the subsidiaries and affiliates, specialized divisions have been created whose task is to ensure the implementation of environmental policy, compliance with legal requirements and corporate standards in the field of environmental protection.

GRI 2-23

We apply the precautionary principle, especially in the areas of health, safety and environmental impact. The implementation of this principle is carried out in the process of risk management within the framework of the Group's integrated HSE management system.

Kazatomprom aims to reduce environmental impacts throughout the life cycle of a deposit: from environmental impact assessment (EIA) during design to closure and remediation upon completion of deposit utilisation.

The Company emphasises environmental education and open exchange of information with stakeholders, including public hearings and written appeals.

Kazatomprom requires that its suppliers of goods, works and services, as well as contractors, comply with the corporate standard *The System of HSE Standards*. These requirements are advisory in nature for counterparties.

In 2023, within the framework of the implementation of the ESAP Roadmap:

- we conducted studies of the environmental impact of mine production facilities on the environment and local communities;
- we conducted integrated environmental and social studies for sustainable development according to GRI standards;
- we conducted studies on optimisation of production and consumption waste management processes at enterprises in accordance with the Environmental Code of the Republic of Kazakhstan and GRI standards (Zero Waste);
- we updated the plans for elimination of subsoil use consequences of uranium mining;
- we developed an integrated technology to reduce the volume of solid low-level radioactive waste (SLRW) generated by eliminating the consequences of subsoil use at in-situ uranium leaching mines at Kazatomprom-SaUran LLP.

Environmental protection milestones for 2023

The Group implements the following environmental projects:

- implementation of the Programme of Bird Protection;
- projects for atmospheric air protection;
- Corporate *Zero Waste* Culture Development Programme;

- Integrated Environmental and Social Research Programme, ESRP;
- low-carbon and decarbonisation strategy.

Also, in 2023:

- we developed Water Resources Management Strategy and Standard;
- Kazatomprom confirmed the independent ESG rating from the leading international rating agency S&P Global;
- Kazatomprom received its first CDP (Carbon Disclosure Project) rating, with a "B" rating for climate change;
- Kazatomprom regularly participates in working group meetings on changes to environmental legislation;
- the Company's employees took part in the IAEA environmental conference with reports in Vienna;
- almost all subsidiaries and affiliates held international environmental events, environmental lessons in schools, clean-up days, territory clean-up with further rubbish removal and other events with wide media coverage;
- As part of World Environment Day, an online event was held, organized by the Corporate Safety Department of the Company, on the topic: "The World is More Beautiful When It's Clean!"
- JV Katko LLP was awarded a bronze place of the Paryz Prize by the President of the Republic of Kazakhstan for its contribution to the environment.

3.3.1.1. Monitoring and control

SASB EM-MM-160a.1.

The primary objective of the Group's environmental monitoring is to control the negative impact of production on the environment and health of local communities. In accordance with the environmental laws of the Republic of Kazakhstan, the Group's subsidiaries and affiliates carried out industrial environmental control (IEC) on a quarterly basis in the reporting period, engaging accredited contracting organisations (laboratories) following the Schedule.

In 2023, in accordance with the new norms of the Environmental Code of the Republic of Kazakhstan⁶⁹ and the Corporate Zero Waste Culture Development Programme, the Company updated Kazatomprom's corporate standard ST NAC 17.2 "Environmental Protection Standards. Rules of production and consumption waste management at NAC Kazatomprom JSC enterprises"⁷⁰. The Company developed the *Regulation on Waste Management of the UMP JSC Tailings Storage Facility* No.1204 of 30 September 2023.

SKZ-U LLP completed construction and assembly works on installation of an automated monitoring system at pollution emitters. UMP JSC ran a pilot (test) output.

As required by the environmental laws of the Republic of Kazakhstan, an Environmental Impact Assessment (EIA) and public hearings are to be held prior to the commencement of any planned activity. At the hearings, representatives of enterprises, acting as customers, present their projects and explain to stakeholders the environmental and social aspects of the planned project. Results of EIA are fully disclosed for review and comments to all stakeholders, and any resident of an area where the Company operates can share their opinion on the issues regarding the impact of the planned activity on the environment and health of the local population.

All projects for the construction and reconstruction of production facilities implemented in the Company's subsidiaries and affiliates have passed public hearings and the EIA stage and received a positive state environmental expert opinion.

3.3.1.2. Investment in environmental protection

⁶⁹ Environmental Code of the Republic of Kazakhstan No.400-VI ZRK of 02 January 2021.

⁷⁰ Company's Administrative Order No.6 of 10 January 2024.

The environmental and energy management system implemented at all Group's production facilities complies with ISO 14001 and ISO 50001 standards.

In 2023, as part of its commitment to improve its approaches to occupational safety management, Kazatomprom's headquarters successfully passed a recertification audit and confirmed its certificate from the TÜV International Certification. The independent audit certified that, when organising licensed export and import deliveries of specific products, the Company's integrated management system complies with the requirements of international standards ISO 14001:2015 Environmental Management System and ISO 45001:2018 Health and Occupational Safety Management System.

In 2023, Kazatomprom's total cost of environmental protection measures amounted to KZT 1,306.5 million. In 2023, the Company paid KZT 267.0 million in emission taxes.

Investment in environmental measures, 2023, KZT million

Measure	Level of investment
Improvement of technological processes, including reduction of fugitive emissions into the environment, environmental monitoring	455.7
Improving the efficiency of existing dust and gas collection and water treatment plants, enhancing the resource base	29.5
Carrying out R&D activities in the area of environmental protection, personnel maintenance and other activities	821.3

3.3.1.3. Compliance with environmental legislation

SASB EM-MM150a.9

The Company utilises robust environmental monitoring and radiation safety systems (ISO 14001 compliant) at its uranium mines and production sites. There were no environmental accidents in 2023. Violations of environmental legislation were detected. The Holding Company paid fines in the amount of KZT 22.213 million (UMP JSC, Semizbay-U LLP, RU-6 LLP, JV Katko LLP, Baiken-U LLP, JV Khorasan-U. The authorised state body for violation of environmental norms and requirements imposed administrative fines for soil pollution due to spillage of process solutions and minor littering of the territory. There were no exceedances of the established total limits set by the state authorities for waste generation, emissions and discharges. The Company identified and eliminated root causes of all violations and took prompt actions to prevent any future accidents.

3.3.1.4. Environmental protection training

To obtain the necessary competencies and knowledge in studying and applying the Good International Industry Practice (GIIP) and ensuring the effectiveness of environmental management, the Company organises regular training sessions for the heads of subsidiaries and affiliates and specialists responsible for subsoil protection, environmental and social issues. In accordance with the Action Plan of the ESAP Roadmap within the reporting period, Kazakhstan Nuclear University LLP jointly with the IHT LLP branch held training seminars in the area of environmental safety and emergency response:

№	Date	Topic	Number of trainees
1	23-24 February	Drilling waste management at uranium mining enterprises of Kazatomprom	26
2	30 March	Collection and monitoring of environmental indicators in line with GRI standards. Maintaining the form of environmental indicators in the corporate data storage.	23
3	28-29 April	Procedure for Environmental Impact Assessment. IEC programme and environmental record keeping at 1st and 2nd category facilities	24

4	25-26 May	Implementation of the Programme of Bird Protection from the impact of power lines	22
5	23 June	Wastewater treatment by an enterprise	23
6	21 July	Environmental performance rating of NAC Kazatomprom JSC taking into account industry specifics and design for placement on the Internet resource	5
7	23-24 August	Preparation for the HSE diagnostic audit of JSC NAC Kazatomprom	32
8	22 September	Classifier and types of waste in line with the new Environmental Code of the Republic of Kazakhstan	18
9	26-27 October	Requirements for the liquidation (decommissioning) plan of atomic energy facilities in line with amendments to environmental and subsoil use legislation	27
10	18 November	Comprehensive Technological Audit for further development of the Best Available Technologies (BAT) Handbook, subject to the requirements of the Environmental Code of the Republic of Kazakhstan dated 2 January 2021.	5
11	21 December	Low-radioactive waste management at an enterprise	38

243 trainees from 20 subsidiaries and affiliates and the headquarters took part in the training.

The Company held 33 training seminars/webinars that brought together 968 trainees from the headquarters, subsidiaries, and affiliates of Kazatomprom over the entire period of implementation of the ESAP Plan (2018-2023).

3.3.2. Emissions

GRI 3-3

The specifics of the Group's production activities result in emissions into the atmosphere, due to which minimisation of pollutant emissions is an important aspect of Kazatomprom's environmental activities. We seek to reduce the negative impact by introducing technological improvements in our own production facilities. At the same time, the Company sells its products to countries that use nuclear energy. By doing this, the Company contributes to low carbon industry development in these countries and helps reduce emissions.

Breakdown and source of air emissions, '000 tonnes

GRI 305-7, SASB EM-MM-120a.1

Air emissions	Source	2021	2022	2023
NOx	boilers, furnaces, incinerators, stationary diesel power stations (emergency), compressors	0.123	0.197	0.227
SOx	boilers, furnaces, incinerators, stationary diesel power stations (emergency), compressors	0.849	0.756	0.809
PM emissions	boilers, furnaces, machine tools operated in the machine shops	0.111	0.086	0.225
CO	boilers, vehicles, gas furnaces, stoves	0.181	0.176	0.306
Volatile organic compounds	vehicles, solvents, gas, wood and biomass burning	0.056	0.051	0.140

Substances of Hazard Class 1	boilers, vehicles, mercury lamps	0.012	0.002	0.0001
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The increase in specific emissions and Scope 1 GHG emissions is due to increased drilling operations, increased freight traffic, and the exploration of new sites.

No emissions of mercury. In the Group, there are emissions of lead and its compounds only at Ulba Metallurgical Plant JSC, JV Katko LLP, Karatau LLP, RU-6 LLP and Semizbay-U LLP – 0.00055 tonnes.

The Group implements a number of measures aimed at reducing air emissions and monitoring the air quality:

- air quality monitoring;
- using modern gas treatment systems, energy-efficient technologies and photovoltaic stations, which reduce emissions;
- using dust and gas catching collectors for dust cleaning and purification of process gases, coming from VGTP calcination furnaces. A hydrofilter and a pulsed ceramic filter (PCF-45) successfully operate in the refining shops of Baiken-U LLP and reconstructed Kazatomprom-SaUran LLP, eliminating the emission of radiation dust and minimising emissions to the environment by 20%.

GRI 305-6

The Company does not produce, export, or import ozone-depleting substances.

3.3.3. Water resources

GRI 3-3, GRI 303-1

Water is an essential component of the technological process both at the main production facilities of Kazatomprom and in the operation of osmosis units (demineralised water is a raw material for generating electricity supplied to the external network for the needs of local communities). Besides, in some regions of operation, the Company provides water supply to the local population and industry.

We support the UN Agenda for Sustainable Development 2030, including SDG 6, *Ensure the availability and sustainable management of water and sanitation for all*, and also operate in accordance with the Water Code of the Republic Kazakhstan (Article 66) and water resources protection permit documents. The Company divides the water supply of enterprises into industrial and potable.

In 2023, the Company developed Water Resources Management Strategy and Standard to ensure efficient and sustainable use of water resources. The Company set the goals and objectives of the Water Resources Management Strategy in accordance with the public policy and approaches to effective water resources management, its strategic plans, and the specifics of the production and technological processes of Kazatomprom's enterprises, taking into account the location of the enterprises with regard to water resources availability.

UMP JSC develops design documentation for the installation of recycled water supply systems. This initiative will reduce the consumption of cold water from municipal sources used for cooling furnaces and rolling mills. Instead, recycled water cooled by chillers and dry coolers will be used. This will reduce wastewater volumes.

The Company's water intake does not have a significant impact on water sources. The Group does not withdraw water from sources that are recognised as vulnerable, protected by the state and of particular value to local communities or biodiversity. In an effort to reduce water consumption, we are making maximum efforts to reduce water abstraction and increase recycling. We also regularly monitor and assess the risks of water supply in all regions of our presence.

Kazatomprom emphasises cooperation with local communities in water resources management. Ensuring access to clean and safe drinking water is a fundamental human right. The Company provides feedback channels through which people can express their questions and concerns about the impact

of the Group's enterprises on local water bodies. People are confident that the relevant environmental services will receive and address their concerns. Kazatomprom also cooperates with local authorities and public organisations to ensure a sustainable water supply in a long term.

3.3.3.1. Water consumption and water withdrawal

GRI 303-1, SASB EM-MM-140a.1.

The Company carries out water intake, including for drinking water supply, in accordance with the requirements and norms of technological regulations for ISR method. The withdrawal does not have a significant impact on water sources. Enterprises providing water supply (centralised and non-centralised) keep monitoring water withdrawal, and conduct regular monitoring of the state of water withdrawal facilities, internal water supply systems, and water metering units. The Water Code of the Republic of Kazakhstan, technical regulations, and rules for the selection, installation and operation of water meters in water supply and sanitation systems establish the requirements for water meters.

Groundwater is taken from the water withdrawal sites against a permit for special use of water issued by the Basin Inspectorates for Regulation of the Use and Protection of Water Resources under the Committee for Water Resources of the Ministry of Ecology, Geology and Natural Resources of the Republic of Kazakhstan. *On 11 September, 2023, a standalone Ministry of Water Resources and Irrigation of the Republic of Kazakhstan was established.*

In 2023, total water withdrawn dropped by 1.2% year on year, from 9,188,900 m³ to 9,081,400 m³.

Total water withdrawal, '000 m³

GRI 303-3, SASB EM-MM-140a.1

Source	2023
Surface water	6.5
Fresh water	-
Other water	6.5
Ground water	7,877.6
Fresh water	5,783.0
Other water	2,094.6
Municipal and other water supply systems	1,197.4
Fresh water	1,197.4
Other water	-
Total	9,081.4

Groundwater accounts for 87% of the total amount of water withdrawn. 0.07% of water is withdrawn from surface sources. Ground water withdrawal dropped by 8%, from 8,573,500 m³ to 7,877,600 m³ due to an increase in the share of recycled water.

According to the Aqueduct Water Risk Atlas of the Institute of Water Resources, only the production sites of JV Zarechnoye JSC are located in a water-scarce region. The volume of fresh water intake from groundwater at the enterprise amounted to 141.8 thousand m³.

GRI 303-5

The total water consumption volume amounted to 5,193.5 thousand m³, with 68.9 thousand m³ attributed to JV Zarechnoye LLC.

3.3.3.2. Wastewater discharges

The Group's entities produce industrial, storm and domestic wastewater as a result of operations. After treatment through storm sewer outlet, water is discharged to surface water bodies from storm waste water from the territory of the industrial site and water Not used in the technological process. Mine wastewater is discharged into storage ponds. The national laws prohibit the discharge of untreated wastewater into water bodies or on the terrain up to the permissible discharge standards. Since 2017,

the General Requirements for Environmental Safety in Kazatomprom's Subsidiaries and Affiliates standard has been in force at Kazatomprom.

GRI 303-2, SASB EM-MM-140a.2

The monitoring programme includes studies of wastewater quality at all industrial sites connected to the centralised sewerage.

The main objectives of industrial monitoring of pollutant discharge sources at enterprises in accordance with the state standard ST RK 1545 are:

- assessment of the qualitative and quantitative composition of discharged wastewater directly at the point of discharge into storage tanks, filtration fields and natural depressions in the terrain;
- compliance with the maximum permissible discharge limits at individual links of the technological scheme of wastewater treatment, improving the efficiency of existing treatment facilities.

In accordance with the approved List of pollutants (Order of the Minister of Ecology, Geology and Natural Resources of the Republic of Kazakhstan No. 212 dated 25 June 2021), emissions of pollutants at production facilities are subject to environmental regulation.

Substances that pollute water:

- organic compounds of halogens and substances that can form these compounds in the aquatic environment;
- organic compounds of phosphorus;
- organic compounds of tin;
- metals and their compounds;
- hydrocarbons and their compounds;
- cyanides;
- arsenic and its compounds;
- pesticides, for which maximum permissible concentrations and approximate permissible levels of substances in water have been established;
- suspended substances and suspensions;
- substances that contribute to eutrophication (nitrates and phosphates);
- substances that have an unfavourable impact on the oxygen balance;
- other pollutants and their compounds, for which maximum permissible concentrations and approximate permissible levels of substances in water in water bodies of cultural and domestic, household, drinking and fishery water use are established.

In addition, according to the Rules for Maintaining the Pollutant Release and Transfer Register approved by the Order of the Minister of Ecology, Geology and Natural Resources of the Republic of Kazakhstan No. 346 dated 31 August 2021, the Company monitors pollutants in wastewater information on which is subject to submission to the Pollutant Release and Transfer Register. This registry includes chemical compounds, polymers, biological sequences of nucleotides or amino acids, mixtures and alloys listed in the Chemical Abstracts Service, a division of the American Chemical Society.

All discharges are treated and meet regulatory requirements of the quality of discharged water according to the Methodology for Emission Rates adopted by the Ministry of Ecology, Geology and Natural Resources of the Republic of Kazakhstan. Monitoring of the condition of water bodies, including the determination of the chemical composition of surface, underground and waste water, is carried out regularly by the Company's accredited laboratories.

In 2023, subsidiaries and affiliates of the Group did not exceed the limits of contaminants in discharges as set for water bodies with fisheries and the limits for wastewater discharges.

GRI 303-4

Total wastewater discharge by categories, '000 m³

Indicator	2023
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Surface water	1,724.9
Artificial water bodies	1,676.7
Municipal wastewater discharge	486.3
Total wastewater discharge	3,887.9

Total wastewater discharge by categories, '000 m³

Indicator	2023
Discharge of fresh and other water:	
Wastewater with <1000 mg/l salinity	2,544.0
Wastewater with >1000 mg/l salinity	1,343.9

The wastewater discharges increased by 14% from 3,415,600 m³ in 2022 to 3,887,900 m³ in 2023. This is explained by the fact that in 2022, the Company indicated only the volume of wastewater discharges to stormwater sewage for UMP JSC. In 2023, the total volume of wastewater discharges also included discharges into the municipal sewer and the tailings management facility.

According to the Aqueduct Water Risk Atlas by the Water Resources Institute, the water-stressed region only encompasses the production facilities of Zarechnoye Joint Venture LLC. The volume of freshwater discharge at the enterprise amounted to 72.9 thousand m³.

3.3.3.3. Ground water

Uranium mining based on the ISR method poses a risk of groundwater contamination. To minimise environmental risk at all Kazatomprom mines in accordance with sanitary standards, the deposits are surrounded by a sanitary protection zone with a radius of 500 m from ore deposits. Moreover, the Group's enterprises constantly monitor the state of groundwater as part of the production environmental control in accordance with the established legal requirements and the requirements of the corporate standard "Methodological Guidelines for the Monitoring of the Impact on Ground and Underground Water in ISR Mining of Uranium".

3.3.4. Waste management

GRI 3-3, 306-1, 306-2, SASB EM-MM-150a.10

Kazatomprom's production operations generate industrial and municipal waste. Safe waste management, recycling and disposal is one of Kazatomprom's priorities. If it is impossible to process waste, we ensure detoxication and environmentally safe disposal of waste or transfer waste to specialised organisations.

Key waste generated by the Company:

- Solid and liquid radioactive waste.
- Overburden rocks generated during the mining of fluorite copper-molybdenum ores.
- Drilling mud from wells construction at the ISR mining sites.
- Fluoric gypsum from the production of hydrofluoric acid.
- Ash and slag waste from the production of thermal energy.
- Household waste.
- Waste oil products.
- Car tyres.
- Spent batteries.

When handling waste, the Group is guided by the internal standards and national legislation, which obliges the enterprises to ensure separate collection of all generated waste, depending on their type and composition, for subsequent disposal, processing and disposal. The Company carries out mandatory control over the prevention of waste generation, and also performs a number of activities in accordance with approved waste management programmes and plans.

Waste reduction efforts:

- Reuse of polyethylene pipes for piping.
- Recycling.
- Reuse of used car tyres and oils.
- Waste generation monitoring by sampling and analysis to identify the best measures to reduce and neutralise waste.
- Separate collection of municipal solid waste: plastic, paper and glass in the offices and production site camps. The sorted municipal solid waste is delivered to the nearest paper and plastic collection points (specialised organisations) at no charge for further recycling.
- All wastes generated is temporarily stored only at designated and equipped sites: temporary production waste storage sites, temporary municipal solid waste storage sites, drill cuttings storage sites, and temporary solid low radioactive waste storage sites.

To manage waste, we also work with organisations specialising in waste collection, recovery or disposal operations.

In particular, Kazatomprom makes contracts for the following services:

- Acceptance and disposal of low-level radioactive waste.
- Acceptance and disposal of municipal solid waste.
- Industrial waste recycling.
- Removal and disposal of radioactively contaminated metal and low density polyethylene materials.

GRI 306-3, SASB EM-MM-150a.4.

Despite an increase in drilling activities in some subsidiaries and affiliates, the overall Company's efforts have resulted in the reduction of waste volumes by means of waste prevention, reduction, recycling and reuse. In 2023, in accordance with the new norms of the Environmental Code of the Republic of Kazakhstan and the Corporate Zero Waste Culture Development Programme, the Company updated Kazatomprom's corporate standard ST NAC 17.2 "Environmental Protection Standards. Rules of production and consumption waste management at NAC Kazatomprom JSC enterprises". As a result of Group's activities in 2023, total waste volume was 401,000 tonnes, dropped by 12% compared to 2022.

Total weight of waste and tailings by type, '000 tonnes

GRI 306-3, EM-MM-150a.7

Types of waste and tailings ⁷¹	2021	2022	2023
			1.6
Hazardous waste	n/a	n/a	
Non-hazardous waste	n/a	n/a	379.5
Solid radioactive	2.6	5.1	19.9
Liquid radioactive	119.1	148.2	141.6
Sludge from beryllium production	124.2	125.3	119.5
Total			662.1

The Company classifies liquid radioactive waste and hydrometallurgical processing sludges of beryllium ore, not contaminated with radionuclides, as tailings.

In accordance with the new waste classification set in the Environmental Code of the Republic of Kazakhstan, there is hazardous and non-hazardous waste. The majority of waste generated by the Company is drilling mud. This type of waste is classified as non-hazardous in accordance with a recent sanitary and epidemiological assessment.

We have developed passports with basic information for hazardous waste, indicating description, hazardous properties, composition, toxicity and precautions for waste handling. Hazardous waste is

⁷¹ In view of the new waste classifier and changes to waste calculation methodology, the Company did not recalculate waste volumes for 2021 and 2022.

transported in line with the applicable laws only by licensed organisations. In 2023, the Company did not transport hazardous waste across borders.

3.3.4.1. Radioactive waste management

SASB EM-MM-150a.5

In their operations, the Group's enterprises generate solid and liquid radioactive waste, which are disposed of in specially designated areas for disposal.

In total, the Group generated 19,865.61 tonnes of radioactive waste (SRW) in 2023. The main type of SRW is radioactively contaminated soil due to the use of ISR mining method and Kazatomprom-SaUran LLP's operations in 2023 to mitigate the consequences of subsoil use at the Uvanas deposit.

Contribution of various SRW types from the Group to total SRW in 2023, %

SRW types	Contribution to total RW
Sand and sludge from the sand trap, contaminated soil	94.1
Ion-exchange resin	1.1
Metal waste	1.5
Overalls, PPE, rags, filters	0.6
Plastic waste (pipes, etc.)	0.5
SRW UMP JSC	0.4
Other radioactive waste	1.8

Only UMP JSC generates liquid radioactive waste (LRW), as in accordance with process regulations, other mining entities of the Group dispatch spent pregnant solutions to sand traps for reuse in the technological process. In 2023, UMP JSC generated 141,603.54 tonnes of LRW and 119,456 tonnes of sludge from beryllium production. The total of generated LRW and sludge from beryllium production is placed at the UMP JSC Tailings Storage Facility.

Generated by UMP JSC	Contribution to total LRW, %
Uranium production	38.1
Tantalum production	44
Special laundry	17.9

The Group's enterprises manage radioactive waste in accordance with the laws of the Republic of Kazakhstan and the best international practice.

In alignment with its commitment to the UN Global Compact and ESG principles, NAC Kazatomprom JSC adopted a comprehensive Radioactive Waste Management Programme for 2023-2030. This program establishes a unified Group policy and a midterm approach for responsible radioactive waste management.

The Programme's core objective is safe and efficient radioactive waste management, minimising its environmental impact and protecting health.

To achieve this objective, the Company held analysis of radioactive waste management and set four major tasks:

1. Reduce radioactive waste generation
2. Improve radioactive waste management system and introduce new approaches
3. Conduct a comprehensive review of internal radioactive waste management documents and develop actionable proposals for strengthening the regulatory legal framework
4. Build stakeholders' trust and reputation.

To achieve its objectives and strengthen the internal regulatory framework, NAC Kazatomprom JSC implemented the following activities in 2023:

- Updated the Standard "Methodological Guidelines for Radioactive Waste Management", which establishes general organisational and technical requirements for managing radioactive waste generated by production facilities.
- Developed the Standard "System of Standards for Environmental Protection. Model Quality Assurance Programme for Radioactive Waste Management. Requirements for structure and content". The Standard defines the structure and content of quality assurance programmes for radioactive waste management across the Group.
- Developed the *Rules for Inspections of Radioactive Waste Management System at Enterprises of NAC Kazatomprom JSC*. The Rules define the procedure for organising and conducting inspections of Group's facilities that generate radioactive waste.
- The Group's enterprises that generate radioactive waste have developed and approved Quality Assurance Programmes for radioactive waste management. The Programmes establish a set of organisational and technical measures for quality assurance impacting nuclear, radiation, environmental and physical safety, and determine the radioactive waste management system at the enterprises.

In 2023, in an effort to update the regulatory legal framework for radioactive waste management, NAC Kazatomprom JSC representatives participated in the working group of the Committee on Ecology and Nature Management of the Mäjilis of Parliament. They were involved in the development of the draft law *On Radioactive Waste Management*.

3.3.4.2. Tailing Storage Facility Management

SASB EM-MM-540a.1.

NAC Kazatomprom JSC takes a responsible approach to tailing facilities management and focuses on ensuring their physical and technological safety. The Company operates one tailing storage facility at UMP JSC in Ust-Kamenogorsk. The tailing storage contains five surface impoundments to place fluid tailings.

SASB EM-MM-540a.2.

Tailing management site (tailing storage facility) is a structural subdivision of the UMP JSC maintenance centre.

Management and maintenance of the tailing storage facility stable operation takes place in accordance with the following documents:

1. Technological regulation for the Operation of Tailing Management Site of UMP JSC;
2. Technological regulation on Waste Management at UMP JSC Tailing Management Site;
3. Other internal regulatory documents of NAC Kazatomprom JSC and UMP JSC.

The Technological regulation for the Operation of Tailing Management Site of UMP JSC applies to the technological process of receiving and disposal of industrial waste and establishes requirements for the process flow, and maintenance of technological parameters within the set limits, which ensure safety and accident-free process operation, as well as requirements for the processes of receiving, disposal, accounting and transportation of liquid and solid industrial waste; receiving, disposal and accounting of liquid and solid radioactive waste of UMP JSC subdivisions received at the Tailing Management Site of UMP JSC.

The Technological regulation on Waste Management at UMP JSC Tailing Management Site, approved by the Chairman of the Management Board of UMP JSC on 30 September 2023, to manage the site of the operating Tailing Management Facility of UMP JSC for 2023-2042 was developed in accordance with the Code of the Republic of Kazakhstan *On Subsoil and Subsoil Use*, the Environmental Code of the Republic of Kazakhstan. It sets the terms of subsoil use for storage and disposal of hazardous substances (industrial waste) at the site of the operating Tailing Management Facility of UMP JSC.

In accordance with the Environmental Code of the Republic of Kazakhstan, the Company carried out an environmental impact assessment at the tailing management site of UMP JSC and conducts ongoing

monitoring of the condition of hydraulic constructions and environmental monitoring in the adjacent areas.

SASB EM-MM-540a.3.

UMP JSC is governed by the following documents in the field of emergency response and emergency preparedness:

1. Emergency response plan for hydraulic structures of the Tailing Management Site of UMP JSC (approved by the Director for Technical Preparation on 14 November 2023).
2. Emergency response plan for pumping (slurry pumping) stations of the Tailing Management Site of UMP JSC (approved by the Director for Technical Preparation on 13 November 2023).

Emergency response plans for the tailing management site were prepared in accordance with the requirements of the Instruction on development of emergency response plans and conducting drills and emergency drills at hazardous production facilities and the Law of the Republic of Kazakhstan On Civil Protection No.188-V dd. 11 April 2014.

UMP JSC has all material and financial resources to respond to emergencies at its tailing storage facility and remediate the damage quickly.

3.3.5. Biodiversity

GRI 3-3

Despite that Kazatomprom's operations do not have a direct material impact on biodiversity, we understand and accept the importance of preserving biological diversity in the region of our presence, making every effort to study the state of flora and fauna in the territory of uranium deposits.

The Company joins forces with public organisations for biodiversity conservation and protection. For example, Kazatomprom's subsidiary, IHT LLP, has a consortium agreement with the Institute of Zoology to conduct comprehensive research on the protection of birds from the dangers of power lines as part of Kazatomprom's programme.

We make efforts to prevent threats to biodiversity by investing significant resources in risk analysis at all stages of our operations. Environmental risks arising from our operations primarily relate to the disturbance of soil and vegetation and the displacement of animals outside their usual habitat. Striving to reduce environmental risks, the Company approved a standard for assessing and monitoring biodiversity during the industrial mining of uranium deposits and during the post-reclamation period.

GRI 304-1

The total area of land owned, leased and managed by the Group is 105,477.99 hectares.

Information about the Group's sites/deposits borderingspecially protected natural areas (reserves/wildlife area):

Reserves/ wildlife area	Block/deposit	Location
South Kazakhstan State Reserved Zone	Khorasan-2 block of the North Khorasan deposit (BAIKEN-U LLP)	Kyzylorda Region, Zhanakorgan District
	Block No.2 of the Budenovskoye deposit (KARATAU LLP)	Turkestan Region, Sozak District
	Blocks No.3 and No.4 of the Budenovskoye deposit (JV AKBASTAU JSC)	Turkestan Region, Sozak District
	Block No.4 of the Inkai deposit (JV SOUTHERN MINING AND CHEMICAL COMPANY LLP)	Turkestan Region, Sozak District
	Block No.1 of the Inkai deposit (JV INKAI LLP)	Turkestan Region, Sozak District

	Western block of the Mynkuduk deposit (APPAK LLP)	Turkestan Region, Sozak District
	Vostochny block of the Mynkuduk deposit (Kazatomprom-SaUran LLP)	Turkestan Region, Sozak District
	Central Mynkuduk deposit block (ORTALYK LLP)	Turkestan Region, Sozak District
	Zhalpak deposit (ORTALYK LLP)	Turkestan Region, Sozak District
	Akdala deposit (JV South Mining Chemical Company LLP)	Turkestan Region, Sozak District
	Uvanas deposit (Kazatomprom-SaUran LLP) production completed	Turkestan Region, Sozak District
	Central block of the Moinkum deposit (Kazatomprom-SaUran LLP)	Turkestan Region, Sozak District
	South block of the Moinkum deposit (Kazatomprom-SaUran LLP) production completed	Turkestan Region, Sozak District
	Kanzhugan deposit (Kazatomprom-SaUran LLP)	Turkestan Region, Sozak District
Arys-Karaktau State Reserved Zone	Zarechnoye deposit (JV ZARECHNOYE JSC)	Turkestan Region, Sozak District
Korgalzhyn State Nature Reserve	South Karamurun deposit (RU-6 LLP)	Kyzylorda Region, Shieli District

GRI 304-2

Kazatomprom operates on industrial land and in settlements in line with the applicable laws. In 2023, all subsidiaries and affiliates within the scope of the project for the implementation of the ESAP Roadmap were covered by biodiversity assessment studies carried out in the territories of production sites.

As part of the implementation of the ESAP Roadmap, Kazatomprom continued the implementation of the Programme of Bird Protection from the impact of power lines in the reporting period. We also carried out comprehensive environmental studies, including biodiversity assessments in the territories adjacent to 12 uranium mines in Southern Kazakhstan: Khorasan-1, Khorasan-2, Central Moinkum, South Moinkum, Kanzhugan, Kulandy, Karatau, Western Mynkuduk, Eastern Mynkuduk, Uvanas, Inkai and South Inkai.

Studies were carried out on the territory of mine land allotments and within 10 km to identify possible man-made and cumulative impacts on environmental objects and the local population. In 2023, the total area of the studied territories was 9,000 square metres.

The biodiversity assessment took place in accordance with ST NAC 17.6-2022. "Methodological Guidelines for Biodiversity Assessment at Uranium Fields, Production Facilities and Adjacent Territories" at South Inkai, Eastern Mynkuduk, Uvanas, Kanzhugan, South Moinkum, and Central Moinkum mines.

In the studies, we analysed the production operations from the environmental perspective, the available background data on the condition of air, surface and groundwater. We also studied soil types, the structure of underground aquifers, and the species composition of flora and fauna. We collected new data on the ecological state of the soil cover, water resources, and atmospheric precipitation. For the first time, we carried out studies of microbiocenosis and phytotoxicity of soils. We identified potential channels of impact on environmental objects and compiled a primary list of environmental risks.

The results of the study concluded that there were no impacts of the production activities on the indicators of the state of the environment beyond the sanitary protection zone.

In 2024, the Company will continue the environmental condition and biodiversity assessment of Kazatomprom's uranium deposits.

3.3.5.1. Remediation of subsoil operations and land reclamation

The Company ensures responsible remediation of subsoil operations and effective reclamation efforts in line with the Subsoil and Subsoil Use Code of the Republic of Kazakhstan, other legal and internal regulations:

- *Standard Methodological guidelines for calculating the estimated cost of subsoil operations remediation (ARO assessment) in the subsidiaries and affiliates of NAC Kazatomprom JSC.*
- *Standard Arrangements for Remediation of Subsoil Operations and Land Reclamation. Methodological guidelines.*
- *Instruction Criteria for remediation of production activities at uranium mining sites.*

NAC Kazatomprom JSC fulfills its Asset Retirement Obligations (ARO) at uranium mining enterprises.

This includes calculating annual cost estimates for remediation and maintaining a permanent commission to oversee the effective remediation of subsoil use and reclamation of disturbed lands.

Demonstrating its commitment to environmental responsibility, NAC Kazatomprom JSC launched a progressive liquidation programme in 2023. This proactive approach involves dismantling spent technological units at uranium mining sites before the subsoil use contracts expire. This initiative will deliver several key benefits: reduced environmental impact, lowered future financial obligations associated with decommissioning, and positive impact on local communities where the Company operates.

As part of progressive liquidation programme implementation, in 2023, NAC Kazatomprom JSC developed and implemented the *Standard Procedure for progressive liquidation of spent operational process units at in-situ recovery mining facilities.*

In 2023, Kazatomprom-SaUran LLP started work at the Uvanas deposit to remediate subsoil use operations and restore disturbed lands in accordance with the Deposit Liquidation Project, which passed state expertise in the authorised state bodies and received environmental approval. The activities include:

- Elimination of the uranium mining geotechnological site facilities (process wells, process solution pipelines, acid pipelines and other infrastructure).
- Dismantling of buildings and structures of the industrial site and administrative buildings.
- Reclamation works (clean-up of contaminated areas, surface planning, restoration of vegetation cover).
- Post-reclamation soil and groundwater monitoring.

GRI 304-3

Kazatomprom works on an ongoing basis to restore lands disturbed by mining operations. While developing the deposits, the Company carries out reclamation works to restore the landscape and vegetation and return the land into economic use.

There are no protected or restored habitats within the above 26 deposits/sites of Kazatomprom. The Company conducts annual consultations on environmental issues with stakeholders, including representatives of the local community.

International standards, methodological guidelines and relevant qualifiers, as well as the Environmental Code of Kazakhstan and ST 17.6-2022 Standard "Methodological Guidelines for Biodiversity Assessment at Uranium Deposits, Production Facilities and Adjacent Territories" guide the biodiversity assessment.

GRI 304-4

Our operations do not pose a threat to animals and plants listed in the Red List of the International Union for Conservation of Nature and Natural Resources (IUCN) and the Red List of the Republic of Kazakhstan and threatened with extinction.

The in-situ recovery does not change the landscape, which contributes to the conservation of endemic flora and fauna. The death of animals and desertification of territories are excluded. Once uranium mining is completed and the consequences of subsoil use are eliminated, the animals return to their natural habitat.

At present, the conservation status of animal and plant species included in the Red List is: 6 endangered, 3 extinct, 14 vulnerable (close to vulnerable), 1 near-threatened, and 25 least concern species.

3.3.6. Plans for 2024 and a medium term

In 2024, Kazatomprom plans to implement a number of environmental protection measures:

- continue training employees of subsidiaries and affiliates responsible for environmental protection, in particular: production and consumption waste management, biodiversity assessment at uranium mining deposits, environmental monitoring at enterprises;
- continue research programme to explore the impact of Kazatomprom's operations on the environment and the local population (Environmental and Social Research Programme, ESRP) and the Zero Waste Programme of Kazatomprom, seeking to develop measures to reduce and minimise production and consumption waste generated at the enterprises of the uranium mining industry;
- continue implementing the Programme of Bird Protection from the Impact of Power Lines;
- continue efforts to create a database of the environmental monitoring system and the environment of uranium mining enterprises of the Group;
- participate in the implementation of the Decarbonisation and Carbon Neutrality of NAC Kazatomprom JSC until 2060;
- conduct implementation of Water Resources Management Strategy in subsidiaries and affiliates;
- organise and roll out the RHYTHM corporate programme at Kazatomprom to mark the World Environment Day;
- conduct an external diagnostic audit in subsidiaries and affiliates based on the results of ESAP Roadmap implementation;
- participate in working groups on amendments to the environmental laws of the Republic of Kazakhstan that have an impact on Kazatomprom's operations; collect and analyse proposals on the amendments and supplements to the environmental laws in Kazakhstan that have an impact on the Company's operations;
- hold environmental campaigns (Earth Hour, World Clean Day), community work days, environmental events, open days, master classes and other environmental communications with stakeholders
- conduct further Radioactive Waste Management Programme of NAC Kazatomprom JSC for 2023-2030;
- conduct further works at the Uvanas deposit to remediate subsoil use operations.

Deposit lifecycle management

KAP1

The Group operates 26 deposits/sites. The deposit is developed by the ISL method in succession by dividing it into technological blocks. It takes an average of three to four years to develop one technological block at the deposit.

Uranium mining by the ISL method involves a set of operations:

- mining preparation works (construction of technological holes, installation of trunk and intrablock piping, acidification of the mining mass);
- uranium leaching directly in the subsurface and production of productive solutions (active leaching, leaching and additional leaching).

Advantages of natural uranium mining by the ISL method compared to conventional uranium mining:

- lower cost of mine development;
- shorter construction time;
- lower cost of production;
- reduced environmental impact;
- reduced risk to health and safety.

Uranium mining by the ISR method in Kazakhstan



3.4. Health and Safety

3.4.1. Our approach

Kazatomprom prioritises the health and safety of employees and contractors over production and financial performance. The Company's commitment is reflected in our occupational health and safety (H&S) policy, which emphasises responsibility for safety, a zero-tolerance approach to injuries among employees and contractors, and rigorous risk management practices across all production sites.

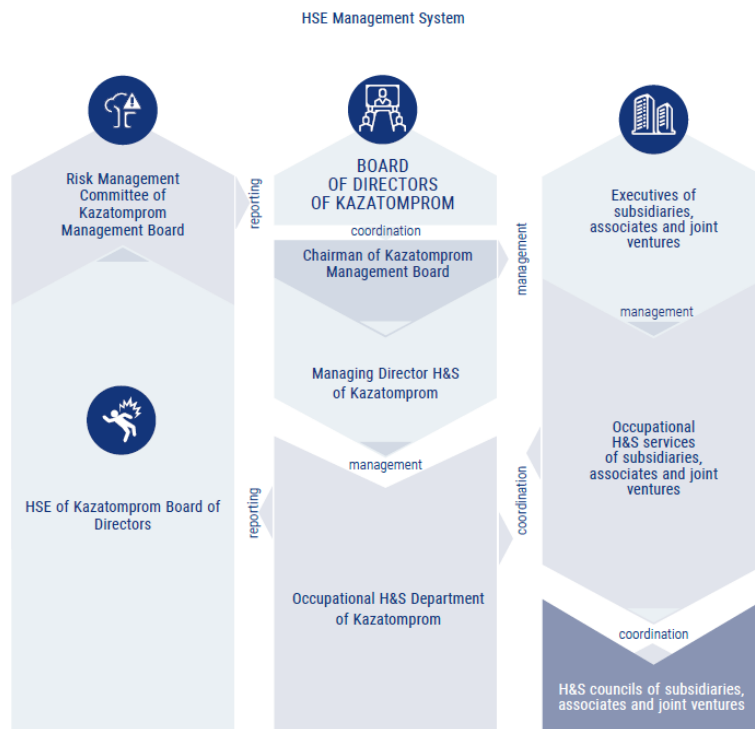
GRI 3-3, GRI 403-1

The main regulatory documents that define the principles and rules of occupational health and safety and fire safety of the Company:

- Occupational Safety and Health Convention (C 155) (International Labour Organization, 1981), Occupational Safety and Health Recommendation (R164) (International Labour Organization, 1981), ISO 45001 Occupational Safety and Health Management System.
- Labour Code of the Republic of Kazakhstan.
- Law of the Republic of Kazakhstan *On Civil Protection*.
- Law of the Republic of Kazakhstan *On the Use of Atomic Energy*.
- Rules for Ensuring Industrial Safety in Geological Exploration, Mining and Processing of Uranium.
- Policy of NAC Kazatomprom JSC in the field of health and safety, environmental protection, radiation and nuclear safety.
- Occupational Health and Safety Code.
- Standard "Unified industrial safety management system".
- Standard "General requirements for the occupational health and safety management system. Guidelines".
- Standard "Requirements for contractors in the field of industrial safety".
- Standard "Organisation of fire safety at Kazatomprom's enterprises".

The Company's H&S principles and rules are binding on all employees and contractors of the Group.

Kazatomprom's HSE management system



The Management Board Chairman conducts regular meetings of the CEOs and executives of subsidiaries and affiliates to discuss the health and safety culture in the Company.

GRI 3-3, 2-13

The Company's enterprises implement regular H&S measures. The Board of Directors and the Risk Management Committee of Kazatomprom Management Board regularly review the results of all H&S measures.

The H&S report is submitted to the Chairman and the Board of Directors for analysis.

The H&S function accountable to the Chairman of the Management Board coordinates efforts to improve the H&S system in the Company, its subsidiaries and affiliates. The H&S Department is responsible for the prevention of violations of H&S standards and rules, fire safety, prompt response to incidents and criticalities, as well as the monitoring, analysis, and control of the H&S risks.

In accordance with Kazatomprom's policy, all occupational H&S functions at subsidiaries and affiliates are subordinate to their CEOs.

Kazatomprom regularly analyses the structure of qualifications and competencies of the H&S units at the Group's subsidiaries and affiliates to improve the H&S efficiency and remain in line with the requirements of national laws and the best world practices.

3.4.1.1. H&S Risk Assessment

GRI 403-2

Kazatomprom views risk management as a key component of its corporate governance system including H&S. The Company takes a holistic approach to preventing industrial injuries and occupational diseases, as well as to identifying, analysing, and minimising industrial risks.

All Kazatomprom's activities are conducted in accordance with the fundamental regulatory and legal H&S documents. The main ones are the Labour Code and the Law of the Republic of Kazakhstan *On Civil Protection*. The Company also adheres to a number of by-laws regulating H&S for various types of activities – mining and processing of uranium, operation of hazardous equipment, e.g. lifting mechanisms and pressure vessels.

The regulatory documents guide the procedures for investigating accidents and incidents at Kazatomprom's companies. The Company timely provides information regarding each lost time accidents in the workplace to the authorised government agencies. In the case of group accidents or accidents with a severe injury, the Company is obliged to conduct a special investigation with the involvement of a governmental H&S inspector as required by the laws of the Republic of Kazakhstan. The Company also conducts internal investigations of all accidents to reveal the causes using the "Why Five" and "Why Tree" methods. The Chairman of the Board and executives regularly review the results of internal investigations. An information bulletin is issued and disseminated to all structural units describing all incidents, traffic accidents, fires, and other emergencies, enabling workers to avoid such situations in the future.

The Company immediately prepares an information bulletin and promptly communicates it to all affiliates when any incident occurs. This information is communicated to employees via e-mail, unscheduled briefings and by posting information on information boards and in conspicuous places.

The Company also keeps an updated register of risks, with occupational injury risks included. To reduce occupational injuries, Kazatomprom develops and implements comprehensive measures to continuously improve the level of H&S, prevent occupational injuries, and achieve the established safety standards.

These actions include:

- Developing measures to prevent the recurrence of accidents.
- Conducting regular inspections of the Group's assets for compliance with H&S regulatory acts.
- Regular informing of subsidiaries and affiliates about the results of industrial injuries analysis and providing proposals for their prevention.
- Holding valid and up-to-date workplace certification, which means audits of working conditions and provision of suitable work-ware and protective equipment to employees of subsidiaries and affiliates.
- Keeping records of potentially unsafe conditions, acts, and near-miss incidents at Kazatomprom companies (Near Miss reporting).
- Introducing the process of terminating unsafe works by employees with STOP Cards.
- Using the tool "Behavioural H&S audit".
- Digitalising HSE management, in particular implementing the e-system for issuing and using work permits.
- Analysing and preventing risks.

Health and safety risks are identified at each production site. A register of identified risks is communicated to employees in that area and is posted in conspicuous places. The registers are regularly reviewed and updated. Identified risks from all production areas are put into an overall register of occupational health and safety risks.

The Company operates a system to identify and record Hazardous Conditions (HC), Hazardous Activities (HA) and Near Miss (NM). All HC, HA and NM are registered in the eCAP information system and accessible to all employees. The registration of HC, HA, and NM does not entail any negative consequences for the employee, on the contrary, it is taken into account in motivational incentives.

The Company also identifies and records hazards that have caused or may cause the risk of severe incidents. The Company identifies the risks of severe incidents resulting from accidents, tripping and falls, and chemical exposure as the most significant.

The Group conducts behavioural H&S audits for all its companies. The main goal is to analyse the behaviour of employees when performing production tasks and to prevent behaviour-related risks.

In 2023, the Company conducted 17,038 behavioural audits with the engagement of the Company's managers and executives of subsidiaries and affiliates to minimise the risk of the human factor.

Constant analysis and monitoring of data show that safety violations, which are often linked to a human factor, is the common threat at any Group company. Kazatomprom provides strict control over compliance with industrial safety rules at workplaces, as well as controls the technical condition of equipment, and the availability of all necessary internal documents, including instructions, procedures, and standards.

Kazatomprom applies a risk-based approach to improve the H&S system. H&S Department developed a register of functional risks, which includes the major occupational H&S hazards and risks associated with the Department's activities. The register of functional risks is reviewed and updated annually. The Company also applies a risk-based approach to planning and conducting inspections/audits. This helps to identify the most dangerous production areas and focus on the major risks, improve quality, and reduce the waste of time resources.

In 2022, Kazatomprom adopted a standard defining the procedure for issuing and using work permits for hazardous operations, as well as a form of a Safe Work Analysis. The latter helps assess existing and potential risks and take measures to mitigate them before work commences. In 2023, the Company began to develop the e-system for issuing and using work permits.

3.4.1.2. HSE performance

The safety and well-being of employees are top priorities for Kazatomprom. The Company implements comprehensive measures and the world's best practices to prevent accidents and incidents. Kazatomprom conducts regular training campaigns to raise the health and safety awareness of its personnel. All these actions are aimed at improving the safety culture throughout the Group and at preventing possible negative consequences.

GRI 403-8

In 2023, the H&S management system covered 100% of the Company's employees, as well as subcontractors' employees.

H&S Golden Rules

- Take leadership – demonstrate commitment
- Identify hazards – control risks
- Define targets – develop programmes
- Keep improving the safe and healthy system – be extremely well-organized
- Ensure safety and health at workplaces, in operation of machines and equipment and handling hazardous substances
- Improve qualifications – develop competence
- Invest in people – motivate by participation

Executives of subsidiaries and affiliates cascade personal H&S commitments to managers at all levels. The Company established special safety information boards to explain personal responsibility and leadership to raise the H&S awareness of the Group's employees in the rotation camps of subsidiaries and affiliates.

The health and safety awareness activities require both a consistent approach and investment.

In 2023, the Company invested KZT 12.47 billion in health and safety. Fire safety investments amounted to KZT 1.3 billion.

The Company takes a responsible approach to health and safety matters, investing heavily in health and safety measures.

The Company has a system for the employee performance appraisal in place. It is based on a list of key performance indicators (KPIs). The health and safety of the Group's employees is one of the key performance indicators. "Improving safety culture" indicator is one of the major H&S KPIs, which includes such mandatory elements as "Lost Time Injury Frequency Rate (LTIFR)," "Number of behavioural safety audits conducted (BSA)," and "Number of non-work related fatalities (NWRP)". This high-level KPI is cascaded to performance indicators for management, employees of the Company and subsidiaries and affiliates. The KPI system covers all employees of the Company from Kazatomprom Board Chairman to an ordinary employee.

To ensure the effective identification and implementation of measures aimed at improving the H&S management system in the Company, Kazatomprom holds an annual corporate meeting on the H&S performance and future plans. The results of the meeting are recorded in minutes along with specific tasks aimed at H&S improvement.

In line with the Unified Occupational Safety Management System, each subsidiary/affiliate has a production control system that helps prevent and eliminate deviations from projects, process regulations, standards, rules and instructions, established work procedures, as well as to prevent emergencies and injuries.

The first level of control is the responsibility of the immediate supervisor of works (foreman, shift supervisor, mechanic, etc.) and should be carried out at least once per shift. The second level of production control is carried out by the head of the subdivision. The third level of production control is carried out by the Production Safety Department of the subsidiary/affiliate with the participation of the head of the subdivision and specialists in their respective areas. The fourth level of production control is carried out by a commission chaired by the CEO of the subsidiary/affiliate. The commission includes managers, line specialists and specialists from the H&S service/departments. The fifth level of production control is carried out by a commission of Kazatomprom's headquarters. The Commission is composed of the Company's top managers, specialists of the Company's areas of expertise and the head or specialists of the occupational safety service.

In 2023, subsidiaries and affiliates carried out scheduled and targeted inspections as part of production control for compliance with the legal acts and internal H&S requirements. In addition, the Company has a practice of peer checks where the subsidiaries and affiliates inspect each other in accordance with an approved schedule of peer checks. This practice improves communication and allows experience sharing between subsidiaries and affiliates.

Competent H&S authorities carry out inspections of the Company's subsidiaries and affiliates in line with the Labour Code and the Entrepreneurial Code of the Republic of Kazakhstan.

In 2023, all production sites and employees of the Company were covered by internal and external audits.

The Company's H&S Management System Corporate Standard is designed to harmonise the H&S management processes. The H&S Management Department continuously monitors the effectiveness of the implemented processes and takes improvement measures.

The H&S Management System Corporate Standard is based on the laws of the Republic of Kazakhstan, the Reference Model for H&S Management of Samruk-Kazyna Portfolio Companies, as well as advanced international standards and practices.

3.4.2. Performance

The Company's Risk Register highlights occupational injuries as one of the key risks. The Group has developed and implemented a list of comprehensive measures to prevent the risk of occupational injury and minimise its consequences.

The analysis of the H&S situation shows that major causes of personal injuries at Kazatomprom's subsidiaries and affiliates, as well as of their contractors, include traffic accidents, handling sulphuric acid, falls and tripping.

3.4.2.1 Occupational injuries and accidents

GRI 3-3, SASB EM-MM-320a.1.

Despite a considerable decrease in the number of occupational accidents, Kazatomprom continues to make every effort to achieving its goal – to reduce the number of accidents to “zero” and ensure accident-free production activities and safe working conditions for employees.

In 2023, four accidents happened at Group companies, resulting in five injuries, one of which was severe and four of which were non-serious.

LTIFR made 0.15 in 2023.

Accidents in 2023

Description	Number of accidents
Tripping and falls	2
Hazardous substances	2

GRI 403-9

The Company carried out thorough investigations of all accidents in accordance with the established procedures, which included a detailed analysis of the circumstances to determine their root causes and develop prevention measures. The investigation process suggested the assessment of all aspects, from technical malfunctions of equipment to the physical and emotional state of employees.

We used the investigation findings to develop a set of measures that were implemented in all companies of the Group in a timely manner.

3.4.2.2 Preventing occupational injuries

GRI 403-9

The Group constantly implements measures aimed at preventing occupational injuries, preventing and minimising risks and hazards.

These include:

- Conducting scheduled and unscheduled safety briefings.
- Organizing meetings of occupational H&S services to analyse the root causes of accidents and develop prevention measures.
- Raising employees' awareness about hazards and risks in the workplace, materialised risks and hazardous conditions, and accident prevention and avoidance measures.
- Employee training and upskilling.
- Identifying near misses and taking corrective measures.
- Conducting behavioural H&S audits.
- Using STOP Cards by employees to stop unsafe work, or refusal by employees to do work if they believe the work cannot be done safely.
- Developing and updating internal regulations (standards and instructions) on occupational safety.
- Carrying out checks at five levels of production control.
- Using Lockout/Tagout.
- Training top management at a bespoke course, *Leadership in Occupational Safety*.
- Conducting regular employee surveys to assess satisfaction with the HSE system.
- Enhancing the motivation by holding an annual Chairman of the Board Award among employees of subsidiaries, affiliates, and jointly controlled organisations of NAC Kazatomprom JSC in the areas of occupational safety, environmental protection, industrial and radiation safety. The number of identified near-misses is among the criteria to select the best employees.

GRI 403-2

In 2020, the Company introduced a stop card tool across all subsidiaries and affiliates to prevent unsafe works. When introducing the stop card procedures, CEOs of the subsidiaries and affiliates addressed all employees to confirm that actions to stop unsafe work would not entail any negative consequences for employees, including no disciplinary sanctions. In 2022, employees registered 357 stop cards.

Furthermore, in order to increase transparency and develop a speak-up culture among the company's employees, a HSE mailbox (HSE@kazatomprom.kz) has been implemented across all facilities. This mailbox accepts questions, requestss, complaints, and suggestions regarding occupational safety from all interested employees.

Video conference meetings are held monthly with the heads of H&S departments of subsidiaries and affiliates to discuss H&S issues, analyse root causes of accidents and prevent the recurrence of incidents. When necessary, the Company updates risk registers. All recommendations and instructions for measures implementation are recorded in protocols. Subsidiaries and affiliated companies provide information to the headquarters on the implementation of measures within the framework of approved reporting.

As required by the Labour Code of the Republic of Kazakhstan, the Company regularly conducts H&S briefings with employees, regardless of their education, work experience in this profession or position. The H&S briefing is carried out by the H&S service or by the authorised person, according to the programme developed by the H&S service. The programme includes the requirements of H&S norms, standards, rules and instructions, as well as the requirements for the safe conduct of production works. In addition, videos with H&S briefings are available to the Group's employees.

GRI 403-2

Measures taken by the Company's subsidiaries and affiliates to improve occupational H&S have prevented industrial accidents (uncontrolled explosions, release of hazardous substances or destruction of buildings).

3.4.3. Occupational disease prevention and health protection

The key goal of Company is to protect employee's life and health. The Company's employees have access to social benefits, including health improvement and spa treatment programmes. In addition, as part of a collective bargaining agreement between the Group and the trade union, the employees can enjoy additional programmes for health rehabilitation and treatment. Kazatomprom has a medical insurance system in place for its employees.

In 2023, 268.7 million tenge was allocated for financing the sanatorium and resort treatment of employees.

Employees of subsidiaries and affiliates are provided with three meals a day as established by the laws of the Republic of Kazakhstan

GRI 403-3

We promote health care services. Based on an audit of health care services, the Company developed a checklist, which includes an exhaustive list of requirements for monitoring compliance with the H&S laws of the Republic of Kazakhstan and the quality of medical services. Health care facilities and services of subsidiaries and affiliates became digital.

929.9 million tenge was allocated for the implementation of industrial medicine activities in 2023.

As part of a trend towards digitalisation, we continued automating pre-shift health checks. Compared to 2022, the technical capacity of mining enterprises almost doubled – from 64% to 100%. All mining enterprises of the Group installed electronic systems for pre-shift health checks.

Mandatory training package by Kazakhstan Nuclear University for employees of subsidiaries and affiliates includes the first aid training. Medical professionals perform practical testing of knowledge acquired by employees.

To detect diseases at early stages, the Company arranges annual medical examinations for production personnel, which take into account harmful and (or) hazardous production factors, professions and jobs.

97% of relevant personnel were covered by annual medical examinations in 2023. No occupational diseases were detected among the Company's personnel. Kazatomprom does not keep records of occupational diseases among employees who are not directly employed by the Company, but whose work and/or workplace is controlled by the Group, which is not against the laws of the Republic of Kazakhstan.

To prevent occupational diseases, the Company ensures operational control and improves working conditions based on the results of workplace certification. Based on the recommendations of the medical commission, employees undergo follow-up examinations, outpatient and inpatient care, screening, health rehabilitation and treatment, and dietary meals. Within the context of social partnership with the Trade Union of Nuclear Industry Workers, employees can access programmes for health rehabilitation and treatment, and fitness clubs.

Medical facilities of subsidiaries and affiliates have a common infrastructure and are equipped with the necessary equipment for medical care. All subsidiaries and affiliates have medical posts in place equipped with defibrillators, ECG and other devices, equipment and materials to administer medical aid to employees. Medical facilities have a sufficient number of staff and ambulance vehicles. A total of 155 medical staff at subsidiaries and affiliates, including 33 doctors and 106 paramedics, work in 63 medical facilities, including doctor's and paramedic stations, first-aid posts, and medical inspection rooms. There are 17 ambulance vehicles for emergency and urgent care and medical evacuation.

3.4.4. Promoting the H&S culture

GRI 403-1, 403-4

All staff of the Group's enterprises are actively engaged in the H&S management, which allows the Company to achieve a high level of health and safety in a workplace. To interact effectively with employees on health and safety, special operational safety boards have been established at the Group's operations, as required by the Labour Code of the Republic of Kazakhstan. The boards comprise representatives of the employer, employees, and technical H&S inspectors.

The boards ensure regular monitoring of compliance with H&S regulations. Inspections are carried out by technical H&S inspectors. The findings of inspections and follow-up decisions are binding on both the employer and employees of the Group's companies.

As part of the implementation of Kazatomprom's Development Strategy 2018-2028, the Company conducted works aimed at improving the H&S system. In particular, the Company took the following actions in 2023:

- The Company got TÜV International Certification (Germany) for compliance with ISO 45001 and ISO 14001.
- Works were carried out to improve environmental and social stability in the regions of Kazatomprom operations within the framework of the ESAP Roadmap.
- Kazatomprom's H&S Improvement Plan for 2023 and Samruk-Kazyna H&S Plan for 2023 were implemented.
- H&S month campaign was held.
- Internal trainers held H&S Culture training for the Company's production personnel. 15,699 employees participated.
- Incident Investigation training was held for executives of subsidiaries and affiliates.
- The HSE Club is a forum to share information and knowledge and develop measures to improve the H&S management system at the Group companies.

All these measures in 2023 helped improve health and safety culture of the Group's employees and will help avoid incidents in the future.

To promote the safety culture and leadership among managers at all levels in the Company, Kazatomprom developed and implemented the *Leadership in the H&S Culture* e-course in 2020. As part of the advanced H&S training system, the Company organises special training for managers and employees of subsidiaries and affiliates to help improve their H&S competences, identify potentially dangerous situations (near-misses), unsafe acts and conditions, as well as conduct behavioural safety audits. Also, the Company organises special mandatory H&S courses.

In 2023, 20,716 employees in the Company have passed the safety culture training.

GRI 403-5 SASB EM-MM-320a.1.

Kazatomprom conducts HSE trainings sessions for employees on a regular basis. The courses can be divided into mandatory and optional. Training courses on compliance with the requirements of the laws of the Republic of Kazakhstan regulating H&S, radiation, nuclear safety, etc. are mandatory, while training courses on safety culture, leadership, and responsibility in HSE matters are optional. These courses are based on a review of the Company's occupational safety performance and contribute to improving safety culture and introducing best global practices.

The Group engages experts and organisations for the training process. The experts hold all necessary licenses, attestations, certificates and other permits required by the Law of the Republic of Kazakhstan *On Permits and Notifications*.

The Company has the HSE Club as a forum to share information and knowledge and develop measures to improve the H&S management system in the Group.

Knowledge tests and exams are used to control the effectiveness of the training programme and courses.

3.4.5. Managing the health and safety of contractors

GRI 403-7

Kazatomprom ensures compliance with industrial safety standards by monitoring its employees and contractors. Contractors' occupational safety activities are regulated by the Standard "Unified Occupational Safety Management System", Section 10.3 "Contractor Management".

The Company's occupational safety management system covers 100% of Kazatomprom's employees, as well as non-employees whose work and/or workplace is controlled by the Company.

In 2022, we revised the information coverage and methodology for the calculation of accident rates for employees who are not full-time employees but whose work and/or workplace is controlled by the Company, and started recording accidents among employees of the Company's contractors.

In 2023, the Company's contractors recorded no accidents.

Kazatomprom sets safety standards that are binding on all contractors and suppliers of goods and services. The Company assesses contractors for their compliance with H&S requirements before signing contracts. The risk analysis and H&S training planning also take into account the accident incidence rate at contractors. The results are then to be approved by the H&S Department. The H&S Department and services conduct safety audits on a regular basis. The H&S services keep records and investigate all accidents that have occurred at contracting organisations. On a quarterly basis, the H&S services provide reports on contractors' activities to assess the H&S level. Contractors that have long-term contracts must register incidents and Near Misses. The Company organises H&S training courses

for employees of contractors as well as invites authorised representatives of contractors to participate in the H&S meetings.

The Company's H&S Department carries out audits and inspections of contractors to ensure compliance with the requirements of the Company's H&S management system. The Company's contractor management system is also audited as part of a certification audit for compliance with the requirements of ISO 45001 and 14001.

3.4.6. Nuclear safety

EM-MM-150a.10

To ensure nuclear safety, the Group's enterprises handling nuclear materials monitor compliance with the respective technical regulations, instructions, rules, and nuclear safety requirements for handling nuclear materials.

The Group's enterprises that have nuclear installations include Ulba Metallurgical Plant JSC and Ulba FA LLP.

Kazatomprom monitors the nuclear safety performance at nuclear-hazardous sites and conducts an inventory of nuclear materials in a timely manner to ensure the nuclear safety of the Group's companies.

In 2023, the Chief Physicist's Services (CFS) of Ulba Metallurgical Plant JSC and Ulba FA LLP implemented the following actions:

- nuclear safety knowledge testing for specialists of the finished product warehouse, uranium production (UP), the IAEA LEU warehouse, and auxiliary services of Ulba Metallurgical Plant, as well as the employees of fuel pellets and fuel assemblies shop and the fuel assemblies shop at Ulba FA LLP;
- inspections of nuclear safety level at Ulba Metallurgical Plant JSC and Ulba FA LLP;
- emergency response training of staff and services in case of an alarm signalling about a self-sustained nuclear chain reaction in all nuclear hazardous areas of Ulba Metallurgical Plant JSC and Ulba FA LLP.

The absence of accidents and incidents throughout the reporting year proves the effectiveness of these measures.

The Committee of Atomic and Energy Supervision and Control of the Ministry of Energy of the Republic of Kazakhstan monitors the Company's compliance with its international non-proliferation obligations. No violations were detected in 2023.

Under the IAEA Safeguards Agreement between the Republic of Kazakhstan and the IAEA, additional IAEA accesses and inspections were carried out at the mines of 6 uranium production subsidiaries (Ulba Metallurgical Plant and Ulba FA LLP). The results revealed no undeclared activities and nuclear materials.

In May 2023, representatives of Nuclear Material Accounting and Control unit took part in the IAEA International Symposium on Uranium Raw Material for the Nuclear Fuel Cycle: Innovation for Sustaining Future Resources and Productions at the headquarters of International Atomic Energy Agency (IAEA) in Vienna, Austria. In September 2023, they also joined the 67th Regular Session of the IAEA General Conference at the IAEA headquarters in Vienna, Austria.

3.4.7. Radiation safety

KAP 3

In 2022, Kazatomprom provided regular monitoring of the radiation situation at workplaces, in premises, production sites, and areas with controlled level of radiation. All radiation indicators are within standard limits and have not changed since 2022.

In 2023, the Company did not register any radiation accidents or incidents at its enterprises. The annual dose of ionising radiation exposure did not exceed the reference values.

The average radiation exposure for staff was 1.40 mSv/year in 2023, including natural radiation sources. The radiation from the natural background sources ranged from 0.69 to 1.22 mSv/year.

The maximum annual effective dose for personnel at the Group's enterprises was 4.86 mSv/year, which is 24.3% of the permitted dose limit, which is 20 mSv/year.

The average radiation exposure for staff of contracting organizations employed at the Group's enterprises and engaged in decontamination of overalls, cleaning of production facilities and preparation of shipping packaging kits with finished products was 0.66 mSv/year.

To improve radiation safety and protect personnel, Kazatomprom takes the following radiation safety improvement measures:

- conducting repair works on the premises and upgrading equipment;
- upgrading and modernising technological equipment;
- removing low-level radioactive waste to disposal sites;
- repairing and purchasing radiation control equipment;
- providing radiation safety training for employees;
- conducting the certification of responsible persons by the authorised state agency responsible for the use of atomic energy.

3.4.8. Emergency preparedness and response

KAP 2, SASB EM-MM-320a.1.

The Company conducts regular drills and trainings to maintain emergency preparedness among its personnel. To develop emergency skills and actions of employees, fire-fighting training courses and drills take place annually, with the safe evacuation of staff from the Company's buildings. The involvement of representatives from authorised state agencies is mandatory.

In 2023, we conducted internal fire safety audits at all Company's sites and ensured emergency preparedness among contractors.

To raise awareness among employees and minimise risks of fire, the Company held its first fire safety month.

In November 2023, a certified competent organisation conducted a scheduled inspection and evaluation of the individual fire risk of the Company's headquarters for compliance with the requirements of the Fire Safety Regulations of the Republic of Kazakhstan. The results of the inspection showed that no fire safety violations or fire hazards to people's lives were detected. The building of the Company was in compliance with the requirements of the ISO 14001:2015 and ISO 45001:2018 standards in the field of fire safety.

In 2023, 8,500 employees completed fire safety basics course. 8,000 employees participated in 411 drills, including large-scale drills with the involvement of state agencies and representatives of the Samruk-Kazyna Fund.

3.5. Human resources management

3.5.1. Management approach

GRI 3-3

Attracting and retaining qualified personnel is one of the Company's priorities. We strive to create a work and leisure environment that meets high standards. Kazatomprom offers competitive salaries, provides opportunities for professional growth and fosters an open dialogue with employees, especially during periods of instability.

Our corporate culture focuses on mutual trust, respect, openness and integrity, as well as continuous professional development. We continuously improve our training and mentoring programmes that help employees be more successful in their work, adapt faster to the corporate environment and improve their professional skills. Kazatomprom guarantees access to educational resources for all employees, regardless of their area of expertise, place of work, and geographical location.

The Company prioritises employee well-being and satisfaction. We provide opportunities to raise questions and concerns through our confidential internal communications system.

The Company adheres to the principles of business ethics articulated in the Code of Ethics and is strictly committed to non-discrimination and non-harassment. Kazatomprom seeks to create a culture of equal opportunities and socio-cultural diversity. Our comprehensive programmes incorporate training, mentoring and active engagement within the Company.

The Company's HR management activities are regulated by Kazatomprom HR Policy 2023-2028. The document provides for the introduction of inclusion practices and diversity, creation of a psychologically safe environment and sense of belonging for all employees.

We are also governed by the Labour Laws of Kazakhstan, international standards and a set of internal documents:

- the Remuneration Policy;
- the Rules for the Selection and Recruitment of Personnel;
- the Collective Bargaining Agreement;
- the Code of Ethics and Compliance;
- the Principles of the Corporate Social Responsibility Policy.

GRI 2-13

The Board of Directors approves and monitors the achievement of strategic HR goals. The Company's HR Department and Social Work Department are responsible for the effectiveness of the HR policy, as well as day-to-day activities with personnel. HR services at the enterprise level ensure direct on-site coordination and operational management.

3.5.2. Headcount and staff turnover

At the end of 2023, Kazatomprom's average staff number (including joint ventures and associates) amounted to 21,554 people. This number does not include employees hired under independent contractor agreements and outstaffing contracts. The total headcount of the Group's personnel increased by 4% year on year compared to 2022. This is due to the increase in production volumes of certain subsidiaries and affiliates and staff recruitment for project needs. The headcount at the end of the period equals to the number of employees on the payroll of the Company's subsidiaries and affiliates as of 31 December 2023.

GRI 401-1, 2-7, SASB EM-MM-000.B

Kazatomprom's total headcount, 2023, employees

Indicator	2023
Average staff number at the end of the reporting period	21,554
Total headcount (staff members, independent contractor agreements, outstaffing contracts)	22,564

We value long-term relationships with our employees. The majority are employed under long-term contracts (> 90%), with around 10% of employees employed under fixed-term contracts.

GRI 2-8

The most common type of contractual relationship among non-employees of the Company is and independent contractor agreement and an outstaffing contract. The total number of personnel who are not employees of the Company, but controlled by NAC Kazatomprom JSC is 1,010 people. Workers hired under a civil law agreement and an outstaffing agreement are hired to perform project or seasonal work. The increase in the number of personnel who are not employees of the Company in comparison with 2022 is due to an increase in project activities, as well as the need to perform one-time work.

The most common type of contractual relationship among non-employees of the Company is and independent contractor agreement and an outstaffing contract.

GRI 401-1

In 2023, the Group employed 4,386 people, of which 77% work in South Kazakhstan (including Shymkent). Kazatomprom has no policy of preferential hiring of local employees. The candidates are selected on their merits: education, qualifications, and professional qualities of applicants.

In 2023, the Group's total staff turnover was 15.8%. Compared to 2022, this indicator grew by 1%. In 2023, voluntary turnover rate was 7.9%, with the target indicator of up to 14%.

GRI 2-7, 2-8, SASB EM-MM-000.B

Kazatomprom's average headcount by form of employment, 2021-2023, persons

Indicator	2021	2022	2023
Long-term contract	19,122	18,350	19,371
males	15,696	15,183	16,188
females	3,426	3,167	3,183
Fixed-term contract	1,521	2,463	2,183
males	1,246	2,011	1,664
females	275	452	519
Full-time employment	20,627	20,799	21,541
males	16,931	17,186	17,841
females	3,696	3,613	3,700
Part-time employment	16	14	13
males	11	8	10
females	5	6	3
Under independent contractor agreements	388	744	777
males	263	449	594
females	125	295	183
Outstaffing contracts	0	125	233
males	0	102	180
females	0	23	53

3.5.3. Diversity and inclusion

GRI 405-2

An important part of our corporate culture is ensuring inclusion and equal rights, as well as non-discrimination. We attract and develop the most talented employees, regardless of gender, nationality, age, religion, social status, physical and mental abilities, work experience and education. This approach aligns with UN SDGs 3, 4, 8, 9, 10, 11 to improve the quality of life and well-being of people of all ages, provide inclusive and equitable education, create lifelong learning opportunities, and achieve gender equality and ensuring decent working conditions for everyone without exception.

Kazatomprom recognises and values the diversity of employees' views and cultural values. The Company does not tolerate any form of discrimination, including discrimination based on race, gender, religion, disability, or political beliefs. When making job announcements and selecting candidates, experience and qualification requirements are clearly defined to eliminate any bias in the recruitment process. The remuneration depends solely on the candidate's skills and qualifications.

Kazatomprom carefully monitors possible discrimination cases through feedback channels, including the hotline, where employees can raise anonymous questions or complaints.

Inclusive environment

GRI 405-1

Kazatomprom provides jobs for people with disabilities. In 2023, the Group employed 191 persons with disabilities (including 12 people in administrative staff and 179 people in production staff), an increase of 8 persons compared to 2022. The share of employees with disabilities in 2023 was 0.8% of the average employees.

Average number of employees with disabilities, 2021-2023, persons

	2021	2022	2023
	153	183	191

Gender breakdown

Due to the nature of the Company's production operations, the share of males in the total headcount is larger. Kazatomprom follows the principle of gender equality and engages women in administrative and technical positions. In 2023, the share of females was 17.2%.

Kazatomprom's average headcount by gender, 2021-2023, persons

Indicator	2021	2022	2023
Males	16,942	17,194	17,851
Females	3,701	3,619	3,703

As part of promoting gender equality, developing leadership potential among females and training future female leaders, the Company plans to gradually increase the share of females in the management bodies of the Company and its affiliates and subsidiaries (boards of directors, supervisory boards and executive bodies) to at least 30% by 2030. It was 26% in late 2023.

Workforce age diversity

Kazatomprom prohibits age-based discrimination. The Company employs people of different age groups, including people over 50 years old. In 2023, this age group accounted for 27.2%. The average age of employees was 40 years.

GRI 405-1

Kazatomprom's average headcount by age, 2021-2023, persons

Indicator	2021	2022	2023
Under 30	2,799	2,830	3078
From 30 to 50	12,034	12,219	12,608
Over 50	5,810	5,764	5,868
Average workforce age, years	40	40	40

3.5.4. Motivation and remuneration

GRI 202-3

Kazatomprom seeks to ensure decent and timely pay for its employees and applies transparent approaches to material remuneration, striving to maintain wages at a high competitive level in the labour market and in the industry.

The Company has a remuneration system that complies with national legislation and defines minimum wages, working hours and overtime pay.

In accordance with the HR Management Corporate Standard of Samruk-Kazyna JSC, the reference wage market for employees of the Company's subsidiaries and affiliates is the general industrial market of the Republic of Kazakhstan, and the level of wages tends to its median.

GRI 2-20

The Model Rules for Remuneration and Approach to Remuneration of Employees of NAC Kazatomprom JSC, approved by the Company's Management Board, set the Company's procedure for remuneration. Each Group's entity further approves its own remuneration rules, taking into account the management specifics (based on the Standard Remuneration Rules). The management bodies of all Kazatomprom subsidiaries and affiliates voted unanimously in favour of adopting the remuneration rules created on the basis of the Company's Model Remuneration Rules. Third-party consultants do not participate in making decisions on remuneration of the Company's employees.

The average monthly salary of Kazatomprom's production personnel increased by 21% and amounted to KZT 547,867.

In 2023, 15,240 people or 71% of the Company's headcount passed the official performance appraisal.

GRI 405-2

Kazatomprom pays special attention to analysing the ratio of remuneration for females and males. Due to the industrial nature of the business, which often requires physical labour, most employees are male. Nevertheless, we do not tolerate any form of discrimination with regard to recruitment, remuneration, performance appraisal and career development for females. The ratio of basic remuneration between males and females is 1:1.

According to the Labour Code of the Republic of Kazakhstan, the remuneration system should ensure that the share of basic wages is not less than 75% of employees' wages, excluding one-time incentives. Kazatomprom has a fixed (basic) part of wages of 75% or more, and a variable part of 25% or less.

Internal Company's regulations do not set any benefits when employees are employed or dismissed.

In accordance with the Labour Code of the Republic of Kazakhstan, the employer shall make mandatory occupational pension contributions at the rate of 5% to employees defined by the list of industries, jobs, professions occupied in hazardous working environment.

Kazatomprom's payroll fund, KZT

Indicator	2021	2022	2023
Average monthly wage of production personnel	314,653	454,648	547,867
Payroll fund, KZT million	71,484	99,395	129,846

We have analysed differences in the Group's total employee remuneration. The analysis showed that in 2023, the average income of female production personnel was 8% lower than that of males, while the pay gap for males and females in the Group was 6% in favour of females.

Long-term and short-term staff motivation

The rewards paid to employees for meeting planned targets, and strategic and operational goals of the Group, as well as for suggesting innovative ideas, high professionalism, and a responsible attitude to work are the key components of the financial incentives system, which fuels motivation of personnel.

Additional incentives include:

- financial assistance for annual leave to support the health of personnel;
- additional payments for concurrent employment and mentoring allowances set by the Group's management;
- additional payments to employees living in an environmental disaster zone, depending on the region of residence, in accordance with Kazakh law;
- additional payments to production staff if they work in harmful or dangerous working conditions as prescribed by the laws of the Republic of Kazakhstan.

3.5.5. Staff development and training

GRI 3-3

Staff training and development is one of the key Company's priorities under the Corporate Culture Transformation and Development Programme. Kazatomprom proactively implements the best and most effective educational practices in the areas of operational efficiency, occupational safety, human rights, labour protection and career guidance. The Company runs programmes to develop leadership competencies and trains mentors and internal coaches. Annually, employees of the Company's enterprises undergo compulsory and professional training.

Education level of Kazatomprom's personnel, 2021-2023, %

Indicator	2021	2022	2023
Higher	43.81	44.69	45.1
Secondary vocational	33.49	34.32	33.31
Basic vocational	3.26	3.33	6
Secondary	19.42	17.67	15.39
Basic	0.02	0.02	0.02

The Company has a Comprehensive Training Programme 2019-2023, which is aimed at systematising the processes of training, retraining and advanced training of employees. The Programme includes such elements as:

- training at universities and colleges;
- advanced training;
- retention and transfer of knowledge.

The training is conducted on the site of Kazakhstan Nuclear University with the involvement of internal experts and external providers.

Kazatomprom invests a significant number of resources in the training and development of its personnel. In 2023, Kazatomprom invested KZT 2.9 million in employee advanced training.

In 2023, the total annual number of training hours reached 38,775 man-hours.

Training is based on the principle of selflearning, according to which 70% of training takes place at work, 20% of skills are acquired by employees through mentoring and coaching programmes, and 10% through training courses and other educational programmes.

The HR Department is responsible for supporting managers in training employees, organising the training process and choosing educational programmes, as well as educational service providers.

In 2023, the Company continued the implementation of the Talimger Project, which aims to develop a mentoring culture, within the framework of 3 projects proposed by employees of subsidiaries and affiliates. The projects are: *Automated Calculation of Mining and Development Operations Repayment* (JV Akbastau JSC), *Gaining Business Negotiation Skills. Effective Presentation. Independent and*

Responsible Decisions when Working with Customers (Volkovgeologia JSC), and *Optimising Performance of Submersible Pumps. Frequency Converter Automation* (Baiken-U LLP).

Kazatomprom also develops mentoring through various programmes and areas. The Izbasar programme has a standing pool of engaged mentors. As part of a subsequent rotation, new mentors are also welcome. The Company and its subsidiaries and affiliates have an established mentorship system for young professionals, trainees and interns.

3.5.5.1. Training effectiveness evaluation

Kazatomprom has introduced a procedure for evaluating the professional, personal, and business as well as managerial qualities of employees by analysing their common and individual performance. The evaluation and analysis procedure determines the training needs of employees and their future career opportunities. Based on the analysis, we draw up a development plan or corrective measures for the employee, change the remuneration, and promote/demote the employee

Upon completion of training, an assessment of the completed training is carried out by filling out questionnaires by the trainees. After 3 months, the assessment of the completed training is done by the head of the trained employee.

3.5.5.2. Training programmes

GRI 404-2

The Company pays close attention to improving the practical and professional skills of employees due to the constantly tightening requirements for their qualifications. Kazatomprom develops and implements advanced training programmes in various professional areas, including mandatory training in accordance with the legislation of the Republic of Kazakhstan.

All training programmes of the Company are aimed at improving managerial and personal and business competencies of managers, talents (successors), forming effective management teams, unlocking internal potential, improving cross-functional interaction, as well as applying the acquired skills in the working environment and achieving better results.

In 2023, the Company continued its Leadership Development Programme.

Kazakh and international service providers with experience in leadership development, management competencies, as well as tools to measure compliance with the ESG principles, and team management were engaged.

The training programmes were aimed at improving the managerial and personal and business skills of managers and their successors, forming effective management teams, developing internal potential, improving cross-functional interaction, as well as applying the acquired skills in the working environment and achieving better results.

In 2023, managers at all levels attended a number of training events based on their development areas. Each training sought to develop Kazatomprom's corporate competencies and values.

In 2023, the Company held about 18 workshops, training and strategy sessions, covering 100% of managers at CEO-1 and CEO-2 levels.

In 2023, in partnership with ALMAU University, the Company approved and launched the *Development Programme for Directors of Departments*. The programme comprised 5 modules on soft skills development. Managers who completed all modules of the programme received diplomas from the University.

In August 2023, Kazatomprom launched the Mine Director Development Programme and the Club of Heads of Production Facilities. The Mine Director Development Programme focuses on the following three levels: enhancing basic management competencies and skills; deep understanding of

communication processes; self-management through mindset expansion, energy management, and gaining resilience in tense conflict situations.

256 persons have completed the Programme. The total number of training hours reached 12,515 hours.

In 2023, Company's employees traditionally held 15 master classes. Master classes were recorded, posted on the Group's corporate portal, and are currently available to all employees. Such a format provides for the use of videos as additional training materials featuring unique knowledge and best practices.

3.5.5.3. Talent pool

In 2012, the Company introduced a management succession programme for Kazatomprom, aimed at identifying candidates from among the Group's employees with high potential and a desire to improve their professional qualities and career growth to ensure continuity in the Company's management system.

During the programme, a mentor is assigned to every successor, who is responsible for employee development, progress monitoring and support in the course of the implementation of their ideas. The pool of successors is defined based on the results of employee performance appraisal. Pool owners – the Chairman of the Management Board and functional area managers – are the main contributors to the development of the succession programme.

In 2023, 7 successors from among the management and functional pools of successors were appointed, which accounts for 47% of the total number of appointments to key positions. To ensure effective mentor sessions with successors, mentors were trained and learnt feedback skills.

On an annual basis, the headquarters review the number of appointments to positions from the successor pool.

3.5.5.4. Cooperation with educational institutions

The Company and its subsidiaries and affiliates prioritise their contribution to the development of future skilled personnel, as well as education through training at universities and colleges. Kazatomprom cooperates with Kazakh universities and colleges, as well as foreign educational institutions, in the nuclear industry specialities.

Such universities and colleges include: Kazakh National Research Technical University named after K.I. Satpayev, East Kazakhstan Technical University named after D. Serikbayev, South Kazakhstan University named after M. Auezov, Karaganda State University, Ust-Kamenogorsk Multidisciplinary Technological College, South Kazakhstan Polytechnic College, Geological Exploration College and others. The Company also co-operates with Russian universities: National Research Tomsk Polytechnic University (TPU), National Research Nuclear University MEPhI (MEPhI), and others.

The Group's employees are trained at the expense of the Company. Individuals who are not employed with Kazatomprom and its subsidiaries and affiliates are trained at the expense of subsoil users. As of the end of 2023, 632 people were enrolled in industry-specific specialties, of which 95 were employees of Kazatomprom, its subsidiaries and affiliates, and 537 individuals were not employed by Kazatomprom. In 2023, the Company spent KZT 484,284.9 million on training specialists in universities and colleges, of which KZT 329,060.1 allocated for training individuals not employed by the Company and its subsidiaries and affiliates.

In 2023, 236 students of technical specialities from Satbayev University, from among the socially vulnerable population, received funding in the total amount of KZT 283,166.9 under the licence and contract terms of the Company's subsidiaries, as part of annual total expenses and cooperation with Satbayev University.

In 2023, Kazatomprom launched one of the major social projects, Murager, designed to provide academic grants. The programme focuses on supporting university applicants, college graduates and

entry-level students from local communities where the Company operates. Kazatomprom's goal is to contribute to the development of the regions and increase the level of education of the local population, promote technical specialties with further employment opportunities at the company's enterprises.

Programme participants are eligible to receive a 1-year tuition-free academic grant to study priority technical specialties in Kazakh technical colleges and universities. Upon successful completion of the first year, the grant is extended for the next academic year. The academic grant competition is also open to socially vulnerable groups. 34 academic grants for a total of KZT 14.5 million were awarded under the programme.

3.5.6. Staff welfare

GRI 401-2

Kazatomprom fosters social support measures aimed at continuously improving working conditions and the quality of life for its personnel regardless of the form of employment. Social policy is one of the key pillars of Kazatomprom's stable operation and sustainable development. The Company ensures a comfortable working environment and provides additional guarantees and benefits that provide high social protection for employees. These initiatives are aimed at improving the quality of life of employees. The Company implements a set of measures as part of its corporate well-being programme, aimed at ensuring social stability, creating a favourable moral and psychological environment within teams, improving social and labour conditions, and enhancing safety.

The core principles of Company's social policy comprise:

- taking care of employees – physical, financial, mental and social welfare;
- improving working conditions – improving the working environment and the production process;
- ensuring comfortable social and living conditions of employees aimed at health care and safety of workers;
- enhancing staff motivation and creating a favourable psychological climate in the team: recognition programmes (corporate awards, professional skills competitions, “Best Employee of the Year” for employees of the headquarters, and “Zhyly Kyzmetkeri” aimed at raising the prestige of blue-collar jobs and engineers), financial support for employees with many children, development programmes and much more.

The country's leading industrial company continuously improves its approaches to social security and HR management policies.

Kazatomprom's social support costs by area, 2023, KZT bn

Area	Level of investment
Health care	2.4
Food	4.6

In 2023, the Company organised a number of events aimed at self-fulfilment in social functions and supporting the social welfare of employees: Kazatomprom Marathon, Spartakiada, In the Rhythm of a Healthy Heart, Donor Day, eco projects, social volunteering projects, and corporate events and contests.

Social programmes were launched aiming at ensuring financial welfare, particularly, improving employees' financial literacy and knowledge leading to smart financial decisions. The Company carries out activities aimed at increasing employees' knowledge of personal finance management and financial instruments. One of the subsidiaries has introduced a concessional lending programme as part of a pilot project.

3.5.6.1. Employee support

Company's Collective Bargaining Agreement focuses on support to certain categories of employees: single parents, families with many children, parents of children with disabilities, and non-working

pensioners upon retirement. The Group companies have a unified approach to full-time and part-time employees.

As part of social security, single parents and mothers of three or more children under 12 are granted additional leave. Families with many children and families with disabled children under 18 receive financial assistance.

In 2023, maternity/paternity leave was granted to 347 employees, where 64 are men and 283 are women.

The Company provides medical care and additional financial assistance on special occasions and holidays for non-working pensioners, upon termination of employment due to retirement or disability.

3.5.6.2. Health care and welfare of employees

GRI 202-3, 403-6

One of the key Kazatomprom priorities is the health and welfare of its employees. The Company has elaborated and implemented various programmes aimed at supporting physical and mental health, as well as improving the financial, social, and professional welfare of employees.

Kazatomprom strives to help each employee develop his or her own conscious attitude to the well-being and acquire the skills necessary to lead a healthy and happy life both at and out of work.

The Company works consistently to improve physical welfare and form healthy habits to enhance the quality of life, improve health and increase productivity.

In 2023, the Company approved⁷² one corporate program Health Protection 360° for 2023-2027. The Programme aims to improve the health of employees as the basis of corporate social culture to ensure sustainable economic activities of NAC Kazatomprom JSC in the long term.

The Programme is implemented by means of the following tasks:

- improving disease prevention and management;
- building employees' commitment to a healthy lifestyle;
- improving the efficiency of the available resources used.

Programmes implemented in 2023:

- voluntary health insurance for employees and family members. 1.17 billion tenge was allocated to finance voluntary health insurance programs;
- surveys of satisfaction with the quality of services provided within the framework of voluntary health insurance were conducted during the year;
- mandatory annual preventive medical examination with an extended screening programme;
- technical equipment for automation of medical check-ups. All mining enterprises have an electronic system of pre-shift medical check-ups;
- first aid trainings for personnel of hazardous production facilities;
- specific prevention of acute respiratory viral infections during the season epidemic;
- establishment and development of a medical community to achieve the objectives of health protection and occupational medicine. During 14 working meetings, the group addressed 36 important issues on health protection and occupational medicine;
- community health awareness campaign on the Telegram channel with posters about healthy habits, compulsory social health insurance and voluntary health insurance, specific prevention, flu vaccination, prevention of heat-related problems, healthy lifestyle and sports;
- campaign "In the Rhythm of a Healthy Heart", Healthy Days with device tests, webinar on managing the biological age of the heart.

3.5.7. Trade unions and human rights

⁷² Approved by the Board of NAC Kazatomprom JSC on 08 June 2023.

Kazatomprom adheres to the policy that does not restrict the employees' rights to join public organisations that represent their interests. The Group's staff can engage in any social, political, educational or charitable activity, as long as this engagement does not affect the performance of official duties and does not harm society.

Nuclear Industry Workers Trade Union ensures Kazatomprom's reliable partnership in complying with labour legislation and actively participates in protecting the interests of employees. As of the end of 2023, 13,347 employees of the Group's enterprises are members of the Trade Union, a 1% decrease compared to 2022.

Collective bargaining agreements are concluded to regulate labour relations and ensure social protection of employees. As part of collective bargaining agreements and fulfilment of commitments, the Trade Union is allocated funds on an annual basis for events among the Company's employees, medical care, social assistance, cultural, sports and recreational activities and the purchase of vouchers for sanatoriums and children's camps.

Trade union support costs, KZT million

	2021	2022	2023
	684.9	843.8	938.3

3.5.7.1. Collective Bargaining Agreement

GRI 2-30, SASB EM-MM-310a.1.

The Collective Bargaining Agreement is key to protecting labour rights, economic, and social guarantees of employees, as well as regulating labour relations and effective dialogue between the Company and employees. The Collective Bargaining Agreement is developed for a three-year period and is subject to regular updates.

94% of Kazatomprom employees signed collective bargaining agreements, which demonstrates the broad coverage in the organisation.

GRI 402-1

An important element of the Collective Bargaining Agreement of Kazatomprom is the obligation to notify employees in advance about significant changes in working conditions no later than one month prior to the proposed changes and in some cases fifteen calendar days.

The provisions of the Collective Bargaining Agreement also regulate recruitment, maintenance of corporate culture and relations with employees. In accordance with the Collective Bargaining Agreements, Kazatomprom provides social support for personnel aimed at continuous improvement of working conditions and the quality of life of employees.

3.5.7.2. Approach to human rights observance

GRI 2-23

Human rights protection, social partnership, mutual respect, mutual trust, and prevention of any discrimination are the main principles in relations between the Company and its employees.

Responsibility for managing issues relating to the Company's Human Rights Policy rests with the Office of Ombudsman and Compliance Service.

Kazatomprom's corporate practices are based on recognised international human rights standards and initiatives:

- the Universal Declaration of Human Rights;
- the International Covenant on Civil and Political Rights;
- the International Covenant on Economic, Social and Cultural Rights;

- the UN Guiding Principles on Business and Human Rights;
- the ILO Declaration on Fundamental Principles and Rights at Work;
- the UN Declaration on the Rights of Indigenous Peoples;
- the UN Voluntary Principles on Security and Human Rights;
- the UN Global Compact.

To consolidate and enforce our commitment, Kazatomprom developed and approved the Human Rights Policy in 2022⁷³. The Policy applies to all divisions of the Company and is binding on all employees of the Company. The Company's subsidiaries, affiliates and jointly controlled entities are recommended to develop and approve a similar internal document in accordance with the established procedure. The document was developed based on international human rights standards (the Universal Declaration of Human Rights, the UN Global Compact Principles, etc.) and includes the most material human rights issues, as well as issues on diagnosing the moral and ethical environment in the team.

The Human Rights Policy is published on the corporate website and internal resources of the Company and is accessible to a wide range of stakeholders. In addition, employees of the Holding were introduced to the provisions of this document during sustainability development workshops.

GRI 408-1

Relying on the principles of respect for human rights, Kazatomprom engages those partners and counterparties that comply with the law and the Group's standards of corporate and business ethics. The Company maintains long-term partnerships only with suppliers who share and comply with the Group's ethical principles, do not tolerate corruption, respect human rights, and care about occupational health and safety. Kazatomprom is strongly opposed to the use of child labour.

GRI 406-1, 409-1, 411-1

In 2023, no cases of discrimination or other human rights violations were recorded in the Company. There are also no cases of forced or compulsory labour or violations of the rights of indigenous and minority peoples.

Kazatomprom requires compliance with the law and its own corporate standards on occupational safety from its suppliers and contractors. All agreements and contracts of NAC Kazatomprom JSC include provisions on the observance of human rights in accordance with the Company's Code of Suppliers and Contractors.

Kazatomprom has an Ombudsman Service ensuring:

- monitoring of human rights compliance within the Company;
- employees' awareness and comprehension of the Code of Ethics and Compliance;
- individual meetings with employees at the enterprises regarding personal matters.

Compliance with human rights and international human rights standards is also monitored by the Company's Compliance Service and trade union organisation. In the event of a rights violation, employees may contact the Company through all feedback channels.

3.5.8. Corporate culture and internal communications

Production efficiency and achievement of the Company's strategic development goals are due to the Company's focus on the formation of a strong corporate culture. Core values such as safety, responsibility, professionalism, development and teamwork are actively promoted within the team.

All Company employees understand and share the corporate values, define themselves as part of the team and contribute personally to the common cause.

⁷³ Approved by the Board of Directors of NAC Kazatomprom JSC on 16 June 2022.

An important element of the corporate culture, aimed at maintaining the Company's corporate values, is social volunteering, which brings employees together and promotes staff involvement in the formation of a positive internal atmosphere and the image of Kazatomprom as a socially responsible Company.

In 2023, employees of the Company and subsidiaries and affiliates continued implementing large-scale volunteering projects. They are aimed at support for vulnerable groups and veterans, education of high school students located in the regions where the Company operates, and environmental campaigns.

Internal communication plays an important role in the development of corporate culture, aimed at organising effective interaction between employees, resolving conflicts, and building employee commitment and loyalty. Corporate internal portal and corporate media such as the daily digest, the company newsletter, and the QazAtomNews corporate magazine are used as information channels.

To develop effective communications, in 2023, the Company launched a messenger with more than 4,000 subscribers from among the Company's employees. The Telegram channel serves as a first-hand information source for employees.

3.5.8.1. Events for employees

Kazatomprom is interested not only in the professional development of employees but also in the realisation of their personal potential. Corporate sports and cultural events help to increase the activity, motivation and involvement of employees in Company's life.

In 2023, Kazatomprom held large-scale corporate events to showcase the Company's achievements and strengthen corporate spirit:

- Women's Leadership Week.
- National sports competitions – Nomad time Kazatomprom.
- Young Professionals Forum and Hackathon.
- Extended Town Hall "Sustainable Development of the Uranium Mining Industry of Kazakhstan" XXII Sports and Athletic Competition among enterprises in the industry.
- Kazatomprom Marathon.
- Kazatomprom's wits and humour competition.

To support employees' families, the Company organised special events such as "Shine Talent – Kids" and a summer educational camp for children of employees of subsidiaries and affiliates.

Summer educational camp for children of employees of subsidiaries and affiliates

To provide social support to employees' families and increase children's interest in the nuclear industry, the IQanat High School of Burabay hosted an educational summer camp for 100 high-school children of employees of subsidiaries and affiliates from 17 to 28 July 2023.

The Company received 490 applications. To ensure transparent selection, a proctoring online test was held. The test comprised 45 questions on the history of Kazakhstan, mathematics, geography, English and Kazatomprom's activities. 100 applicants who scored the best results were enrolled in the programme.

During 10 days, the children were trained not only in languages, programming, financial literacy, mobilography and SMM, but also in leadership skills. The camp also held career guidance sessions.

Upon project completion, programme participants and their parents shared positive feedback.

3.5.8.2. Internal communications and interaction

GRI 2-26

The Company has an effective system of internal communications, which ensures several feedback channels.

The main channel of communication is the Company's Internet resource, kazatomprom.kz. The website provides external stakeholders with the opportunity to leave a written inquiry or complaint and, if necessary, to contact the hotline by phone.

The Company supports the development of a feedback culture by:

- conducting feedback surveys;
- conducting exit interviews;
- developing a corporate portal.

The Group's enterprises monitor and analyse inquiries, providing quarterly reports to Kazatomprom's headquarters. Based on the analysis results for each inquiry, we follow up on the elimination of violations and make appropriate recommendations.

Kazatomprom's internal communications system is the main tool to ensure that employees are timely informed about current events in the Group and helps maintain a positive atmosphere in the team.

The Company uses an online and offline format to hold major organisational events for employees (meetings, management meetings with the team, and teambuilding events).

There is a functioning Kazatomprom RHYTHM programme, which informs employees about the Company's projects.

Employee awareness of the current situation and important events for the industry is maintained via e-mail – regular newsletters and addresses on behalf of management, as well as the corporate QazAtomNews e-magazine.

3.5.8.3. Employee satisfaction and engagement

Kazatomprom's programmes and initiatives dedicated to corporate culture development, improvement of social and labour conditions, safety improvement, material remuneration, motivation and engagement of employees are implemented in accordance with the developed plans and supported by all employees of the Company.

The annual positive performance appraisals are confirmed by regular surveys on the level of social stability. In 2023, the Centre for Social Interaction and Communications (PE) conducted research to determine the level of social stability "Samruk Research Service" (SRS) at 21 enterprises of Kazatomprom Group. The SRS is determined based on employee appraisals and their perception of the index components. The SRS includes three components:

- Engagement Rate: the level of satisfaction with working conditions and occupational safety, relationships and communications in the Company, and the level of employee loyalty.
- Social Wellbeing Rate: captures employee sentiment, determined by external factors and the social environment.
- Social Tranquility Rate: reflects the level of social tension in the team, assessment of the potential for protest and the motives of hypothetical readiness for protests.

According to 2023 survey results, the Group's social stability level reached 74%, favourable level. Compared to the 2022 results, the level of social stability has decreased by 2%. Compared to the results of the first half of 2023, has improved by 4%. As part of this research, the engagement rate is also determined, which amounted to 84% (favourable level).

In order to take a systematic approach to development issues and improve the level of social stability, Kazatomprom implements a set of measures which contribute to improving the level of social stability, prevention of labour conflicts and protest sentiments. Based on the effectively implemented measures, confirmed by Samruk Research Service survey results, during 2024 the Company will continue to implement systematic measures to develop corporate culture, and improve social and labour conditions, safety, material remuneration, motivation and personnel engagement. Kazatomprom aims to ensure a favourable level of social stability and employee engagement, but not below 70%.

3.5.9. Plans for 2024 and a short term

In 2024, we will continue employee support programmes, maintain and develop HR potential and maintain the level of employee engagement, including through measures to develop the employer brand.

The Company plans to continue efforts to improve the efficiency of the remuneration and financial incentives system, automate HR management processes, implement management succession and leadership development programmes, streamline remuneration, and take measures seeking to improve working conditions.

In accordance with the Company's priorities, we are set to deepen cooperation with trade unions representing the social partnership, amend collective bargaining agreements, maintain social stability, develop a culture of negotiation, and improve internal communications.

To increase employee satisfaction, the Company aims to improve social and living conditions in 2024 in accordance with the Corporate Standard of Industrial Relations of Samruk-Kazyna JSC and legal entities where 50+ percent of voting shares (equity interests) are directly or indirectly owned by Samruk-Kazyna JSC.

3.6. Support for local communities

3.6.1. Management approach

GRI 3-3

The Company's main social commitment is to support and develop the regions where it operates. Kazatomprom creates jobs, pays taxes and operates social and economic partnerships in local communities. The Company's stakeholder engagement helps maintain a strong public image.

Kazatomprom's social programmes are aimed at tackling current social problems, improving the living standards of the local communities and bolstering economic growth. The Group is committed to the principle of social investment transparency and liaises with stakeholders at all stages of the Company's projects.

Chief HR and Occupational Safety Officer is responsible for the external social policy and interaction with local communities.

In 2022, the Company consistently implemented measures aimed at ensuring long-term productive relations with the regions where it operates and strengthening its image as a socially responsible business.

In 2023, Kazatomprom transferred KZT 2,264 billion as part of its commitments under subsoil use contracts for socio-economic and infrastructure development to the budgets of the regions where it operates.

Kazatomprom makes a significant contribution to the well-being and socio-economic development of the regions of operations by:

- generating significant tax revenues for regional budgets;
- making payments to regional budgets under subsoil use contracts;
- providing jobs to the local population.

Key indicators of Kazatomprom's economic contribution to the development of regions of operations

Indicator	2021	2022	2023
Taxes and duties paid, KZT billion	153.0	221.4	290.9
Dividends paid, KZT billion	150.1	227.4	201

Average monthly salary of Kazatomprom employees, KZT/month	370,894	510,154	602,622
Ratio of average monthly salary of Kazatomprom employees to average salary in the Republic of Kazakhstan	1.5	1.5	1.7
Kazatomprom's social expenses, KZT million	3,451	3,285	4,861
Share of social expenses in revenue, %	0.5	0.5	0.5

3.6.1.1 Sponsorship and philanthropy

GRI 413-1

To support local communities, subsidiaries and affiliates can implement philanthropic initiatives independently. Subsidiaries and affiliates widely participate in charity events and cultural activities in the regions where they operate. In particular, they help children from orphanages and large families and provide support to improve local public services and public amenities. They also participate in environmental campaigns, clean-ups, public events, and festivities.

In addition, subsidiaries and affiliates implement community development programmes as part of the Company's philanthropic and sponsorship activities. These programmes are based on the requests of the local communities and vulnerable groups, through the engagement of the Akimats, the Council of Elders, if any, and volunteers. The Company operates a hotline that receives queries, including requests from external stakeholders.

3.6.2. Social investments

GRI 202-3

The Company's enterprises annually implement socially significant projects aimed at the socio-economic and infrastructural development of the regions where the Company operates, including improving the quality of life of employees of Kazatomprom, as well as their family members.

In 2023, the Company launched a number of socially significant projects, including financial support for the construction of a culture and recreation centre, construction of children's playgrounds and sports grounds, purchase of educational equipment, improvement of settlements, financial assistance to socially vulnerable groups by purchasing coal, food, school supplies, New Year gifts, and other socially significant initiatives.

As of the end of 2023, we allocated KZT 580 million for the implementation of socially significant projects.

GRI 413-1, 203-1, SASB EM-MM-210b.1

Investment in external social programmes, 2022, KZT million

Area	Level of investment
Regional social infrastructure development	115.6
Sports support	113.8
Culture support	109.7
Health care support	9.9
Philanthropy	231.3

Social infrastructure development

Identification of key problems in the regions of operation and assistance in their solution and the development of social infrastructure are also among the priorities of Kazatomprom's external social strategy.

Throughout 2023, JV Katco LLP, ME ORTALYK LLP, and Kazatomprom-SaUran LLP implemented projects to improve street lighting, pedestrian paths roads, landscaping and repair of alleys in the settlements in the Sozak district of Turkestan Region. A total of KZT 115.6 million was channelled into these projects.

Education support

In 2023, the Company organised SANA Leadership Development Information Camp for high school students in the regions of Kazatomprom's operations. The camp seeks to develop personal competencies, leadership skills, and emotional intelligence through training and awareness-raising activities as part of the students' career guidance. It promotes technical professions in production areas and builds confidence in Kazatomprom's HR brand among local residents.

In 2023, the camp took place in the settlements of Sholakorgan, Kyzymshek, Tasty settlements in Turkestan Region, and in Shieli settlement of Kyzylorda Region. The project covered 440 pupils from:

- Nazir Torekulov IT School-Lyceum.
- Lande Bokenov School.
- Abay Secondary School.
- Sh. Ualikhanov School-Lyceum No.127.
- School Gymnasium №45 "AK Orda".

Health care projects

The initiatives seek to support and improve healthcare institutions, as well as medical check-ups of children suffering from nervous disorders.

JV Katco LLP sponsored a project to renovate a health care centre in the Shu settlement of Turkestan region.

Sports support

The Company's enterprises seek to support the development of sport as an important area of social projects. JV KATCO LLP and Baiken-U LLP allocated KZT 113.8 million for the construction of sports and playgrounds, a basketball court and a street workout area, as well as organisation of a chess school in the regions where the Company operates.

Culture support

The culture support projects cover settlements in Kyzylorda and Turkestan Regions. Baiken-U LLP supported the construction of Khorsan Ata local history museum in the Zhanakorgan District of Kyzylorda Region. As part of contractual obligations for subsoil use, JV Budenovskoye LLP targeted financial assistance for the construction of a 75-seat culture and recreation centre in the Sozak District of Turkestan Region. We spent a total of KZT 109.7 million on this area.

Philanthropy

The Company provides targeted assistance to those in need, supports socially important projects and promotes the involvement of employees and active residents to solve social problems in the regions where it operates.

We rolled out a number of socially significant projects in 2023, including financial assistance to socially vulnerable groups: coal purchases, food aid, school supplies, New Year presents, as well as a number of other socially significant initiatives.

Kazatomprom also pays great attention to supporting war veterans and retired former employees. To mark Victory Day, our enterprises held events to honour veterans of the Great Patriotic War and home front workers: presenting gifts and providing necessary assistance.

We spent a total of KZT 231.3 million on this area.

3.6.3. Plans for 2024 and a short term

The following social projects are scheduled for 2024:

- The Igiliik social project focused on socio-economic and infrastructural development, solving social problems in the regions where the Company operates, and improving working conditions at the Company's production facilities based on the initiatives and proposals submitted by employees of the Company, subsidiaries and affiliates, local governments, local communities and CSOs.
- Construction and repair of social infrastructure facilities, construction of children's and sports grounds.
- Assistance to socially vulnerable groups (war veterans, pensioners, large families, etc.)
- Community events in villages where the Company operates.

3.7. Supply chain

3.7.1. Management approach

GRI 3-3, 2-6

NAC Kazatomprom JSC is a national Kazakh operator and a global leader of natural uranium mining industry. Kazatomprom's business and the vast geography of its operations requires efficient, timely, and complete provision of the necessary resources, combined with the best procurement terms and conditions.

Responsible procurements contribute to the development of mutually beneficial partnerships, increase the efficiency of interaction with suppliers and contractors, as well as improve control and transparency of procurement activities within the supply chain.

The Group's main procurement priorities:

- enhancing the transparency of processes via automation and digitalisation;
- optimising the procurement management structure at the Company, subsidiaries and affiliates;
- developing the category management and strategies in procurement.

The Procurement Department headed by the Managing Director for Procurement and General Affairs is responsible for procurements. The department is making efforts to maximise the business value ensuring quality, timeliness, safety, efficiency, and risk mitigation. To this end, Kazatomprom keeps expanding the professional competencies of the Procurement Department employees and applying new technological solutions.

In procurements, Kazatomprom follows the Procedures for Procurement by Sovereign Wealth Fund Samruk-Kazyna JSC and legal entities where 50+ percent of voting shares (equity interests) are directly or indirectly owned by Samruk-Kazyna JSC (ownership or trust management⁷⁴).

Procurement processes to meet the needs of the Company are regulated within the framework of the established rules, which are strictly observed. Procurement processes are automated in the zakup.sk.kz system. Competitive procurement is preferred, with strict compliance with the principles of publicity and transparency. In addition, with government support, we make preferences for domestic producers and work to support import substitution and the development of new production facilities.

Under the Procurement Procedure, long-term mutually beneficial cooperation has been established with the key suppliers of strategically important goods for the Company, and all supply chains, logistics and storage systems have been streamlined to ensure continuous production. All requirements for responsible business conduct are reflected in the contracts and are strictly followed by both suppliers and the Company.

3.7.2. Summary of Kazatomprom's procurements

The total procurements under the Procurement Plans for the Company's Group reached KZT 339.6 billion.

⁷⁴ Approved by Resolution No.193 of the Board of Directors of Samruk-Kazyna JSC of 3 March 2022.

The Company concluded contracts amounting to a total of KZT 314.3 billion. At the same time, the procurement targets were met 92.5%.

Single source procurements made KZT 106.4 billion or 33.8% of the total procurements.

Procurements under the Invitation to Tender/Request for Quotation (ITT/RFQ) arrangements made KZT 207.9 billion or 66% of the total procurements.

To increase the share of competitive purchases, the Company interacts with potential suppliers to clarify the terms and conditions of registration and submission of tender documents, and eliminates excessive requirements for suppliers and administrative costs that do not affect the production process.

Additionally, to improve the procurement process in line with international best practices, in 2023 the Company developed an ESG supplier questionnaire on quality management system, environment, supply chain security, occupational health and safety, etc. Kazatomprom's Standard Procurement Contract for Goods, Works and Services obliges suppliers to complete the ESG questionnaire. Based on the results of questionnaires, the Company plans internal analyses of the suppliers' ESG practices development.

3.7.3. Planned and actual benefits of category procurements (category procurement management)

In 2023, the Company implemented three procurement category strategies in accordance with the Procurement Plan 2023.

In 2023, category procurement strategies reached KZT 14.5 billion across the Group.

By implementing the procurement category strategies, the Company achieved actual benefits of KZT 2.57 billion.

Category strategies of the Company in 2023:

- Pipes.
- IT equipment.
- Protective clothing.

3.7.4. Support of local suppliers

GRI 202-3, 204-1

To comply with the public policy, NAC Kazatomprom JSC supports local suppliers.

In 2023, the Company continued controlling the procurements of goods produced by domestic producers in the light, furniture, food industries, as well as in the production of construction, engineering, chemical and pulp and paper products from manufacturers listed on the Samruk-Kazyna's Register.

EST procurements accounted for 72% of the total procurements under the EST List in accordance with the established indicators in procurement (report as of 21 February 2024).

50 off-take contracts concluded under the Programme for Facilitation of Creation of New Production in the reporting period amounted to KZT 1.2 billion.

The Central Project Office engaging the Company's subsidiaries and affiliates continues its work at the platform of Samruk-Kazyna Contract LLP to support domestic producers. The platform is used to conclude off-take contracts with producers. In addition, works are underway to search for new domestic producers adapted to the needs of the industry.

In 2023, we changed the local content calculation methodology to distinguish between indicators for goods and works/services.

In 2023, we reached the following indicators⁷⁵ for:

- the local content in goods – 60%.
- the local content in works and services – 91%.

In 2023, we also observed a decline in the local content in goods due to a shortage of sulphuric acid supply from local producers.

Suppliers by region

Region	Share, %	Number of suppliers
Almaty	36%	765
Astana	25%	365
East Kazakhstan region	7%	367
Turkestan region	6%	393
South Kazakhstan region	6%	137
Kyzylorda region	5%	228
Non-residents	1%	55
Other regions	13%	768

In 2023, the share of local suppliers was 98%. The share of goods, works and services purchased from local suppliers is 99%.

Suppliers by scale	Share, %	Procurement amount, KZT
Small (up to KZT 1 billion)	29	92,399,811,563.82
Medium (up to KZT 5 billion)	21	67,468,400,009.83
Large (over KZT 5 billion)	49	154,427,533,256.33
Total	100	314,295,744,829.98

3.7.5. Plans for 2024 and a short term:

- Continue optimising procurement processes and developing procurement automation;
- Continue implementing initiatives for proper separation of duties and access control within the framework of SAP implementation as the Group's ERP system.

Information, analyses and data are for subsidiaries and affiliates where 50+ percent of voting shares (equity interests) are directly or indirectly owned by Samruk-Kazyna JSC (ownership or trust management).

⁷⁵ As of 23 January 2024.

3.8. Science and Innovations

3.8.1. Managing R&D and innovations

R&D and innovations play a key role in achieving Kazatomprom's strategic goals of maintaining production output, increasing operational efficiency and minimising negative environmental footprint.

The following companies make a key contribution to the implementation of strategic tasks on R&D and innovation management aimed at increasing the value and scientific component of Kazakhstan's uranium products:

- Volkovgeologia JSC: geology, geotechnology and mining and preparation operations, repair and restoration works of wells and associated extraction of rare metals and rare earth metals at uranium deposits;
- High Technology Institute LLP: research and design works related to the mining and processing of uranium;
- Ulba Metallurgical Plant JSC: advanced technologies of the nuclear fuel cycle (NFC), production and processing of rare metals (RM) and rare-earth metals (REM);
- NAC Kazatomprom JSC: intellectual property commercialisation, scientific personnel training and technology transfer.

The Department of Scientific and Technological Projects of NAC Kazatomprom JSC is responsible for the general coordination of R&D activities, as well as for the management and commercialisation of intellectual property.

Scientific and technological development:

- Updated Standard Organisation of Research and Development Activities;
- Approved Standard Organisation and Management of Intellectual Activity;
- Updated Standard Guidelines for Lean Production and Rationalisation Activities of NAC Kazatomprom JSC;
- Approved the Programme of scientific and technological development in the field of RM and REM, creation of new types of products and improvement of technologies for associated extraction of useful valuable components at Kazatomprom's enterprises to organise high-tech production for 2022-2029;
- Approved the Action Plan for the transcontinental project to obtain medical radioisotopes (^{225}Ac , ^{131}I , ^{226}Ra , etc);
- In 2023, 64 R&D contracts were concluded for a total amount of KZT 6.839 billion, excluding VAT;
- Filed 30 intellectual property applications, including 2 PCT international patent applications.
- Obtained 22 titles of protection.

Results in 2023

- Within the framework of the priority areas of scientific and technological work, the Group held 17 meetings of Scientific and Technical Councils.
- The Kazatomprom's Expert Commission on Intellectual Property held 6 meetings.
- The Company held 2 meetings of the Platform (on the basis of JV Inkai LLP and Baiken-U LLP) to review the status of R&D performed and the results of R&D performed by Kazatomprom's subsidiaries and affiliates.

The Company and its subsidiaries and affiliates have 422 employees engaged in R&D activities. The Company has a research and design institute (High Technology Institute LLP), as well as research and production units of the enterprises (Ulba Metallurgical Plant JSC, Volkovgeologiya JSC).

KZT 1.372 billion, VAT excluding, was the total amount of R&D contracts concluded in 2023 by Kazatomprom and its subsidiaries and affiliates, of which 24 contracts were signed by subsidiaries and affiliates (KZT 1.332 billion) and 1 contract by Kazatomprom (KZT 0.040 billion). Also in 2023, the Company worked on 39 contracts transferred from previous years (total of KZT 5.467 billion).

The Company utilized KZT 2.623 billion in 2023, including KZT 0.151 billion under contracts of Kazatomprom and KZT 2.472 billion under contracts of subsidiaries and affiliates.

To commercialise the R&D results, Kazatomprom signed three contracts in 2023 to grant the right to use its inventions:

- Recovery of a chemical concentrate of natural uranium between Kazatomprom and JV Southern Mining and Chemical Company LLP
- Mobile unit for chemical treatment of process wells between Kazatomprom and Baiken-U LLP
- Recovery of a chemical concentrate of natural uranium between Kazatomprom and Karatau LLP

In addition, work on commercialisation of NAC Kazatomprom JSC's intellectual property continues on an ongoing basis.

Negotiations are also underway to sign licence agreements between NAC Kazatomprom JSC and its subsidiaries and affiliates (APPAK LLP and Baiken-U LLP) on granting the right to use the invention "Method for obtaining natural uranium concentrate".

Scientific developments

Almost all R&D projects of the Group seek to improve and upgrade production. Several major R&D projects were implemented in 2023:

Projects	Description
Development of a software product for managing downhole pumping equipment	<p>This innovation helps manage several submersible well pumps in a simultaneous individual manner by developing software for controlling a multi-channel control panel. Intellectual property has been formalised.</p> <p>We carried out field tests at the Central Mynkuduk mine of ME ORTALYK LLP. Field tests confirmed the operability of the technical solution for individual managing submersible well pumps and solving the following tasks:</p> <ul style="list-style-type: none"> • Individual controlling submersible well pumps in parallel through a single multi-channel pump control cabinet; • Setting technological parameters for all well pumps simultaneously; • Increasing the efficiency of the technological process control; • Optimisation of mining preparation works at technological blocks. <p>We plan to replicate the development at mining enterprises.</p>
Development of a technology for retrieving casing pipes with minimal defects from spent process wells and development of proposals for their further use	<p>As part of R&D implementation we will develop a technical solution, device, extraction methodology and ways to reuse pipes from boreholes in uranium mine conditions.</p> <p>In 2023, we manufactured technical means to extract casing pipes and developed the decontamination solution composition. We carried out field tests on casing pipes extraction, experimental work on pipe decontamination and radiological analysis of pipes. The work will continue until 2024.</p>

Development and production of a prototype, a new generation unified modular drilling unit for uranium deposits, with the possibility of hybrid flushing and automated online system for transferring data of technological parameters	<p>The purpose of the work is to develop a new unified drilling rig with the selection of the most suitable technical characteristics of equipment, mechanisms and components for designing a drilling rig.</p> <p>In 2023, we developed design and technical documentation and drawings to make a prototype drilling rig and manufactured individual drilling rig components. The works will continue till 2025.</p>
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The Science and Technology Projects Department initiated a number of R&D projects on rare and rare-earth metals:

Exploratory studies on the application of nanofiltration method in the associated extraction of scandium from uranium sorption mother liquors	<p>The purpose of the work is exploratory research aimed at determining the possibility of reducing costs when obtaining scandium concentrates from uranium sorption mother liquors (USM liquors) or from pre-treated USM liquors using nanofiltration equipment.</p> <p>To date, we continue searching for alternative technologies to obtain scandium from USM and options for continuing work in this area.</p>
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Assessment of the possibility of obtaining vanadium from sorption mother liquors during uranium mining at the Zarechnoye deposit	<p>The purpose of this work is to select a technology and assess the profitability of associated extraction of vanadium and other valuable components from sorption mother liquors during uranium mine development by in-situ leaching.</p> <p>To date, we continue searching for alternative technologies to extract vanadium from sorption mother liquors during uranium mining and options for continuing work in this area.</p>
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Assessment of resource potential, development and testing of technology for extraction of gold and associated valuable metals from spent and operating blocks of uranium deposits	<p>This project is divided into 2 works aimed at assessing the potential of gold, scandium, germanium, REM and associated valuable components resources and justifying the choice of technology for extraction of gold and associated valuable components from spent uranium blocks at the Semizbay deposit.</p> <p>The use of the developed technology will make it possible to obtain an additional product in the form of concentrate of gold, platinum group metals and REM from mothballed process wells.</p>
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Development of a technology for utilisation of spent ion exchange resins at subsidiaries and affiliates with associated extraction of valuable components, in particular, RMs and REMs	<p>The R&D main goal is to reduce the volume of low radioactive waste generated by destroyed ionite by 3-5 times with associated extraction of residual uranium and other valuable components.</p> <p>In 2023, we selected the optimum temperatures and modes of deep drying, modernised the furnace and carried out pilot tests on a prototype furnace model.</p>
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In 2023, we continued working on several studies aimed at improving the environmental safety of operations:

<p>Conducting comprehensive environmental and social research for sustainable development (GRI standards)</p>	<p>The results obtained make it possible to make a transition to risk-oriented management in the areas of environmental and social sustainability of production activities, as well as, based on long-term observations and operational control, to dynamically assess the impact of production processes on the state of ecosystems.</p> <p>The results of the project implementation in the medium and long term (up to 20 years) will allow minimising the costs of uranium mining enterprises to eliminate the consequences of production activities, reduce environmental costs in general by reducing emergency situations and environmental and social risks, increase the level of interaction and establish a constructive dialogue with state bodies in the field of environmental protection and local executive authorities and the population.</p> <p>In 2023, we monitored the state of environmental objects on the territory of the mining allotment, adjacent territories, reference sites and in settlements, as well as assessed the state of biodiversity at production facilities and adjacent territories. This work started in 2022 and will continue until 2024.</p>
<p>Conducting research to optimise the processes of handling production and consumption waste at the enterprise in accordance with the Environmental Code of the Republic of Kazakhstan and GRI standards</p>	<p>The project will develop technologies for waste reuse and recycling, as well as improve waste management systems, which will reduce the level of waste generation by 15% and increase the level of waste reuse by 20% within 5 years after the project implementation. The R&D implementation will become a tool to achieve carbon neutrality. The carbon footprint of waste management will be determined; recommendations will be developed to reduce greenhouse gas emissions by 10%.</p> <p>In 2023, we analysed existing effective technologies for re-processing and recycling of production and consumption waste, assessed their reuse at the enterprise and selected optimal technologies for their handling, taking into account the extractive production specifics. This work started in 2022 and will continue until 2024.</p>

In 2023, work began on joint R&D projects between NAC Kazatomprom JSC and Orano Mining in the following areas:

- Geology and exploration;
- PES deposits;
- Uranium reprocessing;
- Environment.

Also in 2023, the RM and RSM Science and Technology Development Programme worked on the technological design of a mobile unit to obtain ammonium perrenate, aimed at the production of a mobile unit to obtain an ammonium perrenate of technical purity (Re at least 60 per cent), the development of a hardware and technology scheme and the conduct of tests on a mobile installation, using uranium ion exchange resin as a source of ironing, and the development of technological regulations for the extraction of rubber on a mobile plant and the design and design of a mobile plant; a mobile installation to obtain an ammonium perrenate of technical purity was constructed and launched; work on the development of an experimental batch of ammonium perrenate was planned in 2024.

Innovations

The Group activates the innovative activity of its employees through mechanisms for submitting, processing, evaluating, and reviewing innovation proposals. An additional incentive for innovations is an annual contest of innovations held among subsidiaries and affiliates.

Results in 2023:

- The Group's employees submitted 2,843 innovation proposals, of which 2,406 were accepted and 1,668 were implemented. KZT 2.54 billion is the expected economic effect of the implemented proposals.

Plans for 2024 and a short term:

Pursuing a new approach to R&D management, the Group will take the following actions in 2024:

- Updating the internal regulatory documents to raise 1% of funds from subsoil users for science.
- Revising the composition of scientific and technical councils.
- Continuing R&D coordination (initiation of new R&D, realisation and implementation of R&D results) through a platform for the presentation of completed research projects.
- Enhancing S&T cooperation with the scientific environment (science centres, universities, etc.).

The Company will also continue improving the competencies of subsidiaries and affiliates' employees involved in R&D. This will contribute to the improvement of the quality of R&D as part of the implementation of R&D licence terms and conditions.

3.8.2. Digitalisation and IT

In the context of implementation of the strategic task "Digitalisation and transformation" to achieve the strategic goal "Apply best practices in business activities" of the Development Strategy of NAC Kazatomprom JSC for 2018-2028, the Company continued standardisation and optimisation of business processes, including the creation of a single vertical integrated IT infrastructure.

Key IT and digitalisation projects

Project	Purpose/Effect
Improving the efficiency of operations and decision-making	
Unified Corporate Data Warehouse and Integration Bus	<p>To collect, process and analyse data on the Company's operation, we are implementing a project to create a corporate data warehouse and integration bus. The Company implements the project on the principles of centralised collection, processing and storage of data on all aspects of its operation.</p> <p>Currently, we have completed 3 out of 4 phases of the project. Within Phase 4, we are carrying out pilot tests jointly with structural subdivisions. The Company has scheduled to complete the project in 2024.</p>
IT architecture development	
Providing Kazatomprom's mine workers with quality 4G mobile communication services	<p>Kazatomprom together with its subsidiary KAP Technology is working to provide employees at production facilities and in camps with access to high-speed mobile internet.</p> <p>In 2022, the first two mines Central Moyinkum (Kazatomprom-SaUran LLP) and Central Mynkuduk (ME ORTALYK LLP) have mobile coverage for internet access. In 2023, we connected 4 more subsidiaries and affiliates. Thanks to this, employees have access to modern 4G: now, while at the mine, they can also use high-speed internet, banking applications, be closer to their families through video communication, learn new knowledge through online training, and receive all services available in cities.</p> <p>In 2024, we plan to continue the positive experience of co-operation with mobile operators and provide employees at other mines and production facilities with quality access to mobile communications and high-speed internet access.</p>

Information security

Transformation of business processes offers companies new perspectives for real-time decision-making, which drives productivity, flexibility and industry dynamism. However, it also reinforces the need for information security, cyber resilience and continuity of information systems.

To guarantee an adequate level of protection against cyber threats, Kazatomprom continuously monitors compliance with information security standards and strives to improve its information security management system in accordance with the laws of the Republic of Kazakhstan and international standards ISO/IEC 27001.

In accordance with the Action Plan for the creation of a Comprehensive Information Security Management System, as part of the strategic task "Digitalisation and Transformation" and to achieve the strategic objective "Use of Best Practices in Business" under the Development Strategy of NAC Kazatomprom JSC for 2018-2028, we continue working on the project "Cyber Security Development". The Company monitors and responds to information security incidents around the clock and actively cooperates with the Information Security Operations Centre and the National Information Security Coordination Centre. To raise awareness and prevent cyber threats, the Group regularly organises online training for employees, cyber-attack drills and special briefings.

In 2023, we registered and prevented a significant number of information security incidents in NAC Kazatomprom JSC and its subsidiaries and affiliates, as well as jointly controlled enterprises, and work is underway to prevent property and reputational damage to the Company.

To increase the awareness of personnel in the field of information security, as well as to inform about changes in internal documents regulating information security requirements, the Company introduced an information system that allows for interactive online training for employees of the Company and its subsidiaries and affiliates. In 2023, we conducted training for all employees of NAC Kazatomprom JSC and all subsidiaries and affiliates.

We were implementing initiatives to improve cyber hygiene and digital security under information security co-operation arrangements. There is also active participation in forums and events aimed at discussing digitalisation processes in the nuclear industry and strategies for the development of information technology and information security systems.

Plans for information security development in 2024

Kazatomprom will continue to monitor compliance with information security requirements in all existing and developing IT systems as well as arrange initiatives to strengthen cybersecurity, awareness of information security issues and protection of confidential information.

In addition, the Company intends to:

- Continue to improve and replicate the processes of the comprehensive information security management system in accordance with the Information Security Strategy of NAC Kazatomprom JSC for 2019-2028.
- Continue the implementation of the Cybersecurity Implementation and Development project.
- Continue the implementation of the Information Security Management System Improvement Plan for 2024.
- Continue the automation of Information Security Management System (ISMS).
- Develop a unified approach to ensuring the information security of automated control systems of subsidiaries and affiliates based on the results of pilot projects of information security systems in automated control systems.
- Continue IS-related cooperation with GTS JSC and Information Security Committee of the Ministry of Digital Development, Innovations, and Aerospace Industry of Kazakhstan.

4. CORPORATE GOVERNANCE

4.1. Corporate governance system

The Company's corporate governance system seeks to ensure proper management and control, growth of long-term value, and sustainable development. Corporate governance rests on three pillars: efficiency, effectiveness, and transparency. The Company continues improving its corporate governance system, ensuring the rights of shareholders and all stakeholders.

Principles	Objectives
Protection of shareholders' rights and interests	Maintain effective long-term relationships with shareholders and stakeholders and Increase operation transparency
Effective management of the Company and the effective operation of the Board of Directors and the Management Board	Confirm the Company's commitment to good corporate governance standards, ensuring the effective composition of the Board of Directors and the Management Board, which will ensure effective management of the Company (HR issues, pool of candidates for the Board of Directors and independent members)
Transparency and objectivity of operations	Ensure transparent governance
Lawfulness and ethics	Improve corporate governance
Effective dividend policy	Respect shareholders' rights
Effective HR policy	
Occupational health and safety	
Environment	
Settlement of corporate conflicts and conflicts of interest	
Responsibility	

Kazatomprom's key corporate governance policies

Document name	Effective date of the latest version
Charter	25 May 2023 ⁷⁶
Regulations on the General Meeting of Shareholders	27 May 2022
Regulations on the Board of Directors	27 May 2022
Regulations on the Management Board	26 June 2019
Regulations on Committees	30 April 2019
Corporate Governance Code	27 May 2015
Management policy for Kazatomprom's subsidiaries and affiliates	18 July 2023

⁷⁶ As amended and supplemented by decisions of the General Meetings of Shareholders dd. 19 May 2019, 20 May 2021 and 25 May 2023.

Kazatomprom's corporate governance structure
GRI 2-9



4.2. Corporate Governance Code

The Corporate Governance Code of the Company has been developed in accordance with the laws of the Republic of Kazakhstan, internal documents of Samruk-Kazyna JSC, and the Transformation Programme of Samruk-Kazyna JSC. The Code takes into account the corporate governance practices

adopted in Kazakhstan and globally and sets out the principles lying at the core of the Company's corporate governance system.

Kazatomprom states that its corporate governance system complies with the key listing rules of major stock exchanges and the basic corporate governance principles recognised by the global economic community (e.g., the OECD Principles of Corporate Governance).

Taking into account the approval of the Samruk-Kazyna JSC Code of Corporate Governance in new wording by the Republic of Kazakhstan Government's Resolution No.590 dated 23.07.2023, the Company plans to update its Code of Corporate Governance.

4.2.1. Compliance with the Corporate Governance Code

In line with the Corporate Governance Code, the Office of the Corporate Secretary analysed compliance with the principles and provisions of the Code across the Company in 2023. According to its findings, 89.5% of the provisions of the Code were fully complied with, 0.6% were partially complied with⁷⁷, and 10.1% of the provisions of the Code are not applicable to the Company.

Compliance with the Corporate Governance Code

Section	In compliance	Partly in compliance	Non-compliant	Not applicable
Shareholders' rights and fair treatment of shareholders	91	–	–	9
Efficiency of the Board of Directors and Executive Body	96.7	0.6	–	2.7
Risk management, internal control and audit	97	–	–	3
Transparency	97	–	–	3

Adherence to the AIX corporate governance principles

AIX has the general principles of corporate governance in place for listed companies. Kazatomprom's Corporate Governance Code is largely consistent with these principles. Moreover, the Company's Code contains certain provisions ensuring compliance with Samruk-Kazyna's goals and projections. Any Group's initiatives that relate to its non-core business are subject to review and verification by the Board of Directors chaired by an independent director.

Compliance with KASE's corporate governance principles

In 2013, KASE adapted the International Finance Corporation's (IFC) corporate governance scorecard, allowing joint stock companies listed on KASE to use this tool for assessing their level of corporate governance. Assessed against the six categories, the Company mostly meets the criteria set out in the scorecard.

⁷⁷ For more information about the Code compliance audit findings 2023, see the compliance report on the Company's website.

Differences between the Company's Corporate Governance Code and the UK Corporate Governance Code⁷⁸

UK Corporate Governance Code	Kazatomprom's Corporate Governance Code
<p>Under the UK Corporate Governance Code, when 20% or more of votes have been cast against the board recommendation for a resolution, the company should explain, when announcing voting results, what actions it intends to take to consult shareholders to understand the reasons behind the result. An update on the views received from the shareholders and actions taken should be published no later than six months after the shareholder meeting. The board of directors should then provide a final summary in the annual report and, if applicable, in the explanatory notes to resolutions at the next shareholder meeting, on the impact the feedback has had on the decisions the board has taken.</p>	<p>Kazatomprom's Corporate Governance Code obliges the Chair of the Board of Directors to build a constructive dialogue between Board members, major shareholders, and the Company's executive body. At the same time, the Chair of the General Meeting of Shareholders should strive to ensure that shareholders receive answers to questions directly at meetings. If a question is too complicated to allow for an immediate answer, the individual (s) to whom the question was addressed should provide a written answer as soon as possible after the conclusion of the General Meeting. In addition, major shareholders may hold meetings with the Chair and Board members to discuss development strategy issues, elect the head of the executive body, and address other elements that impact any growth of the long-term value and the sustainable development of the Company. Such meetings are pre-planned and held in accordance with approved procedures.</p>
<p>The UK Corporate Governance Code states that non-executive directors have a prime role in appointing and removing executive directors. Non-executive directors should scrutinise and hold to account the performance of management and individual executive directors against agreed performance objectives. The chair should hold meetings with the non-executive directors without the executive directors present.</p>	<p>Kazatomprom's Corporate Governance Code states that candidates for the Company's head must be approved by the President or the Presidential Administration of the Republic of Kazakhstan (if the Company is on a list approved by a Decree of the President of the Republic of Kazakhstan), the Management Board of Samruk-Kazyna JSC, the Nomination and Remuneration Committee of the Board of Directors of Samruk-Kazyna, and the Chairman of the Board of Directors of Samruk-Kazyna.</p>
<p>The UK Corporate Governance Code sets forth the main responsibilities of the company's nomination and remuneration and audit committees and also states that a description of the main activities of these committees should be included in the company's annual report.</p>	<p>Kazatomprom's Corporate Governance Code contains no such requirement.</p>
<p>The UK Corporate Governance Code prohibits the chair of the board from being a member of the audit committee.</p>	<p>Kazatomprom's Corporate Governance Code contains no such restriction.</p>
<p>Under the UK Corporate Governance Code, in annual and half-yearly financial statements, the board should state whether it considers it appropriate to adopt the going concern basis of accounting in preparing them, and identify any material uncertainties to the company's ability to continue to do so over a period of at least twelve months from the date of approval of the financial statements.</p>	<p>Kazatomprom's Corporate Governance Code contains no such requirement.</p>

⁷⁸ The differences are indicated on the basis of a literal comparison of the contents of the Code of Corporate Governance of the Company and the UK Code of Corporate Governance. However, such differences do not imply in practice complete non-compliance with the provisions of the UK Code.

<p>Under the UK Corporate Governance Code, where a remuneration consultant is appointed, this should be the responsibility of the remuneration committee. The consultant should be identified in the annual report alongside a statement about any other connection it has with the company or individual directors. Independent judgement should be exercised when evaluating the advice of external third parties and when receiving views from executive directors and senior management.</p>	<p>Kazatomprom's Corporate Governance Code contains no such requirement.</p>
<p>The UK Corporate Governance Code stipulates that remuneration schemes should promote long-term shareholdings by executive directors that support alignment with long-term shareholder interests. In addition, there are clarifications regarding the terms of contracts concluded with the directors of the company.</p>	<p>Kazatomprom's Corporate Governance Code contains no such requirement.</p>

4.3. General Meetings of Shareholders

The Company treats and communicates to all shareholders equally, including minority shareholders, regardless of their shareholdings.

The General Meeting of Shareholders is the highest governing body of the Company. On 03 February 2023, the Company held an absentee Extraordinary General Meeting of Shareholders convened by the Board of Directors at the initiative of Samruk-Kazyna JSC, a major shareholder. The composition of Kazatomprom's Board of Directors was the only agenda item.

On 25 May 2023, Kazatomprom held an annual General Meeting of Shareholders in absentia and considered the following agenda items:

- Approving Kazatomprom's annual financial statements 2022 (separate and consolidated).
- Approving procedures for distribution of consolidated net income earned by Kazatomprom in 2022 and some retained earnings for the past periods; making decisions on payment of dividends on ordinary shares and approving the size of dividend per ordinary share.
- Information on shareholders' inquiries about actions of Kazatomprom and its officials and outcomes of consideration of the inquiries.
- Information on the size and elements of remuneration of members of the Board of Directors and the Management Board of NAC Kazatomprom JSC.
- On execution of a material transaction, as a result of which NAC Kazatomprom JSC acquires or alienates (may acquire or alienate) property, which value amounts to more than fifty per cent of the total book value of NAC Kazatomprom JSC's assets as of the date of the decision on the transaction, as a result of which more than fifty per cent of the total book value of its assets is acquired or alienated (may be acquired or alienated), including Long-term purchase and sale agreement for natural uranium concentrates and other transactions for the purchase and sale of natural uranium concentrates with CNNC Overseas Limited.
- Introducing amendments and additions to Kazatomprom's Charter.
- On the composition of the Board of Directors of NAC Kazatomprom JSC.

On 21 June 2023, the Company held the in-person Extraordinary General Meeting of Shareholders convened by the Board of Directors at the initiative of Samruk-Kazyna JSC, a major shareholder. The composition of Kazatomprom's Board of Directors was the only agenda item.

On 01 November 2023, the Company held another in-person Extraordinary General Meeting of Shareholders convened by the Board of Directors at the initiative of Samruk-Kazyna JSC, a major shareholder. The Meeting considered the following agenda items:

- On election of the Chairman and the Secretary of the Extraordinary Shareholders General Meeting.
- On determining the form of voting at the Extraordinary Shareholders General Meeting.
- On the approval of the agenda of the Extraordinary Shareholders General Meeting».
- On execution of a material transaction, as a result of which NAC Kazatomprom JSC acquires or alienates (may acquire or alienate) property, which value amounts to more than fifty per cent of the total book value of NAC Kazatomprom JSC's assets as of the date of the decision on the transaction, as a result of which more than fifty per cent of the total book value of its assets is acquired or alienated (may be acquired or alienated), including Long-term purchase and sale agreements for natural uranium concentrates with State Nuclear Uranium Resource Development Company Limited.
- On the composition of the Board of Directors of NAC Kazatomprom JSC.

4.4. Board of Directors

GRI 2-10

Members of the Board of Directors and the Chairman of the Board of Directors are elected in accordance with the procedures prescribed by the Joint-Stock Companies Act and the Company's Charter.

Candidates are recruited and selected according to objective criteria and needs for diversity in the Board of Directors. Only an individual can be selected as a member of the Board of Directors. The Board members shall be elected from among:

- individual shareholders;
- persons nominated (recommended) for election as shareholder representatives;
- individuals, other than shareholders of the Company who are not nominated (not recommended) to be elected as representatives of the shareholder.

Persons nominated as Board member candidates must have the knowledge, skills, and expertise needed for the Board of Directors to perform its functions effectively and ensure long-term value growth and sustainable development of the Company. They should also have an impeccable business and personal reputation.

When selecting Board member candidates, Kazatomprom takes the following criteria into account:

- experience in senior roles;
- experience as a Board of Directors member;
- length of service;
- educational background, specialisation, including international certificates;
- competencies in the Company's core areas;
- business reputation;
- a direct or potential conflict of interest if elected to the Board of Directors.

Members of the Management Board, except for the Chairman of the Management Board, may not be elected members of the Board of Directors. Members of the Government of the Republic of Kazakhstan, and officials of government authorities may not sit on the Board of Directors.

GRI 2-17

Training and development of members of the Boards of Directors

In accordance with the Policy on Advanced Training for the Members of Kazatomprom's Board of Directors and Engagement of External Experts, the Board decides on advanced training either for all members in general or for its individual members based on:

- the advanced training needs identified in the course of the annual performance evaluation of the Board of Directors, committees of the Board of Directors and each member of the Board of Directors by approving the annual plan for BoD advanced training;
- reasonable requests of individual Board members.

The training of the BoD members also rests on the recommendations received during the general assessment of the Company's corporate governance.

In 2023, the Company planned ESG training but due to changes in the Board of Directors composition the training was postponed to 2024.

4.4.1. Members of the Board of Directors

GRI 2-9

As of 31 December 2023, the Board of Directors consisted of seven directors, including three independent directors⁷⁹. The Board of Directors is chaired by an independent director⁸⁰. This guarantees the respect for rights of minority shareholders.

Independence of the Board of Directors:

- Total number of the Board members – 7
- Independent directors – 3

The composition of the Board of Directors of the Company is balanced in terms of members' qualifications, expertise, knowledge, business qualities, and diversity. Board members have an impeccable business reputation, and expertise in the nuclear industry, finance and investment, corporate governance, as well as in other areas important for the management of the Company.

GRI 405-1

Members of the Board of Directors have extensive experience in senior roles, as partners and members of the governing bodies of big international companies, and an impeccable reputation in the business community. The diversity of the composition and the quota of independent directors are in the limelight. The Board is represented by both men and women, as well as citizens of various countries, which ensures gender and socio-cultural diversity.

The Board members do not hold any shares in the Company or equity interests in affiliates, nor do they hold any shares/equity interests in the Company's suppliers and competitors.

Members of the Company's Board of Directors are entitled to a fixed annual remuneration - there were no refusals or agreements on refusal of remuneration by members of the Company's Board of Directors in 2023.

Changes in the Board of Directors in 2023

By the decision dated 3 February 2023 (Minutes No.1/23), the Extraordinary General Meeting of Shareholders determined the Kazatomprom Board of Directors' composition to be 8 persons. The Meeting appointed Armanbay Zhubaev as an independent director - member of the Board of Directors of the Company.

Neil Longfellow, Russell Banham and Marc Kasher, members of the Company Board of Directors, applied for early resignation as members of the Board of Directors with effect from 21 June 2023, 25 May 2023 and 19 May 2023, respectively.

By the decision dated 21 June 2023 (Minutes No.3/22), the Extraordinary General Meeting of Shareholders resigned Nazira Nurbaeva, a representative of Samruk-Kazyna JSC, a major shareholder of the Company, from the Kazatomprom's Board of Directors.

By the decision dated 21 June 2023 (Minutes No.3/22), the Extraordinary General Meeting of Shareholders appointed a new composition of the Company's Board of Directors, consisting of Arman Argingazin, Armanbay Zhubaev, Nodir Sidikov, Yernat Berdigulov, Yelzhas Oтынshiyev, Yernar Zhanadil, and Yerzhan Mukanov.

By the decision dated 01 November 2023 (Minutes No.4/23), the Extraordinary General Meeting of Shareholders early resigned the members of the Board of Directors Yerzhan Mukanov and Yernar Zhanadil, and appointed Aidar Ryskulov and Meirzhan Yussupov as members of the Board of Directors of the Company.

GRI 2-9, GRI 2-11

Board of Directors' Composition

⁷⁹ The ratio of independent directors changed over the year due to changes in the BoD: from 1 January 2023 to 02 February 2023 – (3/7); from 03 February 2023 to 20 June 2023 – (4/8); from 21 June 2023 to 31 December 2023 – (3/7).

⁸⁰ The description of criteria for compliance with the standards of independence for members of the Board of Directors is given in the Charter and Regulations on the Board of Directors, which are available at the Company's website.

Arman Argingazin

Position	Chairman of the Board of Directors (independent, non-executive)	
Participation in committees	in	<ul style="list-style-type: none"> • Audit Committee • HSE Committee • Strategic Planning and Investment Committee • Nomination and Remuneration Committee
Year of election	2023 ⁸¹	
Year of birth	1978	
Citizenship	Republic of Kazakhstan	
Educational background	2000 – Boston University School of Management (Boston, USA), specialising in Business Administration	
Professional experience	2012-2021 – Managing Director at UBS AG 2006-2012 – Head of Corporate Banking, Member of the Management Board of RBS Bank Kazakhstan 2003-2006 – Branch Manager at ABN AMRO Bank, further, then Deputy Chairman of the Management Board 2001-2003 – Client Relationship Manager, then Specialist, then Deputy Head of Business Development Department at HSBC Bank Kazakhstan 2000 – Financial analyst at Halyk Bank (JSC Halyk Bank of Kazakhstan)	

Armanbay Zhubaev

Position	Member of the Board of Directors (independent director, non-executive)	
Participation in committees	in	<ul style="list-style-type: none"> • Chairman of the Audit Committee • Nomination and Remuneration Committee
Year of election	2023 ⁸²	
Year of birth	1977	
Citizenship	Republic of Kazakhstan	
Educational background	2012 – Certified Financial Analyst (CFA) 2007 – University of California Berkeley (USA) MBA degree 2003 – University of Oxford, Master of Science in Comparative Social Policy 1999 – Duquesne University (Pittsburgh, USA), specialising in Business Administration (BSBA)	
Professional experience	2020 – Founded Strategy Lab LLP, a consultancy company 2013 – 2020 – Senior Manager, then Director of PwC LLP (Kazakhstan) 2012-2013 – Senior Manager of KPMG LLP (Kazakhstan) 2010-2012 – Worked at Polymetal JSC (Kazakhstan) 2009-2010 – Consultant at McKinsey Moscow 2006-2008 – Marketing specialist at SAP (USA) 1999 – Chief Specialist, then Head of Division, then Head of Division of the Accounting and Audit Department of the Uzbekistan's Central Bank	

Nodir Sidikov

Position	Member of the Board of Directors (independent director, non-executive)	
Participation in committees	in	<ul style="list-style-type: none"> • Audit Committee • Chairman of the Strategic Planning and Investment Committee
Year of election	2023 ⁸³	
Year of birth	1982	
Citizenship	United Kingdom of Great Britain and Northern Ireland	
Educational background	2009 – BPP University Law School 2006 – Master of Laws degree from the University of Westminster (London, UK) 2003 – State Law University (Tashkent, Uzbekistan), Bachelor of Laws	

⁸¹ Elected as a member of the current Board of Directors by the Extraordinary General Meeting of Shareholders of the Company on 21 June 2023 for a term of three years.

⁸² Elected as a member of the current Board of Directors by the Extraordinary General Meeting of Shareholders of the Company on 21 June 2023 for a term of three years. Member of the Board of Directors since 03 February 2023 (Resolution of the Extraordinary General Meeting of Shareholders of the Company).

⁸³ Elected as a member of the current Board of Directors by the Extraordinary General Meeting of Shareholders of the Company on 21 June 2023 for a term of three years.

Professional experience	2005 – Associate at Grata LLP (Almaty, Kazakhstan) 2006-2012 – Associate at Fieldfisher LLP (London, UK) 2012-2013 – Senior Associate at Fieldfisher LLP (London, UK) 2013-to date – Partner at Fieldfisher LLP
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Yernat Berdigulov

Position	Member of the Board of Directors (non-executive)
Participation in committees	<ul style="list-style-type: none"> • Production Safety (HSE) Committee
Year of election	2022 ⁸⁴
Year of birth	1987
Citizenship	Republic of Kazakhstan
Educational background	2010 r. – Bachelor's Degree in Public Policy and International Relations, University of Toronto 2018 r. – Master's Degree in Business Administration, University of Warwick
Professional experience	2022 – Managing Director for Strategy and Asset Management, Samruk-Kazyna JSC 2021-2022 – Co-Managing Director for Strategy, Sustainability, and Digital Transformation, Samruk-Kazyna JSC 2019-2021 – Project Manager, Whiteshield Partners international consulting company 2018-2019 – Analyst of the Asset Management Directorate, Samruk-Kazyna JSC 2013-2018 – Finance and Economy Advisor to the Chairman of the Board, Director of the Analytical Support Department, Director of the Strategic Development Department, Director of the Project Management Department, Samruk-Energy JSC 2011-2012 – Project Manager, Project Office for the Implementation of the Management Reporting System, Samruk-Kazyna JSC 2010-2011 – Chief Specialist of the Business Administration Department, Semizbay-U LLP, a subsidiary of NAC Kazatomprom JSC

Yelzhas Otyynshiyev

Position	Member of the Board of Directors (non-executive)
Participation in committees	<ul style="list-style-type: none"> • Nomination and Remuneration Committee
Year of election	2023 ⁸⁵
Year of birth	1987
Citizenship	Republic of Kazakhstan
Educational background	2010 – Master of Science degree in Applied Mathematics and Physics 2008 – Moscow Institute of Physics and Technology (Moscow, Russia), specialising in Applied Mathematics and Physics
Professional experience	2023 – to date - Co-Managing Director for Strategy and Asset Management of Samruk-Kazyna JSC 2019-2023 – Worked at Kazakhstan Investment Development Fund (KIDF) Management Company Ltd., PlanetCare Management LLP 2012-2019 – Chief Manager, then Director of the Project Analysis of Investment Activity Department of the Fund, then Project Director of the New Projects Development Department, then Head of the Mining Assets Development Sector of the Asset Development Department of Samruk-Kazyna JSC 2009-2012 – Manager, then Director of the Investment Projects Department of Tau-Ken Samruk National Mining Company JSC 2007 – Analyst, Ernst & Young (Moscow, Russia)

Aidar Ryskulov

⁸⁴ Elected as a member of the current Board of Directors by the Extraordinary General Meeting of Shareholders of the Company on 21 June 2023 for a term of three years. Member of the Board of Directors since 27 May 2022 (Resolution of the Annual General Meeting of Shareholders of the Company).

⁸⁵ Elected as a member of the current Board of Directors by the Extraordinary General Meeting of Shareholders of the Company on 21 June 2023 for a term of three years.

Position	Member of the Board of Directors (non-executive)	
Participation committees	in	• Strategic Planning and Investment Committee
Year of election	2023 ⁸⁶	
Year of birth	1981	
Citizenship	Republic of Kazakhstan	
Educational background	2015 – Executive MBA degree from Nazarbayev University under a joint programme with Duke University (Durham, USA) 2002 – E.A. Buketov Karaganda State University, Faculty of Economics, speciality Finance and Credit	
Professional experience	2023-to date – Managing Director for Economics and Finance of Samruk-Kazyna JSC 2019-2023 – Managing Director for Economics and Finance of Samruk-Energy JSC 2014-2019 – Director of the Corporate Finance Department of NWF Samruk-Kazyna JSC 2012-2014 – Director for Financial Asset Management of NWF Samruk-Kazyna JSC 2009-2012 – Deputy Director of the Investment Projects Department of KazAgro National Management Holding JSC 2006-2008 – Head of the Medium Business Sales Centre of JSC Halyk Bank of Kazakhstan (Aktau) 2003-2006 – Specialist of the Small and Medium Business Lending Department, then Senior Credit Officer of the Business Clients Department of Bank CenterCredit JSC (Astana) 2002-2003 – Engineer-economist of the branch of JSC NC Kazakhstan Temir Zholy (Karaganda)	
Meirzhan Yussupov		
Position	Member of the Board of Directors (executive), Chairman of the Management Board	
Participation committees	in	–
Year of election	2023 ⁸⁷	
Year of birth	1979	
Citizenship	Republic of Kazakhstan	
Educational background	2015 – Master's degree in Public Administration from Harvard University 2007 – Master's degree in Economic Development Management from the London School of Economics and Political Science 2001 – Middle East Technical University, speciality Economics and Management	

⁸⁶ Elected as a member of the Board of Directors by the Extraordinary General Meeting of Shareholders of the Company on 01 November 2023 for the Board of Directors' tenure, i.e. by 21 June 2026.

⁸⁷ Elected as a member of the Board of Directors by the Extraordinary General Meeting of Shareholders of the Company on 01 November 2023 for the Board of Directors' tenure, i.e. by 21 June 2026.

Professional experience	<p>2023-to date – Chairman of the Management Board of NAC Kazatomprom JSC</p> <p>2021-2023 – Chairman of the Management Board of NAC Kazakh Invest JSC</p> <p>2020-2021 – Vice-Minister of National Economy of the Republic of Kazakhstan</p> <p>2015-2020 – Chief Director for Economics and Finance of NAC Kazatomprom JSC</p> <p>2010-2015 – Director of the Corporate Finance and Treasury Department of NAC Kazatomprom JSC</p> <p>2009-2010 – Deputy Director of the Investment Policy Department of the Ministry of Economy and Budget Planning of the Republic of Kazakhstan</p> <p>2003-2009 – Worked at Demir Kazakhstan Bank JSC and Samruk-Kazyna NWF JSC</p> <p>2001-2003 – Deputy Director of the Marketing and Internal Audit Department of the Turkuaz Group of Companies</p>
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4.4.2. Activities of the Board of Directors

In 2023, the Board of Directors met 14 times (14 in-person meetings) to consider 230 issues.

The attendance of meetings by Board members was 94% on average in 2023.

Attendance of meetings by members of the Board of Directors

Name	12.01	16.02	16.03	06.04	25.05	18.05	29.06	20.07	24.08	11.09	28.09	26.10	23.11	22.12	%
Arman Argingazin	-	-	-	-	-	-	+	+	+	+	+	+	+	+	100
Armanbay Zhubaev	+	+	+	+	+	+	+	+	+	+	+	+	-	+	93
Nodir Sidikov	-	-	-	-	-	-	+	+	+	+	+	+	+	+	100
Yernat Berdigulov	+	-	+	+	+	+	-	+	+	+	+	+	+	+	86
Yelzhas Otynshiyev	-	-	-	-	-	-	+	+	+	+	+	+	+	+	100
Aidar Ryskulov	-	-	-	-	-	-	-	-	-	-	-	-	+	+	100
Meirzhan Yussupov	-	-	-	-	-	-	-	-	-	-	-	-	+	+	100
Neil Longfellow	+	+	+	+	+	+	-	-	-	-	-	-	-	-	100
Russell Banham	+	+	+	+	-	+	-	-	-	-	-	-	-	-	84
Marc Kasher	+	+	+	+	+	+	-	-	-	-	-	-	-	-	100
Nazira Nurbaeva	+	+	+	+	-	+	-	-	-	-	-	-	-	-	84
Yernar Zhanadil	+	-	+	+	+	+	+	+	+	+	+	-	-	-	84
Yerzhan Mukanov	+	+	+	+	+	+	+	+	+	+	+	-	-	-	92

GRI 2-14

The most pressing matters considered by the Board of Directors in 2023

Reports	<ul style="list-style-type: none"> Quarterly Management Board Report (CEO Report) Quarterly Financial Statements (IFRS Overview) Semi-annual Financial Statements (IFRS Overview) Annual Financial Statements 2021 (IFRS Overview)
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Strategic matters	<ul style="list-style-type: none"> • Consideration of Kazatomprom development strategy implementation status and strategic initiatives • Approval of the Integrated Annual Report • Approval of Kazatomprom's Consolidated Business Plan 2023-2027 • Approval of key performance indicators for the Chairman and members of the Board • Approval of the organisational structure of Kazatomprom's corporate centre
Corporate governance	<ul style="list-style-type: none"> • Approval of the Board of Directors' Work Plan • Changes in the composition of the Board committees • Approval of the Roadmap to improve ESG practices in NAC Kazatomprom JSC for 2023-2024 and consideration of implementation reports.
Transactional matters	<ul style="list-style-type: none"> • Conclusion of related-party transactions • Conclusion of transactions interrelated with previously concluded transactions • Conclusion of transactions or a series of interrelated transactions resulting in the alienation of property worth more than 10% of the total asset value
Subsidiaries and affiliates	<ul style="list-style-type: none"> • HR issues • Approval of internal regulations • Conclusion of material transactions • Increase in statutory capital • Election of members of supervisory boards/Board of Directors • Approval of annual financial statements of subsidiaries and affiliates, distribution of net profit of subsidiaries and affiliates
Approval of internal regulations	<ul style="list-style-type: none"> • Approval and recognition of loss effect of internal documents of NAC Kazatomprom JSC and its structural divisions
Other issues	<ul style="list-style-type: none"> • Overview of capital markets • Consideration of an investor and stakeholder communication and engagement plan
Issues of Board's subdivisions	<ul style="list-style-type: none"> • Reports of Compliance Service, Ombudsman, and Internal Audit • Approval of internal regulations

4.4.3. Evaluation of the Activities of the Board of Directors

GRI 2-18

The Company's Code of Corporate Governance mandates an annual assessment of the Board of Directors' performance. The Board of Directors has decided to assess the performance of the Company's Board of Directors through self-assessment.

The self-assessment of the Board of Directors was conducted by filling out questionnaires in line with the Methodological Guidelines for Assessing the Performance of the Board of Directors and its Committees, the Chairman, Members of the Board of Directors and the Corporate Secretary of Samruk-Kazyna JSC, and the Regulations on the Assessment of the Performance of the Board of Directors and its Committees, the Chairman, Members of the Board of Directors of Kazatomprom JSC.

The assessment results showed that the level of efficiency of the Board of Directors based on key parameters was 86.3% and scored Grade A. This means that the Board of Directors meets most of the established criteria in all essential aspects with the sufficient evidence of its efficiency and performance.

The performance scored the highest in the following assessment areas:

- the Board of Directors plays a leading role in risk management, overall governance and all key business decisions;

- the Committees of the Board of Directors ensure comprehensive and thorough consideration of issues within the competence of the Board of Directors;
- the composition of the Board of Directors is evenly balanced in terms of professional expertise, experience, skills, and independence.

Performance indicators that require improvement are identified in the following areas:

- absence of a senior independent director;
- compliance with the deadlines for submitting materials to the Board of Directors on urgent/important issues, including voiced ones;
- poor representation of women in the Board of Directors, including the composition of independent directors (gender imbalance);
- training for the members of the Board of Directors to improve their skills and knowledge.

The Board of Directors and the Nomination and Remuneration Committee jointly prepared an action plan to improve efficiency of the Board of Directors. The action plan outlines the following key tasks:

- to elect a senior independent director;
- to enhance control over keeping deadlines to submit materials to the Board of Directors on urgent/important issues, including voiced ones;
- to conduct training for the members of the Board of Directors.

It is notable that one of the issues in Kazatomprom's ESG Practices Improvement Roadmap for 2023-2024 is to increase the share of females on the Company's Board of Directors.

Monitoring by shareholders and members of the Board of Directors of the timely and proper fulfilment of the tasks reflected in the action plan will be the key to further improving the performance of the Board of Directors.

4.4.4. Plans for 2024

- Taking measures to reduce the number of agenda items to be reviewed by the Board of Directors and its committees. When considering the related-party transactions, information should be given about the conformity of the transaction price with the market price, with a benchmarking review added, except for transactions that involve the sale and purchase of uranium products.
- When the documents and papers are submitted for consideration by the Board/Committees, they should specify the relevance and impact on the implementation of the Company's Development Strategy.

4.4.5. Committees of the Board of Directors

GRI 2-9, GRI 2-12

The Board of Directors has four committees:

- Production Safety (HSE) Committee.
- Audit Committee.
- Strategic Planning and Investment Committee.
- Nomination and Remuneration Committee.

The Committees⁸⁸ are accountable to the Board of Directors in line with their mandate granted by the Board of Directors and the relevant Regulations on the Committees. Members of the Committees are elected by the Board of Directors in line with the Law *On Joint Stock Companies*, the Code of Corporate Governance of Samruk-Kazyna JSC, and Kazatomprom's Charter.

4.4.5.1. Performance of the Board Committees in 2023

Report of the HSE Committee

⁸⁸ For more about the role of the Board of Directors, see Kazatomprom Integrated Annual Report 2019.

Composition of the Committee and quantity of meetings

Name	Attendance, %	Reasons for absence
Arman Argingazin, Chairman	100	Appointed to the Committee on 29 June 2023
Nodir Sidikov	100	Appointed to the Committee on 29 June 2023
Yernat Berdigulov	20	For personal reasons
Neil Longfellow	100	Excluded from the Committee on 21 June 2023
Russell Banham	67	Excluded from the Committee on 25 May 2023

5 in-person meetings in 2023
25 matters considered

Matters considered by the Committee in 2023:

- Report on the implementation of the 2022 Action Plan for social partnership and enhancement of social stability at Kazatomprom's enterprises.
- Roadmap to improve ESG practices in NAC Kazatomprom JSC for 2023-2024.
- Sustainable Development Programme 2023-2030.
- Committee's action plan for 2024.
- Quarterly Occupational Safety Status Reports and Q3 2022 ESAP Implementation Status Reports.

Report of the Audit Committee

Composition of the Committee and quantity of meetings

Name	Attendance, %	Reasons for absence
Armanbay Zhubayev, Chairman	100	Appointed to the Committee on 16 February 2023
Arman Argingazin	100	Appointed to the Committee on 29 June 2023
Nodir Sidikov	100	Appointed to the Committee on 29 June 2023
Russell Banham	84	Excluded from the Committee on 25 May 2023
Marc Kasher	100	Excluded from the Committee on 19 June 2023
Neil Longfellow	100	Excluded from the Committee on 21 June 2023

12 in-person meetings in 2023
110 matters considered

Matters considered by the Committee in 2023:

Reporting:

- Composition of the Commission responsible for selecting an auditor FY 2025-2027.
- The 2022 annual financial statements of NAC Kazatomprom JSC.
- Scope of audit and non-audit services provided by auditors to the Company and Group in 2022.
- Interim financial statements of NAC Kazatomprom JSC (consolidated and separate) for Q1 2022, 6M2023, and 9M2023.
- External auditor's opinion on Kazatomprom Integrated Annual Report 2022.

Risk management:

- Risk Management Report for 2022, Q1 2023, Q2 2023, and Q3 2023.
- Kazatomprom's corruption risk map, register, and 2023 Action Plan to minimise corruption risks.
- Approach to forming a final opinion on the adequacy of risk management and internal control systems at the Group level.

Corporate governance:

- Report on compliance with the Corporate Governance Code (based on the 2022 results).
- Corporate Governance Improvement Plan 2022.
- Kazatomprom Integrated Annual Report 2022.

Other matters:

- Information on the Directors and Officers (D&O) Liability Insurance Programme of NAC Kazatomprom JSC for 2023-2024.
- Proposals to improve the procurement situation.
- Findings of inspections conducted by the Compliance Service to check Kazatomprom's subsidiaries and affiliates for fictitious contracts and other irregularities indicating abuses.
- Status and plans to further improve cybersecurity across Kazatomprom's Group.
- Updated SAP Corrective Action/Improvement Action Plans at NAC Kazatomprom JSC.
- Quarterly reports of the Internal Audit Service and the Compliance Service.

Report of Strategic Planning and Investment Committee

Composition of the Committee and quantity of meetings

Name	Attendance, %	Reasons for absence
Neil Longfellow, Chairman	100	
Russell Banham	67	
Yernar Zhanadil	34	For personal reasons

7 in-person meetings in 2023
30 matters considered

Matters considered by the Committee in 2023:

- The results of a benchmarking analysis of NAC Kazatomprom JSC against other uranium companies in the first half of 2023.
- Annual Report on implementation of Kazatomprom's 2018-2028 Development Strategy in 2022
- Transition of a Kazatomprom's investment project on Construction of onshore processing complex of Zhalpak deposit with production capacity of 900 tonnes per year in Sozak district of Turkestan region to the implementation stage.
- Report on the implementation of the Action Plan on strategic initiatives selected based on the results of the Strategic Session dated 17 August 2022.
- Invalidation of the Plan for Kazatomprom's assets restructuring (withdrawal of non-core and auxiliary organisations) in 2020-2022 and approval of the List of Kazatomprom's non-strategic assets for 2023-2032.
- Water Resources Management Strategy of NAC Kazatomprom JSC.
- Work plan of the Strategic Planning and Investment Committee for 2024.
- Quarterly reports of the Management Board of NAC Kazatomprom JSC on the implementation of major investment projects.

Report of Nomination and Remuneration Committee

Composition of the Committee and quantity of meetings

Name	Attendance, %	Reasons for absence
Arman Argingazin, Chairman	100	Appointed to the Committee on 29 June 2023
Armanbay Zhubaev	100	Appointed to the Committee on 29 June 2023
Yelzhas Otyynshiyev	29	Appointed to the Committee on 29 June 2023
Marc Kasher	100	Excluded from the Committee on 19 June 2023
Neil Longfellow	100	Excluded from the Committee on 21 June 2023
Nazira Nurbaeva	80	Excluded from the Committee on 29 June 2023

12 in-person meetings in 2023
69 matters considered

Matters considered by the Committee in 2023

HR matters:

- Recommendations on the candidates of the Chief Director for Commerce of NAC Kazatomprom JSC and the Chief Director for Economics and Finance of NAC Kazatomprom JSC for the appointment to the Company's Management Board.
- Recommendations on approval of a restated Kazatomprom Head Office structure.
- Recommendations on candidates for the roles of Chief Directors of subsidiaries and affiliates of Kazatomprom.
- Recommendations on candidates for the role of Chairman of Kazatomprom's Management Board.
- Recommendations on changes in the Management Board of NAC Kazatomprom JSC.
- Recommendations on the election of new members of the Board of Directors.

Bonuses:

- Recommendations on the 2022 Report on the implementation of KPIs by the Chairman and members of the Management Board of NAC Kazatomprom JSC.
- Recommendations on payment of bonuses based on 2022 performance to the Chairman and members of the Management Board of NAC Kazatomprom JSC.
- Recommendations on restated 2023 KPIs of Kazatomprom's Board Chairman and members.
- Recommendations on 2024 KPIs of Kazatomprom's Board Chairman and members.
- Recommendations on bonuses for the Corporate Secretary and the Ombudsman of the Company.

4.5. Management Board

The Management Board is Kazatomprom's executive body acting in line with the laws of the Republic of Kazakhstan, the Company's Charter, the Corporate Governance Code, and the Regulations on the Management Board. These documents outline the role, competences and powers of the Management Board, as well as the rights and responsibilities of the Management Board members.

Competences of the Management Board are:

- managing the Kazatomprom current operation
- deciding on any issues of the Company's operation not referred by the laws and/or the Company's Charter to the competence of other bodies and officials of the Company
- approving the documents regulating the Company's internal activities
- implementing the resolutions made by the General Meeting of Shareholders and the Board of Directors.

4.5.1. Changes in the Management Board

The Management Board saw the following changes in the reporting period:

- 1) By the decision dated 12 January 2023 (Minutes No.1/23) the Board of Directors appointed the Chief Commerce Officer as a member of the Management Board:

Name	Position	Year of joining
Alisher Tayzhanov	Chief Commerce Officer	2014

- 2) By the decision dated 29 June 2023 (Minutes No.7/23), the Board of Directors appointed the following executive officers as the Management Board members:

Name	Position	Year of joining
Kuanysh Omarbekov	Chief Production Officer	2011
Dastan Kosherbayev	Chief Commerce Officer	2016
Mukhit Magazhanov	Chief Administration Officer	2023

- 3) By the decision dated 20 July 2023 (Minutes No.8/23), the Board of Directors appointed the Chief Director for Legal Support and Corporate Governance as a member of the Management Board as from 21 August 2023:

Name	Position	Year of joining
Yermek Kuantyrov	Chief Officer for Legal Support and Corporate Governance	2023

- 4) On 20 July 2023, the Board of Directors decided (Minutes No.8/23) to establish a 7-strong Management Board including the following members:

Name	Position	Year of joining
Yerzhan Mukanov	Chairman of the Management Board	2006
Kuanysh Omarbekov	Chief Production Officer	2011
Dastan Kosherbayev	Chief Commerce Officer	2016
Alibek Aldongarov	Chief HR and H&S Officer	2017
Yermek Kuantyrov	Chief Officer for Legal Support and Corporate Governance	2023
Mukhit Magazhanov	Chief Procurement and General Affairs Officer	2023
	Chief Economic and Financial Officer	

- 5) By the decision dated 28 September 2023 (Minutes No.11/23), the Board of Directors appointed the Chief Economic and Financial Officer as a member of the Management Board:

Name	Position	Year of joining
Sultan Temirbayev	Chief Economic and Financial Officer	2020

- 6) By the decision dated 28 September 2023 (Minutes No.11/23), the Board of Directors appointed the Chairman of the Management Board:

Name	Position	Year of joining
Meirzhan Yussupov	Chairman of the Management Board	2010

4.5.2. Management Board

(as of 31 December 2023)

Meirzhan Yussupov Chairman of the Management Board	
Year of birth	1979
Citizenship	Republic of Kazakhstan
Educational background	Graduated from MIDDLE EAST TECHNICAL UNIVERSITY in 2001 with a degree in Economics and Management, in 2007 from the London School of Economics and Political Science with a Master's degree in Economic Development Management, and in 2015 from Harvard University with a Master's degree in Public Administration.
Professional experience	Started his career in 2001 as Deputy Director of the Marketing and Internal Audit Department at Turkuaz Group. From 2003 to 2009, worked at Demir Kazakhstan Bank JSC and Samruk-Kazyna NWF JSC. From 2009 to 2010 worked in the civil service as Deputy Director of the Investment Policy Department of the Ministry of Economy and Budget Planning of the Republic of Kazakhstan. In 2010, joined NAC Kazatomprom JSC as Director of the Corporate Finance and Treasury Department, and in 2015 was appointed Chief Director for Economics and Finance of NAC Kazatomprom JSC. From 2020 to 2021 held the position of Vice Minister of Kazakhstan National Economy, and from March 2021 to October 2023 held the position of the Management Board Chairman of NAC KAZAKH INVEST JSC. On 2 October 2023, was appointed the Chairman of the Kazatomprom's Management Board.
Kuanysh Omarbekov Chief Production Officer	
Year of birth	1986
Citizenship	Republic of Kazakhstan
Educational background	In 2007, graduated from the Almaty Academy of Economics and Statistics with a Bachelor's degree in Finance, in 2014 – Kazakh Humanitarian-Legal University with a Bachelor's degree in Law, in 2017 – Russian Academy of National Economy and Public Administration under the President of the Russian Federation with the MBA qualification, in 2022 – Kazakh National Research Technical University named after K.I. Satpayev with a degree in Metallurgy and Mineral Processing.
Professional experience	Started his career in the nuclear industry in 2011 as a logistics engineer at Kazatomenerkasin Zholdary, a branch of Trade and Transport Company LLP. In the period from 2018 to 2022 worked as General Director of KAP Logistics LLP (formerly Trade and

	Transport Company LLP), as from December 2022 - as General Director of JV Akbastau JSC. In June 2023, was appointed Chief Production Director of NAC Kazatomprom JSC.
Sultan Temirbayev Chief Economic and Financial Officer	
Year of birth	1986
Citizenship	Republic of Kazakhstan
Educational background	In 2008, graduated from Durham University (UK) with a Bachelor's degree in Economics. In 2020, underwent professional retraining at Tomsk Polytechnic University on the programme of uranium in-situ leaching technology. Currently studying on the Global MBA programme at Astana School of Management and Business.
Professional experience	Started his career in 2008 as a specialist in the accounting department of Zhana Temirzhol LLP. From 2009 to 2011, worked as a specialist in the Investment Department at ENRC Logistics LLP. After that, in different years worked at Kazakhstan Cargo Company LLP, Kazakhstan Petrochemical Industries Inc. LLP and Odyssey Investments Group LLP in various positions, including management positions. In 2020, was appointed Deputy General Director for Economics and Finance at JV Inkai LLP (a joint venture of NAC Kazatomprom JSC). In 28 August 2023 was appointed Chief Director for Economics and Finance of NAC Kazatomprom JSC.
Dastan Kosherbayev Chief Commerce Officer	
Year of birth	1988
Citizenship	Republic of Kazakhstan
Educational background	In 2011 graduated from Hult International Business School (UK) with a specialisation in Business Management, in 2022 Master's degree at Nazarbayev University with a specialisation in Public Administration
Professional experience	Started his career in 2011 at Kamkor Management LLP as the Chief Manager of the Investment Policy Department. Started his career in the nuclear industry in 2016 at NAC Kazatomprom JSC as a manager of the Corporate Governance Department, then as Head of the Mergers and Acquisitions (M&A) Division of the Business Development Department. From 2019 to 2020, worked as Deputy Executive Director at NAC Kazatomprom JSC's mining subsidiary JV KATCOLLP. In July 2021, was appointed Director of Sales Department of NAC Kazatomprom JSC, in June 2023 - Chief Director for Commerce of NAC Kazatomprom JSC.
Alibek Aldongarov Chief HR and H&S Officer	
Year of birth	1983
Citizenship	Republic of Kazakhstan
Educational background	In 2003 graduated from Almaty College of Communications at Kazakh-American University with a degree in Computer Science, Communication Networks and Switching Systems, and in 2007 graduated from Kazakh National Technical University named after K.I. Satpayev with a degree in Multichannel Telecommunication Systems.
Professional experience	Started his career in 2004 in the structure of Kazakhtelecom JSC as an electrician of line facilities. Has extensive experience in the field of telecommunication systems design in the representative office of Iskratel LLC, as well as in the field of support and development of information systems as Director of the Technical

	<p>Support Department and Deputy Chairman of the Management Board of JSC Banking Service Bureau NBK. Has seven years of experience in the nuclear industry in management positions at Baylanys-NAK LLP and KAP Technology LLP. Prior to his appointment held the position of General Director of KAP Technology LLP.</p> <p>In May 2021, was appointed Chief Director for HR and Digitalisation of NAC Kazatomprom JSC.</p> <p>Since 21 August 2023 has been the Chief Director for HR and industrial safety of NAC Kazatomprom JSC.</p>
<p>Mukhit Magazhanov Chief Procurement and General Affairs Officer</p>	
Year of birth	1979
Citizenship	Republic of Kazakhstan
Educational background	<p>In 2001, graduated from Al-Farabi Kazakh State National University with a degree in Laws. In 2001, graduated from Al-Farabi Kazakh State National University with a degree in Laws, and in 2009 - Kazakh University of Economics, Finance and International Trade with a Bachelor's degree in Finance. In 2017, obtained a Master's degree in Public Procurement Management at the University of Roma Tor Vergata (Italy).</p>
Professional experience	<p>From 2001 to 2006, worked as a lawyer at Bank Industrial OJSC, Altyn Polis Insurance Company CJSC and ATF Bank JSC. From 2006 to 2019, held various positions, including management positions in Samruk-Kazyna JSC and KEGOC JSC.</p> <p>In the period from 2021 to 2023 worked as Deputy Director for Supply of the branch of JSC NC Kazakhstan Temir Zholy "Trunk Network Directorate" and Managing Director for Operations of KEGOC.</p> <p>He is in the personnel reserve of Samruk-Kazyna JSC under the TOP 100 programme.</p> <p>In June 2023 was appointed Head of the Administration Office of NAC Kazatomprom JSC.</p> <p>Since 21 August 2023, Chief Director for Procurement and General Affairs of NAC Kazatomprom JSC.</p>
<p>Yermek Kuantyrov Chief Officer for Legal Support and Corporate Governance</p>	
Year of birth	1989
Citizenship	Republic of Kazakhstan
Educational background	<p>In 2010 graduated from Tomsk State University specialising in International Relationships, in 2012 - Kazakh Humanitarian Law University (KAZGUU University) specialising in International Law, in 2014 - Columbia University in the City of New York, School of Law, New York (under the Bolashak scholarship of the President of the Republic of Kazakhstan).</p>
Professional experience	<p>Started his career in 2010 as a manager of the International Cooperation and Interaction Department of NC Kazakhstan Temir Zholy JSC.</p> <p>From 2011, worked as an expert of the External Relations Directorate of the Department for Regulation of International Economic Integration of the Kazakhstan Ministry of Economic Development and Trade. Since 2013, worked as an expert of the Directorate for the EurAsEC and the Customs Union functioning of the International Economic Integration Department of the Ministry of Economy and Budget Planning of Kazakhstan, and since 2014 - as an expert of the State Property Rights Protection Department of the Kazakhstan Ministry of Justice. Since 2015, worked as an</p>

	<p>expert of the State Legal Department of the Administration of the President of the Republic of Kazakhstan.</p> <p>From 2016 to 2022, worked in the Ministry of Justice of the Republic of Kazakhstan as Chief Expert of the Pre-Arbitration Administration of the State Property Rights Protection Department of the Kazakhstan Ministry of Justice, Deputy Director of the Republican State Enterprise "National Institute of Intellectual Property", Advisor to the Minister, Head of the Department for ensuring the activities of the Board of Appeal, Commission for the Recognition of a Trademark as Commonly Known, Attestation and Appeal Commissions of the Department for Intellectual Property Rights of the Republic of Kazakhstan.</p> <p>From March to September 2022, worked as Director of the Department for the Development of Entrepreneurial Activity of the Eurasian Economic Commission, Moscow.</p> <p>In July 2023, was appointed Chief Director for Legal Support and Procurement of NAC Kazatomprom JSC.</p> <p>Since 21 August 2023, worked as Chief Director for Legal Support and Corporate Governance of NAC Kazatomprom JSC.</p>
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GRI 405-1

Age diversity within the Management Board, %

30-50	100
50+	-

Gender diversity, %

Men	100
Women	-

GRI 202-2

In 2023, the share of top managers⁸⁹, hired from the local community⁹⁰ is 100%.

4.5.3. Management Board Performance Report

41 in-person meetings and 2 meeting in absentia held in 2023.
466 matters considered.

Structure of issues considered by the Management Board

Issues submitted for consideration by the Board of Directors	45%
Transactions, including interested parties	26%
Internal regulatory documents	7%
Issues of subsidiaries and affiliates (>10%)	4%
Other Issues	18%

⁸⁹ Top managers are members of the Management Board.

⁹⁰ Local communities are represented by nationals of the Republic of Kazakhstan.

GRI 2-15

The Management Board members had no conflict of interests in 2023.

Attendance of meetings by Management Board members

Management Board Members	Attendance	%	Time of sitting on the Management Board
Meirzhan Yussupov	11	25.5	2 October-31 December 2023
Yerzhan Mukanov	31	72.0	1 January-2 October 2023
Alibek Aldongarov	35	81.3	1 January-31 December 2023
Askar Batyrbaev	1	2.3	1 January-12 January 2023
Marat Yelemesov ⁹¹	0	0	1 January-1 June 2023
Dastan Kosherbayev	21	48.8	29 June-31 December 2023
Yermek Kuantyrov	14	32.5	21 August-31 December 2023
Mukhit Magazhanov	22	51.1	29 June-31 December 2023
Kuanysh Omarbekov	21	48.8	29 June-31 December 2023
Dosbolat Sarymsakov	26	60.4	1 January-21 August 2023
Alisher Tayzhanov	19	44.1	12 January-12 June 2023
Sultan Temirbayev	12	27.9	28 September-31 December 2023

4.6. Remuneration

GRI 2-19, GRI 2-20

According to the Company's Charter, the remuneration of the Board of Directors' members is set by the General Meeting of Shareholders, while the remuneration of the Chairman and members of the Management Board is set by the Board of Directors, with no engagement of consultants in this.

On 26 October 2023, the Company's Board of Directors approved the Rules of remuneration, bonuses and social support for the Company's executives. These rules describe the procedure and terms of remuneration payment to the Chairman and members of the Company's Management Board.

The Board of Directors determines the salary of the Chairman and members of the Company's Management Board in accordance with the Pay Grid.

Remuneration of the Chairman and members of the Management Board of the Company relies on a time-bonus system and consists of a fixed part in the form of official salary and a variable part in the form of bonuses linked to the annual performance. Performance-based bonus for a year depends on the percentage of achievement of corporate and functional key performance indicators (KPIs), formed by cascading the strategic KPIs approved by the Kazatomprom's Board of Directors for the relevant period. In accordance with this system, bonuses of the Chairman of the Management Board are 100% linked to the achievement of corporate KPIs and those of the members of the Management Board are 60% linked to the achievement of corporate KPIs and 40%, to the achievement of functional (individual) KPIs over the year.

The corporate KPI map for a reporting year is approved annually by the Board of Directors and includes various indicators such as financial performance, shareholder return and profitability, safety culture improvement, major investment projects implementation, degree of fulfilment of the production programme for the uranium product output and other indicators, including those related to social support in the regions of operation. It is well-balanced and takes into account all Kazatomprom's strategic goals.

⁹¹ Marat Yelemesov has been on study leave since 19 July 2021.

List of corporate KPIs for the Company

2024	
Unit production cost of U ₃ O ₈	The KPI seeks to reduce production costs per kilogram of natural uranium oxide (U ₃ O ₈) at NAC Kazatomprom JSC and mining companies.
Safety culture improvement	The KPI aims at improving the overall level and culture of occupational safety and reflects the lost time injury frequency rate and the number of conducted behavioural safety audits for the Kazatomprom's group of companies.
Shareholder return and profitability	The KPI is used to show the return on investment made by shareholders and aims to increase shareholder return and consists of the following metrics: total shareholder return (TSR), and the price of NAC Kazatomprom JSC's GDRs at the end of the year.
Implementation of major investment projects, including priority projects	The KPI aims at ensuring efficient cash use for investment activities, timeliness and completeness of investment projects implementation in the reporting period.
Degree of fulfilment of the production programme for the uranium product output	The KPI reflects the implementation of the Company and its uranium mining enterprises' plan for the uranium product output to fulfil their production programmes for the uranium product output.

A consolidated net profit earned by the Company in a reporting year is key to payment of the annual performance-based bonuses.

The pension arrangements for the Chairman and members of the Management Board are regulated by the Law *On Pensions in the Republic of Kazakhstan* (the Law). The Company acts as an agent for mandatory pension contributions and transfers a statutory percentage of the earned income to the Unified Accumulative Pension Fund. If the Chairman or a member of the Management Board terminate their employment contracts due to retirement, he/she shall be paid allowance as established by the Collective Bargaining Agreement.

In 2023, members of the Management Board and independent directors of the Board of Directors at Kazatomprom received a total of KZT 912.8 million in pre-tax remuneration.

Total remuneration paid to members of the Management Board and the Board of Directors, KZT billion

	2021	2022	2023
	1,1	0,98	0,91

4.7. Risk Management

4.7.1. Risk Management System

Kazatomprom's risk management system is integral to the Company's business model and contributes to reducing risks for all stakeholders while achieving strategic objectives and creating sustainable value. The Group continuously monitors market and macroeconomic volatility, production risks, environmental aspects, geopolitical environment and regulatory changes to assess their impact on the current risk profile. In addition, the Company applies appropriate risk mitigation strategies and measures.

For more details, see the Integrated Annual Report of NAC Kazatomprom JSC for 2022, as well as the Risk Management Policy posted on the Company's Internet resource, see *Risk Management Policy*.

As part of building effective systems for risk management and internal control, including coordination of a business continuity management system, in 2023, Company developed and updated the following documents:

- updated the Rules on Setting Bank Limits of NAC Kazatomprom JSC in terms of optimisation of requirements to the Company on bank limits, interaction between the Company's subdivisions, terms of provision of information by the Company's subdivisions;
- approved the Instruction on Calculation of the key risk indicator VAR for uranium price;
- approved the Instructions on testing compensating controls (SAP GRC AC) of the Procurement process in the MM module of SAP ERP;
- updated the Instruction on counterparty risk management for the Kazatomprom's uranium products sale in terms of changing the methodology for analysing the credit risk of counterparties and the procedure for setting a limit on a counterparty in accordance with a certain counterparty pool that depends on the credit risk level;
- updated the Regulations on the Risk Management Committee under the Kazatomprom's Management Board in terms of distribution of functions for maintaining and supporting the Committee.

As part of ongoing insurance activities, the Company added eleven mining subsidiaries and affiliates and KAP Logistics LLP to its corporate property insurance programme in 2023.

Following the instruction on counterparty risk management for the Kazatomprom's uranium products sale, the Management Board approved the List of Counterparties and limits on the Company's counterparties in respect of contracts for the Kazatomprom's uranium products sale. The Risk Management Department conducts an independent risk assessment of counterparties. It provides relevant information to the Management Board and the Audit Committee under the Board of Directors as part of its risk management reports on quarterly basis. It also informs the Company's Board of Directors in the annual risk management report. In addition, the Company and its subsidiaries and affiliates have a business continuity management system in place, and test business continuity plans on a regular basis.

In accordance with the Methodology "Conducting design assessment, testing operational efficiency, identifying and documenting significant deficiencies/lack of control procedures in the process of preparing financial statements at NAC Kazatomprom JSC", the Company, if necessary, conducts internal control procedures for the processes of preparing financial statements to ensure confidence in reliability of financial statements.

In 2023, the Company tested its business continuity plans throughout the year according to the approved schedule. We held meetings of the Operational Headquarters on sanctions risks.

Plans for 2024:

- Continue promoting the risk culture across the Company.
- Update internal regulations on risk management and internal control.
- Update key risk indicators for key risks.
- Carry out diagnostics of the risk management and internal control systems of subsidiaries and affiliates.

- Use analytical reports based on the Corporate Data Warehouse (CDW).
- Support segregation of duties (SoD) within SAP Governance, Risk and Compliance, Access Control (GRC AC) in Procurements.

4.7.2. Risks of NAC Kazatomprom JSC

Under the COSO methodology, all of the Company's identified risks fall into five main categories: strategic, financial, operational, compliance, investment and project risks.

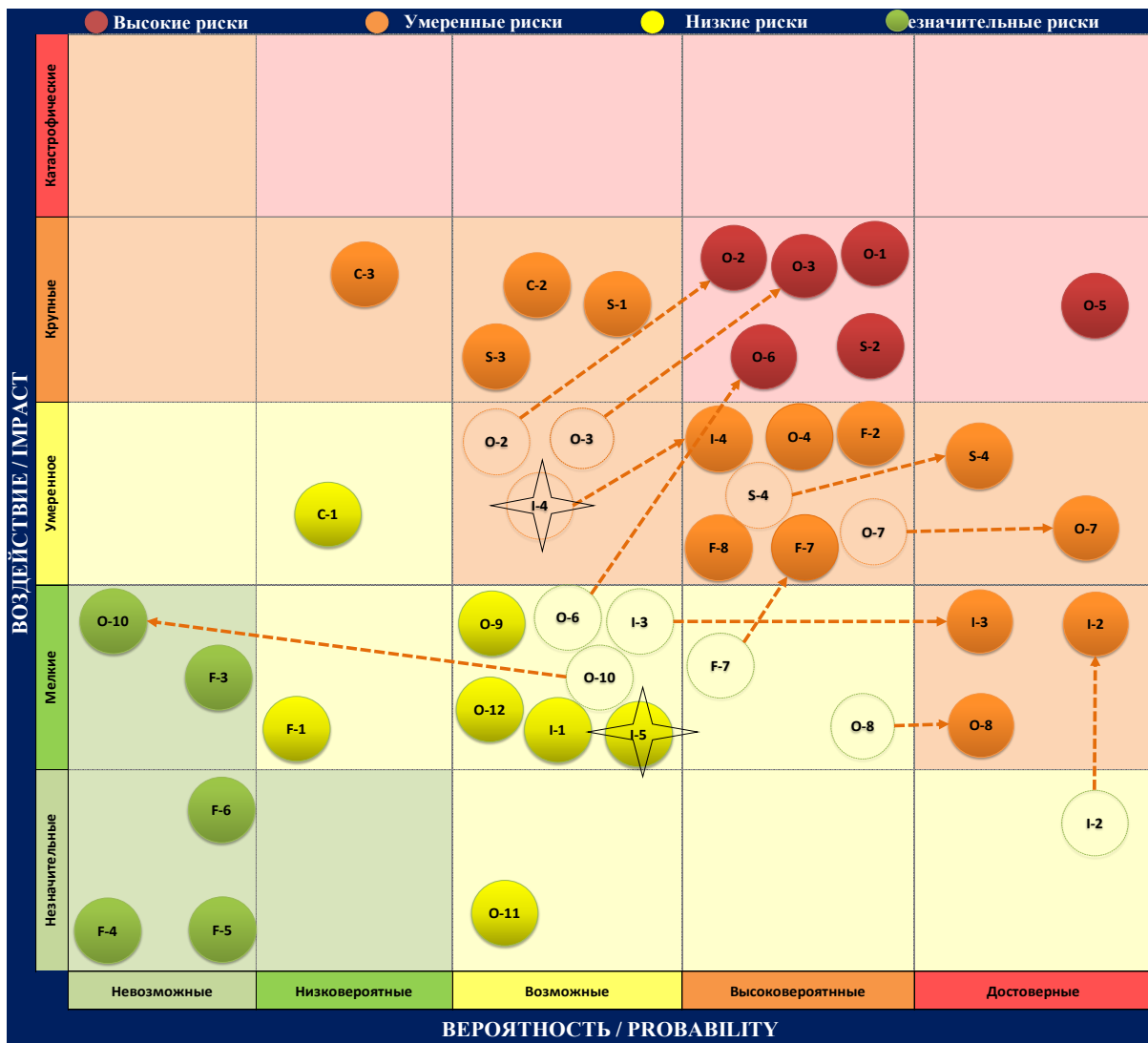
Risk registers and maps of subsidiaries and affiliates are developed and approved on an annual basis. Kazatomprom's risk map is divided into zones of impact and likelihood.

According to the Company's Risk Register, we identified 32 risks for 2023, including 6 red-zone risks:

- S-2 Higher social tensions
- O-1 Failure to deliver on uranium sale targets
- O-2 Failure to meet the planned uranium mining and/or uranium product output (U₃O₈)
- O-3 Increase in the cost of products and services above target
- O-5 Occupational injuries
- O-6 Intentional damage to the Company's group of companies

A risk is assessed according to its position on the Risk Map. The areas of risk zones are allocated according to damage, pegged to the risk appetite.

Risk Map 2023



STRATEGIC RISKS (S)

S-1 Decrease in uranium sales price below target

S-2 Higher social tensions

S-3 Reputation risk

S-4 Failure to perform on subsoil contracts

OPERATIONAL RISKS (O)

O-1 Failure to meet the uranium product sales plan

O-2 Failure to meet the planned uranium mining and/or uranium product output (U_3O_8)

O-3 Increase in the cost of products and services above target

O-4 Shortage of skilled staff or low qualifications

O-5 Occupational injuries

O-6 Intentional damage to the Company's group of companies

O-7 Reduced information security

O-8 Failure to meet planned production/sales of beryllium, tantalum, niobium and other UMP products

O-9 Environmental risk

O-10 Risk of a pandemic

O-11 Legal consequences of non-compliance/different interpretation of laws

O-12 Climate risks

COMPLIANCE RISKS (C)	
C-1	Corruption and corporate fraud risk
C-2	Sanctions risk
C-3	Listing and regulatory risks
FINANCIAL RISKS (F)	
F-1	Liquidity deficit
F-2	Credit risk vis-à-vis counterparty banks
F-3	Failure to perform on issued guarantees and obligations that do not have the legal form of a guarantee
F-4	Currency risk
F-5	Interest rate risk
F-6	Non-compliance with covenants under loan and guarantee agreements
F-7	Counterparty default risk
F-8	Country risk
INVESTMENT RISKS (I)	
I-1	Failure to meet the planned targets for the implementation of the FA project in Kazakhstan
I-2	Untimely implementation of CDW project (Stage 1)
I-3	Untimely implementation of DWH project (Stage 1)
I-4	Untimely implementation of the project on Construction of a sulphuric acid plant with a capacity of 800 thousand tonnes per year
I-5	Untimely implementation of the project on Construction of onshore processing complex of Zhalpak deposit with production capacity of 900 tonnes per year in Sozak district of Turkestan region

Key changes in the Risk Map in 2023:

In Q1, four risks migrated:

1. S-4 Failure to perform on subsoil contracts: probability grew from 4 to 5.
2. O-7 Reduced information security: probability grew from 4 to 5.
3. O-6 Intentional damage to the Company's group of companies: probability grew from 3 to 4 and impact grew from 2 to 4.
4. O-2 Failure to meet the planned uranium mining and/or uranium product output (U_3O_8): probability dropped from 4 to 3 and impact dropped from 4 to 3.

In Q2, two risks migrated, two new risks registered:

1. I-3 Failure to achieve targets of the Building 600. Reconstruction. Uranium Refining. UMP JSC. North Site project: probability grew from 3 to 4.
2. O-10 Risk of a pandemic: probability dropped from 3 to 1.
3. New risk registered I-4 Untimely implementation of the project on Construction of a sulphuric acid plant with a capacity of 800 thousand tonnes per year.
4. New risk registered I-5 Untimely implementation of the project on Construction of onshore processing complex of Zhalpak deposit with production capacity of 900 tonnes per year in Sozak district of Turkestan region.

In Q3, one risk migrated:

1. I-2 Untimely implementation of CDW project (Stage 1): impact grew from 1 to 2.

In Q4, six risks migrated:

1. O-2 Failure to meet the planned uranium mining and/or uranium product output (U_3O_8): probability grew from 3 to 4 and impact grew from 3 to 4.
2. O-3 Increase in the cost of products and services above target: probability grew from 3 to 4 and impact grew from 3 to 4.
3. O-8 Failure to meet planned production/sales of beryllium, tantalum, niobium and other UMP products: probability grew from 4 to 5.
4. F-7 Counterparty default risk: impact grew from 2 to 3.

5. I-3 Failure to achieve targets of the Building 600. Reconstruction. Uranium Refining. UMP JSC. North Site project: probability grew from 4 to 5.
6. I-4 Untimely implementation of the project on Construction of a sulphuric acid plant with a capacity of 800 thousand tonnes per year: probability grew from 3 to 4.

Risks and mitigation

Risk	Description	Mitigation measures
S-1	Decrease in uranium sales price below target	<ul style="list-style-type: none"> • Fixating quotas of contracts. • Exploring the opportunity to hedge uranium prices through transactions with TH KazakAtom AG subject to provision of the necessary funding: <ul style="list-style-type: none"> - Participating in tenders and conclusion of new medium-term and long-term contracts at fixed and partially indexed prices. • Analysing the market, projecting the uranium price trend. • Media monitoring of incidents, accidents and their consequences at nuclear and uranium facilities. • Control of uranium production by Kazatomprom's subsidiaries and affiliates in line with Kazatomprom's strategic decisions.
S-2	Increasing social tensions	<ul style="list-style-type: none"> • Allocating funds to support the socio-economic development in the regions of operations under subsoil use contracts. • Local government relations and cooperation. • Reaching out to workers through online platforms, retreats and/or roundtables. • Developing and monitoring an action plan for social partnership and enhancement of social stability at Kazatomprom's enterprises. • Overseeing compliance with labour laws through the reporting of subsidiaries and affiliates. • Analysing the income equality degree of subsidiaries and affiliates' employees. • Improving the financial literacy of employees (training). • Monitoring of media coverage.
S-3	Reputation risk	<ul style="list-style-type: none"> • Professional and timely communication and disclosure management. • Building effective internal communications in the central office, subsidiaries and affiliates. • Building and maintaining relations with local and international media. • Conventional and social networks monitoring. • Actions in line with the Crisis Communications Plan. • Control over the fulfilment of Kazatomprom's obligations under the agreements signed between Kazakhstan and the IAEA in terms of the competence of the parent company, subsidiaries and affiliates.
S-4	Failure to perform on subsoil contracts	<ul style="list-style-type: none"> • Monitoring of Kazakhstan's laws regulating the Company's operations. • Ensuring that the Company's subsidiaries and affiliates hold all necessary permits (licences) in line with the

		<p>Subsoil and Subsoil Use Code of the Republic of Kazakhstan.</p> <ul style="list-style-type: none"> • Participating in discussions on draft/amended legislation. Developing proposals to amend and supplement the laws of Kazakhstan. • Attending workshops explaining certain laws of Kazakhstan. Seeking explanations of complicated issues from government authorities. • Monitoring the compliance of the production figures in TO-25 reports with the contractual obligations of the subsidiaries and affiliates. • Raising the issue of risks associated with subsoil use contractual obligations with the Strategic Planning and Investment Committee of the Company's Board of Directors. • Monitoring subsoil use contract renewal deadlines.
O-1	Failure to meet the uranium product sales plan	<ul style="list-style-type: none"> • Exploring the uranium market environment and needs in the current year, using up-to-date information to assess the possibility to sell the output made available in the current year from the Uranium Sales Plan, because existing buyers refused to purchase natural uranium in view of the reduced demand for uranium products. • Entering into long-, short- and medium-term contracts for the sales of finished products (including contracts with KazakAtomTHAG). • Considering risks when drafting contracts (availability of penalties, flexibility of supply). • Approving necessary documents at the stage of contract signing in proper time. • Monitoring the performance of the contracts by the counterparties. • Insuring goods in transit against loss or damage. • Monitoring the media for prompt identification of intentions to impose sanctions and/or counter-sanctions affecting the uranium industry. • Selecting counterparties carefully, analysing and negotiating contract terms and conditions with the concerned structural units, etc. • Entering into location/time swap contracts to receive uranium products at the converter and subsequent physical delivery to customers. • Controlling compliance with the process parameters of finished uranium production. • Quality control of packaging of finished uranium products for compliance with standards. • Developing alternative uranium export routes.
O-2	Failure to meet the planned uranium mining and/or uranium product output (U ₃ O ₈)	<ul style="list-style-type: none"> • Adjusting production (changes in unit commissioning schedule). • Strict adherence to subsoil use licences and contracts. • Supervising the execution of planned well construction and production. • Implementing the 2016-2027 Prospecting Programme for the replenishment of mineral resources.

		<ul style="list-style-type: none"> • Taking corrective actions (shutting down wells with low uranium content, launching blocks with the richest uranium content, adjusting the acid feed, etc.). • Quality control of finished uranium products received for compliance with standards. • Weekly and monthly control of compliance with standards of well construction, mine preparation works and uranium mining, and technological regulations. • Controlling compliance with the process parameters of finished uranium production. • Overseeing the fulfilment of schedules for well preparation, repair and renewal operations. • Acquiring additional drilling rigs, outsourcing some of the drilling works. • Proper planning of requests for raw materials, inventories, energy, etc. • Monitoring the timely launch of fields, sites, and blocks. • Continuing the Corporate Property Insurance Programme for subsidiaries and affiliates.
O-3	Increase in the cost of products and services above target	<ul style="list-style-type: none"> • Monitoring specific consumption rates of chemical reagents, materials and energy costs. • Analysing purchase prices for key chemical reagents, materials and energy costs. • Improving energy efficiency of production (Reduction of purchased electricity consumption through the use of RES, Reduction of electricity through the use of energy-saving appliances and devices, Replacement of equipment with more economical equipment, Introduction of new technologies with lower energy intensity). • Controlling actual fulfilment of production cost targets approved by management bodies of subsidiaries and affiliates. • Optimising production technology, making changes in the technological process to improve its efficiency, introducing organisational and technical measures to reduce consumption rates of reagents and materials. • Controlling the fulfilment of contractual obligations by the R&D service provider. • Contributing to new scientific developments to reduce the cost of natural uranium mining. • Timely diagnostics and repair of main equipment. • Organising handling of hotline calls and ensuring timely handling. • Conducting training sessions for employees. • Seeking approval by the Compliance Service of foreign exchange payments to check if sanctions were imposed on non-resident counterparties and/or their banks.
O-5	Occupational injuries	<ul style="list-style-type: none"> • Monitoring compliance with the HSE laws of the Republic of Kazakhstan and corporate regulatory documents. • Conducting scheduled audits of operations of subsidiaries and affiliates to ensure compliance with HSE regulations.

		<ul style="list-style-type: none"> • Monitoring timely training, briefing and checking personnel's knowledge of HSE. • Preparing and sending an information statement on findings of the analysis of occupational injuries and accidents at enterprises and prevention proposals to subsidiaries and affiliates. • Controlling the provision of employees of subsidiaries and affiliates with overalls and PPE. • Supervising regular radiation and contamination monitoring by subsidiaries and affiliates. • Supervising pre-shift medical examinations and briefings conducted by subsidiaries and affiliates. • Overseeing timely certification of workplaces by the Company's subsidiaries and affiliates. • Conducting and analysing behavioural safety audits, identifying near-misses. • Analysing the STOP Card application. • Imposing disciplinary sanctions on responsible officers for occupational safety violations.
O-6	Intentional damage to the Company's group of companies	<ul style="list-style-type: none"> • Conducting audits and internal investigations in the Company and subsidiaries and affiliates with subsequent development of proposals and recommendations, including those of a preventive nature, to prevent and compensate for damage, make organisational and HR decisions, update internal regulatory documentation and improve the control environment. • Informing the Company's shareholders and management about risks and facts of corrupt and fraudulent actions on the part of the stakeholders and of Kazatomprom and subsidiaries and affiliates. • Implementing the Business Continuity Management Plan for Terrorist Crisis Situations and Other Crimes of a Non-Terrorist Nature. • Implementing the Employer's Action Algorithm for Prevention and Localisation of Labour Conflicts. • Periodic controlling and accounting of storage and movement of radioactive substances and nuclear materials. • Continuous monitoring and verification of physical security and alarm systems functioning. • Verifying reliability of persons with access to these types of materials. • If necessary, conducting an official investigation into the theft, loss and unauthorised removal of radiation and nuclear materials. • Developing corrective measures to eliminate conditions and prevent recurrence of similar facts.
O-7	Reduced information security	<ul style="list-style-type: none"> • Continuous monitoring of compliance with the Information Security Policy. • Entering into NDAs with the counterparties of the Company's group of companies. • Raising cyber security awareness and improving cyber security skills of employees. Conducting briefings and testing. Mailing out.

		<ul style="list-style-type: none"> • Automating the process of raising employee awareness of cyber security for 12 subsidiaries and affiliates as part of the replication of the Introduction and Development of Cyber Security project. • Testing the Business Continuity and Disaster Recovery Plans. • Conducting IS audits at the Company, its subsidiaries and affiliates. • Connection of all subsidiaries and affiliates under Kazatomprom's umbrella to the IS Operations Centre and a single Internet access gateway. • Developing an action plan to eliminate identified IS threats and shortcomings. • Making a list of facilities identified as critical information and communication infrastructure. • Considering the establishment of a Cyber Security Centre on the site of KAPTechnology LLP (with connection to the ISOC and further to the National Cyber Security Coordination Centre). • Supervising the connection of all subsidiaries and affiliates under Kazatomprom's umbrella to the Integrated Information Security System (IISS). • Entry testing. Developing an action plan to eliminate identified IS threats and shortcomings. • Implementing IS tools to ensure and enhance IS maturity. • Protecting information by means of a confidential data leakage prevention system (DLP), Cryptographic Information Protection System (CIPS), and Comprehensive Information Security System (CISS). • Ongoing monitoring and analysis of changes in the information security laws of the Republic of Kazakhstan. • Preventing unwarranted access and disclosure of restricted information. • Identifying and closing potential channels used for leaking restricted business information in the course of the Company's operations. • Making a List of Confidential Information and Commercial Secrets of NAC Kazatomprom JSC. • Resolving power segregation conflicts in SAPGRCAC on the Procurement process.
<p>O-8</p>	<p>Failure to meet planned production/sales of beryllium, tantalum, niobium and other UMP products</p>	<ul style="list-style-type: none"> • Controlling the execution of the Production Plan. • Carrying out preventive maintenance and overhauls to prevent breakdowns. • Conducting ongoing negotiations with suppliers of raw materials (beryllium, tantalum). • Controlling the availability of standard stock (raw materials). • Controlling the sales of beryllium, tantalum and niobium products against targets. • Making contracts with consumers of beryllium, tantalum and niobium products. • Analysing the beryllium, tantalum and niobium market (by segment, region, product, competitor, and consumer) on an ongoing basis.

O-12	Climate risks	<ul style="list-style-type: none"> • Organising employees' drinking regime when the average temperature rises in summer. • Transferring the equipment and machinery to summer mode. • Revising the climatic zone for providing with special clothing (downward revision of the wear time of winter clothes). • Ensuring control of readiness and duty of non-state firefighting services and professional emergency rescue service to eliminate possible accidents. • Switching to backup power supply sources in case of emergency power outage. • Limiting vehicles' exit in case of possible onset of hazardous weather phenomena. • Ensuring uninterrupted communication with emergency workers. • In the event of a natural fire, notifying and contacting local authorities for information about the disaster and the assistance provided to the population. • Carrying out firefighting activities, increasing fire safety drills frequency. • Cleaning the territory from dry wood and fire hazardous objects. • Cleaning railway and motorway from snow. • Improving energy consumption and energy efficiency measures. • Carrying out quantity assessment of direct and indirect greenhouse gas emissions in accordance with international standards and generally accepted guidelines. • Training of personnel on legislative changes in terms of expanding/stricter reporting obligations on GHG emissions. • Implementing energy saving and energy efficiency measures. • Modernising the equipment. • Correct planning of demand for raw materials, inventory, energy resources, etc. • Improving technological processes. • Passing to purchased energy from renewable and alternative sources (or using own green energy, in case of investments in renewable energy sources).
C-2	Sanctions risk	<ul style="list-style-type: none"> • Preliminary coordinating with the Compliance Service on cooperation with counterparties regarding sanctions risks (including the risk of blocking payments). • Informing interested Joint Ventures (Departments of Treasury, Sales, Sales Support, Production, Mining, Scientific and Technical Projects, IT) on sanctions risk management issues. • In case partners are in the sanctions list (Russian and Chinese companies with which Kazatomprom has joint ventures): a) the production plan fulfilment at the expense of other subsidiaries and affiliates, including by revising subsoil use contracts to increase production; b) bringing NAC Kazatomprom JSC's stake in the joint venture up to 100% of the package or another option to withdraw the joint venture from the sanctions list.

		<ul style="list-style-type: none"> • In case key buyers are in the sanctions list: a) search for new buyers (market reorientation); b) adjustment (reduction) of production volumes; c) conclusion of swap deals to provide material to Western conversion plants for further sales. • In case key suppliers (including logistics companies, ports, etc.) are in the sanctions list: a) working out alternative routes that are not subject to sanctions risks; b) initiating domestic production of key products (special machinery, equipment); c) negotiations with suppliers on direct deliveries to the Republic of Kazakhstan. • In case the RK banks are in the sanctions list: a) switch to servicing in banks that are not in the sanctions list; b) switch to alternative sources of funding in the form of issuing bonds on the Kazakhstan stock market. • Developing alternative routes not subject to sanctions risks.
C-3	Listing and regulatory risks	<ul style="list-style-type: none"> • Updating the list of insiders up to date, collecting insider's notices of insider trading liability under applicable laws, including transactions with the Company's securities on the basis of insider information. • Notifying the Company's employees in advance of closed/open periods. • Timely informing stock exchanges and regulators about transactions made by PDMRs. • Monitoring changes in stock exchange rules. • Informing the interested JVs of the Company about changes in listing requirements. • Monitoring compliance with information disclosure rules at least once a half year. • Training and regular testing of employees in line with the Code of Ethics and Compliance. • Awareness-raising on the insider information and confidential information protection.

The Management is confident that Kazatomprom has an effective risk management system in place, implementing measures to prevent and mitigate the risk consequences. Reports on the implementation of preventive measures (within the framework of the risk register) are prepared on a regular basis. The Board of Directors sets and approves levels of risk appetite on an annual basis. Tolerance levels have been defined for all risks to control the process of preventing possible negative financial consequences and possible reduction of the Company's value.

Risk limitation practices and the Rules for setting limits for second-tier banks to ensure control over the level of credit risk are in place. The Management Board approves the Group's limits on counterparty banks at least once a year and then reallocates them between the Company and its subsidiaries.

Kazatomprom introduced the routine analysis and risks assessment in investment projects, as well as in other initiatives submitted for consideration of the governing bodies. The Company's senior management is directly engaged in risk management on an ongoing basis. The Risk Management Department regularly submits quarterly and annual risk management reports containing information on realised and forecasted risks, as well as measures taken to minimise them.

4.7.3. Sustainability Risk Management

Kazatomprom strives to factor in the risks and opportunities in the area of sustainable development in its operations and make informed and ethical decisions related to sustainable development. The Company works to improve its risk management and internal control system and align it with ESG factors and the climate change agenda to meet the expectations of socially responsible investors, sustainability promoting communities, and other stakeholders.

For more information, see *Kazatomprom Integrated Annual Report 2021*.
https://www.kazatomprom.kz/storage/c5/kazatomprom_iar_2021_rus.pdf.

4.8. Internal control

The Company's internal control system seeks to build a management system capable of responding quickly to process risks, controlling core and supporting processes and day-to-day operations, and is built according to the COSO Internal Control - Integrated Framework and consists of five interdependent components: control environment, risk assessment, control procedures, information and its transmission as well as monitoring.

Kazatomprom approved the Internal Control System Policy where defined the goals and directions of its development. The Company developed the Rules on Management Reporting and approved the Instructions on Testing of Compensating Controls within SAP GRC AC. All this allows to effectively control risks and respond to them promptly.

The ICS Policy is available on the Company's website in the [Internal Control System Policy](#) section.

4.8.1. Internal Audit

The Company has an independent Internal Audit Service (the IAS) accountable directly to the Board of Directors. The Board of Directors determines the composition of the Service, the remuneration of its staff, and approves the internal audit policies and procedures, as well as the annual audit plan and budget.

IAS performance in 2023:

- The targets under the annual audit plan were 103% met.
- No facts were recorded that adversely affected the independence or individual objectivity of the internal auditors.
- The management, Audit Committee, and the Board of Directors reviewed the IAS reports on a quarterly basis.

4.8.2. External audit

GRI 2-5

Every year, Kazatomprom's Consolidated Financial Statements and the Integrated Annual Report are independently assured by an auditor, which results in an Independent Auditor's Report and the Auditor's Report on the Independent Limited Assurance Review.

In 2022 at the Extraordinary General Meeting of Shareholders PricewaterhouseCoopers LLP was appointed as the auditor to perform audit of NAC Kazatomprom JSC's consolidated and separate financial statements under IFRS for the years 2023 and 2024. Remuneration for audit of NAC Kazatomprom JSC's consolidated and separate financial statements under the International Financial Reporting Standards for 2023 and 2024 amounts to KZT 679,938,766 (six hundred seventy-nine million nine hundred thirty-eight thousand seven hundred sixty-six tenge), including VAT.

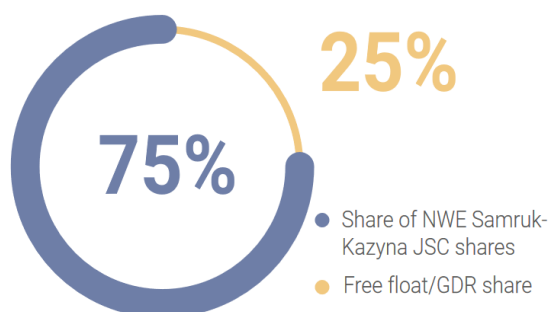
The Group's total non-audit fees to PricewaterhouseCoopers LLP for 2023, including all subsidiaries and affiliates of NAC Kazatomprom JSC, were KZT 115,076,000 (one hundred fifteen million seventy-six thousand) excluding VAT.

4.9. Shareholder engagement

4.9.1. Share capital

Kazatomprom's total issued shares, including global depository receipts (GDRs), is 259,356,608, with 64,839,152 shares/GDRs currently on free float, which makes 25%. Samruk-Kazyna JSC holds 75% of the issued capital, or 194,517,456 shares.

Percentage of issued shares issued and free float



In 2023, Kazatomprom did not participate in any placements. There was no disclosure of the existence and compliance with the terms of any agreement with the controlling shareholder.

4.9.2. Listing information

As of 31 December 2023, the Company's securities, i.e. shares, GDRs and bonds were traded on the Kazakhstan and international stock exchanges with a listing on the Kazakhstan Stock Exchange (KASE), Astana International Exchange (AIX), and London Stock Exchange (LSE).

Listing

Instrument	Currency	ISIN	AIX	LSE	KASE
Ordinary shares	KZT	KZ1C00001619	KAP	–	–
GDRs	USD	US63253R2013	KAP.Y	KAP	–
Bonds	KZT	ISIN KZ2C00006153	–	–	KZAPb2
Commercial bonds	USD	KZ2C00009199	–	–	KZAPb3

4.9.3. Outreach policy

Kazatomprom works consistently to build a positive image and business reputation of the Company, as well as to inform stakeholders about the Company's operations through external and internal channels.

As part of this work, Kazatomprom established an Information Disclosure Council, updated the Information Disclosure Policy and Rules, as well as other internal documents regulating the Company's communication risks.

Pursuing the Policy, Kazatomprom follows fundamental principles:

- Transparency
- Accessibility
- Balance
- Information protection
- Consistency

- Document evidence
- Efficiency
- Equality
- Completeness
- Impartiality
- Protection of information resources
- Regularity
- Commitment
- Reliability
- Coherence

In 2023, the Company:

- developed and approved: NAC Kazatomprom JSC's Internal and External Communications Strategy, the Order on External and Internal Communications, the Rules for Building Anti-crisis Communications of NAC Kazatomprom JSC, and the Instruction on Maintaining Corporate Accounts in Social Networks (for the Company's subsidiaries and affiliates);
- organised Kazakhstan's pavilion as well as a side-event at the 67th IAEA General Conference in Vienna (Austria). 15 media publications were posted on the results of the events (coverage of 150,000 people);
- published 81 press releases on the Company's official website, which together generated approximately 1 million reprints (coverage of more than 10 mln);
- prepared 58 responses to media enquiries, resulting in more than 70 media articles;
- had 34 articles, interviews, and reports published in foreign and Kazakh media;
- held 2 press conferences for the media with the Company's management, resulting in more than 50 media articles;
- held 2 press tours around the Company's production facilities, resulting in 16 media articles;
- held 1 press lunch in Astana;
- held 1 communication training session for employees of subsidiaries and affiliates;
- published 12 issues of the *QazAtomNews* corporate magazine;
- posted 1,000+ publications with photos and videos for internal and external audiences on the Company's social media accounts, with a total reach of about 1 million;
- redesigned the Company's social media accounts. The Company's Instagram account/external telegram channel has a unified style and design in the colours of the brandbook and the logo on each visual (post/story). This redesign affects the Company's visual image on social networks
- withdrawn (not issued/deleted) 12 negative articles in the national media;
- revised/changed 7 articles in the national media;
- removed (not aired/deleted) 2 negative stories in the evening news of the national TV channels.

4.9.4. Official channels for shareholder engagement

To ensure the exercise of equity rights and the effective shareholder engagement, the Company operates several communication channels:

- the Company's official website, www.kazatomprom.kz, where information about the Company is available, including the description of operations and performance, press releases, annual and interim reports.
- mailbox and hotline where shareholders may file inquiries on absentee voting, dividends, notification of changes in personal data and other similar matters with the registrar/depositary of the Company:
 - For holders of ordinary shares: Central Securities Depository JSC, 28 Samal-1 District, Almaty. Tel.: +7 (727) 355 47 61;
 - For holders of Global Depositary Receipts (GDRs): Citibank N.A., 388 Greenwich Street, New York, NY 10013, United States, Tel.: +1-212-816-6622/+1-917-533-7887.

4.10. Tax transparency

GRI 3-3, GRI 207-1

Since its foundation, NAC Kazatomprom JSC has taken a responsible approach to compliance with applicable tax legislation, taking into account the provisions of laws and regulations, international treaties and other recommendations of state authorities in its activities, while ensuring proper control over tax accounting and tax reporting. Our responsible approach to taxation is based on our corporate tax policy and internal regulations and aims to ensure full and timely payment of all required taxes.

NAC Kazatomprom JSC's tax policy seeks to maintain the highest standards of tax accounting and the Group's management is responsible for compliance with the tax policy. NAC Kazatomprom JSC applies the group tax policy in accordance with the Company's overall business strategy and approach to corporate governance, ethics and risk management. The Company's tax policy is implemented using specific approaches and measures adopted and developed by the Group. These include proactive identification, prevention and mitigation of potential risks and result in accurate and timely fulfilment of the Company's tax obligations.

In order to conform with the best practices of international companies/corporations, a Policy on Tax Principles for the International Group of Enterprises (NAC Kazatomprom) has been developed and approved by the Kazatomprom Board, which is a document that states the general principles guiding the Group's enterprises in carrying out the tax function.

Further information on the Tax Policy of the Group please see the company's [official website](#).

By making all applicable tax payments to local authorities, Kazatomprom makes a significant contribution to the sustainable social and economic development of the regions where it operates. Wherever possible, the Company seeks to engage in constructive dialogue on tax matters with government authorities, independent associations and business groups in order to make a meaningful contribution to the development of a fair, efficient and stable tax system.

GRI 207-2, GRI 207-3

The Director of Tax Department is responsible for the maintenance, control and management of tax risk and ensures that appropriate processes and systems are in place to control these risks. The Group is committed to minimising tax risks and always builds its business on sound principles, consistent with the tax legislation of Kazakhstan. The Company monitors tax changes on a regular basis and updates processes as necessary.

The Group believes tax risks are extremely important and discloses them in the financial statements if they exist. The Group prepares quarterly reports on tax risks for internal users. Since the tax system of the Republic of Kazakhstan is evolving, we consider different interpretations of tax laws and provisions, as well as the application of transfer pricing to be the most significant tax risks for the Group.

We seek external advice if there is complexity or uncertainty regarding tax risk and works very closely with the tax authority represented by the State Revenue Committee of the Republic of Kazakhstan. The Company seeks to resolve any contentious issues through proactive and transparent discussion and negotiation.

The Group widely participates in various pilot projects of the tax authorities aimed at continuous interaction between the parties in order to promptly identify and respond to potential risks. The Group is currently working on entering the second stage of the pilot project on horizontal monitoring, the main principles of which are transparency and reliability of tax accounting. Our employees regularly participate in seminars and training sessions on tax matters to stay up-to-date on trends and changes in tax legislation. Significant tax issues are regularly reviewed by external auditors as part of the audit of the Company's financial statements.

4.11. Compliance with laws and regulations

GRI 2-27

Compliance with laws and regulations in 2023

The total number of cases of non-compliance with laws and regulations, including:	unit	328
cases of fines	unit	61
non-monetary sanctions	unit	267
Total number of cases of non-compliance with laws and regulations whose fines have been paid	unit	61
submitted in the reporting year	unit	56
submitted in previous reporting periods	unit	5
Total fines paid for non-compliance with laws and regulations	tenge	522,774,698.32
submitted in the reporting year	tenge	230,550,065.32
submitted in previous reporting periods	tenge	292,224,633.00

In 2023, the total number of cases of non-compliance with laws and regulations within the Group amounted to 328, out of which 61 cases resulted in fines and 267 cases led to non-monetary sanctions. It's noteworthy that all individual instances of Group companies' violations of laws, subordinate regulatory acts, and regulatory documents, as recorded by relevant state/regulatory authorities, were included in the non-monetary sanctions.

During the same period, the Group paid 61 fines totaling 522.8 million tenge. However, there were no instances of paying significant fines exceeding 364 million tenge in any single case. The chosen threshold for significance is determined based on the materiality specified in the independent audit report, which amounts to 5% of the pre-tax profit for the financial year ending on December 31, 2023, and is applied to individual items of the financial statements as one-hundredth of the specified percentage.

The instances of non-application of non-monetary sanctions are also considered insignificant because they did not result in significant impacts on the Holding's operational activities (such as production stoppages, license revocations, failure to fulfill contractual obligations, etc.).

4.12. Corporate ethics and compliance

GRI 2-13, SASB EM-MM-510a.1.

Kazatomprom believes that doing business ethically is key to its long-term success, and therefore maintains the highest standard of ethical behaviour in its daily operations, which is an essential part of its approach to doing business.

The Company's Code of Ethics and Compliance approved by the Board of Directors is a pillar for achieving strategic goals and a guide for all Company employees in building relationships with stakeholders.

In addition to the Company's Code of Ethics and Compliance, the key documents governing anti-corruption compliance procedures are:

- Anti-Corruption and Anti-Fraud Policy.
- Regulations on the settlement of corporate conflicts and conflicts of interest.
- Securities Trading Policy.
- Rules for internal control over insider information management.
- Whistleblowing Policy.
- Counterparty due diligence.

The Anti-Corruption and Anti-Fraud Policy is the key document that defines major anti-corruption measures, goals, and principles of NAC Kazatomprom JSC.

Basic principles of combating corruption and fraud:

- Zero tolerance for corporate fraud.
- Tone at the Top.
- Certainty of punishment.
- Separation of duties.
- No conflict of interest.
- Due diligence.
- Engagement of employees and the third parties concerned.
- No retaliation or sanctions.

Kazatomprom has Regulations on the settlement of corporate conflicts and conflicts of interest in place. The document outlines the causes of corporate conflicts and conflicts of interest, prevention procedures, as well as regulates conflict settlement actions of the Company's bodies.

GRI 205-2

The Anti-Corruption and Anti-Fraud Policy covers 100% of employees of Kazatomprom Group, including management. Staff outreach and training are conducted on a regular basis, including annual compliance testing.

In line with the ESG principles, Kazatomprom focuses on the development and further promotion of a compliance culture among its business partners as well.

100% of suppliers have been made aware of the Group's anti-corruption policies and procedures.

In 2023, the Compliance Service held workshops to explain the Code of Ethics for Suppliers and Contractors to twenty-eight of the Group's largest and systemic counterparties.

Throughout 2023, NAC Kazatomprom JSC's compliance specialists conducted anti-corruption training events for the Group's employees on various compliance topics, including anti-corruption issues.

In addition, a number of training and awareness-raising events were held with the invitation of civil servants from the anti-corruption regulator of Kazakhstan, the Agency for Counteraction of Corruption of the Republic of Kazakhstan.

In general, the Company aims to cover at least 90% of the full-time employees when conducting anti-corruption training.

GRI 205-1

In 2023, the Company assessed corruption-related risks in 167 Group's divisions/business processes, which is 47.7% of the total number of Group's divisions/business processes.

According to the approved Corruption Risk Map for 2023, Kazatomprom identifies the following risks as significant:

- Collusion with a potential supplier during procurement procedure.
- Collusion with an existing supplier when supplying goods/providing works and services.
- Collusion with third parties during recruitment procedures.

We did not record identification/realisation of the above risks in the reporting period.

4.12.1. Ethics and doing business principles

All our employees are committed to high standards of behaviour socially accepted and consistent with the responsibilities and traditions of the Company. High standards of personal conduct imply that employees

of the Company adhere to the principles of honesty, integrity, impartiality, and respect not only at work and in communication with colleagues, partners, suppliers, customers, and other stakeholders of the Company, but also in their everyday life.

The general principles of employees' conduct in relations with other team members, business partners, shareholders, government agencies and other stakeholders are enshrined in the Kazatomprom Code of Ethics and Compliance. Corporate values lie at the heart of the Code. As the backbone of the Group's corporate culture and employees' unity of views and actions, the values contribute to the effective achievement of the Company's goals.

GRI 2-23

Kazatomprom's corporate values:

Safety	<ul style="list-style-type: none"> • Safety is our habit • Each of us is personally responsible for safety • We promote the culture of safety through standards and conduct • We take care of the environment
Professionalism	<ul style="list-style-type: none"> • We are an industry leader • We have and share unique knowledge and practices • We achieve our goals effectively • We make informed decisions
Responsibility	<ul style="list-style-type: none"> • Each of us is personally responsible for his or her work product • We care about the future and take responsibility for the decisions we make • We care about our reputation • We are honest with each other, partners, suppliers, and customers
Development	<ul style="list-style-type: none"> • Developing ourselves, we develop the company • We pioneer innovations • Relying the best practices we have, we are developing new business areas • We improve technologies
Team	<ul style="list-style-type: none"> • We respect other opinions and value everyone's input • We help each other • We work towards our common cause • Generational knowledge and energy help build an effective team

Every employee of the Company must adhere to the Code of Ethics and Compliance, regardless of their position. This Code is binding on the management and third parties related to the Company. All employees of the Company get familiar with the Code of Ethics and Compliance when they are hiring and when the Code is amended.

All group companies have also introduced a Supplier and Contractor Code (as an annex to a model procurement contract), which outlines Kazatomprom Group's ethical principles and obliges suppliers to follow them.

For more information about the Supplier and Contractor Code, please visit the Company's [official website](#).

4.12.2. Anti-corruption management

GRI 3-3

As a law-abiding and public organisation, the Company supports anti-corruption and anti-bribery measures in Kazakhstan and globally. Corruption causes significant damage to the economic security of a country and society, has a devastating effect on the national economy, destabilises public life and work, and

undermines public trust. The Company's anti-corruption commitments are enshrined in its Code of Ethics and Compliance.

GRI 2-16, 2-24, EM-MM510a.1.

To ensure effective anti-corruption management, we have implemented all necessary measures and procedures. Responsibilities are assigned depending on the level of decision-making:

- The Board of Directors is responsible for shaping a compliance policy and culture, including anti-corruption actions and approval of internal documents, approving the annual corruption risk map, reviewing reports on materialised compliance risks, appointing the Head of Compliance Service, evaluating his/her performance and approving the work plan of the Compliance function for a year.
- The Management Board is responsible for implementing compliance procedures and enforcing compliance policies.
- The Compliance Service conducts an independent assessment of corruption risks, is responsible for coordinating anti-corruption efforts across the Group (including 23 operating companies), conducts counterparty due diligence, and reviews whistleblowers' reports.
- The Internal Audit Service regularly evaluates the effectiveness of the Company's anti-corruption programme and submits its evaluation report to the Board of Directors.

In addition, the Company strives to cascade down these ethical business principles to suppliers and contractors. Thus, from mid-2021, an annex, the Supplier and Contractor Code, was introduced into the model procurement contracts. Suppliers must adhere to the Code. The Code incorporates seven core principles in line with the ESG (Environmental, Social & Governance) principles. Since 2022, Kazatomprom has held outreach meetings and workshops with the group's regular and major suppliers to discuss the Code.

Additionally, in 2023, the Company developed an ESG questionnaire for suppliers. The Kazatomprom's Model Contract for Procurement of Goods, Works and Services contains the supplier's obligation to complete the ESG questionnaire.

GRI 205-3

In the reporting period, we identified 1 case of corruption offence: on 23 January 2023, the Turkestan City Court sentenced an employee of Volkovgeologiya JSC to be guilty of giving a bribe to an employee of the Ecology Department of Turkestan Region of the Republic of Kazakhstan in 2021. At the same time, during the period of investigative measures on this offence, the Company terminated the employment contract with the employee of Volkovgeologiya JSC.

In the reporting period, we had no cases of dismissal or punishment of the Group's employees for corrupt practices.

In the reporting period, we had no confirmed cases of non-renewal or cancellation of contracts with business partners due to corruption-related offences.

In 2023, we had no public corruption cases filed against the organisation or its employees during the reporting period.

4.12.3. Anti-corruption training

To raise employees' awareness about compliance and the latest changes in anti-corruption laws, NAC Kazatomprom JSC conducts regular compliance and anti-corruption training sessions.

In 2023, the Company held two meetings with the risk and compliance officers of subsidiaries and affiliates (15-17 March and 16-17 November 2023). At the meetings, we discussed the main changes in the risk management and compliance environment, and reported on practices and developments.

In November-December 2023, we tested our employees on their knowledge of the Code of Ethics and Compliance of NAC Kazatomprom JSC.

In addition, the Compliance Service prepared three reports for compliance specialists of Kazatomprom Group:

- a seminar for service employees on compliance checks of potential suppliers;
- a seminar for compliance officers to explain the procedure on entering into a non-disclosure agreement to assist in combating corruption;
- a presentation for compliance specialists of Kazatomprom Group to explain ISO 37001.

The Company writes a monthly compliance column in the *QazatomNews* corporate magazine.

4.12.4. Whistleblowing channels

GRI 2-16, 2-26, 207-2

Kazatomprom has the Hotline in place that is designed to receive reports from the Company's employees and third parties on corruption and fraud-related issues, violations of the Code of Ethics and Compliance, and other non-compliance with the laws regulating the Group's operations. The Hotline details can be found on the Company's official website and subsidiaries and affiliates website.

The Hotline received 48 reports in 2023. We handled 44 and rejected 4 (due to consideration of the issue by the judicial authorities, earlier verification of a similar message, lack of information allowing for verification). The Company reviewed the reports within the time established by the internal documents.

Topics raised in reports, %

Topics	2021	2022	2023
Procurement	25	40	10
HR issues	53	45	50
Other	22	15	40

4.12.5. Ombudsman

Kazatomprom has the Office of the Ombudsman responsible for consulting employees on the Code of Corporate Ethics, initiating procedures to consider disputes over violations of the Code, participating in their settlement, and promoting compliance with business ethics by employees. In line with the Company's internal documents, the Ombudsman shall follow the principles of independence, neutrality, impartiality, confidentiality, and informality.

In general, Kazatomprom is represented by a human rights institution consisting of the Ombudsman Service and independent Ombudsmen in 23 subsidiaries and affiliates.

This structural model makes it possible to promptly consider complaints, take measures against ethics violation, prevent and resolve social and labour disputes, substantively develop recommendations for persons involved in disputes, conflict or problem situations, and conduct effective communication activities. As a result, the Ombudsmen of SDCs in 2023 received 225 employees in person and held 141 meetings with labour collectives.

Every employee can contact the Ombudsman through special communication channels: the helpline, internal communication channels at subsidiaries and affiliates, WhatsApp mobile application, or the Ombudsman's email. Information on the Ombudsman's activities is posted on information stands and screens of subsidiaries and affiliates, indicating how to submit complaints.

In 2023, the Ombudsman considered 40 complaints and provided explanations and follow-up recommendations to rectify the violations.

All the complaints were handled in line with the Company's internal documents and the laws of the Republic of Kazakhstan, including the Administrative Procedure Code of the Republic of Kazakhstan.

By the topic, the complaints considered were as follows:

- ethics – 22 (of which satisfied – 6, refused – 14, explained – 2);
- remuneration – 9;
- labour organisation, including nutrition and labour regime – 4;
- employment (recruitment) – 3;
- abuse and disagreement with the results of an official investigation – 2.

At the same time, 12 (or 30%) out of 40 were collective complaints, 10 of which were anonymous. In total, anonymous complaints were 12. Other ones – 2.

Reports were accepted on the following channels:

- Nysana information system – 18
- Fund's hotline – 13
- Corporate Ombudsman's email – 5
- Company's Office – 3
- E-Otinish – 1

All the complaints were handled in line with the Company's internal documents and the laws of the Republic of Kazakhstan, with a subsequent response to the applicants.

In 2023, for the first time in his practice, the Ombudsman made recommendations to eliminate violations by entering amendments and alterations to the Company's internal regulatory documents. During the above period, he prepared and made 8 recommendations, resulted in entering amendments and alterations to the Collective Bargaining Agreement, the recruitment rules, as well as updating the questionnaire used in sociological surveys according to the methodology of Samruk Research Services.

In 2023, to assess the moral and ethical climate, the Company conducted an anonymous survey covering 11,000 employees of 23 subsidiaries and affiliates, representing more than 60% of their total headcount. This event identified problematic issues related to deficiencies in building relationships based on the principles of mutual respect, fair rewards and promotion, dissatisfaction with the personal protective equipment provided, cases of discrimination on the grounds of nationality, religion, gender, etc.

Based on the results of the analysis, the Company developed recommendations for the CEOs of subsidiaries and affiliates aimed at improving the moral and ethical climate in their teams.

In 2023, we invited the Samruk-Kazyna's Ombudsman S.U. Trumov and the NAC Kazatomprom JSC's supervisor, representative (interviewer) of the Centre for Social Engagement and Communication A.A. Akkazynova to visit the facilities of RU-6 LLP, Baiken-U LLP, Kyzylkum LLP, SKZ-U LLP, Irkol mine of Semizbay-U LLP, branch of KAP Logistics and branch of Volkovgeologia JSC "Ontustik VG" GEE-23.

The administration and the staff discussed the results of the survey conducted by SRS (Samruk Research Services). They focused on satisfaction with the logistical infrastructure, availability of necessary working and living conditions, as well as issues related to development, career, social package, evaluation of labour organisation and safety.

Based on the results of the visit, we held a joint meeting with ombudsmen, heads of HR and social services of enterprises deployed in the Kyzylorda region. We discussed the problems affecting reliability of the SRS surveys results.

Based on the results of the discussion, we developed recommendations on the brevity, presentation and number of the Centre for Social Engagement and Communication's questions.

We held similar meetings with labour collectives at JV Inkai LLP, Karatau LLP and JV South Mining Chemical Company LLP, Kazatomprom SaUran LLP (Kanzhugan mine), Branch "Ontustik VG" GEE-5 of Volkovgeologia JSC, Uranenergo LLP and KAP Logistics LLP.

In addition, we examined the work plans of subsidiaries and affiliates and recommended to improve social

well-being and peace of mind for the "critical" and "stressed" indices.

To improve the professional level of the Ombudsmen of subsidiaries and affiliates, the Company organised a meeting with UNDP (United Nations Development Programme) experts. The educational training on Observance of human rights and ethics in labour relations took place and the UN Special Representative in the Republic of Kazakhstan presented certificates.

On the basis of the Kazakhstan Nuclear University (KNU), we organised a training course on Methods and organisation of negotiation in managing labour conflicts for the Ombudsmen of subsidiaries and affiliates. They analysed case studies, solved practical problems and exchanged experience on examples of conflict situations in the oil and gas and other industries. We also invited to this training the Ombudsmen of Samruk-Kazyna JSC, Kazmunaigas JSC, NC Kazakhstan Temir Zholy JSC, Kazakhtelecom JSC, Samruk-Energo JSC, KEGOC JSC, Embamunaigas JSC.

In addition, the Ombudsmen Council of the Kazatomprom Group held 5 meetings to acquire skills and share experience within the framework of consultative and advisory work.

It should be noted that the Ombudsman Service acts as an operator of the existing pool of mediators of Samruk-Kazyna JSC, represented by 11 mediators, most of whom are acting Ombudsmen in subsidiaries and affiliates and have completed special courses for professional mediators.

At the same time, for the first time in the practice of this pool, a mediator from the Company's Ombudsman Service resolved an existing conflict in Kazpost JSC, one of the enterprises of Samruk-Kazyna JSC group.

4.12.6. Managing conflicts of interest

GRI 2-15

Kazatomprom's Code of Ethics and Compliance obliges employees report a conflict of interest, if any, according to procedures established by internal documents. All potential and/or actual conflicts of interest are carefully analysed and measures are developed to minimise the risks arising from the conflict of interest.

Regulations on the settlement of corporate conflicts and conflicts of interest are also in place in the Company. The document outlines the causes of corporate conflicts and conflicts of interest, prevention procedures, as well as regulates conflict settlement actions of the Company's bodies.

4.12.7. Government relations and sponsorship

The Company's approach to stakeholder communications excludes any form of bribery or corruption and applies to relations with both private entities and government authorities.

GRI 415-1

As per the Code of Ethics and Compliance, Kazatomprom does not make any payments to political parties, organisations, or their representatives, nor does it participate in political activities. Acting privately, employees may support and make contributions to political parties.

No valuables, products, services, or benefits may be received or provided to influence decision-making, as prescribed by the Regulations on giving and receiving gifts and branded souvenirs, as well as the Law of the Republic of Kazakhstan *On the Civil Service of the Republic of Kazakhstan* and the Law *On Combating Corruption*.

Kazatomprom is engaged in philanthropy and charity through the Samruk-Kazyna Trust Social Development Foundation, which implements socially significant projects through competitive selection.

5. ANNEXES

5.1. About the Report

5.1.1. General information

This Kazatomprom Integrated Annual Report 2023 (the Report) is the eleventh report, which discloses information on financial, economic and operational performance, as well as data about the sustainable development achievements of the Company. The Report is intended for a wide range of stakeholders. This report has been prepared in accordance with the GRI Standards 2021 and SASB Metals&Mining version 2021-12.

The Report discloses Kazatomprom's financial and non-financial operations connected with projects both in the Company's country of residence, the Republic of Kazakhstan, and abroad. Non-financial disclosures relate mainly to the subsidiaries, associates and joint ventures in which the Company holds 50%+. i.e. to the Group.

GRI 2-4

Compared to Integrated Annual Report 2022, changes have been made to the Report in individual indicators and the disclosure of additional indicators. In particular, the Report includes information on tailings and tailings storage facilities. Detailed explanations are given in the text of the Report. In 2023, there were no significant changes in the scope and boundaries of the Report compared to the previous year.

Financial indicators are presented in the national currency of the Republic of Kazakhstan, KZT (tenge), and correspond to the IFRS audited consolidated financial statements presented in full in the Annexes to the Report and on the Kazatomprom's website <https://www.kazatomprom.kz>.

The Report comprehensively discloses:

- Implementation of Kazatomprom's Development Strategy.
- Business administration approach of the Company's management.
- Significant financial, economic, and production plans and performance in core operations.
- Performance in occupational health and safety and environmental protection.
- Contribution to the regional development, implementation of the social policy, and other sustainable development aspects.

To designate Kazatomprom and its subsidiaries, the Report uses the names: "Kazatomprom", "Company", "Group", "We".

Standards and Statutory Requirements

The Report discloses basic data in accordance with the requirements of the laws of the Republic of Kazakhstan, the internal regulations and practices of the Company, and international corporate governance practices. When drawing up the Report, the Company considered the following documents:

- Law No.415-II of the Republic of Kazakhstan dated 13 May 2003 On Joint Stock Companies.
- The rules for information disclosure by the issuer, Requirements for the content of information to be disclosed by the issuer, and the terms for information disclosure by the issuer on the Internet resource of the Depository of financial statements as approved by the Resolution No.189 adopted by the Board of the National Bank of the Republic of Kazakhstan on 27 August 2018.
- Information Disclosure Rules of NAC Kazatomprom JSC (2022).
- Kazatomprom's Corporate Governance Code approved by the Resolution of the Sole Shareholder dated 27 May 2015 (Decision No.22/15 of the Management Board of Samruk-Kazyna JSC).
- Regulatory requirements of the London Stock Exchange (LSE), Kazakhstan Stock Exchange (KASE), and Astana International Exchange (AIX).
- International integrated reporting standard (<IR> International Framework).
- International standard for sustainable development reporting, Global Reporting Initiative.
- Sustainability Accounting Standards Board (SASB) standards.

- Recommendations of the TCFD (The Task Force on Climate-related Financial Disclosures) Working Group of the Financial Stability Board (partial disclosure).
- AA1000SES Stakeholder Engagement Standard.
- Ten principles of UN Global Compact.
- Sustainable Development Goals adopted by the UN General Assembly for the period till 2030.
- ISO 26000:2010 Social Responsibility Guidance Standard.

Since 2019, Kazatomprom has included the information on its contribution to the achievement of the United Nations Sustainable Development Goals in the Report. This approach is also followed in this document. The Company strives to ensure that the development strategy of the Group correlates with the objectives of achieving the UN SDGs in addressing environmental, social and economic issues, as reflected in the Report. In 2019, the Company identified a list of priority SDGs where the Group can make a tangible contribution: SDGs 3, 7, 8, 9, 12 and 13. By prioritising the Sustainable Development Goals, the Company focused on beacons relevant to the sectoral identity and strategy of Kazatomprom, as well as to the interests of its stakeholders.

5.1.2. Information perimeter

GRI 2-3

The scope of the Report corresponds to the annual reporting cycle of the Company. The previous Report was published in April 2022. Electronic copies of the reports for the previous years are available on the official [website](#) of the Company. The current Report discloses the operations and performance of Kazatomprom for the period from 1 January 2023 to 31 December 2023.

The Report includes important facts that fall beyond the reporting period but are directly related to it, as well as the medium-term plans of the Group. The Report discloses information on the most significant results of the operations of Kazatomprom, its subsidiaries, associates and joint ventures. During data collection, all data of quantitative and qualitative nature across the entire Group, which can have a significant impact on making an informed decision on a significant issue, event or decision, is taken into account and disclosed. Kazatomprom is systematically developing a system of work with sustainable development indicators and aims to align the disclosure perimeter with the financial data disclosure to the full amount in the near future.

GRI 2-2

Company	Scopes						
	1	2	3	4	5	6	7
NAC Kazatomprom JSC							
Kazatomprom-SaUran LLP							
RU-6 LLP							
APPAK LLP							
JV Inkai LLP							
Baiken-U LLP							
ME ORTALYK LLP							
JV Khorassan-U LLP							
JV Budenovskoye LLP							
Semizbai-U LLP							
JV Akbastau JSC							
Karatau LLP							
Energy Asia (BVI) Limited							
JV Katco LLP							
JV South Mining Chemical Company LLP							
JV ZARECHNOYE JSC							
Kyzylkum LLP							
Zhanakorgan-Transit LLP							

Ulba Metallurgical Plant JSC							
ULBA-CHINA Co Ltd							
Mashzavod LLP							
Ulba FA LLP							
High Technology Institute LLP							
Kazakatom TH AG							
KAP-Technology JSC							
KAP Logistics LLP							
Volkovgeologia JSC							
Rusburmash-Kazakhstan LLP							
Qorgan-Security LLP							
SKZ-U LLP							
Uranenergo LLP							
SSAP LLP							
Taiqonyr Qyshqyl Zauyty LLP							
JV UKR TVS CJSC							

5.1.3. Principles for Defining Report Quality

The key principles of the GRI Standards ensure the quality of the Report:

Principles	Description
Balance	The Report discloses both positive (implementation of plans, achievement of goals) and negative (e.g. fines, accidents) performance. We do not exaggerate our achievements or hide the difficulties we have encountered, trying to show our results as objectively as possible.
Comparability	The information in the Report allows stakeholders to evaluate the Company's operations and performance over time.
Transparency	The Report is written in plain language understandable to a wide audience and contains a glossary.
Reliability	All data in the Report are provided by the relevant divisions of the Group and verified for accuracy. The Report text provides links to data sources.
Accuracy	Information on all material topics is detailed and allows stakeholders to evaluate the Group's performance. All data are officially recognised by Kazatomprom and confirmed by internal and public documents.
Timeliness	The Report presents information for the 2023 calendar year and will be published in 2024.
Sustainability context	The Report provides information on the Company's contribution from an economic, environmental and social perspective and discloses the extent of the Company's contribution to the achievement of 17 Sustainable Development Goals in 2023.
Completeness	The Report covers topics that show the economic, environmental and social impact of the Company's operations in the reporting period.

5.1.4. Material Topics

Material Topics		Potential positive economic, environmental or social impact of the Company, including on human rights	Potential adverse economic, environmental or social impacts, including on human rights.
ECONOMIC TOPICS			
GRI 201	Economic Performance	<p>Positive economic performance of the Company contributes to:</p> <ul style="list-style-type: none"> improving the Company's attractiveness for the investment community, partners and clients, including attracting investors to the Kazakhstan market; increasing investment, opportunities to create and develop new projects and production facilities in the regions of the Company's operation; increasing deductions to local and national budgets. 	<p>Negative economic performance of the Company leads to:</p> <ul style="list-style-type: none"> deterioration of the investment attractiveness of the Company and the regions where it operates; lack of opportunity to attract additional financing, if necessary; significant reduction of competitive advantages in the market, loss of market share.
GRI 203	Indirect Economic Impacts	<ul style="list-style-type: none"> The Company's subsidiaries are among the largest taxpayers in the regions of their operation; Activities of the Company and its subsidiaries in the regions of operation (transfers to the budget for infrastructure development, assistance to schools, employment of local population, etc.) contribute to the improvement of socio-economic development and the social environment on the whole. 	<p>The Company's possible withdrawal from the regions of operation and the corresponding reduction in funding for local budgets could lead to a deterioration in regional development and the social environment.</p>
GRI 205	Anti-corruption	<ul style="list-style-type: none"> systematic anti-corruption training (both for the Group employees and for suppliers and other stakeholders); a hotline operated by an independent party; dedicated specialists in all Group companies; mature compliance procedures to check counterparties (as an element of anti-corruption work); employees' declaration on conflicts of interest annually; enhanced anti-corruption clause in all procurement contracts (including checking the activities of the counterparty for facts of corruption). 	<ul style="list-style-type: none"> Economic inefficiency, including inappropriate use of funds, increase in the price of purchased products, purchase of low-quality services and goods, etc.; Loss of trust from stakeholders, including market participants, business partners, employees, local communities where the company operates, etc.; Reputational risk; Risk of production processes disruption due to purchase of low-quality raw materials.

GRI 207	Tax	Taxes paid by the Company's subsidiaries to the local budget and a part of taxes from the national budget form the budget of the region of operation and are the main source of funding for the budgetary sphere.	The Company's possible withdrawal from the regions of operation and corresponding reduction in funding for local budgets could lead to a deterioration in regional development and the social environment.
ENVIRONMENTAL TOPICS			
GRI 302	Energy	The Decarbonisation and Low Carbon Development Strategy approved in 2022 includes solutions on investing in energy saving and using renewable energy sources. This leads to cost reduction, improves energy supply safety and reduces the negative environmental impact arising from energy use. Additionally, the Company is forming energy saving culture among our employees.	The Company's consumption of electricity and heat from energy producing organisations that generate electricity and heat from these components directly affects the Company's Scope 2 GHG emissions.
GRI 303	Water	For production purposes, all the Company's enterprises use a closed water cycle for water intake. After uranium extraction, in accordance with the technological process, water is returned to the ore-bearing horizon. After treatment, storm and domestic wastewater is reused for technical purposes or discharged into storage ponds. Rational use of water, as well as construction of wastewater treatment facilities using biological water treatment plants for water reuse contributes to conservation of water resources in the region.	Water use leads to the reduction of water resources.
GRI 304	Biodiversity and ecosystems	The ISL method of uranium mining does not change the landscape of the subsoil use area. This contributes to preservation of endemic flora and fauna, i.e. it prevents the death of animals and desertification of territories. Once uranium mining is completed and the consequences of subsoil use are eliminated, animals return to their former habitat.	Potential negative impact from the Company's operations includes environmental risks in the course of production activities. They are associated with the disturbance of soil and vegetation cover and displacement of animals outside their habitat.

GRI 305	Emissions	<p>Energy supply for production is provided by main power supply. Emissions from the thermal processing of finished products necessarily pass through dust and gas-capturing units, the use of filters helps to avoid the entry of pollutants into the atmosphere.</p> <p>We use hydrocarbon raw materials only for heating of administrative and residential premises, as well as motor transport. This maximally limits the area and volumes of their application.</p>	<p>Use of fuels and lubricants for boiler plants, compressors, diesel generators, affects Scope 1 emissions, consumption of electricity and heat affects Scope 2 emissions.</p> <p>To minimise these emissions, it is advisable to switch to gas heat supply. The Company plans to reduce emissions by increasing the share of renewable energy sources, using offset mechanisms and modernising the vehicle fleet (or purchasing vehicles with electric traction), as well as organically reducing carbon intensity.</p>
GRI 306	Effluents and waste	<p>The Company uses the ISL method being the most environmentally friendly of all existing uranium mining methods (compared to open-pit and mine). It eliminates the formation of waste overburden and dumps. Hydrometallurgical processing of uranium-containing solutions is carried out entirely in a closed cycle, which excludes any discharges.</p>	<p>To reach the ore horizon, we carry out drilling operations. This generates drilling waste in the form of drill cuttings with elevated levels of radioactivity. Such waste is subject to mandatory disposal.</p> <p>To reduce the production waste volume, studies are currently underway.</p>

SOCIAL TOPICS

GRI 402	Labor Management Relations	<ul style="list-style-type: none"> • job creation: Kazatomprom being the key nuclear power company contributes to the creation of a significant number of jobs both at the production level and in related industries, thus reducing unemployment and increasing employment; • stability provision: the Company provides its employees with stable labour conditions, including decent wages, social benefits, medical care and other advantages, thus contributing to their well-being and confidence in the future; • professional development: Kazatomprom invests in personnel training and development programmes, provides opportunities for professional enhancement, learning new skills and career growth, thus contributing to the improvement of employees' professional competencies and their job satisfaction; • compliance with labour legislation: the Company adheres to high standards in labour relations, complying with laws and regulations, which helps protect the rights and interests of employees and creates a favourable working environment. 	<ul style="list-style-type: none"> • working in the nuclear industry involves certain risks to the health and safety of employees. Improper handling of radioactive materials or insufficient observance of safety precautions can lead to accidents or illnesses among personnel; • working in an industry with high technological requirements and strict regulations can create high levels of stress and psychological strain.
GRI 403	Occupational Health and Safety	<ul style="list-style-type: none"> • multifaceted continuous monitoring of compliance with occupational safety rules at all the Company's enterprises, as well as the health of personnel; • implementing 7 "Golden Rules" of the "Zero Injuries" concept, signing personal commitments on occupational health and safety by the first managers of the Company's enterprises and cascading the commitments. This contributes to improving the level of safety and health in the workplace; • carrying out mandatory social insurance of personnel and accident insurance in the performance of their labour (job) duties; • forming industrial safety culture by way of proactive methods. 	Any production activity carries risks to human health and safety. The Company's risk management system provides for preventive and reactive actions for such risks.

GRI 404	Training and Education	<ul style="list-style-type: none"> • Corporate training programmes: Kazatomprom implements special training programmes for its employees aimed at improving professional skills and competencies. This includes courses on technical skills, workplace safety, project management and other aspects of professional activities. • Financial support for training: Kazatomprom provides financial support to its employees for additional educational programmes, advanced training courses or degrees. This helps employees develop their professional skills and careers within the Company. • Scientific research: Kazatomprom, as a key player in the nuclear industry, promotes scientific research in nuclear power, physics, chemistry and engineering. This creates opportunities for students and scientists to participate in innovative research projects. • Educational programmes: Kazatomprom develops and supports educational programmes aimed at training specialists in nuclear technology. This includes lectures, internships and training programmes that help students and professionals acquire the necessary knowledge and skills. • Partnerships with universities: Kazatomprom collaborates with universities and scientific institutes to establish joint training programmes, research projects and laboratories. This allows students to gain access to advanced technologies and expertise. 	Sometimes the nuclear industry has strict rules and restrictions on access to information for security reasons. This can make it difficult for scientists and educational institutions to share knowledge and expertise, which can have a negative impact on the quality of teaching and research.
GRI 405	Diversity and Equal Opportunity	Kazatomprom actively promotes a policy of equal opportunities and diversity in the workplace, ensuring fair employment conditions and career advancement for all its employees, regardless of their gender, race, ethnicity, or other characteristics.	In some cases, Kazatomprom's activities may have a negative impact on diversity and equal opportunities in the workplace. This could be due to the dominance of certain groups or working conditions.
KAZATOMPROM'S INDICATORS			
KAP1	Lifecycle of Production Sites	The production cycle intensification based on best practices and R&D, efficiency enhancement of production operations has a positive impact on the environment and the health of the Company's personnel.	Negative economic effect on local communities, damage to the environment and workers' health.

KAP2	Readiness for emergencies	<p>The Company applies system of early warning of emergency situations. We prepared maps of the territories' exposure to natural and man-made emergencies (identified threats), developed emergency response plans, created forces (non-state firefighting and rescue services), and accumulated resources to respond to them. We conduct training and drills, install and maintain emergency notification systems.</p> <p>Due to the large length and remoteness of the facilities' territories from the location of state firefighting and emergency rescue services, the Company's entities are engaged to protect adjacent territories (extinguishing steppe and wildfires).</p>	<p>The remoteness of facilities from the location of state firefighting and rescue services and the potential insufficiency of our own resources to respond to particularly large emergencies bears possible risk of untimely emergency response and a corresponding increase in its scale.</p>
KAP3	Radiation safety	<p>Radiation impact on the Company's personnel and population is characterised by low dose values during uranium mining using the ISL method, and is approximately up to 30% of the permissible dose limit established by hygienic standards.</p>	<p>Risk of radiation contamination and radiation accidents in case of non-compliance with the requirements of the Kazakhstan's legislation and the Company's internal regulatory documents in the field of radiation safety.</p>

5.1.5. Independent assurance

GRI 2-5

The external audit of the financial statements of the Company was performed by PricewaterhouseCoopers LLP. The auditor's report is presented as an Annex to the Report.

The proper disclosure of non-financial information prepared in accordance with the GRI Standards has been assured in accordance with ISAE 3000 (Revised), the International Standard for Assurance Engagements Other than Audits and Reviews of Historical Financial Information, issued by the International Auditing and Assurance Standards Board. PricewaterhouseCoopers LLP was an independent auditor. The auditor's report is in the Annexes to the Report.

5.1.6. Forward-looking statements

The statements in the Report are considered to be forward-looking. To describe the future, the terminology is used that includes words such as "believes", "evaluates", "expects", "forecasts", "intends", "plans", "assesses", "will" or "may", or in each case, comparable words and terms of similar or comparable terminology, or references to discussions, plans, goals, objectives, future events or intentions are designed to identify statements regarding the future. All the statements in the Report, other than statements on historical facts, are considered to be forward-looking statements. These forward-looking statements include, without limitation, statements regarding the intentions, opinions and expectations of the Company concerning, among other things, the results of operations, financial state, liquidity, prospects, growth, potential acquisitions, strategies and sectors in which the Company operates.

By their very 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 actual results of the activity, the financial situation and liquidity of the Company and the development of the country and industries in which the Company operates can differ

significantly from those options that are described in this document or are assumed in accordance with the statements contained in this document.

The Company does not plan and does not assume the obligation to update any information regarding the industry or any forward-looking statements contained herein, whether as a result of the obtaining new information or the 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.

5.2. Key ESG indicators, 2021-2023

5.2.1. Corporate Social Responsibility

Kazatomprom headcount and staff composition, employees

GRI 2-7, 2-8, 405-1, SASB EM-MM-000.B

	2021	2022	2023
Total headcount at the end of the reporting period	20,643	20,813	21,554
Total number of employees (headcount, independent contract agreements, outstaffing contracts)	21,031	21,682	22,564
Work contracts	388	744	777
Outstaffing contracts	0	125	233
Men	16,942	17,194	17,851
Women	3,701	3,619	3,703
Managers and executives	258	110	237
Workers	20,385	20,703	21,317
Under 30 years old	2,799	2,830	3,162
30 to 50	12,034	12,219	12,632
Over 50	5,810	5,764	5,760
Average age of employees, years	40	40	40
Long-term contract	19,122	18,350	19,371
men	15,696	15,183	16,188
women	3,426	3,167	3,183
Term contract	1,521	2,463	2,183
men	1,246	2,011	1,664
women	275	452	519
Full-time employment	20,627	20,799	21,541
men	16,931	17,186	17,841
women	3,696	3,613	3,700
Part-time employment	16	14	13
men	11	8	10
women	5	6	3
Independent contractor agreements	388	744	777
men	263	449	594
women	125	295	183

Kazatomprom headcount broken down by gender and region, 2023
GRI 2-7, SASB EM-MM-000.B

Region	M	W
Almaty	285	265
Astana	430	366
Shymkent	358	223
North Kazakhstan Region	448	98
Southern Region	13,448	1,282
Eastern Region	2,877	1,462
China	2	6
United States	1	0
Switzerland	2	1
Total	17,851	3,703

Regular employees broken down by gender and region, 2023
GRI 2-7, SASB EM-MM-000.B

Region	M	W
Almaty	279	250
Astana	399	325
Shymkent	344	207
North Kazakhstan Region	447	96
Southern Region	13,023	1,198
Eastern Region	2,856	1,424
China	2	6
United States	0	0
Switzerland	2	1
Total	17,352	3,507

Temporary employees broken down by gender and region, 2023
GRI 2-7, SASB EM-MM-000.B

Region	M	W
Almaty	6	15
Astana	31	41
Shymkent	14	16
North Kazakhstan Region	1	2
Southern Region	425	84
Eastern Region	21	38
China	0	0
United States	1	0
Switzerland	0	0
Total	499	196

Full-time employees broken down by gender and region, 2023

GRI 2-7, SASB EM-MM-000.B

Region	M	W
Almaty	285	265
Astana	430	366
Shymkent	358	223
North Kazakhstan Region	445	97
Southern Region	13,444	1,280
Eastern Region	2,874	1,462
China	2	6
United States	1	0
Switzerland	2	1
Total	17,841	3,700

Part-time employees broken down by gender and region, 2023

GRI 2-7, SASB EM-MM-000.B

Region	M	W
Almaty	0	0
Astana	0	0
Shymkent	0	0
North Kazakhstan Region	3	1
Southern Region	4	2
Eastern Region	3	0
China	0	0
United States	0	0
Switzerland	0	0
Total	10	3

Structure of Kazatomprom's governing bodies and employees, %

GRI 405-1

Indicator	2021		2022		2023	
	Governing bodies	Workers	Governing bodies	Workers	Governing bodies	Workers
Men	91%	86%	91%	83%	93%	86%
Women	9%	14%	9%	17%	7%	14%
Under 30 years old	2%	13%	1%	14%	5%	15%
30 to 50	68%	58%	70%	59%	78%	57%
Over 50	30%	29%	29%	28%	17%	28%

Structure of Kazatomprom's employees broken down by gender and age group, %

GRI 405-1

Indicator	2023	
	Administrative staff	Production staff
Men	48%	86%
Women	52%	14%
Under 30 years old	11%	15%
30 to 50	73%	57%
Over 50	16%	28%

Number of hired employees, employees
GRI 401-1

Region	2021		2022		2023	
	M	W	M	W	M	W
Almaty	51	38	110	64	90	54
Astana	99	78	90	70	140	80
Shymkent	58	18	147	31	96	43
North Kazakhstan Region	155	65	115	24	72	35
Southern Region	2,084	136	2,340	182	2,953	299
Eastern Region	314	211	302	177	344	180
Outside of Kazakhstan (China, United States, Switzerland)	8	1	0	0	0	0
Total	2,769	547	3,104	548	3,695	691

Employees hired by Kazatomprom, broken down by gender, age groups and region, persons
GRI 401-1

Region	2023						Total
	Under 30		30 to 50		Over 50		
	Employees hired	Employees hired	Employees hired	Employees hired	Employees hired	Employees hired	
	M	W	M	W	M	W	
Almaty	19	14	56	29	15	11	144
Astana	28	18	104	56	8	6	220
Shymkent	18	7	65	32	12	5	139
North Kazakhstan Region	20	10	46	14	6	11	107
Southern Region	980	79	1,620	164	354	55	3,252
Eastern Region	96	23	198	119	50	38	524
China	–	–	–	–	–	–	
Total	1,161	151	2,089	414	445	126	4,386

Kazatomprom's dismissed employees and staff turnover
GRI 401-1

2021													
Region	Under 30				30 to 50				Over 50				Total
	Number of dismissed employees		Share,%		Number of dismissed employees		Share,%		Number of dismissed employees		Share,%		
	M	W	M	W	M	W	M	W	M	W	M	W	
Almaty	11	9	0%	0.2%	43	27	1%	0.7%	19	5	1%	0.1%	114
Astana	26	20	1%	0.5%	62	55	2%	1.5%	18	5	0%	0.1%	186
Shymkent	17	7	0%	0.2%	63	18	2%	0.5%	16	5	0%	0.1%	126
North Kazakhstan Region	51	9	1%	0.2%	109	43	3%	1.2%	37	16	1%	0.4%	265
Southern Region	514	49	14%	1.3%	1,209	136	32%	3.6%	546	58	15%	1.6%	2,512
Eastern Region	79	16	2%	0.4%	158	62	4%	1.7%	134	76	4%	2.0%	525
China/United States	–	–	–	–	6	–	–	–	–	–	–	–	6
Total	698	110	–	–	1,650	341	–	–	770	165	–	–	3,734

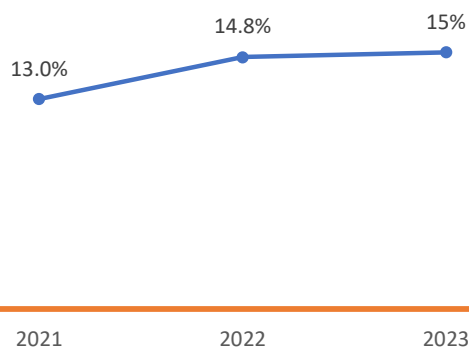
2022													
Region	Under 30				30 to 50				Over 50				Total
	Number of dismissed employees		Share,%		Number of dismissed employees		Share,%		Number of dismissed employees		Share,%		
	M	W	M	W	M	W	M	W	M	W	M	W	
Almaty	12	5	0%	0.2%	73	29	1%	0.7%	23	11	1%	0.1%	153
Astana	17	8	1%	0.5%	77	47	2%	1.5%	16	4	0%	0.1%	169
Shymkent	13	2	0%	0.2%	95	27	2%	0.5%	35	4	0%	0.1%	176
North Kazakhstan Region	12	8	1%	0.2%	39	10	3%	1.2%	14	7	1%	0.4%	90
Southern Region	464	69	14%	1.3%	1,046	141	32%	3.6%	455	89	15%	1.6%	2,264
Eastern Region	47	11	2%	0.4%	122	62	4%	1.7%	103	66	4%	2.0%	411

China/United States	-	-	-	-	-	-	-	-	-	1	-	-	1
Total	565	103	-	-	1,452	316	-	-	646	182	-	-	3,264

2023

Region	Under 30				30 to 50				Over 50				Total
	Number of dismissed employees		Share,%		Number of dismissed employees		Share,%		Number of dismissed employees		Share,%		
	M	W	M	W	M	W	M	W	M	W	M	W	
Almaty	17	6	0%	0.2%	53	30	1%	0.7%	17	15	1%	0.1%	138
Astana	20	14	1%	0.5%	90	56	2%	1.5%	7	6	0%	0.1%	1,193
Shymkent	15	2	0%	0.2%	63	19	2%	0.5%	12	3	0%	0.1%	114
North Kazakhstan Region	14	4	1%	0.2%	39	12	3%	1.2%	20	4	1%	0.4%	93
Southern Region	696	41	14%	1.3%	1,082	93	32%	3.6%	413	33	15%	1.6%	2,358
Eastern Region	66	14	2%	0.4%	134	63	4%	1.7%	145	57	4%	2.0%	479
China/United States	-	-	-	-	1	-	-	-	3	-	-	-	4
Total	828	81	-	-	1,462	273	-	-	617	118	-	-	3,379

Staff turnover across the Group, %



Number of employees who returned to work after parental leave and childcare leave⁹²

GRI 401-3

Indicator	2021	2022	2023
Total number of employees who took parental leave	357	377	351
Men	51	67	64
Women	306	310	287
Total number of employees who returned to work after parental leave	127	158	120
Men	19	25	19
Women	108	133	101
Total number of employees who returned to work after parental leave (in the previous reporting period)	143	123	147
Men	13	19	23
Women	130	104	124
Total number of employees who returned to work after parental leave and continued to work twelve months after returning to work	69	87	68
Men	4	10	14
Women	65	77	54
Return to work rate	0.36	0.42	0.34
Men	0.37	0.37	0.30
Women	0.35	0.43	0.35
Retention rate	–	0.71	0.46
Men	–	0.53	0.61
Women	–	0.74	0.44

⁹² Data are not available on the total number of employees who returned to work after the parental leave and continued to work twelve months after returning to work and the retention rate for 2019 and 2020.

Kazatomprom payroll fund, KZT

Indicator	2021	2022	2023	Change 2022-2023
Average monthly salary of production staff ⁹³	314,653	454,648	547,867	20%
Payroll fund, KZT million ⁹⁴	71,484	99,395	129,846	36%

Benchmarking Kazatomprom's minimum salary against Kazakhstan's minimum salary, KZT**GRI 405-2**

Indicator	2021		2022		2023	
	M	W	M	W	M	W
Minimum salary in Kazakhstan	42,500	42,500	60,000	60,000	70,000	70,000
Salary of entry-level employee across the Group ⁹⁵	42,500	42,500	60,000	60,000	70,000	70,000
Ratio	1	1	1	1	1	1

Kazatomprom staff training, man-workshops⁹⁶

Employee category	2021	2022	2023
Administrative staff and management	4,265	6,344	4,088
Production staff	32,979	50,699	34,687
Total	37,244	57,044	38,775

Average number of training hours per employee**GRI 404-1**

Indicator	2023
Gender	
Women	32
Men	48
Total	46
Staff category	
Administrative staff	43
Production staff	46
Total	46

⁹³ The indicator is calculated as the ratio of the production staff payroll fund as per the Labour Report (statistical reporting) to the actual number of production staff.

⁹⁴ Accrued salary, including all related taxes and deductions (pension fund deductions and personal income tax).

⁹⁵ Base wage rate of a production worker of Category 1.

⁹⁶ Includes expenses for upskilling across the Group.

5.2.2. Environmental Protection

Direct (Scope 1) and Indirect (Scope 2) GHG emissions, t CO₂-eq GRI 305-1, 305-2, SASB EM-MM-110a.1.

Indicator	2021	2022	2023	Change 2023-2022
Direct greenhouse gas emissions (Scope 1)	106,913	97,256	120,618	24%
Indirect GHG emissions (Scope 2) ⁹⁷	842,554	844,034	793,299	(6.0%)

Breakdown and source of air emissions, '000 tonnes

GRI 305-7, SASB EM-MM-120a.1

Air emissions	Source	2021	2022	2023
NOx	boilers, furnaces, incinerators, stationary diesel power stations (emergency), compressors	0.123	0.197	0.227
SOx	boilers, furnaces, incinerators, stationary diesel power stations (emergency), compressors	0.849	0.756	0.809
PM emissions	boilers, furnaces, machine tools operated in the machine shops	0.111	0.086	0.225
CO	boilers, vehicles, gas furnaces, stoves	0.181	0.176	0.306
Volatile organic compounds	vehicles, solvents, gas, wood and biomass burning	0.056	0.051	0.140
Substances of Hazard Class 1	boilers, vehicles, mercury lamps	0.012	0.002	0.0001

Total water withdrawal by source, '000 m³

GRI 303-3, SASB EM-MM-140a.1

Source	2021	2022	2023
Surface water	6.5	6.5	6.5
Underground water	8,531.3	8,573.5	7,877.6
Municipal and other water supply systems	1,582.9	608.9	1,197.4
Total	10,120.7	9,188.9	9,081.4

GRI 303-4

Total wastewater discharge by categories, '000 m³

Indicator	2023
Surface water	1,724.9
Artificial water bodies	1,676.7
Municipal wastewater discharge	486.3
Total wastewater discharge	3,887.9

Total wastewater discharge by categories, '000 m³

Indicator	2023
Discharge of fresh and other water:	
Wastewater with <1000 mg/l salinity	2,544.0
Wastewater with >1000 mg/l salinity	1,343.9

⁹⁷ These calculations are based on a market method that displays the intensity of GHG emissions from facilities generating electric and thermal power. According to this method, Kazatomprom's total Scope 2 GHG emissions are calculated as the GHG emissions of the electric and thermal power producers from whom it is purchased.

Total waste by type, '000 tonnes
GRI 306-3, EM-MM-150a.7

Types of waste and tailings	2021	2022	2023
Hazardous waste	n/a	n/a	1.6
Non-hazardous waste	n/a	n/a	379.54
Solid radioactive	2.6	5.1	19.9
Liquid radioactive	119.1	148.2	141.6
Sludge from beryllium production	124.2	125.3	119.5
Total			662.1

Electricity produced by PV plants, MWh

Indicator	2021	2022	2023
Electricity output	3.34	3.01	3.02

Inventory table of tailings dumps

Facility name	Location	Ownership status	Operational status	Construction method	Maximum permitted storage volume, m³	Stored tailings volume, m³	Impact classification	Date of the last independent technical survey	Key findings	Mitigation measures	Contingency plan
Map No.1	Kazakhstan, Ust-Kamenogorsk	UMP JSC	operating	bulkheaded, open-type, half-excavation-half-embankment construction	945,268.4	559,373	considerable	Conclusion No.0168-23 dd. 02.05.2023	N/A	yes	yes
Map No.2	Kazakhstan, Ust-Kamenogorsk	UMP JSC	natural drainage	bulkheaded, open-type, half-excavation-half-embankment construction	2,447,504	1,947,678	considerable	Conclusion No.0168-23 dd. 02.05.2023	N/A	yes	yes
Map No.3	Kazakhstan, Ust-Kamenogorsk	UMP JSC	operating	bulkheaded, open-type, half-excavation-half-embankment construction	4,451,565.1	3,951,064	considerable	Conclusion No.0168-23 dd. 02.05.2023	N/A	yes	yes
Map No.1-3 (section 1)	Kazakhstan, Ust-Kamenogorsk	UMP JSC	operating	bulkheaded, open-type, half-excavation-half-embankment construction	722,549.9	627,743	considerable	Conclusion No.0168-23 dd. 02.05.2023	N/A	yes	yes
Map No.1-3 (section 2)	Kazakhstan, Ust-Kamenogorsk	UMP JSC	operating	open-type, half-excavation-half-embankment construction	300,000	20,320	low	-	N/A	yes	no
Map No.5 (1 and 2 lines)	Kazakhstan, Ust-Kamenogorsk	UMP JSC	operating	bulkheaded, open-type, half-excavation-half-embankment construction	4,140,845.9	1,303,696	considerable	Conclusion No.0168-23 dd. 02.05.2023	N/A	yes	yes

5.2.3. Occupational Health and Safety

Kazatomprom's H&S expenses, KZT billion⁹⁸

Indicator	2021	2022	2023
Health and safety costs	8.29	8.08	12.47

Occupational injuries at Kazatomprom⁹⁹

GRI 403-9, SASB EM-MM-320a.1.

Indicator	2021	2022	2023
For all Group employees			
Number of occupational fatalities	2	1	0
Total number of high-impact occupational injuries (excluding fatalities)	8	1	1
Total occupational accidents ¹⁰⁰	9	3	4
LTIFR (per 1,000,000 hours worked)	0.55	0.11	0.15
Unsafe conditions, unsafe acts, near-miss reporting	44,271	37,581	36,145
Number of hours worked ¹⁰¹	32,909,020	28,542,184	33,116,808
Near misses	-	121	42
Incident frequency rate without NMFR (per 200,000 hours worked as recommended by SASB standards)	-	0.848	0.254
LTIFR (per 200,000 hours worked as recommended by SASB standards)		0.021	0.03
Fatalities rate (per 200,000 hours worked as recommended by SASB standards)		0.007	0
For all employees (other than full-time workers) whose work and/or workplace is controlled by the Company ¹⁰²			
Total fatal occupational accidents	n/a	0	0
Total number of high-impact occupational injuries (excluding fatalities)	n/a	2	0
Total registered occupational injuries	n/a	2	0

⁹⁸ Includes fire safety costs.

⁹⁹ As per the Labour Code of the Republic of Kazakhstan and the Unified Occupational Safety Management System standard, ST NAK 5.0.6-2021.

¹⁰⁰ It is established as the impact of a harmful and/or dangerous production factor on an employee during his/her work or performance of the employer's assignments, with the impact resulting in an occupational injury, sudden deterioration in employee's health or poisoning that lead to temporary or permanent disability or death. The total number of recorded occupational injuries in 2023 was 5.

¹⁰¹ All employees of subsidiaries and affiliates

¹⁰² The 2020-2021 figures changed due to the revision of the scope of information and calculation methodology in 2022

Radiation safety indicators at Kazatomprom, mSv a year

Indicator	2021	2022	2023
Average radiation exposure dose for employees	1.44	1.36	1.40
Average natural background radiation in areas where the Group operates	0.75-1.36	0.72-1.19	0.69-1.22
Maximum annual effective dose of Group-A employees	6.19	5.2	4.86

5.2.4. Socio-economic contribution

Direct economic value generated and distributed, KZT billion

GRI 201-1

Description	2021	2022	2023
Direct economic value generated			
Incomes ¹⁰³	761.53	1,146.9	1,579.23
Distributed economic value, including			
Operating expenses ¹⁰⁴	373.59	440.95	611.62
Salaries	53.05	71.69	86.00
Interest and dividend expenses	6.71	8.43	9.59
Taxes, except income tax	26.14	32.57	56.20
Income tax expenses	61.62	110.74	148.01
Other expenses ¹⁰⁵	15.86	8.43	86.18
Social expenditures (investment in local communities)	4.54	1.13	1.30
Retained economic value (profit for year)	220.03	472.96	580.34

Taxes paid in other jurisdictions in 2023

GRI 207-4

Indicator	Switzerland	British Virgin Islands ¹⁰⁶	China	Kazakhstan
Name of organisation	Kazakatom TH AG	Energy Asia (BVI) Limited	ULBA-CHINA Co, Ltd	Resident companies
Core business (as per organisation's articles of association)	Marketing for distribution of uranium, trade, in particular in raw materials, investment and administration of finances, commodities, and rights	Any activities not prohibited by the laws of the British Virgin Islands	Warehousing and distribution; after-sales services for storage and distribution of steel products and related products in the free trade zone; international and transit trade; trade representation	According to company charters, including but not limited to the exploration, extraction and sale of uranium and its compounds, beryllium, tantalum and niobium products, international trucking, etc.

¹⁰³ Incomes are calculated in line with the GRI Standards methodology and include the revenues and all incomes of the Company.

¹⁰⁴ Operating expenses include the following expenditures: cost of sales (excluding salaries and taxes), selling expenses (excluding salaries and taxes), general and administrative expenses (excluding salaries and taxes).

¹⁰⁵ Other expenses include impairment losses on financial assets and foreign exchange losses.

¹⁰⁶ EAL data is preliminary, because the FY for EAL ended on 29.02.2024.

			services; export and import of goods and machinery; simple commercial processing and provision of commercial advice services within the free trade zone	
Headcount as of 31 December 2023	3	0	8	21,543
Third party sales revenue (Income from sales of products and services), KZT '000	92,108,090.00	0.00	14,961,901.00	1,327,564,588.00
Income from intra-group transactions with other taxation jurisdictions, KZT '000	0.00	0.00	0.00	82,562,775.00
Taxation income/loss, KZT '000	6,107,629.00	-10,881.00	155,027.00	852,008,842.00
Tangible assets other than cash and cash equivalents, KZT '000	60,661,032.00	0.00	286,977.00	782,414,908.00
Corporate income tax paid on a cash basis	1,093,607.00	0.00	40,400.00	153,447,468.00
Corporate income tax accrued on income/loss, KZT '000	459,430.00	0.00	32,367.00	156,099,486.00
Reasons for the difference between the CIT accrued on income/loss and the tax payable if the tax rate is applied to the income/loss before tax	There is no difference between the CIT accrued on income/loss and the tax payable	Not applicable as EAL income is not subject to CIT	There is no difference between the CIT charged on income/loss and the tax payable	There is no difference between the CIT charged on income/loss and the tax payable

Contributions to the local budget for socio-economic and infrastructure development of regions of operations, KZT million

Company	2021	2022	2023
Turkestan Region			
NAC Kazatomprom JSC	42.8	56.5	47.0
Appak LLP	43.1	72.3	96.2
JV Akbastau JSC	213.0	231.3	69.5
JV South Mining Chemical Company LLP	71.5	76.7	75.1
Volkovgeologia JSC	2.9	3.1	3.5
JV Zarechnoye JSC	21.3	21.2	22.3
JV Inkai LLP	63.9	69.3	67.1
Kazatomprom-SaUran LLP	429.5	461.2	392.0
Karatau LLP	58.8	60.8	65.0
DP ORTALYK LLP	43.3	646.7	56.6
JV KATCO LLP»	227.7	371.3	655.4
JV Budenovskoe LLP	-	152.1	114.7
Kyzylorda Region			
NAC Kazatomprom JSC	-	-	-
Baiken-U LLP	43.6	44.3	138.4
RU-6 LLP	113.2	117.4	211.9
Semizbay-U LLP	29.2	30.4	32.5
Kyzylkum LLP	128.8	130.3	134.5
JV South Mining Chemical Company LLP	26.7	28.6	28.0
East Kazakhstan Region			
Ulba Metallurgical Plant JSC	7.4	7.9	0.9
Abay region			
Ulba Metallurgical Plant JSC	-	-	6.8
North Kazakhstan Region			
Semizbay-U LLP	20.9	21.7	23.2
Akmola Region			
Semizbay-U LLP	20.9	21.7	23.2
Total	1,608.6	2,625.0	2,263.9

5.3. Association and International Initiative Membership and Partnership

GRI 2-28

Organisation	Website	Year of joining
Professional nuclear power organisations		
World Nuclear Association, London, UK	www.world-nuclear.org	1993
Tantalum-Niobium International Study Center, Brussels, Belgium	www.tanb.org	1999
World Nuclear Fuel Market, Norcross, GA, United States	www.wnfm.com	2002
Nuclear Energy Institute, Washington, D.C.	www.nei.org	2018
World Nuclear Transport Institute, London, UK	www.wnti.co.uk	2019
The Group of Vienna IAEA, Vienna, Austria	https://www.iaea.org/	2021
National sectoral organisations		
Nuclear Society of Kazakhstan, Astana, Kazakhstan	www.nuclear.kz	2002
Republican Association of Mining and Metallurgical Enterprises, Astana, Kazakhstan	agmp.kz	2006
KAZENERGY Kazakhstan Association of Oil&Gas and Energy Sector Organisations, Astana, Kazakhstan	www.kazenergy.com	2009
Atameken National Chamber of Entrepreneurs of Kazakhstan, Astana, Kazakhstan	atameken.kz	2013
Kazakhstan Engineering Union	www.smkz.kz	2023
International sustainability partners		
United Nations Global Compact	https://unglobalcompact.org	2022

5.4. Reports by Chairmen of the Board of Directors Committees in 2023

5.4.1. Production Safety (HSE) Committee Report

Dear shareholders,

Acquiring the status of a public company has created new challenges for the Company. The importance of corporate governance and sustainable development has increased significantly, in accordance with international standards. An important role in the activities of the Board of Directors has been assigned to the Production Safety (HSE) Committee.

The main objective of the Committee is to elaborate and submit recommendations to the Company's Board of Directors on the status of HSE at the Company and its subsidiaries, associates and joint ventures, and on social and sustainable development issues.

In August 2022, Yernat Berdigulov, a representative of Samruk-Kazyna was appointed to the Committee. In June 2023, Arman Argingazin, an independent director, and Nodir Sidikov, an independent director, joined the Committee. The expansion of the Committee made it possible to improve communications between the Company and its major shareholder. In addition, it improved the decision-making process of the Board of Directors at meetings.

During the year, Committee members held 4 face-to-face meetings and considered 16 matters. On a quarterly basis, Committee members reviewed and approved reports on the state of HSE and status reports on the implementation of the ESAP Roadmap.

In the reporting period, the Committee members also reviewed a report on the implementation of the Social Partnership and Social Stability Improvement Action Plan and reviewed information on the implementation of sustainable development activities.

2023 results and outlook for 2024

In its operations, the Company always recognises its responsibilities to stakeholders in relation to the product safety, occupational health and safety, and environmental protection. We are confident that concerns over safety at each production stage has a positive impact on staff motivation, as well as employee satisfaction levels, the quality of work, and the economic performance of the Company.

The results of the past year create a solid foundation for further work in the priority areas of the Company. The Board of Directors is confident that positive development trends in global nuclear power are sustainable and that there are opportunities for the Company to leverage its full potential.

Committee members plan to assess the extent to which employees are becoming more aware of the need for compliance with respective safety requirements and also monitor the current level of production safety in occupational health and safety and industrial and radiation safety at the headquarters and at all Company's entities.

Arman Argingazin
Chairman of the Production Safety (HSE) Committee
Board of Directors of Kazatomprom

5.4.2. Audit Committee Report

Dear shareholders,

The Audit Committee of the Company was set up to oversee the reliability of financial information provided to shareholders and to assess internal control and risk management systems. The Company's internal audit and compliance functions are accountable to the Audit Committee.

In 2023, the Committee consisted entirely of independent directors with the relevant expertise and competencies to make effective decisions. During the year, 12 Committee meetings were held in person and in absentia, and 94 issues were considered. In order to ensure a more effective and comprehensive discussion of issues, relevant members of the Management Board of the Company and other top managers were involved as required.

The fresh opportunities and the Company's new status as a public company resulted in changes that impacted the work of the Audit Committee. In particular, the Committee continued the practice of reviewing the quarterly financial statements of the Company, with subsequent disclosures being made, in order to maintain equal access to the information for all stakeholders of the Company. The Committee also considered and recommended for approval the financial statements of the Company for 2023, which included assessing the Company's financial ability to pay dividends at the level promised in the Securities Prospectus of the Company.

Armanbay Zhubaev
Chairman of the Audit Committee
Board of Directors of Kazatomprom

5.4.3. Strategic Planning and Investment Committee Report

Dear shareholders,

In connection with growing interest in the activities of Kazatomprom, the Strategic Planning and Investment Committee is becoming increasingly important. Committee members pay greater attention to our Development Strategy, international cooperation, and promoting investment.

In June 2023, the following members were appointed to the Committee: Nodir Sidikov, Chairman of the Committee, Arman Argingazin, an independent director. Aidar Ryskulov, a representative of Samruk-Kazyna, joined the Committee in November 2023. The Committee is an important part of the Board of Directors, and thanks to the main tasks performed by the Committee, the Board can successfully deal with, and adapt quickly to a continually changing environment and comply with particularly important corporate governance principles.

The main objective of the Strategic Planning and Investment Committee is to elaborate and submit recommendations to the Board of Directors of the Company on the strategic and investment activities of the Company.

During the year, the Committee members held 7 in-person meetings and considered 17 matters. On a quarterly basis, the Committee reviewed and approved the Management Board's reports on the implementation of major investment projects.

Nodir Sidikov
Chairman of the Strategic Planning and Investment Committee
Board of Directors of Kazatomprom

5.4.4. Nomination and Remuneration Committee Report

Dear shareholders,

The Nomination and Remuneration Committee of the Company was created to consider matters such as appointing candidates to the Board of Directors, senior management remuneration arrangements (including bonus payments), the composition of the Management Board, and the positions of Corporate Secretary, Ombudsman, and other employees.

In 2023, the following members were appointed to the Committee: Arman Argingazin, an independent director, Nodir Sidikov, an independent director, Elzhas Otyshiev, a representative of Samruk-Kazyna. During the year, the Committee held 7 in-person meetings to consider 15 matters.

Last year, the Committee reviewed and approved candidates for election as members of the Company's Board of Directors and members of the Company's Management Board. In addition, it also reviewed individual development plans (IDPs) of the Management Board members for 2023, CEO-1 job descriptions, and the structure of the headquarters and the total headcount of NAC Kazatomprom JSC.

Arman Argingazin
Chairman of the Nomination and Remuneration Committee
Board of Directors of Kazatomprom

5.5. Statement of responsibility from members of the Board of Directors and Management Board

Under the Company's Corporate Governance Code, the Board of Directors and Management Board are responsible for the correctness of the annual report, as well as the Company's financial statements.

In accordance with the Disclosure and Transparency Rules of the Handbook of the Financial Conduct Authority, each member of the Board of Directors confirms, based on the information they have, that:

- the financial statements have been prepared in accordance with IFRS, and give a true and reliable reflection of: assets, liabilities, and financial position; the results of the financial and economic activities of the Company; and the consolidated balance sheet of the Company and its subsidiaries;
- the management report contains accurate data on the development and indicators related to financial and economic activities and the financial position of the Company and its subsidiaries, as well as a description of the most significant risks and uncertainties that they face.

As of the date of this Report, no member of the Board of Directors or Management Board has in the past five years:

- had a criminal record for offences related to fraud;
- been a member of the administrative, managerial, or supervisory bodies of any company or partner in any partnership at the time or in anticipation of a bankruptcy, or been engaged in property management due to insolvency or liquidation;
- been subject to official public charges or sanctions by a government organisation or regulatory body (including a professional body); have never been deprived of the right, upon a court order, to act as a member of the administrative, managerial, or supervisory bodies of a company, or been prohibited from participating in managing a company or in doing business.

**Arman Argingazin, Chairman of Kazatomprom Board of Directors,
On behalf of the Board of Directors**

**Meirzhan Yussupov, Chairman of Kazatomprom Management Board,
By order of the Board of Directors**

5.6. Group's subsidiaries, joint ventures, joint operations, and associates

GRI 2-2

In all cases, the share percentage shown is equal to the Group's voting rights, with the exception of Ulba Metallurgical Plant 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.

Subsidiaries, joint ventures, joint operations, and associates of the Holding, 31 December 2023

Treatment	Name	Share (%)
Uranium Mining and Processing		
	Kazatomprom-SaUran LLP	100.00%
	RU-6 LLP	100.00%
	APPAK LLP	65.00%
	JV Inkai LLP	60.00%
	Baiken-U LLP ¹⁰⁷	52.50%
	ME ORTALYK LLP	51.00%
Subsidiaries	JV Khorassan-U LLP	50.00%
	JV Budenovskoye LLP	51.00%
Joint Ventures	Semizbay-U LLP	51.00%
	JV Akbastau JSC	50.00%
	Karatau LLP	50.00%
Joint Operations	Energy Asia (BVI) Limited ¹⁰⁸	50.00%
	JV KATCO LLP	49.00%
	JV South Mining Chemical Company LLP	30.00%
	JV ZARECHNOYE JSC	49.98%
	Kyzylkum LLP ¹⁰⁸	50.00%
Associates	Zhanakorgan-Transit LLP ¹⁰⁸	60.00%
Nuclear Fuel Cycle and Metallurgy		
	Ulba Metallurgical Plant JSC	94.33%
Subsidiaries	ULBA-CHINA Co Ltd ¹⁰⁸⁹	100.00%
	Mashzavod JSC ¹⁰⁸⁹	100.00%
Joint Ventures	Ulba FA LLP ¹⁰⁸⁹	51.00%
Nuclear Fuel Cycle		
Investments ¹⁰⁹	International Uranium Enrichment Centre JSC	10.00%
Ancillary Operations		
	High Technology Institute LLP	100.00%
	KazakAtom TH AG or THK	100.00%
	KAP-Technology LLP	100.00%
Subsidiaries	KAP Logistics LLP ¹¹⁰	99.99%
	Volkovgeologia JSC	99.34%

¹⁰⁷ 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.

¹⁰⁸ 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.

¹⁰⁹ 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 constitutes 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.

¹¹⁰ On 20 September 2022, Trading and Transportation Company LLP was re-registered as KAP Logistics LLP.

	Rusburmash-Kazakhstan LLP ¹⁰⁸⁹	49.00%
	Qorgan-Security LLP	100.00%
	Taiqonyr Qyshqyl Zauyty LLP ¹¹¹	100.00%
	SKZ-U LLP	49.00%
Joint Ventures	Uranenergo LLP	79.17%
Associates	SSAP LLP ¹¹²	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 ¹¹³	33.33%

¹¹¹ On March 29, 2023, the Taiqonyr Qyshqyl Zauyty LLP was registered, established for the purpose of implementing the project for the construction of a sulphuric acid plant in the Sozak district of the Turkestan region. The founders of the Taiqonyr Qyshqyl Zauyty LLP are: NAC Kazatomprom JSC (49%), 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 Taiqonyr Qyshqyl Zauyty LLP (TQZ LLP) to Kazatomprom-SaUran LLP. As a result, the participants of the TQZ LLP are Kazatomprom-SaUran LLP with a 75% stake and RU-6 LLP with a 25% stake, which in turn are 100% subsidiaries of Kazatomprom. Considering that sulphuric acid production is not Kazatomprom's core business, the Company expects to decrease its indirect ownership in TQZ LLP via Kazatomprom's fully-owned subsidiaries.

¹¹² In accordance with decree of the Government of the Republic of Kazakhstan dated August 2, 2022 No.523, SSAP LLP was excluded from the list of assets subject to privatisation and transfer into a competitive environment.

¹¹³ On June 22, 2022, Kyiv Economic Court declared JV UKR TVS CJSC bankrupt and a liquidation procedure was introduced. On February 21, 2024, the Kyiv Economic Court extended the bankruptcy procedures for JV UKR TVS CJSC until June 22, 2024.

5.7. Contributing to the achievement of the UN Sustainable Development Goals

Kazatomprom fully shares the values of the UN Sustainable Development Agenda. The Company recognises the importance of all 17 UN SDGs and, as part of its operations, strives to make a feasible contribution to their achievement. Due to the specifics of our operations, we have identified six priority UN SDGs to which the Company makes the most significant contribution.

Kazatomprom's Priority UN Sustainable Development Goals



Company's Contribution to UN Sustainable Development Goals

Relevant SDG target	Report section
SDG 3 Good health and well-being	
3.4 By 2030, reduce by one third premature mortality from non-communicable diseases through prevention and treatment and supporting mental health and well-being	<ul style="list-style-type: none"> Human Resources Management Occupational Health and Safety
3.6 By 2020, halve the number of global deaths and injuries from road traffic accidents	<ul style="list-style-type: none"> Occupational Health and Safety
3.9 By 2030, substantially reduce the number of deaths and illnesses due to hazardous chemicals and air, water and soil pollution and contamination	<ul style="list-style-type: none"> Occupational Health and Safety
SDG 7 Affordable and clean energy	
7.1 By 2030, ensure universal access to affordable, reliable and modern energy services	<ul style="list-style-type: none"> Climate Change and Energy Efficiency Environmental Sustainability
7.3 By 2030, double the global rate of improvement in energy efficiency	<ul style="list-style-type: none"> Climate Change and Energy Efficiency
7.a By 2030, enhance international cooperation to facilitate access to clean energy research and technology, including renewable energy, energy efficiency and advanced and cleaner fossil-fuel technology, and promote investments in energy infrastructure and clean energy technology	<p>Participation in international conferences:</p> <ul style="list-style-type: none"> XIII International Mining and Metallurgical Congress - AMM 2023, 01 May to 02 May 2023. UN Climate Change Conference (COP28), 30 November 2023 to 12 December 2023.
SDG 8 Decent work and economic growth	
8.2 Achieve higher levels of economic productivity through diversification, technological upgrading and innovation,	<ul style="list-style-type: none"> Supply Chain Science and Innovation

including through a focus on high-value added and labour-intensive sectors	
8.4 Improve progressively, through 2030, global resource efficiency in consumption and production and endeavour to decouple economic growth from environmental degradation, in accordance with the 10-year framework of programmes on sustainable consumption and production, with developed countries taking the lead	<ul style="list-style-type: none"> • Science and Innovation
8.5 By 2030, achieve full and productive employment and decent work for all women and men, including for young people and people with disabilities, and equal pay for work of equal value	<ul style="list-style-type: none"> • Human Resources Management
8.8 Protect labour rights and promote safe and secure working environments for all employees, including migrant employees, in particular women migrants, and those in precarious employment	<ul style="list-style-type: none"> • Human Resources Management • Occupational Health and Safety
SDG 9 Industry, innovation and infrastructure	
9.1 Develop quality, reliable, sustainable and resilient infrastructure, including regional and transborder infrastructure, to support economic development and human wellbeing, with a focus on affordable and equitable access for all	<ul style="list-style-type: none"> • Support for Local Communities
9.4 By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities	<ul style="list-style-type: none"> • Our Strategy
9.5 Enhance scientific research, upgrade the technological capabilities of industrial sectors in all countries, in particular developing countries, including, by 2030, encouraging innovation and substantially increasing the number of R&D workers per 1 million people and public and private R&D spending	<ul style="list-style-type: none"> • Science and Innovation
9.6 Support domestic technology development, research and innovation in developing countries, including by ensuring a conducive policy environment for, inter alia, industrial diversification and value addition to commodities	<ul style="list-style-type: none"> • Science and Innovation
SDG 12 Responsible consumption and production	
12.2 By 2030, achieve the sustainable management and efficient use of natural resources	<ul style="list-style-type: none"> • Science and Innovation
12.4 By 2020, achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimize their adverse impacts on human health and the environment	<ul style="list-style-type: none"> • Science and Innovation • Environmental Sustainability
12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse	<ul style="list-style-type: none"> • Environmental Sustainability
12.6 Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle	<ul style="list-style-type: none"> • Environmental Sustainability
SDG 13 Climate action	
13.1 Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries	<ul style="list-style-type: none"> • Climate Change and Energy Efficiency
13.3 Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning	<ul style="list-style-type: none"> • Climate Change and Energy Efficiency

Contribution to the Second Priority UN Sustainable Development Goals

Relevant SDG target	Report section
SDG 4 Quality education	
4.4 By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship	<ul style="list-style-type: none"> Human Resources Management
SDG 6 Clean water and sanitation	
6.3 By 2030, improve water quality by reducing pollution, eliminating dumping and minimising release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally	<ul style="list-style-type: none"> Environmental Sustainability
6.4 By 2030, substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater to address water scarcity, and substantially reduce the number of people suffering from water scarcity	<ul style="list-style-type: none"> Environmental Sustainability Key ESG indicators
SDG 10 Reduced inequalities	
10.2 By 2030, empower and promote the social, economic and political inclusion of all irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status	<ul style="list-style-type: none"> Human Resources Management Key ESG indicators
SDG 14 Life on land	
15.1 By 2020, ensure conservation, restoration and sustainable use of terrestrial and inland freshwater ecosystems and their services, in particular forests, wetlands, mountains and drylands, in line with obligations under international agreements	<ul style="list-style-type: none"> Environmental Sustainability
15.5 Take urgent and significant action to reduce degradation of natural habitat, halt the loss of biodiversity, and by 2020 protect and prevent the extinction of threatened species	<ul style="list-style-type: none"> Environmental Sustainability
SDG 16 Peace, justice and strong institutions	
16.5 Substantially reduce corruption and bribery in all their forms	<ul style="list-style-type: none"> Corporate Ethics and Compliance
SDG 17 Partnerships for the goals	
17.16 Enhance the global partnership for sustainable development, complemented by multi-stakeholder partnerships that mobilize and share knowledge, expertise, technology and financial resources, to support the achievement of the sustainable development goals in all countries, in particular developing countries	<ul style="list-style-type: none"> Partnership and Membership in Associations and International Initiatives

5.8. GRI Index

General Disclosures	Kazatomprom has reported in accordance with the GRI Standards for the period 1 January 2023 – 31 December 2023
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	Not applicable

Indicator	Disclosure	Section	Disclosure degree	Scope	Comments
GRI 2: The organisation and its reporting practices					
2-1	Organisational details	1. Business Profile 1.5. Uranium Products Market Overview and Competitive Environment 5. Annexes 5.16. Contacts	fully	1	
2-2	Entities included in the organisation's sustainability reporting	5. Annexes 5.1. About the Report 5.6. Group's Subsidiaries, Joint Ventures, Joint Operations, and Associates	fully	1	
2-3	Reporting period, frequency and contact point	5. Annexes 5.1. About the Report 5.16. Contacts	fully	1	

2-4	Restatements of information	3. ESG and Sustainable Business 3.2. Climate Change and Energy Efficiency 5. Annexes 5.1. About the Report	fully	1	The data on energy intensity for 2021 have been changed due to a change in the approach to determining the total energy consumption and accounting for purchased heat.
2-5	External assurance	4. Corporate governance 4.8. Internal control 5. Annexes 5.1. About the Report 5.12. Independent Assurance Report.	fully	1	
GRI 2: Company's activities and employees					
2-6	Activities, value chain and other business relationships	1. Business Profile 1.1. Our Strategy 1.4. Analysis of Performance Dynamics 1.5. Uranium Products Market Overview and Competitive Environment 1.6. Sales and Distribution 3. ESG and Sustainable Business 3.7. Supply Chain	fully	1	Operations – mining assets.
2-7	Employees	3. ESG and Sustainable Business 3.5. Human Resources Management 5. Annexes 5.2. ESG Performance Indicators 2021-2023	fully	3	

2-8	Non-employees	3. ESG and Sustainable Business 3.5. Human Resources Management 5. Annexes 5.2. Key ESG indicators, 2021-2023	partially	3	
GRI 2: Governance					
2-9	Governance structure and composition	3. ESG and Sustainable Business 3.1. Strategic Approach 4. Corporate Governance 4.1. Corporate Governance System 4.4. Board of Directors	fully	1	
2-10	Nomination and selection of the highest governance body	4. Corporate Governance 4.4. Board of Directors	fully	1	
2-11	Chair of the highest governance body	4. Corporate Governance 4.4. Board of Directors	fully	1	
2-12	Role of the highest governance body in overseeing the management of impacts	3. ESG and Sustainable Business. 3.1. Strategic Approach 4. Corporate Governance 4.4. Board of Directors	fully	1	
2-13	Delegation of responsibility for managing impacts	3. ESG and Sustainable Business 3.1. Strategic Approach 3.4. Health and Safety 3.5. Human Resources Management 4. Corporate Governance 4.12. Corporate Ethics and Compliance	fully	1	

2-14	Role of the highest governance body in sustainability reporting	3. ESG and Sustainable Business. 3.1. Strategic Approach 4. Corporate Governance 4.4. Board of Directors	fully	1	
2-15	Conflicts of interest	4. Corporate Governance 4.5. Management Board 4.12. Corporate Ethics and Compliance	fully	1	
2-16	Communication of critical concerns	4. Corporate Governance 4.12. Corporate Ethics and Compliance	fully	1	
2-17	Collective knowledge of the highest governance body	4. Corporate Governance 4.4. Board of Directors	fully	1	
2-18	Evaluation of the performance of the highest governance body	4. Corporate Governance 4.4. Board of Directors	fully	1	
2-19	Remuneration policies	4. Corporate Governance 4.6. Remuneration	fully	1	
2-20	Process to determine remuneration	3. ESG and Sustainable Business 3.5. Human Resources Management 4. Corporate Governance 4.6. Remuneration	fully	1	
2-21	Annual total compensation ratio		not disclosed	1	Information should not be disclosed in order to protect personal information.
GRI 2: Strategy, policies and practices					
2-22	Statement on sustainable development strategy	Message from the Chairman of the Board of Directors Message from the Chairman of the Management Board	fully	1	

2-23	Policy commitments	3. ESG and Sustainable Business 3.1. Strategic Approach 3.3. Environmental Sustainability 3.5. Human Resources Management 4. Corporate Governance 4.12. Corporate Ethics and Compliance	fully	1	
2-24	Embedding policy commitments	4. Corporate Governance 4.12. Corporate Ethics and Compliance	fully	1	
2-25	Processes to remediate negative impacts	3. ESG and Sustainable Business 3.1. Strategic Approach	fully	1	
2-26	Mechanisms for seeking advice and raising concerns	3. ESG and Sustainable Business 3.5. Human Resources Management 4. Corporate Governance 4.12. Corporate Ethics and Compliance	fully	1	
2-27	Compliance with laws and regulations	4. Corporate Governance 4.11. Compliance with Laws and Regulations	fully	5	
2-28	Membership associations	5. Annexes 5.3. Association and International Initiative Membership and Partnership	fully	1	
2-29	Approach to stakeholder engagement	3. ESG and Sustainable Business 3.1. Strategic Approach	fully	1	

2-30	Collective bargaining agreements	3. ESG and Sustainable Business 3.5. Human Resources Management	fully	3	
GRI 3: Material Topics					
3-1	Process to determine material topics	3. ESG and Sustainable Business 3.1. Strategic Approach	fully	1	
3-2	List of material topics	3. ESG and Sustainable Business 3.1. Strategic Approach	fully	1	
3-3	Management of material topics	3. ESG and Sustainable Business 3.2. Climate Change and Energy Efficiency	fully	1	
Economic Topics					
GRI 201: Economic Performance					
3-3	Management of material topics	3. ESG and Sustainable Business 3.1. Strategic Approach	fully	1	
201-1	Direct economic value generated and distributed	3. ESG and Sustainable Business 3.1. Strategic Approach 5. Annexes 5.2. Key ESG indicators, 2021-2023	fully	1	GRI 201-1.b is not relevant. We estimate that the Company has a material impact only in the Republic of Kazakhstan.
GRI 202: Market Presence					
202-2	Proportion of senior management hired from the local community	4. Corporate Governance 4.5. Management Board	fully	1	
GRI 203: Indirect Economic Impacts					
3-3	Management of material topics	3. ESG and Sustainable Business 3.6. Support for Local Communities	fully	1	

203-1	Investments in infrastructure and supported services	3. ESG and Sustainable Business 3.6. Support for Local Communities	fully	2	
GRI 204: Procurement Practices					
3-3	Management of material topics	3. ESG and Sustainable Business 3.7. Supply Chain	fully	1	
204-1	Proportion of spending on local suppliers	3. ESG and Sustainable Business 3.7. Supply Chain	fully	6	Core operations are in the Republic of Kazakhstan.
GRI 205: Anti-corruption					
3-3	Management of material topics	4. Corporate Governance 4.12. Corporate Ethics and Compliance	fully	1	
205-1	Operations assessed for risks related to corruption	4. Corporate Governance 4.12. Corporate Ethics and Compliance	fully	2	
205-2	Communication and training about anti-corruption policies and procedures	4. Corporate Governance 4.12. Corporate Ethics and Compliance	partially	2	No information is available on the number of members of employee governing bodies who have received anti-corruption training by category or region.
205-3	Confirmed incidents of corruption and actions taken	4. Corporate Governance 4.12. Corporate Ethics and Compliance	fully	2	
GRI 206: Anti-competitive Behavior					
206-1	Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	5. Annexes 5.8. GRI Index	fully	1	In accordance with the Code of Ethics and Compliance, as well as the laws of the Republic of Kazakhstan, we are committed to competitive behaviour on a fair basis only. In 2023, the Company was not involved in any lawsuits related to violations of antitrust legislation.

GRI 207: Tax					
3-3	Management of material topics	4. Corporate Governance 4.10. Tax Transparency	fully	1	
207-1	Approach to tax	4. Corporate Governance 4.10. Tax Transparency	fully	1	
207-2	Tax governance, control, and risk management	4. Corporate Governance 4.10. Tax Transparency 4.12. Corporate Ethics and Compliance	fully	1	For more information on the validation of tax information, see CFS 2023.
207-3	Stakeholder engagement and management of concerns related to tax	4. Corporate Governance 4.10. Tax Transparency	fully	1	
207-4	Country-by-country reporting	5. Annexes 5.2. Key ESG indicators, 2021-2023	fully	1	
Environmental Topics					
GRI 302: Energy					
3-3	Management of material topics	3. ESG and Sustainable Business 3.2. Climate Change and Energy Efficiency	fully	1	

302-1	Direct energy consumption within the organisation	3. ESG and Sustainable Business 3.2. Climate Change and Energy Efficiency	fully	7	<p>The Company does not resell energy to third parties.</p> <p>The Company does not consume fuel from renewable sources.</p> <p>Steam and hot water consumption are included in the heat figures.</p> <p>The coefficients used are in accordance with the Methodology for Fuel and Energy Balance Development and Calculation of Selected Statistical Indicators Characterising the Energy Sector.</p>
302-3	Energy intensity	3. ESG and Sustainable Business 3.2. Climate Change and Energy Efficiency	fully	7	
302-4	Reduction of energy consumption	3. ESG and Sustainable Business 3.2. Climate Change and Energy Efficiency	fully	7	<p>The reduction is calculated compared to the previous reporting year.</p> <p>Data is recorded in line with Kazakh laws and the Company's internal approach.</p>
GRI 303: Water					
3-3	Management of material topics	3. ESG and Sustainable Business 3.3. Environmental Sustainability	fully	1	
303-1	Interactions with water as a shared resource	3. ESG and Sustainable Business 3.3. Environmental Sustainability	fully	7	

303-2	Management of water discharge-related impacts	3. ESG and Sustainable Business 3.3. Environmental Sustainability	fully	7	
303-3	Water withdrawal	3. ESG and Sustainable Business 3.3. Environmental Sustainability 5. Annexes 5.2. Key ESG indicators, 2021-2023	fully	7	
303-4	Water discharge	3. ESG and Sustainable Business 3.3. Environmental Sustainability 5. Annexes 5.2. Key ESG indicators, 2021-2023	fully	7	
303-5	Water consumption	3. ESG and Sustainable Business 3.3. Environmental Sustainability	partially	7	
GRI 304: Biodiversity					
3-3	Management of material topics	3. ESG and Sustainable Business 3.3. Environmental Sustainability	fully	1	
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	3. ESG and Sustainable Business 3.3. Environmental Sustainability	partially	7	There are no reserves or other specially protected natural areas located within the territory of the Group's uranium deposits.

304-2	Significant impacts of activities, products, and services on biodiversity	3. ESG and Sustainable Business 3.3. Environmental Sustainability	fully	7	
304-3	Habitats protected or restored	3. ESG and Sustainable Business 3.3. Environmental Sustainability	fully	7	
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	3. ESG and Sustainable Business 3.3. Environmental Sustainability	fully	7	
GRI 305: Emissions					
3-3	Management of material topics	3. ESG and Sustainable Business 3.3. Environmental Sustainability	fully	1	
305-1	Direct (Scope 1) GHG emissions	3. ESG and Sustainable Business 3.2. Climate Change and Energy Efficiency 5. Annexes 5.2. Key ESG indicators, 2021-2023	fully	7	<p>To estimate direct emissions (Scope 1), a calculation method is used based on calorific value factors and specific GHG emissions from fuel combustion as well as other standardised activities.</p> <p>The gases taken into account in the calculation of this indicator are CO₂, CH₄, and N₂O.</p> <p>The Company does not generate any biogenic CO₂ emissions.</p> <p>Stationary and mobile sources are taken into account.</p>

305-2	Energy indirect (Scope 2) GHG emissions	3. ESG and Sustainable Business 3.2. Climate Change and Energy Efficiency 5. Annexes 5.2. Key ESG indicators, 2021-2023	fully	7	<p>For the calculation of energy indirect greenhouse gas emissions, we have used the coefficients provided by the Greenhouse Gas Protocol and the 2006 IPCC Guidelines for National Greenhouse Gas Inventories.</p> <p>The gases taken into account in the calculation of this indicator are CO₂, CH₄, and N₂O.</p>
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305-3	Other indirect (Scope 3) GHG emissions	3. ESG and Sustainable Business 3.2. Climate Change and Energy Efficiency	fully	7	<p>To disclose other indirect greenhouse gas emissions, the greenhouse gas emissions of Category 1 'Purchased Goods and Services' and Category 4 'Upstream Transportation and Distribution' defined by the Greenhouse Gas Protocol have been calculated.</p> <p>For the calculation, the data on greenhouse gas emissions from the production of own resources, as well as standard factors published in public sources (Ecoinvent, GaBi for other purchased resources) are used.</p> <p>The emissions from the most significant purchased goods and services and their transport have been included in the calculations. The indirect emissions of biogenic CO₂ have not been taken into account.</p> <p>The gases taken into account in the calculation of this indicator are CO₂, CH₄, and N₂O.</p>
305-4	GHG emissions intensity	3. ESG and Sustainable Business 3.2. Climate Change and Energy Efficiency	fully	7	<p>The gases taken into account in the calculation of this indicator are CO₂, CH₄, and N₂O.</p>

305-6	Emissions of ozone-depleting substances (ODS)	3. ESG and Sustainable Business 3.3. Environmental Sustainability	fully	7	The Company does not produce, export, or import ozone-depleting substances.
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	3. ESG and Sustainable Business 3.3. Environmental Sustainability 5. Annexes 5.2. Key ESG indicators, 2021-2023	fully	7	<p>The emission calculation factors used comply with Kazakh environmental legislation, including standards and reporting methodologies.</p> <p>Hazardous Air Pollutants (HAPs) are a category of chemical substances used in the United States as the basis for reporting requirements to regulatory authorities. Kazatomprom adheres to national environmental reporting requirements according to the Environmental Code of the Republic of Kazakhstan at the level of individual substances.</p> <p>The Company does not generate emissions of persistent organic pollutants (POPs).</p> <p>There are no mercury emissions across the Group.</p> <p>The Company's emissions of lead and its compounds total 0.00055 tons.</p>

GRI 306: Waste

3-3	Management of material topics	3. ESG and Sustainable Business 3.3. Environmental Sustainability	fully	1	
306-1	Waste generation and significant waste-related impacts	3. ESG and Sustainable Business 3.3. Environmental Sustainability	fully	7	
306-2	Management of significant waste-related impacts	3. ESG and Sustainable Business 3.3. Environmental Sustainability	fully	7	
306-3	Waste generated	3. ESG and Sustainable Business 3.3. Environmental Sustainability 5. Annexes 5.2. Key ESG indicators, 2021-2023	fully	7	

Social Topics

GRI 401: Employment

401-1	New employee hires and employee turnover	3. ESG and Sustainable Business 3.5. Human Resources Management 5. Annexes 5.2. Key ESG indicators, 2021-2023	fully	3	
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	3. ESG and Sustainable Business 3.5. Human Resources Management	fully	3	
401-3	Parental Leave	5. Annexes 5.2. Key ESG indicators, 2021-2023	fully	3	

GRI 402: Labour/Management Relations					
402-1	Minimum notice periods regarding operational changes	3. ESG and Sustainable Business 3.5. Human Resources Management	fully	3	
GRI 403: Occupational Health and Safety					
3-3	Management of material topics	3. ESG and Sustainable Business 3.4. Health and Safety	fully	1	
403-1	Occupational health and safety management system	3. ESG and Sustainable Business 3.4. Health and Safety	fully	5	
403-2	Hazard identification, risk assessment, and incident investigation	3. ESG and Sustainable Business 3.4. Health and Safety	fully	5	
403-3	Occupational health services	3. ESG and Sustainable Business 3.4. Health and Safety	fully	5	
403-4	Worker participation, consultation, and communication on occupational health and safety	3. ESG and Sustainable Business 3.4. Health and Safety	fully	5	
403-5	Worker training on occupational health and safety	3. ESG and Sustainable Business 3.4. Health and Safety	fully	5	
403-6	Promotion of worker health	3. ESG and Sustainable Business 3.5. Human Resources Management	fully	5	
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	3. ESG and Sustainable Business 3.4. Health and Safety	fully	5	

403-8	Workers covered by an occupational health and safety management system	3. ESG and Sustainable Business 3.4. Health and Safety	fully	5	
403-9	Work-related injuries	3. ESG and Sustainable Business 3.4. Health and Safety 5. Annexes 5.2. Key ESG indicators, 2021-2023	partially	5	<p>Information on man-hours records and LTIFR calculation is maintained for contractors but is not yet ready for disclosure this year. It will be improved for disclosure in the next reporting period.</p> <p>For all employees:</p> <ul style="list-style-type: none"> • number of fatal accidents due to occupational injuries – 0; • number of occupational injuries with severe consequences (excluding fatalities) – 1; • number of recordable occupational injuries – 5. <p>For all non-employee workers whose work and/or workplace is supervised by the Company:</p> <ul style="list-style-type: none"> • number of fatal accidents due to occupational injuries – 0; • number of occupational injuries with severe consequences (excluding fatalities) – 0; • number of recordable occupational injuries – 0.

GRI 404: Training and Education

404-1	Average hours of training per year per employee	5. Annexes 5.2. Key ESG indicators, 2021-2023	fully	4	
404-2	Programs for upgrading employee skills and transition assistance programs	3. ESG and Sustainable Business 3.5. Human Resources Management	fully	4	
GRI 405: Diversity and Equal Opportunity					
405-1	Diversity of governance bodies and employees	3. ESG and Sustainable Business 3.5. Human Resources Management 4. Corporate Governance 4.4. Board of Directors 4.5. Management Board 5. Annexes 5.2. Key ESG indicators, 2021-2023	fully	3	
405-2	Ratio of basic salary and remuneration of women to men	3. ESG and Sustainable Business 3.5. Human Resources Management 5. Annexes 5.2. Key ESG indicators, 2021-2023	fully	3	The Company does not distinguish between the basic salary of men and women.
GRI 406: Non-discrimination					
406-1	Incidents of discrimination and corrective actions taken	3. ESG and Sustainable Business 3.5. Human Resources Management	fully	3	No incidents of discrimination were recorded during the reporting period.
GRI 408: Child Labour					

408-1	Operations and suppliers at significant risk for incidents of child labour	3. ESG and Sustainable Business 3.5. Human Resources Management	fully	3	Kazatomprom respects the rights of children and does not accept any forms of child labour. No cases of child labour by the Company or its suppliers were recorded during the reporting period.
GRI 409: Forced or Compulsory Labour					
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	3. ESG and Sustainable Business 3.5. Human Resources Management	fully	3	Kazatomprom does not accept any forms of forced or compulsory labour. There were no recorded incidents of forced labour by the Company or its suppliers during the reporting period.
GRI 411: Rights of Indigenous Peoples					
411-1	Incidents of violations involving rights of indigenous peoples	3. ESG and Sustainable Business 3.5. Human Resources Management	fully	1	There were no recorded incidents of violations of the rights of indigenous people and minorities during the reporting period. There were also no complaints about human rights violations by these groups.
GRI 413: Local Communities					
3-3	Management of material topics	3. ESG and Sustainable Business 3.6. Support for Local Communities	fully	1	
413-1	Operations with local community engagement, impact assessments, and development programmes	3. ESG and Sustainable Business 3.6. Support for Local Communities	fully	2	The activities to support and engage with local communities are carried out at 67% of the Group's entities.
GRI 415: Public Policy					
415-1	Political contributions	4. Corporate Governance 4.12. Corporate Ethics and Compliance	fully	1	

Standard and indicators	Disclosure	Disclosure degree	Report sections
INDICATORS OF KAZATOMPROM			
KAP1	Production Lifecycle	fully	Production Lifecycle Management
KAP2	Emergency preparedness	fully	3. ESG and Sustainable Business 3.4. Health and Safety
KAP3	Radiation safety	fully	3. ESG and Sustainable Business 3.4. Health and Safety

5.9. TCFD Index

Indicator	Report sections
Governance	
a. Describe Board of Director's oversight of climate-related risks and opportunities	4. Corporate Governance 4.1. Corporate Governance System 4.4. Board of Directors
b. Describe Management's role in assessing and managing climate-related risks and opportunities	3. ESG and Sustainable Business 3.1. Strategic Approach
Metrics & Targets	
a. Describe metrics used by the organisation to assess climate-related risks and opportunities	3. ESG and Sustainable Business 3.2. Climate Change and Energy Efficiency 3.3. Environmental Sustainability 5. Annexes 5.2. Key ESG indicators, 2021-2023
c. Describe targets used by the organisation to manage climate-related risks and opportunities	3. ESG and Sustainable Business 3.3. Environmental Sustainability
b. Disclose Scope 1, Scope 2, and, where necessary, Scope 3 greenhouse gas (GHG) emissions and emissions-related risks	3. ESG and Sustainable Business 3.2. Climate Change and Energy Efficiency 3.3. Environmental Sustainability 5. Annexes 5.2. Key ESG indicators, 2021-2023
Strategy	
b. Describe impact of climate-related risks on the organisation's businesses, strategy, and financial planning	3. ESG and Sustainable Business 3.2. Climate Change and Energy Efficiency
Risk management	
a. Describe the organisation's processes for identifying and assessing climate-related risks	3. ESG and Sustainable Business 3.2. Climate Change and Energy Efficiency
b. Describe the organisation's processes for managing climate-related risks	3. ESG and Sustainable Business 3.2. Climate Change and Energy Efficiency
c. Describe the integration of processes for identifying, assessing, and managing climate-related risks into the organisation's overall risk management	3. ESG and Sustainable Business 3.2. Climate Change and Energy Efficiency

5.10. SASB Index

SASB indicator	Disclosure	Report sections	Comments	Disclosure degree	Scope
EM-MM-110a.1.	Gross global Scope 1 emissions Percentage covered under emissions-limiting regulations	3. ESG and Sustainable Business 3.2. Climate Change and Energy Efficiency 5. Annexes 5.2. Key ESG indicators, 2021-2023	Percentage covered under emissions-limiting regulations – 0%	fully	7
EM-MM-110a.2.	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	Integrated annual report for 2022, section “Climate change and energy efficiency”.		fully	7
EM-MM-120a.1	Air emissions of the following pollutants: (1) CO, (2) NOx (excluding N ₂ O), (3) SOx, (4) particulate matter (PM10), (5) mercury (Hg), (6) lead (Pb), (7) volatile organic compounds (VOCs).	3. ESG and Sustainable Business 3.3. Environmental Sustainability 5. Annexes 5.2. Key ESG indicators, 2021-2023	No emissions of mercury. In the Group, there are emissions of lead and its compounds – 0.00055 tonnes	fully	7
EM-MM-130a.1.	(1) Total energy consumed; (2) Percentage grid electricity; (3) Percentage renewable	3. ESG and Sustainable Business 3.2. Climate Change and Energy Efficiency	Percentage renewable: 0.34% Percentage grid electricity: 56.90%	fully	7

EM-MM-140a.1.	(1) Total fresh water withdrawn; (2) Total fresh water consumed; (3) Percentage of each in regions with High or Extremely High Baseline Water Stress	3. ESG and Sustainable Business 3.3. Environmental Sustainability 5. Annexes 5.2. Key ESG indicators, 2021-2023		fully	7
EM-MM-140a.2	Number of incidents of non-compliance associated with water quality permits, standards, and regulations	3. ESG and Sustainable Business 3.3. Environmental Sustainability	There were no cases of non-compliance related to water resources in 2023.		5
EM-MM-150a.4	Total weight of non-mineral waste generated	3. ESG and Sustainable Business 3.3. Environmental Sustainability	Total weight of non-mineral waste generated is 381,110 tonnes	fully	7
EM-MM-150a.5	Total weight of tailings produced	3. ESG and Sustainable Business 3.3. Environmental Sustainability		fully	7
EM-MM-150a.6	Total weight of waste rock generated		The Group generates no waste rock	not applicable	7
EM-MM-150a.7	Total weight of hazardous waste generated	3. ESG and Sustainable Business 3.3. Environmental Sustainability 5. Annexes 5.2. Key ESG indicators, 2021-2023		fully	7
EM-MM-150a.9	Number of significant incidents associated with hazardous materials and waste management		In 2023, there were 7 significant incidents involving hazardous materials. The Company was charged with fines.	fully	5
EM-MM-150a.10	Description of waste and hazardous materials management policies and procedures for active and inactive operations	3. ESG and Sustainable Business 3.3. Environmental Sustainability 3.4. Health and Safety		fully	7
EM-MM-160a.1.	Description of environmental management policies and practices for active sites	3. ESG and Sustainable Business 3.3. Environmental Sustainability		fully	7

EM-MM-160a.2.	Percentage of mine sites where acid rock drainage is: (1) predicted to occur, (2) actively mitigated, and (3) under treatment or remediation		Not applicable due to uranium extraction by the underground in-situ leaching method	not applicable	7
EM-MM-210a.1.	Percentage of (1) proven and (2) probable reserves in or near areas of conflict		No reserves in or near areas of conflict	fully	1
EM-MM-210a.2.	Percentage of (1) proved and (2) probable reserves in or near indigenous land		No reserves in or near indigenous land	fully	1
EM-MM-210a.3.	Discussion of engagement processes and due diligence practices with respect to human rights, indigenous rights, and operation in areas of conflict		No areas of conflict and indigenous land in regions of presence	fully	1
EM-MM-210b.1.	Discussion of process to manage risks and opportunities associated with community rights and interests	3. ESG and Sustainable Business 3.6. Support for Local Communities	No information on community risks	partially	2
EM-MM-210b.2.	Number and duration of non-technical delays	2. Operating and Financial Review 2.4 UMP Segment	Number of non-technical delays – 1	fully	2
EM-MM-310a.1.	Percentage of active workforce covered under collective bargaining agreements, broken down by U.S. and foreign employees	3. ESG and Sustainable Business 3.5. Human Resources Management		fully	3
EM-MM-310a.2.	Number and duration of strikes and lockouts		Number of strikes and lockouts – 0	fully	3

EM-MM-320a.1.	(1) MSHA all-incidence rate, (2) fatality rate, (3) near miss frequency rate (NMFR) and (4) average hours of health, safety, and emergency response training for (a) full-time employees and (b) contract employees	3. ESG and Sustainable Business 3.4. Health and Safety 5. Annexes 5.2. Key ESG indicators, 2021-2023	<p>(1) MSHA all-incidence rate – 0.03 (per 200,000 hours worked as recommended by SASB standards)</p> <p>(2) FAR = 0 (per 200,000 hours worked as recommended by SASB standards)</p> <p>(3) Near misses frequency rate – 0.254 (per 200,000 hours worked as recommended by SASB standards)</p> <p>(4) Not disclosed as the Company does not keep separate records of the number of hours of health & safety and emergency response training for its staff and contractors</p> <p>For all employees:</p> <ul style="list-style-type: none"> • number of fatal accidents due to occupational injuries – 0; • number of occupational injuries with severe consequences (excluding fatalities) – 1; • number of recordable occupational injuries – 5. <p>For all non-employee workers whose work and/or workplace is supervised by the Company:</p> <ul style="list-style-type: none"> • number of fatal accidents due to occupational injuries – 0; • number of occupational injuries with severe 	partially	5
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			consequences (excluding fatalities) – 0; number of recordable occupational injuries – 0.		
EM-MM-510a.1.	Description of the management system for prevention of corruption and bribery throughout the value chain	4. Corporate Governance 4.12. Corporate Ethics and Compliance		fully	2
EM-MM-510a.2.	Production in countries that have the 20 lowest rankings in Transparency International's Corruption Perception Index		Not applicable. Kazakhstan is not on the rankings	not applicable	2
EM-MM-540a.1.	Tailings storage facility inventory table: (1) facility name, (2) location, (3) ownership status, (4) operational status, (5) construction method, (6) maximum permitted storage capacity, (7) current amount of tailings stored, (8) consequence classification, (9) date of most recent independent technical review, (10) material findings, (11) mitigation measures, (12) site-specific EPRP.	5. Annexes 5.2. Key ESG indicators, 2021-2023		fully	7

EM-MM-540a.2.	Summary of tailings management systems and governance structure used to monitor and maintain the stability of tailings storage facilities	3. ESG and Sustainable Business 3.3. Environmental Sustainability		fully	7
EM-MM-540a.3.	Approach to development of Emergency Preparedness and Response Plans (EPRPs) for tailings storage facilities	3. ESG and Sustainable Business 3.3. Environmental Sustainability		fully	7
EM-MM-000.A	Production of (1) metal ores and (2) finished metal products	1. Business Profile 1.4. Analysis of Performance Dynamics		fully	1
EM-MM-000.B	Total number of employees, percentage contractors	3. ESG and Sustainable Business 3.5. Human Resources Management 5. Annexes 5.2. Key ESG indicators, 2021-2023		fully	3

5.11. UNCTAD Index

	Area	Indicators	Performance indicators
A	Economic area		
A.1	Revenue and/or (net) value added	A.1.1: Revenue	KZT 1,435 billion
		A.1.2: Value added	KZT 973.4 billion
		A.1.3: Net value added	KZT 880.5 billion
A.2	Payments to the Government	A.2.1: Taxes and other payments to the Government	KZT 360.7 billion
A.3	New investment/ expenditures	A.3.1: Green investment	The expenditures for environmental protection activities amounted to 1,306.5 million tenge
		A.3.2: Community investment	KZT 1.3 billion
		A.3.3: Total expenditures on research and development	KZT 2.6 billion
A.4	Total cost of local supplier/purchasing programmes	A.4.1: Percentage of local procurement	<ul style="list-style-type: none"> The share of domestic value added in goods reached 60%. The share of domestic value added in works/services reached 91%.
B	Environmental area		
B.1	Sustainable use of water	B.1.1: Water recycling and reuse	No data available due to revised methodology
		B.1.2: Water use efficiency	9,081.4 thousand m ³ of water withdrawn
		B.1.3: Water stress	Water consumption in 2023 <ul style="list-style-type: none"> surface water – 6.5 thousand m³ ground water – 7,877.6 thousand m³ municipal and other water supply systems – 1,197.4 thousand m³
B.2	Waste management	B.2.1: Reduction of waste generation	In 2023, Kazatomprom accumulated a total of 662,200 tonnes of waste
		B.2.2: Waste reused, remanufactured and recycled	The Company does not reuse the waste
		B.2.3: Hazardous waste	0.713 thousand tonnes
	Greenhouse gas emissions	B.3.1: Greenhouse gas emissions (Scope 1)	120,620 tonnes of CO ₂ eq.
		B.3.2: Greenhouse gas emissions (Scope 2)	Regional method – 793,299 tonnes of CO ₂ eq.
B.4	Chemicals, including pesticides and ozone-depleting substances	B.4.1: Chemicals, including pesticides and ozone-depleting substances	The Company does not use ozone-depleting substances

B.5	Energy consumption	B.5.1: Renewable energy	3.02 thousand MWh of annual electricity produced by PV plants installed at production sites
		B.5.2: Energy efficiency	Total energy consumption was 3,975,000 GJ
C Social area			
C.1	Gender equality	C.1.1: Proportion of women in managerial positions	Share of female managers was 7% in 2023
C.2	Human capital	C.2.1: Average hours of training per year per employee	Average number of hours spent on training of one employee was 46 hours
		C.2.2: Expenditure on employee training per year per employee	KZT 518,700 for administrative staff and management, KZT 92,900 for production staff
		C.2.3: Employee wages and benefits as a proportion of revenue, with breakdown by employment type and gender	KZT 129,846 million in the total payroll fund
C.3	Employee health and safety	C.3.1: Expenditures on employee health and safety as a proportion of revenue	In 2023, Kazatomprom's health and safety spending made KZT 12.47 billion, equivalent to 1% of the Company's revenues
		C.3.2: Frequency/incident rates of occupational injuries	LTIFR was 0.15
C.4	Coverage by collective agreements	C.4.1: Percentage of employees covered by collective agreements	94%
D Institutional area			
D.1	Corporate governance disclosure	D.1.1: Number of board meetings and attendance rate	In 2023, the Board of Directors held 14 in-person meetings to consider 230 matters
			The attendance of meetings by Board members was 94% on average in 2023
		D.1.2: Number and percentage of women board members	There are no women on the Board of Directors (as of the end of the year)
		D.1.3: Board members by age range	Board members by age: <ul style="list-style-type: none"> • Under 30 – 0% • 30-50 – 100% • 50+ – 0%
		D.1.4: Number of meetings of audit committees and attendance rate	The Audit Committee held 12 in-person meetings.
			The attendance was 100%
		D.1.5: Total compensation and compensation per member of the board of directors and management	KZT 0.91 billion in total remuneration paid to the Board of Directors and Management Board

D.2	Anti-corruption practices	D.2.1: Amount of fines paid or payable in accordance with the convictions	No administrative penalties for corruption offences in the reporting period
		D.2.2: Average hours of training on anti-corruption issues per year per employee	Not available

5.12. Independent Assurance Report

GRI 2-5



Independent Limited Assurance Report

To the Board of Directors of JSC "National Atomic Company "Kazatomprom":

Introduction

We have been engaged by the management of JSC "National Atomic Company "Kazatomprom" (hereinafter – the "Company") to provide limited assurance on the selected information described below and included in the Integrated Annual Report of the Company for the year ended 31 December 2023 (hereinafter – the "Annual Report").

Description of the subject matter information and applicable criteria

The selected information for the year ended 31 December 2023 is summarized in the Section "5.8. GRI Index" and Section "5.10. SASB Index" of the Annual Report (hereinafter – the "Selected Information").

The Selected information represents information related to the Company and its selected subsidiaries as indicated in the Annex "5.1. About the Report", "5.1.2. Information perimeter" Section of the Annual Report.

The scope of our assurance procedures was limited to the Selected Information for the year ended 31 December 2023 only. We have not performed any procedures with respect to earlier periods or any other items included in the Annual Report and, therefore, do not express any conclusion thereon.

The criteria used by the Company to prepare the Selected Information are contained in the GRI Sustainability Reporting Standards published by the Global Reporting Initiative (GRI) (hereinafter – "the GRI Standards"), SASB Sustainability Reporting Standards published by the International Sustainability Standards Board (ISSB) (hereinafter – "the SASB Standards") and methodology and guidelines developed by the Company and disclosed in the Annual Report (hereinafter – the "Reporting Criteria").

In our view, the Reporting Criteria constitute appropriate criteria to form the limited assurance conclusion.

Responsibilities of the management of the Company

The management of the Company is responsible for:

- designing, implementing and maintaining internal control relevant to the preparation of the Selected Information that is free from material misstatement, whether due to fraud or error;
- establishing internal methodology and guidelines for preparing and reporting the Selected Information in accordance with the Reporting Criteria;
- preparation, measurement and reporting of the Selected Information in accordance with the Reporting Criteria; and
- the accuracy, completeness and presentation of the Selected Information.

PricewaterhouseCoopers LLP
34 Al-Farabi Ave., Building A, 4th floor, Almaty, Kazakhstan, A25D5F6
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Our responsibilities

Our responsibility is to express a limited assurance conclusion on the Selected Information based on the procedures we have performed and the evidence we have obtained.

We performed the limited assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements other than Audits or Reviews of Historical Financial Information" issued by the International Auditing and Assurance Standards Board. This standard requires that we comply with ethical requirements, and to plan and perform procedures to obtain limited assurance that the Selected Information for the year ended 31 December 2023 has been prepared, in all material respects, in accordance with the Reporting Criteria.

A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks. The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Our independence and quality management

We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (the IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

We apply International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Summary of work performed

Our planned and performed procedures were aimed at obtaining limited assurance that the Selected Information for the year ended 31 December 2023 has been prepared, in all material respects, in accordance with the Reporting Criteria. We have performed the following procedures:

- made enquiries of the management of the Company, including the Strategy and Sustainable Development team and those with responsibility for sustainability reporting management and reporting;
- conducted interviews of personnel responsible for the preparation of the Annual Report and collection of underlying data;
- performed analysis of the relevant internal methodology and guidelines, gaining an understanding of the design of the key structures, systems, processes and controls for managing, recording, preparing and reporting the Selected Information; and
- performed limited substantive testing on a selective basis of the Selected Information to check that data had been appropriately measured, recorded, collated and reported.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our limited assurance conclusion.



Inherent limitations

Under the GRI Standards and SASB Standards there is a range of different, but acceptable, measurement and reporting techniques. The techniques can result in materially different reporting outcomes that may affect comparability with other organisations. The Selected Information should therefore be read in conjunction with the methodology used by management as described in the Annual Report, and for which the Company is solely responsible.

Limited assurance conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Selected Information for the year ended 31 December 2023 has not been prepared, in all material respects, in accordance with the Reporting Criteria.

Restrictions of use and distribution

This report, including our limited assurance conclusion, has been prepared solely for the Board of Directors of the Company in accordance with the agreement between us, to assist the management of the Company in reporting on the Company's and its selected subsidiaries' sustainability performance and activities.

We permit this report to be disclosed in the Annual Report, which will be published on the Company's website, to assist the management of the Company in responding to their governance responsibilities by obtaining an independent limited assurance report in connection with the Selected Information.

The maintenance and integrity of the Company's website is the responsibility of management; the work carried out by us does not involve consideration of these matters and, accordingly, we accept no responsibility for any changes that may have occurred to the reported Selected Information or Reporting Criteria when presented on the Company's website.

To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Board of Directors of the Company and the Company for our work or this report except where the respective terms are expressly agreed in writing and our prior consent in writing is obtained.

Pricewaterhouse Coopers LLP

30 April 2024

Almaty, Kazakhstan

5.13. Consolidated financial statements

“NAC “KAZATOMPROM” JSC

STATEMENT OF MANAGEMENT’S RESPONSIBILITIES FOR THE PREPARATION AND APPROVAL OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023, AND OPERATING AND FINANCIAL REVIEW FOR THE YEAR ENDED 31 DECEMBER 2023

The following statement is made with a view to distinguish the respective responsibilities of management and those of the independent auditor’s in relation to the consolidated financial statements of JSC National Atomic Company Kazatomprom (“Company”) and its subsidiaries (hereinafter the “Group”) for the year ended 31 December 2023 and operating and financial review for the year ended 31 December 2023.

Management of the Group is responsible for the preparation of consolidated financial statements of the Group for the year ended 31 December 2023, and operating and financial review for the year ended 31 December 2023, that presents fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2023, and the consolidated results of its operations, cash flows and changes in equity for the year then ended, in compliance with International Financial Reporting Standards (“IFRS”).

In preparing the consolidated financial statements, management is responsible for:

- properly selecting and applying accounting policies;
- presenting information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- providing additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, as well as other events and conditions on the Group’s consolidated financial position and financial performance; and
- making an assessment of the Group’s ability to continue as a going concern.

Management is also responsible for:

- designing, implementing and maintaining an effective and sound system of internal controls throughout the Group;
- maintaining adequate accounting records that are sufficient to show and explain the Group’s transactions and disclose with reasonable accuracy at any time the consolidated financial position of the Group, and which enable them to ensure that the consolidated financial statements of the Group comply with IFRS;
- maintaining statutory accounting records in compliance with legislation and accounting standards of the Republic of Kazakhstan;
- taking all reasonably possible measures to safeguard the assets of the Group; and
- preventing and detecting fraud and other irregularities.

The consolidated financial statements for the year ended 31 December 2023 and operating and financial review for the year ended 31 December 2023 were authorised for issue by management of the Group on 14 March 2024.



TEMIRBAYEV S.E
CHIEF FINANCIAL OFFICER

A handwritten signature in blue ink, appearing to read 'D.K. Abdimoldayev'.

ABDIMOLDAYEV D.K.
FINANCIAL CONTROLLER

National Atomic Company Kazatomprom JSC

**Consolidated Financial Statements
for the year ended 31 December 2023 and
Independent Auditor's Report**

Content

INDEPENDENT AUDITOR'S REPORT

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS



Independent Auditor's Report

To the Shareholders and the Board of Directors of National Atomic Company Kazatomprom JSC:

Report on the audit of the consolidated financial statements

Our opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of National Atomic Company Kazatomprom JSC (the "Company") and its subsidiaries (together – the "Group") as at 31 December 2023, and the Group's consolidated financial performance and consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards.

What we have audited

The Group's consolidated financial statements comprise:

- the consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2023;
- the consolidated statement of financial position as at 31 December 2023;
- the consolidated statement of cash flows for the year then ended;
- the consolidated statement of changes in equity for the year then ended; and
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) and the ethical requirements that are relevant to our audit of the consolidated financial statements in the Republic of Kazakhstan. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and the ethical requirements of the Republic of Kazakhstan that are relevant to our audit of the consolidated financial statements.

Independent auditor’s report (Continued)

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Our audit approach

Overview



- Overall Group materiality: Kazakhstani Tenge (“Tenge”) 34,000 million, which represents approximately 5% of profit before tax for the year ended 31 December 2023.
- Group audit scope included the Company, ten subsidiaries, three joint arrangements, two associates in Kazakhstan and one subsidiary in Switzerland.
- Our audit scope addressed 99% of the Group’s revenues and 99% of the Group’s absolute value of underlying profit before tax.
- Provision for asset retirement obligations

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls including, among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall Group materiality for the consolidated financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, if any, both individually and in aggregate on the consolidated financial statements as a whole.

Overall Group materiality	Tenge 34,000 million
How we determined it	approximately 5% of profit before tax for the year ended 31 December 2023
Rationale for the materiality benchmark applied	We chose profit before tax as the benchmark because, in our view, it is the benchmark against which the performance of the Group is most commonly measured by users and is a generally accepted benchmark. We chose 5% which is consistent with quantitative materiality thresholds used for profit-oriented companies.



Independent auditor's report (Continued)

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Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
<p>Provision for asset-retirement obligations</p> <p><i>Note 32 to the consolidated financial statements</i></p> <p>In 2022 the Group developed its methodology for calculation of the provision for the asset retirement obligations for its mining entities with detailed and standardised assessment of both the scope and the associated physical quantities as well as applicable unit cost rates for various decommissioning activities. In 2023 the Group has improved calculation methodology by introducing more detailed assessment of low radioactive waste disposal among other things. The Group also engages on an annual basis the external expert to review the Group's estimates of the provisions for the asset retirement obligations (ARO) for its mining entities. As of 31 December 2023 the Group's asset retirement obligations for its mining entities amounted for Tenge 38,110 million (2022: Tenge 38,116 million).</p> <p>During 2022 the Group has developed the methodology for calculation of the provision for the asset retirement obligations in relation to its non-mining entities in response to the requirements of the Ecological Code of the Republic of Kazakhstan issued in 2021. As of 31 December 2023, the Group's asset retirement obligation for its non-mining entities amounted for Tenge 10,827 million (2022: Tenge 9,391 million).</p> <p>We considered this matter to be one of the most significance in our audit because the calculation of provision for asset retirement obligations involves inherent subjectivity in estimating future nominal costs and uncertainty associated with timing until the actual fulfillment of decommissioning obligations. Provision for asset retirement obligation is also significant in the consolidated financial statements. The Group's estimation of such provisions incorporates the effects of expected approach to decommissioning and discount rates, effects of changes in local regulations along with the effects of changes in inflation.</p>	<p>Our audit procedures included:</p> <ul style="list-style-type: none">• We assessed the competence and objectivity of consultant engaged to review the Group's estimate of the provision for the asset retirement obligation for its mining entities. We reviewed consultant's report and reconciled ARO amounts in the report to values used by the Group in ARO provision estimates.• We reviewed the Group's calculations, reconciled principal assumptions to external sources and tested on a sample basis input data used in nominal cost calculations, including physical volume of works, cost per unit and construction estimate norms.• We engaged our legal experts to obtain an understanding of requirements of the Ecological Code that came into effect in July 2021 with regards to decommissioning process for non-mining entities and assessed management's interpretation and fulfillment of such requirements.• We engaged our valuation experts in the audit procedures in relation to the assessment of the reasonableness of the discount and inflations rates used by the Group in calculation of the provision for the asset retirement obligations for its mining and non-mining entities.• We assessed the related disclosures in the consolidated financial statements for compliance with the requirements of IFRS Accounting Standards.



Independent auditor’s report (Continued)

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How we tailored our Group audit scope

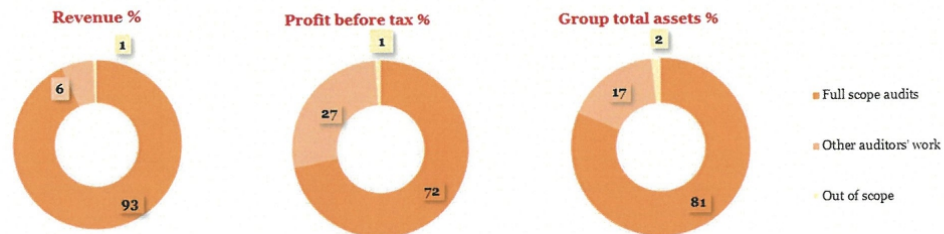
We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

The Group’s major production facilities and uranium sites are located in the Republic of Kazakhstan. The Group’s trading activities are carried out primarily out of Kazakhstan, as well as through operations of a trading subsidiary set up in Switzerland. Group operates seven mining subsidiaries (under twelve subsurface contracts), four mining joint arrangements (under six subsurface use contracts) and four mining associates (under four subsurface use contracts). We audited six mining subsidiaries and one mining joint arrangement. Auditors of two mining joint arrangements, one mining subsidiary and two mining associates reported to us on their audits. The audit scope also included four non-mining subsidiaries, audited by us and one of PwC network firms.

Based on our continuous assessment, we included in our group audit scope the Company and sixteen entities (components), including five components audited by other auditors.

In order to achieve appropriate audit coverage of the audit risks and of each individually significant component of the Group, including each segment and group function:

- Significant components were subject to either a full scope audit, specified risk-focused audit procedures of specific account balances, or Group level procedures. Our selection was based on the relative significance of the entities within the Group or specific risks identified. The components within the scope of our work accounted for the following percentages of the Group’s measures (1):



(1) Presented as a percentage of the Group’s absolute values at 31 December 2022 and for the year then ended

Audit instructions set out the significant audit areas, materiality thresholds (which ranged from Tenge 1,166 million to Tenge 10,181 million) and specific reporting requirements. The Group audit team directed the work undertaken by component auditors, through a combination of related network and non-network firm reporting, regular interaction on audit and accounting matters, periodic site visits and review of specific audit work papers.

By performing the procedures above at the components in combination with additional procedures performed at Group level, we have obtained sufficient and appropriate audit evidence regarding the consolidated financial statements as a whole that provides basis for our opinion.

Other information

Management is responsible for the other information. The other information comprises the Annual report (but does not include the consolidated financial statements and our auditor’s report thereon), which is expected to be made available to us after the date of this auditor’s report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.



Independent auditor's report (Continued)

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In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.



Independent auditor's report (Continued)

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- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

Report on the compliance of the presentation of consolidated financial statements with the requirements of the European Single Electronic Format ("ESEF")

We have been engaged as part of our audit engagement letter No.275/HAK-22 dated 24 November 2022 by the management of the Group to conduct a reasonable assurance engagement for the verification of compliance with the applicable requirements of the presentation of the consolidated financial statements of NAC Kazatomprom JSC Group for the year ended 31 December 2023 (the "presentation of the consolidated financial statements").

Description of a subject matter and applicable criteria

The presentation of the consolidated financial statements has been applied by the management to comply with the requirements of Delegated Regulation (EU) 2019/815 of 17 December 2018 supplementing Directive 2004/109/EC of the European Parliament and of the Council with regard to regulatory technical standards on the specification of a single electronic reporting format (the "ESEF Regulation"). The applicable requirements regarding the presentation of the consolidated financial statements are contained in the ESEF Regulation.

The requirements described in the preceding sentence determine the basis for application of the presentation of the consolidated financial statements and, in our view, constitute appropriate criteria to form a reasonable assurance conclusion.

Responsibility of the management and those charged with governance

The management is responsible for the presentation of the consolidated financial statements that complies with the requirements of the ESEF Regulation.



Independent auditor's report (Continued)

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This responsibility includes the selection and application of appropriate markups in iXBRL using ESEF taxonomy and designing, implementing and maintaining internal controls relevant for the preparation of the presentation of the consolidated financial statements which is free from material non-compliance with the requirements of the ESEF Regulation.

Those charged with governance are responsible for overseeing the financial reporting process, which should also be understood as the preparation of consolidated financial statements in accordance with the format resulting from the ESEF Regulation.

Our responsibility

Our responsibility was to express a reasonable assurance conclusion whether the presentation of the consolidated financial statements complies, in all material respects, with the ESEF Regulation.

We conducted our engagement in accordance with the International Standard on Assurance Engagements 3000 (R) 'Assurance Engagements other than Audits and Reviews of Historical Financial Information' (ISAE 3000 (R)). This standard requires that we comply with ethical requirements, plan and perform procedures to obtain reasonable assurance whether the presentation of the consolidated financial statements complies, in all material aspects, with the applicable requirements.

Reasonable assurance is a high level of assurance, but it does not guarantee that the service performed in accordance with ISAE 3000 (R) will always detect the existing material misstatement (significant non-compliance with the requirements).

Quality management requirements and professional ethics

We apply International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We comply with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Summary of the work performed

Our planned and performed procedures were aimed at obtaining reasonable assurance that the presentation of the consolidated financial statements complies, in all material aspects, with the applicable requirements and such compliance is free from material errors or omissions. Our procedures included in particular:

- obtaining an understanding of the process of preparation of the consolidated financial statements in ESEF format, including the Group's process of selection and application of XBRL tags and maintaining compliance with the ESEF regulations;
- evaluating the completeness of marking up the consolidated financial statements using the XBRL markup language according to the requirements of the implementation of electronic format as described in the ESEF Regulation;
- reconciling of the tagged information included in the consolidated financial statements in ESEF format to the audited consolidated financial statements;
- assessment whether the applied XBRL tags from the taxonomy specified by the ESEF regulations were applied appropriately and that extensions to the elements in the taxonomy specified in the



Independent auditor's report (Continued)

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ESEF regulations were used when there were no suitable elements in the taxonomy specified in the ESEF regulations;

- evaluating the appropriateness of anchoring of the extension elements to the ESEF taxonomy specified by the ESEF Regulations.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Conclusion

In our opinion, based on the procedures performed, the presentation of the consolidated financial statements complies, in all material respects, with the ESEF Regulation.

The engagement partner on the audit resulting in this independent auditor's report is Almaz Sadykov.
On behalf of PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP

Approved by:

AKonratbaev

Azamat Konratbaev
Managing Director
PricewaterhouseCoopers LLP
(General State License of the Ministry of Finance of the Republic of Kazakhstan №0000005 dated 21 October 1999)



Signed by:

Almaz Sadykov

Almaz Sadykov
Auditor in charge
(Qualified Auditor's Certificate №0000745 dated 8 February 2019)



14 March 2024
Astana, Kazakhstan

National Atomic Company Kazatomprom JSC
Consolidated Statement of Profit or Loss and Other Comprehensive Income

<i>In millions of Kazakhstani Tenge</i>	Note	For the year ended 31 December 2023	For the year ended 31 December 2022
Revenue	7	1,434,635	1,001,171
Cost of sales	8	(671,862)	(475,097)
Gross profit		762,773	526,074
Distribution expenses	9	(28,851)	(25,605)
General and administrative expenses	10	(53,110)	(44,507)
Net reversal of impairment losses on non-financial assets		229	176
Net (impairment losses)/reversal of impairment losses on financial assets	11	(15,935)	132
Net foreign exchange (loss)/gain	13	(21,330)	17,304
Other income	12	4,474	21,717
Other expenses	13	(50,210)	(9,564)
Finance income	15	41,506	17,327
Finance costs	15	(9,589)	(8,425)
Share of results of associates	23	76,049	75,736
Share of results of joint ventures	24	22,336	13,340
Profit before tax		728,342	583,705
Income tax expense	16	(148,007)	(110,742)
PROFIT FOR THE YEAR		580,335	472,963
Other comprehensive income			
<i>Items that may be subsequently reclassified to profit or loss:</i>			
Exchange differences arising on translation of entities with foreign functional currency		(648)	(46)
<i>Items that will not be reclassified to profit or loss:</i>			
Remeasurement of investments in equity securities at fair value through other comprehensive income		-	14
Remeasurement of post-employment benefit obligations		291	(478)
Other comprehensive loss for the year		(357)	(510)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		579,978	472,453
Profit for the year attributable to:			
- Owners of the Company		419,184	348,048
- Non-controlling interest	36	161,151	124,915
Profit for the year		580,335	472,963
Total comprehensive income attributable to:			
- Owners of the Company		418,835	347,589
- Non-controlling interest		161,143	124,864
Total comprehensive income for the year		579,978	472,453
Earnings per share attributable to the owners of	17	1,616	1,342

National Atomic Company Kazatomprom JSC
Consolidated Statement of Profit or Loss and Other Comprehensive Income

<i>In millions of Kazakhstani Tenge</i>	Note	For the year ended 31 December 2023	For the year ended 31 December 2022
Revenue	7	1,434,635	1,001,171
Cost of sales	8	(671,862)	(475,097)

the Company, basic and diluted (rounded to Tenge)

These consolidated financial statements were approved by management at 14 March 2024:

Temirbayev S.E.
Chief Financial Officer

Abdimoldayev D.K.
Financial Controller

Jakypbekova S.J.
Chief Accountant

National Atomic Company Kazatomprom JSC
Consolidated Statement of Financial Position

<i>In millions of Kazakhstani Tenge</i>	Note	31 December 2023	31 December 2022
ASSETS			
Non-current assets			
Property, plant and equipment	19	195,447	188,300
Mine development assets	20	187,216	162,174
Mineral rights	21	496,249	525,140
Intangible assets	18	60,156	59,159
Exploration and evaluation assets	22	26,019	26,543
Investments in associates	23	152,266	154,124
Investments in joint ventures	24	56,585	44,208
Deferred tax assets	16	33,802	34,515
Other financial assets	26	75,873	59,371
Other non-financial assets	27	24,971	21,279
		1,308,584	1,274,813
Current assets			
Accounts receivable	25	430,319	270,921
Prepaid income tax		9,536	11,451
VAT recoverable	27	146,450	62,389
Inventories	28	423,314	392,621
Other financial assets	26	49,407	20,678
Other non-financial assets	27	19,398	19,274
Cash and cash equivalents	29	211,912	169,536
		1,290,336	946,870
Assets of disposal groups classified as held for sale		372	850
		1,290,708	947,720
TOTAL ASSETS		2,599,292	2,222,533

National Atomic Company Kazatomprom JSC
Consolidated Statement of Financial Position

<i>In millions of Kazakhstani Tenge</i>	Note	31 December 2023	31 December 2022
EQUITY			
Share capital	30	37,051	37,051
Additional paid-in capital		2,539	2,539
Reserves		1,228	1,874
Retained earnings		1,487,091	1,268,580
<hr/>			
Equity attributable to shareholders of the Company		1,527,909	1,310,044
Non-controlling interest	36	480,358	386,459
<hr/>			
TOTAL EQUITY		2,008,267	1,696,503
<hr/>			
LIABILITIES			
Non-current liabilities			
Loans and borrowings	31	-	83,300
Provisions	32	44,700	43,475
Deferred tax liabilities	16	106,481	116,808
Employee benefits		1,485	1,731
Other liabilities	34	7,547	9,313
<hr/>			
		160,213	254,627
<hr/>			
Current liabilities			
Loans and borrowings	31	86,252	54,971
Provisions	32	9,343	4,506
Accounts payable	33	176,011	98,809
Liabilities for other taxes and compulsory payments		37,437	24,688
Employee benefits		326	325
Income tax liabilities		5,022	4,221
Other liabilities	34	116,421	83,883
<hr/>			
		430,812	271,403
<hr/>			
TOTAL LIABILITIES		591,025	526,030
<hr/>			
TOTAL EQUITY AND LIABILITIES		2,599,292	2,222,533
<hr/>			
Carrying value of one share (rounded to Tenge)	17	7,511	6,313

These consolidated financial statements were approved by management at 14 March 2024:

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 Chief Accountant

National Atomic Company Kazatomprom JSC
Consolidated Statement of Cash Flows

<i>In millions of Kazakhstani Tenge</i>	Note	For the year ended 31 December 2023	For the year ended 31 December 2022*
OPERATING ACTIVITIES			
Receipts from customers		1,216,066	1,083,872
Receipts under swap transactions	6	243,872	129,617
VAT refund		24,364	74,910
Interest received		17,936	11,701
Payments to suppliers		(516,022)	(476,022)
Payments under swap transactions	6	(155,731)	(201,636)
Payments of wages and salaries		(107,816)	(87,317)
Income tax paid		(154,581)	(125,914)
Other taxes paid		(128,832)	(89,259)
Interest paid	31	(3,873)	(3,570)
Payment return/(payment withheld as restricted funds)	26	14,884	(14,812)
Compensation paid under subsoil use agreement	10	(11,404)	(7,310)
Social payments		(6,754)	(5,226)
Other receipts/(payments), net		116	(5,175)
Cash flows from operating activities		432,225	283,859
INVESTING ACTIVITIES			
Acquisition of property, plant and equipment		(50,075)	(21,571)
Proceeds from disposal of property, plant and equipment		154	1,211
Acquisition of intangible assets		(867)	(1,013)
Acquisition of mine development assets		(55,985)	(48,670)
Acquisition of exploration and evaluation assets		(2,121)	(3,223)
Acquisition of short-term debt securities	26	(46,276)	-
Acquisition of long-term debt securities		(3,259)	(8,804)
Redemption of short-term debt securities		5,269	5,787
Placement of term deposits and restricted cash		(38,093)	(12,486)
Redemption of term deposits and restricted cash		37,458	44,688
Loan repayments received from related parties		3,456	3,514
Acquisition of equity investments	26	-	(12,368)
Dividends received from associates, joint ventures	23,24	87,794	45,346
Other receipts/(payments), net		1,345	(3,304)
Cash flows from investing activities		(61,200)	(10,893)

National Atomic Company Kazatomprom JSC
Consolidated Statement of Cash Flows

<i>In millions of Kazakhstani Tenge</i>	Note	For the year ended 31 December 2023	For the year ended 31 December 2022*
FINANCING ACTIVITIES			
Proceeds from loans and borrowings	31	22,358	70,905
Repayment of loans and borrowings	31	(73,525)	(26,555)
Dividends paid to shareholders	30	(200,970)	(227,388)
Dividends paid to non-controlling interest		(67,245)	(85,667)
Other payments, net		(43)	(172)
Cash flows from financing activities		(319,425)	(268,877)
Net increase in cash and cash equivalents		51,600	4,089
Cash and cash equivalents at the beginning of the year		169,536	161,190
Effect of exchange rate fluctuations on cash and cash equivalents		(9,219)	4,245
Change in impairment provision for cash and cash equivalents		(5)	12
Cash and cash equivalents at the end of the year	29	211,912	169,536

* Certain amounts in this column do not correspond to the consolidated financial statements for the year ended 31 December 2022, since they comprise reclassifications that are described in Note 3.

These consolidated financial statements were approved by management at 14 March 2024:

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National Atomic Company Kazatomprom JSC
Consolidated Statement of Changes in Equity

<i>In millions of Kazakhstani Tenge</i>	Attributable to the shareholders of the Company					Non-controlling interest	Total equity
	Share capital	Reserves	Retained earnings	Additional paid-in capital	Total		
Balance at 1 January 2022	37,051	1,866	1,148,387	2,539	1,189,843	347,258	1,537,101
Profit for the year	-	-	348,048	-	348,048	124,915	472,963
Foreign currency translation difference	-	(6)	-	-	(6)	(40)	(46)
Remeasurements of post-employment benefit obligations	-	-	(467)	-	(467)	(11)	(478)
Remeasurements of investments in equity securities at fair value through other comprehensive income	-	14	-	-	14	-	14
Total comprehensive income for the year	-	8	347,581	-	347,589	124,864	472,453
Dividends declared (Note 30)	-	-	(227,388)	-	(227,388)	-	(227,388)
Dividends declared by subsidiaries to other participants	-	-	-	-	-	(85,663)	(85,663)
Balance at 31 December 2022	37,051	1,874	1,268,580	2,539	1,310,044	386,459	1,696,503
Profit for the year	-	-	419,184	-	419,184	161,151	580,335
Foreign currency translation difference	-	(646)	-	-	(646)	(2)	(648)
Remeasurements of post-employment benefit obligations	-	-	297	-	297	(6)	291
Total comprehensive income for the year	-	(646)	419,481	-	418,835	161,143	579,978
Dividends declared (Note 30)	-	-	(200,970)	-	(200,970)	-	(200,970)
Dividends declared by subsidiaries to other participants	-	-	-	-	-	(67,244)	(67,244)
Balance at 31 December 2023	37,051	1,228	1,487,091	2,539	1,527,909	480,358	2,008,267

National Atomic Company Kazatomprom JSC
Consolidated Statement of Changes in Equity

These consolidated financial statements were approved by management at 14 March 2024:

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Chief Financial Officer

Abdimoldayev D.K.
Financial Controller

Jakypbekova S.J.
Chief Accountant

1 NAC Kazatomprom JSC and its operations

These consolidated financial statements have been prepared in accordance with IFRS Accounting Standards for the year ended 31 December 2023 for National Atomic Company Kazatomprom JSC (the “Company”) and its subsidiaries (hereinafter collectively referred to as “the Group”).

The Company is a joint stock company set up in accordance with regulations of the Republic of Kazakhstan. The Company was established pursuant to the Decree of the President of the Republic of Kazakhstan on the establishment of National Atomic Company Kazatomprom No.3593, dated 14 July 1997, and the Decree of the Government of the Republic of Kazakhstan on National Atomic Company Kazatomprom Issues No.1148 dated 22 July 1997, as a closed joint stock company with a 100% government shareholding.

As at 31 December 2023, 75% of the Company’s shares are held by SWF Samruk-Kazyna JSC and 25% are on free float. Government is the ultimate controlling party of the Group. This is unchanged from the prior year end.

The Company’s registered address is Syganak street, building 17/12, Astana city, the Republic of Kazakhstan. The principal place of business is the Republic of Kazakhstan.

The Group’s principal activities include production of uranium and sale of uranium products. The Group is one of the world leading uranium producing companies. The Group is also involved in processing of rare metals, manufacture and sale of beryllium and tantalum products and scientific support of operational activities.

NAC Kazatomprom JSC is an entity representing interests of the Republic of Kazakhstan at the initial stages of the nuclear fuel cycle and production of fuel assemblies and their components. The Group is a participant in a number of associates and joint ventures which make a significant contribution to its profit (Notes 23 and 24). The Group’s development strategy focuses on the core business activities of mining and processing of uranium and related natural resources. The development strategy is designed to ensure long term value growth for all stakeholders of the Group in accordance with the principles of sustainable development through aligning production volumes to market conditions and adopting a market centric focus to sales capabilities, applying best practices in business activities, and developing a corporate culture consistent with the Group’s position as an industry leader.

As at 31 December 2023, the Group and its associates and joint ventures were a party to the following contracts for production and exploration of uranium:

Entity/Mine, area	Stage	Contract date	Contract term
<i>The Company and entities under control</i>			
Kazatomprom-SaUran LLP			
Kanzhugan	Production	27 November 1996	51 years
Uvanas	Liquidation	27 November 1996	-
Mynkuduk, East block	Production	27 November 1996	31 years
Moinkum, block 1 (South) (south part)	Liquidation	26 September 2000	-
Moinkum, block 3 (Central) (north part)	Production	31 May 2010	29 years
MC Ortalyk LLP			
Mynkuduk, Central block	Production	8 July 2005	28 years
Zhalpak	Production	14 December 2021	20 years
Appak LLP			
Mynkuduk, West block	Production	8 July 2005	30 years
RU-6 LLP			
North and South Karamurun	Production	15 November 1996	44 years
JV Inkai LLP			
Inkai, block 1	Production	13 July 2000	45 years
Company			
Inkai, block 2	Exploration	25 June 2018	6 years**
Inkai, block 3	Exploration	25 June 2018	4 years*
Baiken-U LLP			
North Khorasan, block 2	Production	1 March 2006	49 years
JV Khorassan-U LLP			
North Khorasan, block 1	Exploration and Production	8 May 2005	53 years
Karatau LLP			
Budenovskoe, block 2	Production	8 July 2005	35 years
JV Akbastau JSC			
Budenovskoe, block 1	Production	20 November 2007	30 years
Budenovskoe, blocks 3, 4	Production	20 November 2007	31 years

1 NAC Kazatomprom JSC Group and its Operations (continued)

Mine/area	Stage	Contract date	Contract term
<i>Associates</i>			
JV KATCO LLP			
Southern Moinkum, Northern part and Tortkuduk	Production	3 March 2000	39 years
JV Zarechnoye JSC			
Zarechnoye	Production	23 September 2002	23 years
JV South Mining Chemical Company LLP			
Akdala	Production	28 March 2001	25 years
Inkai, block 4	Production	8 July 2005	24 years
<i>Joint Ventures</i>			
Semizbay-U LLP			
Semizbai	Production	2 June 2006	25 years
Irkol	Production	14 July 2005	25 years**
JV Budenovskoe LLP			
Budenovskoye, blocks 6, 7	Production	16 October 2020	25 years

* *Exploration completed, the Group is in the process of obtaining Subsoil use contract.*

** *The Group plans to extend exploration for 4 additional years for Inkai block 2 mine. The Group extended the contract terms of Irkol mine until 2030 (Note 41).*

At 31 December 2023 the Group comprises 33 entities (2022: 33), mainly located in six regions of the Republic of Kazakhstan: Turkestan region, East Kazakhstan region, Kyzylorda region, Akmola region, Pavlodar region and Almaty region. At 31 December 2023 and 2022 the aggregate number of employees of the Group is about 21 thousand people.

2 Economic environment of the Group

In November 2023 Fitch Ratings, an international rating agency, affirmed Kazakhstan's Long-Term Foreign-Currency Issuer Default Rating (IDR) at 'BBB' with a stable outlook. According to Fitch, Kazakhstan's 'BBB' IDRs reflect strong fiscal and external balance sheets that have proven resilient to external shocks, and financing flexibility underpinned by accumulated oil revenue savings. Set against these strengths are its very high dependence on commodities, high inflation that partly reflects a less developed macroeconomic policy framework relative to 'BBB' peers, and weak governance indicators. Crude oil and oil condensates continue to be the major contributors to fiscal revenues and exports, and the sector accounts for 17% of GDP, exposing the economy to external shocks arising from changing prices in those commodities. Economic diversification efforts are underway but it will take time, given challenges associated with the business environment and skills shortages.

The economy of the Republic of Kazakhstan continues to develop. Its economy is particularly sensitive to prices on oil, gas and other commodities, which constitute a major part of the country's exports. These characteristics include, but are not limited to, having a national currency that is not freely traded on the global foreign-exchange markets not freely convertible outside of the country and little presence of Kazakhstani debt and equity securities on foreign stock exchanges. Additionally, the energy sector in the Republic of Kazakhstan is still impacted by political, legislative, fiscal and regulatory developments. Uncertainty remains in relation to the exchange rate of Tenge and commodity prices.

The economic environment has a significant impact on the Group's operations and financial position. Management is taking necessary measures to ensure sustainability of the Group's operations. However, the future effects of the current economic situation are difficult to predict, and management's current expectations and estimates could differ from actual results.

Impact of anti-Russian sanctions

On 24 February 2022 Russia launched a military invasion of Ukraine. In response, the United States, the European Union and a number of other states imposed widespread sanctions on Russia, including banning Russian banks from the SWIFT system. Russia is Kazakhstan's largest trade partner. Kazakhstan is also

heavily reliant on the Caspian Pipeline Consortium (CPC), which carries up to 80% of its oil exports and passes through Russian territory.

The conflict in Ukraine and sanctions imposed on Russia have affected commodity prices and Tenge exchange rate. Inflation moderated to 9.8% in December 2023 after peaking at 21.3% in February 2023. During 2023 the economy grew 4.8%. As at the date of issuing these consolidated financial statements the official exchange rate of the National Bank of the Republic of Kazakhstan was Tenge 449.89 per US Dollar 1 compared to Tenge 454.56 per US Dollar 1 as at 31 December 2023 (31 December 2022: Tenge 462.65 per 1 US Dollar).

2 Economic environment of the Group (continued)

As part of its ongoing risk assessment program the Group management monitors the potential impact of anti-Russian sanctions on the Group's operations. To date, the sanctions have had no significant impact on the Group's operations although the market uncertainty caused by the conflict between Russia and Ukraine has resulted in significant volatility of uranium spot price and the Company's share price.

As part of the Group's exported products are transported through Russia, there are risks associated with transit through the territory of Russia, insurance and the delivery of cargo by sea vessels. The Group constantly monitors the potential impact of sanctions on the transportation of finished products. At the date of these financial statements, there are no restrictions on the Group's activities related to the supply of the Group's products to end customers. Since 2018, the Group has also successfully used the Trans-Caspian International Transport Route.

There are also risks associated with Russian partners in the Group's subsidiaries, associates and joint ventures, including reputational and corporate governance risks. On 24 February 2023, the UK included a number of key employees of the Rosatom State corporation in the sanctions list. At the same time, as at the date of approval of these financial statements, the entities of Rosatom State corporation, which are the partners of the Group in six uranium mining entities in Kazakhstan, are not included in the sanctions list. The Group monitors the risk of sanctions. The Group drew up an action plan to minimise possible negative consequences. This action plan is updated as new risks are identified or sanctions programs and lists are updated.

The Group's management is unable to predict the impact of future events on the Group's financial position and its results of this matter. Management will continue to monitor the potential impact of anti-Russian sanctions on the Group and will take all necessary steps to mitigate risks.

3 Other material accounting policies

Basis of preparation

These consolidated financial statements have been prepared in accordance with IFRS Accounting Standards under the historical cost convention, as modified by financial instruments categorised at fair value through profit or loss ("FVTPL") and at fair value through other comprehensive income ("FVOCI"). The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the periods presented unless specified. The preparation of consolidated financial statements in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant are disclosed in the corresponding notes of these consolidated financial statements.

Presentation currency

These consolidated financial statements are presented in millions of Kazakhstani Tenge ("Tenge"), unless otherwise stated.

Consolidation

(i) Consolidated financial statements

The Group has several subsidiaries disclosed in Note 37. Unless otherwise stated, they have share capital consisting solely of ordinary shares that are held directly by the group, and the proportion of ownership interests held equals the voting rights held by the group. The country of incorporation or registration is also their principal place of business.

(ii) Associates and joint ventures

The Group's associates and joint ventures are disclosed in Notes 23 and 24. The entities have share capital, which is held directly by the group. The country of incorporation or registration is also their principal place of business, and the proportion of ownership interest is the same as the proportion of voting rights held. Associates are entities over which the Group has significant influence (directly or indirectly), but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Entities where the Group holds joint control by means of unanimous decision making with the second participant over relevant activities, are classified as joint ventures.

3 Other material accounting policies (continued)

(iii) Joint operations

The Group is a party to joint operations as disclosed in Note 37. In accordance with requirements of the relevant agreements, participants buy output of joint operations equally in accordance with their ownership interest. If participants of the joint operations do not comply with this requirement during a period, a liability or receivable under joint operations is recognised for an amount equivalent to the corresponding gross margin. The liability/receivable is settled either when participants satisfy the parity requirements or participants mutually agree to discharge the liabilities/receivables, and a corresponding loss/gain is recognised in profit or loss statement. Receivables and payables between participants of the joint operations are presented on a gross basis in the financial statements. No revenue from joint operations is recognised in the financial statements until the Group sells the output to third parties.

Foreign currency translation

The functional currency of each of the Group's consolidated entities is the currency of the primary economic environment in which the entity operates. The functional currency of the Company and its Kazakhstan subsidiaries is the national currency of Kazakhstan, Kazakhstani Tenge. Exchange restrictions and currency controls exist in relation of converting Tenge into other currencies. Currently, Tenge is not freely convertible outside of the Republic of Kazakhstan. Monetary assets and liabilities are translated into each entity's functional currency at the official exchange rate at the respective end of the reporting period. The official exchange rate of Kazakhstan Stock Exchange (KASE) as at 31 December 2023 was Tenge 454.56 per 1 US Dollar (2022: Tenge 462.65 per 1 US Dollar). Foreign exchange gains and losses resulting from the settlement of the transactions and from the translation of monetary assets and liabilities into each entity's functional currency at year-end official exchange rates are recognised in profit or loss statement as a separate line item. Note 13 provides additional information about foreign exchange gains and losses from financing activities (attributable to borrowings) and operating activities (all other foreign exchange gains and losses).

The results and financial position of the Group's foreign operation, which has financial statements with different functional currency, are translated into the presentation currency as follows:

- assets and liabilities for each statement of financial position are translated at the closing rate at the end of the respective reporting period;
- income and expenses are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions);
- components of equity are translated at the historic rate;
- all resulting exchange differences are recognised in other comprehensive income.

Translation at year-end does not apply to non-monetary items that are carried at historic costs.

Change in presentation

The management has decided to improve presentation of operating cash flows by disclosing cash flows from swap transactions separately from cash receipts from customers and cash payments to suppliers. Additionally, operations on acquisition and redemption of short-term highly liquid instruments were presented on the net basis. The following amounts in the consolidated statement of cash flows for the year ended 31 December 2022 have been reclassified in accordance with the presentation applied in 2023 as follows:

<i>In millions Tenge</i>	As originally presented	Reclassification	As reclassified for 2022
Receipts from customers	1,213,489	(129,617)	1,083,872
Receipts under swap transactions	-	129,617	129,617
Payments to suppliers	(677,658)	201,636	(476,022)
Payments under swap transactions	-	(201,636)	(201,636)
Cash flows from operating activities	283,859	-	283,859
Acquisition of short-term debt securities	(80,219)	80,219	-
Redemption of short-term debt securities	86,006	(80,219)	5,787
Cash flows from investing activities	(10,893)	-	(10,893)

4 Adoption of new or revised standards and interpretations

The following amendments became effective from 1 January 2023, but did not have any material impact on the Group:

- Deferred tax related to assets and liabilities arising from a single transaction – Amendments to IAS 12 (issued on 7 May 2021).
- Amendment to IFRS 16 – Leases on sale and leaseback (issued on 20 September 2022).
- IFRS 17 - Insurance Contracts (issued at 18 May 2017 and effective for annual periods beginning on or after 1 January 2023). Amendments to IFRS 17 and an amendment to IFRS 4 (issued on 25 June 2020).
- Transition option for insurers applying IFRS 17 – Amendments to IFRS 17 (issued on 9 December 2021 and effective for annual periods beginning on or after 1 January 2023).
- Amendments to IAS 8 - Definition of Accounting Estimates (issued at 12 February 2021 and effective for annual periods beginning on or after 1 January 2023).

The Group has adopted Amendments to IAS 1 - Presentation of financial statements and IFRS Practice Statement 2 - Disclosure of Accounting policies (issued at 12 February 2021) and made corresponding changes in these financial statements.

Certain new standards and interpretations have been issued that are mandatory for annual periods beginning on or after 1 January 2024 or later, and which the Group has not early adopted. These are:

- Amendment to IFRS 16 – Leases on sale and leaseback (issued on 20 September 2022 and effective for annual periods beginning on or after 1 January 2024). The amendments relate to the sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted for as a sale. The amendments require the seller-lessee to subsequently measure liabilities arising from the transaction and in a way that it does not recognise any gain or loss related to the right of use that it retained.
- Classification of liabilities as current or non-current, deferral of effective date – Amendments to IAS 1 (originally issued on 23 January 2020 and subsequently amended At 15 July 2020 and 31 October 2022, ultimately effective for annual periods beginning on or after 1 January 2024). These amendments clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Liabilities are non-current if the entity has a substantive right, at the end of the reporting period, to defer settlement for at least twelve months. The guidance no longer requires such a right to be unconditional. The October 2022 amendment established that loan covenants to be complied with after the reporting date do not affect the classification of debt as current or non-current at the reporting date.
- Amendments to IAS 7 - Statement of Cash Flows and IFRS 7 - Financial Instruments, Disclosures: Supplier Finance Arrangements (Issued on 25 May 2023). In response to concerns of the users of financial statements about inadequate or misleading disclosure of financing arrangements, in May 2023, the IASB issued amendments to IAS 7 and IFRS 7 to require disclosure about entity's supplier finance arrangements. These amendments require the disclosures of the entity's supplier finance arrangements that would enable the users of financial statements to assess the effects of those arrangements on the entity's liabilities and cash flows and on the entity's exposure to liquidity risk.
- Amendments to IAS 21 - Lack of Exchangeability (Issued on 15 August 2023). In August 2023, the IASB issued amendments to IAS 21 to help entities assess exchangeability between two currencies and determine the spot exchange rate, when exchangeability is lacking. An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose.

The Group is currently assessing the impact of the amendments on its financial statements.

5 Segment information

Operating segments are components that engage in business activities that may earn revenues or incur expenses, whose operating results are regularly reviewed by the chief operating decision maker (CODM) and for which discrete financial information is available. The CODM is the person or group of persons who allocates resources and assesses the performance for the entity. The CODM has been identified as the Management Board of the Group headed by the CEO.

(a) Description of products and services from which each reportable segment derives its revenue

The Group is a vertically integrated business involved in the production chain of end products – from geological exploration, mining of uranium and nuclear fuel production, to marketing and auxiliary services (transportation and logistics, procurement, research and other). The Group is organised on the basis of two main business segments:

- Uranium – uranium mining and processing from the Group's mines, purchases of uranium from joint ventures and associates, external sales and marketing of produced and purchased natural uranium, sales of enriched uranium. This segment includes the Group's share in the net results of joint ventures and associates engaged in uranium production, as well as the Group's head office (NAC Kazatomprom JSC);
- UMP (Ulba Metallurgical Plant JSC) – production and sales of products containing beryllium, tantalum and niobium, hydrofluoric acid and by-products, processing of uranium on tolling basis for the Group's uranium entities and production of uranium powders and pellets to external markets and its joint venture, Ulba-FA LLP.

The revenues and expenses of some of the Group's subsidiaries, which primarily provide services to the uranium segment (such as drilling, transportation, security and geological), are not allocated to the results of this operating segment. These Group's businesses are not included within reportable operating segments as their financial results do not meet the quantitative threshold. The results of these and other minor operations are included in the "Other" caption.

(b) Factors that management used to identify the reportable segments

The Group's segments are strategic business units that focus on different customers. They are managed separately because of the differences in the production processes, the nature of products produced and required marketing and investment strategies. Segment financial information reviewed by the CODM includes:

- information about income and expenses by business units (segments) based on IFRS figures on a quarterly basis;
- assets and liabilities as well as capital expenditures by segment on a quarterly basis;
- operating data (such as production and inventory volumes) and revenue data (such as sales volumes per type of product, average sales price) are also reviewed by the CODM on a monthly and quarterly basis.

(c) Measurement of operating segment profit or loss, assets and liabilities

The CODM evaluates performance of each segment based on gross and net profit. Segment financial information is prepared on the basis of IFRS financial information and measured in a manner consistent with that in these consolidated financial statements. Revenues from other segments include transfers of raw materials, goods and services from one segment to another, amount is determined based on market prices for similar goods.

5 Segment information (continued)

(d) Information about reportable segment profit or loss, assets and liabilities

Segment information for the reportable segments for the years ended 31 December 2023 and 2022 is set out below:

<i>In millions of Kazakhstani Tenge</i>	Uranium		UMP		Other		Eliminations		Total	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
External revenue	1,275,045	856,952	123,588	114,555	36,002	29,664	-	-	1,434,635	1,001,171
Revenues from other segments	27,697	63,141	8,610	6,855	81,305	70,008	(117,612)	(140,004)	-	-
Cost of sales	(565,339)	(409,158)	(104,752)	(94,672)	(111,122)	(97,190)	109,351	125,923	(671,862)	(475,097)
Gross profit	737,403	510,935	27,446	26,738	6,185	2,482	(8,261)	(14,081)	762,773	526,074
Net reversal/(impairment losses)	(16,120)	(22)	184	(297)	159	421	71	206	(15,706)	308
Share of results of associates and joint ventures	90,633	89,442	5,677	(1,748)	2,075	1,382	-	-	98,385	89,076
Net foreign exchange gain	(20,194)	16,625	(1,133)	672	(3)	7	-	-	(21,330)	17,304
Finance income	38,975	15,626	1,168	743	1,363	958	-	-	41,506	17,327
Finance expense	(8,223)	(6,754)	(1,291)	(1,447)	(133)	(332)	58	108	(9,589)	(8,425)
Income tax expense	(142,962)	(105,947)	(4,119)	(4,165)	(926)	(630)	-	-	(148,007)	(110,742)
Profit/(loss) for the year	561,123	467,382	17,976	12,803	3,677	(2,920)	(2,441)	(4,302)	580,335	472,963
Depreciation and amortisation charge	(92,938)	(77,951)	(2,281)	(2,066)	(5,133)	(4,914)	5,190	3,553	(95,162)	(81,378)

5 Segment information (continued)

Segment information for the reportable segments for the years ended 31 December 2023 and 2022 is set out below (continued):

<i>In millions of Kazakhstani Tenge</i>	Uranium		UMP		Other		Eliminations		Total	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Investments in associates and joint ventures	189,777	186,961	6,634	957	12,440	10,414	-	-	208,851	198,332
Total reportable segment assets	2,898,691	2,361,914	119,314	155,011	109,735	89,774	(528,820)	(385,016)	2,598,920	2,221,683
Assets of disposal groups classified as held for sale	-	-	-	-	372	850	-	-	372	850
Total assets	2,898,691	2,361,914	119,314	155,011	110,107	90,624	(528,820)	(385,016)	2,599,292	2,222,533
Total liabilities	1,060,152	813,577	25,641	71,798	34,408	25,957	(529,176)	(385,302)	591,025	526,030
Capital expenditure	94,767	76,263	4,642	4,794	10,473	8,123	-	-	109,882	89,180

Capital expenditure represents additions to non-current assets other than financial instruments, deferred tax assets, post-employment benefits assets and rights arising under insurance contracts.

5 Segment information (continued)

(e) Analysis of revenues by products and services

The Group's revenues are analysed by products and services in Note 7. Information about finance income and costs is disclosed in Note 15.

(f) Geographical information

The Group's main assets are located in the Republic of Kazakhstan. Distribution of the Group's sales between countries on the basis of the customer's country of domicile was as follows:

<i>In millions of Kazakhstani Tenge</i>	2023	2022
China	522,521	272,291
Russia	215,042	87,877
Kazakhstan	182,574	109,595
USA	152,462	112,590
Canada	131,135	160,278
France	82,648	68,054
United Kingdom (including Jersey and Cayman Islands)	40,633	150,427
Other countries	107,620	40,059
Total consolidated revenues	1,434,635	1,001,171

Major customers

The Group has a group of customers under common control that accounts for more than 10% of the Group's consolidated revenue. This revenue in the amount of Tenge 526,684 million (2022: Tenge 345,696 million) is reported under the Uranium segment mainly.

6 Balances and transactions with related parties

Parties are generally considered to be related if the parties are under common control or if one party has the ability to control the other party or can exercise significant influence or joint control over the other party in making financial and operational decisions. In considering each possible related party relationship, management has regard to the substance of the relationship, not merely the legal form.

Entities under common control include companies under control of SWF Samruk-Kazyna JSC. Transactions with other government owned entities are not disclosed when they are entered into in the ordinary course of business with terms consistently applied to all public and private entities, when they are not individually significant, if the Group's services are provided on standard terms available for all customers, or where there is no choice of supplier of services such as electricity transmission services and telecommunications. In accordance with IAS 24.26 the Group discloses only individually significant transactions and qualitative and quantitative indication of other collectively, but not individually significant transactions with government and state owned entities. Detailed description of such significant transactions is presented in Note 26, 34.

At 31 December 2023, the outstanding balances with related parties were as follows:

<i>In millions of Kazakhstani Tenge</i>	Accounts receivable and other assets	Other financial assets	Accounts payable and other liabilities	Loans and borrowings
Associates	3,657	2,502	59,037	3,506
Joint ventures	57,115	-	26,951	-
Entities under common control	274	-	1,154	-
Controlling shareholder	-	-	7	-
Associates of the controlling shareholder	-	-	1,392	-
Other government owned entities	1	9,112	-	-
Total	61,047	11,614	88,541	3,506

6 Balances and transactions with related parties (continued)

Transactions with related parties for the year ended 31 December 2023 were as follows:

<i>In millions of Kazakhstani Tenge</i>	Sale of goods and services	Dividends received	Purchase of goods and services	Dividends to the Shareholder	Finance and other income	Payments to budget
Associates	14,258	77,907	169,305	-	397	4
Joint ventures	162,318	9,959	57,601	-	-	-
Entities under common control	89	-	13,642	-	528	-
Controlling shareholder	-	-	-	150,728	-	-
Associates of the controlling shareholder	-	-	6,740	-	-	-
Other government owned entities	46	-	118	-	3,126	11,404
Total	176,711	87,866	247,409	150,728	4,051	11,408

From December 2015, JV Khorasan-U LLP (over which the Group obtained control in 2019) is a co-borrower and guarantor of a loan to Kyzylkum LLP given by the Company in 2010 in the amount of Tenge 2,502 million (2022: Tenge 5,933 million).

The Group is a guarantor for loan obtained by Ulba-FA LLP in the amount of Tenge 16,096 million (2022: Tenge 17,072 million) (Note 35).

In 2023 the Group transfers obligatory pension payments for its employees to the state-owned Unified Accumulative Pension Fund JSC in the amount of Tenge 9,328 million (2022: Tenge 7,543 million) (Note 14). Corporate income tax (Note 16) as well as other taxes, penalties and fines are also transferred to the state (Note 8-10).

At 31 December 2022, the outstanding balances with related parties were as follows:

<i>In millions of Kazakhstani Tenge</i>	Accounts receivable and other assets	Other financial assets	Accounts payable and other liabilities	Loans and borrowings
Associates	4,447	5,933	43,703	7,002
Joint ventures	6,559	94	48,428	-
Entities under common control	362	-	1,119	-
Controlling shareholder	-	-	17	-
Associates of the controlling shareholder	12	-	1,236	-
Other government owned entities	17	9,274	1	-
Total	11,397	15,301	94,504	7,002

Transactions with related parties for the year ended 31 December 2022 were as follows:

<i>In millions of Kazakhstani Tenge</i>	Sale of goods and services	Dividends received	Purchase of goods and services	Dividends to the Shareholder	Finance and other income	Payments to budget
Associates	12,321	38,503	152,580	-	699	9
Joint ventures	53,111	6,934	39,490	-	28	-
Entities under common control	41	-	11,582	-	337	-
Controlling shareholder	-	-	-	170,541	-	1
Associates of the controlling shareholder	150	-	13,041	-	-	-
Other government owned entities	43	-	53	-	753	7,310
Total	65,666	45,437	216,746	170,541	1,817	7,320

6 Balances and transactions with related parties (continued)

Key management personnel are represented by personnel with authority and responsibility in planning, management and control of the Group's activities, directly or indirectly. Key management personnel include all members of the Management Board and the members of the Board of Directors. The table below represents remuneration of the key management personnel, paid by the Group in exchange for services provided. This remuneration includes salaries, bonuses, as well as associated taxes and payments. No remuneration is paid or payable to representatives of the Controlling shareholder in the Board of Directors.

<i>In millions of Kazakhstani Tenge</i>	2023		2022	
	Expense	Accrued liability	Expense	Accrued liability
Short-term benefits				
Salaries and bonuses	913	39	983	55
Total	913	39	983	55

7 Revenue

The Group's revenue arises from contracts with customers where performance obligations are satisfied mostly at a point in time.

<i>In millions of Kazakhstani Tenge</i>	2023	2022
Sales of natural uranium	1,180,722	851,427
Sales of enriched uranium	91,218	-
Sales of uranium products	60,580	57,806
Sales of beryllium products	31,857	31,986
Sales of tantalum products	27,061	23,171
Sales of purchased goods	14,607	15,164
Sales of other services	11,605	11,147
Drilling services	8,842	3,730
Transportation services	4,701	3,586
Sales of materials and other goods	3,222	2,815
Research and development	220	339
Total revenue	1,434,635	1,001,171

The most significant factors that affected the Group's results of operations during the year included:

- Since 2022 the Group sells uranium tablets to Ulba-FA LLP that are produced at Group premises from produced uranium enriched at third parties, the amount of such sales was Tenge 50,633 million (2022: Tenge 43,566 million). In the middle of 2023 the Group and Ulba-FA LLP changed the sales agreement terms, now the Group sells enriched uranium and uranium tablets production services to Ulba-FA LLP. In 2023 the Group sold Tenge 91,218 million of enriched uranium.
- An 10% increase of natural uranium sales volumes compared to 2022 due to additional customer supply requests under new and existing contracts. Sales volumes may vary from year to year due to differences in customer delivery schedules and requests throughout the year and actual physical deliveries.
- A 27% increase in the average selling price compared to 2022 (USD 55.09 versus USD 43.44) due to an increase in spot price for natural uranium. The Group's current portfolio of natural uranium sale contracts is linked to uranium spot price; however, some contracts that the Group executed several years ago contained price ceilings and other arrangements that limit effective price. As a result increase in the Group's average selling price was lower than increase in the market natural uranium spot price.

Liabilities under contracts with customers

As at 31 December 2022 current liabilities under contracts with related party customers included advances for uranium products in the amount of Tenge 35,082 million under contracts with Ulba-FA LLP, which the Group recognised as revenue during 2023 (Note 34).

7 Revenue (continued)

Material accounting policies and significant judgements

Revenue is defined as income arising in the course of the Group's ordinary activities. Revenue is recognised in the amount of transaction price. Transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring control over promised goods or services to a customer, excluding the amounts collected on behalf of third parties. Revenue is recognised net of discounts, returns and value added taxes, export duties and other similar mandatory payments.

(i) Sales of goods (uranium, tantalum, beryllium, niobium and other products)

Sales are recognised when control of the good has transferred, being when the goods are delivered to the customer, the customer has full discretion over the goods, and there is no unfulfilled obligation that could affect the customer's acceptance of the goods. Delivery occurs when the goods have been delivered to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the goods in accordance with the contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied.

Revenue from the sales with discounts is recognised based on the price specified in the contract, net of the estimated volume discounts. Accumulated experience is used to estimate and provide for the discounts, using the expected value method, and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur.

No element of financing is deemed present as the sales are made with an average credit term of 30-270 days, which is consistent with market practice. A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

Delivery of uranium, tantalum and beryllium products vary depending on the individual terms of a sale contract usually in accordance with the Incoterms classification. Delivery of uranium products occurs at the date of physical delivery in accordance with Incoterms or at the date of book-transfer to an account with a converter specified by the customer. A book-transfer operation represents a transaction whereby the uranium account balance of the transferor is decreased with a simultaneous allocation of uranium to the transferee's uranium account with the same specialised conversion/reconversion entity.

(ii) Sales of services (transportation, drilling and other)

The Group may provide services under fixed-price contracts. Revenue from providing services is recognised in the accounting period in which the services are rendered. For fixed-price contracts, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided because the customer receives and uses the benefits simultaneously.

Swap transactions (judgements)

The Group sells part of its uranium products under swap transactions with separate agreements with the same counterparty, being for sales and purchase of the same volume of uranium for the same price at different delivery points or different timeframes. Effectively, this results in the exchange of own uranium (produced or purchased from the Group's entities) with purchased uranium.

Normally, under a swap transaction, the Group delivers physical uranium to one destination point, and purchases the same volume of uranium at a third-party converter for sale to end customers. Swap transactions are entered into primarily to reduce transportation costs for uranium delivery from Kazakhstan to end customers.

Despite the fact that swap agreements are not formally related to each other, management concluded that these transactions are in substance linked and would not have occurred on an isolated basis, driven by the existing market demand and supply forces. In management's view, supply of the same volume of homogeneous product (uranium) for the same price represents an exchange of products, which should be presented on a net basis in the consolidated financial statements, reflecting the economic substance of the transaction. Interpretation of terms and approach to the accounting for swap transactions requires judgement.

In 2023, the Group did not recognise sales revenue from swap transactions of Tenge 139,322 million (2022: Tenge 195,958 million) and related cost of sales of Tenge 149,209 million (2022: Tenge 207,789 million). The Group has also increased other accounts receivable for Tenge 72,978 million (Note 25), accounts payable for Tenge 31,215 million (Note 33) with net effect impacting inventories. Given that swap

agreements require cash payments, accounts receivable represent cash receipts expected for purchased and paid uranium under swap agreement, accounts payable represent expected cash payments for sold uranium under swap agreement, where accounts receivable was repaid by the counterparty.

7 Revenue (continued)

In 2022 the Group has recognised liabilities under swap agreement for Tenge 4,709 million (Note 34) and inventory for Tenge 5,627 million with net effect impacting retained earnings. Liability under swap agreement is a non-financial obligation to return uranium that was already sold to third party.

Purchase and sales agreements assume cash transfers on a regular payment terms, similar to contracts with customers. The Group presents cash receipts as “receipts under swap transactions” and cash payments as “payments under swap transactions”.

Enrichment of natural uranium (judgements)

The Group purchases uranium enrichment services from Uranium Enrichment Center JSC (UEC) in Russia. The transaction is structured as two separate agreements. Group sells natural uranium and purchases enriched uranium from UEC. Despite agreements with UEC are not formally related, the management concluded that these transactions are in substance linked and would not have occurred on an isolated basis. Effectively, this results in the sales of uranium with an obligation to repurchase it in the form of enriched uranium, in accordance with IFRS 15 requirements no revenue from sales of uranium to UEC should be recognised, reflecting the economic substance of the transaction. Interpretation of terms and approach to the accounting for transactions with UEC requires judgement. The cost of enrichment services included in cost of sales in the amount of Tenge 40,643 million (2022: Tenge 13,363 million) in process and other services line item (Note 8).

Purchase and sales agreements with UEC assumed cash transfers, starting from 2023 the Group changed the contract terms to settle cash transfers on a net basis.

8 Cost of sales

<i>In millions of Kazakhstani Tenge</i>	2023	2022
Materials and supplies	364,841	261,825
Depreciation and amortisation	92,824	79,037
Processing and other services	71,126	31,361
Payroll costs	61,886	49,348
Taxes other than income tax	55,868	32,216
Transportation expenses	6,780	5,787
Maintenance and repair	5,475	5,082
Utilities	1,714	1,678
Rent expenses	413	234
Other	10,935	8,529
Total cost of sales	671,862	475,097

An increase in the cost of materials and supplies resulted from an increase in spot price of natural uranium and sulfuric acid as well as increase in sales volumes.

9 Distribution expenses

<i>In millions of Kazakhstani Tenge</i>	2023	2022
Shipping, transportation and storage	22,408	20,331
Payroll costs	1,916	1,744
Commissions	917	952
Rent	385	214
Materials and supplies	170	199
Depreciation and amortisation	93	56
Other	2,962	2,109
Total distribution expenses	28,851	25,605

10 General and administrative expenses

<i>In millions of Kazakhstani Tenge</i>	2023	2022
Payroll costs	22,199	20,594
Compensation payment for uranium mined without license	11,404	7,310
Consulting and information services	5,382	5,196
Other provisions (Note 32)	4,679	-
Depreciation and amortisation	2,059	2,110
Fines and penalties	689	2,068
Business trip expenses	638	497
Insurance	609	822
Training expenses	523	416
Communication	475	509
Rent	454	460
Other	3,999	4,525
Total general and administrative expenses	53,110	44,507

The PwC network of companies provided the Group with the following audit and non-audit services (net of VAT):

<i>In millions of Kazakhstani Tenge</i>	2023	2022
Audit services	469	434
Non-audit services	115	74
Total services provided	584	508

Compensation payment for uranium mined without license

Compensation payment relates to uranium mined at Zhalpak field of MC Ortalyk LLP and block of Budenovskoye field of JV Akbastau JSC (Note 37).

In October 2017, the Group obtained a contract for uranium exploration at Zhalpak field for a period up to 31 May 2018. In May 2018, the Ministry of Energy of the Republic of Kazakhstan agreed to extend the exploration period under the contract until 31 December 2022 for performing evaluation works. However, the approval process by the Ministry of Energy of the Republic of Kazakhstan was delayed. In April 2020 MC Ortalyk LLP stopped all work and test production at the mine. In December 2021 the Group received subsoil use rights. The volume of uranium mined at Zhalpak field during the period from June 2018 to April 2020 amounted to 162 tons. On 15 August 2023 the Group paid a compensation of Tenge 11,404 million to the Government for this volume of uranium based on the decision of the Energy Council of the President of the Republic of Kazakhstan.

JV Akbastau JSC has been involved in negotiations with the regulator over an extended period to update the contract terms of the subsoil use contract No.2488 dated 20 November 2007, and during such discussions the regulator has determined that JV Akbastau JSC exceeded the allowed production volume indicated in the subsoil use contract. In 2021 the Group reached a draft agreement with the regulator which was to provide social support to the Turkistan region in the amount of Tenge 3,000 million as a compensation for the breach of license terms. However, in 2022 the regulator rejected the draft agreement and reassessed the amount payable to be compensation for the overproduction of uranium in the amount of Tenge 7,310 million. The compensation was determined as the fair value of 249 tons of overproduced uranium based on current uranium spot prices. On 30 December 2022 JV Akbastau JSC signed addendum No.4 to the subsoil use contract No.2488 and paid the compensation.

11 Net (impairment losses)/reversal of impairment losses on financial assets

Impairment losses for the following financial assets:

<i>In millions of Kazakhstani Tenge</i>	2023	2022
Accounts receivable (Note 25)	(15,961)	5
Other assets	26	127
Net (impairment losses)/reversal of impairment losses on financial assets	(15,935)	132

In December 2023 the Group delivered uranium concentrates to Dioxitek S.A., Argentina. The government of Argentina introduced new requirements to import operations, incurred prior to 12 December 2023, which may only be settled by means of government bonds sales that will provide sufficient amount of US dollars for Dioxitek S.A. to pay its liabilities. The Group expects difficulties with the payment from Dioxitek S. A, thus, 100% provision on the overdue amount of Tenge 15,692 million was accrued. The management of the Group will resume negotiations with Dioxitek S.A. on debt repayment.

12 Other income

<i>In millions of Kazakhstani Tenge</i>	2023	2022
Gain from fines and penalties	1,503	306
Income from investment property	383	-
Income from disposal of property, plant and equipment	360	1,384
Income from an associate development agreement	-	7,671
Gain from joint operations	-	4,217
Reversal of social expenses (Note 10)	-	3,000
Insurance receipt	-	1,981
Income from a joint venture development agreement	-	985
Other	2,228	2,173
Total other income	4,474	21,717

On 11 August 2022 participants of JV KATCO LLP (Note 23) made amendments to the partnership agreement on further development of JV KATCO LLP dated 10 April 2017, under which the Group became entitled to compensation in the amount of Tenge 7,671 million from the second participant, which was recognised as income in 2022 and other receivables (Note 25).

13 Other expenses and net foreign exchange (loss)/gain

<i>In millions of Kazakhstani Tenge</i>	2023	2022
Revaluation of inventory loans, net (Note 34)	37,977	1,906
Expenses from joint operations	3,426	-
Social expenses	1,299	1,130
Research expenses	806	887
Loss on suspension of production	674	1,126
Loss on disposal of property, plant and equipment	434	175
Non-recoverable VAT	410	620
Depreciation and amortisation	186	175
Loss on disposal of intangible assets	106	93
Other	4,892	3,452
Total other expenses	50,210	9,564

Expenses from joint operations

During the current period the Group fulfilled its obligations under joint operations agreements to purchase equal amounts of uranium for 2023 and 2022, however, volatility in exchange rates and spot prices resulted in disproportionate Tenge contributions by each participant and recognition of expense of Tenge 3,426 million by the Group. In 2022 the Group has recognised income from joint operations for Tenge 4,217 million (Note 12).

Net foreign exchange (loss)/gain

<i>In millions of Kazakhstani Tenge</i>	2023	2022
Foreign exchange (loss)/gain on financing activities, net	748	(4,758)
Foreign exchange (loss)/gain on operating activities, net	(22,078)	22,062
Total foreign exchange (loss)/gain, net	(21,330)	17,304

14 Payroll costs

<i>In millions of Kazakhstani Tenge</i>	2023	2022
Wages and salaries	109,222	89,208
<i>Including Pension contributions</i>	9,328	7,543
Social tax and social payments	12,964	10,427
Total payroll costs	122,186	99,635

Material accounting policies and significant judgements

Wages, salaries, contributions to pension and social insurance funds, paid annual leave and sick leave, bonuses, and non-monetary benefits are accrued in the year in which the associated services are rendered by the employees of the Group. In this case, the Group applies the defined contribution plans scheme. In accordance with the legal requirements of the Republic of Kazakhstan, the Group withholds pension contributions from employees' salary and transfers them into the United pension fund. Upon retirement of employees, all pension payments are administered by the united pension fund. The Group does not have any legal or constructive obligation to pay additional contributions other than pension contributions withheld from the salaries of the Group's employees.

15 Finance income and costs

<i>In millions of Kazakhstani Tenge</i>	2023	2022
Interest income calculated using the effective interest rate		
Cash and cash equivalents	16,590	10,433
Debt securities	8,604	1,262
Loans at amortised cost	397	699
Term deposits	55	111
Other financial income		
Revaluation of other investments (Note 26)	13,658	4,699
Other	2,202	123
Total finance income	41,506	17,327
Finance costs		
Unwinding of discount on provisions	4,853	2,892
Interest expense on loans and borrowings	3,753	3,689
Other	983	1,844
Total finance costs	9,589	8,425

Material accounting policies

Interest income on financial assets at amortised cost, other than those at FVTPL, is recorded on an accrual basis using the effective interest method and recognised in the profit or loss as part of finance income. This method defers, as part of interest income, all fee received between the parties to the contract that are an integral part of the effective interest rate, all other premiums or discounts. Interest income on debt instruments at FVTPL calculated at nominal interest rate is presented within 'finance income' line in profit or loss.

16 Income tax expense**(a) Components of income tax expense**

Income tax expense recorded in profit or loss comprises the following:

<i>In millions of Kazakhstani Tenge</i>	2023	2022
Current income tax	157,610	118,853
Deferred income tax	(9,603)	(8,111)
Total income tax expense	148,007	110,742

The income tax rate applicable to the majority of the Group's profits in 2023 and 2022 is 20%.

(b) A reconciliation between the expected and the actual taxation charge is provided below:

<i>In millions of Kazakhstani Tenge</i>	2023	2022
Profit before tax	728,342	583,705
Theoretical tax charge at statutory tax rate of 20%	145,668	116,741
Prior periods adjustments of income tax	480	2,065
Transfer pricing adjustment	15,666	7,298
Withholding tax on dividend payments	539	677
Share of results of joint ventures and associates	(19,677)	(17,815)
Other items	5,331	1,776
Income tax expense	148,007	110,742

The Group assesses compliance of sales transactions with transfer pricing requirements and makes additional corporate income tax accruals on an annual basis, if necessary.

(c) Deferred taxes analysed by type of temporary difference

Differences between IFRS and statutory taxation regulations in Kazakhstan give rise to temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and their tax bases. The tax effect of the movements in these temporary differences is detailed below at 20%.

<i>In millions of Kazakhstani Tenge</i>	1 January 2023	Credited/(charged) to profit or loss	Exchange differences arising on translation of entities with foreign functional currency	31 December 2023
Tax effect of deductible/(taxable) temporary differences				
Property, plant and equipment, intangible assets and mineral rights	(119,042)	6,366	(2)	(112,678)
Accounts receivable	(372)	(1,828)	-	(2,200)
Loans and borrowings	12	157	-	169
Accounts payable	-	3,184	-	3,184
Provisions	24	1,354	14	1,392
Accrued liabilities on vacation payments and bonuses	2,267	352	(1)	2,618
Taxes	1,827	1,549	-	3,376
Inventories	32,419	(5,691)	-	26,728
Other assets	247	(3,588)	-	(3,341)
Other liabilities	325	7,748	-	8,073
	(82,293)	9,603	11	(72,679)
Recognised deferred tax asset	34,515	(727)	14	33,802
Recognised deferred tax liabilities	(116,808)	10,330	(3)	(106,481)

16 Income tax expense (continued)

Management estimates that investments in subsidiaries, associates and joint ventures will be recovered primarily through dividends. Dividends from subsidiaries, associates and joint ventures are not taxable, accordingly the Group did not recognise deferred tax on undistributed earnings from investments.

The tax effect of the movements in the temporary differences for the year ended 31 December 2022 is:

<i>In millions of Kazakhstani Tenge</i>	1 January 2022	Credited/(charged) to profit or loss	Exchange differences arising on translation of entities with foreign functional currency	31 December 2022
Tax effect of deductible/(taxable) temporary differences				
Property, plant and equipment, intangible assets and mineral rights	(123,495)	4,442	11	(119,042)
Accounts receivable	(208)	(164)	-	(372)
Loans and borrowings	3	9	-	12
Provisions	1,572	(1,548)	-	24
Accrued liabilities on vacation payments and bonuses	1,663	604	-	2,267
Taxes	1,509	318	-	1,827
Inventories	28,076	4,347	(4)	32,419
Other assets	158	88	1	247
Other liabilities	310	15	-	325
	(90,412)	8,111	8	(82,293)
Recognised deferred tax asset	30,689	3,818	8	34,515
Recognised deferred tax liabilities	(121,101)	4,293	-	(116,808)

In the context of the Group's structure, tax losses of different Group companies may not be offset against current tax liabilities and taxable profits of other Group companies and, accordingly, taxes may accrue even where there is a consolidated tax loss. Therefore, deferred tax assets and liabilities are offset only when they relate to the same taxable entity.

The Group has not recognised deferred tax assets in respect of unused tax loss carry forwards of Tenge 1,596 million in 2023 (2022: Tenge 1,274 million) and excluded from the calculation the tax losses for the enterprises sold in 2023 with unrecognized tax losses. The tax loss carryforwards expire as follows:

<i>In millions of Kazakhstani Tenge</i>	2023	2022
2030	-	470
2031	470	804
2032	804	-
2033	322	-
Total unrecognised deferred tax asset on tax losses	1,596	1,274

Material accounting policies and significant judgements

Current tax is the amount expected to be paid to, or recovered from, the taxation authorities in respect of taxable profits or losses for the current and prior periods using tax rates enacted or substantively enacted at the reporting date, and any adjustment in respect of previous years.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to the same tax authority on the same taxable entity, if there is an intention to settle current tax liabilities and assets on a net basis or tax assets and liabilities will be realised simultaneously.

16 Income tax expense (continued)

The Group's uncertain tax positions are reassessed by management at the end of each reporting period. Liabilities are recorded for income tax positions that are determined by management as more likely than not to result in additional taxes being levied if the positions were to be challenged by the tax authorities. The assessment is based on the interpretation of tax laws that have been enacted by the end of the reporting period, and any known court or other rulings on such issues.

Liabilities for penalties, interest and taxes other than on income are recognised based on management's best estimate of the expenditure required to settle the obligations at the end of the reporting period.

17 Earnings per share

Basic earnings per share is calculated by dividing the profit or loss attributable to owners of the Company by the number of ordinary shares in issue during the year (Note 30). The Company has no dilutive potential ordinary shares, therefore, the diluted earnings per share equals the basic earnings per share. Earnings per share from continuing operations is calculated as follows:

<i>In millions of Kazakhstani Tenge</i>	2023	2022
Profit for the year for the year attributable to owners of the Company (in millions of Kazakhstani Tenge)	419,184	348,048
Number of ordinary shares (in thousands)	259,357	259,357
Earnings per share attributable to the owners of the Company, basic and diluted (rounded to Tenge)	1,616	1,342

The Group issued bonds which are included in the official list of Kazakhstan Stock Exchange JSC (hereinafter - the "KASE"). The Company is required to present information on the book value of one share calculated in accordance with the KASE Listing Rules.

Book value per share is calculated as follows:

<i>In millions of Kazakhstani Tenge</i>	2023	2022
Total assets of the Group (in millions Tenge)	2,599,292	2,222,533
Intangible assets (in millions Tenge)	(60,156)	(59,159)
Total liabilities of the Group (in millions Tenge)	(591,025)	(526,030)
	1,948,111	1,637,344
Number of ordinary shares (in thousands)	259,357	259,357
Book value of one share (Tenge per share)	7,511	6,313

Material accounting policies and significant judgements

Earnings per share are determined by dividing profit or loss attributable to the Company's shareholders by the weighted average number of participating shares outstanding during the reporting year, adjusted for stock splits.

18 Intangible assets

<i>In millions of Kazakhstani Tenge</i>	Licences and patents	Software	Goodwill	Other	Total
At 1 January 2022					
Cost	2,524	13,466	54,953	3,055	73,998
Accumulated amortisation and impairment	(1,345)	(5,870)	(6,459)	(1,384)	(15,058)
Carrying value	1,179	7,596	48,494	1,671	58,940
Additions	136	345	-	908	1,389
Disposals	(328)	(784)	-	(259)	(1,371)
Amortisation charge	(284)	(875)	-	(110)	(1,269)
Other	1,026	(928)	-	1,372	1,470
At 31 December 2022					
Cost	3,069	11,321	54,953	4,819	74,162
Accumulated amortisation and impairment	(1,340)	(5,967)	(6,459)	(1,237)	(15,003)
Carrying value	1,729	5,354	48,494	3,582	59,159
Additions	187	596	-	1,279	2,062
Disposals	(22)	(1,064)	-	(15)	(1,101)
Amortisation charge	(298)	(982)	-	(115)	(1,395)
Other	37	1,262	-	132	1,431
At 31 December 2023					
Cost	3,249	11,141	54,953	6,215	75,558
Accumulated amortisation and impairment	(1,616)	(5,975)	(6,459)	(1,352)	(15,402)
Carrying value	1,633	5,166	48,494	4,863	60,156

MC Ortalyk LLP, JV Akbastau JSC and Karatau LLP

Goodwill relates to prior period business combinations of MC Ortalyk LLP in the amount of Tenge 5,166 million, Karatau LLP of Tenge 24,808 million and JV Akbastau JSC of Tenge 18,520 million. At least annually, goodwill is tested for impairment at the level of a corresponding cash generating unit (the lowest levels for which there are separately identifiable cash inflows that are largely independent of the cash inflows from other assets or groups of assets).

The Group has identified each mine (contract territory) as a separate cash-generating unit unless several mines are technologically connected with single processing plant in which case the Group considers such mines as one cash-generating unit. The carrying value of goodwill applicable to each of the entities was allocated to their respective cash generating units, Central Mynkuduk mine (Central block) and separate blocks of Budenovskoye mine (Note 1) for MC Ortalyk LLP and Karatau LLP, JV Akbastau JSC, respectively.

The recoverable amount was determined on a value in use basis, cash flows forecasts were based on approved reserves, estimated production volumes, subsurface use contracts periods and a pre-tax discount rate of 18.59% for 2023 year (2022: 19.03%).

Production volumes are consistent with those agreed with the competent authority and independent consultant's report and are based on the production capacity of the cash-generating units. Key assumptions used in calculations include forecast sales prices, production volumes. Sales prices used in developing forecasted cash flows were based on annual spot and long-term base price projections (denominated in US Dollar per pound of uranium) published by UxC LLC in the fourth quarter of 2023.

Production costs and capital expenditures are based on approved business plans for 2024-2028 and growth of 6.39% which approximates long-term average inflation rates. The estimated values in use significantly exceed the carrying amounts of the non-current assets of the three cash-generating units, including goodwill, and therefore even reasonably possible changes in key assumptions would not lead to impairment losses being recognised.

19 Property, plant and equipment

Movements in the carrying amount of property, plant and equipment were as follows:

<i>In millions of Kazakhstani Tenge</i>	Land	Railway infrastr ucture	Buildin gs	Machin ery and equipm ent	Vehicle s	Other	Const- ruction in progres s	Total
At 1 January 2022								
Cost	407	2,035	139,246	95,311	24,560	7,048	13,960	282,567
Accumulated depreciation and impairment	-	(1,035)	(43,300)	(48,232)	(13,619)	(4,226)	(668)	(111,080)
Carrying amount	407	1,000	95,946	47,079	10,941	2,822	13,292	171,487
Additions	17	-	107	7,334	5,225	431	11,011	24,125
Transfers	-	38	1,941	1,150	43	104	(3,276)	-
Depreciation charge	-	(89)	(5,633)	(6,742)	(1,934)	(732)	-	(15,130)
Changes in estimate (Note 32)	-	-	8,630	585	-	-	-	9,215
Other	-	-	262	524	80	(1)	(2,262)	(1,397)
At 31 December 2022								
Cost	424	2,073	150,996	101,960	28,082	7,446	19,833	310,814
Accumulated depreciation and impairment	-	(1,124)	(49,743)	(52,030)	(13,727)	(4,822)	(1,068)	(122,514)
Carrying amount	424	949	101,253	49,930	14,355	2,624	18,765	188,300
Additions	11	1	987	10,005	6,273	815	6,569	24,661
Transfers	-	-	1,999	3,892	151	52	(6,094)	-
Reclassification from mine development assets (Note 20)	-	-	2,803	-	-	-	-	2,803
Depreciation charge	-	(91)	(5,888)	(7,559)	(2,341)	(827)	-	(16,706)
Changes in estimate (Note 32)	-	-	(1,685)	(496)	-	-	-	(2,181)
Other	(31)	-	158	(50)	(14)	7	(1,500)	(1,430)
At 31 December 2023								
Cost	404	2,074	154,903	113,170	34,051	8,136	18,576	331,314
Accumulated depreciation and impairment	-	(1,215)	(55,276)	(57,448)	(15,627)	(5,465)	(836)	(135,867)
Carrying amount	404	859	99,627	55,722	18,424	2,671	17,740	195,447

At 31 December 2023, the Group had contractual capital expenditure commitments in respect of property, plant and equipment of Tenge 3,966 million (2022: Tenge 5,310 million).

At 31 December 2023, the gross carrying value of fully depreciated property, plant and equipment still in use was Tenge 38,006 million (2022: Tenge 34,870 million).

Depreciation and amortisation charged on long-term assets for the years ended 31 December are as follows:

<i>In millions of Kazakhstani Tenge</i>	2023	2022
Mine development assets	55,991	42,045
Mineral rights	28,612	28,237
Property, plant and equipment	16,706	15,130
Intangible assets	1,395	1,269
Right-of-use assets	16	19
Total accrued depreciation and amortisation	102,720	86,700

Depreciation and amortisation charged to profit or loss for the years ended 31 December are as follows:

<i>In millions of Kazakhstani Tenge</i>	2023	2022
Cost of sales	92,824	79,037
General and administrative expenses	2,059	2,110
Distribution expenses	93	56
Other expenses	186	175
Total depreciation and amortisation charged to profit or loss	95,162	81,378

19 Property, plant and equipment (continued)

Material accounting policies and significant judgements

Property, plant and equipment are stated at cost, less accumulated depreciation and provision for impairment, where required. The individual significant parts of an item of property, plant and equipment (components) with useful lives different from the useful lives of the given asset as a whole are depreciated individually, applying depreciation rates reflecting their anticipated useful lives.

(i) Depreciation

Land is not depreciated. Depreciation of items within buildings category that are used in extraction of uranium and its preliminary processing is charged on a unit-of-production (UoP) method in respect of items for which this basis best reflects the pattern of consumption. Depreciation on other items of property, plant and equipment is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives:

	<u>Useful lives in years</u>
Buildings	10 to 50
Machinery and equipment	3 to 50
Vehicles	3 to 10
Other	3 to 20

Each item's estimated useful life depends on its own useful life limitations and/or term of a subsurface use contract and the present assessment of economically recoverable reserves of the mine property at which the item is located. Since 2017, the Group uses reserve reports prepared by an independent consultant (Note 21).

20 Mine development assets

<i>In millions of Kazakhstani Tenge</i>	Field preparation	Site restoration costs	Ion exchange resin	Total
At 1 January 2022				
Cost	317,560	13,532	18,757	349,849
Accumulated depreciation and impairment	(200,129)	(4,457)	(6,590)	(211,176)
Carrying amount	117,431	9,075	12,167	138,673
Third-party services	43,649	-	-	43,649
Material used	16,238	-	966	17,204
Transfer from property, plant and equipment	2,789	-	-	2,789
Depreciation charge	(40,940)	(590)	(515)	(42,045)
Changes in accounting estimates (Note 32)	693	1,211	-	1,904
At 31 December 2022				
Cost	380,929	14,743	19,723	415,395
Accumulated depreciation and impairment	(241,069)	(5,047)	(7,105)	(253,221)
Carrying amount	139,860	9,696	12,618	162,174
Third-party services	43,244	-	-	43,244
Material used	36,609	-	741	37,350
Transfer from/to property, plant and equipment	1,584	(1,633)	-	(49)
Transfer from Exploration and Evaluation Assets (Note 22)	2,716	-	-	2,716
Disposals	(9)	-	-	(9)
Depreciation charge	(54,350)	(1,037)	(604)	(55,991)
Depreciation on disposals	9	-	-	9
Changes in accounting estimates (Note 32)	(1,811)	(417)	-	(2,228)
At 31 December 2023				
Cost	463,262	12,693	20,464	496,419
Accumulated depreciation and impairment	(295,410)	(6,084)	(7,709)	(309,203)
Carrying amount	167,852	6,609	12,755	187,216

20 Mine development assets (continued)

Estimated site restoration costs are capitalised when the Group recognises a provision for site restoration. The carrying value of the provision and site restoration assets is reassessed at each reporting period end (Notes 32).

Material accounting policies and significant judgements

Mine development assets are stated at cost, less accumulated depreciation and provision for impairment, where required. Mine development assets comprise reclassified exploration and evaluation costs, the capitalised costs of pump-in and pump-out well drilling, main external tying of the well with surface piping, equipment, measuring instruments, ion-exchange resin, estimated site restoration, acid costs and other development costs. Under existing production method, the wellfields are progressively established over the orebody as uranium is depleted by blocks.

Mine development assets are amortised at the mine level using the unit-of-production method based on carrying value of the asset. Unit-of-production rates are based on proved and probable reserves for reclassified exploration and evaluation assets, while capitalised development costs that are amortised based on ready for extraction volumes. Ready for extraction volumes represent a portion of proved and probable reserves that management estimates to extract from a mine as a result of available capitalised costs.

The estimate of proved and probable reserves is based on reserve reports which are an integral part of each subsoil use contract. These reserve reports are incorporated into feasibility models which are approved by the government and detail the total proven reserves and estimated scheduled extraction by year. Since 2017, the Group uses reserve reports prepared by an independent consultant (Note 21).

In 2023 the Group unified depreciation method for capitalised developments costs across all mining entities because technological blocks into which mines are conventionally divided (and based on which depreciation was calculated by some entities) represent in fact one geological block and uranium production solution creates flows inside deposit as a result of which production at some technological blocks results in over or underproduction, and the cost of asset is not depreciated correctly.

Impairment of non-financial assets (estimates)

Assets related to uranium mines include property, plant and equipment, mine development assets, mineral rights, exploration and evaluation assets, investments in associates, investments in joint ventures, and other investments.

At the end of each reporting period, management assesses whether there are any impairment indicators of individual assets (or cash-generating units). If any such indicators exist, management estimates the recoverable amount, which is determined as the higher of an asset's fair value less costs to sell and its value in use. An impairment loss is recognised for the amount by which carrying amount exceeds recoverable amount.

The calculation of value in use requires management to make estimates regarding the Group's future cash flows. The estimation of future cash flows involves significant estimates and assumptions regarding commodity prices (uranium and other products), the level of production and sales, discount rates, growth rates, operating costs and other factors. The impairment test and calculations are based on assumptions that are consistent with the Group's business plans. Due to its subjective nature, these estimates could differ from future actual results of operations and cash flows, any such difference may result in impairment in future periods which would decrease the carrying value of the respective asset.

As of 31 December 2023 management did not find any impairment indicators of assets (cash generating units) associated with the production of uranium products.

21 Mineral rights

In millions of Kazakhstani Tenge

At 1 January 2022	
Cost	649,452
Accumulated amortisation and impairment	(96,495)
Carrying amount	552,957
Additions	420
Amortisation for the period	(28,237)
At 31 December 2022	
Cost	649,872
Accumulated amortisation and impairment	(124,732)
Carrying amount	525,140
Additions	
Changes in accounting estimates (Note 32)	(279)
Amortisation for the period	(28,612)
At 31 December 2023	
Cost	649,593
Accumulated amortisation and impairment	(153,344)
Carrying amount	496,249

Material accounting policies and significant judgements

Mineral rights are stated at cost, less accumulated depreciation and provision for impairment, where required. Mineral rights acquired as part of business combinations are recognised at fair value. The capitalised cost of acquisition of mineral rights comprises subscription bonus, commercial discovery bonus, the cost of subsurface use rights and capitalised historical costs. The Group is obliged to reimburse historical costs incurred by the state in respect of mining rights prior to licence or subsoil use contracts being issued. These historical costs are recognised as part of the acquisition cost with a corresponding liability equal to the present value of payments made during the licence period or subsoil use contract.

Mineral rights are amortised using unit-of-production method based upon proved and probable reserves commencing when uranium first starts to be extracted.

The estimate of proved and probable reserves is based on reserve reports, which are an integral part of each subsoil use contract. These reserve reports are incorporated into feasibility models, which are approved by the government and detail the total proven reserves and estimated scheduled extraction by year. Since 2017, the Group uses reserve reports prepared by an independent consultant.

Ore reserves (estimates)

Uranium reserves are a critical component of the Group's projected cash flow estimates that are used to assess the recoverable values of relevant assets as well as depreciation and amortisation expense. Estimates of uranium reserves also determine the life of mines, which in turn affect asset retirement obligation calculations.

On an annual basis the Group engages an independent consultant to assess the Group's ore reserves and mineral resources in accordance with the Australasian Code for reporting on geological exploration works, mineral resources and ore reserves (hereinafter - JORC Code). Independent assessment of reserves and resources was carried out as at 31 December 2023 and 31 December 2022. The consultant reviewed all key information upon which the reported mineral resource and ore reserve statements for the mining assets of the Group are based.

The consultant's reports contain an assessment of the tons of uranium contained in ore which has the potential to be extracted by the existing and planned mining operations (the mineral resource), and also the tons of uranium contained in ore currently planned to be extracted as envisaged by the respective life-of-mine plans (the ore reserve). The Group used the ore reserves data for calculation of impairment of long-term assets, unit of production depreciation for each of the Group's mines as well as asset retirement obligation calculations.

22 Exploration and evaluation assets

<i>In millions of Kazakhstani Tenge</i>	Tangible assets	Intangible assets	Total
At 1 January 2022	21,853	2,525	24,378
Additions	2,393	-	2,393
Changes in accounting estimates	(228)	-	(228)
At 31 December 2022	24,018	2,525	26,543
Additions	2,118	447	2,565
Transfer to Mine Development Assets (Note 20)	(2,716)	-	(2,716)
Changes in accounting estimates (Note 32)	(373)	-	(373)
At 31 December 2023	23,047	2,972	26,019

Material accounting policies and significant judgements

Exploration and evaluation assets are measured at cost less provision for impairment, where required. The Group classifies exploration and evaluation assets as tangible or intangible according to the nature of the assets acquired.

Exploration and evaluation assets comprise the capitalised costs incurred by the Group prior to proving that viable production is possible and include geological and geophysical costs, the costs of exploratory wells and directly attributable overheads associated with exploration activities.

The decision to enter or renew a subsoil use contract after the expiration of the exploration and appraisal period is subject to the success of the exploration and appraisal of mineral resources and the Group's decision to proceed to the production (development) stage.

Tangible exploration and evaluation assets are transferred to mine development assets upon demonstration of commercial viability of uranium production and amortised using unit-of-production method based upon proved reserves. Once commercial reserves (proved or commercial reserves) are found, intangible exploration and evaluation assets are transferred to mineral rights. Accordingly, the Group does not amortise exploration and evaluation assets before commercial reserves (proved or commercial reserves) are found. If no commercial reserves are found, exploration and evaluation assets are expensed. Costs associated with activities undertaken prior to exploration such as design, technical and economical assessments are expensed as incurred.

23 Investments in associates

The table below summarises the movements in the carrying amount of the Group's investment in associates:

<i>In millions of Kazakhstani Tenge</i>	2023	2022
Carrying value at 1 January	154,124	116,892
Share of results of associates	76,049	75,736
Dividends received from associates	(77,907)	(38,504)
Carrying value at 31 December	152,266	154,124

23 Investments in associates (continued)

The Group's interests in its principal associates were as follows:

	Country of incorporation	Principal activities	2023		2022	
			% ownership interest held/% of voting rights	Carrying value in millions of Tenge	% ownership interest held/% of voting rights	Carrying value in millions of Tenge
JV KATCO LLP	Kazakhstan	Extraction, processing and export of uranium products	49.00%	97,501	49.00%	113,920
JV South Mining Chemical Company LLP	Kazakhstan	Extraction, processing and export of uranium products	30.00%	29,768	30.00%	16,147
JV Zarechnoye JSC	Kazakhstan	Extraction, processing and export of uranium products	49.98%	18,671	49.98%	18,197
Kyzylkum LLP	Kazakhstan	Extraction, processing and export of uranium products	50.00%	5,351	50.00%	5,017
SSAP LLP	Kazakhstan	Production of sulphuric acid	9.89%	877	9.89%	742
Zhanakorgan-Transit LLP	Kazakhstan	Transportation	40.00%	98	40.00%	101
JV Rusburmash Kazakhstan LLP	Kazakhstan	Geological exploration, drilling services	49.00%	-	49.00%	-
Total investments in associates				152,266		154,124

According to amendments to the Partnership Agreement, the Group also became entitled to an additional 11% of JV KATCO LLP annual profit allocation starting from 2022 and until the end of JV KATCO LLP operations, with the ownership interest being unchanged.

23 Investments in associates (continued)

Summarised financial information for 2023 in respect of each of the Group's material associates is set out below. The summarised financial information below represents amounts shown in the associates' financial statements prepared in accordance with IFRS, adjusted by the Group for equity accounting purposes.

<i>In millions of Kazakhstani Tenge</i>	Kyzylkum LLP	JV KATCO LLP	JV South Mining Chemical Company LLP	JV Zarechnoye JSC	Other	Total
Current assets	5,791	88,943	111,031	34,598	4,774	245,137
<i>Including cash</i>	819	41,771	37,133	4,913	1,043	85,679
Non-current assets	11,922	166,440	47,603	23,847	11,686	261,498
Total assets	17,713	255,383	158,634	58,445	16,460	506,635
Current liabilities	(4,146)	(14,872)	(29,370)	(5,872)	(8,833)	(63,093)
Including financial liabilities net of trade and other accounts payable and provisions	(2,558)	(119)	(3,208)	-	(982)	(6,867)
<i>Incl. loan from the Company</i>	(2,558)	-	-	-	-	(2,558)
Non-current liabilities	(1,328)	(22,037)	(8,850)	(5,476)	(422)	(38,113)
Including financial liabilities net of trade and other accounts payable and provisions	-	(559)	(24)	-	-	(583)
Total liabilities	(5,474)	(36,909)	(38,220)	(11,348)	(9,255)	(101,206)
Net assets	12,239	218,474	120,414	47,097	7,205	405,429
Group's share of net assets of associates	6,119	107,053	36,124	23,539	(346)	172,489
Unrealised profit	-	(16,881)	(6,356)	(4,910)	-	(28,147)
Additional allocation of profits	-	7,261	-	-	-	7,261
Other	(768)	-	-	42	1,239	513
Goodwill	-	68	-	-	82	150
Carrying value of investments in associates	5,351	97,501	29,768	18,671	975	152,266
Total revenue	13,587	147,448	199,667	54,796	17,790	433,288
Depreciation and amortisation	(689)	(14,614)	(9,577)	(6,604)	(387)	(31,871)

Finance income	489	1,523	582	227	109	2,930
Finance costs	(474)	(2,064)	(4,703)	(460)	(218)	(7,919)
Foreign exchange gain/(loss)	80	(1,546)	(4,242)	(214)	(1)	(5,923)
(Impairment losses)/reversal of impairment losses	17	34	12	3	(1)	65
Income tax	(130)	(19,984)	(30,435)	(6,422)	(380)	(57,351)
Profit for the year	668	66,006	112,699	24,685	99	204,157
Total comprehensive income	668	66,006	112,699	24,685	99	204,157
Unrealised profit	-	(6,288)	362	(4,291)	-	(10,217)
Share in accumulated unrecognized losses	-	-	-	-	889	889
Share of result of associates	334	33,315	34,171	8,046	182	76,049
Dividends received	-	49,734	20,551	7,573	49	77,907

23 Investments in associates (continued)

Summarised financial information for 2022 in respect of each of the Group's material associates is set out below. The summarised financial information below represents amounts shown in the associates' financial statements prepared in accordance with IFRS, adjusted by the Group for equity accounting purposes.

<i>In millions of Kazakhstani Tenge</i>	Kyzylkum LLP	JV KATCO LLP	JV South Mining Chemical Company LLP	JV Zarechnoye JSC	Other	Total
Current assets	6,757	132,298	77,223	26,011	2,515	244,804
<i>Including cash</i>	5	97,300	13,855	7,147	338	118,645
Non-current assets	15,619	132,022	42,114	19,593	11,493	220,841
Total assets	22,376	264,320	119,337	45,604	14,008	465,645
Current liabilities	(6,766)	(8,822)	(33,059)	(4,068)	(5,099)	(57,814)
Including financial liabilities net of trade and other accounts payable and provisions	(3,397)	(82)	(21,920)	(32)	(894)	(26,325)
<i>Incl. loan from the Company</i>	(3,397)	-	-	-	-	(3,397)
Non-current liabilities	(4,038)	(20,139)	(10,060)	(3,973)	(1,308)	(39,518)
Including financial liabilities net of trade and other accounts payable and provisions	(2,852)	-	(3,286)	-	(835)	(6,973)
<i>Incl. loan from the Company</i>	(2,852)	-	-	-	-	(2,852)
Total liabilities	(10,804)	(28,961)	(43,119)	(8,041)	(6,407)	(97,332)
Net assets	11,572	235,359	76,218	37,563	7,601	368,313
Group's share of net assets of associates	5,786	115,326	22,865	18,774	390	163,141
Unrealised profit	-	(10,592)	(6,719)	(619)	-	(17,930)
Additional allocation of profits	-	9,118	-	-	-	9,118
Other	(768)	-	-	42	371	(355)
Goodwill	-	68	-	-	82	150
Carrying value of investments in associates	5,018	113,920	16,146	18,197	843	154,124
Total revenue	10,572	146,304	131,039	44,538	13,757	346,210
Depreciation and amortisation	(682)	(12,262)	(6,328)	(6,218)	(643)	(26,133)

Finance income	162	127	655	109	87	1,140
Finance costs	(435)	(1,282)	(1,393)	(347)	(314)	(3,771)
Foreign exchange gain/(loss)	(642)	4,931	(1,331)	(1,288)	-	1,670
(Impairment losses)/reversal of impairment losses	(2)	180	26	1	(1)	204
Income tax	(368)	(24,035)	(21,706)	(5,073)	(338)	(51,520)
Profit for the year	(1,039)	82,891	76,114	18,939	(567)	176,338
Total comprehensive income	(1,039)	82,891	76,114	18,939	(567)	176,338
Unrealised profit	-	(2,141)	(4,307)	777	-	(5,671)
Share in accumulated unrecognized losses	-	-	-	-	519	519
Share of result of associates	(520)	47,593	18,528	10,242	(107)	75,736
Dividends received	1,080	18,796	15,576	3,013	39	38,504

24 Investments in joint ventures

The table below summarises the movements in the carrying amount of the Group's investment in joint ventures:

<i>In millions of Kazakhstani Tenge</i>	2023	2022
Carrying value at 1 January	44,208	37,803
Share of results of joint ventures	22,336	13,340
Dividends received from joint ventures	(9,959)	(6,935)
Carrying value at 31 December	56,585	44,208

The Group's interests in its principal joint ventures were as follows:

	Country of incorporation	Principal activity	2023		2022	
			% ownership interest held	Carrying value in millions of Tenge	% ownership interest held	Carrying value in millions of Tenge
Semizbay-U LLP	Kazakhstan	Extraction, processing and export of uranium products	51.00%	31,318	51.00%	28,252
SKZ-U LLP	Kazakhstan	Production of sulphuric acid	49.00%	8,377	49.00%	6,493
JV Budenovskoe LLP	Kazakhstan	Extraction, processing and export of uranium products	51.00%	7,169	51.00%	5,428
Ulba-FA LLP	Kazakhstan	Production of fuel assemblies and their components	51.00%	6,634	51.00%	957
Uranenergo LLP	Kazakhstan	Transfer and distribution of electricity, grid operations	79.23%	3,087	79.23%	3,078
JV UKR TVS CJSC	Ukraine	Production of nuclear fuel	33.33%	-	33.33%	-
Total investments in joint ventures				56,585		44,208

Uranenergo LLP

Management concluded that the Group does not have the ability to exercise control over Uranenergo LLP. Accordingly, this investment is classified as an investment in a joint venture.

24 Investments in joint ventures (continued)

Summarised financial information on respect of the Group's material joint ventures is set out below. The summarised financial information below represents amounts shown in the joint ventures' financial statements prepared in accordance with IFRS, adjusted by the Group for equity accounting purposes.

<i>In millions of Kazakhstani Tenge</i>	Semizbay-U LLP		JV Budenovskoe LLP		Ulba-FA LLP		Other		Total	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Current assets	52,012	37,976	20,593	153	241,991	121,989	4,290	5,121	318,886	165,239
Including cash	29,571	18,725	11,885	114	739	19,791	338	1,164	42,533	39,794
Non-current assets	31,061	25,111	43,310	28,801	20,756	26,142	24,445	24,808	119,572	104,862
Total assets	83,073	63,087	63,903	28,954	262,747	148,131	28,735	29,929	438,458	270,101
Current liabilities	(11,512)	(6,153)	(11,936)	(1,079)	(213,927)	(92,883)	(4,095)	(9,675)	(241,470)	(109,790)
Including financial liabilities net of trade and other accounts payable and provisions	(3,646)	(66)	(6,617)	(31)	(11,318)	(4,147)	-	(3,219)	(21,581)	(7,463)
Non-current liabilities	(7,677)	(6,100)	(23,759)	(5,320)	(35,812)	(53,373)	(2,886)	(2,354)	(70,134)	(67,147)
Including financial liabilities net of trade and other accounts payable and provisions	-	-	(22,633)	(5,123)	(20,182)	(30,818)	-	-	(42,815)	(35,941)
Total liabilities	(19,189)	(12,253)	(35,695)	(6,399)	(249,739)	(146,256)	(6,981)	(12,029)	(311,604)	(176,937)
Net assets	63,884	50,834	28,208	22,555	13,008	1,875	21,754	17,900	126,854	93,164
Group's share of net assets of joint ventures	32,581	25,925	14,387	11,503	6,634	957	12,104	10,213	65,706	48,598
Goodwill	4,105	4,105	-	-	-	-	(1,374)	(1,374)	2,731	2,731
Impairment losses	-	-	-	-	-	-	(21)	(21)	(21)	(21)
Other	131	149	(1,258)	(115)	-	-	755	753	(372)	787
Unrealised gain	-	-	(5,960)	(5,960)	-	-	-	-	(5,960)	(5,960)
Unrealised profit	(5,499)	(1,927)	-	-	-	-	-	-	(5,499)	(1,927)

Carrying value of investments in joint ventures	31,318	28,252	7,169	5,428	6,634	957	11,464	9,571	56,585	44,208
Total revenue	70,757	55,660	8,542	-	114,004	22,929	17,072	15,708	210,375	94,297
Depreciation and amortisation	(7,994)	(5,758)	(245)	(13)	(1,160)	(292)	(1,449)	(1,342)	(10,848)	(7,405)
Finance income	712	498	150	4	1,300	35	50	11	2,212	548
Finance costs	(838)	(501)	(1,139)	(252)	(1,423)	(1,489)	(51)	(119)	(3,451)	(2,361)
Foreign exchange gain/(loss)	(208)	807	(176)	(98)	-	(2,374)	110	(455)	(274)	(2,120)
Impairment losses	(218)	(387)	10	(40)	-	(1)	(15)	(5)	(223)	(433)
Income tax	(8,506)	(6,243)	(1,164)	(149)	(317)	(425)	(1,025)	(792)	(11,012)	(7,609)
Profit/(loss) for the year	32,542	25,215	3,413	(1,261)	11,132	(3,428)	3,857	3,098	50,944	23,624
Other comprehensive income/(loss)	-	-	-	-	-	-	-	-	-	-
Total comprehensive income/(loss)	32,542	25,215	3,413	(1,261)	11,132	(3,428)	3,857	3,098	50,944	23,624
Unrealised profit	(3,572)	1,382	-	-	-	-	-	-	(3,572)	1,382
Share of results of joint ventures	13,025	14,242	1,741	(643)	5,677	(1,749)	1,893	1,490	22,336	13,340
Dividends received	9,959	6,935	-	-	-	-	-	-	9,959	6,935

25 Accounts receivable

<i>In millions of Kazakhstani Tenge</i>	2023	2022
Trade accounts receivable	290,094	251,697
Trade accounts receivable from related parties	57,917	7,024
Total gross trade accounts receivable	348,011	258,721
Provision for impairment of trade receivables (Note 11)	(15,901)	(87)
Provision for impairment of trade receivables from related parties	(74)	(3)
Total trade accounts receivable	332,036	258,631
Other accounts receivable	98,374	12,389
Other accounts receivable from related parties	115	81
Total gross other accounts receivable	98,489	12,470
Provision for impairment of other receivables	(204)	(180)
Provision for impairment of other receivables from related parties	(2)	-
Total other accounts receivable	98,283	12,290
Total accounts receivable	430,319	270,921

Increase in accounts receivable balance is explained by:

- Increase of trade accounts receivable in line with revenue increase;
- Increase in sales volumes to Ulba-FA LLP;
- Other receivables expected under swap transactions (Note 7).

Material accounting policies and significant judgements

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due within 12 months period and are therefore all classified as current. Trade receivables are recognised initially at the amount of consideration that is unconditional, unless they contain significant financing components, when they are recognised at fair value. The Group holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. Details about the Group's impairment policies and the calculation of the loss allowance are provided in Note 38.

Other receivables are recognised initially at fair value and are subsequently carried at amortised cost using the effective interest method. Those are mainly current receivables other than those for goods sold or services performed. As of 31 December 2023 other receivables include amounts from swap operations (Note 7).

Information on the Group's exposure to credit and currency risks and provision for impairment for accounts receivable is disclosed in Note 38.

26 Other financial assets

<i>In millions of Kazakhstani Tenge</i>	2023	2022
Non-current assets		
Restricted cash	30,588	29,044
Investment in ANU Energy	30,667	17,066
Long-term debt securities	12,257	9,202
Loans to related parties	-	2,536
Other	2,361	1,523
Total other non-current assets	75,873	59,371
Current assets		
Short-term debt securities	46,276	72
Loans to related parties	2,502	3,491
Restricted cash	191	15,923
Term deposit	8	930
Other	430	262
Total other current assets	49,407	20,678

Restricted cash

In accordance with the terms of its subsoil use contracts, the Group transfers cash to long-term bank deposits to finance future site restoration activities. As at 31 December 2023 the balance of restricted cash held in long-term bank deposits related to financing of future site restoration activities was Tenge 30,588 million (2022: Tenge 29,044 million).

At December 31, 2022, current restricted cash balance includes blocked payments of US Dollars 32.3 million (equivalent to Tenge 14,956 million), which were returned to the Group on January 30, 2023 in the amount of Tenge 14,884 million (including foreign exchange differences).

Investments in ANU Energy

On 22 November 2021 the Group invested US Dollar 24.25 million (equivalent to Tenge 12,368 million) in shares of ANU Energy OEIC Ltd together with other state-owned entities and entities under common control of SWF Samruk-Kazyna JSC in equal ownership shares of 32.7%. The purpose of ANU Energy OEIC Ltd. is to store physical uranium as a long-term investment. Management of ANU Energy OEIC Ltd. is performed by a third party in accordance with trust management agreement. The Group recognises investment at fair value through profit or loss. The fair value is determined based on the fair value of uranium spot prices (Note 39).

The Group has recognised gain from revaluation of other investments of Tenge 13,658 million (2022: Tenge 4,699 million) (Note 15). As of 31 December 2023 the fair value of investment in ANU Energy OEIC Ltd. was Tenge 30,667 million (2022: Tenge 17,066 million).

Debt securities

On May 12, 2022, in order to diversify its treasury portfolio, the Group invested in Eurobonds issued by Development Bank of Kazakhstan JSC, in the amount of 19.9 million US Dollars, or Tenge 8,804 million with a maturity of 3 years and a coupon rate of 5.75%. The bonds are measured at amortised cost. On December 8, 2023 the Group invested in bonds issued by the Eurasian Development Bank in the amount of US Dollars 7.1 million or Tenge 3,259 million with a maturity of 3 years and a coupon rate of 5.72%. Bonds are valued at amortised cost. As at December 31, 2023, the amount of long-term investments is equal to Tenge 12,257 million including foreign exchange differences.

As at December 31 2023 current debt securities include Tenge 46,276 million of investment in US Treasury bills with 84 days duration.

27 Other non-financial assets

<i>In millions of Kazakhstani Tenge</i>	2023	2022
Non-current		
Long-term inventories	12,226	7,299
VAT recoverable	6,253	8,725
Advances for non-current assets	3,397	1,782
Investment property	2,010	2,046
Prepaid expenses	692	789
Other assets to related parties	291	415
Other assets	102	223
Total other non-current assets	24,971	21,279
Current		
Advances for goods and services	11,722	11,085
Prepaid expenses	2,618	2,059
Other assets to related parties	2,774	3,834
Prepaid insurance	623	1,309
Prepaid taxes other than income tax	221	443
Other assets	1,440	544
Total other current assets	19,398	19,274

Value added tax

Value added tax (VAT) related to sales is payable to the tax authorities when goods are shipped, or services are rendered. Purchase VAT can be offset against sales VAT upon the receipt of a tax invoice from a supplier. Tax legislation allows the settlement of VAT on a net basis. Accordingly, VAT related to sales and purchases unsettled at the reporting date is stated in the consolidated statements of financial position on a net basis separately for each consolidated entity.

As at 31 December 2023, VAT recoverable by the Group amounted to Tenge 146,450 million (2022: Tenge 62,389 million). The Group expects that this amount will be confirmed for return by tax authorities in the first half of 2024. VAT confirmed by tax audits is subject to refund from the budget by transfer to a current account or by offset.

Recoverable VAT is classified as non-current if its settlement is not expected within one year after the reporting period. Non-current VAT is not discounted.

Material accounting policies and significant judgements

Advances are carried at cost less provision for impairment. Advances are classified as non-current when the goods or services relating to the prepayment are expected to be obtained after one year, or when the advances relate to an asset which will itself be classified as non-current upon initial recognition. Advances for assets are transferred to the carrying amount of the asset once the Group has obtained control of the asset and it is probable that future economic benefits associated with the asset will flow to the Group.

Other advances are written off to profit or loss when the goods or services relating to the prepayments are received. If there is an indication that the assets, goods or services relating to an advance will not be received, the carrying value of the advance is written down accordingly and a corresponding impairment loss is recognised in profit or loss for the year. Non-current advances are not discounted.

28 Inventories

<i>In millions of Kazakhstani Tenge</i>	2023	2022
Finished goods and goods for resale	331,494	296,833
<i>Including uranium products</i>	328,015	295,051
Work-in-process	62,496	54,016
Raw materials	26,451	34,831
Other materials	2,793	7,486
Fuel	1,800	1,488
Spare parts	1,233	989
Provision for obsolescence and write-down to net realisable value	(2,953)	(3,022)
Total inventories	423,314	392,621

Movements in the provision for obsolescence are as follows:

<i>In millions of Kazakhstani Tenge</i>	2023	2022
Balance at 1 January	(3,022)	(3,250)
Reversal of provision during the year	302	1,011
Inventory write off during the year	534	77
Accrual of provision during the year	(767)	(821)
Translation of foreign currency	-	(39)
Balance at 31 December	(2,953)	(3,022)

Inventories are recorded at the lower of cost and net realisable value. The cost of inventory is determined on the weighted average basis.

29 Cash and cash equivalents

<i>In millions of Kazakhstani Tenge</i>	2023	2022
Demand deposits	108,717	38,274
Current bank accounts	93,701	131,260
Cash in the form of reverse repurchase transactions	9,506	-
Cash in hand	4	14
Provision for impairment	(16)	(12)
Total cash and cash equivalents	211,912	169,536

Significant non-cash transactions include settlement of cash transfers with Uranium Enrichment Center JSC for Tenge 47,862 million (Note 7).

Material accounting policies and significant judgements

Cash and cash equivalents include cash in hand, deposits held at call with banks, and bank deposits with original maturities of three months or less. Cash and cash equivalents are carried at amortised cost because: (i) they are held for collection of contractual cash flows and those cash flows represent SPPI, and (ii) they are not designated at FVTPL. Restricted balances are excluded from cash and cash equivalents. Balances restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period are included in other non-current assets.

Cash and cash equivalents also include transactions under reverse repurchase transaction with highly liquid government securities received as a pledge with the agreement to sell them within 1 to 30 days.

Reverse repo transactions are readily convertible to cash and cash equivalents and are subject to insignificant risk of changes in value.

30 Share capital

At 31 December 2023 the total number of authorised and paid ordinary shares is 259,356,608 (2022: 259,356,608) of which 75% is owned by SWF Samruk-Kazyna JSC and 25% of the shares/GDRs are freely floated with listing on the Astana International Exchange (AIX) and the London Stock Exchange (LSE). One GDR represents a share in one share. Each ordinary share carries the right to one vote. Registered share capital is Tenge 37,051 million.

Dividends declared and paid during the year were as follows:

<i>In millions of Kazakhstani Tenge</i>	2023	2022
Dividends payable at 1 January	-	-
Dividends declared during the year	200,970	227,388
Dividends paid during the year	(200,970)	(227,388)
	-	-
Dividends payable at 31 December		
Dividends declared during the year per share, in Tenge	775	877

Material accounting policies and significant judgements

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds. Any excess of the fair value of consideration received over the par value of shares issued is recorded as share premium in equity. Additional paid-in capital primarily represents capital contributions made by non-controlling interests in excess of their ownership.

31 Loans and borrowings

<i>In millions of Kazakhstani Tenge</i>	2023	2022
Non-current		
Bonds	-	83,300
Total non-current loans and borrowings	-	83,300
Current		
Promissory notes issued	3,506	7,002
Bonds	82,746	24,016
Bank loans	-	23,953
Total current loans and borrowings	86,252	54,971
Total loans and borrowings	86,252	138,271

31 Loans and borrowings (continued)

Information about the Group's loans and borrowings is presented as follows:

<i>In millions of Kazakhstani Tenge</i>	Currency	Maturity	2023	2022
Bank loans				
Fortebank JSC	US Dollar	2023	-	23,202
Halyk Bank JSC	Tenge	2023	-	751
Total bank loans			-	23,953
Bonds				
Bonds	US Dollar	2024, 2023	82,746	107,316
Total bonds			82,746	107,316
Promissory notes issued				
Kyzylkum LLP	Tenge	on demand	3,506	7,002
Total promissory notes issued			3,506	7,002

The company placed US Dollar-indexed bonds on 27 September 2019 with a maturity of 27 October 2024 and a coupon of 4% per annum. The nominal value of one bond is Tenge 1,000, total volume is 70 million. Promissory notes were issued by a subsidiary of the Group JV Khorasan-U LLP in December 2014 to repay amounts owing for mine development assets. According to the terms, the promissory notes are payable on demand at an interest rate of 0.1%. As at 31 December 2023, the right of claim under these promissory notes belongs to Kyzylkum LLP, an associate of the Group (Note 6).

As at 31 December 2022, current bank loans included loans from Forte Bank JSC in the amount of Tenge 23,202 million and Halyk Bank of Kazakhstan JSC in the amount of Tenge 751 million. Also, during the reporting period, the Group received a loan from Forte bank JSC in the amount of Tenge 22,358 million. Bank loans that were received to cover short-term liquidity shortages, were repaid as at the reporting date and the repayment amount was Tenge 46,808 million. Additionally, the Group made a partial repayment of promissory notes in the amount of Tenge 3,500 million and bonds in the amount of Tenge 23,217 million.

The Group's loans and borrowings were unsecured. In 2023, the Group's weighted average interest rate on fixed interest rate loans was 3.81% (2022: 3.62%).

31 Loans and borrowings (continued)

Reconciliation of debt

The table below shows an analysis of the debt amount and changes in the Group's liabilities arising from financing activities for each of the periods presented:

<i>In millions Kazakhstani Tenge</i>	Loans and borrowings	Lease liabilities	Total
Debt at 31 December 2021	89,017	291	89,308
Proceeds from loans and borrowings	70,905	-	70,905
Foreign currency translation	4,760	(2)	4,758
Interest accrued	3,689	20	3,709
Repayment	(26,555)	(162)	(26,717)
Interest paid	(3,545)	(25)	(3,570)
Other non-cash changes	-	51	51
Debt at 31 December 2022	138,271	173	138,444
Proceeds from loans and borrowings	22,358	103	22,461
Foreign currency translation	(749)	(4)	(753)
Interest accrued	3,753	17	3,770
Repayment	(73,525)	(42)	(73,567)
Interest paid	(3,856)	(17)	(3,873)
Other non-cash changes	-	(105)	(105)
Debt at 31 December 2023	86,252	125	86,377

Material accounting policies and significant judgements

Borrowings are recognised initially at fair value, net of transaction costs incurred and are subsequently carried at amortized cost using the effective interest method.

31 Provisions

<i>In millions of Kazakhstani Tenge</i>	Compensation for occupational diseases	Environment protection	Site restoration	Other	Total
At 1 January 2022					
Non-current	129	1,261	30,725	77	32,192
Current	67	96	706	-	869
Total	196	1,357	31,431	77	33,061
Provision for the year	45	28	-	197	270
Transfers	-	77	-	(44)	33
Unwinding of discount	19	128	2,745	-	2,892
Provision used	(61)	(10)	-	-	(71)
Change in estimates	-	7,811	3,940	45	11,796
At 31 December 2022					
Non-current	133	9,268	34,074	-	43,475
Current	66	123	4,042	275	4,506
Total	199	9,391	38,116	275	47,981
Provision for the year	17	204	-	16,228	16,449
Transfers	-	-	-	2,380	2,380
Unwinding of discount	23	946	3,884	-	4,853
Provision used	(63)	(47)	(265)	(11,564)	(11,939)
Change in estimates	-	(1,768)	(3,635)	(278)	(5,681)
At 31 December 2023					
Non-current	110	8,604	33,886	2,100	44,700
Current	66	122	4,214	4,941	9,343
Total	176	8,726	38,100	7,041	54,043

Site restoration provision

The nominal cost of site restoration provision as at 31 December 2023 is Tenge 100,955 million (2022: Tenge 84,209 million). The amount of provision for restoration of mine sites was calculated using current prices (the prices effective at the reporting date) for expenditures to be incurred and then inflated using the forecast inflation rate effective for the period until the settlement of restoration.

The change in provision is explained by the updated estimate of radioactive waste disposal amount based on tests performed across all Group mines on pumping and production wells, which resulted in the decrease of the nominal amount. Management believes that such approach gives a more precise information. The natural increase of provision due to inflation and additional operating activities during the year was partially offset by the increase in discount rates. The amount of the provision for environment protection is mainly associated with Ulba Metallurgical Plant JSC. The nominal cost of restoration of liquidation facilities as at 31 December 2023 is Tenge 138,724 million (2022: Tenge 134,438 million).

Other provisions

Taking into account that in 2023 the Group fulfilled its obligation to pay compensation to the state budget for the uranium mined without license in the amount of Tenge 11,404 million (Note 10), the Group accrued a provision to compensate the second participant of MC Ortalyk LLP in the amount of Tenge 4,679 million, or 49% of Tenge 11,404. Depending on the applicability of certain conditions in the Sale and Purchase with

a second participant, the Group may have an obligation to compensate the second participant for unexpected payments to the state budget with regards to prior periods.

32 Provisions (continued)

Material accounting policies and significant judgements

In accordance with environmental legislation and the subsoil use contracts, the Group has a legal obligation to remediate damage caused to the environment from its operations and to decommission its mining assets and landfills and restore landfill sites after closure of mining activities. Provision is made based upon the net present values of estimated site restoration and retirement costs as soon as the obligation arises from past mining activities. The Group estimates the site restoration costs for each mine operated. Estimate provision is charged to the cost of corresponding asset (mine development assets or property, plant and equipment) in the reporting period when an obligation arises from past operating activity performed.

Provisions for asset retirement obligations do not include any additional obligations which are expected to arise from future disturbances. The cost estimates are calculated annually during the course of the operations to reflect known developments, including updated cost estimates revised subsoil use terms and estimated lives of operations, and are subject to formal reviews on a regular basis. The amortisation or “unwinding” of the discount applied in establishing the net present value of provisions is charged to profit and loss in each reporting period. The amortisation of the discount is disclosed as finance costs. In view of the long-term nature of provisions, there is uncertainty concerning the actual amount of expenses that will be incurred in performing site restoration activities for each mine. Changes in estimates occur due to annual revision of costs for site liquidation including newly drilled wells, sand traps and other facilities subject to subsequent liquidation.

Provision for asset retirement obligations (estimates)

Site restoration

The provision for asset retirement obligations is estimated based upon the Group’s interpretation of current environmental legislation in the Republic of Kazakhstan and the Group’s related programme for liquidation of subsurface use consequences on the contracted territory and other operations supported by the feasibility study and engineering research in accordance with the applicable restoration and retirement standards and techniques.

Provisions for asset retirement obligations are subject to potential changes in environmental regulatory requirements and the interpretation of the legislation. Provisions are recognised when there is a certainty of incurring of such liabilities and when it is possible to measure the amounts reliably. The scope of work stipulated by the legislation and included in the calculations of the asset retirement obligations contains the dismantling of facilities and infrastructure (pumping, injection and observation wells, technological units for acidification and distribution of solutions, pipelines, access roads, technological sites, landfills, buildings and other facilities) and subsequent restoration of land.

The calculation of the provision for production assets retirement as of 31 December 2023 was performed by the Group’s internal specialists and reviewed by an independent consultant.

Principal assumptions used in the estimations include:

- a discount rate that reflects the current market estimates of the time value of money and those risks specific to the liability not reflected in the best estimate of the costs. The discount rate is based on a risk-free rate determined by reference to the interest rate on government bonds with maturity matching the period of the Group’s each subsoil use contract, range of 11.7% - 13.3% (2022: average 11.55%);
- long-term inflation rate applied to the nominal costs calculated at current prices of 4.01% - 6.39% in 2023 (2022: average 5.99%);
- discounting period in accordance with the estimated life of mines and reserves depletion period;
- low radioactive waste management program assumes removal and disposal at special landfills owned by the Group.

Sensitivity analysis of the principal assumptions as at 31 December 2023 is as follows:

<i>In millions of Kazakhstani Tenge</i>	(Decrease)/Increase of assumptions	(Decrease)/Increase of decommissioning provisions
Inflation rate	-1%	(4,640)
	+1%	3,993
Discount rate	-1%	4,348
	+1%	(3,714)

32 Provisions (continued)

Sensitivity analysis of the principal assumptions as at 31 December 2022 is as follows:

<i>In millions of Kazakhstani Tenge</i>	(Decrease)/Increase of assumptions	(Decrease)/Increase of decommissioning provisions
Inflation rate	-1%	(4,469)
	+1%	5,288
Discount rate	-1%	5,052
	+1%	(4,229)

Provision for environment protection

In 2021 the Ecological Code of the Republic of Kazakhstan (the Code) came into effect. The Code stipulates that operators of assets that are considered to have a negative impact on the environment have an obligation to decommission such assets in accordance with the requirements of the legislation. Liquidation measures will depend on the assets' nature and the degree of their impact on the environment.

Based on the analysis carried out by the Group's specialists, as well as based on the interpretation of current environmental legislation and IFRS requirements, in 2022 the Group recognised an obligation to decommission, dismantle and reclaim the Group's facilities.

The liability for decommissioning, dismantling and reclamation was assessed and recognised in relation to the following facilities: facilities classified as category I (facilities that have a significant negative impact on the environment): JSC Ulba Metallurgical Plant site in Ust-Kamenogorsk, as well as assets technologically related to them and located on the territory of the industrial site. The Group assessed liquidation obligations based on the methodology approved by the Environmental Code.

Principal assumptions used in the estimations include:

- current prices are inflated using the expected long-term inflation rate of 6.39% for assets with liquidation term until 2027, 4.49% for assets with liquidation term until 2042, 3.76% for assets with liquidation term after 2044 (2022: 7.7% for assets with liquidation term until 2027, 4.6% for assets with liquidation term until 2042, 3.93% for assets with liquidation term after 2044), and subsequently discounted;
- the discount rate for calculation of the provision as of 31 December 2023 is 13.3% for assets with liquidation term until 2027, 12.15% for assets with liquidation term until 2042, 10.36% for assets with liquidation term after 2044. (31 December 2022: 14.4% for assets with liquidation term until 2027, 11.3% for assets with liquidation term until 2042, 10% for assets with liquidation term after 2044);
- the discounting period equates to the remaining useful life of buildings and constructions, of not less than 50 years. All buildings and constructions are subject to annual technical reviews to determine required capital and operating expenditure requirements.

Sensitivity analysis of the principal assumptions as at 31 December 2023 is as follows:

<i>In millions of Kazakhstani Tenge</i>	(Decrease)/Increase of assumptions	(Decrease)/Increase of decommissioning provisions
Inflation rate	-1%	(2,762)
	+1%	4,300
Discount rate	-1%	4,028
	+1%	(2,608)
Discount period	-10%	2,642
	+10%	(1,970)

32 Provisions (continued)

Sensitivity analysis of the principal assumptions as at 31 December 2022 is as follows:

<i>In millions of Kazakhstani Tenge</i>	(Decrease)/Increase of assumptions	(Decrease)/Increase of decommissioning provisions
Inflation rate	-1%	(3,148)
	+1%	4,950
Discount rate	-1%	4,665
	+1%	(2,986)
Discount period	-10%	2,682
	+10%	(2,044)

Based on the Group's analysis of current regulation, management concluded that certain other Ulba metallurgical plant's assets should be excluded from asset retirement obligations as at 31 December 2023 since there is no reasonable calculation method for these types of assets and/or the potential amount of such liabilities is not significant. This judgement is based on the following:

- such assets do not have a significant negative impact on the environment and ecological legislation does not require financial provision for the assets;
- production processes involving these assets do not lead to consequences that would require dismantlement and recultivation works to mitigate the negative environmental impact.

As the requirements of the Environmental Code are relatively new, there is no practice of applying these requirements and there are ambiguities in the legislation, management has applied significant judgment in terms of assessing liabilities and their amounts. In case of changes in environmental legislation, its interpretation and practice of its application, as well as in the judgments and in the Group's estimates, such liabilities may be revised in the future.

Refer to Note 35 for details of the Group's provisions on Environmental Code at 31 December 2023.

Key assumptions which serve as the basis for determining the carrying value of the provision for restoration of mine sites provision are as follows:

- there is a high probability that the Group will proceed to development and production stages for its fields which are currently under exploration. This creates a constructive obligation for the Group to recognise a site restoration provision for all mining and exploration licenses;
- the expected term for future cash outflows for the mine sites is based on the life of the mines. A substantial part of the expenditures is expected to occur starting from 2045, at the end of the expected life of the mines.

33 Accounts payable

<i>In millions of Kazakhstani Tenge</i>	2023	2022
Trade accounts payable	91,532	39,794
Trade accounts payable to related parties	83,857	58,668
Total trade accounts payable	175,389	98,462
Other accounts payable	622	346
Other accounts payable to related parties	-	1
Total other accounts payable	622	347
Total accounts payable	176,011	98,809

The Group's exposure to currency and liquidity risk related to trade and other payables is disclosed in Note 38.

Material accounting policies and significant judgements

Trade payables are accrued when the counterparty performs its obligations under the contract and are recognised initially at fair value and subsequently carried at amortised cost using the effective interest method.

34 Other liabilities

<i>In millions of Kazakhstani Tenge</i>	2023	2022
Non-current		
Liabilities under contracts with customers	2,698	2,746
Advances received	2,275	2,276
Deferred income from subsidies received	1,725	1,820
Other	849	2,471
Total non-current other liabilities	7,547	9,313
Current		
Liabilities under inventory loan agreements	91,151	19,147
Accrued unused vacation payments and bonuses	13,175	11,453
Liabilities under contracts with customers from related parties	2,818	35,082
Tender participation guarantee	2,748	735
Wages and salaries payable	2,719	2,420
Social contributions payable	2,135	1,795
Issued financial guarantees	863	653
Liabilities under uranium swap contracts (Note 7)	-	4,709
Joint operations liabilities	-	4,569
Other	812	3,320
Total current other liabilities	116,421	83,883

Liabilities under inventory loan agreements

In 2020, the Group received uranium hexofluoride under inventory loan agreements for the total amount of US Dollars 21.9 million (Tenge 8,597 million) to fulfill the obligations under one of the sales agreement. Liabilities were subsequently measured at fair value in accordance with changes in uranium spot prices and exchange rates. In 2023 the Group returned uranium under inventory loan agreements by purchasing it from third party.

The Group borrowed 886 tones of natural uranium from ANU Energy OEIC Ltd. due for return at 31 December 2023. In December 2023 the Group has returned 38 tones and extended the due date of agreement until the end of March 2024. As at December 31, 2023 the fair value of liability under inventory loan agreement was Tenge 91,151 million, revaluation loss for the year amounted to Tenge 37,977 million (Note 13).

Uranium loans are part of the Group's normal inventory management policy, required to mitigate logistical risks that could affect the timely delivery of Kazakhstani uranium to Western conversion enterprises due to heightened geopolitical instability. The Group enters into inventory loan agreements, according to which one party (the lender) undertakes to provide the other party (the borrower) with products, and the borrower obliges to return to the lender an identical amount of uranium products. The Group obtains inventory loans to facilitate the performance of its uranium supply obligations. The Group classifies inventory loans received as a non-financial liability.

Upon receipt of the inventory loan, the Group accounts for the inventory at the contracted cost. Liability arising from inventory loan are recognised as part of other liabilities at the fair value of the uranium products

at the reporting date. Subsequent revaluation of the inventory loan is carried out through profit or loss as part of other income/expenses in accordance with changes in the fair value of uranium products.

Joint operations liabilities

As at 31 December 2023, joint operations liabilities represent obligations of the Group under the terms of the joint operations contractual agreements that require equal volumes of uranium to be purchased during the period by the participants. In 2023, the Group repurchased the 2023 volume in full, as well as the corresponding volume of the previous period.

35 Contingencies and commitments

Compliance with Kazakhstan Tax legislation

The tax environment in the Republic of Kazakhstan is subject to change and inconsistent application and interpretations.

Kazakhstani tax legislation and practice is in a state of continuous development, and therefore is subject to varying interpretations and frequent changes, which may be retroactive. Tax periods remain open to retroactive review by the Kazakhstan tax authorities for five years.

The Group's management believes that its interpretation of the relevant legislation is appropriate and the Group's tax positions will be sustained. In the opinion of the Group's management, no material losses will be incurred in respect of existing and potential tax claims in excess of provision or disclosures that have been made in these consolidated financial statements.

Compliance with subsoil use contractual obligations

In accordance with the terms of the subsoil use contracts, the Group mining entities are required to comply with the obligations specified therein. Failure to comply with the conditions stipulated by subsoil use contracts may lead to negative consequences, including termination of contracts, fines and penalties. Under current subsoil use legislation, the payment of penalty does not relieve subsurface user from fulfillment of obligations under subsoil use contracts.

As at December 31, 2023, at some enterprises, the underproduction of uranium exceeds the legally allowed threshold of 20%, which is associated with a shortage of strategic materials. In addition, mining enterprises failed to meet their financial obligations under subsoil use contracts, which could result in penalties of 1% of the defaulted obligation in the amount of Tenge 40-50 million for 2023. The Group has not recognised additional liabilities in the financial statements as at 31 December 2023 as it plans to settle financial liabilities in future periods in accordance with revised work programs.

Insurance

The Kazakhstani insurance industry is in development stage, and many forms of insurance protection common in other countries are not yet available. Since 2021, the Corporate Property Insurance Program of the Company's enterprises has been implemented against the "risks" of death, loss or damage as a result of accidental and unforeseen direct physical impact (excluding equipment breakdown/failure and interruption in production).

The Group does not have full insurance coverage for risks related to mining activities and production facilities, including for damages caused by the stoppage of production or obligations incurred to third parties in connection with damages caused to the property or the environment resulting from accidents or operations.

The Group provides directors and officers liability insurance, which cover for the Company's managers to protect them from claims which may arise from decisions and actions taken ("alleged wrongful acts") within the scope of their regular duties. The terms of the policy prohibit disclosure of the amount of the insurance coverage.

Environmental obligations

In 2021, a new Environmental Code (hereinafter referred to as the "Code") came into force. The Code provides for the division of objects that have a negative impact on the environment into four categories, depending on their level of impact, which implies the differentiation of environmental requirements for each of the categories. Operators of facilities that have a negative impact on the environment have obligations to eliminate the consequences of the operation of facilities in accordance with the requirements of the legislation of the Republic of Kazakhstan.

The changes in the Code mainly affected non-mining companies of the first category, which include: Ulba Metallurgical Plant JSC, SSAP LLP, SKZ-U LLP and Kyzylkum LLP. Following detailed technical and commercial assessments during the current year, the Group recognized in 2022 obligations to remediate the consequences of the operation of facilities (Note 32).

35 Contingencies and commitments (continued)

Under the current version of the Code, the Group has an obligation to provide financial security to eliminate the consequences of Category I facilities by July 1, 2024. Financial support is provided in the form of: guarantee; pledge of a bank deposit; pledge of property; insurance. Financial security is provided in one of several types of financial security listed above, or in a combination of them at the choice of the operator of a category I facility, provided that the share of financial security in the form of a bank deposit pledge must be:

- 1) after ten years from the date of commissioning of the facility (for existing facilities as at July 1, 2021 until 2031) – at least fifty percent of the total amount of financial support;
- 2) after twenty years from the date of commissioning of the facility for existing facilities as at July 1, 2021 until 2041 – one hundred percent of the total amount of financial support. The operator of category I facility is obliged to ensure the availability of financial security continuously until all its obligations to eliminate the consequences of the operation of such a facility are fully fulfilled.

The amount of financial support is determined in accordance with the methodology approved by the authorized body in the field of environmental protection, based on the estimated cost of work to eliminate the consequences of operating a category I facility, and is subject to recalculation every seven years. According to the Group's calculations, the future cost (undiscounted) of measures to eliminate the consequences of the operation of facilities at Ulba Metallurgical Plant JSC amounted to Tenge 138,724 million.

As at December 31, 2023, the estimated amount of financial support is Tenge 179,623 million. As part of discussions with representatives of the Ministry of Environment, the Group's management understands that changes will be made to the legislation, in accordance with which the conditions and terms for providing financial support will be revised.

The Management of the Group is currently in discussions with the competent authorities regarding the method and timing of funding the liability.

As a result of the assessment of liabilities, non-mining enterprises of categories II-IV did not have significant obligations as at the reporting date.

Guarantees

Guarantees are irrevocable assurances that the Group will make payments in the event that another party cannot meet its obligations. The maximum exposure to credit risk under financial guarantees provided to secure financing of certain related parties at 31 December 2023 is Tenge 16,096 million (2022: Tenge 18,937 million) (Note 6).

Compliance with covenants

The Group is subject to certain covenants related primarily to its liabilities under credit lines and guarantee agreements. The Group complied with all applicable covenants as at 31 December 2023 and 31 December 2022 and during the periods then ended.

Legal proceedings

On 23 July 2021, the Fund for the Protection of the Rights of Investors in Foreign Countries (hereinafter referred to as the Fund), to which the rights of claim were assigned by Quorum Debt Management Group, filed a lawsuit with the Arbitration Court of the Irkutsk Region, Russia, demanding the recovery of funds from the Company in the amount of US Dollars 50,000,000 under a Framework Agreement (support for asset recovery activities) dated 25 December 2013, which was expired on 26 December 2016. By the ruling of the Arbitration Court of the Irkutsk Region dated 31 August 2021, the civil case on the above claim was terminated due to lack of jurisdiction, with which the Company fully agrees, since the agreement provides for jurisdiction under Kazakh procedural legislation. By the decision of the Fourth Arbitration Court of Appeal dated 24 January 2022 and the decision of the Arbitration Court of the East Siberian District dated 24 May 2022, the ruling of the Arbitration Court of the Irkutsk Region dated 31 August 2021 in the above case was left unchanged. However, on 7 December 2022, the Judicial Collegium for Economic Disputes of the Supreme Court of the Russian Federation cancelled the rulings of the Arbitration Court of the Irkutsk Region of 31 August 2021, the rulings of the Fourth Arbitration Court of Appeal of 24 January 2022, and the rulings of the Arbitration Court of the East Siberian District of 24 May 2022 with sending the case for a new trial to

the Arbitration Court of the Irkutsk Region in connection with the jurisdiction of this case by the courts of the Russian Federation.

35 Contingencies and commitments (continued)

On 3 May 2023, the Arbitration Court of the Irkutsk Region ruled to satisfy the claims and recover from the Company in favour of Quorum Debt Management Group LLC (previously the Fund was the claimant in the case) US dollars 50,000,000 of losses, as well as Russian roubles 200,000 for the payment of state duty. The Company believes that the decision of the Judicial Collegium for Economic Disputes of the Supreme Court of the Russian Federation of 7 December 2022 was made with violations and intends to appeal the judicial acts to all higher instances.

The Company filed a supervisory appeal against the decision of the Supreme Court of the Russian Federation dated 7 December 2022. However, by the decision of the Supreme Court of the Russian Federation from 18 April 2023, it was refused to transfer the supervisory appeal for consideration by the Presidium of the Supreme Court of the Russian Federation. Also, at 11 May 2023, the Company filed a complaint addressed to the Chairman of the Supreme Court of the Russian Federation against the rulings of the Supreme Court of the Russian Federation and the refusal to transfer the complaint for consideration by the Presidium of the Supreme Court of the Russian Federation. On 7 July 2023, by letter of the Chairman of the Supreme Court of the Russian Federation, the Company's complaint was denied.

Also, the Company filed an appeal against the decision of the Arbitration Court of the Irkutsk Region dated 3 May 2023, as part of the consideration of the appeal, at 19 October 2023, the Court rejected the Company's appeal and upheld the decision of the Arbitration Court of the Irkutsk Region dated 3 May 2023.

On 1 November 2023, the Company filed a cassation appeal against the Resolution of the Fourth Arbitration Court of Appeal dated 19 October 2023, and the Decision of the Arbitration Court of the Irkutsk Region dated 3 May 2023. On 17 January 2024, the Arbitration Court of the East Siberian District satisfied the Company's cassation appeal, judicial acts of 3 May 2023 and 19 October 2023 were canceled and the case was sent back to the court of the first instance for a new trial. The consideration of the civil case in the Arbitration Court of the Irkutsk Region is scheduled for 26 March 2024. As at 31 December 2023, the Company had not recognised a liability in this litigation.

36 Non-controlling interest

The following table provides information about subsidiaries that have a non-controlling interest as at 31 December 2023:

<i>In millions of Kazakhstani Tenge</i>	Country of incorporation and principal place of business	Ownership rights held by non- controlling interest	Profit or loss attributable to non-controlling interest	Accumulated non-controlling interest
Name				
JV Inkai LLP	Kazakhstan	40%	70,774	160,880
JV Khorasan-U LLP	Kazakhstan	50%	34,668	147,252
Baiken-U LLP	Kazakhstan	47.5%	17,217	94,769
MC Ortalyk LLP	Kazakhstan	49%	28,053	49,826
Appak LLP	Kazakhstan	35%	9,774	19,076
Ulba Metallurgical Plant JSC	Kazakhstan	5.67%	678	8,410
Volkovgeologiya JSC	Kazakhstan	0.66%	(13)	145
Total			161,151	480,358

The following table provides information about subsidiaries that have a non-controlling interest as at 31 December 2022:

<i>In millions of Kazakhstani Tenge</i>	Country of incorporation and principal place of business	Ownership rights held by non- controlling interest	Profit or loss attributable to non-controlling interest	Accumulated non-controlling interest
Name				
JV Inkai LLP	Kazakhstan	40%	48,497	129,891
JV Khorasan-U LLP	Kazakhstan	50%	24,044	112,584
Baiken-U LLP	Kazakhstan	47.5%	17,452	77,558
MC Ortalyk LLP	Kazakhstan	49%	26,195	42,730
Appak LLP	Kazakhstan	35%	8,029	15,449
Ulba Metallurgical Plant JSC	Kazakhstan	5.67%	819	8,088
Volkovgeologiya JSC	Kazakhstan	1.04%	(121)	159
Total			124,915	386,459

36 Non-controlling interest (continued)

The summarised financial information of these subsidiaries is as follows:

<i>In millions of Kazakhstani Tenge</i>	Ulba Metallurgical Plant JSC		Appak LLP		JV Inkai LLP		Baiken-U LLP		JV Khorasan-U LLP		MC Ortalyk LLP		Volkovgeologiya JSC	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Current assets	71,489	112,643	33,041	24,853	201,730	133,314	123,197	86,830	157,370	90,905	62,834	59,750	18,434	9,097
Non-current assets	47,929	42,479	30,467	27,752	208,787	215,967	99,501	102,771	179,207	181,990	52,807	36,564	15,689	11,208
Current liabilities	(12,315)	(57,444)	(5,114)	(4,088)	(14,068)	(11,812)	(6,103)	(6,629)	(11,571)	(14,560)	(8,074)	(4,781)	(20,609)	(15,954)
Non-current liabilities	(13,326)	(14,355)	(3,730)	(4,218)	(31,055)	(34,053)	(16,918)	(19,529)	(30,337)	(33,004)	(5,882)	(4,329)	(5,518)	(162)
Equity, incl. Equity attributable to the Group	93,777	83,323	54,664	44,299	365,394	303,416	199,677	163,443	294,669	225,331	101,685	87,204	7,996	4,189
Non-controlling interest	85,367	75,235	35,587	28,850	204,514	173,525	104,908	85,885	147,416	112,747	51,859	44,474	7,851	4,030
	8,410	8,088	19,077	15,449	160,880	129,891	94,769	77,558	147,253	112,584	49,826	42,730	145	159
Revenue	132,198	121,435	58,056	45,050	240,176	165,966	79,891	74,579	130,789	90,156	125,743	95,240	42,355	29,742
Depreciation and amortisation	(2,281)	(2,066)	(6,240)	(4,084)	(15,858)	(11,812)	(15,667)	(11,921)	(18,617)	(14,823)	(9,063)	(6,490)	(1,764)	(1,503)
<i>Including depreciation and amortisation at fair value arising from business combinations</i>	-	-	-	-	(1,986)	(3,088)	(10,141)	(5,996)	(11,020)	(8,588)	-	-	-	-
Finance income	1,172	855	365	576	465	633	458	619	559	217	402	26,375	124	61
Finance costs	(1,297)	(1,864)	(370)	(428)	(377)	(1,114)	(477)	(244)	(279)	(203)	(440)	(26,469)	(825)	(85)
Income tax expense	(4,119)	(4,165)	(7,023)	(5,688)	(35,323)	(26,047)	(9,067)	(11,082)	(16,061)	(14,162)	(17,378)	(13,982)	(162)	69
<i>Including tax effect of depreciation and amortisation of adjustments to fair value</i>	-	-	-	-	398	616	2,024	1,202	2,204	1,718	-	-	-	-

Net foreign exchange gain	(839)	953	(10)	229	(2,165)	1,542	(404)	529	(1,437)	3,729	(919)	1,686	2	(4)
(Impairment losses)/reversal of impairment losses	(151)	1,054	13	(20)	-	-	31	57	-	-	(37)	(41)	(57)	(18)
Profit for the year	17,639	12,699	27,925	22,940	141,548	96,995	36,247	36,740	69,337	48,089	57,251	53,458	(1,979)	(4,844)
Profit attributable to the owners of the Company	16,961	11,880	18,151	14,911	70,774	48,498	19,030	19,288	34,669	24,045	29,198	27,263	(1,966)	(4,723)
Profit attributable to non-controlling interest	678	819	9,774	8,029	70,774	48,497	17,217	17,452	34,668	24,044	28,053	26,195	(13)	(121)
Profit/(loss) for the year	17,639	12,699	27,925	22,940	141,548	96,995	36,247	36,740	69,337	48,089	57,251	53,458	(1,979)	(4,844)
Other comprehensive income/(loss)	8	(726)	(3)	(7)	-	-	(14)	-	-	-	(4)	(11)	-	(16)
Total comprehensive income/(loss) for the year	17,647	11,973	27,922	22,933	141,548	96,995	36,233	36,740	69,337	48,089	57,247	53,447	(1,979)	(4,860)
Dividends declared to non-controlling interest	358	177	6,145	3,691	39,784	41,727	-	-	-	21,750	20,956	18,316	1	1
Net cash inflow/(outflow) from:														
- operating activities	12,761	9,777	30,424	18,166	96,367	87,391	(8,211)	27,041	(3,861)	48,124	61,431	40,252	1,606	1,719

- investing activities	(3,504)	(2,383)	(10,477)	(10,287)	(13,657)	(10,649)	(7,579)	(7,433)	(13,295)	(13,525)	(23,990)	(12,488)	(6,060)	(3,837)
Including:														
Sale of non-current assets	36	1,252	-	-	-	-	2	45	-	-	-	-	61	3
Acquisition of non-current assets	(3,493)	(3,322)	(10,111)	(8,425)	(13,657)	(10,649)	(8,647)	(6,416)	(13,061)	(12,209)	(23,990)	(11,150)	(6,408)	(3,552)
- financing activities	(7,207)	(4,023)	(17,557)	(10,547)	(79,569)	(75,305)	-	-	(3,500)	(47,000)	(42,773)	(37,382)	9,194	2,791
Net cash inflow/(outflow)	2,050	3,371	2,390	(2,668)	3,141	1,437	(15,790)	19,608	(20,656)	(12,401)	(5,332)	(9,618)	4,740	673

36 Non-controlling interest (continued)

Allocation of profit between the non-controlling interest of JV Inkai LLP and the Group is impacted by the allocation of JV Inkai LLP dividends. The distribution of dividends is made in accordance with the amendment to the agreement between the parties, and is not based on ownership interests. For 2021, dividends were distributed between the non-controlling interest and the Company in the amount of 59.4% and 40.6%, respectively, for 2022 - in the amount of 50% and 50%, respectively, for 2023 - in the amount of 50% and 50%, respectively. This amendment was agreed by the parties to compensate the non-controlling interest for losses due to a 20% reduction in production in 2021-2022. Accordingly, the amount reclassified from profit attributable to the Group to profit attributable to non-controlling interests in 2023 amounted to Tenge 14,155 million (2022: Tenge 9,700 million).

37 Principal subsidiaries

These consolidated financial statements include the following subsidiaries:

	Principal activity	Ownership	
		2023	2022
KAP Technology JSC	Communication services	100%	100%
Qorgan-Security LLP	Security services	100%	100%
Appak LLP	Exploration, production, processing and sale of uranium products	65%	65%
Ulba Metallurgical Plant JSC	Production and processing of uranium materials, production of rare metals and semiconductor materials	94.33%	94.33%
Volkovgeologiya JSC	Exploration and research of uranium reserves, drilling services, monitoring of radiation level and environment conditions	99.34%	98.96%
High Technology Institute LLP	Research, project, development and engineering consulting services	100%	100%
MC Ortalyk LLP	Exploration, production, processing and sale of uranium products	51%	51%
RU-6 LLP	Exploration, production, processing and sale of uranium products	100%	100%
Kazatomprom-SaUran LLP	Exploration, production, processing and sale of uranium products	100%	100%
KAP Logistics LLP	Procurement and transportation services	99.9999%	99.9999%
Kazakatom TH AG	Marketing function for sale of uranium, investment and administration of finances, goods and rights	100%	100%
JV Inkai LLP	Exploration, production, processing and sale of uranium products	60%	60%
Baiken-U LLP	Exploration, production, processing and sale of uranium products	52.5%	52.5%
Taiqonyr Qyshqyl Zauyty LLP	Sulfuric acid production	100%	-

JV Khorasan-U LLP	Exploration, production, processing and sale of uranium products	50%	50%
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Taiqonyr Qyshqyl Zauyty LLP

In March 2023 the Group established a new subsidiary Taiqonyr Qyshqyl Zauyty LLP (hereinafter - the "TQZ LLP") as part of the project for the construction of a sulfuric acid production plant. Considering that sulphuric acid production is not Group's core business, the Group expects to decrease its ownership in TQZ LLP by attracting external investors.

37 Principal subsidiaries (continued)

These consolidated financial statements include the following joint operations:

	Principal activity	Ownership	
		2023	2022
Karatau LLP	Exploration, production, processing and sale of uranium products	50%	50%
JV Akbastau JSC Energy Asia (BVI) Limited (EAL)	Exploration, production, processing and sale of uranium products	50%	50%
	Commercial and investment activities	50%	50%

All entities are incorporated and operate on the territory of the Republic of Kazakhstan, except for Kazakatom TH AG, which is incorporated in Switzerland and EAL that is registered in the British Virgin Islands.

38 Financial risk management

Accounting policies and disclosures in respect of financial instruments are applied to the following classes of financial instruments:

<i>In millions of Kazakhstani Tenge</i>	Note	2023	2022
Financial assets			
Trade accounts receivable	25	332,036	258,631
Demand deposits	29	108,717	38,274
Other accounts receivable	25	98,283	12,290
Current bank accounts	29	93,685	131,248
Investments in debt securities	26	58,533	9,274
Restricted cash	26	30,779	44,967
Investment in ANU Energy	26	30,667	17,066
Reverse repurchase transaction	29	9,506	-
Loans to related parties	26	2,502	6,027
Other		2,803	2,745
Total financial assets		767,511	520,522
Financial liabilities			
Trade and other accounts payable	33	176,011	98,809
Bonds	31	82,746	107,316
Promissory note issued	31	3,506	7,002
Issued financial guarantees	34	1,347	1,286
Preferred shares		265	265
Dividends payable to other participants		260	259
Lease liabilities	31	125	173
Bank loans	31	-	23,953
Total financial liabilities		264,260	239,063

Financial risks are monitored by the Group's risk management function and comprise market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. The objectives of the Group's financial risk management policy are to establish risk limits, and then ensure that exposure to risks stays within these limits. Risk management policies and systems risk management function are regularly analysed for the need of revision due to changes in market conditions and the Group operations. The Group's monitors compliance with approved policies and procedures.

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's policy for management of capital. Further quantitative disclosures are included throughout these consolidated financial statements.

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Management Board has established a Risk Management Committee, which is responsible for developing and monitoring the Group's risk management policies. The committee reports regularly to the Management Board and the Board of Directors on its activities.

38 Financial risk management (continued)

Credit risk

The Group has exposure to credit risk, which is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Exposure to credit risk arises as a result of the Group's sales of products on credit terms and other transactions with counterparties giving rise to financial assets. Financial assets, which potentially expose the Group to credit risk, consist mainly of trade and other receivables, cash and cash equivalents, term deposits, investments in securities and loans to related parties.

The Group's maximum exposure to credit risk by class of assets is reflected in the carrying amounts of financial assets in the statements of financial position and the nominal amount of financial guarantees (Note 34).

The table below shows quality of Group's financial instruments (credit ratings of banks and other counterparties, where available) as at 31 December 2023:

<i>In millions of Kazakhstani Tenge</i>	Rated Standard & Poor's AAA to A-	Rated Standard & Poor's BBB+ to BBB-	Rated Standard & Poor's BB+ to B-	Total
Demand deposits	8	1,498	107,211	108,717
Current bank accounts	88,360	3,443	1,882	93,685
Investment in debt securities	46,276	12,257	-	58,533
Restricted cash	2,288	13,578	14,913	30,779
Reverse repo transaction	-	9,506	-	9,506
Term deposits	-	-	8	8
Total	136,932	40,282	124,014	301,228

The table below shows quality of Group's financial instruments (credit ratings of banks and other counterparties, where available) as at 31 December 2022:

<i>In millions of Kazakhstani Tenge</i>	Rated Standard & Poor's AAA to A-	Rated Standard & Poor's BBB+ to BBB-	Rated Standard & Poor's BB+ to B-	Total
Current bank accounts	33,291	17,183	80,774	131,248
Restricted cash	9,908	2,842	32,217	44,967
Demand deposits	2,968	3,216	32,090	38,274
Investment in debt securities	-	9,274	-	9,274
Term deposits	-	-	946	946
Total	46,167	32,515	146,027	224,709

The Group applies the simplified approach permitted in IFRS 9 to measure expected credit losses which uses a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

The expected loss rates are based on the payment profiles of sales over a period of 24 month before 31 December 2023 or 31 December 2022 respectively and the corresponding historical credit losses experienced within this period. The historical loss rates are not adjusted to reflect forward-looking information on macroeconomic factors because those factors do not significantly affect the risk profile.

38 Financial risk management (continued)

The credit loss allowance for trade receivables is determined according to provision matrix presented in the table below. The provision matrix is based the number of days that an asset is past due. The information as of 31 December 2023 is presented below:

<i>In millions of Kazakhstani Tenge</i>	Loss rate	Gross carrying amount	Lifetime ECL
2023			
Trade receivables			
- current	0.08%	303,425	(242)
- less than 30 days overdue	0.02%	28,834	(6)
- 30 to 90 days overdue	3.85%	26	(1)
- 90 to 180 days overdue	100%	34	(34)
Individually impaired trade receivable (Note 11)	100%	15,692	(15,692)
Total trade receivables (gross carrying amount)		348,011	
Credit loss allowance			(15,975)
Total trade receivables from contracts with customers (carrying amount)		332,036	

The information as of 31 December 2022 is presented below:

<i>In millions of Kazakhstani Tenge</i>	Loss rate	Gross carrying amount	Lifetime ECL
2022			
Trade receivables			
- current	0.03%	258,607	(70)
- less than 30 days overdue	10.53%	38	(4)
- 30 to 90 days overdue	20%	30	(6)
- 90 to 180 days overdue	20%	46	(10)
Total trade receivables (gross carrying amount)		258,721	
Credit loss allowance			(90)
Total trade receivables from contracts with customers (carrying amount)		258,631	

38 Financial risk management (continued)

The following table explains the changes in the credit loss allowance for trade and other receivables between the beginning and the end of 2023 as well as impairment provision for trade and other receivables during 2022:

<i>In millions of Kazakhstani Tenge</i>	Trade accounts receivable	Other accounts receivable
Provision at 1 January 2022	172	106
Provision for the year	90	76
Reversal	(172)	-
Amounts written-off	-	(2)
Provision at 31 December 2022	90	180
Change in estimates	(16)	16
Provision for the year	15,936	70
Reversal	(23)	-
Amounts written-off	(12)	(39)
Provision at 31 December 2023	15,975	227

The Group's exposure to credit risk in respect of trade accounts receivable is influenced mainly by the individual characteristics of each customer. The demographics of the Group's customer base, including the default risk of the industry and country, in which customers operate, has no significant influence on credit risk. The Group is exposed to concentrations of credit risk. Approximately 75% of the Group's revenue for 2023 (84% of trade receivables as at 31 December 2023) is attributable to sales transactions with eleven main customers (2022: 75% of Group's revenues and 84% of trade receivables attributable to seven customers). The Group defines counterparties as having similar characteristics if they are related entities.

The Group applies a credit policy under which each new customer is analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. The Group does not require collateral in respect of trade and other receivables.

The maximum exposure to credit risk for trade receivables at the reporting date by geographic region was:

<i>In millions of Kazakhstani Tenge</i>	2023	2022
Canada	99,217	54,239
China	65,555	143,154
Kazakhstan	58,614	8,100
Russia	45,940	12,989
United Kingdom	24,414	30,712
USA	22,514	8,338
Romania	14,751	-
European Union	469	403
Japan	420	696
Argentina	142	-
Total	332,036	258,631

Credit risk exposure in respect of loans to related parties (Note 26) arises from possibility of non-repayment of loans. For loans to joint ventures and associates, the Group manages the credit risk by requirement to provide collateral in lieu of borrowers' property. Borrowers do not have a credit rating.

38 Financial risk management (continued)

Expected Credit Loss (ECL) measurement

Measurement of ECLs is an estimate that involves determination methodology, models and data inputs. The following components have a major impact on credit loss allowance: definition of default, SICR, probability of default ("PD"), exposure at default ("EAD"), and loss given default ("LGD"), as well as models of macro-economic scenarios. The Group regularly reviews and validates the models and inputs to the models to reduce any differences between expected credit loss estimates and actual credit loss experience of issued loans and guarantees.

The Group used supportable forward-looking information for measurement of ECL, primarily an outcome of its own macro-economic forecasting model. Several assumptions that are easily interpretable can be selected for analysis: GDP growth rate, inflation rate, exchange rate, crude oil price and current economic indicator. Final macroeconomic scenario includes only historically observed values of the inflation rate and the share of overdue loans. Forward-looking information is included in parameters of PD within the horizon of the next year after the reporting date. In addition, to calculate credit losses, the corporate average cumulative default probabilities are updated annually according to S&P's Annual Global Corporate Default Study and Rating.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Group is exposed to daily calls on its available cash resources. Liquidity risk is managed by the treasury department of the Group. Management monitors monthly rolling forecasts of the Group's cash flows.

The Group seeks to maintain a stable funding base primarily consisting of borrowings, trade and other payables and debt securities. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities as they fall due, under both normal and stressful conditions, without incurring unacceptable losses or risking damage to the Group's reputation. The Group invests available cash funds in diversified portfolios of liquid assets, in order to be able to respond quickly to unforeseen liquidity requirements.

The Group ensures that it has sufficient cash on demand to meet expected operational expense or financial obligations which excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

Below is a summary of the Group's undrawn borrowing facilities and available cash and cash equivalents, including current term deposits, which are the important instruments in managing the liquidity risk:

<i>In millions of Kazakhstani Tenge</i>	2023	2022
Undrawn borrowing facilities	115,004	84,665
Current term deposits	108,725	39,204
Current bank accounts	93,685	131,248
Reverse repo transaction	9,506	-
Total	326,920	255,117

The table below shows liabilities at the reporting date by their remaining contractual maturity. The amounts disclosed in the maturity table are the contractual undiscounted cash flows. Such undiscounted cash flows differ from the amount included in the statements of financial position because the statement of financial position amount is based on discounted cash flows.

When the amount payable is not fixed, the amount disclosed is determined by reference to the conditions existing at the end of the reporting period. Foreign currency payments are translated using the spot exchange rate at the end of the reporting period.

38 Financial risk management (continued)

The following are the contractual maturities of financial liabilities at 31 December 2023:

<i>In millions of Kazakhstani Tenge</i>	Carrying value	Contractual cash flows	On demand and less than 1 month	From 1 to 3 months	From 3 months to 1 year	From 1 to 5 years	Over 5 years
Trade and other accounts payable	176,011	176,011	-	176,011	-	-	-
Bonds	82,746	85,440	-	-	85,440	-	-
Promissory notes issued	3,506	3,506	-	3,506	-	-	-
Issued financial guarantees	1,347	16,096	16,096	-	-	-	-
Preferred shares	265	265	-	-	-	265	-
Dividends payable to other participants	260	260	-	-	260	-	-
Lease liabilities	125	202	-	11	32	127	32
Total	264,260	281,780	16,096	179,528	85,732	392	32

The following are the contractual maturities of financial liabilities at 31 December 2022:

<i>In millions of Kazakhstani Tenge</i>	Carrying value	Contractual cash flows	On demand and less than 1 month	From 1 to 3 months	From 3 months to 1 year	From 1 to 5 years	Over 5 years
Bonds	107,316	114,706	-	23,216	861	90,629	-
Trade and other accounts payable	98,809	98,809	-	98,809	-	-	-
Bank loans	23,953	24,161	-	24,161	-	-	-
Promissory notes issued	7,002	7,002	7,002	-	-	-	-
Issued financial guarantees	1,286	18,937	18,937	-	-	-	-
Preferred shares	265	265	-	-	-	265	-
Dividends payable to other participants	259	259	-	-	259	-	-
Lease liabilities	173	259	-	12	38	154	55
Total	239,063	264,398	25,939	146,198	1,158	91,048	55

Market risk

The Group has exposure to market risks. Market risk is the risk that changes in market prices will have a negative impact on the Group's income or the value of its financial instrument holdings. Market risks arise from open positions in (a) foreign currencies, (b) interest bearing assets and liabilities and (c) equity products, all of which are exposed to general and specific market movements. The objective of market risk management is to monitor and control market risk exposures within acceptable limits, while optimising the return on investments. Management sets limits on the value of risk that may be accepted,

which is monitored on a daily basis. However, the use of this approach does not prevent losses outside of these limits in the event of more significant market movements.

Sensitivities to market risks included below are based on a change in a factor while holding all other factors constant. In practice this is unlikely to occur and changes in some of the factors may be correlated – for example, changes in interest rate and changes in foreign currency rates.

Currency risk

The Group is exposed to currency risk on sales, purchases and borrowings which are denominated in currencies other than the functional currency. Borrowings are denominated in currencies that match the cash flows generated by operating entities in the Group. Therefore, in most cases, economic hedging is achieved without derivatives. In respect of other monetary assets and liabilities denominated in foreign currencies, the Group ensures that its net exposure is kept to an acceptable level by planning future expenses taking into consideration the currency of payment. The Group is mainly exposed to the risk of US Dollars currency fluctuations.

38 Financial risk management (continued)

The Group's exposure to currency risk was as follows:

<i>In millions of Kazakhstani Tenge</i>	2023	2022
Denominated in US Dollars		
Trade accounts receivable	210,774	248,201
Current bank accounts	88,168	97,471
Demand deposits	52,287	385
Other investments	42,986	26,487
Other accounts receivable	23,304	7,508
Loans to related parties*	2,502	5,933
Term deposits	-	922
Other assets	855	1,646
Total assets	420,876	388,553
Bonds*	(82,746)	(107,316)
Trade and other accounts payable	(19,666)	(6,350)
Issued financial guarantees	(1,347)	(1,286)
Bank and non-bank loans	-	(23,202)
Total liabilities	(103,759)	(138,154)
Net exposure to currency risk	317,117	250,399

* Loan given to Kyzylkum LLP and bonds are nominated in Tenge but are subject to indexation for changes in US Dollar/Tenge exchange rate.

A 14% weakening and 14% strengthening of Tenge against US Dollar as at 31 December 2023 (2022: 21% weakening and 21% strengthening) would increase/(decrease) equity and profit or loss by the amounts shown below.

<i>In millions of Kazakhstani Tenge</i>	2023	2022
US Dollar strengthening by 14% (2022: 21%)	35,898	42,067
US Dollar weakening by 14% (2022: 21%)	(35,898)	(42,067)

Movements of Tenge against US Dollar above represent reasonably possible changes in market risk estimated by analysing annual standard deviations based on the historical market data for 2023 and 2022.

Price risk on uranium products

The Group is exposed to the effect of fluctuations in the price of uranium, which is quoted in US Dollar on the international markets. The Group prepares an annual budget based on future uranium prices.

Uranium prices historically fluctuate and are affected by numerous factors outside of the Group's control, including, but not limited to:

- demand for uranium used as fuel by nuclear power stations;
- depleting levels of secondary sources such as recycling and blended down highly enriched stocks available to close the gap of the excess demand over supply;
- impact of regulations by the International Agency on Nuclear Energy;
- other factors related specifically to uranium industry.

At the end of the reporting period there was no significant impact of commodity price risk on the Group's financial assets and financial liabilities except for investments in ANU Energy OEIC Ltd. (Note 26).

38 Financial risk management (continued)

A 20% weakening and 20% strengthening of Tenge against spot price as at 31 December 2023 would increase/(decrease) equity and profit or loss by the amounts shown below.

<i>In millions of Kazakhstani Tenge</i>	2023	2022
Spot price increase by 20%	6,224	5,324
Spot price increase by 20%	(6,224)	(5,324)

Interest rate risk

Changes in interest rates impact loans and borrowings by changing either their fair value (fixed rate debt) or their future cash flows (floating rate debt). At the time of raising new loans or borrowings, management uses its judgement to decide whether it believes that a fixed or a floating rate would be more favourable to the Group over the expected period until maturity. As at 31 December 2023 100% (2022: 100%) of the Groups borrowings have a fixed interest rate. At the reporting date, the interest rate profile of the Group's interest-bearing financial instruments was:

<i>In millions of Kazakhstani Tenge</i>	2023	2022
Fixed rate instruments		
Demand deposits	108,717	38,274
Investment in debt securities	58,533	9,274
Restricted cash	30,779	44,967
Reverse repurchase transaction (reverse repo)	9,506	-
Loans to related parties	2,502	6,027
Term deposits	8	946
Bonds	(82,746)	(107,316)
Promissory notes issued	(3,506)	(7,002)
Bank loans	-	(23,953)
Net position	123,793	(38,783)

Fair value sensitivity analysis for fixed rate instruments

The Group has only fixed rate instruments. The Group does not account for any fixed rate financial assets and financial liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss. However, fixed rate financial assets and financial liabilities are exposed to fair value risk from change in interest rates. Reasonably possible changes in interest rates do not significantly affect fair values of those financial assets and financial liabilities.

Capital management

The Group's policy is to maintain a strong capital base so as to safeguard the Group's ability to continue as a going concern, to maintain investor, creditor and market confidence, to provide returns for shareholders, to maintain an optimal capital structure to reduce the cost of capital, and to sustain future development of the business. Capital includes all capital and reserves of the Group as recorded in the consolidated statements of financial position.

The Group may sell uranium for non-military purposes and only to customers residing in countries which signed the Nuclear Non-Proliferation Treaty and are members of the International Agency on Nuclear Energy. In addition, the Group must maintain certain internal qualitative capital management targets based on the Group's consolidated financial information, such as total shareholder return, free cash flow, EBITDA margin.

The Group applies the Policy on borrowings and financial sustainability management, which is aimed to manage financial risks by adopting common principles and rules of debt management and financial sustainability for non-financial organisations. The Group has complied with all externally and internally imposed capital requirements during 2023 and 2022, requirements associated with borrowing facilities.

39 Fair value disclosures

Fair value measurements are analysed by level in the fair value hierarchy as follows: (i) level one are measurements at quoted prices (unadjusted) in active markets for identical assets or liabilities, (ii) level two measurements are valuations techniques with all material inputs observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices), and (iii) level three measurements are valuations not based on observable market data (that is, unobservable inputs). Management applies judgement in categorising financial instruments using the fair value hierarchy. If a fair value measurement uses observable inputs that require significant adjustment, that measurement is a Level 3 measurement. The significance of a valuation input is assessed against the fair value measurement in its entirety.

Financial assets carried at amortised cost

Estimate of all financial assets carried at amortised cost is Level 3 measurement, except for cash and cash equivalents, which is in Level 2. The estimated fair value of fixed interest rate instruments is based on estimated future cash flows expected to be received discounted at current interest rates for new instruments with similar credit risks and remaining maturities. Discount rates used depend on the credit risk of the counterparty.

All financial assets of the Group as at the end of the reporting period are carried at amortised cost except as disclosed below.

Financial assets carried at FVTPL

Financial assets carried at FVTPL include derivative asset and investment in ANU Energy OEIC Ltd. (Note 26) that are recognised at fair value through profit and loss. The Group estimates fair value of investment in ANU Energy OEIC Ltd. as a percentage of Group's owned share multiplied by the fair value of uranium held by the entity as at the date. Fair value measurement falls in Level 2 category. The main inputs used in fair value estimation are spot prices for uranium published by UxConsulting LLP and TradeTech LLP independent nuclear industry's market research and analysis companies. Fair value of a derivative asset is determined based on binominal model with uranium spot price forecasts. This is a Level 3 category.

Liabilities carried at amortised cost

Fair values of other liabilities were determined using valuation techniques. The estimated fair value of fixed interest rate instruments with stated maturities were estimated based on expected cash flows discounted at current interest rates for new instruments with similar credit risks and remaining maturities. The fair value of liabilities repayable on demand or after a notice period ("demandable liabilities") is estimated as the amount payable on demand, discounted from the first date on which the amount could be required to be paid. The weighted average discount rate is 6.83% p.a (2022: 4.94%).

Fair values versus carrying amounts

With the exception of instruments specified in the following table, the Group believes that the carrying value of financial assets and financial liabilities are recognised in the consolidated financial statements approximate their fair value:

<i>In millions of Kazakhstani Tenge</i>	2023		2022	
	Carrying value	Fair value	Carrying value	Fair value
Financial liabilities				
Bonds	82,746	80,924	83,300	82,288
Total	82,746	80,924	83,300	82,288

In assessing fair values, management uses the following major methods and assumptions: (a) for interest free financial liabilities and financial liabilities with fixed interest rate, financial liabilities were discounted at effective interest rate which approximates the market rate; (b) for financial liabilities with

floating interest rate, the fair value is not materially different from the carrying amount because the effect of the time value of money is immaterial.

40 Presentation of financial instruments by measurement category

For the purposes of measurement, IFRS 9 Financial Instruments classifies financial assets into the following categories: (a) financial assets at FVTPL; (b) debt instruments at FVOCI, (c) financial assets at AC. Financial assets at FVTPL have two sub-categories: (i) assets mandatorily measured at FVTPL, and (ii) assets designated as such upon initial recognition or subsequently. All of the Group's financial assets as at the end of reporting period fell into the category AC, except for the financial derivative asset and investment in ANU Energy OEIC Ltd. (Note 26), classified as FVTPL upon initial recognition. All of the Group's financial liabilities were carried at amortised cost.

41 Events after the reporting period

Control over JV Budenovskoe LLP

The Group obtained control over JV Budenovskoe LLP from 1 January 2024 as a result of significant changes in Charter and Foundation agreement that became effective from 1 January 2024. The Group's ownership interest remained the same, 51%. The Group plans to complete the assessment of fair value for the business combination until the end of 2024. The carrying value of JV Budenovskoy LLP's assets and liabilities as of 31 December 2023 are disclosed in Note 24. Also on 11 March 2024, JV Budenovskoye LLP received a loan from the second participant in the amount of Tenge 4,500 million with a repayment period until March 2025.

Addendum to the subsoil use contract of Semizbay-U LLP

Addendum to subsoil use contract for Irkol field that had an expiration date on 4 March 2024, was signed on 28 February 2024 with the new contract date of 2030.

5.14. Glossary

Term	Definition
AIX	Astana International Exchange
ALE	Association of legal entities
AUPC	Automated process control system
BoD	Board of Directors of NAC Kazatomprom JSC
BSA	Behavioural safety audit
CEO	Chief Executive Officer
CGNPC	China General Nuclear Power Corporation
CIS	Commonwealth of Independent States
CJSC	Closed Joint-Stock Company
CO₂	Carbon dioxide
COSO	Internal Control – Integrated Framework
Code	Corporate Governance Code, at entities where over 50 per cent of the shares (equity stakes) are owned directly or indirectly by Sovereign Wealth Fund Samruk-Kazyna JSC
Compliance	A set of initiatives aimed at preventing actions of company employees that are contrary to the law and introducing corporate business ethics based on compliance with the law
Decarbonisation	Transition to a low-carbon economy
EBITDA	Profit before interest, taxes and depreciation
Environment	Environment
Emergencies	Emergency situations
ESAP	Environmental and Social Action Plan
EUP	Enriched uranium product
FA	Fuel assembly
Fund	Sovereign Wealth Fund Samruk-Kazyna Joint-Stock Company
GAC	General and administrative costs
GDP	Global Depositary Receipts
GER	Geological exploration works
GHG	Greenhouse Gases
GHG emission coverage	First (Scope 1) - direct emissions of the enterprise itself Second (Scope 2) - emissions associated with the purchased energy consumed (taking into account the sources of its input: the share of coal-fired plants, hydroelectric power plants, wind farms, etc.). Third (Scope 3) - emissions throughout the entire life cycle of the product (procurement of raw materials and components, delivery, sale, use, disposal of products) and at the stage of employee transport.
GRI	Global Reporting Initiative
Group	Kazatomprom and its consolidated subsidiaries
GSM	General Shareholders' Meeting
Hazardous waste	Residues of solid, liquid or gaseous substances of natural or anthropogenic origin, the composition of which may be variable
HC	Hazardous conditions
 Holding	NAC Kazatomprom JSC and NAC Kazatomprom JSC Group of Companies, Joint Ventures and Associates
HQ	Headquarters of NAC Kazatomprom JSC
HR	Human Resources
HSE	Production Safety Committee of the Board of Directors of Kazatomprom
H&S	Occupational health and safety
IAEA	International Atomic Energy Agency
IAS	Internal Auditor Service
IEC	Industrial Environmental Control

IFC	International Finance Corporation
IFRS	International Financial Reporting Standards
Inventory	Inventory goods and supplies
IPO	Initial Public Offering
IR	Internal regulations
ISO	International Organization for Standardization
ISO 14001	International standard Environmental management systems – Requirements with guidance for use/Environmental management systems – Requirements and guidance for use
ISO 45001	International Standard of Occupational Health and Safety Management Systems/Occupational Health and Safety Management Systems – Requirements
IT	Information Technologies
IT security	Information security
JO	Joint operations
JV	Joint Venture
KAP/Kazatomprom/Company	NAC Kazatomprom JSC
KASE	Kazakhstan Stock Exchange
KPI	Key Performance Indicator
LEU	Low Enriched Uranium
LLP	Limited Liability Partnership
LSE	London Stock Exchange
LTIFR	Lost Time Injury Frequency Rate
Media	Mass media
ME	Mining enterprise
ME RK	Ministry of Energy of Republic of Kazakhstan
MET	Mineral extraction tax
MPW	Mining preparatory works
NAV	Net Assets Value
NEA	Nuclear Energy Agency
NEI	Nuclear Energy Institute
NFC	Nuclear Fuel Cycle
Non-hazardous waste	Items and substances of this group affect the environment to a low degree, practically not disturbing its components
NPP	Nuclear power plant
PVPP	Photovoltaic power plants
RAW	Radioactive waste
R&D	Research and development activities
RF	Russian Federation
RK	Republic of Kazakhstan
RMS	Risk Management System
Road accident	Road traffic accident
RS	Refinery shop
SASB	Sustainability Accounting Standards Board, a non-profit organization founded in 2011 by Jean Rogers to develop sustainability accounting standards
Samruk-Kazyna	Samruk-Kazyna Joint-Stock Company
SB (BoD)	Supervisory Board (Board of Directors)
SC	Science Centre
SCC	Siberian Chemical Combine JSC SCC
SD	Sustainable Development
SDET	Stamp Duty Equivalent Tax
SLRW	Solid Low-Level Radioactive Waste
SMR	Small modular reactors
SME	Small and medium businesses
SMRC	State Mineral Reserves Commission
SPP	Solar power plant

Stakeholders	Individuals and legal entities interested in the Company's activities who influence the results of the Company's activities or are influenced by it
Subsidiaries and affiliates	Subsidiaries and affiliates
TCFD	Task Force on Climate-Related Financial Disclosures, an international initiative to encourage organizations to disclose climate-related financial information
THK	Trade House KazakAtom AG
TVE	Technical and Vocational Education
U₃O₈	Uranium Oxide Concentrate
UF₆	Uranium hexafluoride
UME	Uranium Metal Content Equivalent
UO₂	Uranium Dioxide
UO₃	Uranium Trioxide
UEC	Uranium Enrichment Centre
UISL	Underground in-situ leaching
UMP	Ulba Metallurgical Plant JSC
UN	United Nations
UN Global Compact	A UN initiative aimed at promoting corporate social responsibility and reporting on the implementation of such policies. The UN Global Compact declares ten principles in the field of human rights, labor relations, environmental protection and the fight against corruption
UN SDGs	UN Sustainable Development Goals
UP	Uranium production
Uranium oxide	Uranium oxide
USA	United States of America
WNA	World Nuclear Association
WNTI	World Nuclear Transport Institute

5.15. UK tax information

This review is based on UK law and UK government tax and customs duties at the date of this document each of which is subject to change, possibly retroactively. Unless otherwise indicated this review only addresses some of the effects of UK taxation on individuals who are the absolute beneficial owners of shares or GDRs and who (1) are UK residents for tax purposes; (2) are not residents for tax purposes in any other jurisdiction and (3) do not have a permanent establishment in the Republic of Kazakhstan which is associated with the ownership of shares or GDRs (hereinafter – Holders from the UK).

In addition this review (1) considers only the tax consequences for UK Holders who hold shares and GDRs as equity, and does not consider tax consequences that may be relevant to some other categories of UK Holders such as dealers; (2) it is assumed that the UK Holder does not directly or indirectly control 10 or more percent of the voting shares of the Company; (3) it is assumed that the holder of the GDR has a beneficial ownership of the underlying shares and dividends on such shares; and (4) tax consequences for UK Holders which are insurance companies, investment companies, charities, or pension funds, are not considered.

This review is a general guide and is not intended and should not be construed by specific Holders from the UK as legal or tax advice. Accordingly, investors should consult their tax advisers regarding general tax consequences including the consequences of acquiring, holding and disposing of shares or GDRs in accordance with UK law and UK tax and customs administration practices in their particular case.

Withholding tax

Assuming that income derived from the GDR does not have a source in the UK, such income should not be taxed at the source of payment in the UK. Dividends on shares will not be taxed at the UK source.

Dividends taxation

A UK holder receiving a dividend on shares or GDRs may be required to pay UK income or corporate tax (as the case may be) on the gross amount of the dividend paid before deduction of Kazakhstan taxes at the source of payment, taking into account the presence of any amount set off against Kazakhstan tax at the source of payment. UK holder – an individual who is a resident and resides in the UK will pay UK income tax on dividends paid on shares or GDRs that are subject to the actual tax exemption on the first £5,000 of all dividends (zero dividend rate) received for the relevant tax year, including dividends received from any other equity investments for the same tax year. UK holder – an individual who is a resident but does not reside in the UK and entitled to select UK taxation based on the transfer of funds (and where necessary, paying a transfer fee), will pay UK income tax on dividends paid on shares or GDR, to the extent that the dividend is transferred or considered to be transferred to the UK. A UK holder who is a UK resident company for tax purposes should not be subject to corporate tax on dividends paid on shares or GDRs, unless it is subject to certain rules against tax evasion.

Taxation at exclusion or conditional exclusion

The alienation of the Holder's shares from the UK in stocks or GDRs may result in taxable income or an allowable deduction for tax purposes for UK taxable income depending on the position of the Holder from the UK and subject to tax exemption. A holder from the UK who is a resident individual and resides in the UK will be required to pay UK capital gains tax on taxable income upon alienation of a share in shares or GDRs. A UK holder who is a resident individual who does not reside in the UK and has the right to choose taxation in the UK based on the transfer of funds (and, where necessary, paying a transfer fee), will pay the UK capital gains tax to the extent that in which taxable income derived from the disposal of a share in shares or GDRs is transferred or deemed to be transferred to the UK. In particular, transactions with GDRs on the London Stock Exchange may result in the transfer of profits, which, accordingly, will be subject to UK capital gains tax. In particular transactions with GDRs on the London Stock Exchange may result in the transfer of profits which, accordingly, will be subject to UK capital gains tax. An individual – a holder of shares or GDRs who ceases to be a resident or has not resided in the UK for tax purposes for less than five full years and alienates such shares or GDRs for such a period, may be required to pay UK capital gains tax upon returning to the UK, despite the fact that during the alienation he was not a resident and did not live in the UK. A UK holder who is a legal entity will pay UK corporate tax on any taxable income from the sale of shares or GDRs.

Action of taxes of Kazakhstan at the source of payment

Dividends on shares and GDRs are subject to Kazakhstan tax at the source of payment. A holder from the UK – an individual – resident must have the right to offset the Kazakhstan tax at the source of payment withheld from such payments against UK income tax on such payments in accordance with the procedure for calculating such a set-off amount in the UK. A UK holder, a UK resident company, usually does not pay corporate tax on dividends paid and, therefore, will usually not be able to claim a deduction from any Kazakhstan taxes at the source of payment.

Stamp and equivalent of stamp tax (SEST)

Assuming that a document executing a transaction or containing an agreement to transfer one or more shares or GDRs, (i) is not signed in the UK or (ii) does not relate to any property located in the UK, or an act committed or performed in UK (which may include participation in payments to bank accounts in the UK) such a document should not be subject to stamp duty on declared value. Even if the document completing the transaction or containing an agreement to transfer one or more shares or GDRs, (i) is signed in the UK and/or (ii) concerns any property located in the UK, or an act committed or performed in the UK, in practice, there should be no need to pay stamp duty on declared value for such a document in the UK, if such a document is not required for any purpose in the UK. If there is a need to pay stamp duty on declared value in the UK, then it may be necessary to pay interest and fines. Since GDRs are securities whose value is not expressed in pounds sterling, the stamp duty on a “bearer document” should not be paid either for the issue of GDRs or for the transfer of securities that are transferred through the GDRs. Assuming that shares (i) are not registered in a registry located in the UK, or (ii) are not combined with shares issued by a UK-registered company, the transfer of shares or GDRs should not be subject to SEST.

5.16. Contacts

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