

8 July 2020



## **Yellow Cake plc ("Yellow Cake" or the "Company")**

### **Yellow Cake begins US\$10 million Share Buyback Programme**

- Enlarged share buyback programme to purchase up to US\$10 million of the Company's shares
- Follows sale of 300,000 lb U<sub>3</sub>O<sub>8</sub> at an aggregate price of US\$33.20/ lb raising net proceeds of US\$9.9 million
- Yellow Cake retains a total of 9.32 million lbs U<sub>3</sub>O<sub>8</sub> in storage, acquired at an average cost of US\$21.68/ lb and with a current market value of approximately US\$305.6 million

Yellow Cake, a specialist company operating in the uranium sector with a view to holding physical uranium for the long term, is pleased to announce the initiation of its enlarged share buyback programme to purchase up to US\$10 million of the Company's Ordinary Shares over three months, commencing on 8 July 2020 (the "Programme"). This follows the sale of 300,000 lb U<sub>3</sub>O<sub>8</sub> at an aggregate price of US\$33.20/ lb which raised net proceeds of US\$9.9 million.

By significantly enlarging its share buyback programme, Yellow Cake will be able to continue effectively acquiring exposure to uranium at a discount to the commodity spot price. The Programme forms part of the Company's strategy to deliver value to its shareholders. It replaces the share buyback programme announced on 22 January 2020 to acquire up to US\$2 million of the Company's Ordinary Shares (the "Initial Programme") which will terminate on the initiation of the Programme.

Purchases pursuant to the Programme will be made under a combination of the authority the Company has in place to make market acquisitions in accordance with the Jersey Companies Law (the "Existing Authority") and, subject to shareholder approval, the renewal of the Existing Authority at the next Annual General Meeting of the Company (the "Renewed Authority").

The Existing Authority permits the purchase of a maximum of 8,821,572 Ordinary Shares at a maximum price (excluding expenses) of the higher of (i) 105 per cent; of the average market value of an Ordinary Share as derived from the AIM Appendix to the London Stock Exchange Daily Official List for the five business days immediately preceding the date of purchase; and (ii) the price of the last independent trade and the highest current independent bid on the London Stock Exchange plc. To date, the Company has acquired 621,806 shares for a total consideration of GBP1.2 million (US\$1.5 million) at a volume weighted average price of GBP1.96/share and volume weighted average discount to Net Asset Value of 20% under the Initial Programme. The Existing Authority therefore permits up to a further 8,199,766 shares to be purchased as at today's date. Any purchases under the Renewed Authority will be subject to the maximum number of Ordinary Shares set out in such Renewed Authority and will otherwise be on the same terms as the Existing Authority.

The Programme will be conducted in compliance with the Market Abuse Regulation (EU) No. 596/2014. The Company intends to hold those Ordinary Shares purchased under the Programme in treasury.

Purchases will be carried out in compliance with the relevant conditions for trading, restrictions regarding time and volume, disclosure and reporting obligations, and price conditions. The Ordinary Shares will be repurchased at a price (excluding expenses) that does not exceed the higher of (i) the last independent trade or the highest current independent bid on the relevant trading platform; and (ii) 105 per cent. of the average market value of an Ordinary Share as derived from the AIM Appendix to the London Stock Exchange Daily Official List for the five business days immediately preceding the date of purchase.

The Company will seek to make market purchases at a price or prices and volume that the Company believes will be value-enhancing for the Company's shareholders. Notwithstanding the average daily volume restriction set out in Article 3(3) of the Commission Delegated Regulation (EU) 2016/1052, the Company may make purchases in excess of these volume restrictions, subject to prevailing market conditions and liquidity.

Yellow Cake has entered into an agreement with the Company's Joint Broker, Numis Securities Limited ("Numis"), to carry out on-market purchases of its Ordinary Shares. The agreement grants Numis the authority to enact purchases and make trading decisions concerning the timing of the purchases under the Programme independently of the Company.

Details of any purchases made under the Programme will be provided via RNS announcements and published on the Company's website.

**Andre Liebenberg, Chief Executive, said:**

*"We consider that this is the right time to significantly enlarge our buyback programme. By taking action now, we are gaining exposure to uranium at well under the current spot price, generating value for all shareholders. We remain ready to move forward on the next phase of our agreement with Kazatomprom to acquire and hold material quantities of uranium in line with our strategy, at the appropriate time. With the global economy now starting to recover after a period of lower energy demand, we continue to believe the medium term outlook for uranium is very positive and supply vs demand characteristics compelling."*

**ENQUIRIES:**

**Yellow Cake plc**

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## **ABOUT YELLOW CAKE**

Yellow Cake is a London-listed company, headquartered in Jersey, which offers exposure to the uranium spot price. This is achieved through its strategy of buying and holding physical triuranium octoxide (“U<sub>3</sub>O<sub>8</sub>”). It may also seek to add value through the acquisition of uranium royalties and streams or other uranium related activities. Yellow Cake seeks to generate returns for shareholders through the appreciation of the value of its holding of U<sub>3</sub>O<sub>8</sub> and its other uranium related activities in a rising uranium price environment. The business is differentiated from its peers by its ten-year Framework Agreement for the supply of U<sub>3</sub>O<sub>8</sub> with Kazatomprom, the world’s largest uranium producer. Yellow Cake currently holds 9.32 million lb of U<sub>3</sub>O<sub>8</sub>, all of which is held in storage in Canada and France.

## **FORWARD LOOKING STATEMENTS**

Certain statements contained herein are forward looking statements and are based on current expectations, estimates and projections about the potential returns of the Company and the industry and markets in which the Company will operate, the Directors’ beliefs and assumptions made by the Directors. Words such as “expects”, “anticipates”, “should”, “intends”, “plans”, “believes”, “seeks”, “estimates”, “projects”, “pipeline”, “aims”, “may”, “targets”, “would”, “could” and variations of such words and similar expressions are intended to identify such forward looking statements and expectations. These statements are not guarantees of future performance or the ability to identify and consummate investments and involve certain risks, uncertainties and assumptions that are difficult to predict, qualify or quantify. Therefore, actual outcomes and results may differ materially from what is expressed in such forward looking statements or expectations. Among the factors that could cause actual results to differ materially are: uranium price volatility, difficulty in sourcing opportunities to buy or sell U<sub>3</sub>O<sub>8</sub>, foreign exchange rates, changes in political and economic conditions, competition from other energy sources, nuclear accident, loss of key personnel or termination of the services agreement with 308 Services Limited, changes in the legal or regulatory environment, insolvency of counterparties to the Company’s material contracts or breach of such material contracts by such counterparties. These forward-looking statements speak only as at the date of this announcement. The Company expressly disclaims any obligation or undertaking to disseminate any updates or revisions to any forward looking statements contained herein to reflect any change in the Company’s expectations with regard thereto or any change in events, conditions or circumstances on which any such statements are based unless required to do so by applicable law or the AIM Rules.