



PURE EXPOSURE TO THE  
URANIUM COMMODITY

INVESTOR PRESENTATION

September

**2022**

# Disclaimer

This presentation (the “Presentation”) is provided on a strictly private and confidential basis for information purposes only and does not constitute, and should not be construed as, an offer to sell or issue securities or otherwise constitute an invitation or inducement to any person to purchase, underwrite, subscribe for or otherwise acquire securities in Yellow Cake plc (the “Company”). By viewing this Presentation, you will be deemed to have agreed to the obligations and restrictions set out below.

The information contained in this Presentation is being made only to, and is only directed at, persons to whom such information may lawfully be communicated. This Presentation may not be (in whole or in part) reproduced, distributed, stored, introduced into a retrieval system of any nature or disclosed in any way to any other person without the prior written consent of the Company.

Without prejudice to the foregoing paragraph, this Presentation is being distributed only to, and is directed only at, persons who: (A) in the United Kingdom have professional experience in matters relating to investments who fall within the definition of “investment professionals” in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended, (the “Order”) or are high net worth bodies corporate, unincorporated associations and partnerships and trustees of high value trusts or other persons falling within Articles 49(2)(a)-(d) of the Order (and the contents of this Presentation have not been approved by an authorised person for the purposes of the Financial Services and Markets Act 2000) and who in each case are also Qualified Investors (as defined below); (B) in member states of the European Economic Area (“EEA”) are qualified investors within the meaning of Article 2(1)(e) of the Prospectus Directive (Directive 2003/71/EC), as amended (“Qualified Investors”); (C) are residents of Canada or otherwise subject to the securities laws of Canada that are “permitted clients” as defined in National Instrument 31-103 – Registration

Requirements, Exemptions and Ongoing Registrant Obligations; (D) in Australia, are sophisticated investors or professional investors as those terms are defined in sub-sections 708(8) and 708(11) of the Corporations Act; (E) in South Africa, are one or more of the persons or entities referred to in section 96(1) of the Companies Act; (F) in Hong Kong, are professional investors for the purposes of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong); (G) in Singapore, are accredited investors or institutional investors as those terms are defined in Section 4A of the Securities and Futures Act (Chapter 289) of Singapore or (H) are any other person to whom this Presentation may lawfully be provided and all such persons are “relevant persons”.

Any investment or investment activity to which this communication relates is only available to and will only be engaged in with such relevant persons and all other persons should not act on this Presentation or any of its contents. It is a condition of you receiving this Presentation that you are a person to whom the Presentation may lawfully be provided and by viewing this Presentation you warrant and represent to the Company that you are such a person. While and past performance is not a guide to future performance this presentation refers to previous performances.

No representations or warranties, express or implied are given in, or in respect of, this Presentation including the accuracy or completeness of the information herein and the information contained in this Presentation has not been independently verified. To the fullest extent permitted by law in no circumstances will the Company, 308 Services or any of their respective subsidiaries, shareholders, affiliates, representatives, partners, directors, officers, employees, advisers or agents be responsible or liable for any losses of any nature arising from the use of this Presentation, its contents, its omissions, reliance on the information contained within it, or on opinions communicated in relation thereto or otherwise arising in connection therewith by any person.

Recipients of this Presentation are not to construe its contents, or any prior or subsequent communications from or with the Company or its representatives as investment, legal or tax advice. In addition, this Presentation does not purport to be all-inclusive or to contain all of the information that may be required to make a full analysis of the Company. Recipients of this Presentation should each make their own evaluation of the Company and of the relevance and adequacy of the information and should make such other investigations as they deem necessary.

This Presentation contains “forward looking statements”. These statements contain the words “anticipate”, “believe”, “intend”, “estimate”, “expect”, “likely” and words of similar meaning. All statements other than statements of historical facts included in this Presentation including, without limitation, those regarding the Company’s business strategy, plans and the future market environment are forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Company’s business strategies and the environment in which the Company will operate in the future. These forward-looking statements speak only as at the date of this presentation, and the Company, 308 Services and their shareholders, affiliates, representatives, partners, directors, officers, employees, advisers and agents, expressly disclaim any obligation or undertaking to update any forward-looking statements contained herein. No statement in this presentation is intended to constitute a profit forecast.

By participating in this Presentation or by accepting any copy of this Presentation, you agree to be bound by the foregoing limitations.



# Yellow Cake

## **Buy and hold strategy**



We purchase uranium and hold for the long-term

## **Pure exposure to the uranium commodity price**



No exploration, development or operating risk

## **Ability to purchase in volume, at the spot price**



Ability to purchase US\$100m of  $U_3O_8$  from Kazatomprom per year

## **Inventory stored in safe jurisdictions**



Uranium stored in Canada (Cameco) and France (Orano)

## **Low-cost structure**



Outsourced operating model  
Annual operating costs of <1% of NAV

# Uranium market update

## August 2022



### Spot Market Overview<sup>1</sup>

- The uranium spot market for August slowed during the month with total volume reported at 0.9 million lbs. transacted in only 8 deals. The daily UxC U<sub>3</sub>O<sub>8</sub> spot price began the month at US\$48.50 /lb. before declining slightly to US\$47.75 /lb. (4 August) and remained at that level through 22 August. The spot price increased incrementally to US\$48.50 /lb. on 24 August before finishing the month at US\$49.00 /lb
- The Sprott Physical Uranium Trust (“SPUT”) continued to be relatively inactive during the month of August. The trust reported total acquisitions of 350,000 lbs. during August after purchasing only 300,000 lbs. in July. As of 2 September 2022, SPUT held a total of 58.17 million pounds U3O8
- Longer term uranium price indicators either remained stable (Long-Term price remained at US\$50.00 /lb.) or declined slightly during the month reflecting the weaker market. The 3-year forward price fell by US\$1.00 /lb. to US\$55.00 /lb. while the 5-year forward price also lost US\$1.00 /lb. to end the month at US\$57.00 /lb

### U.S.A<sup>2</sup>

- President Biden signed into law the “Inflation Reduction Act of 2022” (16 August), which incorporates far reaching support / subsidies for clean energy, including nuclear power
- The legislation establishes Production tax credits (up to US\$0.015 /kWh of electricity generated by nuclear) as well as investment tax credits for new nuclear power plants including advanced reactor designs. The program includes US\$700 million for the development / production of High Assay – Low Enriched Uranium (HALEU) necessary for advanced reactors, which is currently solely available from Russian sources

### India<sup>3</sup>

- India’s largest power producer NTPC announced that it is planning to develop nuclear energy capability. The utility company is in advanced negotiations with the Nuclear Power Corporation of India aimed at potentially constructing two 700MWe reactors in the state of Madhya Pradesh. Elsewhere in India the government is working on a plan to expand its domestic PHWR systems under a fleet mode, with a further 10 700Mwe systems due to come online in the next 10 years

#### Sources:

1. UxC Weekly, Vol 36, No 31-35; Sprott.com, “Daily and Cumulative Pounds of Uranium (U3O8) Acquired by Trust”
2. H.R. 5376 – Inflation Reduction Act of 2022, 117th Congress (2021-2022)
3. UxC Weekly, Vol 36, No 35

# Uranium market update

## August 2022



### Japan<sup>1</sup>

- Recently elected Japanese Prime Minister, Fumio Kishida, has called for a comprehensive review of the country's nuclear power program including reactor restarts, reactor operating license extensions, new reactor technologies, and possible new build units
- Japan's Energy Minister, Yasutoshi Nishimura, stated that additional reactors must be restarted to ensure stable power supply for the summer of 2023
- Japan's Minister of Industry plans to bring seven additional reactors back online by next summer such that a total of 17 nuclear reactors will operate by that time. Of the seven proposed restarts, four of the units have already received national and local approval to operate, but are awaiting the completion of mandated safety upgrades / modifications

### Ghana<sup>2</sup>

- The West African country, Republic of Ghana, expects to soon identify a preferred site and reactor vendor for its first nuclear power plant planned for operation by late 2030
- Nuclear power has been identified as fundamental to the country's generation infrastructure in order to provide reliable baseload electricity as the country's economy grows
- On 20 July 2022, Deputy Minister of Energy, William Owuraku Aidoo, announced that the government would decide between four proposed coastal sites and five international reactor vendors in the near future
- The Ghana News Agency reported that "The nuclear power project, which is managed by Nuclear Power Ghana (NPG), seeks to add nuclear power to the country's generation mix to provide green sustainable power to fuel industrialization"

### Hungary<sup>3</sup>

- On 26 August 2022 the Hungarian Atomic Energy Agency issued the construction licence for activities to commence for two VVEW-1200 PWRs to be built by Rosatom. This announcement is significant as it is the first time a new nuclear construction license has been issued on European Union territory. The expected timeline of development is for both reactors to be online in 2030

#### Sources:

1. Nippon.com, "Japan to Restart 7 More Nuclear Reactors", 24 August 2022
2. Ghana News Agency, "Nuclear Power Project critical to Ghana's energy transition plan", 4 August 2022
3. UxC Weekly, Vol 36, No 35

# Uranium market update

## August 2022



### China<sup>1</sup>

- According to Wang Shoujun, President of the Chinese Nuclear Society, “installed capacity of nuclear power under operation is expected to reach 70 million kW by 2025 from the current 55.8 million kW and nuclear power is expected to account for 10 percent of China’s total power generation by 2035, compared to 5 percent in 2021”
- According to China Daily, “As China continues pushing forward the goals of peaking carbon emissions by 2030 and achieving carbon neutrality by 2060, with more attention focused on energy security, it is believed that the nuclear power sector will see massive opportunities in the years to come.”

### Kazakhstan<sup>2</sup>

- Kazatomprom released its “Operating and Financial Review – Six Months Ended 30 June 2022” which included a summary of crucial geopolitical events in the region (social unrest in Kazakhstan, Russian military operations in Ukraine). The company stated that “These events have not had a material impact on the Group’s operations to date although the resulting market uncertainty has caused significant volatility in the tenge exchange rate, uranium spot prices and traded price of the Company’s securities.”
- Regarding shipments via the Port of St. Petersburg, Kazatomprom observed “A significant proportion of the Company’s products are exported on a well-established primary route through Russia to the Port of St. Petersburg, which presents a specific set of risks associated with transit through the territory of Russia, shipping insurance, and the delivery of cargo by sea vessels. Kazatomprom continues to monitor the growing list of sanctions on Russia and the potential impact they could have on the transportation related to the supply of its products to customers worldwide. To date, there are no issues or restrictions on the Company’s activities related to the supply of its products to customers worldwide.”
- Kazatomprom’s Trans-Caspian route, “which has been successfully used as an alternative route since 2018, helps to mitigate the risk of the primary route being unavailable, for any reason.”
- Kazatomprom reported that uranium output for the first six months of 2022 totalled 26.2 million lbs, a reduction of 4% Y-O-Y due to the impact of COVID-19 on wellfield development in 2021. Regarding future uranium production plans, due to successful term contracting activities, the Company now plans to increase uranium production in 2024 by adding 5.2-7.8 million lbs. above the previously planned level

### Sources:

1. China Daily.com.cn, “Nuclear power’s role in green goals grows”, 10 August 2022
2. Kazatomprom Press Release, “Operating and Financial Review – Six Months ended 30 June 2022”, 19 August 2022 / World Nuclear News, “Kazatomprom to increase uranium production in 2024”, 19 August 2022

# Estimated net asset value as at 2 September 2022



Investment in Uranium		Units	
Uranium oxide in concentrates ("U <sub>3</sub> O <sub>8</sub> ")	(A)	lb	18,805,601
U <sub>3</sub> O <sub>8</sub> fair value per pound <sup>(1)</sup>	(B)	US\$ /lb	51.25
U <sub>3</sub> O <sub>8</sub> fair value	(A) x (B) = (C)	US\$ mm	963.8
Cash and other net current assets / (liabilities) <sup>(2)</sup>	(D)	US\$ mm	14.8
<b>Net asset value in US\$ mm</b>	(C) + (D) = (E)	US\$ mm	978.6
Exchange Rate <sup>(3)</sup>	(F)	USD/GBP	1.1526
Net asset value in £ mm	(E) / (F) = (G)	£ mm	849.0
Number of shares in issue less shares held in treasury <sup>(4)</sup>	(H)		183,104,339
<b>Net asset value per share</b>	<b>(G) / (H)</b>	<b>£ /share</b>	<b>4.64</b>

Source:

- 1) Fair value is based on the daily spot price published by UxC, LLC on 2 September 2022
- 2) Cash and cash equivalents and other net current assets and liabilities as at 30 July 2022
- 3) Bank of England rate as per 1 September 2022
- 4) Net asset value per share is calculated assuming 187,740,730 ordinary shares on issue less 4,636,331 shares held in treasury

# Yellow Cake corporate summary

Corporate overview	
Last share price <sup>(1)</sup>	£4.14
NAV per share <sup>(2)</sup>	£4.64
Market cap (mm) <sup>(1)</sup>	£757
Shares out less those held in treasury (mm)	183.1
Shares held in treasury (mm) <sup>(2)</sup>	4.6
52 week high	£4.85
52 week low	£2.85

Analyst coverage and rating	
	Buy
	Buy
	Buy
	Buy

## GBP share price and uranium price<sup>(1,3)</sup>



## Blue chip shareholder register



Source:

- 1) Cap IQ on 2 September 2022
- 2) Yellow Cake's estimated net asset value on 2 September 2022. See calculation on page 3
- 3) UxC, LLC 2 September 2022



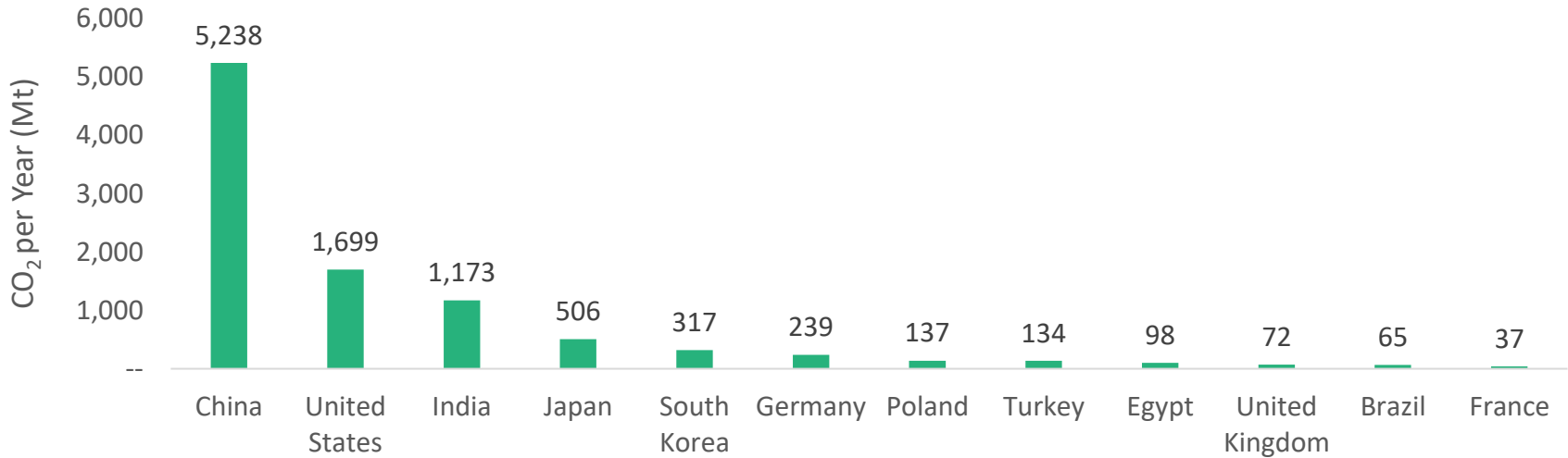
# The Uranium Story is Becoming Increasingly Compelling



- Nuclear is being recognised as a contributor to a lower carbon future
  - Provides stable, low carbon baseload power
  - Broad adoption of carbon neutral goals
- High costs of energy infrastructure construction encourages life extensions for existing reactor fleet
- Energy diversification and energy security now a key issue
  - Moving away from dependence on Russian fuels and also looking to diversify away from coal

# Nuclear as a Cornerstone of a Low-Carbon Future

## Tonnes of CO<sub>2</sub> Emitted by the Power Generation Sector <sup>(1)</sup>



## Selected Net Zero Commitments <sup>(2)</sup>



Source:

1) International Energy Agency Statistics, 2022

2) Energy and Climate Intelligence Unit, Carbon Neutrality Coalition, Climate Action Tracker; Climate Action Tracker - Net Zero Targets

3) A total of 123 countries have made Net Zero by 2050 commitments - International Energy Agency Statistics, 2022

# Future demand for uranium is growing

Global nuclear reactor fleet will continue to grow, especially in China, India and the Middle East

China	India	Russia	UAE
21 reactors under construction, 31 planned	8 reactors under construction, 12 planned	3 reactors under construction, 25 planned	2 operating reactors, 2 reactors under construction

Investment in uranium	Operable reactors <sup>(1)</sup>	Reactors under construction <sup>(1)</sup>	Planned reactors <sup>(1)</sup>	Proposed reactors <sup>(1)</sup>
World Nuclear Reactor Fleet	437	59	89	340
China Reactor Fleet	54	21	31	168

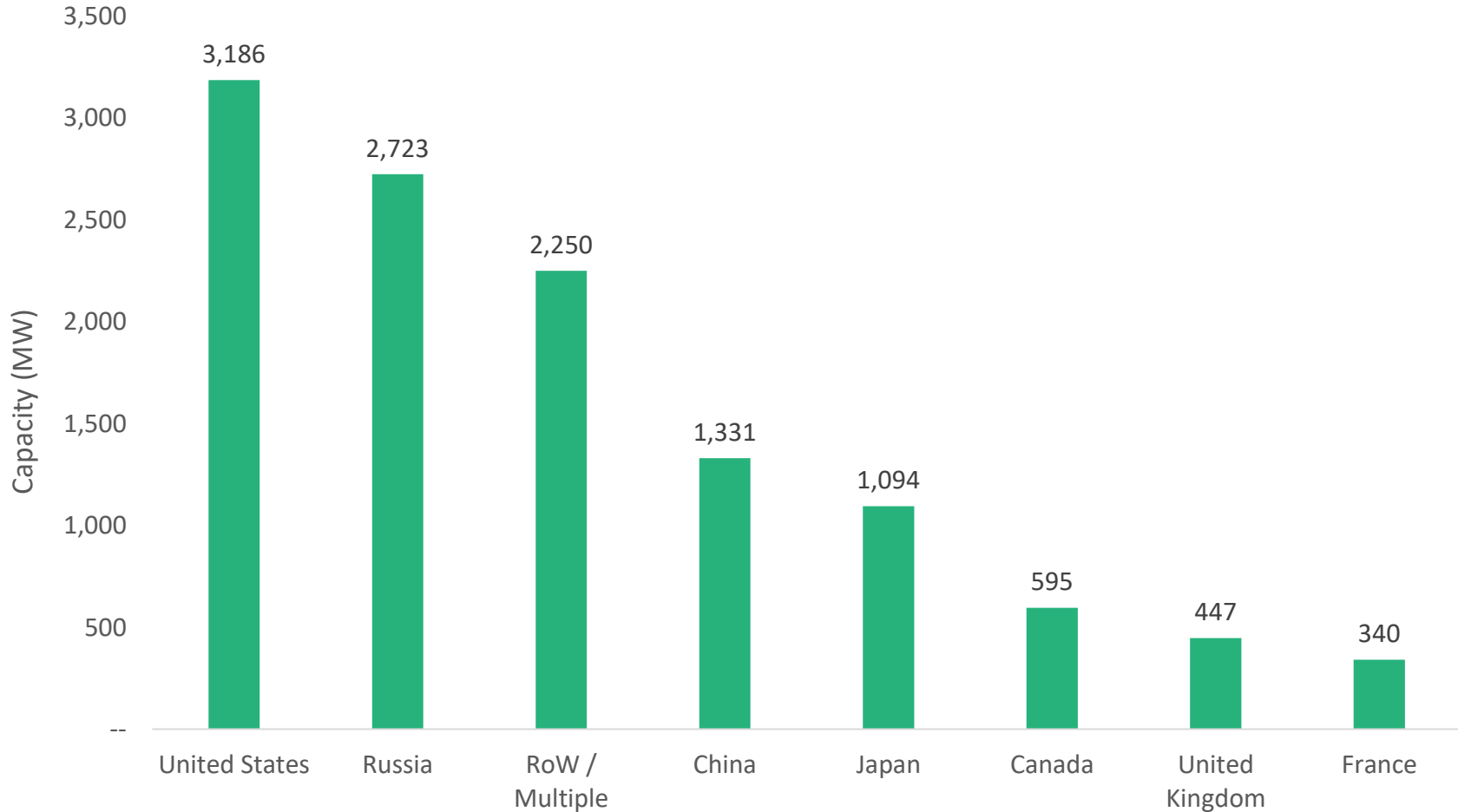
Source:

1) World Nuclear Association, World Nuclear Power Reactors & Uranium Requirements (August 2022)

# Small Modular Reactors

## An Exciting New Source of Demand

**Total Capacity of Small Modular Reactors Under Design, Construction, or Operation <sup>(1)</sup>**













Source:

1) International Atomic Energy Agency, "Advances in Small Modular Reactor Technology Developments", 2020

# Broad Based Impetus to Protect Existing Nuclear Capacity



## Selected Recent Reactor Extension Activity <sup>(1)</sup>

-   Previously set to shut down in 2025, both Doel 4 and Tihange 3 have been approved to continue operations until 2035 by the Federal Agency for Nuclear Control
-   Fortum is seeking an extension on both of its Loviisa power plant units until 2050; if approved Fortum would invest an estimated €1.0 bn total
-   French regulator ASN has approved the extension of 32 reactors totalling 900MWe for 10 years beyond the initially planned 40 years lifespan. Investment in the extension is estimated to total €49.4 bn by 2025
-   The Yoon administration is seeking a 10-year extension for Unit 2 of the Kori power plant, extending the license to operate from 2023 to 2033
-   Following increasing emphasis on nuclear power from the UK government, EDF has awarded work contracts for a 20 year life extension study at Sizewell B, previously scheduled for decommission in 2035

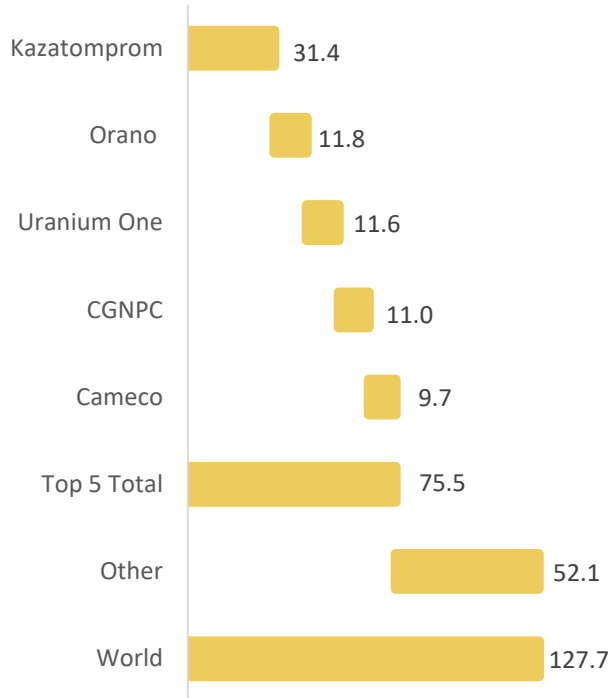
Source:

1) UxC Weekly Vol 36 No 20; The Financial Times, “UK looking to extend life of nuclear plant by 20 years amid energy crisis”; World Nuclear News, “Fortum to seek license extension for Loviisa plant”; S&P Global, “French nuclear regulator approves review of 10-year lifespan extension or 900 MW fleet”

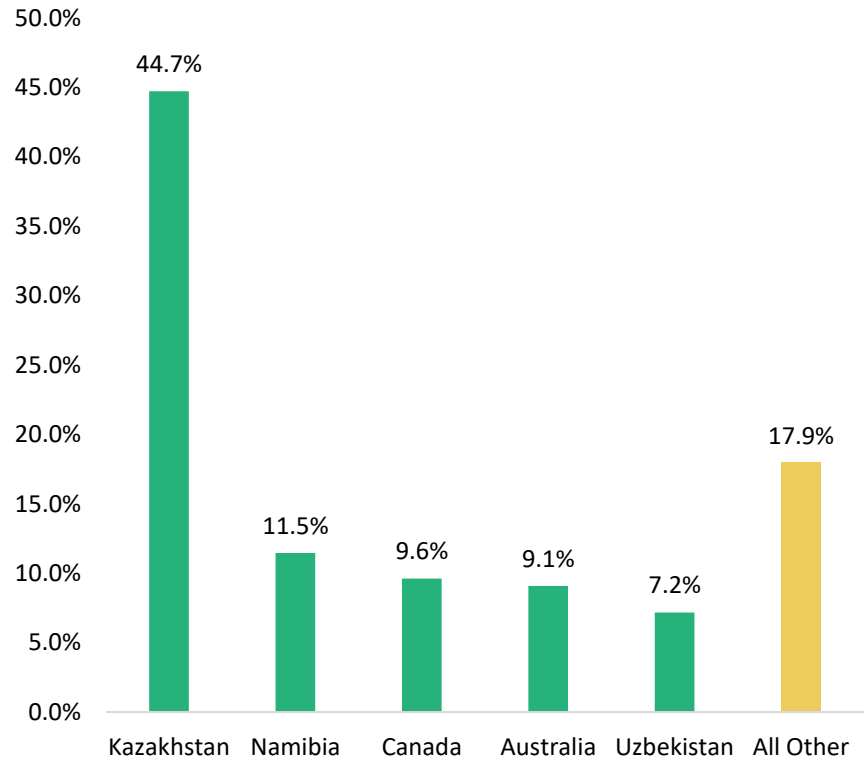
# Global Uranium Supply Side is Concentrated

U<sub>3</sub>O<sub>8</sub> Production is Concentrated, with the Top 5 Companies Producing 59% of the Total Supply in 2021<sup>(1)</sup>

**Global production by mine**  
(mlb U<sub>3</sub>O<sub>8</sub>, 2021)



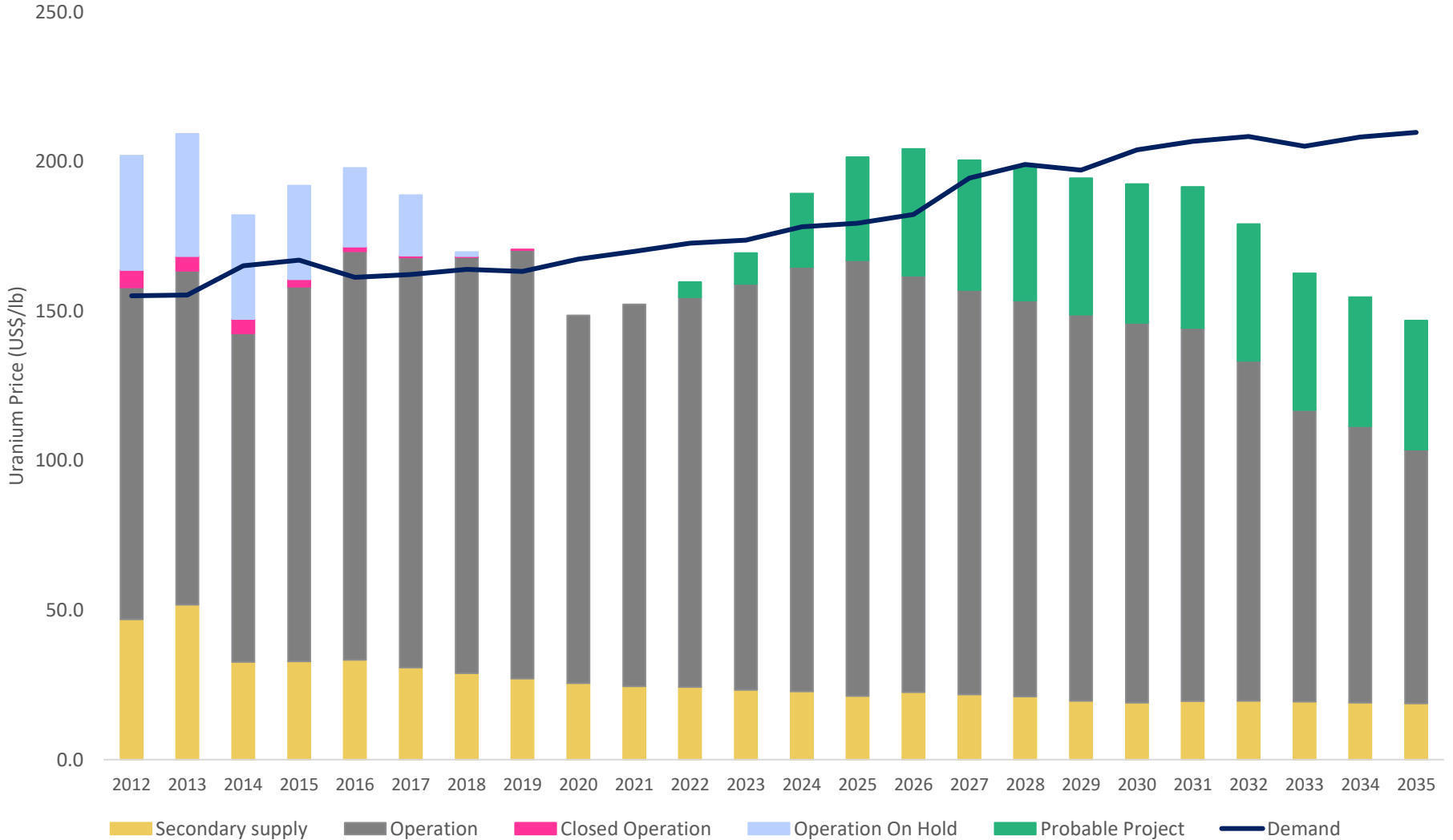
**Production by Country** <sup>(1)</sup>  
(%, 2021)



Source:  
1) MineSpans Q2 2022



# Uranium supply-demand balance

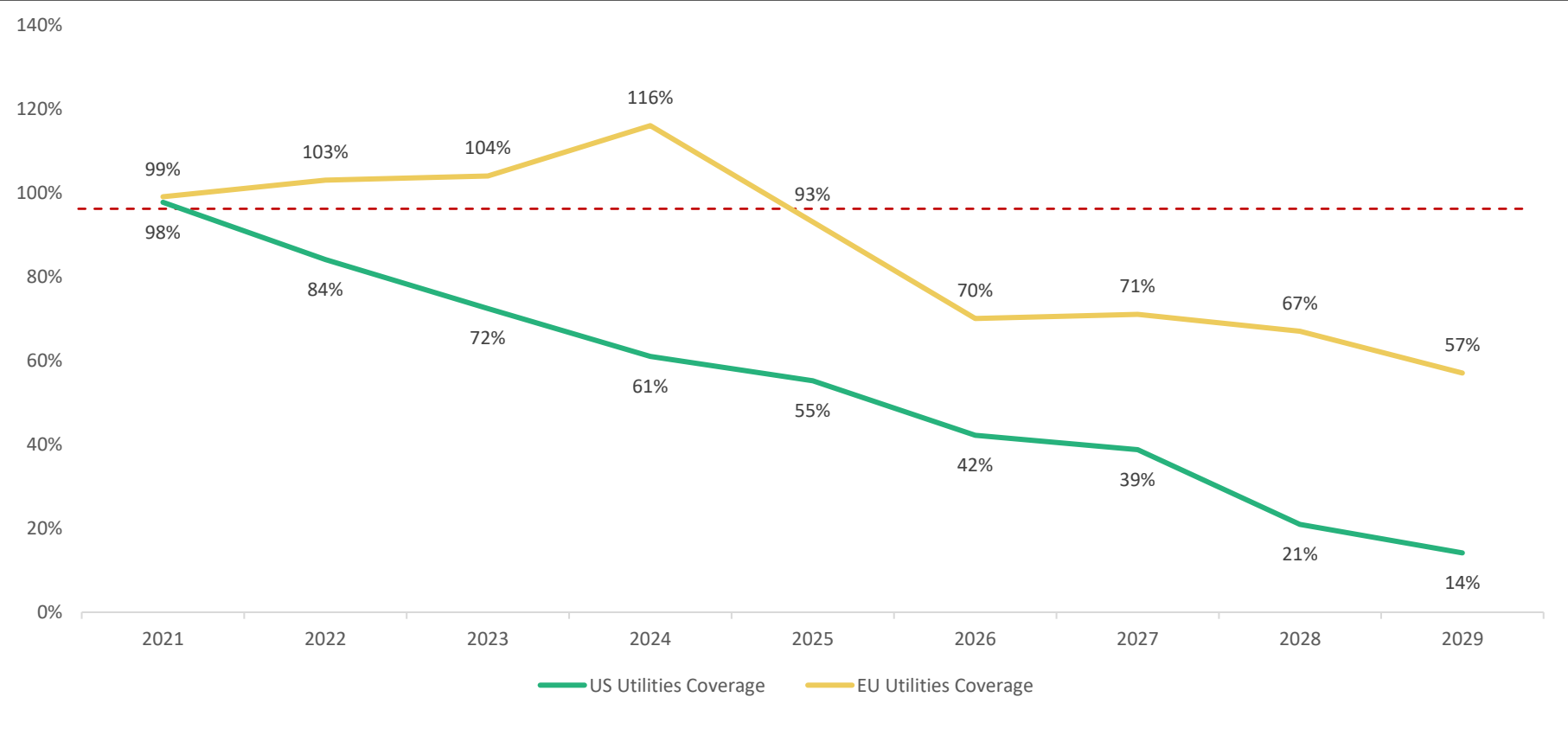


Source:  
1) MineSpans (May 2022)

# Long-term contracts need to be replaced

Contract covering has the potential to create a rapid tightening of the spot market

Future contracted coverage rates of US and European utilities



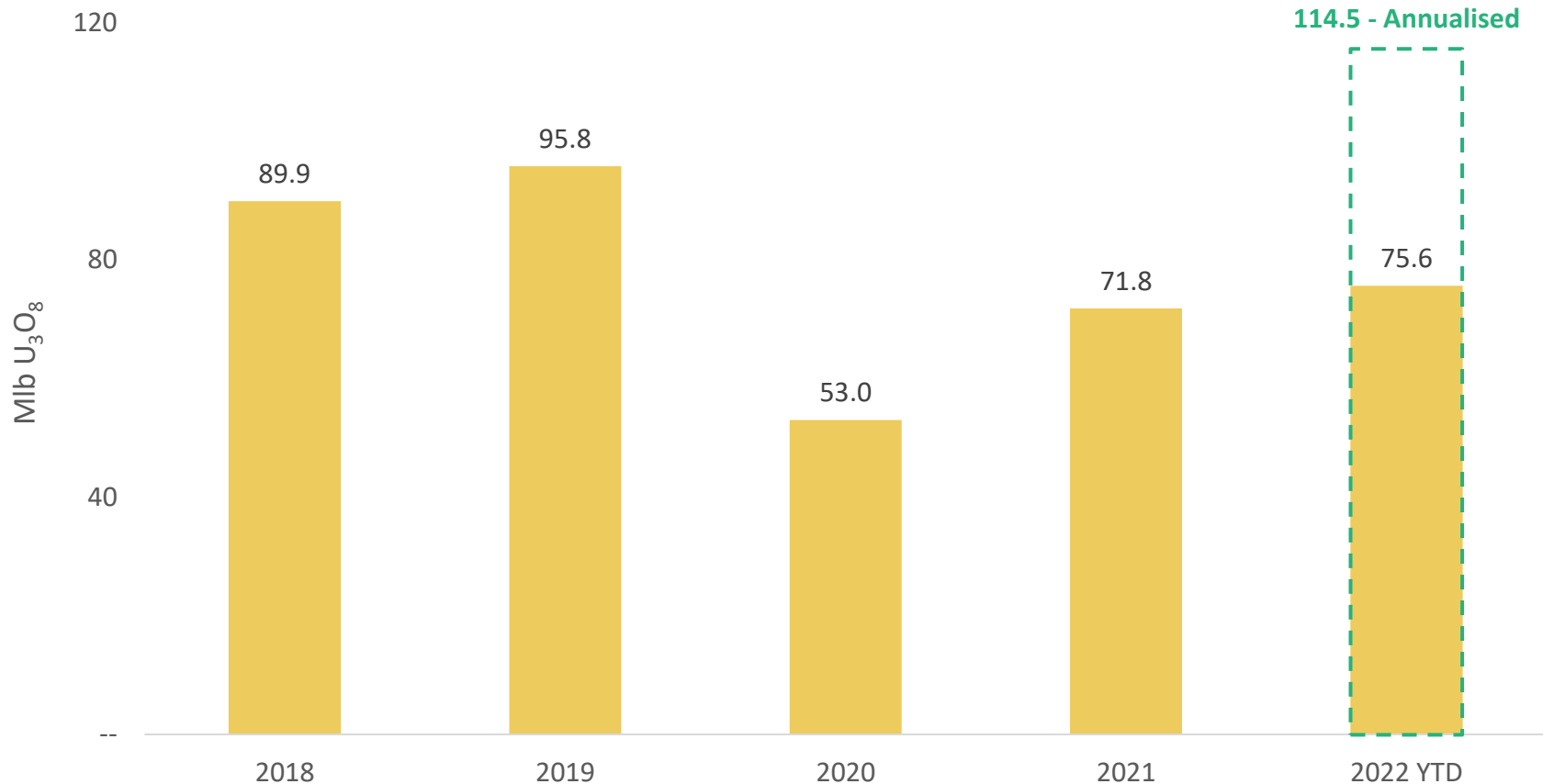
Source:  
 1) US Energy Information Administration: Maximum anticipated uranium market requirements of owners and operators of U.S. civilian nuclear power reactors, 2021–2030, at end of 2020 (May 2021, Table 12)  
 2) Euratom Supply Agency Annual Report 2020 (2021)



# Utilities are Returning to the Term Market

Long-term Contracting Activity Accelerates After Years of Moderate Commitments

Term Market Buying Trend - 2022 <sup>(1)</sup>



Source:

1) UxC Weekly Vol 33 No 1; Vol 34 No 1; Vol 35 No 1; Vol 36 No1; Vol 36 No 31; Vol 36 No 35

# Capacity Constraints Impacting the Front-End of the Nuclear Fuel Cycle

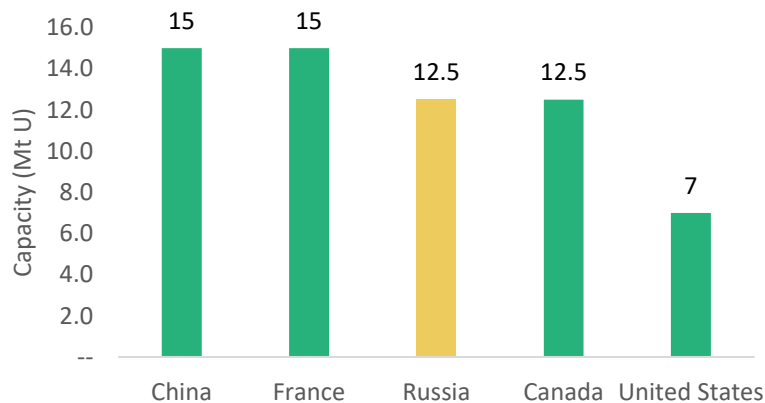


Russia is a Key Player in Both Conversion and Enrichment

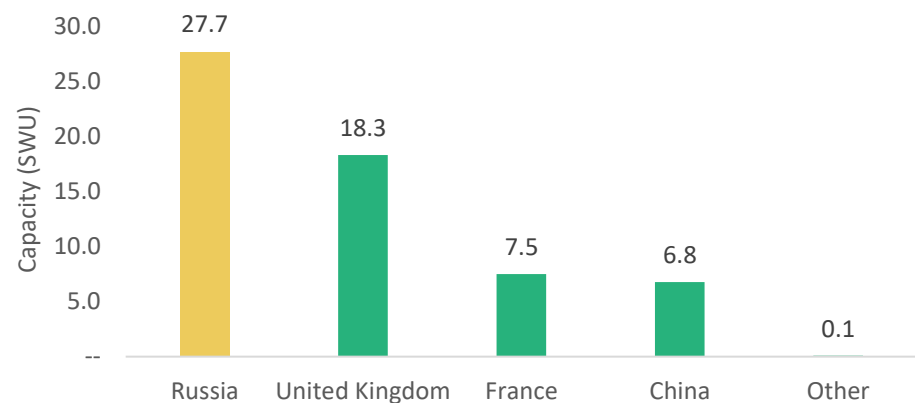
Front-End Nuclear Cycle Overview <sup>(1)</sup>



Global Conversion Capacity <sup>(2)</sup>



Global Enrichment Capacity <sup>(3)</sup>



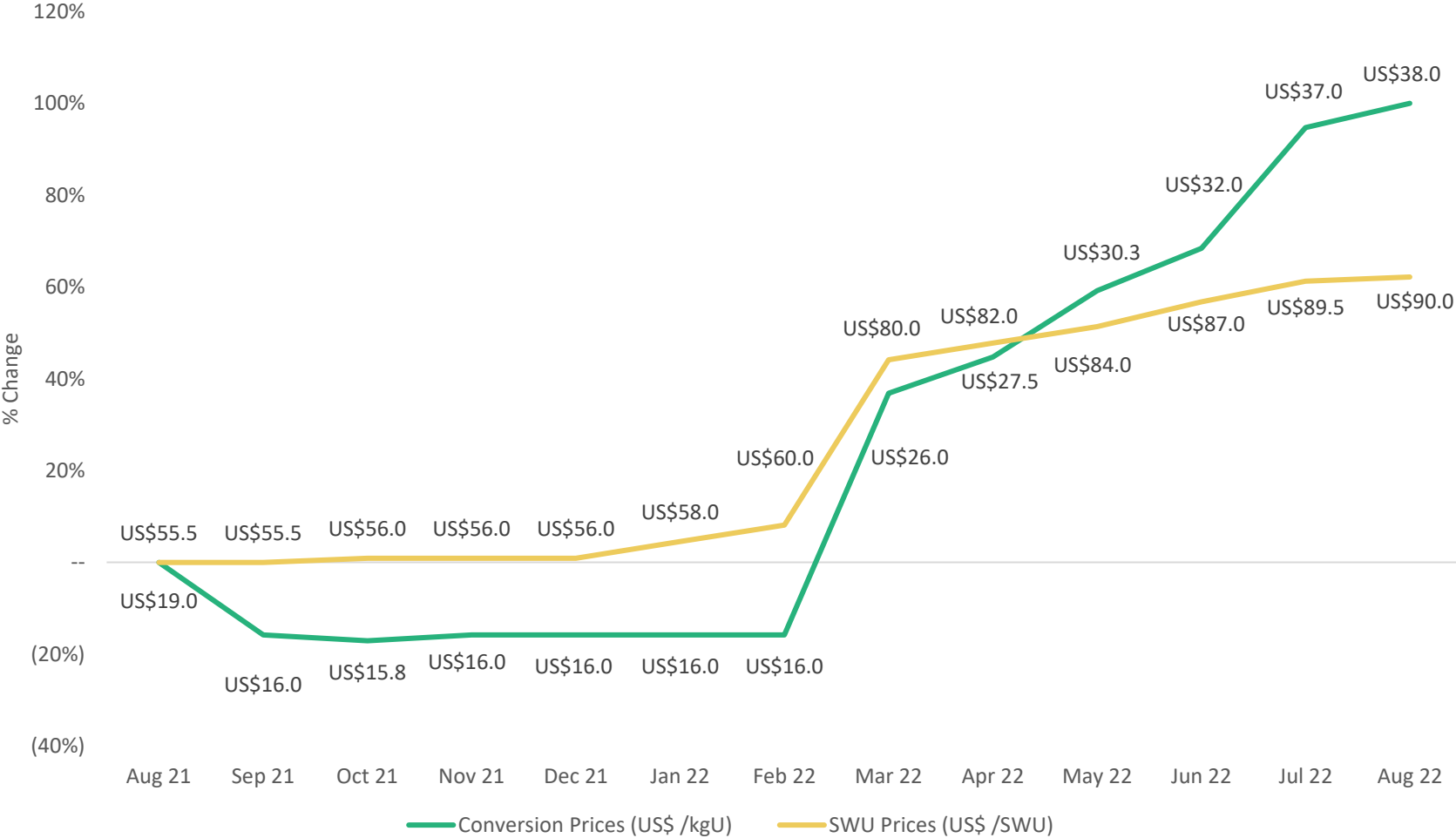
Source:

- 1) World Nuclear Association, Nuclear Fuel Cycle Overview, April 2021
- 2) World Nuclear Association, Conversion and Deconversion, January 2022
- 3) World Nuclear Association, Uranium Enrichment, September 2020

# Market Price Movements in Conversion and Enrichment



Conversion and SWU Price Increases - L12M <sup>(1)</sup>



Source:  
1) UxC Weekly Publications; August 2021 – August 2022