



PURE EXPOSURE TO THE  
URANIUM COMMODITY

INVESTOR PRESENTATION

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# 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  
Targeting annual operating costs of <1% of NAV

# Uranium market update

## February 2024



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

- Global spot market transaction activity declined during February as compared to January. Total spot market volume aggregated 2.4 Mlbs., while a revised January quantity was reported at 3.7 Mlbs. Once again, the spot uranium price demonstrated substantial volatility during the month but on the downside, as the end of January price of US\$100 /lb. fell to US\$95.00 /lb. at the end of February. During the month, the Daily UxC U<sub>3</sub>O<sub>8</sub> Spot Price reached US\$107.00 /lb. on 2 February but had weakened to US\$95.00 /lb. by 23 February

### Long-Term Pricing<sup>(1)</sup>

- Two of the three longer term uranium price indicators showed weakening during February, while the Long-Term Price continued to strengthen. The 3-yr Forward price declined to US\$105.00 /lb. (January – US\$107.00 /lb.), while the 5-yr Forward Price decreased slightly to US\$111.00 /lb. (January - US\$113.00 /lb.). The Long-Term Price rose incrementally, reaching US\$75.00 /lb. at the end of January (December - US\$72.00 /lb.)

### UxC Term Contracting Review<sup>(2)</sup>

- UxC released its annual review of 2023 term contracting on 5 February. The international nuclear fuel consulting firm reported that the Ux Long-Term (“LT”) U<sub>3</sub>O<sub>8</sub> Price rose sharply during 2023 (US\$17 /lb. or 33%), explaining that “The LT indicator is primarily driven by the most competitive starting prices in base-escalated offers for term delivery, which normally starts two to three years forward and includes at least five years of deliveries.”
- Term contract volume (for future delivery) recorded 160.8 Mlbs. U<sub>3</sub>O<sub>8</sub> equivalent under 55 agreements, representing a 29% increase in volume from the 124.6 Mlbs. for 2022. Multi-year contracting by European utilities, especially those which had previously purchased from Russia transitioning to Western fuel sources, helped to increase the non-U.S. utility volume for that market segment to 140.3 Mlbs., an increase of more than 180% from the previous year. However, term contracting by U.S. utilities declined markedly reporting at 20.5 Mlbs., a decrease of 73% from 2022. Primary uranium producers remained the principal seller group accounting for 92% of the aggregate volume, an increase from the 2022 level of 88%. UxC concluded “Overall, 2024 is likely to see more utilities lock in future supplies under term contracts, which is likely to continue to be met with further increases in the term indicators.”

### The Philippines<sup>(3)</sup>

- The Philippines Department of Energy established a nuclear development committee to ensure integrated government involvement in the country’s nuclear power program. The Nuclear Energy Program Coordinating Committee (“NEP-CC”) will participate in the process under the Nuclear Energy Program Inter-Agency Committee (“NEP-IAC”). The goal is to implement a nuclear energy program to activate 2,400 Mwe of nuclear capacity by 2032

Sources:

- 1) UxC Weekly; “UxC Price Indicators”; 4 March 2024
- 2) Uxc Weekly; “2023 Uranium Term Contracting Review”; 5 February 2024
- 3) NUCNET; “Philippines/Nuclear Energy Committee Established As Nation Develops Reactor Programme”; 5 February 2024

# Uranium market update

## February 2024



### India<sup>(1)</sup>

- The Nuclear Power Corporation of India Limited (“NPCIL”) announced that the country plans to add 18 more nuclear power reactors to the current fleet of 24 reactors (8,180 Mwe). The additional units will bring the total installed nuclear power to 22,480 Mwe by 2031-2032. The construction program includes four reactors (1,000 Mwe each) being built at Kudankulam (Tamil Nadu) supported by Russia’s Rosatom, while four NPPs of Indian-design will be built at Rawatbhata (RAPS 7 & 8) and a further four at Mahi Banswara (Rajasthan) (MBRAPP 1/2/3/4). In addition, ten 700 Mwe PHWRs have been approved for construction at three separate sites throughout the country

### Kazatomprom<sup>(2)</sup>

- Kazatomprom released the company’s 2023 results on 1 February 2023. Aggregate output during 2023 for the world’s largest uranium producing country recorded 54.9 Mlbs.  $U_3O_8$ , a 1% decline from the 2022 total of 55.2 Mlbs.  $U_3O_8$ . Production guidance for 2024 was given as 54.6-58.3 Mlbs.  $U_3O_8$ , which was below earlier guidance. The reduction was due primarily to the shortage of sulfuric acid needed to maintain current operations and to acidify newly-developed projects South Tortkaduk and Budenovskoye, as well as delays in constructing associated facilities at the projects under development. As a general statement, the company advised that it anticipates “that the production volume for the majority of its uranium mining operations will be ~20% below the levels stipulated in the Subsoil Use Agreement.”
- Furthermore, Kazatomprom advised that 100% of the JV Budenovskoye project output in 2024-2026 has been committed to the Russian civil nuclear energy industry, under an offtake agreement at market-related terms. The project aims to produce 6,000 tonnes  $U_3O_8$  (15.6 Mlbs.  $U_3O_8$ ) per year by 2026

### Cameco<sup>(3)</sup>

- Cameco announced its 2023 results on 8 February 2024. Cameco’s share of 2023 uranium production reached 17.6 Mlbs  $U_3O_8$  (Cigar Lake – 8.2 Mlbs.; McArthur River/Key Lake – 9.4 Mlbs.) as compared to 2022 production volume of 10.4 Mlbs.  $U_3O_8$  (Cigar Lake – 9.6 Mlbs.; McArthur River/Key Lake – 0.8 Mlbs.). The planned production share for 2024 totals 22.4 Mlbs.  $U_3O_8$  (Cigar Lake – 9.8 Mlbs.; McArthur River/Key Lake – 12.6 Mlbs.)
- The company reported that Inkai (Kazakhstan) produced a total of 8.3 Mlbs.  $U_3O_8$  in 2023, comparable to the 2022 output. Cameco owns 40% of Inkai but was entitled to purchase 4.2 Mlbs.  $U_3O_8$  during 2023.
- The company sold 32 Mlbs.  $U_3O_8$  in 2023, an increase of 25% over the 2022 aggregate (25.6 Mlbs.  $U_3O_8$ )

#### Sources:

- 1) The Economic Times; “India to add 18 more Nuclear power reactors with total capacity of 13,800 Mwe by 2032: NPCIL”; 25 February 2024
- 2) Kazatomprom Press Announcement; “Kazatomprom 4Q23 Operations and Trading Update”; 1 February 2024
- 3) Cameco Press Release; “Cameco announces 2023 results; strategically positioned to increase tier-one production as security of supply contracting cycle advances; maintaining disciplined financial management and growth; improving Westinghouse outlook”; 8 February 2024

# Proforma net asset value as at 14 March 2024



Investment in Uranium		Units	
Uranium oxide in concentrates (“U <sub>3</sub> O <sub>8</sub> ”) <sup>(1)</sup>	(A)	lbs.	21,682,318
U <sub>3</sub> O <sub>8</sub> fair value per pound <sup>(2)</sup>	(B)	US\$ /lb.	84.00
U <sub>3</sub> O <sub>8</sub> fair value	(A) x (B) = (C)	US\$ mm	1,821.3
Cash and other net current assets / (liabilities) <sup>(3)</sup>	(D)	US\$ mm	32.2
<b>Net asset value in US\$ mm</b>	<b>(C) + (D) = (E)</b>	<b>US\$ mm</b>	<b>1,853.5</b>
Exchange rate <sup>(4)</sup>	(F)	USD/GBP	1.2747
Net asset value in £ mm	(E) / (F) = (G)	£ mm	1,454.1
Number of shares in issue less shares held in treasury <sup>(5)</sup>	(H)		216,856,447
<b>Net asset value per share</b>	<b>(G) / (H)</b>	<b>£ /share</b>	<b>6.71</b>

Source:

- 1) Comprises 20.16Mlbs. U<sub>3</sub>O<sub>8</sub> held as at 14 March 2024, plus 1.53Mlbs. U<sub>3</sub>O<sub>8</sub> which the Company has committed to purchase in H1 2024
- 2) UxC, LLC on 14 March 2024
- 3) Cash and other current assets and liabilities of US\$132.2 million as at 31 December 2023 less cash consideration of US\$100.0 million to be paid to Kazatomprom following delivery of 1.53 million lb of U<sub>3</sub>O<sub>8</sub> in June 2024
- 4) The Bank of England’s daily exchange rate on 14 March 2024
- 5) Estimated proforma net asset value per share on 14 March 2024 is calculated assuming 221,440,730 ordinary shares in issue, less 4,584,283 shares held in treasury on that date

# Yellow Cake corporate summary



## Corporate overview

Last share price <sup>(1)</sup>	£5.83
NAV per share <sup>(2)</sup>	£6.71
Market cap (mm) <sup>(1)</sup>	£1,263.2
Shares outstanding less those held in treasury (mm)	216.9
Shares held in treasury (mm) <sup>(2)</sup>	4.6
52 week high	£7.45
52 week low	£3.53

## Analyst coverage and rating

	Buy
	Buy
	Buy
	Buy
	Hold

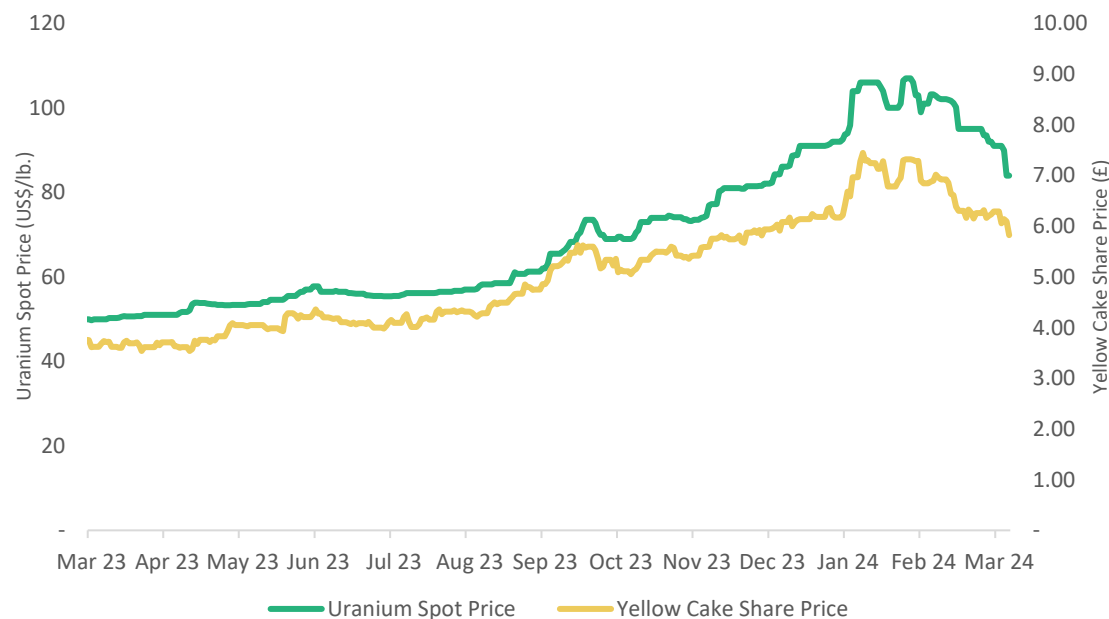
Source:

1) Cap IQ on 14 March 2024

2) Yellow Cake's estimated net asset value on 14 March 2024. See calculation on page 5

3) UxC, LLC 14 March 2024

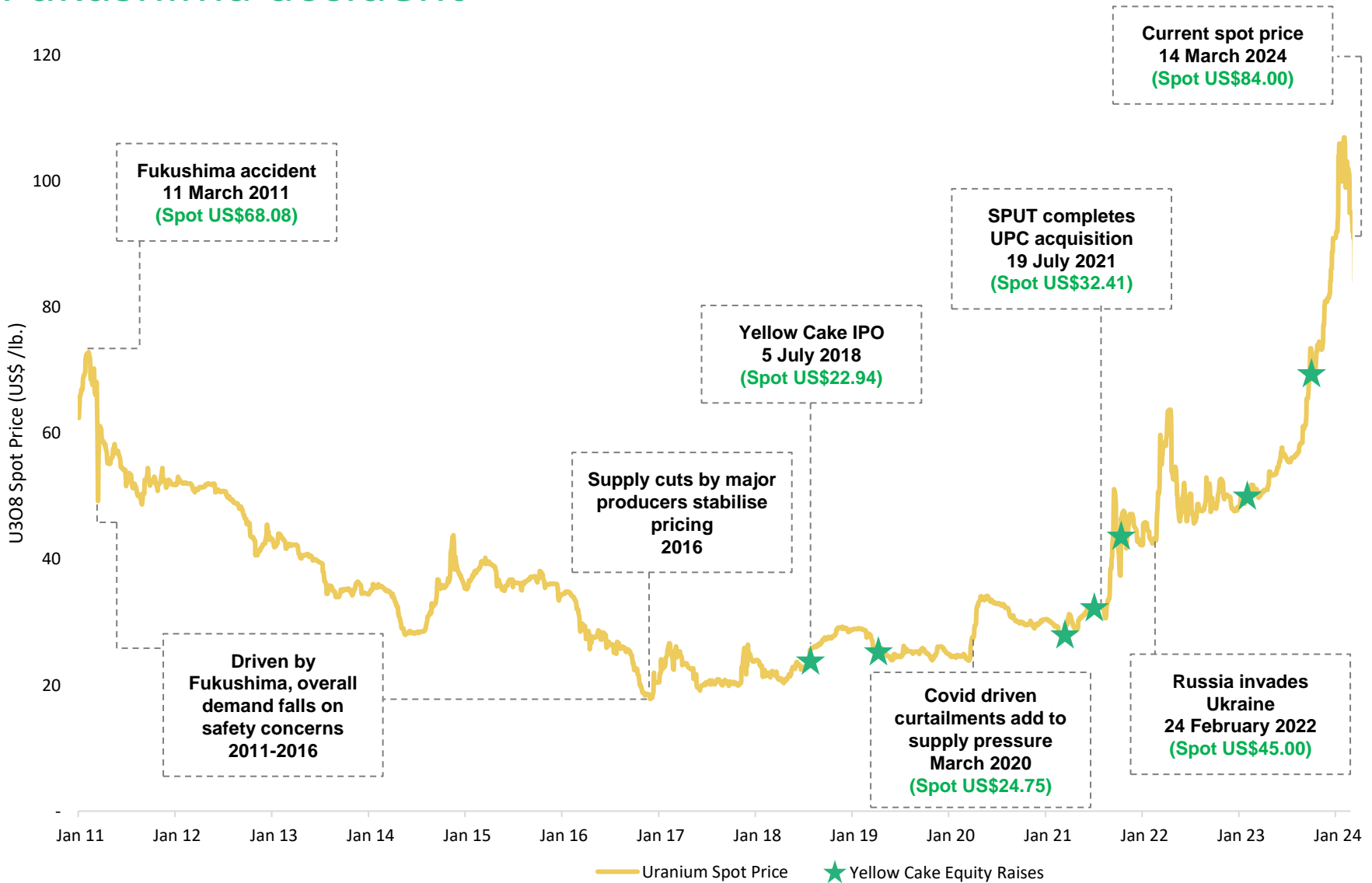
## GBP share price and uranium price L12M<sup>(1,3)</sup>



## Blue chip shareholder register



# U<sub>3</sub>O<sub>8</sub> spot price is exceeding levels at the time of the Fukushima accident<sup>(1,2)</sup>



Source:

- 1) UxC, LLC, "Historical Daily Broker Average Price", 14 March 2024
- 2) McKinsey, "Uranium Commodity Perspective", December 2022

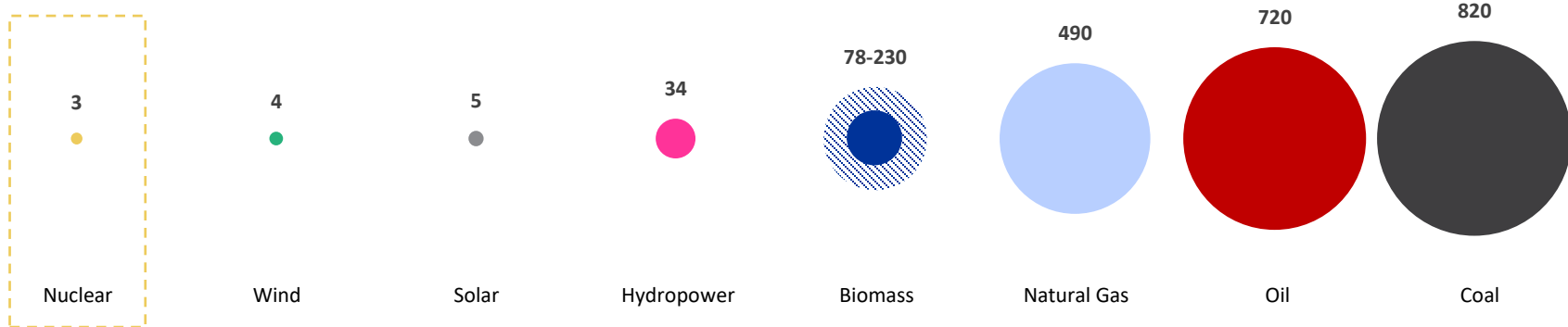


# Climate change and energy transition supporting nuclear growth



Nuclear power generates the least CO<sub>2</sub> equivalent emissions compared to all other power sources

CO<sub>2</sub> equivalent emissions per GWh over the lifecycle of a power plant (tonnes)<sup>(1)</sup>



Note: Range of emissions from biomass depend on material being combusted

- Not only does nuclear generate >99% less CO<sub>2</sub> equivalent emissions than non-renewable power sources (natural gas, oil, and coal), but it also generates the least amount of emissions when considering other renewable power sources traditionally considered environmentally friendly (wind and solar)

Source:

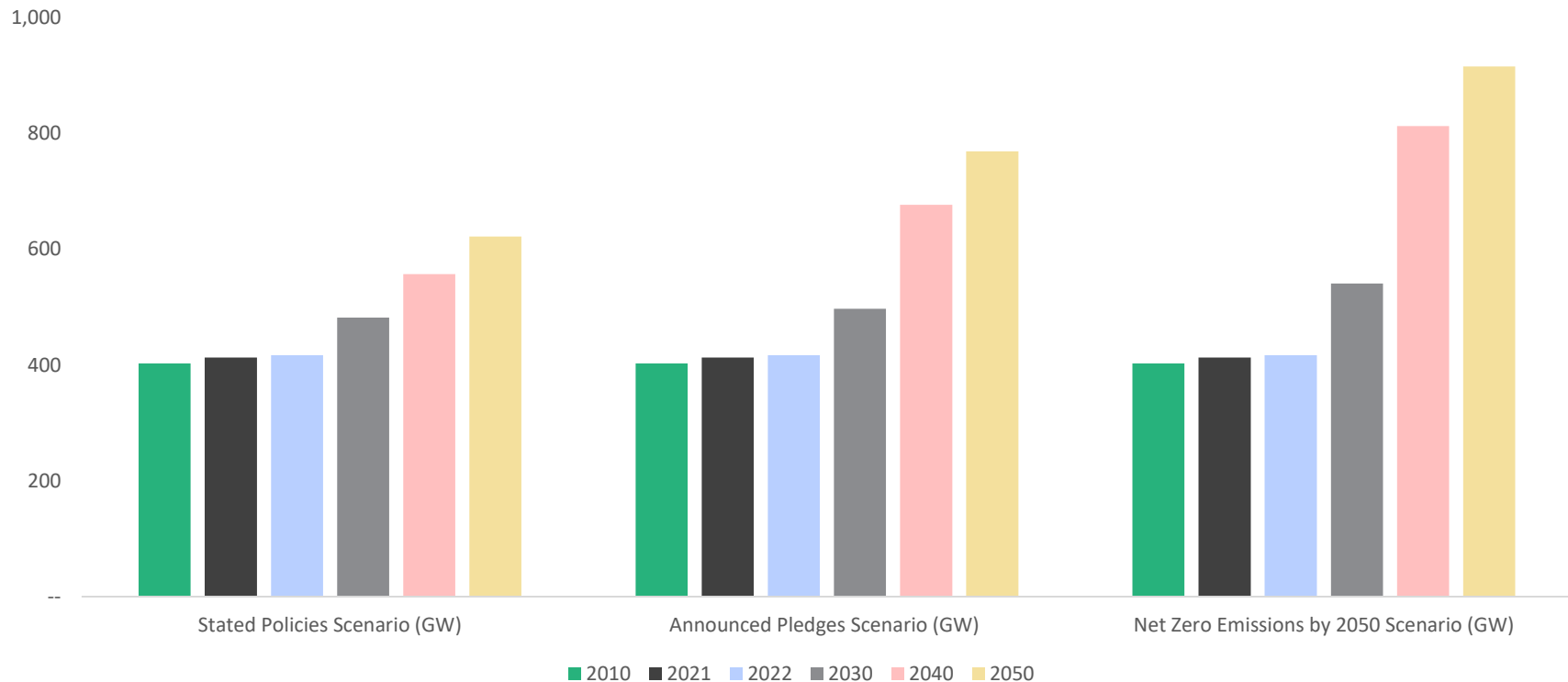
1. Our World in Data, "Safest Sources of Energy", 2020

# Global demand for nuclear increasing towards 2050



Market conditions and policies are shifting views on natural gas and limiting its role, while underlining the potential for nuclear power to cut emissions and strengthen electricity security<sup>(1)</sup>

## Global nuclear energy demand scenarios (GW)<sup>(1)</sup>



Source:

1) World Energy Outlook, October 2023

# Reactor build programs and life extensions driving uranium demand



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

China	India	Russia	UAE
27 reactors under construction, 41 planned	7 reactors under construction, 12 planned	3 reactors under construction, 25 planned	3 operating reactors, 1 reactor under construction

Investment in nuclear power	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	438	61	105	337
Chinese Reactor Fleet	55	27	41	158

Source:

1) World Nuclear Association, World Nuclear Power Reactors & Uranium Requirements (March 2024)

# Countries re-engaging nuclear power



Rather than declining, western demand for nuclear power is stable to growing through reactor life extensions and new construction



- Five operating reactors with another planned, will take nuclear contribution to 60%
- On 16 February, Finland's government issued operating license extensions until the end of 2050 for Units 1 & 2 at the Loviisa nuclear plant, which had previously been set to expire in 2027 and 2030



- Due to a long-standing policy based on energy security, 70% of France's electricity is from nuclear energy
- March 2023, President Macron's office announced funding for six EPR-2 PWRs across the country, a US\$50bn proposal for the nation's new-build reactor program will be presented to the government by the end of 2023



- February 2023, Japan's Cabinet approved nuclear reactors to operate beyond the current 60-year statutory limit
- Government aims to restart additional 7 reactors by this summer



- In 2021, Netherlands announced plans to build two nuclear reactors by 2035, which should supply up to 13% of the country's total electricity production
- The government has earmarked US\$5.3bn in funding, and construction is expected to commence in 2028



- Nuclear power plants accounted for 29.6% of South Korea's total power generation in 2022, with the government aiming for 32.4% by 2030
- South Korea restarted construction of idled project



- Swedish state run utility, Vattenfall, is considering adding up to 2,800 MWe to the Ringhals nuclear power plant's current capacity of 2,190 Mwe
- The company is also advancing plans for several SMRs, each with an output power between 300 MWe to 400 MWe

Sources:

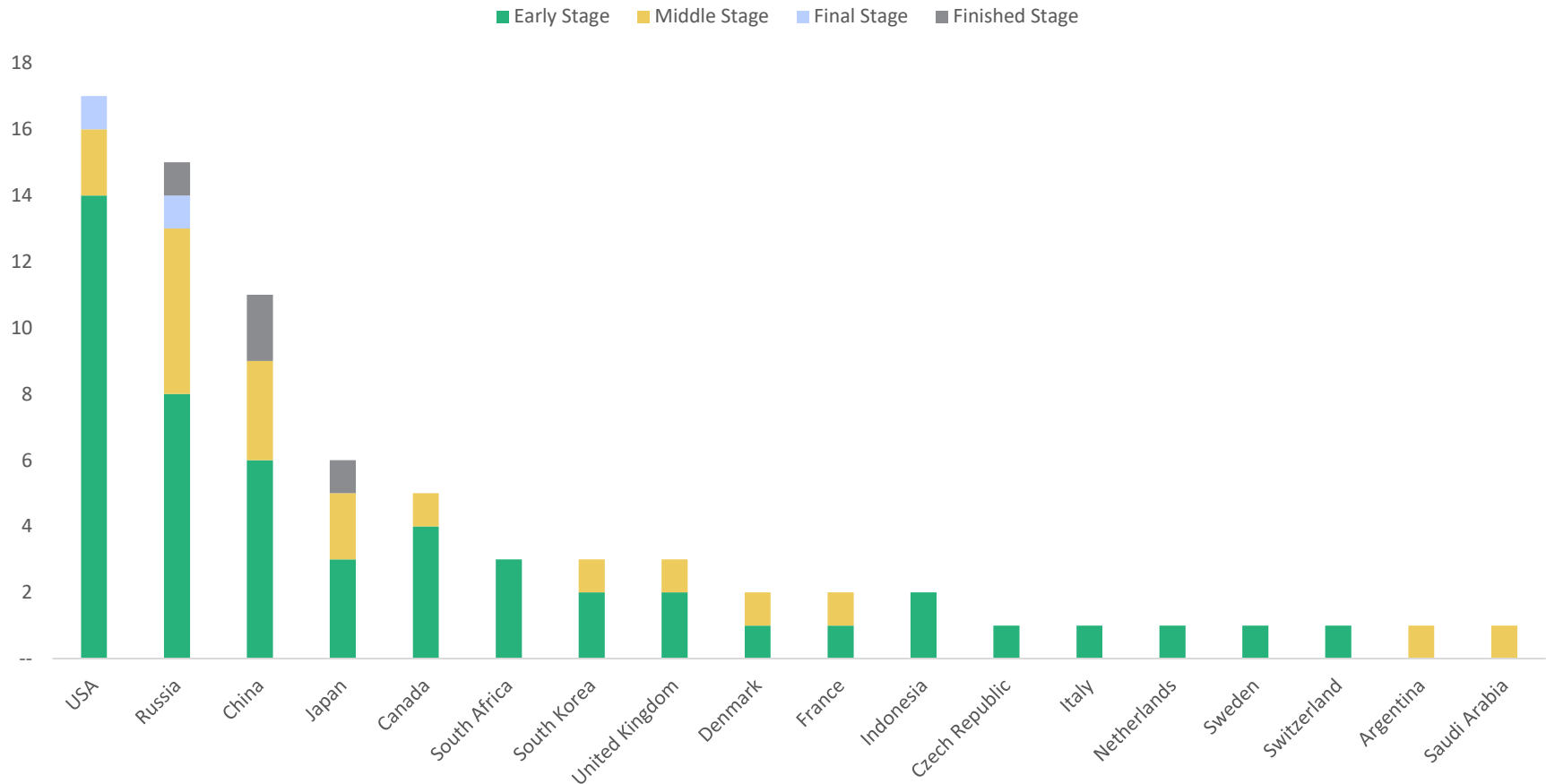
Reuters, "Netherlands plans to build two nuclear power plants by 2035", December 2022; UxC Weekly, Vol 37, No 10; UxC Weekly, Vol 37, No 8; UxC Weekly, Vol 37, No 5

# Small modular reactors are becoming a reality



SMR market value could reach US\$1 trillion by 2050

**76 SMR designs are being developed globally across 18 countries<sup>(1)</sup>**



Source:

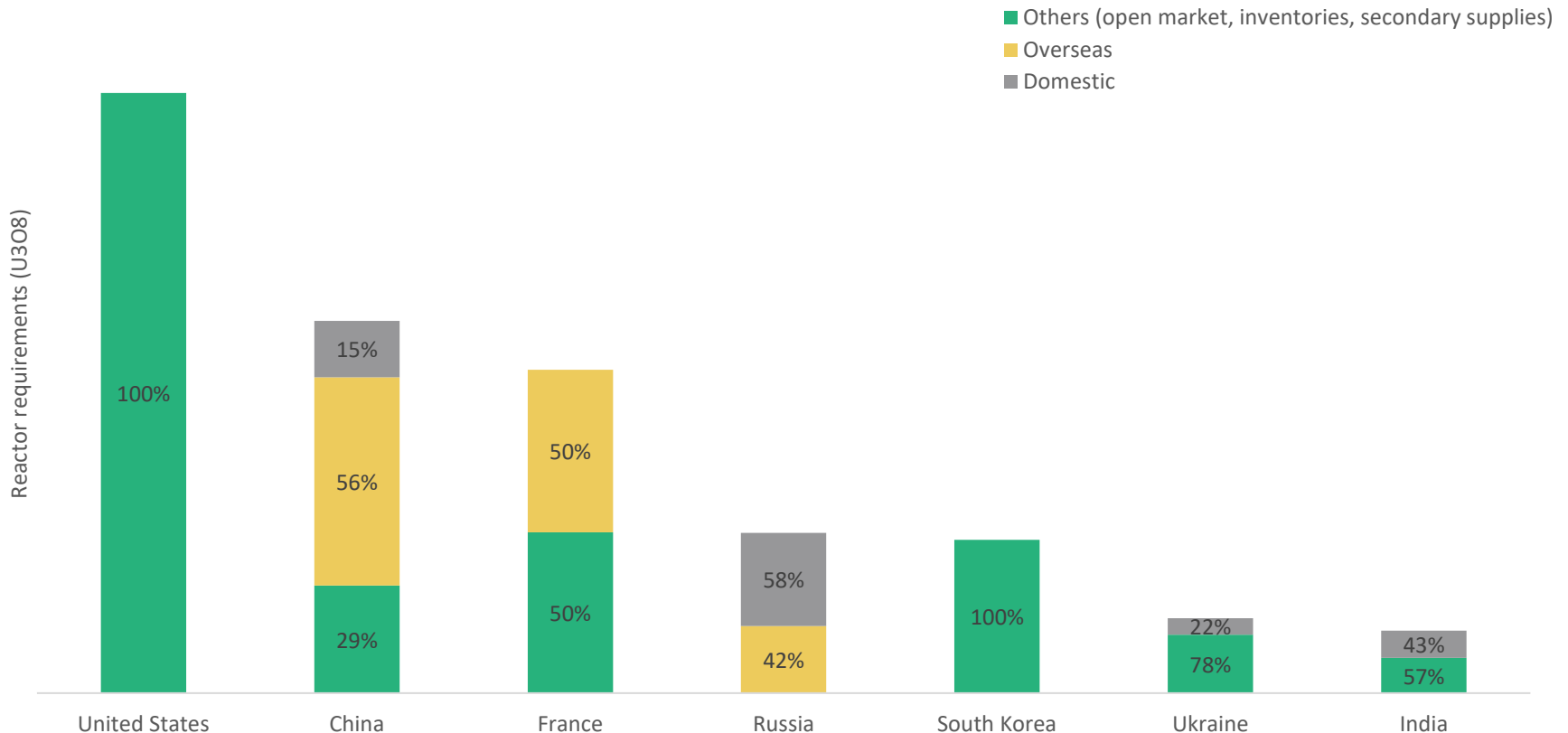
1) Barclays Research, European Utilities – “New Horizons: New Nuclear: A \$1trn SMR Market and Fusion Revolution”, 8 March 2023

# Global utilities are exposed to escalating geopolitical risk of natural uranium supply



The United States, the largest consuming country, is currently at its lowest annual uranium production level in more than 70 years. Domestic suppliers are generally idled and commercial inventory is decreasing

**Total reactor related requirements and origin of uranium 2H 2022 ( $U_3O_8$ )<sup>(1)</sup>**



Source:

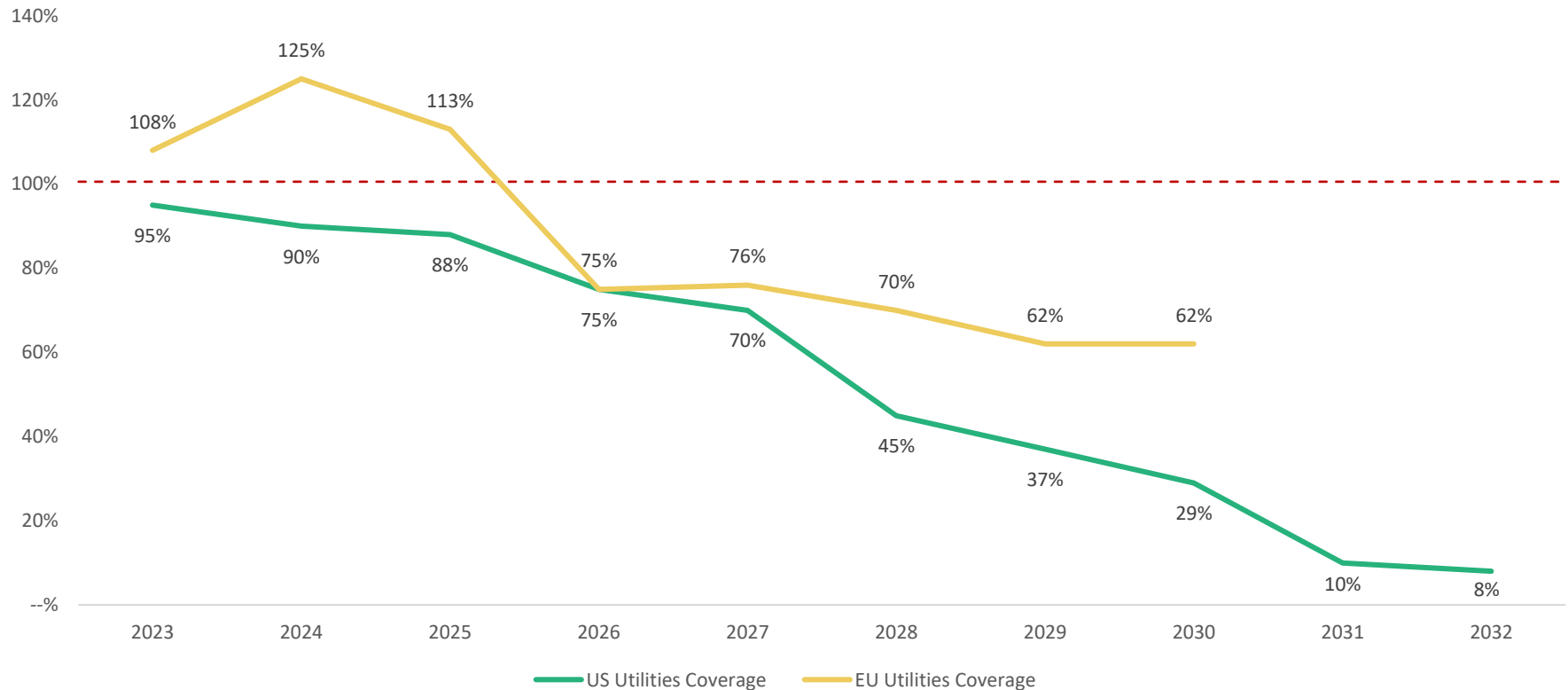
1) MineSpans (December 2022)

# Long-term contracts are being replaced



Increased term contracting activity during 2022 was one factor leading to the spot price rise

Future contracted coverage rates of US and European utilities<sup>(1,2)</sup>



Source:

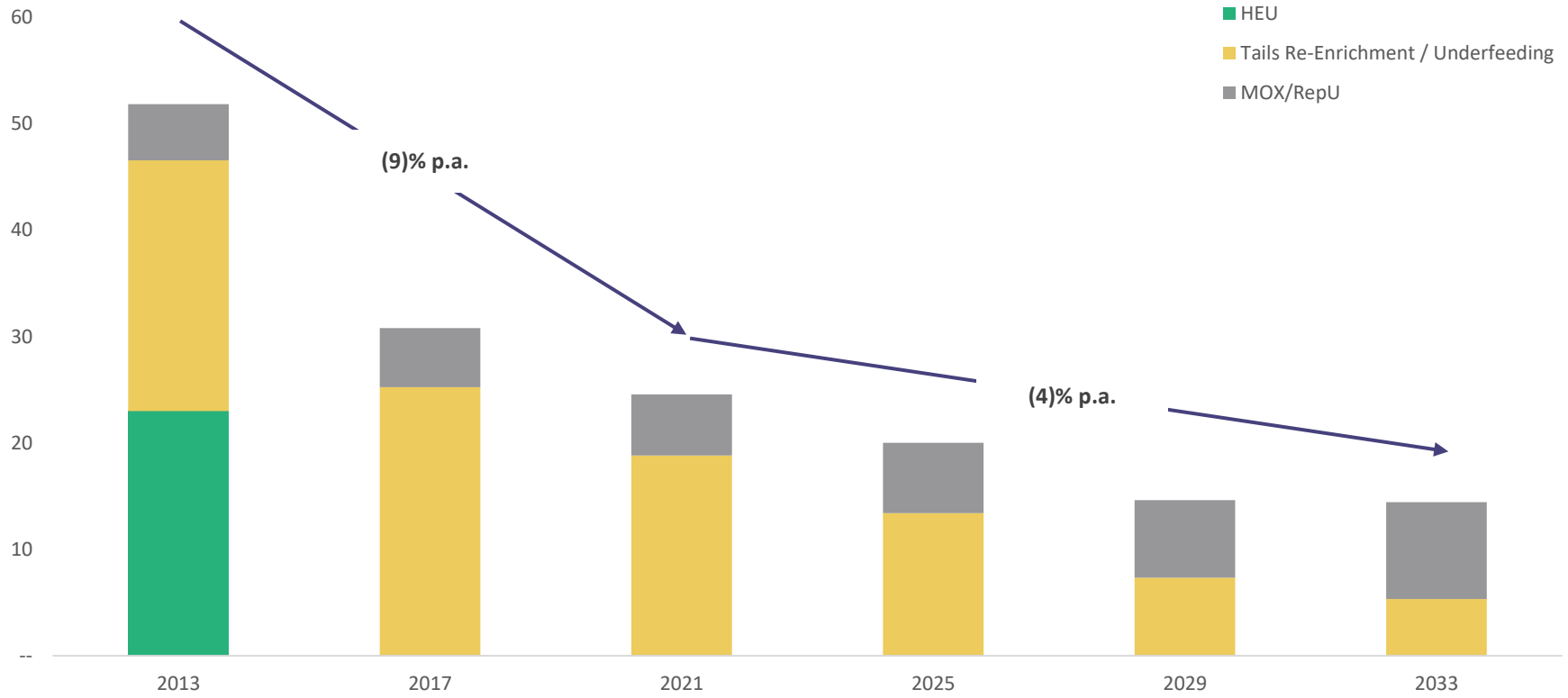
- 1) US Energy Information Administration: Maximum anticipated uranium market requirements of owners and operators of U.S. civilian nuclear power reactors, 2023-2032, at end of 2022 (June 2023)
- 2) Euratom Supply Agency Annual Report 2021 (2022)

# Declining secondary supply



Secondary supply is expected to decline by 4% p.a. until 2033 due to decreases of available excess enrichment capacity

Secondary uranium supplies, 2013-2033 (Mlbs.  $U_3O_8$ ) <sup>(1)</sup>

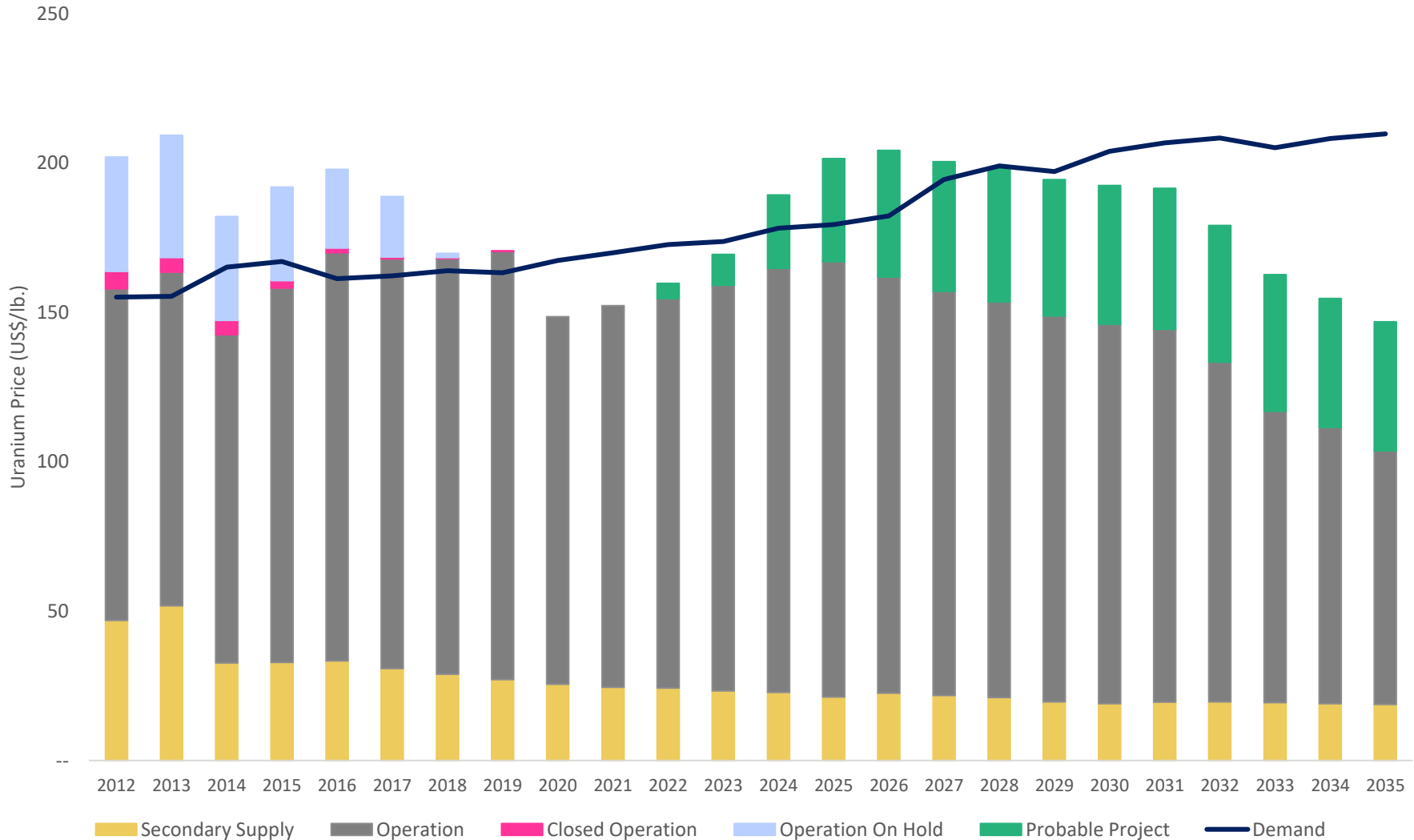


Source:

1. Minespans (December 2022)



# The supply side is being challenged to meet growing demand<sup>(1)</sup>



Source:  
1) MineSpans (May 2022)

# Yellow cake is well positioned to benefit from current market trends



- Nuclear energy provides low emission power generation that is critical to decarbonisation
- Globally, demand for uranium is increasing due to aggressive nuclear plant build programs, reactor life extensions, and small modular reactor developments
- Western countries have been dependent on Russian uranium, conversion, and enrichment historically but are now shifting away towards ex-Russian supply
- Term contracting activity has increased significantly in 2023 and is likely to remain at an elevated level
- There is a growing uranium supply deficit as producing mines enter their “end of life”, secondary supply declines, and excess inventory has been drawn down
- **Having secured over 21.6Mlbs. in  $U_3O_8$  inventory and benefitting from an ongoing framework agreement with Kazatomprom that provides access to US\$100m in further material per year, Yellow Cake is well positioned to benefit from market tailwinds**