

22 July 2022



**Yellow Cake plc (“Yellow Cake” or the “Company”)**

**Annual Results for the year ended 31 March 2022**

### **Highlights**

- Continued improvement in the market for  $U_3O_8$  with the spot price increasing 89% from USD30.65/lb on 31 March 2021 to USD57.90/lb<sup>1</sup> on 31 March 2022.
- Increase of 203% in the value of the Company’s holding of  $U_3O_8$  during the financial year to USD916.7 million<sup>1</sup> as at 31 March 2022, as a result of the appreciation in the uranium price and a net increase in the volume of uranium held from 9.86 million lb of  $U_3O_8$  to 15.83 million lb of  $U_3O_8$ .
- Profit after tax of USD417.3 million for the year ended 31 March 2022 (2021: USD29.9 million).
- Raised USD236.6 million (GBP171.7 million) during the financial year through share placings in June and October 2021, after raising USD138.5 million (GBP99.3 million) in March 2021. Applied the proceeds of the three placings to acquire 8.35 million lb of  $U_3O_8$  during the financial year and an additional 0.95 million lb of  $U_3O_8$  post year-end.<sup>2</sup>
- Net asset value of USD1,069.0 million (GBP4.42 per share)<sup>3</sup> as at 31 March 2022 (2021: USD421.4 million (GBP2.38 per share)).
- Completed a USD3 million share buyback programme following the year-end, repurchasing 566,833 shares between 4 April and 6 May 2022 (now held in treasury) at a volume weighted average price of GBP4.15 per share (USD5.27 per share) and a volume weighted average discount to net asset value of 10.4%, effectively acquiring exposure to uranium at a discount to the commodity spot price.
- Holding of 18.81 million lb of  $U_3O_8$  as at 21 July 2022 (including 2.97 million lb of  $U_3O_8$  received post year-end) acquired at an average cost of USD31.11/lb.<sup>3</sup>
- Increase of 47% in the value of the Company’s holding of 18.81 million lb of  $U_3O_8$  as at 15 July 2022 to USD860.4 million<sup>4</sup>, relative to the average acquisition cost of USD585.1 million (USD31.11/lb).<sup>5</sup>

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1. Based on the month-end spot price of USD30.65/lb published by UxC LLC on 31 March 2021 and the daily spot price of USD57.90/lb published by UxC LLC on 31 March 2022.

2. During the financial year, Yellow Cake purchased 8.35 million lb of  $U_3O_8$  and purchased an additional 0.95 million lb of  $U_3O_8$  post-year-end. Under option arrangements entered into in 2018, the Company disposed of 2.37 million lb of  $U_3O_8$  during the financial year and repurchased 2.02 million lb of this  $U_3O_8$  post year-end.

3. Net asset value per share as at 31 March 2022 is calculated assuming 187,740,730 ordinary shares in issue less 4,069,498 shares held in treasury, the Bank of England’s daily USD/GBP exchange rate of 1.3162 as at 31 March 2022 and the daily spot price published by UxC LLC on 31 March 2022.

4. Based on the daily spot price of USD45.75/lb published by UxC LLC on 15 July 2022

5. Average cost calculated based on a first-in, first-out methodology.

**Andre Liebenberg, CEO of Yellow Cake, said;**

"I am very pleased to report on another year of considerable progress. We have remained focused on our strategy to buy and hold uranium, providing investors with the opportunity to directly participate in the continued rise in the price of the commodity, which in turn has generated consistent returns for our shareholders.

In 2021, we raised approximately USD375 million to acquire 8.35 million lb of uranium during the financial year, which with an additional purchase after year-end, means we now own 18.81 million lb, doubling the amount since the end of the 2021 financial year.

The confidence we have in our longer term outlook remains very strong and this is driven by the same supply demand fundamentals that have supported the performance to date. We expect to see a sustained increase in uranium demand and price increases in years to come as the global demand for clean energy highlights the need for nuclear energy. We have seen very positive policy developments in the US, the EU and in China as nuclear is increasingly recognised as a core way to urgently address climate change. Yet despite a clear growing demand picture and recent price rises, supply remains severely constrained, and looks set to get even tighter as utility companies around the world start to address their future uncovered fuel requirements. Yellow Cake is very well placed to capitalise on these market characteristics."

**ENQUIRIES:**

**Yellow Cake plc**

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## **ABOUT YELLOW CAKE**

Yellow Cake is a London-quoted 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 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 18.81 million pounds 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.

## **Chairman's statement**

The trends underlying the widening global imbalance between uranium supply and demand that motivated Yellow Cake's formation in 2018 strengthened during 2021 and into 2022. The tragedy of war in Ukraine crystallised energy security concerns, given Russia's role as a key supplier of fossil fuels across Europe and its position in the nuclear fuel cycle.

Social unrest stemming from high fuel prices in January 2022 in Kazakhstan, the world's largest producer of uranium with historically close ties to Russia, emphasised the concentrated nature of uranium production. Russia is also a significant supplier of enriched uranium to US and European nuclear utilities and the possible ramifications of sanctions on uranium fuel production in Russia and the availability of nuclear fuel remain of concern.

These developments have highlighted the need for national energy policies to consider both the cost of energy and security of supply. The increased global focus on climate change and broader environmental, social and governance (ESG) issues has added carbon emissions as another important factor in national energy policy and resulted in a comprehensive review of the benefits of nuclear energy.

Nuclear energy's low carbon lifecycle emissions, reliable baseload profile and good fit with renewable energy sources are recognised in energy plans from rapidly developing countries such as China and India as well as in positive policy shifts in the US, UK, Japan and many countries in Europe. Several countries are now rethinking their positions on phasing out nuclear power, with Belgium deciding to extend the operating life of two reactors that were scheduled to shut down in 2025<sup>6</sup>.

While, thankfully, the direct human impact of COVID-19 appears to be receding, the ongoing effects of the pandemic on uranium supply through disruptions to global supply chains and rising costs for certain products and services continue to be felt.

### ***Strong interest in uranium equities***

Increased investor interest led to a marked increase in activity in the uranium spot market from traders, investment firms and junior mining companies, resulting in a rapid and sustained increase in the spot price of U<sub>3</sub>O<sub>8</sub>, which has more than doubled since Yellow Cake listed. The Company took advantage of the strong market support through two oversubscribed equity raises in the 2022 financial year to raise USD230 million (after costs), the proceeds of which were deployed to significantly increase its holdings of U<sub>3</sub>O<sub>8</sub>.

### ***Realising returns for investors***

Yellow Cake was established to provide investors with long-term exposure to the uranium spot price through a liquid and publicly-quoted vehicle. The Company's low-cost outsourced business model minimises cost leakage and limits risk exposure from the uranium production chain. The long-term partnership with Kazatomprom is a key strategic advantage that provides access to material volumes of uranium at the prevailing market price and is particularly important as we transition to an undersupplied market.

Yellow Cake aims to realise a return for investors from the appreciation in value of the Company's U<sub>3</sub>O<sub>8</sub> holdings. Periods when the Company's shares trade above net asset value provide an opportunity to raise capital to invest in additional uranium. When the shares trade below net asset value, as they did from mid-January this year, equity issues would be dilutive for existing shareholders. In these cases, the Board considers share buybacks to be an effective means of increasing shareholders' exposure to uranium at a discount to the commodity spot price.

Accordingly, the Board implemented a programme to repurchase the Company's ordinary shares commencing on 4 April 2022, which concluded on 6 May 2022 with the acquisition of 566,833 shares, returning USD3 million to shareholders.

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6. World Nuclear News; "Extended Operation of Two Belgian Reactors Approved"; 21 March 2022.

While the Board reserves the right to declare a dividend as and when deemed appropriate, the Company does not currently expect to issue dividends on a regular or fixed basis. The Board is not declaring a dividend for this financial year.

In the second half of the year, the Board conducted a review of the Company's strategy in the context of the prevailing conditions and outlook for the uranium market. The review included an assessment of the appropriateness of Yellow Cake's corporate structure, ability to source additional  $U_3O_8$  volumes beyond the Kazatomprom option, opportunities for maximising value from the physical uranium already owned and the Company's ultimate strategic goal. The review concluded that the current strategy and corporate structure remain appropriate.

### ***Share issues***

Yellow Cake held two General Meetings during the financial year, in June 2021 and January 2022, to obtain shareholder approval to renew the Board's authorities to allot additional ordinary shares ahead of the Annual General Meetings (AGMs) in September 2021 and 2022. These renewals were necessary to allow Yellow Cake to take advantage of opportunities to acquire uranium once the shares issued under the authority obtained at the preceding AGMs were almost fully utilised.

The Company placed 25 million new ordinary shares on 21 June 2021 and an additional 30 million new ordinary shares on 29 October 2021. These share issues, together with the issue in March 2021 (in the 2021 financial year), enabled Yellow Cake to acquire 9 million lb of  $U_3O_8$ , nearly doubling the Company's holdings by June 2022 to 18.8 million lb, or 15% of 2021 global annual production.

### ***Governance***

Yellow Cake's Board of Directors appreciates that long-term value can only be created by taking an approach that looks beyond financial performance to consider the Company's broader environmental, social and governance performance. We are committed to good governance and high ethical standards.

The Company applies the principles and provisions of the UK Corporate Governance Code 2018 (the "**Code**") to the degree appropriate to the size and nature of its business. The Code of Conduct sets the operational and performance requirements for Yellow Cake's employees, directors, business partners, contractors and advisers, and promotes the Company's key values of dignity, diversity, business integrity, compliance and accountability.

The small scale and simplicity of the organisation enhances effective governance and oversight, and ensures good communication. Compliance policies are regularly reviewed and updated to ensure continued alignment with the latest developments in corporate governance requirements and guidelines. Policies and measures are in place to prevent the opportunity for bribery or inducements, and include a whistleblowing policy.

The Board plays an active role in overseeing the Company's activities and met ten times during the year to 31 March 2022. Meetings were also held by the Audit, Remuneration and Nomination Committees during the period to discharge their duties as set out in their terms of reference.

Although Yellow Cake does not have a material direct social and environmental impact, the Company conducts the necessary due diligence on suppliers and business partners to ensure that they share our commitment to responsible business practices. Yellow Cake has a zero-tolerance approach to bribery, corruption and unethical practices.

The Board welcomes the increased global attention on climate change and mitigating the effects of global warming.

In line with Yellow Cake's commitment to ESG principles, we commission an annual external and independent assessment of our ESG practices and those of our primary suppliers.

### ***Stakeholder engagement***

The Board recognises the importance of regular engagement with stakeholders and the Company proactively facilitates opportunities for dialogue. The Executive Directors address day-to-day queries raised by stakeholders and the chairs of the Board Committees seek engagement with shareholders on significant matters related to their areas of responsibility when required. The Chairman is available to the Company's major shareholders to discuss governance, strategy and performance. Feedback on all stakeholder engagements is regularly communicated to the Board and informs its deliberations.

The resolution for the re-election of Emily Manning to the Board of the Company received less than 80% of votes in favour at the AGM in September 2021. In accordance with the recommendations of the Code, Yellow Cake approached the majority of those major shareholders who voted against the resolution to understand their specific concerns. The Company did not receive any substantive feedback from the major shareholders but understands that their votes were primarily influenced by the stance taken by the proxy advisor regarding Ms Manning's independence and membership of the Audit and Remuneration Committees.

The Board undertook a rigorous evaluation and concluded that Ms Manning is independent of both character and judgment and makes a valuable contribution to Board discussions while also providing effective challenge to management and the wider Board. Nevertheless, Ms Manning retired from the Audit and Remuneration Committee, but remains a Director of the Company.

### ***Appreciation***

In closing, I would like to thank my colleagues on the Board for their support and for their thorough and extensive contribution during the year. On behalf of the Board, I would like to extend our appreciation to Yellow Cake's shareholders and investors for their continued support and strong interest in the share issues during the year.

**The Lord St John of Bletso**

Chairman

## CEO statement

The past year has been an exciting period for the global uranium market and Yellow Cake. The uranium market appears to have made the transition from a long period of oversupply to a situation of undersupply, with little evidence to suggest that it will rebalance in the foreseeable future. Uranium supply remains under pressure following years of under-investment in developing new resources, continued discipline from major producers not to sell into an oversupplied market and the recent permanent closure of significant production sources in Niger and Australia.

We expect rising global inflation and supply chain disruptions since the start of COVID-19 to lead to increased exploration, development and production costs that will further increase the incentive price of new production. The availability and cost of skilled labour are also becoming major factors in new uranium mine development.

Demand factors strengthened throughout 2021 as nuclear's role in meeting the long-term increase in future energy demand during the transition to a low carbon future is becoming increasingly recognised by governments around the world. Uncertainty regarding US policy issues that overhung the market for the last several years has been removed. The Biden administration's Build Back Better Bill includes significant support to existing nuclear facilities, enrichment programmes and research into advanced reactors.

The high price of fossil fuels and Europe's reliance on Russian natural gas and oil have highlighted energy security as a counterargument against prematurely closing nuclear facilities. Progress in developing advanced reactors and small modular reactors (SMRs) is opening up new opportunities for nuclear by reducing upfront costs and construction times, where most of the lifecycle carbon emissions from nuclear occur. During the year, the world's first commercial SMR started feeding electricity into the grid in China's Shandong province<sup>7</sup>.

After many years of limited long-term contracting by nuclear utilities, activity in the term uranium market started to increase as utilities appear to be realising that uranium availability could become an issue by mid-decade.

### ***Improved sentiment drives spot volumes and uranium equities***

The shift in the supply/demand dynamic led to improved sentiment and strong demand for uranium investments. Sprott's launch of its uranium trust in mid-2021 raised USD2 billion and enabled purchases of 38.6 million lb in the spot market to date. In October, ANU Energy OEIC Ltd, another physical uranium fund, was launched to raise an initial USD50 million and raise a further USD500 million to be invested in physical uranium. In May 2022, ANU Energy raised an initial USD74 million in its first round of funding, which was USD24 million more than initially planned. Junior uranium producers also entered the spot market to procure uranium in support of long-term contracting strategies and to hold uranium as an investment, acquiring an estimated 6 to 7 million lb, in addition to near-term buying by major producers.

### ***Implications of the Russian invasion***

The future impacts on nuclear fuel markets as a result of the economic sanctions against Russia remain uncertain. Recent reported utility data shows that US nuclear utilities relied on Russian origin/sources for 15% of uranium and 22% of uranium enrichment services from 2016 to 2020<sup>8</sup>. US nuclear utilities are reportedly lobbying the US government to continue to allow nuclear fuel imports from Russia to maintain low electricity prices. The EURATOM Supply Agency (ESA) reported that European Union (EU) nuclear utilities had even greater reliance on Russian sources, purchasing over 17% of uranium and 29% of enrichment services over the same five year period (2016-2020)<sup>9</sup>.

The direct effect of the war in Ukraine on Yellow Cake's operations and financial position has to this point been limited. All U<sub>3</sub>O<sub>8</sub> to which the Company has title and has paid for is held at the Cameco storage facility in Canada and the Orano storage facility in France.

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7. Bloomberg, "New reactor spotlights China's push to lead way in nuclear power", 21 December 2021.

8. US Department of Energy '2020 Uranium Marketing Annual Report', May 2021.

9. Euratom Supply Agency Annual Reports 2016 – 2020.



While part of Kazatomprom's production is transported through Russia, the Company is unaware of any restrictions on Kazatomprom's activities related to the supply of its products to Yellow Cake. There are nevertheless risks associated with both transit through the territory of Russia and the delivery of cargo by sea vessels, which could adversely impact future deliveries from Kazatomprom. Kazatomprom have publicly stated that they have an alternative supply route which was established in 2018, should the route through St Petersburg no longer be viable.

The delivery of the contracted 2 million lb of  $U_3O_8$  from Kazatomprom in May 2022 and a further 950,000 lb of  $U_3O_8$  in June 2022 were completed in accordance with agreed schedules. Payment either follows delivery or is managed via escrow, so there is no credit risk for Yellow Cake attached to these deliveries. The Company does not anticipate any restrictions on being able to make further purchases under its option agreement with Kazatomprom should it wish to do so.

### ***Uranium market activity***

Spot market volumes in the 2021 calendar year exceeded the record volumes of 2020, reaching approximately 102 million lb of  $U_3O_8$  (CY2020: 95 million lb). Much of this volume was driven by non-utilities, with buying by primary producers, financial funds, trading companies and junior uranium companies accounting for 83% of volumes.

The uranium spot market price started 2021 at USD30.00/lb and ended the year 40% up at USD42.05/lb, after hitting a nine-year high in mid-September of USD50.50/lb. After tracking sideways to slightly down in the first two months of 2022, the spot uranium price rose sharply in the last week of February in response to the Russian invasion of Ukraine. On 31 March 2022, the spot price was USD57.90/lb and decreased to USD45.75/lb by 15 July 2022.

Aggregate long-term uranium contracting in CY2021 increased to around 70 million lb  $U_3O_8$  from 57 million lb in CY2020, but remained at relatively low levels compared to CY2019 (96.2 million lb) and CY2018 (90.5 million lb). Cameco announced that the company had added 70 million lb  $U_3O_8$  to its term contract portfolio since January 2021 with 40 million lb  $U_3O_8$  of that total being finalised in January 2022 alone<sup>10</sup>. Market uncertainty created by the Russian invasion of Ukraine resulted in significant upward pressure on longer-term price indicators with the long-term price increasing by over 23% in the first half of CY2022 and the three-year and five-year forward prices rising by 25% and 28% respectively.

### ***Increase in Yellow Cake's $U_3O_8$ holdings***

Strong investor interest in uranium equities allowed Yellow Cake to raise a further USD236.6 million through two oversubscribed share placements in June and October 2021. Together with USD138.5 million raised at the end of the previous financial year, these funds were used to exercise the Kazatomprom 2021 option to acquire USD100 million of uranium and to buy additional uranium from Kazatomprom and in the spot market, increasing Yellow Cake's holdings of  $U_3O_8$  by a further 9 million lb to 18.8 million lb on a *pro forma* basis.

### ***Company share price***

The Company's shares ended the 2022 financial year 44% up on the prior year and traded at a premium to net asset value for most of the financial year before dropping below net asset value from mid-January 2022 to year-end. The Board approved a share buyback programme in April 2022, which acquired 566,833 ordinary shares, increasing shareholders' exposure to uranium on a per share basis and returning USD3 million.

The fair value of the Company's holding of  $U_3O_8$  increased by USD614.6 million in the year to 31 March 2022. At year-end Yellow Cake's net asset value increased by 154% and net asset value per share increased to GBP4.42 per share over the period. The Company delivered a net profit after tax for the year of USD417.3 million and ended the year with cash and cash equivalents of USD153.1 million on the balance sheet. The CFO's Review that follows provides more information regarding the Company's financial results for the period.

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10. Cameco 2021 Management's discussion and analysis, 9 February 2022.

### ***Stakeholder relationships***

We engage with stakeholders, particularly shareholders, investors, analysts and the media, on an ongoing basis through investor conferences, conference calls, investor briefings with industry experts, media briefings and interviews to improve the understanding of the Company and the industry. The June share placement included a retail component that was very well supported and we are pleased with the increased representation of retail shareholders, which in June 2022 comprised 29% of the share register.

### ***Outlook***

The then looming disconnect between the medium- to long-term supply of uranium forecast at Yellow Cake's IPO is becoming more widely evident as demand for nuclear energy is increasingly supported by the transition to a low carbon economy and the more immediate need to improve energy security. Even with the run up in spot uranium prices in March 2022, the incentive price for new supply of uranium remains higher and rising as a result of inflation and supply chain disruptions.

With secondary activity resulting in a thinning uranium spot market, increasing concerns about supply security and the diversity of supply portfolios, and long-term contracting still at relatively low levels, we are seeing strong uranium demand from nuclear utilities.

These factors should result in continued strong demand for uranium and support a continued increase in uranium prices. Yellow Cake is well positioned to make the most of opportunities to realise value for investors both through increasing its holding of  $U_3O_8$  and through share buybacks when the share is trading materially below net asset value.

**Andre Liebenberg**

Chief Executive Officer

## CFO's review

Following the upsized share placing at the end of the 2021 financial year (USD138.5 million) and the high level of investor interest in uranium, Yellow Cake undertook two more share placements in June (USD86.9 million) and October (USD149.7 million). The proceeds of the three placings were applied to fully exercise the Company's 2021 option to purchase USD100 million of  $U_3O_8$  from Kazatomprom under the Framework Agreement, to purchase additional uranium from Kazatomprom and in the spot market and to fund related expenses and working capital.

From mid-January 2022, the Company's shares traded at a material discount to its underlying net asset value and the Board took the decision in April 2022 to implement a share buyback programme as a means of effectively acquiring exposure to uranium at a discount to the commodity spot price. Under the programme, the Company acquired 566,833 shares after the reporting date at a volume weighted average discount to the Company's *pro forma* net asset value of 10.4%.

I am pleased to present the following audited financial statements for the year to 31 March 2022 and report a number of highlights:

- An increase in the value of the Company's uranium holding of USD614.6 million from USD302.1 million at 31 March 2021 to USD916.7 million at 31 March 2022;
- Gross proceeds of USD236.6 million from share placings in June and October 2021, in addition to gross proceeds of USD138.5 million from a share placing in March 2021;
- Concluded purchases of 8.35 million lb of  $U_3O_8$  during the financial year at an average price of USD34.13/lb and an aggregate consideration of USD284.9 million; and
- Profit after tax of USD417.3 million (2021: USD29.9 million).

## Uranium transactions

Yellow Cake started the financial year with a holding of 9.86 million lb of  $U_3O_8$ . On 28 April 2021, 348,068 lb of  $U_3O_8$  was transferred to Uranium Royalty Corp. under the terms of the subscription agreement entered into at the time of Yellow Cake's IPO in July 2018. On 20 May 2021, Yellow Cake completed the purchase of 343,053 lb of  $U_3O_8$  in the spot market at a price of USD29.15/lb for total consideration of USD10.0 million.

On 21 June 2021, the Company took delivery of 3.45 million lb of  $U_3O_8$  under the terms of the Kazatomprom option exercised in the previous financial year. In July 2021, the Company concluded agreements to purchase a further 550,000 lb of  $U_3O_8$  in the spot market at an average price of USD32.35/lb for a total consideration of USD17.8 million. The Company took delivery of this uranium in July and August 2021.

In November 2021, Yellow Cake purchased 2.0 million lb of  $U_3O_8$  from Curzon Uranium Limited at a price of USD46.32/lb. In October, the Company agreed to purchase 0.95 million lb of  $U_3O_8$  from Kazatomprom at a price of USD47.58/lb, which was delivered on 30 June 2022.

In November 2021, Kazatomprom exercised its Repurchase Option at a price of USD43.25/lb less an aggregate discount of USD6.6 million, and took delivery of 2.02 million lb of  $U_3O_8$  from Yellow Cake. At the same time, Yellow Cake exercised its Buyback Option for the same quantity of uranium at a price of USD43.25/lb and took delivery of the 2.02 million lb of  $U_3O_8$  from Kazatomprom in May 2022. The net impact of the Repurchase Option and Buyback Option transactions was a pay-out by the Company to Kazatomprom of USD6.6 million.

On 4 December 2021, Yellow Cake took delivery of 2.0 million lb of  $U_3O_8$  from Kazatomprom at a price of USD32.23/lb.

As at 31 March 2022, the Company's uranium investment comprised 15.83 million lb of  $U_3O_8$ , a net increase of 5.98 million lb of  $U_3O_8$  during the financial year. The completion of agreed purchases post year-end resulted in the Company's uranium investment increasing to 18.81 million lb of  $U_3O_8$  on 30 June 2022.

### ***Uranium-related gains***

Yellow Cake made total uranium-related gains of USD424.1 million in the year to 31 March 2022 (2021: USD33.9 million). This comprised an increase in the fair value of the Company's uranium investment of USD433.3 million (2021: USD33.4 million), USD0.1 million in location swap fees (2021: USD1.1 million), and a premium to the prevailing spot price of USD0.1 million on the disposal of 0.34 million lb of U<sub>3</sub>O<sub>8</sub> to Uranium Royalty Corp. These gains were partially offset by a discount to the prevailing spot price of USD6.1 million on the disposal of 2.02 million lb of U<sub>3</sub>O<sub>8</sub> in satisfaction of the Kazatomprom Repurchase Option and an increase in the fair value of a uranium derivative liability related to the Repurchase Option of USD3.2 million (detailed in note 7 of this report).

The increase in the fair value of the Company's uranium investment of USD433.3 million during the year was attributable to:

- an increase of USD13.02/lb in the carrying value of the 2.37 million lb of U<sub>3</sub>O<sub>8</sub> sold during the financial year (as the U<sub>3</sub>O<sub>8</sub> spot price increased from USD30.65/lb at the beginning of the financial year to an average of USD43.67/lb as at the disposal dates);
- an increase of USD27.25/lb in the carrying value of the 7.48 million lb of U<sub>3</sub>O<sub>8</sub> held by the Company during the entire financial year (as the underlying price of U<sub>3</sub>O<sub>8</sub> increased from USD30.65/lb to USD57.90/lb over this period); and
- an increase of USD23.77/lb in the carrying value of the additional 8.35 million lb of U<sub>3</sub>O<sub>8</sub> acquired by the Company during the financial year for an average price of USD34.13/lb (as the underlying price of U<sub>3</sub>O<sub>8</sub> increased to USD57.90/lb as at the end of the financial year).

### ***Operating performance***

Yellow Cake delivered profit after tax for the year of USD417.3 million (2021: USD29.9 million).

Expenses for the year of USD6.9 million (2021: USD4.0 million) recognised in the Statement of Comprehensive Income included the following costs:

- USD0.5 million in costs related to Yellow Cake's share placings (2021: USD0.7 million);
- USD1.9 million in commissions payable to 308 Services Limited in relation to the purchases by Yellow Cake of U<sub>3</sub>O<sub>8</sub> (2021: USD0.3 million); and
- Operating costs of a recurring nature of USD4.5 million (2021: USD2.9 million), comprising:
  - Procurement and market consultancy fees (holding fees and storage incentive fees) paid to 308 Services Limited of USD2.1 million (2021: USD1.1 million) (detailed in note 12); and
  - Other operating costs of USD2.4 million (2021: USD1.7 million).

Operating expenses of a recurring nature of USD4.5 million represent approximately 0.4% of the Company's net asset value as at 31 March 2022 (2021: 0.7%).

### ***Share buyback programme***

On 4 April 2022, Yellow Cake announced the initiation of a share buyback programme to purchase up to USD3 million of the Company's ordinary shares commencing on 4 April 2022. Given that the Company's shares had traded at a material discount to its underlying net asset value since mid-January 2022, the Yellow Cake Board resolved to implement a share buyback programme as a means of effectively acquiring exposure to uranium at a discount to the uranium spot price. Shares were purchased when the closing mid-market share price of the Company in any given day represented a discount of 10% or more to the Company's *pro forma* net asset value at that time.

Under the programme, the Company acquired 566,833 shares between 4 April and 6 May 2022, at a volume

weighted average price of GBP4.15 per share and at a volume weighted average discount to the Company's *pro forma* net asset value of 10.4%. The shares repurchased are held in treasury.

The Company does not propose to declare a dividend for the year.

### **Share placings**

On 21 June 2021 the Company issued 23,947,009 new ordinary shares to existing and new institutional investors and 1,052,991 new ordinary shares to retail investors, at a price of GBP2.50 per share, equal to a 1% premium to the Company's estimated net asset value per share at the date of the offering. The Company raised net proceeds of GBP60.6 million (USD equivalent: USD84.0 million net of costs of USD2.9 million). In October 2021, Yellow Cake successfully completed an issue of a further 30 million new ordinary shares to existing and new institutional shareholders at a price of GBP3.64 per share, equal to a 1% premium to the Company's estimated net asset value per share at the date of the offering. The issue raised net proceeds of GBP106.0 million (USD145.7 million).

### **Balance sheet and cash flow**

The share placings in March, June and October 2021 raised net proceeds of USD363.9 million and USD284.9 million was applied to purchasing uranium during the financial year, while USD45.2 million was applied to purchasing uranium post year-end. In November 2021, Yellow Cake sold 2.02 million lb of U<sub>3</sub>O<sub>8</sub> in satisfaction of the Kazatomprom Repurchase Option and received a cash consideration of USD80.9 million. Following the exercise of its Buyback Option, the Company purchased the same quantity of uranium from Kazatomprom for USD87.5 million in May 2022.

The value of Yellow Cake's U<sub>3</sub>O<sub>8</sub> uranium holding increased by 203% to USD916.7 million at year-end compared to USD302.1 million at the end of the 2021 financial year, as a result of the appreciation in the uranium price and a net increase in the volume of uranium held. As at 31 March 2022, Yellow Cake had cash of USD153.1 million (2021: USD126.2 million).

Yellow Cake's net asset value at 31 March 2022 was GBP 4.42 per share<sup>11</sup> or USD1,069.0 million, consisting of 15.83 million lb of U<sub>3</sub>O<sub>8</sub> valued at a spot price of USD57.90/ lb, cash and cash equivalents of USD153.1 million and other net current assets and liabilities of USD0.9 million.

Yellow Cake's estimated net asset value on 15 July 2022 was USD877.0 million or GBP4.04 per share<sup>12</sup>, consisting of 18.81 million lb<sup>13</sup> of U<sub>3</sub>O<sub>8</sub> valued at the daily price of USD45.75/lb published by UxC LLC on 15 July 2022, cash and cash equivalents of USD153.1 million and other net current assets and liabilities of USD0.9 million as at 31 March 2022, less the consideration of USD132.7 million paid for purchases completed after the end of the financial year, less USD3.0 million incurred under the share buyback programme after financial year-end.

### **Carole Whittall**

Chief Financial Officer

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11. Net asset value per share on 31 March 2022 is calculated assuming 187,740,730 ordinary shares in issue less 4,069,498 shares held in treasury, the Bank of England's daily USD/GBP exchange rate of 1.3162 on 31 March 2022 and the daily spot price published by UxC LLC on 31 March 2022.

12. Net asset value per share on 15 July 2022 is calculated assuming 187,740,730 ordinary shares in issue less 4,636,331 shares held in treasury, a USD/GBP exchange rate of 1.1855 and the daily spot price published by UxC LLC on 15 July 2022.

13. As at 31 March 2022, Yellow Cake held 15,832,755 lb of U<sub>3</sub>O<sub>8</sub>. Adjustments for purchases completed after 31 March 2022 include the addition of 2.02 million lb of U<sub>3</sub>O<sub>8</sub> bought back from Kazatomprom for a cash consideration of US\$87.5 million and received on 19 May 2022, and 0.95 million lb of U<sub>3</sub>O<sub>8</sub> purchased from Kazatomprom for a cash consideration of US\$45.2 million and received on 30 June 2022.

## Financial statements

### Statement of Financial Position

	Notes	As at 31 March 2022 USD '000	As at 31 March 2021 USD '000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Investment in uranium	4	916,717	302,098
<b>Total non-current assets</b>		<b>916,717</b>	<b>302,098</b>
<b>Current assets</b>			
Trade and other receivables	5	130	119
Cash and cash equivalents	6	153,136	126,159
<b>Total current assets</b>		<b>153,266</b>	<b>126,278</b>
<b>Total assets</b>		<b>1,069,983</b>	<b>428,376</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	8	(970)	(3,621)
Uranium derivative liability	7	–	(3,361)
<b>Total current liabilities</b>		<b>(970)</b>	<b>(6,982)</b>
<b>Total liabilities</b>		<b>(970)</b>	<b>(6,982)</b>
<b>NET ASSETS</b>		<b>1,069,013</b>	<b>421,394</b>
<b>Equity</b>			
<i>Attributable to the equity owners of the Company</i>			
Share capital	9	2,544	1,785
Share premium	9	588,181	358,812
Share-based payment reserve	10	122	141
Treasury shares	11	(11,219)	(11,458)
Retained earnings		489,385	72,114
<b>TOTAL EQUITY</b>		<b>1,069,013</b>	<b>421,394</b>

The financial statements of Yellow Cake plc and the related notes were approved by Directors on 21 July 2022 and were signed on its behalf by:

**Andre Liebenberg**

Chief Executive Officer

## Statement of Comprehensive Income

		Year ended 31 March 2022 USD '000	Year ended 31 March 2021 USD '000
	Notes		
<b>Uranium investment gains</b>			
Fair value movement of investment in uranium	4	433,274	33,365
Uranium swap income	4	100	1,145
Fair value movement of uranium derivative liability	7	(3,193)	(774)
(Discount)/premium to spot price on disposals of uranium	4	(6,058)	180
<b>Uranium investment gains</b>		<b>424,123</b>	<b>33,916</b>
<b>Expenses</b>			
Share-based payments	10	(220)	(139)
Equity offering expenses	9	(534)	(681)
Commission on uranium transactions	12	(1,884)	(282)
Procurement and market consultancy fees	12	(2,130)	(1,124)
Other operating expenses	13	(2,180)	(1,739)
<b>Total expenses</b>		<b>(6,948)</b>	<b>(3,965)</b>
Bank interest income		11	3
Gain/(loss) on foreign exchange		85	(43)
<b>Profit before tax attributable to the equity owners of the Company</b>		<b>417,271</b>	<b>29,911</b>
Tax expense	14	–	–
<b>Profit and total comprehensive income for the year after tax attributable to the equity owners of the Company</b>		<b>417,271</b>	<b>29,911</b>
Basic earnings per share attributable to the equity owners of the Company (USD)	16	2.60	0.34
Diluted earnings per share attributable to the equity owners of the Company (USD)	16	2.59	0.33

## Statement of Changes in Equity

Attributable to the equity owners of the Company

	Notes	Share capital USD'000	Share premium USD'000	Share based payment reserve USD'000	Treasury shares USD'000	Retained earnings USD'000	Total equity USD '000
<b>As at 31 March 2020</b>		<b>1,164</b>	<b>224,437</b>	<b>2</b>	<b>(726)</b>	<b>42,203</b>	<b>267,080</b>
<b>Total comprehensive income after tax for the year</b>		–	–	–	–	29,911	<b>29,911</b>
<b>Transactions with owners:</b>							
Shares issued	9	621	137,879	–	–	–	<b>138,500</b>
Share issue costs	9	–	(3,504)	–	–	–	<b>(3,504)</b>
Share-based payments	10	–	–	139	–	–	<b>139</b>
Purchase of own shares	11	–	–	–	(10,732)	–	<b>(10,732)</b>
<b>As at 31 March 2021</b>		<b>1,785</b>	<b>358,812</b>	<b>141</b>	<b>(11,458)</b>	<b>72,114</b>	<b>421,394</b>
<b>Total comprehensive income after tax for the year</b>		–	–	–	–	417,271	<b>417,271</b>
<b>Transactions with owners:</b>							
Shares issued	9	759	235,818	–	–	–	<b>236,577</b>
Share issue costs	9	–	(6,449)	–	–	–	<b>(6,449)</b>
Share-based payments	10	–	–	220	–	–	<b>220</b>
Exercise of bonus options	11	–	–	(239)	239	–	<b>–</b>
<b>As at 31 March 2022</b>		<b>2,544</b>	<b>588,181</b>	<b>122</b>	<b>(11,219)</b>	<b>489,385</b>	<b>1,069,013</b>



## Statement of Cash Flows

	Notes	1 April 2021 to 31 March 2022 USD'000	1 April 2020 to 31 March 2021 USD'000
<b>Cash flows from operating activities</b>			
Profit after tax		417,271	29,911
<i>Adjustments for:</i>			
Discount/(premium) to spot price on disposal	7,4	6,058	(180)
Change in fair value of investment in uranium	4	(433,274)	(33,365)
Change in fair value of uranium derivative liability	7	3,193	774
Share-based payments	10	220	139
(Gain)/loss on foreign exchange		(85)	43
Interest income		(11)	(3)
<b>Operating profit before changes in working capital</b>		<b>(6,628)</b>	<b>(2,681)</b>
<i>Changes in working capital:</i>			
Increase in trade and other receivables		(11)	(29)
(Decrease)/increase in trade and other payables		(2,607)	3,216
<b>Cash (used in)/generated from operating activities</b>		<b>(9,246)</b>	<b>506</b>
Interest received		11	3
<b>Cash (used in)/generated from operating activities</b>		<b>(9,235)</b>	<b>509</b>
<b>Cash flows from investing activities</b>			
Purchase of uranium	4	(284,890)	(15,025)
Proceeds of sale of uranium	4	90,934	9,960
<b>Net cash used in investing activities</b>		<b>(193,956)</b>	<b>(5,065)</b>
<b>Cash flows from financing activities</b>			
Proceeds from issue of shares	9,11	236,577	138,500
Issue costs paid	9	(6,449)	(3,504)
Share buyback programme	11	–	(10,732)
<b>Net cash generated from financing activities</b>		<b>230,128</b>	<b>124,264</b>
Net increase in cash and cash equivalents during the year		26,937	119,708
Cash and cash equivalents at the beginning of the year		126,159	6,481
Effect of exchange rate changes		40	(30)
<b>Cash and cash equivalents at the end of the year</b>		<b>153,136</b>	<b>126,159</b>

## Notes to the Financial Statements

For the year ended 31 March 2022

### 1. General information

Yellow Cake plc (the “**Company**”) was incorporated in Jersey, Channel Islands on 18 January 2018. The address of the registered office is Liberation House, Castle Street, St Helier, Jersey, JE1 2LH.

The Company operates in the uranium sector and was established to purchase and hold  $U_3O_8$ . The strategy of the Company is to invest in long-term holdings of  $U_3O_8$  and not to actively speculate with regards to short-term changes in the price of  $U_3O_8$ .

The Company was admitted to list on the London Stock Exchange AIM market (“**AIM**”) on 5 July 2018.

On 22 June 2022, the Company’s shares were admitted to trading on the OTCQX, the highest tier of the US over-the-counter market.

### 2. Summary of significant accounting policies

#### Basis of preparation

The financial information has been prepared in accordance with UK-adopted International Accounting Standards (“**IFRS**”).

In accordance with Section 105 of The Companies (Jersey) Law 1991, the Company confirms that the financial information for the period ended 31 March 2022 is derived from the Company’s audited financial statements and that these are not statutory accounts and, as such, do not contain all information required to be disclosed in the financial statements prepared in accordance with IFRS.

The statutory accounts for the period ended 31 March 2022 have been audited and approved, but have not yet been filed.

The Company’s audited financial statements for the period ended 31 March 2022 received an unqualified audit opinion and the auditor’s report contained no statement under section 113B (3) and (6) of The Companies (Jersey) Law 1991.

The financial information contained within this preliminary statement was approved and authorised for issue by the Board on 21 July 2022.

The principal accounting policies adopted are set out below.

#### New and revised standards

At the date of approval of these financial statements there are no new or revised standards that are in issue but not yet effective and are relevant to the financial statements of the Company.

The principal accounting policies adopted are set out below.

#### Going concern

The Directors, having considered the Company’s objectives and available resources along with its projected income and expenditure for at least twelve months from the date of approval of the audited financial statements, are satisfied that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the directors have adopted the going-concern basis in preparing these financial statements.

The Board continues to monitor the ongoing impact of the COVID-19 pandemic on Yellow Cake's activities, the uranium industry, and the world economy. The Company's operations were not significantly affected during the first and second waves of the pandemic as the Company has no physical operations and the executive team was already home-based. The business continuity plans implemented at the Company's key service providers have to date been effective in enabling them to continue to provide all key support services that were provided to the Company prior to the pandemic outbreak. To date, Yellow Cake's suppliers and other counterparties have been able to meet their obligations to the Company.

In addition, the Board has considered the impact of the conflict in Ukraine and sanctions imposed against Russia and Belarus in its going-concern assessment for the Company.

After taking into account the Company's post year-end commitments to purchase USD132,689,090 of  $U_3O_8$ , the Company considered that as at 31 March 2022, it had sufficient working capital to meet approximately two years of operating expenses before it would need to raise additional funds. The Company had no debt or hedge liabilities on its balance sheet as at 31 March 2022. The Company usually aims to retain three years' of working capital requirements following an equity issuance. Following the Company's most recent equity issuance in October 2021, the Board resolved in April 2022 to apply USD3 million to a share buyback programme to purchase the Company's shares at a discount to net asset value, thus retaining a lower amount of working capital.

### **Sale of uranium and uranium swaps**

The income in respect of disposals of uranium is recognised at the point when the significant risks and rewards of ownership and legal title have been transferred to the buyer. At the point of disposal the carrying value of the uranium, being the spot price, is derecognised from the balance sheet.

The gain or loss on disposal of uranium is calculated as the difference between the sales price and the carrying value, being the spot price, at the point of sale. This gain or loss is reflected as a premium or discount to the spot price on a separate line in the statement of comprehensive income during the period in which the disposal occurs.

The Company has entered into certain uranium location swap agreements under which it has agreed to exchange, by way of book transfer, an equal quantity of uranium between specified storage facilities. In certain instances, the location swap is temporary and the uranium will be swapped back to the original location at the end of an agreed term. Where the swap is temporary and for a fixed term, the income which the Company is entitled to receive in consideration for the swap is recognised over the term of the swap, in line with the substance of the transaction and delivery of the related performance obligations.

### **Investments in uranium**

Acquisitions of  $U_3O_8$  are initially recorded at cost net of transaction costs incurred and are recognised in the Company's statement of financial position on the date the risks and rewards of ownership pass to the Company, which is the date that the legal title to the uranium passes.

After initial recognition, investments in  $U_3O_8$  are measured at fair value based on the most recent month-end spot price for  $U_3O_8$  published by UxC LLC.

IFRS lacks specific guidance in respect of accounting for investments in uranium. As such the Directors of the Company have considered the requirements of International Accounting Standard 1 "Presentation of Financial Statements" and International Accounting Standard 8 "Accounting Policies, Changes in Accounting Estimates and Errors" to develop and apply an accounting policy. The Directors of the Company consider that measuring the investment in  $U_3O_8$  at fair value provides information that is most relevant to the economic decision-making of users. This is consistent with International Accounting Standard 40 Investment Property, which allows for assets held for long-term capital appreciation to be presented at fair value.

### **Foreign currency translation**

#### ***Functional and presentation currency***

The financial statements are presented in United States Dollars (“USD”) which is also the functional currency of the Company.

These financial statements are presented to the nearest round thousand, unless otherwise stated.

#### ***Foreign currency translation***

Transactions denominated in foreign currencies are translated into USD at the rate of exchange ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into USD at the rate of exchange ruling at the reporting date. Foreign exchange gains or losses arising on translation are recognised through profit or loss in the statement of comprehensive income.

#### ***Financial instruments***

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. The Company shall offset financial assets and financial liabilities if the Company has a legally enforceable right to set off the recognised amounts and intends to settle on a net basis.

The carrying amount of the Company’s financial assets and financial liabilities are a reasonable approximation of their fair values due to the short-term nature of these instruments.

#### ***Financial assets***

The Company’s financial assets comprise trade and other receivables. These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method, less any provision for impairment.

Cash and cash equivalents comprise cash in hand and short-term deposits in banks with an original maturity of three months or less.

#### ***Financial liabilities***

The Company’s financial liabilities comprise trade and other payables. They are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method.

In prior periods the Company also recognised a derivative financial liability in the scope of IFRS 9. This financial instrument was recognised at fair value and value changes recognised in profit and loss. The fair value of the Repurchase Option was determined based on the expected option payoff using a Monte Carlo simulation produced by an independent financial valuer.

#### ***Share capital***

The Company’s ordinary shares are classified as equity. Incremental costs directly attributable to the issue of shares are recognised in equity as a deduction from proceeds of the share issue.

#### ***Treasury shares***

The Company’s treasury shares are classified as equity. Treasury shares are accounted for at cost and shown as a deduction from equity in a separate reserve. Transfers from treasury shares are recognised at the weighted average of the cost of acquiring the treasury shares.

#### ***Share-based payments***

Where the Company issues equity instruments to external parties or employees as consideration for services

received, the statement of comprehensive income is charged with the fair value of the goods and services received, except where services are directly attributable to the issue of shares, in which case the fair value of such amounts is recognised in equity as a deduction from share premium.

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services.

Equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using a Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the consolidated entity receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions is recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

Market conditions are taken into consideration in determining fair value. Therefore, any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the Company or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the Company or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If an equity-settled award is cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new awards are treated as if they were a modification.

### ***Taxation***

As the Company is managed and controlled in Jersey it is liable to be charged to tax at a rate of 0% under schedule D of the Income Tax (Jersey) Law 1961 as amended.

### ***Expenses***

Expenses are accounted for on an accruals basis.

### ***Segmental reporting***

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker is responsible for allocating resources and assessing performance of the operating segments and has been identified as the Board of Directors of the Company.

The Company is organised into a single operating segment being the holding of U<sub>3</sub>O<sub>8</sub> for long-term capital appreciation.

### ***Critical accounting judgments and estimation uncertainty***

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognised in the year in which the estimate is revised and in any future years affected.

The resulting accounting estimates will, by definition, seldom equate to the related actual results.

#### *Accounting estimates*

The key accounting estimates in prior periods were the assumptions made in valuing the uranium derivative liability. The option in favour of Kazatomprom was exercised on 22 November 2021 and as such the estimation is no longer present at the year-end. Refer to note 7 for details of the derivative liability and the exercise of the option by Kazatomprom.

#### *Judgements*

The Company receives regular tax advice and opinions from its advisors and accountants to ensure it is aware of, and can seek to mitigate the effects on its tax position of, changes in regulation. While the Company stores its uranium in storage facilities in Canada and France, the Company does not carry on business in either of these jurisdictions. The directors have considered the tax implications of the Company's operations and have reached judgement that no tax liability has arisen during the year (year ended 31 March 2021: USD nil).

### **3. Management of financial risks**

#### ***Financial risk factors***

The Company's financial assets and liabilities comprise of cash, receivables and payables that arise directly from its operations. The accounting policies in note 2 include criteria for the recognition and the basis of measurement applied for financial assets and liabilities. Note 2 also includes the basis on which income and expenses arising from financial assets and liabilities are recognised and measured.

The Company's assets and liabilities have been primarily categorised as assets and liabilities at amortised cost, with the exception of the investment in uranium being held at fair value. The carrying amounts of all such instruments are as stated in their respective notes.

#### ***Market risk***

The fair value or future cash flows of a financial instrument may fluctuate because of changes in market prices. This market risk comprises two elements - interest rate risk and other price risk and arises mainly from the changes in values of the investment of uranium and derivatives.

#### ***Interest rate risk***

Any cash balances are held on variable rate bank accounts or in money market funds yielding rates of interest dependent on the base rate of the applicable institution or fund return.

#### ***Price risk and sensitivity***

If the value of the investment in uranium fell by 5% at the year-end, the profit after tax would decrease by USD45,835,826 (year ended 31 March 2021: USD15,104,910). Likewise, if the value rose by 5% the profit after tax would have increased by USD45,835,826 (year ended 31 March 2021: USD15,104,910).

### **Economic risk**

The COVID-19 pandemic continues to have a significant impact on the global economy and many businesses across the world. The Company's operations continue to remain unaffected by COVID-19, given that it has no physical operations and the executive team is already home-based. The Company's key service providers have put in place effective business continuity plans that have enabled them to continue with the provision of all key support services that were provided to the Company prior to the pandemic outbreak.

Geopolitical events that occurred in Kazakhstan and Russia/Ukraine during the last quarter of the Company's financial year have not had a material impact to date on the Company's operations, nor affected its financial position. The Company's counterparties are not subject to sanctions. While the Company has purchased and intends to continue to purchase U<sub>3</sub>O<sub>8</sub> from Kazatomprom, the Kazakh national atomic company, all U<sub>3</sub>O<sub>8</sub> to which the Company has title and has paid for, is held at the Cameco storage facility in Canada and the Orano storage facility in France.

The Company exercised its Buyback Option with Kazatomprom under which it acquired 2,022,846 lb of U<sub>3</sub>O<sub>8</sub> from Kazatomprom which was delivered to the Company at the Cameco storage facility in Canada on 19 May 2022. In addition the Company entered into an agreement to purchase 950,000 lb of U<sub>3</sub>O<sub>8</sub> from Kazatomprom, which was delivered to the Company at the Cameco storage facility in Canada on 30 June 2022. Payment was released to Kazatomprom following delivery to the Company.

While part of Kazatomprom's production is transported through Russia, the Company is unaware of any restrictions on Kazatomprom's activities related to the supply of its products to the Company. The Company has to date received deliveries from Kazatomprom in accordance with agreed delivery schedules. There are nevertheless risks associated with both transit through the territory of Russia and the delivery of cargo by sea vessels, which could adversely impact future deliveries from Kazatomprom.

### **Liquidity risk**

This is the risk that the Company will encounter in realising assets or otherwise raising funds to meet financial commitments. Prudent liquidity risk management involves maintaining sufficient liquidity and short-term investment securities, being able to raise funds based on suitably adapted lines of credit and a capacity to unwind market positions.

At year-end, the liquidity of the Company is composed of either bank account or bank deposits, for a total amount of USD153,136,073 (31 March 2021: USD126,159,065).

The Company's cash and cash equivalents are held with Citibank Europe PLC, which is rated A+ (2020: A+) according to ratings agency Fitch.

	Carrying amount	< 1 year	1 to 2 years	2 to 10 years
As at 31 March 2022	USD'000	USD'000	USD'000	USD'000
Cash and cash equivalents	153,136	153,136	–	–
Other creditors and accruals	(970)	(970)	–	–
As at 31 March 2021	USD'000	USD'000	USD'000	USD'000
Cash and cash equivalents	126,159	126,159	–	–
Other creditors and accruals	(3,621)	(3,621)	–	–

### **Fair value estimation**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction

between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or liability, the Company takes into account the characteristics of the asset or liability at the measurement date. IFRS 13 Fair Value Measurement requires the Company to classify fair value measurements using fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- 2 – Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2); and
- 3 – Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The level to the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability. The following table analyses within the fair value hierarchy the Company's financial assets and liabilities (by class) measured at fair value.

<i>Assets and liabilities</i>	Level 1	Level 2	Level 3	Total
	USD'000	USD'000	USD'000	USD'000
<b>As at 31 March 2022</b>				
Investment in uranium	916,717	–	–	916,717
Uranium derivative liability	–	–	–	–
<b>As at 31 March 2021</b>				
Investment in uranium	302,098	–	–	302,098
Uranium derivative liability	–	(3,361)	–	(3,361)

#### 4. Investment in uranium

	Fair Value USD'000
<b>As at 31 March 2020</b>	<b>263,489</b>
Acquisition of U <sub>3</sub> O <sub>8</sub>	15,024
Change in fair value	33,365
Sale of U <sub>3</sub> O <sub>8</sub>	(9,780)
<b>As at 31 March 2021</b>	<b>302,098</b>
Acquisition of U <sub>3</sub> O <sub>8</sub>	284,890
Change in fair value	433,274
Sale of U <sub>3</sub> O <sub>8</sub>	(103,545)
<b>As at 31 March 2022</b>	<b>916,717</b>

The value of the Company's investment in U<sub>3</sub>O<sub>8</sub> is based on the daily spot price for U<sub>3</sub>O<sub>8</sub> of USD57.90/lb as published by UxC LLC on 31 March 2022 (2021: month-end spot price of USD30.65/lb as published by UxC LLC on 29 March 2021).

The value of the Company's investment in U<sub>3</sub>O<sub>8</sub> in prior years was based on the month-end spot price for U<sub>3</sub>O<sub>8</sub> which was published by UxC LLC on the last Monday of each calendar month. With increasing liquidity in the uranium spot market and greater availability of daily pricing data, UxC LLC has commenced the publication of a daily



U<sub>3</sub>O<sub>8</sub> spot price, which the Company believes more accurately represents the period end market price of the Company's uranium investment.

As at 31 March 2022, the Company:

- had purchased a total of 18,503,669 lb of U<sub>3</sub>O<sub>8</sub> at an average cost of USD27.48/lb;
- had disposed of 2,670,914 lb of U<sub>3</sub>O<sub>8</sub> at an average selling price of USD40.23/lb that had been acquired at an average price of USD21.01/lb, assuming a first in first out methodology; and
- held a total of 15,832,755 lb of U<sub>3</sub>O<sub>8</sub> acquired at an average cost of USD28.57/lb for a net total cash consideration of USD452.4 million, assuming a first in first out methodology.

### ***Purchase of uranium***

The Company completed the following purchase transactions during the year:

- 20 May 2021 – 343,053 lb of  $U_3O_8$  at price of USD29.15/lb, in the spot market, for a cash consideration of USD9,999,995;
- 21 June 2021 – 3,454,231 lb of  $U_3O_8$  at price of USD28.95/lb, from Kazatomprom for a cash consideration of USD99,999,987 in exercise of the 2021 option under the Kazatomprom Framework Agreement;
- 21 July 2021 – 250,000 lb of  $U_3O_8$  at an average price of USD32.39/lb, in the spot market, for a cash consideration of USD8,097,500;
- 27 July 2021 – 100,000 lb of  $U_3O_8$  at a price of USD32.37/lb, in the spot market, for a cash consideration of USD3,237,000;
- 3 August 2021 – 200,000 lb of  $U_3O_8$  at a price of 32.28/lb, in the spot market, for a cash consideration of USD6,456,000;
- 5 November 2021 – 500,000 lb of  $U_3O_8$  at a price of USD46.32/lb, in the spot market, for a cash consideration of USD23,160,000;
- 12 November 2021 – 500,000 lb of  $U_3O_8$  at a price of USD46.32/lb, in the spot market, for a cash consideration of USD23,160,000;
- 22 November 2021 – 500,000 lb of  $U_3O_8$  at a price of USD46.32/lb, in the spot market, for a cash consideration of USD23,160,000;
- 29 November 2021 – 500,000 lb of  $U_3O_8$  at a price of USD46.32/lb, in the spot market, for a cash consideration of USD23,160,000; and
- 4 December 2021 – 2,000,000 lb of  $U_3O_8$  at a price of USD32.23/lb, in the spot market, for a cash consideration of USD64,460,000.

### ***Post year-end purchases of uranium***

As part of the “Buyback Option” detailed in note 7, Yellow Cake bought back from Kazatomprom, 2,022,846 lb of  $U_3O_8$  at USD43.25/lb when the spot price was USD46.25/lb. This was received by the Company at the Cameco storage facility in Canada on 19 May 2022.

Pursuant to Kazatomprom’s offer of 26 October 2021, the Company entered into an agreement with Kazatomprom to purchase 950,000 lb of  $U_3O_8$  for a total consideration of USD45,201,000 (USD47.58/lb), which the Company received on 30 June 2022 at which point the risks and rewards of ownership transferred to the Company.

### ***Location swaps***

Since May 2018, Yellow Cake has held an account with Cameco Corporation (“**Cameco**”) for the storage of uranium owned by the Company at Cameco’s facilities at Blind River and Port Hope, Ontario in Canada.

On 15 November 2019, the Company entered into an agreement with Orano Cycle (“**Orano**”) to open a holding account for the storage of uranium owned by the Company at Orano’s conversion facility at the Malvési and Tricastin sites in France.

On 3 April, 24 July and 27 October 2020, the Company entered a series of location swap agreements to exchange 600,000 lb of  $U_3O_8$  between these locations. In consideration, Yellow Cake received proceeds of USD1,090,000, net of costs and commissions (gross proceeds USD1,225,000), of which USD90,000, net of costs and commissions (gross proceeds of USD100,000), was recognised during the period.

## Sale of uranium

On 30 March 2021, the Company accepted Uranium Royalty Corp's option exercise notice to purchase 348,068 lb of U<sub>3</sub>O<sub>8</sub> from the Company at a price of USD28.73/lb for a total consideration of USD10,000,000. The transaction completed on 28 April 2021. In respect of the above disposal, a premium of USD0.03/lb to the prevailing daily spot price of USD 28.70/lb on 28 April 2021 (as published by UxC, LLC), or USD10,442 in aggregate, has been recognised in the statement of comprehensive income. This premium represents the cumulative disposal proceeds of USD10,000,000 less the carrying value at the date of disposal of USD9,989,558, being the premium to the spot price (and therefore the carrying value) that was realised on disposal.

For illustrative purposes, since the U<sub>3</sub>O<sub>8</sub> was originally purchased, the above sales of uranium resulted in an effective "realised gain" of USD2,687,091. This being the total sales proceeds of USD10,000,000 less the "acquisition cost" of USD7,312,909, where the "acquisition cost" is estimated by applying a "first in first out" methodology to the cost of all uranium purchases made by the Company, as at the transaction date.

In respect of the sale of uranium to Kazatomprom under the Repurchase Option (described in note 7 of the Financial Statements), an additional discount of USD3.00/lb to the prevailing daily spot price of USD46.25/lb on the date that the transaction took place (as published by UxC, LLC), or USD6,068,538 in aggregate, was recognised in the statement of comprehensive income. This discount represents the cumulative disposal proceeds of USD87,488,089 less the carrying value at the date of sale of USD93,556,628, being the discount to the spot price (and therefore the carrying value) that was realised on the sale. The discount represents the difference in the spot price prevailing when the Repurchase Option was exercised and the date that the Repurchase Option transaction completed.

The following table provides an analysis of the Company's investment in U<sub>3</sub>O<sub>8</sub> at 31 March 2022:

Location	Quantity /lb	Fair Value USD'000
Canada	15,532,755	899,347
France	300,000	17,370
<b>Total</b>	<b>15,832,755</b>	<b>916,717</b>

## Post year-end uranium related transactions

	Quantity /lb	Cost USD'000
Exercise of Buyback Option, (19 May 2022)	2,022,846	87,488
Kazatomprom purchase transaction (30 June 2022)	950,000	45,201
<b>Total</b>	<b>2,972,846</b>	<b>132,689</b>

## 5. Trade and other receivables

	As at 31 March 2022 USD'000	As at 31 March 2021 USD'000
Other receivables	130	119
<b>Total</b>	<b>130</b>	<b>119</b>

## 6. Cash and cash equivalents

Cash and cash equivalents as at 31 March 2022 were held with Citi Bank Europe plc in a variable interest account with full access. Balances at the end of the year were USD152,243,206 and GBP337,918, a total of USD153,136,073 equivalent (31 March 2021: USD126,159,065 equivalent).

## 7. Uranium derivative liability

As part of the initial purchase on 5 July 2018 of 8,091,385 lb of  $U_3O_8$  from Kazatomprom under a ten-year Framework Agreement with Kazatomprom, the Company benefited from a purchase price which was 2.5% below the spot price, resulting in the Company receiving an aggregate discount of approximately USD4.3 million. In exchange for this discount, the Company provided to Kazatomprom an option to repurchase up to 25% of the Initial Purchase volume of 8,091,385 lb  $U_3O_8$  at the prevailing uranium spot price less an aggregate discount of approximately USD6.55 million (the “**Repurchase Option**”). The Repurchase Option could only be exercised if the  $U_3O_8$  spot price exceeded USD37.50/lb for a period of 14 consecutive days (the “**Pricing Condition**”), starting three years from 5 July 2018 and expiring on 30 June 2027 and was exercisable within 60 days of the Pricing Condition being met. The Company had a corresponding option (the “**Buyback Option**”) to purchase from Kazatomprom all or a portion of the volume repurchased by Kazatomprom under the Repurchase Option at the prevailing spot price.

The Pricing Condition was met in September 2021 and the following transactions took place during the year in satisfaction of Repurchase Option and Buyback Option rights and obligations:

- Purchase by Kazatomprom from Yellow Cake of 2,022,846 lb of  $U_3O_8$  at USD43.25/lb less an aggregate discount of USD6.55 million, delivered on 22 November 2021; and
- Repurchase by Yellow Cake from Kazatomprom of the 2,022,846 lb of  $U_3O_8$  at USD43.25/lb, delivered on 19 May 2022.

Following the exercise of the option detailed above, the uranium derivative liability had been settled as at 31 March 2022 and has therefore been de-recognised (31 March 2021: fair value of USD3,361,000).

In respect of the above sale of uranium to Kazatomprom under the Repurchase Option, an additional discount of USD3.00/lb to the prevailing daily spot price of USD46.25/lb on the date that the transaction took place (as published by UxC, LLC), or USD6,068,538 in aggregate, was recognised in the statement of comprehensive income. This discount represents the cumulative disposal proceeds of USD87,488,089 less the carrying value at the date of sale of USD93,556,628, being the discount to the spot price (and therefore the carrying value) that was realised on the sale. The discount represents the difference in the spot price prevailing when the Repurchase Option was exercised and the date that the Repurchase Option transaction completed.

The Company exercised its Buyback Option with Kazatomprom under the terms of which it bought back the full 2,022,846 lb of  $U_3O_8$  from Kazatomprom on 19 May 2022 at USD43.25/lb and recovered the above discount of USD3.00/lb as the prevailing spot price increased to USD47.40/lb on 19 May 2022. As such no gain or loss overall has occurred in respect of the exercise of the Repurchase and Buyback Options other than settling the derivative liability.

## 8. Trade and other payables

	As at 31 March 2022 USD'000	As at 31 March 2021 USD'000
Uranium purchase consideration	–	2,995
Other payables and accruals	970	626
<b>Total</b>	<b>970</b>	<b>3,621</b>

## 9. Share capital

### Authorised:

10,000,000,000 ordinary shares of GBP0.01

### Issued and fully paid:

#### Ordinary shares

	Number	GBP'000	USD'000
<b>Share capital as at 31 March 2020</b>	<b>88,215,716</b>	<b>882</b>	<b>1,164</b>
Shares issued in the year	44,525,014	445	621
<b>Share capital as at 31 March 2021</b>	<b>132,740,730</b>	<b>1,327</b>	<b>1,785</b>
Shares issued in the year	55,000,000	550	759
<b>Share capital as at 31 March 2022</b>	<b>187,740,730</b>	<b>1,877</b>	<b>2,544</b>

The number of shares in issue above includes the 4,069,498 Treasury shares – refer to Note 11.

### Share premium

	GBP'000	USD'000
<b>Share premium as at 31 March 2020</b>	<b>169,956</b>	<b>224,437</b>
Proceeds of issue of shares	98,846	137,879
Share issue costs	(2,512)	(3,504)
<b>Share premium as at 31 March 2021</b>	<b>266,290</b>	<b>358,812</b>
Proceeds of issue of shares	171,150	235,818
Share issue costs	(4,684)	(6,449)
<b>Share premium as at 31 March 2022</b>	<b>432,756</b>	<b>588,181</b>

The Company has one class of shares which carry no right to fixed income.

On 21 June 2021, the Company issued a total of 23,947,009 new ordinary shares to existing and new institutional investors and 1,052,991 new ordinary shares to retail investors, at a price of GBP2.50 per share, raising gross proceeds of GBP62,500,000 (USD equivalent: 86,906,250). The Company incurred listing expenses, comprising of commissions and professional adviser fees totalling USD2,606,464 of which USD2,362,648 have been taken to the share premium account. Additional placing costs of USD243,816 have been recognised in the statement of comprehensive income. Net proceeds from the placing were GBP60,624,895 (USD equivalent: 84,083,736).

On 29 October 2021, the Company issued a total of 30,000,000 new ordinary shares to existing and new institutional investors, at a price of GBP3.64 per share, raising gross proceeds of GBP109,200,000 (USD equivalent: 149,669,520). The Company incurred listing expenses, comprising of commissions and professional adviser fees totalling USD4,376,355 of which USD4,085,717 have been taken to the share premium account. Additional placing

costs of USD290,638 have been recognised in the statement of comprehensive income. Net proceeds from the placing were GBP106,006,979 (USD equivalent: 145,694,325).

## 10. Share-based payments

The Company implemented an equity-settled share-based compensation plan in 2019 which provides for the award of long-term incentives and an annual bonus to management personnel. During the year USD220,285 was recognised in the statement of comprehensive income in relation to share-based payments (31 March 2021: USD138,887).

### Annual bonus

The annual bonus award in relation to a financial year is usually granted following publication of the Company's audited annual results for that financial year. In respect of the 2021 and 2022 financial years, annual bonuses were paid in cash and no share-based annual bonus awards were made.

The annual bonus awards in respect of the year to 31 March 2020 were granted in the form of nominal-cost options, which usually would vest and become exercisable no earlier than one year after grant. The annual bonus award in respect of the year ended 31 March 2020, based on performance criteria, was based on commercial targets and was reduced from the maximum award of 100% of base salary to 70%. This was primarily due to the uncertainties that prevailed in mid-2020, arising from the COVID-19 pandemic and the resulting impact on the global economy.

The 2020 annual bonus award was split into two tranches of 35% of base salary each, both with a vesting date of 8 July 2021, with the first award made on 8 July 2020 and the second deferred until after the Company's Annual General Meeting on 2 September 2020, having regard to the uncertainty created by COVID-19 at the time of finalisation of the 2020 awards. The grant of the second tranche was made on 26 July 2021, after the Company's closed period and therefore after the vesting date. Set out below is the summary of the annual bonus awards as granted to directors granted on 8 July 2020 and 26 July 2021 respectively:

Director	Grant date	Exercise date	Exercise price	Opening balance	Granted	Expired/ forfeited/other	Closing balance
A Liebenberg	08/07/2020	26/07/2021	GBP0.01	27,392	–	(27,392)	–
C Whittall	08/07/2020	26/07/2021	GBP0.01	21,913	–	(21,913)	–
A Liebenberg	26/07/2021	26/07/2021	GBP0.01	–	20,879	(20,879)	–
C Whittall	26/07/2021	26/07/2021	GBP0.01	–	16,703	(16,703)	–
<b>Total</b>				<b>49,305</b>	<b>37,582</b>	<b>(86,887)</b>	<b>–</b>

The options exercised on 26 July 2021 were settled with 86,887 shares held in treasury.

A Black-Scholes option pricing model was used to determine the fair value of the first tranche of bonus awards. As the second tranche of bonus options was granted after the vesting date, for the reasons set out above, their fair value is calculated as the share price at the grant date less the exercise price (rather than based on a Black-Scholes option pricing model); as the second tranche bonus options were exercisable upon grant, their intrinsic value on the grant date was equal to the market value of the underlying shares on that date.

The valuation model inputs used to determine the fair value at the grant date are as follows:

Grant date	Exercise date	Share price at grant date	Exercise price	Expected volatility	Risk-free interest rate	Fair value at grant date	Fair value at grant date*
08/07/2020	26/07/2021	GBP2.26	GBP0.01	30%	(0.01%)	GBP110,690	USD145,690
26/07/2021	26/07/2021	GBP3.29	GBP0.01	n/a	n/a	GBP123,081	USD161,999

\* The USD equivalent is derived using the FX rate as at the date of reporting.

### Long-term incentive

The long-term incentive is in the form of options granted to acquire shares in the Company that will become exercisable not earlier than three years after grant (save in certain circumstances including a change of control of the Company) and will expire 10 years after the date of grant. The option exercise price has been determined to be the net asset value per share at the grant date of the shares placed under option. The options are subject to a post-vesting holding period of not less than two years (although sufficient shares may be sold on exercise in order to meet tax liabilities arising at vesting). Prior to 1 April 2022, the exercise price of the options multiplied by the number of options granted was capped at 125% of salary. Each option gives the right to acquire one share in the Company. The long-term incentive award relating to a financial year is usually granted at the beginning of that financial year. The exercise of each of the long-term incentive options is conditional upon the share price as at the exercise date being equal to or greater than the net asset value per share of the Company as at the date of grant.

The Remuneration Committee resolved to review the long-term incentive plan and therefore no grant of long-term incentive options was made in respect of the 2022 financial year.

Set out below is the summary of the long-term incentive options awarded on 24 February 2020 in relation to the year ended 31 March 2020 and on 8 July 2020 in relation to the year ended 31 March 2021:

Director	Grant date	Vesting date	Exercise price	Opening balance	Granted	Exercised	Expired/ forfeited/ other	Closing balance
A Liebenberg	24/02/2020	24/02/2023	GBP2.13	84,480	–	–	–	84,480
C Whittall	24/02/2020	24/02/2023	GBP2.13	67,584	–	–	–	67,584
<b>Total</b>				<b>152,064</b>				<b>152,064</b>
<b>Total fair value as at the grant date*</b>							<b>USD</b>	<b>60,644</b>

\* The USD equivalent is derived using the FX rate as at the date of reporting.

Director	Grant date	Vesting date	Exercise price	Opening balance	Granted	Exercised	Expired/ forfeited/ other	Closing balance
A Liebenberg	08/07/2020	08/07/2023	GBP2.88	78,262	–	–	–	78,262
C Whittall	08/07/2020	08/07/2023	GBP2.88	62,609	–	–	–	62,609
<b>Total</b>				<b>140,871</b>				<b>140,871</b>
<b>Total fair value as at the grant date*</b>							<b>USD</b>	<b>44,685</b>

\* The USD equivalent is derived using the FX rate as at the date of reporting.

Subsequent to the grant of the 2020 and 2021 long term incentive awards, the plan was amended such that the exercise price per share represents the estimated net asset value per share on the grant date.

This has resulted in the exercise price of the options granted on 24 February 2020 being increased from GBP1.97 per share (being the average of the mid-market closing price of the ordinary shares of the Company on AIM over the five consecutive dealing days immediately preceding the grant date) to GBP2.13 per share (being the estimated net asset value per share of the Company on 24 February 2020). The exercise price of the long-term incentive options granted on 8 July 2020 has also been increased from GBP2.18 per share (being the average of the mid-market closing price of the ordinary shares of the Company on AIM over the five consecutive dealing days immediately preceding the grant date) to GBP2.88 per share (being the estimated net asset value per share of the Company on 8 July 2020).

The exercise price for the long-term incentive options granted on 24 February 2020 was amended after the grant date such that the fair value of these options was reduced, as measured immediately before and after this modification. In accordance with IFRS 2, this reduction in fair value is not taken into account and the Company will continue to measure the amount recognised for services received as consideration for the incentive options, based on the grant date fair value.

A Black-Scholes option pricing model was used to determine the fair value of the long-term incentive options. The valuation model inputs used to determine the fair value at the grant date are as follows:

Grant date	Vesting date	Share price at grant date	Exercise price	Expected volatility	Risk-free interest rate	Fair value at grant date GBP	Fair value at grant date USD*
24/02/2020	24/02/2023	GBP1.95	GBP1.97	25%	0.40%	GBP46,075	USD60,644
08/07/2020	08/07/2023	GBP2.26	GBP2.88	30%	(0.08%)	GBP33,950	USD44,685

\* The USD equivalent is derived using the FX rate as at the date of reporting.

## 11. Treasury shares

	Number	GBP'000	USD'000
Treasury shares as at 31 March 2020	309,788	565	726
Purchased in the year	3,846,597	8,301	10,732
Treasury shares as at 31 March 2021	4,156,385	8,866	11,458
Exercise of bonus options	(86,887)	(185)	(239)
Treasury shares as at 31 March 2022	4,069,498	8,681	11,219

During the year, options granted to executive management were exercised on 26 July 2021 and settled with 86,887 shares held in treasury. The reduction in the value of treasury shares resulting from the exercise of bonus options has been calculated based on the weighted average acquisition cost of the treasury shares.

On 4 April 2022, Yellow Cake announced the initiation of a share buyback programme to purchase up to USD3 million of the Company's Ordinary Shares over 30 calendar days commencing on 4 April 2022 (the "Programme"). Given that the Company's shares traded at a material discount to its underlying net asset value since mid-January this year, the Yellow Cake Board resolved to implement a share buyback programme as a means of effectively acquiring exposure to uranium at a discount to the commodity spot price. Shares were purchased when the closing mid-market share price of the Company in any given day represented a discount of 10% or more to the Company's *pro forma* net asset value at that time. Under the Programme, following the year-end, the Company acquired 566,833 shares between 4 April and 6 May 2022, at a volume weighted average purchase price of GBP4.15 per share or USD3.0 million in aggregate and at a volume weighted average discount to the Company's *pro forma* net asset value of 10.4%.

## 12. Commissions, procurement and consultancy fees

308 Services Limited ("308 Services") provides procurement services to the Company relating to the sourcing of U<sub>3</sub>O<sub>8</sub> and other uranium transactions and in securing competitively priced converter storage services.

Under the terms of the agreement entered into between the Company and 308 Services on 30 May 2018, 308 Services is entitled to receive (i) a Holding Fee comprised of a Fixed Fee of USD275,000 per calendar year plus a Variable Fee equal to 0.275% per annum of the amount by which the value of the Company's holdings of U<sub>3</sub>O<sub>8</sub> exceeds USD100 million and (ii) an Annual Storage Incentive Fee equal to 33% of the difference between the amount obtained by multiplying the Target Storage Cost (initially set at USD0.12 /lb per year) by the volume of U<sub>3</sub>O<sub>8</sub> (in pounds) owned by the Company on 31 December of each respective year and the total converter storage fees paid by the Company in the preceding calendar year.

The Company considers Holding Fees and Storage Incentive Fees to be costs of an ongoing nature. During the period the Company paid Holding Fees and Storage Incentive Fees of USD 2,129,617 (31 March 2021: USD1,123,870) to



308 Services.

308 Services is also entitled to receive a commission equivalent to 0.5% of the transaction value in respect of sale and purchase transactions completed at the request of the Yellow Cake Board.

In addition, if the purchase price paid by the Company in respect of such a purchase transaction is in the lowest quartile of the range of reported uranium spot prices in the calendar year in which the transaction completed, 308 Services is entitled to receive, at the beginning of the following calendar year, an additional commission of 0.5% of the value of the uranium transacted. If the purchase price paid by the Company in respect of such a purchase transaction is in the second lowest quartile of the range of reported uranium spot prices in the calendar year in which the transaction completed, 308 Services is entitled to receive, at the beginning of the following calendar year, an additional commission of 0.25% of the value of the uranium transacted. If the purchase price is in the top half of the range for the calendar year in which the transaction completed, no additional commission will be payable to 308 Services.

During the period, commissions payable to 308 Services totalled USD1,884,453 (31 March 2021: USD282,296).

### 13. Other operating expenses

	Year ended 31 March 2022 USD '000	Year ended 31 March 2021 USD '000
Professional fees	769	687
Management cash compensation and directors' fees	709	535
Other expenses	603	443
Auditor's fees	99	74
<b>Total</b>	<b>2,180</b>	<b>1,739</b>

### 14 Taxation

	Year ended 31 March 2022 USD '000	Year ended 31 March 2021 USD '000
Tax expense for the year	–	–
<b>Total</b>	<b>–</b>	<b>–</b>

As the Company is managed and controlled in Jersey it is liable to be charged tax at a rate of 0% under schedule D of the Income Tax (Jersey) Law 1961 as amended.

### 15. Related party transactions

During the year, the Company incurred USD186,056 (31 March 2021: USD173,802) of administration fees payable to Langham Hall Fund Management (Jersey) Limited ("Langham Hall"). Emily Manning is an employee of Langham Hall and has served as a Non-Executive Director of the Company since 31 March 2021, for which she has received no Directors' fees. As at 31 March 2022, there were no amounts due to Langham Hall (31 March 2021: USD nil).

The key management personnel are the Directors and there are no other employees. Their remuneration is detailed in note 13 and represented within 'Other operating expenses' in the Statement of Comprehensive Income.

The following Directors own ordinary shares in the Company as at 31 March 2022:

Name	Number of ordinary shares	% of share capital
The Lord St John of Bletso*	26,302	0.01%
Sofia Bianchi	13,186	0.01%
The Hon Alexander Downer	29,925	0.02%
Emily Manning	–	–
Alan Rule	18,837	0.01%
Andre Liebenberg	121,478	0.06%
Carole Whittall	49,918	0.03%
<b>Total</b>	<b>259,646</b>	<b>0.14%</b>

\* The Lord St John of Bletso's shares are held through African Business Solutions Limited, in which he holds 100% of the Ordinary Shares.

While the Non-Executive Directors hold shares in the Company, the holdings are considered sufficiently small so as not to impinge on their independence.

## 16. Earnings per share

	1 April 2021 to 31 March 2022	1 April 2020 to 31 March 2021
Profit for the year (USD '000)	417,271	29,911
Weighted average number of shares during the year – Basic*	160,754,398	89,017,413
Weighted average number of shares during the year – Diluted*	161,046,530	89,308,071
Earnings per share attributable to the equity owners of the Company (USD):		
Basic	2.60	0.34
Diluted	2.59	0.33

\* The weighted average number of shares excludes treasury shares.

## 17. Events after the reporting date

The Company initiated a share buyback programme on 4 April 2022, following the year-end, and acquired 566,833 shares between 4 April and 6 May 2022, at a volume weighted average purchase price of GBP4.15 per share or USD3.0 million in aggregate and at a volume weighted average discount to the Company's *pro forma* net asset value of 10.4%.

As part of the "Buyback Option" detailed in note 7, Yellow Cake bought back from Kazatomprom 2,022,846 lb of U<sub>3</sub>O<sub>8</sub> at a cost of USD43.25/lb or USD87,488,090 in aggregate. This was received by the Company at the Cameco storage facility in Canada on 19 May 2022.

Pursuant to Kazatomprom's offer of 26 October 2021, the Company entered into an agreement with Kazatomprom to purchase 950,000 lb of U<sub>3</sub>O<sub>8</sub> for a total consideration of USD45,201,000 (USD47.58/lb), which was delivered on 30 June 2022.

On 22 June 2022, the Company's shares were admitted to trading on the OTCQX, the highest tier of the US over-the-counter market