



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

Unaudited Interim Financial Report for the six-month period ended 30 September 2022

Yellow Cake, a specialist company created to exploit commercial opportunities in the uranium sector, including the purchase and holding of physical uranium for the long term, is pleased to announce its unaudited interim financial report for the six-month period ended 30 September 2022 (“half-year”).

Highlights

- Increase in the Company’s holdings of physical uranium (“ U_3O_8 ”) during the half-year from 15.83 million lb of U_3O_8 to 18.81 million lb of U_3O_8 .
- Decrease of 1% in the value of U_3O_8 held by Yellow Cake over the half-year from USD916.7 million¹ as at 31 March 2022 to USD907.4 million² as at 30 September 2022, resulting from a decrease in the spot price from USD57.90/lb³ to USD48.25/lb⁴ during the period, partially offset by an increase in the volume of uranium held.
- Decrease in net asset value from USD1,069.0 million as at 31 March 2022 to USD920.6 million as at 30 September 2022, as a result of the reduction in the value of U_3O_8 held by the Company.
- Increase in net asset value per share over the half-year from GBP4.42 per share⁵ as at 31 March 2022 to GBP4.50 per share⁶ as at 30 September 2022, with the reduction in net asset value in US dollar terms offset by the devaluation of sterling relative to the US dollar over the period.
- Loss after tax of USD145.5 million for the six-month period ended 30 September 2022, driven by a fair value loss of USD142.0 million on the Company’s investment in uranium.
- During the half-year, Yellow Cake took delivery of 2.97 million lb of U_3O_8 under the following uranium purchase agreements. These purchases were funded with cash at bank:
 - The Company exercised its option with Kazatomprom to buy back 2,022,846 lb of U_3O_8 from Kazatomprom at a cost of USD43.25/lb or USD87.5 million in aggregate consideration. This was

1 Based on the daily spot price of USD57.90/lb published by UxC, LLC on 31 March 2022 and 15,832,755 lb U_3O_8 held by the Company as at that date.

2 Based on the daily spot price of USD48.25/lb published by UxC, LLC on 30 September 2022 and 18,805,601 lb U_3O_8 held by the Company as at that date.

3 Daily spot price published by UxC LLC on 31 March 2022.

4 Daily spot price published by UxC, LLC on 30 September 2022.

5 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.

6 Net asset value per share as at 30 September 2022 is calculated assuming 187,740,730 ordinary shares in issue less 4,636,331 shares held in treasury, the Bank of England’s daily USD/ GBP exchange rate of 1.1170 and the daily spot price published by UxC, LLC on 30 September 2022.

received by the Company at the Cameco storage facility in Canada on 19 May 2022 in accordance with the agreed delivery schedule.

- Pursuant to Kazatomprom's offer of 26 October 2021, the Company entered into an agreement with Kazatomprom to purchase 950,000 lb of U₃O₈ at a price of USD47.58/lb for a total consideration of USD45.2 million. This was received by the Company at the Cameco storage facility in Canada on 30 June 2022 in accordance with the agreed delivery schedule.
- Yellow Cake's operations, financial condition and ability to purchase and take delivery of U₃O₈ from Kazatomprom, or any other party, remain unaffected by the geopolitical events in Ukraine to date. All U₃O₈ 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.
- 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. Given that the Company's shares had traded at a material discount to its underlying net asset value in the months prior to the announcement, the Yellow Cake Board resolved to implement the 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 between 4 April and 6 May 2022, for a total consideration of USD3.0 million, at a volume weighted average price of GBP4.15 pence per share and a volume weighted average discount to net asset value of 10.4%.
- Yellow Cake's estimated net asset value on 5 December 2022 was GBP4.09 per share or USD915.9 million, based on 18.81 million lb of U₃O₈ valued at a spot price of USD48.00/lb.⁷

Yellow Cake Estimated Net Asset Value as at 5 December 2022			
		Units	
Investment in Uranium			
Uranium oxide in concentrates ("U ₃ O ₈ ")	(A)	lb	18,805,601
U ₃ O ₈ fair value per pound ⁽⁷⁾	(B)	USD/lb	48.00
U ₃ O ₈ fair value	(A) x (B) = (C)	USD m	902.7
Cash and other net current assets/(liabilities) ⁽⁸⁾	(D)	USD m	13.2
Net asset value in USD m	(C) + (D) = (E)	USD m	915.9
Exchange Rate ⁽⁹⁾	(F)	USD/GBP	1.2218
Net asset value in GBP m	(E) / (F) = (G)	GBP m	749.6
Number of shares in issue less shares held in treasury ⁽¹⁰⁾	(H)		183,104,399
Net asset value per share	(G) / (H)	GBP/share	4.09

Andre Liebenberg, CEO of Yellow Cake, said:

We continue to deliver on our stated strategy. During the period we took delivery of a further three million pounds of uranium, bringing our total holdings to 18.81 million pounds. The case for buying and holding uranium, despite a much weaker economic outlook, is compelling. The underlying fundamentals for nuclear energy, particularly with recent events highlighting the need for greater energy security, continue to strengthen. We are

⁷ Daily spot price published by UxC, LLC on 5 December 2022.

⁸ Cash and cash equivalents and other net current assets and liabilities as at 30 September 2022.

⁹ Bank of England's daily USD/ GBP exchange rate as at 5 December 2022.

¹⁰ Net asset value per share on 5 December 2022 is calculated assuming 187,740,730 ordinary shares in issue, less 4,636,331 shares held in treasury on that date.

seeing an acceleration of new nuclear build intentions, particularly from China and a broader based appreciation of the value of the existing nuclear fleet infrastructure, with life extensions in the US and Europe and further restarts in Japan. Meanwhile, supply is still heavily constrained driven by supply side pressures and cost inflation and will not keep up with rising demand. We remain very excited about the outlook for uranium and confident in our strategy and investment case.”

This announcement contains inside information for the purposes of Article 7 of Regulation (EU) no 596/2014 which is part of UK law by virtue of the European Union (Withdrawal) Act 2018.

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ABOUT YELLOW CAKE

Yellow Cake is a London-quoted company, headquartered in Jersey, which exploits commercial opportunities in the uranium sector, including the purchase and holding of physical triuranium octoxide (“ U_3O_8 ”). Yellow Cake seeks to generate returns for shareholders through the appreciation of the value of its holding of U_3O_8 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_3O_8 with Kazatomprom, the world’s largest uranium producer. Yellow Cake currently holds 18.81 million pounds of U_3O_8 , 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_3O_8 , 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.

Chief Executive's Statement

Overview

Global economic factors significantly impacted the uranium spot market during the April-September 2022 reporting period, with a marked decline in spot market volumes and a softening of the spot price. However, despite the weaker macro environment, the underlying fundamentals for the nuclear industry continued to strengthen. We have seen an acceleration of new build intentions, particularly from China and a broader based appreciation of the value of the existing nuclear fleet infrastructure, with life extensions in the US and Europe and further restarts in Japan. Broad based adoption of carbon-zero ambitions and a focus on energy security since the Russian invasion of Ukraine provide solid support for nuclear demand growth. Supply side conditions continue to remain challenging with supply chain issues and capital cost inflation very evident.

Uranium Market Developments

Global Market

As at the end of September, the aggregate reported spot market volume for 2022 stood at 47.1 million lb of U_3O_8 ¹¹, compared to 75.4 million lb of U_3O_8 ¹² for the same period in 2021, a reduction of more than one-third. The spot uranium price ended March 2022 at USD57.90/lb, eventually increasing to USD63.50/lb by mid-April 2022 before falling to a low for the period of USD45.50/lb on 23 May 2022 and recovering to USD48.25/lb by the end of September 2022. Following the half-year end, the spot price rose to end November at USD49.50/lb.

The launch of the Sprott Physical Uranium Trust ("**SPUT**") in mid-2021 has enabled the purchase of more than 40 million lb of U_3O_8 in the spot market to date. However, principally in response to global economic conditions, SPUT significantly moderated its spot market purchasing during the half-year. SPUT acquired a total of only 5.1 million lb of U_3O_8 during the half-year (compared to 24.3 million lb of U_3O_8 during the six-month period from September 2021 to March 2022), reflecting market conditions where the trust units were trading at a discount for most of the six month period. As at 30 September 2022, SPUT held a total of 58.6 million lb of U_3O_8 .¹³

Long-term uranium market indicators exhibited significantly less volatility than the spot price during the April-September period. The UxC 3-year forward price fluctuated in the range USD53.50/lb-USD56.00/lb while the 5 year forward price remained in the range USD56.50/lb-USD58.00/lb. The UxC Long-Term Price ended March at USD48.00/lb before gradually rising to USD50.00/lb over the June-August period and ending September at USD49.00/lb. UxC reports that long-term uranium contracting volume has increased through 2022 reaching 79.6 million lb of U_3O_8 in the nine months to the end of September 2022, compared to about 53 million lb of U_3O_8 in the comparable period of 2021.¹⁴

UxC completed its bi-annual assessment of global uranium inventories and concluded that "after seven years of tracking global inventories, it is now clear that the era of excessive inventories overhanging the nuclear fuel markets is emphatically behind us."¹⁵

Nuclear Generation / Uranium Demand

At the conclusion of the Group of Seven ("**G7**") meeting held in Germany (26-28 June 2022), the broad-ranging G7 Leader's Communiqué affirmed the G7's commitment to phase out dependency on Russian energy. The communiqué stated that "those countries that opt to use it reaffirm the role of nuclear energy in their energy mix. Those countries recognise its potential to provide affordable low-carbon energy and contribute to the security of energy supply as a source of baseload energy and grid flexibility." Recognising the global role of Russian-sourced nuclear fuel, the communiqué stated that "We will further reduce reliance on civil nuclear and

11 Ux Weekly vol 36 no 40. 3 October 2022.

12 Ux Weekly vol 35 no 40. 4 October 2021.

13 Source: Sprott.com; "Daily and Cumulative Pounds of Uranium (U_3O_8) Acquired by Trust".

14 Ux Weekly; "UxC Market Statistics"; 3 October 2022.

15 Ux Weekly; "The Era of Inventory Overhang is Over"; 5 September 2022.

related goods from Russia, including working to assist countries seeking to diversify their supplies. We task our relevant Ministers to evaluate the feasibility and efficiency of these measures urgently.”¹⁶

On 16 August 2022, US President Joseph Biden signed into law the Inflation Reduction Act of 2022 which incorporates far reaching support/subsidies for clean energy, including nuclear power. The legislation establishes production tax credits (up to USD0.015/kWh of electricity generated by nuclear) as well as investment tax credits for new nuclear power plants, including advanced reactor designs. The programme includes USD700 million for the development/production of High-Assay Low-Enriched Uranium (“HALEU”) necessary for advanced reactors which is currently solely available from Russian sources.¹⁷

The US Department of Energy completed a comprehensive study assessing a coal-to-nuclear transition strategy “Investigating Benefits and Challenges of Converting Retiring Coal Plants into Nuclear Plants”. The assessment found that 157 retired coal plant sites and a further 237 operating coal plant sites could be potential candidates for a coal-to-nuclear transition. The study found that 80% of those coal sites are good candidates to host advanced reactors smaller than 1.0 Gwe.¹⁸

The European Union Parliament voted to include both natural gas and nuclear power as green investments under the Taxonomy Complementary Climate Delegated Act (“CDA”). On 6 July 2022 the European Union (“EU”) Parliament rejected a motion to veto the CDA, thus allowing the sustainable finance taxonomy to enter force expected on 1 January 2023.¹⁹

The European Commission released its proposed REPowerEU Plan on 18 May 2022 developed in response to the Russian invasion of Ukraine. The plan looks to reduce/eliminate the EU dependency on fossil fuel imports from Russia as stated in the Plan, “REPowerEU is about reducing our dependency on Russian fossil fuels by fast forwarding the clean transition and joining forces to achieve a more resilient energy system and a true Energy Union.” As reported by the World Nuclear Association (“WNA”) news service, the REPowerEU Plan specifically recognizes that to diversify their options, EU Member States that are currently dependent on Russia for nuclear fuel for their reactors will need to work within the EU and with international partners “to secure alternative sources of uranium and boosting the conversion, enrichment and fuel fabrication capacities available in Europe or in the EU’s global partners.”²⁰

French President Emmanuel Macron won a second term in office during national elections on 24 April 2022. President Macron has cancelled the plan to close 12 reactors by 2035 and requested the state-owned nuclear operator, EDF, to study the feasibility of prolonging reactor lifespans beyond the statutory 50 years. In addition, his government supports the construction of six European Pressurized Reactors (EPR) by 2050 with an option for eight more units pending further assessment.²¹

The UK government released its national energy strategy policy paper on 7 April 2022 outlining the nation’s plans for enhanced energy security. Under the energy policy, nuclear would provide up to 25% of the country’s electricity by 2050 from up to 24 Gwe of nuclear generating capacity. In order to support its ambitious commercial nuclear power goals, the UK will establish the Great British Nuclear Vehicle designed to provide support to nuclear projects “through every stage of the development process.”²² On 19 July 2022, the UK government launched the “Nuclear Fuel Fund”, a GBP75 million fund which “will seek to award grants to projects that can increase the UK’s domestic nuclear fuel sector, reducing the need for foreign imports and creating the material used in nuclear power stations to generate electricity – with funding going towards designing and developing new facilities.”²³

16 G7 Germany 2022; “G7 Leaders’ Communiqué”; 28 June 2022.

17 H.R. 5376 – Inflation Reduction Act of 2022; 117th Congress (2021-2022).

18 USDOE; “DOE Report Finds Hundreds of Retiring Coal Plant Sites Could Convert to Nuclear”; 13 September 2022.

19 Bloomberg Green. “EU Lawmakers Remove Last Hurdle to Label Gas, Nuclear as Green”; 6 July 2022.

20 World Nuclear News; “Nuclear included in EU’s repowering plan”; 20 May 2022.

21 Montel News; “Macron Wins Election, Vows to Boost Nuclear, Renewables”; 24 April 2022.

22 HM Government; “British Energy Security Strategy”; 7 April 2022.

23 UK Government Press Release, “Government fund to accelerate nuclear fuel supply opens”; 19 July 2022.

Germany took the decision to maintain operations at three reactors, Isar-2, Neckarwestheim-2 and Emsland, until mid-April 2023 rather than shut down and decommission the units by December 2022 as previously slated.²⁴

China announced plans to construct a further six nuclear reactors as the country pursues its Net Zero goals. During an executive meeting of the State Council, approval was given for Sanmen units 3 and 4, Haiyang 3 and 4 and Lufeng 5 and 6. The four reactors destined for the Sanmen and Haiyang sites will be Westinghouse AP1000 (1,250 Mwe) while Lufeng will receive domestic-designed Hualong One (1,200 Mwe) units.²⁵ According to Wang Shoujun, President of the Chinese Nuclear Society, “installed capacity of nuclear power under operation is expected to reach 70 million kW by 2025 from the current 55.8 million kW and nuclear power is expected to account for 10 percent of China’s total power generation by 2035, compared to 5 percent in 2021.” Furthermore, according to China Daily, “as China continues pushing forward the goals of peaking carbon emissions by 2030 and achieving carbon neutrality by 2060, with more attention focused on energy security, it is believed that the nuclear power sector will see massive opportunities in the years to come.”²⁶

South Korea added nuclear power to that country’s taxonomy on sustainable activities. This was a change from the previous administration’s stance on nuclear power, which had excluded nuclear from the taxonomy. The policy change is expected to hasten the restart of construction of Units 3 & 4 of the Shin Hanul nuclear power plant which had been suspended under the previous anti-nuclear president.²⁷

Japanese Prime Minister, Fumio Kishida, called for a comprehensive review of that country’s nuclear power programme including reactor restarts, reactor operating license extensions, new reactor technologies and possible new-build units. Japan’s Energy Minister stated that additional reactors must be restarted to ensure stable power supply for summer 2023. Furthermore, Japan’s Minister of Industry plans to bring seven additional reactors back online by next summer which would result in a total of 17 operating nuclear reactors in Japan. Of the seven proposed restarts, four of the units have already received national and local approval to operate but are awaiting the completion of mandated safety upgrades and modifications.²⁸

The Russian government expects to construct 16 new nuclear reactors by 2035 as it pursues the goal of nuclear power providing 25% of total domestic energy by 2045. Russian nuclear supplier, ROSATOM, plans to initiate a large scale NPP construction program in parallel with the decommissioning of eight RBMK reactors.²⁹

The Egyptian Nuclear and Radiological Authority granted a permit on 29 June 2022 for the construction of the first nuclear power plant in the country. The initial unit will form the basis for a four reactor program at El-Dabaa under a joint Egyptian-Russian agreement. The 4800 Mwe complex (4x1200 Mwe VVER reactors) is scheduled to be in full operation by 2030 at a capital cost of USD21 billion.³⁰ ROSATOM announced on 20 July 2022 that the pouring of the “first concrete” for Egypt’s initial nuclear power plant, the El-Dabaa Nuclear Power Plant Unit 1 (VVER-1200 design) had commenced.³¹

Construction of the fourth nuclear reactor at the Akkuyu Nuclear Power Plant (Mersin Province, Turkey) commenced in late July. ROSATOM, is constructing four VVER-1200 reactors at Akkuyu with the initial unit scheduled to be operational in 2023.³²

Saudi Arabia’s Ministry of Energy announced on 26 September 2022 that it has initiated a study focused on licensing the country’s first nuclear power plant. The government is working with the International Atomic Energy Agency (“IAEA”) to develop a national nuclear energy programme under the Milestones Approach, progressing to Phase 3 of the programme which includes contracting, licensing, and construction of a nuclear

24 Deutsche Welle – DW; “Germany extends lifetime of remaining nuclear plants”; 17 October 2022.

25 World Nuclear News; “China Approves Construction of Six New Reactors”; 21 April 2022.

26 China Daily.com.cn; “Nuclear power’s role in green goals grows”; 10 August 2022.

27 Ux Weekly; “Nuclear Power added to South Korea’s Sustainable Finance Taxonomy”; 26 September 2022.

28 Nippon.com; “Japan to Restart 7 More Nuclear Reactors”; 24 August 2022.

29 Nuclear Engineering International; “Russia to build 16 new nuclear units by 2035”; 1 June 2022.

30 Egypt Today; “Permit to build 1st reactor at Egypt’s Dabaa Nuclear Power Plant issued”; 29 June 2022.

31 ROSATOM Press Release; “Main Construction Phase for El-Dabaa Nuclear Power Plant Project Begins in Egypt”; 20 July 2022.

32 World Nuclear News; “Construction begins of fourth Turkish reactors”; 21 July 2022.

power plant. Saudi Arabia distributed a formal request for proposals in June 2022 to China, France, South Korea and the United States for the possible construction of two 1400 Mwe reactors.³³

Subsequent to the period-end, Sweden's newly-elected center-right coalition government adopted pro-nuclear energy policies including the possible restart of Ringhals Units 1 and 2 (closed at the end of 2020 and 2019, respectively) as well as preparing for the construction of new reactors. The government has changed its energy policy goal from "100% renewable" to "100% fossil-free."³⁴

Poland announced on 28 October 2022 that the government had selected Westinghouse Electric to build that country's initial nuclear power plant. The Polish government has been seeking partners to develop 6-9 Gwe of nuclear capacity by the early 2040s and may ultimately order a total of six Westinghouse AP-1000 reactors.³⁵

Uranium Supply

Cameco Corporation's senior management stated on their 1Q 2022 investor call, that the Russian invasion of Ukraine had created "an unprecedented realignment of the global nuclear fuel market" and that "Russian replacement demand" will result in major effects on the market as nuclear utilities alter their nuclear fuel procurement patterns in the face of a looming uranium supply and origin gap. The company reported that "presently, JV Inkai is experiencing wellfield development, procurement and supply chain issues, including inflationary pressure on production materials and reagents, which are expected to continue and could pose a risk to JV Inkai's 2022 production volume, impacting its costs."³⁶ In their 2Q 2022 investor call on 27 July 2022, the company reported a slight delay in the start-up of McArthur River / Key Lake due to the availability of critical materials, equipment and necessary skills. Overall corporate production continued to rise significantly to 4.7 million lb during the first six months of 2022 compared to 1.3 million lb during the comparable period of 2021. The latest 2022 outlook forecasts total uranium production (Cameco share) reaching up to 10.9 million lb (Cigar Lake – 9.5 million lb / McArthur River – up to 1.4 million lb). Regarding year-to-date long-term uranium contracting, Cameco reported that the company had "added to our long-term contract portfolio more than 50 million pounds in our uranium segment" while, in addition, "we have advanced contracting discussions for about 27 million pounds of long-term uranium business."³⁷

The Board of Directors of Australian uranium producer, Boss Energy Ltd., approved the Final Investment Decision (FID) to restart the Honeymoon ISR Uranium Project in South Australia (1 June 2022). First production is scheduled for December 2023, ramping up to 2.45 million lb. within three years at an All-In-Sustaining Cost estimated at USD25.60/lb. The company has fully-funded the forecast A\$113 million capital cost of the development.³⁸

Paladin Energy Limited ("**Paladin**") announced that its idled Langer Heinrich Uranium Mine in Namibia would return to production with initial output to be achieved during the first quarter of 2024. Citing an improving uranium market, Paladin stated that "the decision to restart production at the Langer Heinrich Mine is supported by strong uranium market fundamentals and continued progress on uranium marketing activities including the execution of a binding contract for the previously announced Tender Award." Paladin advised that the total project capital expenditure had increased to USD118 million on a 100% project basis (previous guidance of USD87 million) "primarily driven by recent inflationary pressures across the project supply chain, brought forward power and water infrastructure works and increased owner's team costs."³⁹

In October 2022, Kazatomprom reported that Kazakh uranium production for the January-September period totalled 40.2 million lb, a decrease of 3% from the comparable period of 2021, principally due to the impact of COVID-19 on wellfield development in 2021 as well as supply chain disruptions resulting in a shortage of certain production materials, such as reagents and piping. The company anticipates that aggregate uranium output for

33 Ux Weekly; "Saudi Arabia Commences Licensing Study for First Commercial Nuclear Power Plant"; 3 October 2022.

34 World Nuclear News; "New Swedish government seeks expansion of nuclear energy"; 17 October 2022.

35 Power Technology; "Westinghouse Electric to build nuclear power plant in Poland"; 31 October 2022.

36 Cameco Corporation, "Management's discussion and analysis for the quarter ended 31 March 2022"; 5 May 2022.

37 Cameco Corporation; "Management Discussion and Analysis for the quarter ended September 30, 2022"; 27 October 2022.

38 Boss Energy Ltd. ASX Release; "Board makes Final Investment Decision to develop Honeymoon"; 1 June 2022.

39 Paladin Energy Press Release; "The Langer Heinrich Mine to return to production"; 19 July 2022.

2022 will reach 54.6-57.2 million lb. Furthermore, Kazatomprom reported that “during the third quarter, several transactions to purchase material in the spot market were carried out.”⁴⁰ Regarding future uranium production plans, due to successful term contracting activities, the Company plans to increase uranium production in 2024 by adding 5.2-7.8 million lb above the previously planned level.⁴¹

Nuclear Power Forecasts

The International Energy Agency (“IEA”) published its latest analysis of the potential role of nuclear energy for the global transition away from fossil fuels to generate electricity. “Nuclear Power and Secure Energy Transitions” (June 2022) provides a background on the present role of nuclear power and recommendations for consideration to enhance nuclear power’s fundamental position in the energy transition. The IEA observes that advanced economies have lost market leadership as investment has stalled and the latest projects have experienced cost overruns and have fallen behind schedule. The IEA further reports that of the 31 reactors which commenced construction since the beginning of 2017, all but four are of Russian and Chinese design. Relative to the current Russian-induced concern of energy security, the report states that “in the decade following the 1973 oil shock, construction started on almost 170 GW of nuclear power plants and that those plants represent 40% of the current global nuclear power fleet. Nuclear additions in the last decade reached only 56 GW so with policy support and tight cost controls, the current energy crisis could lead to a similar revival for nuclear power.”⁴²

The latest World Energy Outlook assessment, published 27 October, by the International Energy Agency (IEA), underscores the crucial role which nuclear power must assume over the next three decades. Nuclear power increases under all three of the IEA government policy-related scenarios (Stated Policies Scenario; Announced Pledges Scenario, and; Net Zero Emissions by 2050 Scenario). The report notes that “As markets rebalance, renewables, supported by nuclear power, see sustained gains.” Under the Net Zero Emissions by 2050 Scenario, an average of 24 Gwe/year must be added over the 2022-2050 period, more than doubling current nuclear capacity (compounded average annual growth rate = 2.6 percent).⁴³

The United Nations Economic Commission for Europe (“UNECE”) released a study of the impacts of climate change titled “Roadmap to Carbon Neutrality for Europe, North America and Central Asia”. The report identifies a range of technology and policy solutions for the region to attain carbon neutrality by 2050, despite the current energy and geopolitical crises. Noting that over 80% of the primary energy mix in the EU is fossil fuel based, the group calls for the accelerated phase-out of unabated fossil fuels and the scale-up of electrification of all sectors with emphasis on renewable energy and nuclear power. Under the base Carbon Neutrality scenario, nuclear energy doubles by 2050 (20% of total global electricity generation) while under the Carbon Neutrality innovation scenario, nuclear power provides 30% of total global electricity generation amounting to 874 Gwe of installed nuclear capacity of which 450 Gwe is projected to be Small Modular Reactors⁴⁴.

On 26 September 2022, the IAEA released its latest annual forecast of nuclear power capacity extending through to 2050⁴⁵. In its high case scenario, the IAEA envisions world nuclear generating capacity more than doubling to 873 Gwe by 2050 (representing an incremental 81 Gwe above the 2021 forecast), compared with current levels of around 390 Gwe.

40 Kazatomprom Press Release; “Kazatomprom 3Q2022 Operations and Trading Update”; 26 October 2022

41 Kazatomprom Press Release; “Operating and Financial Review – Six Months ended 30 June 2022”; 19 August 2022.

42 International Energy Agency; “Nuclear Power and Secure Energy Transitions – From today’s challenges to tomorrow’s clean energy systems”; May 2022.

43 International Energy Agency; “World Energy Outlook 2022”; 27 October 2022.

44 UNECE; “Carbon Neutrality by 2050 is Still Achievable Despite Energy Crisis, According to New UN Report”; 19 September 2022.

45 International Atomic Energy Agency; “IAEA Projections for Nuclear Power Growth Increase for Second Year Amid Climate, Energy Security Concerns”; 26 September 2022.

Market Outlook

In their third quarter spot market review⁴⁶, UxC noted that “if spot demand sees any meaningful increase in the months ahead, the spot price could be susceptible to greater upward price pressure with fewer inventories available in the market.”

In a recent industry presentation, UxC senior executive, Anna Bryndza, commented that nuclear fuel markets (uranium / conversion / enrichment) were already in recovery prior to 2022 and that the Russian invasion of Ukraine provided a “catalyst expediting transitions in each front end market”. Furthermore, the nuclear power/uranium demand side has “firmed up and outlook for nuclear power has notably improved.” Regarding the uranium sector, Bryndza observed that uranium market was “on the mend” and “Spot and Long-Term uranium prices are starting to delink” as the spot price was showing an increased correlation to the financial market and that the long-term price “sees recovery in 2022, which is reflective of longer-term market fundamentals and a return to a production-driven market.”⁴⁷

While the spot uranium price has shown improvement since the beginning of 2022 increasing from USD42.00/lb at the end of December 2021 to reach USD48.25/lb by the end of September 2022 (a 15% increase), the near-term price has exhibited significant volatility (reporting a range of USD42.00/lb up to USD63.75/lb in the calendar year to date).

While global financial market conditions may result in ongoing spot price volatility in the near term, the longer term fundamentals of the uranium market continue to strengthen due to a reduction of “mobile” near-term uranium inventories, the fact that contracting activity in the uranium term market is showing signs of noticeable increase and the increasing focus on energy security. We therefore expect to see progressively higher offering prices by primary producers into the forward market segment.

Andre Liebenberg

Chief Executive Officer

⁴⁶ Ux Weekly; “Third Quarter Spot Uranium Market Update”; 26 September 2022.

⁴⁷ “Geopolitics Overtakes the Markets”; International Uranium Fuel Seminar; 18 October 2022.

Chief Financial Officer's Report

Highlights

- Increase in the Company's uranium holdings from 15.83 million lb of U₃O₈ to 18.81 million lb of U₃O₈.
- Decrease of 1% in the value of U₃O₈ held by Yellow Cake over the half-year from USD916.7 million⁴⁸ as at 31 March 2022 to USD907.4 million⁴⁹ as at 30 September 2022, resulting from a decrease in the spot price from USD57.90/lb³ to USD48.25/lb⁴, partially offset by an increase in the volume of uranium held.
- Decrease in net asset value from USD1,069.0 million as at 31 March 2022 to USD920.6 million as at 30 September 2022, as a result of the reduction in the value of U₃O₈ held by the Company.
- Increase in net asset value per share from GBP4.42 per share⁵⁰ as at 31 March 2022 to GBP4.50 per share⁵¹ as at 30 September 2022, with the reduction in net asset value in US dollar terms offset by the devaluation of sterling relative to the US dollar over the period.
- Loss after tax of USD145.5 million (30 September 2021: profit of USD169.1 million).
- Acquired 566,833 of the Company's Ordinary Shares under a share buyback programme 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 of 10.4% to the Company's proforma net asset value.

Uranium purchases

Yellow Cake began the period with a holding of 15.83 million lb of U₃O₈ and took delivery of an additional 2.97 million lb of U₃O₈ to end the half-year with a total holding of 18.81 million lb of U₃O₈.

- The Company exercised its option with Kazatomprom to buy back 2,022,846 lb of U₃O₈ from Kazatomprom at a cost of USD43.25/lb or USD87.5 million in aggregate consideration and took delivery of this material 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 U₃O₈ at a price of USD47.58/lb for a total consideration of USD45.2 million and took delivery of this uranium at the Cameco storage facility in Canada on 30 June 2022.

Operating performance

Yellow Cake made a loss after tax for the half-year of USD145.5 million (30 September 2021: profit after tax of USD169.1 million).

Expenses for the half-year were USD3.4 million (September 2021: USD3.4 million) and comprised:

- USD0.4 million in commissions payable to 308 Services Limited in relation to the purchase by Yellow Cake of U₃O₈ (30 September 2021: USD1.2 million); and

48 Based on the daily spot price of USD57.90/lb published by UxC, LLC on 31 March 2022 and 15,832,755 lb U₃O₈ held by the Company as at that date.

49 Based on the daily spot price of USD48.25/lb published by UxC, LLC on 30 September 2022 and 18,805,601 lb U₃O₈ held by the Company as at that date.

50 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.

51 Net asset value per share as at 30 September 2022 is calculated assuming 187,740,730 ordinary shares in issue less 4,636,331 shares held in treasury, the Bank of England's daily USD/ GBP exchange rate of 1.1170 and the daily spot price published by UxC, LLC on 30 September 2022.

- USD3.0 million in expenses of a recurring nature (30 September 2021: USD2.1 million) comprising the following).
 - Procurement and market consultancy fees (holding fees and storage incentive fees) paid to 308 Services Limited of USD1.6 million (30 September 2021: USD0.8 million) (detailed in note 8); and
 - Other operating costs of USD1.4 million (30 September 2021: USD1.3 million).

Yellow Cake's Management Expense Ratio for the half-year (total operating expenses of a recurring nature, excluding commissions and equity offering expenses, expressed as an annualised percentage of average daily net asset value during the period) was 0.62% (30 September 2021: 0.82%).

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 over 30 calendar days. The Company's shares had traded at a material discount to its underlying net asset value since the middle of January 2022 and the Yellow Cake Board resolved to implement the Programme as a means of effectively acquiring exposure to uranium at a discount to the uranium spot price. Under the share buyback programme, 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 of 10.4% to the Company's proforma net asset value.

Balance sheet and cash flow

The value of Yellow Cake's investment in U_3O_8 decreased by 1% during the half-year from USD916.7 million as at 31 March 2022 to USD907.4 million as at 30 September 2022, as a result of the decrease in the uranium price from USD57.90/lb³ to USD48.25/lb⁴, partially offset by an increase in the volume of uranium held from 15.83 million lb of U_3O_8 to 18.81 million lb of U_3O_8 .

Net asset value during the half-year decreased from USD1,069.0 million as at 31 March 2022 to USD920.6 million as at 30 September 2022, as a result of the reduction in the value of U_3O_8 held by the Company and a reduction in cash balances on completion of uranium purchases during the half-year.

During the half-year, the Company applied USD132.7 million to complete purchases of 2.97 million lb of U_3O_8 .

As at 30 September 2022, Yellow Cake had cash and cash equivalents of USD14.4 million (30 September 2021: USD87.3 million).

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

Net Asset Value

Yellow Cake's net asset value on 30 September 2022 was GBP4.50 per share or USD920.6 million, consisting of 18.81 million lb of U₃O₈, valued at a spot price of USD48.25/lb⁵² and cash and other current assets and liabilities of USD13.2 million.

Yellow Cake Net Asset Value as at 30 September 2022			
		Units	
Investment in Uranium			
Uranium oxide in concentrates ("U ₃ O ₈ ")	(A)	lb	18,805,601
U ₃ O ₈ fair value per pound ⁽⁵²⁾	(B)	USD/lb	48.25
U ₃ O ₈ fair value	(A) x (B) = (C)	USD m	907.4
Cash and other net current assets/(liabilities)	(D)	USD m	13.2
Net asset value in USD m	(C) + (D) = (E)	USD m	920.6
Exchange Rate ⁽⁵³⁾	(F)	USD/GBP	1.1170
Net asset value in GBP m	(E) / (F) = (G)	GBP m	824.1
Number of shares in issue less shares held in treasury ⁽⁵⁴⁾	(H)		183,104,399
Net asset value per share	(G) / (H)	GBP/share	4.50

Carole Whittall

Chief Financial Officer

⁵² Daily spot price published by UxC, LLC on 30 September 2022.

⁵³ Bank of England's daily USD/ GBP exchange rate as at 30 September 2022.

⁵⁴ Net asset value per share on 30 September 2022 is calculated assuming 187,740,730 ordinary shares in issue less 4,636,331 shares held in treasury on that date.

Independent Review Report to Yellow Cake Plc

We have been engaged by Yellow Cake plc ('the Company') to review the condensed set of financial statements of the Company in the interim financial report for the six months ended 30 September 2022 which comprise the Condensed Statement of Financial Position, Condensed Statement of Comprehensive Income, Condensed Statement of Changes in Equity, Condensed Statement of Cash Flows and the associated explanatory notes. We have read the other information contained in the interim financial report and considered whether it contains any apparent material misstatements of fact or material inconsistencies with the information in the condensed set of financial statements.

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the interim financial report for the six months ended 30 September 2022 is not prepared, in all material respects, in accordance with International Accounting Standard 34, "Interim Financial Reporting" as contained in UK-adopted International Accounting Standards, and the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

Basis for Conclusion

We conducted our review in accordance with International Standard on Review Engagements (UK) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" ('ISRE (UK) 2410') issued for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

As disclosed in note 2, the annual financial statements of the Company are prepared in accordance with UK-adopted International Accounting Standards. The condensed set of financial statements included in this interim financial report has been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting" as contained in UK-adopted International Accounting Standards.

Conclusions Relating to Going Concern

Based on our review procedures, which are less extensive than those performed in an audit as described in the Basis for Conclusion section of this report, nothing has come to our attention to suggest that management have inappropriately adopted the going concern basis of accounting or that management have identified material uncertainties relating to going concern that are not appropriately disclosed.

This conclusion is based on the review procedures performed in accordance with ISRE (UK) 2410, however future events or conditions may cause the Company to cease to continue as a going concern.

Responsibilities of Directors

The interim financial report, is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the interim financial report in accordance with International Accounting Standard 34, "Interim Financial Reporting" as contained in UK-adopted International Accounting Standards and the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

In preparing the interim financial report, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Review of the Financial Information

In reviewing the interim financial report, we are responsible for expressing to the Company a conclusion on the condensed set of financial statements in the interim financial report. Our conclusions, including our Conclusions Relating to Going Concern, are based on procedures that are less extensive than audit procedures, as described in the Basis for Conclusion paragraph of this report.

Use of our report

This report is made solely to the Company in accordance with International Standard on Review Engagements (UK) 2410 "Review of Interim Financial Information performed by the Independent Auditor of the Entity". Our review work has been undertaken so that we might state to the Company those matters we are required to state to them in an independent review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company, for our review work, for this report, or for the conclusions we have formed.

RSM UK Audit LLP
Chartered Accountants
25 Farringdon Street
London
EC4A 4AB

Date: 6 December 2022

Condensed Statement of Financial Position

	Notes	As at 30 September 2022 (unaudited) USD '000	As at 31 March 2022 (audited) USD '000
ASSETS:			
<u>Non-current assets</u>			
Investment in uranium	3	907,370	916,717
Total non-current assets		907,370	916,717
<u>Current assets</u>			
Cash and cash equivalents	4	14,423	153,136
Trade and other receivables		307	130
Total current assets		14,730	153,266
Total assets		922,100	1,069,983
LIABILITIES:			
<u>Current liabilities</u>			
Trade and other payables		(1,542)	(970)
Total current liabilities		(1,542)	(970)
Total liabilities		(1,542)	(970)
NET ASSETS		920,558	1,069,013
<u>Equity</u>			
<i>Attributable to the equity owners of the Company</i>			
Share capital	5	2,544	2,544
Share premium	5	588,181	588,181
Share-based payment reserve	6	140	122
Treasury shares	7	(14,216)	(11,219)
Retained earnings		343,909	489,385
TOTAL EQUITY		920,558	1,069,013

Condensed Statement of Comprehensive Income

		1 April 2022 to 30 September 2022 (unaudited) USD '000	1 April 2021 to 30 September 2021 (unaudited) USD '000
	Notes		
Uranium investment (losses)/gains			
Fair value movement of investment in uranium	3	(142,035)	175,892
Uranium swap income		-	100
Premium to spot price on disposal of uranium		-	10
Fair value movement of uranium derivative liability		-	(3,193)
Uranium investment (losses)/gains		(142,035)	172,809
Expenses			
Share-based payments	6	(18)	(204)
Commission on uranium transactions	8	(452)	(1,188)
Uranium holding fees and storage incentive fees	8	(1,619)	(777)
Other operating expenses		(1,350)	(1,116)
Equity offering expenses		-	(149)
Total expenses		(3,439)	(3,434)
Bank interest income		35	11
Loss on foreign exchange		(37)	(274)
(Loss)/profit before tax attributable to the equity owners of the Company		(145,476)	169,112
Tax expense		-	-
(Loss)/profit and total comprehensive income for the period after tax attributable to the equity owners of the Company		(145,476)	169,112
<i>Basic (loss)/earnings per share attributable to the equity owners of the Company (USD)</i>	10	(0.79)	1.19
<i>Diluted (loss)/earnings per share attributable to the equity owners of the Company (USD)</i>	10	(0.79)	1.18

Condensed 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
As at 31 March 2021 (audited)		1,785	358,812	141	(11,458)	72,114	421,394
Total comprehensive income after tax for the period		-	-	-	-	169,112	169,112
Transactions with owners:							
Shares issued	5	348	86,558	-	-	-	86,906
Share issue costs	5	-	(2,457)	-	-	-	(2,457)
Share-based payments	6	-	-	204	-	-	204
Exercise of bonus options	7	-	-	(239)	239	-	-
As at 30 September 2021 (unaudited)		2,133	442,913	106	(11,219)	241,226	675,159
As at 31 March 2022 (audited)		2,544	588,181	122	(11,219)	489,385	1,069,013
Total comprehensive loss after tax for the period		-	-	-	-	(145,476)	(145,476)
Transactions with owners:							
Share-based payments	6	-	-	18	-	-	18
Purchase of own shares	7	-	-	-	(2,997)	-	(2,997)
As at 30 September 2022 (unaudited)		2,544	588,181	140	(14,216)	343,909	920,558

Condensed Statement of Cash Flows

		1 April 2022 to 30 September 2022 (unaudited) USD '000	1 April 2021 to 30 September 2021 (unaudited) USD '000
	Notes		
Cash flows from operating activities			
(Loss)/profit after tax for the financial period		(145,476)	169,112
<i>Adjustments for:</i>			
Change in fair value of investment in uranium	3	142,035	(175,892)
Change in fair value of uranium derivative liability		-	3,193
Premium to spot price on disposal		-	(10)
Share-based payments	6	18	204
Loss on foreign exchange		37	273
Interest income		(35)	(11)
Operating loss before changes in working capital		(3,421)	(3,131)
<i>Changes in working capital:</i>			
Increase in trade and other receivables		(177)	(52)
Increase/(decrease) in trade and other payables		600	(2,070)
Interest received		35	11
Cash used in operating activities		(2,963)	(5,242)
Cash flows from investing activities			
Purchase of uranium	3	(132,688)	(127,791)
Proceeds of sale of uranium during the period		-	10,000
Net cash used in investing activities		(132,688)	(117,791)
Cash flows from financing activities			
Proceeds from issue of shares	5	-	86,906
Issue costs paid	5	-	(2,457)
Proceeds from bonus issue		-	1
Share buyback programme	7	(2,997)	-
Net cash (used in)/generated from financing activities		(2,997)	84,450
Net decrease in cash and cash equivalents during the period		(138,648)	(38,583)
Cash and cash equivalents at the beginning of the period		153,136	126,159
Effect of exchange rate changes		(65)	(274)
Cash and cash equivalents at the end of the period		14,423	87,302

Notes to the Condensed Interim Financial Statements

For the period from 1 April 2022 to 30 September 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 U₃O₈. The strategy of the Company is to invest in long-term holdings of U₃O₈ and not to actively speculate in short-term changes in the price of U₃O₈.

The Company was admitted to the 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 unaudited condensed interim financial statements for the six months ended 30 September 2022 have been prepared in accordance with International Accounting Standard 34 “Interim Financial Reporting.” This report should be read in conjunction with the Company’s annual financial statements for the period ended 31 March 2022, available on the Company’s website (www.yellowcakeplc.com), which were prepared in accordance with UK-adopted International Accounting Standards (“**IFRS**”). The audited financial information for the year ended 31 March 2022 is based on the statutory accounts for the financial year ended 31 March 2022. The auditors reported on those accounts: their report was unqualified and did not contain statements where the auditor is required to report by exception.

The accounting policies adopted and methods of computation followed in the condensed interim financial statements are consistent with those applied in the preparation of the Company’s annual financial statements for the year ended 31 March 2022 and are expected to be applied to the Company’s annual financial statements for the year ending 31 March 2023.

The unaudited condensed interim financial statements do not constitute statutory accounts within the meaning of Section 105 of the Companies (Jersey) Law 1991.

New and revised standards

At the date of approval of these condensed interim 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.

Going concern

The Directors, having considered the Company’s objectives and available resources along with its projected income and expenditure for at least 12 months from the date of approval of the condensed interim 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 condensed interim financial statements.

While the COVID-19 pandemic has continued to impact global supply chains, including in the uranium industry, the Company’s operations and uranium deliveries have not been significantly affected. 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.

The Company aims to retain approximately three years of working capital requirements following an equity issuance. The Company has no debt or hedge liabilities on its balance sheet. In the absence of other sources of capital, the Company can reasonably be expected to realise a portion of its investment in uranium to raise working capital if required.

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 daily 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.

Critical accounting judgements and estimation uncertainty

The preparation of financial statements requires management to make judgements, 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 period in which the estimate is revised and in any future periods affected.

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

Accounting estimates

In preparing these unaudited condensed interim financial statements the Directors have not made any significant accounting estimates.

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 the judgement that no tax liability has arisen during the period (year ended 31 March 2022: USD nil).

3. Investment in uranium

	Fair value USD '000
As at 31 March 2021 (audited)	302,098
Acquisition of U ₃ O ₈	127,791
Change in fair value	175,892
Sale of U ₃ O ₈	(9,990)
As at 30 September 2021 (unaudited)	595,791
Acquisition of U ₃ O ₈	157,100
Change in fair value	251,314
Sale of U ₃ O ₈	(87,488)
As at 31 March 2022 (audited)	916,717
Acquisition of U ₃ O ₈	132,688
Change in fair value	(142,035)
As at 30 September 2022 (unaudited)	907,370

The value of the Company's investment in U₃O₈ is based on the daily spot price for U₃O₈ of USD48.25/lb as published by UxC LLC on 30 September 2022 (31 March 2022: USD57.90/lb).

With increasing liquidity in the uranium spot market and greater availability of daily pricing data, UxC LLC began publishing a daily U₃O₈ spot price from 27 September 2021. Before this date, the month-end spot price for U₃O₈ published by UxC LLC on the last Monday of each calendar month was used to value the Company's investment in U₃O₈. The Company believes that the daily U₃O₈ spot price more accurately represents the period end market price of the Company's uranium investment.

As at 30 September 2022, the Company:

- Had purchased a total of 21,476,515lb of U₃O₈ at an average cost of USD29.85/lb;
- Had disposed of 2,670,914 lb of U₃O₈ 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 18,805,601 lb of U₃O₈ at an average cost of USD31.11/lb for a net total cash consideration of USD585,052,269 assuming a first in first out methodology.

Acquisition of uranium

The Company completed the following purchase transactions during the period:

- On 25 May 2022, the Company purchased 2,022,846 lb of U₃O₈ from Kazatomprom for a cash consideration of USD87,488,090 or USD43.25/lb, following the exercise of the 2022 option under the Kazatomprom Framework Agreement.
- On 30 June 2022, the Company purchased 950,000 lb of U₃O₈ from Kazatomprom for a cash consideration of USD45,201,000 or USD47.58/lb.

The following table provides a summary of the Company's investment in U₃O₈ as at 30 September 2022:

Location	Quantity <i>lb</i>	Fair Value <i>USD '000</i>
Canada	18,505,601	892,895
France	300,000	14,475
Total	18,805,601	907,370

As at 31 March 2022:

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

4. Cash and cash equivalents

Cash and cash equivalents as at 30 September 2022 were banked with Citi Bank Europe plc in a variable interest account with full access. Balances at the end of the period were USD14,222,224 and GBP179,890, a total of USD14,423,161 equivalent (31 March 2022: USD153,136,073 equivalent).

5. Share capital

Authorised:

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

Issued and fully paid:

Ordinary shares

	<i>Number</i>	<i>GBP '000</i>	<i>USD '000</i>
Share capital as at 31 March 2021 (audited)	132,740,730	1,327	1,785
Issued 21 June 2021	25,000,000	250	348
Share capital as at 30 September 2021 (unaudited)	157,740,730	1,577	2,133
Issued 29 October 2021	30,000,000	300	411
Share capital as at 31 March 2022 (audited)	187,740,730	1,877	2,544
Share capital as at 30 September 2022 (unaudited)	187,740,730	1,877	2,544

The number of shares on issue above includes 4,636,331 treasury shares – refer to note 7.

Share premium

	<i>GBP '000</i>	<i>USD '000</i>
Share premium as at 31 March 2021 (audited)	266,290	358,812
Proceeds of issue of shares	62,250	86,558
Share issue costs	(1,771)	(2,457)
Share premium as at 30 September 2021 (unaudited)	326,769	442,913
Proceeds of issue of shares	108,900	149,260
Share issue costs	(2,913)	(3,992)
Share premium as at 31 March 2022 (audited)	432,756	588,181
Share premium as at 30 September 2022 (unaudited)	432,756	588,181

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

6. 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 period, USD18,000 was recognised in the statement of comprehensive income, in relation to share-based payments (30 September 2021: USD204,000).

7. Treasury shares

	<i>Number</i>	<i>GBP '000</i>	<i>USD '000</i>
Treasury shares as at 31 March 2021 (audited)	4,156,385	8,866	11,458
Exercise of bonus options	(86,887)	(185)	(239)
Treasury shares as 30 September 2021 (unaudited)	4,069,498	8,681	11,219
Treasury shares as 31 March 2022 (audited)	4,069,498	8,681	11,219
Share buyback programme	566,833	2,352	2,997
Treasury shares as at 30 September 2022 (unaudited)	4,636,331	11,033	14,216

In 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 on 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 purchase price of

GBP4.15 per share or USD3 million in aggregate and at a volume weighted average discount to the Company's pro forma net asset value of 10.4%.

8. Commission, procurement and consultancy fees

308 Services Limited ("**308 Services**") provides procurement services to the Company relating to the sourcing of U₃O₈ 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 U₃O₈ 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 U₃O₈ (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 USD1,618,711 (30 September 2021: USD776,828) to 308 Services.

308 Services is also entitled to receive commissions equivalent to 0.5% of the transaction value in respect of uranium 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.

Based on broker and industry expert uranium price forecasts and the Company's own views, the Company considers it reasonably likely that the purchase prices paid by the Company during the period will be in the lowest quartile of the range of reported uranium spot prices in the 2022 calendar year. The Company has therefore elected to include a provisional commission of USD226,000 within these interim financial statements in respect of the uranium purchase transactions completed by the Company during the period to which a commission applies, equal to 0.5% of the value transacted.

During the period, commissions and provisional commissions payable to 308 Services totalled USD452,010 (30 September 2021: USD1,187,906)

9. Related party transactions

During the period, the Company incurred USD82,594 (30 September 2021: USD88,071) of administration fees payable to Langham Hall Fund Management (Jersey) Limited ("**Langham Hall**"). Emily Manning was an employee of Langham Hall and served as a Non-Executive Director of the Company from 31 March 2021 to 8 November 2022, for which she received no Directors' fees. Claire Brazenall, an employee of Langham Hall was appointed as a Non-Executive Director of the Company with effect from 9 November 2022 and for which she will receive no Directors' fees. As at 30 September 2022 there were no amounts due to Langham Hall (31 March 2022: USD nil).

The following Directors own ordinary shares in the Company as at 30 September 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	-	0.00%
Alan Rule	18,837	0.01%
Andre Liebenberg	121,478	0.06%
Carole Whittall	49,918	0.03%
Total	259,646	0.14%

* 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.

10. Earnings per share

	1 April 2022 to 30 September 2022 (unaudited) USD '000	1 April 2021 to 30 September 2021 (unaudited) USD '000
(Loss)/profit for the period (USD '000)	(145,476)	169,112
Weighted average number of shares during the period - Basic*	183,186,301	142,491,867
Weighted average number of shares during the period - Diluted*	183,422,810	142,784,802
(Loss)/earnings per share attributable to the equity owners of the Company (USD):		
Basic	(0.79)	1.19
Diluted	(0.79)	1.18

*The weighted average number of shares excludes treasury shares.

11. Events after the period end

In the opinion of the directors, there are no significant events subsequent to the period end that are deemed necessary to be disclosed in the interim financial statements.