



# **Centrus Energy Corp:**

## **Poised for Growth**

# Forward-Looking Statements

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**Disclaimer:** Our commentary and responses to your questions may contain forward-looking statements, including our financial projections, and Centrus undertakes no obligation to update any such statement to reflect later developments. Factors that could cause actual results to vary materially from those discussed today include changes in the nuclear energy industry, pricing trends and demand in the uranium and enrichment markets and their impact on our profitability, timing of physical delivery to customers, the competitive environment for our products and services, the impact and potential extended duration of the current supply/demand imbalance in the market for low-enriched uranium, risks related to trade barriers and contract terms that limit our ability to deliver LEU to customers, risks related to actions that may be taken by the U.S. government or other governments that could affect our ability or the ability of our sources of supply to perform under contract obligations, including the imposition of sanctions, restrictions or other requirements, as well as those provided in our most recent Annual Report on Form 10-K and subsequent reports as filed with the SEC.

**Industry / Market Data:** Industry and market data used in this presentation have been obtained from third-party industry publications and sources as well as from research reports prepared for other purposes. We have not independently verified the data obtained from these sources and cannot assure you of the data's accuracy or completeness.

# Management



## **Dan Poneman, President and Chief Executive Officer**

From 2009 to 2014, Mr. Poneman was the Deputy Secretary of Energy and chief operating officer of the Department. Earlier, Mr. Poneman served as a principal of the Scowcroft Group for eight years and was a partner in the law firm of Hogan & Hartson. In prior tours in government, Mr. Poneman served as a White House Fellow at the Department of Energy and as Director of Defense Policy and Arms Control for the National Security Council. From 1993 through 1996 he was Special Assistant to the President and Senior Director for Nonproliferation and Export Controls at the National Security Council.



## **Philip Strawbridge, SVP, Chief Financial Officer, Chief Administrative Officer, and Treasurer**

Mr. Strawbridge worked for CourtSquare Capital Management from 2010 until 2013. He also served in various executive positions including President, International Group and Chief Financial Officer at EnergySolutions, a nuclear services and technology company, from 2006 to 2010. He was Chief Executive Officer and Chief Operating Officer of BNG America, which provided nuclear waste management services and technology to U.S. Government and commercial clients, from 1999 until BNG America was acquired by EnergySolutions in early 2006. Prior to that Mr. Strawbridge served in various executive positions at OHM/IT Corporation and Fluor Corporation.



## **Larry B. Cutlip, Senior Vice President, Field Operations**

Mr. Cutlip leads Centrus' activities at its Tennessee, Ohio, and Kentucky sites. Mr. Cutlip also serves as president of the Company's wholly owned subsidiary American Centrifuge Manufacturing, LLC. Mr. Cutlip has more than 35 years of nuclear experience and has served in several senior operations, engineering and plant management positions at Centrus' facilities. Most recently, he was deputy director of the American Centrifuge Project, where he oversaw the teams charged with meeting the requirements of the United States Centrifuge Technology Advancement contract with Oak Ridge National Laboratory.

# America's Nuclear Fuel Technology Leader

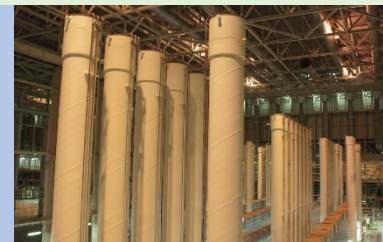


## Trusted Nuclear Fuel Supplier

World's most diversified supplier of enriched uranium fuel to utilities in North America, Asia, and Europe.

## Advanced Nuclear Fuel Pioneer

\$115M contract to build the only U.S. uranium enrichment plant licensed to produce High-Assay, Low-Enriched Uranium (HALEU).



## National Security Partner

The only deployment-ready technology suitable to meet **U.S. national security requirements** for uranium enrichment.

## Strong Financial Performance and Cash Flows

Consistent cash flow built on approx. \$1 billion long-term order book through the end of the decade.



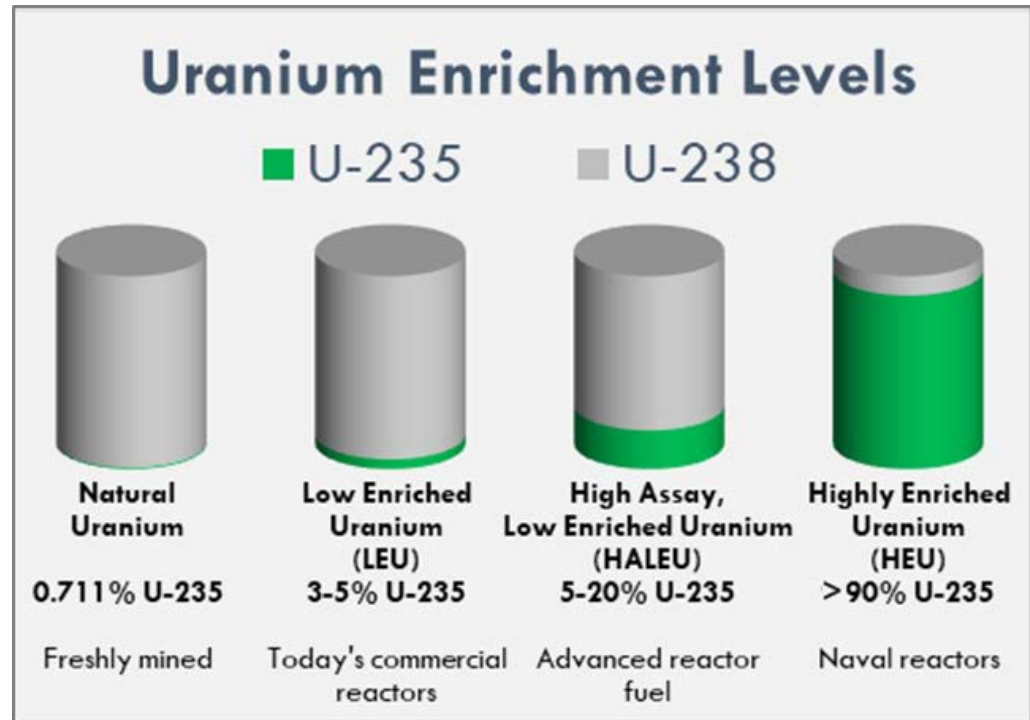
A photograph showing two workers in blue hard hats and safety glasses working with large, white, cylindrical nuclear fuel elements. The worker in the foreground is wearing a blue shirt and is focused on the task. The worker in the background is also wearing a blue shirt and is looking up at the fuel element. The fuel elements are being moved by a crane system with cables and a red strap. The setting appears to be a large industrial facility, possibly a nuclear power plant.

# **Trusted Nuclear Fuel Supplier**

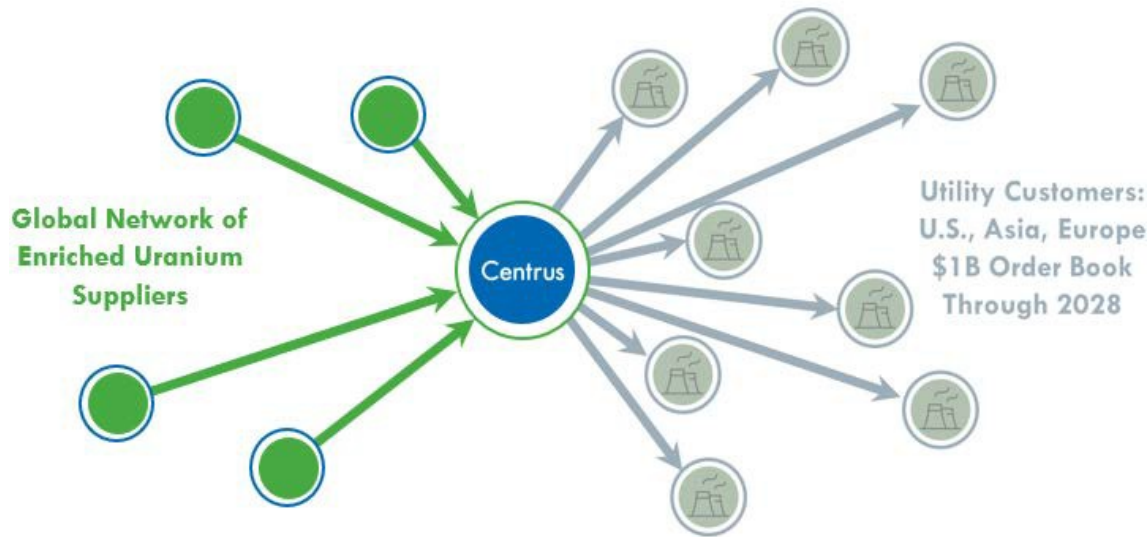


# Uranium Enrichment 101

- Mined uranium consists of ~99% U238 and just 0.711% of the fissile isotope U235.
- Centrifuges separate the slightly heavier U238 from U235, increasing the concentration of U235 to the level required for a given reactor.
- Enrichment is sold in Separative Work Units (SWU), representing the effort needed to increase the U235 concentration. Higher enrichment levels require more SWU.
- The SWU and natural uranium components of Low Enriched Uranium (LEU) are often bought and sold independently of one another. Centrus' LEU business segment principally sells SWU but also sells modest quantities of natural uranium.



# World's Most Diversified LEU Supplier



- Centrus' diverse base of enrichment supply includes inventory, medium- and long-term supply contracts, and spot purchases.
- Long-term supply contracts for SWU with Russian (TENEX) and French (Orano) enrichment companies:
  - These contracts include a fixed and discount-to-market price components
  - TENEX supplies LEU under the *Transitional Supply Agreement*, which runs through 2027 but remains subject to US-Russia trade agreement that established quotas limiting Russian imports.

# Offtake Partners



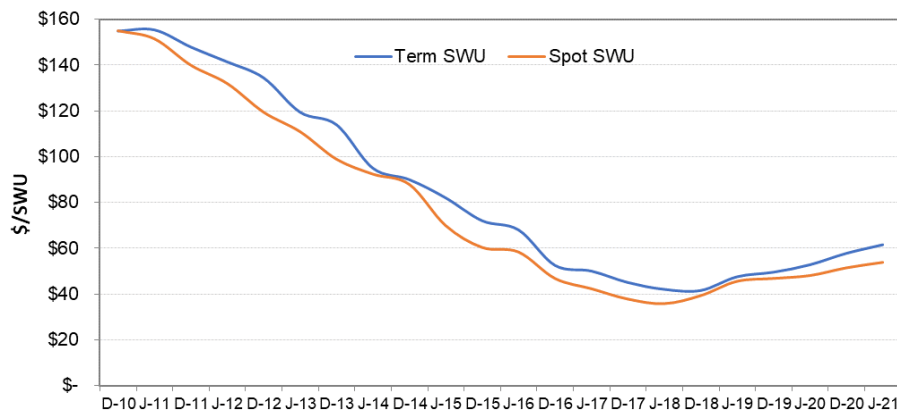
- Supply SWU and uranium to leading U.S., Japanese, and European utilities
  - Business relationships with >35 nuclear operators in the U.S., Asia, and Europe
  - Leading customers include major Fortune 500 utilities
- Almost \$1 billion order book (including approximately \$300 million of deferred revenue) with contracts extending to the end of the decade



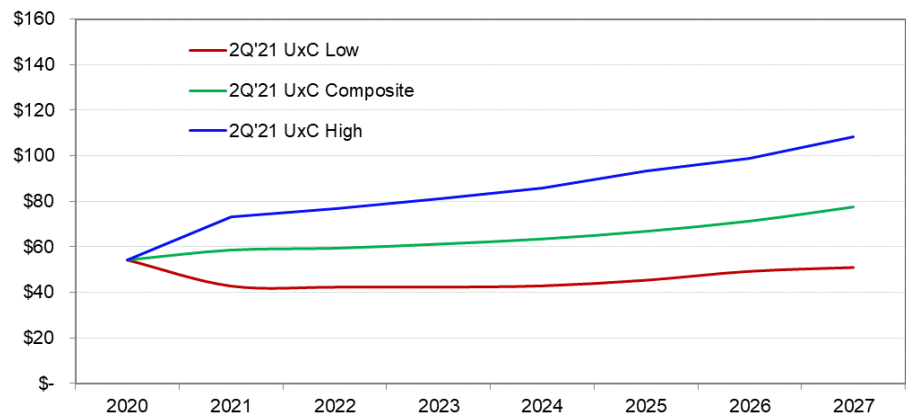
# Enrichment Market Is Recovering

- Reduced demand, increased inventories, and excess SWU capacity post-Fukushima drove prices to historic lows
- SWU price is up 40% from low in July/August 2018 and market indicators have steadily increased in 2021
- More buyers are coming to market
- Price recovery will depend on continued and extended reactor operations, new builds, Japanese restarts, mine closures, and reduction of existing enrichment capacity, but additional U.S. reactor closures and Chinese enrichment expansion could dampen price recovery
- External SWU price forecasts vary, with some showing flat prices or slow recovery, others showing dramatic recovery in near term

RECENT SWU PRICES



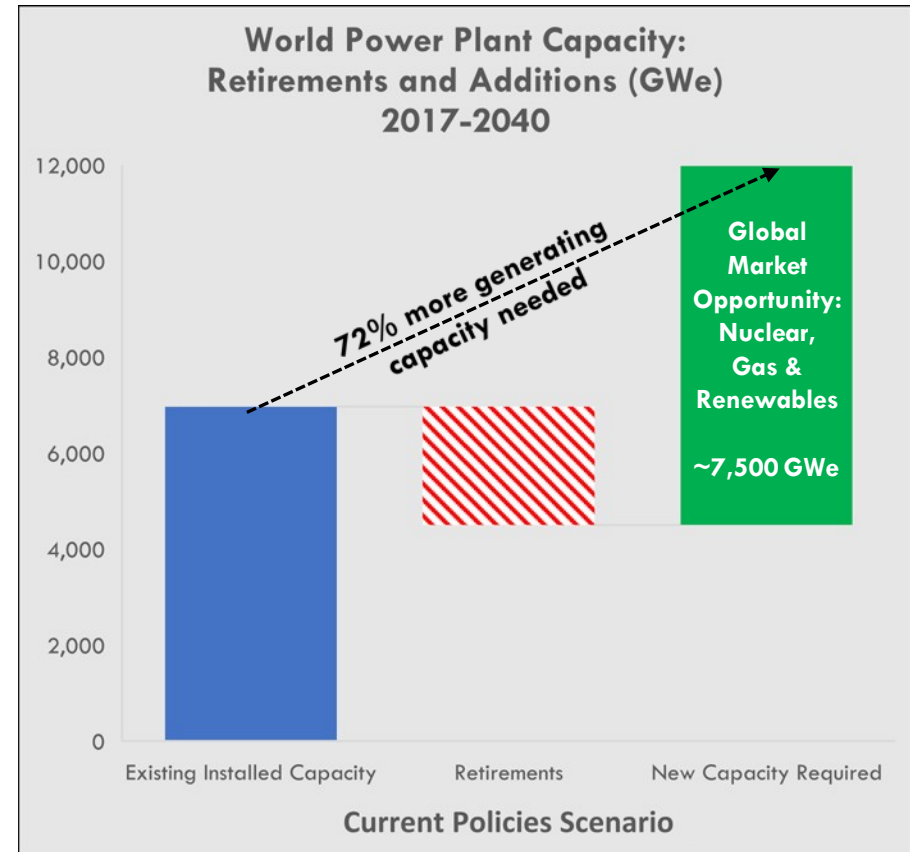
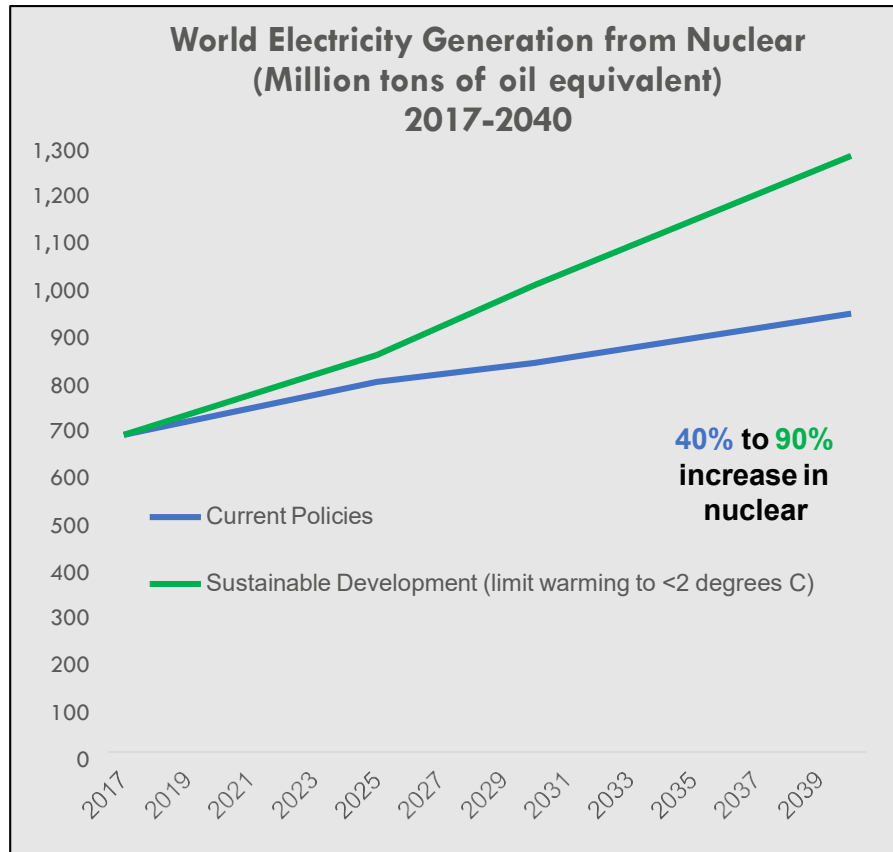
SWU PRICE FORECASTS



Sources: UxC Enrichment Market Outlook for 2 Qtr 2021

Note: Historical SWU Term and Spot Price are average of UxC and TradeTech monthly published prices.

# Strong Global Growth Expected in Nuclear



***With or without new policies to address climate change, carbon-free nuclear energy is projected to continue expanding worldwide to meet the growing need for electricity.***

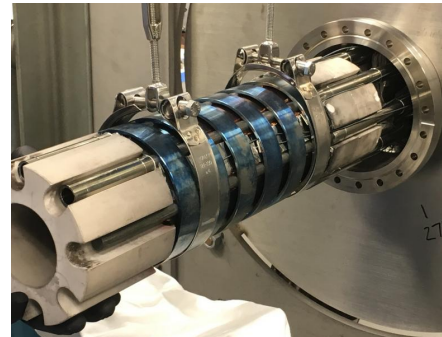
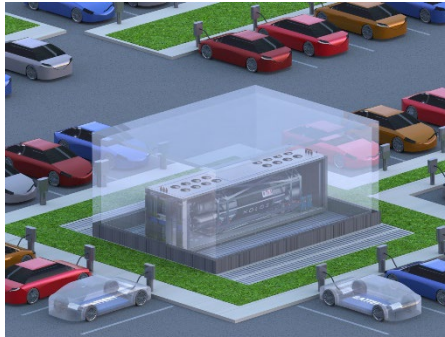
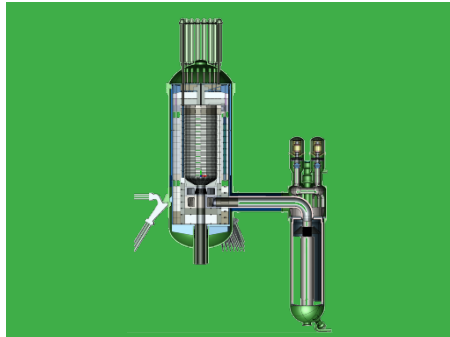
A photograph of a nuclear reactor core, showing a dense array of vertical fuel rods. The rods are arranged in a grid pattern and are illuminated by warm, orange light. The background is dark, and the foreground shows some structural elements of the reactor.

# **Advanced Nuclear Fuel Pioneer**

# The New Future of Nuclear Energy

**In the next few years, U.S. government and industry expect to begin deploying a new generation of advanced nuclear reactors:**

- ✓ Smaller
- ✓ Lower capital costs
- ✓ Streamlined licensing
- ✓ Carbon Free
- ✓ Inherently safe: shut down with no human intervention



***Most of these reactors require  
High-Assay, Low-Enriched Uranium (HALEU) –  
which is not commercially available in the U.S. today.***

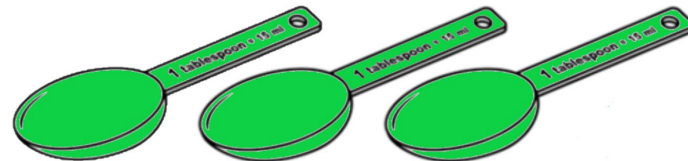
# HALEU: Premium Fuel for Advanced Reactors



High Assay,  
Low Enriched Uranium  
(HALEU)  
5-20% U-235

Higher U235 concentration =  
smaller fuel cores, smaller reactors,  
more efficient fuel consumption,  
and reduced waste production.

Just 750 grams of HALEU, or about  
3 tablespoons, can meet your  
electricity needs for life.





# Centrus: U.S. HALEU Production by 2022

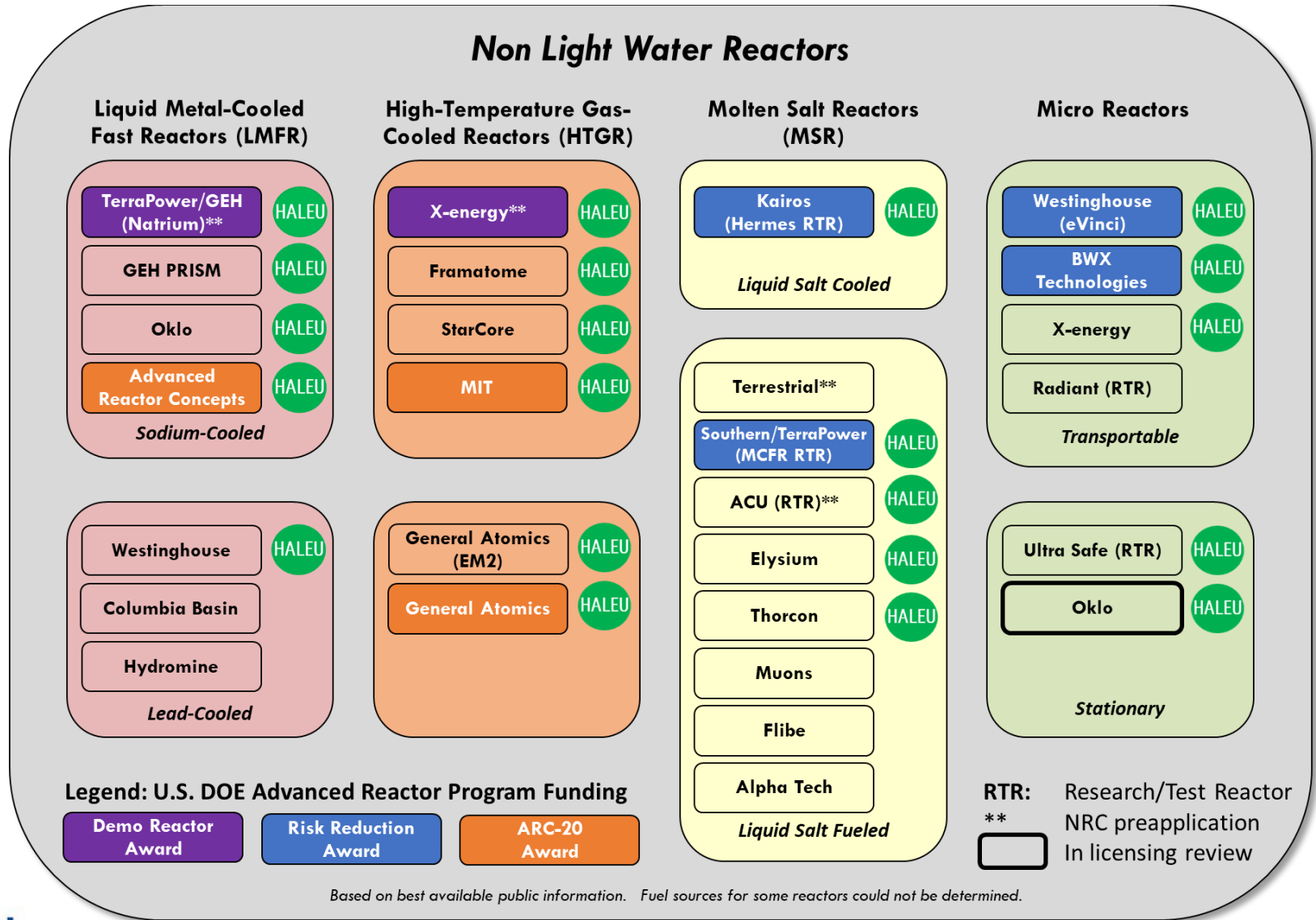


First-of-a-Kind, NRC-licensed HALEU production capacity under construction in Piketon, Ohio with support from U.S. DOE.

- ✓ 80/20 U.S. DOE/Centrus cost-share contract, with government contribution capped at \$115MM.
- ✓ NRC License Amendment approved – first NRC-licensed HALEU production facility.
- ✓ *Centrus expects to begin demonstrating production of HALEU (19.75% U-235) early next year.*

**Initial capacity is demonstration-scale (enough to fuel 1-2 small reactors) but can be expanded modularly to meet any level of demand.**

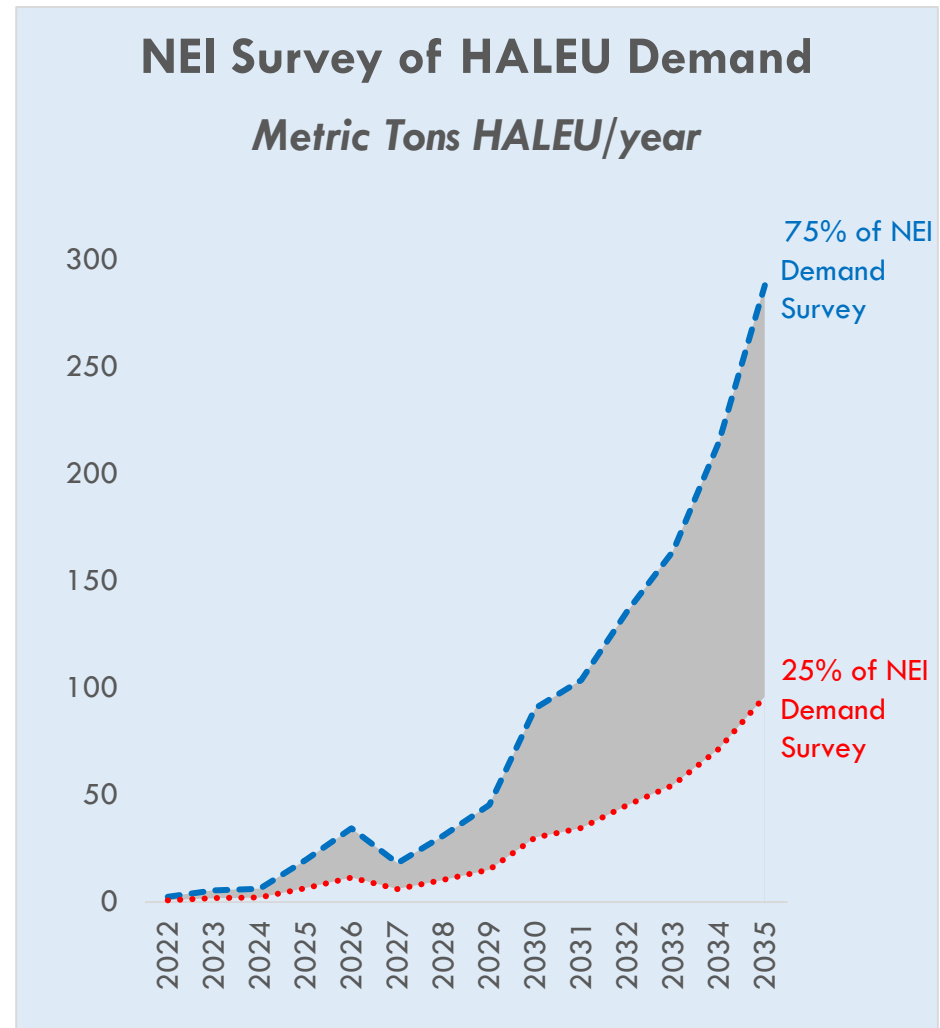
# Nearly All Advanced Reactors Require HALEU



# HALEU Demand Could Become Very Large

- The Nuclear Energy Institute (NEI) surveyed U.S. advanced reactor developers in 2020 to produce an estimate of potential HALEU demand through 2035.
- Even if only a fraction of the demand in the NEI survey materializes, HALEU requirements would be very large.
  - At 25% of the NEI estimate, the HALEU market could be worth \$400M/yr by 2030 and \$1.4B/yr by 2035.\*

\*Based on low-end HALEU price target of ~\$14,400 USD per kilogram of HALEU (19.75 U235) used by the Euratom Supply Agency (2019). Actual prices could be higher or lower based on market factors.



# **U.S. National Security Partner**



# U.S. Government Needs Domestic Enrichment

- The last of America's Cold War-era enrichment plants shut down in 2013.
- Longstanding U.S. policy and nonproliferation treaty obligations prohibit the use of foreign enrichment technologies for defense missions.
- A domestic technology – like the one Centrus has developed – is required.
- U.S. DOE (2015): Centrus AC100 centrifuge design is the “most advanced,” “least risk” option to meet U.S. national security requirements.

## U.S. Government Enriched Uranium Requirements

### Defense Missions



### Other Missions





# HALEU for Research and Military Reactors

HALEU for Research Reactors		
	Near term	Longer Term
<b>U.S. DOE</b> (published requirement)	3-7 MTU/yr through 2033	7-9 MTU/yr after 2033
<b>Euratom Supply Agency</b> (estimate of global demand for research reactor fuel)	0.7 MTU/yr in 2019	0.9-3.3 MTU/yr in 2030

## Research Reactors:

- The U.S. Department of Energy is helping a growing number of the world's operating research reactors make the transition from weapons-grade, Highly-Enriched Uranium (HEU) to HALEU fuel as a nonproliferation measure.
- Fuel now supplied via downblending from the existing HEU stockpile, but a permanent source is needed.

## Military Micro-Reactors:

- U.S. DOD Project Pele aims to build prototype mobile micro-reactor by ~2024.
- If adopted by a military service, could result in very large HALEU demand. As many as 130 reactors, each requiring ~1-3 MTU HALEU.



A photograph of an industrial manufacturing environment. In the foreground on the left, a large yellow robotic arm is visible. In the background, a worker in a white shirt and dark pants is operating a machine. The scene is lit with overhead industrial lights.

# **Strong Financial Performance and Cash Flows**

# Financial Summary: Capital Structure

## Key Balance Sheet Components:

- \$176 million cash at June 30, 2021
- \$74 million notes due 2027 (8.25%); *no other debt (Notes have a carrying value of approximately \$105 million as of 6/30/2021 including capitalized interest)*
- Preferred stock (7.5%) with liquidation preference of \$50.3 million as of June 30, 2021
- Approximately \$900 million in tax NOLs

# Centrus Energy: An Outstanding Opportunity

- ✓ World's most diversified supplier of enriched uranium fuel to utilities in North America, Asia, and Europe, with extensive relationships in U.S. and global nuclear markets.
- ✓ Opportunity to capitalize as global demand grows in the next 10 years.
- ✓ U.S. government has made a multi-billion-dollar commitment to help commercialize HALEU-fueled advanced reactors.
- ✓ Strong customer value proposition and world class technical, engineering, and manufacturing capabilities provide platform for growth.
- ✓ Integrated supplier of domestic HALEU fuel for national security and commercial purposes.