



## Centrus and KHNP Sign Long-Term Supply Commitment

September 11, 2024

*Contingent Commitment from KHNP and Other Customers Now Total \$1.8 Billion to Support New, American Uranium Enrichment*

BETHESDA, Md., Sept. 11, 2024 /PRNewswire/ -- Centrus Energy Corp. (NYSE American: LEU) and Korea Hydro & Nuclear Power (KHNP) announced today that they have entered into a contingent supply commitment to support construction of new uranium enrichment capacity at Centrus' American Centrifuge Plant in Piketon, Ohio. The purchase commitment from KHNP covers a decade of deliveries of Low-Enriched Uranium (LEU) to help fuel Korea's large fleet of reactors.

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Centrus has now secured a total of \$1.8 billion in contingent sales commitments to date, including KHNP and, as previously disclosed, other customers, to support deployment of new capacity. These commitments, including KHNP's, are contingent upon the parties entering into definitive agreements and also upon Centrus securing the substantial public and private investment necessary to build the new capacity.

"This supply commitment is a key building block as we work toward the public-private partnership that will enable us to re-establish a large-scale, U.S.-owned uranium enrichment capability," said Amir Vexler, President and CEO of Centrus. "We are honored to have the support of KHNP in this critical endeavor and strongly committed to meeting their long-term requirements for assured, affordable, supplies of enriched uranium to fuel their reactors. This commitment, along with our previously announced commitments from our customers further demonstrates the private sector's willingness to support the establishment of an alternate LEU supply source."

"KHNP welcomes the opportunity to deepen our partnership with Centrus and the United States," said Whang Jooho, President and CEO of KHNP. "New production from Centrus will help bring greater stability, supply diversity and price competition to global nuclear fuel market, supporting the long-term growth of carbon-free nuclear energy in Korea and around the world."

### **The Path to New, American Enrichment Capacity**

Under contract with the U.S. Department of Energy, Centrus has deployed a cascade of 16 advanced centrifuges at the American Centrifuge Plant in Piketon, Ohio. In late 2023, the plant began producing High-Assay, Low-Enriched Uranium (HALEU), becoming the first U.S.-owned, U.S.-technology uranium enrichment plant to start production in 70 years.

Subject to securing sufficient funding and purchase agreements, Centrus plans to scale up the plant with additional centrifuges for large-scale production of LEU for existing reactors as well as HALEU for the next generation of advanced reactors.

Deployment of new domestic uranium enrichment will require a public-private partnership that combines robust federal investment with private capital and commercial purchase agreements.

Centrus is competing for federal funding under a series of Requests for Proposals issued by the U.S. Department of Energy aimed at jump-starting U.S. production of LEU and HALEU. To date, the U.S. Congress has provided more than \$3.4 billion for this effort.

A photo of a recent visit to Centrus' American Centrifuge Plant in Ohio by Whang Jooho, President and CEO of KHNP, is available [here](#).

### **About Centrus Energy Corp.**

Centrus Energy is a trusted supplier of nuclear fuel and services for the nuclear power industry. Centrus provides value to its utility customers through the reliability and diversity of its supply sources – helping them meet the growing need for clean, affordable, carbon-free electricity. Since 1998, the Company has provided its utility customers with more than 1,750 reactor years of fuel, which is equivalent to 7 billion tons of coal. With world-class technical and engineering capabilities, Centrus is also advancing the next generation of centrifuge technologies so that America can restore its domestic uranium enrichment capability. Find out more at [www.centrusenergy.com](http://www.centrusenergy.com).

## Forward Looking Statements

This news release contains "forward-looking statements" within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended, and the Private Securities Litigation Reform Act of 1995. In this context, forward-looking statements mean statements related to future events, which may impact our expected future business and financial performance, and often contain words such as "expects", "anticipates", "intends", "plans", "believes", "will", "should", "could", "would" or "may" and other words of similar meaning. These forward-looking statements are based on information available to us as of the date of this news release and represent management's current views and assumptions with respect to future events and operational, economic and financial performance. Forward-looking statements are not guarantees of future performance, events or results and involve known and unknown risks, uncertainties and other factors, which may be beyond our control.

For Centrus Energy Corp., particular risks and uncertainties (hereinafter "risks") that could cause our actual future results to differ materially from those expressed in our forward-looking statements and which are, and may be, exacerbated by any worsening of the global business and economic environment include but are not limited to the following: risks related to our potential inability to secure additional waivers or other exceptions from the ban or sanction in a timely manner or at all in order to allow us to continue importing Russian LEU under the TENEX Supply Contract or otherwise doing business with TENEX or implementing the TENEX Supply Contract; risks related to TENEX's refusal or inability to deliver LEU to us for any reason including because (i) U.S. or foreign government sanctions or bans are imposed on LEU from Russia or on TENEX, (ii) TENEX is unable or unwilling to deliver LEU, receive payments, receive the return of natural uranium hexafluoride, or conduct other activities related to the TENEX Supply Contract, or (iii) TENEX elects, or is directed (including by its owner or the Russian government), to limit or stop transactions with us or with the United States or other countries; risks related to the war in Ukraine and geopolitical conflicts and the imposition of sanctions or other measures, including bans or tariffs by (i) the U.S. or foreign governments and institutions such as the European Union, (ii) organizations (including the United Nations or other international organizations), or (iii) entities (including private entities or persons), that could directly or indirectly impact our ability to obtain, deliver, transport or sell low enriched uranium ("LEU") or the Separative Work Units ("SWU") and natural uranium hexafluoride components of LEU delivered to us under our existing supply contract with the Russian government-owned entity, TENEX, Joint-Stock Company ("TENEX") ("TENEX Supply Contract"), or make related payments or deliveries of natural uranium hexafluoride to TENEX; risks related to laws that ban (i) imports of Russian LEU into the United States, including the "Prohibiting Russian Uranium Imports Act" ("Import Ban Act") or (ii) transactions with the Russian State Atomic Energy Corporation ("Rosatom") or its subsidiaries, which includes TENEX; risks related to the increasing quantities of LEU being imported into the U.S. from China and the impact on our ability to make future LEU or SWU sales or ability to finance any buildout of our enrichment capacities; risks related to disputes with third parties, including contractual counterparties, that could result if we cannot receive, or otherwise are unable to receive timely deliveries of LEU under the TENEX Supply Contract; risks related to our dependence on others, such as TENEX, under the TENEX Supply Contract, a subsidiary of Orano Cycle ("Orano"), under our long-term commercial supply agreement with Orano, and other suppliers (including, but not limited to, transporters) who provide, or deliver, us the goods and services we need to conduct our business and any resulting negative impact on our liquidity; risks related to our ability to sell or deliver the LEU we procure pursuant to our purchase obligations under our supply agreements and the impacts of sanctions or limitations on imports of such LEU, including those imposed under the 1992 Russian Suspension Agreement as amended, international trade legislation and other international trade restrictions or the Import Ban Act; risks related to whether or when government funding or demand for high-assay low-enriched uranium ("HALEU") for government or commercial uses will materialize and at what level; risks regarding funding for continuation and deployment of the American Centrifuge technology; risks related to (i) our ability to perform and absorb costs under our agreement with the U.S. Department of Energy ("DOE") to deploy and operate a cascade of centrifuges to demonstrate production of HALEU for advanced reactors (the "HALEU Operation Contract"), (ii) our ability to obtain new contracts and funding to be able to continue operations and (iii) our ability to obtain and/or perform under other agreements; risks that (i) we may not obtain the full benefit of the HALEU Operation Contract and may not be able or allowed to operate the HALEU enrichment facility to produce HALEU after the completion of the HALEU Operation Contract or (ii) the output from the HALEU enrichment facility may not be available to us as a future source of supply; risks related to existing or new trade barriers and to contract terms that limit our ability to procure LEU for, or deliver LEU to, customers; risks related to natural and other disasters, including the continued impact of the March 2011 earthquake and tsunami in Japan on the nuclear industry and on our business, results of operations and prospects; risks related to financial difficulties experienced by customers or suppliers, including possible bankruptcies, insolvencies, or any other situation, event or occurrence that affect the ability of others to pay for our products or services in a timely manner or at all; risks related to pandemics, endemics, and other health crises; risks related to the impact and potential extended duration of a supply/demand imbalance in the market for LEU; risks related to pricing trends and demand in the uranium and enrichment markets and their impact on our profitability; risks related to the movement and timing of customer orders; risks related to the fact that we face significant competition from major LEU producers who may be less cost sensitive or are wholly or partially government owned; risks that our ability to compete in foreign markets may be limited for various reasons, including policies that favor indigenous suppliers over foreign suppliers of goods and services; risks related to the fact that our revenue is largely dependent on our largest customers; risks related to our backlog, including uncertainty concerning customer actions under current contracts and in future contracting due to market conditions, global events or other factors, including our lack of current production capability; risks related to reliance on the only firm that has the necessary permits and capability to transport

LEU from Russia to the United States and that firm's ability to maintain those permits and capabilities or secure additional permits; risks related to uncertainty regarding our ability to commercially deploy competitive enrichment technology; risks related to the potential for demobilization or termination of the HALEU Operation Contract; risks that we will not be able to timely complete the work that we are obligated to perform; risks related to the government's inability to satisfy its obligations, including supplying government furnished equipment necessary for us to produce and deliver HALEU under the HALEU Operation Contract and processing security clearance applications due to a government shutdown or other reasons; risks related to our ability to obtain the government's approval to extend the term of, or the scope of permitted activities under, our lease with the DOE in Piketon, Ohio; risks related to cybersecurity incidents that may impact our business operations; risks related to our ability to perform fixed-price and cost-share contracts such as the HALEU Operation Contract, including the risk that costs that we must bear could be higher than expected and the risk related to complying with stringent government contractual requirements; risks related to a government shutdown or lack of funding that could result in program cancellations, disruptions and/or stop work orders and could limit the U.S. government's ability to make timely payments, and our ability to perform our U.S. government contracts and successfully compete for work; risks related to changes to the U.S. government's appropriated funding levels for HALEU Operation Contract due to the upcoming November elections or other reasons; risks related to attracting qualified employees necessary for the potential expansion of our operations; risks related to our long-term liabilities, including material unfunded defined benefit pension plan obligations and postretirement health and life benefit obligations; risks related to our 8.25% Notes maturing in February 2027; risks of revenue and operating results fluctuating significantly from quarter to quarter, and in some cases, year to year; risks related to the impact of financial market conditions on our business, liquidity, prospects, pension assets and insurance facilities; risks related to the Company's capital concentration; risks related to the value of our intangible assets related to LEU's backlog and customer relationships; risks related to the limited trading markets in our securities; risks related to decisions made by our Class B Common Stock stockholders regarding their investment in the Company, including decisions based upon factors that are unrelated to the Company's performance; risks that a small number of holders of our Class A Common Stock (whose interests may not be aligned with other holders of our Class A Common Stock) may exert significant influence over the direction of the Company and may be motivated by interests that are not aligned with the Company's other Class A stockholders; risks related to (i) the use of our net operating losses ("NOLs") carryforwards and net unrealized built-in losses ("NUBILs") to offset future taxable income and the use of the Rights Agreement, dated as of April 6, 2016 to prevent an "ownership change" as defined in Section 382 of the Internal Revenue Code of 1986, as amended (the "Code") and (ii) our ability to generate taxable income to utilize all or a portion of the NOLs prior to the expiration thereof and NUBILs; risks related to failures or security breaches of our information technology systems; risks related to our ability to attract and retain key personnel; risks related to actions, including reviews or audits, that may be taken by the U.S. government, the Russian government, or other governments that could affect our ability to perform under our contractual obligations or the ability of our sources of supply to perform under their contractual obligations to us; risks related to our ability to perform and receive timely payment under our agreements with the DOE or other government agencies, including risks related to the ongoing funding by the government and potential audits; risks related to changes or termination of our agreements with the U.S. government or other counterparties, or the exercise of contract remedies by such counterparties; risks related to the competitive environment for our products and services; risks related to changes in the nuclear energy industry; risks related to the competitive bidding process associated with obtaining contracts, including government contracts; risks that we will be unable to obtain new business opportunities or achieve market acceptance of our products and services or that products or services provided by others will render our products or services obsolete or noncompetitive; risks related to potential strategic transactions that could be difficult to implement, that could disrupt our business or that could change our business profile significantly; risks related to the outcome of legal proceedings and other contingencies (including lawsuits and government investigations or audits); risks related to the impact of government regulation and policies or interpretation of laws or regulations, including by the DOE, the U.S. Department of Commerce and the U.S. Nuclear Regulatory Commission; risks of accidents during the transportation, handling, or processing of toxic hazardous or radioactive material that may pose a health risk to humans or animals, cause property or environmental damage, or result in precautionary evacuations, and lead to claims against the Company; risks associated with claims and litigation arising from past activities at sites we currently operate or past activities at sites we no longer operate, including the Paducah, Kentucky, and Portsmouth, Ohio, gaseous diffusion plants; and other risks discussed in this news release and in our filings with the SEC.

Readers are cautioned not to place undue reliance on these forward-looking statements, which apply only as of the date of this news release. These factors may not constitute all factors that could cause actual results to differ from those discussed in any forward-looking statement. Accordingly, forward-looking statements should not be relied upon as a predictor of actual results. Readers are urged to carefully review and consider the various disclosures made in this news release and in our filings with the SEC, including our Annual Report on Form 10-K for the year ended December 31, 2023, under Part II, Item 1A - "Risk Factors" in our Quarterly Report on Form 10-Q for the quarter ended June 30, 2024, and in our filings with the SEC that attempt to advise interested parties of the risks and factors that may affect our business. We do not undertake to update our forward-looking statements to reflect events or circumstances that may arise after the date of this news release, except as required by law.

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