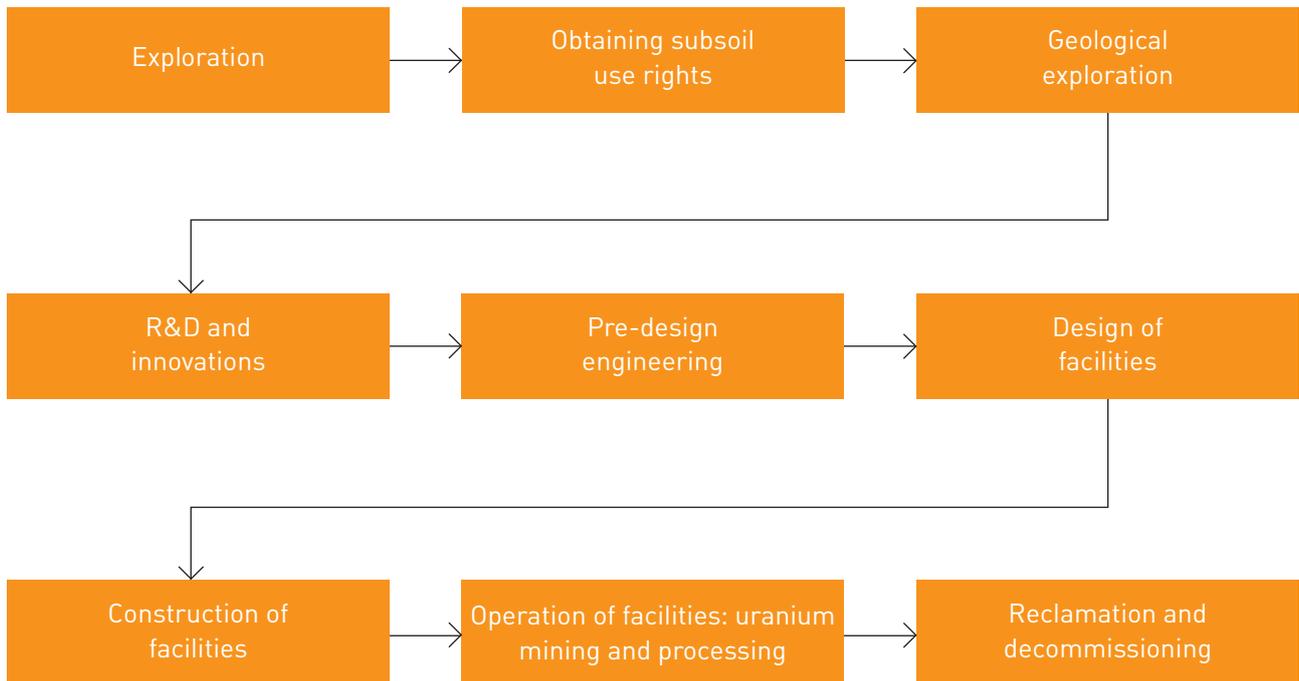


Figure 3. ARMZ Uranium Holding Co. Value Chain



1.3. Value Chain and Business Model

1.3.1. Value Chain

The ARMZ Uranium Holding Co. value chain is based on the production cycle model including a range of interconnected processes.

ARMZ Uranium Holding Co. has the whole array of competencies to implement all value chain stages, from geological exploration and design to reclamation and decommissioning. These competencies are used to assess and implement business diversification projects.

ARMZ Uranium Holding Co. has the whole array of competencies to implement all value chain stages, from geological exploration and design to reclamation and decommissioning

1.3.2. Business Model

The business model is a short-, medium-, and long-term value delivery system that is also used to achieve strategic goals.

The Holding's business model is based on its mission and long-term strategy.

The business model includes:

- available capital (for more details see [Chapter 3. Effective Capital Management](#));
 - a management system employed for the most effective use of available capital (for more details see [2.2. Management System](#));
 - value delivery based on the transformation of available capital (Holding's main activity); and
 - value delivery results (the Holding's main products).
- The Holding's business model is specifically focused on the environment since
- a part of its resources come from nature and a big part of its results also relate to it (e.g. social and natural capital); and
 - the environment is the source of the Holding's main opportunities and risks (for more details see [2.1.1. Corporate Mission and Values](#) and [2.2.3. Risk Management](#)).

The business model deals with transforming six types of capital, with changes described in the relevant parts of the Report:

- financial capital (for more details see [3.2. Financial Capital Management](#));
- production capital (for more details see [3.3. Production Capital Management](#));
- human capital (for more details see [3.4. Human Capital Management](#));
- intellectual capital (for more details see [3.5. Intellectual Capital Management](#));
- social capital (for more details see [3.6. Social Capital Management](#)); and
- natural capital (for more details see [3.7. Natural Capital Management](#)).

Effective management of the above types of capital is realised through the management system (for more details see [2.2. Management System](#)).

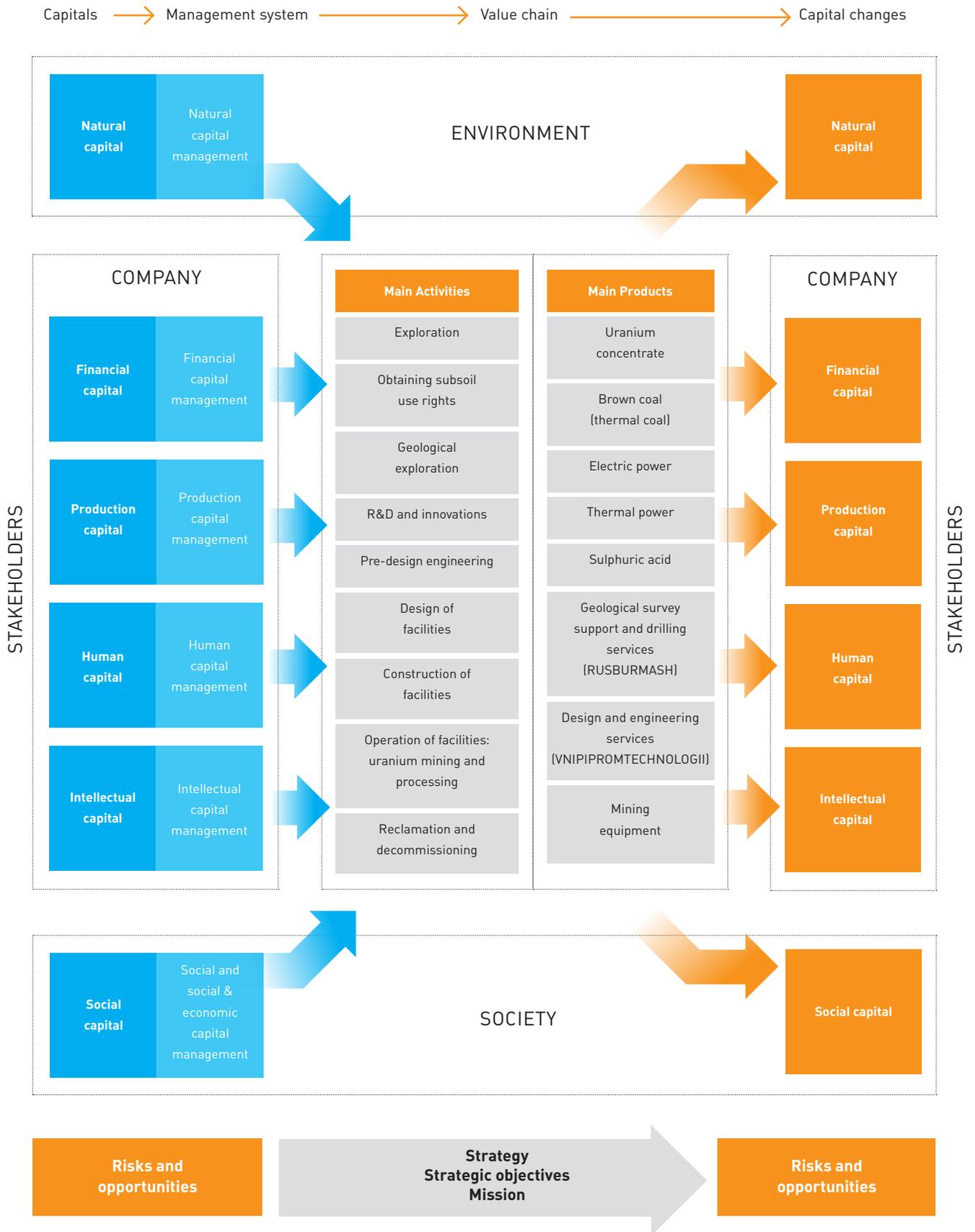
Sustainability of the business model is ensured through:

- integration into the Rosatom value chain (the biggest vertically integrated company in the global nuclear sector);
- employment of experience and technologies of the highest Russian and international levels at all value delivery stages;
- effective implementation of corporate projects (enhancing efficiency, Rosatom Production System, etc.); and
- a complex and systematic approach to risk management.



Nikolay Poponin, General Director, verifies compliance with product solution processing procedures at JSC Dalur

Figure 4. JSC Atomredmetzoloto Business Model





STRATEGY AND MANAGEMENT SYSTEM

- 2.1. Business Strategy
- 2.2. Management System
- 2.3. Strategic Assets