



ANALYST AND INVESTOR DAY

25 January 2023

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RE-DOMICILIATION CONSIDERATIONS

Current situation

Sanctions impact

Equity

- Polymetal **share price remains depressed**. The Company is no longer part of various indices and **lost most institutional shareholders**
- Polymetal shareholders in NSD remain **unable to receive dividends and vote** (see slide 6)

Corporate

- The Company's incorporation in Jersey (being an "unfriendly" jurisdiction) imposes counter-sanctions which brings about significant restrictions for corporate development initiatives (see next slide)

Operations

- Purchases from western contractors/suppliers are **limited in Russia**. The group has accumulated **enough stock** to continue business as usual and has established **alternative supply and logistics channels**
- Sales channels successfully **redirected to exports**
- Reduced availability of USD and EUR funding** due to sanctions. Polymetal is currently borrowing **at higher rates in local currencies and CNY with local banks**

Current situation

Counter-sanctions

The Company's incorporation in Jersey (being an "unfriendly" jurisdiction) imposes counter-sanctions which brings about significant restrictions for corporate development initiative:

Capital controls

- ▼ Prohibition to transfer money from the Russian accounts to other jurisdictions as well as granting of intragroup loans
- ▼ Prohibition to pay dividends from the Company's Russian subsidiaries to the Company

Corporate actions

- ▼ Prohibition to deal with shares of joint stock companies
- ▼ Prohibition of any transaction with shares in the Russian operating subsidiaries, including sale of gold mining assets

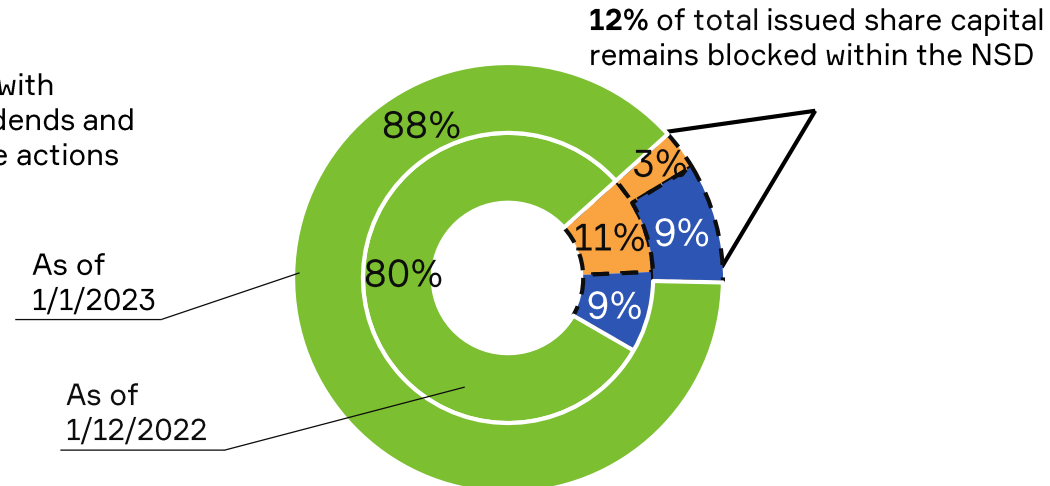


With these limitations the existing corporate structure is considered unsustainable

Exchange offer update

- ▶ The Company launched an offer for shareholders whose rights have been affected by the sanctions imposed on NSD to exchange their shares into certificated form, on a one-for-one basis
- ▶ In December 2022, a total of 39.1 mln shares were repurchased and exchanged under the first tranche of the exchange offer
- ▶ 12% of total issued share capital remains blocked
- ▶ Russia resident shareholders on **MOEX are unable to receive dividends** due to the imposition of EU sanctions on NSD. The Company continues to look for alternative options to **unlock shareholders after completion of re-domiciliation process**

SHAREHOLDERS STRUCTURE





















Strategic rationale behind re-domiciliation


A re-domiciliation to a “friendly” jurisdiction will allow the Company to:

- ▶ Continue its efforts to **restore its shareholder value**
- ▶ Enable the Company to execute other **corporate actions (i.e. purchase/disposal of assets in Russia or Kazakhstan)** ensuring **distinct ownership** of its assets in Russia and Kazakhstan
- ▶ Continue steps to restore the ability to deliver **dividends to all shareholders**
- ▶ **Avoid further unfavorable treatment** domestically in Russia

Possible target jurisdictions

	 	  	
Operational presence in the region	 <p>Significant operational presence</p>	 <p>Very limited</p>	 <p>None</p>
Legal system	 <p>Based heavily on English law</p>	 <p>Based heavily on English law</p>	 <p>Based heavily on English law</p>
Tax regime	 <p>Relatively high CIT and WHT on incoming dividends from Russia</p>	 <p>Blacklisted by the Russian tax authorities with limited DTT</p>	 <p>Relatively low CIT, but blacklisted by Kazakhstan tax authorities</p>
Ease of execution	 <p>Medium. Corporate re-dom allows to keep the existing holding company</p>	 <p>Medium. Corporate re-dom allows to keep the existing holding company. No corporate presence</p>	 <p>Difficult. Establishment new entity by scheme of arrangement is required</p> <p>Re-listing required</p>

Rating considers complexity and level of resources required



Possible target jurisdictions

Rationale for preferable option to re-domiciliation to AIFC*

- ✓ **Significant presence in the region** with 38% of revenue¹, 40% of reserves¹ and majority of free cash flow of the Group attributable to operations in Kazakhstan
- ✓ The AIFC represents a **familiar** (common law based) **legal environment**, and is **not** deemed an “**unfriendly jurisdiction**” by the Russian government
- ✓ **No new share issuance/entity** incorporation required
- ✓ **Existing AIX listing** and **established relationship** with the regulator
- ✓ Polymetal’s local office is already **located within** the boundaries of **AIFC**

1) As of 2022

*Astana International Financial Centre

Re-domiciliation objectives

- ▶ The Company is **re-domiciled to AIFC. Listing maintained on all three exchanges, trading continues**
- ▶ The Company remains **committed to UK corporate standards, reporting, IR and ESG best practices**
- ▶ **NSD shares are unlocked** – dividends and voting available
- ▶ The Company is able to execute **further corporate actions** in order to **separate** its asset holding structure **by geographical jurisdictions** (jurisdictional split)

Key steps/approvals of re-domiciliation

If AIFC selected

- ✓ Notice to creditors
- ✓ Approval by Jersey Registrar of Companies
- ✓ Application Submission to AIFC
- ✓ Approval from AFSA (Astana Financial Services Authority)
- ✓ Kazakhstan Central Securities Depository (KACD) assigns new ISIN based on AIFC registration certificate
- ✓ Approval of options to secure continuous trading by shareholders from all exchanges

Polymetal International plc changes its domicile to the AIFC as the same entity

Post-redomiciliation trading options

Should POLY proceed with a re-domiciliation to the AIFC, **primary listing** may move to **AIX**.

The Company will need to re-assess its listing strategy and look to **ensure continuous liquidity of trading** either through:



GDR issuance on LSE

- ▼ LSE: ordinary shares **are exchanged into depositary receipts** - trading continues on LSE



New listing on alternative exchange

- ▼ LSE: trading discontinued. Shareholders **transfer their ordinary shares** to a new exchange and/or AIX

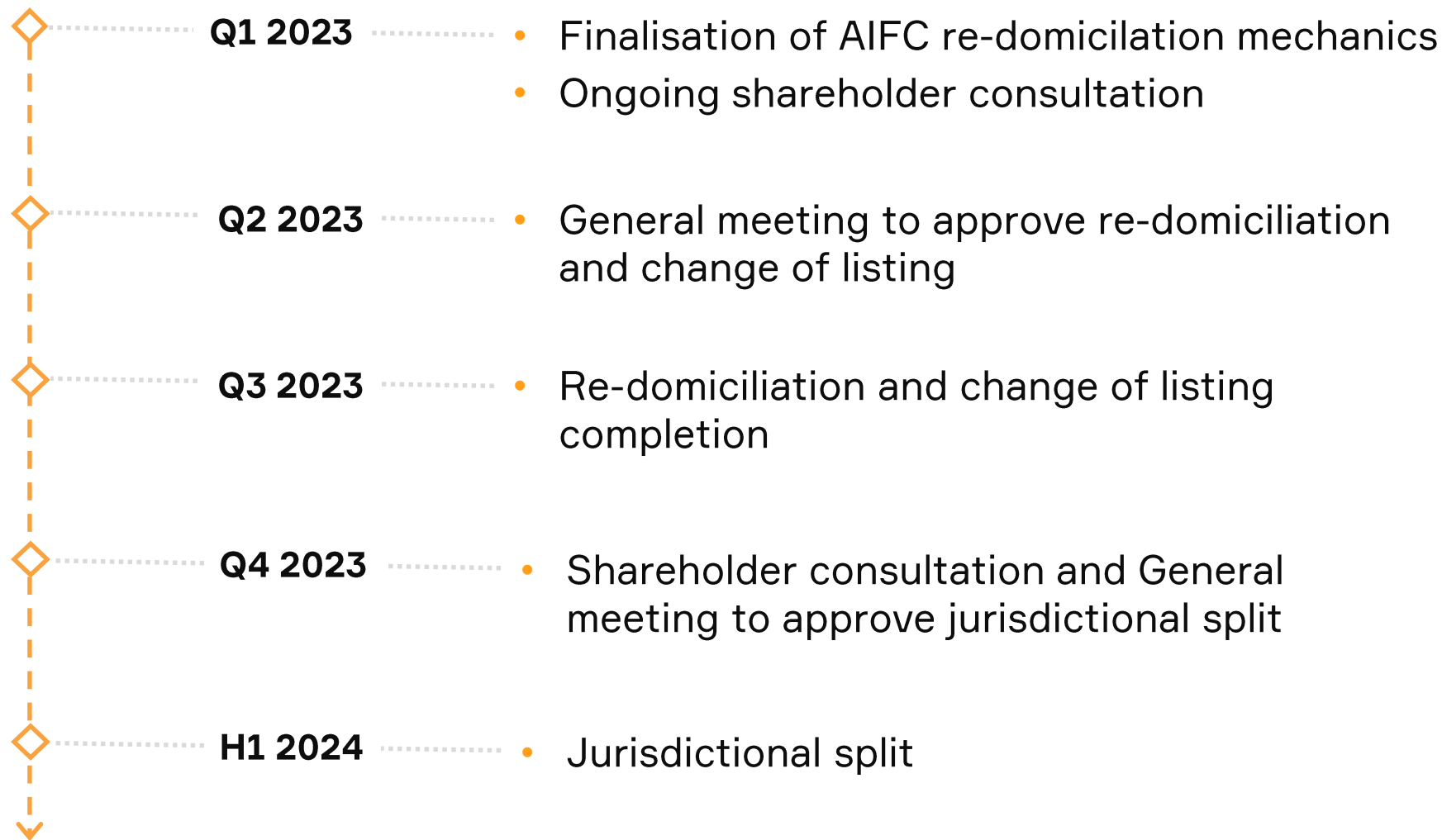


Adequate liquidity on AIX

- ▼ LSE: trading discontinued. Shareholders **transfer their ordinary shares** to AIX

Management will initiate shareholder consultation to evaluate trading options

Indicative timeline



Note: Timetable is subject to change

Conclusions

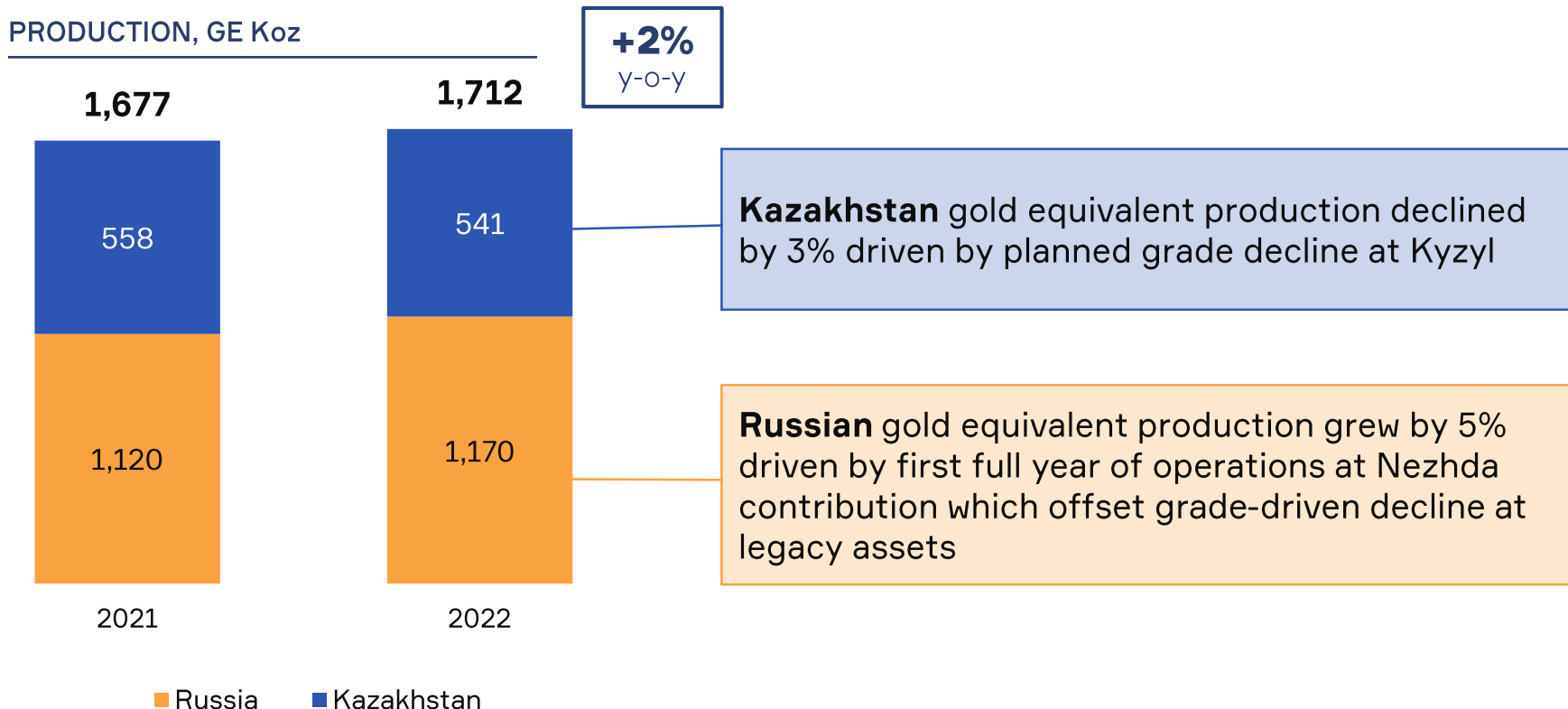
- ▶ The Company's current **jurisdictional position is unsustainable** in the current environment
- ▶ **AIFC represents the preferred jurisdiction** for a potential re-domiciliation
- ▶ **Jurisdictional split** and potential **unblocking** of remaining **NSD holders** would only be possible **after the re-domiciliation**
- ▶ The evaluation of the re-dom process is **ongoing. No decision has been made** in relation to the various options available to the Company and **no certainty** that the Company will ultimately complete a re-domiciliation
- ▶ The Company is keen to execute the re-domiciliation **as soon as possible**



BUSINESS UPDATE

FY 2022 production & sales

- ▼ The Company's FY2022 gold equivalent ("GE") production grew to **1,712 Koz** - **in line** with the original production **guidance**
- ▼ Revenue stood at **\$2.9 bn**, a **decrease** of **3%** due to lower average metal prices. **Q4 revenue** was **up 30%** to **\$1.0 bn** as the company **sold down** metal and concentrate **inventory** accumulated in the previous quarters
- ▼ The **remaining gap** between production and sales is expected to **close in H1 2023**



FY 2022 production by mine

Mine	Production, GE Koz (@80 Au/Ag)			Comment
	2022	2021	Change	
Kazakhstan	541	558	-3%	
Kyzyl	330	360	-8%	Planned grade decline
Varvara	211	198	+7%	Higher grade in the Komar ore
Russia	1,170	1,120	+5%	
Dukat	292	291	+0%	Primorskoye compensated for grade declines at other mining areas
Albazino	230	249	-8%	Full depletion of the high-grade Anfisa open pit
Omolon	199	217	-8%	Lower grades
Nezhda	133	21	+518%	First full year of operation
Mayskoye	120	139	-14%	Grade and recovery decrease (higher carbon content)
Svetloye	104	109	-5%	Negative grade dynamics
Voro	93	93	+0%	Stable
TOTAL	1,712	1,677	+2%	

Guidance update

	2022 Outlook	2023 Guidance
Production, Koz of GE	1,712 (actual)	1,700
TCC, \$/oz of GE	900-1,000 (unchanged)	950-1,000
AISC, \$/oz of GE	1,300-1,400 (unchanged)	1,300-1,400
Capital expenditure, \$m	725-775 (unchanged)	700-750

Assumptions	2022 Average	2023 Budget
Gold, \$/oz	1,795	1,800
Silver, \$/oz	22	20
RUB/USD rate	68	65
KZT/USD rate	461	450

Note: the guidance remains contingent on the RUB/USD exchange rate and domestic inflation

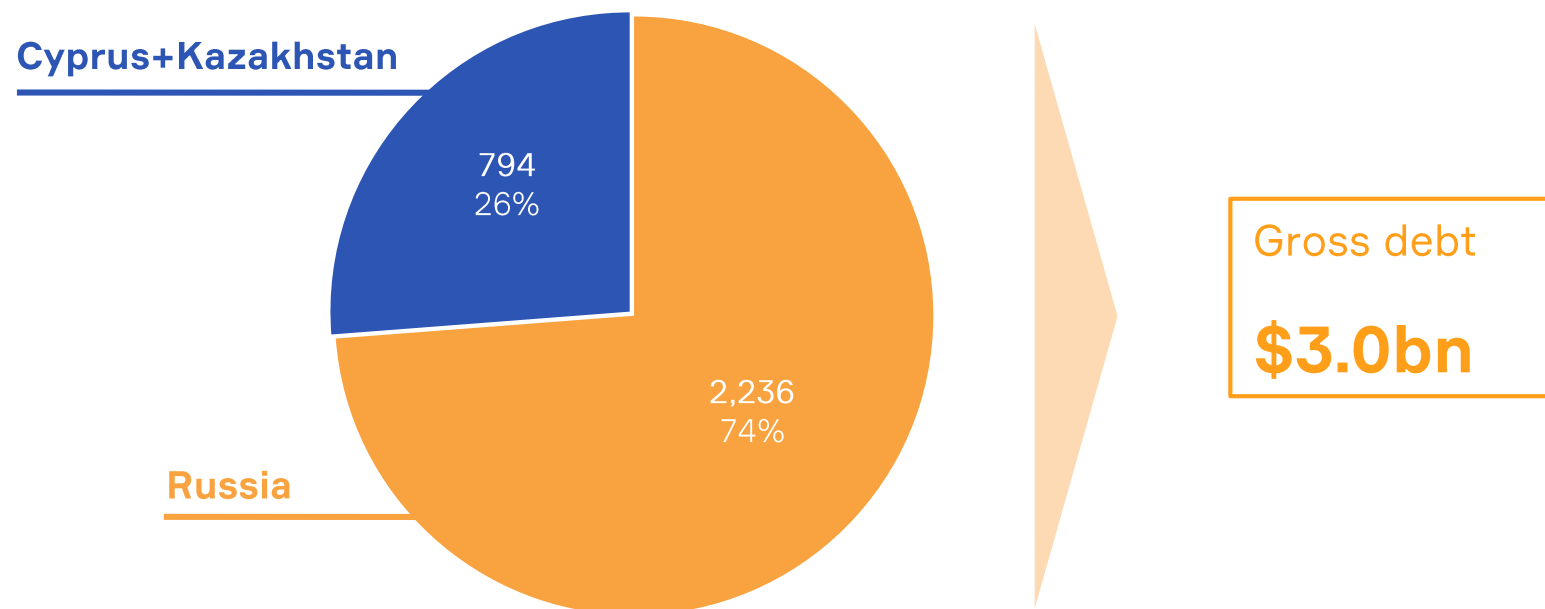
Cost assumptions

	2022 Actual	2023 Budget	Change
Inflation, Russia	12%	7%	-5 p.p.
Inflation, Kazakhstan	20%	9%	-11 p.p.
Mineral Extraction Tax (Au & Ag), Kazakhstan	5%	7.5%	+50%
Diesel fuel, \$/kg	1.02	1.26	+23%

Debt structure

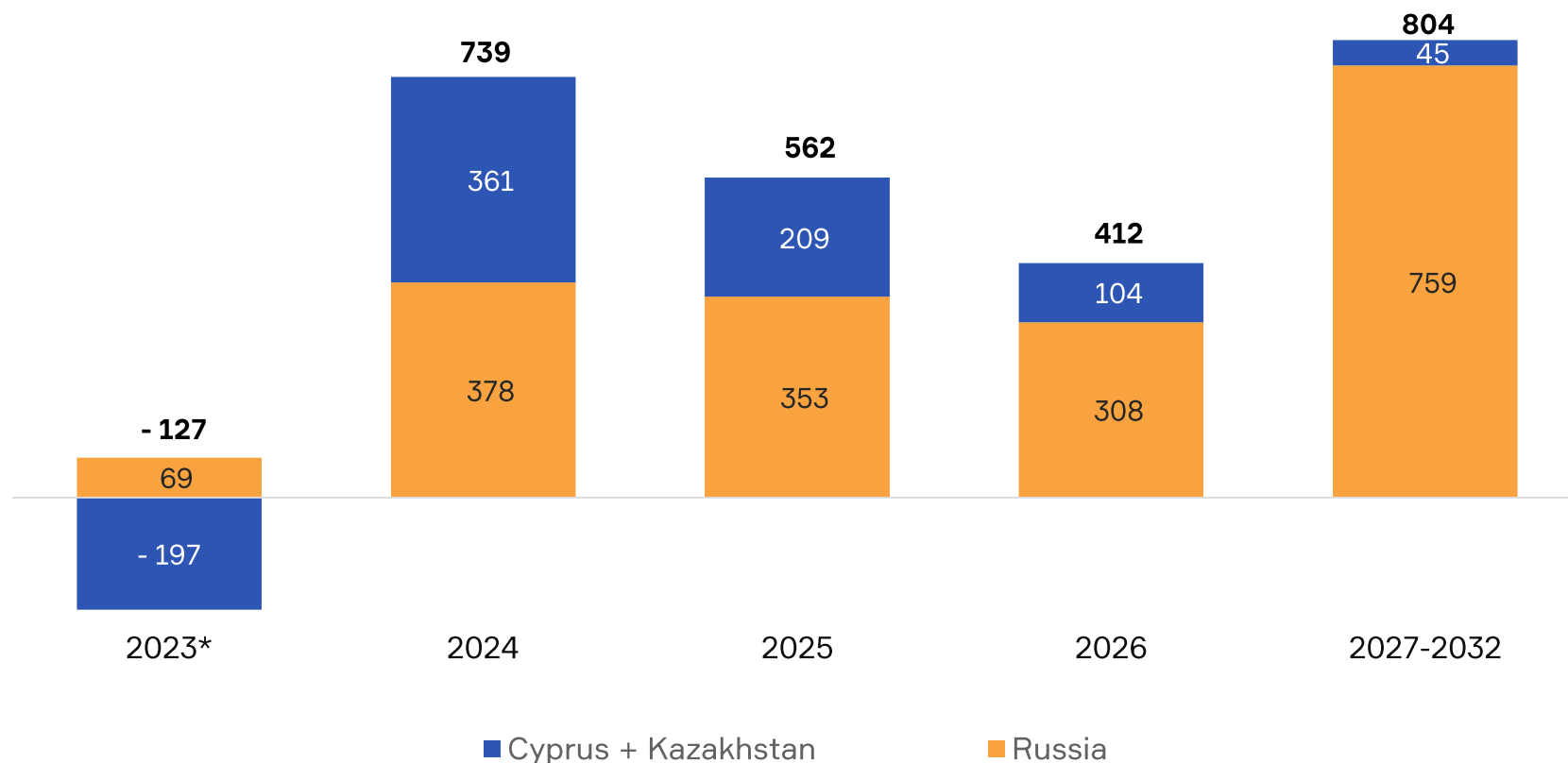
- Net debt as at 31 December **\$2.4 bn**, total debt of **\$3.0 bn**
- 64%** of outstanding debt is denominated in **hard currency**, **28%** in **RUB**, **7%** in **CNY**, **1%** in **EUR**
- Average interest rate is **5%**
- Strong cash position of **\$642 m** covering ST refinancing needs

DEBT STRUCTURE BY JURISDICTION as at 31/12/2022, \$m



Debt maturity profile

As at 31/12/2022, \$m



* Net of Cash

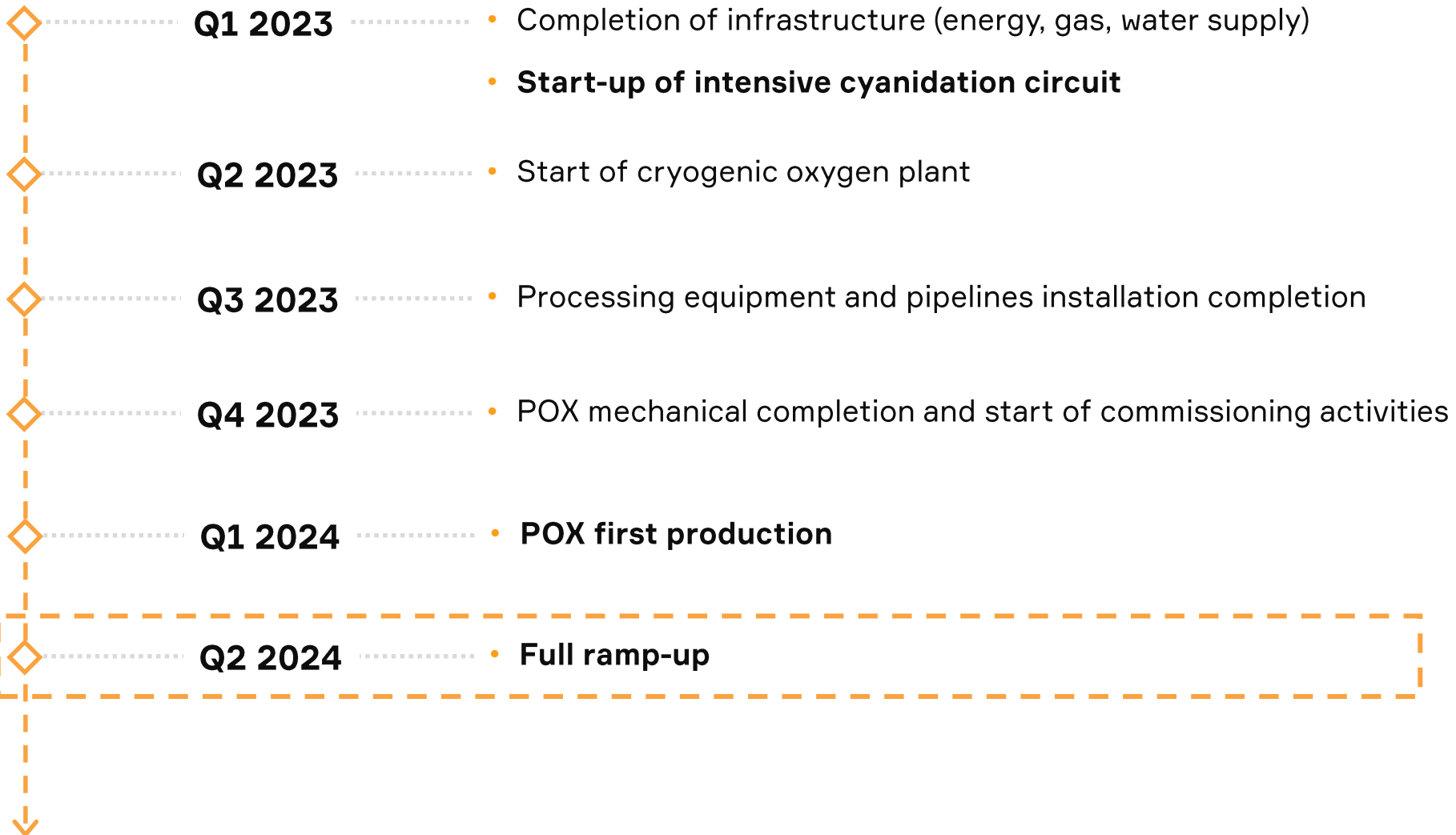
POX-2

Completion scorecard

	Engineering	Contracting	Equipment Delivery	Construction
POX Area (Hatch Scope)	100%	100%	95%	75%
Other processing areas (PME Scope)	100%	100%	100%	80%
Oxygen Plant	100%	100%	100%	95%
Internal and external infrastructure	100%	100%	100%	90%

POX-2

Updated timeline



POX-2

Site view



POX-2

Photo update

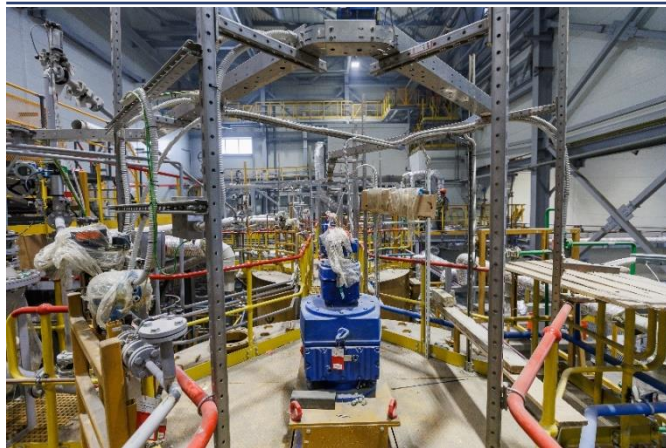
POX Section



POX Section



Intensive Cyanidation Circuit



High Bay



POX-3

Main concepts

Key parameters

Feed:

Own high- and low-carbon concentrate from Kyzyl and 3rd party Au concentrates

Flowsheet:

Identical to POX-2 with minor changes based on the results of POX-2 DE

Capacity:

~250-300 Ktpa

Conceptual construction CAPEX: ~\$730m

Investment decision in: Q2 2024

Potential start up in: H2 2028

LOCATION

- Located in a developed industrial region with good infrastructure
- River port on Ertis river (Pavlodar), railway and road access
- 500 km from **Kyzyl** / 440 km from **Astana**



Board update

INDEPENDENT DIRECTORS



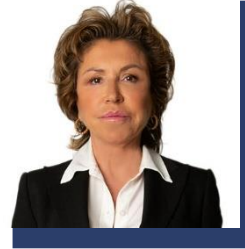
**EVGUENI
KONOVALENKO**

SINED (N, R)
Ex-MD Renaissance Capital
(UK)



JANAT BERDALINA

INED (R, S)
Ex Managing Partner and
President of KPMG in
Kazakhstan & Central Asia



PASCALE PEREZ

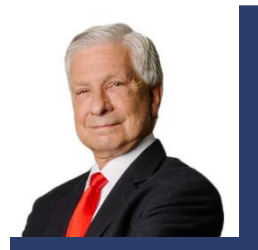
INED (S, N)
Special advisor of High
Power Exploration Inc
(HPX)

*Appointed in December
2022*



VITALY NESIS

Group CEO (S)



PAUL J. OSTLING

INED (A, N, R)
Business Council for
International
Understanding (BCIU)
member



STEVEN DASHEVSKY

INED (A, S)
CEO and CIO of D&P
Advisors LLP (UK)



RICHARD SHARKO

INED (A)
Board member and audit
committee Chair at Agri
Europe Cyprus

*Appointed in December
2022*



KONSTANTIN YANAKOV

ICT Group Ltd
Ex-CFO of Polymetal

N – Nomination Committee
R – Remuneration Committee
A – Audit and Risk Committee
S – Safety and Sustainability Committee

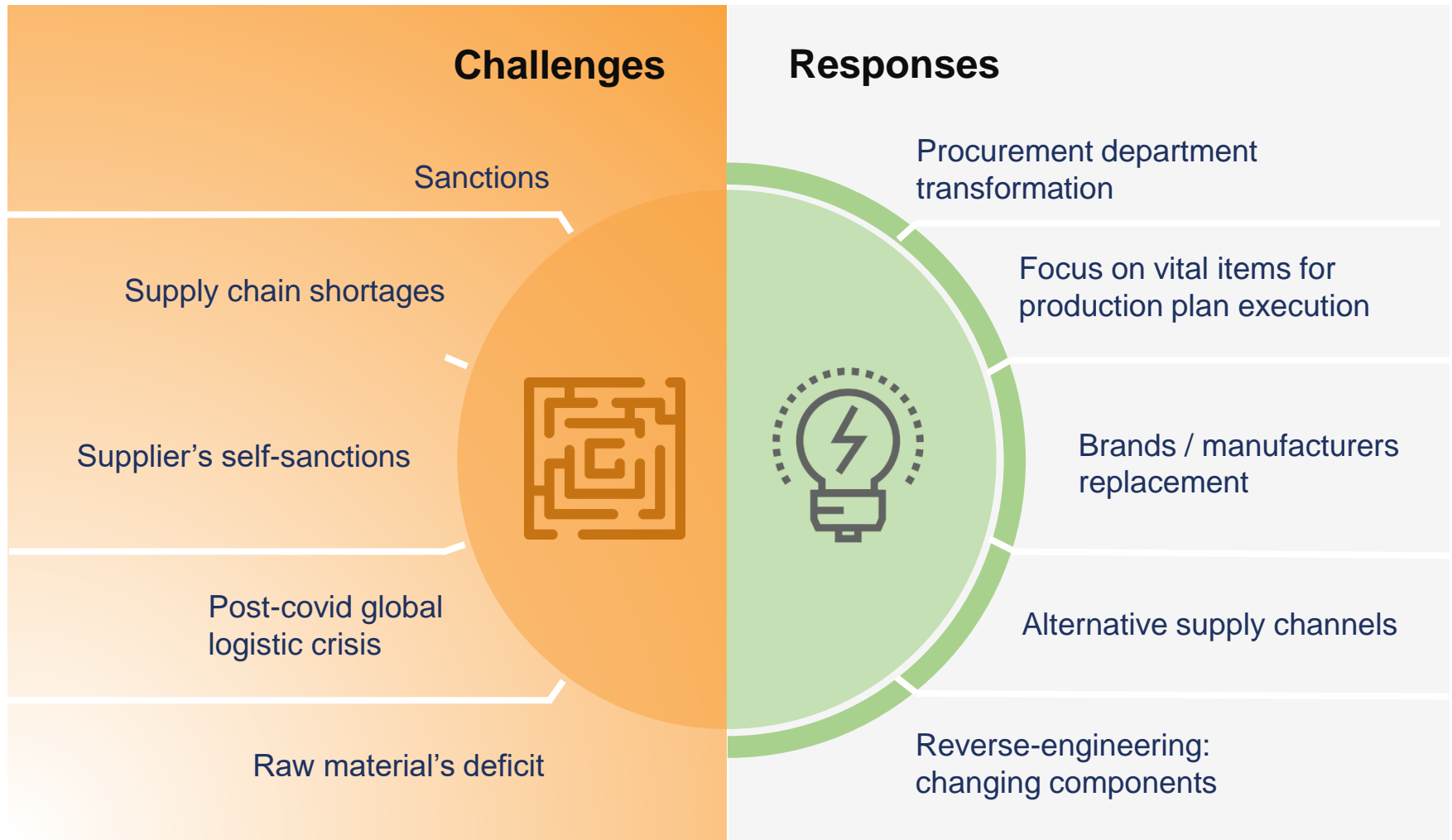
Polymetal is compliant with the UK Corporate Governance Code (the UK Code) and Parker Review (one director of ethnic diversity)



APPENDIX

Supply chain

Challenges and responses in 2022



Supply chain

Chart radar

Changes in
high-risk categories
since February 2022

New supply channels for Michelin products
+ Chinese brands: Triangle, Maxam, Tianli

Successful substitution:
Machine-Building Holding,
LHS, Sai-Deepa

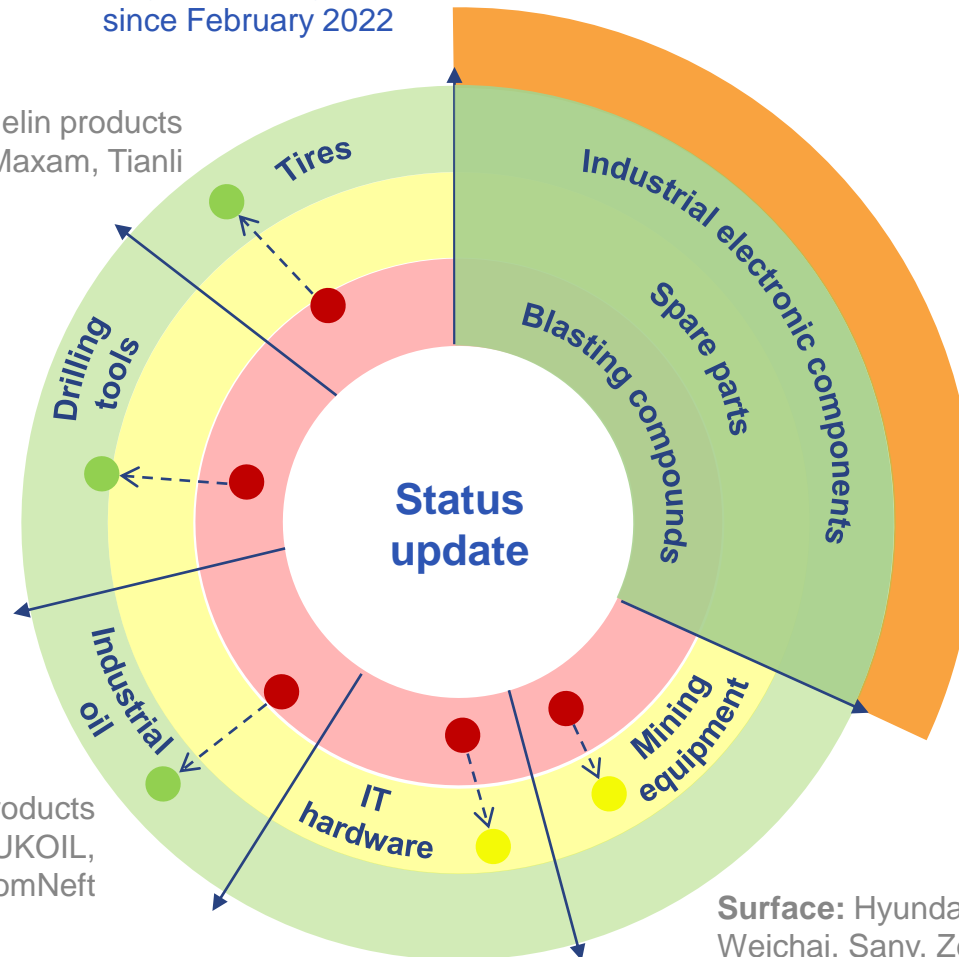
New supply channels for Shell products
+ local producers: LUKOIL,
GazPromNeft

Equivalent replacement:
Huawei

Surface: Hyundai, Shantui,
Weichai, Sany, Zega

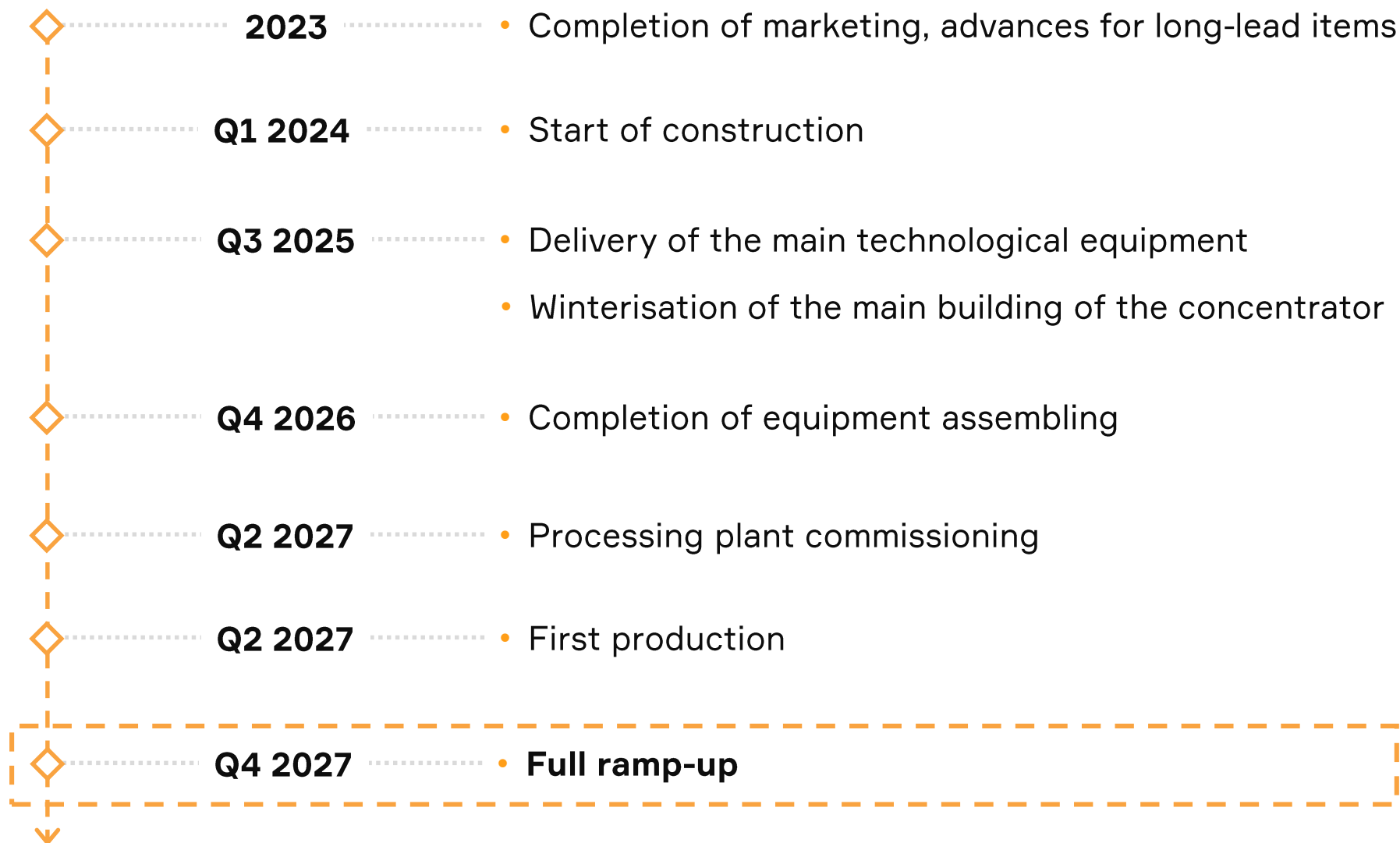
Underground: Fambition Kaishan,
Dali, Siton

2023 Focus on
categories “in progress”



Veduga

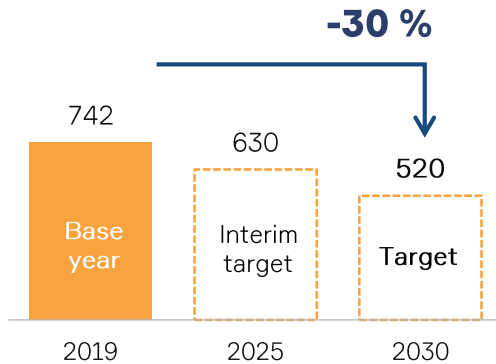
Updated timeline



Environment and climate strategy

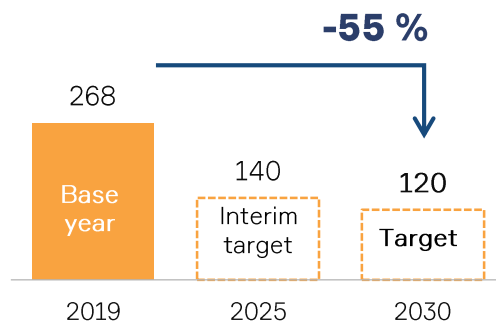
GHG INTENSITY TARGET

(kg of CO₂e per oz of GE)



FRESH WATER USE TARGET

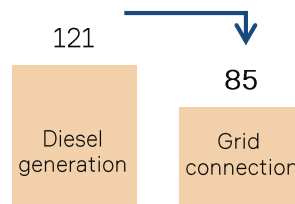
(m³/Kt of processed ore)



NEXT CLIMATE-RELATED ACTIONS

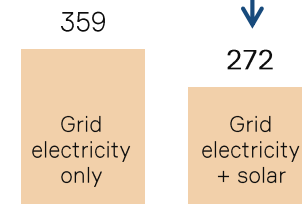
Grid connection, Albazino

Kt of CO₂e (Scope 1+2)



Solar power plant 40 MW, Varvara & Kyzyl, Kazakhstan

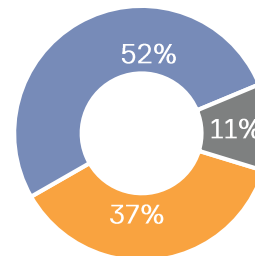
Kt of CO₂e (Scope 1+2)



TAILINGS

(% of total weight, 2021 data)

Upstream Downstream
Dry stacking



Target to increase the share of dry stacking to **30%** by 2025

BIODIVERSITY

- ▶ No-go policy for World Heritage Sites or any other designated protected area
- ▶ Biodiversity monitoring at each stage of the asset life
- ▶ Target to reforest 2,750 ha of land by 2025

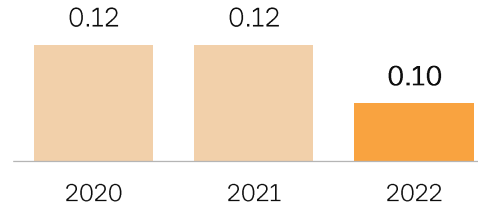
Safety

Zero harm approach and continuous improvement

OUR TARGETS

- Ensure zero fatalities
- Maintain LTIFR¹ below 0.2
- Year-on-year decrease in absent days following accidents

EMPLOYEE LTIFR¹



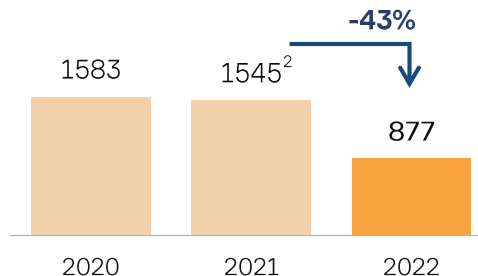
Zero
Fatalities
among employees of
contractors in 2022

100%
operating sites
ISO 45001 certified

OUR APPROACH

- Safety-positive culture
- Engaging employees and contractors in safety risk assessment
- Digitalising safety monitoring and management
- Extending safety standards from operations to exploration sites

DAYS LOST DUE TO WORK-RELATED INJURIES



Notes:

- Hereinafter – lost time injury frequency rate per 200,000 hours worked.
- Restatement of 2021 data is made due to the extension of sick leave for the employee injured in December 2021.

Employees and communities

Building trusted relationship and improving life quality

OUR PRIORITIES

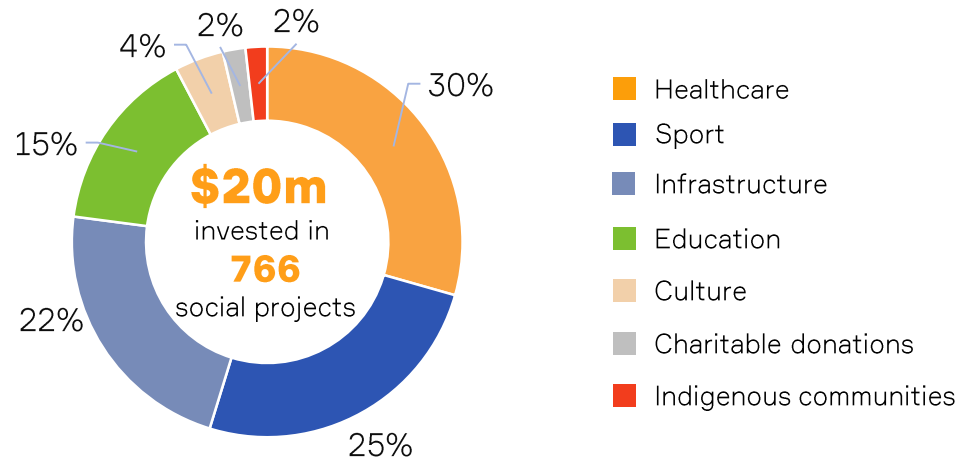
- Actively engaging communities in each region of operation to understand stakeholders needs and concerns
- Maintaining the level of community investment and social projects' impact assessment
- Attracting and retaining best talent with decent work conditions and professional growth opportunities
- Ensuring labour rights through collective bargaining agreements and feedback mechanisms
- Supporting employees: salary raise with inflation rate, no discrimination on any grounds, health insurance and social benefits

Diversity and Inclusion Programme for 2021-2025

- Gender
- Age
- Disability
- Local Employment

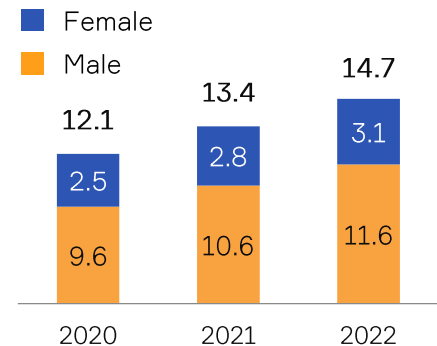
- Training
- Mentoring
- Diversity targets
- Communications etc.

COMMUNITIES INVESTMENTS IN 2021



AVERAGE HEADCOUNT

(thousand employees)



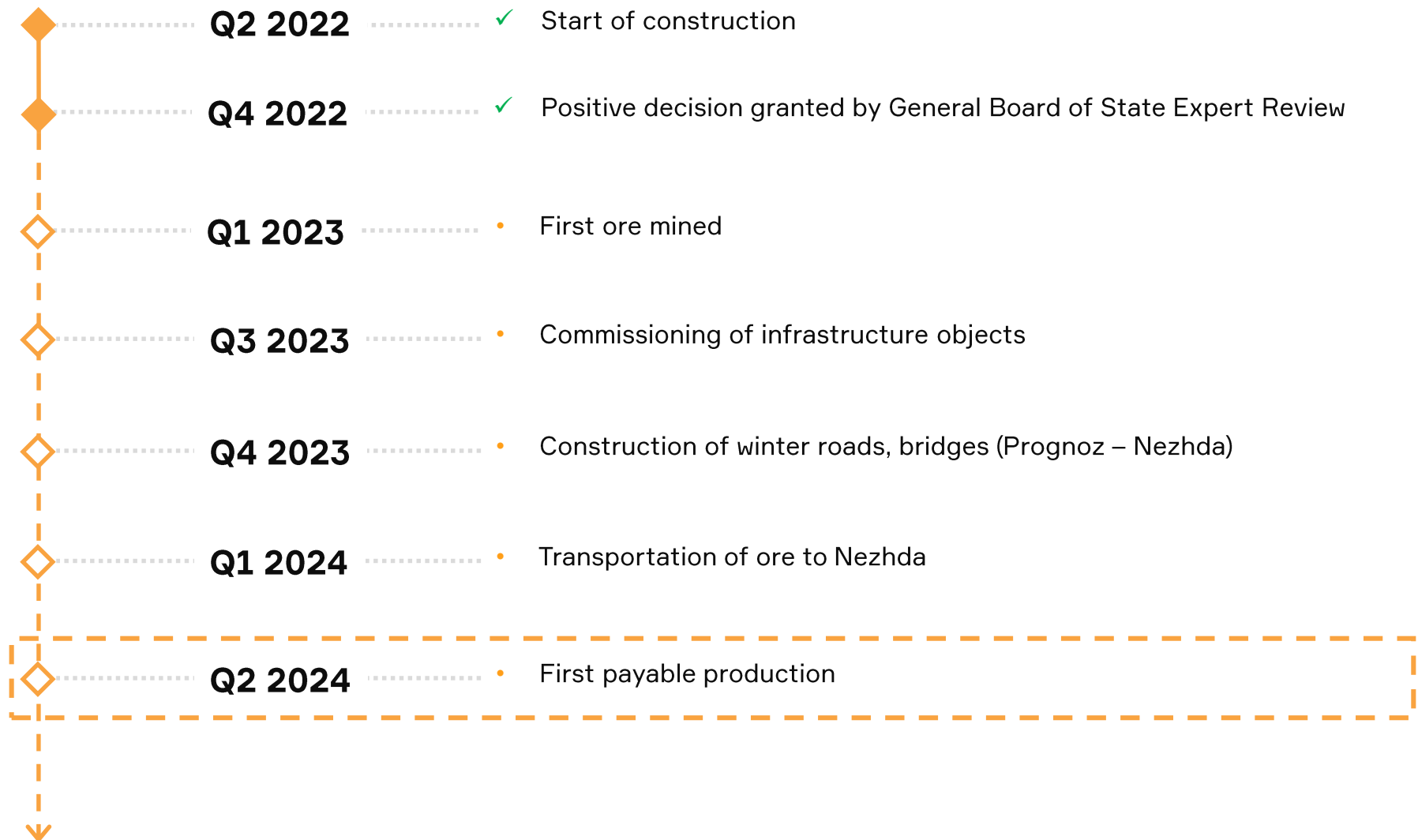
Prognoz

Site view



Prognoz

Key project milestones



Voro flotation

Commissioning – Q1, launch in Q2 2023



Kutyn

Kutyn site at the start-up in September

