POLYMETAL
INTERNATIONAL PLC

INVESTOR PRESENTATION

February 2022

INTRODUCTION

POLYMETAL TODAY

- **Top-10** WORLD GOLD AND SILVER PRODUCER
- **2nd** LARGEST GOLD PRODUCER IN RUSSIA
- **10** OPERATIONS ACROSS 2 COUNTRIES
- **FTSE 100 & MSCI** CONSTITUENT

STRATEGIC VISION

SCOPE OF ACTIVITY

- Russia and FSU
- Focus on gold, silver and possibly other base metals
- ESG best practice
- Medium-sized high-grade deposits
- Vertical integration
- Organic growth

CAPITAL ALLOCATION PRINCIPLES

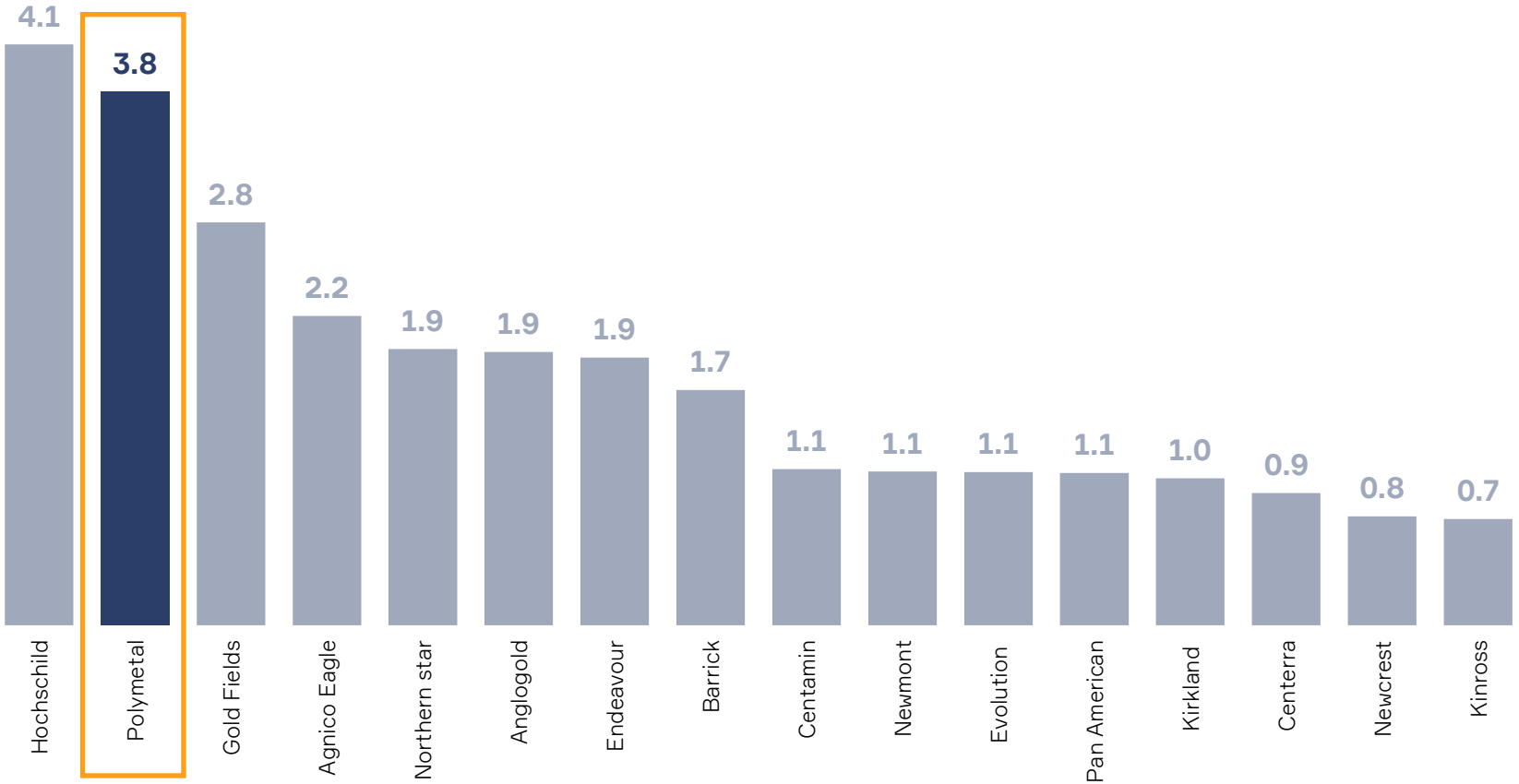
- Regular dividend is shareholder's right, comes before growth spending
- Target Net Debt/EBITDA of below or equal to 1.5x
- Maintain high standards of ESG through impact assessment

DESIRED OUTCOMES

- Significant sustainable dividend
- Meaningful growth
- Reduction of environmental footprint
- Social license to operate
- Robust balance sheet
- Long-term cash flow/earnings visibility

FOCUS ON GRADE

AVERAGE RESERVE GRADE (2P RESERVES), g/t of GE



Source: 2020 Companies' data

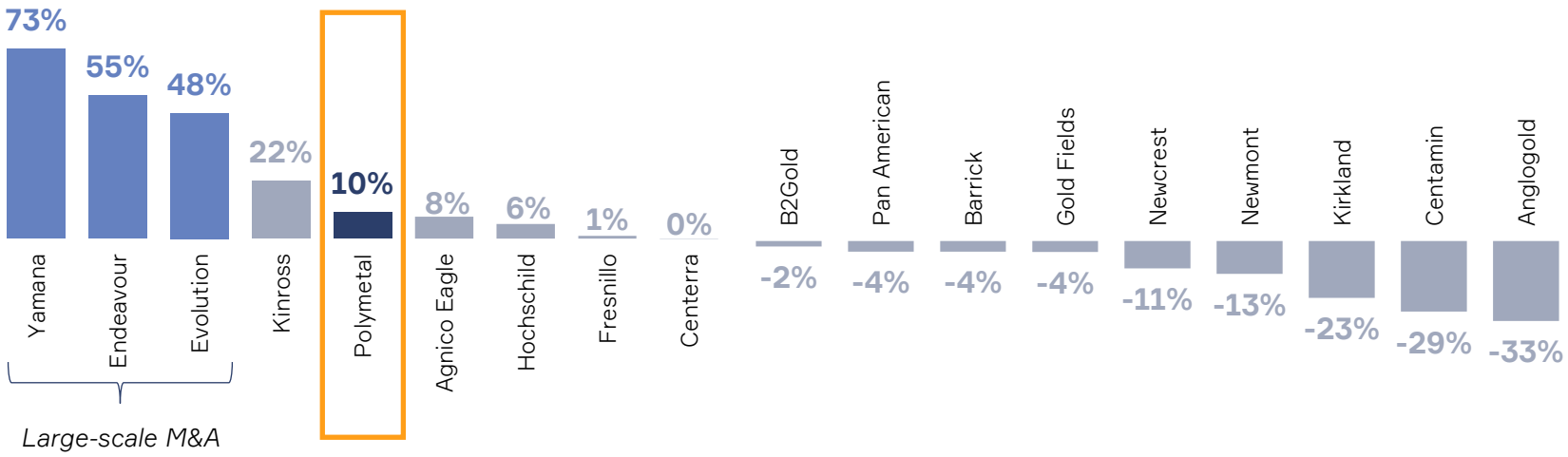
GROWING ASSET BASE

Ore Reserves

27.9 Moz

+2.7 Moz / +10% y-o-y

2020 RESERVE PER SHARE, y-o-y change



Source: Companies' data

SIGNIFICANT SUSTAINABLE DIVIDEND YIELD

50%

OF UNDERLYING NET INCOME

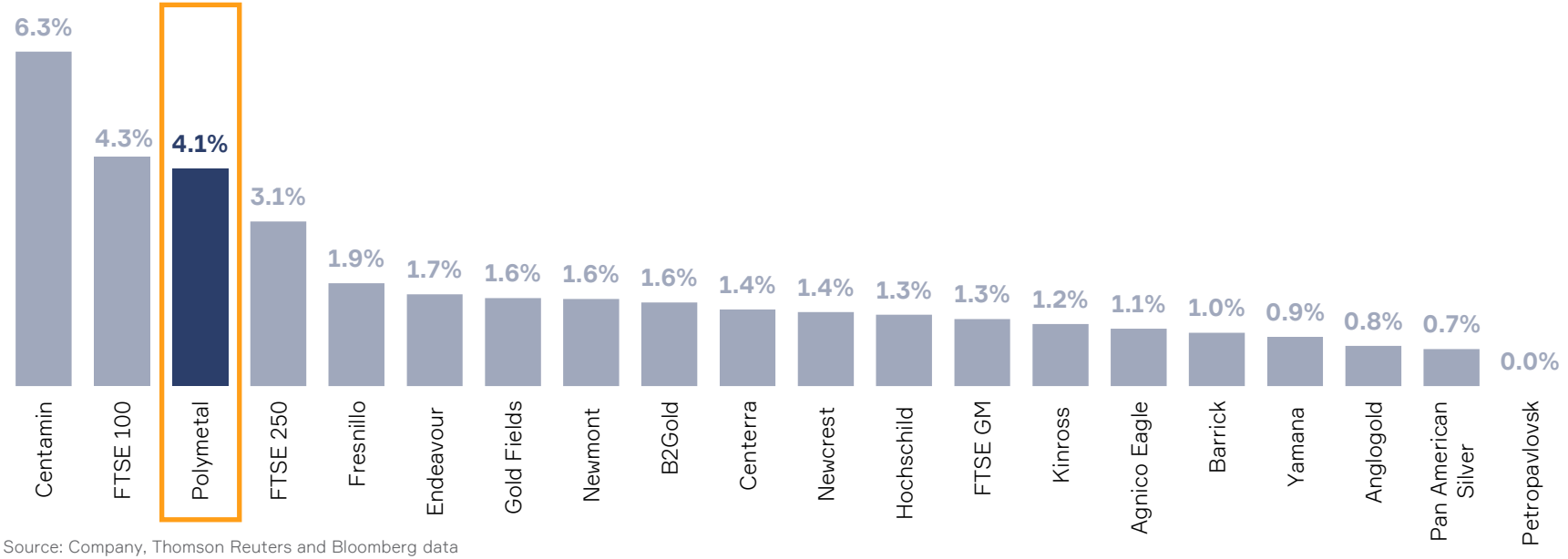
(+ Board discretion to increase the final dividend to a **maximum annual payout of 100% of FCF**)

$0.45

1H 2021 DPS

+13% y-o-y

DY: 5-YEAR AVERAGE, %



Source: Company, Thomson Reuters and Bloomberg data
* DPS declared for 1H 2021 ($0.45) + Final 2020 DPS ($0.89) divided by YTD average share price ($21.9)

SUSTAINABLE DEVELOPMENT GOALS

Our goals

Water	• Decrease fresh water use for processing by 11% by 2023 (2018 base year) • Maintain high quality of discharge water
Climate change	• Decrease GHG intensity by 30% by 2030 (2019 base year) • Reduce absolute GHG emissions by 35% by 2030 • Develop the plan to achieve carbon neutrality by the end of 2022.
Waste	• 15% of dry tailings storage by 2024 • Recycling at least 16% of waste generated by 2023

ESG LEADERSHIP
External recognition and disclosure commitments

RECOGNITION OF OUR EFFORTS TO DATE

Dow Jones Sustainability Indexes

- Member of **DJSI World and Emerging Markets** indices
- **First company with majority of assets in the CIS**

SUSTAINALYTICS

- **5th** among 126 precious metals companies in ESG Rating
- **15.9** ESG Risk Rating (Low Risk)

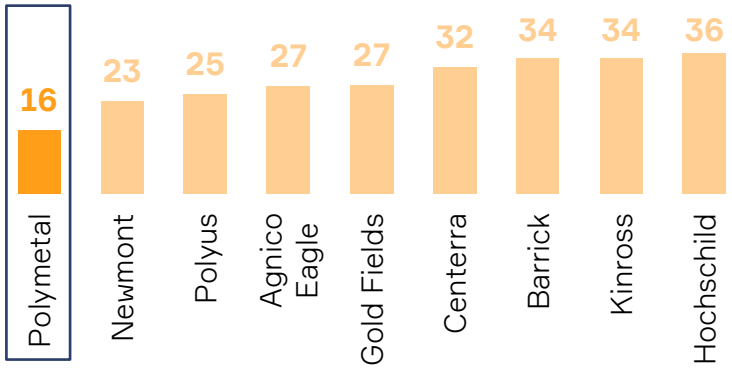
MSCI

- ESG rating **AA**
- Member of **ESG Leaders index**

CDP
DRIVING SUSTAINABLE ECONOMIES

- Climate change score **B** (improvement from B-)

ESG RISK RATING PEER COMPARISON[1]



EXTERNAL INITIATIVES

- UN Global Compact Signatory since 2009
- Disclosure under **GRI, SASB, TCFD**
- Signatory to **International Cyanide Management Code**
- Signatory to **Extractives Industry Transparency Initiative (EITI)** in Kazakhstan

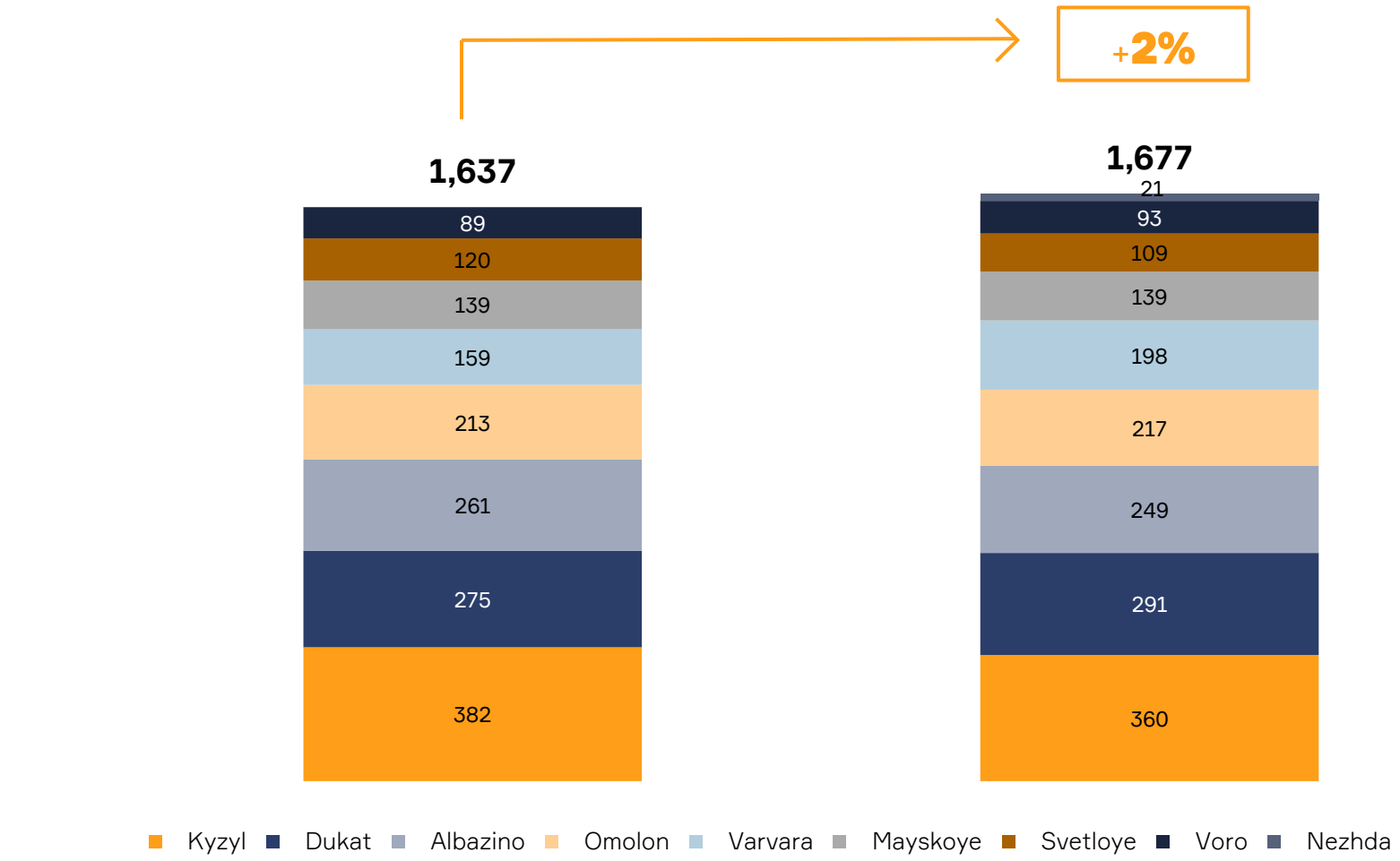
Notes:
1) Based on Sustainalytics data. Lower number is better

FINANCIAL & OPERATIONAL UPDATE: 2021

FY 2021 PRODUCTION RESULTS

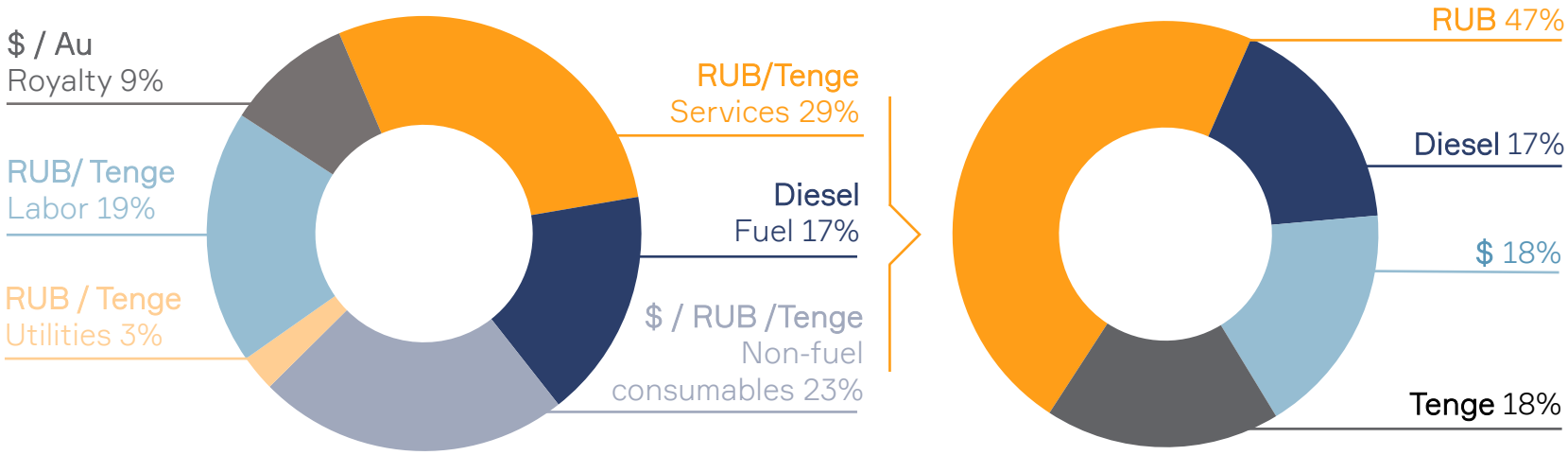
2% y-o-y increase, 5% above the guidance

PRODUCTION, GE Koz



CASH COST STRUCTURE

2021E CASH COST STRUCTURE, $/oz



SENSITIVITY TO RUB/USD, GOLD PRICE AND MET*

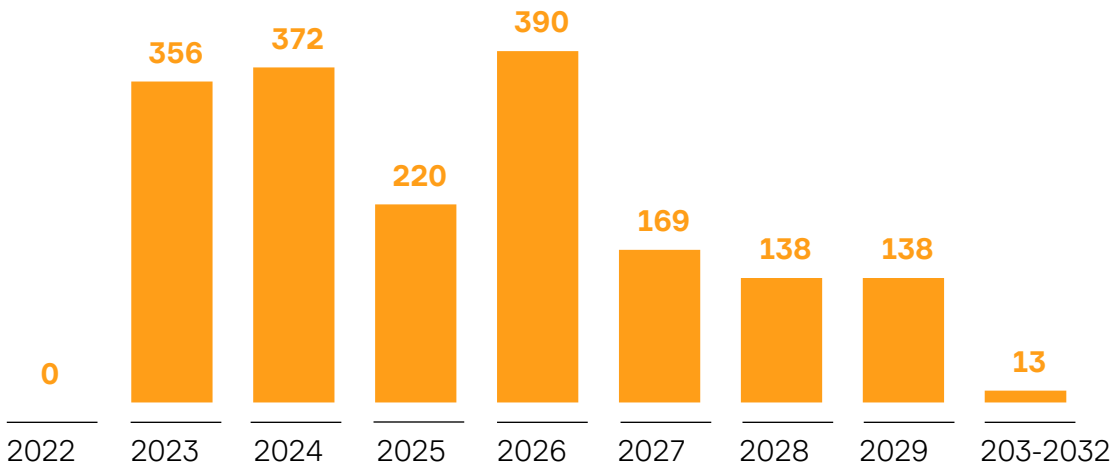
	A 1 RUB/USD movement in domestic currency	A $100/oz movement in gold price	A 1% increase in MET*
Effect on **TCC**	$7-9 per oz	~$5 per oz	+ $16% per oz
Effect on **EBITDA**	$17-21m	~$170m	- $26m
Effect on **FCF**	$23-27m	~$140m	- $21m
Effect on **DPS**	~$0.02 per share	~$0.14	- $0.04

* MET Mineral Extraction Tax.
Based on 2022 estimates

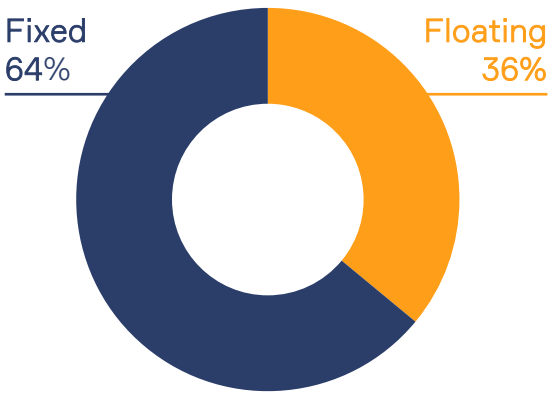
BALANCE SHEET
Net Debt/EBITDA expected at ~1.1x

- Net debt of **$1.80bn as of 1 Feb 2022**
- **Net Debt/EBITDA is expected at ~1.1x** as of the end of 2021
- Total **green and sustainability-linked loan** portfolio reached **$680m** or **40% of the total outstanding debt** after Polymetal raised $400m of climate transition loans from Raiffeisenbank and UniCredit in H1 2021
- **Strong liquidity position** with $0.4bn in cash and $2.4bn undrawn credit lines
- **Low cost of debt at 2.9%**, a decrease over 3.3% rate a year earlier supported by lower benchmark interest rates and our ability to negotiate competitive margins given the solid financial position of the Company

ACTUAL MATURITY PROFILE[1], $m



INTEREST RATE BREAKDOWN[2]



Notes:
1) Net of cash
2) As of 1 January 2022

2021 OUTLOOK AND 2022 GUIDANCE

	2021 Guidance	2021 Outlook	2022 Guidance
Production, Koz of GE	1,600	1,677	1,700
Revenue	-	2,890	-
TCC, $/oz of GE	700-750	On track	850-900
AISC, $/oz of GE	925-975	5% > the upper end	1,100-1,200
Capital expenditure, $m	675-725	5% > the upper end	700
Free cash flow (pre M&A), $m	Significant positive	On track	Significant positive
Regular dividend	50% of underlying net income	In line with the policy	In line with the policy

Assumptions	**2021 Budget**	**2021 Average**	**2022 Budget**
Gold, $/oz	1,500	1,799	1,800
Silver, $/oz	20	25	22
RUB/USD rate	70	74	75
Oil	60	71	75

Note: the guidance remains contingent on the RUB/USD exchange rate and diesel fuel price

PROJECTS UPDATE

NEZHDA

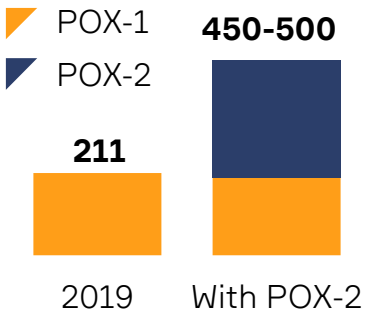
Successful ramp-up. Expected production – 180 Koz pa

POX-2
Creating substantial value

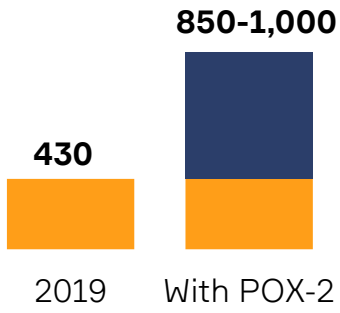
- **Concentrate capacity:** 300 Ktpa of refractory concentrates
- **Production:** up to 600 Koz pa
- **LoM:** 23 years
- **Feed:** Kyzyl, Nezhda, Mayskoye, Voro, 3rd party concentrate

- **Strategic rationale:** unlocking value of refractory reserves (~**55%** of our reserves are double refractory)
- **Economic rationale:** $100-150/oz cost benefit

Concentrate processed, Kt



Production, GE Koz



PROJECT TIMELINE

- **65%** completed as of the end of January 2022
- End of commissioning and first production in **Q3 2023**
- Full ramp-up in **Q4 2023**

Notes:
*Risked upside case ($1,500/oz gold price)

POX-2
Photo update. 65% completed

PACIFIC POX
Main concepts

PROJECT RATIONALE

- Meeting Polymetal internal and 3rd party growing needs for refractory concentrates treatment
- Avoiding significant extra costs of selling concentrate to offtakers

KEY PARAMETERS

Feed	Own and 3rd party Au concentrates
Flowsheet	Identical to POX-2 with minor changes based on the results of detailed engineering
Capacity	~250-300 Ktpa
Conceptual construction CAPEX	~$730m
Conceptual start-up	H2 2027/H1 2028

PACIFIC POX
Location

LOCATION

- All-year sea port in Sovetskaya Gavan and two nearest ports in Vanino (40 km) and Vladivostok (1,300 km)
- Railway and road access
- 570 km from the Amursk POX / 581 km from Khabarovsk

VEDUGA
Conceptual project highlights**

Concentrator capacity	1.5 Mtpa
Gold grade*	5 g/t
Recoveries in Dore*	88%
Annual production*	220 Koz of gold
TCC/AISC*	$600-650 per oz / $700-750 per oz
LOM	20+ years (combined open-pit and underground)
CAPEX	~ $450m
Processing	Conventional flotation + Amursk POX
Tailings	Dry cake
Ownership	59.4% with an option to increase the stake to 100%

* LOM average

** TBU in November

VEDUGA
Operating highlights

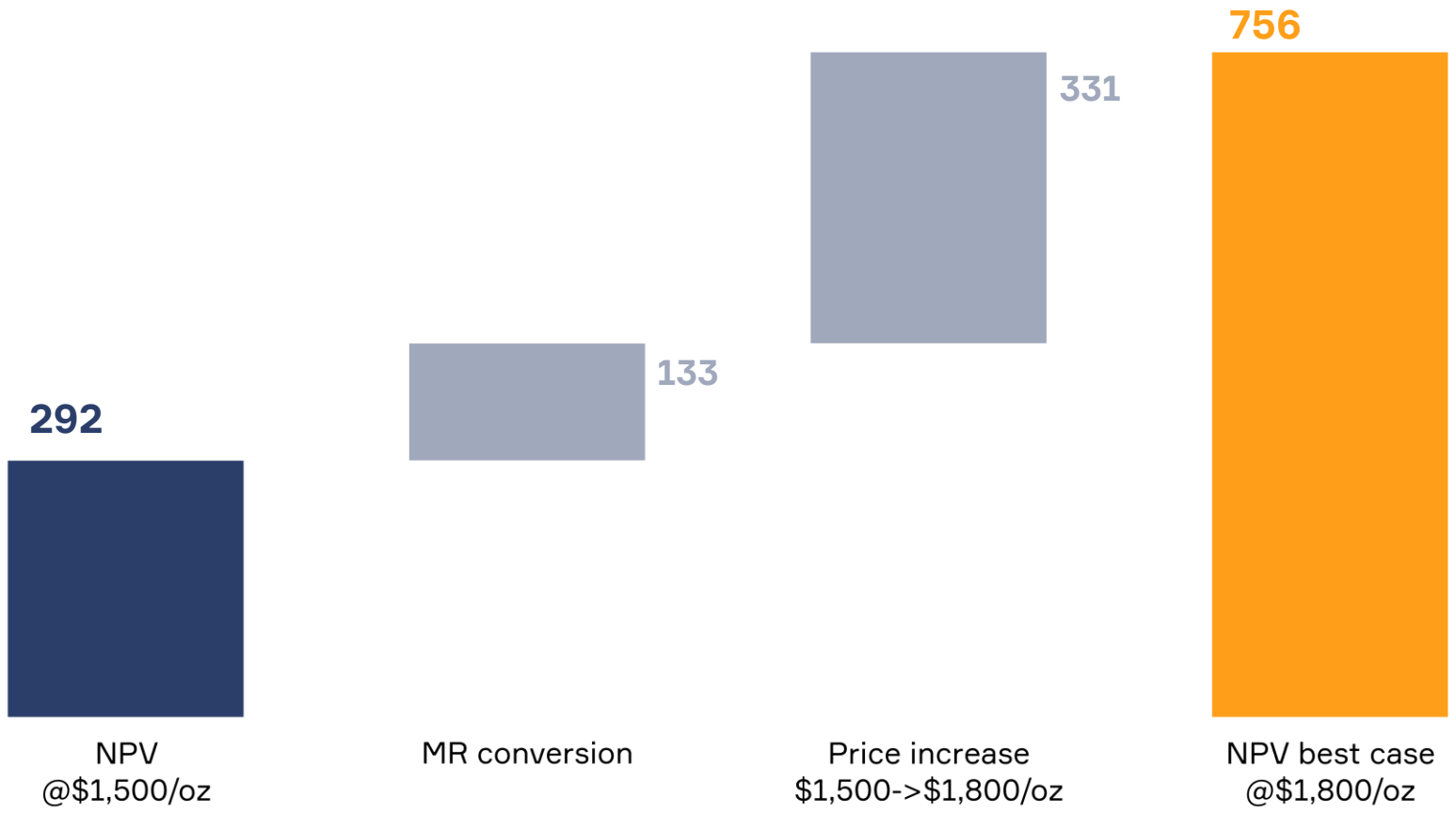
Start of production	Q2 2025
Annual production*	200 Koz of gold
Ore Reserves	4 Moz of gold @ 3.9 g/t (both open-pit and underground)
Processing	Flotation + Amursk POX / Offtake to China
Concentrator capacity	2.0 Mtpa
Recovery*	85%
Stripping ratio (ex pre strip)	15
Underground mining method	Open stope mining followed by cemented paste backfill, with ore hauling by skip shaft
LOM	21 years (combined open-pit and underground)
Tailings	Dry cake

VEDUGA
Economic highlights

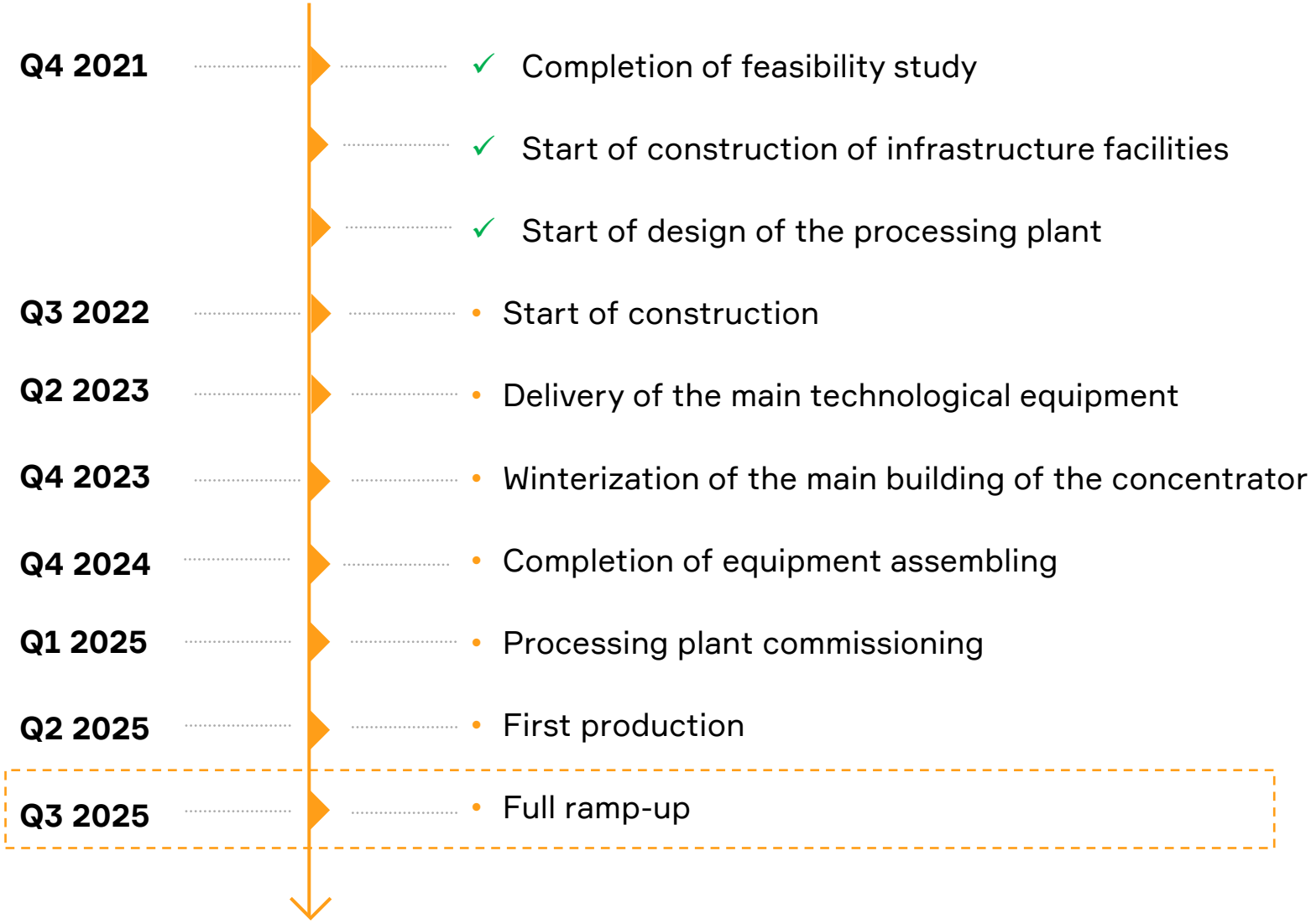
TCC/AISC*	$725-775 per oz / $800-850 per oz
Project CAPEX	$447m incl cap strip ($371m - excluding post launch skip shaft and UG infrastructure construction)
NPV (10% discount rate, $1,500/oz)	$292m
IRR	19%
Ownership	59.4% + a call option to increase the stake to 100%
Tax benefits	Regional investment project tax benefits (reduced income tax for the project in 2025-2028 and Mineral Extraction Tax benefits until 2034)

VEDUGA
NPV growth potential

NPV INCREASE SOURCES, $m



VEDUGA
Conceptual project schedule



PROGNOZ FAST TRACK DEVELOPMENT
Operating highlights

First payable production	1H 2024
Annual production*	6.5 Ag Moz
Ore Reserves	142 Moz of silver @ 560 g/t (all open pit)
Processing	Processing at the Nezhda concentrator (winter road transportation)
Mine capacity	250 Ktpa
Stripping ratio	34
LOM	18 years of open pit
Tailings	Dry cake

* LOM average

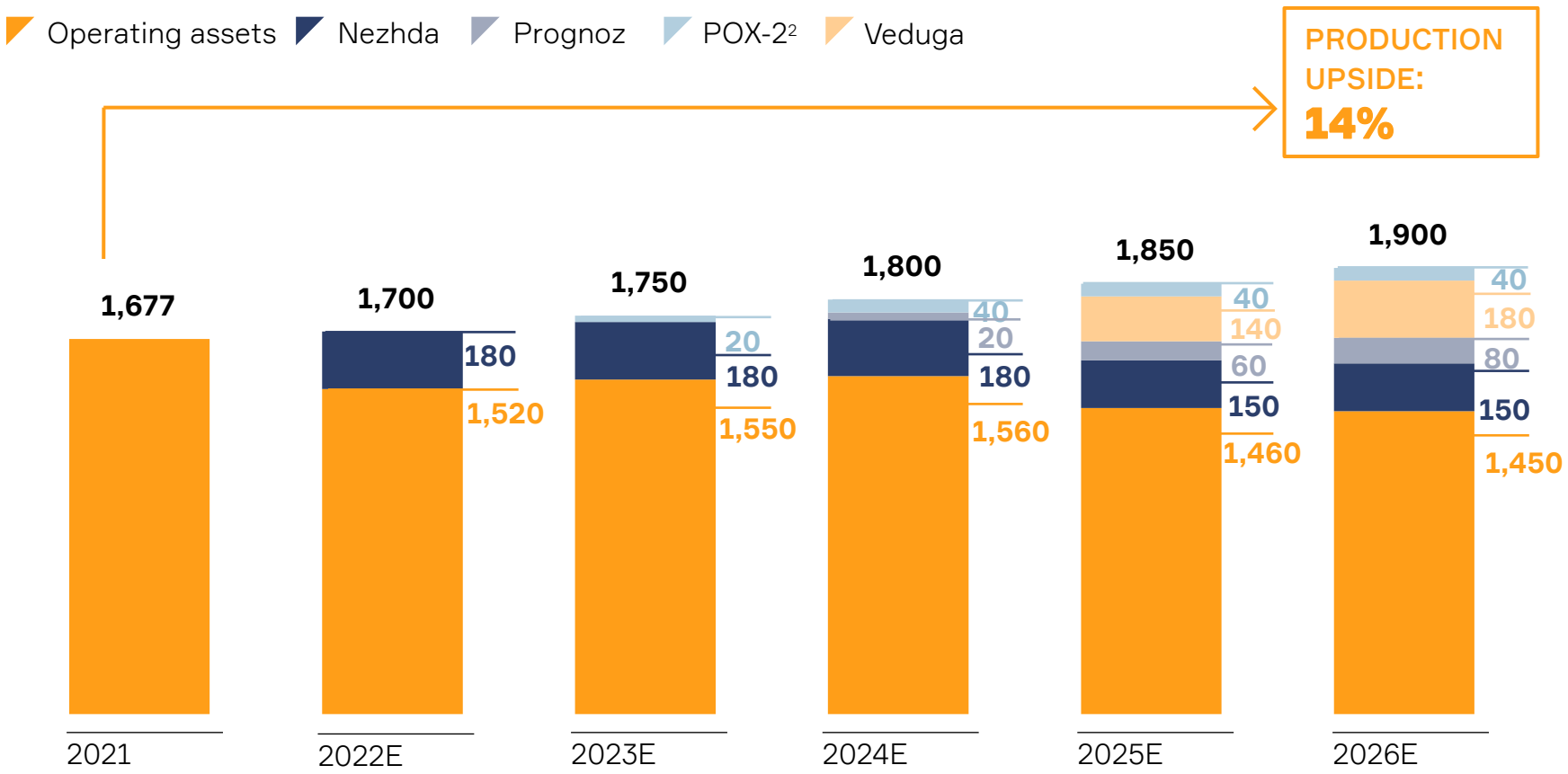
PROGNOZ FAST TRACK DEVELOPMENT
Operating highlights

AISC*	US$ 13.8 per AgEq oz
Initial CAPEX	$85m incl cap strip ($105m incl spending in 2021)
NPV (10% discount rate, $20/oz Ag price))	$154m
IRR	35%

OUTLOOK

PRODUCTION OUTLOOK
2022-2026

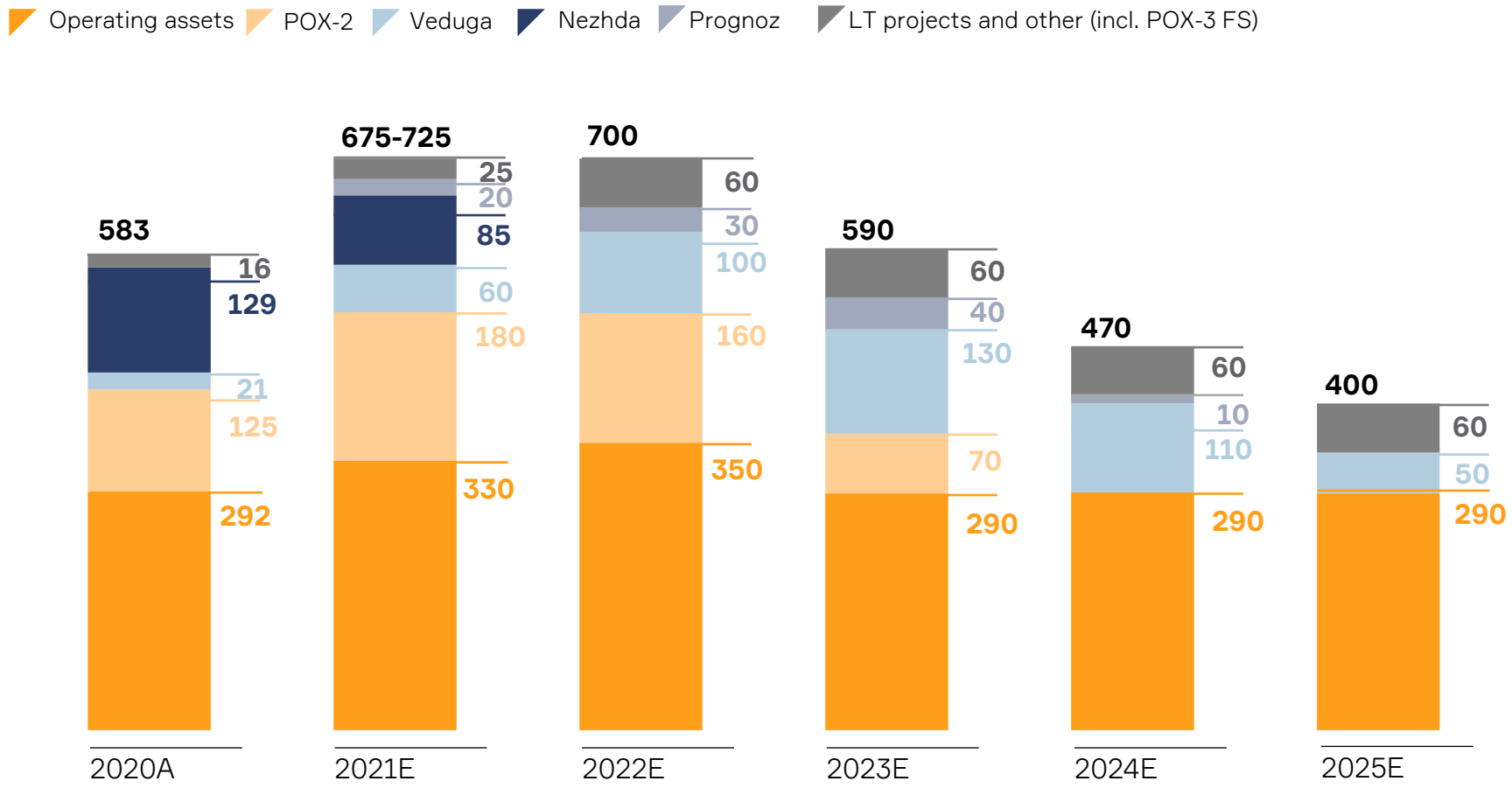
PRODUCTION OUTLOOK, GE Koz[1]



Notes:
1) Gold equivalent (GE) including gold and silver at 80:1 Ag oz/Au oz conversion ratio
2) Effect from recoveries increase and 3rd party concentrate processing

CAPEX OUTLOOK
2021-2025

CAPEX, $m



2021 – KEY MILESTONES AND NEWS FLOW

2 March	FY 2021 prelim financial results / final dividend announcement
21 April	Q1 2022 production results
26 April	CMD
H2 2022	Start-up of Kutyn and Urals flotation projects

APPENDIX

TAX REGULATION UPDATE

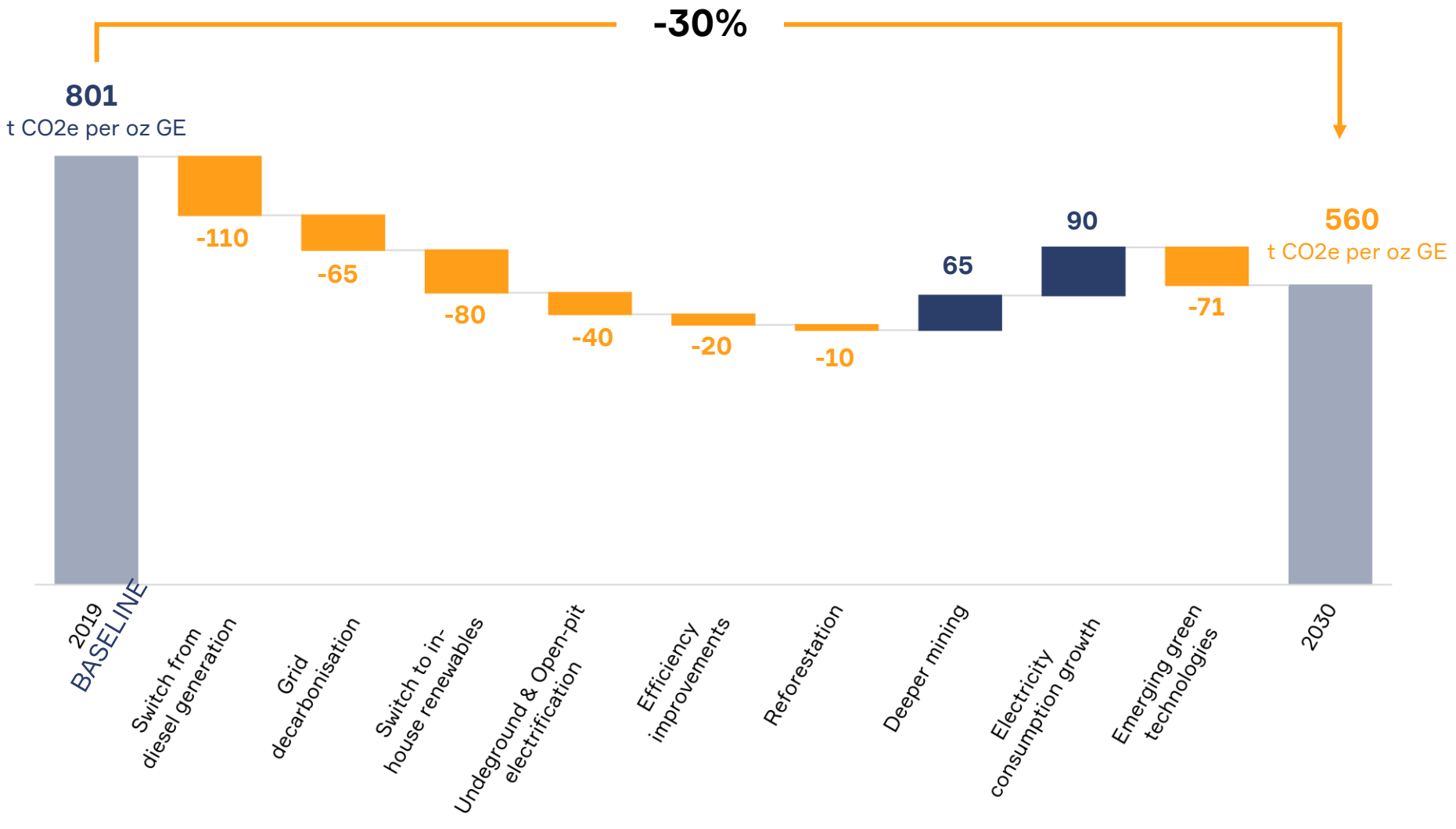
No impact on precious metals yet, though risks persist

Latest tax initiatives	Status
RUSSIA	
Proposal to increase MET for mining sector ▪ No additional taxes were proposed for precious metals miners. **6% for Au / 6.5% for Ag remain unchanged**	**Adopted (effective from 1 Jan 2022)**
Potential increase of income tax rate for mining companies (from 20% to 25%-30%) ▪ No precise mechanism announced yet	**Under discussion** No changes expected until 2023
KAZAKHSTAN	
Potential increase of MET rate for miners	**Quantum/timing unknown**
Potential increase of the income tax rate for companies of mining sector	**No certainty**

GHG EMISSIONS TARGET

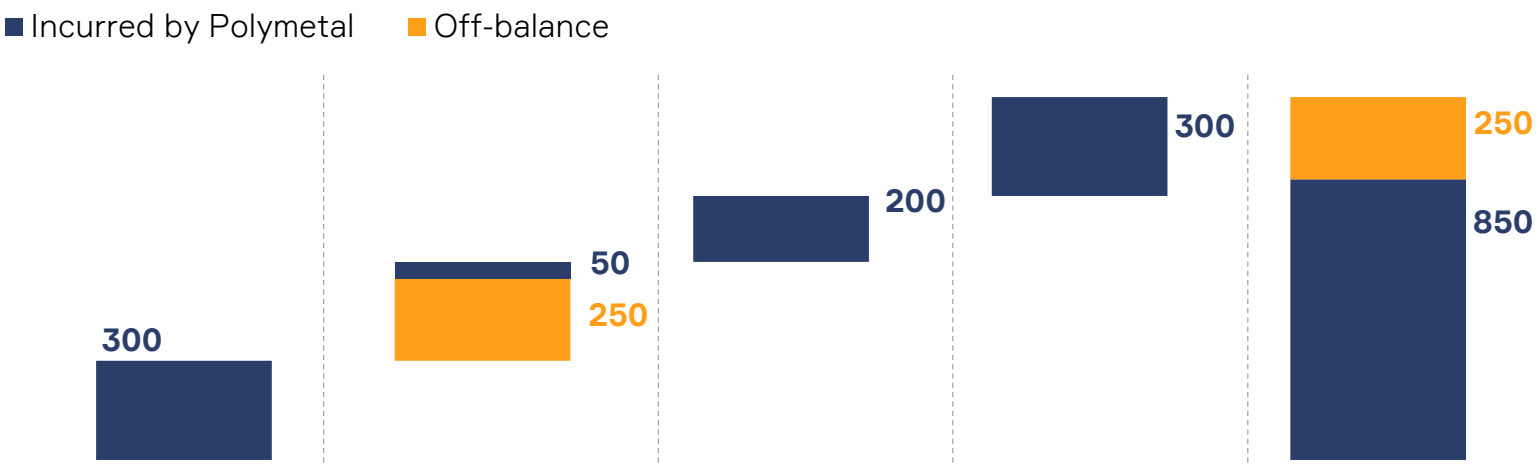
30% GHG intensity reduction by 2030

WAYS TO ACHIEVE THE GOAL



CLIMATE TRANSITION INVESTMENT
CAPEX and projects

GHG REDUCTION CAPEX, $m



- Fleet AI management at Kyzyl and Nezhda
- Ventilation-on-demand
- Plant AI

- Connecting sites to grid (Nezhda and Albazino)
- Encouraging our electricity suppliers to decarbonize (Kyzyl, Mayskoye, Dukat, Varvara)

- >90 units of electric underground and open-pit equipment

- Total expected capacity by 2025
  30 MW of renewable energy generation: solar plants at Svetloye, Omolon, Kyzyl, Kutyn

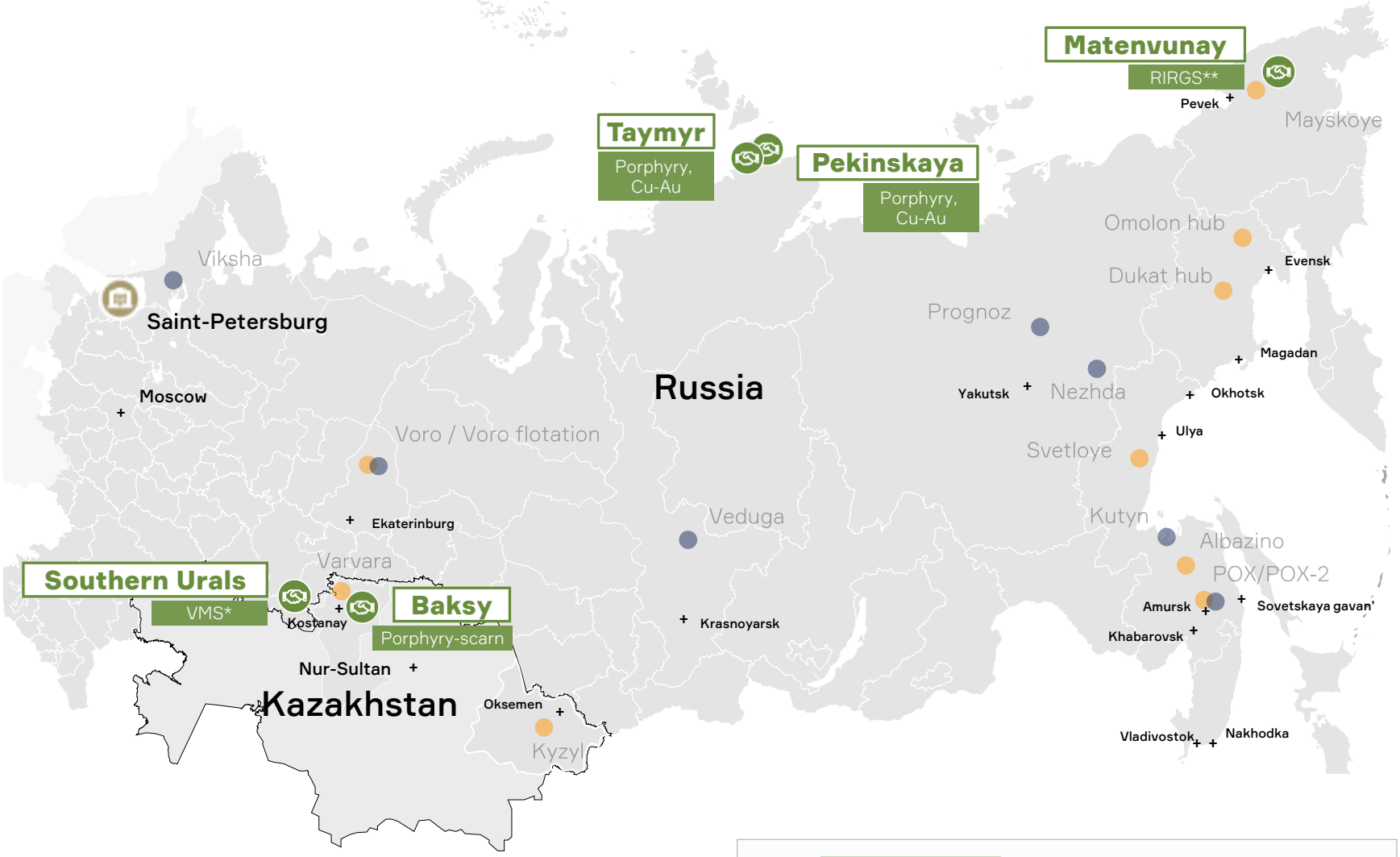
JUNIOR JV APPROACH

As a part of the Company's strategy to build and advance long-term growth pipeline, Polymetal is pursuing grassroots, greenfield exploration through joint ventures with junior explorers in order to access promising, untested mineral properties for a reasonable price

Typical JV structure:

- Staged approach (3-5 years) to funding of exploration campaigns via earn-in equity and / or debt financing.
- Polymetal is granted a call option to acquire a remaining stake.
- Exit based on JORC-compliant resources or reserves at pre-agreed market valuation.
- Operatorship left to juniors to enhance decision making process until the controlling stake is acquired

JV PORTFOLIO OVERVIEW



* Volcanogenic massive sulfide
** Reduced Intrusion-related Gold Systems

BROWNFIELD PROJECTS

Project	Start -up	CAPEX, $m	LOM	Average annual production, Koz	Average AISC, $/oz	Target
Primorskoye	2022	7	4	30	750-800	Dukat LOM extension
Mayskoye haulage	2022	30	10+	-	AISC down by $150	Conveyors plus electric fleet to reduce ventilation, fuel consumption and carbon footprint
Mayskoye backfill	2023	40	10+	+30	AISC down by $100	Reduce dilution, improve grade
Voro flotation plant	2022	90	9	70	500-550	Refractory processing to complement ore stockpiles treatment
Nevenrekan	2023	7	3	50	700-750	Omolon LOM extension
Elevator	2024	20	4	50	800-850	Replace low-grade Varvara ore

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