



# ANALYST AND INVESTOR BRIEFING ON THE RE-DOMICILIATION & Q1 PRODUCTION RESULTS

# Disclaimer

**This presentation only contains an overview of the proposed re-domiciliation. Shareholders are urged to read the Circular as a whole and in its entirety, available at the [link](#)**

*Unless otherwise defined herein, capitalised terms within this presentation have the same meaning as defined in the Circular published by the Company on 10 May 2023*

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# RE-DOMICILIATION – BACKGROUND AND PROCESS

# Strategic rationale behind re-domiciliation

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

- ▶ **Mitigate political risk** in Russia
- ▶ Continue efforts to **restore shareholder value**
- ▶ Progress re-establishing a **shareholder return strategy**\*
- ▶ Enable **strategic flexibility**

# Current situation

## Counter-sanctions impact

The Company's **incorporation in Jersey** exposes it to Russian counter-sanctions which bring about significant restrictions and risks, including:

### Risk of temporary management

- ▼ **Risk** that **temporary management** may be imposed on the Russian business of the Group as a result of a newly introduced Presidential decree. As of today, no action has been taken against the Company in this respect.

### Capital controls

- ▼ Prohibited to **transfer money** from Russian accounts to other jurisdictions as well as granting intra-group loans
- ▼ Prohibited to **pay dividends** from the Company's Russian subsidiaries to the Company

### Corporate actions

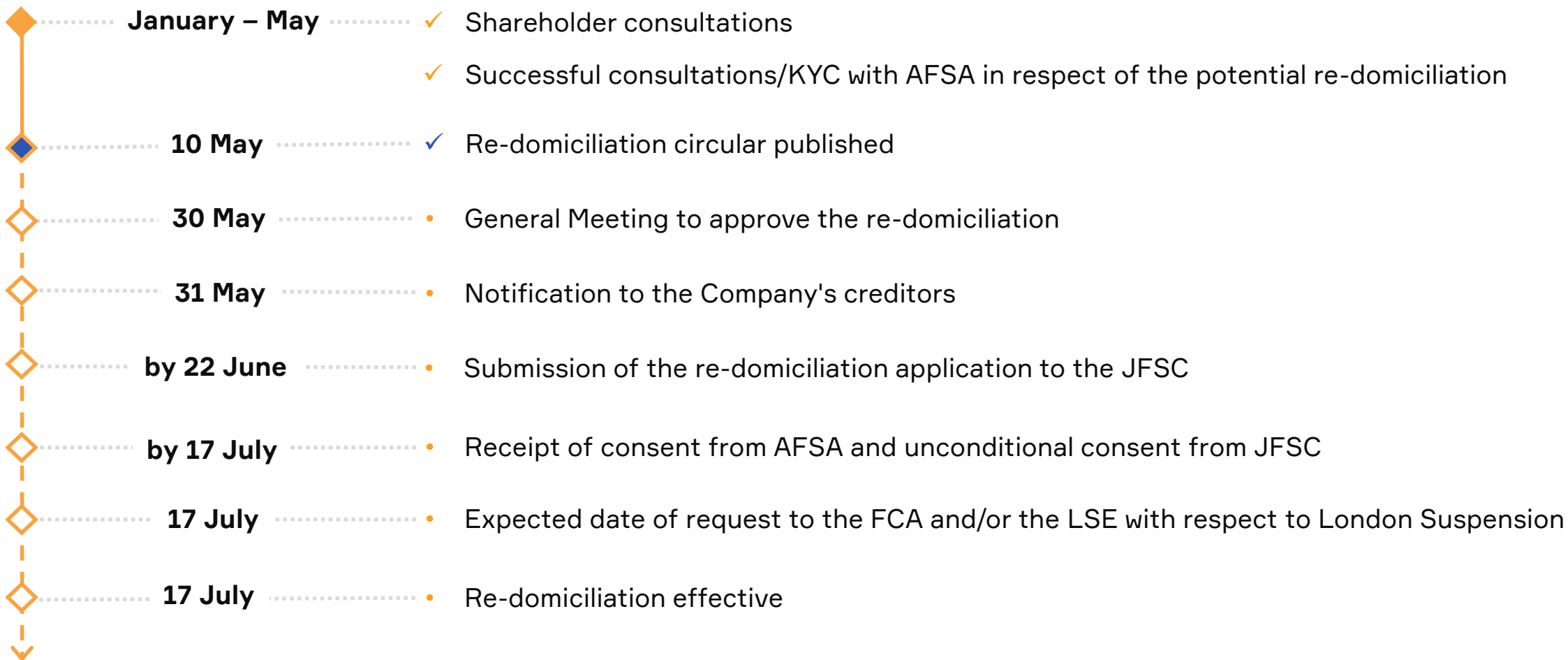
- ▼ Prohibited to enter into **any transaction in respect of shares in the Company's Russian subsidiaries**, including in a manner required to implement any jurisdictional split

**Sanctions and counter-sanctions impose significant risk on the continued existence of the Group in its current form**

# Rationale for Astana International Financial Centre

- ✓ **Neither** the AIFC nor Kazakhstan is currently included on the Russian “**Unfriendly Countries List**”
- ✓ Polymetal already has **significant presence** in Kazakhstan
- ✓ Re-domiciliation from Jersey to the AIFC is **permitted** under their respective laws, without needing to establish a new corporate structure
- ✓ The AIFC presents itself as a **global financial hub** and targets international standards in regulation and the rule of law
- ✓ The AIFC is based on the underlying principles of **English common law** and has established an **independent court** with a bench comprised of international judges
- ✓ **Dividends** and **capital gains** on shares should be **exempt from taxation in Kazakhstan** for Kazakh and international shareholders\*

# Re-domiciliation timeline



**Note:** The expected date of any request to the FCA and/or the LSE, as applicable, with respect to any London Suspension and the Effective Date of the Re-domiciliation are indicative and depend, among other things, on the relevant consents and confirmations being granted by the Jersey Registrar of Companies, the AFSA, the FCA and/or the LSE, as applicable. There can be no guarantee that such consents or confirmations will be obtained in a timely manner, if at all. The Company will notify the shareholders should there be any material change to any of the above dates by making a RIS announcement.



A close-up photograph of a globe, showing the continents and oceans. The globe is illuminated from the side, creating a strong shadow on the right. A blue semi-transparent rectangular box is overlaid on the left side of the globe, containing white text. The background is a plain, light-colored surface.

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## LSE TRADING SUSPENSION UPON RE-DOMICILIATION

# DIs and/or GDRs update

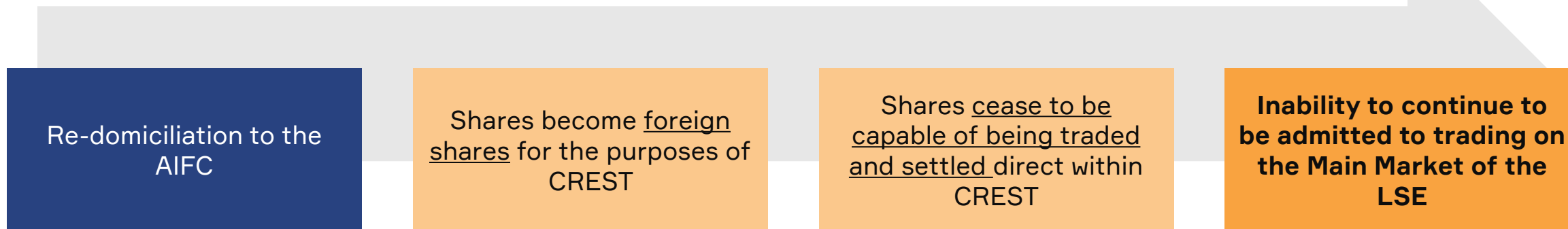
## Lack of feasibility to issue DIs and/or GDRs

- ▼ The Company has attempted to mitigate the consequences of being unable to maintain the existing listing following the re-domiciliation, including through the **use of depository interests and/or listing of depository receipts**
- ▼ Specifically, the Company has attempted to secure the services of both DI and DR providers. However, as of today, the Company **has been unsuccessful**
- ▼ **Providers** have either been **unable or unwilling** to provide such arrangements or have been unwilling to **commit to maintain** such services with respect to the Group **for the longer-term** where, for example, a jurisdictional split may occur subsequently

**As the Company will not be able to maintain either a DI or DR programme after any potential jurisdictional split, the Board believes that it should not proceed with any option which is not viable to be maintained for the long-term**

# LSE trading suspension upon re-domiciliation

## Sequence of reasons for the suspension of LSE trading



- ▶ The Board considers that the re-domiciliation necessitates an **orderly termination of the London Listing** which ordinarily would require the **publication of the FCA-approved circular and shareholder approval**
- ▶ Despite significant efforts, the **Company has not yet been able to obtain the approval of such a circular from the FCA**
- ▶ Although such efforts are ongoing, and it is the Board's expectation that it **will subsequently seek shareholder approval for the London De-listing**, the Board is of the view that the **re-domiciliation is critical to preserve shareholder value** and must be implemented as a **first step even in absence of a General Meeting to approve such a de-listing**

**The Company intends to seek a suspension of LSE trading upon the re-domiciliation and will pursue an orderly cancellation of the London Listing thereafter**



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ACTIONS TO BE TAKEN  
BY SHAREHOLDERS

# Actions to be taken prior to the re-domiciliation

## Individual shareholders: ordinary shares

Share type	Options	Shareholder benefits	Actions required
<b>POLY on LSE (CREST)</b>	Transfer to an AIX eligible broker	Trading, dividends, voting ✓	<ul style="list-style-type: none"> <li>- Request a transfer from your broker</li> <li>- Open an account with e.g. Halyk, Freedom Finance</li> <li>- Open an account with Wood&amp;Co – custody and sell only</li> </ul>
	Withdraw shares in <b>certificated form</b> (see below for paper certificates)	Trading ✓/✗ Dividends, voting ✓ (see below for paper certificates)	<ul style="list-style-type: none"> <li>- Refer to your broker to request certification or request to transfer to a broker which permits certification</li> <li>- See below for paper certificates</li> </ul>
	Transfer to the AIX CSD through Tabys app (under development)	On-exchange trading ✗ Dividends, voting ✓	<ul style="list-style-type: none"> <li>- Request a transfer from your broker</li> <li>- Register in Tabys app (AIX CSD access) and follow the instructions to accept your shares (under development)</li> </ul>
	Sell in advance/forced liquidation by a broker	None	Refer to your broker
<b>POLY on MOEX and AIX</b>	Maintain shares on MOEX/AIX	<b>MOEX:</b> trading ✓ Dividends, voting ✗ <b>AIX:</b> Trading, dividends, voting ✓	No actions required
<b>Paper certificate (automatically dematerialised)</b>	Hold shares with the AIX CSD through Tabys app or with the AIX Registrar Portal (under development)	On-exchange trading ✗ Dividends, voting ✓	Register in Tabys app (AIX CSD access) or with the AIX Registrar Portal (under development)
	Dematerialise paper certificates through an AIX eligible broker	Trading, dividends, voting ✓	Open an account with e.g. Halyk, Freedom Finance or Wood&Co (custody and sell only)

# Actions to be taken prior to the re-domiciliation

## Individual shareholders: OTC instruments (AUCOY and POYYF)

Share type	Options	Shareholder benefits	Actions required
AUCOY ADR	Withdraw shares in <b>certificated form</b> (see above for paper certificates)	Trading ✓/✗ Dividends, voting ✓ (see above for paper certificates)	<ul style="list-style-type: none"> <li>- Request the transfer of underlying shares in certificated form from the depository bank – BoNY</li> <li>- See above for paper certificates</li> </ul>
	Sell in advance	None	Refer to your broker
	Do nothing: the depository bank <b>will terminate the programme upon the re-domiciliation</b> , liquidate holdings and transfer proceeds to shareholders	None	None
POYYF F-share	Request paper <b>share certificates</b> (see above for paper certificates)	Trading ✓/✗ Dividends, voting ✓ (see above for paper certificates)	<ul style="list-style-type: none"> <li>- Request the transfer of underlying shares in certificated form from your broker</li> <li>- See above for paper certificates</li> </ul>
	Transfer* to an alternative broker to avoid forced liquidation and continue holding POYYF	Trading* ? Dividends, voting ✓	Refer to your broker
	Sell in advance or do nothing: broker may liquidate holdings upon the re-domiciliation	None	Refer to your broker

# Actions to be taken prior to the re-domiciliation

## Institutional shareholders: ordinary shares

Share type	Options	Shareholder benefits	Actions required
<b>POLY on LSE (CREST)</b>	Transfer to an AIX eligible broker	Trading, dividends, voting ✓	Open an account with e.g. Wood & Co (custody and sell only)
	Do nothing if your custodian offers settlement and custody services on AIX	On-exchange trading* ? Dividends, voting ✓	Refer to your custodian
	Withdraw shares in <b>certificated form</b> (see below for paper certificates)	On-exchange trading ✓/✗ Dividends, voting ✓ (see below for paper certificates)	<ul style="list-style-type: none"> <li>- Refer to your broker/custodian to request certification or request to transfer to a broker which permits certification</li> <li>- See below for paper certificates</li> </ul>
	Sell in advance/forced liquidation by a broker	None	Refer to your broker
<b>POLY on MOEX and AIX</b>	Maintain shares on MOEX/AIX	<b>MOEX:</b> trading ✓ Dividends, voting ✗ <b>AIX:</b> Trading, dividends, voting ✓	No actions required
<b>Paper certificate (automatically dematerialised)</b>	Hold shares on the register with the AIX Registrar Portal (under development)	On-exchange trading ✗ Dividends, voting ✓	Register with the AIX Registrar Portal (under development)
	Dematerialise paper certificates through an AIX eligible broker	Trading, dividends, voting ✓	Open an account with e.g. Wood&Co (custody and sell only)

Note: \*To be confirmed with your broker/custodian

# Actions to be taken prior to the re-domiciliation

## Institutional shareholders: OTC instruments (AUCOY and POYYF)

Share type	Options	Shareholder benefits	Actions required
<b>AUCOY ADR</b>	Convert into shares and do nothing if your custodian offers settlement and custody services on AIX	On-exchange trading* ? Dividends, voting ✓	Refer to your broker and custodian
	Convert into shares and transfer to an AIX eligible broker	On-exchange trading, dividends, voting ✓	Open an account with e.g. Wood & Co (custody and sell only)
	Withdraw shares in <b>certificated form</b> (see above for paper certificates)	On-exchange trading ✓/✗ Dividends, voting ✓ (see above for paper certificates)	- Request the transfer of underlying shares in certificated form from the depository bank – BoNY - See above for paper certificates
	Sell in advance	None	Refer to your broker
	Do nothing: the depository bank <b>will terminate the programme upon the re-domiciliation</b> , liquidate holdings and transfer proceeds to shareholders	None	None
<b>POYYF F-share</b>	Request paper <b>share certificates</b> (see above for paper certificates)	Trading ✓/✗ Dividends, voting ✓ (see above for paper certificates)	- Request paper certificates from your broker - See above for paper certificates
	Transfer* to an alternative broker to avoid forced liquidation and continue holding	Trading* ? Dividends, voting ✓	Refer to your broker
	Sell in advance or do nothing: broker may liquidate holdings upon the re-domiciliation	None	Refer to your broker

Note: \*To be confirmed with your broker/custodian



# Post re-domiciliation: trading



- ▶ AIX will become the Company's primary listing venue. Access to trading via AIX eligible brokers
- ▶ The Company will continue to interact with the exchange to increase the presence of brokers and liquidity



- ▶ MOEX maintains its secondary listing status with the level one listing (up to 30 September 2023 at least)
- ▶ Trading continues as previously, with shares blocked from voting and dividends

## ? Alternative exchange

- ▶ The Company continues its efforts to seek alternative listings venues, and certain progress has been made
- ▶ However, there is no certainty that the Company will achieve a listing on an alternative exchange prior to, or after, the effective date of the re-domiciliation
- ▶ Any alternative listing is subject to approval from the relevant competent authority and sanctions compliance

# Post re-domiciliation: other aspects

Corporate governance	<ul style="list-style-type: none"> <li>▶ Compliance with <b>AFSA as well as the FCA rules and procedures</b> (until any London De-listing occurs)</li> <li>▶ Polymetal will remain committed to <b>UK corporate standards and ESG practices</b> to the highest extent possible</li> <li>▶ <b>Same Board</b> composition, with <b>majority of independent</b> directors. <b>All existing committees maintained</b></li> <li>▶ The adoption of the <b>New Articles</b> in a form compliant with the laws of the AIFC</li> <li>▶ Voluntary compliance with provisions of the City Code on Takeover and Mergers</li> </ul>
Shares and register	<ul style="list-style-type: none"> <li>▶ The ordinary shares will have a nominal value of US\$ 0.03 (an AIFC requirement)</li> <li>▶ All ordinary shares will be in <b>uncertificated</b> form</li> <li>▶ Register shall be maintained by the <b>AIX Registrar</b></li> <li>▶ Dividend payments will be made either through the <b>AIX CSD/AIX recognised broker, or directly paid by the Company</b> or an agent on its behalf</li> </ul>
Disclosure	<ul style="list-style-type: none"> <li>▶ AIX disclosure rules and procedures <b>are mostly the same</b> as those adopted in the UK, thus no significant changes to the Company's transparency and level of disclosure is expected. Continued compliance with FCA rules and procedures (until any London De-listing occurs)</li> </ul>
Taxation	<ul style="list-style-type: none"> <li>▶ Following the re-domiciliation, the Company is expected to become <b>subject to the Kazakhstan tax regime</b></li> <li>▶ <b>Dividends and capital gains</b> on shares should be <b>exempt from taxation in Kazakhstan</b> for Kazakh and international shareholders*</li> </ul>

\* This does not constitute tax advice and is intended only as a general guide and may not apply to all shareholders in the Company. Any shareholder who is in any doubt as to their tax position should consult an appropriate professional adviser.



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# GENERAL MEETING

# General Meeting Resolutions\*



**Resolution 1** – re-domiciliation to the AIFC as a public company under the AIFC Companies Regulations



**Resolution 2** – ordinary shares to be converted from 512,697,077\*\* ordinary shares of no par value to 512,697,077\*\* ordinary shares of \$0.03 par value each in the share capital of the Company



**Resolution 3** – adoption of new articles of association of the Company, which will govern the Company's continued existence in the AIFC

**Note:** \*Each resolution is conditional on the other resolutions being approved

\*\*39,070,838 ordinary shares are held by the Company in treasury, which do not enjoy any voting or economic rights.

# The Board's Recommendation

- ▼ The Board **unanimously** recommends Shareholders to vote **FOR all of the resolutions**, which the Board considers to be in the best interests of the Company and its Shareholders
- ▼ **Change of domicile** from Jersey to AIFC is **a necessary and critical first step** to preserve the Group's existence in its current form and to **unblock the ability to execute further corporate actions to restore shareholder value**
- ▼ **Voting FOR** the resolutions will **remove the burden** of as many Russian counter-sanction restrictions as possible, in a manner which offers shareholders **as much similarity to the status quo as possible**

# General Meeting Info

## Meeting logistics

**Publication of the Circular:**

10 May 2023

**Latest time for receipt of Forms of Proxy:**

11 a.m. on 25 May 2023

**General Meeting:**

11 a.m. on 30 May 2023

**Venue of the meeting:**

[etc.venues Fenchurch street](#)

**Announcement of  
results of General Meeting:**

30 May 2023

## Need help?

**Please contact us**

[redom@polymetalinternational.com](mailto:redom@polymetalinternational.com)

+44 (0) 20 3576 2741

## Useful links

Circular 

FAQ 

Webcast 

GM website 

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# FURTHER POSSIBLE CORPORATE RESTRUCTURING PLANS



# Split-up expected general approach

## Split

- ▶ Spin-off of the Kazakhstan business into a separate entity post the re-domiciliation (POLY-K) in a manner which provides shareholders with exposure to the Kazakhstan and Russia assets
- ▶ POLY-K and POLY-R to remain registered in the AIFC

## Listing

- ▶ POLY-K lists on LSE and on AIX and possibly other alternative exchanges
- ▶ POLY-R holding company structure and listing strategy to be developed



# Spin-off conceptual timeline



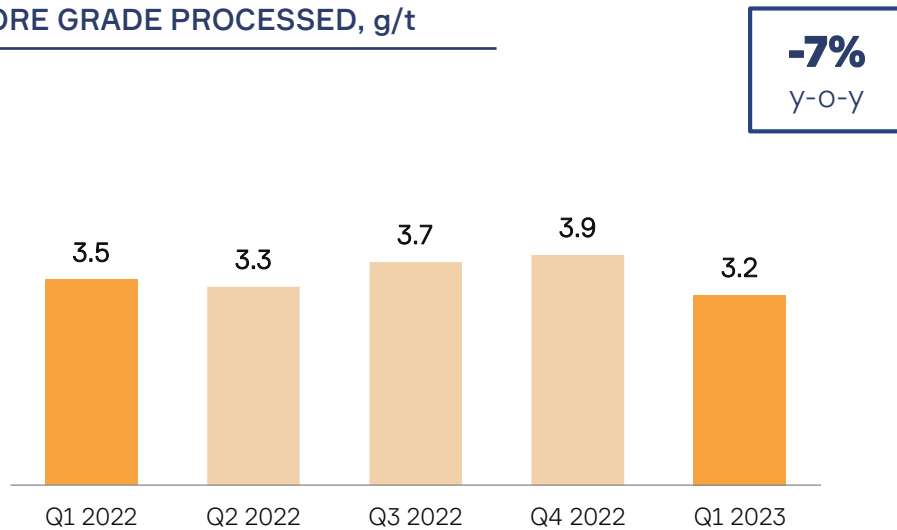


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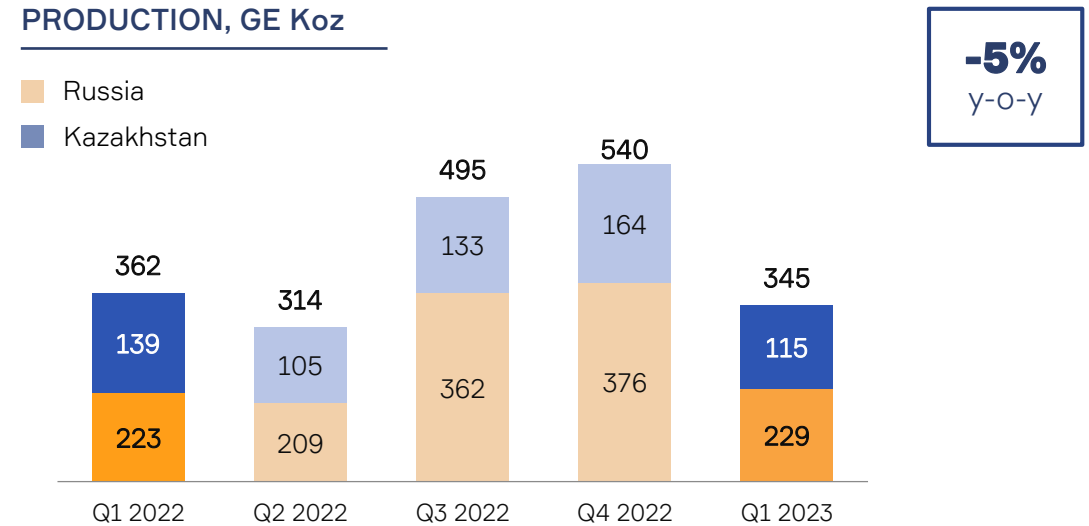
Q1 PRODUCTION UPDATE

# Q1 results

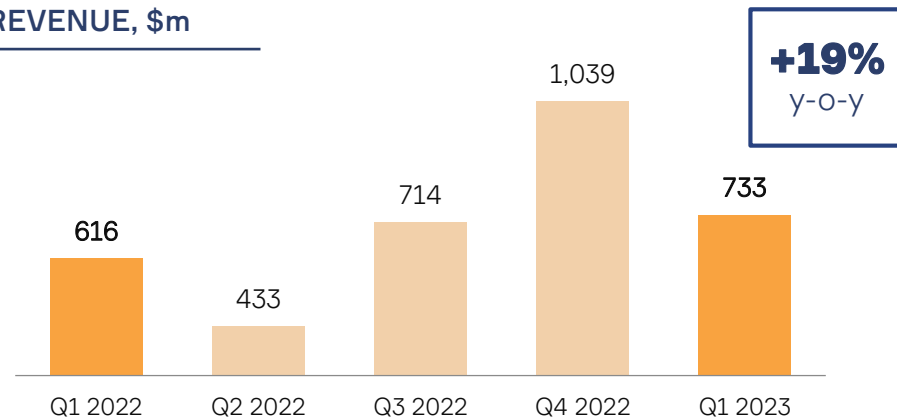
## ORE GRADE PROCESSED, g/t



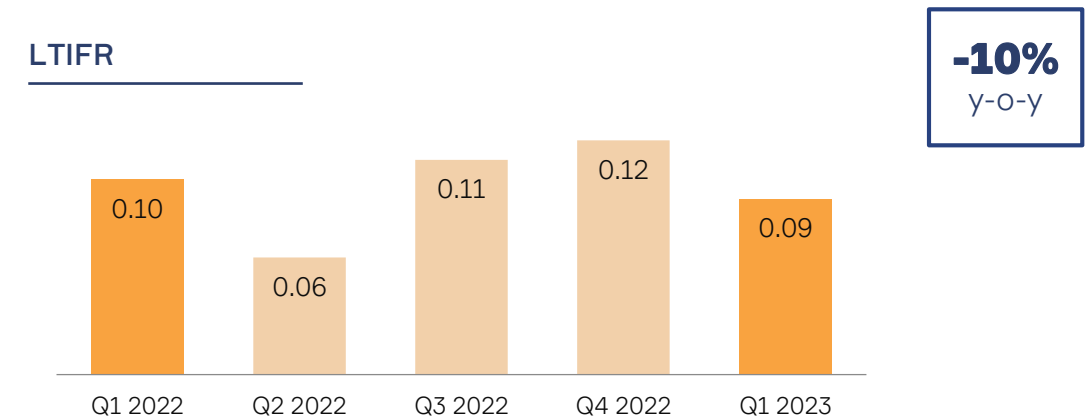
## PRODUCTION, GE Koz



## REVENUE, \$m



## LTIFR



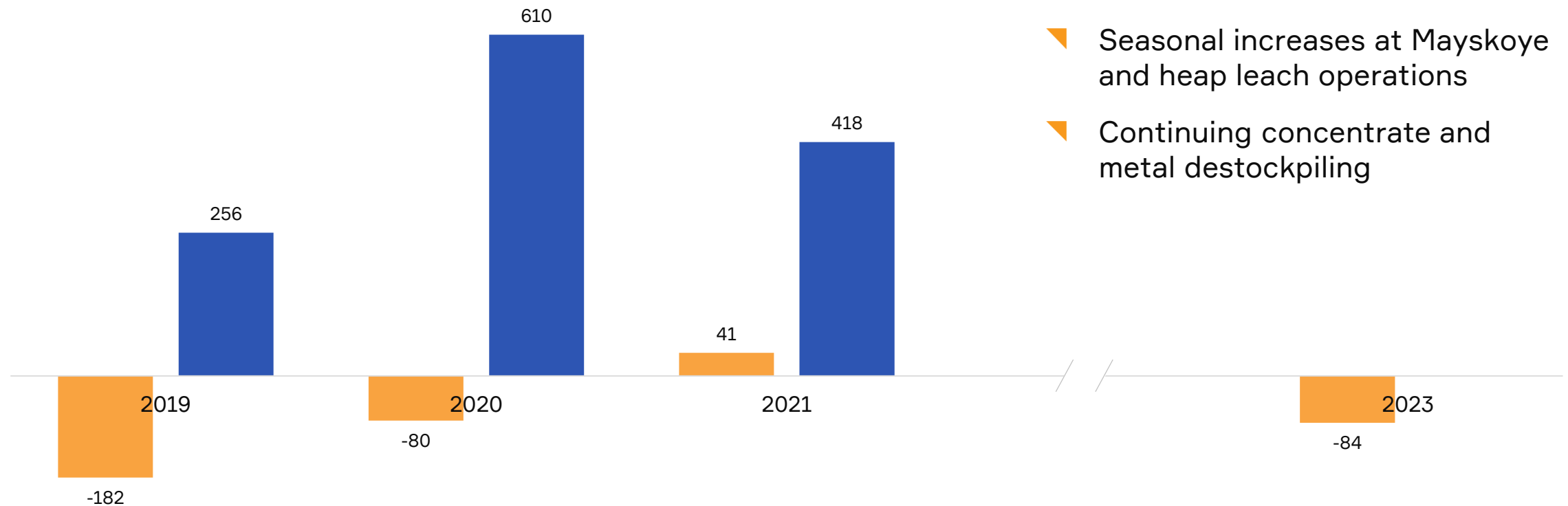
# Production by mine

Mine	Production, GE Koz (@80 Au/Ag)			Comment
	Q1 2023	Q1 2022	Change	
<b>Kazakhstan</b>	<b>115</b>	<b>139</b>	<b>-17%</b>	
Kyzyl	71	82	-13%	Persistent railway congestion in eastward direction. As a result, concentrate shipments to both Amursk POX and China have been delayed
Varvara	44	57	-23%	Planned decline in Komar ore grade as well as substantial work-in-progress release in Q1 2022
<b>Russia</b>	<b>229</b>	<b>223</b>	<b>+3%</b>	
Albazino	65	56	+16%	Contribution from Kutyn Heap Leach launched in the late Q3 2022
Dukat	50	66	-25%	Planned grade decline
Omolon	46	40	+17%	Increased share of higher-grade ore from the Burgali open pit in the Kubaka mill's feed
Nezhda	36	20	+79%	Larger volumes of concentrate shipped to off-takers and processed at POX
Svetloye	18	19	-3%	Marginal decrease
Voro	13	20	-23%	Decreasing volumes of the higher-grade Pesherny ore in the CIP feed
Mayskoye	1	3	-69%	Seasonal inventory accumulation
<b>TOTAL</b>	<b>345</b>	<b>362</b>	<b>-5%</b>	

# FCF Dynamics

## FREE CASH FLOW, \$m

- Q1
- Full year



- FCF for the rest of 2023 is expected to be substantially positive. This is driven by:
  - Voro flotation start up
  - Seasonal increases at Mayskoye and heap leach operations
  - Continuing concentrate and metal destocking

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# APPENDIX



# Sanctions update

As a result of the **EU 9th sanctions package**:

- ▼ EU persons are **prohibited** from acquiring new or extending existing participations in any non-EU legal entity operating in the **mining and quarrying** sector in Russia
- ▼ In February 2023, a **CCP\*** which provides clearing and settlement for trading on the Main Market of the LSE **determined that they were unable** to clear trades in POLY shares