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LSE, MOEX, AIX: POLY / ADR: AUCOY

Polymetal International plc

Interim dividend declaration of US\$ 0.40 per share and approval of revised dividend policy

Polymetal announces that on 25 August 2020 the Board of Directors of the Company resolved to pay an interim dividend of US\$ 0.40 per share for the six months ended 30 June 2020 and approved a revised dividend policy aimed at increasing transparency to the market.

Dividend declaration

In accordance with the Company's Dividend Policy, the Directors of Polymetal have resolved to pay an interim dividend for the six months ended 30 June 2020 of US\$ 0.40 per share (1H 2019: US\$ 0.20) or approximately US\$ 189 million in total, representing 50% of the Group's underlying net income for 1H 2020, while staying significantly below the hard ceiling of Net debt/Adjusted EBITDA ratio of less than 2.5x.

This brings the total dividend declared in 2020 to US\$ 1.02 per share, or US\$ 481 million in aggregate, and the dividend yield to 5.4% based on the average year-to-date share price.

The dividend will be paid on 25 September 2020 in US Dollars, with an option for shareholders to elect to receive the dividend in pounds sterling or Euro. Such an election should be made no later than 7 September 2020. Payments in pounds sterling and Euro will be based on the USD/GBP and USD/EUR exchange rates determined by the Company on 10 September 2020 and announced immediately thereafter.

Details

EX DIV DATE: 03 September 2020
RECORD DATE: 04 September 2020
LAST DATE FOR CURRENCY ELECTION: 07 September 2020
PAYMENT DATE: 25 September 2020

The Company's issued share capital comprises 471,804,467 ordinary shares.

Revised dividend policy

With a view to increasing transparency in dividend decision making process, adding predictability into capital allocation approach while aiming to maintain an above sector-average dividend yield, the Board has approved an amendment to the Company's dividend policy, which replaces special dividend with a modified policy for final dividend payment. As a result, the revised dividend policy is as follows:

- Minimum final dividend of 50% of Underlying Net Income for 2H (subject to absolute Net debt/Adjusted EBITDA ceiling of 2.5x).
- In addition, the Board will now have discretion to increase the final dividend amount to a maximum annual payout of 100% of Free Cash Flow (provided that it is greater than 50% of Underlying Net Income). In making this decision, the Board will consider, among other factors, the macroeconomic outlook, debt position and future investment requirements of the Group.
- Interim dividend will remain at 50% of Underlying Net Income for 1H (subject to absolute Net debt/Adjusted EBITDA ceiling of 2.5x).

With this amendment, starting from 2021, Polymetal will pay dividends twice a year on a semi-annual basis.

"Our updated dividend policy responds to the market's request for higher transparency", said Maxim Nazimok, CFO of Polymetal. "We remain committed to providing superior sustainable dividends and returning cash flows to our shareholders".

About Polymetal

Polymetal International (LSE, MOEX: POLY, ADR: AUCOY) (together with its subsidiaries – “Polymetal”, the “Company”, or the “Group”) is a top-20 global gold producer and a top-5 global silver producer with assets in Russia and Kazakhstan. The Company combines strong growth with a robust dividend yield.

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Forward-looking statements

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