



RE-DOMICILIATION TO AIFC

VI Conference Capital Markets Kazakhstan

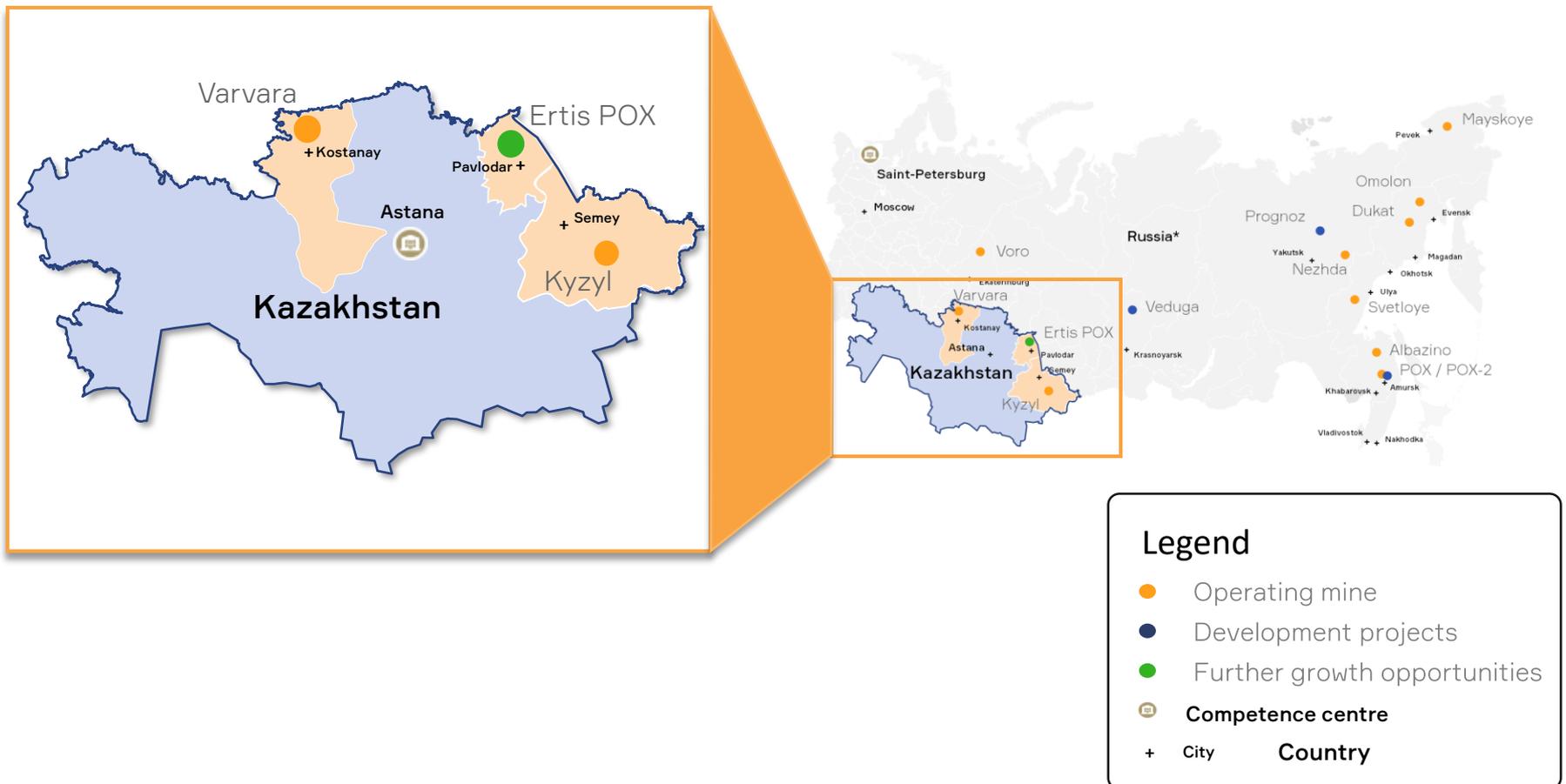
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Director, Corporate Finance

Polymetal today

OPERATIONS & PROJECTS IN KAZAKHSTAN AND IN RUSSIA

ASTANA INTERNATIONAL EXCHANGE LISTED SINCE 2019

SECOND LARGEST Gold producer in Kazakhstan



Operations in Kazakhstan

KEY FACTS

Production

No. 2

Gold producer in
Kazakhstan

Headcount

>3,000

Employees

Self-generation from
renewables

25%

of total energy
consumption by 2030

Investment

>\$1 bn

5-year CAPEX plan

2022 KPIs

Production

541 Koz / 31%

of the total Group
production

Taxes

\$211m

paid in Kazakhstan

EBITDA

\$478m / 47%

of the Group's EBITDA

FCF

\$147m

KYZYL – OUR FLAGSHIP ASSET



VARVARA



Ertis POX project

Key parameters

Feed:

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

Flowsheet:

Identical to POX-2 with minor changes

Capacity:

~250-300 Ktpa

Conceptual construction CAPEX: ~\$730m

Investment decision in:

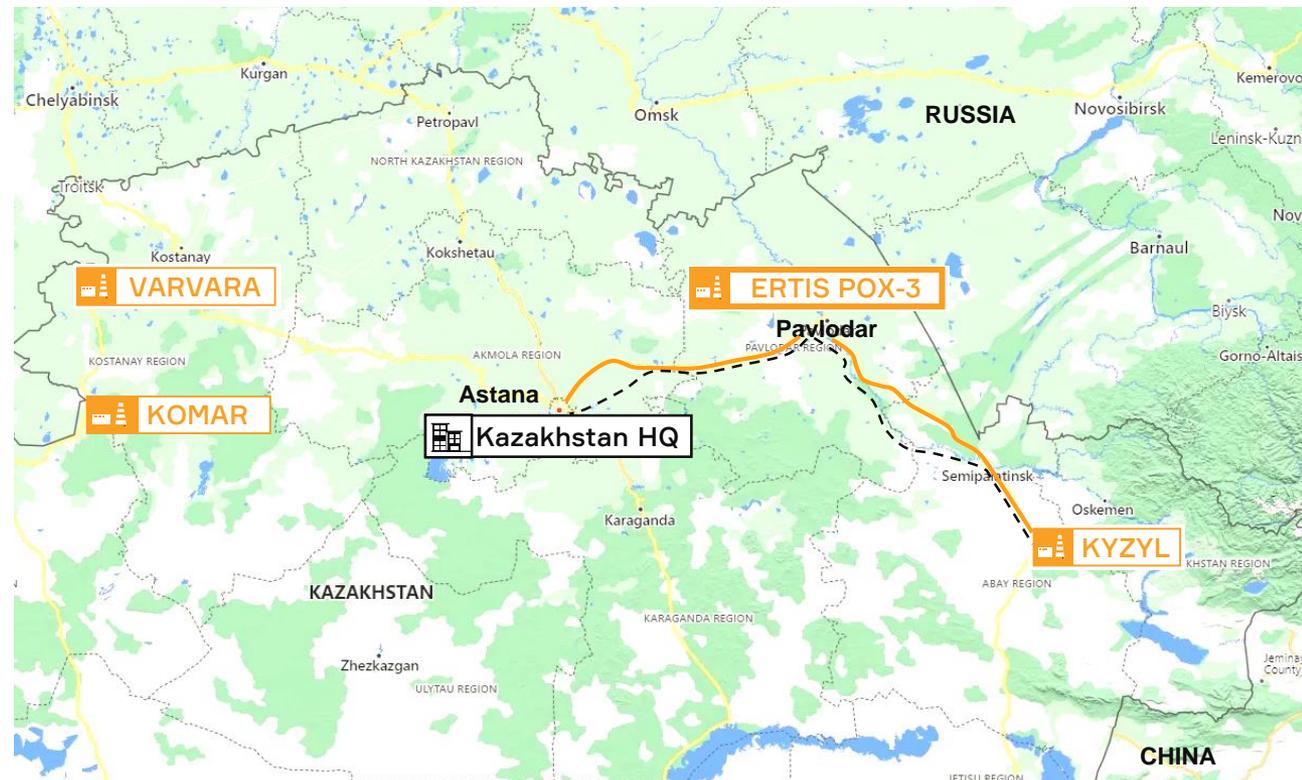
Q2 2024

Potential start up in:

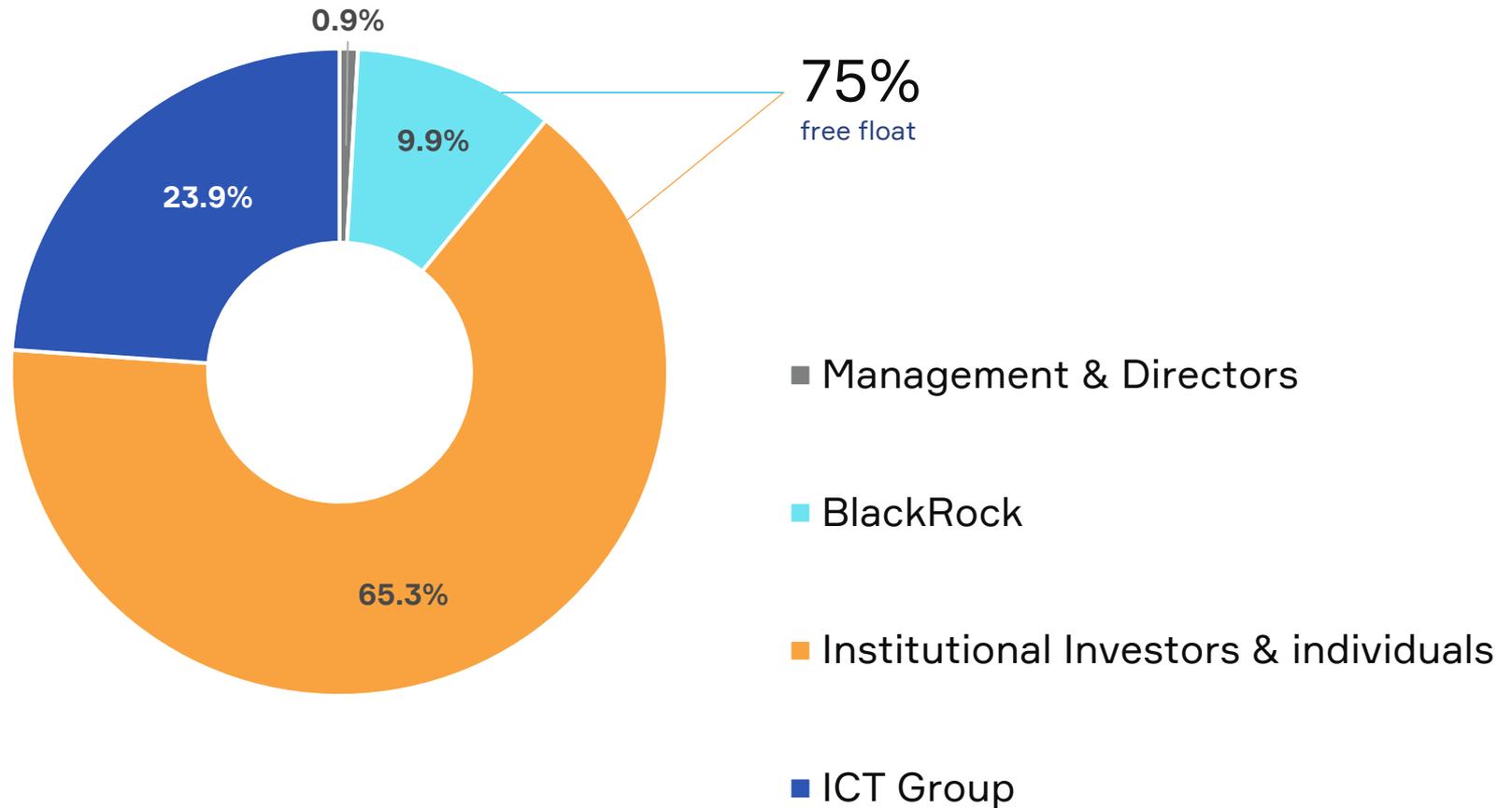
H2 2028

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**



Shareholder structure





RE-DOMICILIATION

Background

As a Jersey entity, Polymetal International plc was exposed to Russian counter-sanctions which brought about significant restrictions and risks, including:

Risk of temporary management

- ▼ **Risk of temporary management** in relation to the Russian business of the Group

Capital controls

- ▼ **Dividend payment prohibition** from the Company's Russian subsidiaries to the Company

Corporate actions

- ▼ Prohibition to enter into **any transaction in respect of its Russian subsidiaries**, including divestment

Sanctions and counter-sanctions imposed significant risk on the continued existence of the Group

Strategic rationale behind re-domiciliation

- ▼ Continue efforts to **restore shareholder value**
- ▼ Progress towards re-establishing a **shareholder return strategy**
- ▼ Regain **strategic flexibility**
- ▼ Significantly **reduce the risk associated with the Russian counter-sanctions** against persons in the unfriendly jurisdictions

Jurisdictions comparison

	 	  	
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



AIFC: favorable corporate legal environment

- ▶ No minimum investment requirement
- ▶ English is the official and preferred language for business and contracts
- ▶ No foreign ownership restrictions
- ▶ The AIFC Acts were developed to comply with the standards of the world's leading financial centers (e.g. DIFC) and English common law is used to interpret the AIFC Acts
- ▶ Flexible approach to dispute resolution, with an independent AIFC Court and IAC Arbitration
- ▶ Procedures for company registration and business registration are very simple

Rationale for Astana International Financial Centre

- ✓ Polymetal already has a **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

Polymetal SPO on AIX in 2019

- ▼ Increased visibility in Kazakhstan
- ▼ Access to local investors

KEY FACTS

- ▼ **TRANSACTION:** SPO
- ▼ **LISTING DATE:** 17 April 2019
- ▼ **SPO SIZE:** \$10 million (0.3% of free float)
- ▼ **CATEGORY:** Official list (ticker POLY)
- ▼ **PURCHASING WAY:** Through any AIX trading members
(list of the AIX trading members on the AIX web site www.aix.kz)
- ▼ **MARKET MAKER:** Halyk Finance

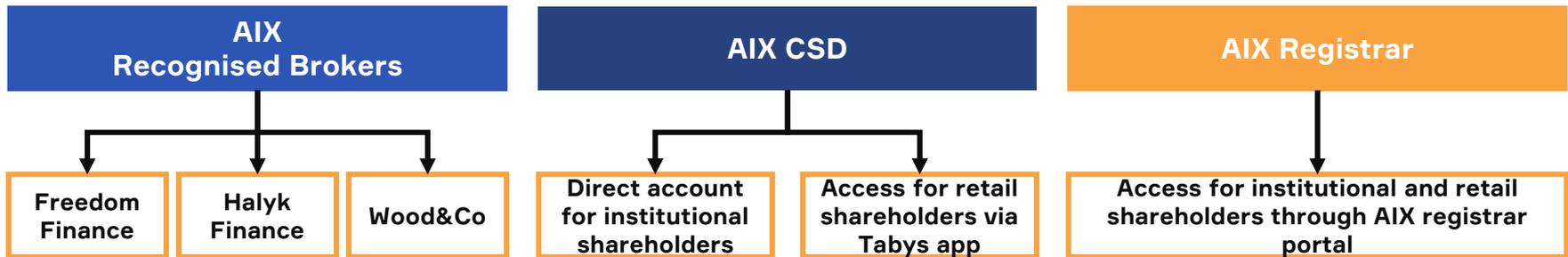
Simplified procedure for LSE main market companies

- ▼ Prospectus summary
- ▼ Audited IFRS (GAAP) accounts for the last 3 years
- ▼ No working capital statement is required
- ▼ Standard application forms

Timeline: 2-3 months

Shareholder registrar transfer

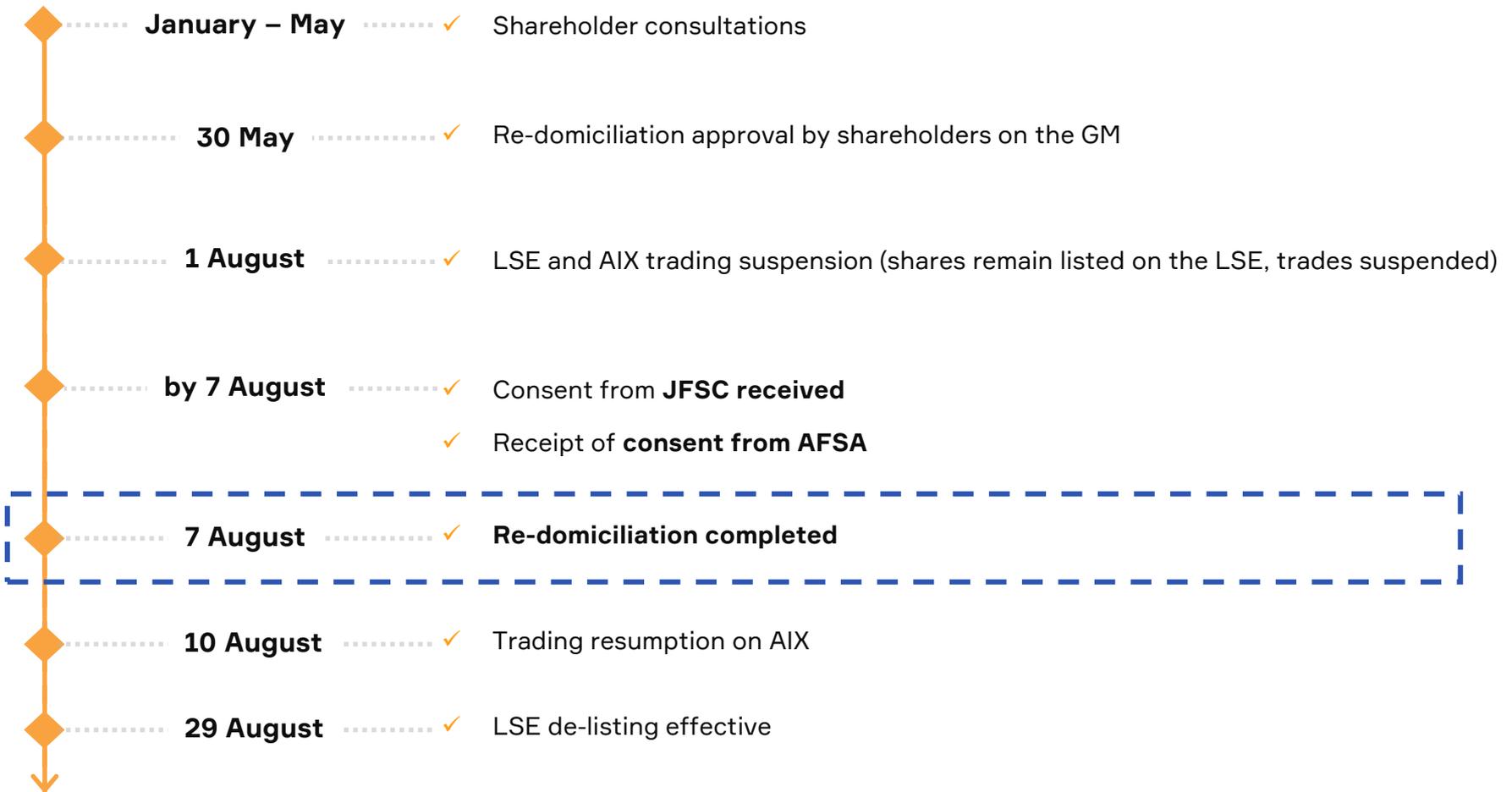
- Over 80% of the Company's free float consists of shareholders from EU, UK and USA which needed an access to AIX infrastructure, following the re-domiciliation completion and LSE de-listing
- This required shareholders to migrate from Euroclear to AIX Registrar and Central Depository through the following options:



- The register comprised of more than 4,000 records incl. individual and large nominees holders
- More than 60% have already fully migrated to the AIX ecosystem, including JP Morgan AM, Credit Suisse AM, Goldman Sachs AM etc.

Re-domiciliation timeline

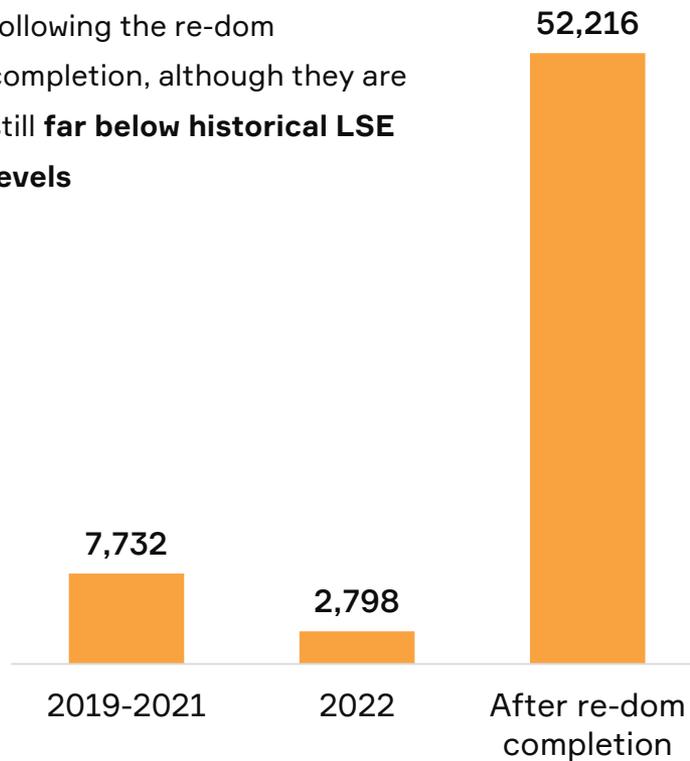
Completed in eight months



Trading on AIX

POLY average daily traded volume, shares

Trading volumes on AIX recorded a **manifold increase** following the re-dom completion, although they are still **far below historical LSE levels**



- ▼ **The key bottleneck for further liquidity growth is lack of UK/European/US brokers with access on AIX, which can be eliminated by:**
 - ▼ **AIFC/AIX's further involvement** in attracting western banks/brokers or upgrading operations of the existing ones to allow trading
 - ▼ **Allowing foreign brokers to trade through local Kazakhstan brokers** using clients' funds (not their own balance only)
- ▼ **Polymetal is actively targeting liquidity improvement by:**
 - ▼ Engaging with market makers
 - ▼ Working with the range of local brokers
 - ▼ Liaising with UK brokers on becoming AIX trading members