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**THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION FOR THE PURPOSES OF ARTICLE 7 OF REGULATION 2014/596/EU, WHICH IS PART OF UK DOMESTIC LAW PURSUANT TO THE MARKET ABUSE (AMENDMENT) (EU EXIT) REGULATIONS (SI 2019/310) ("UK MAR").**

## **Polymetal International plc**

### **Update on the Company's Russian-registered subsidiary, JSC Polymetal**

**Polymetal International plc (the "Company", the "Group" or "Polymetal") wishes to provide a further update on the measures it is taking with respect to its Russian operations following the recent designation of the Company's subsidiary, JSC Polymetal (AO Polymetal) by the U.S. Department of State.**

#### **Background**

On 19 May 2023, JSC Polymetal (AO Polymetal), the holding company for the Group's assets located in the Russian Federation, and its subsidiaries were designated by the U.S. Department of State pursuant to Executive Order 14024 for operating in the metals and mining sector of the Russian economy. Following the designation, and as previously announced by the Company, on 22 May 2023 the Board of Directors of the Company (the "Board") set up a special committee of independent non-executive directors (the "Special Committee") to ensure full and comprehensive compliance with U.S. sanctions and to develop an appropriate response to ensure that the external challenges facing the Company are addressed in the best interests of the Company, its shareholders and other stakeholders.

Today, the Special Committee provides an update on the latest steps taken by the Company to ensure full and comprehensive compliance with all applicable sanctions based on a thorough review of the impact of the designation of JSC Polymetal on the Group and recommendations of the Special Committee on advice from external legal counsel.

#### **Resignation of the Company's top management from all positions at JSC Polymetal**

- Vitaly Nesis, Chief Executive Officer, and Maxim Nazimok, Chief Financial Officer, have resigned from all executive positions with, and terminated their employment at, JSC Polymetal and its subsidiaries.
- Both Vitaly Nesis and Maxim Nazimok retain their current positions with the Company and will continue to focus on the operations of the Group's assets located in Kazakhstan, as well as the re-domiciliation of the Company to the Astana International Financial Centre ("AIFC") in Kazakhstan as announced on 10 May 2023, and potential separation of the Group's assets by jurisdiction, as soon as practicable following the re-domiciliation and in full compliance with all applicable sanctions.
- Pavel Danilin, the Group's Executive Vice President for Strategic Development, has resigned from the Company and JSC Polymetal and its subsidiaries and terminated his employment with the Group to pursue other opportunities.

#### **Ring-fencing the Group's Russian subsidiaries to ensure sanctions compliance**

- Management of the Russian operations has been delegated to the executives of JSC Polymetal.
- Procedures have been implemented to ensure that any items submitted for consideration of the Board and the Special Committee are screened for compliance with all applicable sanctions.
- All service agreements between the Company and its non-Russian subsidiaries, and JSC Polymetal and its subsidiaries, have been terminated.
- All payments from the Company and its non-designated subsidiaries under other inter-group agreements with JSC Polymetal and its subsidiaries have been discontinued or suspended.

The Company, its Board, and the Special Committee continue to ensure that the ongoing operations in Kazakhstan remain unaffected and are reviewing potential restructuring of the current arrangements for the processing of refractory ore mined at Kyzyl deposit in Kazakhstan, with a view to ensure that none of its subsidiaries in Kazakhstan are exposed to risk of sanctions implications.

The Company is also evaluating the options to accelerate the construction and commissioning of the Ertis POX facility in Kazakhstan to sever fully the link between the Company's subsidiaries in Kazakhstan and its blocked subsidiaries in the Russian Federation.

### Re-domiciliation

The shareholder circular published on 10 May 2023 (the "**Circular**") clearly stated that the re-domiciliation is unanimously recommended by the Board.

As announced on 30 May 2023, the relevant resolutions required to implement the re-domiciliation were passed at the General Meeting of shareholders on the same date. The re-domiciliation continues to be subject to the satisfaction of certain other conditions as set out in the Circular and will only proceed provided the Board and the Special Committee can be assured at all times of no risk of sanctions implications. As at the date hereof, the Board continues to believe that the re-domiciliation is in the best interests of the Company and its shareholders.

In light of the designation of JSC Polymetal, the Board and the Special Committee, with the assistance of external legal counsel, have conducted an extensive review of the impact of the designation of JSC Polymetal on the re-domiciliation process. As at the date hereof, based on advice from external legal counsel, the Company believes that re-domiciliation is, and continues to be, in full compliance with all applicable sanctions.

Subject to continuing sanctions compliance, relevant regulatory approvals and satisfaction of the remaining conditions, the re-domiciliation is expected to proceed as set out in the Circular.

### Strategic considerations on divestment of Russian assets

In the light of recent developments, and in the interests of preserving shareholder value, the Board and the Special Committee have decided to consider all possible options available for divestment of JSC Polymetal and its subsidiaries.

Any potential transaction will be subject to receipt of any required corporate, governmental, and regulatory approvals, in all applicable jurisdictions, as necessary.

The Board and the Special Committee will provide an update by the end of June 2023 regarding the ongoing assessment of the possible options, if any, that are made available to the Company, and any progress on the Company's strategic plans, save for any material information or developments which may require an earlier announcement.

**The Company confirms that, unchanged to the announcement from 22 May 2023, neither the Company, its subsidiaries nor its affiliates are designated as sanctions targets of the UK, the EU or the US, with the exception solely of the Company's Russian subsidiaries that are targeted by the U.S. blocking sanctions.**

**The Company and the Board reiterate that they take sanctions compliance very seriously and are fully committed to ensure rigorous compliance with all applicable laws and regulations, including U.S. sanctions.**

## Enquiries

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### FORWARD-LOOKING STATEMENTS

This release may include statements that are, or may be deemed to be, "forward-looking statements". These forward-looking statements speak only as at the date of this release. These forward-looking statements can be identified by the use of forward-

looking terminology, including the words “targets”, “believes”, “expects”, “aims”, “intends”, “will”, “may”, “anticipates”, “would”, “could” or “should” or similar expressions or, in each case their negative or other variations or by discussion of strategies, plans, objectives, goals, future events or intentions. These forward-looking statements all include matters that are not historical facts. By their nature, such forward-looking statements involve known and unknown risks, uncertainties and other important factors beyond the company’s control that could cause the actual results, performance or achievements of the company to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the company’s present and future business strategies and the environment in which the company will operate in the future. Forward-looking statements are not guarantees of future performance. There are many factors that could cause the company’s actual results, performance or achievements to differ materially from those expressed in such forward-looking statements. The company expressly disclaims any obligation or undertaking to disseminate any updates or revisions to any forward-looking statements contained herein to reflect any change in the company’s expectations with regard thereto or any change in events, conditions or circumstances on which any such statements are based.