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Polymetal International plc

Update on the Russian-registered JSC Polymetal

Polymetal International plc (the “Company” or “Polymetal”) wishes to provide an update and clarify the position on the designation by the U.S. Department of State of JSC Polymetal (AO Polymetal) on 19 May 2023.

On 19 May 2023, the U.S. Department of State designated JSC Polymetal (AO Polymetal), the Company’s subsidiary in the Russian Federation, pursuant to Executive Order 14024 for operating in the metals and mining sector of the Russian economy. As a result of this designation, JSC Polymetal has been added to the Specially Designated Nationals and Blocked Persons List (“**SDN List**”) and U.S. persons are prohibited from transacting with JSC Polymetal and any entities that are owned, directly or indirectly, 50 percent or more, by JSC Polymetal, including its Russian-registered subsidiaries.

JSC Polymetal is a legal entity registered in the Russian Federation which acts, amongst other things, as the holding company for the Group’s assets located in the Russian Federation. JSC Polymetal does not have any operations outside of the Russian Federation.

For the avoidance of doubt, there is no prohibition on dealings by U.S. persons or otherwise with the Company, its non-blocked subsidiaries, or non-blocked affiliates, i.e., with any subsidiaries and affiliates of the Company outside the Russian Federation, to the extent such dealings do not involve, directly or indirectly, any blocked person, any interest in property of any blocked person, or any other activities otherwise prohibited pursuant to any OFAC sanctions authorities or other relevant authority.

The Office of Foreign Assets Control of the U.S. Department of the Treasury (“OFAC”) has expressly stated, through the issuance of a specific FAQ (<https://ofac.treasury.gov/faqs/1129>), that the blocking sanctions, issued on 19 May 2023, apply only to JSC Polymetal and certain entities owned by JSC Polymetal as set out above. This statement by OFAC also makes clear that neither the Department of State nor OFAC have designated the Company (being Polymetal International plc as the parent company of JSC Polymetal), or its non-Russian subsidiaries.

OFAC has also stated within this FAQ that, based on information available to OFAC, “*Polymetal International PLC is not owned 50 percent or more by blocked persons or otherwise considered the blocked property of any blocked persons*”. As a result, the Company and its non-Russian subsidiaries are NOT subject to blocking sanctions.

Neither the Company, its subsidiaries nor its affiliates are designated as sanctions targets of the UK or the EU, with the exception solely of the Company’s Russian subsidiaries that are targeted by the OFAC blocking sanctions outlined above.

The Company and the board of directors (the “**Board**”), which is composed of a majority of independent non-executive directors, have had extensive discussions since the announcement of the U.S. designation and over the weekend to determine the necessary actions required to ensure full and comprehensive compliance with the imposed sanctions. The Board, acting in accordance with the Company’s articles of association, has set up a special committee comprising solely of independent non-executive directors to ensure that the external challenges facing the Company are addressed in the best interests of the Company, its shareholders and other stakeholders. The Company and the Board continue to work with external legal advisers to assess the impact of the designation of JSC Polymetal on the Company and the Group, and to ensure that the Group’s operations in Kazakhstan remain unaffected by these sanctions. The Company and the Board intends to continue seeking legal advice and will fully cooperate with the relevant authorities throughout this process.

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

The special committee of the Board, the Board and the Company (as appropriate) intends to provide an update regarding the ongoing assessment of these matters in two weeks, save for any material information or developments which may require a sooner announcement.

General Meeting

The Company remains committed to pursue its re-domiciliation to the AIFC and further explore opportunities to restore shareholder value, including any separation by jurisdiction of the Group's assets, as soon as practicable, following the re-domiciliation, subject always to compliance with all applicable laws, including sanctions and counter-sanctions.

For the avoidance of doubt, the latest time and date for receipt of proxy forms and the time and date of the General Meeting remains unchanged. The General Meeting to be convened in connection with the re-domiciliation will be held at 11 a.m. on 30 May 2023 at the offices of etc.venues, 8 Fenchurch PI, London EC3M 4PB.

The Company has clearly stated in the related circular (published on 10 May 2023) (the "**Circular**") that the re-domiciliation is unanimously recommended by the Board and, subject to shareholder approval and satisfaction of certain other conditions as set out in the Circular, will proceed provided the Board can be assured at all times of continuing compliance with all applicable sanctions. The Company and the Board continues to work with their legal advisers in order to be able to give that assurance. As at the date hereof, this recommendation remains unchanged. Subject to continuing sanctions compliance, shareholder approval at the upcoming General Meeting and satisfaction of the remaining conditions, the re-domiciliation is expected to proceed as set out in the Circular.

Further announcements will be made as and when necessary.

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.