POLYUS

2Q 2021
FINANCIAL RESULTS

AUGUST 2021

COVID-19: OUR RESPONSE

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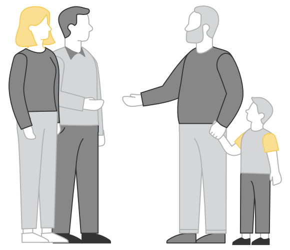
KEEPING EMPLOYEES SAFE

- All operating assets sufficiently equipped with protection devices and sanitizers
- Daily medical checks and disinfection at all business units and offices
- Regular testing of all the employees on-site and in the incoming shifts
- Quarantine zones established at all operating assets
- Large part of office employees working remotely until further notice



SUPPORTING LOCAL COMMUNITIES

- RUB 1 bln fund established in a partnership with the Far East Development Fund (FEDF) to finance the fight against COVID-19 in the Russian Far East. Polyus and FEDF will jointly finance 25% of the fund's activities
- 71 medical ventilators, 5 CT scanners, other equipment, pharmaceuticals, PPE, test kits, remote-sensing thermometers donated to hospitals in Krasnoyarsk Territory, Magadan Region, Irkutsk Region, and the Republic of Sakha
- Regional hospitals refurbishment facilitated

Polyus has launched a COVID-19 vaccination programme at its production assets. The Company started offering on-site inoculations in February and has already shipped 2,500 doses across the group. The Company aims to make the vaccine available to all employees of the Company as well as any contractors currently working for Polyus.

FY 2021
ESTIMATED EXPENSES

$ 100 mln

CAPEX

- Infrastructure facilities

STAFF

- Additional staff expenses related to extended working shifts

PPE PROCUREMENT AND CHARITY

- Support to regional hospitals
- Masks and other individual protective devices
- Individual sanitizers
- Test kits

1 – The expenses associated with COVID-19 and recognized as part of Cost of gold sales were excluded from both TCC and AISC calculation

RESULTS OVERVIEW

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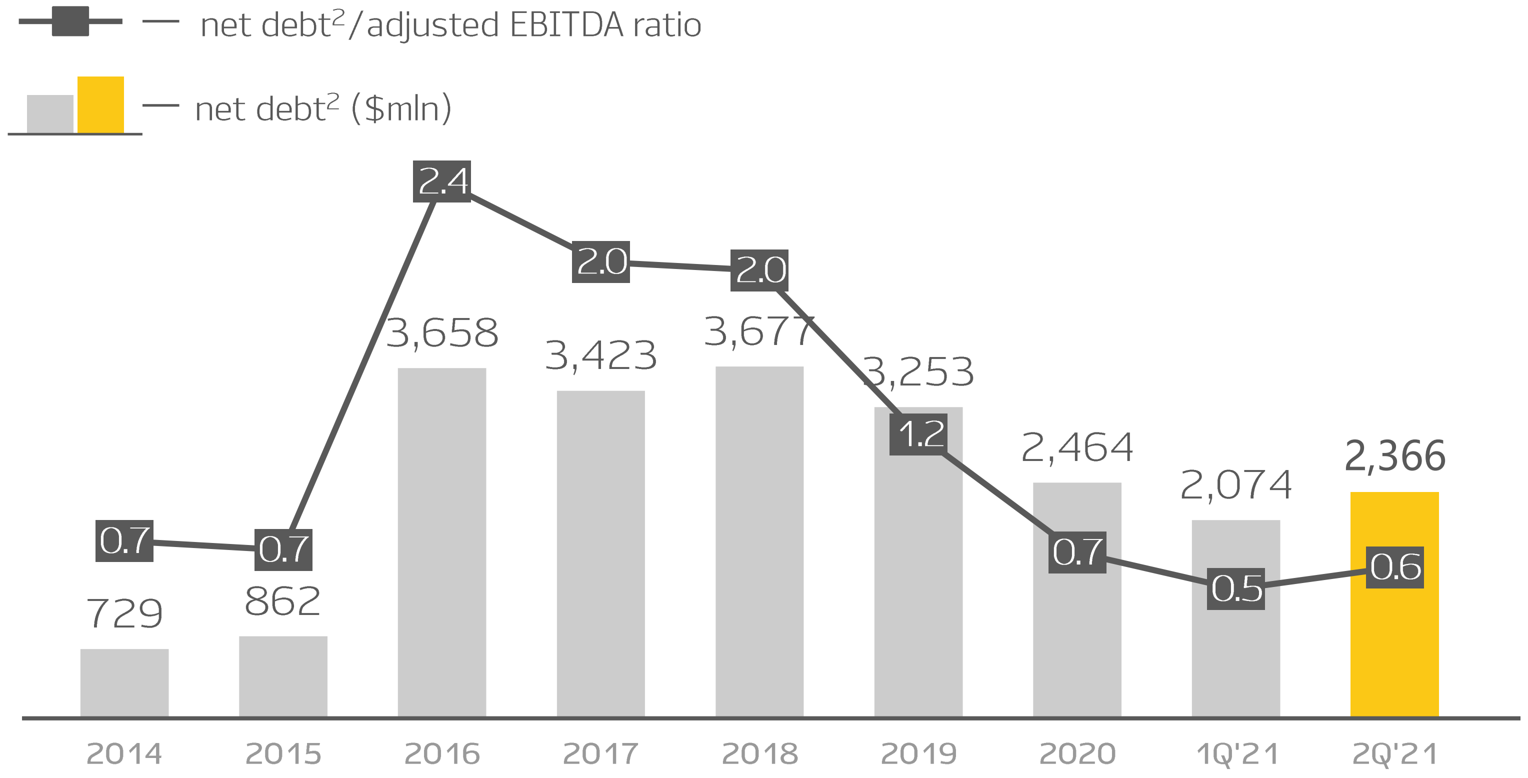
2Q 2021 KEY HIGHLIGHTS

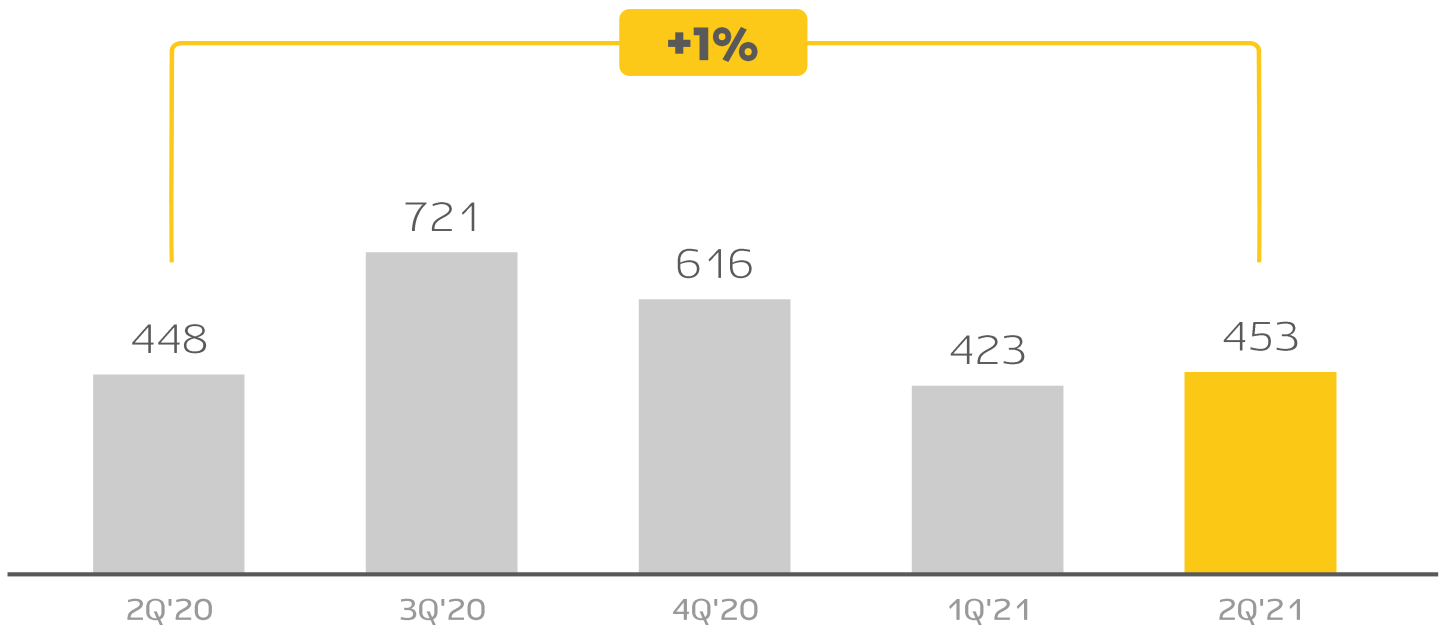
GOLD SOLD, koz	REVENUE, $ mln	TCC, $/oz	EBITDA, $ mln	CAPEX, $mln
679	1,245	390	899	179
19% Q-O-Q	21% Q-O-Q	1% Q-O-Q	22% Q-O-Q	41% Q-O-Q

FINANCIAL LEVERAGE



FREE CASH FLOW[1] GENERATION

$ mln



1 – Free cash flow is presented on a levered basis
2 – inc. derivatives

FY2021 GUIDANCE

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FY 2021

GOLD PRODUCTION

ca.**2.7** moz

Production guidance for 2021 reflects a temporary reduction of head grades at Olimpiada caused by forced changes to the mining schedules, following the virus outbreak in 2Q'20 and subsequent downscale of stripping works.

Polyus expects the head grades to rebound in 2022-23 at Olimpiada as the Company gets access to the high-grade ore material.

TCC[1]

$ **425–450** /oz

A gradual increase in TCC from 2020 levels, driven by:

- inflationary factors;
- a temporary reduction of head grades at Olimpiada;
- a decrease in share of lower-cost flotation concentrate in total gold sold;
- lower antimony by-product credit.

CAPEX[1]

$ **1,000–1,100** mln

The capex guidance reflects:

- construction of Mill-5 at Blagodatnoye;
- Sukhoi Log feasibility study;
- the reconstruction of the TSF and completion of the construction of the 2nd heap leaching pad at Kuranakh;
- cyclical increase in spending on mining fleet maintenance;
- growth in exploration budget and rollover of IT capex spending from 2020.

Please see more details at page 14

1 – Guidance macro assumptions for 2020: USD/RUB of 60, a gold price of $1,200/oz
Guidance macro assumptions for 2021: USD/RUB of 65, a gold price of $1,300/oz

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1

OVERVIEW

REVENUE ANALYSIS

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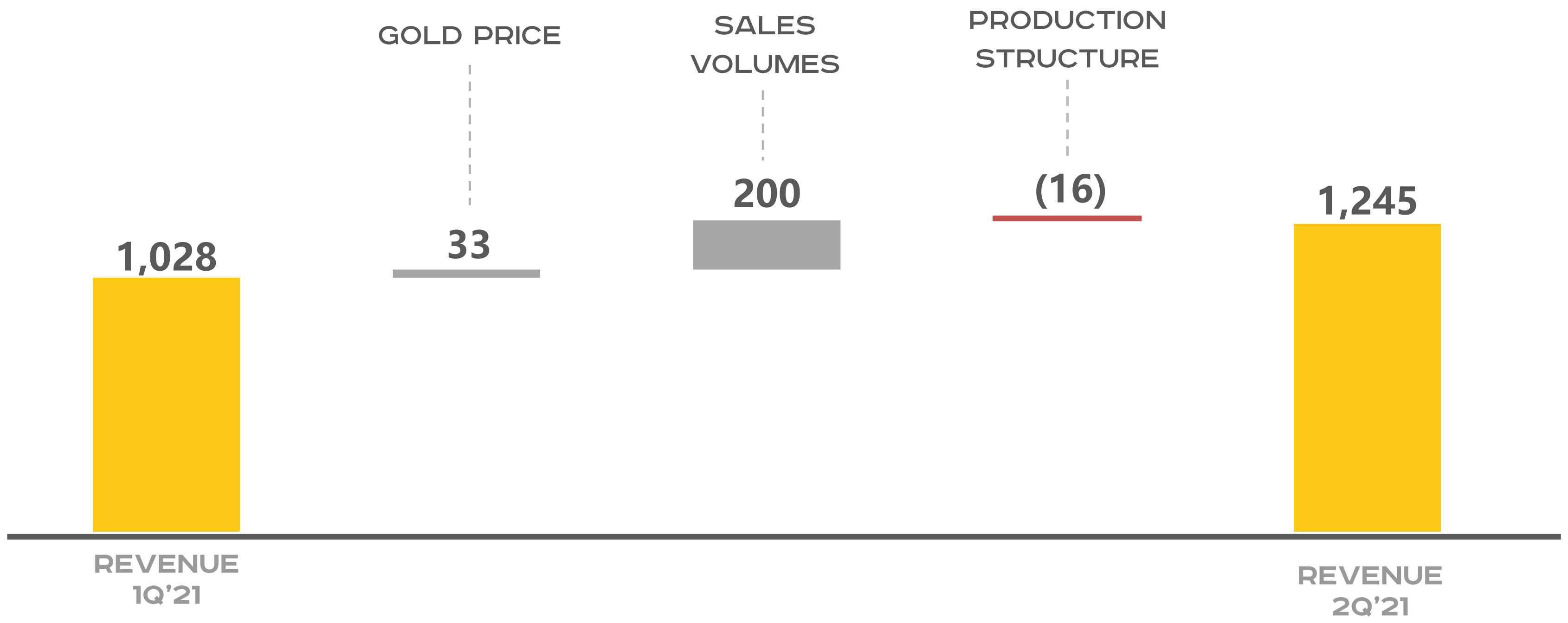
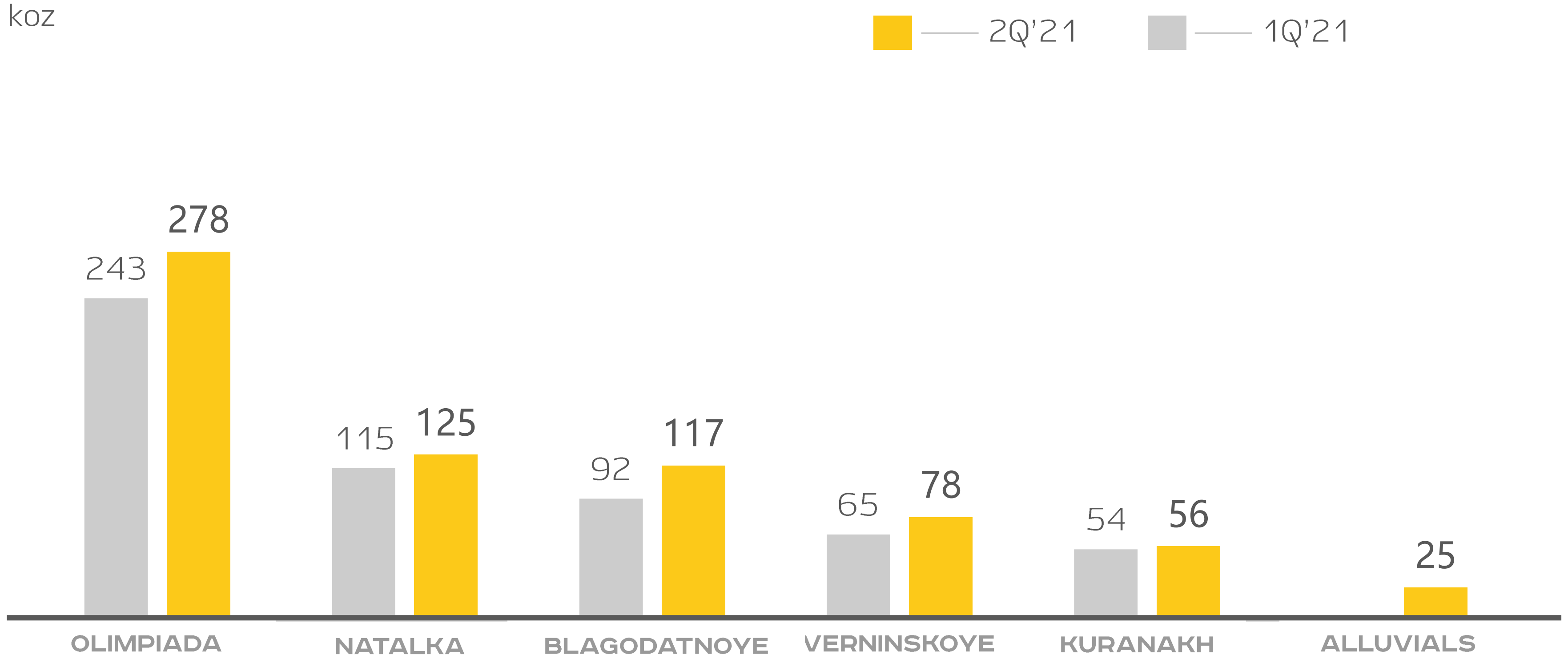
REVENUE BRIDGE, Q-O-Q

$ mln



2Q 2021 SALES DYNAMICS BY MINE, Q-O-Q

koz



REVENUE

$mln

1,245

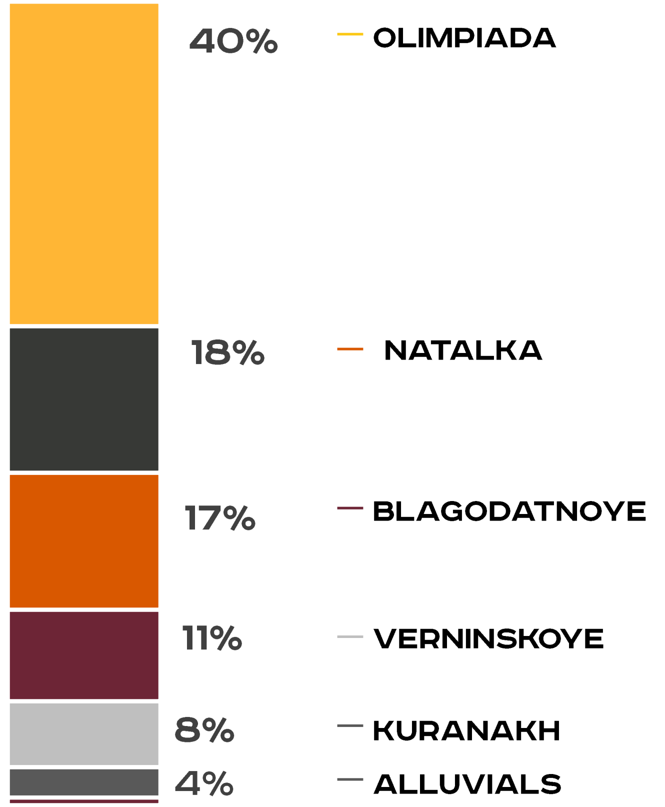
21% Q-O-Q

Attributable to

- higher production volumes of refined gold across all deposits and start of washing season at Alluvials
- recommencement of heap leaching operations at Kuranakh
- higher q-o-q sales of gold containing in concentrate from Olimpiada
- higher realised refined gold price (+2% q-o-q)

2Q 2021 REVENUE BREAKDOWN

%



TCC PERFORMANCE

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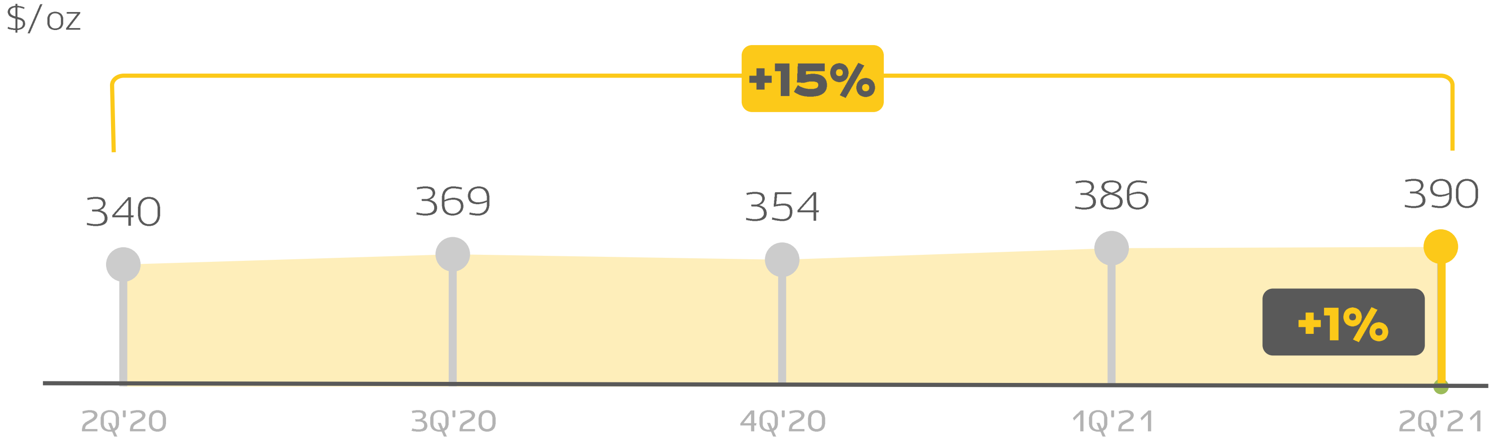
TCC DYNAMICS, Q-O-Q

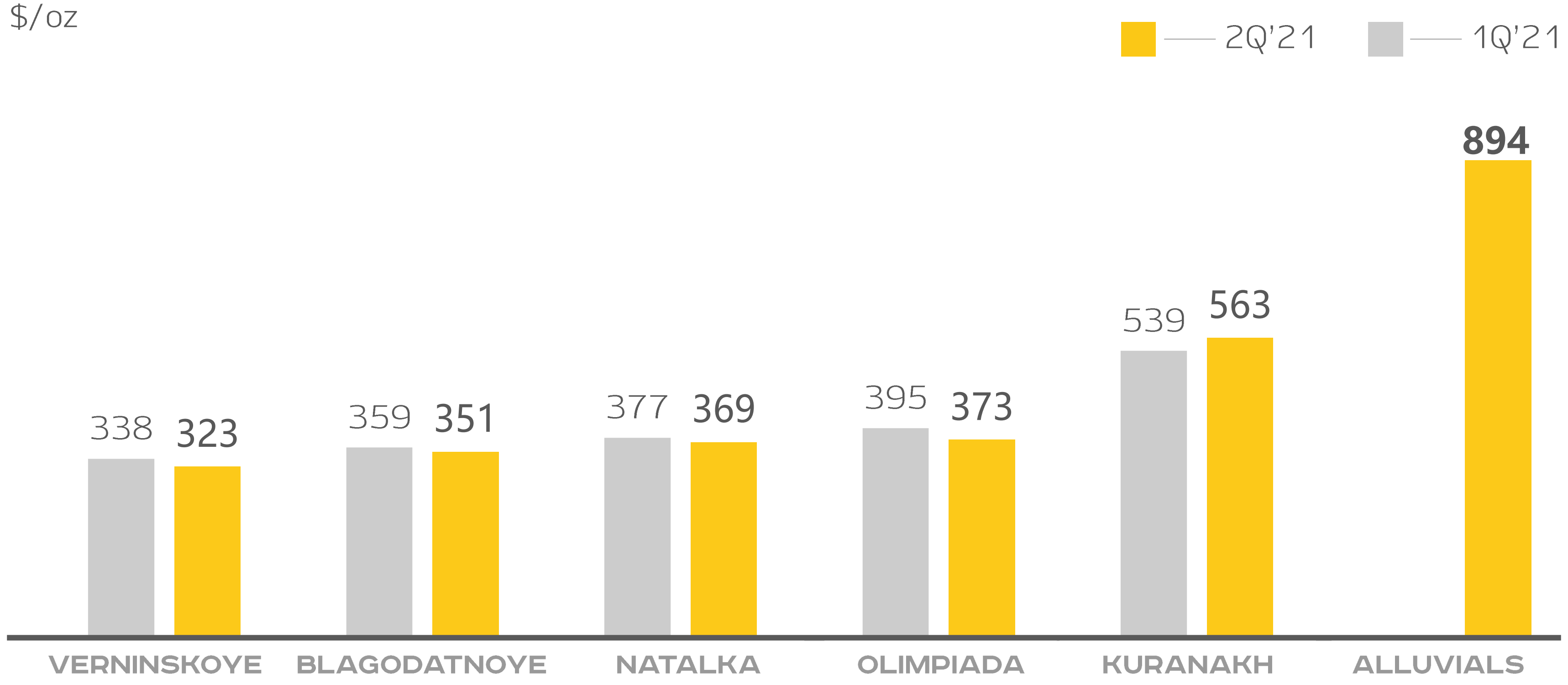


1% Q-O-Q

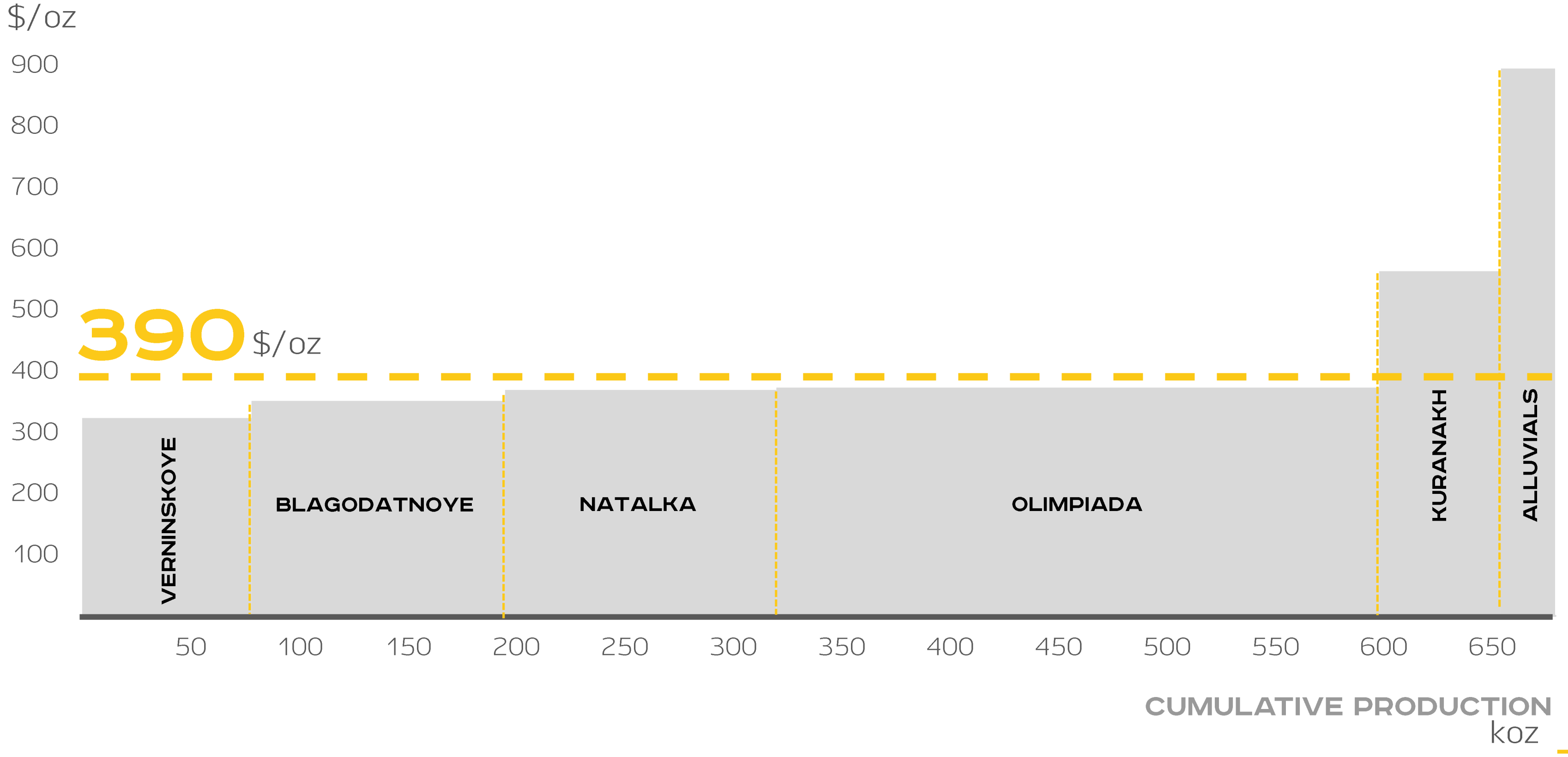
Reflecting
- start of washing season at Alluvials
- TCC growth at Kuranakh by 4% q-o-q, due to scheduled maintenance works and higher prices for reagents

Across all other operations TCC was down by 2-6% q-o-q.

TCC DYNAMICS BY MINE, Q-O-Q



TCC CURVE IN 2Q 2021



AISC PERFORMANCE

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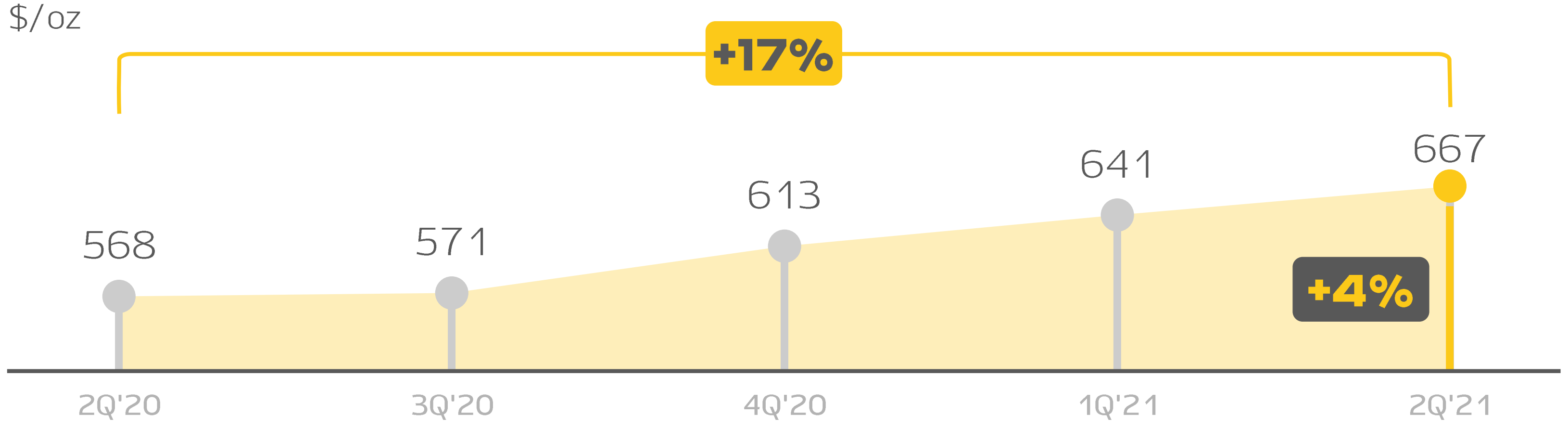
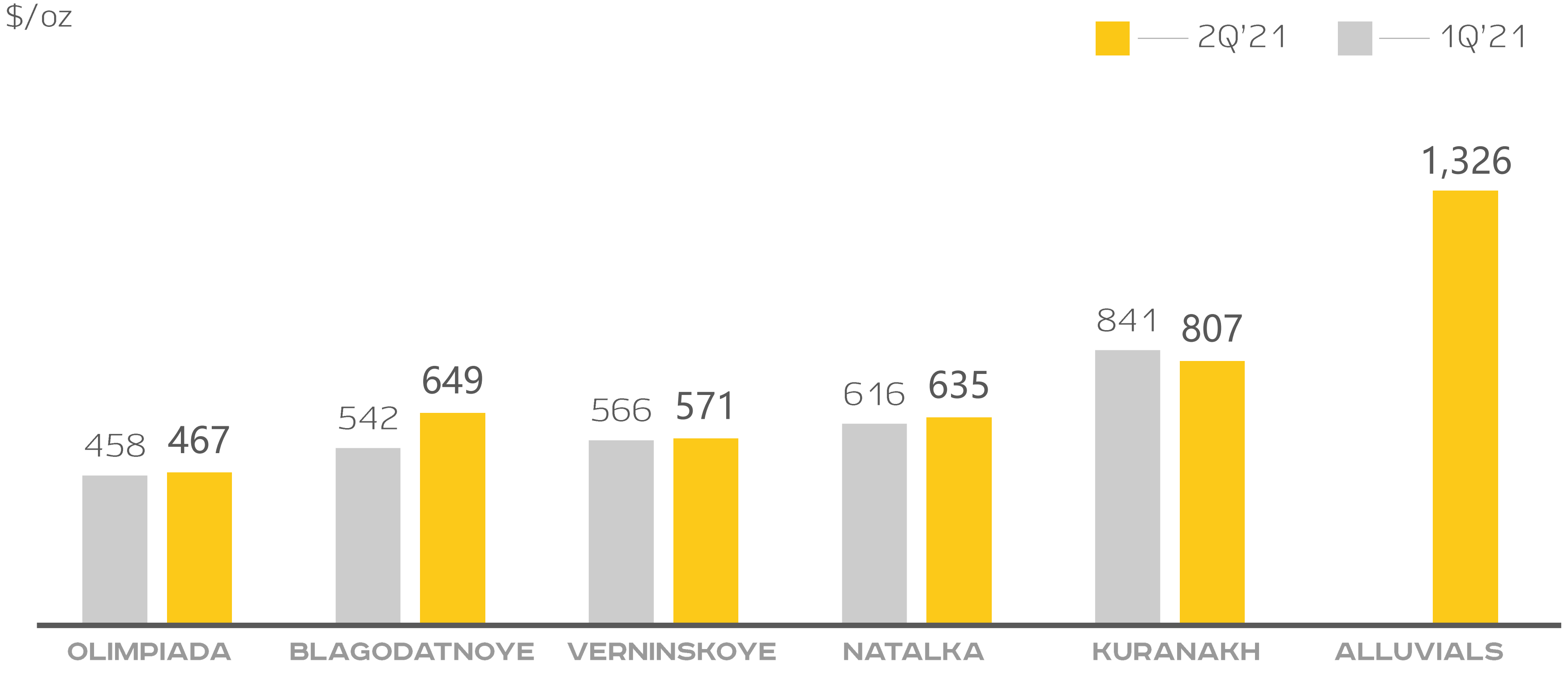
AISC DYNAMICS, Q-O-Q



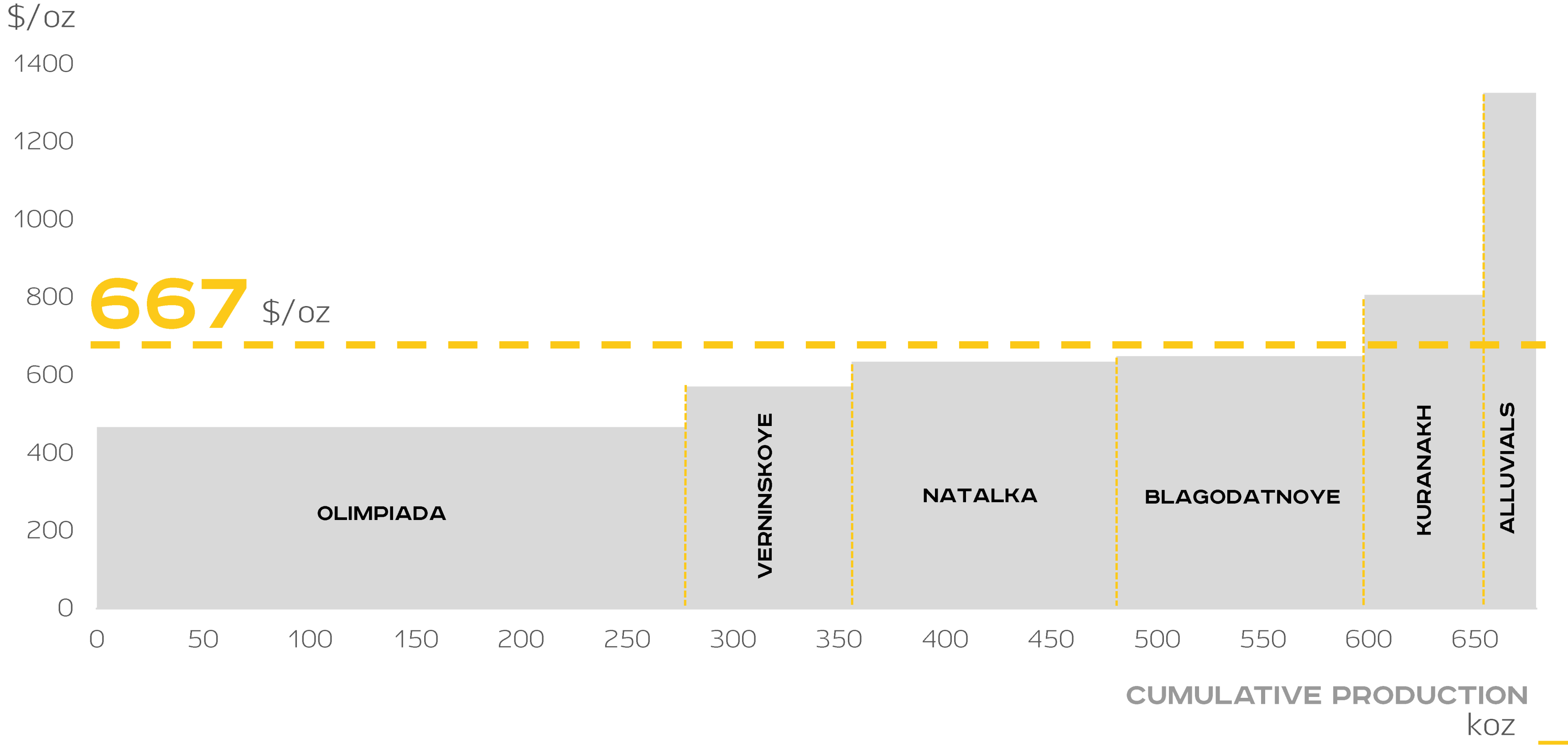
4% Q-O-Q

Reflecting
- higher sustaining capital expenditures in the reporting period
- increase of AISC at Blagodatnoye and Natalka driven by higher levels of stripping activity

AISC DYNAMICS BY MINE, Q-O-Q



AISC CURVE IN 2Q 2021



CASH OPERATING COSTS

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CASH OPERATING COSTS STRUCTURE, 2Q'21

Most of the costs are RUB-denominated

LABOUR	28%	9% Q-O-Q	Growth in employee compensation expenses due to recommencement of washing season at Alluvials, annual salary indexation (all BUs)
CONSUMABLES AND SPARES	24%	9% Q-O-Q	Increase reflects seasonal recommencement of the washing season at Alluvials and heap-leaching operations at Kuranakh
MET	21%	22% Q-O-Q	Increase in MET expenses reflects higher production volumes of gold Dore and increase in sales volumes of flotation concentrate for the reporting period
FUEL	9%	4% Q-O-Q	Increase reflects start of the washing season at Alluvials
POWER	5%		
OTHER	14%	17% Q-O-Q	Other costs include $9 mln of COVID-19 expenses related to employee compensation[1]

CASH OPERATING COSTS, 2Q 2021

$mln

296

12% Q-O-Q

1 – The expenses associated with COVID-19 and recognized as part of Cost of gold sales were excluded from both TCC and AISC calculations.

ADJUSTED EBITDA PERFORMANCE

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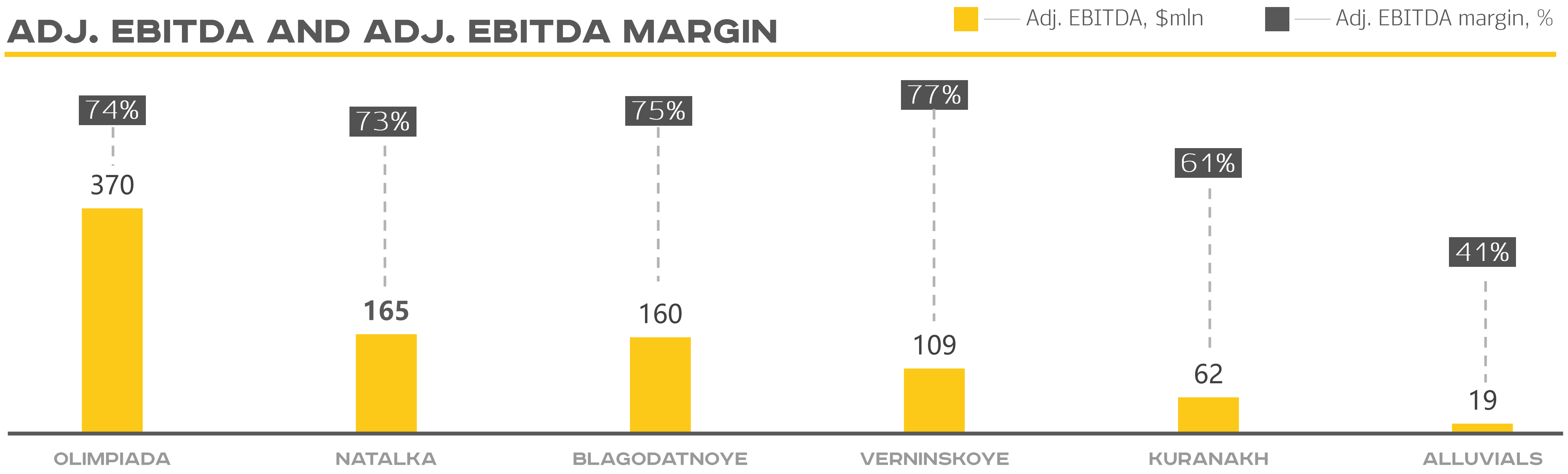
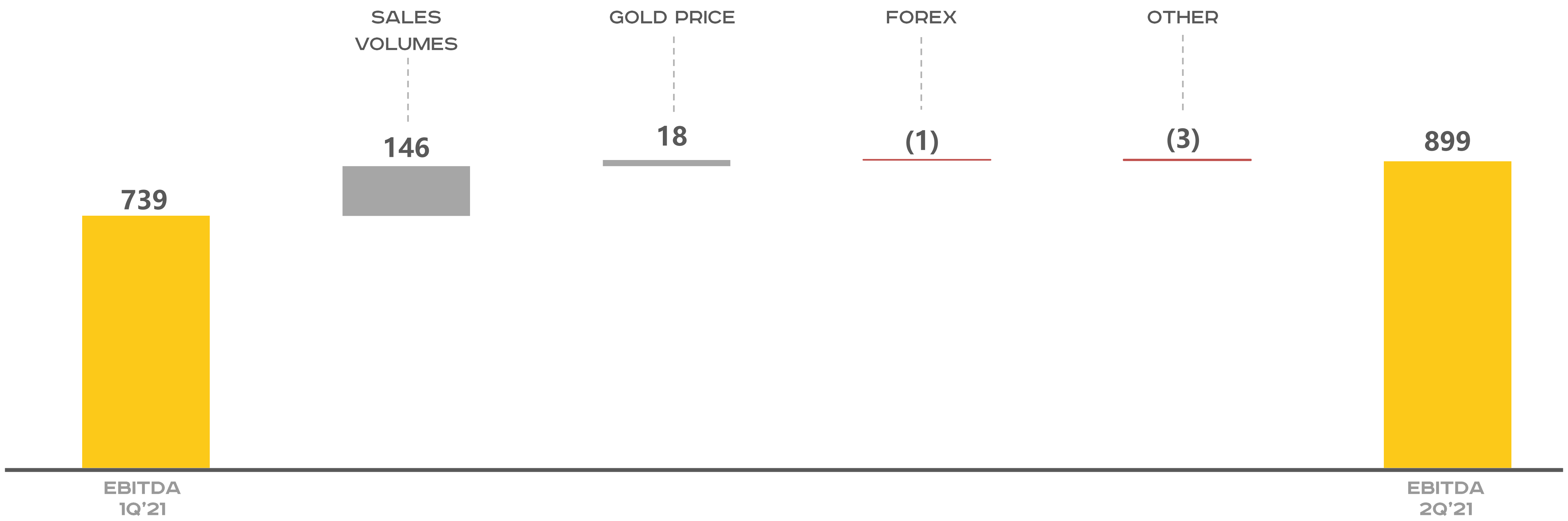
ADJ. EBITDA AND ADJ. EBITDA MARGIN



ADJ. EBITDA BRIDGE, $ MLN



EBITDA

$mln

899

22% Q-O-Q

driven by higher gold sales volumes over the period

CASH FLOW DYNAMICS

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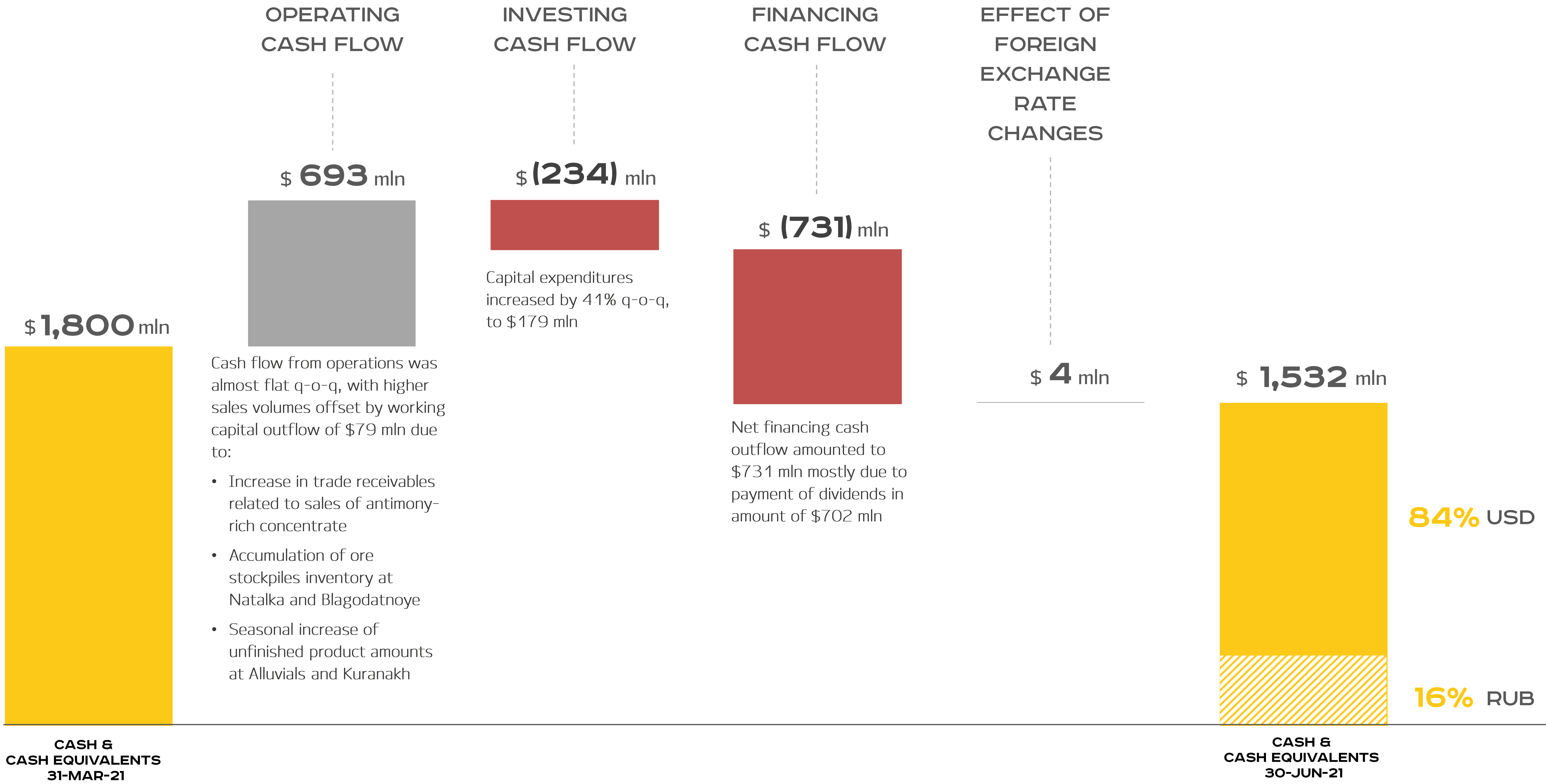

Cash flow from operations was almost flat q-o-q, with higher sales volumes offset by working capital outflow of $79 mln due to:

- Increase in trade receivables related to sales of antimony-rich concentrate
- Accumulation of ore stockpiles inventory at Natalka and Blagodatnoye
- Seasonal increase of unfinished product amounts at Alluvials and Kuranakh

Capital expenditures increased by 41% q-o-q, to $179 mln

Net financing cash outflow amounted to $731 mln mostly due to payment of dividends in amount of $702 mln

NET WORKING CAPITAL DYNAMICS

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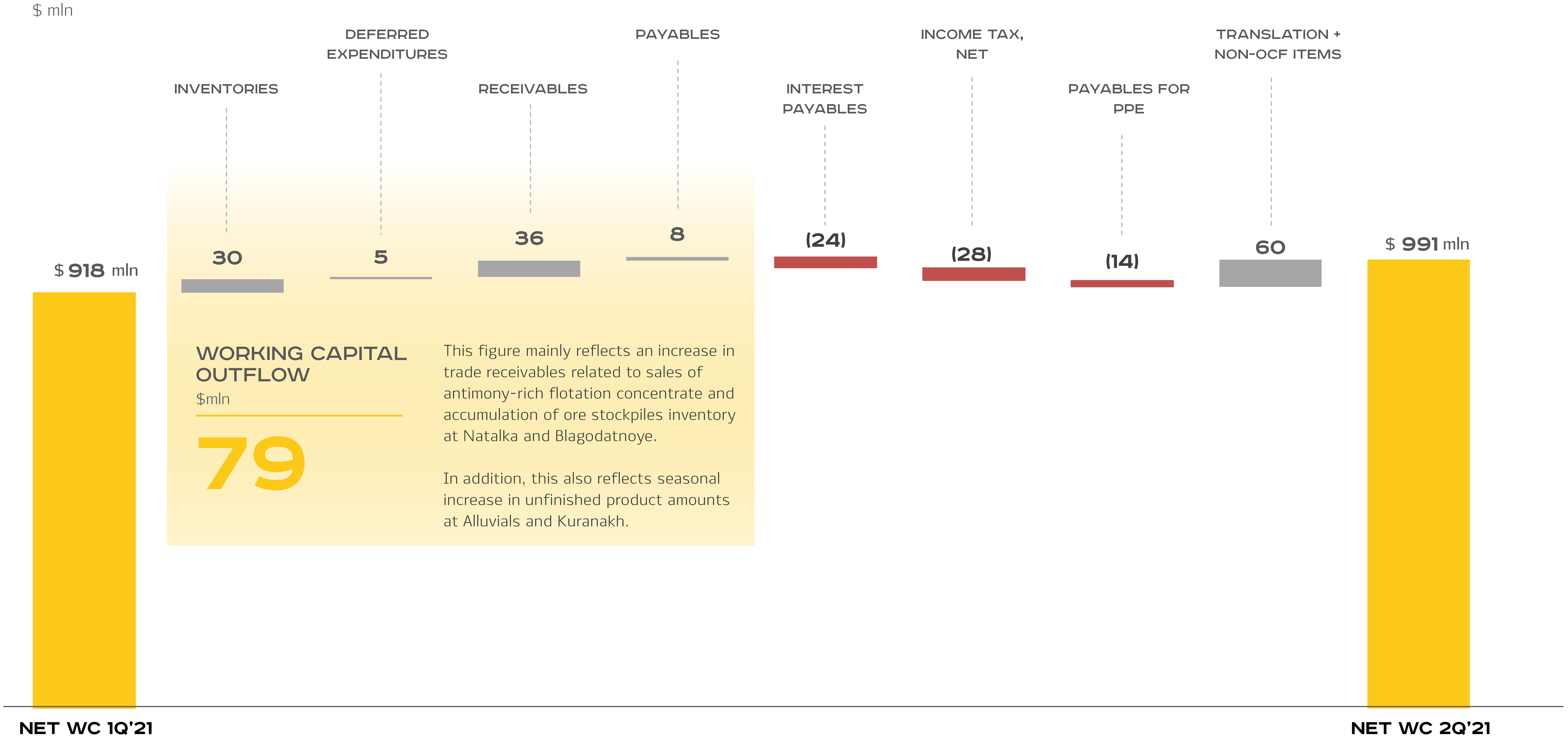

WORKING CAPITAL OUTFLOW

$mln

79

This figure mainly reflects an increase in trade receivables related to sales of antimony-rich flotation concentrate and accumulation of ore stockpiles inventory at Natalka and Blagodatnoye.

In addition, this also reflects seasonal increase in unfinished product amounts at Alluvials and Kuranakh.

CAPEX ANALYSIS

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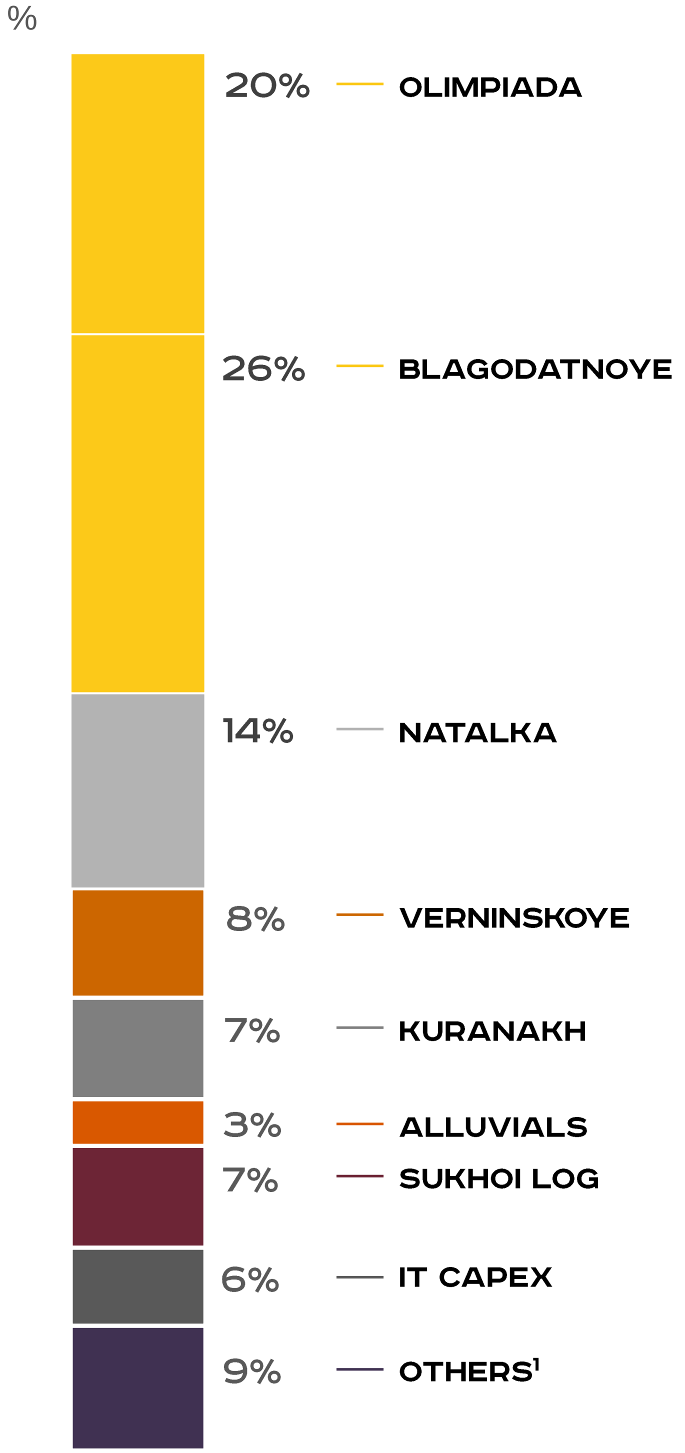
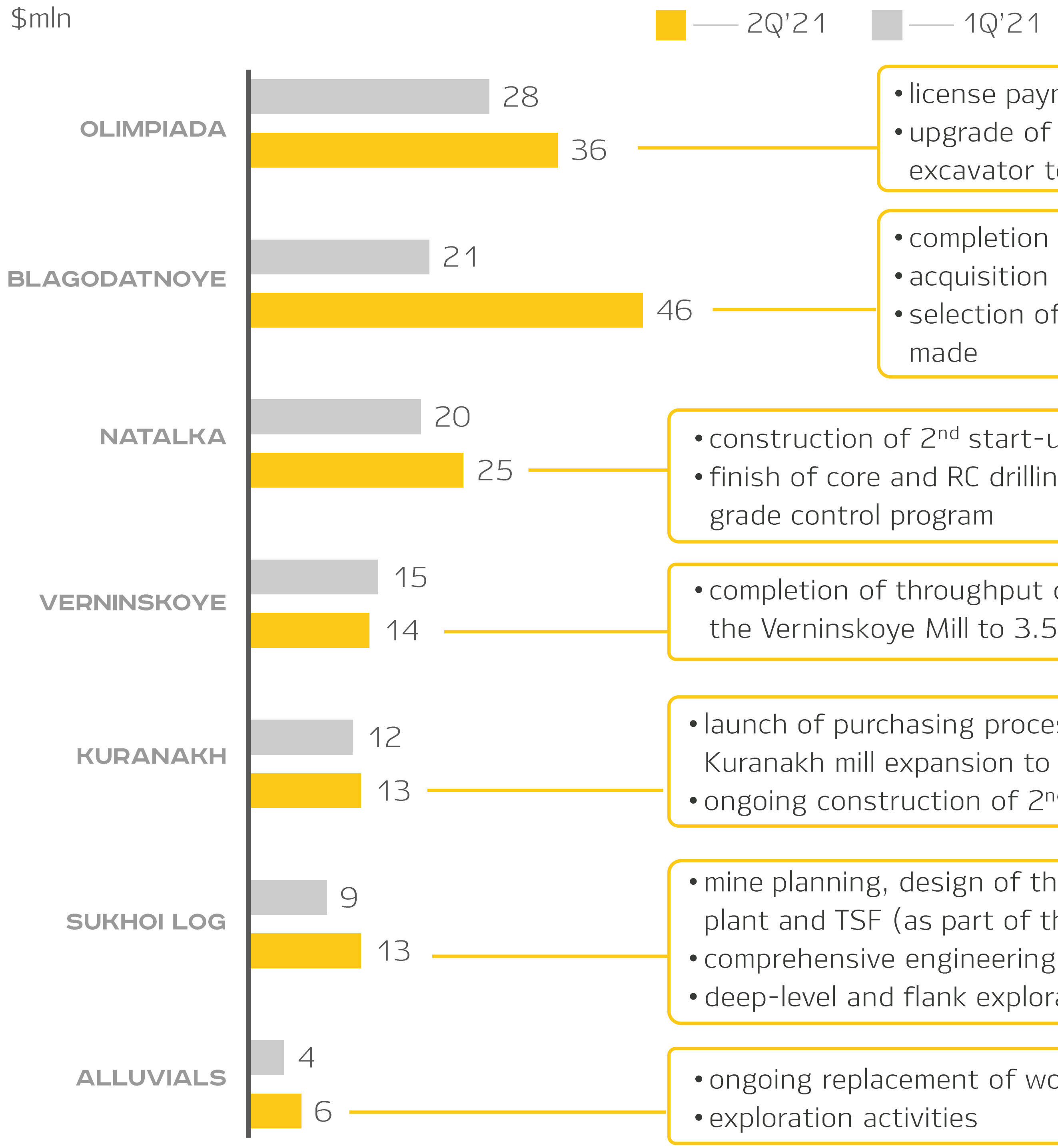
CAPEX BREAKDOWN BY MINE, 2Q 2021



CAPEX BY MINE DYNAMICS, Q-O-Q



- license payment for the extension of Olimpiada mine area
- upgrade of mining fleet with the delivery of three Komatsu bulldozers and Liebherr excavator to the site

- completion of groundworks and site preparation for the Mill-5 project
- acquisition of four 220-tonne CAT trucks
- selection of the long-lead equipment suppliers finished with first advanced payments made

- construction of 2nd start-up complex of the new TSF
- finish of core and RC drilling as part of the 2020-2021 grade control program

- completion of throughput capacity expansion program at the Verninskoye Mill to 3.5 mtpa

- launch of purchasing process for key equipment for Kuranakh mill expansion to 7.5 mtpa
- ongoing construction of 2nd heap leaching pad

- mine planning, design of the general layout, processing plant and TSF (as part of the BFS)
- comprehensive engineering studies
- deep-level and flank exploration drilling campaign

- ongoing replacement of worn-out equipment
- exploration activities

2Q 2021 CAPEX

$mln

179

↑ 41% Y-O-Y

Increase reflects higher capital expenditures across almost all business units (ex. Verninskoye)

1- Reflects expenses related to exploration business unit and construction projects.

2021 CAPEX GUIDANCE

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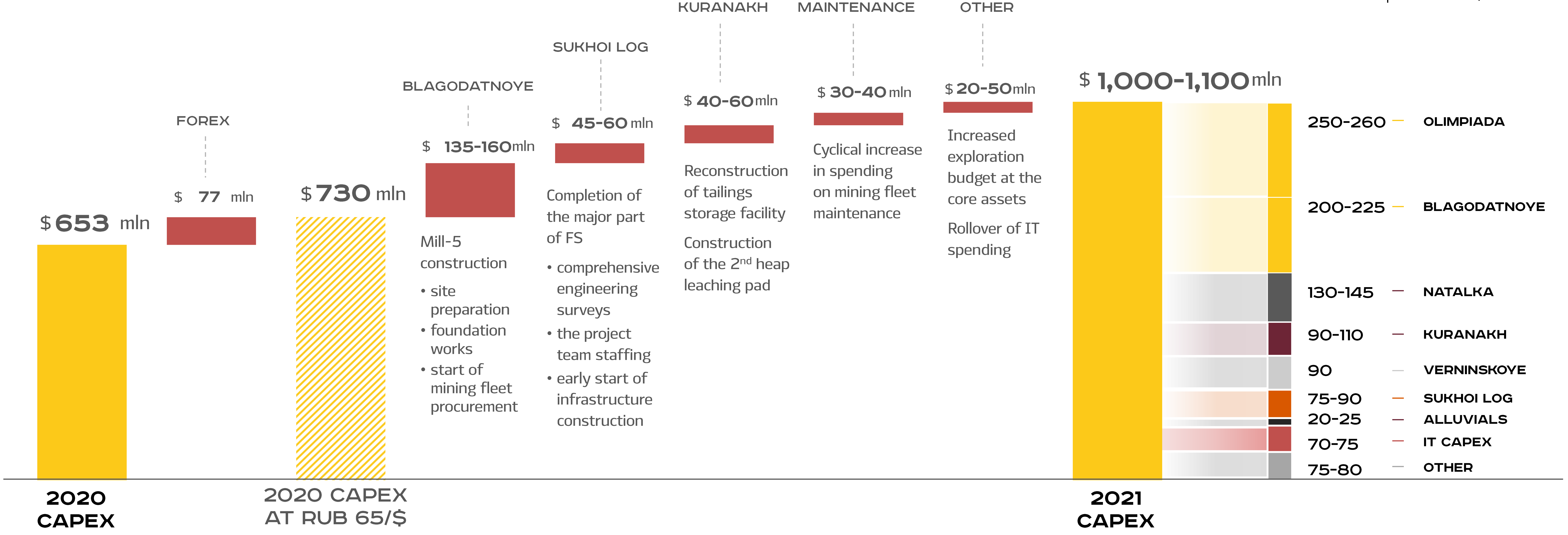
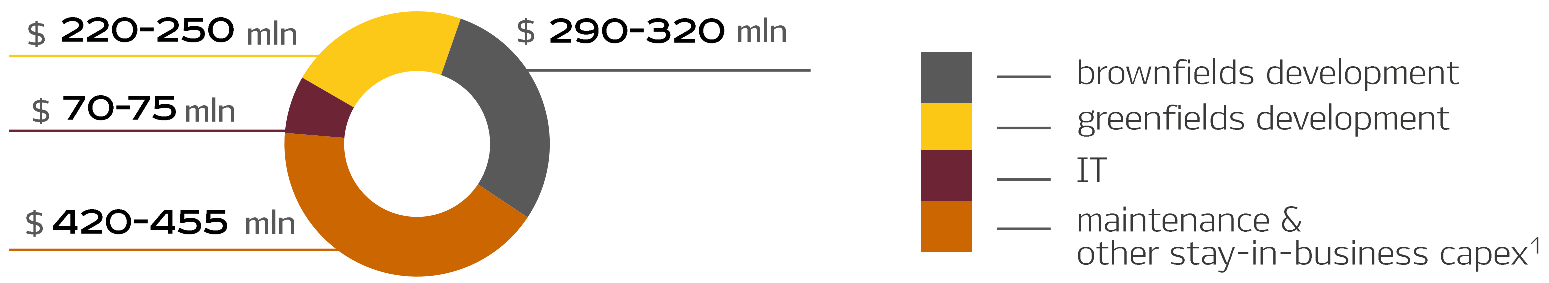
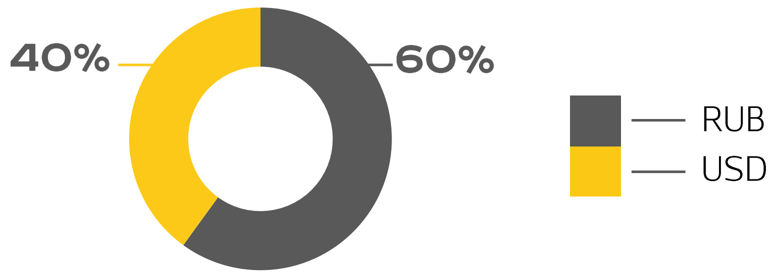
2021 Guidance macro assumption: USD/RUB of 65



2021 CAPEX STRUCTURE BY TYPE



2021 CAPEX STRUCTURE BY FX



1 - Includes basic capital construction projects, equipment replacement, capitalized maintenance, exploration

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FINANCIAL POSITION

2

PROACTIVE DEBT BOOK MANAGEMENT

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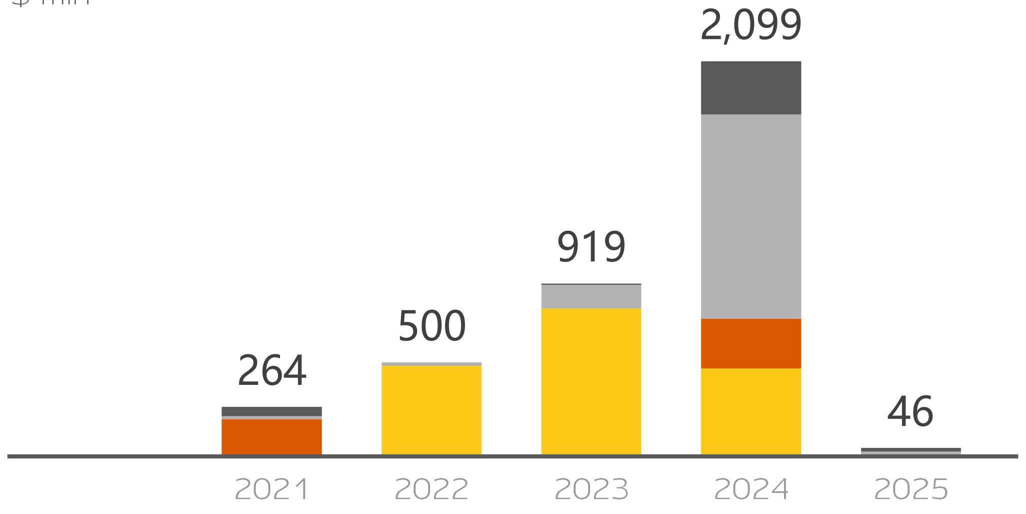
— Eurobonds — RUB bonds — Bank loans — Cross currency swaps[1]

MATURITY SCHEDULE AS OF 31-MAR-21

$ mln



GROSS DEBT

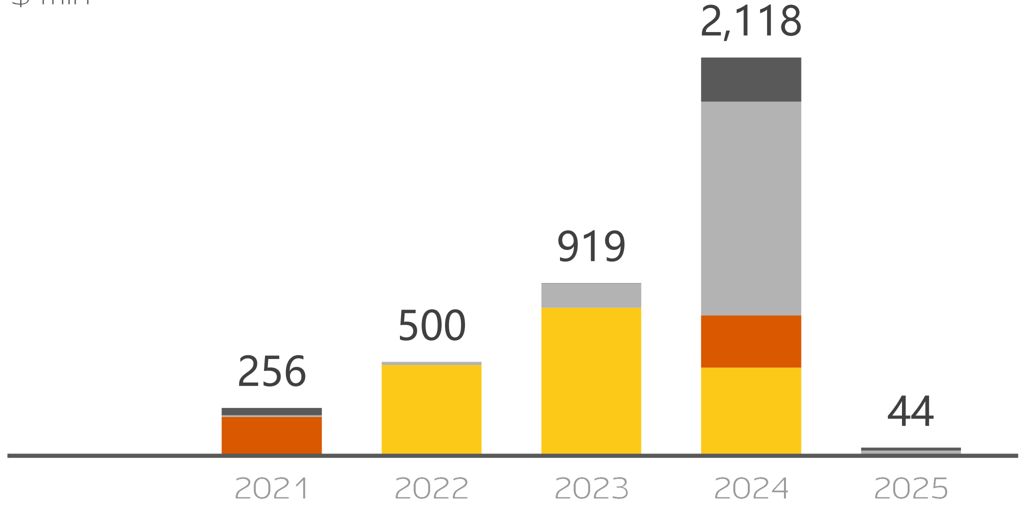
$ 3,874 mln

NET DEBT

$ 2,074 mln

MATURITY SCHEDULE AS OF 30-JUN-21

$ mln



GROSS DEBT

$ 3,898 mln

NET DEBT

$ 2,366 mln

2Q 2021 HIGHLIGHTS

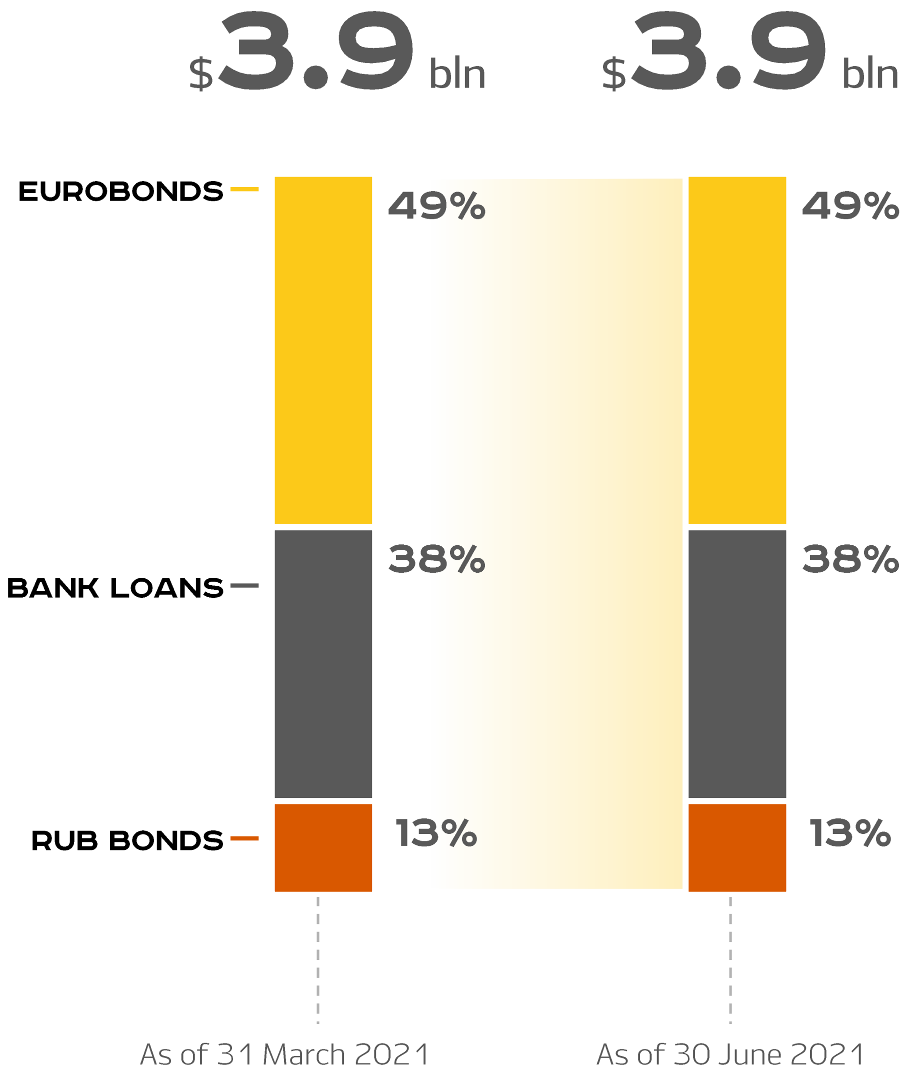
- Gross debt remained broadly flat at $3,898 mln, compared to $3,874 mln in the previous quarter.
- Cash position decreased to $1,532 mln (31-Mar-21: $1,800 mln), mostly impacted by dividend payout for the full year of 2020.

1 – Payments under cross currency swaps, including interest gain and exchange of notional amount.
The breakdown is based on actual maturities and excludes banking commissions and deduction of convertion option component of convertible bonds and the lease liabilities recognised under IFRS 16.

MANAGING COST AND STRUCTURE

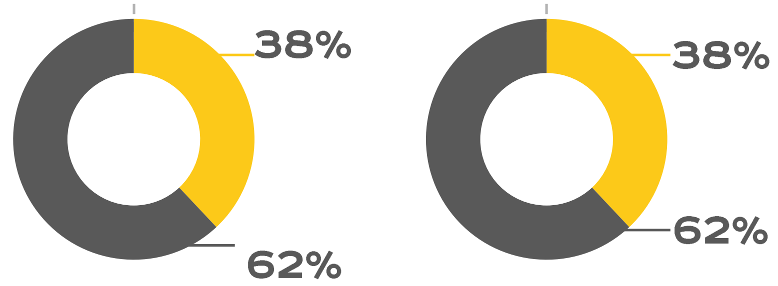
DEBT BREAKDOWN[1]

BY SOURCE

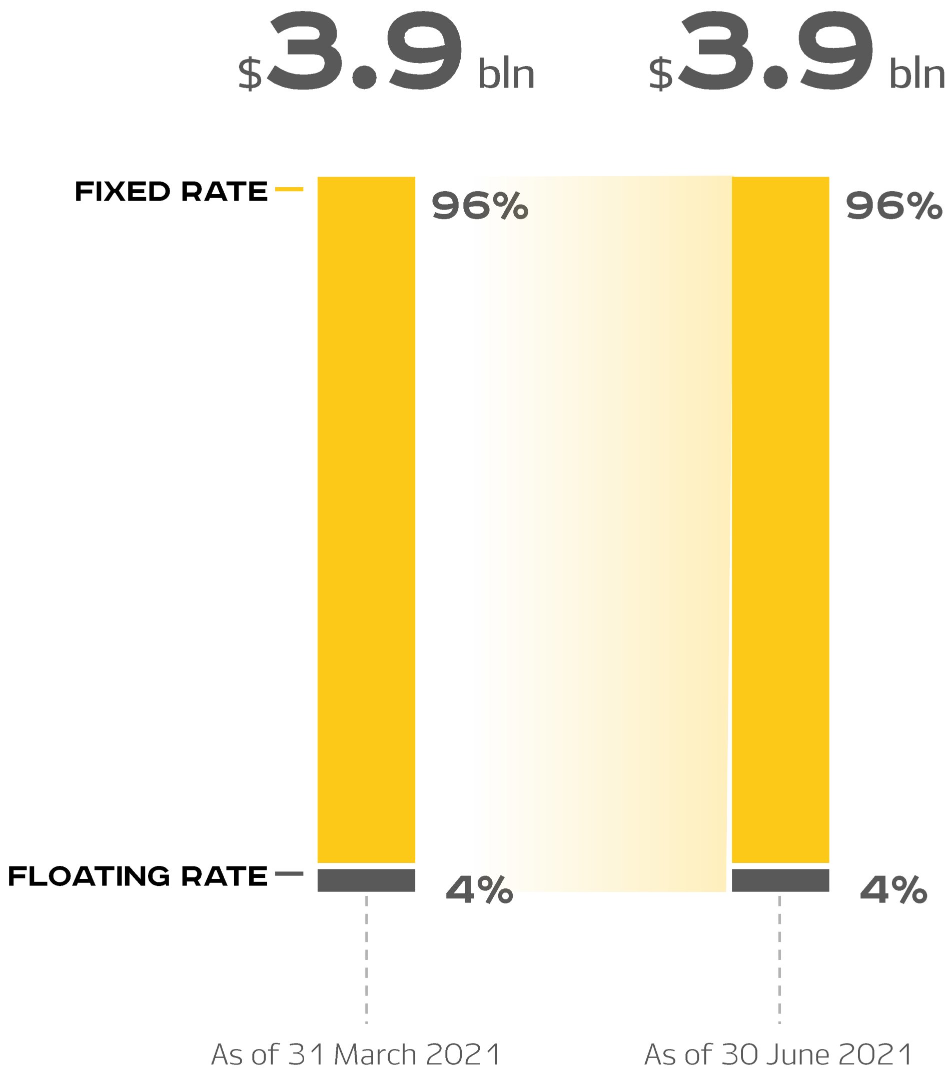


PRIVATE DEBT VS PUBLIC DEBT

public
private



BY INTEREST RATES



AVERAGE INTEREST RATE

4.7 %

4.7 %

1 – Gross debt includes liabilities under cross-currency and interest rate swaps related to RUB-denominated bank credit facilities

ESG DASHBOARD

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NEWS

- ✓ Polyus has published its 2020 Sustainability Report, independently assured by the Council for Non-financial Reporting of the Russian Union of Industrialists and Entrepreneurs (RSPP), and ESG Data Pack
- ✓ Polyus has published its key priorities in the area of Climate Change, outlining the Company's Climate strategy that is being developed now
- ✓ Polyus experts gave their input to the development of the Global Tailings Standard by ICMM, UNEP and RTI
- ✓ Polyus has published its Water Report, describing the Company's approach to managing water resources as well as the regulatory framework and environmental conditions. It is the first such report among major listed Russian companies
- ✓ Polyus became Key Strategic Partner of the WEF Climate Governance Initiative Russia

RATINGS AND ASSESSMENTS

SUSTAINALYTICS

26.8
Medium Risk

MSCI

A
up from BBB in 2019; constituent of MSCI EM ESG Leaders Index

S&P Global

54
72nd percentile, up from 63rd percentile in 2019

CDP
DRIVING SUSTAINABLE ECONOMIES

Climate Change:
C
up from D in 2019; among leaders in Russia

Water security:
C
up from D in 2019; among leaders in Russia

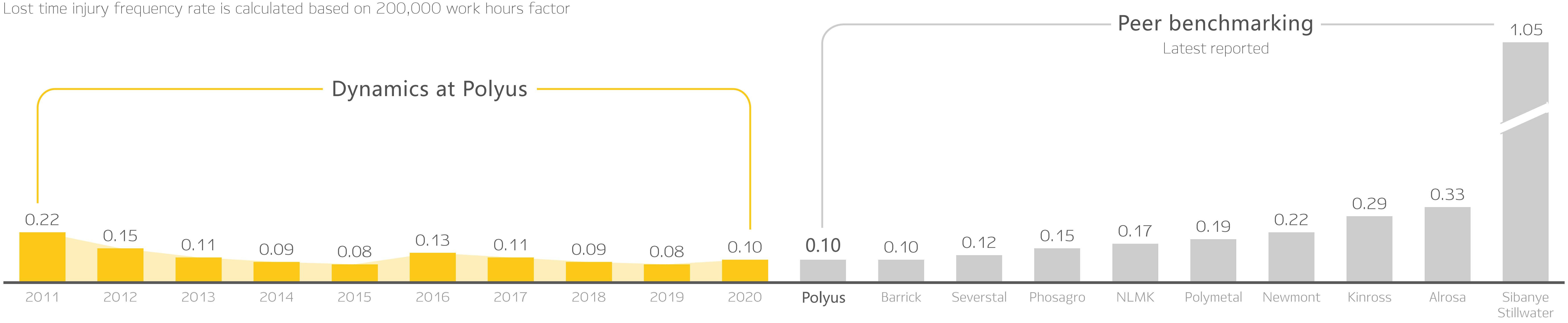
Forests:
one of few Russian companies to disclose information

FTSE4Good

FTSE4Good Index constituent

LTIFR BENCHMARKING (LATEST REPORTED)[1]

Lost time injury frequency rate is calculated based on 200,000 work hours factor



1 – Source: Companies' data

CLIMATE CHANGE: SWITCHING TO HYDROPOWER

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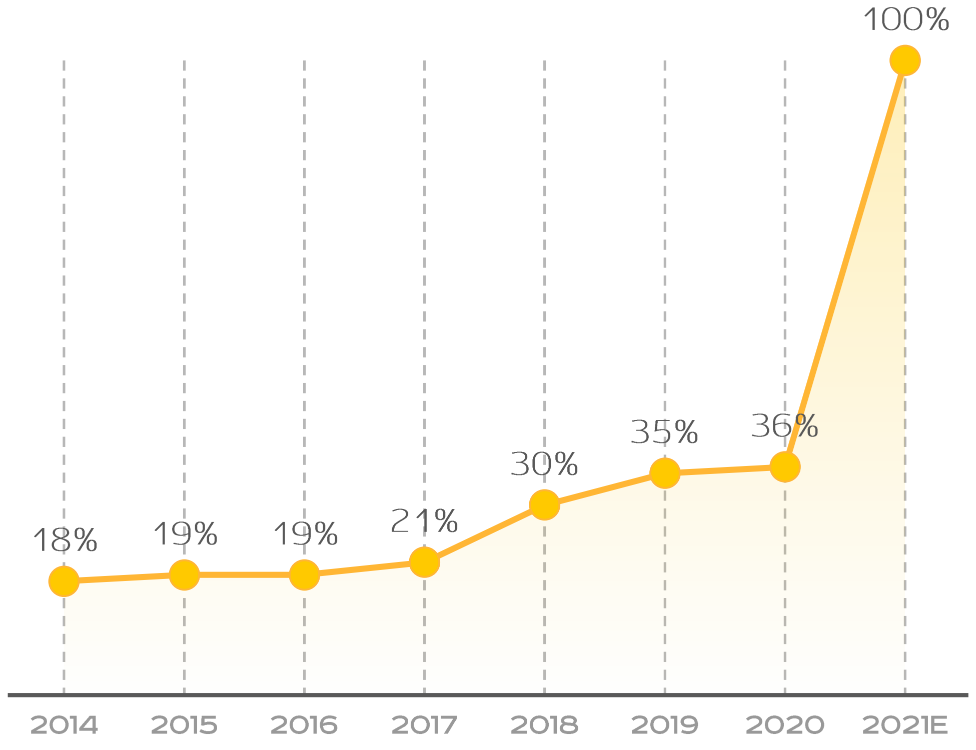
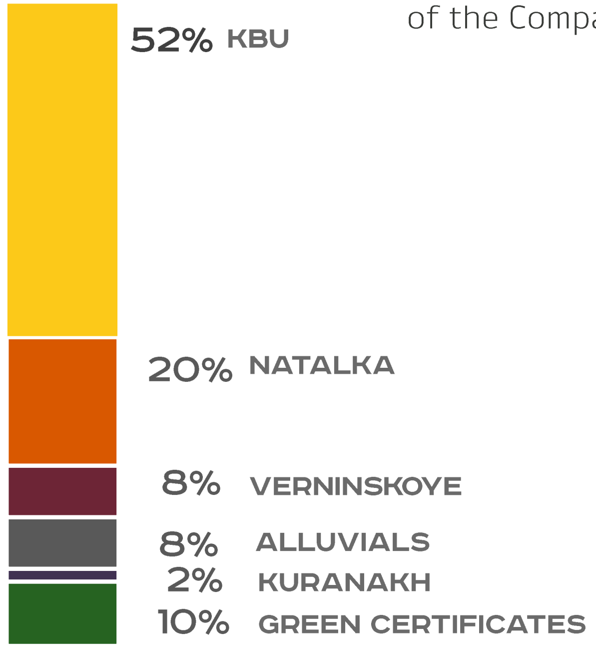
SHARE OF RENEWABLE ENERGY IN THE ELECTRICITY SUPPLY OF POLYUS PRODUCTION ASSETS

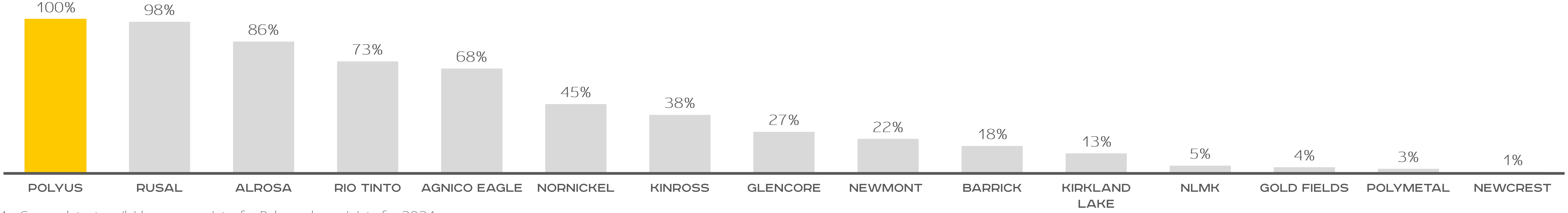




Increase in share of renewable energy follows major agreements with RusHydro and is a key part of the Company's de-carbonization efforts:

- **2020** – first long-term contract to supply Natalka from Ust-Srednekanskaya HPP and Kolymskaya HPP
- **2021** – supply to Olimpiada and Blagodatnoye from Sayano-Shushenskaya HPP; compensation of the remaining 10% of non-renewable electricity within the overall Company's balance with green I-REC certificates

SHARE OF RENEWABLE SOURCES IN ELECTRICITY CONSUMPTION: MAJOR METALS AND MINING COMPANIES[1]



1 - Source: latest available company data; for Polyus, planned data for 2021