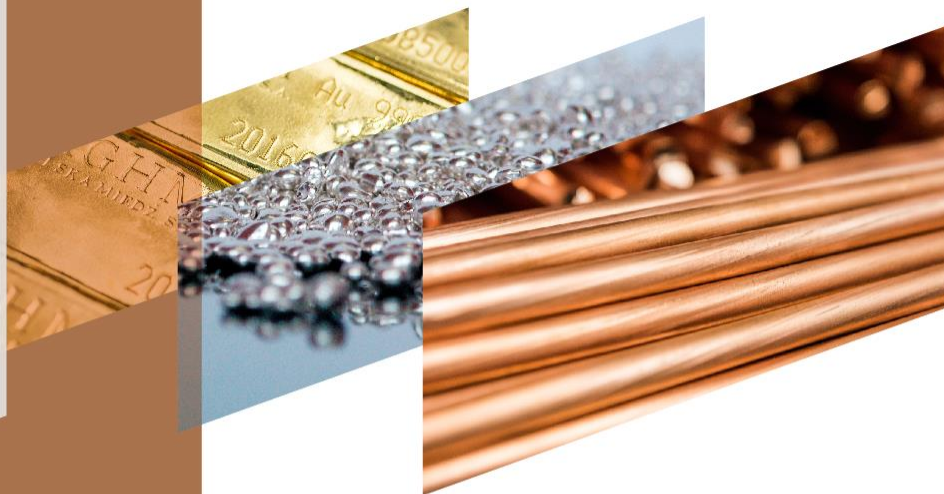


THE FUTURE IS MADE  
**OF COPPER**



KGHM Group  
Investor  
Presentation  
November 2024

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## Key information about the KGHM Group and our approach to Sustainability

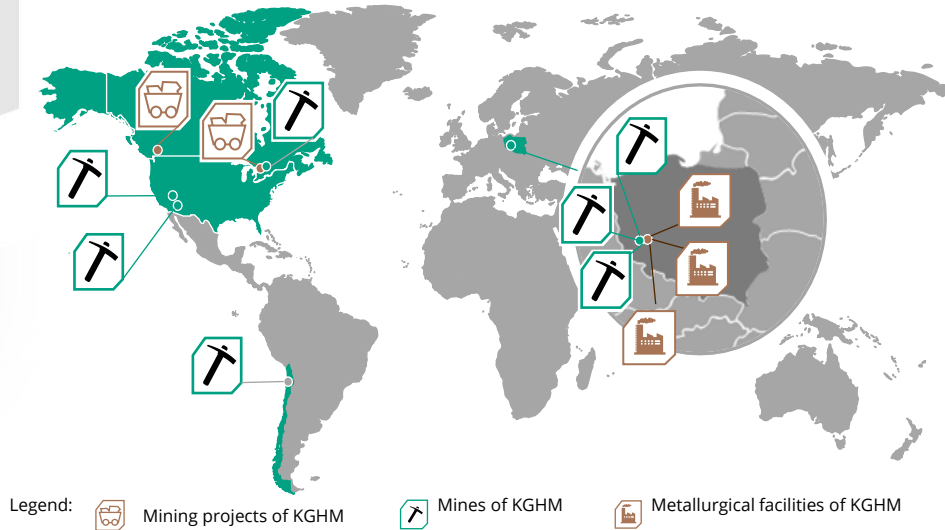
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# KGHM: a top ten copper producer and a leading Polish exporter



The Group has a global reach and plays a significant role on the global copper and silver markets



Legend: Mining projects of KGHM Mines of KGHM Metallurgical facilities of KGHM

**Eighth**  
largest mining  
copper  
producer



**Second**  
largest  
silver  
producer



Source: Kitco 2023, World Silver Survey 2024

## Other KGHM Group products:

- Molybdenum
- Lead
- Nickel
- Gold
- Palladium
- Platinum
- Rhenium
- Sulphuric acid
- Selenium
- Copper sulphate
- Nickel sulphate

### Geology



Exploration and  
evaluation

### Mining



Ore extraction



Ore enrichment

### Metallurgy



Smelting and  
refining

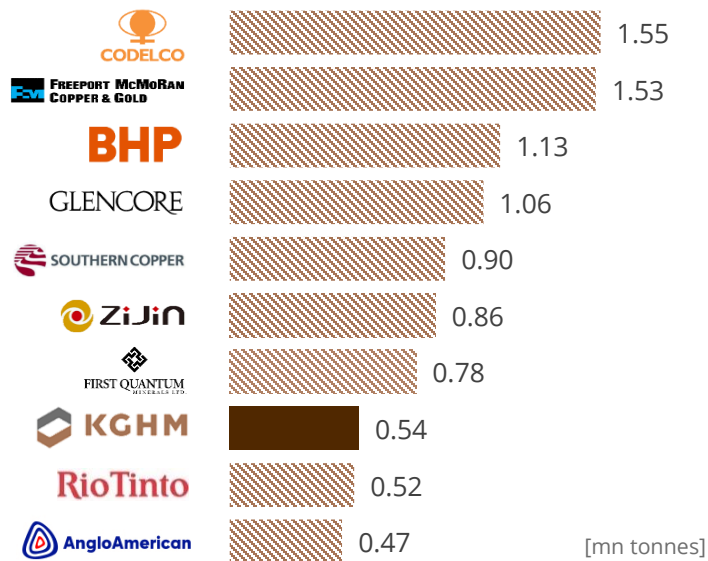


Downstream  
processing

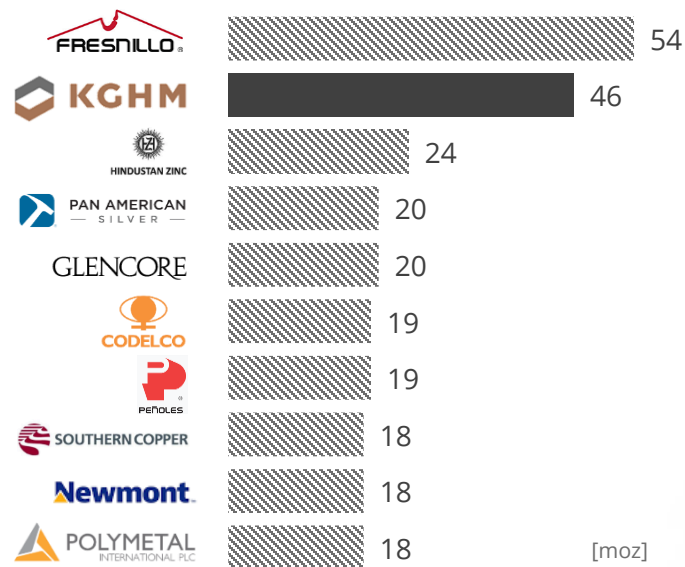
# KGHM among the biggest copper and silver producers



Mined Copper production 2022<sup>1)</sup>



Silver production 2023<sup>2)</sup>



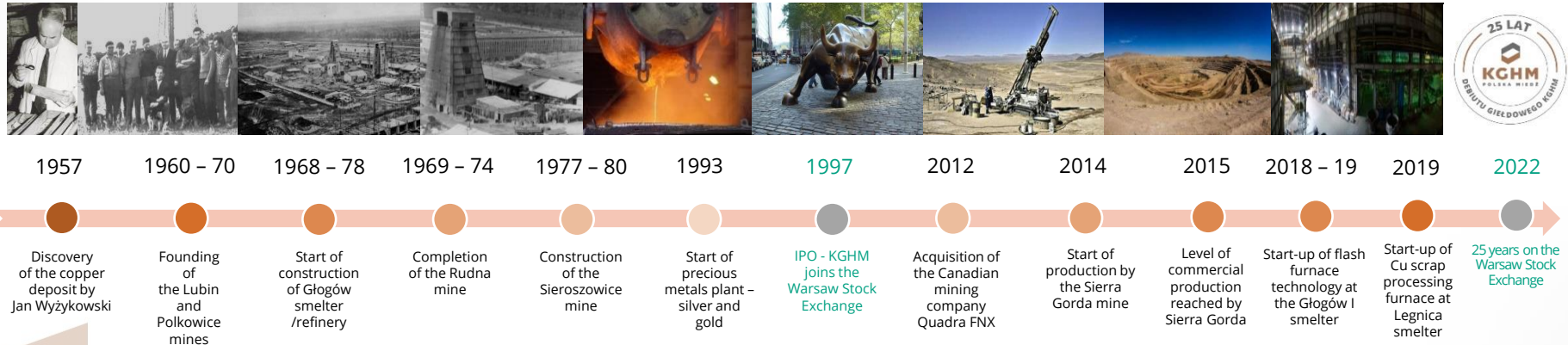
Source: 1) KITCO, March 2023

2) World Silver Survey, April 2024

# A proud history of mining and metallurgy



Discovery of the copper deposit brought about a fundamental change in the region's economy thanks to the growth of KGHM Polska Miedź S.A. As a result of M&A activities, capped by the acquisition of Quadra FNX, KGHM became a truly global copper producer aimed at continued growth.





# Core production assets in Poland – stable output and earnings

Underground copper mines, fully integrated production



## Polkowice-Sieroszowice Mine

approx. 36 years LOM

- Copper in extracted ore in 2023: 198.6 kt
- Associated metals: silver, lead, rock salt, gold



## Legnica Smelter and Refinery

LME grade A-registered cathodes

Capacity of ca. 122 kt electrolytic Cu/year<sup>1)</sup>

- Other products: Pb, H<sub>2</sub>SO<sub>4</sub>, NiSO<sub>4</sub>, CuSO<sub>4</sub>
- 2023 Cu production: 122.3 kt



## Rudna Mine

approx. 23 years LOM

- Copper in extracted ore in 2023: 174.5 kt
- Associated metals: silver, lead, gold



## Głogów I Smelter and Refinery

LME grade A-registered cathodes

Capacity of ca. 240 kt electrolytic Cu/year<sup>1)</sup>

- Other metals produced: Ag, Au, Pb, Re



## Lubin Mine

approx. 38 years LOM

- Copper in extracted ore in 2023: 72.3 kt
- Associated metals: silver, lead, gold



## Głogów II Smelter and Refinery

LME grade A-registered cathodes

Capacity of ca. 230 kt electrolytic Cu/year<sup>1)</sup>

- Other metals produced: Ag, Au, Pb, Re

2023 Cu production in total: 470.1 kt



## Deep Głogów Project

- Extension of Rudna and Polkowice-Sieroszowice mines
- DG production figures are included in Rudna and Polkowice-Sieroszowice mines' production stats



## Cedynia Copper Wire Rod Plant

Contirod and Upcast technology

- Production in 2023: 258.6 kt of copper wire and 17.2 kt of OFE rod





# Key assets in the Americas

Existing operations and growth potential from projects

## Producing assets



### Sierra Gorda (55% stake), Chile



24 years LOM

- Open-pit mine
- Porphyry

2023 production stats:

- Cu production (payable, 100%): 143.0 kt
- (payable, 55%): 78.6 kt



### Robinson Mine, USA



13 years LOM

- Open-pit mine
- Porphyry/  
Skarn orebody

2023 production stats:

- Cu production (payable): 31.5 kt



### Sudbury, Canada



5 years LOM

- Underground mine
- Footwall/  
Contact orebody

2023 production stats:

- Cu production (payable): 4.5 kt

## Actions involving other, third-tier production assets:

- Carlota Mine, USA – renewal of divestment process under consideration
- Sudbury assets (excl. Victoria project) – preliminary divestment process commenced (accepting of bids)

## Potential growth projects



### Sierra Gorda Oxide, Chile



~ 10 years LOM

- The project aims at processing the oxide ore
- The oxide ore is currently stored separately for later heap leaching
- The ore will be transported to a permanent heap, where it will be processed via leaching



### Victoria, Canada



~16 years LOM (from start of revenue stream)

- The project assumes building an underground copper-nickel mine
- Current development scenario assumes accessing the deposit via 2 shafts
- Forecasted annual production: 17 kt Cu p.a., 14 kt Ni p.a.



### Ajax (80% stake), Canada



19 years LOM

- The project assumes building an open-pit copper-gold mine and processing plant with associated infrastructure
- 53 kt Cu p.a., 114 koz t Au p.a.



## Sierra Gorda mine – KGHM's main asset in the Americas

Location	Region II, Chile
Ownership	55% KGHM INTERNATIONAL LTD, 45% South32
Type of mine	open pit
Main ore type	copper ore
Associated metals	molybdenum, gold
End product	copper concentrate, molybdenum concentrate
Payable production in 2023	143.0 kt of copper in concentrate, 6.3 million pounds of molybdenum in concentrate – on a 100% basis, share of KGHM Polska Miedź S.A. is 55%
Life of mine	24 years for the current deposit based on phase 1 of the investment, including actions to remove bottlenecks. Moreover, there is a possibility to extend the mine's life using new deposits



The Sierra Gorda mine is located in the Atacama desert, in the Sierra Gorda administrative area in the Antofagasta region, in northern Chile, approx. 60 km south-west of the city of Calama. The mine is situated at an altitude of 1 700 meters a.s.l. and 4 km from the town of Sierra Gorda. On 1 July 2015 the Sierra Gorda mine commenced commercial production (since then it has prepared statements of profit or loss). The ore is extracted using explosives, and next is loaded and hauled away in trucks to the processing plant, where it is crushed and milled. The end product of Sierra Gorda's processing plant is copper concentrate and molybdenum concentrate. Sierra Gorda has concentrated on implementing an optimisation program aimed at improving the work of the mine, processing plant, infrastructure and tailings storage facility.

# Sierra Gorda Oxide project



Current plan	
Facility type	Oxide ore processing on a permanent heap and copper production in a SX-EW plant
Main product/ copper production	Copper cathodes Annual production: 30 kt/year. Total production during LOM estimated at 298 thousand tonnes
Resources	Total resources: 128 milion tonnes with total average copper content (CuT) of 0.39% and copper in solution (CuS) of 0.25%. At present most of the oxide ore planned for processing has already been excavated and is currently stored on the grounds of the Sierra Gorda mine near the planned SX-EW installation.
Ownership structure	Sierra Gorda S.C.M.: KGHM Polska Miedź S.A. (55%) and South32 (45%)
LOM	10 years



be processed via leaching through a sulphuric acid solution on a heap leach, followed by the production of copper cathodes in a solvent extraction & electrowinning (SX-EW) facility. The project is currently near the completion of the Basic Engineering stage with partial realisation of Detailed Engineering, updated in 2022 with the assistance of an external engineering firm. The goal of further work is to define the future direction of the project.

Since January 2022 Sierra Gorda SCM has owned the project, in which project work continues (in prior years the project was managed by KGHM Chile SpA.). The project involves the leaching of the copper oxide ore, representing the surface layer of the sulphide ore deposit currently being mined by Sierra Gorda. At present most of the oxide ore planned for processing has already been excavated and is currently stored near the site of the future plant. The extracted oxide ore, after preliminary crushing, will

## Robinson mine



Location	Nevada, USA
Ownership	100% KGHM INTERNATIONAL LTD.
Type of mine	open pit
Main ore type	copper ore
Associated metals	gold and molybdenum
Type of orebody	porphyry / skarn
End product	copper and gold concentrate, molybdenum concentrate
Payable production in 2023	31.5 kt
Life of mine	13 years



The mine is located in White Pine county, Nevada, USA, around 11 km west of Ely (approx. 400 km north of Las Vegas), in the Egan range, at an average altitude of 2130 meters a.s.l., near highway no. 50. The mine is comprised of 3 large pits: Liberty, Tripp-Veteran and Ruth. Currently, Ruth is in operation. The sulphide ore is extracted by conventional methods and is then enriched through flotation. The end product is copper and gold concentrate, and separately molybdenum concentrate.



## Victoria project



Location	Sudbury, Ontario, Canada
Ownership	100% KGHM INTERNATIONAL LTD.
Type of mine	underground
Main ore type	copper-nickel ore
Associated metals	gold, silver, cobalt, platinum and palladium
End product	copper, nickel and precious metals ore
Forecasted annual production	14 kt of nickel, 17 kt of copper
Life of mine	16 years



This project is located in the Canadian province of Ontario, around 35 km west of the town of Sudbury. In 2002 rights were acquired to the Victoria mineral deposit and a campaign of exploration in this region commenced. The project foresees the mining of a polymetallic deposit, at a depth of approx. 1000 – 2000 meters, to produce copper and nickel as well as associated metals – platinum, palladium, gold, silver and cobalt. The extracted ore will then be sent for processing by the Clarabelle plant belonging to Vale.

The ore will be extracted through a production shaft. A second shaft will also be sunk to ensure proper ventilation. Preparations are underway to begin sinking an exploration shaft (ultimately for ventilation) to further assess the deposit's potential. Engineering work continues as well as actions aimed at maintaining good relations and cooperation with key stakeholders in the project, along with administrative actions to obtain required permitting for the project.



# The Copper Mark®

The Copper Mark® was created to promote responsible copper production. The prolongation of this certification enables KGHM's products to continue being registered (copper cathodes and lead products) on the London Metal Exchange.

The Copper Smelters and Refineries in Głogów and Legnica joined the Copper Mark® program in 2020. International experts reviewed the compliance of the business processes in these divisions of KGHM with 32 criteria required for the granting of the Copper Mark®. Amongst the areas assessed were actions involving environmental protection, the supply chains for metals, working conditions, risk management practices and cooperation with local communities. This year a follow-up assessment was conducted to assess compliance with the Copper Mark® certificate.

- **Głogów Copper Smelter/Refinery** - certified 2021
- **Legnica Copper Smelter/Refinery** - certified 2021
- **Cedynia Wire Rod Plant** - certified 2023



The Copper Mark® arose to enable a better understanding of, and to deal with, the growing demands for independently verified, responsible production practices as well as to make a positive contribution to sustainable development. It is a voluntary program for companies in the copper industry which thereby have the opportunity to receive their own quality assurance certification. Companies which successfully pass the requirements may utilise the Copper Mark® in their corporate publications, in contracts and on their copper products.

## The 32 topics covered by The Copper Mark® include:

- *Forced Labor*
- *Gender Equality*
- *Occupational Health and Safety*
- *Freshwater Management and Conservation*
- *Waste Management*
- *Biodiversity and Protected Areas*
- *Community Development*
- *Human Rights*
- *Indigenous Peoples' Rights*
- *Cultural Heritage*

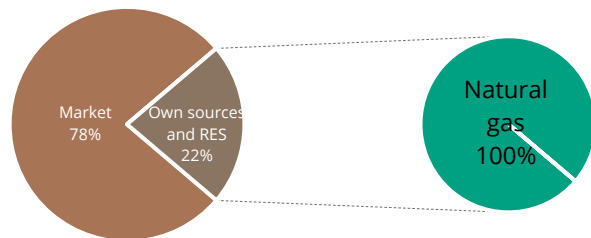
The full Summary Reports are available at The Copper Mark® website: <https://coppermark.org/participants-home/participants/>

# By 2030 the increase in share of RES will lead to a substantial reduction in CO2 emissions

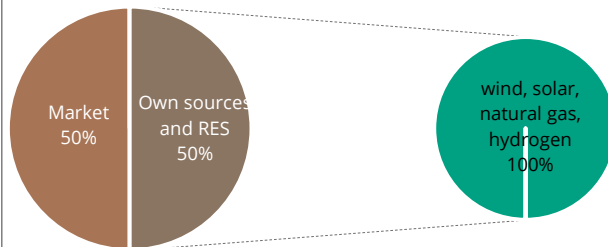


Share of power source in supplies to KGHM Polska Miedź S.A.

2020 – base year (2.9 TWh):



2030 – goal:

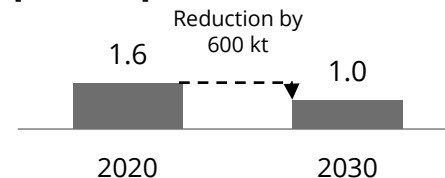


9M 2024:

Own generation sources, including RES, covered 19.93% of KGHM Polska Miedź S.A.'s total power needs.

Estimated CO2 emissions due to electricity consumption

[mn tonnes]



Implementation of the „Development of Energy generation, incl. RES” Program alongside changes in the national energy system structure will enable the avoidance of approx. 600 kt of CO2 annually



**Sierra Gorda mine:**  
**100% of electricity generated by RES**  
from January 2023

# Advancement of key strategic performance indicators after the first 9 months of 2024



Strategic measure of success (strategic KPI)	Base year 2020	Goal 2030	9M 2024
 <b>Domestic copper production</b>	approx. 560 kt of electrolytic copper	<b>Approx. 600 thousand tonnes of electrolytic copper</b> (including production based on a higher amount of purchased materials and copper from recycling).	<b>441.2 kt</b>
 <b>International copper production</b>	approx. 150 kt of payable copper	<b>Higher production by the international assets of KGHM</b> by extending their life-of-mine, developing assets in the mine projects portfolio held and increasing the resource base thanks to advancement of the International Exploration Strategy.	<b>102.6 kt</b>
 <b>Silver production <sup>1)</sup></b>	approx. 1 320 tonnes of silver (top three)	Maintain the Company's position amongst the world's top-three producers of silver (approx. <b>1200 tonnes</b> of silver annually).	<b>981 t Ag</b>
 <b>Energy produced</b>	694 GWh (22% of consumption)	<b>Min. 50%</b> of consumption (approx. 1.5 TWh)	<b>428 GWh</b> (~ 19.93% of consumption)
 <b>Recycling of scrap</b>	Approx. 124 kt of copper scrap	<b>Approx. 350 kt</b> of copper scrap	<b>124.1 kt</b> (dry weight)
 <b>Revenues from sales on external markets of selected Group companies</b>	Base 2020 Base year=100% Revenues from sales on external markets in the base year 2020.	<b>147%</b> vs base year for the companies Zanam, Nitroerg, PeBeKa <b>163%</b> vs base year for the company DMC	<b>107%</b> <sup>2)</sup> vs base year for the companies: ZANAM, NITROERG, PeBeKa <b>176%</b> <sup>2)</sup> vs base year for DMC
 <b>LTIFR</b>	7.31	<b>Aiming at 0 accidents</b>	<b>6.43</b>
 <b>TRIR</b>	0.52	<b>Aiming at 0 accidents</b>	<b>0.28</b>
 <b>Number of volunteer projects advanced</b>	25	30	<b>98</b> (incl. 22 projects in the KGHM Group)

1) For the KGHM Polska Miedź S.A. Group  
2) 9M 2024 to 9M 2020.



## Performance in the first 9 months of 2024 - KGHM Group

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# Summation of the first 9 months of 2024 in the KGHM Group

Main macroeconomic factors and aspects of the Group compared to 9M 2023

## Macroeconomic environment<sup>1)</sup>

**+6%**      **no change**  
Copper price in      Copper price  
USD/t                  in PLN/t

**+16%**      **+9%**  
Silver price      Silver price  
in USD/oz t      in PLN/oz t

**-6%**  
A weaker USD  
vs the PLN

## Operating results

**no change**  
in extraction of ore, dry weight  
in KGHM Polska Miedź S.A.

**+0.3%**  
Production of  
copper in concentrate  
by KGHM Polska Miedź S.A.

**-10.8%**  
Production of metallic silver  
by KGHM Polska Miedź S.A.

## Indicators

**+16%**  
Higher CAPEX execution  
by KGHM Polska Miedź S.A.

**+2%**  
Increase in revenues to  
PLN 26 139 mn

**0.9**  
Debt  
(Liquidity indicator, measured as net  
debt to adjusted EBITDA)

1) Macroeconomic data – average for the period



## Key production indicators

### 9M 2024



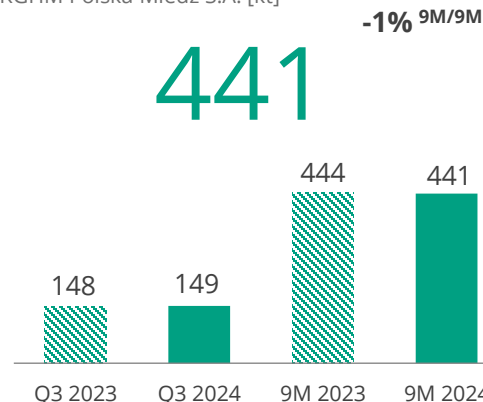
Payable copper production  
by the KGHM Group  
higher by 3% (9M/9M)

# 544

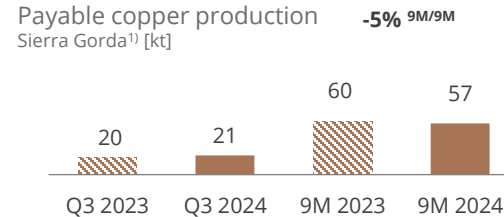
**+3% 9M/9M**  
[kt]

- **KGHM Polska Miedź**  
Production slightly lower than in the prior year – the small decrease was due to execution of the adopted production plan for 2024
- **Sierra Gorda**  
Lower copper content in ore and lower metal recovery, partially offset by higher processing
- **KGHM INTERNATIONAL LTD.**  
Higher production thanks to significant improvement of production parameters in the Robinson mine

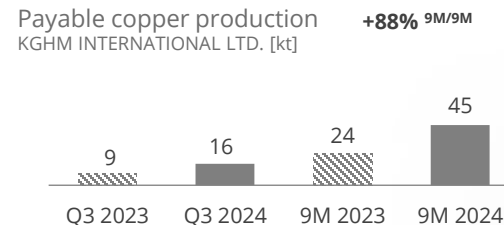
### Payable copper production KGHM Polska Miedź S.A. [kt]



### Payable copper production Sierra Gorda<sup>1)</sup> [kt]



### Payable copper production KGHM INTERNATIONAL LTD. [kt]

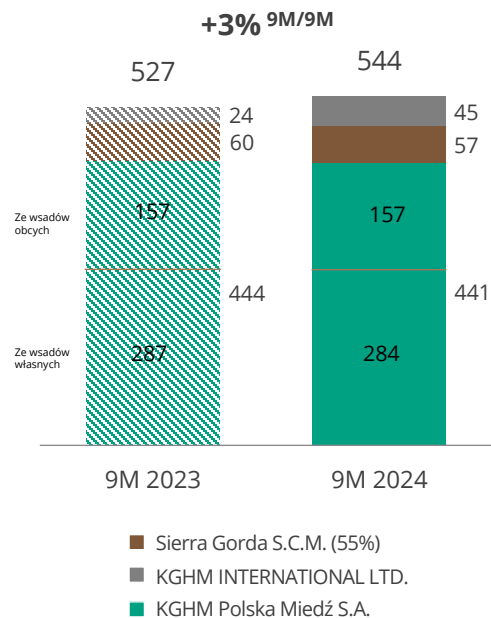


1) On a 55% basis

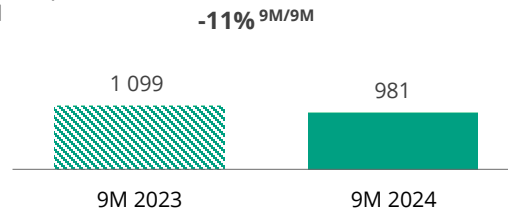
## Other major metals: silver, TPMs, molybdenum



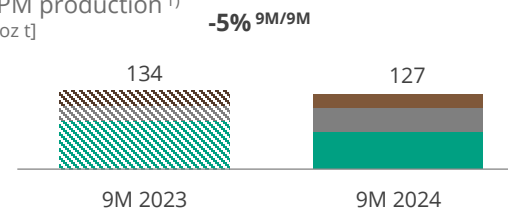
### Payable copper production [kt]



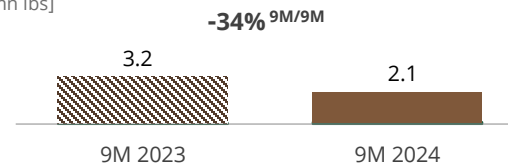
### Silver production [t]



### TPM production <sup>1)</sup> [koz t]



### Molybdenum production [mn lbs]



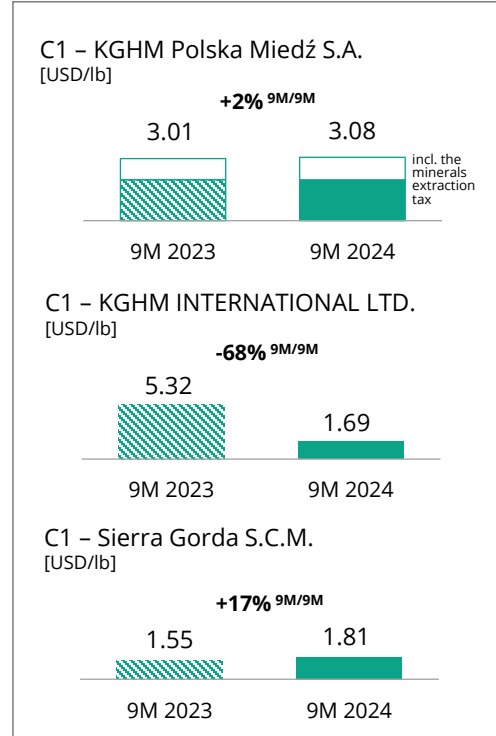
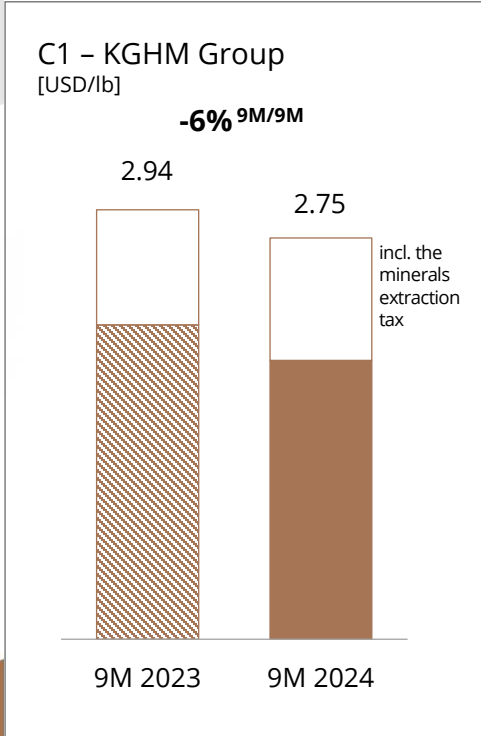
- Slightly lower copper production by KGHM Polska Miedź S.A. due to execution of the adopted production plan for 2024
- Higher copper production by KGHM INTERNATIONAL LTD. thanks to significant improvement of production parameters in the Robinson mine
- Lower copper production by the Sierra Gorda mine due to lower copper content in ore and lower recovery, which was not offset by higher processing
- Production of silver by the Group was lower than in 9M 2023 mainly due to lower production by KGHM Polska Miedź S.A., as well as by the Sudbury Basin
- Production of precious metals lower than in 9M 2023 due to lower gold production in KGHM Polska Miedź S.A. and Sierra Gorda S.C.M. as well as TPM in the Sudbury Basin, despite higher production in the Robinson mine
- Lower molybdenum production by Sierra Gorda S.C.M. due to extraction of ore with lower molybdenum content and lower recovery

1) TPM – Total Precious Metals: gold, platinum and palladium



## C1 unit cost <sup>1)</sup>

### KGHM Group



- **KGHM Polska Miedź S.A.** – an increase in C1 by 2% mainly due to a weaker USD versus the PLN (-6%) and a higher minerals extraction tax charged by 9%.
- **KGHM INTERNATIONAL LTD.** – the significant decrease in C1 cost results from the improvement in the Robinson mine, which for most of 2023 mined from low copper content zones and struggled with technical problems
- **Sierra Gorda S.C.M.** - an increase in C1 by 17% mainly due to lower sales of copper and higher costs of external services, energy, fuels and spare parts. In 2024 costs were also under pressure due to the utilisation of stored ore (during the period 9M 2023 the situation was reversed).

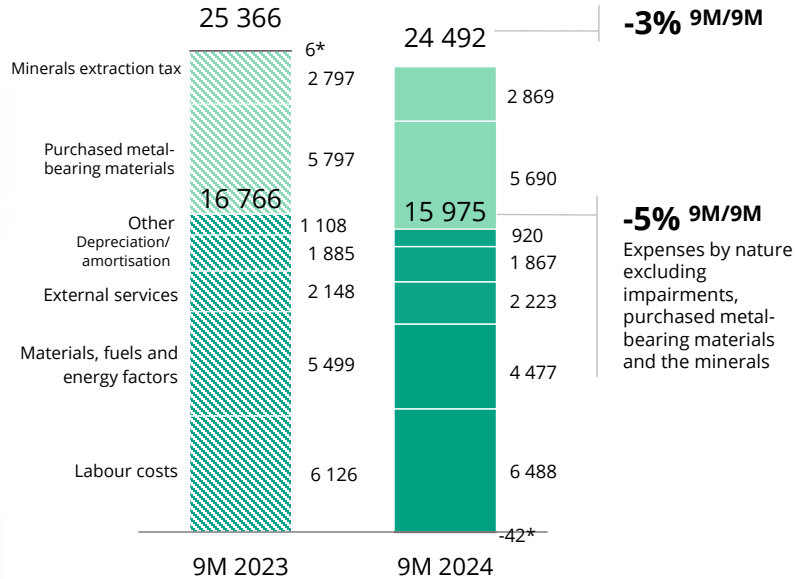
1) C1 cost - cash cost of concentrate production reflecting the minerals extraction tax, plus administrative expenses and smelter treatment and refining charges (TC/RC), less depreciation/amortisation and the value of by-product premiums, calculated for payable copper in concentrate



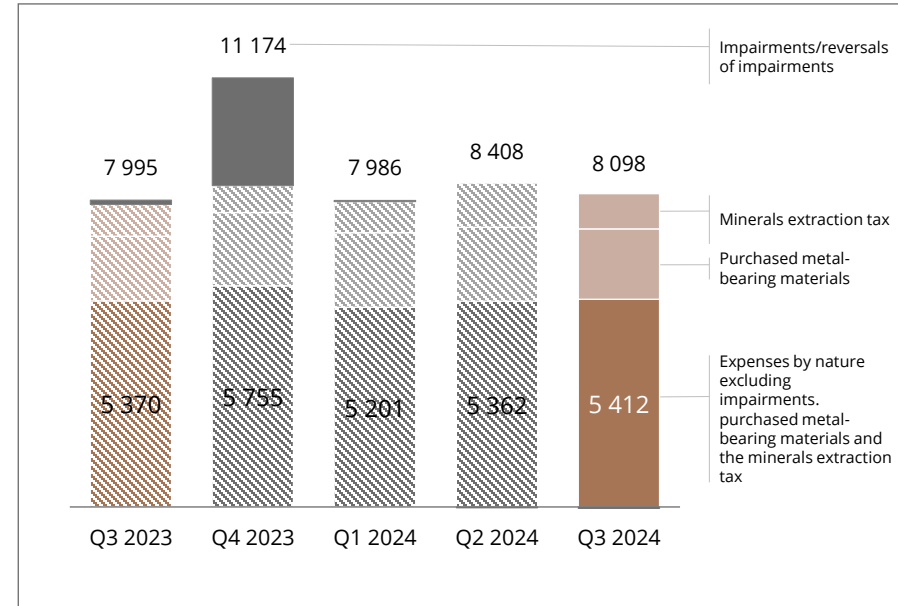
# Expenses by nature

KGHM Group

Expenses by nature  
[mn PLN]



Lower expenses by nature compared to the first 9 months of 2023 mainly due to lower costs of consumption of technological materials and fuels, energy factors and purchased metal-bearing materials



\*Impairments/reversals

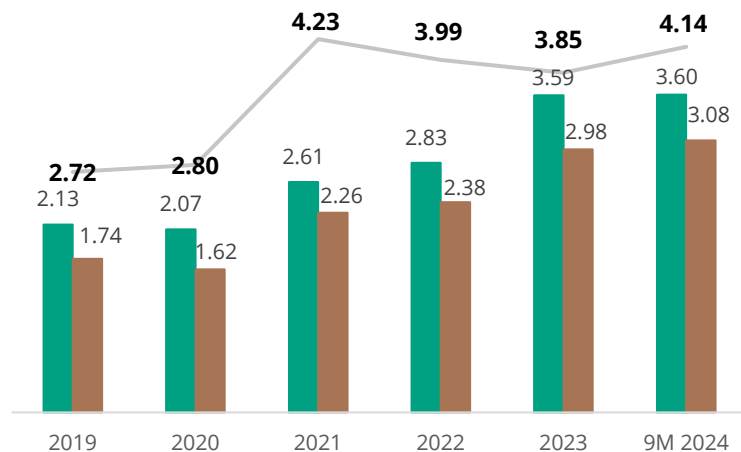
# Margins under pressure, but recent higher metals prices support improved profitability



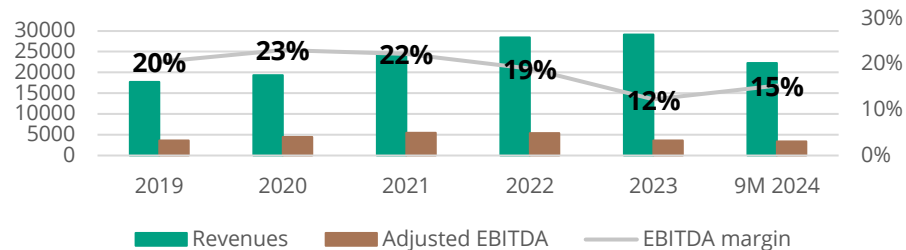
## KGHM Polska Miedź S.A. Copper production cost vs copper price

■ Total unit cost of electrolytic copper production from own concentrate (USD/lb)  
■ C1 cost of producing copper in concentrate C1 (USD/lb)

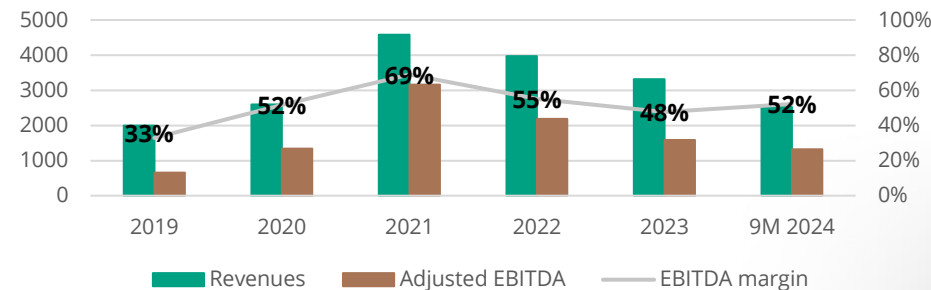
— Average annual copper price (USD/lb)



## KGHM Polska Miedź S.A. Revenues vs EBITDA (mn PLN)



## Sierra Gorda S.C.M. Revenues vs EBITDA (mn PLN)\*



\*Proportionally to the interest held (55%)



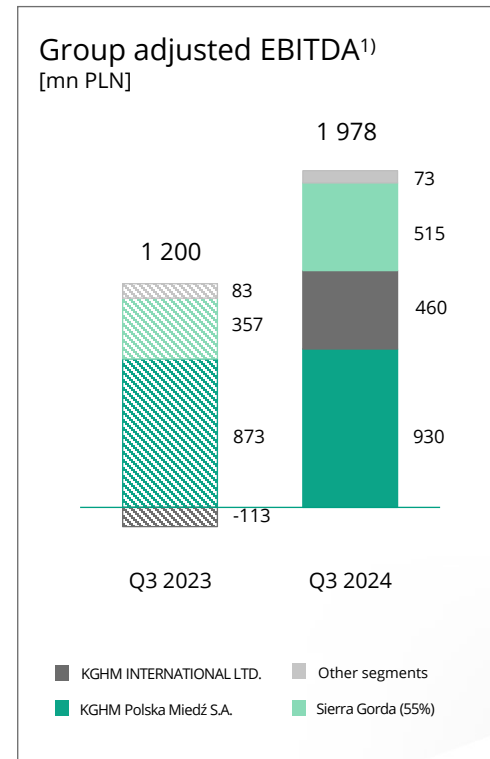
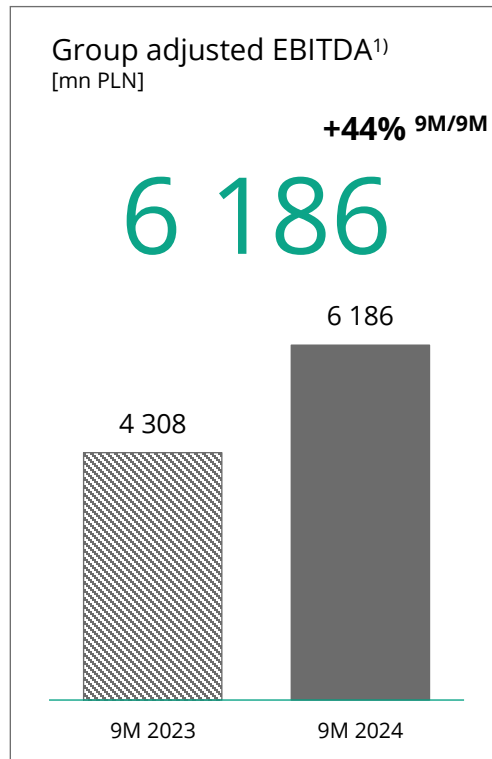
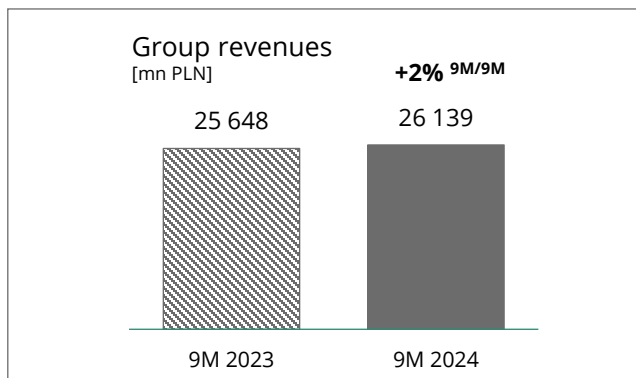


# Key financial indicators of the KGHM Group

9M 2024

## Adjusted EBITDA of the KGHM Group

Higher adjusted EBITDA compared to the first 9 months of 2023 mainly in respect of KGHM INTERNATIONAL LTD. and, to a lesser degree, to KGHM Polska Miedź S.A.

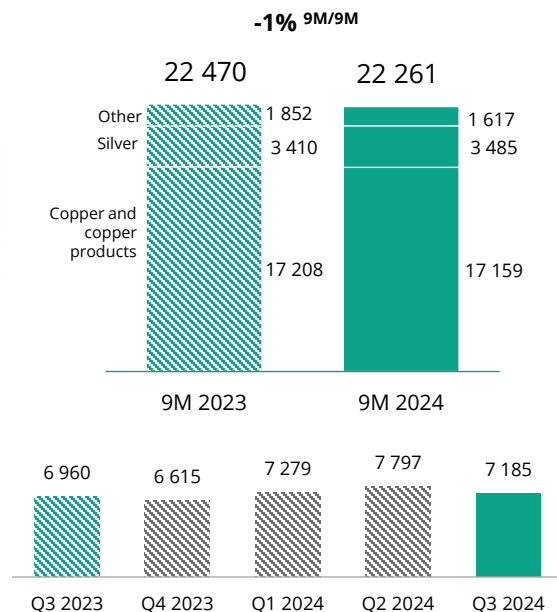


1) Sum of segments; adjusted EBITDA = profit/loss on sales + depreciation/amortisation adjusted by impairment losses/reversals of impairment losses on non-current assets.

# Financial results – KGHM Polska Miedź S.A.

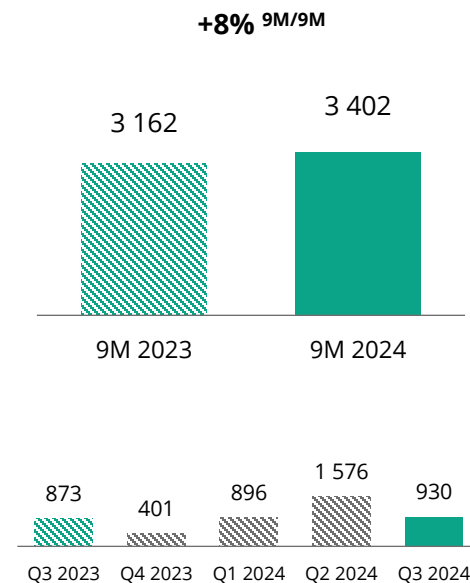


## Revenues from contracts with customers [mn PLN]



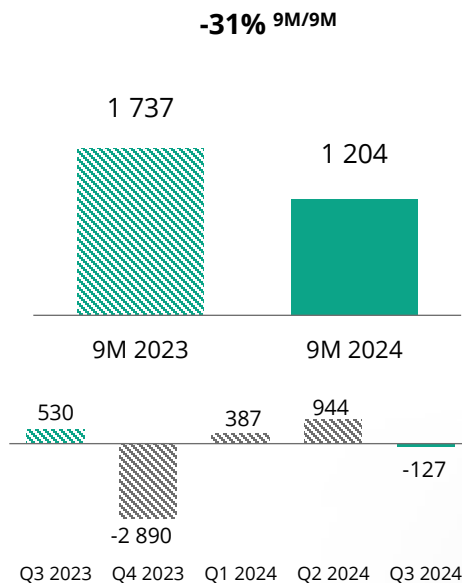
## Adjusted EBITDA

[mn PLN]



## Profit for the period

[mn PLN]

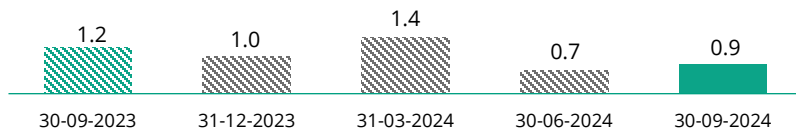




# Net debt of the KGHM Group

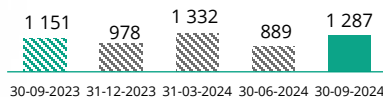
As at the end of Q3 2024

Net debt / adjusted EBITDA<sup>1)</sup>



KGHM Group net debt<sup>1)</sup>

[mn USD]

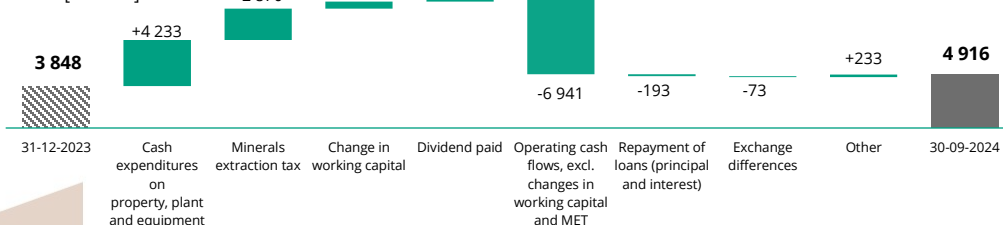


[mn PLN]



Change in net debt

[mn PLN]



## Main factors affecting net debt in 2024

### Increases in debt

- Cash expenditures on property, plant and equipment (PLN 4 233 mn)
- The minerals extraction tax (PLN 2 870 mn)
- Change in trade and other receivables (increase by PLN 639 mn)
- Change in trade and other payables, including trade liabilities transferred to the factor (decrease by PLN 611 mn)
- Dividend paid (PLN 300 mn)

### Decreases in debt

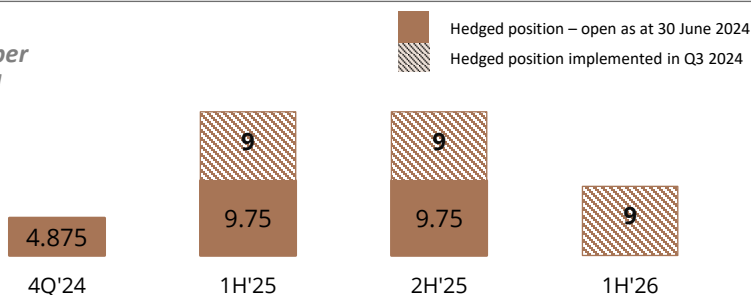
- Positive cash flow from operating activities, excluding the change in working capital and the minerals extraction tax (PLN 6 941 mn)
- Change in inventories (decrease by PLN 610 mn)
- Repayment of loans granted (principal and interest) (PLN 193 mn)
- Positive exchange differences (lower net debt expressed in PLN by PLN 73 mn)

# Market risk management

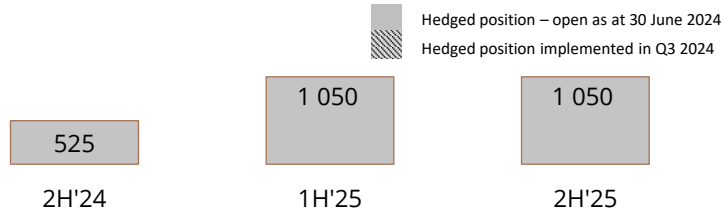
Hedged position on the copper, silver, currency and interest rate markets (as at 30 September 2024)



## Copper [kt]



## Silver [koz t]



In the third quarter of 2024 the Parent Entity implemented *seagull* options structures on the copper market for the period from January 2025 to June 2026 for a total tonnage of 27 thousand tonnes.

In the third quarter of 2024 the Parent Entity did not enter into new derivatives instruments on the silver, currency and interest rate markets.

The open hedged position as at 30 September 2024 on the currency market amounts to USD 165 million for the fourth quarter of 2024.

## At the end of the third quarter of 2024 the Parent Entity recorded a result on derivatives\* and hedges in the amount of PLN 434 million:

- PLN +461 mn adjusted revenues from contracts with customers (transactions settled to 30 September 2024),
- PLN 29 mn decreased the result on other operating activities\*,
- PLN 2 mn increased the result on financing activities.

Moreover the Parent Entity activated PLN 31 million in gains from the settlement of an instrument hedging the interest rate on bonds (CIRS) (Cross Currency Interest Rate Swap) in the statement of financial position – non-current assets (as at 30 September 2024).

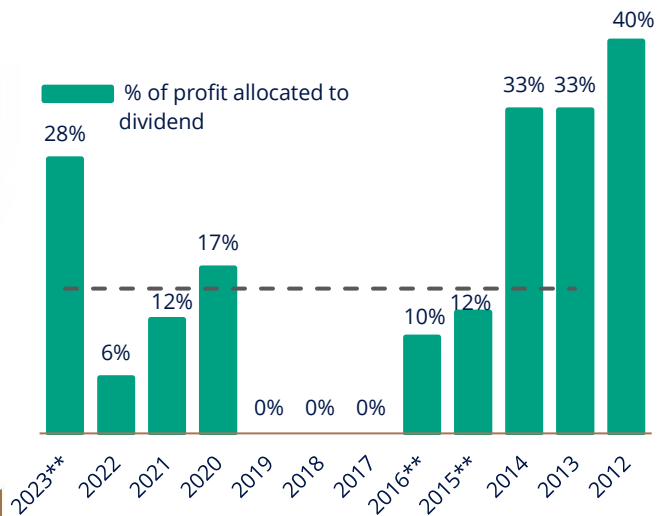
- The fair value of open derivatives in KGHM Polska Miedź S.A. as at 30 September 2024 amounted to PLN 149 million\*.
- The revaluation reserve on cash flow hedging instruments as at 30 September 2024 amounted to PLN 210 million (excluding the tax effect).
- As at 30 September 2024 the Parent Entity held open CIRS (Cross Currency Interest Rate Swap) transactions for the notional amount of PLN 1.6 billion.

\* excludes embedded instruments

# Capital allocation

Renewal of dividend payout

**2023 Dividend Payout (on 2022 profit)**  
**(6% of net profit)**  
**200 mn PLN**  
(1.00 PLN/share - gross)



\*\* For the years 2015-2016 and for 2023 the company reported a net loss, mainly due to the impairment of assets. The dividend payout ratio for this period was calculated on the basis of the company's net result, after eliminating the impact of the impairments.

## Dividend for Shareholders paid in 2024 on 2023 profit

**PLN 300 000 000.00 (PLN 1.50 per share)**

## Dividend policy

The Dividend Policy of KGHM Polska Miedź S.A. is part of its on-going efforts to ensure a balance between dividends paid out to shareholders and opportunities to efficiently invest the Company's funds.

The Dividend Policy of KGHM Polska Miedź S.A. assumes that the Management Board will recommend allocation of **up to one-third of the Company's standalone net profit** for the previous financial year as a dividend, while taking into account the current and anticipated financial situation of the Company and the Group. In particular, in making its recommendation the Management Board takes into account the Company's anticipated requirements for capital to complete the Company's development program as well as a safe debt level for the Group.



# A rationale and responsible investment program

Capital expenditures by KGHM Polska Miedź S.A. in the first 9 months of 2024



2 520 mn PLN  
(+16% vs 9M 2023)

CAPEX execution  
in the first 9M of 2024

3 950 mn PLN  
CAPEX target for 2024

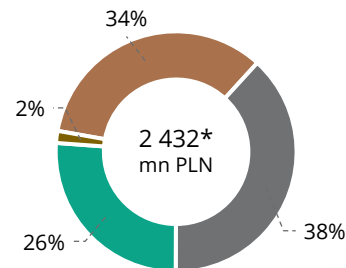
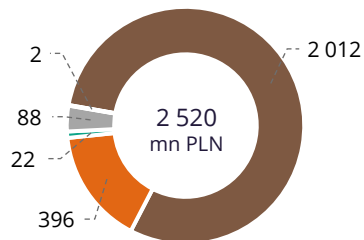
## CAPEX execution in the first 9 months of 2024, incl. borrowings

by area

- Mining
- Metallurgy
- Other activities
- Leasing MSSF 16
- Development - uncompleted

by category

- Replacement
- Maintaining mine production
- Development (incl. R&D)
- Adaptation projects



\*excl. Leasing per IFRS 16

## Comparison: CAPEX and budget execution in the first 9 months of 2023



2 167 mn PLN

CAPEX execution in the first 9M of 2023

3 250 mn PLN

CAPEX budget target for 2023

# CAPEX execution in key investments

## Deposit Access Program

- 30.1 km kilometres of corridors were excavated.
- Central Air-Cooling System (SKC) at the GG-1 shaft – the Surface-based Air Conditioning Station (PSK) is operating with a nominal capacity of 33 MW. Conditions agreed to expand the SKC to a capacity of 40 MW. Work planned for the fourth quarter of 2024 began.
- Central Air-Cooling System (SKC) at the GG-2 shaft – project commenced in September. Tender proceeding initiated to select Contractors for functioning and operating Programs for the PSK and the Ice Water Transfer System (SPWL).

## Adaptation

- Construction of a copper concentrate warehouse at the Rudna Concentrator;
- Construction of a silver bar casting station at the Głogów Copper Smelter and Refinery
- Improvement of OHS conditions at the Polkowice-Sieroszowice mine

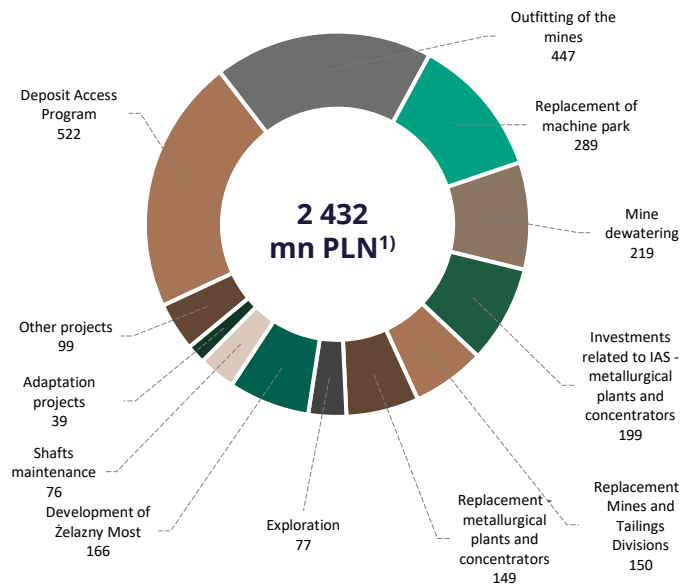
## Maintaining shafts

- SW-4 shaft complex

## Development of the Żelazny Most Tailings Storage Facility

- Southern quarter with segregation station - Static body of the western dam under construction. Agreement signed for tailings cycloning technology at the Polkowice Concentrator. 3 tender proceedings opened related to slimes management (piping, fittings and executory work).
- Increasing dam height to above 195 m – construction work underway by the Company PORR on plan. Construction and execution project received to develop the north-west section, procedure underway to obtain an environmental permit. Changes to municipal area management plans approved in three municipalities.

1) excluding Leasing per IFRS 16, plus borrowing costs and R&D



## Outfitting of the mines

- Conveyor belts – work continued on ruction and extension of conveyor belts (30 conveyor belts under construction; completed - 6.5 km).
- Outfitting and infrastructure of regions/sections – work continued (the largest expenditures were incurred, among others, in projects related to the outfitting of section G-54 and G-32 in the Polkowice-Sieroszowice mine).

## Replacement of machine park

- 167 mine machines were purchased and supplied to the three mines: 34 to Lubin; 58 to Rudna; 75 to Polkowice-Sieroszowice.

## Mine dewatering

- Anti-filtration barrier – injection of first of five openings near completion, drilling and injection of second opening begun; as a result, the inflow of water into the mines which has been increasing since September 2021 has been stabilised. Plans foresee the gradual limitation, together with the drilling of the second opening, of water inflow.
- Dewatering system for the retention clarifier in the Lubin mine – work completed on the construction of piping to a retention clarifier in the Lubin mine aimed at the periodic storage of excess water from the Rudna concentrator.

## Investments related to IAS

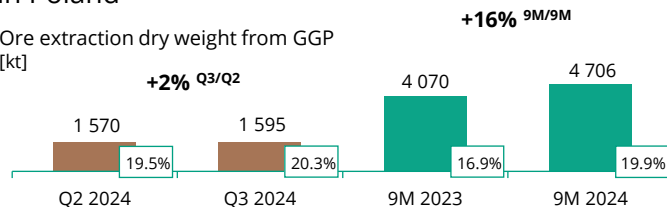
- Maintenance shutdown at the Głogów I Smelter/Refinery – commenced in August; main tasks: average maintenance on the flash furnace and electric furnace, the recovery boiler behind the flash furnace, modernisation of the oil firing flash furnace installation, optimisation of the sulphuric acid plant and updating of control systems; the shutdown was completed in October.
- Concentrators – maintenance on crushers and ball mills, press filters.

# Role of Deep Głogów (GGP) in maintaining output in Poland

Deposit access program in KGHM's concessioned areas

Share of production from GGP in total production in Poland

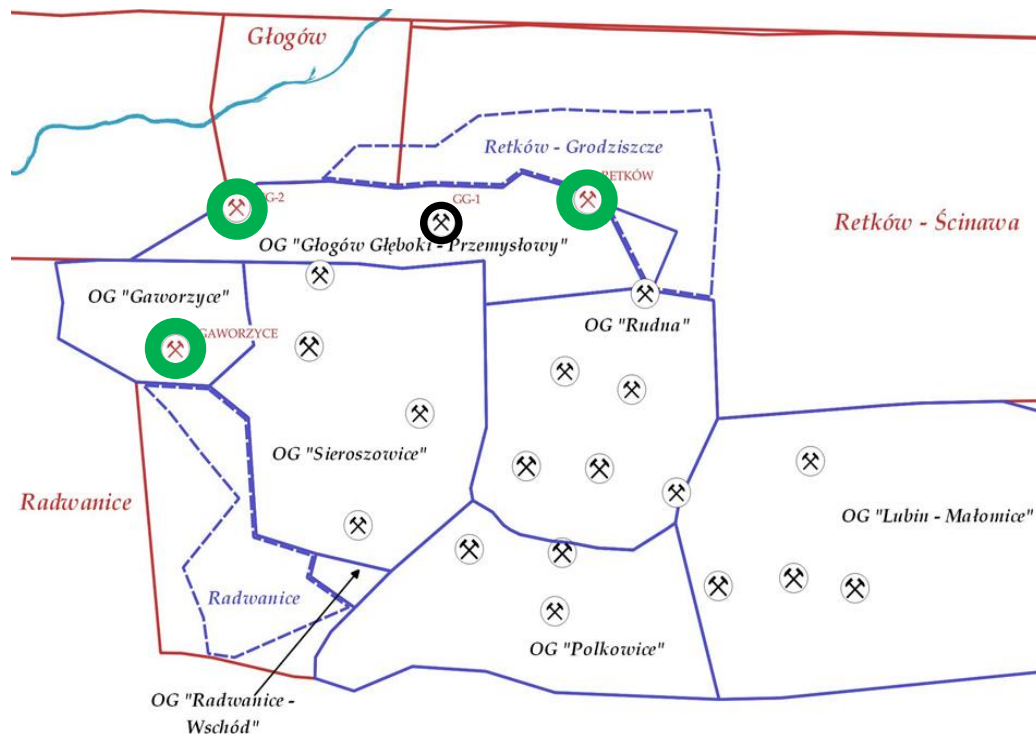
Ore extraction dry weight from GGP [kt]



**GG-1 shaft** – work continues on designing target facilities; in September shaft outfitting commenced; as regards cabling for the 20 kV network, an agreement was signed with Tauron; in terms of rain-industrial piping, building permits were obtained

**GG-2 shaft** - geological documentation received; environmental documentation is being prepared; designing of the main transformer station in accordance with plan

**Retków shaft and Gaworzyce shaft** – conditions agreed to carry out geological work



— Current mining area

— Border of exploration concessions

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**KGHM**  
POLSKA MIEDŹ

# Energy Development Program, including RES | major events in the first 9 months of 2024

## Ensuring energy security in KGHM

- The Natural Gas-Steam (CCGT) blocks of the Head Office ensured energy security for the Core Production Business as regards the supply of power to the Polkowice-Sieroszowice and Rudna mines as well as to the Głogów Copper Smelter and Refinery. Maintaining the operation and/or availability of the CCGT blocks serves to reduce the impact on KGHM in the case of a blackout of the National Energy System, and ensures the supply of cogenerated heat for the production needs of the metallurgical plants as well as heat in the form of hot water for KGHM's facilities and for customers in the communities of Polkowice, Głogów and Lubin.
- KGHM Polska Miedź S.A. as a corporate whole is protected against the potential introduction of restrictions in the supply and off-take of Electricity.

## Development of energy storage warehouses

- Identification of how to utilise electricity storage warehouses and their siting to ensure that their implementation has a positive technological and financial impact.
- Identification of the possibility of acquiring external funding for investments related to energy storage facilities.



## M&A

- On 10 October 2023, KGHM became the owner of the first of the farms in the aforementioned portfolio – PV Żuki, with a capacity of 5.2 MW, followed on 29 February 2024 by the acquisition of additional farms – PV Głogów, PV Koryta and PV Gniewino, with a total capacity of nearly 42 MW, carrying out the closing of the acquisition of shares in the companies INWEST PV 40 sp. z o.o., INWEST PV 58 sp. z o.o. and INWEST PV 59 sp. z o.o.
- The Company actively participates in acquisition processes, in particular as regards wind energy.

## Development of solar energy

- The process of preparing a tender to select a General Contractor and Oversight Inspector is underway for the PV power plant project at the Głogów Smelter and Refinery terrain, with a total capacity of **7.5 MW**.
- Technical connection conditions for a PV project with capacity of **88 MW** on own terrain of the Warta Bolesławiecka municipality, for the Obora Sandpit PV **50 MW** project, as well as for the Kalinówka PV **2 MW** project, were received.
- Advanced work on four other sites with total capacity of **approx. 10 MW** (connection conditions stage) continued.
- Positive environmental decisions were received for three PV projects with a capacity of **10 MW**, and a decision was received regarding building conditions for a **1.5 MW** PV project.



## Development of wind energy

- Preliminary sites were selected for wind farms (**4 sites planned on KGHM land at the Głogów Copper Smelter and Refinery**). Work commenced aimed at acquiring technical connection conditions.
- Further preparatory work is underway to exploit the potential of own land for wind farm projects.

## Development of nuclear energy

- The Company is reviewing the possibilities of utilising SMR nuclear technology in order to satisfy the needs of KGHM Polska Miedź S.A. for electrical power.

## CO<sub>2</sub> carbon capture and storage

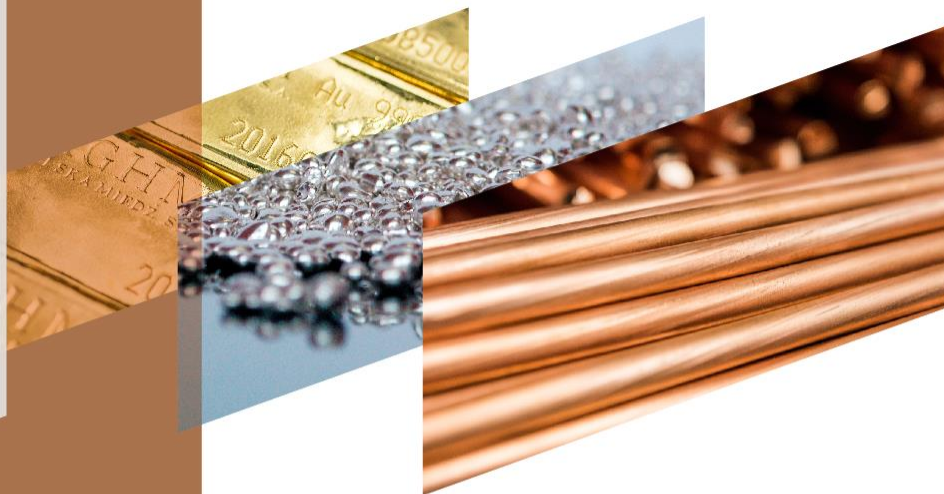
- Conceptual work continued on constructing a CCS installation for the Metallurgical production line at the Głogów Copper Smelter and Refinery, including development of a feasibility study for the demonstration installation. Further work is planned, aimed at acquiring external financing for the investment.

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Supporting slides

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## 2023 targets versus achievements and targets for 2024

		2023	Budget 2023	Execution (%)	Budget 2024	Change (%)
<b>KGHM Polska Miedź S.A.</b>						
Production of copper in concentrate	kt	395.4	389.7	101.5	391.0	(1.1)
Production of silver in concentrate	t	1 319.9	1 261.5	104.6	1 281.0	(2.9)
Electrolytic copper production, including:	kt	592.4	582.1	101.8	569.2	(3.9)
- from own concentrate	kt	385.5	385.3	100.1	370.4	(3.9)
Metallic silver production	t	1 403.3	1 300.9	107.9	1 239.3	(11.7)
Copper products sales volume	kt	584.7	606.8	96.4	593.2	+1.5
Silver products sales volume	t	1 351.6	1 303.0	103.7	1 291.9	(4.4)
Total unit cost of electrolytic copper production from own concentrate <sup>73</sup>	PLN/t	33 255	36 340	91.5	35 950	+8.1
Capital expenditures on property, plant and equipment <sup>74</sup>	PLN mn	3 199	3 250	98.4	4 100	+28.2
Other investments, including loans <sup>75</sup>	PLN mn	1 054	2 129	49.5	1 488	+41.2
<b>KGHM INTERNATIONAL LTD.</b>						
Payable copper production	kt	39.9	56.0	71.3	58.3	+46.1
TPM production	koz t	40.6	59.2	68.6	48.7	+20.0
<b>Sierra Gorda (55%)</b>						
Payable copper production	kt	78.7	80.3	98.0	87.5	+11.2
Molybdenum production	mn lbs	3.5	5.7	61.4	5.7	+62.9

The expected total unit cost of copper production from own concentrate<sup>(1)</sup> in KGHM Polska Miedź S.A. amounts to 39 950 PLN/t. The expected increase by 8% is due to the adopted assumptions regarding higher prices of materials and technological fuels as well as energy factors.

<sup>73</sup> The sum of costs of mining, flotation, smelter processing per electrolytic copper, together with support functions and cathode selling costs, adjusted by the value of inventories of half-finished products and work in progress, less anode slimes and divided by the volume of electrolytic copper production from own concentrate.

<sup>74</sup> Excluding costs of borrowing, leases per IFRS 16 unrelated to an investment project as well as expenditures on development work - uncompleted

<sup>75</sup> Acquisition of shares and investment certificates as well as loans.

**Production** – higher copper production by the Group in 2024 by 4.0 thousand tonnes (+1%) compared to the amount recorded in 2023:

- KGHM Polska Miedź S.A. -23.2 thousand tonnes (-4%) with lower production from own concentrate by 15.1 thousand tonnes,
- KGHM INTERNATIONAL LTD. +18.4 thousand tonnes (+46%),
- Sierra Gorda +8.8 thousand tonnes (+11%).

The expected level of sales of copper by KGHM Polska Miedź S.A. is higher by 8.5 thousand tonnes (+1%).

**Capital expenditures on property, plant and equipment PLN 4 100 million** (excluding costs of borrowing, leases per IFRS 16 unrelated to an investment project and expenditures on uncompleted development work). The assumed increase by 28% as compared to 2023 is due to the greater planned scope of work and expected price increases.

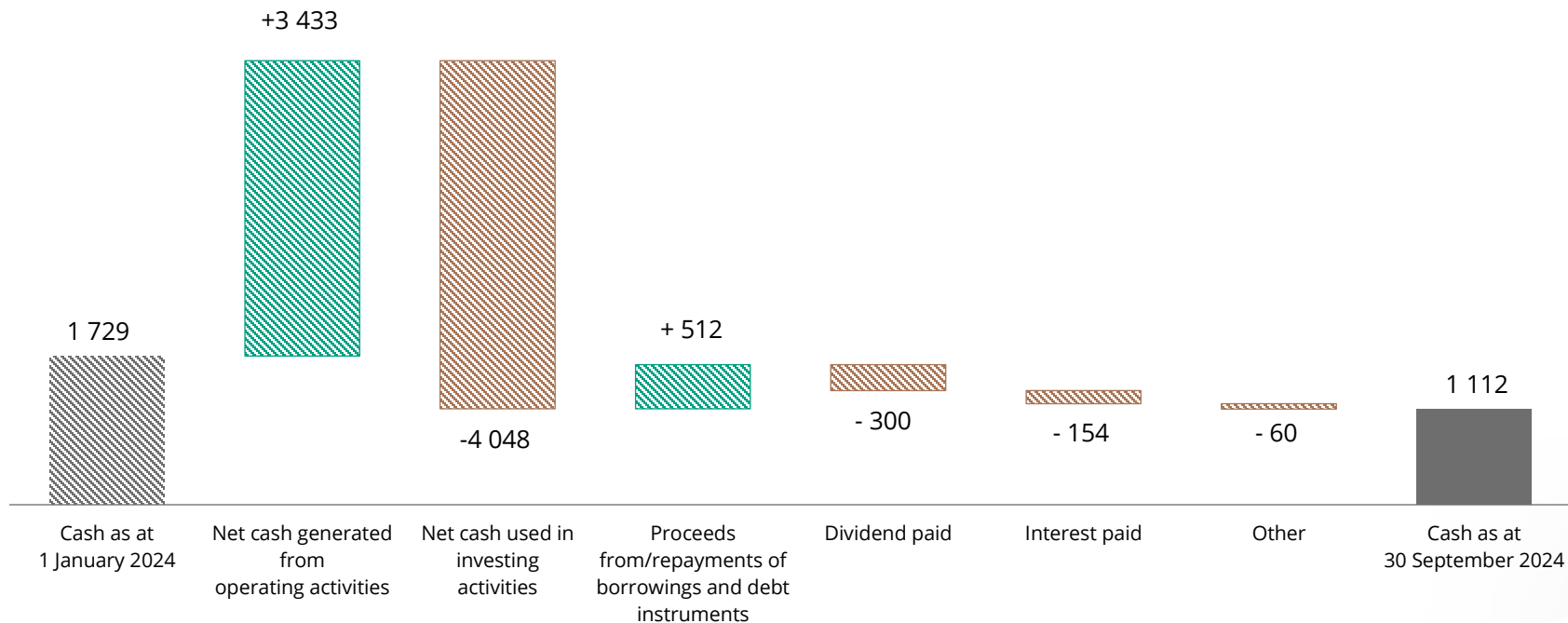
**Equity investments PLN 1 488 million.** The increase assumed in the budget for 2024 versus execution in 2023 primarily comprises the financing of infrastructure development in Group companies, investments in renewable energy sources and expenditures on the Victoria project.

# Cash flow

KGHM Group



[mn PLN]





## Macroeconomic environment in the first 9 months of 2024

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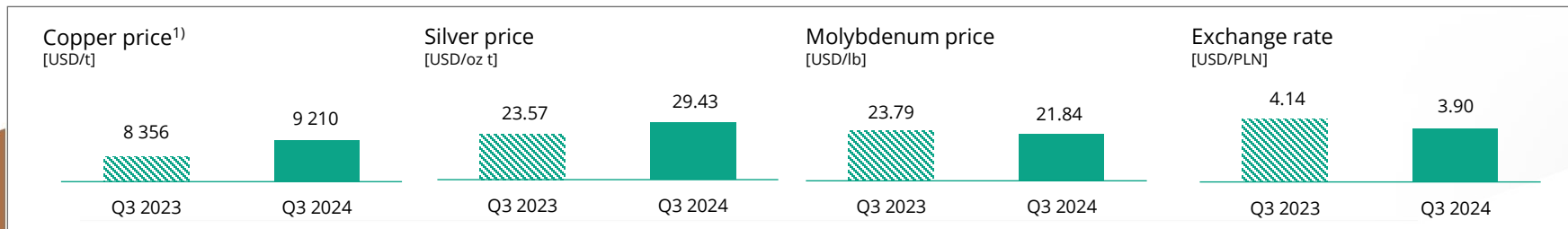
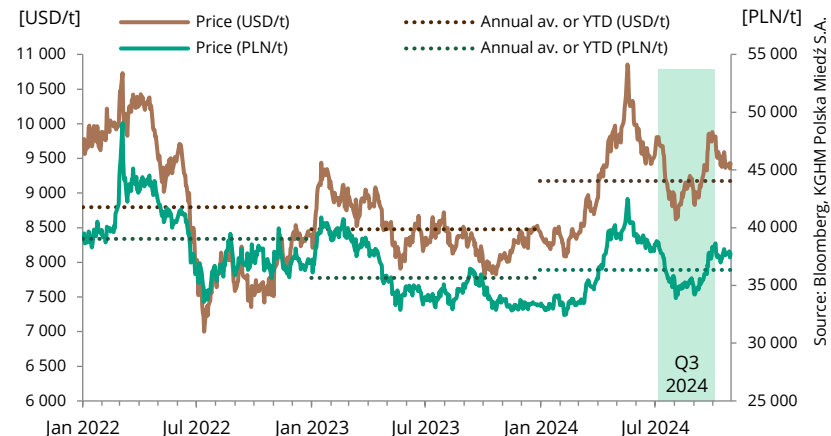


# Macroeconomic environment

## Commodities and currencies prices

**Copper prices in Q3 2024 ranged between 8 820 and 9 860 USD/t. After the record-breaking copper price rally in May, short-term capital left the market. Facing weak data from the Eurozone and China's economic problems, copper prices remained below USD 10 000/t.**

- The average copper price in Q3 2024 was USD 9 210/t, which was 10% higher than in Q3 2023. The average silver price in Q3 2024 was 25% higher than the average from Q3 2023.
- The average molybdenum price in Q3 2024 was 8% lower than the average from the same period of the previous year.
- In Q3 2024 the average USD to PLN exchange rate was 6% lower than in Q3 2023. As a result, the copper price denominated in PLN was in Q3 2024 higher only by 4% than in the same period of 2023. The average PLN-denominated copper price was PLN 35 935/t.



1) Average cash settlement price of copper

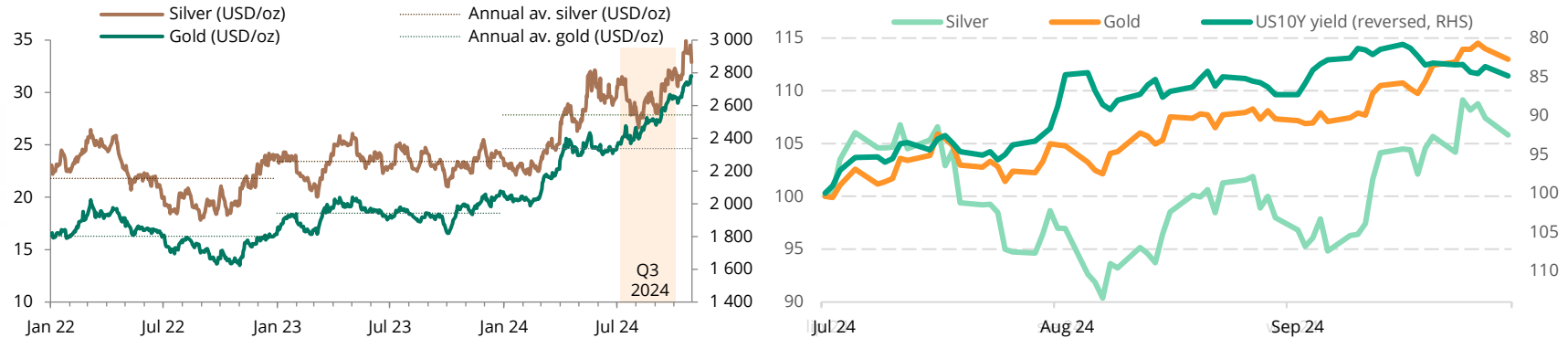


## Precious metals prices

Throughout 2024, gold prices recorded successive historical records, resulting from rising geopolitical tensions, uncertainty about the impact of the US presidential elections and the end of the monetary tightening cycle.

**In Q3 2024 silver prices followed, with some delay, the price of gold.**

**Since the beginning of July, an important factor influencing the growth of precious metal prices has been investor expectations of falling interest rates.**



- The average price of gold in Q3 2024 amounted to 2 474 USD/oz and was 28% higher than the average price in the corresponding period of the prior year. The average price of silver in Q3 2024 amounted to 29.43 USD/oz and rose by 25% compared to Q3 2023.
- By the end of Q3 2024 the price of gold exceeded 2 650 USD/oz, reaching the highest levels in history. After the end of the settlement period, gold prices continued to rise, setting further records.
- The price of gold in Q3 2024 expressed in PLN was higher by 21% than the price from Q3 2023, with the silver price 18% higher than in Q3 2023.
- High gold prices in Q3 2024 were fuelled by good news from the USA regarding progress in reducing inflation and a strong labour market, culminated by the Fed's 50bp interest rate cut in September. In addition, gold price increases were supported by growing tensions in the Middle East and high uncertainty about the outcome of the US presidential election.





2023 results - highlights

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# Summation of 2023 in the KGHM Group

Main macroeconomic factors and aspects of the Group compared to 2022

## Macroeconomic environment<sup>1)</sup>

**-4%**

Copper price  
in USD/t

**-9%**

Copper price  
in PLN/t

**+7%**

Silver price  
in USD/oz t

**+2%**

Silver price  
in PLN/oz t

**-6%**

A weaker USD vs the PLN

## Operating results

**-0.3%**

Increase in extraction of ore,  
dry weight in KGHM Polska Miedź  
S.A.

**+0.7%**

Production of  
copper in concentrate  
by KGHM Polska Miedź S.A.

**+8.1%**

Production of metallic silver  
by KGHM Polska Miedź S.A.

**+27.1%**

Production of gold  
by KGHM Polska Miedź S.A.

## Indicators

**+21%**

Higher CAPEX execution  
by KGHM Polska Miedź S.A.

**-1%**

Slight decrease in revenues to  
PLN 33 467 mn

**1.1**

Debt  
(Liquidity indicator measured as net  
debt to adjusted EBITDA)

1) Macroeconomic data – average for the period



# Summation of 2023 in the KGHM Group and KGHM Polska Miedź S.A.

Basic measures of the 2023 results

## KGHM Group

PLN 33 467 mn

Revenues

PLN 5 362 mn

Adjusted EBITDA

-PLN 3 691 mn

Loss for the period

## KGHM Polska Miedź S.A.

PLN 29 084 mn

Revenues

PLN 3 563 mn

Adjusted EBITDA

-PLN 1 153 mn

Loss for the period

# Metals production

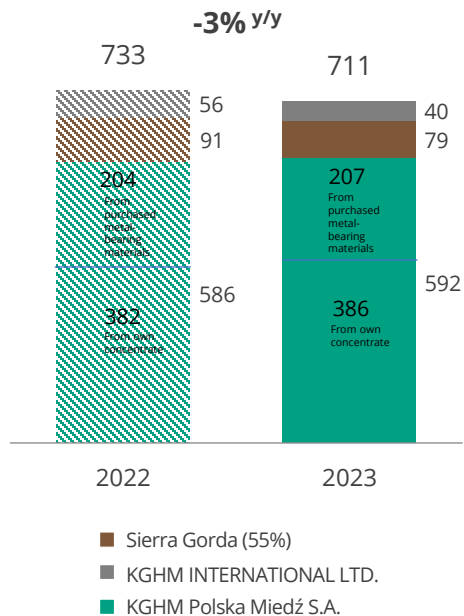
## KGHM Group



- Higher production by KGHM Polska Miedź S.A. from purchased materials and from own copper-bearing charges due to higher availability of production lines, in particular better use of working time of infrastructure in the Tank House of the Głogów Smelter/Refinery
- Lower copper production:
  - in KGHM INTERNATIONAL LTD. due to lower production by the Robinson mine
  - in the Sierra Gorda mine due to lower copper content in ore and lower recovery
- Production of silver and TPM by the Group was higher than in 2022 due to higher production of these metals by KGHM Polska Miedź S.A., as well as by the Sudbury Basin
- Higher molybdenum production by Sierra Gorda due to extraction in areas with higher molybdenum content and to higher processing

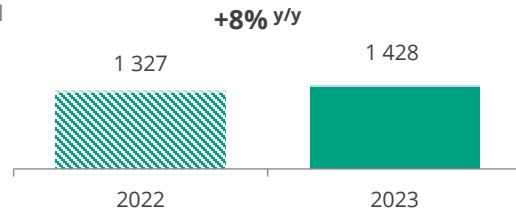
### Payable copper production

[kt]



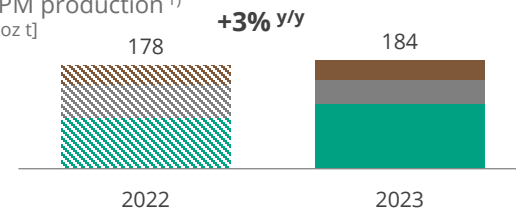
### Silver production

[t]



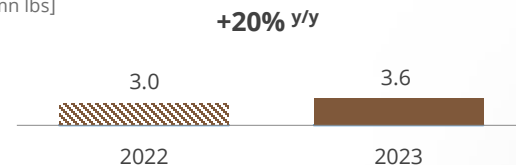
### TPM production <sup>1)</sup>

[koz t]



### Molybdenum production

[mn lbs]



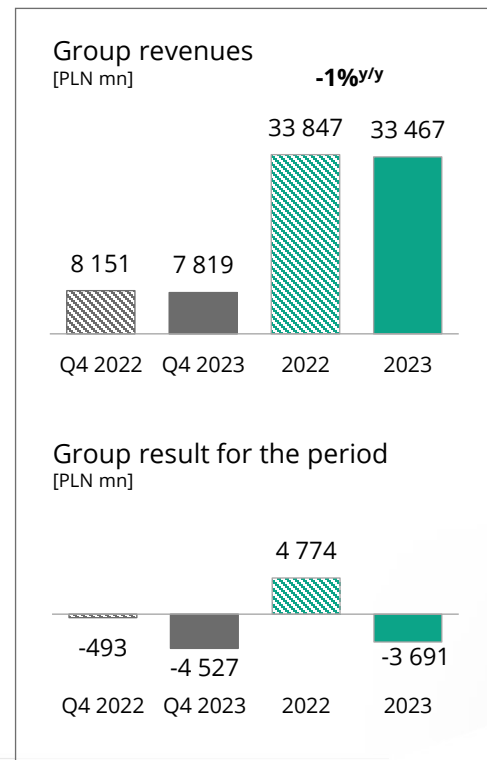
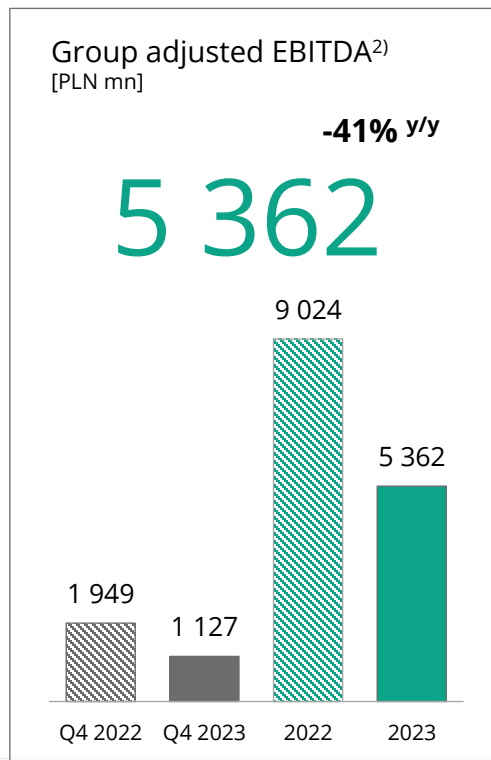
# Key financial indicators of the KGHM Group

2023



## Adjusted EBITDA of the KGHM Group

Lower adjusted EBITDA compared to 2022 in all the main Group segments



1) On a 55% basis

2) Sum of segments; adjusted EBITDA = profit/loss on sales + depreciation/amortisation adjusted by impairment losses/reversals of impairment losses on non-current assets.  
EBITDA presented in accordance with the amended definition (see Consolidated quarterly report, Note 3.1)





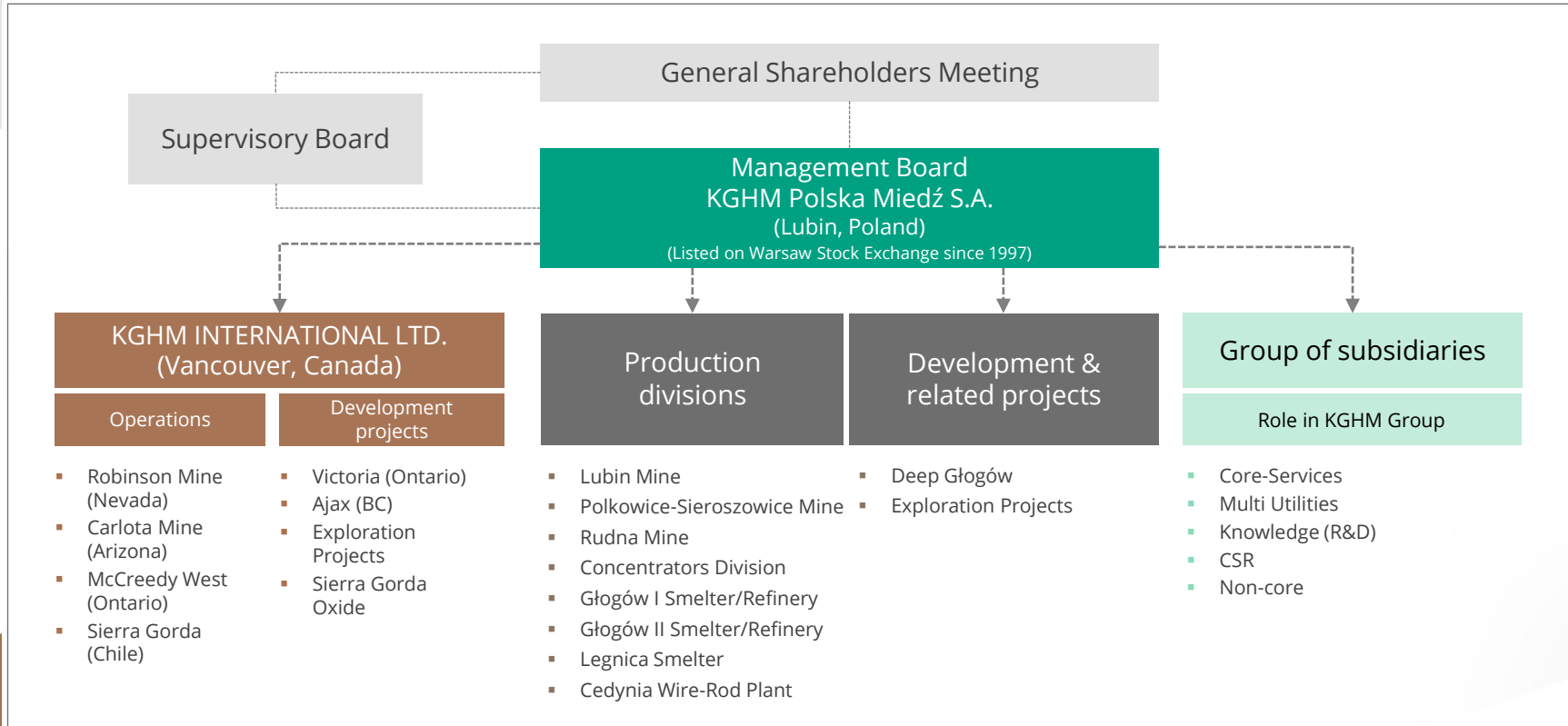
Governance

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# Transparent Group structure



# Shareholder structure of KGHM Polska Miedź S.A.



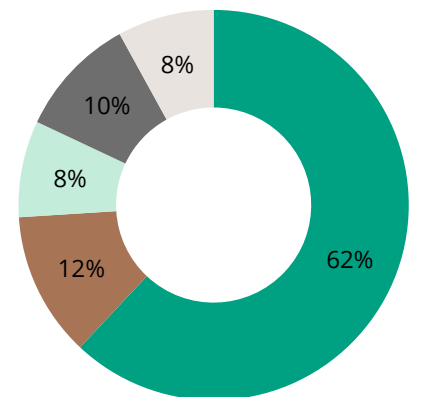
## Ownership structure

Shareholder	No. of shares/ votes	Percentage of share capital	Share in total number of votes
Polish State Treasury	63,589,900	31.79%	31.79%
Allianz OFE	11,961,453	5.98%	5.98%
Nationale-Nederlanden OFE	10,104,354	5.05%	5.05%
Other shareholders	114,344,293	57.18%	57.18%
Total	200,000,000	100.00%	100.00%



## Geographical ownership structure

[% of shares]



■ Poland  
■ UK  
■ Rest of the world  
■ USA  
■ Unidentified

Source: KGHM Polska Miedź; geographical ownership structure – February 2024

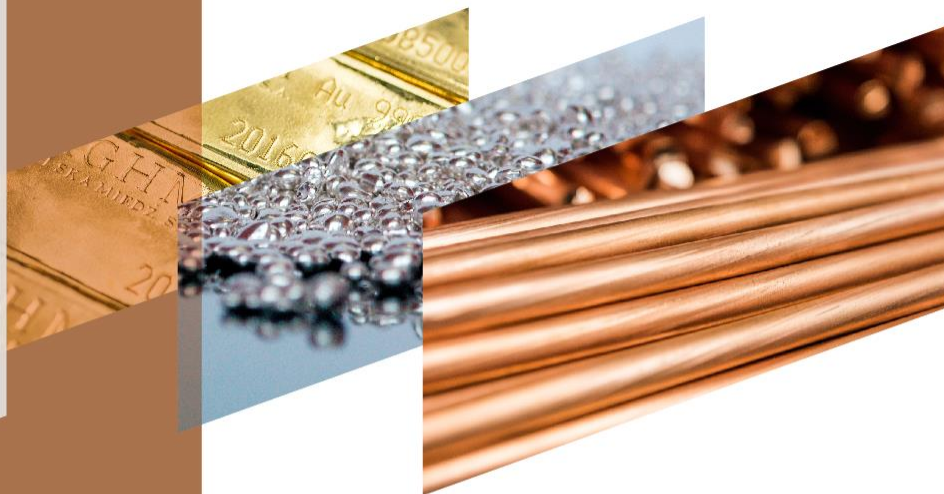
## Upcoming events for investors



Date	Upcoming events
29 November	Santander Poland Autumn Conference
6 December	WOOD's Winter Wonderland EMEA Conference

For the most recent information please visit our Investor calendar at <https://kghm.com/en/investors/investor-handbook/investor-calendar>

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