

# **RESULTS OF THE KGHM GROUP FOR THE FIRST HALF OF 2025**

**Lubin, 20 August 2025**

## Agenda



1. Key issues and execution of main targets

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2. Macroeconomic environment

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3. Production results of the KGHM Group by segment

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4. Advancement of development initiatives

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5. Financial results of the KGHM Group

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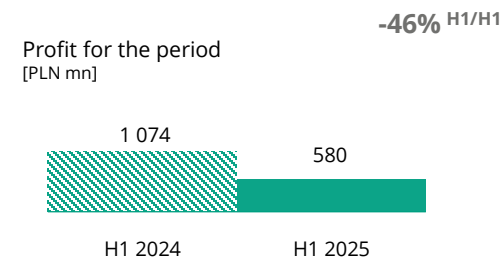
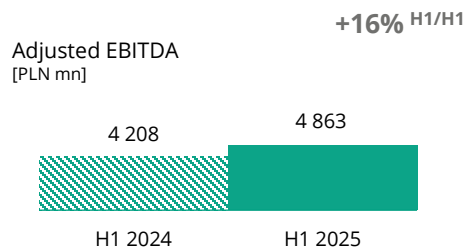
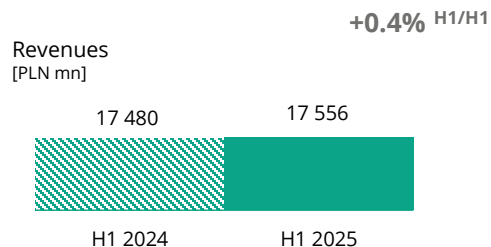


6. Sustainable development – commitments and initiatives of KGHM Polska Miedź S.A.

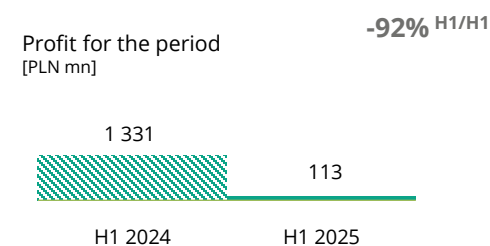
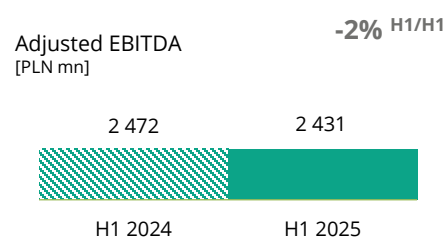
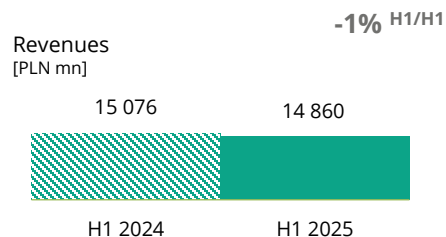
# KEY ISSUES AND EXECUTION OF MAIN TARGETS

## Basic results indicators in the KGHM Group and in KGHM Polska Miedź S.A.

### KGHM Group



### KGHM Polska Miedź S.A.



## Key production indicators

H1 2025

Payable copper production  
by the KGHM Group

**lower by 4% (H1/H1)**

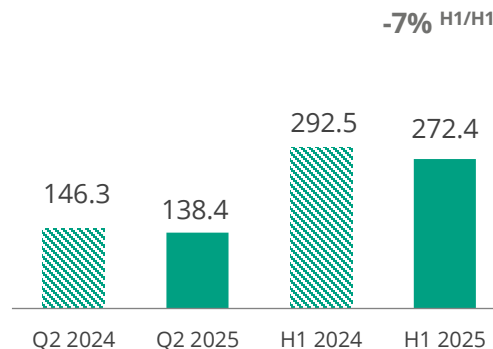
**344** [kt]

**-4% H1/H1**

- **KGHM Polska Miedź S.A.** – a decrease due to execution of planned maintenance on smelter infrastructure (Głogów II)
- **Sierra Gorda S.C.M.** – higher copper content in ore and higher metal recovery despite lower ore processing volume
- **KGHM INTERNATIONAL LTD.** – higher production by the Robinson mine did not offset lower production by other mines

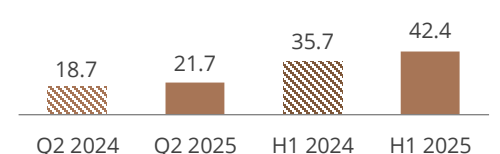
### Payable copper production

KGHM Polska Miedź S.A. [kt]



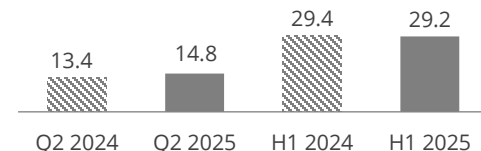
### Payable copper production

Sierra Gorda S.C.M. <sup>1)</sup> [kt]



### Payable copper production

KGHM INTERNATIONAL LTD. [kt]



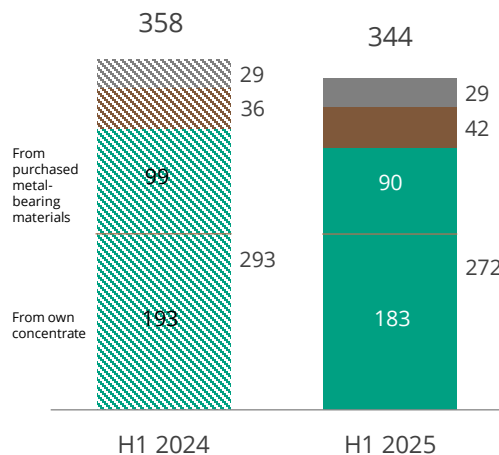
# Metals production

## KGHM Group

### Payable copper production

[kt]

-4% H1/H1

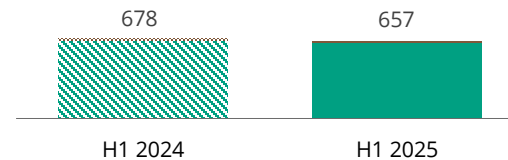


- KGHM INTERNATIONAL LTD.
- Sierra Gorda S.C.M. (55%)
- KGHM Polska Miedź S.A.

### Silver production

[t]

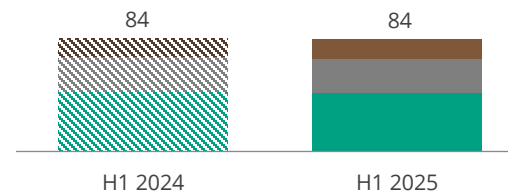
-3% H1/H1



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

[koz t]

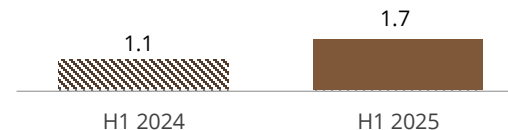
-/- H1/H1



### Molybdenum production

[mn lbs]

+55% H1/H1



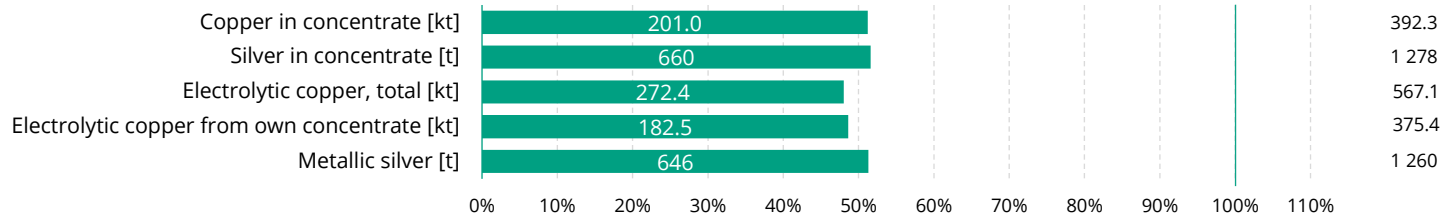
# KGHM Group production and sales in H1 2025

## Execution of annual targets

**2025**  
Budget

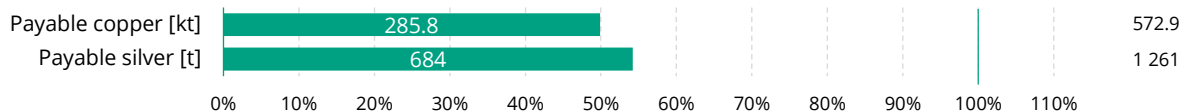
### Production

KGHM Polska Miedź S.A.



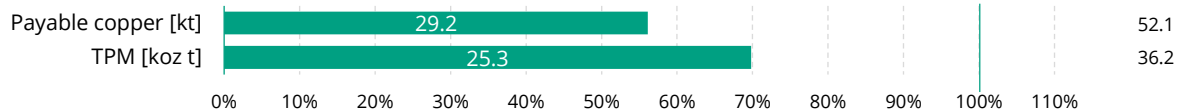
### Sales

KGHM Polska Miedź S.A.



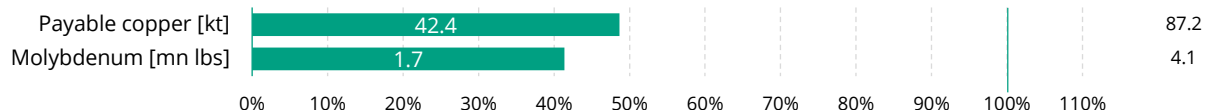
### Production

KGHM INTERNATIONAL LTD.



### Production

Sierra Gorda S.C.M.  
(on a 55% basis)



# Advancement of key strategic performance indicators in H1 2025

## Domestic copper production

**272 kt**

~560 kt  
of electrolytic copper

~600 kt  
of electrolytic copper<sup>1)</sup>

## Recycling of scrap

**86 kt** (dry weight)

~124 kt of copper  
scrap

~350 kt of copper scrap

## Own capacity of power-generating assets

**174MW** of total contracted capacity, i.e. 440MW

105MW

min. 50% of contracted capacity  
(approx. 240 MW)

## International copper production

**71.7 kt**

~150 kt  
of payable copper

Higher production by the  
international assets of KGHM<sup>2)</sup>

## Diversification of the commercial offer in terms of metals

**2.4%** (OFÉ-Cu wire, OFÉ-Cu granules)

2% share of semi-finished  
copper products in total  
revenues from sales

10% share of semi-finished  
copper products in total  
revenues from sales

## Accident indicators

**LTIFR: 5.18**  
(assets in Poland)

**TRIR: 0.42**  
(assets abroad)

LTIFR: 7.31 TRIR: 0.52

aiming at 0 accidents

## Silver production<sup>3)</sup>

**657 tonnes**

~1 320 tonnes of  
silver (top three)

Maintain the Company's  
position amongst the world's  
top-three producers of silver  
(approx. 1200 tonnes of silver  
annually)

## Revenues from sales on external markets of selected Group companies

**119%<sup>4)</sup>**

(KGHM ZANAM S.A.,  
NITROERG S.A., PeBeKa S.A.)

Base year=100%

**169%<sup>4)</sup>**

(DMC Mining Services Ltd.)

147% vs base year for the companies  
KGHM ZANAM S.A., NITROERG S.A.,  
PeBeKa S.A.

163% base year for the company  
DMC Mining Services Ltd.

## Number of volunteer projects advanced

**104**

(55 volunteer actions in KGHM Polska Miedź S.A.  
49 volunteer actions in KGHM Group companies)

25 volunteer  
projects

30 volunteer projects

Legenda: **[strategic performance indicator]**  
**indicator at the end of H1 2025**

Base year 2020

Goal 2030



# MACROECONOMIC ENVIRONMENT

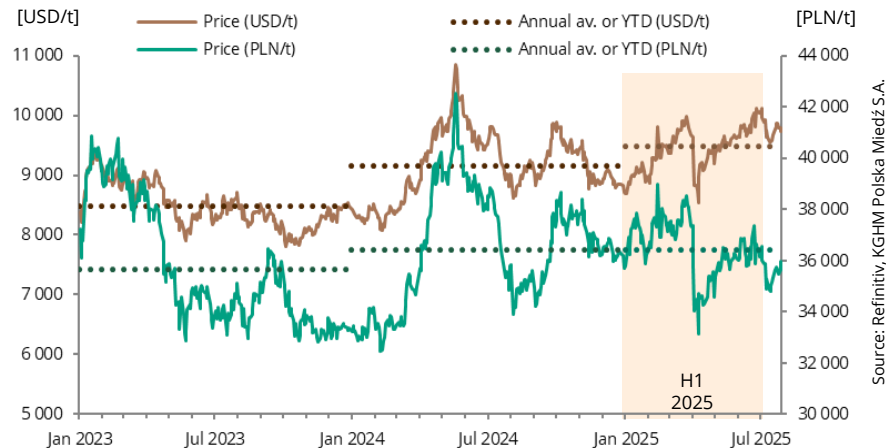


# Macroeconomic environment

## Commodities and currencies prices

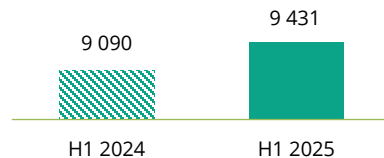
In the first half of 2025 the copper market exhibited a high level of volatility due to uncertainty as to the economic policy of the new administration of the president of the USA. At the end of June the copper price surpassed 10 000 USD/t. Volatility was spurred among other by speculations regarding the possible introduction of American tariffs on the import of copper, the trade war and the tensions around the Fed.

- The average copper price in H1 2025 was 9 431 USD/t and was 4% higher than in H1 2024. The average silver price in H1 2025 was 26% higher than the average in H1 2024.
- The average molybdenum price in H1 2025 remained nearly unchanged compared to the average in the corresponding prior year period.
- In H1 2025 the average USD to PLN exchange rate was 3% lower than the average rate in H1 2024. The copper price denominated in PLN in H1 2025 was 0.7% higher than in H1 2024. The average PLN-denominated copper price was 36 546 PLN/t.



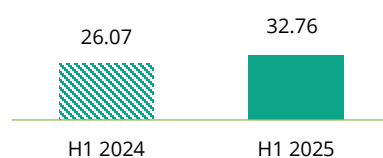
### Copper price<sup>1)</sup>

[USD/t]



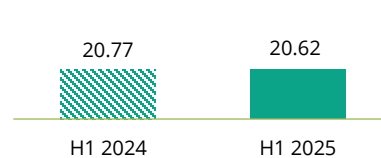
### Silver price

[USD/oz t]



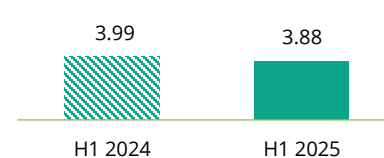
### Molybdenum price

[USD/lb]



### Exchange rate

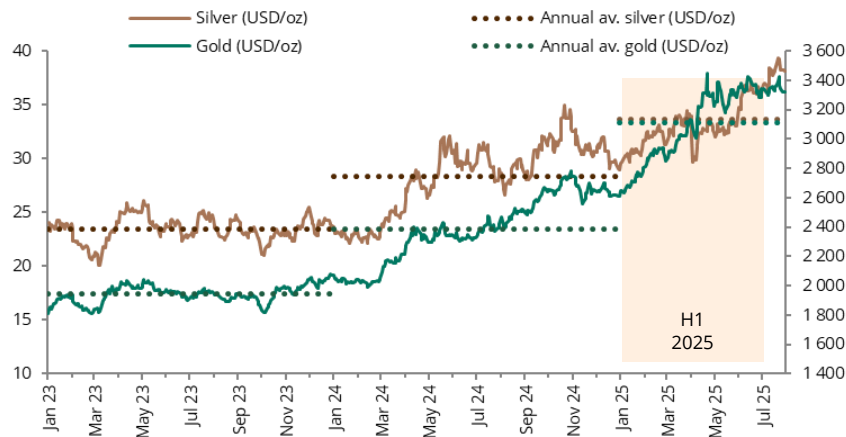
[USD/PLN]



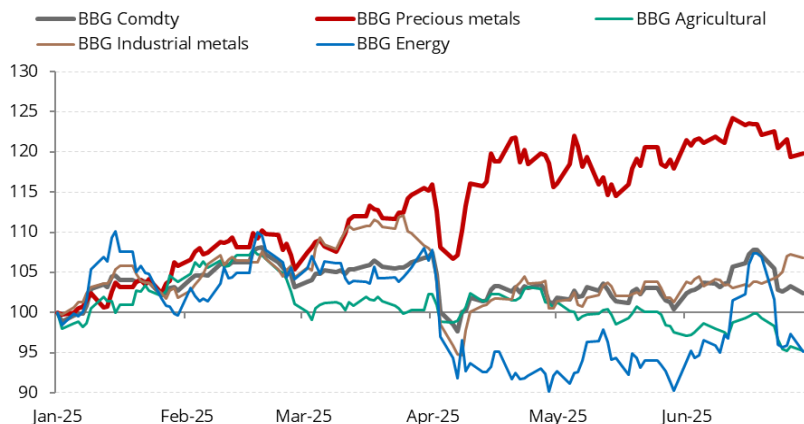
## Precious metals prices in H1 2025

The global wave of uncertainty on financial markets raised the price of precious metals to hitherto unseen heights

In H1 2025 the price of gold rose to its highest level in history, while silver reached its highest level in 14 years.



Precious metals prices rose more rapidly in the first half of 2025 than other commodities; this was especially evident following so-called „Independence Day” on 2 April.



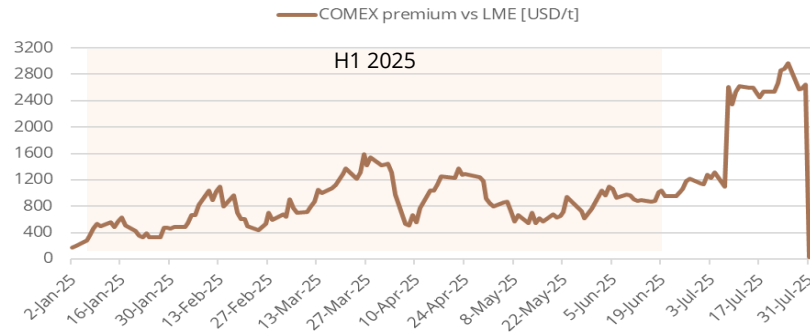
Source: Bloomberg, KGHM Polska Miedź S.A.

- The average price of gold in the first half of 2025 amounted to 3 067 USD/oz and was 39% higher than the average price in the first half of the prior year. The average price of silver in the first half of 2025 amounted to 32.76 USD/oz and was higher by 26% compared to the first six months of the prior year.
- The average price of gold in the first half of 2025 in PLN amounted to 11 888 PLN/oz, and of silver: 126.88 PLN/oz.
- In April gold reached a historic record of more than 3 400 USD per ounce. Following gold's lead, silver appreciated in value, mainly thanks to a more favourable currency environment and to greater interest amongst speculators. In April the gold to silver ratio surpassed 100, though the rise in silver prices at the end of the period in question brought this ratio to the vicinity of 90, though still above its historic average.
- The increasing level of uncertainty around the surprising decisions of the American administration and fears about the outlook for the American economy led to a weakening of the USD and the Fed's decision to keep interest rates at a heightened level, which supported precious metals prices in the first half of 2025. Gold strengthened its position as a safe haven given the rise in geopolitical tensions, while central banks continued to eagerly buy the metal to increase diversification of their reserves compared to the USD.

# The copper market remains under the strong influence of the trade war and uncertainty related to tariffs on the import of copper

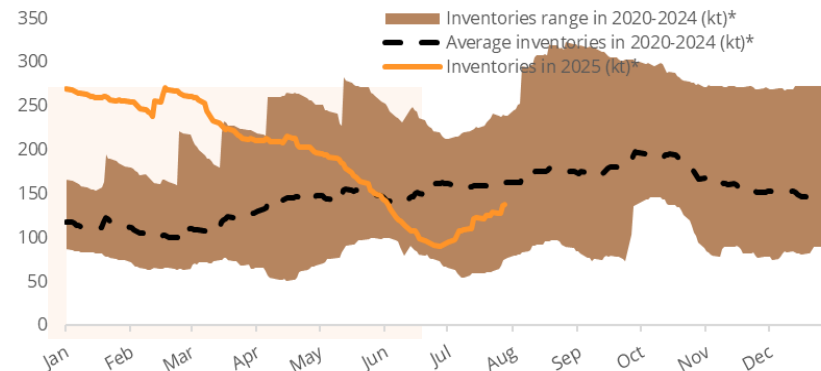
Copper prices were also impacted by the exceptional volatility as regards incoming economic data

In the first half of 2025 the price of copper on the US exchange was up to 30% higher than the price on the LME, in expectation of the introduction by the USA of tariffs on the red metal...



- The implementation by Donald Trump of the „section 232” procedure, aimed at assessing the rationale behind the imposition of import duties on copper, encouraged both copper processors and trading firms to increase deliveries of the red metal to the USA to beat the expected imposition of these tariffs. As a result, the spread between the price on the COMEX and on the LME grew substantially.
- The resulting arbitrage between the USA versus the rest of the world led to an additional several hundred thousand tonnes of material to be sent to the USA. Also in evidence was a rise in exports from China, where among others smelters took advantage of the pricing situation with the permission of the Chinese government, in a situation in which demand was weakened by high prices.

... which led to inventories of the metal in other parts of the world being drained and consequently transferred to the USA



- The level of official market inventories in London fell from levels clearly exceeding the typical range seen in prior years to a level near the lower end of the range.
- The increase in smelting capacity given the availability of concentrate is keeping TCRC at very low levels (spot premiums are reaching negative levels) which has a negative impact on smelter profitability. Newer smelters in China appear to be less sensitive, as they can count on government support of this strategic sector and the clearly rising prices of by-products such as gold and sulphuric acid.

Source: Bloomberg, LSGE, IMF, KGHM Polska Miedź

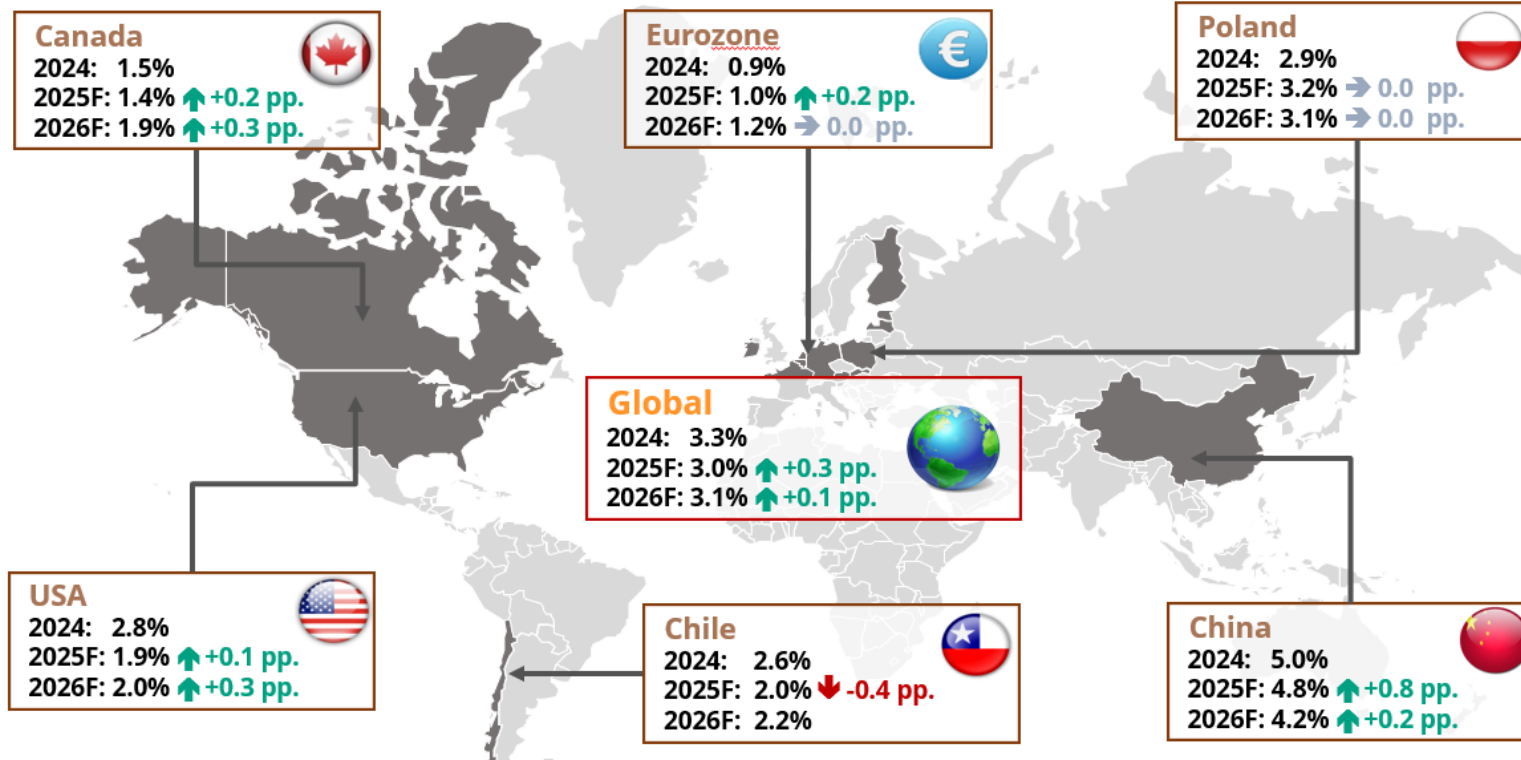
## The first half of 2025 saw mixed sentiment amongst industrial managers. There was little improvement in the Eurozone, while indicators in the USA were lower.

- Global PMI indices show high volatility. In the Eurozone there was slight improvement, though the indicator remains below the level of expansion (50). In the USA the indicator also fell below the level separating expected economic growth from a slowdown.
- A large weakening of sentiment is evident in countries in which there will be an increase in tariffs on exports to the USA – Mexico, Canada, South Korea and Indonesia.
- In China the Caixin index, which better illustrates sentiment amongst small and medium enterprises, remains above 50, though the official PMI has already exceeded this boundary.

	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25
USA (ISM)	48.9	47.6	49.8	48.8	48.5	48.3	47.0	47.5	47.5	46.9	48.4	49.2	50.9	50.3	49.0	48.7	48.5	49.0
USA (PMI)	50.7	52.2	51.9	50.0	51.3	51.6	49.6	47.9	47.3	48.5	49.7	49.4	51.2	52.7	50.2	50.2	52.0	52.9
Canada	48.3	49.7	49.8	49.4	49.3	49.3	47.8	49.5	50.4	51.1	52.0	52.2	51.6	47.8	46.3	45.3	46.1	45.6
Mexico	50.2	52.3	52.2	51.0	51.2	51.1	49.6	48.5	47.3	48.4	49.9	49.8	49.1	47.6	46.5	44.8	46.7	46.3
Brazil	52.8	54.1	53.6	55.9	52.1	52.5	54.0	50.4	53.2	52.9	52.3	50.4	50.7	53.0	51.8	50.3	49.4	48.3
<b>Eurozone</b>	<b>46.6</b>	<b>46.5</b>	<b>46.1</b>	<b>45.7</b>	<b>47.3</b>	<b>45.8</b>	<b>45.8</b>	<b>45.8</b>	<b>45.0</b>	<b>46.0</b>	<b>45.2</b>	<b>45.1</b>	<b>46.6</b>	<b>47.6</b>	<b>48.6</b>	<b>49.0</b>	<b>49.4</b>	<b>49.5</b>
Germany	45.5	42.5	41.9	42.5	45.4	43.5	43.2	42.4	40.6	43.0	43.0	42.5	45.0	46.5	48.3	48.4	48.3	49.0
France	43.1	47.1	46.2	45.3	46.4	45.4	44.0	43.9	44.6	44.5	43.1	41.9	45.0	45.8	48.5	48.7	49.8	48.1
Italy	48.5	48.7	50.4	47.3	45.6	45.7	47.4	49.4	48.3	46.9	44.5	46.2	46.3	47.4	46.6	49.3	49.2	48.4
Spain	49.2	51.5	51.4	52.2	54.0	52.3	51.0	50.5	53.0	54.5	53.1	53.3	50.9	49.7	49.5	48.1	50.5	51.4
Netherlands	48.9	49.3	49.7	51.3	52.5	50.7	49.2	47.7	48.2	47.0	46.6	48.6	48.4	50.0	49.6	49.2	49.0	51.2
Austria	43.0	43.0	42.2	43.5	46.3	43.6	43.1	44.4	42.8	42.0	44.5	49.3	45.7	46.7	46.9	46.6	48.4	47.0
Ireland	49.5	52.2	49.6	47.6	49.8	47.4	50.1	50.4	49.4	51.5	49.9	49.1	51.3	51.9	51.6	53.0	52.6	53.7
UK	47.0	47.5	50.3	49.1	51.2	50.9	52.1	52.5	51.5	49.9	48.0	47.0	48.3	46.9	44.9	45.4	46.4	47.7
Greece	54.7	55.7	56.9	55.2	54.9	54.0	53.2	52.9	50.3	51.2	50.9	53.2	52.8	52.6	55.0	53.2	53.2	53.1
Poland	47.1	47.9	48.0	45.9	45.0	45.0	47.3	47.8	48.6	49.2	48.9	48.2	48.8	50.6	50.7	50.2	47.1	44.8
Czech Rep.	43.0	44.3	46.2	44.7	46.1	45.3	43.8	46.7	46.0	47.2	46.0	44.8	46.6	47.7	48.3	48.9	48.0	50.2
Turkey	49.2	50.2	50.0	49.3	48.4	47.9	47.2	47.8	44.3	45.8	48.3	49.1	48.0	48.3	47.3	47.3	47.2	46.7
Russia	52.4	54.7	55.7	54.3	54.4	54.9	53.6	52.1	49.5	50.6	51.3	50.8	53.1	50.2	48.2	49.3	50.2	47.5
<b>Azja</b>	<b>50.9</b>	<b>50.8</b>	<b>52.4</b>	<b>52.2</b>	<b>51.6</b>	<b>51.8</b>	<b>51.5</b>	<b>51.2</b>	<b>51.2</b>	<b>51.4</b>	<b>51.5</b>	<b>51.5</b>	<b>51.2</b>	<b>51.7</b>	<b>52.0</b>	<b>50.7</b>	<b>51.1</b>	<b>51.4</b>
China (Caixin)	50.8	50.9	51.1	51.4	51.7	51.8	49.8	50.4	49.3	50.3	51.5	50.5	50.1	50.8	51.2	50.4	48.3	50.4
China	49.2	49.1	50.8	50.4	49.5	49.5	49.4	49.1	49.8	50.1	50.3	50.1	49.1	50.2	50.5	49.0	49.5	49.7
Japan	48.0	47.2	48.2	49.6	50.4	50.0	49.1	49.8	49.7	49.2	49.0	49.6	48.7	49.0	48.4	48.7	49.4	50.1
India	56.5	56.9	59.1	58.8	57.5	58.3	58.1	57.5	56.5	57.5	56.5	56.4	57.7	56.3	58.1	58.2	57.6	58.4
Indonesia	52.9	52.7	54.2	52.9	52.1	50.7	49.3	48.9	49.2	49.2	49.6	51.2	51.9	53.6	52.4	46.7	47.4	46.9
Malaysia	49.0	49.5	48.4	49.0	50.2	49.9	49.7	49.7	49.5	49.5	49.2	48.6	48.7	49.7	48.8	48.6	48.8	49.3
Taiwan	48.8	48.6	49.3	50.2	50.9	53.2	52.9	51.5	50.8	50.2	51.5	52.7	51.1	51.5	49.8	47.8	48.6	47.2
Thailand	47.9	45.1	50.0	48.5	50.3	51.3	52.3	51.6	49.9	49.2	49.8	52.1	49.8	51.1	49.8	49.2	52.8	51.2
South Korea	51.2	50.7	49.8	49.4	51.6	52.0	51.4	51.9	48.3	48.3	50.6	49.0	50.3	49.9	49.1	47.5	47.7	48.7

Source: Bloomberg, KGHM Polska Miedź S.A.

## IMF World Economic Outlook – July 2025



Forecasts (F) real GDP growth – International Monetary Fund - World Economic Outlook Update July 2025 in comparison to April 2025; for Chile April 2025 in comparison to October 2024.

# PRODUCTION RESULTS OF THE KGHM GROUP BY SEGMENT

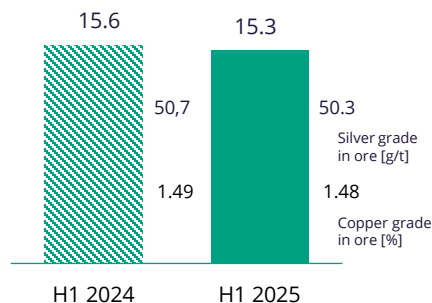
# Production results

KGHM Polska Miedź S.A.

## Ore Extraction

[mn t dry weight]

-2.1% H1/H1

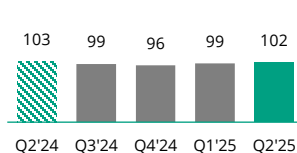
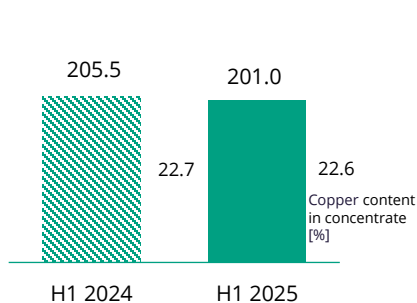


- Ore extraction results from areas selected for mining and from the production calendar

## Production of copper

in concentrate [kt]

-2.2% H1/H1

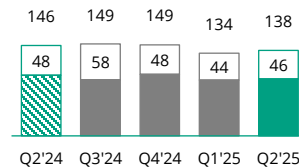
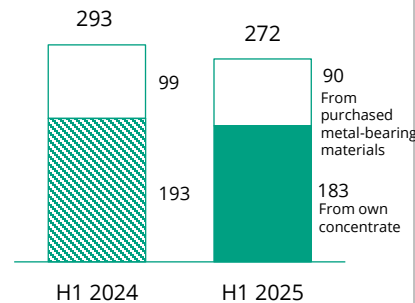


- Production of copper in concentrate resulting from volume of ore extraction and copper content

## Electrolytic copper

production [kt]

-6.9% H1/H1

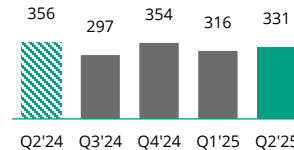
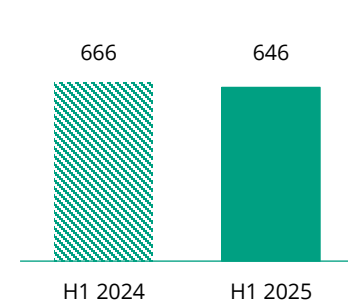


- Cathode production results from advancement of adopted targets in the production plan for 2025, arising from maintenance plans

## Metallic silver

production [t]

-2.9% H1/H1



- The decrease in metallic silver production results from the availability of charge material at the Precious Metals Plant

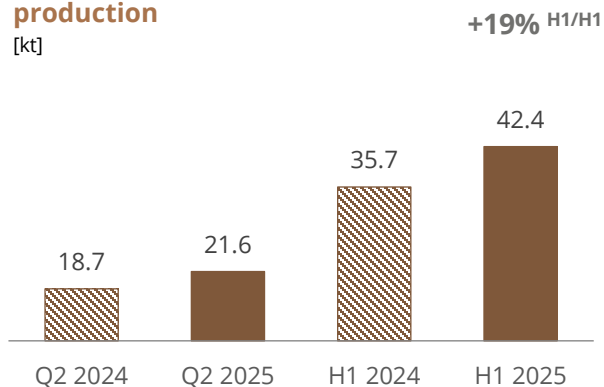


# Production results

Sierra Gorda S.C.M.<sup>1)</sup>

## Payable copper production

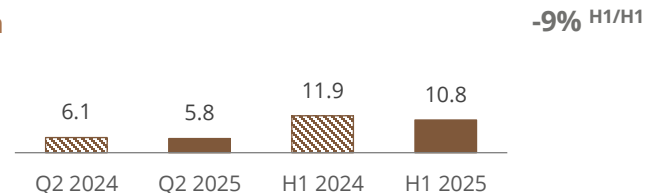
[kt]



- The higher payable copper production in H1 2025 compared to H1 2024 is due to mining higher-grade copper ore as well as higher recovery, despite a lower volume of ore processed

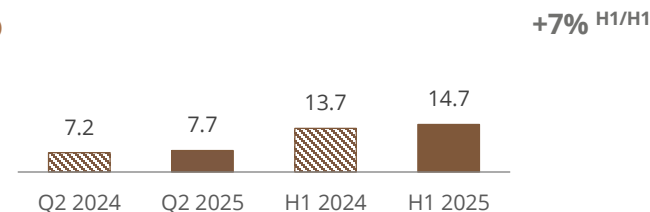
## Silver production

[t]



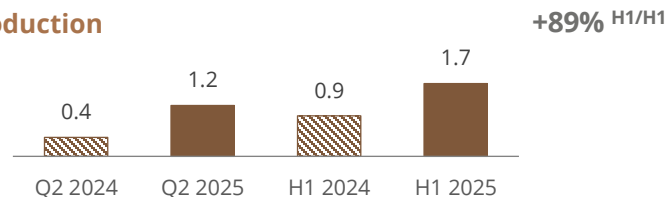
## TPM production<sup>2)</sup>

[koz t]



## Molybdenum production

[mn lbs]



- The volume of precious metals production derived from the content of these metals in mined ore
- The higher production of molybdenum in H1 2025 compared to H1 2024 is due to the mining of ore with higher molybdenum content, as well as higher recovery, despite the lower volume of ore processed.

1) On a 55% basis

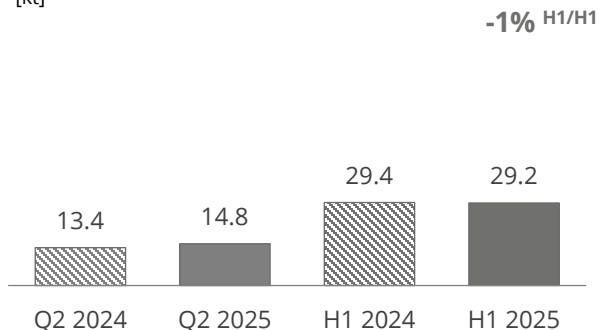
2) TPM – Total Precious Metals: gold, platinum and palladium

## Production results

### KGHM INTERNATIONAL LTD.

#### Payable copper production

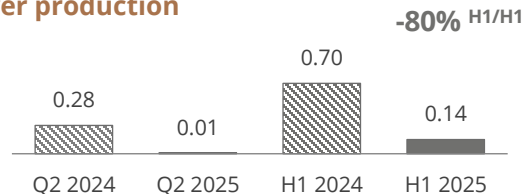
[kt]



- Higher copper production by the Robinson mine - higher copper content in the feed and a higher volume of ore processed and metal recovery
- Lower copper production in the Sudbury Basin due to disposal of the production assets of the Sudbury Basin on 28 February 2025
- Lower production by the Carlota mine – lower copper content in solution (PLS grade) and lower SX extraction efficiency

#### Silver production

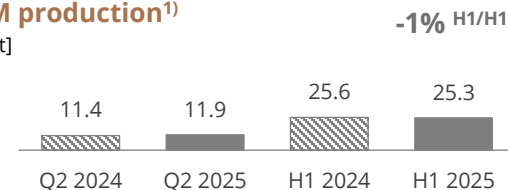
[t]



- Silver: lower silver production by the Sudbury Basin mainly due to lack of production from March 2025 as a result of the disposal of the production assets

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

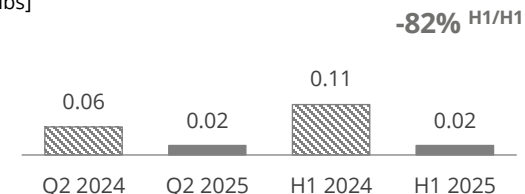
[koz t]



- TPM: higher gold production by the Robinson mine was not able to offset lower production of precious metals in the Sudbury Basin (disposal of production assets)

#### Molybdenum production

[mn lbs]



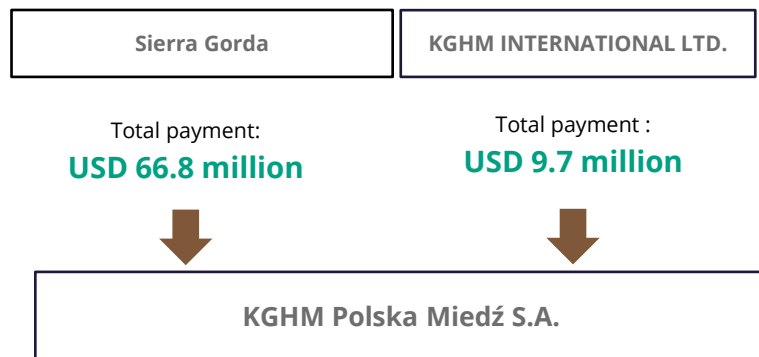
- Molybdenum: a substantial decrease in molybdenum production by the Robinson mine due to a shutdown to repair the concentrator unit for this metal as well as lower recovery and molybdenum content in the feed

# Cash flows in the Group

## Payments to KGHM Polska Miedź S.A.

Payments by the international assets to KGHM Polska Miedź S.A. in H1 2025: USD 130.9 million\*

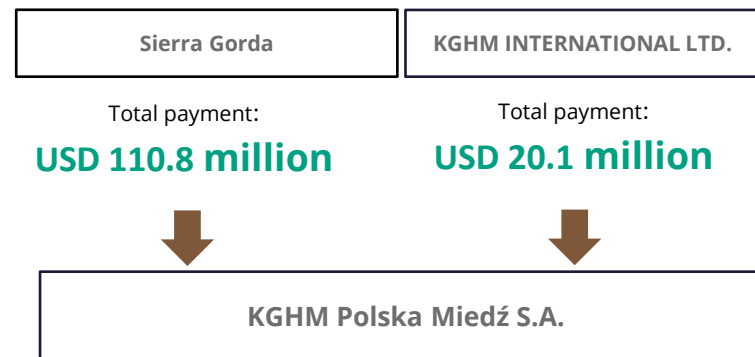
**Q2 2025**



**76.5** million USD

Total payment do KGHM Polska Miedź S.A. from: loans, guarantees and other services

**H1 2025**



**130.9** million USD

Total payment do KGHM Polska Miedź S.A. from: loans, guarantees and other services

# ADVANCEMENT OF DEVELOPMENT INITIATIVES

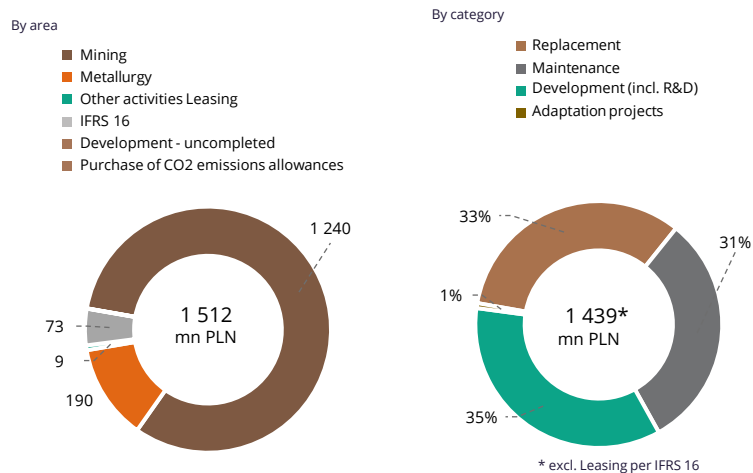


# A rationale and responsible investment program

Capital expenditures by KGHM Polska Miedź S.A. in H1 2025



CAPEX execution in H1 2025, incl. borrowings



**Comparison:** CAPEX and budget execution in 2024

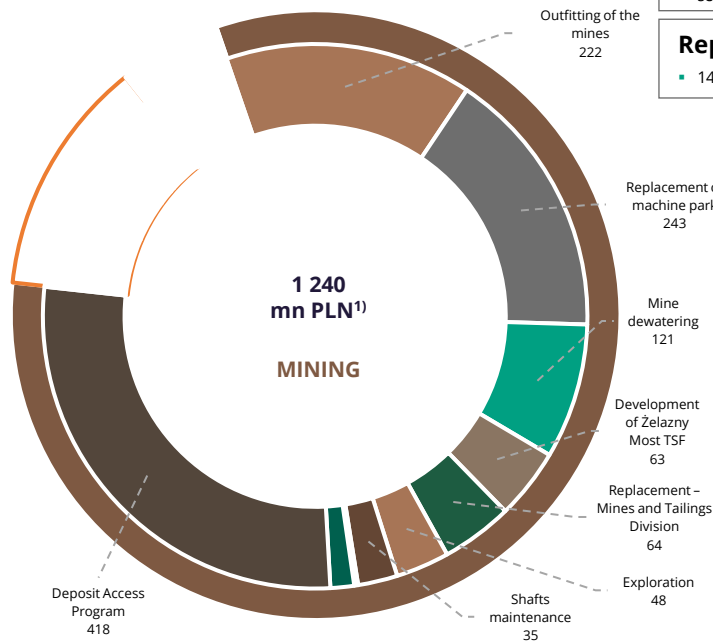


**1 570** mn PLN  
 CAPEX execution H1 2024

**4 100** mn PLN  
 CAPEX budget target for 2024

# CAPEX execution in key investments

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



## Outfitting of the mines

- Conveyor belts – work continued on construction and extension of conveyor belts (14 conveyor belts under construction; completed – 2.2 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-51, G-52 and G-62 in the Polkowice-Sieroszowice mine and on construction of Heavy Machine Chamber H-29).

## Replacement of machine park

- 140 mine machines were purchased and supplied to the three mines : 25 to the Lubin Mine; 50 to the Rudna Mine; 65 to the Polkowice-Sieroszowice Mine.

## Mine dewatering

- Anti-filtration barrier – injection and drilling of the main opening BI-1 was completed as well as drilling of the main opening BI-2. Work continues on injection of the main opening BI-2 – final level 4. Drilling and injection of the first side opening BI-1.1 continues
- Equipment and the main dewatering unit at the SW-4 shaft – Advancement of mine construction adaptation work and additional tasks

## Development of the Żelazny Most Tailings Storage Facility

- An environmental permit was received along with a permit to build up the TSFs crown height to above 195 m a.s.l.
- Western section and eastern pumphouse developed along with a power station;
- Work continues on developing the north-west section and the eastern section with infrastructure;

## Replacement - Mines and Tailings Divisions

- Mines - Modernization of conveyor belts; shafts; air conditioning and ventilation; power supply and telecommunication facilities.
- Tailings Storage Facility - Modernization of pipelines and infrastructure.

## Exploration

- Exploration and identification of economic copper mineralization within the areas „Retków-Ścinawa” (borehole drilling completed) and „Kulów-Luboszyce” (drilling commenced)
- Exploratory work in the Rudna mine under the concession „Retków-Ścinawa” in the area „Grodziszczce”.

## Maintaining shafts

- SW-4 shaft complex – maintenance performed on main structures within the salt interval and modernization of the GST-KSL

## Deposit Access Program

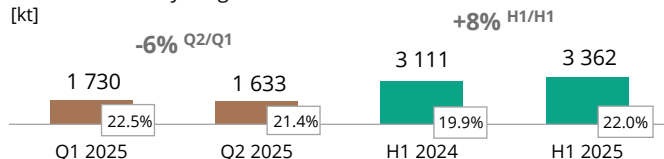
- 21.6 kilometres of corridors were excavated.
- Conveyor belts –11 belt units under construction; in Q2, 1.19 km were handed over;
- Central Air-Cooling System (SKC) at the GG-1 shaft – the Surface-based Air Conditioning Station (PSK) is operating with a nominal capacity of 33 MW. Work underway on expanding the SKC to a capacity of 40 MW.
- Central Air-Cooling System (SKC) at the GG-2 shaft – operational programs for the PSK and the Ice Water Transfer System (SPWL) have been developed and agreed. Procurement proceedings have commenced for construction of the PSK and SPWL at the GG-2 shaft.

# Role of shafts 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]

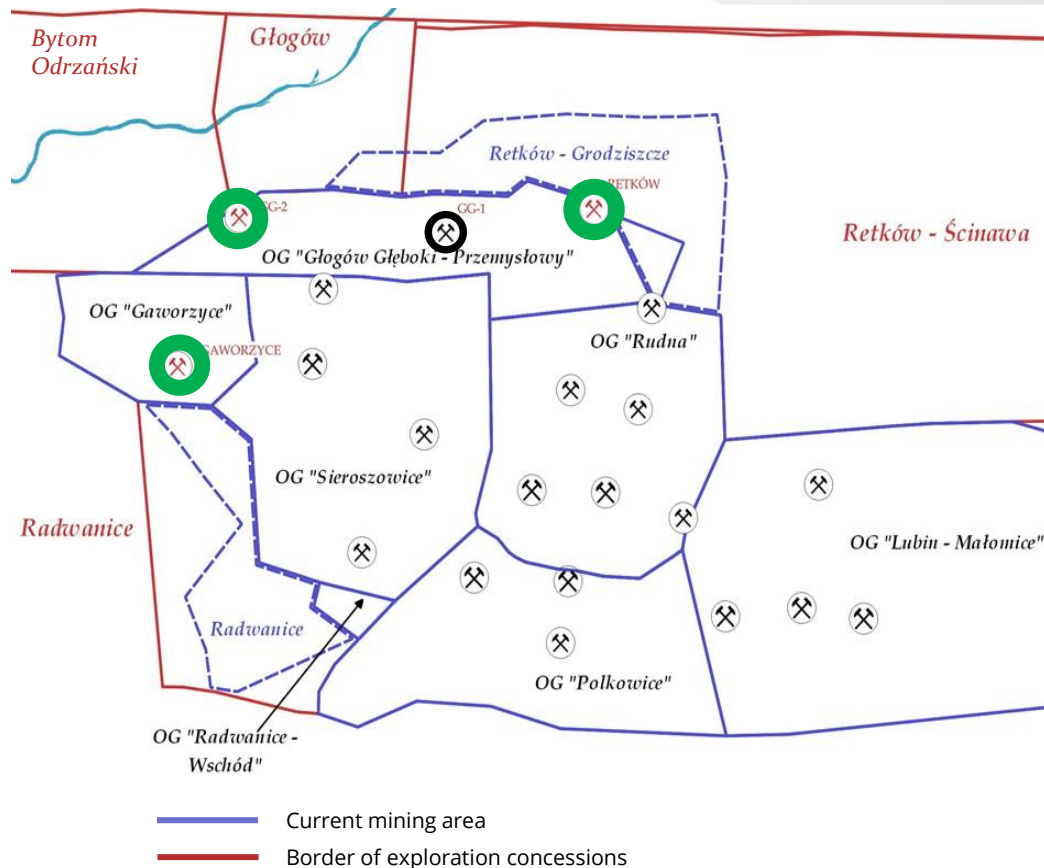


**GG-1 shaft:** Design work continues for the target period. Shaft outfitting continues. Work continues on target outfitting of the shaft. Building permit obtained from the Director of the District Mining Office in Wrocław as regards use of terrain, the rain and industrial water pumping station and demolitions.

**GG-2 shaft:** Work continues on the Main 110/10 kV Transformer-Distribution Station (KSO) and on the external power supply networks for the mine shaft area in media. Design work is underway as regards the freezing and sinking of the shaft.

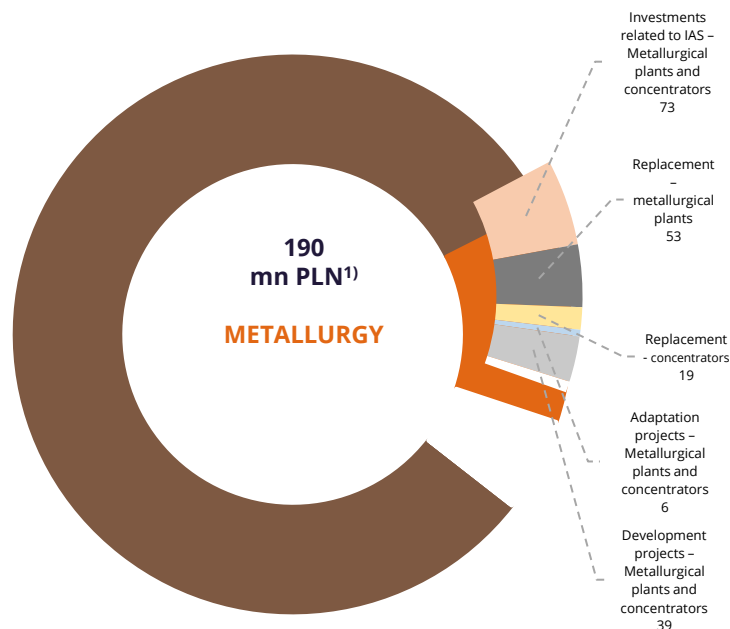
**Retków shaft:** The geological work project for the shaft was obtained. The geological work variant was selected. An agreement was signed for the task „Geological-hydrogeological assessment”.

**Gaworzyce shaft:** The geological work project for the shaft was obtained. Work continues on selecting the geological work variant. An agreement was signed for the task „Geological-hydrogeological assessment”.



# CAPEX execution in key investments

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



## Investments related to IAS - metallurgical plants and concentrators

- Significant maintenance at the Głogów and Legnica metallurgical plants – incl. maintenance on electrolyzers, convertors, anode furnaces and viaducts.
- Concentrators - maintenance on crushers, ball mills and press filters.

## Replacement - metallurgical plants

- Work on preparing for the maintenance shutdown at the Głogów II Copper Smelter and Refinery (production of caissons to modernise the furnaces and purchase of materials).
- Change of the control system for the reverberatory furnaces at the Głogów I Copper Smelter and Refinery together with the gas removal and treatment installation.
- Replacement of rails and current disconnectors in the tank hall at the Głogów II Copper Smelter and Refinery.

## Replacement - concentrators

- Replacement of switchboards and transformers at the Lubin concentrator.
- Purchase and building of classifiers in the Concentrators Division.
- Replacement of steel constructions and switchboards in the Milling Hall and Flotation Region of the Rudna concentrator.

## Adaptation projects - metallurgical plants and concentrators

- Production of storage boxes at the Głogów Copper Smelter and Refinery – construction at three locations.

## Development projects - metallurgical plants and concentrators

- Change in electrorefining technology at the Legnica Copper Smelter and Refinery – construction and electrical work continued for the construction of new equipment; matrix handover continued (all matrices were delivered to the Legnica Copper Smelter and Refinery); technical documentation handed over; construction permit received.
- P-5 Development of the machine park- tests of the installed installation went according to plan.
- Modernization of classification units.



# FINANCIAL RESULTS OF THE GROUP

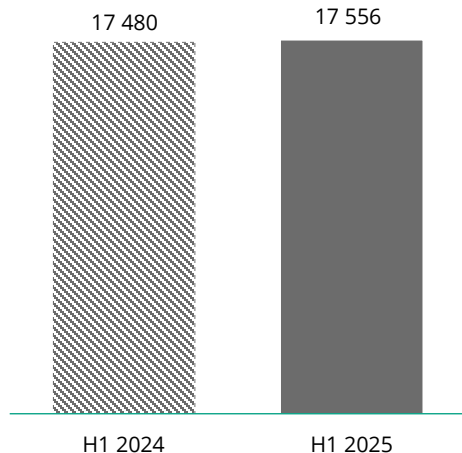
# Financial indicators of the KGHM Group

## H1 2025

### Group revenues

[PLN mn]

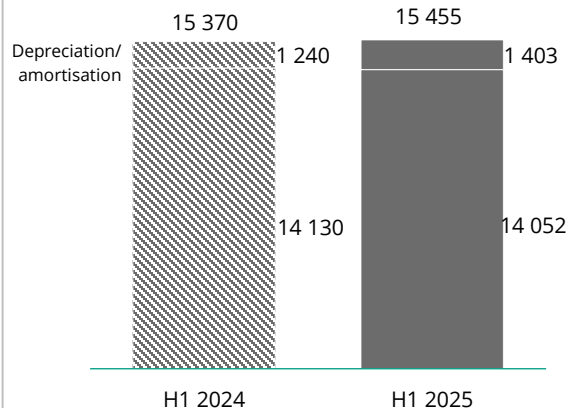
**+0.4% H1/H1**



### Operating costs

[PLN mn]

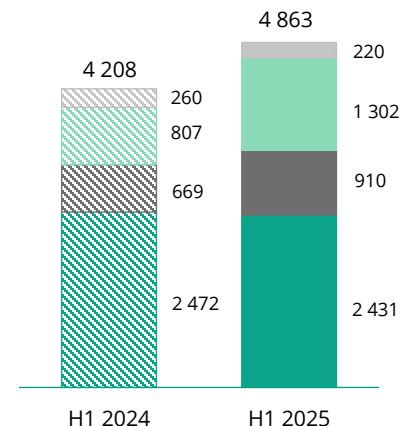
**+1% H1/H1**



### KGHM Group adjusted EBITDA<sup>1)</sup>

[PLN mn]

**+16% H1/H1**



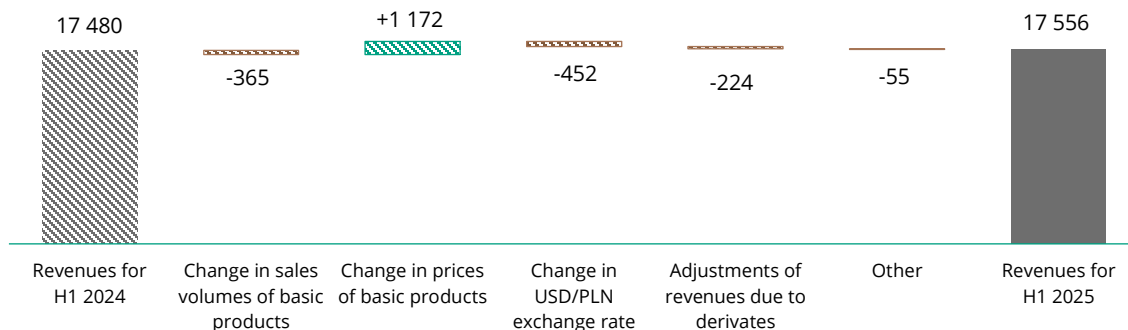
■ KGHM INTERNATIONAL LTD.
 ■ Other segments
 ■ KGHM Polska Miedź S.A.
 ■ Sierra Gorda (55%)

## Group sales revenue

H1 2025

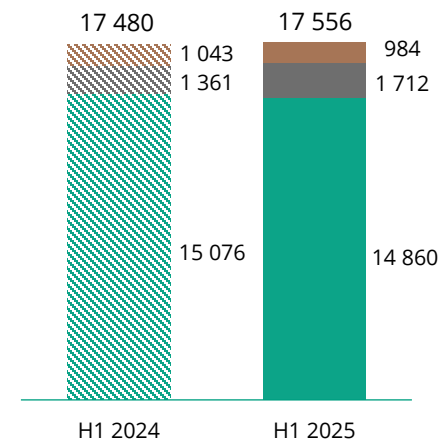
### Revenues from contracts with customers

[PLN mn]



### Revenues from contracts with customers

[PLN mn]

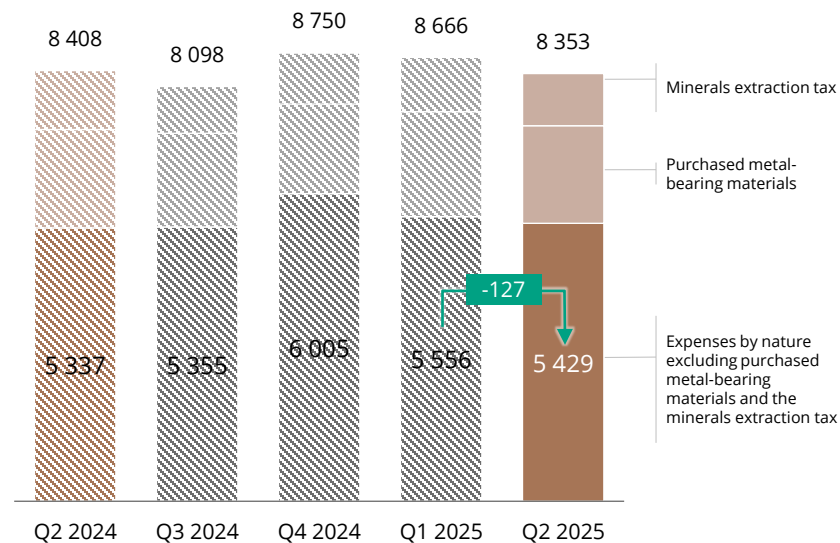
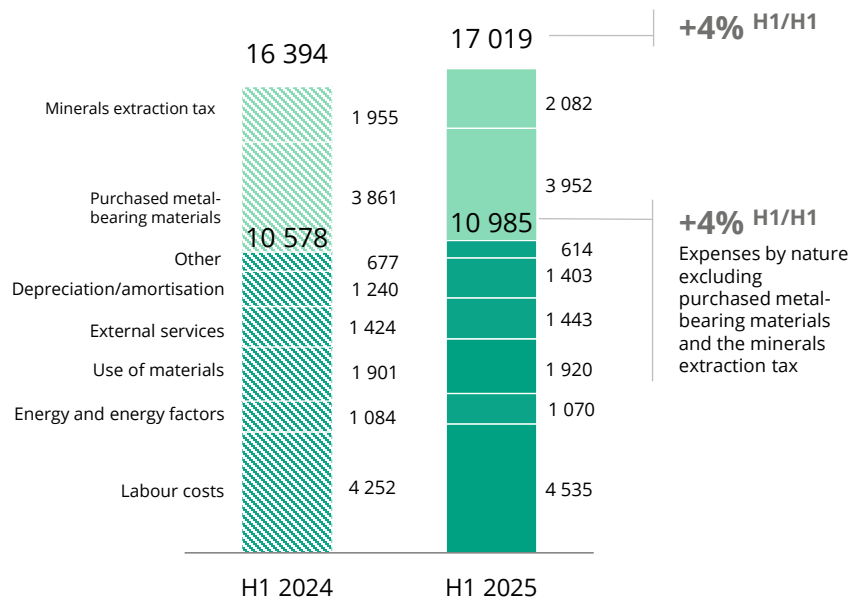


- KGHM INTERNATIONAL LTD.
- KGHM Polska Miedź S.A.
- Other segments and consolidation adjustments

## Expenses by nature KGHM Group

### Expenses by nature

[PLN mn]

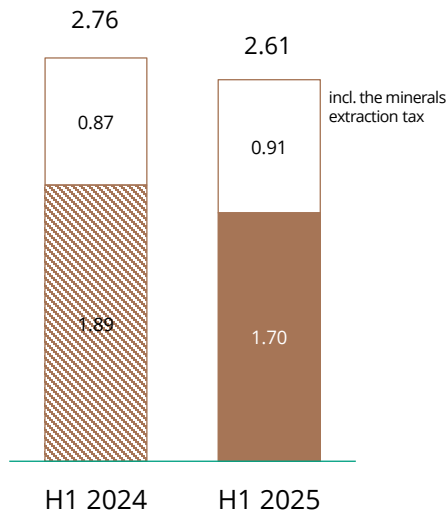


## C1 unit cost <sup>1)</sup> KGHM Group

### C1 – KGHM Group

[USD/lb]

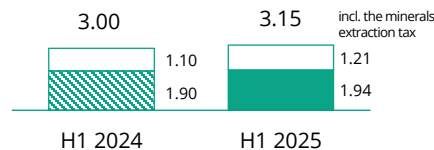
-5% H1/H1



### C1 – KGHM Polska Miedź S.A.

[USD/lb]

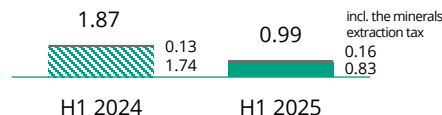
+5% H1/H1



### C1 – KGHM INTERNATIONAL LTD.

[USD/lb]

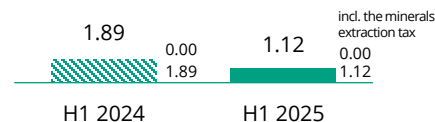
-47% H1/H1



### C1 – Sierra Gorda S.C.M.

[USD/lb]

-41% H1/H1



■ **KGHM Polska Miedź** – an increase in C1 by 5% mainly due to a higher minerals extraction tax charge by 11% and strengthening of the PLN vs the USD, with a higher valuation of byproducts by 24%.

■ **KGHM INTERNATIONAL LTD.** – the significant decrease in C1 cost results from higher sales volume:

- of copper (distribution of fixed costs over the larger quantity of copper sold) and
- of TPM (higher offset due to the sale of associated metals).

■ **Sierra Gorda S.C.M.** – the main factors contributing to the reduction of C1 costs in the Sierra Gorda mine are the increase in copper sales volume, revenues from gold sales and more favourable processing premiums.

## Financial results

KGHM Group

### Profit for the period

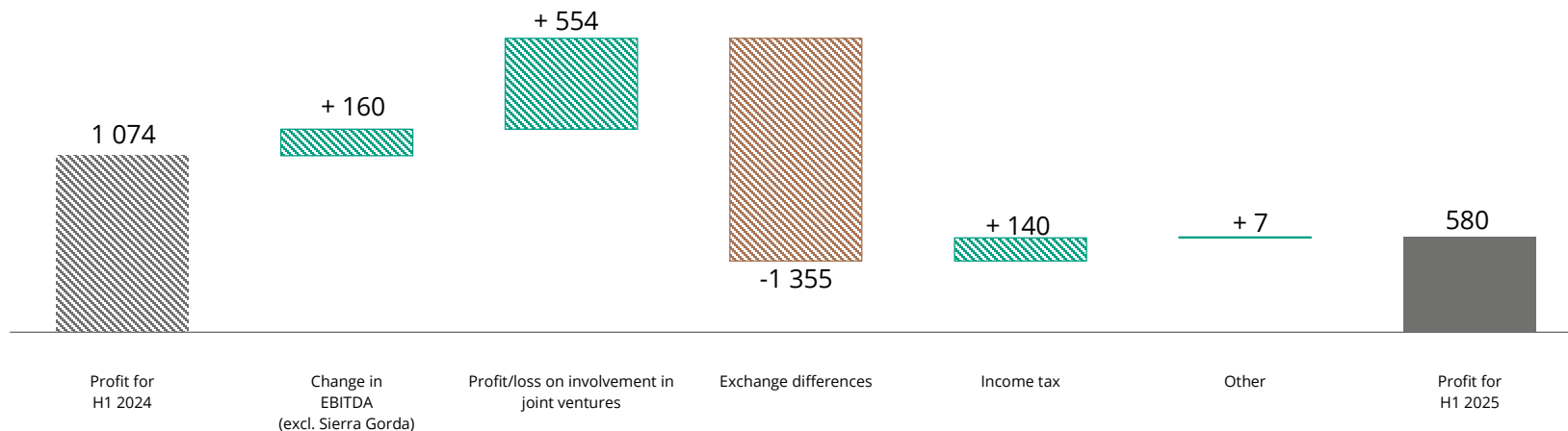
[PLN mn]

# 580

[PLN mn]

### Consolidated net profit in H1 2025

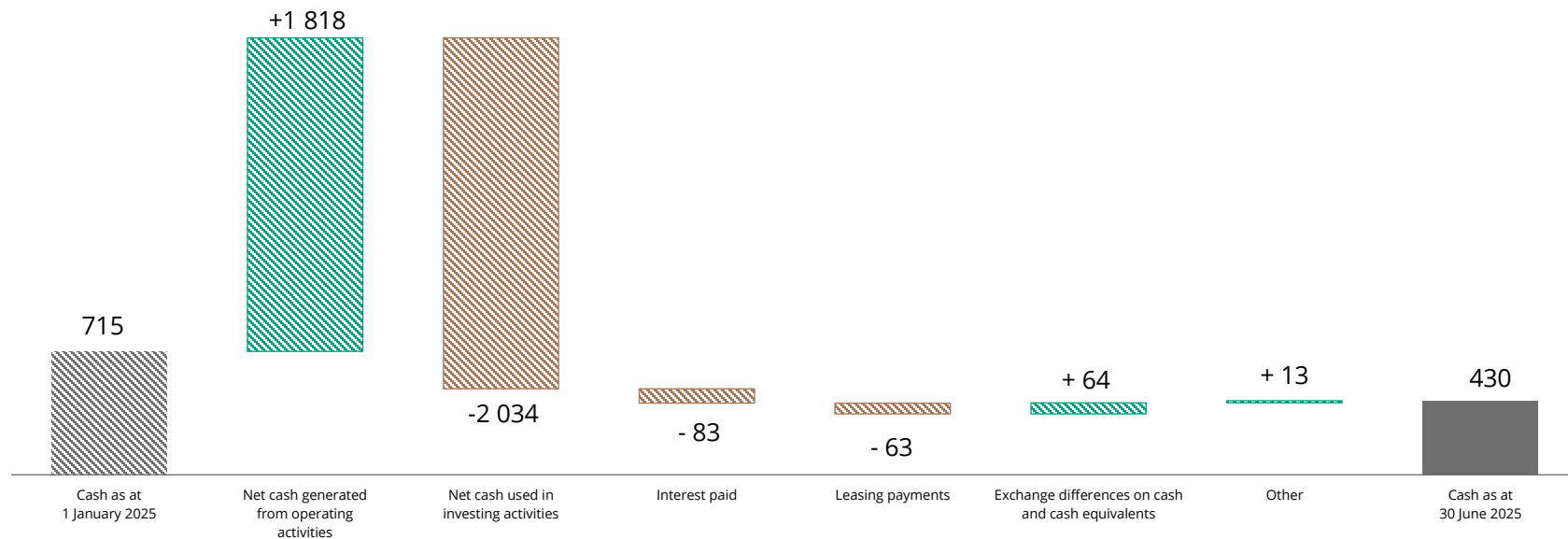
A decrease in Group profit by PLN 494 milion, mainly due to exchange differences despite higher EBITDA and a higher result on involvement in joint ventures



# Cash flow

## KGHM Group

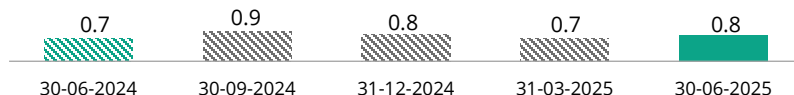
[PLN mn]



# Net debt of the KGHM Group

## As at the end of Q2 2025

Net debt / adjusted EBITDA



KGHM Group net debt

[USD mn]

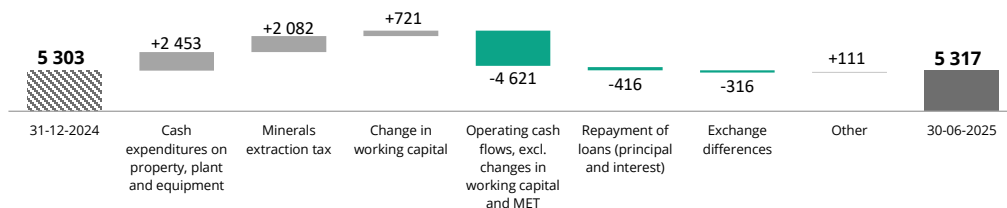


[PLN mn]



Change in net debt

[PLN mn]



## Main factors affecting net debt in 2025

### Increases in debt

- Cash expenditures on property, plant and equipment (PLN 2 453 mn)
- The minerals extraction tax (PLN 2 082 mn)
- Change in inventories (higher by PLN 443 mn)
- Change in trade and other payables, incl. trade liabilities transferred to the factor (lower by PLN 375 mn)

### Decreases in debt

- Positive cash flow from operating activities, excluding the change in working capital and the minerals extraction tax (PLN 4 621 mn)
- Repayment of loans and interest received (PLN 416 mn)
- Positive exchange differences (lower net debt expressed in PLN by PLN 316 mn)
- Change in trade and other receivables (lower by PLN 97 mn)



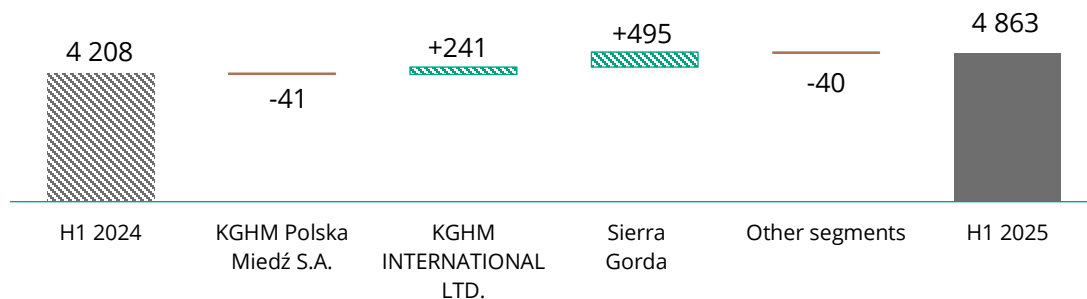
# Operating results

## KGHM Group

### Change in adjusted EBITDA<sup>1)</sup>

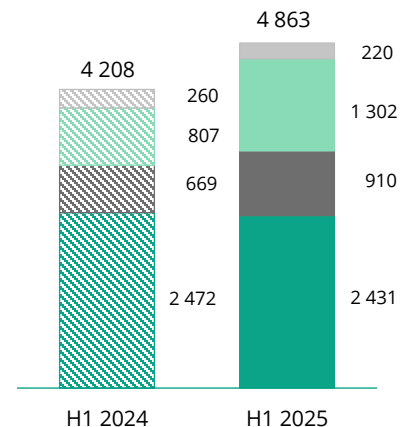
[PLN mn]

**+16% H1/H1**



### Adjusted EBITDA

[PLN mn]



An increase in adjusted EBITDA compared to the corresponding period of 2024 by PLN 655 million in respect of Sierra Gorda S.C.M. and KGHM INTERNATIONAL LTD.

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

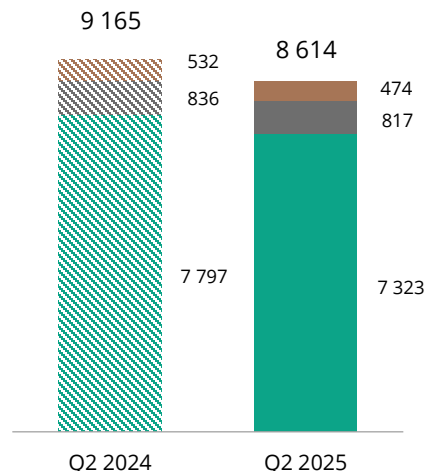
■ KGHM INTERNATIONAL LTD.
 ■ Other segments  
■ KGHM Polska Miedź S.A.
 ■ Sierra Gorda S.C.M. (55%)

# Sales revenue and EBITDA in Q2 2025

## KGHM Group and reporting segments

### Revenues from contracts with customers

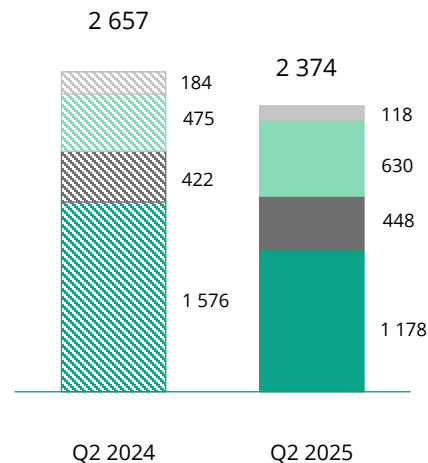
[PLN mn]



- KGHM INTERNATIONAL LTD.
- KGHM Polska Miedź S.A.
- Other segments and consolidation adjustments

### Adjusted EBITDA

[PLN mn]



- KGHM INTERNATIONAL LTD.
- KGHM Polska Miedź S.A.
- Other segments
- Sierra Gorda (55%)

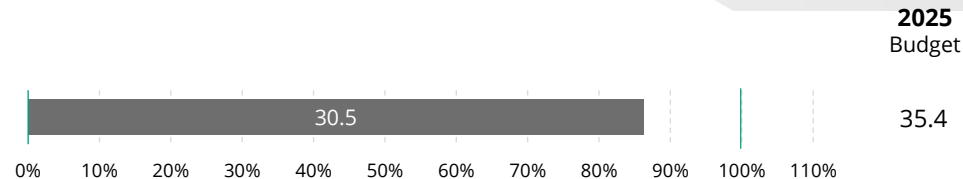
Lower adjusted EBITDA compared to Q2 2024 by PLN 283 million mainly in respect of KGHM Polska Miedź S.A. (-PLN 398 million)

## The financial situation of the KGHM Group remains stable and safe

### Total unit production cost

of electrolytic copper from own concentrate of KGHM Polska Miedź S.A.<sup>1)</sup>

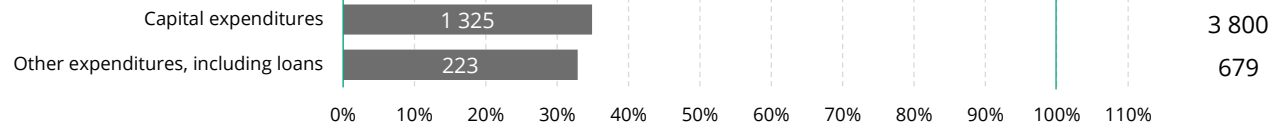
[k PLN/t]



### Investments

KGHM Polska Miedź S.A.<sup>2)</sup>

[PLN mn]



### Liquidity of the KGHM Group

[net debt / adjusted EBITDA]<sup>3)</sup>



1) Sum of costs of extraction, floatation and metallurgical processing per cathode, together with support functions and cathode selling costs, adjusted by the value of inventories of half-finished products and work in progress, less the value of anode slimes and divided by the volume of electrolytic copper production from own concentrates

2) Capital expenditures – excluding costs of borrowing, leasing per IFRS 16 unrelated with an investment project and development work – uncompleted; Other expenditures – acquisition of shares and investment certificates of subsidiaries and associates and loans granted

3) Adjusted EBITDA for 12 months, to the end of the reporting period, excluding EBITDA of the joint venture Sierra Gorda S.C.M.

4) Level of net debt/EBITDA ≤ 2 related to the Financial Liquidity Policy adopted by the Company and is not part of the budget assumptions of KGHM for 2025

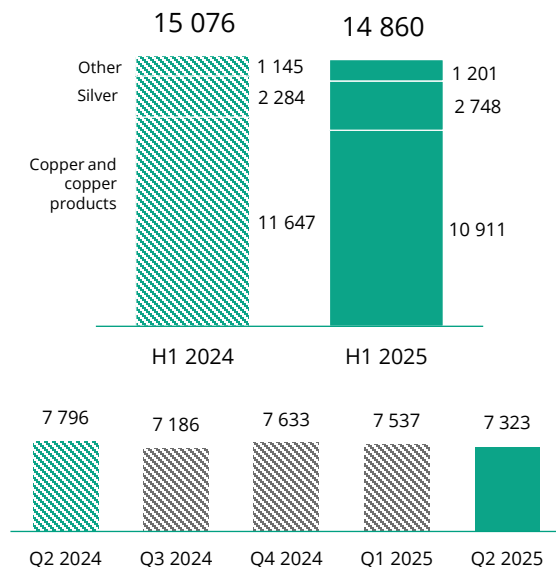
# Sales revenue

## KGHM Polska Miedź S.A.

### Revenues from contracts with customers

[PLN mn]

-1% H1/H1

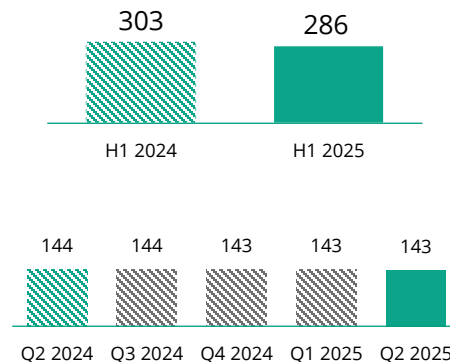


Lower revenues from contracts with customers by PLN 216 million (-1%) in the first half of 2025 compared to 2024, mainly due to a lower volume of copper sales and a less favourable USD/PLN exchange rate despite higher copper prices

### Sales of copper

and copper products  
[kt]

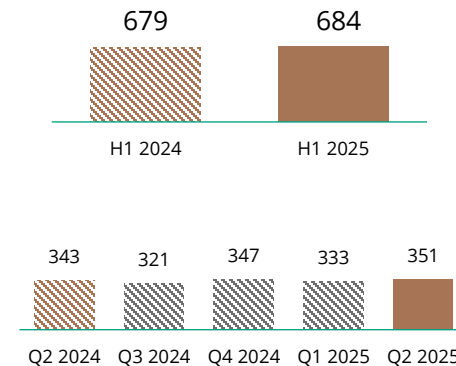
-6% H1/H1



### Silver sales

[t]

+1% H1/H1

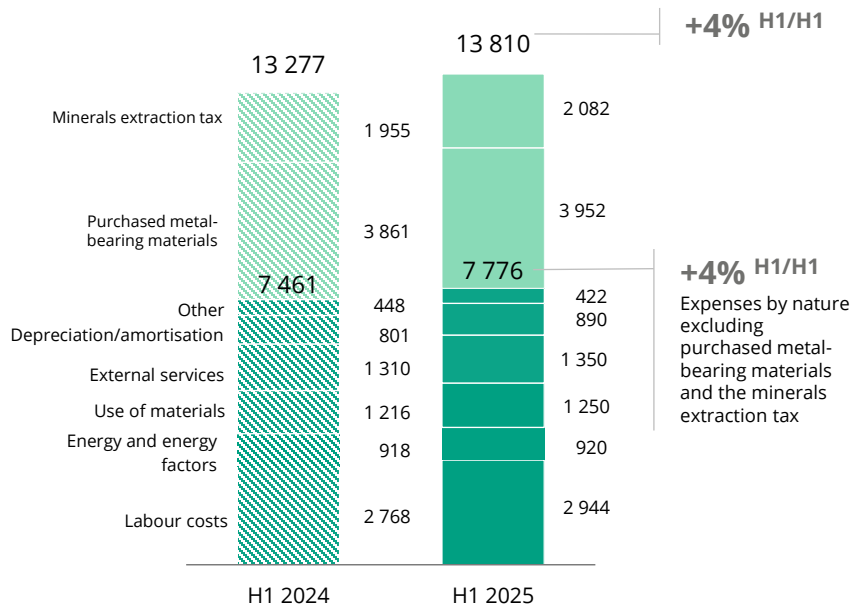


## Expenses by nature

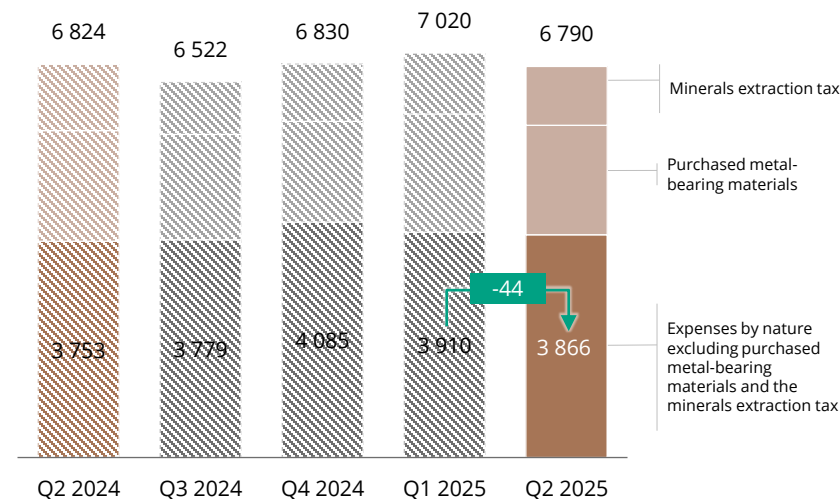
### KGHM Polska Miedź S.A.

#### Expenses by nature

[PLN mn]



The increase in costs by nature compared to the corresponding prior-year period was mainly related to the increase in labour costs, the minerals extraction tax charge and the cost consumption of purchased metal-bearing materials



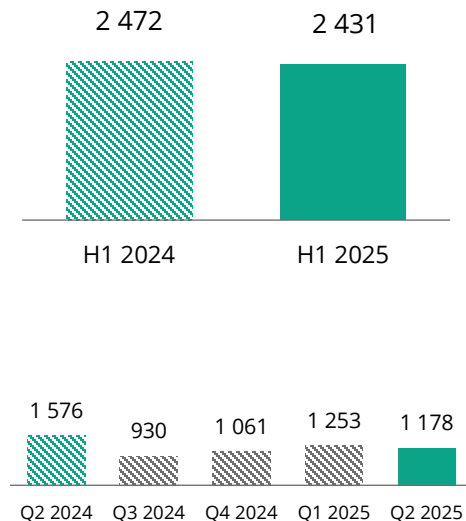
## EBITDA and profit for the period

KGHM Polska Miedź S.A.

### Adjusted EBITDA

[PLN mn]

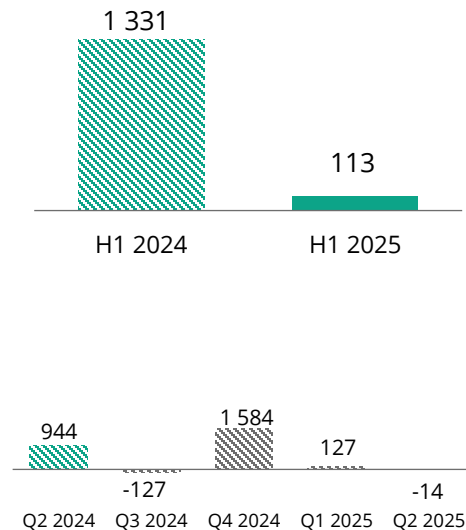
-2% H1/H1



### Profit for the period

[PLN mn]

-92% H1/H1



### EBITDA and profit for the period

#### ■ Lower EBITDA by PLN 41 million:

- Revenues lower by PLN 216 million (mainly due to a less favourable exchange rate and a lower copper sales volume despite more favourable copper prices)
- Lower operating costs excluding depreciation/amortisation by PLN 175 million, mainly due to the higher valuation of inventories with higher expenses by nature

#### ■ Lower profit for the period by PLN 1 218 million:

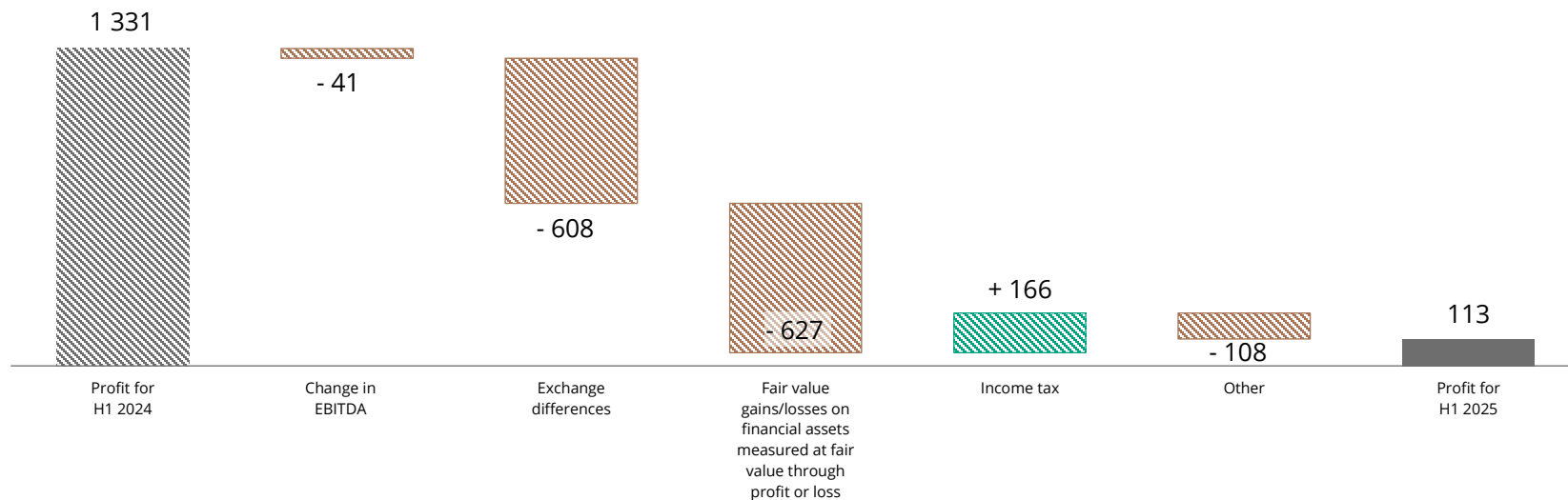
- -PLN 41 million lower EBITDA
- -PLN 608 million, lower result on exchange differences
- -PLN 627 million, lower result due to change in the fair value of financial assets measured at fair value through profit or loss, including mainly valuation of loans

## Profit for the period

KGHM Polska Miedź S.A.

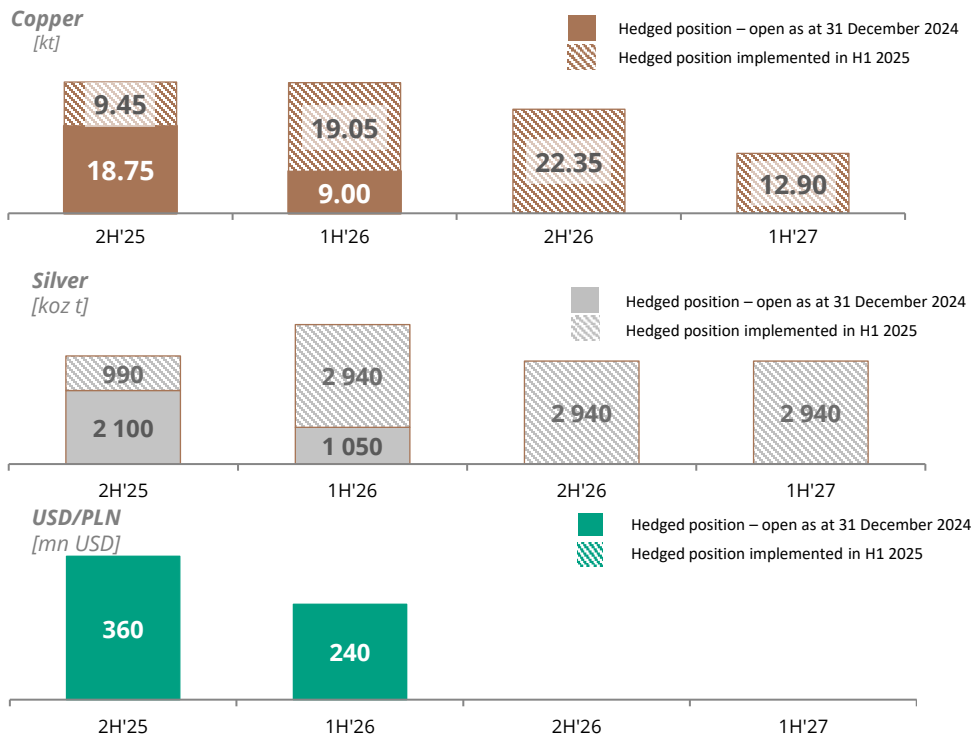
### Profit for the period

[PLN mn]



## Market risk management

### Hedged position on the copper, silver and currency markets (as of 30 June 2025)



**At the end of the first half of 2025, the Parent Entity recorded a result on derivatives\* and hedges in the amount of PLN 7 million:**

- PLN 60 million adjusted revenues from contracts with customers (transactions settled to 30 June 2025),
- PLN 53 million decreased the result on other operating activities.

Moreover, the Parent Entity reclassified PLN 28 million in gains from the settlement of the instrument hedging interest rates on bonds (CIRS) to non-current assets.

- The fair value of derivatives in KGHM Polska Miedź S.A. open as at 30 June 2025 amounted to PLN 388 million\*.
- The revaluation reserve on cash flow hedging instruments as at 30 June 2025 amounted to PLN 267 million.

In the first half of 2025 the Parent Entity implemented options structures on the forward copper market for the period from March 2025 to June 2027 for the total tonnage of 69.63 thousand tonnes. Options structures were also implemented to hedge the silver price for the period from July 2025 to June 2027 for the total tonnage of 9.81 million ounces.

In the first half of 2025 no hedging transactions were entered into on the currency and interest rate markets.

As at 30 June 2025 the Parent Entity held open CIRS (Cross Currency Interest Rate Swap) transactions for the notional amount of PLN 1.6 billion.

\* excludes embedded instruments



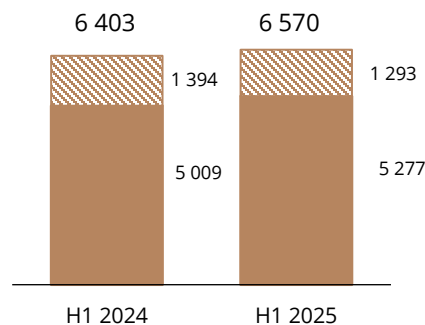
## Other segments, including domestic companies



Basic measures of results – prior to consolidation adjustments

### Revenues

[PLN mn]

**+3% H1/H1**

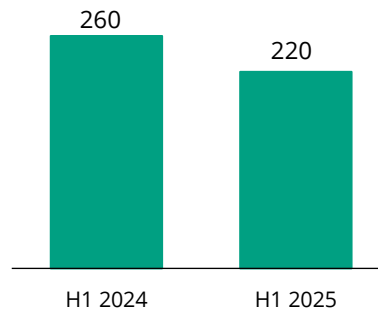


 Revenues from external customers  
 Revenues from KGHM Polska Miedź S.A.

### Adjusted EBITDA

[PLN mn]

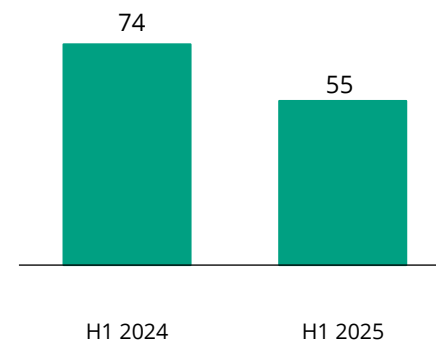
**-15% H1/H1**



### Profit for the period

[PLN mn]

**- 26% H1/H1**



# **SUSTAINABLE DEVELOPMENT – COMMITMENTS AND INITIATIVES OF KGHM POLSKA MIEDŹ S.A.**

## Actions by KGHM's employee volunteers in H1 2025

**nearly 3000**

hours dedicated to advancing volunteer projects



**719**

employee volunteers  
took part in actions



WOLONTARIAT



**104**

volunteer actions

### Thematic actions



**20 actions in the area of**  
science and education



**4 actions in the area of**  
ecology



**13 actions in the area of**  
the arts and traditions



**40 actions in the area of**  
health and safety



**24 actions in the area of**  
sport and recreation

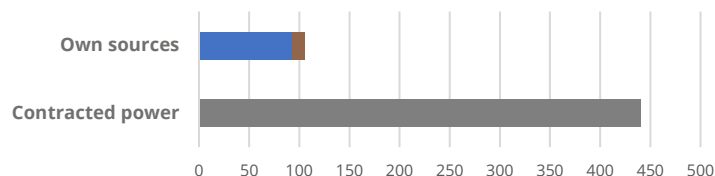


**3 actions in the area of**  
other

# By 2030 the rise in the share of RES will lead to a significant drop in CO<sub>2</sub> emissions

## Internal sources of electrical power in KGHM Polska Miedź S.A.

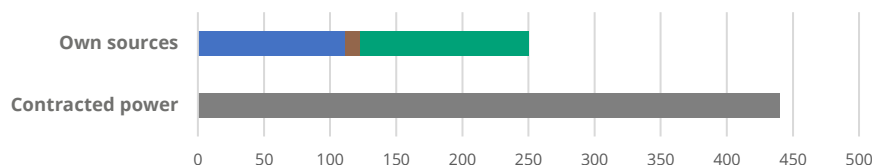
2020 – base year (105 MW):



Capacity in 2020 [MW]

■ Contracted power ■ Natural gas ■ Recovery\* ■ RES

Goal 2030: min. 220 MW of internal power generating capacity

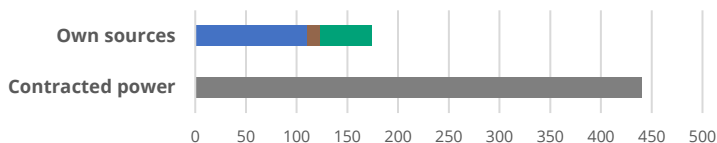


Planned capacity volume in 2030 [MW]

■ Contracted power ■ Natural gas ■ Recovery\* ■ RES

H1 2025 (174 MW):

KGHM's own sources of energy, including RES in the Group, provided 39% of total contracted capacity in KGHM Polska Miedź S.A.

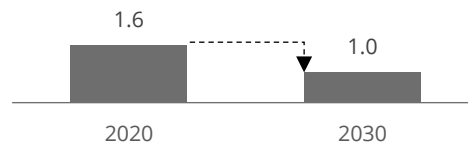


Capacity in H1 2025 [MW]

■ Contracted power ■ Natural gas ■ Recovery\* ■ RES

## Estimated CO<sub>2</sub> 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 CO<sub>2</sub> annually



**100%** of electricity generated **by RES** in the **Sierra Gorda mine** since January 2023

# Energy strategy of KGHM Polska Miedź S.A.

## Selected important Events in H1 2025

### Ensuring energy security in KGHM

- The Natural Gas-Steam (CCGT) blocks of the Head Office supply power to KGHM which is cheaper than is available on the market, at the same time raising the level of energy security for the Core Production Business as regards the supply of power to the Divisions: the Polkowice-Sieroszowice and Rudna mines as well as to the Głogów Copper Smelter and Refinery. The full availability of the CCGTs limits the impact of potential interruptions in the supply of power to the Divisions of KGHM in the case of a blackout of the National Energy System, including the stable supply of steam heat to meet the needs of the metallurgical facilities, heat for the technological processes of KGHM and for customers in the communities of Polkowice, Głogów and Lubin.

### Development of energy storage warehouses

- The possibility of utilising electricity storage warehouses, and of heat warehouses and heat pumps using waste heat from the production processes, was identified.
- Analyses were made as regards the utilisation of electricity storage warehouses, which in cooperation with the planned construction of solar farms enable the collection of excess power produced by such farms, stabilization of the flow of power from RES and the introduction of this energy directly into the production processes in the Divisions of KGHM, and at the same time reduction of the carbon footprint and increase in the share of RES in the general volume of electricity consumed by KGHM.
- Actions of a formal and technical nature are underway as regards the possibility of building an electricity storage warehouse in cooperation with a solar farm on the terrain of the Cedynia Wire Rod Plant.

### M&A

- Technical and economic analyses of developer offers as regards the sale of prepared RES installations or projects for such installations in terms of the possibility of KGHM's using the power generated by them.

### Development of solar energy

- Technical connection conditions received from the Operator of the Distribution System of Tauron Dystrybucja S.A. as well as a building permit for solar farms which will be built to serve KGHM, i.e. the PV „HM Cedynia” PV Polkowice, PV Tarnówek and PV Kalinówka (total capacity of these installations Pp=10.3 MW).
- The process is underway of developing the investment potential of own land for photovoltaic projects with capacity of **approx. 180 MW**. Currently some of these projects have building permits, while other projects are at the preparatory stage of Acquiring administrative decisions and developing area development plans.

### Development of wind energy

- Under consideration is the advancement of a project to build a wind park on Company terrain, near the Głogów Copper Smelter and Refinery. Environmental monitoring commenced at the sites being considered for the construction of wind turbines, and appropriate changes have been introduced to the area management plans. Work also continues as regards analyses of the use of own land for further wind projects on the terrain of KGHM pursuant to the adopted Energy strategy.

### Development of nuclear energy

- Given the rapid changes in information regarding the availability of commercial technology for the production of energy using small modular reactors (SMR), the cost of building such installations as well as the per-megawatt hour price of electricity produced by such installations, KGHM continuously monitors this area in terms of the possible use of this technology to produce cheap power for the Company. At the moment there are no binding discussions underway in this regard.

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

- Analytical work continues as regards the possibility of building an installation to capture carbon dioxide from the technological processes of the Głogów Copper Smelter and Refinery. The projected installation, if it is realised, should enable the capture of around 650 kt of CO<sub>2</sub>. Given the lack of regulations as regards the transport and storage of CO<sub>2</sub> in Poland, KGHM's representatives engaged in group work convened by the Ministry of Climate and the Environment and by the CCUS Poland Association aimed at developing laws which are acceptable for industry and consistent with Polish and EU laws in this regard.

# Employee safety as a strategic priority for the KGHM Group

## ISO 45001:2018

The Company maintains and is enhancing the Occupational Health and Safety Management System, certified by an independent external body.

## Leader's Gold Card of Workplace Safety

In November 2024 the Company was again awarded the Leader's Gold Card of Workplace Safety by the Central Institute of Workplace Safety – the State Research Institute in Warsaw, for overall achievements in the area of OHS.

## Accident rates

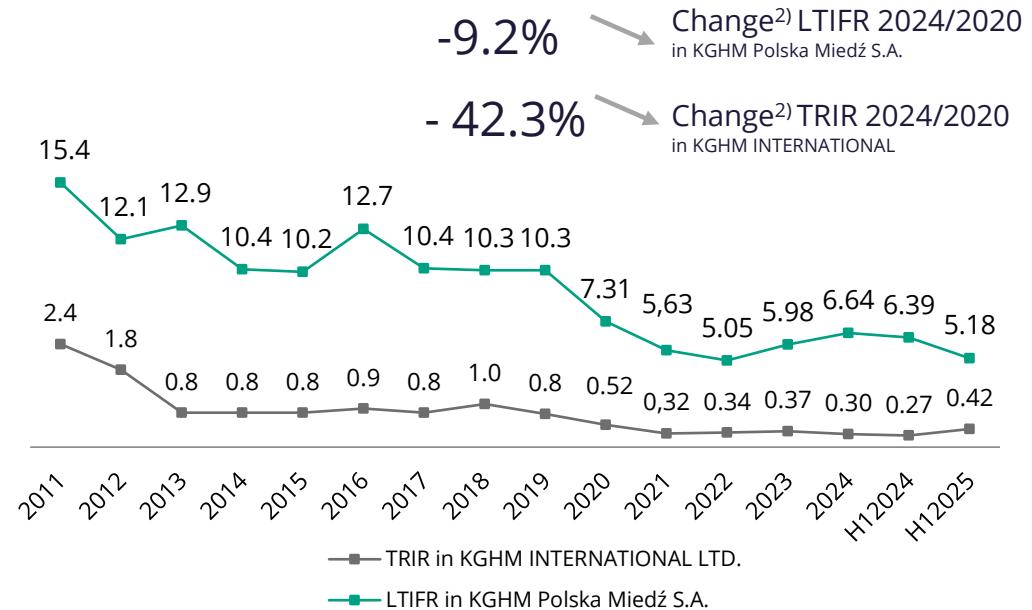
W 2024, as compared to the base year 2020, the number of workplace accidents in the Company was **lower** by approx. 8%.

In H1 2025 the Company recorded a **decrease** in the number of workplace accidents to 77 vs. 96 in the corresponding period of 2024. In the Divisions of KGHM, workplace accidents in the first half of 2025 were classified as light injuries, resulting in short-term incapacity to work.

In strategic terms (long term) both the LTIFR 2024/2020 ratio, as well as the TRIR 2024/2020 ratio, **are lower than the base year amounts**.

The Company is systematically enhancing a variety of actions aimed at restricting the number of workplace accidents.

### Accident rate measures<sup>1)</sup>



1) LTIFR (Lost Time Injury Frequency Rate); TRIR (Total Recordable Incident Rate) calculated using accepted methodology as the number of accidents at work meeting the conditions of registration as defined in the International Council on Mining & Metals standard, in total for the employees of KGHM INTERNATIONAL LTD., KGHM Chile SpA and Sierra Gorda S.C.M. and sub-contractors for these entities, per 200 000 worked hours

2) Average accident rate for 2024 compared to the average for 2020

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# **RESULTS OF THE KGHM GROUP FOR THE FIRST HALF OF 2025**

**Lubin, 20 August 2025**