



**INVESTOR CHAT WITH KGHM POLSKA MIEDŹ S.A.**



**CZAT INWESTORSKI**

Piotr Krzyżewski  
Wiceprezes Zarządu ds. Finansowych

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godz. 12:00

[www.kghm.com](http://www.kghm.com)












Link to the original chat (in Polish): [Wyniki finansowe Grupy KGHM za I kwartał 2026 r. - czat inwestorski z Piotrem Krzyżewskim, Wiceprezesem Zarządu ds. Finansowych](#)







On Friday, 15<sup>th</sup> May 2026 an investor chat was held with the CFO of KGHM Polska Miedź S.A., Mr. Piotr Krzyżewski. During the chat we talked about the financial results for the 1st quarter of 2026 and further development plans.









Please feel free to read through the chat - following is the transcript of the chat.







	<p><b>Janusz Maruszewski</b> Hello, welcome to an investor chat with the Vice President of the Management Board (Finance) of KGHM, Piotr Krzyżewski. I'd like to start our meeting, and I invite you to follow our discussion and ask questions!</p>
	<p><b>Piotr Krzyżewski</b> Good day, welcome to our investor chat related to the financial results for the first quarter of 2026. To summarise the most important parameters: the KGHM Group earned a profit for the period of more than PLN 3.5 billion, with record revenues from contracts with customers and more than doubled EBITDA. The Group also recorded a significant improvement in substantial improvement in the results of the mines and metallurgical plants in Poland, while maintaining the high contribution of the international assets. Production of payable copper in the Group amounted to 176 thousand tonnes and was 4% higher on a yearly basis. C1 cost amounted to 1.69 USD/lb and was 35% lower compared to the corresponding prior-year period. During our meeting today, I will provide more details and will respond to the issues you are interested in. Please feel free to ask questions.</p>
	<p><b>Guest: Obserwator: What was the net profit of KGHM for 2025?</b></p>



	<p><b>Piotr Krzyżewski</b></p> <p>In 2025 the KGHM Group earned a profit for the period of PLN 3.7 billion, (+28% yoy), while the parent company earned a profit for the period of PLN 1.9 billion. If however the questions is with respect to the recommendation as regards the appropriation of profit for 2025, then the proposal of the Management Board is as follows:</p> <ul style="list-style-type: none"> <li>• payment of a dividend in the amount of PLN 300 000 000.00 (1.50 PLN/share),</li> <li>• the amount of PLN 1 646 423 407.72 to be transferred to the Company's reserve capital.</li> </ul> <p>The final decision regarding the appropriation of profit for 2025 will be made by the Ordinary (annual) General Shareholders Meeting of KGHM Polska Miedź S.A. planned for 9 June 2026.</p>
	<p><b>Guest: Aleksander Olszewski: What is KGHM's strategy as regards the high electricity prices, as this is the main factor restricting profits in the Polish part of the company?</b></p>
	<p><b>Piotr Krzyżewski</b></p> <p>For electricity price risk, the source of exposure is sales prices in bilateral contracts and energy sales prices on the Polish Power Exchange (TGE), where the Parent Company purchases electricity in forward products (RTEE) and on the intraday and day-ahead markets (RDB and RDN). In the case of natural gas price risk, the source of exposure is a contract concluded with ORLEN S.A., under which the price of purchased gas is largely dependent on the Polish Power Exchange's quotations for E-type natural gas (applies to both forward and spot contracts). As part of its energy price risk management, in the first quarter of 2026, the Parent Company entered into options transactions on the TTF natural gas market. Seagull option structures were implemented for the Endex ICE TTF Natural Gas Month Ahead contract for the period from April 2026 to March 2027, for a total volume of 137.95 GWh. Such action combined with the optimization of generation sources and recipients means that the prices of energy and natural gas q1/q1 have changed only slightly, with higher production.</p>
	<p><b>Guest: Joanna: Hello! Given such high profits, why is KGHM proposing such a small amount per share (1.50 zł) considering that last year there was no dividend?</b></p>
	<p><b>Piotr Krzyżewski</b></p> <p>We present a responsible approach to dividend payments. The Company is not changing its dividend policy; capital decisions remain contingent on market conditions, capital needs, and KGHM's financial position. In developing its recommendation regarding the distribution of profit, the Company's Management Board primarily considered the current financial situation and an assessment of the KGHM Group's financial needs in the context of implementing short- and long-term investment plans. The proposal is consistent with the Company's dividend policy, which aims to ensure a balance between the amount of dividends paid and the ability to effectively invest generated profits. However, the final decision regarding the distribution of profit for 2025 will be made by the Annual General Meeting of KGHM Polska Miedź S.A. scheduled for June 9, 2026. Building shareholder value, which is broader than just the dividend, is key. Our share price indicates that this is the right direction.</p>
	<p><b>Guest: Bart: At what stage are the discussions on the deposits in Marocco? What is the grade of the copper deposits?</b></p>

	<p><b>Piotr Krzyżewski</b></p> <p>Just as we announced in March 2026, KGHM signed a memorandum with the Office National des Hydrocarbures et des Mines and Management Group regarding cooperation and the assessment of potential investments in Morocco's raw materials sector. The memorandum paves the way for analysing potential mining projects in a region that combines rich mineral resources with improving economic stability and a favourable investment climate. For KGHM, this is another step towards implementing its long-term plans, which involve actively seeking new deposits and strengthening the Group's security of supply. This is an element of actions aimed at further developing KGHM's international operations and identifying new mining projects outside Europe. Morocco is regarded as one of the most promising investment destinations in North Africa, thanks to both its mineral resources and its stable economic environment. We will provide updates as appropriate.</p>
	<p><b>Guest: Mario: KGHM is taking actions to reduce expenses by nature, this can be seen especially when comparing the results for 2025 to the corresponding period of 2024. Which of the areas of this cost reduction has brought the greatest effects. How do you see the continuation of the trend related to reducing the cost base of expenses by nature in KGHM. Are there currently any projects underway which could support the continuation of cost discipline in the KGHM Group.</b></p>
	<p><b>Piotr Krzyżewski</b></p> <p>The increase in expenses by nature in KGHM Polska Miedź S.A. compared to Q1 2025 was almost entirely due to the increase in costs of consumption of purchased metal-bearing materials and in the minerals extraction tax charge. In Q1 2026 total expenses by nature in relation to the corresponding period of 2025 were higher by PLN 1 768 million, with a higher minerals extraction tax by PLN 843 million and higher costs of consumption of purchased metal-bearing materials by PLN 839 million due to a 26% higher purchase price and a higher volume of consumption by 6.4 thousand tonnes of copper (+12%).</p> <p>The increase in expenses by nature, excluding the costs of consumption of purchased metal-bearing materials and the minerals extraction tax amounted to PLN 86 million (+2%) and resulted mainly from increases in the following costs:</p> <ul style="list-style-type: none"> <li>- labour by PLN 83 million (+6%) due to an increase in remuneration rates for employees and a higher allowance for the annual bonus,</li> <li>- depreciation/amortisation by PLN 33 million (+7%) resulting from new investments made in the Company,</li> <li>- energy factors by PLN 43 million (+9%) due to an increase in the volume of energy consumption purchased externally with lower own energy production from gas-steam blocks and a higher purchase price of energy,</li> </ul> <p>alongside decreases in the following costs:</p> <ul style="list-style-type: none"> <li>- consumption of materials and fuels (excluding purchased materials) by PLN 60 million (-9%), mainly due to lower costs of technological gas (-PLN 35 million) due to a lower purchase price and lower volume of consumption,</li> <li>- external services by PLN 11 million (-2%) resulting mainly from lower costs of mining preparatory work by PLN 23 million (-12%)</li> </ul> <p>In terms of projects supporting the continuation of cost discipline, a Costs Optimisation Program has been implemented. This program is a strategic process which is aimed at improving operational efficiency and strengthening the investment possibilities of the KGHM Group. We are looking for optimization opportunities and effects mainly in the areas of consumption of materials and services for the Core Production Business, inventory management and the purchase and consumption of energy factors.</p>

	<p><b>Guest: OKI: Hello. Could you present the topic of sulphuric acid from the perspective of KGHM ? Is the company / how much is the company taking advantage of this situation? How much has the price of this raw material risen recently?</b></p>
	<p><b>Piotr Krzyżewski</b></p> <p>The company produces an average of approximately 600,000 tonnes of sulphuric acid annually (through its smelting process), which is then sold to domestic and European customers, with surpluses exported to North and South America. Sulphuric acid is a byproduct of the desulphurization of smelter gases at the Głogów Copper Smelter and Refinery (approximately 550,000 tonnes annually) and the Legnica Copper Smelter and Refinery (more than 50,000 tonnes).</p> <p>It is widely used in the fertilizer and chemical industries. It is used to produce phosphate fertilizers, phosphoric acid, dyes, cellulose, batteries, and explosives, among other things. Sulphuric acid is sold primarily locally to domestic customers.</p> <p>KGHM Polska Miedź S.A. also operates a sulphuric acid transshipment terminal in Szczecin with a storage capacity of approximately 33,000 tonnes of acid. The current situation in the Middle East does not affect Polska Miedź's sulphuric acid production volume, but in the short term it may positively impact the profitability of this segment of our business. It is worth noting that a portion of global copper production (&lt;20%) is generated using the SX-EW (Solvent Extraction – Electrowinning) method. This hydrometallurgical technology uses sulphuric acid and is primarily used to recover copper from low-grade oxide ores. However, it's difficult to predict at this time to what extent and for how long the situation in the Middle East will impact global sulphuric acid supply, and it's even more difficult to estimate its impact on copper production via the SX-EW process. However, if the situation in the Middle East persists, high sulphuric acid prices may damage the supply of copper, which may result in higher copper prices and higher inflation in food products (sulphuric acid is used primarily for the production of fertilizers).</p>
	<p><b>Guest: Inwestor33: What about the strategy? Can we expect it within the timeframe announced last quarter?</b></p>
	<p><b>Piotr Krzyżewski</b></p> <p>The Management Board of KGHM is reviewing the prepared Strategy of the KGHM Group 2055+. The main goal is to improve the operational and financial efficiency of the company and group. In accordance with what the President said during yesterday's results conference, we expect the work to be finished and published mid-year.</p>
	<p><b>Guest: Inwestor33: How did the conflict in the Middle East effect KGHM in the first quarter?</b></p>
	<p><b>Piotr Krzyżewski</b></p> <p>In the reporting period, the Group did not record any negative impact from factors related to the conflict in the Middle East. Due to the escalation of geopolitical tensions in the Middle East, including the commencement of military operations by the United States and Israel against Iran, the most significant categories of conflict-related risks affecting the operations of the Company and the Group are the following:</p> <ul style="list-style-type: none"> <li>- potential impact on the global economies,</li> <li>- volatility of crude oil and natural gas prices,</li> <li>- volatility of exchange rates (mainly USD/PLN),</li> <li>- volatility of gold and silver prices,</li> <li>- supply chain disruptions and availability of fuels and energy on international markets.</li> </ul>

	<p>Currently, the situation in the Middle East is focused primarily on Iran, a major oil producer and in control over the Strait of Hormuz. Further developments in the global economic situation depend largely on the final outcome of the peace talks. Due to the high uncertainty related to development of the political situation in the Middle East, neither its scale nor the potential impact on the KGHM Polska Miedź S.A. Group can be estimated for subsequent periods. Continuation of the conflict in the longer term could have a negative impact on the price of diesel fuel, mainly used in the international assets as a basic energy carrier, operationally and on the price of natural gas, which in the domestic assets is used in the production process and as a fuel to generate power and heat.</p>
	<p><b>Guest: Inwestor33: I'd like to ask about your cooperation with Lumina? Any specifics?</b></p>
	<p><b>Piotr Krzyżewski</b> We have signed a letter of intent with Lumina Metals, which indicates the framework for discussions as regards potential, future areas of cooperation, including the supply of copper concentrate from the Nowa Sól project to the copper smelters of KGHM. Considering our logistics and metallurgical infrastructure, this is a natural area of cooperation between the companies. The letter expresses only the parties' intentions and is not binding.</p>
	<p><b>Guest: Kimi: When will KGHM as the owner of the club Zagłębie Lubin appoint the new-term supervisory board?</b></p>
	<p><b>Piotr Krzyżewski</b> The Company does not comment on personnel decisions in the subsidiaries.</p>
	<p><b>Guest: Luki: Will KGHM as the owner of the club change the president ???</b></p>
	<p><b>Piotr Krzyżewski</b> The Company does not comment on personnel decisions in the subsidiaries.</p>
	<p><b>Guest: Beginning individual investor: What will be the subject of cooperation between KGHM and Freeport Mcomoran?</b></p>
	<p><b>Piotr Krzyżewski</b> KGHM Chile SpA, a subsidiary of KGHM PM S.A., has signed a Farm-Out Agreement with Minera Freeport-McMoRan South America Limitada, a subsidiary of Freeport-McMoRan Inc. The Agreement opens a new stage of cooperation between the companies, aimed at developing a high-potential copper exploration opportunity located in northern Chile. The agreement provides a structured framework for conducting early-stage exploration activities and evaluating the geological potential of the area, located within one of the most promising mining regions in Chile and demonstrates encouraging geological and geophysical indicators, justifying further work at the early exploration stage. Under the Farm-Out Agreement, KGHM Chile will carry out the early-stage exploration activities required to evaluate the area's geological characteristics. Depending on results, the</p>

	<p>agreement includes the possibility of advancing and forming a joint venture company to develop the opportunity further.</p>
	<p><b>Guest: Congratulations on your management effectiveness and exceeding consensus estimates in Q1 2026 results. In your opinion, how much room is there for this type of optimisation and improvement in the coming quarters? What will you focus on?</b></p>
	<p><b>Piotr Krzyżewski</b>          We are continuing work on implementing the Cost Optimisation Program within the KGHM Group. These optimisation initiatives, which encompass all key business areas of the Company, will sustainably and strategically improve the economic efficiency of the entire Group's operations. We are also working to improve energy efficiency and optimise energy consumption. Already in Q1, the Energy Reduction Plan was successfully implemented, resulting in the cessation or reduction of electricity consumption from the grid during reduced hours as part of the DSR (Demand Side Response) program, which obliges electricity consumers to voluntarily and briefly reduce their power consumption from the National Power System when energy becomes scarce.</p>
	<p><b>Guest: MS: Is the shortage of sulphuric acid positive or negative for the company?</b></p>
	<p><b>Piotr Krzyżewski</b>          The situation in the global sulphuric acid market was widely discussed during Cesco in Santiago. This also demonstrates the importance of this element in the value chain for copper smelter by-products (allowing smelters to pay lower TC/RC for concentrates), and also as a byproduct used in leaching.          As mentioned in the previous answer, the company produces an average of approximately 600,000 tonnes of sulphuric acid annually (through smelting), which is then sold to domestic and European customers, with surpluses exported to North and South America. Sulphuric acid is a by-product of the desulphurization of smelter gases at the Głogów Copper Smelter and Refinery (approximately 550,000 tonnes per year) and the Legnica Copper Smelter and Refinery (more than 50,000 tonnes). It is widely used in the fertilizer and chemical industries, including the production of phosphate fertilizers, phosphoric acid, dyes, cellulose, batteries, and explosives. Sulphuric acid is sold primarily locally to domestic customers. KGHM Polska Miedź S.A. also has a sulphuric acid transshipment terminal in Szczecin with a storage capacity of approximately 33,000 tonnes of acid. The current situation in the Middle East does not affect KGHM's sulphuric acid production volume.</p>
	<p><b>Guest: Inwestor66: Can you comment on the current situation on the copper market?</b></p>
	<p><b>Piotr Krzyżewski</b>          As we approach the decision on the introduction of tariffs on refined copper imports to the United States from 2027, frontloading is possible. This is reflected in the continued increase in imports to the US. Refined copper imports to the US in Q1 of this year were the second highest on record, reaching 531,000 tonnes, a higher level recorded only in the second quarter of last year (600,000 tonnes). Arbitrage between the CME and LME has reopened, exceeding USD 400/tonne in the short term and increasing with the extension of the period. China may be forced to offer a higher price to compete for raw material from the US, as price movements on the SHFE already demonstrate.</p>

	<p>Inventories are declining, and import premiums are rising. Lower scrap availability is expected due to increased scrap flow controls, which could translate into increased demand for cathodes. Significant maintenance shutdowns at Chinese smelters are announced. Healthy demand continues: export goods (including EVs), investments in the power grid, and the direction related to the energy transition (GET). Production costs are rising, primarily due to the cost of diesel, sulphur, and explosives. However, at current prices, producers are able to bear these costs. Production is declining in Chile (problems with aging mines and the recent accident at El Teniente). Concerns about the availability of sulphuric acid for the DRC (more than 40% of production is SX-EW) and Chile, or at least its higher price. Furthermore, the Peruvian government's actions indicate real concerns about the availability of diesel fuel for the country's mining industry. Finally, ambiguous messages regarding the time needed to fully commission the Grasberg mine are causing concern.</p>
	<p><b>Piotr Krzyżewski</b>          Thank you very much for participating in the chat and for all questions asked. I also invite you to follow the Company's information and contact us via our website          Investors   KGHM Corporate website.</p>
	<p><b>Janusz Maruszewski</b>          We would like to thank everyone for participating in the chat and for the questions asked, and to our guest for answering them. Best regards, and have a great afternoon!</p>