

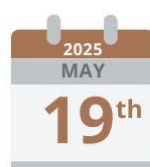
## INVESTOR CHAT WITH KGHM POLSKA MIEDŹ S.A.



### INVESTOR CHAT

**Piotr Krzyżewski**

Vice President of the Management Board (Finance)











**12:00 CET**









Link to the original chat (in Polish): [Financial results for KGHM Group for the first quarter of 2025 – investor chat with CFO, MR. Piotr Krzyżewski | Strefa Inwestorów](#)










On Monday, 19 May 2025 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 first quarter of 2025 and further development plans, and the CFO, Piotr Krzyżewski responded to nearly 20 questions.









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

	<p><b>Janusz Maruszewski</b></p> <p>Hello and welcome to our investor chat with the CFO of KGHM Polska Miedź S.A., Mr. Piotr Krzyżewski. The chat is open, we invite you to follow the discussion and to ask questions!</p>
	<p><b>Piotr Krzyżewski</b></p> <p>Good afternoon, welcome to our investor chat related to the financial results for the first quarter of 2025. To summarise the most important parameters: payable copper production by the KGHM Group in the first quarter of 2025 amounted to 169 thousand tonnes and was in line with budget targets. Group revenues during this same period rose by more than PLN 600 million and reached PLN 8.9 billion. We also recorded a substantial increase in EBITDA at both the standalone and consolidated level, while the Group's profit for the period amounted to PLN 330 million. During our meeting today, I will respond to the issues you are interested in and possibly provide more details. Please feel free to ask questions.</p>
	<p><b>Guest: Akcjonariusz TB</b></p> <p>When will you publish the new strategy? It's been some time since you promised it. Could you provide some details?</p>

	<b>Piotr Krzyżewski</b> Yes, as we mentioned during our results conference, at the moment we are in the process of finalising work on the updated document. Recently we have carried out work on reviewing the existing Strategy of KGHM, adapting it to changing conditions in the sector, ongoing challenges and the Group's operational situation. We ask of you a bit more patience – we will let you know when we are ready.
	<b>Guest: Akcjonariusz TB</b> Is the dividend recommendation already the final one?
	<b>Piotr Krzyżewski</b> Last week we published the recommendation of the Mb as regards the allocation of profit. We will present the Ordinary General Meeting (AGM) of KGHM with a proposal to transfer all of the profit for 2024, in the amount of nearly PLN 2.8 billion, to the Company's reserve capital. In developing its recommendation, the Management Board of the Company mainly took into consideration the assessment of financial needs of the KGHM Polska Miedź S.A. Group in the context of advancement of short and long-term investment plans. Of course the final decision regarding the allocation of profit for 2024 will be made by the Ordinary General Meeting of KGHM Polska Miedź S.A.
	<b>Guest: Mix</b> Is anything known about the date of the AGM?
	<b>Piotr Krzyżewski</b> At the moment we do not yet have a date for the General Meeting. Please watch our website, where we will post a regulatory filing on the planned date of the AGM.
	<b>Guest: Akcjonariusz_TB</b> And one more question about the costs reduction program – are there already any effects?
	<b>Piotr Krzyżewski</b> In terms of the Costs Optimisation Program, this is a strategic process, aimed at improving operational efficiencies and enhancing the investment capabilities of the KGHM Group. The assumptions are focused among others on: <ul style="list-style-type: none"> <li>- mining deposits, investing for the purpose of maintaining long-term profitability and ensuring safe working conditions for our employees,</li> <li>- increasing operational leverage by growing development-related investments,</li> <li>- corporate efficiency, which has a substantial impact on the cost of capital needed for strategic development investments,</li> <li>- maximising revenues from the product portfolio of the Company and Group.</li> </ul> The priority of the Management Board is the further improvement of efficiencies of basic business processes and their optimisation in terms of costs. The Management Board has committed to continuously search for opportunities to optimise both in terms of efficiency and costs. As can be seen, these actions remain underway, while their effects could be observed in 2024 and in Q1 2025. While these actions were quicker to achieve last year, the actions being conducted this year require more time and analyses to see results in a financial form. These are no longer quick wins, but the effects will be visible in the coming quarters.
	<b>Guest: Inwestor33</b> When will we see action taken on the promises regarding lowering the copper tax?

	<p><b>Piotr Krzyżewski</b></p> <p>As we already said during Friday's conference, in our opinion the current formula has been exhausted. When the formula for calculating the tax was created, the Company had a completely different geological and cost situation. That is why it is justified that this taxation reflects the geological conditions, higher temperatures, longer ore travel times and investment needs, including mainly the building of shafts. We await information from the Ministry of Finance.</p>
	<p><b>Guest: Inwestor33</b></p> <p>What happened at the Legnica smelter as regards the fire which was reported on Friday?</p>
	<p><b>Piotr Krzyżewski</b></p> <p>Yes, on Friday there was a fire at the transformer station of the Legnica Copper Smelter and Refinery. The fire was quickly extinguished. We can confirm that nobody was hurt during the event. We have back-up transformers, which means the event had no impact on production. A special commission is looking into the causes of the event.</p>
	<p><b>Guest: Mix</b></p> <p>What makes up the ebitda results?</p>
	<p><b>Piotr Krzyżewski</b></p> <p>The main factor in the 60% increase in Group EBITDA responsible for the improvement was the higher sales volumes in the international segments, and at the same time the higher rate of increase in revenues over costs, as well as the increase in revenues and lower costs charged to EBITDA of the segment KGHM Polska Miedź S.A. (i.e. costs excluding depreciation/amortisation). At the same time there was a positive impact from revenues and costs.</p>
	<p><b>Guest</b></p> <p>Some time has passed since the volatility caused by the imposition of tariffs announced by the US administration. Is this at the moment casuing, or will cause, some important trends in terms of demand for copper?</p>
	<p><b>Piotr Krzyżewski</b></p> <p>Potential American tariffs on the import of copper would mainly lead to higher copper prices in the USA and at the same time the cost of producing merchandise in which this metal is used. In the short term the announcement of similar administrative restrictions on trade would cause a nervous reaction amongst market participants and greater price volatility in various parts of the world. For KGHM the American market does not have a major volume impact on the geografic structure of copper sales, so any potential impact by such tariffs would be greatly limited. Any reactions by the trade partners of the USA, and especially the potential escalation of trade barriers in various parts of the world, could however negatively impact the rate of global economic growth and at the same time demand for commodities. Consequently, those elements which impact international trade are continuously monitored and assessed by the Company. We are completing the process of registering our cathodes on the CME, formerly called COMEX, which will facilitate sales of our cathodes on the American market. The anomolies which occurred in the form of spreads between quoted copper prices on the LME and the CME increased our interest in this market opportunity.</p>
	<p><b>Guest</b></p> <p>Can KGHM really take advantage of new industrial zones? Could a Sustainable Industry Development Zone on Company property? Do you have any estimates as to how much this could reduce costs and enhance efficiency?</p>

	<b>Piotr Krzyżewski</b> <p>New industrial zones, including the Sustainable Industry Development Zone, could bring KGHM advantages, especially as regards reducing energy costs and simplifying administrative procedures. The Company is analysing the possibility of utilising its own terrain for special zones, which is compliant with the energy transformation strategy and the development of RES. At the present stage, although we do not yet have detailed calculations, we expect that the announced preferential energy tariffs and relief from selected fees could lead to savings. More precise estimates will be possible after the implementation of appropriate regulations, i.e. after the enacting of a law by the government, which is planned to the end of June 2025.</p>
	<b>Guest</b> <p>What level of CAPEX is included in the budget for this year? What's the progress so far after the first quarter of 2025?</p>
	<b>Piotr Krzyżewski</b> <p>Capital expenditures planned for 2025 (excluding borrowing costs, leasing under IFRS 16 unrelated to an investment project and expenditures on uncompleted development work) in KGHM Polska Miedź S.A. amount to PLN 3.8 billion. In terms of progress in Q1 2025, this amounted to PLN 692 million.</p>
	<b>Guest</b> <p>Congratulations for your first quarter results. Are you as a Management Board satisfied with them?</p>
	<b>Piotr Krzyżewski</b> <p>Looking at the results of Q1 2025 it can be seen that KGHM was able to deal with its challenges. Despite the fact that we produced less, we earned more and this in the shadow of the planned maintenance shutdown at the Głogów Smelter/Refinery. We successfully found benefits and exploited opportunities – whose effects can be seen in all operating segments. In addition, cost discipline enabled us to generate solid operational leverage in the form of EBITDA. Comparing quarter to quarter, it can be seen that expenses by nature continue to fall – this is due among others to implementation of the costs optimisation plan. Further results should be evident in the coming quarters.</p>
	<b>Guest</b> <p>What was the start of 2025 like for the company? How does it give an outlook on the whole of 2025?</p>
	<b>Piotr Krzyżewski</b> <p>The beginning of 2025 in the KGHM Group was very solid – revenues rose by 8% to PLN 8.94 billion, and adjusted EBITDA rose by 60% compared to Q1 2024, reaching PLN 2.49 billion. Payable copper production remained at the planned level of 169 thousand tonnes, confirming the Company's operating stability. This good start, in combination with the efficient management of costs and the favourable market situation, enabled us to look with optimism on the further achievement of goals and challenges in 2025.</p>
	<b>Guest: AM</b> <p>What can you say about the situation in Sierra Gorda, has everything started to go in a good direction?</p>
	<b>Piotr Krzyżewski</b> <p>In Q1 2025 Sierra Gorda recorded a significant (+6.8 thousand tonnes, or 22%) increase in production of payable copper in concentrate as compared to the corresponding period of 2024. This increase was achieved despite the 6% decrease in processed ore. Among the main factors contributing to this increase are: higher copper content in processed ore and higher copper recovery. The increased ore quality and process</p>

	optimisation to increase recovery contributed to achieving a higher amount of copper alongside a lower volume of processed material. We expect that this trend will continue.
	<b>Guest</b> What items below the EBITDA line (financial costs, income tax, depreciation, results of associates, other non-operating factors) could have led to the divergence between the positive change of adjusted EBITDA and the decrease in net profit y/y?
	<b>Piotr Krzyżewski</b> The main item differentiating the behaviour of EBITDA versus net profit was the decrease in the result on exchange differences, where this result (-PLN 838 million) represents exchange differences in other operating income, resulting mainly from loans granted in USD, within the Group.
	<b>Guest</b> What are the chances for the company to acquire funds for further growth from the KPO (National Development Program)? Is there any work underway in this regard?
	<b>Piotr Krzyżewski</b> The Company is actively monitoring the possibilities of receiving financing for further growth from the funds of the National Development Program and from other available assistance programs, systematically engaging in actions involving preparing for and carrying out subsidised projects as well as taking advantage of other support mechanisms. During the reporting period work continued to enable the acquisition of investment financing sources, in particular in the areas of innovation, energy transformation and infrastructure development, which could enhance the Company's chances to receive funds from the KPO. Our basic investment activities involve mining and metallurgy, meaning areas which theoretically are disqualified from receiving KPO funds. Dialogue is underway between the European copper industry and the EU, aimed at enabling financing of mining CAPEX.
	<b>Guest</b> What is the reason for the relatively low level of execution of capital expenditures (PLN 692 million) compared to the entire budget (PLN 3.8 billion)?
	<b>Piotr Krzyżewski</b> In Q1 2025 capital expenditures (CAPEX) KGHM Group amounted to PLN 692 million and were 6% higher than in Q1 2024. Similarly as in prior quarters, the priority was investments in the Core Production Business.
	<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
	<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 nice afternoon!