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


Link to the original chat (in Polish): [Wyniki finansowe Grupy KGHM za I półrocze 2026 roku – czat z Piotrem Krzyżewskim, Wiceprezesem Zarządu ds. Finansowych]

On Friday, 21st August 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 half of 2026 and further development plans.

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

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|  | **Janusz Maruszewski**<br>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! |
|  | **Piotr Krzyżewski**<br>Good day, welcome to our investor chat related to the financial results for the first half of 2026. To summarise the most important parameters: in the first half of 2026 the KGHM Group earned a profit for the period of nearly PLN 5.6 billion, maintaining a high level of revenues from contracts with customers and a nearly 90% increase in EBITDA. Production of payable copper in the Group amounted to 351 thousand tonnes and was 2% higher on a yearly basis. 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. |
| | **Guest: What's your take on the dividend after 1H2026? Are there conditions for its increase?** |
|  | **Piotr Krzyżewski**<br>The dividend policy of KGHM foresees a maximum proposed dividend of up to one-third of the standalone net profit of the Company. At the moment we are still within the reporting year. Following its conclusion and assessment of the Company's financial |

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| | possibilities, we will begin the decision-making process. The current good results and positive outlook enable the generation of positive cash flow, the appropriate advancement of investments and opens the way for much larger dividend payout possibilities by the Company. Of course the final decision regarding the amount of dividend to be paid will be made by the Annual General Meeting of KGHM Polska Miedź S.A. |
| | **Guest: Mateusz: The results in the first half of 2026 (net profit PLN 5 579 million) were achieved through record prices of copper (+39% y/y) and silver (+141% y/y). Considering that the adjustment to revenues due to hedging transactions amounted to -PLN 888 million, what is the Management Board's approach to hedging policy for the second half of the year? Given the current high price levels, are there plans to increase the volume of hedged metal to protect margins against a potential market correction?** |
|  | **Piotr Krzyżewski**<br>Given the mentioned record prices of copper and silver, the Company achieved record revenues reflecting the result on hedging. The derivative instruments used by KGHM restrict the impact of changes in the prices of metals and exchange rates on the financial and cash flow results. Changes in prices and exchange rates affect the current valuation of open hedge positions. Short-term effects of valuation changes do not reflect the full effectiveness of hedges, as their primary goal is to stabilize long-term results, and their impact on financial results in future periods may differ significantly from the impact suggested by the current valuation of the derivatives portfolio. The systematic use of hedging strategies increases the predictability of realized cash flows and supports the implementation of plans and budgets. Analysis of the effects of hedging should consider both current valuation changes and the long-term impact on market risk mitigation, primarily by reference to changes in the hedged item (net exposure), which in this case is revenues from the sale of metals from own inputs, net of the impact of the minerals extraction tax. The adopted market risk management policy and the instruments used protect the Company's bottom line in the event of a decline in the prices of basic products, while also providing the opportunity to participate in higher market prices – the hedge does not cover the company's entire risk exposure. This is evident in the results achieved in 1H'26 – despite negative settlements of hedging instruments, the Company's result is significantly higher. As a reminder, in the previous two years, hedging results clearly supported the Company's net profit, so the impact of the hedging policy should be considered from the long-term perspective. |
| | **Guest: Which specific assets (Sierra Gorda, Robinson, Carlota) deviated the most from the plan, and what corrective actions is the management implementing to avoid this happening again in the second half of the year?** |
|  | **Piotr Krzyżewski**<br>Currently, the Robinson mine is the furthest from the plan. This is primarily due to the previously indicated low ore quality from the Liberty deposit and limitations related to premature wear of the SAG mill drive ring. Remedial actions include replacing the ring, scheduled for the first half of 2027, which will remove the processing capacity limitation. For the Liberty deposit, recovery equations are being updated to improve the accuracy of production planning and management. The mining sequence assumes mining the Liberty deposit in 2026 and 2027, and from 2028, we will gradually transition material from the Veteran open pit to the mine. Additionally, the Robinson mine team will modernize processing plant components to improve process efficiency and introduce new chemical reagents, which will translate into improved copper yields. |

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| | **Guest: Mateusz: Together with South32, a decision was made to build a fourth grinding line at Sierra Gorda (estimated cost: USD 725 million). What are the projected copper production and C1 cost targets after this facility is commissioned in 2030? Given the challenges with metal recovery in the first half of 2026 (due to heavy rains and ore quality), does this project have the technological flexibility to operate stably with variable raw material parameters?** |
|  | **Piotr Krzyżewski**<br>Heavy rains and the flexibility they require primarily affect the mine and its ability to maintain continuous ore supplies to the processing plant. After this year's weather events, Sierra Gorda utilized ore reserves stored there, thus maintaining production continuity. The processing plant itself, also with an additional fourth line, has the technological and technical flexibility to accept material with variable characteristics, including that stored in the mine dumps and serving as a "contingency plan”. |
| | **Guest: E.D.: The Cost Optimization Program is expected to deliver over PLN 1 billion in sustainable EBITDA improvement by the end of 2028, and approximately PLN 300 million has been achieved after the first half of 2026. So, does the pace of implementation allow the goal to be achieved on time and what are the greatest risks of delays?** |
|  | **Piotr Krzyżewski**<br>The Cost Optimization Program in the KGHM Group is a response to the volatile and unpredictable macroeconomic environment. It supports the Company's long-term financial stability and competitiveness. It encompasses grassroots initiatives aimed at improving the efficiency of the core business and support processes within the KGHM Group, streamlining costs and capital expenditures, and increasing business resilience while maintaining operational continuity. It is estimated that after three years of implementation (until the end of 2028), the program will result in over PLN 1 billion in sustained EBITDA improvement compared to 2024 results. Some initiatives are already underway and are yielding initial results, while others will be implemented in stages between 2026 and 2028. Long-standing cost growth trends have been reversed in virtually all of KGHM's cost areas, resulting in a slowdown in most cost types. By the end of the first half of 2026, the implementation of optimization initiatives had resulted in an improvement in EBITDA of approximately PLN 300 million (compared to the results in 2024). Activities under the Cost Optimization Program will continue as one of the Company's strategic initiatives, which will increase the value of KGHM. |
| | **Guest: Inwestorka: What are the real effects of the Cost Optimization Program?** |
|  | **Piotr Krzyżewski**<br>The impact of cost optimization measures on EBITDA by the end of the first half of 2026 is nearly PLN 300 million. The entire Cost Optimization Plan covers, among others, the areas of purchasing, technology and waste recovery, as well as actions aimed at increasing work efficiency and profitability. |
| | **Guest: Mateusz: At KGHM Polska Miedź S.A., labor costs increased by 21% (PLN 617 million), a significant portion of which was due to the revaluation of the provision for the annual bonus (PLN 473 million). In view of the new Strategy 2055+, does the Management Board assume that the dynamics of wage growth will be maintained, correlated with financial results, or are systemic mechanisms planned to limit wage pressure in support processes?** |

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|  | **Piotr Krzyżewski**<br>When analyzing the dynamics of wage growth in the Parent Company, it is necessary to distinguish between two factors that shape it, both resulting from the provisions of the Collective Bargaining Agreement: the annual increase in base salaries based on the wage growth rate in the corporate sector, and the costs of paying the so-called annual bonus, the amount of which is actually directly correlated with the Parent Company's net profit. The basis for paying the annual bonus, earlier in the financial year, for creating this reserve obligation, is the Company's profit projection. |
| | **Guest: Mateusz: In the second quarter of 2026, the C1 cost at the Robinson mine increased to USD 1.81/lb from USD 0.70/lb in the first quarter. This is due to the transfer to lower-grade ore from the Liberty pit. When does the Management Board expect this asset to return to lower cost levels, and does the planned USD 120 million lease agreement fully cover the mine's modernization needs?** |
|  | **Piotr Krzyżewski**<br>In the first half of 2026, ore processed at the Robinson mine came from the Liberty pit, which was characterized by lower quality parameters compared to the ore extracted in the same period in 2025, when the Ruth West 5 pit was also mined. Lower copper content in the ore and a decrease in copper recovery at Robinson were the main reasons for lower payable copper production in the KGHM INTERNATIONAL LTD. segment. The mining sequence assumes mining of the Liberty deposit in 2026 and 2027, and from 2028, we will gradually transition material from the Veteran open pit to the mine. Regardless of this situation, we expect the cost efficiency of the Robinson mine throughout 2026 to be maintained at the planned level or better. Modernization needs are not at risk, and their financing is fully secured. |
| | **Guest: Inwestorka: What's the source of such good ebitda in the group and in the company? What factor influenced this effect?** |
|  | **Piotr Krzyżewski**<br>High revenues and a stable cost base enabled us to achieve a consolidated operating EBITDA result of nearly PLN 9.2 billion, representing an 89% year-on-year increase. At the standalone level, the operating result was almost three times better than in the first half of the previous year, reaching PLN 6.56 billion. This was due to improved results at by the mines and metallurgical plants, higher silver and copper prices in the reporting period, and well-positioned product sales, including niche products such as sulphuric acid and rhenium. Consolidated half-year net profit amounted to PLN 5.58 billion, and standalone net profit to PLN 5.49 billion. At the same time, the KGHM Group maintains high financial liquidity and stable debt. |
| | **Guest: Jar Dar: How does the Management Board intend to finance the PLN 32 billion CAPEX without excessive use of debt or share issuances?** |
|  | **Piotr Krzyżewski**<br>The goal isn't to spend PLN 32 billion in CAPEX, but to implement investments that will maximize cash flow and thus build shareholder value. However, speaking of financing, considering that last year we successfully implemented a favorable change to the minerals extraction tax formula, as of January 1st of this year, we have a situation where more capital remains in the Company. Furthermore, we have excellent conditions in the Cu and Ag metals markets, which is why our revenues are at record levels. I can also mention our Cost Optimization Program, which focuses intensively on cost control across the entire Core Business. These factors mean we don't have to resort to excessive |

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| | debt levels, and as you can see, the net debt to EBITDA ratio remains at a very safe level. Therefore, financing our investments in the coming years should not be a problem. |
| | **Guest: Akcjonariusz: Are you monitoring the situation on the sulphuric acid market?** |
|  | **Piotr Krzyżewski**<br>Yes, we are monitoring this situation. It is an important product of our metallurgical process. The current situation in the sulphuric acid market offers us a favorable prospect for higher revenues. At the same time, the lack of sulphuric acid availability is putting pressure on cathode prices, which also supports our results. KGHM does not use sulphuric acid in the leaching process, so we are not at risk. The race to acquire sulphuric acid coincides with threats to copper production in other regions. The closure of the Strait of Hormuz restricted maritime transport of sulphur from the Gulf region, and China's export ban has further exacerbated the problem. Combined, these disruptions have eliminated approximately one-quarter of global sulphur supplies. Without this acid, the solvent extraction and electrorefining (SX-EW) process, which accounts for over 15% of global copper production, is severely disrupted. Plants in Chile and the Democratic Republic of the Congo – two key producers using the SX-EW method – are struggling with increasingly tight inventory levels. Concerns were deepened by the decision of Chilean state-owned company Codelco to suspend the Andes Norte expansion project at the El Teniente mine following the detection of seismic activity |
| | **Guest: Akcjonariusz: Will there be an update on decarbonisation program?** |
|  | **Piotr Krzyżewski**<br>KGHM is not changing its decarbonization goal. We will adapt the selection of technologies and the order of their implementation to market development and maturity, ensuring that the transformation is conducted responsibly and to the benefit of the company's competitiveness. We are only implementing investments that have a positive NPV. IRR support in these transactions is typically provided by grants (KPO, NFOS, and other EU funds), which increase the rate of return on these activities.<br>KGHM is consistently implementing its adopted decarbonization strategy. Despite the changing economic environment and the situation on the raw materials and energy markets, we are not changing our strategic direction. We are focusing on developing our own emission-free and low-emission energy sources and systematically improving energy efficiency. Our goal is to reduce emissions resulting from electricity purchases by 30% by 2030 and eliminate them completely by 2050. Simultaneously, we are preparing solutions that will gradually reduce emissions directly generated by our operations. We are analyzing the potential of CCS and CCU technologies, hydrogen solutions, and synthetic fuels, and closely monitoring the development of SMR technologies. We want to utilize solutions that are both technologically mature and economically viable, enabling us to effectively achieve the goal of climate neutrality by 2050. |
| | **Guest: Do you see any direct impact of the AI and data center boom on copper demand, or is it just a small part of the overall market?** |

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|  | **Piotr Krzyżewski**<br>Without considering data centers and artificial intelligence as a separate topic, and bearing in mind the growing importance of the energy transition, the development of electromobility, the constant expansion of transmission infrastructure, and the expansion of renewable energy sources, we see a steadily growing interest in the copper market, which is becoming a strategic raw material, essential for the modern world. Overall, the AI and data center boom supports the energy transition, the development of power grids, and refrigeration components where copper is used in large volumes. This growing demand is visible to us. |
| | **Guest: What geographic direction is currently closest to the company in terms of potential M&A that could occur this year?** |
|  | **Piotr Krzyżewski**<br>When it comes to international destinations, we're currently most interested in South America, North America, and Africa, but only in jurisdictions that we consider stable in terms of legal certainty. Of course, we don't rule out other destinations either. We take a cross-sectional view of the market. |
| | **Guest: Karol: What is the management's current and planned dividend policy for 2026-2030 with such large CAPEX?** |
|  | **Piotr Krzyżewski**<br>The Management Board's intention is not to maximize CAPEX, but to build shareholder value while taking into account the Company's cash flow. Therefore, only projects with a high rate of return will be implemented. KGHM's dividend policy stipulates a maximum proposed dividend amount of one-third of the Issuer's standalone result. We are currently in the middle of a financial year. After its conclusion and an assessment of the Company's financial capabilities, we will begin the decision-making process. The current strong results and positive outlook on the future will enable the generation of positive cash flows, proper investment management, and open up opportunities for dividends for the Company. Of course, the final decision on the amount of dividends to be paid rests with the General Meeting of KGHM Polska Miedź S.A. |
| | **Guest: What is the situation on the copper market in the second half of the year, do you expect stabilization?** |
|  | **Piotr Krzyżewski**<br>Long-term structural demand is supporting copper, particularly through investments in electrification, transmission grids, and AI infrastructure, which mitigated the negative impact of concerns about the global economic climate. This week's copper market started exceptionally strongly, and the scale of the movement was quickly reflected in historical copper prices. Looking further ahead, copper is flowing simultaneously to China (due to stockpile rebuilding and anticipated infrastructure spending) and the United States (ahead of the decision on potential copper tariffs), which in turn increases pressure on global inventories. Along with growing demand related to the energy transition, electrification, data centers, and so on, we are optimistic about future copper prices. |
| | **Guest: What activities are currently underway in the area of new foreign investments? What areas are you focusing on, and can we expect any specific developments in 2026?** |

**Piotr Krzyżewski**
International asset activities can be divided into two areas:

1. Brownfield: Development of existing assets, which allows for the creation of cash flows and value in the short term. Examples include the fourth grinding line in Sierra Gorda, or the definition of the deposit in Catabella NE, with the prospect of significantly extending the life of mine (LOM) and cash flows in Sierra Gorda.
2. Greenfield: Development of existing assets resulting from our exploration in multiple locations, including call options for the purchase of areas where junior miners operate, and M&A. Regarding point 1, we have decided on a fourth line and a larger drilling campaign. Regarding point 2, if we establish favorable terms during the ongoing process, we will present this transaction in 2026.

We are focusing on our current locations (Europe, Chile, Canada, and the USA), leveraging our operational knowledge and experience. We are also interested in neighboring jurisdictions (including Morocco, Argentina, and Peru). We are also open to other destinations in countries identified in our Resource Base Development Policy as preferred and conditionally preferred based on international assessment indices. Preference is given to projects that assume metal production exceeding 50,000 tonnes of copper equivalent, have a deposit resource of at least 0.5 million tonnes of copper, and a life of mine (LOM) exceeding 10 years. Projects should be characterized by low production costs, i.e., below the 75th percentile of the global cost curve for copper producers in the case of open-pit mines, and should be located in jurisdictions we prefer.

**Guest: Karol: What is responsible for this quarter-on-quarter margin erosion and is it a one-off phenomenon?**

**Piotr Krzyżewski**
Significant factors contributing to the increase in expenses by nature from Q2 to Q1 of this year, which reduced the margin, included approximately PLN 500 million in increased labor costs, PLN 500 million in increased costs of external inputs (price effect), and PLN 250 million in increased in the minerals extraction tax charge (price effect). On the other hand, we have higher revenues resulting from the production of copper, silver, and gold.

**Guest: The strategy assumes an increase in the share of products more highly processed than cathodes to approximately 60% of sales by 2035. What is the plan and rate of growth of the unit margin in this respect?**

**Piotr Krzyżewski**
At the moment we are in the process of finalizing the technical and technological parameters of the new line. We will return with detailed information on the additional cash flows that this investment will generate and in what time period.

**Guest: Is the acquisition you are preparing, which you mentioned in the context of 2026, going to involve ownership of 100% of the asset?**

**Piotr Krzyżewski**
Yes.

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|  | **Piotr Krzyżewski**<br>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 |
|  | **Janusz Maruszewski**<br>We would like to thank everyone for participating in the chat and for the questions asked, and to our guests for answering them. Best regards, and have a great afternoon and weekend! |