



INVESTOR CHAT OF 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 Q4 and the full year of 2024 - investor chat with CFO, MR. Piotr Krzyżewski | Strefa Inwestorów](#)











On Friday, 28 March 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 fourth quarter and the full year of 2024 and further development plans.











Over 350 people participated in the chat, and CFO, Piotr Krzyżewski responded to nearly 20 questions.









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

	<p>Janusz Maruszewski 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>Piotr Krzyżewski Good afternoon, welcome to our investor chat related to the financial results for the fourth quarter and the full year of 2024. The KGHM Polska Miedź S.A. Group achieved a net profit of PLN 2.87 billion in 2024. The production of payable copper reached 730 thousand tonnes, representing a 3% y/y increase. During the same period, the Group's revenues amounted to PLN 35.3 billion, reflecting a 6% y/y growth. The copper company also recorded a significant increase in EBITDA at both standalone (+25% y/y) and consolidated basis (+58% y/y). 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>Guest: Praw When will KGHM announce its cost optimization plan, detailing mining, processing, and copper smelting activities, along with the release of information regarding the average salary for 2024?</p>
	<p>Piotr Krzyżewski The present Management Board, from its very first days, focused on halting the growth of operating costs, which doubled between 2016 and 2023. We successfully reversed this trend, achieving a 9% reduction in operating costs across the KGHM Group. Since the beginning of this year, the Company has started intensive work this week on preparing and implementing a Cost Optimisation Plan aimed at increasing the Company's investment capacity in the coming years. The Management Board's priority is to further improve the efficiency of core business processes and optimise them from a cost perspective. The current macroeconomic conditions, copper price levels and ongoing discussions on a possible change in the minerals extraction tax formula, create favourable conditions for an intensification of investment activities. Our goal is to increase the long-term resource base of domestic assets, which are the future of KGHM. In terms of employment, our main focus will be on increasing labour efficiency rather than on cost issues, which have been solved. The company will focus on improving efficiency through business process optimisation and development investments. The first phase of the review will cover areas including purchasing, technology, waste recovery, water management and others to be identified in the near future.</p>
	<p>Guest: Ania At what stage are the works on the elimination of the mineral extraction tax, and is its abolition realistic in 2025?</p>
	<p>Piotr Krzyżewski KGHM does not question the legitimacy of this tax, which exists in various forms worldwide. However, we draw attention to the formula for its calculation and the significance of this burden for our results, profitability, and investment capabilities. In our opinion, the current formula has been exhausted, namely at the time of establishing the tax, the geological and cost situation of the Company looked entirely different. Therefore, it is justified that the burden should take into account the geological situation - we are several hundred meters deeper, with higher temperatures - we have longer haulage routes and investment needs, primarily shaft construction.</p>
	<p>Guest: Ania Why does the company not share profits with all employees, who, after all, generate these profits? Scania and Volvo Cars pay their employees bonuses amounting to as much as two additional salaries.</p>
	<p>Piotr Krzyżewski The details of granting an additional annual bonus are outlined in the Collective Bargaining Agreement for KGHM Employees. Under its provisions, if the Company records a positive net financial result for the fiscal year, employees are entitled to receive an additional annual bonus.</p>
	<p>Guest: Piotr You announced cost optimization – can you already speak about preliminary effects?</p>
	<p>Piotr Krzyżewski Yes, we have already observed the first effects of optimization measures in the results for 2024. These include savings in cost categories such as fuel, services, materials, and energy. However, this is not just about reducing costs; we are also focusing on</p>

	<p>increasing revenues. Together, these two factors are expected to drive the Company's performance. In 2024, this aspect of our initiatives also positively impacted our results.</p>
	<p>Guest: Piotr Last year, you reviewed KGHM's strategy - when can we expect more details?</p>
	<p>Piotr Krzyżewski Indeed, we are currently finalizing the update. In 2024, we worked on revising KGHM's Strategy to align it with evolving industry conditions, ongoing challenges, and the operational circumstances of the KGHM Group.</p>
	<p>Guest: Piotr Is KGHM still providing financial support to Sierra Gorda?</p>
	<p>Piotr Krzyżewski In September last year, under a revolving syndicated credit agreement, we obtained \$500 million in financing for the Sierra Gorda project. This agreement was concluded with a consortium of international financial institutions. The transaction was led by Banco Santander S.A. and The Bank of Nova Scotia (including Scotiabank Chile), with additional participation from ING, HSBC, Sumitomo Mitsui, Intesa Sanpaolo, Mega Bank, and ICBC group banks. I would like to highlight and express my gratitude to my team for successfully executing this task entirely with internal resources, without involving an external financial advisor.</p>
	<p>Guest: OKI Good afternoon. During the meeting, I would like to inquire about the current production levels in Poland (January-February). The company has already disclosed this data, noting a decline due to maintenance activities. When can we expect the maintenance work to stop significantly impacting lower production levels?</p>
	<p>Piotr Krzyżewski Maintenance is an integral part of KGHM's operations and can impact production in individual months. However, ultimately, it should not affect changes to our annual production budget assumptions.</p>
	<p>Guest: Investor Good afternoon! I have a question—what's the next step for SMR?</p>
	<p>Piotr Krzyżewski The SMR project at KGHM has the status of a research and development initiative. SMR technology is one of the options being considered to make KGHM independent from purchasing electricity on the market and to reduce greenhouse gas emissions within Scope II (related to the production of electricity and heat used by KGHM for its production processes, generated from fossil fuels) over the long term. The future of all SMR projects in Poland will depend, among other factors, on the economic viability of such investments, progress in the commercialization of this technology abroad, and relevant legislation.</p>
	<p>Guest: Investor Could you comment on these corrective actions resulting from audits? Thank you!</p>
	<p>Piotr Krzyżewski As we informed during the Management Board Conference yesterday, in 2024 we carried out a series of corrective proceedings in response to the results of audit activities. One of the major challenges was the pace at which the Żelazny Most Tailings</p>

	Storage Facility resulting from copper production, was filling up. We undertook a series of measures during the spring and summer of last year, which allowed us to stabilize the situation, ensuring that the state of the reservoir does not pose a threat to production continuity.
	Guest: Kimi888 Regarding Zagłębie Lubin, do you plan to make changes to the club's supervisory board or dismiss the president?
	Piotr Krzyżewski The Company does not comment on decisions regarding personnel changes in the Club.
	Guest: Kimi888 What about investments in the Zagłębie Lubin club, such as the construction of a heated pitch and a sports hall? Does KGHM plan to allocate any funds for this?
	Piotr Krzyżewski The financing of Zagłębie Lubin by KGHM will primarily focus on the development of a key project from KGHM's perspective, namely the KGHM Zagłębie Football Academy. As KGHM, we emphasize that the club's philosophy should be oriented towards playing with graduates of the Football Academy.
	Guest: Mix What challenges does KGHM face in the upcoming year regarding exploitation? Are there any difficulties?
	Piotr Krzyżewski We are entering an intense period. We are consistently advancing work on long-term development strategies. Our focus will remain on exploration efforts to grow the resource base, sustain and increase production levels, and maximize asset value. Copper's role as a strategic global commodity continues to gain significance - it's worth noting that 40% of Europe's primary copper production originates from our mines, which creates substantial opportunities for the Company and the broader domestic economy. Copper and silver are indispensable for many advanced industrial processes.
	Guest: Invest Will the registration of cathodes on the COMEX market, as indicated yesterday, apply to all KGHM cathode brands?
	Piotr Krzyżewski We find justification for registering cathodes manufactured at the Głogów Copper Smelter and Refinery, specifically HMGB and HMGS.
	Paweł Biedrzycki Is KGHM's plan to divest its foreign assets (with the exception of Sierra Gorda) still relevant? If it is, could the ongoing volatility in the copper market enhance the likelihood of selling assets located in the USA?
	Piotr Krzyżewski Last year, the Management Board of the Parent Entity undertook corporate decisions enabling the sale of international mining assets within the KGHM INTERNATIONAL LTD. Group – part of the assets of the Sudbury Basin, i.e the mines McCreedy West, Levack/Morrison and Podolsky, as well as mining concessions: Kirkwood, Falconbridge, NW Foy, Rand and North Range. On 28 February 2025, a transaction for the sale of a part of the assets of the Sudbury Basin within the KGHM INTERNATIONAL LTD. Group was concluded.

	<p>Guest: Jnjk How much tax did KGHM pay in 2024?</p>
	<p>Piotr Krzyżewski In 2024, KGHM Polska Miedź S.A. paid PLN 3.9 billion in the tax on the mineral extraction tax and PLN 1.2 billion in corporate income tax.</p>
	<p>Guest: Piotr Hello, what is the financial situation of the companies within the capital group, including Pebeka and Zanam?</p>
	<p>Piotr Krzyżewski In 2024, KGHM ZANAM S.A. and PeBeKa S.A. reported positive net results from sales, amounting to PLN 36 million and PLN 18 million, respectively.</p>
	<p>Guest: Kjkk What with new shafts?</p>
	<p>Piotr Krzyżewski In 2024 the Company continued the advancement of key projects regarding new shafts construction within the Deep Głogów (GG-P) Deposit access program. The works included <i>inter alia</i>:</p> <p>GG-1 shaft – The air intake heating facilities have been commissioned for use. Work continues on designing target facilities. Shaft outfitting commenced. The implementation of the target equipment in the shaft is ongoing, including 10 kV cables, teletechnical cables, fiber optic cables, water pipelines, compressed air pipelines, and hydromonitors;</p> <p>GG-2 shaft – Geological research of the shaft location is underway; Design works are ongoing, among others, in the scope of Main Transformer Station – Odra River Mining Station (GST-KSO) and the external power supply networks for the mine shaft area in media;</p> <p>Retków shaft – Land plots were purchased for the construction of a mine shaft. An agreement was signed with the Municipality regarding the implementation of the investment on its terrain. A contract was concluded for geological work projects. Further stages of the Conceptual and Spatial Programme for the Retków shaft were received. Applications were prepared and submitted to Tauron Dystrybucja S.A. for obtaining technical conditions for connecting the power supply to the mine shaft area.</p> <p>Gaworzyce shaft – Planning procedures were conducted in the Municipality – a Local Spatial Development Plan was adopted, allowing for the construction of a shaft at the selected location. An agreement was concluded for the project of geological works.</p>
	<p>Guest: Lukas What is the planned timeframe for increasing the height of the Żelazny Most Tailings Storage Facility? Have preliminary estimates been made regarding the financial outlays required for this purpose? Over how many years will KGHM be burdened with the investment costs of this undertaking?</p>
	<p>Piotr Krzyżewski Obtaining a permit to operate the Żelazny Most Tailings Storage Facility above the crown height of 195 meters a.s.l. is planned for early 2026, and the project expenditures have been estimated accordingly.</p>

**Piotr Krzyżewski**

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**

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!