

Layers of possibilities



Results of the KGHM Group for the third quarter
and first 9 months of 2024

Lubin, 15 November 2024

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Agenda



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



2. Key issues and execution of main targets



3. Production results of the KGHM Group by segment



4. Advancement of development initiatives



5. Financial results of the KGHM Group



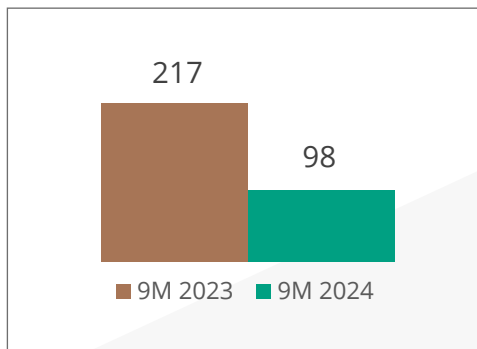
Sustainable development - commitments and initiatives of KGHM Polska Miedź S.A.

Actions by KGHM's employee volunteers

WOLONTARIAT



Number of volunteer projects



98

actions involving volunteers



789

employee volunteers
took part in actions

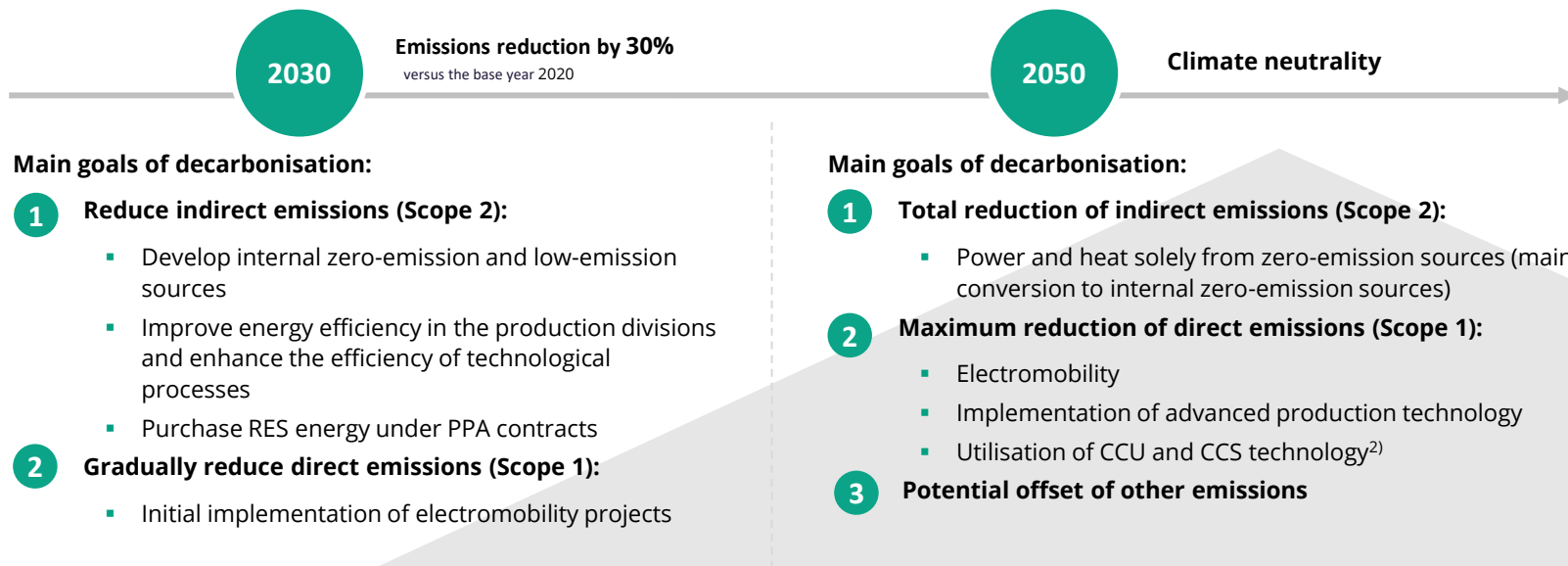


3 454

hours dedicated to advancing
volunteer projects

Climate neutrality by 2050

Achieving climate neutrality by 2050 is the overriding goal of the Climate Policy of KGHM Polska Miedź S.A. Intermediate goal – the reduction of total Scope 1 and Scope 2 emissions by 2030 by 30%¹⁾

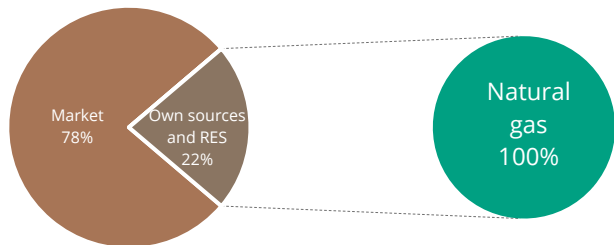


Details regarding **capital expenditures** on actions to restrict greenhouse gas emissions will be included and announced as part of the **Decarbonisation Program** of the KGHM Group

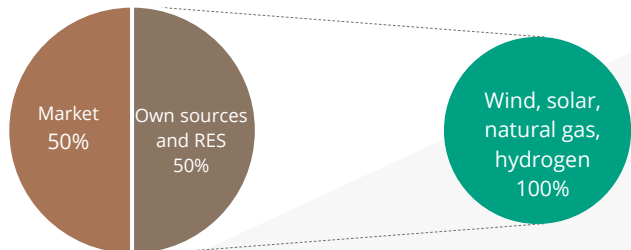
By 2030 the increase in share of RES will lead to a substantial reduction in CO₂ emissions

Share of power source in supplies to KGHM Polska Miedź S.A.

2020 – base year (2.9 TWh):



2030 - goal:

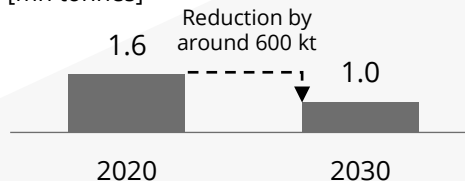


9M 2024:

Own generation sources, including RES, covered 19.93% of KGHM Polska Miedź S.A.'s total power needs.

Estimated CO₂ 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 CO₂ annually



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

Energy Development Program, including RES | major events in the first 9 months of 2024

Ensuring energy security in KGHM

- The Natural Gas-Steam (CCGT) blocks of the Head Office ensured energy security for the Core Production Business as regards the supply of power to the Polkowice-Sierszowice and Rudna mines as well as to the Głogów Copper Smelter and Refinery. Maintaining the operation and/or availability of the CCGT blocks serves to reduce the impact on KGHM in the case of a blackout of the National Energy System, and ensures the supply of cogenerated heat for the production needs of the metallurgical plants as well as heat in the form of hot water for KGHM's facilities and for customers in the communities of Polkowice, Głogów and Lubin.
- KGHM Polska Miedź S.A. as a corporate whole is protected against the potential introduction of restrictions in the supply and off-take of Electricity.

Development of energy storage warehouses

- Identification of how to utilise electricity storage warehouses and their siting to ensure that their implementation has a positive technological and financial impact.
- Identification of the possibility of acquiring external funding for investments related to energy storage facilities.



M&A

- On 10 October 2023, KGHM became the owner of the first of the farms in the aforementioned portfolio – PV Żuki, with a capacity of 5.2 MW, followed on 29 February 2024 by the acquisition of additional farms – PV Głogów, PV Koryta and PV Gniewino, with a total capacity of nearly 42 MW, carrying out the closing of the acquisition of shares in the companies INVEST PV 40 sp. z o.o., INVEST PV 58 sp. z o.o. and INVEST PV 59 sp. z o.o.
- The Company actively participates in acquisition processes, in particular as regards wind energy.

Development of solar energy

- The process of preparing a tender to select a General Contractor and Oversight Inspector is underway for the PV power plant project at the Głogów Smelter and Refinery terrain, with a total capacity of **7.5 MW**.
- Technical connection conditions for a PV project with capacity of **88 MW** on own terrain of the Warta Bolesławiecka municipality, for the Obora Sandpit PV **50 MW** project, as well as for the Kalinówka PV **2 MW** project, were received.
- Advanced work on four other sites with total capacity of **approx. 10 MW** (connection conditions stage) continued.
- Positive environmental decisions were received for three PV projects with a capacity of **10 MW**, and a decision was received regarding building conditions for a **1.5 MW** PV project.

Development of wind energy

- Preliminary sites were selected for wind farms (**4 sites planned on KGHM land at the Głogów Copper Smelter and Refinery**). Work commenced aimed at acquiring technical connection conditions.
- Further preparatory work is underway to exploit the potential of own land for wind farm projects.

Development of nuclear energy

- The Company is reviewing the possibilities of utilising SMR nuclear technology in order to satisfy the needs of KGHM Polska Miedź S.A. for electrical power.

CO₂ carbon capture and storage

- Conceptual work continued on constructing a CCS installation for the Metallurgical production line at the Głogów Copper Smelter and Refinery, including development of a feasibility study for the demonstration installation. Further work is planned, aimed at acquiring external financing for the investment.



Key issues and execution of main targets

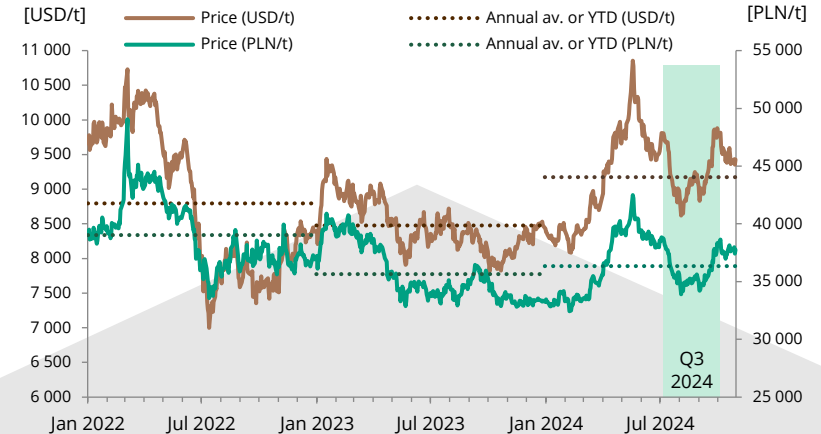


Macroeconomic environment

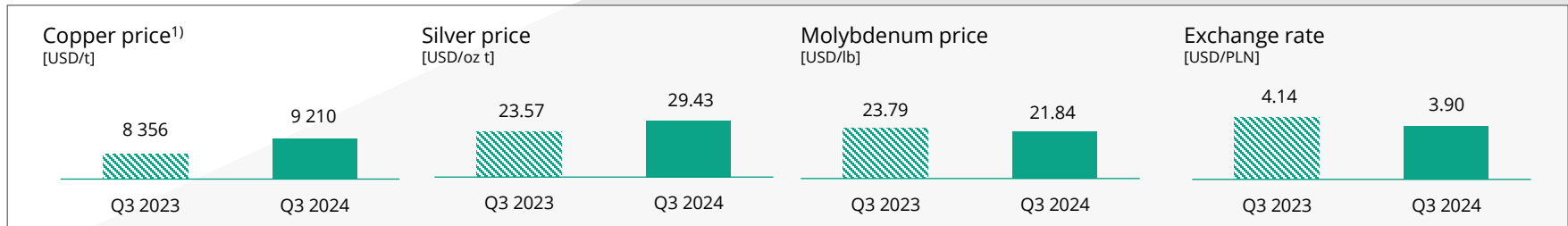
Commodities and currencies prices

Copper prices in Q3 2024 ranged between 8 820 and 9 860 USD/t. After the record-breaking copper price rally in May, short-term capital left the market. Facing weak data from the Eurozone and China's economic problems, copper prices remained below USD 10 000/t.

- The average copper price in Q3 2024 was USD 9 210/t, which was 10% higher than in Q3 2023. The average silver price in Q3 2024 was 25% higher than the average from Q3 2023.
- The average molybdenum price in Q3 2024 was 8% lower than the average from the same period of the previous year.
- In Q3 2024 the average USD to PLN exchange rate was 6% lower than in Q3 2023. As a result, the copper price denominated in PLN was in Q3 2024 higher only by 4% than in the same period of 2023. The average PLN-denominated copper price was PLN 35 935/t.



Source: Bloomberg, KGHM Polska Miedz S.A.

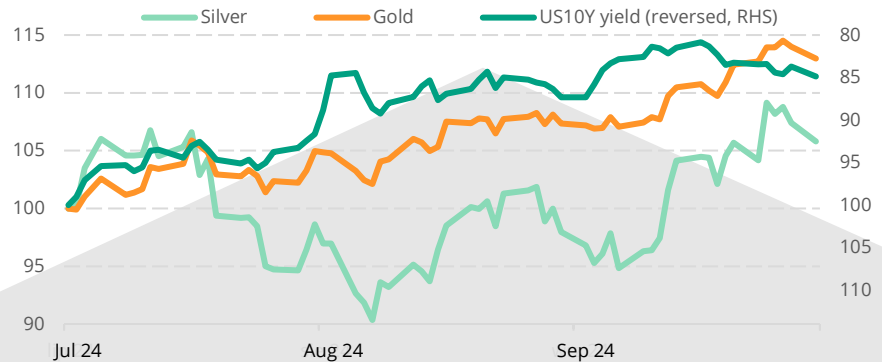
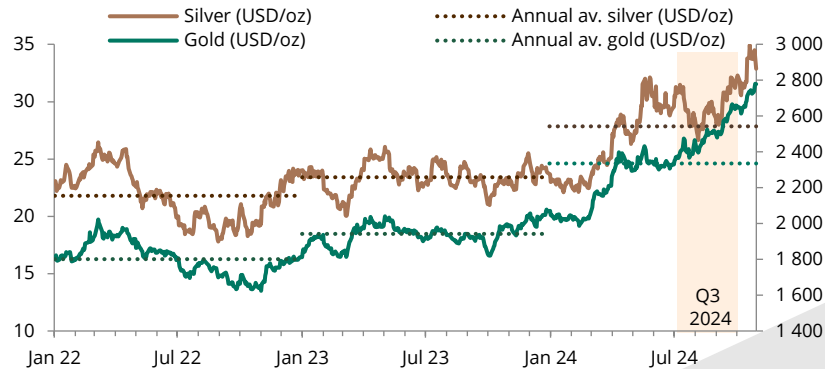


Precious metals prices

Throughout 2024, gold prices recorded successive historical records, resulting from rising geopolitical tensions, uncertainty about the impact of the US presidential elections and the end of the monetary tightening cycle.

In Q3 2024 silver prices followed, with some delay, the price of gold.

Since the beginning of July, an important factor influencing the growth of precious metal prices has been investor expectations of falling interest rates.

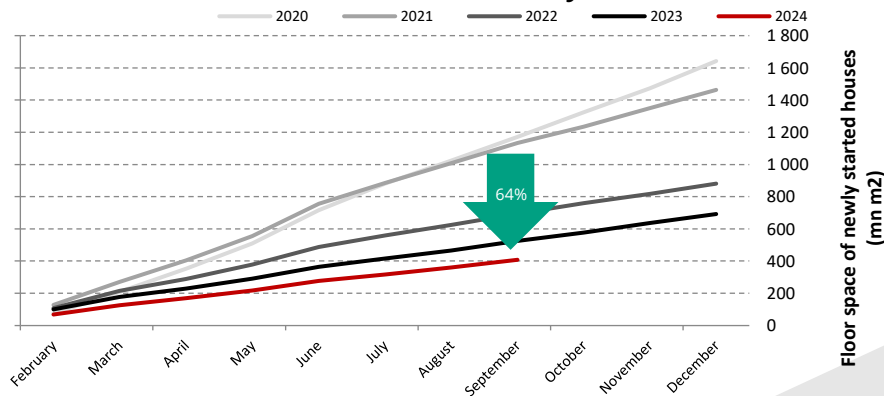


- The average price of gold in Q3 2024 amounted to 2 474 USD/oz and was 28% higher than the average price in the corresponding period of the prior year. The average price of silver in Q3 2024 amounted to 29.43 USD/oz and rose by 25% compared to Q3 2023.
- By the end of Q3 2024 the price of gold exceeded 2 650 USD/oz, reaching the highest levels in history. After the end of the settlement period, gold prices continued to rise, setting further records.
- The price of gold in Q3 2024 expressed in PLN was higher by 21% than the price from Q3 2023, with the silver price 18% higher than in Q3 2023.
- High gold prices in Q3 2024 were fuelled by good news from the USA regarding progress in reducing inflation and a strong labour market, culminated by the Fed's 50bp interest rate cut in September. In addition, gold price increases were supported by growing tensions in the Middle East and high uncertainty about the outcome of the US presidential election.

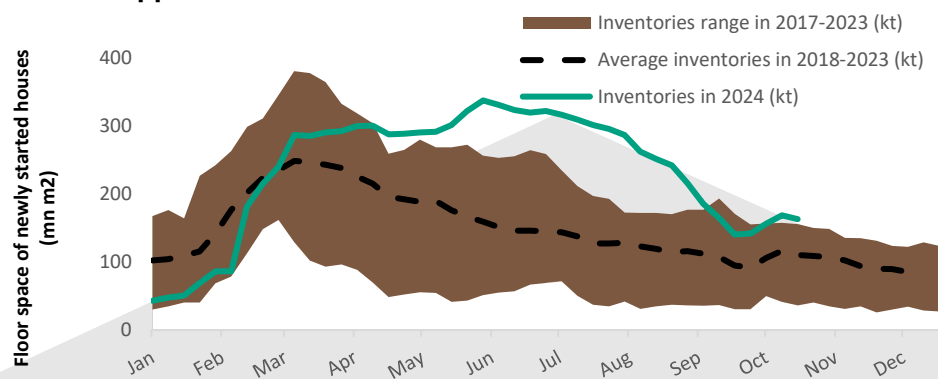
Despite attempts to stimulate the Chinese economy through various forms of stimulus packages, GDP growth in 2024 will probably be lower than announced

Copper market foundations still depend on China's economic situation

The real estate market in China has been immersed in the crisis for 4 years. Since 2020, the floor space of newly started constructions has decreased drastically.



Copper inventories in SHFE warehouses are above seasonal levels, effectively indicating lower-than-expected demand for copper.



- Low GDP dynamics in the Eurozone, ineffective stimulation of the Chinese economy, uncertainty about the further economic policy of the USA (a real chance of deepening the trade war) currently prevent investors from uncritically trusting the story about the role of copper in the energy transformation.
- Despite the subsequent announcements of Chinese stimulus packages, their forms and scope are not sufficient according to international investors. Having experienced the ineffectiveness of previous attempts to stimulate the economy, they are waiting for evidence in the form of real macroeconomic data.

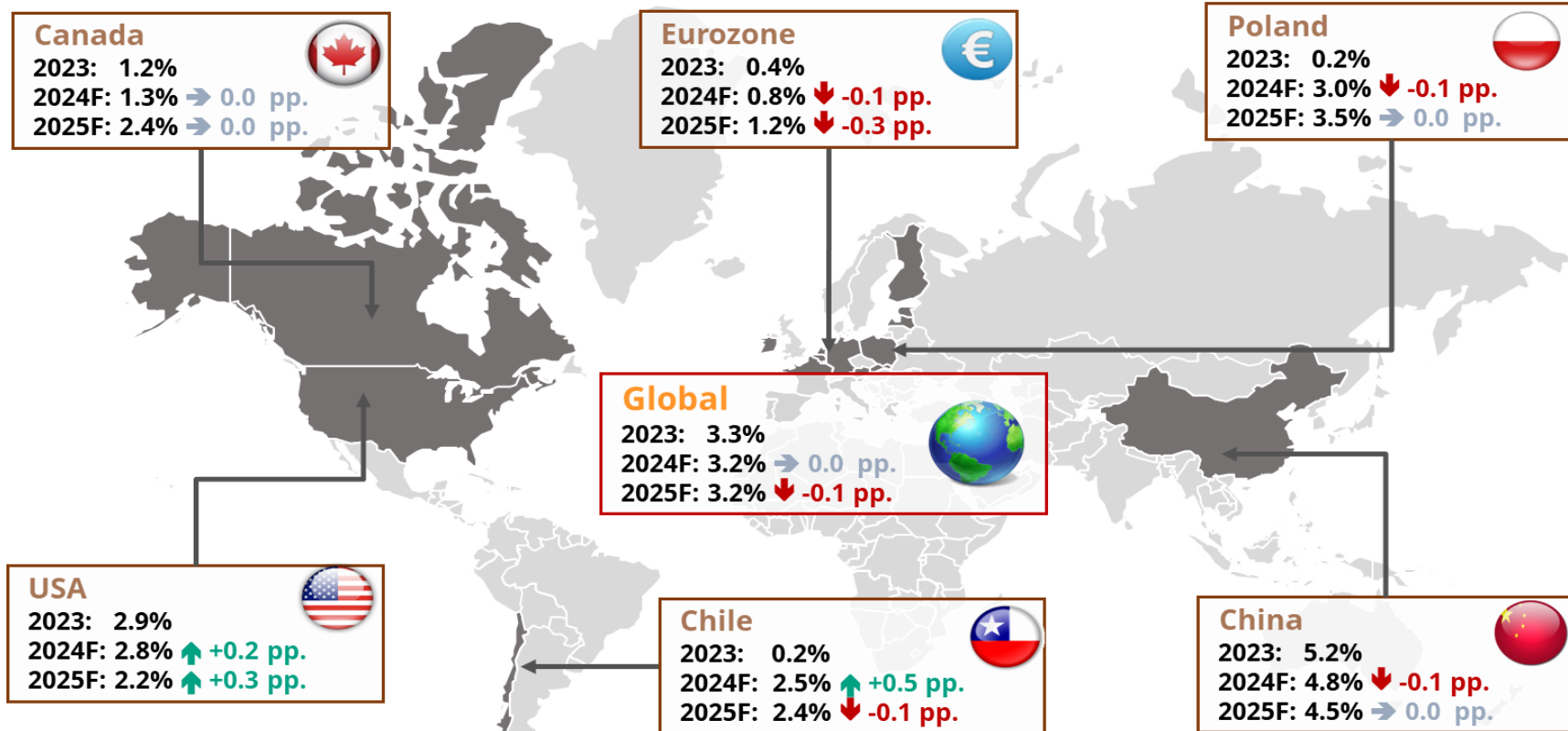
- Following the traditional rise in copper inventories around the time of the Chinese New Year, in February in SHFE warehouses inventories did not drop, but remained in the vicinity of 300 thousand tonnes for a long time, breaking away from the seasonal trend.
- Physical copper premiums in Shanghai, despite returning to around USD 20-30/t in August, remain at a low level, indicating a decline in demand for physical copper deliveries to China, which has been seen since the beginning of the year.
- The oversupply of smelting production capacity in China, along with the ongoing limited supply of concentrates, is reflected in the very low TC/RC premiums that have remained low for many months.

The third quarter of 2024 brought a deterioration in industrial sentiment in the world's largest economies

- In most countries around the world, sentiment indicators of industrial managers have fallen below the 50th level that separates expected expansion from shrinking the economy. Since the beginning of the year, manufacturing PMIs have deteriorated in virtually all countries, including the USA, where uncertainty about the impact of the presidential elections and the future direction of monetary policy were instrumental.
- Manager sentiment in the Eurozone has remained pessimistic for over two years. Only in Spain, the Netherlands and Greece did the PMIs remain above the neutral level of 50. The German economy is experiencing a prolonged crisis following the energy resources price crisis.




	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24
USA (ISM)	52.8	50.8	50.0	48.9	48.1	47.4	47.7	46.5	47.0	46.6	46.4	46.5	47.6	48.6	46.9	46.6	47.1	49.1	47.8	50.3	49.2	48.7	48.5	46.8	47.2	47.2	46.5
USA (PMI)	51.5	52.0	50.4	47.7	46.2	46.9	47.3	49.2	50.2	48.4	46.3	49.0	47.9	49.8	50.0	49.4	47.9	50.7	52.2	51.9	50.0	51.3	51.6	49.6	47.9	47.3	48.5
Canada	48.7	49.8	48.8	49.6	49.2	51.0	52.4	48.6	50.2	49.0	48.8	49.6	48.0	47.5	48.6	47.7	45.4	48.3	49.7	49.8	49.4	49.3	49.3	47.8	49.5	50.4	51.1
Mexico	48.5	50.3	50.3	50.6	51.3	48.9	51.0	51.0	51.1	50.5	50.9	53.2	51.2	49.8	52.1	52.5	52.0	50.2	52.3	52.2	51.0	51.2	51.1	49.6	48.5	47.3	48.4
Brazil	51.9	51.1	50.8	44.3	44.2	47.5	49.2	47.0	44.3	47.1	46.6	47.8	50.1	49.0	48.6	49.4	48.4	52.8	54.1	53.6	55.9	52.1	52.5	54.0	50.4	53.2	52.9
Eurozone	49.6	48.4	46.4	47.1	47.8	48.8	48.5	47.3	45.8	44.8	43.4	42.7	43.5	43.4	43.1	44.2	44.4	46.6	46.5	46.1	45.7	47.3	45.8	45.8	45.8	45.0	46.0
Germany	49.1	47.8	45.1	46.2	47.1	47.3	46.3	44.7	44.5	43.2	40.6	38.8	39.1	39.6	40.8	42.6	43.3	45.5	42.5	41.9	42.5	45.4	43.5	43.2	42.4	40.6	43.0
France	50.6	47.7	47.2	48.3	49.2	50.5	47.4	47.3	45.6	45.7	46.0	45.1	46.0	44.2	42.8	42.9	42.1	43.1	47.1	46.2	45.3	46.4	45.4	44.0	43.9	44.6	44.5
Italy	48.0	48.3	46.5	48.4	48.5	50.4	52.0	51.1	46.8	45.9	43.8	44.5	45.4	46.8	44.9	44.4	45.3	48.5	48.7	50.4	47.3	45.6	45.7	47.4	49.4	48.3	46.9
Spain	49.9	49.0	44.7	45.7	46.4	48.4	50.7	51.3	49.0	48.4	48.0	47.8	46.5	47.7	45.1	46.3	46.2	49.2	51.5	51.4	52.2	54.0	52.3	51.0	50.5	53.0	54.5
Netherlands	52.6	49.0	47.9	46.0	48.6	49.6	48.7	46.4	44.9	44.2	43.8	45.3	45.9	43.6	43.8	44.9	44.8	48.9	49.3	49.7	51.3	52.5	50.7	49.2	47.7	48.2	47.0
Austria	48.8	48.8	46.6	46.6	47.3	48.4	47.1	44.7	42.0	39.7	39.0	38.8	40.6	39.6	41.7	42.2	42.0	43.0	43.0	42.2	43.5	46.3	43.6	43.1	44.4	42.8	42.0
Ireland	51.1	51.5	51.4	48.7	48.7	50.1	51.3	49.7	48.6	47.5	47.3	47.0	50.8	49.6	48.2	50.0	48.9	49.5	52.2	49.6	47.6	49.8	47.4	50.1	50.4	49.4	51.5
UK	47.3	48.4	46.2	46.5	45.3	47.0	49.3	47.9	47.8	47.1	46.5	45.3	43.0	44.3	44.8	47.2	46.2	47.0	47.5	50.3	49.1	51.2	50.9	52.1	52.5	51.5	49.9
Greece	48.8	49.7	48.1	48.4	47.2	49.2	51.7	52.8	52.4	51.5	51.8	53.5	52.9	50.3	50.8	50.9	51.3	54.7	55.7	56.9	55.2	54.9	54.0	53.2	52.9	50.3	51.2
Poland	40.9	43.0	42.0	43.4	45.6	47.5	48.5	48.3	46.6	47.0	45.1	43.5	43.1	43.9	44.5	48.7	47.4	47.1	47.9	48.0	45.9	45.0	45.0	47.3	47.8	48.6	49.2
Czech Rep.	46.8	44.7	41.7	41.6	42.6	44.6	44.3	44.3	42.8	42.8	40.8	41.4	42.9	41.7	42.0	43.2	41.8	43.0	44.3	46.2	44.7	46.1	45.3	43.8	46.7	46.0	47.2
Turkey	47.4	46.9	46.4	45.7	48.1	50.1	50.1	50.9	51.5	51.5	51.5	49.9	49.0	49.6	48.4	47.2	47.4	49.2	50.2	50.0	49.3	48.4	47.9	47.2	47.8	44.3	45.8
Russia	51.7	52.0	50.7	53.2	53.0	52.6	53.6	53.2	52.6	53.5	52.6	52.1	52.7	54.5	53.8	53.8	54.6	52.4	54.7	55.7	54.3	54.4	54.9	53.6	52.1	49.9	50.6
Asia	51.0	51.2	50.6	49.8	49.8	51.1	52.3	52.3	51.3	51.2	51.0	51.2	51.6	51.5	50.7	50.8	50.2	50.9	50.8	52.4	52.2	51.6	51.8	51.5	51.2	51.2	51.4
China (Caixin)	49.5	48.1	49.2	49.4	49.0	49.2	51.6	50.0	49.5	50.9	50.5	49.2	51.0	50.6	49.5	50.7	50.8	50.8	50.9	51.1	51.4	51.7	51.8	49.8	50.4	49.3	50.3
China	49.4	50.1	49.2	48.0	47.0	50.1	52.6	51.9	49.2	48.8	49.0	49.3	49.7	50.2	49.5	49.4	49.0	49.2	49.1	50.8	50.4	49.5	49.5	49.4	49.1	49.8	50.1
Japan	51.5	50.8	50.7	49.0	48.9	48.9	47.7	49.2	49.5	50.6	49.8	49.6	49.6	48.5	48.7	48.3	47.9	48.0	47.2	48.2	49.6	50.4	50.0	49.1	49.8	49.7	49.2
India	56.2	55.1	55.3	55.7	57.8	55.4	55.3	56.4	57.2	58.7	57.8	57.7	58.6	57.5	55.5	56.0	54.9	56.5	56.9	59.1	58.8	57.5	58.3	58.1	57.5	56.5	57.5
Indonesia	51.7	53.7	51.8	50.3	50.9	51.3	51.2	51.9	52.7	50.3	52.5	53.3	53.9	52.3	51.5	51.7	52.2	52.9	52.7	54.2	52.9	52.1	50.7	49.3	48.9	49.2	49.2
Malaysia	50.3	49.1	48.7	47.9	47.8	46.5	48.4	48.8	48.8	47.8	47.7	47.8	47.8	46.8	46.8	47.9	47.9	49.0	49.5	48.4	49.0	50.2	49.9	49.7	49.7	49.5	49.5
Taiwan	42.7	42.2	41.5	41.6	44.6	44.3	49.0	48.6	47.1	44.3	44.8	44.1	44.3	46.4	47.6	48.3	47.1	48.8	48.6	49.3	50.2	50.9	53.2	52.9	51.5	50.8	50.2
Thailand	54.0	57.1	52.0	51.6	54.9	59.0	56.4	54.2	59.9	58.6	52.6	48.7	48.9	48.1	47.6	48.3	45.7	47.9	45.1	50.0	48.5	50.3	51.3	52.3	51.6	49.9	49.7
South Korea	47.6	47.3	48.2	49.0	48.2	48.5	48.5	47.6	48.1	48.4	47.8	49.4	48.9	49.9	49.8	50.0	49.9	51.2	50.7	49.8	49.4	51.6	52.0	51.4	51.9	48.3	48.3

IFW World Economic Outlook - October 2024



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

Advancement of key strategic performance indicators after the first 9 months of 2024

Strategic measure of success (strategic KPI)	Base year 2020	Goal 2030	9M 2024
 Domestic copper production	approx. 560 kt of electrolytic copper	Approx. 600 thousand tonnes of electrolytic copper (including production based on a higher amount of purchased materials and copper from recycling).	441.2 kt
 International copper production	approx. 150 kt of payable copper	Higher production by the international assets of KGHM by extending their life-of-mine, developing assets in the mine projects portfolio held and increasing the resource base thanks to advancement of the International Exploration Strategy.	102.6 kt
 Silver production ¹⁾	approx. 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).	981 t Ag
 Energy produced	694 GWh (22% of consumption)	Min. 50% of consumption (approx. 1.5 TWh)	428 GWh (~ 19.93% of consumption)
 Recycling of scrap	Approx. 124 kt of copper scrap	Approx. 350 kt of copper scrap	124.1 kt (dry weight)
 Revenues from sales on external markets of selected Group companies	Base 2020 Base year= 100% Revenues from sales on external markets in the base year 2020.	147% vs base year for the companies Zanam, Nitroerg, PeBeKa 163% vs base year for the company DMC	107% ²⁾ vs base year for the companies: ZANAM, NITROERG, PeBeKa 176% ²⁾ vs base year for DMC
 LTIFR	7.31	Aiming at 0 accidents	6.43
 TRIR	0.52	Aiming at 0 accidents	0.28
 Number of volunteer projects advanced	25	30	98 (incl. 22 projects in the KGHM Group)

Summation of the first 9 months of 2024 in the KGHM Group

Main macroeconomic factors and aspects of the Group compared to 9M 2023

Macroeconomic environment¹⁾

+6%

Copper price in
USD/t

no change

Copper price
in PLN/t

+16%

Silver price
in USD/oz t

+9%

Silver price
in PLN/oz t

-6%

A weaker USD
vs the PLN

Operating results

no change

in extraction of ore, dry weight
in KGHM Polska Miedź S.A.

+0.3%

Production of
copper in concentrate
by KGHM Polska Miedź S.A.

-10.8%

Production of metallic silver
by KGHM Polska Miedź S.A.

Indicators

+16%

Higher CAPEX execution
by KGHM Polska Miedź S.A.

+2%

Increase in revenues to
PLN 26 139 mn

0.9

Debt
(Liquidity indicator, measured as net
debt to adjusted EBITDA)

Summation of the first 9 months of 2024 in the KGHM Group and KGHM Polska Miedź S.A.

Basic measures of the results in 9M 2024

KGHM Group

PLN 26 139 mn

Revenues

PLN 6 186 mn

Adjusted EBITDA

PLN 1 314 mn

Profit for the period

KGHM Polska Miedź S.A.

PLN 22 261 mn

Revenues

PLN 3 402 mn

Adjusted EBITDA

PLN 1 204 mn

Profit for the period

Key production indicators

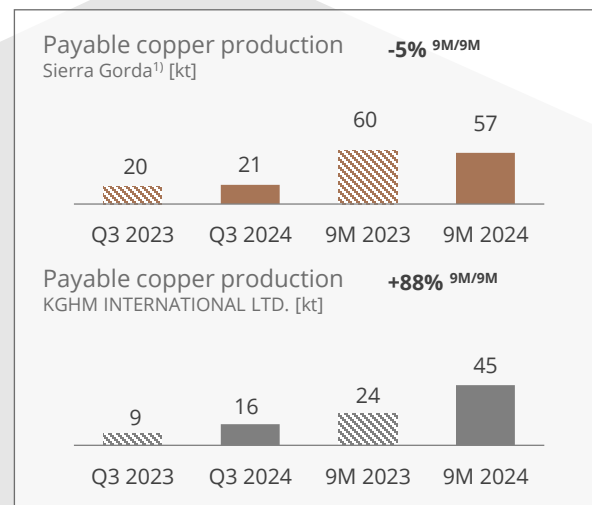
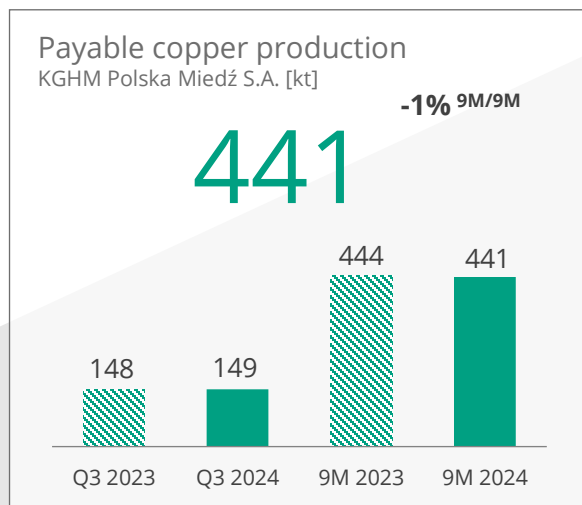
9M 2024

Payable copper production
by the KGHM Group
higher by 3% (9M/9M)

544

+3% 9M/9M
[kt]

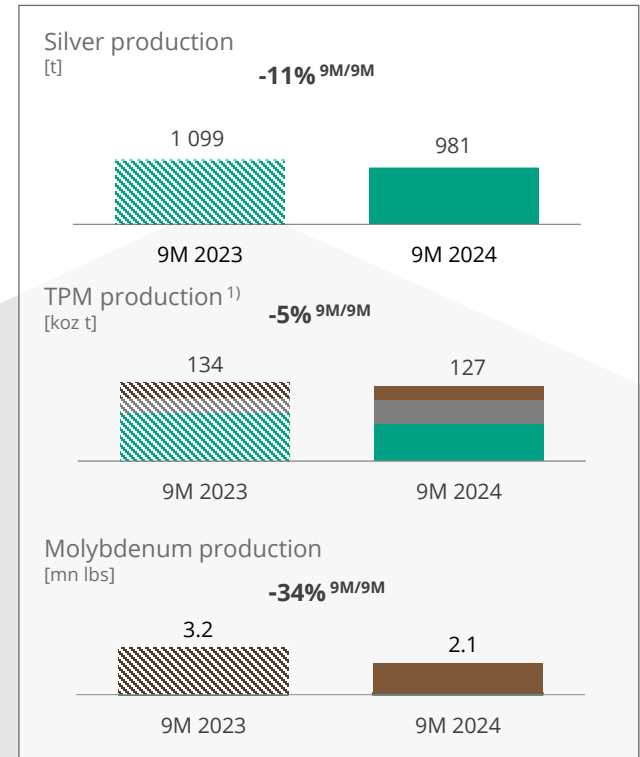
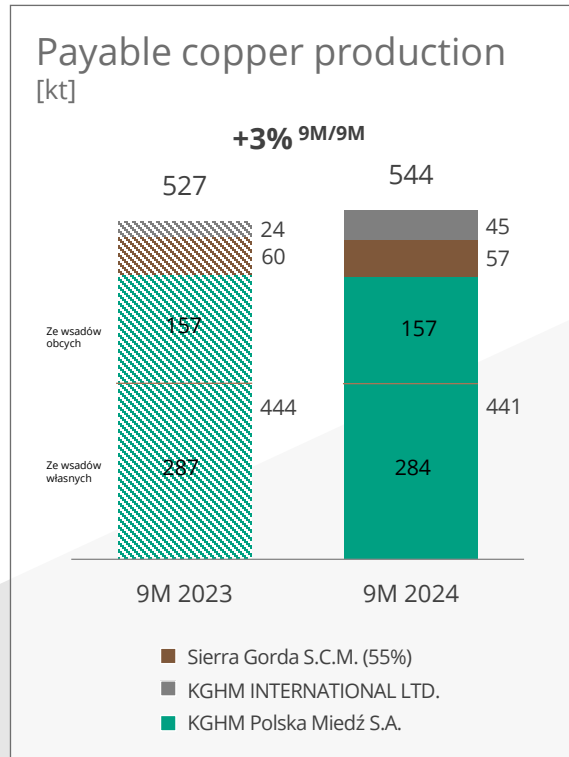
- **KGHM Polska Miedź**
Production slightly lower than in the prior year – the small decrease was due to execution of the adopted production plan for 2024
- **Sierra Gorda**
Lower copper content in ore and lower metal recovery, partially offset by higher processing
- **KGHM INTERNATIONAL LTD.**
Higher production thanks to significant improvement of production parameters in the Robinson mine



Metals production

KGHM Group

- Slightly lower copper production by KGHM Polska Miedź S.A. due to execution of the adopted production plan for 2024
- Higher copper production by KGHM INTERNATIONAL LTD. thanks to significant improvement of production parameters in the Robinson mine
- Lower copper production by the Sierra Gorda mine due to lower copper content in ore and lower recovery, which was not offset by higher processing
- Production of silver by the Group was lower than in 9M 2023 mainly due to lower production by KGHM Polska Miedź S.A., as well as by the Sudbury Basin
- Production of precious metals lower than in 9M 2023 due to lower gold production in KGHM Polska Miedź S.A. and Sierra Gorda S.C.M. as well as TPM in the Sudbury Basin, despite higher production in the Robinson mine
- Lower molybdenum production by Sierra Gorda S.C.M. due to extraction of ore with lower molybdenum content and lower recovery





Production results of the KGHM Group by segment

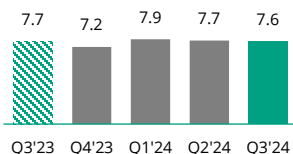
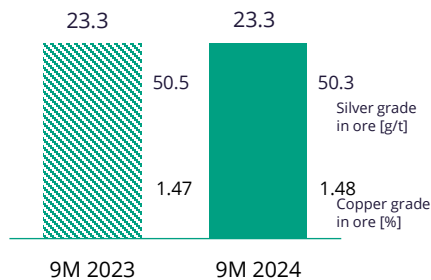


Production results

KGHM Polska Miedź S.A.

Ore extraction
[mn t dry weight]

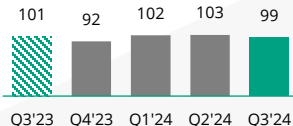
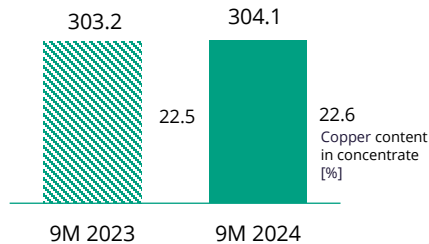
No change 9M/9M



- Ore extraction results from areas selected for mining

Production of copper
in concentrate [kt]

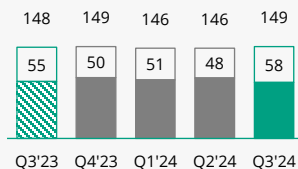
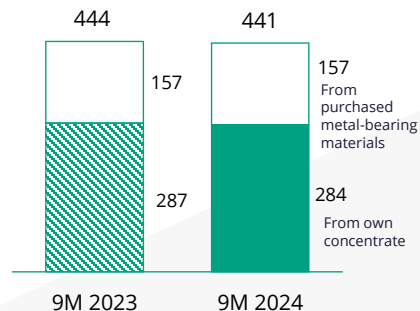
+0.3% 9M/9M



- Production of copper in concentrate resulting from volume of production and copper content

Electrolytic copper
production [kt]

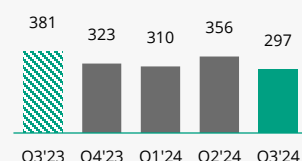
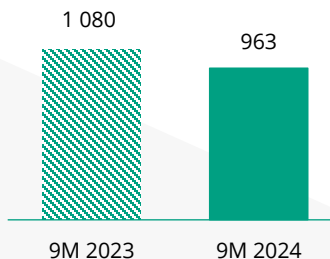
-0.7% 9M/9M



- Cathode production results from execution of the adopted production plans for 2024

Metallic silver
production [t]

-10.8% 9M/9M

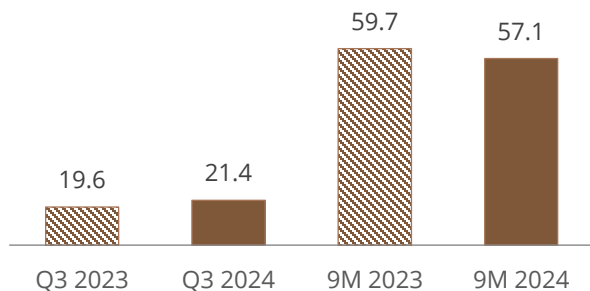


- Lower metallic silver production due to lower availability of charge materials

Production results

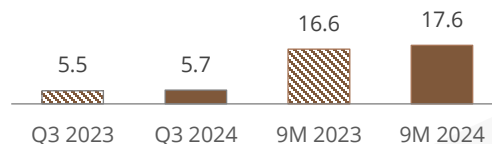
Sierra Gorda S.C.M.¹⁾

Payable copper production [kt] **-4% 9M/9M**

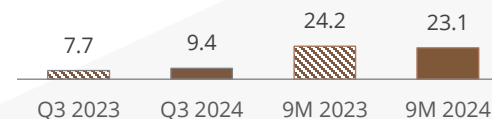


- Lower payable copper production 9M/9M due to the mining of ore with lower copper content and lower recovery, despite a higher volume of processed ore

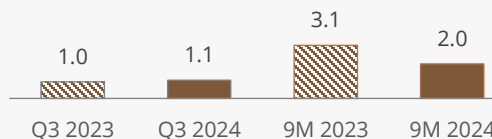
Silver production [t] **+6% 9M/9M**



TPM production [koz t] **-5% 9M/9M**



Molybdenum production [mn lbs] **-35% 9M/9M**



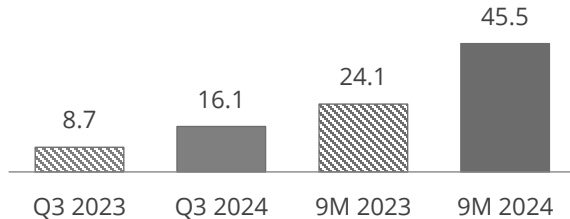
- The volume of precious metals production derived from the content of these metals in mined ore
- The decrease in molybdenum production was due to extraction from areas with lower metal content and lower recovery compared to ore mined in the prior year

Production results

KGHM INTERNATIONAL LTD.

Payable copper production [kt]

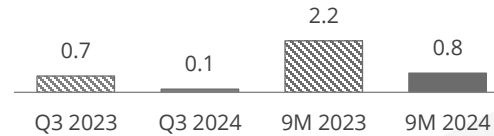
+89% 9M/9M



- Higher copper production mainly due to higher copper production by the Robinson mine resulting from extraction from the main, copper-rich zone (higher volume of ore processed with higher copper content)
- Lower copper production compared to the corresponding prior-year period in the Sudbury Basin (extraction of ore with lower copper content, lower volume of ore extraction)
- Lower production by the Carlota mine – according to the adopted plan, stripping was carried out in the Cactus pit to gain access to the new ore zone

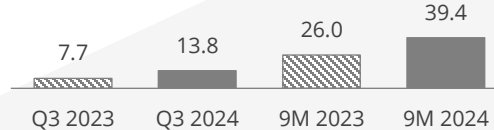
Silver production [t]

-64% 9M/9M



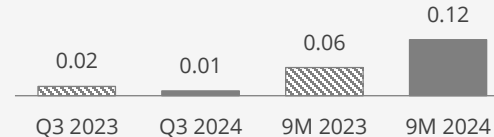
TPM production [koz t]

+52% 9M/9M



Molybdenum production [mn lbs]

+100% 9M/9M



- Silver: lower production by the Sudbury Basin due to lower silver content in ore and a lower volume of ore extraction
- TPM: higher gold production by the Robinson mine (higher recovery, higher metals content and higher volume of processed ore). Lower precious metals production by the Sudbury Basin (lower TPM content in ore, lower volume of ore extraction)
- Molybdenum: higher production by the Robinson mine due to higher molybdenum content in ore and higher volume of processed ore



Advancement of development initiatives

A rationale and responsible investment program

Capital expenditures by KGHM Polska Miedź S.A. in the first 9 months of 2024



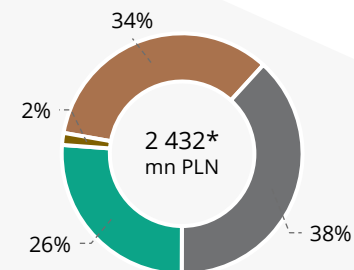
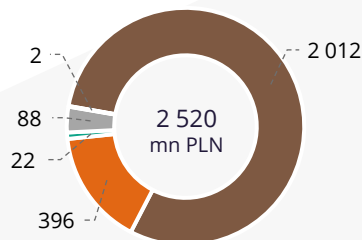
CAPEX execution in the first 9 months of 2024, incl. borrowings

by area

- Mining
- Metallurgy
- Other activities
- Leasing MSSF 16
- Development - uncompleted

by category

- Replacement
- Maintaining mine production
- Development (incl. R&D)
- Adaptation projects



*excl. Leasing per IFRS 16

Comparison: CAPEX and budget execution in the first 9 months of 2023



2 167 mn PLN
CAPEX execution 2023

3 250 mn PLN
CAPEX budget target for 2023

CAPEX execution in key investments

Deposit Access Program

- 30.1 km kilometres of corridors were excavated.
- 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. Conditions agreed to expand the SKC to a capacity of 40 MW. Work planned for the fourth quarter of 2024 began.
- Central Air-Cooling System (SKC) at the GG-2 shaft – project commenced in September. Tender proceeding initiated to select Contractors for functioning and operating Programs for the PSK and the Ice Water Transfer System (SPWL).

Adaptation

- Construction of a copper concentrate warehouse at the Rudna Concentrator;
- Construction of a silver bar casting station at the Głogów Copper Smelter and Refinery
- Improvement of OHS conditions at the Polkowice-Sieroszowice mine

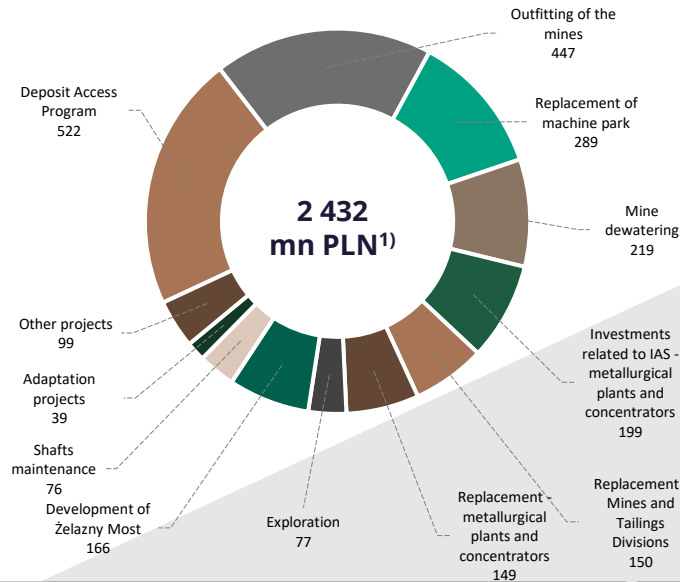
Maintaining shafts

- SW-4 shaft complex

Development of the Żelazny Most Tailings Storage Facility

- Southern quarter with segregation station - Static body of the western dam under construction. Agreement signed for tailings cycloning technology at the Polkowice Concentrator. 3 tender proceedings opened related to slimes management (piping, fittings and executory work).
- Increasing dam height to above 195 m – construction work underway by the Company PORR on plan. Construction and execution project received to develop the north-west section, procedure underway to obtain an environmental permit. Changes to municipal area management plans approved in three municipalities.

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



Outfitting of the mines

- Conveyor belts – work continued on ruction and extension of conveyor belts (30 conveyor belts under construction; completed - 6.5 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-54 and G-32 in the Polkowice-Sieroszowice mine).

Replacement of machine park

- 167 mine machines were purchased and supplied to the three mines: 34 to Lubin; 58 to Rudna; 75 to Polkowice-Sieroszowice.

Mine dewatering

- Anti-filtration barrier – injection of first of five openings near completion, drilling and injection of second opening begun; as a result, the inflow of water into the mines which has been increasing since September 2021 has been stabilised. Plans foresee the gradual limitation, together with the drilling of the second opening, of water inflow.
- Dewatering system for the retention clarifier in the Lubin mine – work completed on the construction of piping to a retention clarifier in the Lubin mine aimed at the periodic storage of excess water from the Rudna concentrator.

Investments related to IAS

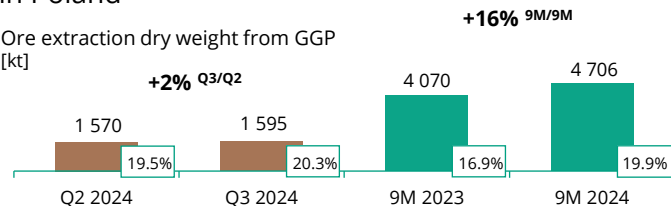
- Maintenance shutdown at the Głogów I Smelter/Refinery – commenced in August; main tasks: average maintenance on the flash furnace and electric furnace, the recovery boiler behind the flash furnace, modernisation of the oil firing flash furnace installation, optimisation of the sulphuric acid plant and updating of control systems; the shutdown was completed in October.
- Concentrators – maintenance on crushers and ball mills, press filters.

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

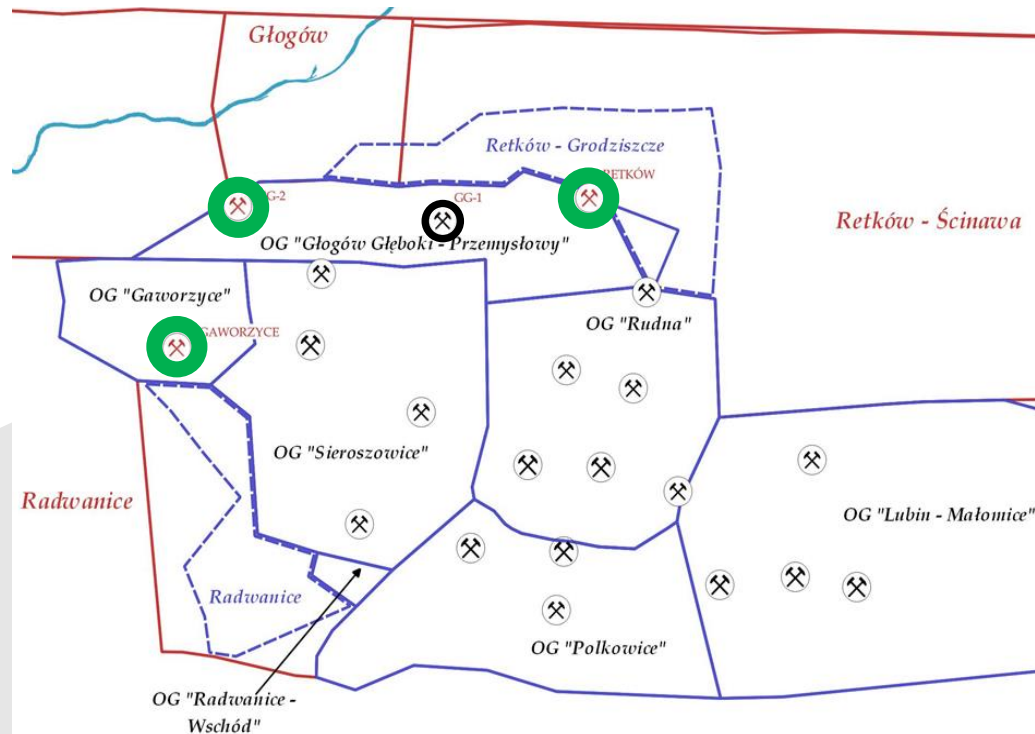
Ore extraction dry weight from GGP [kt]



GG-1 shaft - work continues on designing target facilities; in September shaft outfitting commenced; as regards cabling for the 20 kV network, an agreement was signed with Tauron; in terms of rain-industrial piping, building permits were obtained

GG-2 shaft - geological documentation received; environmental documentation is being prepared; designing of the main transformer station in accordance with plan

Retków shaft and Gaworzyce shaft - conditions agreed to carry out geological work



— Current mining area
— Border of exploration concessions



Financial results of the Group

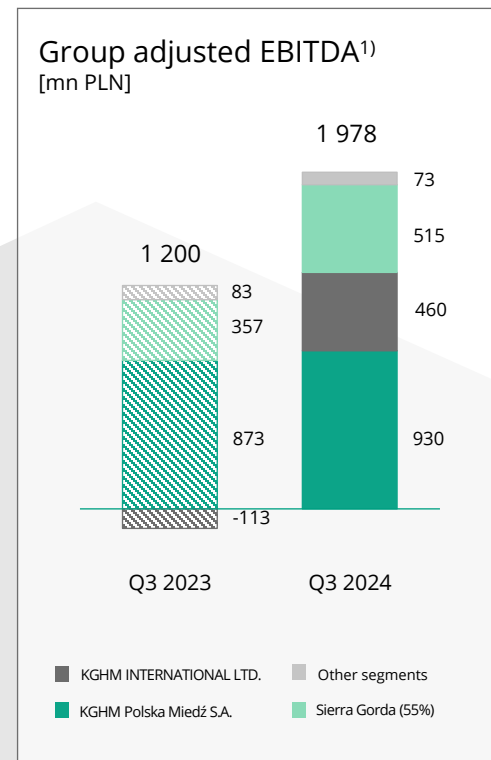
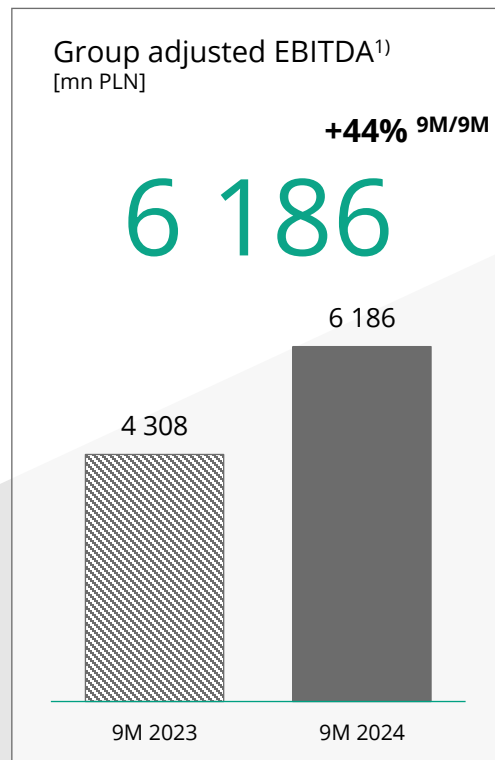
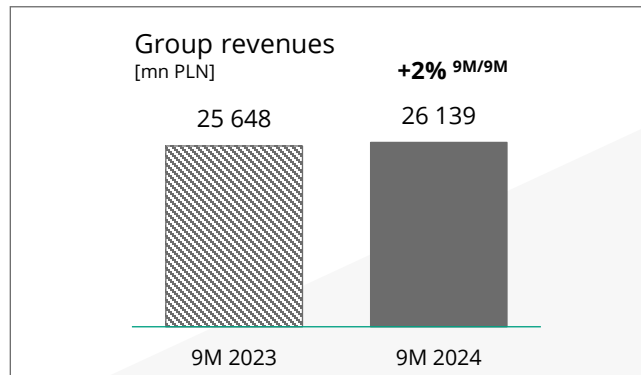


Key financial indicators of the KGHM Group

9M 2024

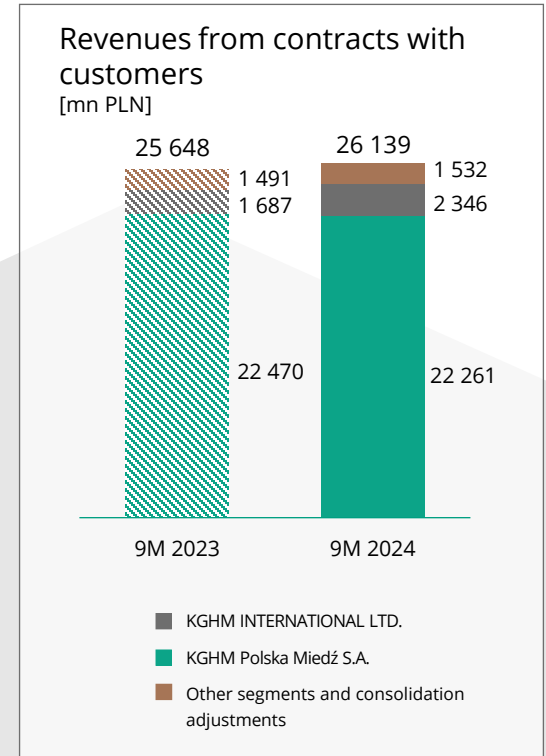
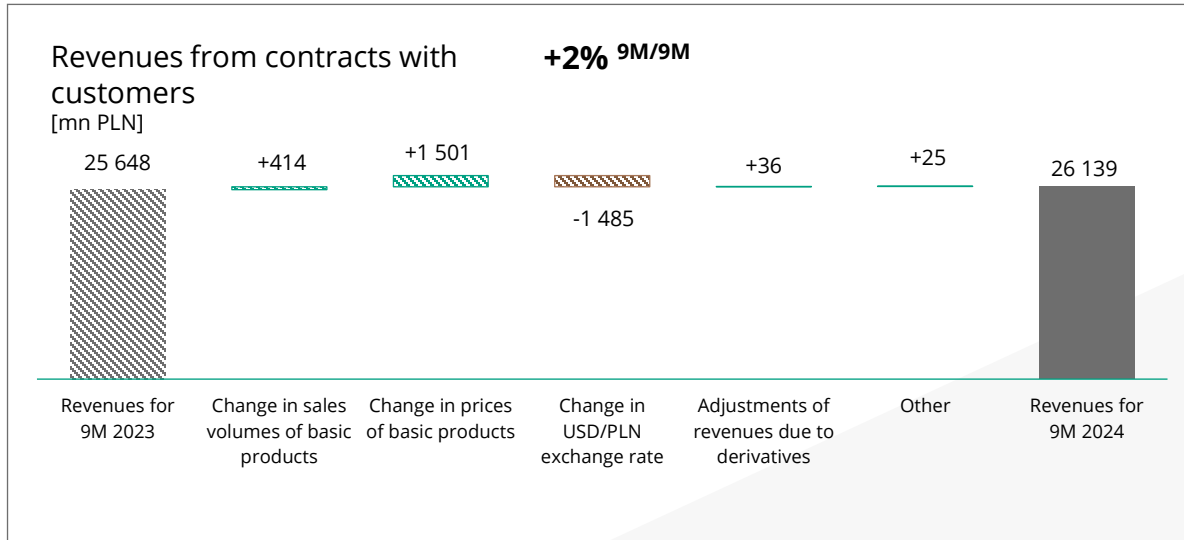
Adjusted EBITDA of the KGHM Group

Higher adjusted EBITDA compared to the first 9 months of 2023 mainly in respect of KGHM INTERNATIONAL LTD. and, to a lesser degree, to KGHM Polska Miedź S.A.



Group sales revenue

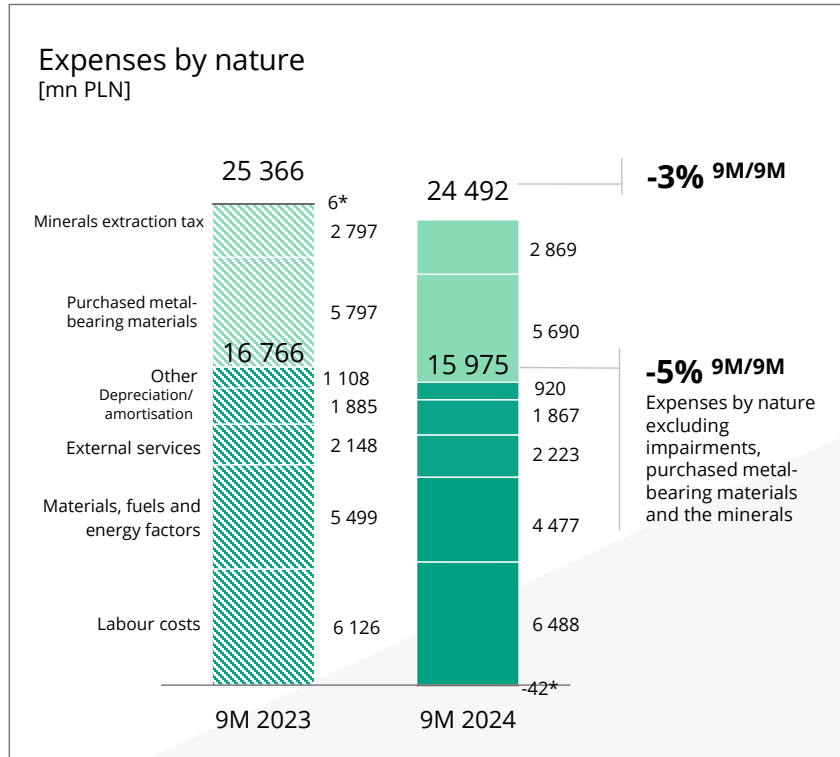
9M 2024



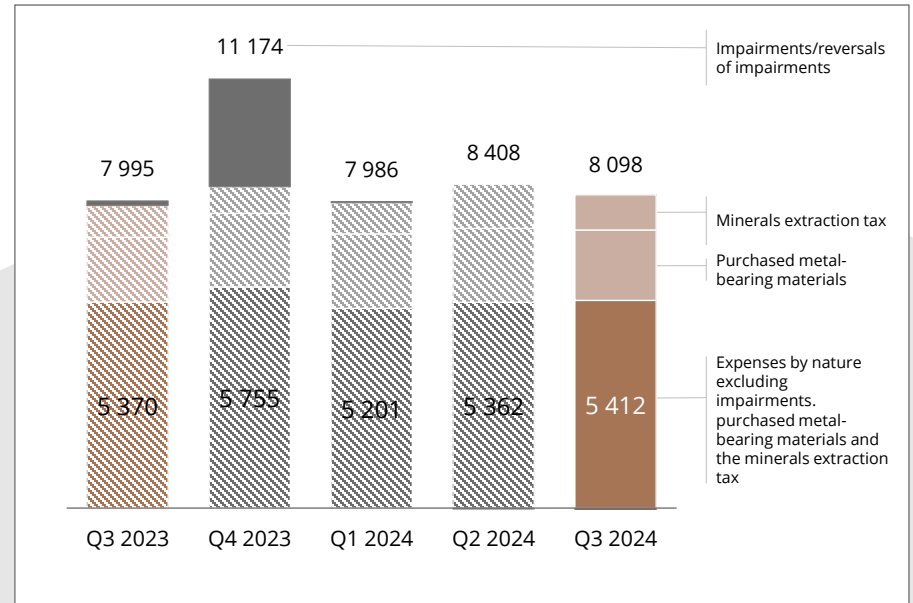
- Higher revenues by PLN 491 million (+2%) compared to 9M 2023, due to higher metals prices and higher sales by KGHM INTERNATIONAL, alongside a less favourable USD/PLN exchange rate and lower sales of gold and silver by KGHM Polska Miedź S.A.

Expenses by nature

KGHM Group

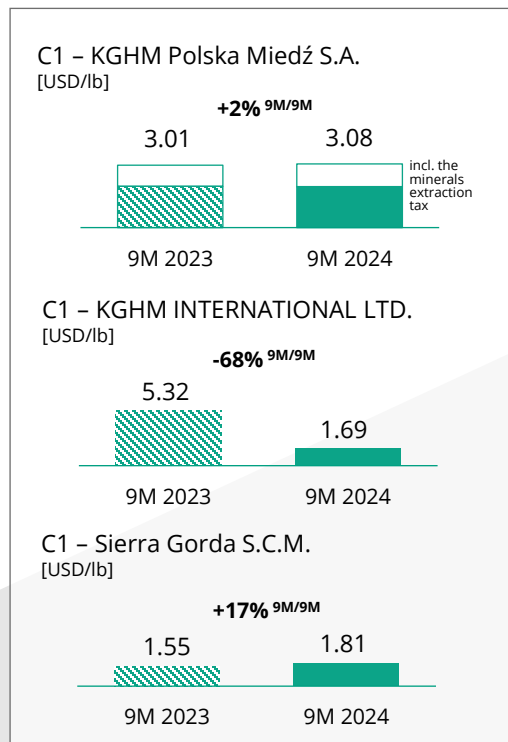
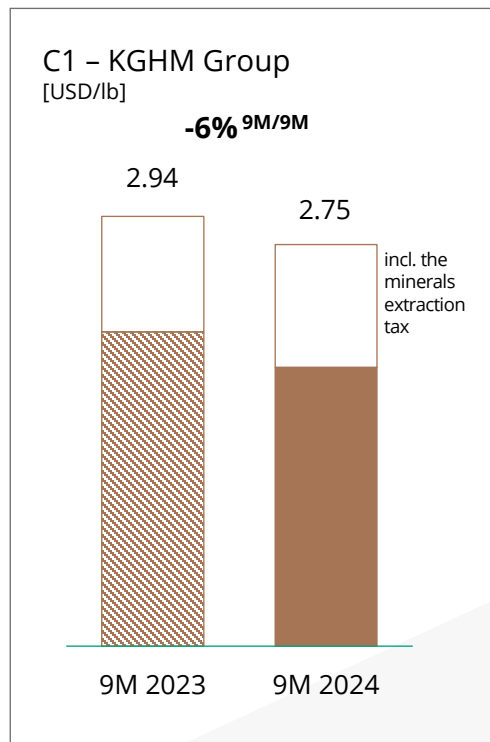


Lower expenses by nature compared to the first 9 months of 2023 mainly due to lower costs of consumption of technological materials and fuels, energy factors and purchased metal-bearing materials



C1 unit cost ¹⁾

KGHM Group



- **KGHM Polska Miedź S.A.** – an increase in C1 by 2% mainly due to a weaker USD versus the PLN (-6%) and a higher minerals extraction tax charged by 9%.
- **KGHM INTERNATIONAL LTD.** – the significant decrease in C1 cost results from the improvement in the Robinson mine, which for most of 2023 mined from low copper content zones and struggled with technical problems
- **Sierra Gorda S.C.M.** - an increase in C1 by 17% mainly due to lower sales of copper and higher costs of external services, energy, fuels and spare parts. In 2024 costs were also under pressure due to the utilisation of stored ore (during the period 9M 2023 the situation was reversed).

Financial results

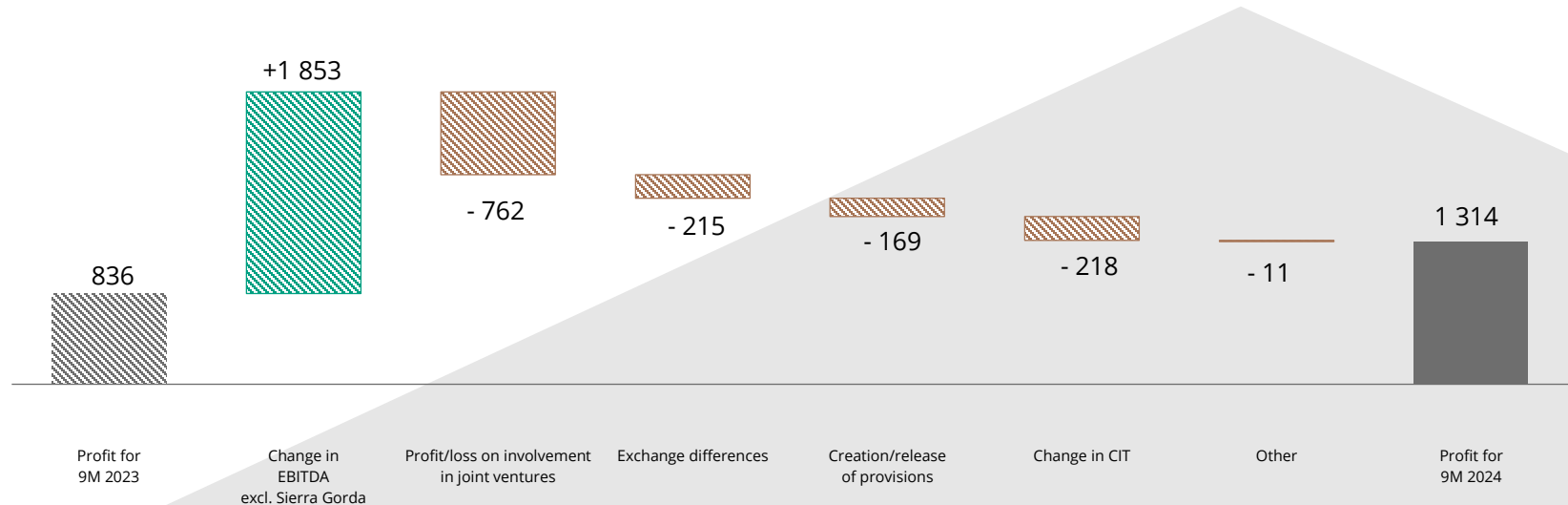
KGHM Group

Profit/loss for the period
[mn PLN]

1 314
[mn PLN]

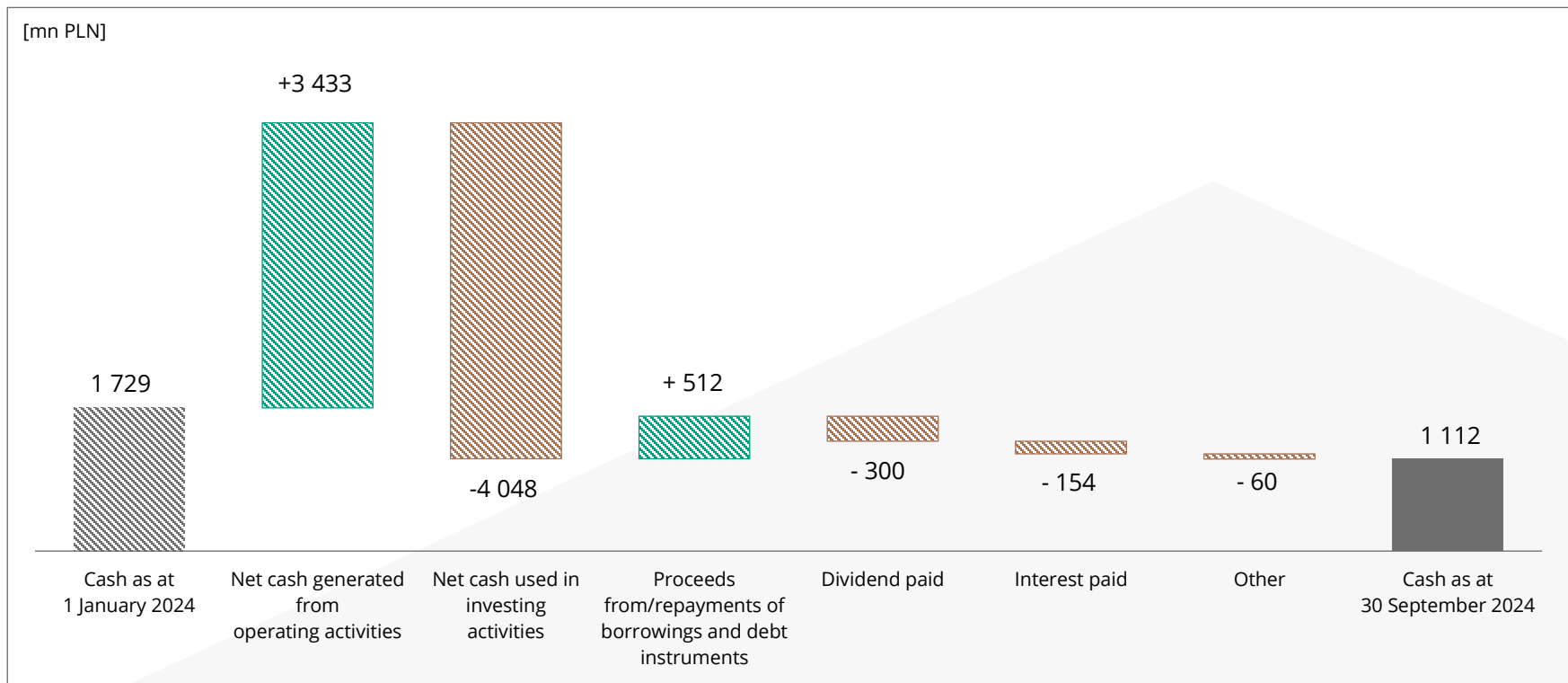
Consolidated profit in the first 9 months of 2024

An increase in KGHM Group profit, mainly due to an increase in EBITDA in KGHM INTERNATIONAL LTD. and to a lesser degree in KGHM Polska Miedź S.A.



Cash flow

KGHM Group



Net debt of the KGHM Group

As at the end of Q3 2024

Main factors affecting net debt in 2024

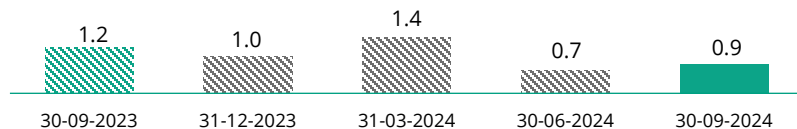
Increases in debt

- Cash expenditures on property, plant and equipment (PLN 4 233 mn)
- The minerals extraction tax (PLN 2 870 mn)
- Change in trade and other receivables (increase by PLN 639 mn)
- Change in trade and other payables, including trade liabilities transferred to the factor (decrease by PLN 611 mn)
- Dividend paid (PLN 300 mn)

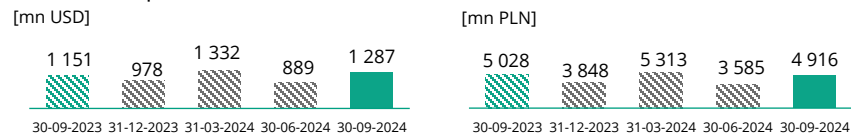
Decreases in debt

- Positive cash flow from operating activities, excluding the change in working capital and the minerals extraction tax (PLN 6 941 mn)
- Change in inventories (decrease by PLN 610 mn)
- Repayment of loans granted (principal and interest) (PLN 193 mn)
- Positive exchange differences (lower net debt expressed in PLN by PLN 73 mn)

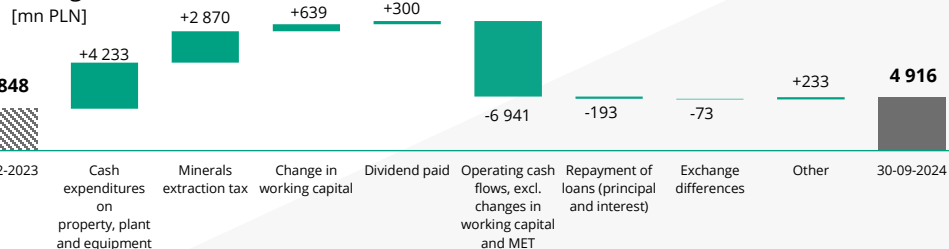
Net debt / adjusted EBITDA¹⁾



KGHM Group net debt¹⁾

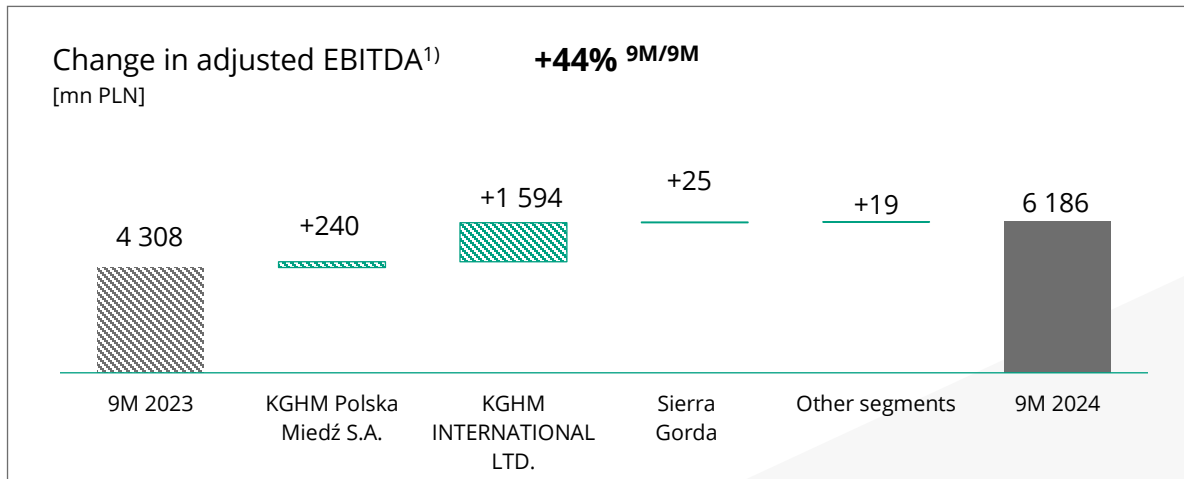


Change in net debt

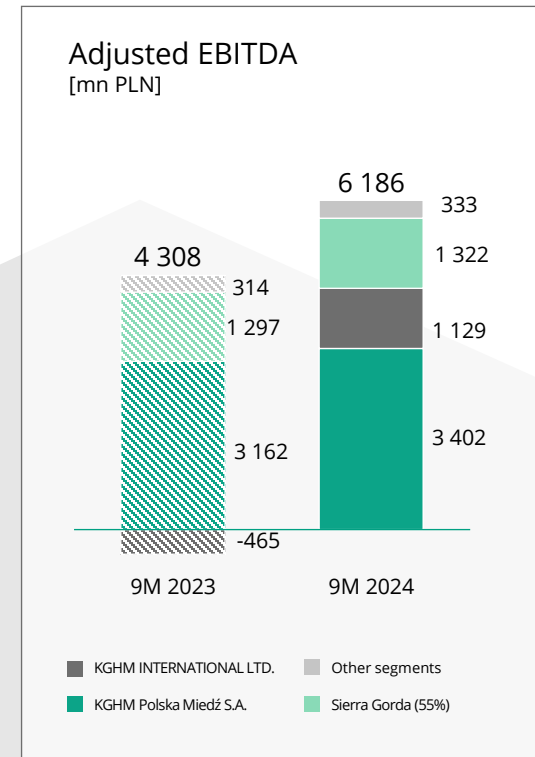


Operating results

KGHM Group



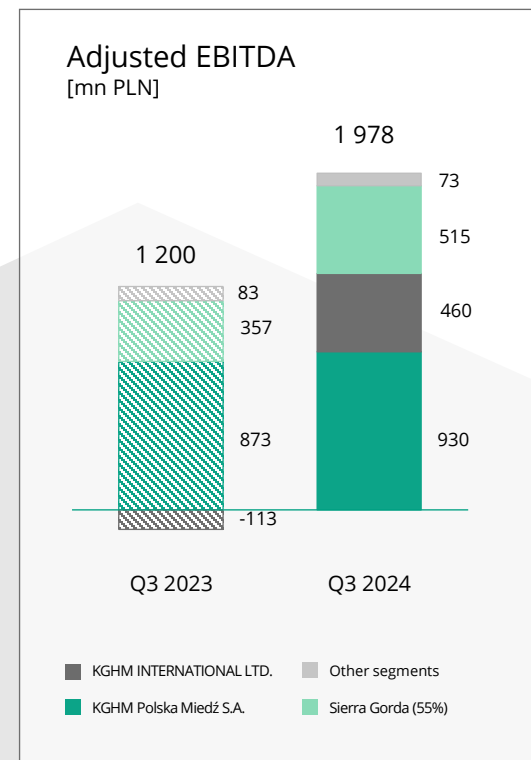
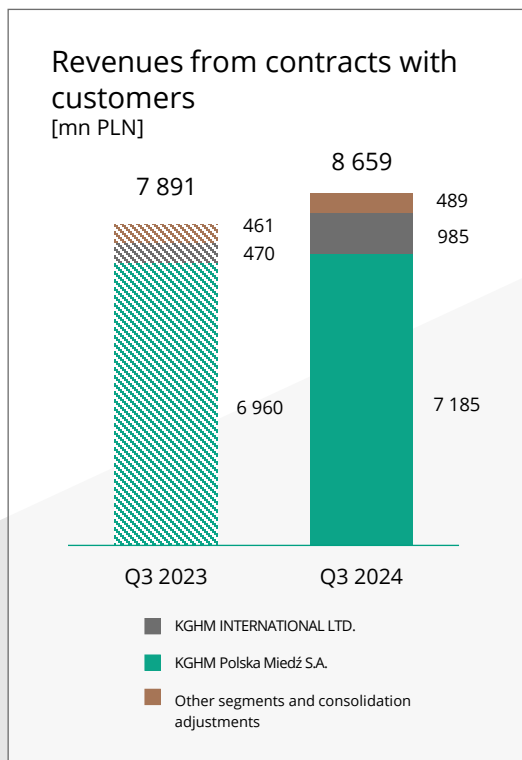
An increase in adjusted EBITDA compared to the first 9 months of 2023 by PLN 1 878 million, mainly in respect of KGHM INTERNATIONAL LTD. and to a lesser extent of KGHM Polska Miedz S.A.



Revenues and EBITDA in Q3 2024

KGHM Group and operating segments

Higher adjusted EBITDA compared to Q3 2023 by PLN 778 million, mainly in respect of KGHM INTERNATIONAL LTD., and is mainly due to the improved situation at the Robinson mine, as reflected in the more than doubling of the volume of copper sales by the segment KGHM INTERNATIONAL LTD.

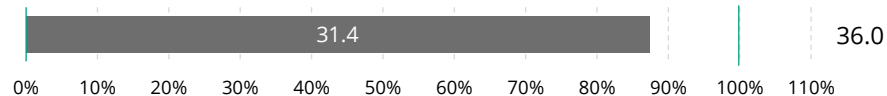


The financial situation of the KGHM Group remains stable and safe

2024
Budget

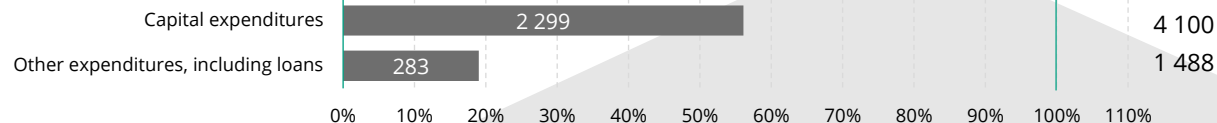
Total unit production cost

of electrolytic copper from own concentrate
of KGHM Polska Miedź S.A.¹⁾
[k PLN/t]



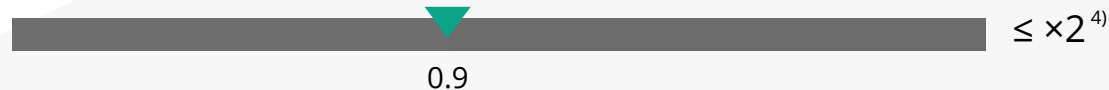
Investments

KGHM Polska Miedź S.A.²⁾
[mn PLN]



Liquidity of the KGHM Group

[net debt / adjusted EBITDA]³⁾

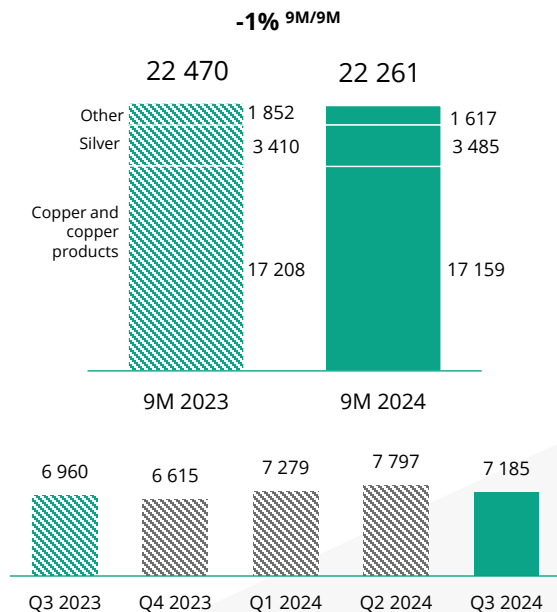


- 1) Sum of costs of extraction, floatation and metallurgical processing per cathode, together with support functions and cathode selling costs, adjusted by the value of inventories of half-finished products and work in progress, less the value of anode slimes and divided by the volume of electrolytic copper production from own concentrates
- 2) Capital expenditures – excluding costs of borrowing, leasing per IFRS 16 unrelated with an investment project and uncompleted development work;
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 2024

Sales revenue

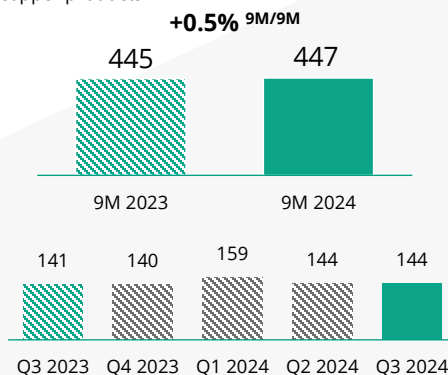
KGHM Polska Miedź S.A.

Revenues from contracts with customers
[mn PLN]

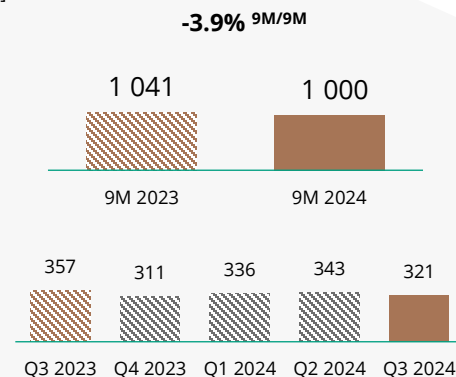


Lower revenues from contracts with customers by PLN 209 million (-1%) in the first 9 months of 2024 versus the comparable period of 2023, mainly due to a less favourable exchange rate and lower sales volumes of silver and gold

Sales of copper
and copper products
[kt]

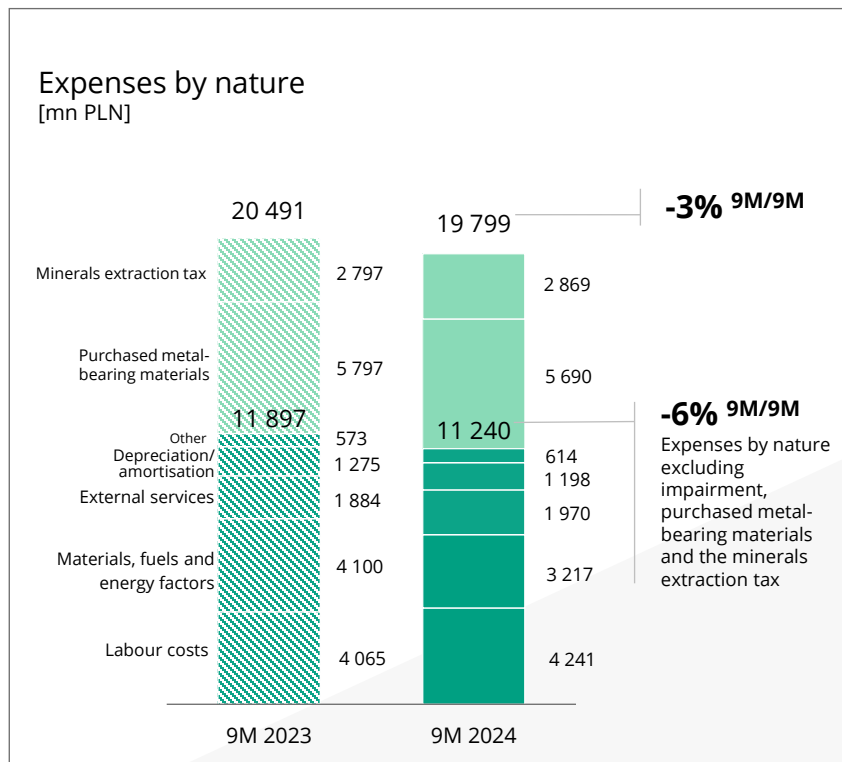


Silver sales
[t]

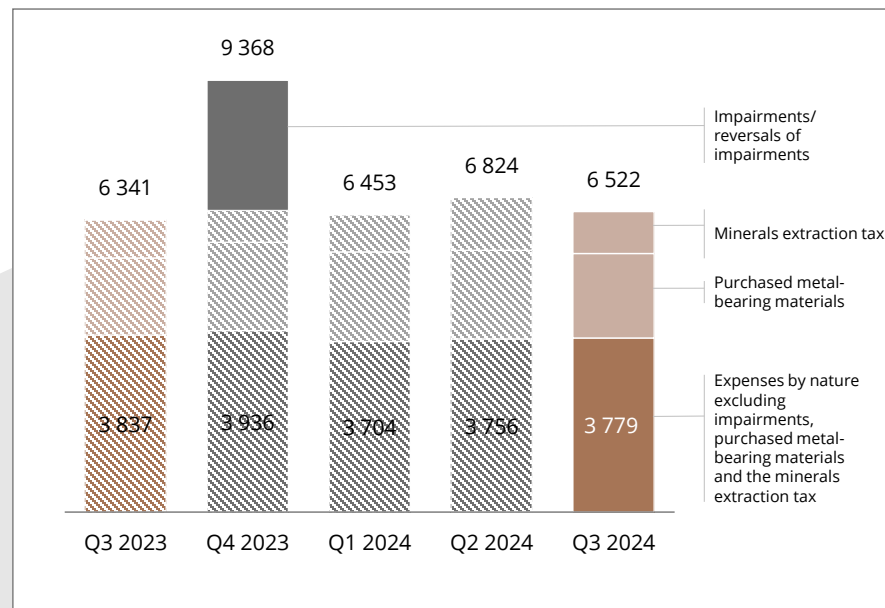


Expenses by nature

KGHM Polska Miedź S.A.



Lower expenses by nature compared to the first 9 months of 2023 mainly due to lower costs of consumption of electricity and natural gas

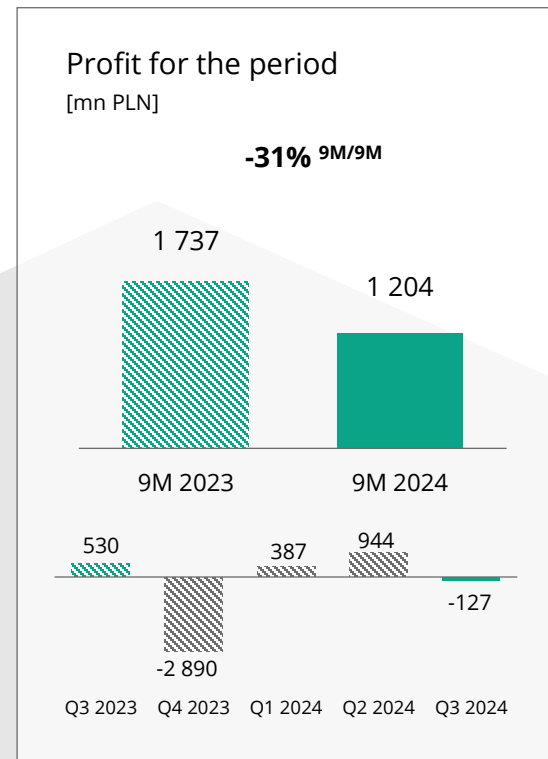
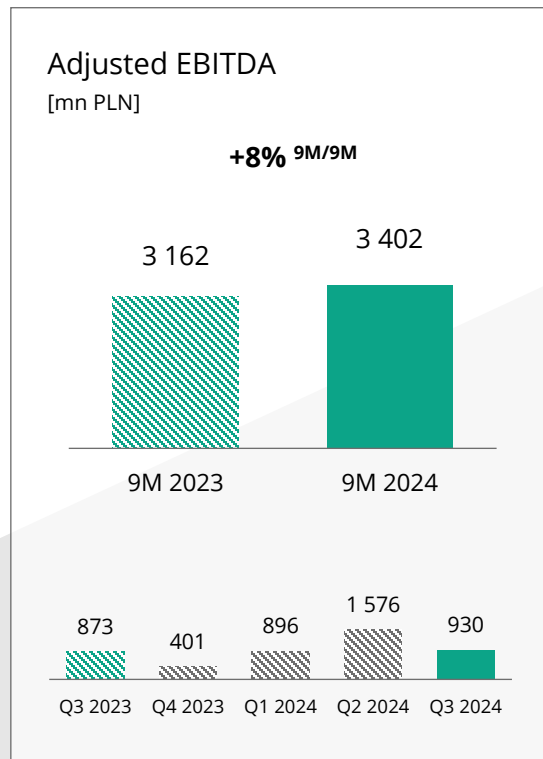


EBITDA and profit for the period

KGHM Polska Miedź S.A.

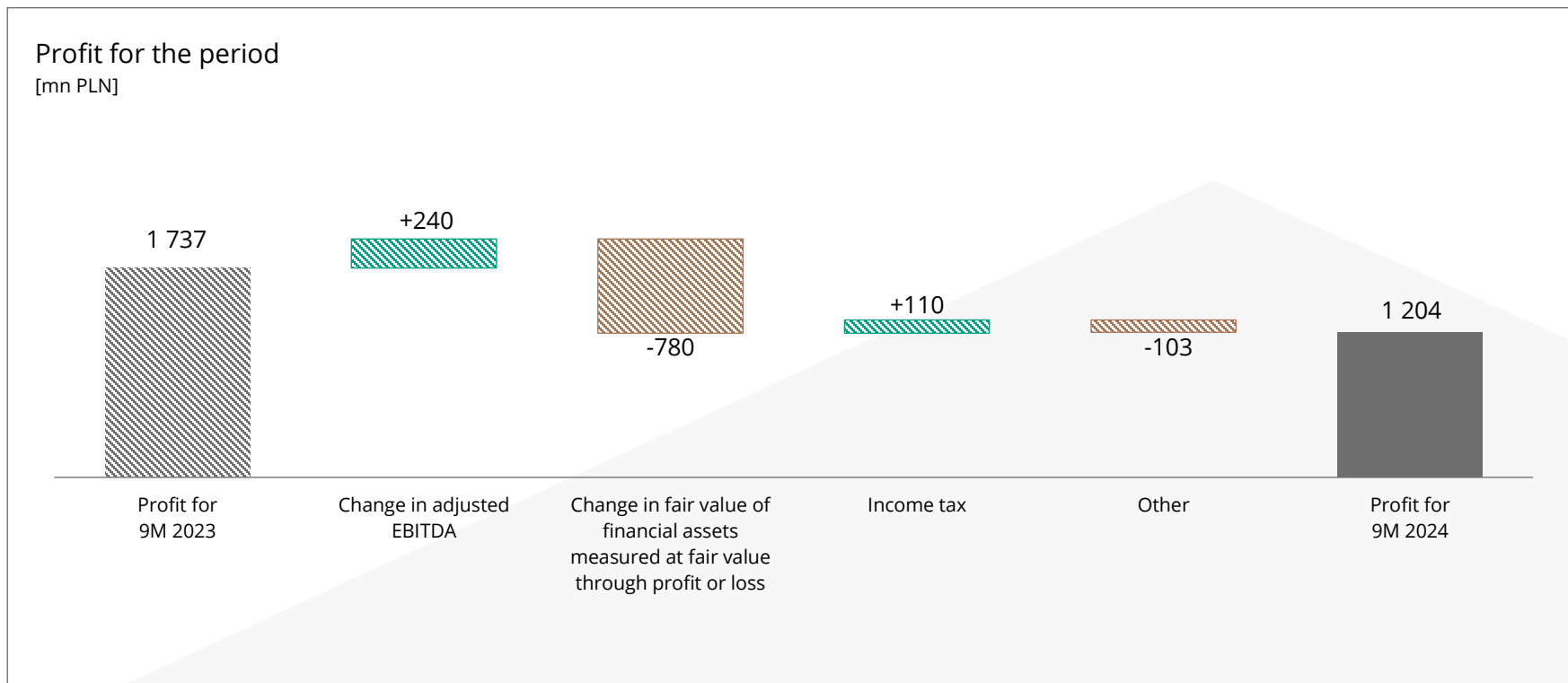
EBITDA and profit for the period

- Higher EBITDA compared to 9M 2023 by PLN 240 million, despite a less favourable USD/PLN exchange rate and lower sales
- The decrease in net profit was mainly due to a lower result on changes in the value of loans measured at fair value through profit or loss than in the prior year



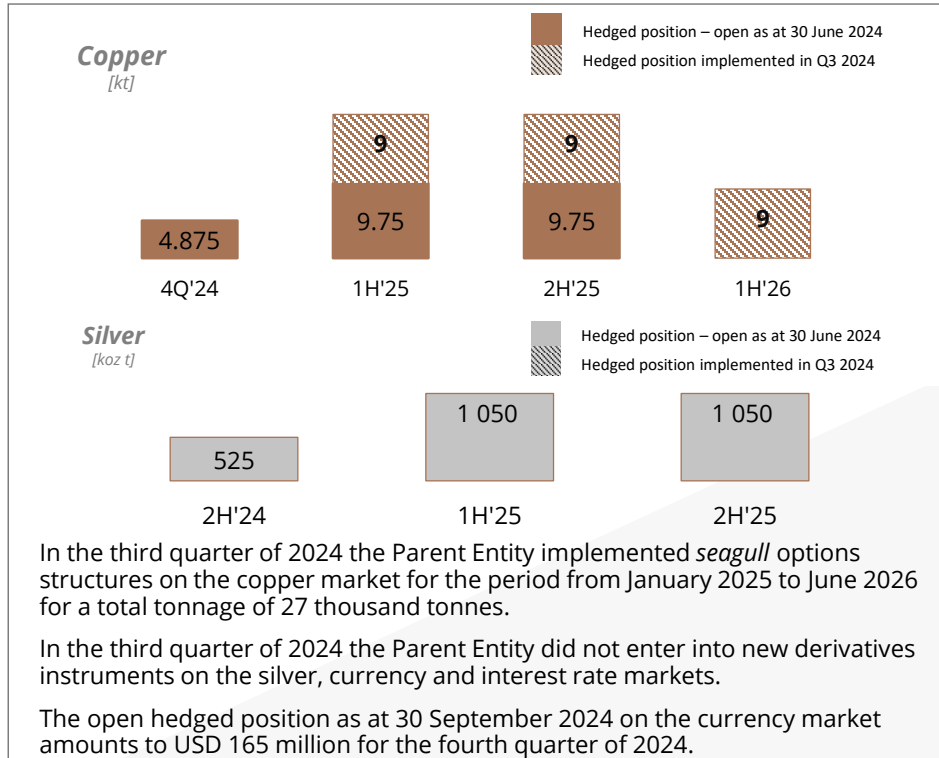
Profit for the period

KGHM Polska Miedź S.A.



Market risk management

Hedged position on the copper, silver, currency and interest rate markets (as at 30 September 2024)



At the end of the third quarter of 2024 the Parent Entity recorded a result on derivatives* and hedges in the amount of PLN 434 million:

- PLN +461 mn adjusted revenues from contracts with customers (transactions settled to 30 September 2024),
- PLN 29 mn decreased the result on other operating activities*,
- PLN 2 mn increased the result on financing activities.

Moreover the Parent Entity activated PLN 31 million in gains from the settlement of an instrument hedging the interest rate on bonds (CIRS) (Cross Currency Interest Rate Swap) in the statement of financial position – non-current assets (as at 30 September 2024).

- The fair value of open derivatives in KGHM Polska Miedź S.A. as at 30 September 2024 amounted to PLN 149 million*.
- The revaluation reserve on cash flow hedging instruments as at 30 September 2024 amounted to PLN 210 million (excluding the tax effect).
- As at 30 September 2024 the Parent Entity held open CIRS (Cross Currency Interest Rate Swap) transactions for the notional amount of PLN 1.6 billion.

* excludes embedded instruments

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