

## Responses to questions raised at the Results Conference for Q1 2024

- 1. In the press release, we got the information that there are 11.7 km of mine workings and here the information is 4 km. Where does this difference come from?**

**Reply** It is possible, Mr Editor, that these excavations comprise both investment projects as well as OPEX. So from CAPEX and OPEX, in other words from cost works. This is because many pits are included in the costs of the individual Divisions, such as Lubin, Polkowice and Rudna. They are included in OPEX, because they also generate ore for the Division. It's possible, I don't have this data in front of me at the moment, but this is likely the reason for this misunderstanding. 4 km were accounted for from the investment plan. The remaining 7.4 km have been simply included in the costs of the individual Divisions. Thank you.

And it follows from the correct classification as to what is a cost and what is a capital expenditure.

- 2. Please tell us what is the situation with the SMRs today? Is there going to be some kind of adjustment in the Strategy as far as this sector is concerned, or are you going to follow the path already set out by your predecessors?**

**Reply** I will take this question. It was already asked at the 2023 conference in Warsaw. As I read some of the articles afterwards, I was a little surprised that I may not have been accurately understood. SMRs, or MMRs as well, are a very interesting manner for securing the supply of energy, understood broadly as energy for the core production line. KGHM is seriously considering this direction and it appears to be very attractive. However, as of now we cannot see clear signals from the technology suppliers in the market that this technology can be applied effectively at KGHM in the short term. I repeat, it is an interesting direction and we are looking forward to the development of this technology. Undoubtedly, once we come to a moment that we can begin thinking realistically about starting such a project, that is the direction we will take. This is why one cannot build the foundations of own generation capacities based exclusively on photovoltaics or wind energy.

- 3. A question regarding the recent rise in copper prices. It is USD 2 thousand per tonne more than, let's say, a few months ago. What are the forecasts for the Company for the nearest future?**

**Reply** Mister Editor, we are obviously glad about any growth in copper prices. Naturally, we are not the sole beneficiaries of these increases. I would not like to speculate about the future. As of now, the prices of copper seem to be at a satisfactory level.

- 4. A question addressed to President Zbigniew Bryja. You mentioned the replacement of the machinery park, the purchase of these 69 new machines. For some time now, we have been receiving information that there is a small problem with the engines that were prepared back in the previous year, with engines that meet the stage3 standards. I would like to ask if these 69 machines are powered by stage3 or stage5 engines? If, of course, you have this knowledge, Mr President, as I am aware that it is very intricate knowledge.**

**Reply** One of the first topics that we had to consider after taking up office on the Management Board was, indeed, familiarizing ourselves with the machinery contracted for KGHM in 2024 in the context of meeting the stage5 standard. We devoted a few weeks to analyze the problem. We have renegotiated contracts with all machine manufacturers who delivered engines below this standard, so that the largest possible group of machinery supplied until the end of the year satisfied the EU stage5 standards. Indeed, a few machines will be of the standard you mentioned. On the other hand, we have an adaptation schedule and in the years to come all machines in KGHM will be commissioned and working in compliance with the stage5 requirements. It is not to say that we are not trying to obtain opinions from research institutions as regards the actual meeting of the requirements for the approval and operation of these engines, in particular those working below 1,000-1,200 meters. Indeed, we would like to obtain an unequivocal explanation if such engines have a positive or negative impact on the atmosphere in the mine, and - consequently - the working conditions of our crews. Such studies should become available in the market in the nearest months. Perhaps then we will launch deregulation action that should allow us - in some parts of our mines, to return to stage requirements lower than 5.

- 5. Sierra Gorda's production fell to a low level, the lowest since 2019. What has been the main factor, the driver of this, and are you confident of meeting the target adopted for 2024 at Sierra Gorda?**

**Reply** Yes, we assume that the budgetary objectives will be achieved. Except for the molybdenum production, as I have already given the information. On the other hand,

the volume of production itself, as in any mining plant, is developed on the basis of plans, and production is the result of exploiting a deposit with specific geological parameters.

**6. Do you plan to provide any financial forecast, any guidance of yours on future performance, as is the practice among other mining companies?**

**Reply** No, we do not provide forecasts. Ladies and Gentlemen, according to the rules, we can share our opinions or predictions about the future, but we can only do so very carefully. We are not an agency, we are a mining Company. We would not be too keen to express opinions on the market or the future situation, other than general information, such as strategy or future intentions.

**7. What is the reason for this low level of average realized selling price relative to the LME prices for copper and gold at KGHM INTERNATIONAL and copper at Sierra Gorda?**

**Reply** Let me reply straight away, because we analyzed this and there was no significant deviation. Or to put it in other words, we have not yet registered any effect of an increase in the average price from the mark-to-market mechanism, as the growth in the raw material prices, or the increase in copper prices, occurred at the end of Q1. Therefore, the price we achieved was quite close to the average one. It seems to be slightly above the average. However, we do not see any material deviations here.

This shows, Ladies and Gentlemen, that the recent situation is dynamically positive. In other words, the current price levels seem to have stabilised. But our topic here is Q1, when the prices were not as they are now.

**8. I understand that the new management is undertaking a strategic review, including a renewable energy financing strategy, a review of international assets. When can this process be expected to be completed?**

**Reply** We have touched a little about renewable energy here, although rather not in the context of financing. It seems to me that this topic was discussed during the annual results conference. I don't know if Mr President would like to add or repeat some of this information, or can we refer to our new narration on this topic?

Even yesterday, at the Management Board meeting, we discussed this issue. The declarations, well... perhaps not declarations, rather expectations, kind of declarations regarding the end of Q3, as regards the updating of the strategy, are still valid.

**9. In the cost of energy, what part of the decrease was due to the fall in market prices and what part to the reduction in KGHM's off-take?**

**Reply** This result is mainly an effect of the rationalization of the market price. That is how I would describe it. However, at KGHM, our electricity consumption, the planning of electricity consumption as well as ensuring that energy purchases are optimized in terms of pricing, is under constant review. Recently there have also been efforts to optimize the capacity of our generation sources. In situations where the potential cost of generation from our own sources would be higher than the spot price, we have been gently reducing the output of our sources so as to minimize this average price.

**10. A question about our holding in Tauron. Are we considering selling this stake?**

**Reply** Obviously, we are not in a position to give you an answer or to communicate any investment decision in advance. Let me remind you, it's a stake of 10%. It's our equity investment and if the Investment Committee decides that we should, say, change this holding, then we are also obliged, in line with this type of information practice, to publish it. Today, it would only be a speculation. There is no decision on the matter.

**11. Your C1 unit cost in INTERNATIONAL has improved significantly. Can it be assumed that operational efficiencies at the Robinson mine will be maintained in the future quarters? Are there any other areas? I understand that all along the question is about the Robinson mine, whose improved operations we have seen today, discussing the slide on the INTERNATIONAL segment.**

**Reply** My brief answer is: yes.

**12. Do you foresee any more purchases of PV farms this year, given the recent price drops per megawatt hour?**

**Reply** It's not easy to answer this question directly. First of all, in order to carry out acquisitions, it is necessary to have these types of projects budgeted for, but in situations of special opportunities in the market, we do not rule out such acquisitions.

**13. A question addressed to President Zbigniew Bryja. At what stage is the exploration work with regard to KGHM's new deposits, located north of the existing ones? Can we talk today about approximate operational dates?**

**Reply** Ladies and Gentlemen, the current development program for this deposit envisages mining in the existing concession areas until 2055-2060. And I mean the existing areas. On the other hand, the area to the north of the existing concession areas is, among others, the Bytom Odrzański deposit, the Głogów deposit and the Retków-

Ścinawa deposit. In the first fragment - Retków, the part closer to, say Rudna Północna. It is a pity we have no pointer to show that somehow. Can we display it on this screen? Here it is. In brown, you can see our existing operational concession areas. On the other hand, to the north we have the Bytom Odrzański area, Retków-Ścinawa, and beyond the Odra River, which runs - more or less - here, we still have Kulów-Luboszyce. At the moment, there are concessions apart from Bytom Odrzański, which is in the process of being heard before the Regional Court and the Supreme Administrative Court, where a lawsuit is pending with the Leszno Copper company. The other areas are our concession areas, where we already hold a concession, or we are trying in the near future to obtain concessions for exploration processes until 2036. So there is still time. These are deposit exploration and appraisal concessions. So the exploration of these deposit fragments is currently underway. Especially as far as the geology is concerned, they are not as homogeneous as the areas mentioned earlier. Hence, a lot of site exploration work still needs to be done. It is just too early yet to discuss these issues in years. In general, we focus on exploitation up to the Odra River, i.e. in the concession areas, the existing ones, and the Głogów and Retków areas. This we can say for certain. Beyond the Odra River, research is ongoing. Our exploration concession for these regions is valid until 2036.

**14. Cash costs, C1 cost at KGHM Polska Miedź S.A. in Q1 2024 remained at an elevated level. In fact, it has increased relative to Q4 2023. Can we expect a more significant improvement, starting from Q2 2024 onwards?**

**Reply** I think the best answer to this question is that we do not expect any significant deviations from the Budget.

The accompanying price is a positive factor. But of course, this is where the price of copper already comes into play, we get into quite deep engineering as to how the tax mechanism works, so I don't think we're going to somehow forecast here a linear increase or decrease in the cost of C1 relative to the top-up of the individual elements. What I have in mind is C1.

**15. I would also like to ask why the name change for the Retków deposit?**

**Reply** It is the name for the entire Retków-Ścinawa concession area. However, there is a section that is adjacent to Rudna and to the Głogów Głęboki Industrial deposit, which from the current areas of influence of the shafts that exist today, i.e. the R-11 and GG-1 shafts, is operational. This section, as a fragment of a larger deposit, we want to explore it in the first place, and to put it into operation in the first phase, before we explore the entire massive area of the rest of this deposit. So it is not a change of the

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name. This is the exclusion of a section of the deposit adjacent to the Rudna area and the Głogów Deep Industrial area. It is just a fragment.

**16. At current metal prices, does KGHM open more hedging positions for future periods or not?**

**Reply** I am not sure we can disclose forecasts for our exposures. Thank you very much. No, we don't disclose them.