
**PRESENTATION OF THE FINANCIAL RESULTS OF THE KGHM POLSKA MIEDŹ S.A. GROUP
FOR Q4 AND 2021**

24 MARCH 2021

LIDIA MARCINKOWSKA-BARTKOWIAK, EXECUTIVE DIRECTOR, COMMUNICATIONS: Ladies and Gentlemen, let me welcome you very warmly to our conference devoted to the financial performance of KGHM and the KGHM Group for the fourth quarter and the full year 2021. In spite of this exceptional period in time, in spite of the war and the COVID restrictions that are still in effect, we have managed to meet you not only online, but also on site. I would like to welcome all the guests that came to us in person. The effect of KGHM's operations in 2021 will be discussed by the full composition of the KGHM Management Board. Mr. Marcin Chludziński – President of the Management Board.

MARCIN CHLUDZIŃSKI, PRESIDENT OF THE MANAGEMENT BOARD: Good afternoon.

LIDIA MARCINKOWSKA-BARTKOWIAK, EXECUTIVE DIRECTOR, COMMUNICATIONS: Mr. Adam Bugajczuk – Vice President of the Management Board (Development)

ADAM BUGAJCZUK, VICE PRESIDENT OF THE MANAGEMENT BOARD (DEVELOPMENT): Good afternoon.

LIDIA MARCINKOWSKA-BARTKOWIAK, EXECUTIVE DIRECTOR, COMMUNICATIONS: Mr. Paweł Gruza – Vice President of the Management Board (International Assets)

PAWEŁ GRUZA, VICE PRESIDENT OF THE MANAGEMENT BOARD (INTERNATIONAL ASSETS): Good afternoon.

LIDIA MARCINKOWSKA-BARTKOWIAK, EXECUTIVE DIRECTOR, COMMUNICATIONS: Mr. Andrzej Kensbok – Vice President of the Management Board (Finance)

ANDRZEJ KENSBOK, VICE PRESIDENT OF THE MANAGEMENT BOARD (CFO): Good afternoon.

LIDIA MARCINKOWSKA-BARTKOWIAK, EXECUTIVE DIRECTOR, COMMUNICATIONS: Mr. Marek Pietrzak – Vice President of the Management Board (Corporate Affairs).

MAREK PIETRZAK, VICE PRESIDENT OF THE MANAGEMENT BOARD (CORPORATE AFFAIRS): Good afternoon.

LIDIA MARCINKOWSKA-BARTKOWIAK, EXECUTIVE DIRECTOR, COMMUNICATIONS: And Mr.

Marek Świder – Vice President of the Management Board (Production).

MAREK ŚWIDER, VICE PRESIDENT OF THE MANAGEMENT BOARD (PRODUCTION): Good afternoon.

LIDIA MARCINKOWSKA-BARTKOWIAK, EXECUTIVE DIRECTOR, COMMUNICATIONS: Let us begin as usual, from the Management Board's commentary to the events of the previous, unique year. Then we will move on to a Q&A session. The questions from the chat that we will not be able to answer in today's broadcast and at today's meeting will be posted, as usual, on our website, along with the transcript of the whole Q&A session. You can also send your question in by email, to: ir@kgm.com. Ladies and gentlemen, let us begin the commentary and the conference. President Marcin Chłudziński has the floor.

MARCIN CHŁUDZIŃSKI, PRESIDENT OF THE MANAGEMENT BOARD: Dear Stakeholders, When we talk to people in the company and outside, with our partners, we often hear the same question: "When will the world return to what it was before the pandemic?" As you must remember, everything was completely different just 20 months ago. Now we have an additional question: "When will the world return to what it was before the war in Ukraine?" When will we regain the sense of security and the ability to make long-term plans in business? When will we regain stability? "When will the world return to what it was 20-something months ago?" We hear these questions asked frequently, with different intensity and with hope that someone gives a final and optimistic opinion that everything will be as previously. I'm afraid that nothing will be as it was. The world has simply changed. We talk about the changing world as we present our results, as we speak about the strategic goals, that the world is changing continuously and very quickly. And we must adapt and get used to this change. Change is the only constant in these times. Continuous change. There is one more thing that I believe is constant. That the future is in copper. This is something that we deeply believe in. All over the world, the pandemic has been a huge test, which verifies our capacity to adapt, flexibility in management and ability to adjust to the changing reality. KGHM has passed this business test with flying colors. The pandemic has not only given us wings, but also, during the global crisis we achieved the best operating and financial performance in the Company's history. We are overcoming the hardships that the difficult and troubled times have presented us with. We are praised for being light and agile, which is so difficult to achieve in the case of quite a large company, a global leader, a rather large ship sailing across a rough ocean. This lightness, for which we are appreciated, this phenomenal performance in the continuously changing reality, is backed by enormous work of our experts. In-depth analyses, incredible discipline of work, excellent communication and huge amount of work. For this work, for the effort and wisdom of its decisions, the KGHM Team deserves tremendous congratulations. Thank you very much for that. The numbers speak for themselves. The largest adjusted EBITDA of the Group in history, of PLN 10,300 million. A solid consolidated net result of PLN 6,200 million. Revenue

increasing by more than 26%, to nearly PLN 30 billion, exactly PLN 29,803 million. A 6% rise in copper production in the Group. It is worth noting that we recorded growth in all our segments. We reduced the indebtedness ratio to the lowest level in history, since the acquisition of our international assets. We also have the lowest accident rates. The performance of our international assets is also the best in history. Let me mention Sierra Gorda at this point. We all remember how difficult a project it is. A change in approach to this investment, a new strategy, Polish managers, a number of optimization tasks – this has borne fruit. The excellent financial standing has allowed us, for the first time in the history of the Chilean project, for financial flows to be reversed and to flow to the parent company. This is something that I would like to seriously emphasize. The money no longer flows from Poland to Chile, as was the case for many years, but from Chile to Poland, because that was the goal of this investment and this business project. The key to success is a consistent implementation of our Strategy that we based on five pillars, as early as in 2018: flexibility, efficiency, ecology, e-industry, as well as energy, which materialized in the meantime and was added when the Strategy was updated. The extraction of copper is a very energy-intensive process. Climate change requires us to take decisive measures. Even now we feel the associated costs, including financial costs driven by rising energy prices. Our main challenge, or I could also say our key business objective, is cheap energy with continuous supply. There is no other logical direction for an industry to develop in Europe, based on clean energy, other than nuclear energy. This is why KGHM has signed a contract with NuScale on starting work on implementing small modular reactor technology in Poland. The SMR technology will not only help us protect the environment, but also significantly reduce the cost of running our business. We want to use renewable energy sources as actively as possible, including photovoltaic and wind energy, as well as hydrogen solutions. It can be a complementary source and this is what we have been emphasizing. This is because photovoltaic or wind energy are not, unfortunately, linear sources in terms of supply characteristics. But they can be used as a complementary source. In 2021, we accepted the challenge to draw up a climate policy, which was adopted at that time. Ladies and gentlemen, if I am sure of anything, it is – according to Peter Drucker – that the best way to predict the future is to create it. Create the future. But how to predict the future when a war is going on beyond our eastern border? When even the most experienced analyst cannot fully predict its end, but also its impact and economic consequences, its impact on the economy? Where should we look for stability? As Winston Churchill said: “Let's start changing the world by cleaning our own shoes”. So let us do our thing. Let's do what we can influence. And in this difficult emergency situation, we, as the Management Board of this Company and as employees of KGHM, may influence the future of the copper mining and trading industry in Poland. So why is the future made of copper and why does copper provide stability? We have said this many times that the extraction of raw materials, especially a raw material like ours, in times of economic prosperity, is one of the most profitable businesses. It is stable and rational. Moreover, copper is the raw material of the future in the context of new technologies, energy development. Just yesterday, a new Tesla factory was opened across our western border, near Berlin. We know that every electric

car, on average, needs 160 kg of copper. Demand continues to grow and the resource remains the same, so good pricing position is maintained. And this creates a good outlook for us, for our industry, for our business and for our growth. So we need to do our thing, especially in these difficult times, when we are facing threats. Just to achieve stability and a sense of security. Because when stable, we can also be a support and a foundation for our neighbors and for those who need that support. However we should not forget the conditions in which we operate. The global geopolitical situation is constantly changing. What is my recipe for success in these turbulent and troubled times? How to manage such a big company in such uncertain times? Ladies and gentlemen, there was a movie and a book: "Sense and sensibility". Sense – having ambitious, visionary, bold plans for great changes and great innovations. Sensibility – analyzing every step, even the smallest decision, drawing conclusions, listening to public sentiments, to the needs of people. Accepting great challenges that, when overcome, give us great satisfaction and a sense of having impact on this business and its development. This is how we are trying to work at all times, especially those that are ahead of us that we are unfortunately experiencing. I would like to take this opportunity to introduce two new Management Board Members who have joined us after the previous results conference. There is Marek Świder, who is responsible for production performance and for production issues in the metallurgical and mining areas. And President Marek Pietrzak, who is responsible for oversight over companies and for corporate governance. You already know the rest of the Management Board as far as its composition is concerned, since we met more often during the year as we presented the results. So I probably do not need to introduce to you Paweł Gruza, Andrzej Kensbok and Adam Bugajczuk. So this completes the introduction and now I would like to invite the other presenters.

LIDIA MARCINKOWSKA-BARTKOWIAK, EXECUTIVE DIRECTOR, COMMUNICATIONS: Thank you Mr. President for this commentary. Mr. Andrzej Kensbok will discuss our production performance and financial performance in greater detail. You have the floor.

ANDRZEJ KENSBOK, VICE PRESIDENT OF THE MANAGEMENT BOARD (CFO): Good afternoon. Ladies and gentlemen, today we have the opportunity to share with you the information, the good information related to the closing of the year 2021. The first important news. We are obviously primarily a production company, so first information about the production. Production output in the Group increased year over year. We closed the year 2021 with 754 thousand tonnes of payable copper, 1,366 tonnes of silver and 164 thousand ounces of precious metals. These are very good results. What is particularly positive is that we have achieved the increase in copper production in all segments, that is in all geographic segments in Poland, in KGHM INTERNATIONAL and in Sierra Gorda. This is obviously our share, in accordance with our shares in the entity. Silver – we are happy here, because we maintained our position in the world as second-largest silver producer. This is an important result, also because of its impact on the financial result. Moving on to KGHM Polska Miedź S.A.'s production results in greater detail, we should also emphasize that all

production segments contributed equally to the volume of production. We know that this was not an easy year, marked by COVID, and therefore the risk of interruptions or reduced availability of employees, also their safety. It was also a year in which we struggled with typical geological problems and the effects of nature. Still, our mining results were higher than in the previous year. In the ore processing area we also maintained this result. Metallurgical production increased. Metallurgical production increased mainly due to an increase in the processing of purchased metal-bearing materials, that is concentrates purchased outside Poland, but mainly scrap. And I think that this topic, which has already emerged in our quarterly presentations, will be further developed, because we are focusing on the processing of scrap or, putting it more broadly, on circular economy. This topic will certainly be a subject of our presentations in the future. We have mentioned it and we are taking this path. We are preparing more development activities in the area of scrap processing. This is something that we are learning. However it already is a very important element for us. On the other hand, it must be very precisely coordinated with the technical capacities of the smelters and purchasing capacity, because right now we are already reaching for scrap virtually all over the world. These are global purchases. Moving on to the economic results, we have recorded a significant increase in sales revenues. We closed this year, as the President mentioned, with revenues of nearly PLN 30 billion. Obviously, I must mention, for those who are less familiar with us, that the reported revenues do not include the revenues of Sierra Gorda, since it was not consolidated. On the next slides, however, I will present the financial results and those results will be included there. But the main factor contributing to the revenue growth is the change in metal prices, which we have already discussed. The average price of copper increased year-over-year and we were able to generate additional revenues thanks to this. But we should also mention the additional revenues from other materials and products that we sold last year. That was PLN 517 million of additional sales or additional value of sales resulting from the sale of our by-products, that is sulphuric acid, lead, but also rhenium, selenium and services that we sell externally. As for the negative contribution to revenues, we could say there were two main factors. The first one was the slightly lower volume of sales. This applied in particular to the volume of silver sales and the volume of sales in KGHM INTERNATIONAL and the negative settlement of hedging transactions. Last year, the impact of these factors was about PLN 1,600 million. But compared to the previous year, which closed with a positive settlement of hedging transactions, the impact on revenues was about PLN 1,900 million – nearly PLN 2 billion. Of course, the whole area of hedging policy and how to proceed further, here we have an entirely different situation. Certain transactions were concluded under risk of, you could say, almost discontinuation of business, in the period of a very deep price dip and the full on COVID pandemic two years ago. Whereas now the situation is different. The prices, the price outlook, the information, the consensus of our analysts or the banks that we work with – everything points rather to a stabilization of prices. So the situation requires a different approach, maybe different tactics for the hedging policy. But also a review of the hedging policy itself. We have been working on this since last year. We want to develop an approach here which will be more adequate. Also

more adequate from the point of view of securing our future cash flows. These two factors also reduced our revenues, but overall it is a 26% increase year on year. The unit cost – C1 cost – has increased from USD 1.59 per pound to USD 1.96 per pound. Here, the main factor driving the price up was the increase in the copper tax charge that we paid in 2021. We paid about PLN 3.5 billion of that tax last year. That was much more, about PLN 1.7 billion more, than in the previous year, 2020. This tax, as you know, is included in costs, so we must also include it in this C1 result. On the other hand, except for the impact exerted by the copper tax, we can say that costs were under control on a Group level. A small increase occurred in the parent company, driven mainly by the inflationary situation, inflation of energy carriers, as well as production materials – all production materials and services. It was a year of inflation. I believe that we have more years of inflation ahead of us and we have to make sure that the increase in costs does not exceed the inflation rate. But this is something that we will discuss separately. Where this tax situation did not occur, namely in Sierra Gorda, we had a large increase in production and in the value of associated metals – silver and molybdenum, there was a large decrease in the C1 cost. So, overall this net increase did occur, but it was mainly due to higher copper tax payments. As a side note, I will just mention that the Minister of Finance decided to change the formula for calculating the copper tax this year. This is a change that is in effect for 11 months, in this calendar year. However, our analyses indicate that this change will be beneficial, or indeed materially beneficial, for the Company. We will simply have greater financial capacities. Moving on to the Group's operating results, I would like to say that the helicopter view is that all business segments contributed to this excellent operating result. We closed the year with EBITDA of PLN 10,300 million. The increase in KGHM Polska Miedź was PLN 1 billion, in KGHM INTERNATIONAL – PLN 730 million and in Sierra Gorda – PLN 1,800 million. So all three segments contributed to this result significantly. Looking a bit more analytically at the financial result in the context of net result, the increase is much larger here. Compared to 2020, the result is up by 4.3 billion. At year's end, the net profit was PLN 6,155 million, with the main factor contributing to this growth being of course, the change in revenue. Revenue increased primarily due to higher sales, higher metal prices and the full use of these positive macroeconomic conditions. It is also a change in product inventory, a change in work in progress by PLN 2 billion. Another important factor is the result on involvement in joint ventures. It has a positive contribution of PLN 2,600 million. This is related mainly to the reversal of impairment of the loans granted to a joint venture, that is through our companies to Sierra Gorda, and to the higher interest income from loans granted. These were the two main financial factors, factors of a financial nature. On the other hand, the negative impact was exerted by the change in expenses by nature. These costs increased. They increased significantly. However, their main factor, the main driver, was the purchase of external inputs, in particular the purchase of an increased amount of scrap. This impacted the cost in an obvious way, because we are also buying the scrap at market prices. Still, this production is profitable. It has a positive contribution margin and we want to develop it. We want to increase the volume of copper production not only because it gives us additional revenue, but it also gives us additional leverage on the markets, additional trading

opportunities and additional investment opportunities in terms of processing into wire rod and establishing our presence on markets that simply need more copper. This was also a deliberate action. We deliberately bought more scrap, we deliberately bought more concentrate and we deliberately produced more copper. There was also a negative impact of the change in income tax. This minus PLN 700 million on the penultimate bar is a result simply of the fact that we settle our income tax incrementally and basically we had to pay the missing amount because we had good financial results. This is something that we cannot escape from. In terms of expenses by nature, we should also mention energy factors or energy carriers. Our everyday experience tells us that the price of these energy carriers is increasing, natural gas as well as diesel fuel, electricity, CO₂ emission rights. We obviously have a hedging policy in place in these areas as well but, as they say, you cannot hedge everything. So this impact was unfortunately negative. With the fourfold increase in the price of gas, it was impossible to avoid the negative impact of these cost factors. I will just mention wages here, before we discuss it in detail. Our wages increased by about 10% last year. That is about PLN 400 million. It is associated mainly with the provisions of our collective bargaining agreement, but also with the very good financial results that translated into the profit-sharing bonus that we shared with the employees. So this is, more or less, what our financial performance is for the past year. I would also like to mention cash flows. We can say that they remained relatively flat. We started the year with PLN 2.5 billion in cash flows. We closed the year with about PLN 2 billion. The main positive driver here is the increase in profit before tax. However, we partially invested this cash flow in fixed assets. This is this item, at PLN 3,890 million. This consists of the current CAPEX, but also the settlement of those capital expenditures that occurred last year, last year was the year when we accounted for and settled the investments in the southern quarter of the Żelazny Most tailings storage facility. So the facility with the compacting station and the pumping station and so on, has already been recognized in our ledgers. But there was obviously also a number of other investments. And then the other thing is the change in inventories. We deliberately invested in increased inventories. I already mentioned that in the presentation after the third quarter. That was one of the decisions that we made when we faced the uncertainties. Based on our intention to have the maximum, to make sure we have the maximum continuity of production. So therefore we are building buffer inventories at various technological stages and preparing for situations of temporary shortages. Fortunately, no such shortages occurred. But we are also preparing ourselves to be able to perform overhauls as planned and according to the schedule. There are several overhauls scheduled for 2022. They include a general overhaul of the furnace at the Głogów 2 Copper Smelter/Refinery. And also an overhaul at the Cedynia Copper Wire Rod Plant. There is also an overhaul of the Kaldo furnace, the silver melting furnace, with significant modernization. So there are several large overhaul programs, and for that we also need the buffers, the reserves of raw materials and semi-finished products, in order to ensure ongoing production during these overhauls, in particular refined copper. The Group's debt, as mentioned by the President, is at a historically low level. Our net debt to EBITDA ratio is at the level of 0.6. In 2021 we repaid the loans that could be repaid without

contractual penalties. We also partially discontinued the use of factoring. This allowed us to save on financing costs. So we closed the year with the net debt level of about PLN 4 billion. For us, this is a fully satisfactory result. We have open credit facilities that are available to us. We are very safe in terms of access to financial resources, if necessary. Those of you who are interested in us know that we also have an untouched syndicated credit facility available. We additionally have an increased scope of the European Investment Bank loan. We also have an extended term of the syndicated credit facility and an extended term of the BGK bank loan. These are our main financing facilities. So the financial standing is also very stable. Thank you for your attention. I would like to pass the floor to Paweł Gruza, Vice President of International Assets.

PAWEŁ GRUZA, VICE PRESIDENT OF THE MANAGEMENT BOARD (INTERNATIONAL ASSETS):

Thank you, Andrzej. Good afternoon. Ladies and gentlemen, we entered the year 2021 being aware that the macroeconomic environment, the prices of raw materials would be favorable to us. In order to take advantage of this favorable factor, we had to ensure very good, high production performance, in order to translate these good prices to the performance of our subsidiaries. And in Sierra Gorda we managed to improve the three main production factors, namely: to achieve better quality ore, achieve production yields higher than planned, as well as an increased volume of ore processed. All these factors meant that we could claim a much higher production of copper as well as other associated metals, perhaps with the exception of molybdenum, which was dependent on the reserve situation at this moment. We are entering the new year with an improved contractual structure with our previous partner and the new partner. So it seems that in 2021 Sierra Gorda improved financially, legally and we are entering another financial year with optimism. In respect to KGHM INTERNATIONAL, here our main leading mine Robinson achieved a better production performance mainly due to two factors: the better quality of ore, as mentioned previously, and better recovery. So we are happy that we were able to seize this opportunity offered by the macroeconomic cycle, or by the special situation in the previous year. Overall, it seems that the international assets are gradually paying off the long-term loan of trust which the KGHM Head Office, the Polish assets, gave to the international assets, and we were able to generate cash flows, you can say physical cash, physical money, that was transferred to Poland last year in the impressive, in our opinion, amount of over half a billion dollars. We are closing this previous financial year with a very positive result. We are entering the new year with optimism. In terms of our capital expenditures, last year the expenditures were at a level nominally similar to the previous year's and we implemented all the major investment challenges that we set for that year, on time and on budget. Of course, we continue to invest in energy assets, with a particular focus on RES. This topic is very important for us, but it is also very important for our customers, that the carbon footprint of our copper and our products is as small as possible. And here, of course, we are continuing our investments in photovoltaics and the big success of signing preliminary contracts for the implementation of SMRs, small nuclear reactors. So thank you very much.

LIDIA MARCINKOWSKA-BARTKOWIAK, EXECUTIVE DIRECTOR, COMMUNICATIONS: Thank you Mr. President. Thank you all for your commentary. Ladies and gentlemen, let us begin the Q&A session now. The session will be hosted as usual by Janusz Krystosiak, the head of KGHM's investor relations. We will be waiting for your questions, obviously from the room as well. We also have questions that have been submitted to us via e-mail. Please remember the e-mail, which is ir@kghm.com. You can ask questions now, during the conference. If we don't have time to answer some of the questions then, as I've already mentioned, you will find them on the website together with the transcript of this session, as soon as possible. Janusz, you have the floor.

JANUSZ KRYSOŚIAK, DIRECTOR, INVESTOR RELATIONS DEPARTMENT: Thank you very much. Good afternoon. I obviously already have the first questions from our mailbox, questions from the Internet. But of course, if we already have questions from the room, you are very welcome. If we do not have any at the moment, I will take the liberty of reading out the first questions. A question from the wnp.pl portal. Are you entertaining the thought of exiting Sierra Gorda due to tax changes in Chile – very bad outlook? How much longer will this investment be under tax protection? Can you please answer.

MARCIN CHLUDZIŃSKI, PRESIDENT OF THE MANAGEMENT BOARD: I will offer literally one sentence of commentary and I'll turn the floor over to Paweł. We obviously analyze all the political and economic factors around this investment, or any investment that we make, and at this point we don't have any such identified risks that would cause the tax changes to restrict our profitability. Of course, there is a lot going on in Chile in connection with the political change, but we view this asset as a strategic asset and a long-term, permanent investment.

PAWEŁ GRUZA, VICE PRESIDENT OF THE MANAGEMENT BOARD (INTERNATIONAL ASSETS): Nothing to add, nothing to subtract. We are obviously monitoring the situation in Chile very closely. As much as we can, we participate in all analytical work and discussions at the expert level, including in Chile. We can say that international investors have a rather positive attitude to Chile as a place for investing their capital, in spite of the risks that were mentioned in the question. The best evidence of this is the success of the transaction by our previous partner, Sumitomo, of selling its stake in Sierra Gorda to the Australian company South32. So this openness of investors to Chile remains valid at this point.

JANUSZ KRYSOŚIAK, DIRECTOR, INVESTOR RELATIONS DEPARTMENT: Thank you very much. I suspect that there will also be a question to Mr. Paweł Gruza as well. We remain in the international operations segment. Mr. Robert Maj of Ipopema is asking for a few words of commentary to the Oxide project. Will it be implemented and when?

PAWEŁ GRUZA, VICE PRESIDENT OF THE MANAGEMENT BOARD (INTERNATIONAL ASSETS):

The Oxide project is still in the preparation phase. We obviously have increasingly better knowledge about its costs and revenues and technical structure. However at this point it will be subject to discussions with a new partner. We need to give them more time to become familiar with this project, but we also must consider the changing macro situation associated with this specific form of extracting copper from ore. In this case, sulphuric acid plays a major role, however its prices have been volatile and unfavorable in recent times. So we still need to repeat the business assessment of this project, together with the new partner. Ultimately, this is certainly a very important asset in our portfolio.

JANUSZ KRYSOŚIAK, DIRECTOR, INVESTOR RELATIONS DEPARTMENT: Thank you very much. I have a question from the room. There you go. Please introduce yourself as well.

QUESTION FROM THE FLOOR: Good afternoon. I have three questions. First of all, are you planning to increase mining production in Poland? What about new shafts? This is the first question. The second question: the agricultural fertilizer market is currently undergoing great changes. The prices of fertilizers reach up to PLN 5 thousand per tonne. So I checked and this is let's say from 7 to 35 billion PLN, depending on the price. And I remember that in Karpacz you spoke about the mining production in the Pomerania region. What about that project? And the third question: to what extent you can be hurt by the potential slowdown in China or the imposition of sanctions on China by the USA?

MARCIN CHLUDZIŃSKI, PRESIDENT OF THE MANAGEMENT BOARD: About the first topic, that is the question of the planned increase in production in Poland, I can only answer that the plans that we made in the company in 2018 assumed domestic production that was 100 thousand tonnes less. So we have increased the production, roughly speaking, over these three years, by 30% in relation to the plans. So we are constantly increasing, against certain geological trends, either through the larger scale of extraction or a different technological approach, or selective extraction when it comes to deposits. By the way, this slide also showed production growth by 6% year over year. But the extraction specifically in Poland has increased in the context of the projections and what the long-term strategic assumptions were. We intend to strive to be able to extract increasing volumes in Poland. However the deposits that we have, they have a certain limited capacity. As you know, we are applying for two large concessions in the Lubuskie Voivodeship. The decisions have been finally issued by the Chief Geologist of the country. They were challenged in court, after the final administrative decision, by a Canadian investor who is competing with us for these concessions. Now it's back in the court of administration. But as soon as these legal issues are resolved, we intend to explore and then extract two large resources located in the Lubuskie province but offering very good prospects. Obviously, these resources are more difficult, but they offer a good resource outlook for KGHM's future in Poland. Besides, we continue to look at what

is happening abroad and where there are safe locations that would be interesting for our operations. These are things that are not discussed on a daily basis, but we are maintaining relations, engaging in talks, we are looking at the world and at locations that are of interest to us. So that would be the second topic. As far as the shafts are concerned, I will perhaps give the floor to President Marek Świder.

MAREK ŚWIDER, VICE PRESIDENT OF THE MANAGEMENT BOARD (PRODUCTION): As far as the shafts are concerned, shaft GG1 is currently at the final stage. We have reorganized the shaft this year. To start, we transferred the underground part, the shaft part, from the Polkowice-Sieroszowice mine to the Rudna mine. This will improve our work in the northern region significantly and make it more efficient. So in the future we will use this to maintain, at least maintain, our current production capacity. I would also like to add that, as President Marcin Chludziński said, last year we produced 31 million 600 tonnes of wet weight. When we look at this year's plans, we already have 31 million 800 tonnes of wet weight. So you can see that this growth is also very good in relation to the annual plan, as the Presidents said here. It also has in its weight, in the weight of mined copper in mining production. Because last year the plans were for 440 tonnes of copper. This year, the plans are for 442.5 thousand tonnes of copper. Thank you.

MARCIN CHLUDZIŃSKI, PRESIDENT OF THE MANAGEMENT BOARD: Regarding the question on polyhalites, that is the Puck deposits and the possibility of exploration. We did announce it in the Strategy. These are environmentally-friendly fertilizers, very broad in terms of what is needed to fertilize soil. Additionally, they have virtually no environmental impact, in other words they are neutral for the environment, unlike synthetic fertilizers. We are now at such a stage that we are finishing, or one could say that we have almost finished, the work related to the exploration of this deposit and the results are very promising for us. We are almost finished with the concept of running the mine and processing and in the coming days, months, we will move on to the, let's say, business stage of this topic, that is, to the specific calculation of the production model to be adopted there. For us, this is the first project of this kind. We usually dealt with copper or silver. But we are in the mining business, so we understand the industry. In the UK, deposits like this are being explored. Another mine is being built, so we're looking at it with great hope. Regarding China and potential sanctions, we are analyzing, looking at the situation. For the time being this is not happening. Please remember that it has already happened once. It was in 2019 or 2020, I believe. Time flies. So, when this trade war was escalating and various sanctions were imposed on China, for example, sanctions related to the export of scrap metal to China, which was very good news for us, because we started getting scrap metal from the United States at very good prices and then we processed it in Poland. Therefore, some sanctions may require us to be more agile in terms of our production activity, while others may even be an opportunity for us, so we have to see what comes out of it. So far, there are no specific announcements in this regard. We are also interested what happens with the sanctions in the context of Russia. Will Russia also be sanctioned in terms

of copper exports? In terms of cathode copper, Russia is a producer that exports primarily to Europe. For us, this situation would be positive rather than negative, so everything will depend on what those sanctions would be, and whether they would be imposed at all. But we are ready for different scenarios and we are able to move and act with agility.

JANUSZ KRYSOŚIAK, DIRECTOR, INVESTOR RELATIONS DEPARTMENT: Thank you very much.

QUESTION FROM THE FLOOR: Good afternoon. I have a question about offshore. Can we expect KGHM to file a localization application in the current second concession round? If so, are talks under way with any potential partners, and with whom? The second question: do you expect that the regulations governing the location of onshore wind farms will be changed this year? Thank you.

MARCIN CHLUDZIŃSKI, PRESIDENT OF THE MANAGEMENT BOARD: Regarding the offshore question, according to the Strategy update, we have already submitted the first application just as we had announced. Additional applications are in the pipeline. Certainly, we did it with a French business partner. We are still waiting for the preparation of the further documentary applications and we will gradually submit these applications. We are acting in accordance with what we announced in our Strategy updates. This is the first question. And the second one... I'm sorry, could you remind me what it was?

VOICE FROM THE ROOM: Onshore.

MARCIN CHLUDZIŃSKI, PRESIDENT OF THE MANAGEMENT BOARD: Onshore, of course.

VOICE FROM THE ROOM: 10H in short.

MARCIN CHLUDZIŃSKI, PRESIDENT OF THE MANAGEMENT BOARD: Of course. Well, this is something that we are looking at with high hopes. We have submitted our proposals as part of consultations, for the legislative act, to the ministries. We also signaled that this would make it easier for us to localize onshore farms. So we are waiting for the outcome of the legislative process in this matter.

ANDRZEJ KENSBOK, VICE PRESIDENT OF THE MANAGEMENT BOARD (CFO): We are part of the consultation council, so we voice our opinions everywhere where we can be advocates of KGHM's interests regarding the unblocking of the possibility to build onshore wind farms.

TOMASZ BRZEZIŃSKI, CLEANER ENERGY: Good afternoon. Tomasz Brzeziński, Cleaner Energy. You spoke of having earned record profits. I would like to ask what they will be used for? Because,

as I believe, most of it will stay with the Company. And in this context I would like to ask about CAPEX, because its level was at a similar level to the previous year – the year before, excuse me. The structure was also similar. There are plenty of challenges before you, for example, related to the energy transition. Can you disclose any information whether we can expect increased CAPEX for this goal specified in the Strategy this year, that is 50% share of own sources in production?

MARCIN CHLUDZIŃSKI, PRESIDENT OF THE MANAGEMENT BOARD: When it comes to CAPEX and the assumptions related to renewable energy sources, we haven't changed anything there: 50%, but these issues are not related to the volume associated with green energy only, but also with the volume of energy generated potentially by small nuclear reactors. This year, we are submitting a preliminary safety report, that's what it is officially called, to the National Atomic Energy Agency, in connection with the first phase of launching not just preparations, but already a pre-investment stage in this matter. But we are also trying to locate a Training Center and a Simulation Center for small nuclear reactor technologies in Poland, so that specialists could simply prepare themselves, because that's how it is with many technologies that have been absent from Poland so far, especially nuclear technologies, if we fail to prepare teams and personnel several years in advance, it will be too late to look for them when the investment opens. So this is what we are focusing on. In the context of the so-called RES projects, we also have potential discussions on acquisitions. And we have a CAPEX budget for that. Everything depends on how they will finish, because you cannot buy at any price. We do have the money and the budgets for them, but it is a matter of talks and it will depend on how the individual negotiations end. I believe that, when it comes to the structure of CAPEX this year and other related topics, I can give the floor to Adam Bugajczuk.

ADAM BUGAJCZUK, VICE PRESIDENT OF THE MANAGEMENT BOARD (DEVELOPMENT): Yes, thank you. It is worth mentioning, in the context of that 50% of own sources, that we have joined the Lower Silesia Hydrogen Valley recently, so we are hoping to execute some individual projects this year. As Marcin mentioned, it is not difficult to spend 3 or 3.5 billion PLN and spend it only if there is no effect. So we are ready for investments, but we are choosing them very skilfully in order to increase the efficiency of our own generation. And, as the President also noted, we are at the stage of advanced talks for several projects, acquisitions of finished photovoltaic farm projects, so this could be a concrete investment in finished assets.

TOMASZ BRZEZIŃSKI, CLEANER ENERGY: Are those just designs, or rather operational wind farms?

MARCIN CHLUDZIŃSKI, PRESIDENT OF THE MANAGEMENT BOARD: Both.

ADAM BUGAJCZUK, VICE PRESIDENT OF THE MANAGEMENT BOARD (DEVELOPMENT): That's

correct.

MARCIN CHLUDZIŃSKI, PRESIDENT OF THE MANAGEMENT BOARD: I can also add that, with regard to hydrogen, I believe that this year we will implement a test installation for the semi-combustion of hydrogen in metallurgical technologies. Why are we working in this way? Often, the technologies that we're using are used for the first time. I mean, in our context, we have to first apply some of these things within an R&D project. If they produce the expected effects, which are relevant from the level of the technological process, which is complex, well then we move to the investment phase. For moving on to the investment phase is something that the Russians call "razvedka boyem" - reconnaissance by combat - and can end up like Ukraine did for the Russians. So, to make a long story short, it is better to test certain technological solutions. I am not talking about RES or wind turbines, because these are rather commonly known. I am talking about technologies that, for example, are related to hydrogen in metallurgy or the technologies that we have assumed in our long-term ESG Strategy, such as topics related to CO₂ capture. These are also technologies of the future. But it may turn out over time, just as we were sure two-three-four months ago that the green transformation is inevitable, that now we are already talking about many uncertainties related to the dynamics of the green transformation, so these topics must be approached in a way that is not so much conservative, as it is prudent. I think that's what I would call it. Thank you.

ANDRZEJ KENSBOK, VICE PRESIDENT OF THE MANAGEMENT BOARD (CFO): If I may, I would like to add a little here. Because there is one capital expenditure area that remains unchanged. It is the area associated with the circular economy – we can see that this is a permanent trend. This trend is simply a response to the shortage of raw materials and elements in Europe and, more broadly, globally. So recycling will simply have to develop. This is why we are preparing a number of investment activities associated, as I've already mentioned, with the question of purchasing, processing and preparing copper-bearing scrap, but also more broadly. It is a program that has probably been announced already, with the working name of Legnica Hybrid Smelter. It is about changes in the technology of the Legnica smelter to ensure that it can process feed material of different types in the most efficient way possible, and recover various elements. Not only copper, silver and gold, because this is something that we are doing today. So this investment area is also very strongly on the agenda and we are working on it. So in line with our principle, we are not talking about our plans, but this much, I believe, we can reveal. This is certainly an important area.

MARCIN CHLUDZIŃSKI, PRESIDENT OF THE MANAGEMENT BOARD: That is, we say only as much as we can say.

ANDRZEJ KENSBOK, VICE PRESIDENT OF THE MANAGEMENT BOARD (CFO): As much as we can say, exactly.

MARCIN CHLUDZIŃSKI, PRESIDENT OF THE MANAGEMENT BOARD: Because, it is true that we have very intensive plans for the work and analyses to recover other raw materials and acquire and recover raw materials other than the ones we currently extract. This is also driven by the global situation and the limited access to what is sometimes called rare earth elements. One more thing about the investments. I think it is worth saying, because it is a very important topic, which is often overlooked. We are talking about new technologies, about RES, but over the past year we also significantly intensified our work on the underground haul of production. In the past, we used to build two conveyors a year in some mining divisions, but last year, in some locations - and please correct me, Marek, if I'm wrong - but in some divisions we built up to eight conveyors and sections. And in some, we plan to build even more this year. So why is it so important? Because haul distance and haul time is important for the economics of mining. If we have few conveyors then we haul more, we use more haulers, cars which transport the excavated material, and it is simply less economical. So for us, as for the Management Board, it was a priority last year to try to economize the process of transporting excavated materials underground as much as possible, and this is why we had such a big and extensive program of building underground conveyors, to be continued this year.

MAREK ŚWIDER, VICE PRESIDENT OF THE MANAGEMENT BOARD (PRODUCTION): Yes. I might also add that, for the next two years, in just one mine, the largest one, we have more than 18 tasks linked to belt conveyors. And the effects should be as the President stated. Thank you.

TOMASZ BRZEZIŃSKI, CLEANER ENERGY: One more question, excuse me. Given the record high profits, are you planning to increase the level of profit distributions to shareholders? Or will it be the traditional PLN 300 million?

MARCIN CHLUDZIŃSKI, PRESIDENT OF THE MANAGEMENT BOARD: Tradition is a good thing and generally you should protect the tradition. What I am saying is very conservative, but we always examine, every year, when assessing the financial standing during that year, what the dividend amount is and what we can pay out. So this year this will also be the subject of our analysis, thinking, and this is something that we will approach and communicate at an appropriate moment.

JANUSZ KRYSOŚIAK, DIRECTOR, INVESTOR RELATIONS DEPARTMENT: Thank you very much. In the meantime, if I may, we have a question from the Internet - Portal z Miedzi. A question that was addressed directly to President Bugajczuk. What is the current progress of the Głogów Głęboki Przemysłowy (Deep Głogów) project? Two questions. When can we expect the location for the construction of the SMRs to be specified? What factors will be considered?

MARCIN CHLUDZIŃSKI, PRESIDENT OF THE MANAGEMENT BOARD: Perhaps I will give the answer about the SMRs and I will leave the first question to Adam. In terms of the location, we are currently launching a location study process. We are considering several possible locations. The criteria are – perhaps I will not tell you about all of them – but first of all there is the legality criterion pertaining to the location of such an investment, because it cannot be located in all places. For example, it will be difficult to locate it on land that is seismically problematic, or post-mining land. There are also environmental criteria, criteria related to safety zones. There will be a criterion associated with the ability to receive this energy, or supply to a specific site and the economics of such energy supply process. So we are considering several locations and will launch the location study - to simply see which locations satisfy these criteria best and where it is the most economical, in which specific place we can locate these reactors. All I can say is what we have said in many places that the technology, as the only one, so far – and it is worth remembering because people often miss it – the technology is certified by the US regulator, in terms of the SMRs, or actually the only one in the world that has been certified, because no other technology has received the first level certification. It requires much less space in terms of location. These reactors can fit, in a physical sense, on a plot of 1000m², 1500m². Obviously, there is also a protective zone, but this is a completely different space, location-wise, than the full-scale nuclear power site. You have the floor now.

ADAM BUGAJCZUK, VICE PRESIDENT OF THE MANAGEMENT BOARD (DEVELOPMENT): As far as Deep Głogów is concerned, if you have been following our presentations in recent years, you will notice a gradual increase of this deposit as a percentage of the total production. Today, these areas account for almost 30%. And we are gradually increasing the share of mines and field start-up crews in this region. This is true both in terms of copper and silver.

JANUSZ KRYSOŚIAK, DIRECTOR, INVESTOR RELATIONS DEPARTMENT: Thank you very much. The floor is yours.

JAKUB SZKOPEK, ERSTE: I have two questions. The first one is about a concession in Poland: Kulów-Luboszyce, Bytom Odrzański. There have been some press releases that the concession processes are at a turning point, so to speak. Could you give us a brief update on the current situation and on the pipeline of these projects? When will you start geological studies, when will you potentially be able to show, for example, higher CAPEX, higher investment involvement in these projects? And the other question is about the modernizations that the Vice President mentioned in the beginning: Cedynia and the Kaldo furnace. Can you give me more information: for how many days, or which of these elements of your production will be shut down, or how this can affect the production volume?

MARCIN CHLUDZIŃSKI, PRESIDENT OF THE MANAGEMENT BOARD: Regarding the concessions,

I have already mentioned here that the concession, after actually 6 or 7 years of being processed by the geological administration, has been finally granted to us. I mean the final administrative decision. Because there was an administrative dispute who should receive it. So this concession – the decision on granting the concession – was challenged in the administrative court by the other potential investor. So at this moment we are in the judicial phase. After exhausting this path we will be able to proceed to the investment phase, if the court decision is favorable to us. This is what we are hoping for and we do have arguments, but these are independent courts and we are waiting for their judgment. This is usual in many locations that such disputes are taking place. The important thing is that, after many years, as far as the administrative process is concerned, this decision has been made. It is also the right of a party to disagree and pursue its interests in court. In other words, once the administrative and judicial disputes are resolved, we will be moving on first to the deposit exploration phase and then to the mining phase. Currently, as we are looking at the data that we have, because several holes were drilled in these deposits in the 70s, we can see the future – that is why we are applying for it. But we still have to wait a little.

ADAM BUGAJCZUK, VICE PRESIDENT OF THE MANAGEMENT BOARD (DEVELOPMENT): As a supplement to what the President said, we want to emphasize that we are ready, both financially and in terms of human resources, to implement and extract these concessions. We have a suspended concession for Bytom Odrzański. Before the suspension, we managed to drill one hole there, so we will have information from that soon. As for Kulów-Luboszyce, we are planning to drill several holes this year. Naturally, unless there are decisions to the contrary, we are here all the time and we are ready as much as we can be, and that is what we do.

MAREK ŚWIDER, VICE PRESIDENT OF THE MANAGEMENT BOARD (PRODUCTION): Regarding maintenance breaks, we have a scheduled maintenance break at the Głogów 2 Smelter/Refinery. These are regular shutdowns – every 4 years. So it is every 2 years for individual Głogów facilities. We are fully secured in terms of anodes, or we will be, at the moment the overhaul begins. The shutdown will last 78 days. The other area is the Legnica Copper Smelter and Refinery and the RCR furnace. That will be 40 days. And because of our efficiency, we managed to shorten the break last year, because this is a regular, annual thing, a regular maintenance break. Last year, it was 55 days. This year, it is 40. Thank you.

JAKUB SZKOPEK, ERSTE: One more question, if I may. Which quarters will the breaks fall into?

MAREK ŚWIDER, VICE PRESIDENT OF THE MANAGEMENT BOARD (PRODUCTION): End of April to July. More or less.

JAKUB SZKOPEK, ERSTE: Thank you very much.

JANUSZ KRYSOSIAK, DIRECTOR, INVESTOR RELATIONS DEPARTMENT: Thank you very much. Since we have already mentioned the overhauls, the question from Morgan Stanley will probably refer to the same context. Mr. Dan Shaw is asking – and I will translate right away: Can you expand on the expectations concerning working capital movements in 2022? There was quite a build-up in 2021. Can we expect a reversal?

MARCIN CHLUDZIŃSKI, PRESIDENT OF THE MANAGEMENT BOARD: I think that we will ask Andrzej Kensbok to answer this question.

ANDRZEJ KENSBOK, VICE PRESIDENT OF THE MANAGEMENT BOARD (CFO): This will result from the analysis of the current situation, such as in relation to the supply of raw materials. We have taken an active approach to inventory management. We believe that it is one of the leverages, one of the factors of active management of a company and active management of the security of production. Therefore, I would prefer not to forecast what the second half of the year would be, whether there any changes will occur in terms of the availability of resources or the possibility of commodity trading. We don't know what the availability of energy materials will be. If there are no sudden changes then we will probably go in the direction of reducing inventories. But it is still too early to talk about that. For now, we believe that this conservative approach is proper and good. Accordingly, since we are not forced to free up these financial resources for other purposes, we prefer to use them to ensure production security so that production can be maintained without any hick-ups. This refers both to the factors related to supply chains as well as the technological process, with preparations for stoppages. I think that this message, that it is deliberate management following ongoing analysis, is the right one. We are not dogmatic. Rather, we are pragmatic in this approach.

JANUSZ KRYSOSIAK, DIRECTOR, INVESTOR RELATIONS DEPARTMENT: Thank you very much. A question from the Internet. I lost the author here. How does the geopolitical situation related to Russia's direct aggression in Ukraine and the implemented system of sanctions affect the operations of the KGHM Group? So there are two aspects here. There is also a question of the impact of the current geopolitical situation on operations outside the core production business, that is the segment of support and maintenance companies.

MARCIN CHLUDZIŃSKI, PRESIDENT OF THE MANAGEMENT BOARD: I will make an attempt to answer this question. You are obviously aware that since some raw materials are produced in Ukraine or Russia, for example steel processing, this implies certain changes related to the price and costs. And we are not hiding the fact that we are experiencing these changes. Looking not so much at the limitation, because there is no problem of limited access, but rather of price. In terms of steel, for example – we can see the consequences of this conflict. There are individual situations, in which certain raw materials needed for the operation of our Group companies should be

replaced with supplies from other places instead of, for example, Ukraine. These situations did happen. We are currently working on this topic, analyzing, but we also change suppliers if we see a potential threat, or if we saw, because these changes were already taking place over time. There are also additional issues related to our analyses and the potential impact of gaseous fuel or diesel fuel and changes in case of a potential embargo – this may also affect the price. So this also is something that we must take into account as an analytical option. But these variables are still uncertain and we don't know whether it will happen or not; so far, those are our analytical scenarios. Because actually we don't have any significant trading relationships, in which we sold anything to Russia or to Ukraine. There was Zanam, and actually is Zanam, which sold a few machinery units per year to Russia. This will probably be reduced due to this situation. But this is not a factor that could have a material effect on the company's financial standing, because it represents a very small percentage of sales and exports. So that's how it is. We have already been tested and tried with regard to supply chains and fluctuating prices of supplies as a result of COVID. During the first year of COVID, that was very difficult and visible. So we know how to act in such situations and we also know where to place our production. Because there were situations where supply chains were disrupted, or restricted, also on our side. So we weren't able to deliver on time, or the delivery was difficult and we had to handle that during COVID in such a way as to sell effectively. So that training ground is helping us to act in the situation that we have currently.

MARCIN CHLUDZIŃSKI, PRESIDENT: The floor is yours.

MAREK PIETRZAK, VICE PRESIDENT OF THE MANAGEMENT BOARD (CORPORATE AFFAIRS): If I may, let me add a little to what the President said. Based on our experience related to the COVID emergency, we established a special team to analyze the situation in the East, the availability of products and materials that are used in Group companies. It is worth noting that no risks have been identified and there are no threats in this regard. As far as that particular service company is concerned, meaning Vostok, this is a subsidiary of our company Zanam. It is a small company with four employees. At the moment we are not supplying mining machinery to Russia. There are no... we can see no threats that would be caused by this situation.

JANUSZ KRYSOŚIAK, DIRECTOR, INVESTOR RELATIONS DEPARTMENT: Thank you very much. I am looking through the questions and I can see that we have already addressed most of the topics. If I may, another question: there was a lot in the context of CAPEX assumptions, and now a bit about costs. Biuro Maklerskie PKO BP. Considering the developments on the raw material markets, the tax change, etc. how would you modify your cost guidance presented in the 2022 budget?

MARCIN CHLUDZIŃSKI, PRESIDENT OF THE MANAGEMENT BOARD: I believe it is still too early for this question and it would be difficult to respond, because right now we are not modifying

these assumptions, because we would have to tell you about that. So it is not the right time to discuss any things that are not happening. And if they were happening and if we had such scenarios, then this conference would not be the place where we would discuss it. But perhaps Andrzej would comment on it somehow.

ANDRZEJ KENSBOK, VICE PRESIDENT OF THE MANAGEMENT BOARD (CFO): Of course. Ladies and gentlemen. We already performed this work as we prepared this year's budget. We are assuming that certain risks have already been captured and embedded in there. So far, two and a half months of the new year have passed. Of course, we are looking at this situation. We are looking at it, because it is obviously very volatile. I can take the natural gas price, for example. The price of gas was I believe 220 EUR per MWh 6 months ago. Then it was approximately 400. There was a moment when it was about 1400, I believe. And currently it is back to 370, or somewhere close. So please tell me what the price of gas will be for the rest of the year and how we should modify our cost assumptions. We have approached this a bit differently. We have approached this by creating task forces, which analyze scenarios. One of the conclusions that one of the task forces indicated, was to stop the production of heat in our gas-fired combined cycle units and restart coal-fired units in the municipal heat plants that we own. We have big reserves of coal, purchased at good prices, which constitute very safe long-term reserves. Consequently, we have been able to achieve savings of several million PLN per month, for the last 6 months. Right now, this task force is analyzing another set of units that may or may not be shut down. Most probably, a similar conclusion will be drawn. So this is, so to speak, a reactive approach. But it is an approach in which we must respond to such deep changes in prices and costs. But this is not an approach in which we change the cost guidance.

JANUSZ KRYSOSIAK, DIRECTOR, INVESTOR RELATIONS DEPARTMENT: Thank you very much.

LIDIA MARCINKOWSKA-BARTKOWIAK, EXECUTIVE DIRECTOR, COMMUNICATIONS: Thank you for all your questions. We are also very grateful to the Presidents for your exhaustive answers. We will obviously also remain at your service after the conference. Please remember that the recording of the whole questions and answers session will be available on our website. Our conference is nearing an end. I would like to express my gratitude to our guests here on site and everyone who joined our online transmission. Good bye.

JANUSZ KRYSOSIAK, DIRECTOR, INVESTOR RELATIONS DEPARTMENT: Thank you very much.

Summary of questions raised at the Results Conference for the 4th quarter and full year 2021

1. **Are you entertaining the thought of exiting Sierra Gorda due to tax changes in Chile – very bad outlook? How much longer will this investment be under tax protection?**

Answer: I will offer literally one sentence of commentary and I'll turn the floor over to Paweł. We obviously analyze all the political and economic factors around this investment, or any investment that we make, and at this point we don't have any such identified risks that would cause the tax changes to restrict our profitability. Of course, there is a lot going on in Chile in connection with the political change, but we view this asset as a strategic asset and a long-term, permanent investment. Nothing to add, nothing to subtract. We are obviously monitoring the situation in Chile very closely. As much as we can, we participate in all analytical work and discussions at the expert level, including in Chile. We can say that international investors have a rather positive attitude to Chile as a place for investing their capital, in spite of the risks that were mentioned in the question. The best evidence of this is the success of the transaction by our previous partner, Sumitomo, of selling its stake in Sierra Gorda to the Australian company South32. So this openness of investors to Chile remains valid at this point.

2. **A few words of commentary to the Oxide project. Will it be implemented and when?**

Answer: The Oxide project is still in the preparation phase. We obviously have increasingly better knowledge about its costs and revenues and technical structure. However at this point it will be subject to discussions with a new partner. We need to give them more time to become familiar with this project, but we also must consider the changing macro situation associated with this specific form of extracting copper from ore. In this case, sulphuric acid plays a major role, however its prices have been volatile and unfavorable in recent times. So we still need to repeat the business assessment of this project, together with the new partner. Ultimately, this is certainly a very important asset in our portfolio.

3. **I have three questions. First of all, are you planning to increase mining production in Poland? What about new shafts? This is the first question. The second question: the agricultural fertilizer market is currently undergoing great changes. The prices of fertilizers reach up to PLN 5 thousand per tonne. So I checked and this is let's say from 7 to 35 billion PLN, depending on the price. And I remember that in Karpacz you spoke about the mining production in the Pomerania region. What about that project? And the third question: to what extent you can be hurt by the potential slowdown in China or the imposition of sanctions on China by the USA?**

Answer: About the first topic, that is the question of the planned increase in production in

Poland, I can only answer that the plans that we made in the company in 2018 assumed domestic production that was 100 thousand tonnes less. So we have increased the production, roughly speaking, over these three years, by 30% in relation to the plans. So we are constantly increasing, against certain geological trends, either through the larger scale of extraction or a different technological approach, or selective extraction when it comes to deposits. By the way, this slide also showed production growth by 6% year over year. But the extraction specifically in Poland has increased in the context of the projections and what the long-term strategic assumptions were. We intend to strive to be able to extract increasing volumes in Poland. However the deposits that we have, they have a certain limited capacity. As you know, we are applying for two large concessions in the Lubuskie Voivodeship. The decisions have been finally issued by the Chief Geologist of the country. They were challenged in court, after the final administrative decision, by a Canadian investor who is competing with us for these concessions. Now it's back in the court of administration. But as soon as these legal issues are resolved, we intend to explore and then extract two large resources located in the Lubuskie province but offering very good prospects. Obviously, these resources are more difficult, but they offer a good resource outlook for KGHM's future in Poland. Besides, we continue to look at what is happening abroad and where there are safe locations that would be interesting for our operations. These are things that are not discussed on a daily basis, but we are maintaining relations, engaging in talks, we are looking at the world and at locations that are of interest to us. So that would be the second topic. As far as the shafts are concerned, I will perhaps give the floor to President Marek Świder.

As far as the shafts are concerned, shaft GG1 is currently at the final stage. We have reorganized the shaft this year. To start, we transferred the underground part, the shaft part, from the Polkowice-Sieroszowice mine to the Rudna mine. This will improve our work in the northern region significantly and make it more efficient. So in the future we will use this to maintain, at least maintain, our current production capacity. I would also like to add that, as President Marcin Chludziński said, last year we produced 31 million 600 tonnes of wet weight. When we look at this year's plans, we already have 31 million 800 tonnes of wet weight. So you can see that this growth is also very good in relation to the annual plan, as the Presidents said here. It also has in its weight, in the weight of mined copper in mining production. Because last year the plans were for 440 tonnes of copper. This year, the plans are for 442.5 thousand tonnes of copper.

Regarding the question on polyhalites, that is the Puck deposits and the possibility of exploration. We did announce it in the Strategy. These are environmentally-friendly fertilizers, very broad in terms of what is needed to fertilize soil. Additionally, they have virtually no environmental impact, in other words they are neutral for the environment, unlike synthetic fertilizers. We are now at such a stage that we are finishing, or one could say that we have almost finished, the work related to the exploration of this deposit and

the results are very promising for us. We are almost finished with the concept of running the mine and processing and in the coming days, months, we will move on to the, let's say, business stage of this topic, that is, to the specific calculation of the production model to be adopted there. For us, this is the first project of this kind. We usually dealt with copper or silver. But we are in the mining business, so we understand the industry. In the UK, deposits like this are being explored. Another mine is being built, so we're looking at it with great hope. Regarding China and potential sanctions, we are analyzing, looking at the situation. For the time being this is not happening. Please remember that it has already happened once. It was in 2019 or 2020, I believe. Time flies. So, when this trade war was escalating and various sanctions were imposed on China, for example, sanctions related to the export of scrap metal to China, which was very good news for us, because we started getting scrap metal from the United States at very good prices and then we processed it in Poland. Therefore, some sanctions may require us to be more agile in terms of our production activity, while others may even be an opportunity for us, so we have to see what comes out of it. So far, there are no specific announcements in this regard. We are also interested what happens with the sanctions in the context of Russia. Will Russia also be sanctioned in terms of copper exports? In terms of cathode copper, Russia is a producer that exports primarily to Europe. For us, this situation would be positive rather than negative, so everything will depend on what those sanctions would be, and whether they would be imposed at all. But we are ready for different scenarios and we are able to move and act with agility.

- 4. I have a question about offshore. Can we expect KGHM to file a localization application in the current second concession round? If so, are talks under way with any potential partners, and with whom? The second question: do you expect that the regulations governing the location of onshore wind farms will be changed this year?**

Answer: Regarding the offshore question, according to the Strategy update, we have already submitted the first application just as we had announced. Additional applications are in the pipeline. Certainly, we did it with a French business partner. We are still waiting for the preparation of the further documentary applications and we will gradually submit these applications. We are acting in accordance with what we announced in our Strategy updates. This is the first question. Onshore, of course. Well, this is something that we are looking at with high hopes. We have submitted our proposals as part of consultations, for the legislative act, to the ministries. We also signaled that this would make it easier for us to localize onshore farms. So we are waiting for the outcome of the legislative process in this matter. We are part of the consultation council, so we voice our opinions everywhere where we can be advocates of KGHM's interests regarding the unblocking of the possibility to build onshore wind farms.

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5. **You spoke of having earned record profits. I would like to ask what they will be used for? Because, as I believe, most of it will stay with the Company. And in this context I would like to ask about CAPEX, because its level was at a similar level to the previous year – the year before, excuse me. The structure was also similar. There are plenty of challenges before you, for example, related to the energy transition. Can you disclose any information whether we can expect increased CAPEX for this goal specified in the Strategy this year, that is 50% share of own sources in production?**

Answer: When it comes to CAPEX and the assumptions related to renewable energy sources, we haven't changed anything there: 50%, but these issues are not related to the volume associated with green energy only, but also with the volume of energy generated potentially by small nuclear reactors. This year, we are submitting a preliminary safety report, that's what it is officially called, to the National Atomic Energy Agency, in connection with the first phase of launching not just preparations, but already a pre-investment stage in this matter. But we are also trying to locate a Training Center and a Simulation Center for small nuclear reactor technologies in Poland, so that specialists could simply prepare themselves, because that's how it is with many technologies that have been absent from Poland so far, especially nuclear technologies, if we fail to prepare teams and personnel several years in advance, it will be too late to look for them when the investment opens. So this is what we are focusing on. In the context of the so-called RES projects, we also have potential discussions on acquisitions. And we have a CAPEX budget for that. Everything depends on how they will finish, because you cannot buy at any price. We do have the money and the budgets for them, but it is a matter of talks and it will depend on how the individual negotiations end. I believe that, when it comes to the structure of CAPEX this year and other related topics, I can give the floor to Adam Bugajczuk.

Yes, thank you. It is worth mentioning, in the context of that 50% of own sources, that we have joined the Lower Silesia Hydrogen Valley recently, so we are hoping to execute some individual projects this year. As Marcin mentioned, it is not difficult to spend 3 or 3.5 billion PLN and spend it only if there is no effect. So we are ready for investments, but we are choosing them very skilfully in order to increase the efficiency of our own generation. And, as the President also noted, we are at the stage of advanced talks for several projects, acquisitions of finished photovoltaic farm projects, so this could be a concrete investment in finished assets.

6. **Are those just designs, or rather operational wind farms?**

Answer: Both. I can also add that, with regard to hydrogen, I believe that this year we will implement a test installation for the semi-combustion of hydrogen in metallurgical technologies. Why are we working in this way? Often, the technologies that we're using are used for the first time. I mean, in our context, we have to first apply some of these things within an R&D project. If they produce the expected effects, which are relevant from the

level of the technological process, which is complex, well then we move to the investment phase. For moving on to the investment phase is something that the Russians call “razvedka boyem” - reconnaissance by combat - and can end up like Ukraine did for the Russians. So, to make a long story short, it is better to test certain technological solutions. I am not talking about RES or wind turbines, because these are rather commonly known. I am talking about technologies that, for example, are related to hydrogen in metallurgy or the technologies that we have assumed in our long-term ESG Strategy, such as topics related to CO₂ capture. These are also technologies of the future. But it may turn out over time, just as we were sure two-three-four months ago that the green transformation is inevitable, that now we are already talking about many uncertainties related to the dynamics of the green transformation, so these topics must be approached in a way that is not so much conservative, as it is prudent. I think that’s what I would call it. If I may, I would like to add a little here. Because there is one capital expenditure area that remains unchanged. It is the area associated with the circular economy – we can see that this is a permanent trend. This trend is simply a response to the shortage of raw materials and elements in Europe and, more broadly, globally. So recycling will simply have to develop. This is why we are preparing a number of investment activities associated, as I’ve already mentioned, with the question of purchasing, processing and preparing copper-bearing scrap, but also more broadly. It is a program that has probably been announced already, with the working name of Legnica Hybrid Smelter. It is about changes in the technology of the Legnica smelter to ensure that it can process feed material of different types in the most efficient way possible, and recover various elements. Not only copper, silver and gold, because this is something that we are doing today. So this investment area is also very strongly on the agenda and we are working on it. So in line with our principle, we are not talking about our plans, but this much, I believe, we can reveal. This is certainly an important area. That is, we say only as much as we can say. As much as we can say, exactly. Because, it is true that we have very intensive plans for the work and analyses to recover other raw materials and acquire and recover raw materials other than the ones we currently extract. This is also driven by the global situation and the limited access to what is sometimes called rare earth elements. One more thing about the investments. I think it is worth saying, because it is a very important topic, which is often overlooked. We are talking about new technologies, about RES, but over the past year we also significantly intensified our work on the underground haul of production. In the past, we used to build two conveyors a year in some mining divisions, but last year, in some locations - and please correct me, Marek, if I’m wrong - but in some divisions we built up to eight conveyors and sections. And in some, we plan to build even more this year. So why is it so important? Because haul distance and haul time is important for the economics of mining. If we have few conveyors then we haul more, we use more haulers, cars which transport the excavated material, and it is simply less economical. So for us, as for the Management Board, it was a priority last year to try to

economize the process of transporting excavated materials underground as much as possible, and this is why we had such a big and extensive program of building underground conveyors, to be continued this year.

Yes. I might also add that, for the next two years, in just one mine, the largest one, we have more than 18 tasks linked to belt conveyors. And the effects should be as the President stated. Thank you.

7. Given the record high profits, are you planning to increase the level of profit distributions to shareholders? Or will it be the traditional PLN 300 million?

Answer: Tradition is a good thing and generally you should protect the tradition. What I am saying is very conservative, but we always examine, every year, when assessing the financial standing during that year, what the dividend amount is and what we can pay out. So this year this will also be the subject of our analysis, thinking, and this is something that we will approach and communicate at an appropriate moment.

8. What is the current progress of the Głogów Głęboki Przemysłowy (Deep Głogów) project? When can we expect the location for the construction of the SMRs to be specified? What factors will be considered?

Answer: Perhaps I will give the answer about the SMRs and I will leave the first question to Adam. In terms of the location, we are currently launching a location study process. We are considering several possible locations. The criteria are – perhaps I will not tell you about all of them – but first of all there is the legality criterion pertaining to the location of such an investment, because it cannot be located in all places. For example, it will be difficult to locate it on land that is seismically problematic, or post-mining land. There are also environmental criteria, criteria related to safety zones. There will be a criterion associated with the ability to receive this energy, or supply to a specific site and the economics of such energy supply process. So we are considering several locations and will launch the location study - to simply see which locations satisfy these criteria best and where it is the most economical, in which specific place we can locate these reactors. All I can say is what we have said in many places that the technology, as the only one, so far – and it is worth remembering because people often miss it – the technology is certified by the US regulator, in terms of the SMRs, or actually the only one in the world that has been certified, because no other technology has received the first level certification. It requires much less space in terms of location. These reactors can fit, in a physical sense, on a plot of 1000m², 1500m². Obviously, there is also a protective zone, but this is a completely different space, location-wise, than the full-scale nuclear power site. You have the floor now.

As far as Deep Głogów is concerned, if you have been following our presentations in recent years, you will notice a gradual increase of this deposit as a percentage of the total production. Today, these areas account for almost 30%. And we are gradually increasing

the share of mines and field start-up crews in this region. This is true both in terms of copper and silver.

9. **I have two questions. The first one is about a concession in Poland: Kulów-Luboszyce, Bytom Odrzański. There have been some press releases that the concession processes are at a turning point, so to speak. Could you give us a brief update on the current situation and on the pipeline of these projects? When will you start geological studies, when will you potentially be able to show, for example, higher CAPEX, higher investment involvement in these projects? And the other question is about the modernizations that the Vice President mentioned in the beginning: Cedynia and the Kaldo furnace. Can you give me more information: for how many days, or which of these elements of your production will be shut down, or how this can affect the production volume?**

Answer: Regarding the concessions, I have already mentioned here that the concession, after actually 6 or 7 years of being processed by the geological administration, has been finally granted to us. I mean the final administrative decision. Because there was an administrative dispute who should receive it. So this concession – the decision on granting the concession – was challenged in the administrative court by the other potential investor. So at this moment we are in the judicial phase. After exhausting this path we will be able to proceed to the investment phase, if the court decision is favorable to us. This is what we are hoping for and we do have arguments, but these are independent courts and we are waiting for their judgment. This is usual in many locations that such disputes are taking place. The important thing is that, after many years, as far as the administrative process is concerned, this decision has been made. It is also the right of a party to disagree and pursue its interests in court. In other words, once the administrative and judicial disputes are resolved, we will be moving on first to the deposit exploration phase and then to the mining phase. Currently, as we are looking at the data that we have, because several holes were drilled in these deposits in the 70s, we can see the future – that is why we are applying for it. But we still have to wait a little.

As a supplement to what the President said, we want to emphasize that we are ready, both financially and in terms of human resources, to implement and extract these concessions. We have a suspended concession for Bytom Odrzański. Before the suspension, we managed to drill one hole there, so we will have information from that soon. As for Kulów-Luboszyce, we are planning to drill several holes this year. Naturally, unless there are decisions to the contrary, we are here all the time and we are ready as much as we can be, and that is what we do. Regarding maintenance breaks, we have a scheduled maintenance break at the Głogów 2 Smelter/Refinery. These are regular shutdowns – every 4 years. So it is every 2 years for individual Głogów facilities. We are fully secured in terms of anodes, or we will be, at the moment the overhaul begins. The shutdown will last 78 days. The other

area is the Legnica Copper Smelter and Refinery and the RCR furnace. That will be 40 days. And because of our efficiency, we managed to shorten the break last year, because this is a regular, annual thing, a regular maintenance break. Last year, it was 55 days. This year, it is 40.

10. One more question, if I may. Which quarters will the breaks fall into?

Answer: End of April to July. More or less.

11. Can you expand on the expectations concerning working capital movements in 2022? There was quite a build-up in 2021. Can we expect a reversal?

Answer: This will result from the analysis of the current situation, such as in relation to the supply of raw materials. We have taken an active approach to inventory management. We believe that it is one of the leverages, one of the factors of active management of a company and active management of the security of production. Therefore, I would prefer not to forecast what the second half of the year would be, whether there any changes will occur in terms of the availability of resources or the possibility of commodity trading. We don't know what the availability of energy materials will be. If there are no sudden changes then we will probably go in the direction of reducing inventories. But it is still too early to talk about that. For now, we believe that this conservative approach is proper and good. Accordingly, since we are not forced to free up these financial resources for other purposes, we prefer to use them to ensure production security so that production can be maintained without any hick-ups. This refers both to the factors related to supply chains as well as the technological process, with preparations for stoppages. I think that this message, that it is deliberate management following ongoing analysis, is the right one. We are not dogmatic. Rather, we are pragmatic in this approach.

12. How does the geopolitical situation related to Russia's direct aggression in Ukraine and the implemented system of sanctions affect the operations of the KGHM Group? So there are two aspects here. There is also a question of the impact of the current geopolitical situation on operations outside the core production business, that is the segment of support and maintenance companies.

Answer: I will make an attempt to answer this question. You are obviously aware that since some raw materials are produced in Ukraine or Russia, for example steel processing, this implies certain changes related to the price and costs. And we are not hiding the fact that we are experiencing these changes. Looking not so much at the limitation, because there is no problem of limited access, but rather of price. In terms of steel, for example – we can see the consequences of this conflict. There are individual situations, in which certain raw materials needed for the operation of our Group companies should be replaced with supplies from other places instead of, for example, Ukraine. These situations did happen.

We are currently working on this topic, analyzing, but we also change suppliers if we see a potential threat, or if we saw, because these changes were already taking place over time. There are also additional issues related to our analyses and the potential impact of gaseous fuel or diesel fuel and changes in case of a potential embargo – this may also affect the price. So this also is something that we must take into account as an analytical option. But these variables are still uncertain and we don't know whether it will happen or not; so far, those are our analytical scenarios. Because actually we don't have any significant trading relationships, in which we sold anything to Russia or to Ukraine. There was Zanam, and actually is Zanam, which sold a few machinery units per year to Russia. This will probably be reduced due to this situation. But this is not a factor that could have a material effect on the company's financial standing, because it represents a very small percentage of sales and exports. So that's how it is. We have already been tested and tried with regard to supply chains and fluctuating prices of supplies as a result of COVID. During the first year of COVID, that was very difficult and visible. So we know how to act in such situations and we also know where to place our production. Because there were situations where supply chains were disrupted, or restricted, also on our side. So we weren't able to deliver on time, or the delivery was difficult and we had to handle that during COVID in such a way as to sell effectively. So that training ground is helping us to act in the situation that we have currently.

Based on our experience related to the COVID emergency, we established a special team to analyze the situation in the East, the availability of products and materials that are used in Group companies. It is worth noting that no risks have been identified and there are no threats in this regard. As far as that particular service company is concerned, meaning Vostok, this is a subsidiary of our company Zanam. It is a small company with four employees. At the moment we are not supplying mining machinery to Russia. There are no we can see no threats that would be caused by this situation.

13. Considering the developments on the raw material markets, the tax change, etc. how would you modify your cost guidance presented in the 2022 budget?

Answer: I believe it is still too early for this question and it would be difficult to respond, because right now we are not modifying these assumptions, because we would have to tell you about that. So it is not the right time to discuss any things that are not happening. And if they were happening and if we had such scenarios, then this conference would not be the place where we would discuss it. But perhaps Andrzej would comment on it somehow. Of course. Ladies and gentlemen. We already performed this work as we prepared this year's budget. We are assuming that certain risks have already been captured and embedded in there. So far, two and a half months of the new year have passed. Of course, we are looking at this situation. We are looking at it, because it is obviously very volatile. I can take the natural gas price, for example. The price of gas was I believe 220 EUR per MWh

6 months ago. Then it was approximately 400. There was a moment when it was about 1400, I believe. And currently it is back to 370, or somewhere close. So please tell me what the price of gas will be for the rest of the year and how we should modify our cost assumptions. We have approached this a bit differently. We have approached this by creating task forces, which analyze scenarios. One of the conclusions that one of the task forces indicated, was to stop the production of heat in our gas-fired combined cycle units and restart coal-fired units in the municipal heat plants that we own. We have big reserves of coal, purchased at good prices, which constitute very safe long-term reserves. Consequently, we have been able to achieve savings of several million PLN per month, for the last 6 months. Right now, this task force is analyzing another set of units that may or may not be shut down. Most probably, a similar conclusion will be drawn. So this is, so to speak, a reactive approach. But it is an approach in which we must respond to such deep changes in prices and costs. But this is not an approach in which we change the cost guidance.

14. Does the company think that this lowering of the tax will continue past November 2022?

Answer: We would very much like this to be the case, but for the moment we have neither the basis to expect nor any signals indicating subsequent changes in the law, meaning from December 2022 we revert to the former formula.

15. What percentage of electricity is secured for 2023, and what is the average secured price?

Answer: Not for 2023 but currently for 2022 we have around 40% of natural gas pricing secured, around 90% of electricity pricing and 100% of emissions rights certificates.

16. When does the company expect the sale of the Franke mine, what is the budget of KGHM INTERNATIONAL for 2022 assuming the sale of the mine? When will KGHM revise its budget for 2022 regarding KGHM INTERNATIONAL?

Answer: We expect to close the sale within about two months. If the transaction does not go through, the market will be properly informed of subsequent steps. It's too soon to talk about amending the budget, this isn't a topic. The current budget does not include production by Franke.

17. Project Victoria – given the rise in the price of nickel – the project includes a nickel project if I remember correctly? What is the outlook for development?

Answer: Currently work is focused on building a technical model of the mine and preparing project terrain, including surface infrastructure - the shaft's headframe, power sub-stations, the waste rock containment pad. No decision has yet been made regarding the

commencement of the main shaft construction, but looking at favourable scenarios for the demand for nickel and copper, it is one of the most advanced projects in our portfolio.

18. Are you planning to pay a dividend? If so, when can we expect an announcement as to how much, the dividend date and the dividend payment date?

Answer: Same as above, question no. 7.

19. When can we expect the profit allocation recommendation?

Answer: Same as above, question no. 7.

20. Given the political situation between Poland and Russia, have you changed or do you expect to change your targets regarding the energy transformation of the company?

Answer: Same as above, question no. 5.

21. Given the increasing price of copper, are you looking to change your copper production targets?

Answer: We want to increase the volume of copper production not only because it gives us additional revenue, but it also gives us additional leverage on the markets, additional trading opportunities and additional investment opportunities in terms of processing into wire rod and establishing our presence on markets that simply need more copper. This was also a deliberate action. We deliberately bought more scrap, we deliberately bought more concentrate and we deliberately produced more copper.

22. What kind of financial flows could we expect from the mining of nickel from the overseas deposits belonging to the company?

Answer: If we consider the current estimated level of production (average-annual production of 16 kt of nickel, 18 kt of copper over approx. 14 years), and for example we take the current prices of these metals, it's a simple calculation. Nevertheless we have to emphasize that every mining project can depart from the expected results for many reasons, and we can also point out the volatility in forecasts of future prices of nickel and copper. So today we can only say that our experience and knowledge indicate that we can be optimistic about this project.

23. It looks like KGHM has clearly not communicated the decrease in the minerals extraction tax (the so-called copper tax). When did this happen? Has the formula for calculating this tax changed? What are the savings – can we talk about some specific amounts?

Answer: Changes to the formula of the minerals extraction tax charge occurred at the beginning of this year. This is the second change that has once again lowered this tax burden, and we are very happy about this fact because it means that it will be easier for us to finance investments without increasing the level of debt. The current formula amendment is valid until November 2022. We do not know yet whether it will be extended. According to the Act the estimated level of savings is around 30%.

24. Given the current unstable situation (meaning Ukraine) and the very high likelihood of ever-higher costs, among others of energy – will it be possible for KGHM to accelerate and start-up the small reactors earlier than in 2029?

Answer: We have to remember that this is a large, modern and very complicated project, which remains in the earliest stages of advancement. However much we would like to move it ahead more quickly, at the same time and above all ensuring safety, realistically it isn't possible for the first reactor to come online any earlier than in the timeframe we have indicated many times, meaning by 2029.