



INVESTOR RELATIONS DEPARTMENT Q4 2021 RELEASE

Dear Stakeholders,

We are pleased to announce the release of the results of the KGHM Group for the 4th quarter and full year 2021.

Download the full financial report here:

- [ESPI report](#)

You can also download the full report from our Results Center:
<https://kghm.com/en/investors/results-center>

There you will find links to the financial statements, results presentation and other pertinent information to better understand our results. The results presentation will be available to download prior to the Management Board's conference.

The webcast will be on Thursday, 24th March 2022 at 12:00 CET.

Link to the webcast: <http://infostrefa.tv/kghm>

We invite you to upload your questions for the Management Board of KGHM prior to and during the webcast to the email address: ir@kghm.com

Please also find attached an Excel spreadsheet with our quarterly results for your convenience.

Should you have any questions, please feel free to [contact us](#).

Best wishes,

KGHM Investor Relations Team

Consolidated financial results

Stable execution of planned production volumes in the main segments in Q4 2021, with continued exceptional performance in Sierra Gorda, allowed achievement of annual targets, supported by a favourable macro environment.

Consolidated adjusted EBITDA in Q4 2021 amounted to PLN 2 597 mn and was higher vs Q4 2020 by +PLN 392 mn (+18%), of which KGHM Polska Miedź S.A. was lower by -PLN 204 mn while adjusted EBITDA of KGHM INTERNATIONAL LTD. was higher by +PLN 134 mn (+63%) and Sierra Gorda by +PLN 363 mn (+63%). The Group's adjusted EBITDA margin amounted to 30%.

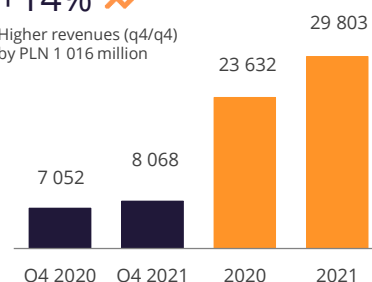
Consolidated revenues for Q4 2021 amounted to PLN 8 068 mn (+14%), their increase due mainly to substantially higher metals prices (mainly copper and silver) vs Q4 2020, partially offset by an adjustment of revenues due to derivatives and a less favourable FX rate.

Net profit of the KGHM Group in Q4 2021 amounted to PLN 1 393 mn (+123%), mainly due to higher metals prices and a drawdown of inventories with a higher result on FX differences.

Group revenues (mn PLN)

+14%

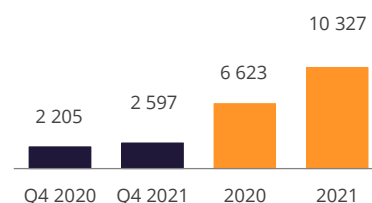
Higher revenues (q4/q4)
by PLN 1 016 million



Group EBITDA (mn PLN)

+18%

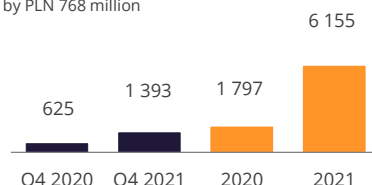
Higher adj. EBITDA (q4/q4)
by PLN 392 million



Group net result (mn PLN)

+123%

Higher net result (q4/q4)
by PLN 768 million



Investor calendar

23-03-2022	Report for Q4 and 2021
24-03-2022	Results conference
25-03-2022	On-line chat with CFO



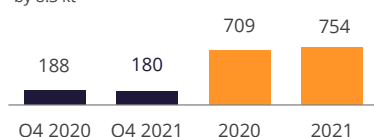
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Consolidated production results

Payable copper production [kt]

-4%

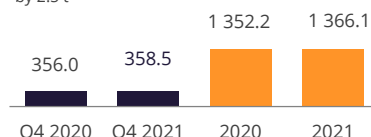
Lower production (q4/q4)
by 8.3 kt



Payable silver production [t]

+1%

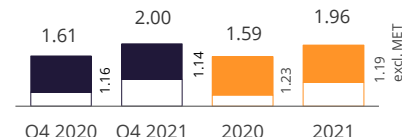
Higher production (q4/q4)
by 2.5 t



C1 cash cost [USD/lb]

+24%

Higher C1 (q4/q4)



Payable copper production by the KGHM Group in Q4 2021 amounted to 180 kt and was around 4% lower compared to the same period of 2020. Payable silver production during this period was higher by around 1% (358.5 vs 356.0 tonnes in Q4 2020), mainly due to the better availability of charge materials in the Polish operations and higher production by Sierra Gorda.

C1 cost for the Group in Q4 2021 amounted to 2.00 USD/lb and was 24% higher than in the corresponding period of 2020. The increase in this cost was mainly due to a higher minerals extraction tax (MET) charge in KGHM Polska Miedź S.A. (higher valuation of by-products). C1 cost for Sierra Gorda meanwhile was 35% lower in Q4 2021 and amounted to 0.69 USD/lb.

[in mn PLN]	4th quarter of 2021	4th quarter of 2020	Change [mn PLN]	Change [%]
Revenues	8 068	7 052	+1 016	+14%
Cost of goods sold*	7 229	5 997	+1 232	+20%
Net result on sales	839	1 055	-216	-20%
Adjusted EBITDA	2 597	2 205	+392	+18%
Profit for the period	1 393	625	+768	+123%
[in mn PLN]	2021	2020	Change [mn PLN]	Change [%]
Revenues	29 803	23 632	+6 171	+26%
Cost of goods sold*	25 093	20 471	+4 622	+22%
Net result on sales	4 710	3 161	+1 549	+49%
Adjusted EBITDA	10 327	6 623	+3 704	+56%
Profit for the period	6 155	1 797	+4 358	+242%

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