

Preliminary production and sales data of the KGHM Polska Miedź S.A. Group for February 2023

The following report contains preliminary monthly data – the final quarterly production and sales results will be published in the consolidated report for the first quarter of 2023. Data of the KGHM Polska Miedź S.A. Group contain the results of Sierra Gorda reflecting the 55% share held by KGHM Polska Miedź S.A.

Results of the KGHM Group in February 2023 - y/y:

Production and sales of the KGHM Group	February 2023	February 2022	I - II 2023	I - II 2022
Production				
Payable copper (kt)	53.7	62.0	112.9	129.4
- including KGHM Polska Miedź S.A.*	45.6	48.1	96.2	100.9
Payable silver (t)	122.3	106.8	250.2	229.0
TPM (koz t)	14.1	13.0	31.5	28.2
Molybdenum (mn lbs)	0.2	0.5	0.3	0.9
Sales				
Copper (kt)	62.1	55.9	120.3	114.9
Silver (t)	150.8	119.0	235.6	252.8
TPM (koz t)	20.3	12.5	42.8	24.4
Molybdenum (mn lbs)	0.3	0.1	0.4	0.6

* Production of electrolytic copper

Production of the KGHM Group:

- **Production of payable copper amounted to 53.7 thousand tonnes** - a decrease in production compared to February 2022 by 8.3 thousand tonnes (-13%) with respect to all of the segments.
- **Production of payable silver amounted to 122.3 tonnes**, or an increase by 15.5 tonnes (+15%) compared to February 2022.
- **Production of TPM amounted to 14.1 thousand troy ounces** and was higher by 1.1 thousand troy ounces (+8%) compared to February 2022.
- **Production of molybdenum amounted to 0.2 million pounds**, or a decrease by 0.3 million pounds (-60%) compared to February 2022.

Copper production was at the level assumed in the Group's budget for the period January-February 2023, whereas the plan for KGHM Polska Miedź S.A. was exceeded, while the plan was not achieved in KGHM INTERNATIONAL LTD. Silver production was above the level foreseen in the plan.

Sales of the KGHM Group:

- **Sales of copper amounted to 62.1 thousand tonnes** and were higher by 6.2 thousand tonnes (+11%) than sales in February 2022. Higher sales of copper were recorded by KGHM Polska Miedź S.A. and KGHM INTERNATIONAL LTD., with lower sales by the Sierra Gorda mine.
- **Sales of silver amounted to 150.8 tonnes** and were higher by 31.8 tonnes (+27%) than sales in February 2022. This result was impacted by higher sales of silver by KGHM Polska Miedź S.A. and KGHM INTERNATIONAL LTD. as well as lower sales by the Sierra Gorda mine.
- **Sales of TPM amounted to 20.3 thousand troy ounces** and were higher by 7.8 thousand troy ounces (+62%) than sales in February 2022. Similarly as in the case of copper and silver, higher TPM sales were recorded by KGHM Polska Miedź S.A. and KGHM INTERNATIONAL LTD., with lower sales by the Sierra Gorda mine.
- **Sales of molybdenum amounted to 0.3 million pounds** and were higher by 0.2 million pounds (+200%) compared to February 2022.

Results of KGHM Polska Miedź S.A. in February 2023 - y/y:

Production and sales of KGHM Polska Miedź S.A.	February 2023	February 2022	I - II 2023	I - II 2022
Mine production				
Copper in concentrate (kt)	31.5	31.5	65.1	64.6
Silver in concentrate (t)	107.3	104.5	217.4	212.9
Metallurgical production				
Electrolytic copper (kt)	45.6	48.1	96.2	100.9
- including from own concentrate	28.1	32.1	63.2	67.1
Metallic silver (t)	120.5	104.0	246.5	223.8
TPM (koz t)	8.7	6.2	20.5	13.7
Sales				
Copper (kt)	52.8	45.2	100.6	90.4
Silver (t)	148.4	116.4	230.5	246.8
TPM (koz t)	13.6	7.6	29.3	13.2

Production of KGHM Polska Miedź S.A.:

- **Production of copper in concentrate amounted to 31.5 thousand tonnes** and was as the same level as in February 2022.
- **Production of silver in concentrate amounted to 107.3 tonnes** and was higher by 2.8 tonnes (+3%) compared to February 2022, due to the higher content of this metal in ore.
- **Production of electrolytic copper amounted to 45.6 thousand tonnes** and was lower by 2.5 thousand tonnes (-5%) compared to February 2022. The decrease in cathode production was due to the targets set in the production plan for 2023.
- **Production of metallic silver amounted to 120.5 tonnes** and was higher by 16.5 tonnes (+16%) compared to February 2022. The increase in metallic silver production was due to the higher availability of charge materials at the Precious Metals Plant.

Sales of KGHM Polska Miedź S.A.:

- **Sales of copper amounted to 52.8 thousand tonnes** and were higher by 7.6 thousand tonnes (+17%) compared to sales in February 2022. The increase was due to the higher availability of materials for sale, being the result of the copper cathode inventories built up at the end of December 2022. The accumulated inventories not only enabled the smooth realisation of February's schedule of cathode deliveries under annual contracts, but also enabled a positive response to the increasingly-frequent questions by customers as to additional sales under spot contracts.
- **Sales of silver amounted to 148.4 tonnes** and were higher by 32.0 tonnes (+27%) compared to February 2022. The difference results from the agreed schedule of sales to customers.
- **Sales of TPM amounted to 13.6 thousand troy ounces** and were higher by 6.0 thousand troy ounces (+79%) compared to sales in February 2022. The difference results from the agreed schedule of sales to customers.

Results of KGHM INTERNATIONAL LTD. in February 2023 - y/y:

Production and sales of KGHM INTERNATIONAL LTD.	February 2023	February 2022	I - II 2023	I - II 2022
Production				
Payable copper (kt)	2.3	5.7	5.3	12.6
TPM (koz t)	3.5	4.6	6.3	10.1
Sales				
Copper (thousand tonnes)	4.4	2.9	8.1	8.4
TPM (thousand troy ounces)	4.8	2.8	8.5	6.8
Silver (tonnes)	1.2	0.1	2.1	0.8

Production of KGHM INTERNATIONAL LTD.:

- **Production of payable copper amounted to 2.3 thousand tonnes** and was lower by 3.4 thousand tonnes (-60%) compared to February 2022, mainly due to lower production by the Robinson mine by 2.63 thousand tonnes due to the extraction of lower-quality ore and to lower recovery and volume. The Robinson mine is working in a transitional zone of the Ruth West 5 deposit, which has low quality parameters. The high content of acid-soluble copper and zinc in ore directed to enrichment results in reduced metal recovery. The operations of the Robinson mine are also being impacted by the extreme weather conditions prevailing in Nevada and the entire western part of the United States, in the form of record snowfalls and rain combined with violent thaws. The lower production was also due to the fact that until April 2022 production by the Franke mine was included (difference in February y/y: -0.71 thousand tonnes). Higher year-on-year copper production was recorded by the Sudbury Basin (+ 0.19 thousand tonnes – high copper content in ore, higher extraction).
- **Production of TPM amounted to 3.5 thousand troy ounces** and was lower by 1.1 thousand troy ounces (-24%) compared to February 2022 due to lower gold production by the Robinson mine by 2.16 thousand troy ounces due to lower recovery, which was not offset by higher TPM production by the Sudbury Basin (+1.03 thousand troy ounces – higher precious metal content in ore, higher extraction).

Sales of KGHM INTERNATIONAL LTD.:

- **Sales of copper amounted to 4.4 thousand tonnes** and were higher by 1.5 thousand tonnes (+52%) compared to sales in February 2022. This was due to higher sales of copper concentrate from the Robinson mine, related to the schedule of deliveries (in February 2023 there were two shipments by sea as well as deliveries by land of approx. 22 thousand tonnes dry weight concentrate, while in 2022 there was one shipment by sea of approx. 9.5 thousand tonnes dry weight). Higher sales were recorded by the Sudbury Basin, with lower sales by the Carlota mine. The results do not include data of the Franke mine, the shares of which were sold by KGHM in April 2022.
- **Sales of TPM amounted to 4.8 thousand troy ounces** and were higher by 2.0 thousand troy ounces (+71%) compared to February 2022. This was mainly due to the amount of copper concentrate sold by the Robinson mine. Data of the Sudbury Basin year-to-year show an increase in sales of gold, platinum and palladium.
- **Sales of silver amounted to 1.2 tonnes** and were higher by 1.1 tonnes than sales in February 2022. The difference is directly related to the amount of shipments and the content of silver in concentrate from the Robinson mine. Higher silver sales were also recorded by the Sudbury Basin.

Results of Sierra Gorda S.C.M. in February 2023 - y/y:

Production and sales of Sierra Gorda (on a 55% basis)	February 2023	February 2022	I - II 2023	I - II 2022
Production				
Payable copper (kt)	5.8	8.2	11.4	15.9
Molybdenum (mn lbs)	0.2	0.5	0.3	0.8
Payable silver (t)	1.5	2.7	3.2	5.0
TPM (koz t)	2.1	2.2	4.9	4.4
Sales				
Copper (kt)	4.9	7.8	11.5	16.1
Molybdenum (mn lbs)	0.3	0.1	0.4	0.6
Silver (t)	1.2	2.5	3.1	5.2
TPM (koz t)	1.9	2.1	5.0	4.4

Production of Sierra Gorda (55%):

- **Production of payable copper amounted to 5.8 thousand tonnes** and was lower by 2.4 thousand tonnes (-29%) compared to February 2022. The decrease in payable copper production in February 2023 compared to February 2022 was due to lower metal content in extracted ore and lower recovery, as well as a lower volume of ore processed. The decrease in payable copper production in the period January-February 2023 compared to the corresponding period of 2022 was due to lower copper content in extracted ore and lower metal recovery, as well as a lower volume of ore processed.
- **Production of molybdenum amounted to 0.2 million pounds** and was lower by 0.3 million pounds (-60%) compared to February 2022. The decrease in molybdenum production in February 2023 compared to February 2022 was due to lower recovery and a lower volume of ore processed, despite the higher metal content in mined ore. The decrease in molybdenum production in the period January-February 2023 compared to the corresponding period of 2022 was due to lower metal recovery and a lower volume of ore processed, despite the higher metal content in mined ore.

Sales of Sierra Gorda (55%):

- **Sales of copper amounted to 4.9 thousand tonnes** and were lower by 2.9 thousand tonnes (-37%) compared to sales recorded in February 2022. The reason for the decrease was the lower volume of copper concentrate sold due to lower copper production and the schedule of planned shipments.
- **Sales of molybdenum amounted to 0.3 million pounds** and were higher by 0.2 million pounds (+200%) compared to February 2022. The level of sales of molybdenum reflects the schedule of processing molybdenum concentrate and the return of molybdenum oxides designated for sale as well as the planned and achieved level of molybdenum production by the Sierra Gorda mine.
- **Sales of silver amounted to 1.2 tonnes** and were lower by 1.3 tonnes (-52%). This was mainly the result of a lower volume of material sold in February 2023.
- **Sales of TPM amounted to 1.9 thousand troy ounces** and were lower by 0.2 thousand troy ounces (-10%). This decrease is directly related to the lower amount of copper concentrate sold in February 2023 compared to sales recorded in February 2022.