

List of questions asked at the results conference for the third quarter of 2023

1. What is the initial target of full-price copper production from KGHM Polska's own concentrate in 2024? Is it possible to maintain this year's levels?

Answer: Of course, we are acting in line with our Strategy. We are currently in the planning and budgeting phase. It is still too early to answer questions of this type. As for the total production in domestic assets, in accordance with this strategy, of course, we do not expect this proposal to be lower for next year. But we will wait for the budgets to be approved. Thank you.

2. What is the initial copper production target for KGHM International for next year?

Answer: I don't think I'll reveal a secret here if I say that after moving past the transition zone we have reached the proper ore. So the production volume will certainly be higher. However, as my colleague said, I must say that we are in the process of budgeting and exploring the deposit. In the case of block caving, such exploration takes 5 years, but in order to calculate metal resources for next year, we need to have explored over 80% to ensure that the error for the deposit does not exceed 5%. We are still in the process of drilling, collecting information and creating a base, as well as conducting flotation tests, the results of which will be used to develop a production plan, and based on this a budget plan for KGHM INTERNATIONAL for 2024. Thank you.

3. Will the volume improvement at INTERNATIONAL be permanent? Or are we talking about just 2-3 quarters of improvement?

Answer: In KGHM INTERNATIONAL, the improvement will last much longer than 2 or 3 quarters, because we do not expect to reach any transition zone again in such a short time.

4. How much lower will the energy price be in 2024? What level of decline can be expected?

Answer: As Director Krystosiak said, we cannot make predictions, especially with regard to energy prices. However, we obviously have prepared our own price paths. We also constantly analyze the market in terms of hedging contracts. However, as of today, I cannot disclose such information or what our assumptions are. We are at the budgeting stage, as my colleagues said. But let me just say that what was positive for us this year was, of course, the fact that we bought electricity and natural gas fuel locally this year at very good prices compared to what we expected. And also to what was implied by spot contracts for 2023. This is positive information and it also affects our assessment of the situation to some extent. We also look at how these contracts are evolving and whether or not it is worth concluding them. But of course, as I said, I cannot make predictions.

5. There is currently quite a good trend towards positive release of working capital. Can this trend be maintained in the fourth quarter, next year, or can this change be permanent?

Answer: This is a very complex question. Especially in the KGHM Group, since we have many elements and inventories that we must approach in different ways. We have inventories of materials where we have to deal with the fact that there's still, let's say, a post-COVID situation, a war situation, where there's a lot of gaps in the market and we have to secure certain safe levels of those inventories. When it comes to our core production line, inventories of semi-finished products and inventories of finished products, it follows from the fact that we also look at KGHM, especially now in the budgeting period, we look from the perspective of next year, we look from the perspective of subsequent years, we also look at when we can get the best prices, the best premiums on the market, and what are the opportunities to place our production on global markets. Especially the ones that bring us the highest margins. All of that influences our assessment of what level of inventory, what level of capital is most optimal for the company. So this would be my attempt to answer this question. Because today it is difficult to predict in what time horizon and how these levels will evolve.

6. Do current financial results have or should they have an impact on the investments we heard about here recently? I'm thinking in particular about the evaporated salt production plant. Taking advantage of this opportunity, local government officials have often pointed to existing agreements with KGHM regarding the construction of a voivodship hospital here in Lubin.

Answer: The project that we presented in this room, and we publicly presented the assumptions for the salt production plant, is following its course and a special team has now been appointed for this purpose. We consider the project to be important from a business standpoint. This is the project that we presented to you as a kind of dual purpose project. On the one hand, it is a business project intended to create a new business line at KGHM related to salt production. On the other hand, it has obvious ecological advantages. There is nothing wrong happening with this project. The project is following its path. We believe it makes sense in both business and environmental terms. It is a project that we want to and we will continue implementing. As for the hospital topic you are asking about, we obviously already own a hospital. We have Miedziowe Centrum Zdrowia. It is a good hospital, a hospital that we have right next to our company's headquarters in Lubin. And this hospital certainly needs, sorry for the colloquialism, to spread out a little. So the company Miedziowe Centrum Zdrowia, which we own, is analyzing various scenarios of expansion, or development of its property base. As the owner, we will of course respond with great interest to all possible concepts that MCZ will present to us. Based on our discussions with MCZ management, the development opportunities at the current site are nearly exhausted. As for the further concept, we are not at the decision stage yet.

- 7. I would like to ask for more details about the contract signed with China Minmetals – about the value of this contract and the amount of expected copper sales. What is the importance of this contract for KGHM anyway?**

Answer: This is a framework contract for PLN 50 thousand tonnes of copper in cathodes, with the possibility of expanding to 70 thousand. Of course, we are open to discussing larger quantities. But why is this agreement important? As we observe global trends, looking at what is happening in the world today, we see a huge increase in the potential in China that allows for the production of cathodes. Therefore, it is very important for us to maintain the Asian market and to have a permanent partner to offtake these cathodes from us. Because for many cathode producers around the world, selling cathodes is getting more complicated and may not be so easy. So we are pleased that KGHM has a strong presence in this market and a partner with whom it has been working for more than a dozen years. We have never had any problems with this partner in terms of organization, finances, etc. Over the years, we have been able to build trust between our companies, and we intend to continue to do so. Thank you.

- 8. You always provide us with information for one quarter only. Why is it different now?**

Answer: It is not different. It's the same. We always present the results on a cumulative basis. So the results for 9 months, plus the period that is probably the most interesting for analysts, that is the last quarter, which we model together. In this case, we are talking about the cumulative results up to the third quarter, which has not yet been presented. The results were published yesterday and we are talking about them today.

- 9. We have CAPEX for international investments at the level of 921 – why such a low fulfillment compared to the budgeted 2,100.**

Answer: A word of explanation is in order here. The 2,100 million is the total CAPEX, the capital expenditures that we divide, as we have already explained to you, to investors and analysts, between investments in renewable energy sources, traditional energy and investments in our projects, including international projects. Because the question was about the fulfillment and the expenditures for international investments. So the total CAPEX of 2.1 billion – this is for these three main elements, not just for international investments. That is all from me.