
PRESENTATION OF THE FINANCIAL RESULTS OF THE KGHM POLSKA MIEDŹ S.A. GROUP FOR Q3 2021 FOR ANALYSTS AND JOURNALISTS

17 NOVEMBER 2021

LIDIA MARCINKOWSKA-BARTKOWIAK, EXECUTIVE DIRECTOR, COMMUNICATIONS: Hello. We would like to cordially welcome you to an online broadcast – this time held online – during which we will comment on the KGHM Group’s results for Q3 and the first 9 months of 2021. We apologise for a slight delay. Unfortunately, both the technical conditions and the inability to be with you the way we like the most, I mean face-to-face, sometimes cause delays when we want everything to be perfect, optimal as well as when we want you to have the best possible webcast. As usual, we will start with comments on the results. The results will be commented on by the Members of the Management Board of KGHM Polska Miedź S.A., starting with Marcin Chludziński, President of the Management Board:

MARCIN CHLUDZIŃSKI, PRESIDENT OF THE MANAGEMENT BOARD: Hello everyone, welcome.

LIDIA MARCINKOWSKA-BARTKOWIAK, EXECUTIVE DIRECTOR, COMMUNICATIONS: Adam Bugajczuk, Vice-President of the Management Board for Development,

ADAM BUGAJCZUK, VICE-PRESIDENT OF THE MANAGEMENT BOARD FOR DEVELOPMENT: Hello.

LIDIA MARCINKOWSKA-BARTKOWIAK, EXECUTIVE DIRECTOR, COMMUNICATIONS: Paweł Gruza, Vice-President of the Management Board for Foreign Assets,

PAWEŁ GRUZA, VICE-PRESIDENT OF THE MANAGEMENT BOARD FOR FOREIGN ASSETS: Hello to you.

LIDIA MARCINKOWSKA-BARTKOWIAK, EXECUTIVE DIRECTOR, COMMUNICATIONS: and Andrzej Kensbok, Vice-President of the Management Board for Finance.

ANDRZEJ KENSBOK, VICE-PRESIDENT OF THE MANAGEMENT BOARD FOR FINANCE: Hello everyone, welcome.

LIDIA MARCINKOWSKA-BARTKOWIAK, EXECUTIVE DIRECTOR, COMMUNICATIONS: As I said a moment ago, what we value most is, of course, the live meetings with you. Unfortunately, for the sake of the safety and health of our employees and the entire staff, we have decided to again follow the restrictions related to this aggravating pandemic-triggered situation. For us, this is also tantamount to reducing live meetings and switching to holding conferences online, just like the present one. Nevertheless, just like every time after we have a presentation, when we share our comments with you, we will move on to the Q&A session. We would like to encourage you to send us your questions as usual to the email address ir@kghm.com. Each and every question we have received thus far, as well as all the questions we will have received through each channel, will be immediately posted with the answers on the website, along with the transcript of the present conference. I do hope that we will manage to exhaust as many of your questions as possible today and to answer them during our conference. Ladies and gentlemen, I would like to give the floor to the President of the Management Board to make his comment.

MARCIN CHLUDZIŃSKI, PRESIDENT OF THE MANAGEMENT BOARD: I would like to warmly welcome you, again from Lubin, on this beautiful autumn midday, insofar as the autumn midday can be beautiful at all. It is beautiful in Lubin, but I do not know how it is in other places. So, the autumn weather is not too bad after all. Since I raised the topic of weather, we can actually start talking about something related, I mean about climate and climate policy. We are starting with this topic because this week we adopted the climate policy of KGHM Polska Miedź S.A. It is a time-related requirement; it is actually a requirement already somewhat related to European regulations and determined by them. It is also a market requirement. The market requirement related to the transparency of our operations and our production in view of relations with our customers, financial institutions, government agencies or the EU. Hence this document was created. This document is an application plan. In other words, it tells us what KGHM should do in relation to climate change and what *de facto* the impact of the Company on climate is and what we have been planning as part of our operations and specific initiatives in the Company to limit and change this impact. This is the essence of this document. It assumes one important thing when it comes to the ultimate effect. It means that we assume that KGHM may become a climate-neutral company in 2050. We will have been going through two stages until that moment comes, because in 2030 we assume a reduction of emissions by 30% compared to the 2020 base year. And this is happening in two sorts of emissions. It means in the reduction of Scope 2 indirect emissions. Hence, it can be said in a nutshell that it is about the scope related to the production of electricity, i.e. where energy causes CO₂ emissions, and we want to carry out a number of initiatives there. They will result in the reduction of these emissions when it comes to supplying us with energy. And the second sort revolves around the thread related to the first sort, i.e. the impact of our production cycle and our production methods on CO₂ emissions. And this is a 30% reduction in 2030, and climate neutrality in 2050. As for Scope 2, these are, of course, the operations that we have already planned at some point. I am talking about our Strategy, or the impact associated with the purchase of energy from green sources, with the construction of our own projects, with increasing the energy efficiency by us – as a consumer, namely simply introducing technology and managing energy that allows us to consume less of it. And we can achieve this goal in both 2030 and 2050 by means of these operations. In 2050, topics related to our energy independence in terms of nuclear energy are also included here. As for Scope 1, namely related to the production cycle, there are a number of initiatives: from doping hydrogen and using hydrogen in production and metallurgical processes, through electromobility in mining, through CCU and CCS technology, or in other words capturing and storing carbon dioxide. So, those technologies that are identified and applicable now have been described. A portion of the technologies represents those in the research and development stage, which at this time simply must be developed and applied to us, in order to meet the goals that the world, European regulations, the business sector set for us. The goal I am talking about is climate neutrality. We are ready for that, we have a plan, and we adopted that plan this week. It was also communicated to investors. When it comes to a sort of quintessence of our moment in which we currently are, namely the results after the first 9 months of 2021, there are several core numbers. First of all, EBITDA is 75% higher y/y and as of today amounts to PLN 7,730 million. This is also related to the increase in revenues, I mean our sales at better prices. It goes without saying that these better prices are of support to us. This is tantamount to revenues higher by 31%, which amount to PLN 21,735 million. But the aforesaid higher and better prices is not the only factor conducive for us. What is very important is the thread that supports us this year, i.e. 10% higher copper production. We have been consistent in implementing what we announced

in our strategic plans, and we have been boosting production efficiency. This is also a factor that saves us even when the price is lower, and I would like to remind you that we are incredibly happy about having a tailwind, and we are going with it; the price helps us. We had very low prices for both 2019 and 2018. Even back in April 2019, it was USD 4,600 per tonne of copper and we managed to deal with such situations as well, while appropriately impacting costs, or producing on a larger scale. So, this is the core summary of what we are coming to you with. We will now try our best to address the details and I would like to give the floor to Andrzej Kensbok, who will discuss the financial and production aspect. Today, the Vice President for Production is not with us because he is spending his time on health-related matters, so our team is a bit different and smaller.

ANDRZEJ KENSBOK, VICE-PRESIDENT OF THE MANAGEMENT BOARD FOR FINANCE: Thank you very much. Hello everyone. Let me start by summarising our production results. As far as the production of metals is concerned, this is good news because the production of payable copper increased by 10.1% in the first three quarters of this year compared to the corresponding three quarters of last year. Virtually all 3 segments of our activity made their contribution to this result, i.e. domestic production: an increase from 412 to 440 thousand tonnes, KGHM INTERNATIONAL: from 49 thousand to 55 thousand and Sierra Gorda: from 60 to 78 thousand tonnes. In a moment I will go into a little more detail about what shaped these results. Beforehand, however, I would also like to mention the production of silver. We find this production particularly important. Last year already saw this production at a remarkably high level. We did not foresee such a good result in the budget, given the geological perspective, given the composition of the ore that we have in our mine faces. The result, on the other hand, turned out to be good with regard to extraction, both in terms of silver content in the ore, as well as in terms of the efficiency and effectiveness of silver recovery in the processing plants and in terms of metallurgy itself. Therefore, the total production of the entire Group equals 1,008 tonnes of silver in the first three quarters of this year. If we compare this with the results achieved last year, we can hope that it will strengthen and solidify our position as the world's second-largest producer of silver. So of course we are happy and, naturally, very proud of this position. We want this position to be solidified. This year is conducive to achieving it. When it comes to precious metals, we have observed a slight decline in this respect, and it is mainly related to the decline in the abundance of ore in Canada and the USA. Molybdenum production remains unchanged. In this regard, the molybdenum content in ore, primarily Chilean ore, is stable. In terms of details, primarily on the results achieved by KGHM Polska Miedź S.A., because President Paweł Gruza will talk about the other segments, here we are looking at three of our basic areas, namely the mining area, extraction. As far as extraction is concerned, it is higher in terms of tonnes. We can also see that in the area of processing, namely in our ore enrichment plants, this processing has been almost identical with an accuracy of one tonne compared to the previous year. We should also draw our attention to a slightly lower copper content in the ore. This is so because we constantly assess geological conditions. This y/y difference is due to the accuracy of geological surveys that cannot predict the copper content in the ore with an accuracy to three decimal places. We can say, however, that the benchmark is correct. We have getting closer to those cupriferous areas which we want, and we have been mining in those areas that are the most economically effective. Now, speaking of metallurgical production, there are two elements worth noting here, that is, maintaining metallurgical and pyrometallurgical production and electrorefining at the same level as last year, namely 286 thousand tonnes of electrolytic copper

from own ore. On the other hand, it is worthwhile to note the increase in copper production from purchased metal-bearing materials from 125 to 154 thousand tonnes. This is mainly related to the higher processing efficiency of copper-bearing scrap, or copper scrap. We have significantly expanded our geographic coverage for sourcing these sorts of scrap. And this is where we see our opportunities in the future as well; we talked about it in the context of the announced Strategy, and we want to further develop this area. As I mentioned earlier, KGHM Polska Miedź S.A. is the main contributor to the y/y increase in silver production. The first three quarters of this year saw an increase from 975 tonnes to 983 tonnes. We are now going to discuss the production results achieved by Sierra Gorda and KGHM INTERNATIONAL, and I would like Vice President Paweł Gruza to take the floor.

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

Thank you, Andrzej. Ladies and Gentlemen, we are pleased to present these results. Thanks to the favourable macroeconomic situation, we placed our focus on maximising production at all of our international assets. Geology was also on our side and is a positive factor. Thanks to this we recorded an increase in the production of payable copper in Sierra Gorda by nearly a third. Production of silver also increased. It goes without saying that we have been working on optimising both processing operations and the costs incurred by Sierra Gorda. If I may speak of KGHM INTERNATIONAL, we have also recorded a total increase in the production of payable copper by 13%. The main factor enabling this result is the efficiency of our Robinson mine. At Robinson, we have also been working on extending the lifespan of the mine as well as on extending the depletion plan by additional years. We have also been noting good production results when it comes to silver. There are also mines that produce lesser amounts, which due to their scale have a small, negligible impact on the overall production results of the international assets. Thank you for your attention.

ANDRZEJ KENSBOK, VICE-PRESIDENT OF THE MANAGEMENT BOARD FOR FINANCE: Let's now discuss the financial results achieved by the Group. The first piece of information concerns the Group's revenues. They increased y/y – or 3-quarters/3-quarters – by 31% and reached PLN 21,735 million. This increase is, of course, primarily related to the change in metals prices. Nevertheless, there are also a few negative factors. We recorded a slight decrease in sales, mainly in KGHM INTERNATIONAL. This is related to logistics problems in ports in the USA, including dry loading ports. The aforesaid ports have been facing delays in transport availability. Nevertheless, this is of a temporary nature rather than a permanent one. Another one rests with the change in the USD/PLN exchange rate. The first three quarters of 2020 saw an exchange rate of around 3.94, whilst the average exchange rate this year is 3.80, which is also of quite a significant impact. Of course, we have been following what is happening now with gold and the euro-dollar rate. We are placing intensive focus on this aspect, so is everyone in the economy, I guess. Yet another significant negative impact rests with the adjustment of revenues from derivatives. The first three quarters of this year saw this adjustment amounting to approx. PLN 1,160 million. However, there is still some sort of contrast with the positive settlement of derivatives in the first three quarters of 2020, hence the y/y impact is slightly higher and equals PLN 1,489 million. On the other hand there was a positive impact of PLN 200 million primarily from an increase in sales and increases in the prices of materials other than copper and silver. In this respect, sulphuric acid is sort of a silent leader, which we sell both in larger quantities as well as at a much higher price than last year. We can also mention lead, rhenium, selenium, and

our other byproducts whose sales, both in terms of volume and price, are better than in the first three quarters of 2020. As far as the unit cost is concerned, we can see that it has increased significantly. Nevertheless, looking at the Group, if the impact of the minerals extraction tax, the so-called copper tax, were deducted, then this C1 cost would have been lower than in the first three quarters of 2020. I think that the impact of the minerals extraction tax is known to all of us; it is a formula, and we cannot depart from this formula in any way whatsoever. On the other hand, looking at KGHM Polska Miedź S.A., this C1 cost, excluding the copper tax, increased by USD 4 cents per pound and this is mainly related to the increase in material costs, primarily energy carriers, namely gas, electricity, emission rights and – although to a lesser extent – diesel. These were the major cost drivers. On the other hand, it is comparable in KGHM INTERNATIONAL, and there was a significant decrease in Sierra Gorda resulting from both the higher volume and higher price of materials and associated metals, which lower the C1 cost. When it comes to our operating results, primarily EBITDA, there was a significant operating increase of 75% between the corresponding 3-quarters periods. In this case, all of the segments, meaning KGHM Polska Miedź S.A., KGHM INTERNATIONAL and Sierra Gorda, contributed to this growth. The main factor is, of course, the increase in metal prices and higher selling prices. However, it is not included in this slide, but let me mention that if we think in terms of a quarter-to-quarter basis, we can see that our quarter-to-quarter performance is almost identical. And here the contribution of each quarter to the current result of the first three quarters is also very equal. So, it can be said that we have been consistently contributing to the operating result and that this third quarter also has a very stable contribution to the results of the first three quarters combined. Finally, in terms of profit, it is significantly higher. It is over three times higher for the entire Group compared to the first three quarters of 2020. It goes without saying that this is primarily related to the change in revenues, in prices, but also, as I mentioned at the previous results conference, to the increase in the valuation of loans that we granted through KGHM INTERNATIONAL to other entities, including Sierra Gorda, as well as to the valuation of accrued interest, as well as to a certain element of contrast between the negative result achieved in 2020 and the positive one achieved this year. In total, this result of involvement in joint ventures amounted to almost PLN 1,900 million. On the other hand, the increase in the result on sales by PLN 1,765 million is also significant, both from the sale of copper and the sale of silver amid a slight decrease in revenues from the sale of gold and the sale of services. In this respect, we are mainly talking about the net profit on sales, because this is our operational core. There is one more element, namely a decrease in the result on derivatives. This is associated both with an increase in the valuation of derivatives by PLN 69 million and a decrease in the result by PLN 150 million from the realisation of derivatives in the wrong direction, hence this minus PLN 81 million affected the net result. I have already mentioned exchange rate differences. The change in CIT is directly related to the financial results, the greater the profit the greater the CIT, but we are revealing it. Thus, this net result remains very strong, and we can see that each quarter has contributed its proper share to this result. I must mention, nonetheless, that this increase in costs, mainly of energy factors, accelerated in Q3 2021 and it was higher than in Q1 and Q2; and if someone compares this quarter to quarter, it equals approximately 17% of the total increase in energy factors. We have been partially offsetting this by reducing consumption, through, colloquially speaking, energy consumption savings, while such a significant increase in prices cannot be offset by reduced consumption. Speaking of our cash flow, there are three main factors that affected it. The first is, of course, profit allocation, which works positively. The second is a change in working capital, which is related both to our conscious resignation from using

some factoring agreements. And this equals roughly PLN 1 billion. We do not see the need to use factoring in these areas and thus we can save the financial costs of these agreements. Of course, the agreements remain in force, so are all our other loan agreements, and we can use them as needed. As of today, no such need exists. Therefore, we prefer to accumulate savings in financial costs. The second area is the increase in inventories by PLN 1,690 million compared to the beginning of this year, which is related to two factors. The first factor is planned downtime and maintenance. We are planning a downtime of the flash smelting furnace next year. This is a huge undertaking and KGHM must be very well prepared for it to have on hand inventories at all production stages. We have been also preparing ourselves for other production-related activities, other changes and maintenance. This maintenance concerns carousel casters and anode casting machines. There are a few other ongoing projects that simply require more production inventories from us, but there is also a second reason, namely instability in supply chains. To give you an example, we have been seeing this in recent months. We had to face a serious breakdown at one of our key concentrate suppliers, and this kind of situation unfortunately happens. Shipping opportunities, the availability of merchant ships, is very limited. Therefore, with regard to securing the continuity of metallurgical production, we have been making sure that this inventory is slightly larger because we have already made such a commitment and we want to stick to it. We also want to test the possibilities of increasing the y/y production volume, and in order to be able to do so, we must optimise the production of all areas, including but not limited to, the metallurgical aspect, so that both in terms of the selection and availability of input materials, the process could simply be optimised. This is why we have been increasing these inventories. We want to be sure that both the copper smelters and refineries and the downstream processing plant, i.e. the Cedynia Wire Rod plant, have sufficient inventories in raw material and are able to optimise their production both this year and next year. On the other hand, as for inventories, not only do we think in view of the next year but also about the following years as well. In this respect, we want to optimise this production both this year and next year. Our debt level as at the end of Q3 practically remained unchanged. As for our debt, it practically did not change. As we mentioned before, we received cash from KGHM INTERNATIONAL. We could say that nothing has changed in this regard. This change, actually, only concerned a slightly reduced cash item, therefore the net debt item increased, while the bank debt itself remained practically unchanged. These repayments we made in Q2 are not going to be mentioned again. Thank you very much, I give the floor to President Adam Bugajczuk.

ADAM BUGAJCZUK, VICE-PRESIDENT OF THE MANAGEMENT BOARD (DEVELOPMENT): Thank you. Ladies and Gentlemen, speaking of the execution of investment projects, although the implementation this year does not seem impressive, I would like to assure you that all key investments have been carried out on time and on budget, the best example of which was the completion of the Southern Quarter six months ahead of time, which was our key investment. This demonstrates that we have been coping with the current situation. We are all aware of interrupted supply chains, the unavailability of materials and finished goods. Given this fact, we are facing minor challenges in smaller investments, but we have been constantly trying to react and execute them according to the time schedule assumed. As for the role of the Deep Głogów deposit, we have been successively showing the growth of this deposit in our production. The y/y growth equals over 30% in basically all areas, both in terms of the extraction and the amount of copper and silver content. So, this deposit will also play an increasingly important role. As far as prospective areas are concerned, we started with the drilling of an exploration well. As for our

concession in Bytom Odrzański and at the end of Q3, preparatory work for the drillhole in the Kulów-Luboszyce concession was underway. In terms of the execution of individual project areas, they are as you can see. Truth be told, the aforementioned Southern Quarter is our gem, and we are proud of it, because it was a truly tremendous and complicated operation, lasting over 3 years and ended with great success. The station is already operational, we are already depositing the first tailings there. Therefore, I can say we handled it all very well. As far as the Deposit Access Programme is concerned, the GG-1 shaft is deepened to 1,259 metres, and we have not identified any problems there. Procedures for the selection of near-shaft drillholes for the GG-2 shaft are in progress. We have already commissioned part of the surface-based air-cooling station. So, as I mentioned earlier, all our key investments are being carried out in accordance with the assumed financial schedule as well as the time schedule. Speaking of the energy development programme, including RES, we have been, in fact, successively showing all the work that is currently underway, in terms of increasing our potential with regard to our own energy sources, including RES. And in this respect, we have been constantly working on increasing this share and we are consistent in doing it. When it comes to increasing the share of RES in our domestic production, we are actually referring to what President Chludziński said about our climate policy. These are all tools to gradually implement this policy, to get closer to neutrality and to the ambitious parameters that we have set ourselves, so that by 2030 half of our energy consumption will come from our own sources, including RES. We confirm, of course, that in 2023 we want Sierra Gorda to be 100% based on renewable energy, and it will be. Thank you for your attention.

LIDIA MARCINKOWSKA-BARTKOWIAK, EXECUTIVE DIRECTOR, COMMUNICATIONS: Ladies and Gentlemen, we will now move on to the Q&A session. At this point, we would like to cordially thank you. We received lots of very good comments on our climate policy, thank you once again. Before giving Janusz Krystosiak the floor, let me read one of the questions, which concerns the climate policy, not the results. We got a question about page 10 of the presentation, where we say that the Group's decarbonisation programme will be adopted. Will the details be made public? If so, when? Ladies and Gentlemen, the decarbonisation programme will be presented in 2022. And it is then that we will provide these pieces of information that are relevant for investors and in line with our information policy. I would also like to draw your attention to the fact that you can also find a presentation which is a detailed discussion of the climate policy. It is available in the same place where we presented you with – of course – a more detailed presentation than all the slides we have discussed today, because we have not commented on all the details today.

MARCIN CHLUDZIŃSKI, PRESIDENT OF THE MANAGEMENT BOARD: I think it is worth clarifying this subject, because these terms and names can get you confused. We were asked about the decarbonisation of the Group. This already-adopted document, which we have in hand, discloses how much we emit as a metallurgical and mining operation. We know what it takes to reach these respective levels in 2030, 2050, to become climate neutral while acting comprehensively and addressing all aspects. We have also been observing what is happening in the companies of the Group in order to incorporate the entire Group into a comprehensive whole while engaging in appropriate actions that will allow this neutrality to be achieved. So, we know the situation in the Parent Company, while in 2022 the companies of the Group will be included.

LIDIA MARCINKOWSKA-BARTKOWIAK, EXECUTIVE DIRECTOR, COMMUNICATIONS: Thank you very much. Janusz Krystosiak, Head of Investor Relations, will conduct the Q&A session.

JANUSZ KRYSTOSIAK, DIRECTOR, INVESTOR RELATIONS DEPARTMENT: Thank you very much. I would like to start with a series of questions about our international operations. Here, to start, I will address them to President Paweł Gruza. Question 1, Łukasz Rudnik, Trigon. Capital expenditure on the Victoria project has increased significantly in recent quarters. What will be the scale of expenses in 2022 and what will the work involve? On the regulatory side, I would like to remind you that we do not make forecasts. We are in the process of budgeting and certain things are not yet finished; thus, I think we cannot talk about everything. But I give the floor to the President.

PAWEŁ GRUZA, VICE-PRESIDENT OF THE MANAGEMENT BOARD (INTERNATIONAL ASSETS): Thank you for this question. Ladies and gentlemen, capital expenditure on Victoria is comprised of various things and they have various causes. A portion of the ongoing capital expenditure is simply related to compliance with regulatory requirements in place in Canada. The remainder concerns assuring KGHM of continued opportunities and flexibility in the contracts associated with the Victoria project, and this is the intent of the investments carried out this year. However, when it comes to 2022, we are in the process of preparing the budget. In this case, it is difficult to make firm declarations. At this point, we are looking at several options for Victoria's budget for next year. These decisions will be made here, at the level of the Management Board. Therefore, I cannot make precise comments on this question at this point.

JANUSZ KRYSTOSIAK, DIRECTOR, INVESTOR RELATIONS DEPARTMENT: Thank you very much. Further questions from Łukasz Rudnik to President Paweł Gruza. Could you please provide an update on the situation related to the changes in the copper mining tax in Chile? When might decisions be made? Do you have any details?

PAWEŁ GRUZA, VICE-PRESIDENT OF THE MANAGEMENT BOARD (INTERNATIONAL ASSETS): As of today, there are no significant changes. We are waiting for the situation in Chile to clarify. We have been watching developments carefully and, as I said, Sierra Gorda has certain legal and tax safeguards which mean that the effect of these possible changes is deferred in time for Sierra Gorda.

JANUSZ KRYSTOSIAK, DIRECTOR, INVESTOR RELATIONS DEPARTMENT: Thank you very much. Two further questions concern the area of our international activity and a slightly broader market perspective. Question 1: what are the latest levels of orders from Chinese customers and what are their expectations for the demand from China for 2022? To what extent are they afraid of a slowdown in real estate affairs, and to what extent do they see the opportunities resulting from investments in green energy production in China and its transmission? Are customers currently experiencing production constraints related to energy rationing?

PAWEŁ GRUZA, VICE-PRESIDENT OF THE MANAGEMENT BOARD (INTERNATIONAL ASSETS): This is a good question. Firstly, we have direct contact with the Chinese market through an entity importing cathodes to China. Consequently, through these direct relationships, we do not see any particular slowdown in China. The second source of knowledge is the current situation in

the concentrate market, and we see no problems here either. We also see Chinese smelter demand for this raw material. To sum up, we do not see a slowdown in this area.

JANUSZ KRYSZOSIAK, DIRECTOR, INVESTOR RELATIONS DEPARTMENT: Thank you very much. Is the increase in the premium on copper genuinely related to the growing demand, or is it a result of compensating for higher costs, e.g. of energy?

PAWEŁ GRUZA, VICE-PRESIDENT OF THE MANAGEMENT BOARD (INTERNATIONAL ASSETS): We are talking about the premium in China, aren't we? It seems to me that there are several factors contributing to this. However, as a rule, a factor here is the need to ensure good quality concentrate for smelters. This factor causes an increase in the price and premium. I just do not know which premium we were asked about.

JANUSZ KRYSZOSIAK, DIRECTOR, INVESTOR RELATIONS DEPARTMENT: We will clarify it and answer in a broader scope. Another question is also from Łukasz Rudnik, but in this context also from the newspaper *Puls Biznesu*. The question concerns the decision period and the preemptive right for the Sierra Gorda shares. I am rolling these two questions into one. Comment on a possible decision, if you please. Let me bring up my regulatory role here once again. The Management Board may announce such a decision until the end of November. It goes without saying that before this point I do not expect any comments from the Management Board on this matter. Full information through regulatory channels will be made available, and you will be informed about the decision.

PAWEŁ GRUZA, VICE-PRESIDENT OF THE MANAGEMENT BOARD (INTERNATIONAL ASSETS): Exactly, we are in the process of working out this decision.

JANUSZ KRYSZOSIAK, DIRECTOR, INVESTOR RELATIONS DEPARTMENT: Thank you very much. Electricity and gas prices for our natural gas-fired power plants. I think that President Adam Bugajczuk should take the floor. Energy network and natural gas prices for own natural gas-fired power plants, are they hedged for the next year? Also, what will be the scale of cost price hikes with the same production volume at KGHM Polska Miedź S.A.?

ANDRZEJ KENSBOK, VICE-PRESIDENT OF THE MANAGEMENT BOARD (FINANCE): Most of the demand for electricity and gas has been set for next year. I would rather not use the word "hedged" because we do not use hedging or derivative instruments when it comes to energy factors, instead, we use forward prices. Hence, it is already done but, of course, we never buy 100%. We have to decide on whether we want to leave a certain part for spot purchases due to the balancing of needs, but also due to the emerging opportunities when it comes to spot purchases. The production of electricity from our own gas-fired or coal-fired units is lower for us than the purchase price from the grid, therefore we have been maximising the production from our own sources. On the other hand, we have also been carrying out an ongoing, rolling analysis of the cost of generating electricity from our gas and coal sources. And there is no such clear answer in this case, because amid the sharp increase in the price of gas, which took place mainly in the last month, the production of electricity from coal sources was cheaper despite the cost of CO₂ emission rights. Nevertheless, this is a very dynamic situation. It changes as the price of gas, coal and CO₂ change. However, we follow an analytical approach in this regard, and we make decisions on an ongoing basis.

JANUSZ KRYSOŚIAK, DIRECTOR, INVESTOR RELATIONS DEPARTMENT: Thank you very much. We were discussing hedging matters. I would ask the President for a comment, an answer to Łukasz's question: What level of copper volumes is hedged by options contracts for 2022 and further, and at what average price?

ANDRZEJ KENSBOK, VICE-PRESIDENT OF THE MANAGEMENT BOARD (FINANCE): We make hedging transactions in accordance with our hedging policy. These transactions were partially completed last year. Of course, we are continuing this work, and we are also continuing to execute hedging transactions this year. In Q3, I can say that they were primarily corrective in nature. By taking advantage of high prices, we, conventionally speaking, raised the bottom of these option structures in order to obtain protection at the higher price levels. On the other hand, in the case of silver, I can also conventionally say that we opened the top, waiting for possible increases in the price of silver, which had been an item of discussions for several years, and which took place to some extent. However, the next year is still being analysed. Here, some additional, targeted hedging transactions will be executed. This average level of hedging of the volume from own concentrate next year will probably reach around 35%, but I do not want to give a precise answer right now.

JANUSZ KRYSOŚIAK, DIRECTOR, INVESTOR RELATIONS DEPARTMENT: Thank you very much. I now have a question from Paweł Puchalski from Santander. When can we expect the Strategy to be refreshed?

MARCIN CHLUDZIŃSKI, PRESIDENT OF THE MANAGEMENT BOARD: Basically, we have already done it. During the Forum in Karpacz, we presented new strategic initiatives related to business development or energy. Those that had not been possible or identified when the Strategy was created in 2018, so this process of updating the Strategy is an on-going process. It happens on a regular basis if new circumstances arise. We also have a specific strategic perspective and if we were to talk about something in the context of updating, it would rather be an extension of this strategic perspective, because some initiatives last not a year, not two, but sometimes 10 years in the case of long investment projects. Including them in this long strategic perspective. This process can also be named an ongoing one.

JANUSZ KRYSOŚIAK, DIRECTOR, INVESTOR RELATIONS DEPARTMENT: Thank you very much. A question from *Puls Biznesu* in the context of Belarus. Would a possible suspension of natural gas supplies affect the production processes of KGHM in any way? Does KGHM use any other raw materials, elements imported from Belarus?

MARCIN CHLUDZIŃSKI, PRESIDENT OF THE MANAGEMENT BOARD: This situation, which is difficult in terms of state security, does not affect us at all. This is due to the fact that we basically use the natural gas from deposits that are in our vicinity, i.e. in the Lubuskie Province, and we have a slightly different nature of supplying us with gas than other entrepreneurs so the Belarus situation does not affect us. At the moment, I do not know anything of key importance that we need to import from Belarus to Poland, to us, to our business in the context of the safety of ensuring stable production .

JANUSZ KRYSOŚIAK, DIRECTOR, INVESTOR RELATIONS DEPARTMENT: Thank you very much. Maybe I will come back to Paweł Gruza. We have a question from Paweł Puchalski from Santander: What is the reason for the excellent result of KGHM INTERNATIONAL in Q3 2021?

PAWEŁ GRUZA, VICE-PRESIDENT OF THE MANAGEMENT BOARD (INTERNATIONAL ASSETS): Ladies and Gentlemen, I have repeated many times that at the beginning of the COVID-triggered crisis, many cost contracts were re-negotiated, many investments were optimised, which gave rise to a reduction in this cost factor. On the other hand, we managed to maintain and sometimes even increase the production volume. These two factors are accompanied by a third factor in the form of this macroeconomic climate and raw materials prices. And the sum of these three things gives the results that we observe at KGHM INTERNATIONAL and Sierra Gorda. As long as this macroeconomic situation continues, we will be able to enjoy such a financial result from these assets. This year has been very favourable in terms of geology for KGHM INTERNATIONAL, but also for Sierra Gorda to some extent. Next year we will face more stripping challenges at Robinson. But our operations at this point are optimal in terms of managing the approach to the deposits.

JANUSZ KRYSOŚIAK, DIRECTOR, INVESTOR RELATIONS DEPARTMENT: Thank you very much. Łukasz Rudnik from Trigon. What scale of growth in salaries and employee bonuses should be expected next year? What are the current demands of the unions?

MARCIN CHLUDZIŃSKI, PRESIDENT OF THE MANAGEMENT BOARD: There is nothing extraordinary in this matter, except what the Collective Agreement stipulates, i.e. salary indexation by 80% of the average salary growth in the industrial sector and a share of the profit in the form of rewards paid to employees. It is difficult to say at the moment what this index will be in the next year, because it is determined and published only after the end of the year. Hence, we cannot make such a forecast yet, but every year we only implement what the Company is obliged to do in the context of the Collective Agreement. If we are able to calculate this index or rather when the Central Statistical Office announces it, we will also be able to forecast it.

JANUSZ KRYSOŚIAK, DIRECTOR, INVESTOR RELATIONS DEPARTMENT: Thank you very much. What will the Capex related to the adoption of the climate policy be like, other than that related to the construction of the SMRs?

MARCIN CHLUDZIŃSKI, PRESIDENT OF THE MANAGEMENT BOARD: Some of this Capex related to the climate policy has already been annually included in what we do budget-wise. This is the case because these are things that take place regardless of climate policy, yet with regard to the fact that we told ourselves in 2018, for example, that in 2030 50% of our energy would come from renewable sources. Some of these are projects that are yet to be cost-estimated, because many of them are in the experimental phase in terms of how to deal with CO₂. Following research and development work and testing the applicabilities of these technologies in our operations, the valuation must be made to its fullest. Therefore, it can be said that we know some of the costs and they are consumed basically every year in our capital expenditure, and some will undergo work, especially those technologies that will give us an impact in 2050. It will be subject to continuous research and development work leading to the selection of an applicable solution and afterwards to the valuation of the technology, examining the full financial efficiency in the context of its application in our company.

JANUSZ KRYSOŚIAK, DIRECTOR, INVESTOR RELATIONS DEPARTMENT: Jakub Szkopek from Erste Group. Can you provide some details for which period of 2022 the renovation of the flash smelting furnace is planned? The questions concern Głogów I and Głogów II. And for how long is this downtime planned?

ADAM BUGAJCZUK, VICE-PRESIDENT OF THE MANAGEMENT BOARD (DEVELOPMENT): This concerns the Głogów II smelter/refinery and is planned for about 70 days. We have been constantly discussing what period would be optimal. Of course, we want this period to be as short as possible, but it will probably take 70 days. The exact number is still not known. Time will tell.

JANUSZ KRYSOŚIAK, DIRECTOR, INVESTOR RELATIONS DEPARTMENT: Next question from Jakub Szkopek: Have you identified any difficulties in supplying rare metals for metallurgical production due to limited supply from China?

ADAM BUGAJCZUK, VICE-PRESIDENT OF THE MANAGEMENT BOARD (DEVELOPMENT): I already mentioned this matter when discussing our investments. Of course, there are some minor perturbations, but we have been in the market for 60 years and, in fact, we have extensively recognised all our needs and those of contractors, as well as cooperation. So, in fact, we are not experiencing it in some permanent way, and this is also confirmed by our ongoing investments and current maintenance that we are advancing on time.

JANUSZ KRYSOŚIAK, DIRECTOR, INVESTOR RELATIONS DEPARTMENT: I have a few more questions from Interia, Monika Borkowska. While following the conference, I can see that two answers have already been given, i.e. questions about the costs of transformation answered by the President. Copper price forecasts: we already said we do not make forecasts. Same as our assessment of the shaping of the proportion between supply and demand, so these are market observations, these are conclusions based on the analysis of reports, so I think we shall leave this issue. But Monika Borkowska is also asking what the outlook for 2022 is, taking into account the rising costs, especially of energy. In this case, I would combine it into one and add another thread. What other major challenges will the company have to face besides energy prices? So, once again. Outlook for next year amid cost pressure, cost inflation, energy. And what other major challenges will the company have to face?

MARCIN CHLUDZIŃSKI, PRESIDENT OF THE MANAGEMENT BOARD: When it comes to energy, I think we have already commented a lot on this issue between the lines. You have been observing the hikes in prices or fuels such as natural gas or diesel, which is also important to us, but also in electricity. We know very well what they result from. So, it can be said that it rests with the geopolitical situation and the regulatory environment. What we can affect and what we can respond to is the pursuit of a long-term strategy related to our energy transformation, but also what follows from our climate policy. We do it continually every year, every month and we intend to continue to implement it; while intensifying lots of certain projects and works by completing them faster; while increasing the volume of our own production; while increasing the volume of purchases, but also increasing our internal energy efficiency through technologies that give us results in this area as well as allow us to reduce the intensity of energy use in many places. It is difficult to say how the situation will develop next year, what the costs will be. I think it is sort of a situation where it is difficult to say anything at this moment, because we have always

said that the world is changing very dynamically, and it is changing faster and faster. Therefore, no one responsible will probably talk about the changes, whether positive or negative ones, which we also expect very much when it comes to the prices of certain fuels. We are managing as we always have, we keep repeating it. Higher volume of production, we try to maintain cost-effectiveness and undertake and consistently implement initiatives aimed at reducing costs where possible, and this is the way we achieve the financial results that we have presented to you today. And as you can see, given the rising energy prices, I think it is quite good and adequate to the situation.

JANUSZ KRYSOŚIAK, DIRECTOR, INVESTOR RELATIONS DEPARTMENT: I also have a question from Robert Maj from Ipopema Securities. However, let me also point that we were talking about the costs of the energy transformation in the context of SMRs as well. And this is what Robert Maj is asking about. Let me answer this way: we will report the next steps in an appropriate manner, namely the agreement with NuScale on SMRs. Okay, maybe it is not an agreement but rather the letter of intent that has been already announced, i.e. the next important steps, including potential liabilities, or any timeline will be announced in the right mode. As for questions related to overall costs, they have already been raised in the context of questions about the full range of costs related to the energy transformation. I think we have exhausted the questions. Of course, there are more of them, but they concern matters that we have already discussed. I have nothing more to add. Thank you for your attention.

LIDIA MARCINKOWSKA-BARTKOWIAK, EXECUTIVE DIRECTOR, COMMUNICATIONS: Thank you. Let me remind you that we are still waiting for questions. You can send them to the email address ir@kgm.com. We will promptly post all the answers with the transcript on the website. To conclude, I would like to ask President Chłudziński for a brief summary.

MARCIN CHŁUDZIŃSKI, PRESIDENT OF THE MANAGEMENT BOARD: I think today's presentation has shown you the path we are going to follow, both in terms of the financial result and the challenges. It has also shown that we know how to address these challenges and deal with them. Some of these challenges cannot be overcome in a month or a year. Some of them require conceptual continuity and continuity in execution in the perspective of up to 10 years. A project of this sort is the design of small modular nuclear reactors. So, all the challenges that we have become aware of are strategically identified and we are strategically responding to them in order to continue our operations. How do you see 2050 in view of the policy of climate neutrality? We expect that we will have reached this neutrality by 2050, and at the same time we see an opportunity for constant development and action, so this is the most important thing. I would love to thank the Management Board for making this presentation. Thank you for your attention and we will see you next time, at least with regard to the financial results when presenting the results for 2021.

LIDIA MARCINKOWSKA-BARTKOWIAK, EXECUTIVE DIRECTOR, COMMUNICATIONS: Thank you very much and see you next quarter.

Summary of questions raised at the Results Conference for the III quarter of 2021

1. What is the share of precious metals in the revenues of KGHM? What share of profit is generated by gold and silver, and by copper?

Answer Data on the share of precious metals in the revenues of KGHM Polska Miedź S.A. (the Parent Entity of the Group) for the first 9 months of 2020 are as follows: from the consolidated report for the third quarter of 2021, page 30, Note 3.3 Revenues from contracts with customers of the Group – breakdown by products (first column – consolidated data is in the last column):

Note 3.3 Revenues from contracts with customers of the Group – breakdown by products

	from 1 January 2021 to 30 September 2021				Reconciliation items to consolidated data			Consolidated data
	KGHM Polska Miedź S.A.	KGHM INTERNATIONAL LTD.	Sierra Gorda S.C.M.*	Other segments	Elimination of data of the segment Sierra Gorda S.C.M.	Consolidation adjustments		
Copper	13 811	1 721	2 686	6	(2 686)	(21)	15 517	
Silver	3 048	5	72	-	(72)	-	3 053	
Gold	403	183	152	-	(152)	-	586	
Services	106	300	-	1 636	-	(1 285)	757	
Energy	40	-	-	167	-	(121)	86	
Salt	21	-	-	-	-	25	46	
Blasting materials and explosives	-	-	-	162	-	(64)	98	
Mining machinery, transport vehicles and other types of machinery and equipment	-	-	-	153	-	(125)	28	
Fuel additives	-	-	-	80	-	-	80	
Lead	194	-	-	-	-	-	194	
Products from other non-ferrous metals	-	-	-	80	-	(4)	76	
Steel	-	-	-	470	-	(54)	416	
Petroleum and its derivatives	-	-	-	230	-	(194)	36	
Other merchandise and materials	189	-	-	4 168	-	(4 019)	338	
Other products	158	83	367	338	(367)	(155)	424	
TOTAL	17 970	2 292	3 277	7 490	(3 277)	(6 017)	21 735	

* 55% of the Group's share in revenues of Sierra Gorda S.C.M.

The percentages presented in the above table in the revenues of KGHM Polska Miedź S.A. are: copper – 77%; silver – 17% ; gold – 2%.

2. Capital expenditure on the Victoria project has increased significantly in recent quarters. What will be the scale of expenses in 2022 and what will the work involve?

Answer Ladies and gentlemen, capital expenditure on Victoria is comprised of various things and they have various causes. A portion of the ongoing capital expenditure is simply related to compliance with regulatory requirements in place in Canada. The remainder concerns assuring KGHM of continued opportunities and flexibility in the contracts associated with the Victoria project, and this is the intent of the investments carried out this year. However, when it comes to 2022, we are in the process of preparing the budget. In this case, it is difficult to make firm declarations. At this point, we are looking at several options for Victoria's budget for next year. These decisions will be made here, at the level of the Management Board. Therefore, I cannot make precise comments on this question at this point.

3. Energy network and natural gas prices for own natural gas-fired power plants, are they hedged for the next year? Also, what will be the scale of cost price hikes with the same production volume at KGHM Polska Miedź S.A.?

Answer Most of the demand for electricity and gas has been set for next year. I would rather not use the word "hedged" because we do not use hedging or derivative instruments when it comes to energy factors, instead, we use forward prices. Hence, it is

already done but, of course, we never buy 100%. We have to decide on whether we want to leave a certain part for spot purchases due to the balancing of needs, but also due to the emerging opportunities when it comes to spot purchases. The production of electricity from our own gas-fired or coal-fired units is lower for us than the purchase price from the grid, therefore we have been maximising the production from our own sources. On the other hand, we have also been carrying out an ongoing, rolling analysis of the cost of generating electricity from our gas and coal sources. And there is no such clear answer in this case, because amid the sharp increase in the price of gas, which took place mainly in the last month, the production of electricity from coal sources was cheaper despite the cost of CO2 emission rights. Nevertheless, this is a very dynamic situation. It changes as the price of gas, coal and CO2 change. However, we follow an analytical approach in this regard, and we make decisions on an ongoing basis.

4. When will the Management Board announce its decision regarding its right of first refusal for Sierra Gorda?

Answer We are in the process of working out this decision. Full information through regulatory channels will be made available, and you will be informed about the decision.

5. Could you please provide an update on the situation related to the changes in the copper mining tax in Chile? When might decisions be made? Do you have any details?

Answer As of today, there are no significant changes. We are waiting for the situation in Chile to clarify. We have been watching developments carefully and, as I said, Sierra Gorda has certain legal and tax safeguards which mean that the effect of these possible changes is deferred in time for Sierra Gorda.

6. What scale of growth in salaries and employee bonuses should be expected next year? What are the current demands of the unions?

Answer There is nothing extraordinary in this matter, except what the Collective Agreement stipulates, i.e. salary indexation by 80% of the average salary growth in the industrial sector and a share of the profit in the form of rewards paid to employees. It is difficult to say at the moment what this index will be in the next year, because it is determined and published only after the end of the year. Hence, we cannot make such a forecast yet, but every year we only implement what the Company is obliged to do in the context of the Collective Agreement. If we are able to calculate this index or rather when the Central Statistical Office announces it, we will also be able to forecast it.

7. What are the latest levels of orders from Chinese customers and what are their expectations for the demand from China for 2022? To what extent are they afraid of a slowdown in real estate affairs, and to what extent do they see the opportunities resulting from investments in green energy production in China and its transmission? Are customers currently experiencing production constraints related to energy rationing?

Answer This is a good question. Firstly, we have direct contact with the Chinese market through an entity importing cathodes to China. Consequently, through these direct relationships, we do not see any particular slowdown in China. The second source of

knowledge is the current situation in the concentrate market, and we see no problems here either. We also see Chinese smelter demand for this raw material. To sum up, we do not see a slowdown in this area.

8. What will the Capex related to the adoption of the climate policy be like, other than that related to the construction of the SMRs?

Answer Some of this Capex related to the climate policy has already been annually included in what we do budget-wise. This is the case because these are things that take place regardless of climate policy, yet with regard to the fact that we told ourselves in 2018, for example, that in 2030 50% of our energy would come from renewable sources. Some of these are projects that are yet to be cost-estimated, because many of them are in the experimental phase in terms of how to deal with CO₂. Following research and development work and testing the applicabilities of these technologies in our operations, the valuation must be made to its fullest. Therefore, it can be said that we know some of the costs and they are consumed basically every year in our capital expenditure, and some will undergo work, especially those technologies that will give us an impact in 2050. It will be subject to continuous research and development work leading to the selection of an applicable solution and afterwards to the valuation of the technology, examining the full financial efficiency in the context of its application in our company.

9. When can we expect the Strategy to be refreshed? Will the discount in the copper price be on the same scale in 4Q2021 as in 3Q2021?

Answer Basically, we have already done it. During the Forum in Karpacz, we presented new strategic initiatives related to business development or energy. Those that had not been possible or identified when the Strategy was created in 2018, so this process of updating the Strategy is an on-going process. It happens on a regular basis if new circumstances arise. We also have a specific strategic perspective and if we were to talk about something in the context of updating, it would rather be an extension of this strategic perspective, because some initiatives last not a year, not two, but sometimes 10 years in the case of long investment projects. Including them in this long strategic perspective. This process can also be named an ongoing one.

10. What is the reason for the excellent result of KGHM INTERNATIONAL in Q3 2021?

Answer Ladies and Gentlemen, I have repeated many times that at the beginning of the COVID-triggered crisis, many cost contracts were re-negotiated, many investments were optimised, which gave rise to a reduction in this cost factor. On the other hand, we managed to maintain and sometimes even increase the production volume. These two factors are accompanied by a third factor in the form of this macroeconomic climate and raw materials prices. And the sum of these three things gives the results that we observe at KGHM INTERNATIONAL and Sierra Gorda. As long as this macroeconomic situation continues, we will be able to enjoy such a financial result from these assets. This year has been very favourable in terms of geology for KGHM INTERNATIONAL, but also for Sierra Gorda to some extent. Next year we will face more stripping challenges at Robinson. But our operations at this point are optimal in terms of managing the approach to the deposits.

11. Thank you for the general overview of the company's Climate Policy. On page 10 of the presentation you mention that a Decarbonisation Program for the Group will be adopted – when will the details be announced?

Answer Ladies and Gentlemen, the decarbonisation programme will be presented in 2022. And it is then that we will provide these pieces of information that are relevant for investors and in line with our information policy. I would also like to draw your attention to the fact that you can also find a presentation which is a detailed discussion of the climate policy. It is available in the same place where we presented you with – of course – a more detailed presentation than all the slides we have discussed today, because we have not commented on all the details today. I think it is worth clarifying this subject, because these terms and names can get you confused. We were asked about the decarbonisation of the Group. This already-adopted document, which we have in hand, discloses how much we emit as a metallurgical and mining operation. We know what it takes to reach these respective levels in 2030, 2050, to become climate neutral while acting comprehensively and addressing all aspects. We have also been observing what is happening in the companies of the Group in order to incorporate the entire Group into a comprehensive whole while engaging in appropriate actions that will allow this neutrality to be achieved. So, we know the situation in the Parent Company, while in 2022 the companies of the Group will be included.

12. What level of copper volumes is hedged by options contracts for 2022 and further, and at what average price?

Answer We make hedging transactions in accordance with our hedging policy. These transactions were partially completed last year. Of course, we are continuing this work, and we are also continuing to execute hedging transactions this year. In Q3, I can say that they were primarily corrective in nature. By taking advantage of high prices, we, conventionally speaking, raised the bottom of these option structures in order to obtain protection at the higher price levels. On the other hand, in the case of silver, I can also conventionally say that we opened the top, waiting for possible increases in the price of silver, which had been an item of discussions for several years, and which took place to some extent. However, the next year is still being analysed. Here, some additional, targeted hedging transactions will be executed. This average level of hedging of the volume from own concentrate next year will probably reach around 35%, but I do not want to give a precise answer right now.

13. Can you provide some details for which period of 2022 the renovation of the flash smelting furnace is planned? The questions concern Głogów I and Głogów II.

Answer This concerns the Głogów II smelter/refinery and is planned for about 70 days. We have been constantly discussing what period would be optimal. Of course, we want this period to be as short as possible, but it will probably take 70 days. The exact number is still not known. Time will tell.

14. Have you identified any difficulties in supplying rare metals for metallurgical production due to limited supply from China?

Answer I already mentioned this matter when discussing our investments. Of course, there are some minor perturbations, but we have been in the market for 60 years and, in fact, we have extensively recognised all our needs and those of contractors, as well as cooperation. So, in fact, we are not experiencing it in some permanent way, and this is also confirmed by our ongoing investments and current maintenance that we are advancing on time.

15. Where are we in terms of the agreement with NuCo and further steps regarding the SMRs in the company? Is 2030 still a viable deadline for the construction of these units? How much will they cost?

Answer We will report the next steps in an appropriate manner, namely the agreement with NuScale on SMRs. Okay, maybe it is not an agreement but rather the letter of intent that has been already announced, i.e. the next important steps, including potential liabilities, or any timeline will be announced in the right mode. As for questions related to overall costs, they have already been raised in the context of questions about the full range of costs related to the energy transformation.

16. A question in the context of Belarus. Would a possible suspension of natural gas supplies affect the production processes of KGHM in any way? Does KGHM use any other raw materials, elements imported from Belarus?

Answer This situation, which is difficult in terms of state security, does not affect us at all. This is due to the fact that we basically use the natural gas from deposits that are in our vicinity, i.e. in the Lubuskie Province, and we have a slightly different nature of supplying us with gas than other entrepreneurs so the Belarus situation does not affect us. At the moment, I do not know anything of key importance that we need to import from Belarus to Poland, to us, to our business in the context of the safety of ensuring stable production.

17. Has the period passed when KGHM might have taken advantage of its right of first refusal regarding the shares of Sierra Gorda? Is there anything you can say about this potential decision?

Answer The Management Board had time to announce its decision to the end of November. And it's probably understandable that until such an announcement there will be no comments from the Management Board. You will be provided with full information regarding this decision through ordinary regulatory channels. We are at the moment in the process of reviewing this decision.

18. What the outlook for 2022 is, taking into account the rising costs, especially of energy. What other major challenges will the company have to face besides energy prices?

Answer When it comes to energy, I think we have already commented a lot on this issue between the lines. You have been observing the hikes in prices or fuels such as natural gas or diesel, which is also important to us, but also in electricity. We know very well what they result from. So, it can be said that it rests with the geopolitical situation and the

regulatory environment. What we can affect and what we can respond to is the pursuit of a long-term strategy related to our energy transformation, but also what follows from our climate policy. We do it continually every year, every month and we intend to continue to implement it; while intensifying lots of certain projects and works by completing them faster; while increasing the volume of our own production; while increasing the volume of purchases, but also increasing our internal energy efficiency through technologies that give us results in this area as well as allow us to reduce the intensity of energy use in many places. It is difficult to say how the situation will develop next year, what the costs will be. I think it is sort of a situation where it is difficult to say anything at this moment, because we have always said that the world is changing very dynamically, and it is changing faster and faster. Therefore, no one responsible will probably talk about the changes, whether positive or negative ones, which we also expect very much when it comes to the prices of certain fuels. We are managing as we always have, we keep repeating it. Higher volume of production, we try to maintain cost-effectiveness and undertake and consistently implement initiatives aimed at reducing costs where possible, and this is the way we achieve the financial results that we have presented to you today. And as you can see, given the rising energy prices, I think it is quite good and adequate to the situation.

19. What will the capex be for the transformation next year and in subsequent years?

Answer As discussed, details regarding the green transformation will be published in the Decarbonization Program.

20. What are the forecasts for copper prices? What might be the proportions between supply and demand?

Answer We do not publish metals prices forecasts.