
FINANCIAL RESULTS PRESENTATION OF THE KGHM POLSKA MIEDŹ S.A. GROUP FOR THE FIRST HALF OF 2020 FOR ANALYSTS AND JOURNALISTS

20TH OF AUGUST 2020

LIDIA MARCINKOWSKA-BARTKOWIAK, EXECUTIVE DIRECTOR, COMMUNICATIONS:

Welcome to the KGHM Group conference, dedicated to discussing the KGHM Group's results for the first half of 2020. At your disposal today we have the Management Board of KGHM composed of Mr. Marcin Chłudziński, President & CEO, Mr. Paweł Gruza, Vice President of the Management Board (International Assets), Ms. Katarzyna Kreczmańska-Gigol, Vice President of the Management Board (CFO) and Mr. Radosław Stach, Vice President of the Management Board (Production). Despite the absence of Vice-President Adam Bugajczuk, we will also discuss investments and development.

Ladies and gentlemen, as usual, we have been meeting in this way for several quarters now. We remind you that we are maintaining our interaction with you, so you can ask questions by e-mailing us at ir@kgm.com. After the Management briefly discusses the results, we will try to answer at least some of the questions that will arise during our conference today. And within a few days, all questions will be answered and available on our website and you will have access to them. So, now I am giving the floor to our President & CEO.

MARCIN CHŁUDZIŃSKI, PRESIDENT & CEO: Ladies and gentlemen, I think it would be a truism to say that some of the most difficult months in recent decades are behind us, when it comes to both the Polish and world economies. Germany is talking about the recession of the century. The results of economic development in the eurozone dropped to levels recorded for the last time before the introduction of the common currency. Since the creation of the Euro, we have not had such a drop and such a rate of decrease in economic development, and consequently this time was, and still is, exceedingly difficult. Meanwhile, looking at what we want to tell you today, when it comes to EBITDA for the second quarter, KGHM is returning to the level of EBITDA that we saw during the first quarter of 2017. These results are on a scale recorded at a much higher copper price than the one we have today. The operating result of the Sierra Gorda project is the highest operating result in its history. Looking at our capitalization, especially since July, we are returning to remarkably high quotations, which were last seen at the peak of KGHM's results in its history as well as the history of KGHM on the WSE. This is something that we can say we owe to conscious decisions, management, employee involvement, and to something that is also not obvious, because looking at other companies like ours and their business during the pandemic, we do not have a situation where everyone can say that they acted as planned and fulfilled their plans, just the opposite. But it was not an easy time and it still is not. I will also share a personal reflection and my observation here, that for me these were the most difficult moments in this company. Also, the time that started in February, and is still ongoing. My darkest dream was a telephone call, in which I learn about the scale of the disease that orders us to, for example, close a mining department, or a metallurgical department. I don't have to explain to you what this means for all of us. For us, for shareholders, for the management board and for employees, it is potentially hundreds of millions, or even billions in lower revenues and the inability to achieve satisfactory financial results. But as you can see from these results, this didn't happen. We have avoided this risk and we passed through this difficult time, at least through a

part of it, because we are facing further challenges related to the epidemic and unstable market situation. This is an ongoing fight. It is worth mentioning what we did to avoid these difficult situations, that affected many companies in the world. Difficult situations meaning lockdown, production shutdown, or production limitations, reduction of the potential market, sales restrictions. While making these decisions in February, because the symptoms of what was happening in the world were already visible, we dealt with it analytically, already in January and February. We were then faced with a dilemma of what to do. Whether to preventively limit production or preventively stop certain types of production, or to ensure safe working conditions, to provide procedures and ways of functioning in this difficult time, to maintain our production. Although it was not the obvious and the easiest one, we chose the latter option. Of course, it would be easier to decide where we say we must limit ourselves a bit, because we have an exceedingly high risk of disease. But the latter choice, meaning functioning in this difficult time, where over 30,000 people have been working all over the world in the KGHM Group, it was definitely the more difficult choice, and a choice that created huge challenges for us. We implemented the procedures developed by us, we did it in February, before the decision to lockdown in Poland arose. We tried to inspire ourselves with what is happening in the world in these dimensions, but also with modern technological solutions that facilitate functioning. Thanks to these procedures, thanks to safety measures, thanks to the commitment of the entire team, the entire KGHM staff, we passed through the most difficult months without any significant impact of the epidemic situation, on our production and our operations.

How we deal with COVID is of interest not only in Poland, but we also had many questions from competing companies abroad, how to act and how to implement procedures. We have also implemented some Polish solutions in the Sierra Gorda project, in Chile, because as you know, the scale of illness in that country is remarkably high. Sierra Gorda is working, and it is assessed well by government institutions and it is also subjected to constant audits. We have to say openly, that many of the mining projects in Chile were simply shut down because they were unable to maintain adequate disease regimes and were unable to keep workers safe. And with this administrative decision, the government's decision, these projects were simply closed for some time. Sierra Gorda is working, Polish procedures have also been implemented there and thanks to that, we can see it in our financial results.

I will say it once again, in the entire KGHM Group, over 30 000 people in Poland and all over the world are working continuously despite COVID. It is not so obvious, and it was not so obvious. It is easier to talk about it right now because we have the experience of dealing with it. This situation requires constant attention and management, many hours of work of many people and certain dynamics and flexibility of action, for the new challenges that arise regarding this epidemic situation. This fight and this battle are not over, it is still ongoing, and we are trying together with the management, with managers and employees to lead effectively. Many companies in Poland, not from our industry, closed their branches, revised their financial plans, showed loss instead of profit. Also, in the mining industry in the world, such situations took place, few people implemented their plans for 2020, explaining themselves with the threat and the epidemic situation. For example, Glencore, one of the major actors in metals in the world, cut its production by 14%, and the Canadian company Teck, in the second quarter cut its production by 23%. Out of the 15 or so entities that can be considered a leading company in our industry, I am talking about global players, only three increased their production during this difficult period of the epidemic threat. I consider it a success, that we are one of these three companies. We are

one of the three companies that did not even revise their plans and assumptions downwards, but simply increased production in this difficult time. We are among the three global companies that thanks to their own efforts have accomplished it.

We achieved all this during a time in which economists are raising an alarm about a global recession. It is not only a matter of our procedures and reactions, employee involvement, and submission to our requests and to what we have applied in procedures. It is also a matter of a strategy that we consciously adopted some time ago, where these two very important elements, which in December 2018 seemed important to us, due to what was happening in the world, especially in the context of trade wars, I am talking here about flexibility and efficiency, meaning that we try to quickly adapt to what the world is bringing us, both in terms of macroeconomic conditions and also for example epidemiological threat. We try to quickly adapt the company to this and function in these different conditions. Efficiency, this one is clear, as cheap as possible, on the largest scale, with the lowest possible cost. And we also felt the impact of these initiatives in this difficult period, both in the context of our international projects, let us say that we are changing the organizational model of operation of our international assets, whether in Canada or in Chile. Many functions have recently been transferred to Poland, and thus employment in, for example, Canada has been reduced. These functions will continue to be transferred in the near future, which also means lower costs. We have also implemented reductions in our office in Santiago, Chile, also through the accumulation of certain functions, and we can also save money by reducing employment. Likewise, in the context of the Sierra Gorda mine, we have several tens of millions of dollars in saving initiatives this year when it comes to the Sierra Gorda project. Almost 100 million in savings initiatives related to the introduction of a uniform logistics system, I am talking here about our divisions in Poland. For instance, a program reducing energy consumption, which also gives concrete financial results, has been implemented, is ongoing and it will bring even greater and better financial results. We are working on the availability of mining machines, using them underground on a larger scale, which means lower costs. These are all initiatives, just a few things that I am talking about, which are effective, and which are our response to the strategic postulate regarding efficiency and flexibility, and in this difficult time they are already bringing us financial results. So, it is not only procedures, but also activities on the cost side and expenses side. So all these initiatives are bringing very specific financial results, in the form of EBITDA, in the form of the net result of, for example, the Parent Company, in the form of production results. Of course, there is a reason that we are satisfied, because while others say, it is impossible, it is difficult, the market has changed, even in our copper industry, where many are revise their assumptions and plans, we are able to keep our commitments and be at the forefront of global companies. This is, of course, a reason for us to feel satisfied, but we are also constantly thinking about what is ahead and what is happening in the world markets. So far, even though we are in a recession, it sounds promising for our industry. In the first quarter of 2020 people were talking about a deficit of 530 000 tonnes on the copper supply market. I am talking about the official data from CRU. For example, in the second quarter, Chinese imports increased in June and July by 80%, I am talking about copper imports, 80% compared to the previous year. This speaks of a good demand situation. For example, data from the US building permit market for July showed almost 1.5 million building permits issued, whereas it had been assumed to be 1.300 million. This is also a very good indicator in the context of the construction industry, where this factor is related to the demand for copper. So, in the context of what we see in the short term, but also in the long term, even situations such as the

epidemic threat, which reduce supply, and demand is not decreasing, on the contrary, it is growing. We are trying to have a positive perspective, we try to respond to what both investment banks and analytical centres related to metals such as copper and silver say, that the demand will grow, and we are trying to prepare for it and satisfy everything that will happen on these markets in the near future. We have shown that we are able to operate, even in such extreme conditions, in a way that gives comfort to investors and employees. We are preparing for positive things that may happen on these markets through other initiatives and continuation of savings initiatives. Next is maintaining investments, because this is another very important thing, that we did not cancel our investments, we're trying to continue and we are continuing our investment programs, which are also very important for us in the context of development.

I will now give the floor to Vice President Radek Stach, who will tell us about the production results.

RADOSŁAW STACH, VICE PRESIDENT OF THE MANAGEMENT BOARD (PRODUCTION): Ladies and gentlemen, moving forward to discuss the production in the entire Group, as we have heard, in these difficult conditions, it looks particularly good. Looking at the first half of the year in comparison to the second, we are at a comparable level. On the other hand, slight deviations in the production of silver, associated metals, and molybdenum will be presented while discussing the results in Poland and abroad.

Moving on to the discussion of the results in Poland, the extraction of ore, slightly lower than in the first half of 2019. There is still work here to mine less and produce more copper in the concentrate. This is happening all the time, this work was started in 2018, we have better results today, so it is not a bad thing that there is less of this material, but if we achieve this better level, we will definitely improve the results.

In terms of electrolytic copper production, it is slightly lower than in the first half of the year, this is due to the lack of availability of third-party materials on the market, especially in the first and second quarters. However, it is important to emphasize that we are within the budget targets set for 2020.

Production of silver in Poland. It should be also emphasized that the results achieved by KGHM in 2019 were record-breaking. Of course, the goal that we set for ourselves is to increase this silver production, but it depends, unfortunately, on the amount of metal that we have in the ore. At the moment it is slightly less than what we assumed and that will have an impact. So, if there is less of it, the results may simply be lower, although we are still working on it.

Our goal in terms of inventory levels, which we have been talking about since 2018, has been achieved. We have reached the normative level for the Legnica and Głogów Copper Smelters and Refineries. Therefore, we show here that in the first quarter, we had 14 000 tonnes of copper in concentrate, with a slight increase in the second quarter due to the build-up and setting aside of concentrate for the smelter maintenance shutdown. This is a normal thing and this stock level will be brought back to normal at the end of the year. In terms of anode copper inventories, the level is higher than at the end of 2019. This is due to the inventory build-up for the maintenance shutdown at the smelters. Today we are in the process of renovation of the Głogów 1 Copper Smelter/Refinery. To summarize, we can say that we are in line with the assumptions and our plan.

Moving on to discussing the results abroad, I am giving the floor to Vice President Gruza.

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

Thank you, Radek. Ladies and gentlemen, I would like to start my presentation by repeating what our Management Board President said. Thanks to the effort aimed at maintaining epidemic safety in our plants, we managed to maintain the continuity of production in our international assets, and to maintain a production level that is satisfactory for us. We are shown as an example of a very good, if not perfect, way of managing this very difficult challenge.

We have managed to achieve particularly good production results in Sierra Gorda, even though very far-reaching savings, both OPEX and CAPEX, were introduced, also in the matters of the permanent employment at this plant. All the activities that have been carried out have been conditioned by the fact that we either maintain production or exceed it. This slide, you are familiar with this data, they are incredibly positive. As a rule, we are achieving higher results thanks to higher throughput, a higher percentage of copper in the feed, and thanks to this, we have these results that satisfy us very much.

When it comes to the production results of KGHM International, the basic information here is that, let me remind you, last year we moved one of the mines into the state of care and maintenance, which statistically affects these results, and we also had various factors that affected the results of individual mines. In Robinson we have a transitional zone, in Sudbury we are focusing on redirecting production to areas with a higher content of precious metals, to benefit from optimal price conditions in this area. At Franke, we have weaker results due to a more challenging geological situation. This is a summary of the production of KGHM International. Thank you.

KATARZYNA KRECZMAŃSKA-GIGOL, VICE PRESIDENT OF THE MANAGEMENT BOARD (CFO):

Ladies and gentlemen, when it comes to our financial results, revenues from contracts with customers are lower by 2% than in the first half of last year. Considering the external conditions that we had in this first half of the year, we have a slight difference compared to last year. Firstly, please note what contributed to these lower revenues, which of course is the price of copper. The impact of lower copper prices reduced revenues by PLN 732 million. Partly, these lower copper prices were offset by a higher USD exchange rate. This increased revenues by PLN 538 million. But when it comes to a higher USD exchange rate, it only affects the Polish segments when it comes to our business. Our international assets are not positively affected by this higher USD exchange rate, because we do not have the natural hedging there, that we have here in the country.

As for the C1 unit cost, please note that in the Parent Company, KGHM Polska Miedź S.A. and in Sierra Gorda, we have a reduction in the C1 unit cost, in KGHM Polska Miedź S.A. by 12%, in Sierra Gorda by 14%. A higher C1 cost was recorded only in KGHM International, but this is due to, among other things, lower sales revenues, which were already explained by President Gruza, and the lower price of copper. At a Group level, we reduced the C1 cost by 10%. We must mention here that the main reasons for this lower C1 cost are the good USD exchange rate and the lower minerals extraction tax that was introduced last year, and we have the effect of it this year.

When it comes to EBITDA, it is slightly lower than in the first half of last year, but please note that this lower EBITDA is only the result of lower EBITDA in KGHM International, while in other segments, EBITDA is higher than in the first half of last year.

As for the net result, it is 28% lower and please pay attention to the factors that contributed to this lower net result. We have mainly a reduction in revenues. Lower revenues from sales of copper, which were not fully offset by higher revenues from sales of silver and gold. We reduced expenses by nature by PLN 344 million, which is already a great success, given the conditions in which we operate. We had an impact on that. Please note that the exchange rate differences and lower income tax helped us too. On the other hand, we were not able to fully compensate for the drop in revenues related to lower copper prices, and the net result was also affected by a cash call from our international assets. It was obviously related to the lower price of copper, there was a financial gap that we covered.

When it comes to cash flow, please note that you can see the nature of the first half of this year. We had a pandemic situation, we adapted to this situation, it was especially important in this initial period, when we learned to operate in a pandemic, we increased the level of cash at our disposal, we took a larger loan tranche, this meant that the level of cash at the end of the first half of the year was much higher than at the end of the year. But as I said, it was a preventive measure. We did not know in which direction the changes would go on the market, therefore, to maintain financial security, this higher level of cash.

What I would like to draw your attention to, because this is the result of our actions, is a change in working capital. Our financial strategy which we already implemented last year and continued this year is effective, we have a positive impact of the change in net working capital, at the level of cash, which is +PLN 432 million.

Given the difficult external conditions, meaning the relatively low price of copper, we practically did not change the level of debt. We have a debt increase of only PLN 85 million, of which PLN 40 million is the effect of exchange differences, so it can be practically said that the level of debt has remained, more or less, the same. And when it comes to the net debt to EBITDA ratio, meaning our basic ratio reflecting the level of debt compared to the first half of last year, the level of this ratio has decreased and we have a level of 1.6. Compared to the beginning of the year, we have a minimal increase in this indicator, but we are still at a satisfactory level as we are holding it below 2. Thank you very much.

RADOSŁAW STACH, VICE PRESIDENT OF THE MANAGEMENT BOARD (PRODUCTION):

Implementation of development projects. In the first half of 2020, execution of the capex budget amounted to PLN 1,024 million, which is comparable to the first half of 2019. Here we show you a breakdown by area of activity, i.e. mining, metallurgy, other activities, but also by analytical categories, i.e. replacement, maintenance, and development. Selected projects that we wanted to show, which are implemented in accordance with our plans, meaning projects regarding the deposit access program, meaning the development of mining areas, this level is at PLN 193 million. Next, on the surface, extension of the Źelazny Most Tailings Storage Facility, also in accordance with our assumptions, we have 80% of the work done here. Next are the 4.0 program, then environmental programs, where we also have PLN 55 million spent in the first half of the year. The next ones are mine projects, particularly important to us, meaning "Retków-Ścinawa", "Głogów" and "Puck", and then new development programs. It is worth emphasizing

here that in these difficult conditions, all of our investment plans are being advanced, several companies from outside are involved here, but in this difficult situation, our projects are being advanced in line with our assumptions. Thank you.

LIDIA MARCINKOWSKA-BARTKOWIAK, EXECUTIVE DIRECTOR, COMMUNICATIONS: Ladies and gentlemen, we have finished the presentation. The Management Board discussed the main issues that appeared in our report. Of course, the full report is available for you. Now, during the videoconference we will try to answer some of the questions that we have received, because there are quite a few of them. As I mentioned before, you can send your questions during the conference, and later, to ir@kgm.com. We will answer all your questions within a few days on our website.

JANUSZ KRYSOŚIAK, DIRECTOR, INVESTOR RELATIONS DEPARTMENT: First question. Mr. Rafał Wiatr, Citi: Do you think that the EBITDA reported by Sierra Gorda in second quarter 2020 is repeatable, PLN 324 million, or is it pure EBITDA without some kind of one-off events?

PAWEŁ GRUZA, VICE PRESIDENT OF THE MANAGEMENT BOARD (INTERNATIONAL ASSETS): Thank you for this question. The savings program for Sierra Gorda is designed in a such way as to use this market turmoil to amend our contracts and the cost base, so that it is optimal and minimal, including for the future, in subsequent reporting periods. Therefore, we are optimistic about Sierra Gorda's financial results, counting on the possibility of maintaining good cost positions in future periods.

JANUSZ KRYSOŚIAK, DIRECTOR, INVESTOR RELATIONS DEPARTMENT: The next question also concerns Sierra Gorda, also from Mr. Wiatr: Can Sierra Gorda's sales volumes in Q2 be repeated?

PAWEŁ GRUZA, VICE PRESIDENT OF THE MANAGEMENT BOARD (INTERNATIONAL ASSETS): Shipments of product by Sierra Gorda are generally large one-offs, which means that their cyclicity varies and may have a different impact on these periods. On the other hand, as a rule, the production and sales results are, of course, synchronized in the long term and this better production translates into better sales.

JANUSZ KRYSOŚIAK, DIRECTOR, INVESTOR RELATIONS DEPARTMENT: Another question from Rafał: Looking at the behaviour of the zloty against the USD, should we expect that an unfavorable balance on exchange rate differences will also take place in the third quarter?

MARCIN CHLUDZIŃSKI, PRESIDENT & CEO: I think this question is fairly speculative, because as for the rates, it changes every day, it is difficult to determine at the moment, in this matter.

JANUSZ KRYSOŚIAK, DIRECTOR, INVESTOR RELATIONS DEPARTMENT: Mr. Michał Kuźawiński, JP Morgan: Are the budget assumptions for 2020 unchanged? Is there any chance for Sierra Gorda to sustain higher molybdenum production volumes than planned in the budget?

MARCIN CHLUDZIŃSKI, PRESIDENT & CEO: We are currently working on the budget assumptions that we've adopted for 2020 and we are trying to implement them. As I said, the first half of the battle is won, the first half of the match, now the second half is ongoing and of course, the topic of epidemic threats and emergency situations is still important for us, and if they affect for us, we will of course keep you informed. For now, we are trying to implement the

plan that was adopted for 2020 before the epidemic and disease situation occurred. As for molybdenum, I would ask if Paweł can answer that.

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

The lower production of molybdenum is mainly due to the lower molybdenum content in the ore. However, we are trying and fighting for the result, to produce molybdenum by increasing the volume and capacity of our installation, and we are also striving and fighting for good results, for the production of molybdenum by increasing the volume and capacity of our installation, we are also fighting for higher recovery, i.e. the recovery of molybdenum from ore. For now, these figures are not equivalent to those of last year, but we hope to improve this proportion by the end of the year.

JANUSZ KRYSOŚIAK, DIRECTOR, INVESTOR RELATIONS DEPARTMENT: The second question, also from Mr. Michał Kuźawiński, regarding Sierra Gorda: 5. How much of the Sierra Gorda financing is still to be repaid? When could Sierra Gorda begin to repay the loans it borrowed from KGHM S.A.?

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

Thank you for this question. Let me remind you that the old financing, the old Sierra Gorda debt is practically ending this year. This year, the final, large tranche of this financing is to be repaid, more than a quarter of a billion dollars, on a 100% basis, and next year the rest, the residual amount to be repaid. On the other hand, the plan or financial strategy proposed by KGHM was to make 2020 the first year that did not require financial support for Sierra Gorda by KGHM Polska Miedź S.A., or by our partners in the joint venture, the Japanese. It was supposed to be the first year without financial support from us. Unfortunately, the situation on the markets and the approach of our partners in the Sierra Gorda project, meant that we had to provide Sierra Gorda with a financial contribution, which had an impact on our net result in the first half of this year. Nevertheless, Sierra Gorda, thanks to its good production, thanks to its very good financial position, is able to refinance this old Project Finance debt. We hope that the work on next year's budget will bring such results that it will be the first year in which we will not have to finance the project in Chile from Poland, and perhaps this financial vector will be directed in the other direction.

MARCIN CHLUDZIŃSKI, PRESIDENT & CEO: Just to add one thing. Indeed, the condition of Sierra Gorda is also confirmed by the fact that it is already able to obtain external financing on a larger scale. What President Paweł Gruza said here was planned and partially implemented, but this uncertainty in the first and second quarter also affected financial institutions. What President Paweł Gruza said here was planned and partially implemented, but this uncertainty in the first and second quarter also affected financial institutions. This economic turbulence was unpredictable, especially in the metals market, now this situation looks different. It is also worth saying that these transfers in 2019 or 2020, are very minimal in the context of what has been done historically and what was transferred to Sierra Gorda to fill the financial gap. And we also assume that we will find a common language with our partner when it comes to financing, because here we must have a consensus. For us, a much better way of financing is if the Company and Sierra Gorda confirm their financial condition, usually such financing globally is done through external borrowing, which it has an increasing ability to do.

JANUSZ KRYSOŚIAK, DIRECTOR, INVESTOR RELATIONS DEPARTMENT: Thank you. I have a question from Mr. Mariusz Marszałkowski, Biznes Alert: I would like to ask a question about the reason for the high increase in the operating results of the Sierra Gorda mine, by almost 150%?

PAWEŁ GRUZA, VICE PRESIDENT OF THE MANAGEMENT BOARD (INTERNATIONAL ASSETS): As we said, two factors combined here, first, higher throughput, which simply enables higher production and better copper content in ore. The combination of these two factors gives us an obvious result, also the pricing formulas that we have for the sale of Sierra Gorda concentrate also sometimes have a positive effect compared to the average LME price, and this was also the case during this period. We are optimistic about the upcoming months.

MARCIN CHLUDZIŃSKI, PRESIDENT & CEO: I would like to add that for us, maybe it is not a surprise, it is good news, but it is also the result of a comprehensive program that we have adopted in the Management Board, Paweł Gruza is supervising together with the General Manager, which he is implementing on site in Chile. As you will see, in the last two years, actually year on year, we have improved our production efficiency, month on month. Of course, sometimes we did have weaker months, especially in the context of shutdowns, but this is not a one-off, that is, it is a systemic action that we have been pursuing for the third year already, quite consistently, yielding results every year. Combined with initiatives that save us money, cost initiatives and this sensible trade policy, it gives a total effect.

JANUSZ KRYSOŚIAK, DIRECTOR, INVESTOR RELATIONS DEPARTMENT: Mr. Jakub Kajmowicz, Energetyka24: How did the pandemic affect the global copper market?

MARCIN CHLUDZIŃSKI, PRESIDENT & CEO: We saw a price imbalance in Q1, Q2. These prices dropped significantly. It was a time of great uncertainty, it was not known what would happen. Nobody knew what would happen. We can currently see that, especially in this third quarter, prices have not only returned, but increased, they are better, more favorable, especially in terms of copper, but also of silver, and these are two factors that we identify as influencing this situation. First, the situation in the Chinese economy, i.e. greater optimism and maintaining industrial production. Even conservative banks are currently revising their forecasts for China and say that in the whole of 2020, this may be as much as 2.5% growth. This is one factor. The second factor is relative calm in the context of trade wars. I say relative calm, because something is always happening, such as various types of talks and potential assessments of this first six months of the trade agreement between the US and China. But also that we are seeing positive signals from the US economy that I was talking about, for example in the context of the construction industry. This is holding up the good sentiment when it comes to demand. In addition, the epidemic in many places reduced investment capacity and the ability to work on new projects, as well as the supply capacity. Therefore, we are trying to be optimistic in the short and long term. Of course, we are hoping for even higher prices, which is possible, but not so obvious. And at the same time, we cannot say that it is a certain time, because all the time, it must be emphasized, we are living through a time of epidemic, and both the opinions and statements of analysts, investment banks and analytical centers echo this uncertainty, all the time it is with us and active.

JANUSZ KRYSOŚIAK, DIRECTOR, INVESTOR RELATIONS DEPARTMENT: Looking through the questions, I can see that we have already talked about some of the things that are in the questions that came to us. We will clarify them, prepare answers and send them to all of you

who sent in the questions, and of course, as the Director said, answers to all of the questions will be on our website. If I may, I would like to provide a little clarification to Mr. Rafał Wiatr's question: *Why the loss on the JV in PLN amounted to PLN 210 million, when the loss of Sierra Gorda, shown in the table in the report, was PLN 82 million on a 55% basis?* Of course, in the meantime I've prepared some details to clarify the question at this point. If any of you, from the Management Board, would like to add something here - the result on joint ventures also includes the consolidated net result of Sierra Gorda, according to the equity method, and accrued interest on granted loans. We talked about a significant impact on the consolidated result of these two factors. The higher consolidated loss recorded by Sierra Gorda results from higher financial support (USD 52 million provided by KGHM in Q2 2020) by the owners in Q2 2020. So the item "share in JV losses" takes into account the fact that during the reporting period we increased our share in Sierra Gorda (capital increase) and in accordance with accounting using the equity method, the share was reduced by the loss generated by Sierra Gorda to the level of the capital increase. That is a technical answer from my side.

LIDIA MARCINKOWSKA-BARTKOWIAK, EXECUTIVE DIRECTOR, COMMUNICATIONS: Ladies and gentlemen, we are ending today's videoconference. Thank you very much to KGHM's Management Board for discussing these results. We remain at your disposal, the communication department, investor relations department. Thank you very much.