
FINANCIAL RESULTS PRESENTATION OF THE KGHM POLSKA MIEDŹ S.A. GROUP FOR THE 1ST QUARTER OF 2020, FOR ANALYSTS AND JOURNALISTS.

14TH MAY 2020

LIDIA MARCINKOWSKA-BARTKOWIAK, EXECUTIVE DIRECTOR, COMMUNICATIONS: Welcome ladies and gentlemen to this videoconference. Today, we will discuss the first quarter results of the KGHM Polska Miedź S.A. Group. At your disposal today we have the whole Management Board: I now present the President of the Management Board, Mr. Marcin Chludziński.

MARCIN CHLUDZIŃSKI, PRESIDENT: Hello everyone.

LIDIA MARCINKOWSKA-BARTKOWIAK, EXECUTIVE DIRECTOR, COMMUNICATIONS: Mr. Adam Bugajczuk, Vice President of the Management Board (Development).

ADAM BUGAJCZUK, VICE PRESIDENT OF THE MANAGEMENT BOARD (DEVELOPMENT): Hello.

LIDIA MARCINKOWSKA-BARTKOWIAK, EXECUTIVE DIRECTOR, COMMUNICATIONS: Mr. Paweł Gruza, Vice President of the Management Board (International Assets).

PAWEŁ GRUZA - VICE PRESIDENT OF THE MANAGEMENT BOARD (INTERNATIONAL ASSETS): Hello everyone.

LIDIA MARCINKOWSKA-BARTKOWIAK, EXECUTIVE DIRECTOR, COMMUNICATIONS: Professor Katarzyna Kreczmańska-Gigol, Vice President of the Management Board (CFO).

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

LIDIA MARCINKOWSKA-BARTKOWIAK, EXECUTIVE DIRECTOR, COMMUNICATIONS: Mr. Radosław Stach, Vice President of the Management Board (Production).

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

LIDIA MARCINKOWSKA-BARTKOWIAK, EXECUTIVE DIRECTOR, COMMUNICATIONS: Ladies and gentlemen, we are meeting today in an exceptional way, because the pandemic, the state of the epidemic, is exceptional. Today we are at your disposal in the form of videoconferencing, but we are striving to give you the opportunity to ask questions and be full interactive, so please ask questions during the videoconference. We have already received some questions, but we will of course also accept these questions after the videoconference, at ir@kgmh.com. We will answer some of the questions during the Q&A session, after the results are discussed by the Management Board. All questions and answers will be on the company's website. Ladies and gentlemen, we will start by briefly discussing the presentation of the results that you have received yesterday, and then we will move on to your questions. I give the floor to President of the Management Board Marcin Chludziński.

MARCIN CHLUDZIŃSKI, PRESIDENT & CEO: Welcome ladies and gentlemen. I think that at the beginning it is worth mentioning that we are trying to act normally in abnormal times, because these times are not normal, we are talking about a threat of disease, an epidemic situation. We will begin with a slide that shows what is happening in the company, when it comes to our preparations and our fight against that threat. This is another month of our informational campaign. Through all our media such as the internet, internal television, also visual media, such as posters or text messages, we are constantly informing our employees about the situation, what can be done, what to do to avoid the risk of infection. These informational activities are very important, because they help people behave responsibly and safely, and we have to say it openly, we can do a lot as a Management Board, but it is through the responsible and safe behavior of each employee that we can minimize the risk of illness and this is the most important thing. Also, when it comes to information activities, we have a hotline, anyone who has any questions about the threats can call there and receive answers. Remote work is already a standard thing for us, wherever it is possible, because the whole industry and companies such as KGHM cannot function based on remote work. On a regular basis we have been implementing all of the procedures which have been suggested or announced in the form of laws, by the government. Social distancing has been applied when it comes to the number of people gathering in common spaces, we are also avoiding people passing each other, in terms of working shifts, wherever it is possible. The number of people that are traveling through the shafts has been reduced. We have introduced thermographic temperature measurement. This is a very large, comprehensive system, covering all 25 entries to our company. We are also organizing disinfection of areas and infrastructure that are used by people in both mining and metallurgical production. And many other smaller activities. I think that this joint effort, because, as I said, we are acting, we are trying to anticipate certain threats, but also human responsibility, human behavior, submission to this work regime during a difficult period, and the cooperation of unions in creating these solutions, because here we rely on social partnership and are talking to all of the parties affected, means that we can try to act normally in these abnormal times. So, what does it mean to try to act normally? We can see it on this first slide summarizing the main financial and production parameters. The macroeconomic environment in relation to the first quarter of 2019, meaning the corresponding period, a decrease in the copper price by 9.3%. Silver price has increased by 8.5%. Strengthening of the USD against the Polish zloty by 3.4%. And this data also shows the impact of the pandemic, the impact of the Coronavirus on the economy, because it is not a secret here, rather it is a truism, that the prices of metals such as copper simply dropped in the first quarter. This unstable price was already a trend that we saw last year, especially in the context of trade wars, and this factor has already affected us, but we have a further drop in price. Here, along with the drop in prices, we have good information about production, a 1% increase in production quarter to quarter, so we can say we have maintained production with some increase, a 3% increase in silver production and more than a 7% drop in costs of C1. So, we can say that in abnormal times we were able to maintain production, we were able to maintain sales, we were able to keep costs under control thanks to hard work. This can be noticed in the results, a 25% increase in the net profit, a 22% drop in EBITDA, a 3% drop in revenues. These drops are also a consequence of these macroeconomic conditions and their changes. And we have succeeded, this joint achievement is possible thanks to everyone's hard work - our employees, the management, and managers of the company. Our ambition was, in this difficult time, and still is, because this situation continues, to work safely. And to work safely means that thanks to this work we have the results we have, that is, maintained

production, maintained sales, cost discipline. This is a huge challenge, because as we observe the industry around us, we also observe mining industries in various places in the world, and it is not possible in all those places. I mean that many places are closing, there are shutdowns, stoppages, in many places. And I think it's quite a big challenge and a large success when it comes to the data, we are presenting to you. I am not hiding the fact that this is related to making continuous decisions, often difficult decisions, firm decisions. We have new parameters, new variables that are showing up and we need to react on a regular basis in terms of the work in the mines and metallurgical plants. We operate here together with the Management Board and with Branch Directors. New parameters appear when it comes to the situation with illnesses. We act and we make decisions. The flexibility that we announced and is a real fact in the Strategy that we have adopted in 2018 - it is indeed something that helps us. Meaning, it helped us a lot in 2019, when we were struggling with trade wars between China and the USA, which impacted metals prices and this flexibility helps us, where we are able to respond to the global volatility, economic volatility, because we must clearly say, when we are talking about the economy now, whether we are talking about our company, or the economy in general, then actually we are talking about the health and illness situation in the first place. That determines how economies operate and where they're heading. It is so variable and dynamic, that we can say to ourselves today, that the first quarter was good for us, because with joint effort, with the implementation of certain regimes, we were able to fight for a good result, but as the world shows us, we have so many variables in disease threats that it can change very dynamically. So, we must also remember that and be vigilant. And flexibility helps us to adapt to the requirements of the reality that surrounds us.

Here you have an impact on the price. You can see the dynamics of the copper price last year, in the months of last year and in January and April, we see clear drops in price. This was caused in the initial period by a drop in demand. We managed this by working dynamically, in terms of our trade, in such a way that we moved surpluses to other places where there was demand at the time, and if it fell in others. We are currently seeing a different situation and were observing it in months such as March and part of February. Companies are starting to inventory up, because these interrupted supply chains have given many entities food for thought, and inventories are simply becoming part of the economy and business. Looking globally, growth forecasts, the International Monetary Fund, the year 2020 rather sees drops and everyone sees potential drops in individual countries, in those countries where we are with our projects. In China as well. Of course, the scale of these drops will be dependent on whether the drops will be large, it will also depend on the epidemic situation. Where the economy can be unblocked faster, where domestic demand grows faster, where production and exports grow faster, then this drop will be smaller. Recently, very good news for Poland, that we have the smallest impact of Coronavirus on our economy in Europe, that is comforting. But we should consider some trends in the world, in the near future, that are not positive, and we just have to consider them when planning and thinking about business development. Production of payable copper in the Group, as we said, is higher by 1%, 174 000 tonnes in the first quarter, a huge job, a big challenge, but I think it's a very important variable and very important information for all involved, but also for investors. We fight to make it similar and every day is a fight, every day is important in this fight. Here we have the Group's net profits, we earned EBITDA of PLN 1 129 million in the first quarter of 2020. We have net profit of PLN 690 million, this is a very high profit, historically

speaking, one of the higher quarterly net profits in the company's history, it is also good information.

As I mentioned, all these activities also represent consistent implementation of the Strategy. If we were unprepared for this variability, it would be difficult for us to deal with this challenge. We try to respond flexibly, we try to implement each challenge, every day methodically, dealing with it in the company's structure. We also observe the reality, in which foreign entities often ask us what we do, how do we do it, we share our experiences and look with hope at the upcoming days, weeks. Knowing at the same time that reality can surprise us every day, because certain factors are outside of our control, I am talking about the disease and epidemic situation, and even if many people will try, will follow the rules related to prevention, we will do everything that is possible, but reality can show itself differently. Next, we've got production results and here I will give the floor to Vice President Radek Stach.

RADOSŁAW STACH, VICE PRESIDENT OF THE MANAGEMENT BOARD (PRODUCTION): Ladies and gentlemen, when discussing the production results, it should be emphasized that the first quarter was a very difficult quarter in terms of production. However, all these activities that were mentioned by the President helped us with the implementation, especially in the third month of the quarter, the month of March, and in achieving the following numbers. And going further to discuss the entire production, we have 174 000 tonnes of payable copper in the KGHM Group, which is 1% higher compared to the quarter in 2019. We have higher production of silver and accompanying metals. We didn't achieve the target for production of molybdenum, but we will discuss this in detail when discussing Sierra Gorda's results.

When it comes to production results in our Polish assets, we have here copper concentrate production at a similar level as in the first quarter of 2019. Similarly, in electrolytic copper, in silver production, we also maintained the level from the first quarter and according to our assumptions, slightly lower output of ore. It is our policy, adopted in 2018, to produce as little barren rock as possible. We succeed in doing so by maintaining the amount of copper production in concentrate, because this is the most important for us, the so-called pure metal. In terms of the inventories that we have had since 2018, we had cash locked up there. Successively, at each of our conferences, we have shown how we have been decreasing the amount of these inventories. At present, we have an inventory of 14 000 tonnes, so we are already approaching the so-called normative supply, so this success has also been achieved and this is what we wanted to share with you here. When it comes to anode copper inventories, something that appears in our report, these will be growing, we are preparing for a maintenance shutdown at our Głogów I copper smelter and refinery. We need to build a reserve so that we can continue to produce cathodes when the equipment stops. We have it in our budget, and it is also in line with our targets. I wanted to emphasize here that the work primarily of our RCR furnace in the Legnica metallurgical plant and of our copper concentrate roasting facility in Głogów allowed us to close 2019 on a very positive note, production-wise, as well as our performance in the first quarter. And now we will discuss the production results of Sierra Gorda and KGHM International.

PAWEŁ GRUZA - VICE PRESIDENT OF THE MANAGEMENT BOARD (INTERNATIONAL ASSETS): Thank you Radek. Ladies and gentlemen, I would like to point out at the beginning that our international assets are often located in such countries, in such jurisdictions that are undergoing

this epidemic in a much worse way. It was even more of a challenge for us to maintain production and maintain the stability of our workplaces. We have taken several actions that have ensured this result. Here we are talking about very precise questionnaires, where employees declare potential threats of contact with infected people. Preventively, we take these people into quarantine, we supervise discipline, hygiene, and the outcome of all these activities gives the result that we have achieved both in Sierra Gorda and in the mines of KGHM International. These efforts are appreciated by both the supervisory authorities of these jurisdictions and our employees, and we are very happy about that. Additional challenges we had to face were regulatory challenges. Each state, each country adopts different safety rules, different restrictions related to work. Here, continuity of production was ensured despite regulatory restrictions. Of course, we were also affected by downtime in the supply of materials and other factors of production, but here also we ensured ourselves the adequate supplies. Moving on to the details, Sierra Gorda, we can say it explains itself, we have an 8% increase in ore processing relative to last year's quarter. We also have better ore quality; copper content has also increased. Unfortunately, the drop in molybdenum production results from a significant drop in the content of this metal in ore. KGHM International, here we are dealing with several conflicting factors that lead to this number of -13%. Firstly, I would like to note that in the corresponding quarter, in the first quarter of 2019, the Morrison mine was still working and it contributed to the production volume, this is around 9 percentage points out of these 13. This is the Morrison mine, which we put into care and maintenance after the first quarter of last year. In addition, we have a situation related to Franke, where the geological parameters were worse, I am talking about the content of copper, and of carbonates which impede production. Robinson improved its production results in the first quarter. In conclusion, I would like to say that we approach our international assets flexibly and with full responsibility. Of course, we are optimising both OPEX and CAPEX costs at these workplaces and we are ready to make difficult, well thought-out decisions. Thank you.

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

Ladies and gentlemen, when it comes to financial results, they are of course derived from the production results. Please note that revenues from contracts with customers in this quarter were lower by 3% compared to the first quarter of last year. In addition to production results, the financial results are also affected by prices, and here prices were the main factor. The prices of our main products contributed the most to the drop in revenues compared to last year. This was partly offset by the USD exchange rate, but please note that while the negative impact of copper prices plus some compensation by the increase in silver prices, this was only partly covered by a higher USD rate.

Ladies and gentlemen, when it comes to C1 unit cost, just as President Chludziński has already noted, this cost was lower than in the first quarter of last year. The main reason was the USD exchange rate, which was higher than last year, but please note that there was a drop in the C1 cost in the Parent Company, in KGHM Polska Miedź S.A. It also occurred in Sierra Gorda, but we had an increase in the cost at KGHM International, and this increase in cost was primarily the effect of the revaluation of inventories, due to the lower price of copper. So, as for the costs of KGHM International, if we considered the increase in costs associated with write-downs of inventories, in fact, the remaining costs were lower than in the first quarter of last year. As for the operating result, the adjusted EBITDA in the Group was lower by 22% compared to last year

and above all we had a drop in revenues and this was the main reason, a drop in revenues caused by low copper prices, although we had a slightly higher USD exchange rate. In addition, when it comes to the Parent Company, we had higher costs related to depreciation here, but this is the effect of our investments that were put into operation, hence we have higher depreciation this year. As for the other segments, please note KGHMI's EBITDA and as I explained in the case of C1 cost, in the case of KGHMI we primarily have an impact on the revaluation of inventories, but we also have a drop in revenues related to the service activities of our company DMC.

As for the net profit, profit for the period of the Group was 25% better in this quarter than compared to last year. The USD exchange rate was favorable for us, which can be seen because when it comes to the increase in the net profit at the Group level, it is over PLN 400 million, but we had a lower copper price. Indeed, circumstances such as the reduction of the copper tax were favourable for us, which meant that we had lower costs. We also had lower costs of purchased metal-bearing materials, but net profit was higher even though at the level of other costs, we had an increase. This, of course, results from our trade union agreements, because the basic element of the cost increase was the increase in labour costs. Ladies and gentlemen, when it comes to cash flow, please note that the level of cash is definitely higher at the end of March this year, compared to March last year, but above all it was related to our precautionary actions. We have decided due to the turmoil in the market, due to the uncertain and dynamically changing situation, to draw a part of the syndicated loan as a cash reserve. Now we can see some stabilization. The situation is not changing as dynamically as it did at the beginning, when the impact of the pandemic began to be felt on the market, hence this level of cash will probably be lower in subsequent periods. I would like to draw attention to the fact that the profit before tax had a positive impact on the level of cash and positively affected activities related to working capital management. We have released part of the cash frozen in current assets. One more piece of important information from the financial point of view is our debt level. We have a difficult market situation, low copper prices. Please note that the net debt to EBITDA ratio, which increased compared to last year, and is currently 1.7 at the end of the first quarter, last year it was 1.5. But most importantly, we have an impact of the USD exchange rate, and on the one hand, this works for us positively by increasing revenues, but on the other hand it also affects the valuation of our debt. If we were looking at the debt, the net debt of the Group in USD terms, then the debt significantly dropped compared to 2019, but then when we convert into PLN, we have the impression that the net debt has increased, but this is, as I say, the impact of the USD exchange rate. Thank you very much.

ADAM BUGAJCZUK, VICE PRESIDENT OF THE MANAGEMENT BOARD (DEVELOPMENT): Ladies and gentlemen, as far as the investment program is concerned, we are very satisfied when it comes to the pace of implementation and the material and financial scope. The main reason is that both our company, as well as companies from the Group and general contractors, handled very well the epidemic and we could advance our material and financial investments without major disruptions. We managed to spend PLN 400 million in the first quarter and, most importantly, complete all ongoing investments in accordance with the planned schedule. On the next slide we show you the most important projects, maybe I will focus on the two most important, meaning the Deposit Access Program, which is our flagship project and will be implemented nearly to the very end of the company's existence. By advancing work into the orebody it allows us to access further parts of the deposits, as well as to construct shafts and all

accompanying infrastructure. Here all the work is on schedule. Suffice to say that digging is proceeding even faster than expected on the GG-1 shaft, which makes us quite pleased given the disruptions in previous years, so this is very positive information. When it comes to the Żelazny Most Tailings Storage Facility, work on developing the Southern Quarter is also on schedule, both with respect to the Southern Quarter as well as work on the Tailings Segregation and Thickening Station, so in general the whole investment project is at a very good place.

On the next, last slide, I wanted to show you the role of the Deep Głogów deposit, which we are getting to know better and we are getting deeper and deeper into this deposit. Today, we will be moving working areas from 1000 m to 1200 m, every year we implement approximately 50 km of tunneling which provides access for a variety of work related to infrastructure as a whole, including ventilation and air conditioning. Here we have, if you will note, that despite the drop in ore extraction by approximately 9%, we have an increase in the copper content in this ore, which is a very important aspect, because it shows that we are more effective in this direction, which looking to the future and the planned share of this deposit in the entire production, we are very pleased with.

MARCIN CHLUDZIŃSKI, PRESIDENT & CEO: Summarizing the results of the first quarter, I think we can honestly say that the macroeconomics are not in our favour. They weren't strongly in our favour in 2019, and they aren't supporting us in 2020. In 2020, this is directly and strongly related to the epidemic, Coronavirus. This pandemic has intensified previous macroeconomic trends, the low price of copper. Of course, the USD exchange rate is favorable for us, it is kind of good information for us, but in the whole story we don't count on luck, but more on the fact that as a whole company, a global, international company, we will work to keep production at largest scale possible, to maintain sales, cost discipline, and work safely at the same time. And these are our goals for the near future. And of course, you can ask - what about in the long run? What about in 3 months? Or in 4? If the number of cases, when it comes to the health threat, does not get in our way, then we will strive, produce and sell. But the situation is dynamic and changeable. We cannot say to ourselves that everything will be as it used to be. These are often factors beyond our control. Also, based on our strategic approach, because the Strategy we adopted, 4E – elasticity/flexibility, efficiency, e-industry, ecology, also assumes that we are trying to dynamically adapt to reality. We have started a strategic review, a review of strategic initiatives, some of the projects that we had planned, are currently not the most important, so we are analyzing them. We are also reviewing our budget assumptions and we will try to look at what reality brings us, and we will react flexibly to it. This is our development model, and this is also the time when we need to flexibly look at reality and deal with the challenges that the times are bringing us. Thank you very much.

LIDIA MARCINKOWSKA-BARTKOWIAK, EXECUTIVE DIRECTOR, COMMUNICATIONS: Ladies and gentlemen, the Management Board has presented a brief commentary on the most important results of the KGHM Polska Miedź S.A. Group. Now we will move onto the Q&A session. These questions we have received from you via the email ir@kgm.com I invite you to ask questions, including after the videoconference. The Q&A session will be hosted by Mr. Janusz Krystosiak, Director of the Investor Relations Department. I remind you that all your questions and answers will also be available on the company's website later.

JANUSZ KRYSOŚIAK, DIRECTOR, INVESTOR RELATIONS DEPARTMENT: The first question we have is from Mr. Paweł Puchalski, Santander Brokerage House: Do you intend to reduce 2020 guidance for the production of molybdenum by Sierra Gorda, copper by KGHM International and silver in Poland, as you didn't reach your targets for these items in the first quarter of 2020?

PAWEŁ GRUZA - VICE PRESIDENT OF THE MANAGEMENT BOARD (INTERNATIONAL ASSETS): No, we consider the budget target for molybdenum from Sierra Gorda as valid. In terms of KGHM International, we are continuously monitoring the situation and at the moment no decision has been taken in this regard. Thank you.

RADOSŁAW STACH, VICE PRESIDENT OF THE MANAGEMENT BOARD (PRODUCTION): Answering the question about Polish silver production, we are on target for metallic silver from the smelters, while silver output from our mines is below. We are monitoring that situation as well and, for now, there aren't any signals that the budget target for silver should change.

JANUSZ KRYSOŚIAK, DIRECTOR, INVESTOR RELATIONS DEPARTMENT: Thank you very much. The next question is from UBS. Despite Covid-19 and pricing pressure, Capex in Poland looks to be on schedule and you are holding to the budgeted amount of PLN 2.25 bn. If prices fall further, are you considering any decreases or delays in Capex? If so, then what price level would you consider as a signal to reduce Capex? Sierra Gorda: copper sales are lower than production, but molybdenum sales are higher. Could you say something about changes in inventories and the outlook for sales in the remainder of 2020.

ADAM BUGAJCZUK, VICE PRESIDENT OF THE MANAGEMENT BOARD (DEVELOPMENT): In terms of domestic Capex, as of today we see no need to reduce it. We are advancing the budget on schedule, we are flexible during these highly volatile times, we are continuously monitoring the situation and we will react as required, we are prepared for it.

RADOSŁAW STACH, VICE PRESIDENT OF THE MANAGEMENT BOARD (PRODUCTION): Sierra Gorda – as respects copper we have seen temporary, momentary interruptions in the operations of the port of Antofagasta, which interferes with the plan for shipping copper concentrate. These are temporary changes which we have made note of in the report, but they are not significant on a yearly scale and will not have a major impact in that regard. In the case of molybdenum the same thing, temporary differences resulting from inventories. Thank you.

JANUSZ KRYSOŚIAK, DIRECTOR, INVESTOR RELATIONS DEPARTMENT: Thank you very much. Next question. Again, Mr. Paweł Puchalski. Silver in KGHM – Deep Głogów Głębki supplied 16% of silver production from the Parent company in 1Q 2020, a fall of 3%, while total production rose by 3%. Where did the higher silver production in the Parent company come from and when will the deposits be exhausted?

RADOSŁAW STACH, VICE PRESIDENT OF THE MANAGEMENT BOARD (PRODUCTION): Maybe I will answer starting from the end. As to when the deposits will be exhausted we can't say. Speaking of production we have to separate the metallurgical results from the mined ones. In general, Deep Głogów contains more silver, that is why there is more silver if we work a larger area of Deep Głogów, while our metallurgical results differ slightly from the mined ones, at the moment we are sticking to what we have in the budget.

JANUSZ KRYSOŚIAK, DIRECTOR, INVESTOR RELATIONS DEPARTMENT: Thank you very much. Mr. Jacek Saja, Radio Plus. In gold production we see a significant increase by a third compared to the corresponding prior year period. What was the reason? Could this trend continue?

RADOSŁAW STACH, VICE PRESIDENT OF THE MANAGEMENT BOARD (PRODUCTION): Both gold and silver production depends on how much we have in our deposits, in our concentrate. At the moment there is more in the area we are mining, in Deep Głogów we have higher production, so if there is gold there then we will have it, though you have to remember that our basic product is copper while silver and gold are associated metals.

JANUSZ KRYSOŚIAK, DIRECTOR, INVESTOR RELATIONS DEPARTMENT: Thank you very much. Next question, actually, three questions. I think have already answered the first one. From Ms. Monika Borkowska, from Interia. What are your expectations regarding the copper price in subsequent periods? How is demand amongst KGHM's customers? What is April showing? What is demand like in China?

PAWEŁ GRUZA - VICE PRESIDENT OF THE MANAGEMENT BOARD (INTERNATIONAL ASSETS): Thank you for this question. In terms of price expectations to the end of the year, I can't answer that question. Speaking of demand, the issue is a complex one and we have different levels of demand for each of our products. On the one hand, we can say that cathode copper and wire rod are showing stable demand and – apart from individual problems with deliveries to Italy – we have practically no problems with demand. If problems appear at individual points, we can very quickly find buyers, even on other continents. Consequently, there is no risk for KGHM from this perspective. On the other hand we see a significant impact from the economic slowdown on lead sales, here we are talking mainly about the automotive sector. Meanwhile in terms of copper concentrate we are seeing a large increase in demand. In summary, demand for our products is highly diversified. At the present moment we see no risk to sales for all of our production, in accordance with plan.

JANUSZ KRYSOŚIAK, DIRECTOR, INVESTOR RELATIONS DEPARTMENT: Thank you very much. Again, a question for President Paweł Gruza from the Polish Press Agency. Does the current optimising of OPEX and CAPEX that you spoke of involve only the assets of KGHM INTERNATIONAL, or Sierra Gorda as well?

PAWEŁ GRUZA - VICE PRESIDENT OF THE MANAGEMENT BOARD (INTERNATIONAL ASSETS): Of course it involves all of our international assets.

JANUSZ KRYSOŚIAK, DIRECTOR, INVESTOR RELATIONS DEPARTMENT: Thank you. Mr. Tomasz Józwiak, Radio Elka. President Bugajczuk spoke about intensifying work on the GG-1 shaft. Does this mean completing the investment sooner than planned, and to what extent has the Company been able to deal with the excess flow of water at the site?

ADAM BUGAJCZUK, VICE PRESIDENT OF THE MANAGEMENT BOARD (DEVELOPMENT): We still have a lot of time yet, nearly two years to complete the sinking of the shaft. Nature has shown us more than once that it is unpredictable and we have to show it respect. Today the sinking of the shaft is going faster than expected, which doesn't mean that this will apply right through to the end. Today we wanted to share this positive information, as looking back at 2018, we can

remember that we did in fact experience a large inflow of water and therefore had to suspend the sinking for some time. Today the information in this regard is somewhat more favourable, the inflow of water to the GG-1 shaft has for all intents been brought under control. Today we don't see any risk related with this situation.

JANUSZ KRYSOŚIAK, DIRECTOR, INVESTOR RELATIONS DEPARTMENT: Thank you very much. What has been the impact of COVID-19 on KGHM's costs? What were the main items impacted?

KATARZYNA KRECZMAŃSKA-GIGOL, VICE PRESIDENT OF THE MANAGEMENT BOARD (CFO): As a result of COVID, KGHM carried out the procurement of equipment at the request of the Chancellery of the Prime Minister of Poland, which involved the acquisition of respirators, masks, protective aprons and medical goggles. The costs we incurred are refunded. Therefore, we can say that these purchases had no effect on our costs. Of course because of COVID we had to implement actions which enhanced workplace safety. The costs incurred to increase occupational safety, to alter our working routines, are immaterial in terms of our total costs, which is why we haven't disclosed them.

JANUSZ KRYSOŚIAK, DIRECTOR, INVESTOR RELATIONS DEPARTMENT: Thank you very much. Ladies and gentlemen, I am still reviewing whether we have received more questions from several sources. These are our email addresses and our mobile phone numbers. It looks like we've answered the questions we have now. We will prepare answers to all subsequent questions and we will make them available to you on the website, as the Director said. Thank you.

LIDIA MARCINKOWSKA-BARTKOWIAK, EXECUTIVE DIRECTOR, COMMUNICATIONS: Ladies and gentlemen, we are therefore closing the videoconference, which was the KGHM Polska Miedź S.A results summary for the first quarter of 2020. We are now saying goodbye. Thank you very much to all presenters, thank you to our viewers and see you next quarter. Thank you very much.