
**PRESENTATION OF THE FINANCIAL RESULTS
OF THE KGHM POLSKA MIEDŹ S.A. GROUP FOR Q1 2023**

18 MAY 2023

PIOTR CHĘCIŃSKI, DIRECTOR, CORPORATE COMMUNICATIONS DEPARTMENT: Ladies and Gentlemen, it's 1 pm sharp, I wish to welcome you very cordially to this conference devoted to the results of the KGHM Group for Q1 2023. I wish to welcome representatives of the banking sector, investors and the equity market. We also extend our welcome to the media and our representatives of KGHM. The panel for today's conference is: Tomasz Zdzikot – President of the Management Board of KGHM Polska Miedź S.A., Marek Świder – Vice President of the Management Board (Production), Mateusz Wodejko – Vice President of the Management Board (Finance), Mirosław Kidoń – Vice President of the Management Board (International Assets) and acting Vice President of the Management Board (Development), Marek Pietrzak – Vice President of the Management Board (Corporate Affairs). With us today is also Janusz Krystosiak, to respond to the questions of analysts and representatives of the equity market as well as journalists. My name is Piotr Chęciński, I am Director of the Corporate Communications Department and I have the pleasure of being your conference moderator today. I will now hand it over to President Tomasz Zdzikot, to open our meeting. Mr. President, the floor is yours.

TOMASZ ZDZIKOT, PRESIDENT OF THE MANAGEMENT BOARD: Thank you very much. Ladies and Gentlemen, a very warm welcome to our successive performance conference at our head office here in Lubin. I extend my welcome to all of you present in the room as well as members of our audience online. Ladies and Gentlemen, our topic for today is the Company's performance in Q1 2023. These are solid results. These are results we evaluate positively. These are results that we generated in a very difficult macroeconomic environment. We will provide more details on that later today. These are results that, as is always the case, will be compared to our performance in Q1 2022, and indeed these are numbers that are very hard to compare. The macroeconomic environment, the war continuing across Poland's eastern border, caused a lot of disruption and difficulties which have an impact on our results. Nevertheless, we view the quarter's results as solid, providing a good basis for investments which we discussed at length at our previous conferences. We will refer to them today as well. I will say a few words of introduction and then

will ask my colleagues to elaborate on the individual themes. Now, moving on to the performance itself, from a bird's eye view. Ladies and Gentlemen, in Q1 2023 we increased our revenue. Year-over-year, we reached revenues of almost PLN 9.6 billion, PLN 9,585 million to be exact. This is 7% more than in Q1 2022. This result translates into EBITDA of almost PLN 1.9 billion, i.e. PLN 1,882 million, and into net profit of PLN 164 million of the net result. The two latter numbers are lower than last year. But in fact, Ladies and Gentlemen, it is quite self-evident. There is a military conflict going on across Poland's eastern boarder. This conflict started in mid-first quarter last year. And it is continuing. This situation has had a major impact on the factors that create, influence and co-determine our results. On the one hand, we of course face a huge cost pressure. This pressure is felt in all areas that we will be discussing today, over which we predominantly have no control. There is cost pressure resulting from the prices of energy; there are rising labour costs; the costs of services are going up, too. As a general effect of Russia's invasion of Ukraine, we are also facing growing inflation. The copper tax this year is also higher than last year. This higher amount impacts our results, including our performance achieved in Q1 2023. Nevertheless, we view the quarter's results as good. We have the costs under control, we have the Company's situation under control, and in our assessment under the current macroeconomic conditions the results we achieved are good, and are also in line with market expectations. This slide, Ladies and Gentlemen, illustrates what I have just said. Let me now elaborate a bit. It is not only about costs. There is also the issue of the pricing of our main product lines. On the upper left side, you can see copper prices, average copper prices. They are 11% lower than in Q1 last year. That is a big difference, and the next slide shows it very clearly. This year, a tonne of copper is on average approximately USD 1,000 cheaper than last year. Silver also trades at prices 6% lower than last year. The changing USD/PLN exchange rate has also contributed of course. The FX effect mitigates somewhat the other effects on our results, but it does not fully offset the price falls on our main production lines. These decreases, which I will elaborate on when discussing the next slide, are predominantly a result of the economic growth rate in the Chinese market. So the revenue increased by 7%. That is what I just referred to a moment ago. In Q1 2023, we achieved revenues of PLN 9.6 billion. We are pleased with the domestic production, Vice-President Świder will definitely come back to that later. We are pleased that the production of copper in concentrate increased by 0.5% year-over-year. We are also pleased to report that the extraction of ore in terms of dry weight increased by 2.6%. These

are all positive developments. Furthermore we are glad that the production of silver increased both for the entire Group as well as for Polska Miedź. Again, these are positive developments. We are pleased with these results. Let me remind you that according to the international rankings we are the world's largest silver mine, being at the same time one of the largest global copper producers. This growth shows that our production plans are correct and not at any risk; and that in the Parent Company they will definitely be fully executed. At the previous performance conferences we have spoken a lot about investments. This slide, on its right-hand side, shows that these were not only empty words. We have noted a 31.5% increase in capital expenditure. It also represents growth in substantive terms. In other words, the growth rate is higher than last year. Investments are our priority. We believe that this difficult macroeconomic period in which we have found ourselves is also a good time to invest, it is a good time to create stable foundations for our business, also for the future. The good news is that we conduct our operations in a secure manner. The company's financial situation is stable. This is confirmed by our indebtedness ratio. The ratio of our debt to EBITDA is 0.9, it is a safe level. We can also be pleased about it. And let me say a bit more about the macroeconomic environment. As I have already mentioned, at the bottom of the slide you can see information on absolute prices I referred to earlier. In Q1 2023, commodity market copper prices were more or less USD 1,000 lower than in 2022. The prices of silver were lower as well. Molybdenum traded at higher prices, but of course the volume of molybdenum production in our Group does not fully compensate for the falling prices of our main products. The currency exchange rate which I referred to made a positive contribution to the numbers recorded year-over-year. Ladies and gentlemen, we assess the copper prices and the overall market prospects for copper as good in the long term. Of course, this growth may not be of linear character. There may be cycle disruptions or there may be a situation like the one that we are facing right now: today, copper prices are even lower than the average prices achieved in Q1 2023, not to mention the record high prices obtained in 2022. Furthermore, the level of inventories on the Shanghai Stock Exchange is record high. This may be a result of a somewhat lower growth rate in the Chinese market than the one expected by investors after relaxation of the COVID regime in this country. However, we view this volatility as temporary. We believe the future of the copper market is bright and promising. In the long term, our main operations are not at risk. On the contrary, we expect that they will provide a positive contribution to our performance. That is all

from me. And now let me hand it over to President Świder. Over to you, Mr. President.

MAREK ŚWIDER, VICE PRESIDENT OF THE MANAGEMENT BOARD (PRODUCTION): Again, a very good afternoon to you, Ladies and Gentlemen. The metal production in the entire Group was 176 thousand tonnes. This slide of course shows the results in a breakdown into Polish and international assets. Given my function, I will present the results achieved in the domestic assets. First, we can see ore extraction of 7.9 million tonnes with the contents of 1.48, which represents a quarter-over-quarter increase of 2.6%. And here I have very good news for all of you, that in the first quarter of this year all our Polish mining assets, i.e. the Lubin mine, our deepest mine Rudna and our largest mine in Polkowice-Sieroszowice, in every month achieved surplus extraction results relative to the budget targets. Production of copper in concentrate was 100.5 thousand tonnes with the contents of 22.6%, which represents a growth of 0.5% quarter-over-quarter. The next parameter is production of electrolytic copper - 149 thousand tonnes. Importantly, our own input gave 99 thousand tonnes, i.e. 2% more quarter-over-quarter. All in all, in a general view it translates into a fall of 1.3% quarter-over-quarter, however here I would like to point your attention to the production calendar. It is different than the production calendar for the same quarter last year. Let me also add a few words about investment work in the Głogów Copper Smelter and Refinery. As regards silver production - 375 tonnes with content of 50.2 grams per tonne. This gives us a very good result year-over-year, with growth of 10.3%. Thank you very much.

PIOTR CHĘCIŃSKI, DIRECTOR, CORPORATE COMMUNICATIONS DEPARTMENT: Thank you very much, Mr. President. Continuing the topic of production results, we will now turn to the international assets. Could I ask President Mirosław Kidoń to take the floor.

MIROSŁAW KIDOŃ, VICE PRESIDENT OF THE MANAGEMENT BOARD (INTERNATIONAL ASSETS): My warm welcome, Ladies and Gentlemen. I have the pleasure to comment on our production results internationally. I would like to start from our flagship project, Sierra Gorda. As President Zdzikot already said, we are extremely satisfied with our results. Although you will see a 9% fall in the production of copper in Sierra Gorda year-over-year, this of course does not give a full picture of how our mine in Chile operates. It is a very good result because the content of copper

in ore this quarter, year-over-year, is below 11%. However, thanks to better productivity, thanks to better yields, our result is lower only by 9%. Sierra Gorda has become our flagship project. We have been constantly working to improve the financial results and the value of this asset. This year, we will also focus on reaching the molybdenum located in pushback no. 4 for production. We are trying to reach the ore by increasing stripping and removal of waste rock, so that molybdenum can be blended with copper. As far as molybdenum is concerned, yes, the production at present is lower. This also results from the profile of this deposit and the expected content of molybdenum in the ore which is in line with our 5-year forecasts. It is, of course, very positive that our forecasts are correct. At the same time, the core production from the mine gives us a molybdenum yield of about 60%. When I started my work in Sierra Gorda, in 2016-2017, the yield was not higher than 25 to 35%. However, when we compare the molybdenum content in that period, which was over 1,000 - sometimes even 1,200 ppm, with the present value of above 100 ppm, i.e. 10 times lower, it means that the yield that we are achieving now is exceptional, out of the ordinary. Let me explain: if in one cubic meter of rock there is 10 kg of gold, and in another cubic meter of rock there is only 1 gram of gold, this one gram would be extremely difficult to extract. This is the relationship between the content of useful minerals in the ore and the yields we are achieving. These results have been made possible thanks to optimization of the molybdenum floatation process and creation of a special by-pass to divert the excavated material which does not contain any molybdenum, or only minimum amounts thereof, to be collected in a thickening device which collates the overall concentrate prior to the molybdenum process. We have implemented all these technologies in Sierra Gorda and that is why we are able to achieve these world-class molybdenum yields. There are also some important decisions we have to take regarding Sierra Gorda. We are contemplating further development of the mine, increasing production and profits, as well as generating higher value for Sierra Gorda. We are conducting intensive exploration work, and are pursuing a target of more useful materials found in our deposit to be extracted under the mine operation plan. At the same time, we are working on increasing throughputs. We are exploring various aspects and concepts in this area. A very important idea in this respect is construction of a fourth line, which is now in the analysis stage, calculation of NPV, and consultations with our Australian partners. This work may bring very, very significant benefits for the project. As far as the Robinson mine is concerned, indeed we have encountered major problems here, primarily

weather-related. The problems started in Q3 2022. Regrettably, the production plan was not achieved as budgeted, being 10% lower. This in turn translated into reaching into inventories and the heap that was intended for blending of the extracted ore prior to enrichment. Q1 2023 was not favorable for us weather-wise, either. We recorded historically high snowfall, with the snow melting afterwards, which resulted in flooding of the passageways. Out of the 10 mining haulers, only 3 were in use. In other words, the use and availability of our mining equipment fell to 30%. We subsequently analyzed this situation, and as the newly-appointed Vice President for International Assets I presented the situation to the Management Board. We concluded that the Robinson mine calls for a deep modernization and optimization. As a result, we have decided to purchase in 2023 six Komatsu machines, haulers of 240 tonnes. In 2024, we are going to purchase another five Komatsu vehicles. However, still in this year we are trying to lease five 240-tonne haulers. We are in talks both with Komatsu, as well as Caterpillar. Soon we will acquire three 100-tonne haulers. Moreover, we are negotiating a mark contract, i.e. a contract including full servicing of machinery and equipment by Komatsu or Caterpillar, including an availability level guarantee. These talks are underway. In addition we are creating a team which - as we have done in Sierra Gorda - will analyze bottlenecks. The team's task will be to develop an optimization project which will eliminate bottlenecks and set new throughput targets for the Robinson plant. Concurrently we have started operational work to increase the useful material resources. As the Management Board, we are also proud to inform you that we have commissioned a new ore thickener in Sierra Gorda. It is our third thickener of 80 meters in diameter, manufactured by Autotek. There is also a new filter press which increases the output capabilities of Sierra Gorda and paves the way for our thinking about a fourth production line. A fourth line would significantly increase the extraction capabilities of Sierra Gorda. Consequently, it could translate into a major increase in the mine's value and additional NPV resulting from that. That is all as far as KGHM in Chile and KGHM INTERNATIONAL is concerned.

PIOTR CHĘCIŃSKI, DIRECTOR, CORPORATE COMMUNICATIONS DEPARTMENT: Thank you very much, Mr. President. May I now ask Mateusz Wodejko, Vice President of the Management Board (Finance) to present.

MATEUSZ WODEJKO, VICE PRESIDENT OF THE MANAGEMENT BOARD (CFO): Ladies and Gentlemen, good afternoon. As my colleagues have already said, our assessment of the production results of KGHM Polska Miedź are positive, very positive indeed. This also applies to the Company's financial results. Perhaps it is worthwhile to start from what you cannot see here, i.e. our budget assumptions. When preparing the budget for this year, we were aware of what President Zdzikot mentioned, i.e. that this year we can expect high volatility of materials prices, as well as high volatility in the forex markets, in particular the USD. We were also aware that expenses by nature, the costs of our operating activities, would continue to be high. So in the context of these assumptions for the current year, the results of KGHM Polska Miedź in Q1 2023 are also good financially. Of course, just as President Kidoń has just mentioned, there is a certain negative contribution of KGHM INTERNATIONAL, especially the Robinson mine. However, this is due to the concurrent impact of a multitude of factors, both on the revenue as well as the cost side, and to the accounting treatment of certain economic events that contributed to the fact that the financial situation of Robinson and INTERNATIONAL in Q1 2023 was not that good. I will come back to it later in my presentation, to show that in principle this could be expected in the first quarter. We believe that in the successive quarters KGHM INTERNATIONAL will be making a positive contribution to overall performance. There are, of course, many risks at play here, however we assume that there is potential for the situation to improve. Let's now move to the detailed presentation. Ladies and Gentlemen, the revenue of the Group increased by 7%. Revenues from contracts with customers increased by 7%; we recorded a plus PLN 640 million change in core products sales volume. The major contribution here was from KGHM Polska Miedź - plus PLN 677 million, with INTERNATIONAL contributing minus PLN 37 million. We also experienced changes in the commodity prices of our core products, it has already been mentioned here, record high or very high - rather than record high - very high prices of copper in Q1 2022, close to USD 10 thousand, on average USD 10 thousand per tonne. In Q1 2023, on the other hand, they were on average below USD 9 thousand. This gives us a drop of PLN 876 million in this regard. Changes in the exchange rate. The average PLN to USD exchange rate in Q1 2023 was PLN 4.39, whereas in Q1 2022 it was PLN 4.13. This represents a gain of PLN 568 million. We are also glad about the adjustment of revenues from derivatives. Plus PLN 65 million, plus PLN 281 million, plus PLN 65 million in Q1 2023, vs. a corresponding loss in Q1 2022 of PLN 216 million. As regards the share of

revenues from contracts with KGHM Polska Miedź customers in total revenues, as you can see in Q1 2022 it was PLN 7,555 million. In other words, it was about 84% of the total revenue coming from contracts with customers. In Q1 2023, on the other hand, we recorded PLN 8,370 million, i.e. a growth to over 87% of the total revenues of the KGHM Group. Moving on to costs. C1 of the Group - plus 3.7%. What was the reason for that? The C1 increase for KGHM Polska Miedź was lower, by 28%, and was in part attributable to the growth of minerals extraction tax. In Q1 2022, KGHM enjoyed a deduction of 30% of the amount of this tax. The Company did not have this deduction in Q1 2023. This translated into additional PLN 224 million in costs. As regards other C1 constituent costs, we had an increase from 1.45 to 1.95. This was mainly due to higher costs of energy and technological materials. The technological materials which we use in our production, both mining and metallurgical, contain a major energy cost element. That is why this increase is so high. Labor costs rose as well. I will return to this topic later on, when discussing KGHM Polska Miedź's expenses by nature. Some of them result from extraordinary events, including the free coal allowance received by Polska Miedź's employees and pensioners. These coal prices were high in Q1 2023, therefore the value of the allowance was significantly higher than in Q1 2022. As regards INTERNATIONAL, you can see a two-fold increase here, from USD 2.23 to USD 5. This amount of USD 5 per pound, approximately USD 1.4/lb, is the impact of inventory remeasurement. Furthermore, another significant cost item is the cost, or rather the new approach to, the cost of stripping, which in 2022 was capitalized, while in Q1 2023 this cost was primarily charged to expenses. But indeed, the significantly lower production did cause that, in combination with certain other fixed costs, we recorded a C1 increase to USD 5 per pound. Sierra Gorda. Here the news is positive. The C1 cost did increase by 10%, however we are aware that this happened under much higher inflationary factors. But Sierra Gorda has found ingenious ways to deal with these inflationary pressures. As regards operational results, let's start from the adjusted EBITDA. As I mentioned earlier, Q1 2022, which is our point of reference, was marked by record performance brought about by high prices of copper and silver at that time, combined with a relatively high USD/PLN exchange rate. However, a look at the entire year 2022 shows clearly that the year was marked by high volatility. And as far as Q1 2022 is concerned, with the high prices of raw materials on the one hand, and free from the later inflationary pressures caused by Russia's aggression against Ukraine, that quarter indeed was very good. However, the situation deteriorated in Q2,

with Q3 and Q4 of 2022 being significantly worse. So today we are comparing this year's results to a very good quarter of last year. However, had we compared the numbers with those of Q4 2022, this negative difference would not be there anymore. So that is an explanation of where the higher costs are coming from. In other words, the lower EBITDA of KGHM Polska Miedź, by PLN 564 million, is primarily attributable to these costs that I have just described. In KGHM INTERNATIONAL, it is almost PLN 400 million. PLN 400 million. I will revisit this issue a bit later. As I said earlier, it is attributable to a multitude of factors. Sierra Gorda lower by PLN 271 million. In this case – as explained by President Kidoń – the reason lies in lower copper yield from the ore. We entered the phase of lower copper yield in the second half of 2022, due to the so-called block model of Sierra Gorda. This was a kind of a technological event that was unavoidable. As regards the adjusted EBITDA, the share of Polska Miedź in the adjusted EBITDA also grew year-over-year. In Q1 2022, the share of the Parent Company was 61.4%. In Q1 2023, this share of the Parent Company is over 72%. Moreover, in Q1 2023 Polska Miedź represented a very high share of the Group's performance, and made a positive contribution to these results. You can see it here with reference to my discussion of the previous slide: whereas the year-over-year reduction of EBITDA for the entire Group was 40%, for the Parent Company its was only 29%, for Sierra Gorda - 33%, with INTERNATIONAL at 110%. These numbers somewhat cast a shadow on the otherwise pretty good performance of Q1. Now moving on to the net results, you can see, Ladies and Gentlemen, quite a large difference between Q1 2022 and Q1 2023. What was the reason of that? The situation in itself was not that much worse; rather, again, we are looking at a coincidence of many events here. The consolidated net profit on sales for Q1 is PLN 662 million. PLN 513 million profit before tax, and PLN 164 million net profit. This contrast with Q1 2022 is due primarily to the lower net result on sales by PLN 1,139 million, with higher revenues by PLN 592 million. This mainly reflects the higher sales value of copper - by PLN 439 million. In silver sales, we also noted a slight increase in sales - by PLN 12 million. And finally - gold. Gold had a strong share in our sales, an increase of PLN 124 million. Moving on to cost of sales, selling costs and administrative expenses; I have already discussed some items in this respect. Let us then continue with the following slides. PLN 100 million less due to the interest in a joint venture. There was such a one-off event in Q1 2022. What I mean is a reversal of the impairment losses on loans extended to Sierra Gorda. This is approximately PLN 64 million, 64 million difference. And furthermore PLN 536 million foreign

exchange differences. So here we can see how much the foreign exchange movements, i.e. an event of mostly accounting character, contributed to the decrease of the net result. One cannot ignore that, as it is not due to the Company's situation being so much worse. Rather, it is attributable to such one-off events which I discussed earlier, reversal of impairment losses or forex losses. What is very good is the positive result on the measurement and realization of derivatives. The profit from sale of intangible assets was lower by PLN 135 million. Let me remind you that in Q1 2022 KGHM INTERNATIONAL sold the Oxide project to Sierra Gorda. We have a positive change in CIT taxation. Other items - a negative effect for the total of 128. They comprise various small events. Now moving on the Group's cash flows. As far as the quarter under discussion is concerned, the movement in cash and cash equivalents was an increase by PLN 374 million. Moreover, this result looks good also in the year-over-year comparison. Cash flows from operating activities were: in Q1 2023 - PLN 1,480 million, whereas in Q1 2022 - PLN 1,725 million. So there is no big difference here. In Q1 2023, we had much higher capital expenditures. We spent PLN 1,163 million vs. PLN 195 million in 2022, in Q1 2022. In other words, you can see that we spend a lot on investments; here you can see PLN 1,145 million of expenditure on tangible and intangible non-current assets. And on the other hand let us not forget these one-off events that characterized Q1 2022, such as the sale of the Oxide project I mentioned earlier. Moving on to the graph. Here you can see profit before tax - up 513, exclusions from revenue and costs of 936, and income tax paid in Q1 of 248. Movement in working assets - growth. That is a reduction in inventories - a growth of PLN 279 million. Purchase of tangible and intangible non-current assets - I already discussed that. Repayment of debt; we increased our indebtedness slightly by PLN 101 million, however the higher value of cash and cash equivalents reduced the total value of net debt. Interest paid, other items, a total of PLN 1,574 million of consolidated cash and cash equivalents as of the end of Q1. Indebtedness of the Group. In this area we can also proudly present the indebtedness level below 1 (i.e. the ratio of net debt to adjusted EBITDA). As I have mentioned earlier, the Group's net debt in PLN decreased from PLN 5,264 million three months before to PLN 4,974 million at present. This change in net debt, the reduction, represents on the one hand primarily tangible asset investments, and these have been large expenditures as I have said. On the other hand, we have the minerals extraction tax. It is PLN 1,068 million, up PLN 224 million vs. Q1 2022. Cashflows from operating activities, net of working capital and the minerals extraction tax, a positive result of PLN

2,208 million. Movement in working assets - also a positive PLN 341 million. Result on exchange differences - forex gains as well. Ladies and Gentlemen, let me now refer to the budget, as regards the data we publish and which I can comment on. As you can see, the total unit cost of production is below the budget. This is a positive development. Capital expenditures, here noted in the same way as we do for CAPEX planning - PLN 557 million vs. PLN 3,250 million for the entire year. PLN 587 million capital investment expenditure vs. PLN 2,129 million. In other words, when we add the tangible assets investments and the capital investments, we are progressing in line with the budget, with our plans. Taking into account in particular that the highest level of implemented investment expenditure falls in Q4. The capital investments, i.e. PLN 587 million, comprise on the one hand the increase of equity of the company Energetyka by PLN 115 million, earmarked for the replacement of the heat source in Legnica by WPEC Legnica; on the other hand - a loan of over PLN 400 million equivalent granted to INTERNATIONAL to develop the Victoria project, which continues in the advanced exploration stage. As you can see, the solvency of the KGHM Group is at a very safe level. Now let me present the Group's production and sales results, including relative to the budget (which is publishable information as well). Copper in concentrate, as you can see, President Świder has mentioned it already, 0.5 thousand tonnes over the budget - which is a very good result. Silver in concentrate - a very good result as well in the context of the annual budget. Total electrolytic copper is also doing good vs. the annual budget. Similarly, electrolytic copper for own use and metallic silver. Sales. As you can see, sales continued at a good level. We have sold a part of inventories, whereas for payable silver - we were building up inventories. The production of INTERNATIONAL, already discussed by President Kidoń. This is the effect of certain events, both technological and weather-related. At the same time I should add that although the Robinson mine has been through some dire straits, which we discussed already, the McCreehy mine in the Sudbury Basin generated higher than expected results. The performance there, both for copper and TPM, exceeded the budgeted values. While Sierra Gorda, one could say, operates according to the budgetary assumptions and we expect them to be fulfilled there. Now moving on to sales revenue and general performance of KGHM Polska Miedź. As you can see here, we recorded significant growth in revenues from contracts with customers. The result is 11% higher year-over-year. As I have already said, this applies mainly to copper and copper products. In silver, the performance is at a similar level. On the other hand, in terms of volume, here you can see that

copper wire rod, OFE wire and other copper products amounted to 157 thousand tonnes, in comparison to 136 thousand tonnes; which represents a growth in sales volume of 10%. Silver sales were at a slightly lower level, minus 2%. In total, all these sources combined generated PLN 815 million higher revenue from contracts with customers in Q1 2023, in comparison with Q1 2022. Moving on to expenses by nature of the Parent Company. Here we primarily need to note that if we add the costs of outsourced services, technological materials, as well as the increase of these costs and of energy costs, then you will see that we are looking at over PLN 0.5 billion higher energy and energy-related costs. Yes, you heard me right, over PLN 0.5 billion more. This is the reality we are facing. This is coupled with the increase of the minerals extraction tax charge of PLN 224 million. This is, as I have already explained, the effect of the 30% reduction having been discontinued. Labor costs increased by 28%, from PLN 988 million to PLN 1,267 million. It is a significant cost contribution indeed, because the base wages themselves have not increased. The significant growth of this cost item is fueled by higher coal prices and the resulting higher value of the free coal allowance. The second part of this slide warrants special emphasis. If we look at Q1 2023 and Q4 2022, and we ignore the value of purchased materials, whose value was close to the value of the minerals extraction tax, which is a cost item beyond our control, then you will see that the expenses by nature in Q1 2023 are only slightly higher than in Q4 2022. It does show that in these difficult macroeconomic conditions we are trying to watch the cost side of the business carefully, in order to ensure financial stability of the Company. EBITDA and the net financial result of KGHM Polska Miedź. Here, as I have already said, we have posted an adjusted EBITDA of PLN 1,360 million. That is a good result. Of course, it is lower than in Q1 2022, but if you look at Q3 2022 - with PLN 998 million, and Q4 2022 - with PLN 983 million, then you will see a significant improvement. I would like to stress it with full emphasis. We are very happy that Q1 EBITDA for Polska Miedź was really good. The net financial result is of course strongly impacted by, among others, foreign exchange differences. PLN 482 million vs. a small loss in Q4 2022. Slightly less than in Q3 2022. But still at a fairly healthy level. In the context of the net financial result, one should also point out that the net profit from sales was significantly higher, close to PLN 1 billion. PLN 997 million in the Parent Company. Profit before tax - PLN 869 million. These are very solid figures. Where is the change year-over-year coming from? On the one hand, as you can see, we note increased revenue from sales, PLN 815 million. On the other hand, we have increased costs of

sales, selling costs and administrative expenses, in the amount of PLN 1,420 million. This includes movements in product inventories. Effect of foreign exchange differences - PLN 220 million; as I just said, it is a strong impact as well. Profits, losses, changes in fair value, in value of assets measured at fair value through profit or loss, reversal of losses - here we also see lower revenue. Effects of hedging transactions add 44, which is very good. Thus the overall net profit amounts to PLN 482 million. And now I shall move on to the factors that had a strong impact on the consolidated results, i.e. a few words about INTERNATIONAL. The values on this slide are shown in US dollars. The net result for Q1 2022 was USD 94 million, whereas currently we record a loss of USD 76 million. This is primarily an effect of a lower net result from sales, of USD 126 million. This lower net result relates to a change in revenue of USD 47 million. In other words, we dealt with both lower sales, lower mining volume, lower sales as well as lower copper prices. In fact, primarily lower copper prices. What must be most intriguing for you is the cost of sales, selling costs and administrative expenses, including this growth of USD 79 million year-over-year. To explain, this amount represents primarily a restatement of the inventories value of the Robinson mine. Restatement both in terms of quantity, as well as value. Primarily in terms of the NRV measurement of inventories. In addition, in 2022, the costs of stripping were mainly capitalized. Currently, in Q1, this capitalization is very small. Another factor at play is the postponement, still in 2022, of mining, of the start of mining of the next section of ore at the Robinson mine. This is an accounting issue, which, however, had a strong bearing on the increase of the cost of sales, selling costs and administrative expenses. And finally, the result on core operating activities fell significantly year-over-year, too. And what is also at play here is a major one-off event, i.e. the sale in Q1 2022 of the Oxide project to Sierra Gorda, for USD 35 million. That resulted in a reversal of the allowance on loans granted to Sierra Gorda, of USD 15 USD. The interest in this regard, among others, increased then by USD 10 million. Furthermore, this year the financial costs were higher by USD 9 million, which - as I have mentioned - was a result of the growing amount of the loans extended to INTERNATIONAL. These funds are earmarked primarily for the Victoria project. Overall then, we have the net result of minus USD 76 million. However, I would like to reiterate that it is in part attributable to certain concurrent economic events and realities, and - on the other hand - factors arising simply from accounting treatment. Thank you.

PIOTR CHĘCIŃSKI, DIRECTOR, CORPORATE COMMUNICATIONS DEPARTMENT: Thank you very much, Mr. President. We will return to the performance abroad during the presentation of the Q1 results of the Group. I shall now hand it over again to President Mirosław Kidoń.

MIROSŁAW KIDOŃ, VICE PRESIDENT OF THE MANAGEMENT BOARD (INTERNATIONAL ASSETS): Welcome again, Ladies and Gentlemen. As President Wodejko has already mentioned, in terms of the debt ratio - this ratio is falling. The cash balances in our bank accounts are growing. Therefore, it seems only rational that today, this year, we are posting a historically record-high CAPEX - PLN 3,250 million envisaged for implementation. As you can see in the graphs, we focus mostly on replacement investments and on development investments. They apply to the entire core production line. Noteworthy is that this procurement is a historical level of replacement of equipment. We have approximately 700 pieces of mining machinery, plus an additional 300 from our service-provider companies. In this year alone, we want to replace 245 machines at the cost of PLN 450 million. Indeed, it is not only about replacement, because this machinery represents really advanced technologies. The new equipment will be more reliable, will improve the availability and utilization of our machinery park, which of course will translate into better financial results of our Company in the future. Perhaps such prosaic replacement tasks as exchange of conveyor belts do not sound exciting, however for us they are very valuable and interesting. Today the world, preventive maintenance and technologies move only forward. These machines are equipped with temperature and vibration sensors. You can buy software which will predict the wear and tear of the belt, etc. With these development investment projects, KGHM can boldly go into the future and keep abreast with the world's largest companies. We cannot afford to lag behind. Of course, we are also engaged in research and development; let me mention our electrical vehicle ZANPER, which is now in the testing stage. This project is an interesting idea of our employees. It is almost 100% made of Polish components. We hope this will be proof that KGHM is not only a crucial element of the energy transition in Poland and in the world. No transition would be possible without copper. However, as the largest producer of copper in Europe we do support all initiatives conducive to the energy transition. Let me mention here the role of the Deep Głogów (GGP) deposit in maintaining mining production in Poland. GGP has recorded a significant increase in our domestic production. In terms of ore extraction, it is 42%, 44% for

copper and 41% for silver, respectively. Embarking upon key investment projects, the Company is developing. We are opening new mine faces. We need shafts, ventilation, air, better logistics for transport of workers as well as machinery and equipment. Let me note here specifically the GG1 shaft, our deepest shaft of 1,348 meters. The work is progressing very fast. At our last results conference, there were only 61 meters of the tunnel remaining to clear. The update as of this morning is only 50 meters. So the mine should be connected to the GG1 shaft by the end of June. We will start from 10 thousand cubic meters of air per minute. Finally our miners will be able to take a full breath of fresh air. And at this point I would like to praise our team, who together and in cooperation with the Mining Authority introduced certain design changes and modernization features into our mine cage, increasing the possible speed, or - in principle - the airflow along the cage, from 12 meters per second to 18 meters per second, which will allow us to increase the efficiency of the shaft, in terms of air flow, by the target of 50%. It means that the efficiency will grow from 30 thousand cubic meters per minute to 45 thousand cubic meters per minute. Let me also add that it is a large investment project, of a value reaching PLN 1.9 billion; so I mean here such ventures, which allow us to increase air efficiency by 50%; I believe such numbers speak for themselves and are really impressive. We also continue the work on the GG2 shaft and the Retków and Gaworzyce shafts. Another important project for us is the main dewatering pumping station. We are doing our best to commission the station as per the schedule and promptly. There is no risk of any delay. Everything is going according to plan. We have completed the first round of testing, achieving 6 cubic meters per minute of pumping. Our target is 24 cubic meters of underground water per minute. Furthermore, we are continuing to develop the air cooling station and surface-based water supply feeders. All these projects will allow us to increase the efficiency of air cooling and ventilation systems, in order to improve working conditions and the productivity of miners working in these regions. I also would like to point out that we are continuing the construction of a series of stations for waste assortment and compaction at the tailings storage facility. The progress of this work is 93%. The first stage of hydrocyclones has been completed as well. It is important, because more compacted tailings are safer and cheaper to store in the TSF. The greater the beach slope angle, the beach replenishment, the safer and cheaper the overall solution. This is a key parameter for any TSF. We have applied new methods in this project. We have started to compact the tailings. This really is the right direction to go. In this project, we have

an opportunity to exchange experiences with Sierra Gorda, as they commissioned this kind of facility not long ago. They have extensive experiences as regards the improvement of sedimentation, the application of flocculating agents, operation of dosing stations. We intend to share these experiences of Sierra Gorda with KGHM's divisions. An equally interesting project is the application of hydrocyclones in the construction of dams at the TSFs. This technology is used in the Robinson mine, but not in Sierra Gorda. In other words, Sierra Gorda also closely follows our projects in KGHM. The hydrocyclones separate sedimentation grains into thick and fine. Thick grains are used for construction, while fine grains seal the bottom. This is a similar segregation as in a river, where you have stones upstream and fine sand at the sea estuary. What we do is simply speed the process up, we do not wait for the segregation to happen over two years, we do it in two minutes. That is what I wanted to add as regards our development and investment projects. Let me now ask Mateusz Wodejko to say a few words about developments in the area of energy.

MATEUSZ WODEJKO, VICE PRESIDENT OF THE MANAGEMENT BOARD (CFO): Ladies and Gentlemen, a few more words about energy. It is a very important element. You will remember my slide about the growing energy costs and other expenses related to energy. The growth was very high and has had a major impact on the Company, both throughout 2022 as well as in Q1 2023. We have projects in this area, too. The projects of course are usually long-term; as you can see here, we mention the development of nuclear power, i.e. a topic which in itself is a venture with a long time horizon. However, we approach these projects with the required due diligence, to execute them as effectively and efficiently as possible. As regards nuclear power - and it is a step pertaining not to Q1, because we did it in April - we submitted to the Ministry of Climate an application for a principal decision to secure the so-called site, i.e. a location for the nuclear power plant project. Of course, at this stage it will be a preliminary decision only. It is not the actual decision that awards the title to land. However, it is still important to get it and we are pleased that the application has been submitted. We have secured the location we indicated. In other words, this confirms what we mentioned at the last performance conference in which we summarized the results of 2022, i.e. that in 2023 we would seek to acquire the rights, preliminary - because it is all these decisions can be at this stage - consents regarding the site, the location. So the process has started, the first step has been made. And we are pleased about it. Moreover, we continue

intensive work on other aspects pertaining to a potential nuclear power project. You may have heard or seen in the media that last Monday, we as KGHM's Management Board hosted representatives of the Management Board of NuScale, i.e. our partner in the prospective nuclear power investment project. We were also visited by a representative of the company Fluor, the trade investor of NuScale, a large engineering company which is also interested in participating in the nuclear power plant construction project. NuScale's visit included meetings with representatives of government ministries, in which we introduced our partner, and held talks on how, under what conditions and based on what assumptions KGHM Polska Miedź can start preparations for the execution of such a nuclear project, especially what is possible still in the current year. We are very pleased with both the actions we have taken to date in 2023 as well as with these meetings. It is evident that the project is proceeding in line with our expectations. Naturally, the process will take many years to complete, however everything seems to suggest that the completion is not at any risk. The other important area for us is development of power generation from RES. In this respect, we have been preparing and implementing important and interesting photovoltaic projects on our own and on leased land. These projects are relatively small in scale, yet mean a lot for us, as this is how we develop our know-how, the skills of our RES team in the area of design and execution of such investments. We also have ideas for new projects, both in solar as well as wind energy. Another aspect of our measures in the area of RES is acquisitions. We have a number of such projects underway. As of now it is hard to say if they are going to be successful, because of course KGHM Polska Miedź does not intend to outprice the market in the valuation of such projects and pay more than suggested by our price decks. Nevertheless we are pursuing these projects and hope that one of them may come to successful conclusion in 2023. Thank you.

PIOTR CHĘCIŃSKI, DIRECTOR, CORPORATE COMMUNICATIONS DEPARTMENT: Thank you very much, Mr. President. To complete this part of the conference, let me ask President Tomasz Zdzikot to summarize the presentation so far.

TOMASZ ZDZIKOT, PRESIDENT OF THE MANAGEMENT BOARD: Yes. Thank you very much to my Colleagues for this full, comprehensive and in-depth presentation. Ladies and Gentlemen, let me

reiterate that we assess our results for the first quarter of this year as solid performance, as good results. We have presented them in many various ways, in particular highlighting the context. And this context is a difficult one. It is the context of the macroeconomic situation, as well as the average price of our core products and the context of one-off events which we have discussed here. We view the quarter's results as good. We are very pleased with our domestic production. President Świder covered that topic. Our domestic production is very promising, both against our budget as well as in comparisons of quarter-over-quarter data. It gives us a solid basis to say that production plans in Polska Miedź will be achieved this year, perhaps even outperformed. This is good news and we are very glad about this. As far as our international assets are concerned, this topic has been discussed by President Kidoń. Indeed, we are very positive about Sierra Gorda. It is a very important asset of ours. A good asset. But also, as President Kidoń has explained, a highly specific asset. We talked about it during our trip to Chile with a delegation headed by Prime Minister Sasin. It is a very special mine, operating on low grade deposits, deposits with low copper contents. It must therefore be highly efficient. It must not only maintain, but also continually improve the profitability of its production. It must face the competitive challenges effectively. And it is something that it does very well. It is also one of President's Kidoń successes, who for a few years served as the General Manager of this mine. We discussed it with the Chilean government, stressing the need of taking the specificity of such mines into account, I mean assets like Sierra Gorda which achieve very good performance thanks to technological or process innovations implemented by the Polish team. Let us not forget that Sierra Gorda is a mine extracting ore with copper content below 0.4, in comparison to the average content of 0.8 in Chile. It is a very good result, and also a good predictor for the Robinson mine. Both President Kidoń and President Wodejko spoke of KGHM INTERNATIONAL, whose performance in this quarter made a strong contribution into the consolidated results of the Group. Of course, there are many events which made this result worse than last year. However, we do have the know-how to handle these problems. I am convinced that we will manage very well. Weather is an extremely important factor. Weather irregularities are now commonly observed, both in Europe and in the United States; in many places across the world. And indeed this factor had a strong impact on the Robinson mine. But we will successfully handle all the problems there because - as I already said - we do have the necessary know-how. And part of this know-how originates from Sierra Gorda. We are also highly

focused on development investments in various areas. We have stressed many times that we are primarily guided by investment into the core pillars of our operations. These comprise first of all mining, but metallurgy as well. We spoke of GG1, we spoke of GG2. These are all projects which we as the Management Board have set on the implementation path. There is the Hybrid Legnica Smelter and Refinery project. We mentioned it today as well. There are many of these projects, in execution now in Poland and abroad. President Kidoń also mentioned a fourth production line in Sierra Gorda. We have a broad pipeline of development projects. We are building the value of our Company for the future. This is how we want and must look at KGHM's development: in comprehensive terms and a long-term horizon. Mining, metallurgy - it's hard to get quick wins in these industries. They call for processes implemented over many years. And we have already initiated all of them and will execute them consistently. Ladies and Gentlemen, as you have seen in our results, they are under a very strong cost pressure, increasing expenses, for example the costs related to energy. This problem must be addressed in the context of security, not only of our company's of course, but of the entire country as well. KGHM is one of the main - actually second largest - energy user in Poland. Therefore the energy security of KGHM equates to the energy security of the country. A part of our response to these challenges is our involvement in energy projects. President Wodejko elaborated on this topic. These projects are part of our on-going work. Indeed, this week we were visited by our partners from the NuScale and Fluor companies. This is our partner, a company which has been the first to obtain certification of its module, its technology in the United States, and is now implementing a project designed to certify a unit of 77 megawatts. It already has a certified unit of 50 megawatts. We are talking, engaging in a dialogue with both Polish institutions responsible for nuclear energy, with the Polish regulator via the applications we have already submitted, as well as with our American partner. Of course, any final business decisions will be based on analyses of the necessary outlays, as well as the prices of energy that such an SMR unit will be able to generate. It is a project in which we are continuously engaged. Likewise for projects pertaining to renewable energy sources. RES is an important part of our operations, designed to safeguard our Company's and, even more, our Group's interests in a difficult macroeconomic environment. Then we also face price fluctuations in our core product markets. Prices are changing in the copper and silver commodity markets, the US dollar exchange rate fluctuates, too. However, and as President Wodejko rightly pointed out, we may be pleased

with these results also because our EBITDA in Q1 2023 is higher than the EBITDA in Q3 and Q4 2022 in Polska Miedź. In other words, despite the growing cost pressure, in spite of very strong disruptions in the commodity markets, we navigate the KGHM ship responsibly and successfully across this wavy ocean, in the very high seas caused by the Russian aggression on Ukraine. So to sum up: we achieved solid results which guarantee the stable development of KGHM. I will stop here and we are ready to take your questions.

PIOTR CHĘCIŃSKI, DIRECTOR, CORPORATE COMMUNICATIONS DEPARTMENT: Thank you very much, Mr. President. This completes the official part of our presentation. Now we will move on to your questions, both from representatives of the equity market, banks, analysts, as well as journalists. This part of the conference will be moderated by Janusz Krystosiak, Director of the Investor Relations Department.

JANUSZ KRYSOSIAK, DIRECTOR, INVESTOR RELATIONS DEPARTMENT: Thank you very much. Ladies and Gentlemen, good afternoon. We have very many questions. We thank you very much for all of them, and we are very glad about this. The members of the Management Board presented a very comprehensive and detailed discussion of the various aspects of our operations, including the issues raised in the questions sent to us. I have been following the incoming questions on all these devices here and I hope I have managed to group them thematically. Having regard for your time, I will focus on the questions that - in my opinion - were somewhat less extensively covered in the presentation, and which may warrant a broader explanation. But of course we will provide answers to all the questions received. Traditionally these will be published on our website. We are also always at your disposal for ongoing contact and communication with our stakeholders. So having attempted to group the questions, I would suggest we start from the financials. A question from Morgan Stanley. Cash C1 costs increased by 37% year-over-year. Should we expect the same level of cost inflation until the end of the year, or perhaps lower energy costs will bring some relief?

MATEUSZ WODEJKO, VICE PRESIDENT OF THE MANAGEMENT BOARD (CFO): Let me put it this way. We do not present annual forecasts, so regrettably I cannot provide an exhaustive answer to

this question. Nevertheless, I can say that the electricity and gas prices, falling from quarter to quarter, will of course contribute positively to our financial situation, and we are pleased about this. However, I cannot give any specific parameters.

JANUSZ KRYSOŚIAK, DIRECTOR, INVESTOR RELATIONS DEPARTMENT: Thank you very much. A question from UBS. Over the past two years, the KGHM Group has amassed approximately PLN 5 billion in working capital. The small release of working capital in Q1 was encouraging. How much working capital can be expected to be released in the remaining part of the year?

MATEUSZ WODEJKO, VICE PRESIDENT OF THE MANAGEMENT BOARD (CFO): Yes. Again I have to repeat that I really cannot provide explanations that could be seen as forecasts, so I will not answer this question directly. However, indeed as you have noticed, the working capital decreased in Q1: there was a reduction of inventories and we would like to develop this trend. Of course, it also depends on how attractive the market prices are. Q1 was quite good in this respect, both in terms of cathodes and silver, and especially wire rod. Any release of inventories in the quarters to come will depend on market prices trends, in other words on how attractive these prices will be for the Company.

JANUSZ KRYSOŚIAK, DIRECTOR, INVESTOR RELATIONS DEPARTMENT: Thank you. And now two questions that I would like to address to Members of the Management Board responsible for production. Mr. Paweł Puchalski of Santander asks when the volumes in KGHM INTERNATIONAL are going to be revised, and what scale of such revision may be expected?

MIROŚŁAW KIDOŃ, VICE PRESIDENT OF THE MANAGEMENT BOARD (INTERNATIONAL ASSETS): Please let me respond to this question. At present I can only say that we expect that the budgeted production volume of Robinson will not be achieved. However to provide any details requires analysis of events that will occur over the coming months. It is also linked to our negotiations in respect of better access to and utilization of mining machinery conducted with such companies as Caterpillar and Komatsu... so as Mateusz said just a moment ago, it is still too early to embark on any forecasts in this respect. Thank you.

JANUSZ KRYSOŚIAK, DIRECTOR, INVESTOR RELATIONS DEPARTMENT: Thank you very much. The other question from Mr. Paweł Puchalski. Does the Company assume that the higher-than-budgeted volumes in the Parent Company will continue in subsequent quarters? Or do you expect the subsequent quarters to be correspondingly weaker and thus the annual budget will be achieved?

MAREK ŚWIDER, VICE PRESIDENT OF THE MANAGEMENT BOARD (PRODUCTION): Ladies and Gentlemen, thanks to the very good organization of work and care for the quality of the mined ore and safety, we were able to achieve these very good performance figures in domestic production. I do not really expect us to underperform the budget in the months to come. Thank you.

TOMASZ ZDZIKOT, PRESIDENT OF THE MANAGEMENT BOARD: Let me only add, just by the way, that of course the pillar of KGHM Polska Miedź is copper. It is self-evident. Very good production results constitute good prediction for the future. These are the words of thanks for both President Świder as well as all the managers and employees engaged in KGHM's production. I have already said it once during another conference, and then our colleagues from the international companies expressed some resentment. That is why I emphasized the role of Sierra Gorda in achieving the positive results, taking into account in particular the specificity of this mine; so Sierra Gorda by all means, but KGHM INTERNATIONAL as well. As President Kidoń said, we are now engaged in a range of measures that are designed to improve the operation of this mine.

JANUSZ KRYSOŚIAK, DIRECTOR, INVESTOR RELATIONS DEPARTMENT: Thank you very much. A question from our *Ask a Question* channel. When you discussed investment expenditure in the CAPEX part, you pointed out energy projects, both traditional and RES. Could we have more details as regards the CAPEX on energy projects?

MAREK PIETRZAK, VICE PRESIDENT OF THE MANAGEMENT BOARD (CORPORATE AFFAIRS): Ladies and Gentlemen, energy investments are also important for the companies of the Group. An example was given by President Wodejko, of the capital increase in the company WPEC of PLN

115 million. We are building there a state-of-the-art gas-fired unit which will replace the still-functioning high emission coal-fired unit. This project also adapts and ensures compliance of our production with the requirements of European Union legislation. It is a good place to add that these investments are being advanced by the company Energetyka. We are constructing photovoltaic installations. Five of them are already in operation. We have developed projects to construct two more installations in the Głogów Copper Smelter and Refinery as well as the Legnica Copper Smelter and Refinery, 1.4 megawatts each. Thank you.

JANUSZ KRYSOŚIAK, DIRECTOR, INVESTOR RELATIONS DEPARTMENT: Thank you very much. There is a question about our investment in Chile. Mr. Andrzej Rembelski, PKO BP. How is the cooperation with South32 in Sierra Gorda? Have there emerged any new optimization or investment ideas?

MIROŚLAW KIDOŃ, VICE PRESIDENT OF THE MANAGEMENT BOARD (INTERNATIONAL ASSETS): As regards our partners from South32, they are fully engaged in our development plans for our Chilean assets. They fully agree with our program and the “Debottlenecking” project designed to eliminate the bottlenecks. The most recent tasks undertaken by the project have been a replacement of the gearboxes on the largest pumps in the grinding mill which feed the material to hydrocyclones for separation. This will be completed this year. Of course, they fully support the exploration work intended to increase our knowledge of the deposit, and by the same token increase the availability of minerals over the lifetime of the mines, which will allow us to enhance the value of our project. They also declare their full support for our ideas regarding the fourth line as well as the oxides processing plant. In this context, very intensive work is being conducted by the Australian partner in order to verify the computations performed by both Sierra Gorda as well as our team of engineers here, in Poland. I have to say and stress that this work is moving in a very positive direction. Of course, we are assessing all the aspects. One of the important aspects is to achieve 62% content of solids in the waste pumped into the sedimentation pond. As I have already mentioned, this density, content of solids, is absolutely key from the cost, technical and safety points of view, due to the angle of the dam’s beach. On the other hand, we have to be mindful of the environmental permits we obtained in Chile, which specify very precisely the allowed amount

of infiltration to underground water and the density of waste delivered, which should not exceed 62%. That is why investment into the thickener was indispensable; it was necessary to fulfil the conditions of the environmental permit we obtained. It will also allow us to lower CAPEX in the future. Furthermore we have received - and this is a great success for KGHM and Sierra Gorda - a permit to expand the surface area of the settlement pond, which will give us a CAPEX reduction of USD 450 million over the lifetime of the mine. Ladies and Gentlemen, Sierra Gorda is a mine of great potential. This potential can be utilized as long as we have sufficient knowledge, experience and business savvy. And our people have such know-how. We are the second mine - and there are only two such mines in Chile - which has direct access to ocean water. We pump the water from Mejillones bay over 155 km to Sierra Gorda. We know how to use salt water for floatation, obtaining yields of 83%, the target being 84.5% over the lifetime of the mine. It is a huge achievement. We also have adequate potential for the water to suffice for much higher throughputs. We have potential at first-level crushing. We have potential in the crushed ore storage, also on conveyor belts. This potential will be utilized. Ladies and Gentlemen, we will use this potential and grow the throughput capabilities of Sierra Gorda very much, improving C1, improving production and defeating our competition. South32 fully supports KGHM and Sierra Gorda's team, exactly in this perspective and in this very scope. Thank you.

TOMASZ ZDZIKOT, PRESIDENT OF THE MANAGEMENT BOARD: Let me add a few words. Ladies and Gentlemen, we are in an uninterrupted ongoing dialogue with our Partners from Australia. I would prefer not to speak so directly for our Partners, but I am under the impression that they seem very happy to be a shareholder of this venture. Because it is simply a very good asset. It is an asset with both existing as well as development potential. It is an asset which on the Chilean scale - and Chile belongs to global powers in terms of copper deposits - is recognized as a model. There is a lot of demand, for example, for study visits at this mine, because all the novelties as well as process and technology innovations introduced there allow the mine to generate very good results, despite the low content of copper in the ore. It is very positive. This mine is also a model in something that is very important for the Chilean government, i.e. the environmental aspects. President Kidoń already discussed access to ocean water. And importantly - what we have already informed you of - 100% of the energy used in Sierra Gorda is generated from renewable sources.

So overall, it is an innovative and creative venture. And we do have more ideas for development, and we will definitely take such decisions with our Australian partners.

JANUSZ KRYSOŚIAK, DIRECTOR, INVESTOR RELATIONS DEPARTMENT: Thank you very much. All these comments actually addressed the remaining questions about our business in Chile. Perhaps just this short one. Trigon asks, what is the potential of other metals being extracted in Sierra Gorda? Shall we try to answer this question?

MIROŚLAW KIDOŃ, VICE PRESIDENT OF THE MANAGEMENT BOARD (INTERNATIONAL ASSETS): Yes, of course. As regards Sierra Gorda, we are currently on the Domeyko [a.k.a. Catabella] open-pit, where there is molybdenum and copper as well as gold. On the other hand, as regards our exploration work, we are able to verify and assess four more deposits of sizes similar to the current one. To answer the question about the minerals - these are still the same. Copper and molybdenum. The deposit profile next to our Domeyko pit is very similar. With our geologist team we actually suspect that it may be one huge super deposit. Our exploration work in the years to come should give us the answer, if we are right, or wrong.

JANUSZ KRYSOŚIAK, DIRECTOR, INVESTOR RELATIONS DEPARTMENT: Thank you very much. We've been dealing with questions asked via the Internet... but now coming back to the room, are there any questions from the floor? Let me hand it over to Director Chęciński.

PIOTR CHĘCIŃSKI, DIRECTOR, CORPORATE COMMUNICATIONS DEPARTMENT: Thank you very much. Please, the gentleman at the back. Could I please just ask you to introduce yourself and your publication.

MACIEJ WIŚNIEWSKI, LUBIN24.INFO: I have a question regarding the introduction of exoskeletons and cooling vests. What is the stage of this work?

PIOTR CHĘCIŃSKI, DIRECTOR, CORPORATE COMMUNICATIONS DEPARTMENT: Thank you very much for this question. President Marek Świder.

MAREK ŚWIDER, VICE PRESIDENT OF THE MANAGEMENT BOARD (PRODUCTION): Of course, the exoskeletons have been purchased and introduced in the Divisions. They are at the testing stage - both vests and skeletons Thank you.

MACIEJ WIŚNIEWSKI, LUBIN24.INFO: But with positive results?

MAREK ŚWIDER, VICE PRESIDENT OF THE MANAGEMENT BOARD (PRODUCTION): Yes, with positive results.

PIOTR CHĘCIŃSKI, DIRECTOR, CORPORATE COMMUNICATIONS DEPARTMENT: Thank you very much, Editor. Does anyone else have a question? I can't see any raised hands. Mr. Director?

JANUSZ KRYSOŚIAK, DIRECTOR, INVESTOR RELATIONS DEPARTMENT: If we still have time, I have one final question.

PIOTR CHĘCIŃSKI, DIRECTOR, CORPORATE COMMUNICATIONS DEPARTMENT: Of course, go ahead.

JANUSZ KRYSOŚIAK, DIRECTOR, INVESTOR RELATIONS DEPARTMENT: Mr. Jacek Frączyk, Business Insider. The minerals extraction tax decreased by PLN 502 million, whereas at the same time the dividend decreased from PLN 600 million to 200 million. I understand these amounts are needed for the investment projects in the SMR power plants and increased exploration work around Głogów? Could you elaborate more precisely which CAPEX will finance your investments? Thank you.

MATEUSZ WODEJKO, VICE PRESIDENT OF THE MANAGEMENT BOARD (CFO): Let me answer in this way: our dividend recommendation is PLN 200 million, which means that in principle we cannot see it as 600 coming down to 200. In a multi-annual perspective, the Company recommended and paid various amounts of dividend or it did not paid any dividend at all (we are

aware of this). As we have written in the justification to our recommendation, we need to take into account both the existing and future situations. And the future is conditional on a broad range of investments. On the one hand investments which are important, indeed indispensable, such as those linked to power supply agreements. On the other hand, there are investments which are simply worthwhile, because they will create new value for the Company. It is, of course, as you say here: increased mining production, accessing deposits. But these are also projects discussed by President Kidoń, President Zdzikot, i.e. the projects in Chile, which are very attractive from the viewpoint of building our potential as a Group and the Sierra Gorda joint venture. In other words, this is an approach encompassing all aspects. And now, is it linked to SMR? Not directly, because as I have said, SMR is a multi-year project. It means that we are incurring specific expenditures, as well as specific costs related thereto, linked with functioning of the team. These large expenditures, on the other hand, are a longer-term matter. All in all, we have a multitude of other investment projects, as I mentioned, which are very important and indispensable for the Company. Thank you.

JANUSZ KRYSOSIAK, DIRECTOR, INVESTOR RELATIONS DEPARTMENT: Thank you very much. Mr. Robert Maj from Ipopema is asking a bit more on this theme: the President, of course, commented on the proposed dividend issue, but Mr. Robert Maj is still asking: at the last meeting, you mentioned that you would stick to the dividend policy, and it would imply a significantly higher dividend. Well, then I will take the liberty to remind you of this, Mr. President, I am sorry.

MATEUSZ WODEJKO, VICE PRESIDENT OF THE MANAGEMENT BOARD (CFO): Yes. Let me join in here and say that our dividend policy is defined in terms of the upper level, "up to an amount". As I have mentioned before, the policy also states that when we are deciding about the dividend in respect of the year's results, we also have to take into account the future situation and plans of the KGHM Group. And that is exactly the situation here. We can see that it is worthwhile to earmark more funds for investment projects, that it is better for a majority of the funds to remain in the Group and be added to capital reserves, so that KGHM Polska Miedź can simply invest these funds. Because it is really worthwhile, and - as President Zdzikot said - the situation is not easy macroeconomically. On the other hand, there are either new opportunities emerging or an

investment becomes necessary, and we have to have funding available for this. Of course the best solution is to apply a certain mix of our own and external equity. However, to safeguard KGHM in this macroeconomic situation and avoid risks, we want to keep our debt at as low a level as possible while continuing our investment program. We hope that this policy will translate in the long term into a growing value of the Company and the Group, which will be a benefit for the shareholders as well.

JANUSZ KRYSOŚIAK, DIRECTOR, INVESTOR RELATIONS DEPARTMENT: Thank you very much. That is all from me. The questions that are still coming in will be answered. As I have said, the answers will be posted on the website. Mr. Director, over to you.

PIOTR CHĘCIŃSKI, DIRECTOR, CORPORATE COMMUNICATIONS DEPARTMENT: Ladies and Gentlemen, thank you very much for today's meeting. Thank you to all the representatives of the equity market, banks, analysts, and all of you who watched our live broadcast. My thanks also go to the representatives of the media and of KGHM who have been with us today. Thank you to the Management Board. And on this note we are closing our meeting today. Thank you.

List of questions asked at the performance conference for Q1 2023

- 1. Cash C1 costs increased by 37% year over year. Should we expect a similar level of cost inflation until the end of the year, or perhaps lower energy costs will bring some relief?**

Answer Let me put it this way. We do not present annual forecasts, so regrettably I cannot provide an exhaustive answer to this question. Nevertheless, I can say that the electricity and gas prices, falling from quarter to quarter, will of course contribute positively to our financial situation, and we are pleased about this. However, I cannot give any specific parameters.

- 2. Over the past two years, the KGHM Group have amassed approximately PLN 5 billion in working assets. The small release of working capital in Q1 was encouraging. How much of working assets can be expected to be released in the remaining part of the year?**

Answer Yes. Again I have to repeat that I really cannot provide explanations that could be seen as forecasts, so I will not answer this question directly. However, indeed as you have

noticed, the working capital decreased in Q1: there was a reduction of inventories and we would like to develop this trend. Of course, it also depends on how attractive the market prices are. Q1 was quite good in this respect, both in terms of cathodes and silver, and especially wire rod. Any release of inventories in the quarters to come will depend on market prices trends, in other words on how attractive these prices will be for the Company.

3. When are the volumes in KGHM INTERNATIONAL going to be revised, and what scale of such revision may be expected?

Answer At present I can only say that we expect that the budgeted production volume of Robinson will not be achieved. However to provide any details requires analysis of events that will occur over the coming months. It is also linked to our negotiations in respect of better access to and utilization of mining machinery conducted with such companies as Caterpillar and Komatsu... so as Mateusz said just a moment ago, it is still too early to embark on any forecasts in this respect.

4. Does the Company assume to maintain higher-than-budgeted volumes in the Parent Company in the successive quarters? Or do you expect the successive quarters to be correspondingly weaker and thus the annual budget will be performed?

Answer Thanks to the very good organization of work and care for the quality of the mined ore and safety, we were able to achieve these very good performance figures in domestic production. I do not really expect us to underperform the budget in the months to come. Let me only add, just by the way, that of course the pillar of KGHM Polska Miedź is copper. It is self-evident. Very good production results constitute good prediction for the future. These are the words of thanks for both President Świder as well as all the managers and employees engaged in KGHM's production. I have already said it once during another conference, and then our colleagues from the international companies expressed some resentment. That is why I emphasized the role of Sierra Gorda in achieving the positive results, taking into account in particular the specificity of this mine; so Sierra Gorda by all means, but KGHM INTERNATIONAL as well. As President Kidoń said, we are now engaged in a range of measures that are designed to improve the operation of this mine.

5. When you discussed investment expenditure in the CAPEX part, you pointed out energy projects, both traditional and RES. Could we have more details as regards the CAPEX on energy projects?

Answer Energy investments are also important for the companies of the Group. An example was given by President Wodejko, of the capital increase in the company WPEC of PLN 115 million. We are building there a state-of-the-art gas-fired unit which will replace the still-functioning high emission coal-fired unit. This project also adapts and ensures compliance of our production with the requirements of European Union legislation. It is a good place to add that these investments are being advanced by the company Energetyka. We are constructing photovoltaic installations. Five of them are already in operation. We have developed projects to construct two more installations in the Głogów Copper Smelter and Refinery as well as the Legnica Copper Smelter and Refinery, 1.4 megawatts each.

6. How is the cooperation with South32 in Sierra Gorda? Have there emerged any new optimization or investment ideas?

Answer As regards our partners from South32, they are fully engaged in our development plans for our Chilean assets. They fully agree with our program and the “Debottlenecking” project designed to eliminate the bottlenecks. The most recent tasks undertaken by the project have been a replacement of the gearboxes on the largest pumps in the grinding mill which feed the material to hydrocyclones for separation. This will be completed this year. Of course, they fully support the exploration work intended to increase our knowledge of the deposit, and by the same token increase the availability of minerals over the lifetime of the mines, which will allow us to enhance the value of our project. They also declare their full support for our ideas regarding the fourth line as well as the oxides processing plant. In this context, very intensive work is being conducted by the Australian partner in order to verify the computations performed by both Sierra Gorda as well as our team of engineers here, in Poland. I have to say and stress that this work is moving in a very positive direction. Of course, we are assessing all the aspects. One of the important aspects is to achieve 62% content of solids in the waste pumped into the sedimentation pond. As I have already mentioned, this density, content of solids, is absolutely key from the cost, technical and safety points of view, due to the angle of the dam’s beach. On the other hand, we have to be mindful of the environmental permits we obtained in Chile, which specify very precisely the allowed amount of infiltration to underground water and the density of waste delivered, which should not exceed 62%. That is why investment into the thickener was indispensable; it was necessary to fulfil the conditions of the environmental permit we obtained. It will also allow us to lower CAPEX in the future. Furthermore we have received - and this is a great success for KGHM and Sierra Gorda - a permit to expand the surface area of the settlement pond, which will give us a CAPEX reduction of USD 450 million over the lifetime of the mine. Ladies and Gentlemen, Sierra Gorda is a mine of great potential. This potential can be utilized as long as we have sufficient knowledge, experience and business savvy. And our people have such know-how. We are the second mine - and there are only two such mines in Chile - which has direct access to ocean water. We pump the water from Mejillones bay over 155 km to Sierra Gorda. We know how to use salt water for floatation, obtaining yields of 83%, the target being 84.5% over the lifetime of the mine. It is a huge achievement. We also have adequate potential for the water to suffice for much higher throughputs. We have potential at first-level crushing. We have potential in the crushed ore storage, also on conveyor belts. This potential will be utilized. Ladies and Gentlemen, we will use this potential and grow the throughput capabilities of Sierra Gorda very much, improving C1, improving production and defeating our competition. South32 fully supports KGHM and Sierra Gorda’s team, exactly in this perspective and in this very scope.

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process and technology innovations introduced there allow the mine to generate very good results, despite the low content of copper in the ore. It is very positive. This mine is also a model in something that is very important for the Chilean government, i.e. the environmental aspects. President Kidoń already discussed access to ocean water. And importantly - what we have already informed you of - 100% of the energy used in Sierra Gorda is generated from renewable sources. So overall, it is an innovative and creative venture. And we do have more ideas for development, and we will definitely take such decisions with our Australian partners.

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Answer Of course, the exoskeletons have been purchased and introduced in the Divisions. They are at the testing stage - both vests and skeletons.

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matter. All in all, we have a multitude of other investment projects, as I mentioned, which are very important and indispensable for the Company.

10. At the last meeting, you mentioned that you would stick to the dividend policy, and it would imply a significantly higher dividend?

Answer Yes. Let me join in here and say that our dividend policy is defined in terms of the upper level, “up to an amount”. As I have mentioned before, the policy also states that when we are deciding about the dividend in respect of the year’s results, we also have to take into account the future situation and plans of the KGHM Group. And that is exactly the situation here. We can see that it is worthwhile to earmark more funds for investment projects, that it is better for a majority of the funds to remain in the Group and be added to capital reserves, so that KGHM Polska Miedź can simply invest these funds. Because it is really worthwhile, and - as President Zdzikot said - the situation is not easy macroeconomically. On the other hand, there are either new opportunities emerging or an investment becomes necessary, and we have to have funding available for this. Of course the best solution is to apply a certain mix of our own and external equity. However, to safeguard KGHM in this macroeconomic situation and avoid risks, we want to keep our debt at as low a level as possible while continuing our investment program. We hope that this policy will translate in the long term into a growing value of the Company and the Group, which will be a benefit for the shareholders as well.

11. Hello. During the presentation there was information on expenditures on the Victoria project. What are the amounts and at what stage of development is the Victoria project?

Answer In the first quarter of 2023 expenditures on the Victoria project amounted to PLN 65 million, and for the full year 2022: PLN 221 million vs PLN 147 million in the prior year. Engineering work continued along with actions related to preparing selected elements of the infrastructure for further development of the project, as well as actions aimed at maintaining good relations and cooperation with key stakeholders in the project. A temporary reverse osmosis effluents treatment plant operated at the Victoria project site. Currently, work is underway to build a full-scale permanent effluents treatment plant. The installation will include, among others, metal precipitation, ion exchange, and a moving bed biofilm reactor (MBBR).

12. In Q1'23 sales of copper were clearly higher than production. What does the Management Board think about the current physical copper market? Do you see a visible drop in physical demand?

Answer Despite price drops in recent weeks, we, like most of the market, remain optimistic about sustaining and increasing demand. In the short term, however, volatility cannot be ruled out, which is related to the situation in the global economy.

13. A question about the Robinson mine. Is the Management Board considering the implementation of some sort of corrective plan for the mine. When can we expect higher output from the Robinson mine?

Answer As far as the Robinson mine is concerned, indeed we have encountered major problems here, primarily weather-related. The problems started in Q3 2022. Regrettably, the production plan was not achieved as budgeted, being 10% lower. This in turn translated into reaching into inventories and the heap that was intended for blending of the extracted ore prior to enrichment. Q1 2023 was not favorable for us weather-wise, either. We recorded historically high snowfall, with the snow melting afterwards, which resulted in flooding of the passageways. Out of the 10 mining haulers, only 3 were in use. In other words, the use and availability of our mining equipment fell to 30%. We subsequently analyzed this situation, and as the newly-appointed Vice President for International Assets I presented the situation to the Management Board. We concluded that the Robinson mine calls for a deep modernization and optimization. As a result, we have decided to purchase in 2023 six Komatsu machines, haulers of 240 tonnes. In 2024, we are going to purchase another five Komatsu vehicles. However, still in this year we are trying to lease five 240-tonne haulers. We are in talks both with Komatsu, as well as Caterpillar. Soon we will acquire three 100-tonne haulers. Moreover, we are negotiating a mark contract, i.e. a contract including full servicing of machinery and equipment by Komatsu or Caterpillar, including an availability level guarantee. These talks are underway. In addition we are creating a team which - as we have done in Sierra Gorda - will analyze bottlenecks. The team's task will be to develop an optimization project which will eliminate bottlenecks and set new throughput targets for the Robinson plant. Concurrently we have started operational work to increase the useful material resources.

14. Given the evident rise in production costs in Poland, is the Management Board going to ask the government to reduce the minerals extraction tax? Politically, looking at tyhe coming elections, it would seem to be a good idea, one bringing KGHM, its employees and local companies numerous benefits.

Answer Regarding the mineral extraction tax, we can say that we will always be ready to discuss the legal regulations regarding this tax, especially if the discussion could result in its reduction.

15. Given the current copper prices, do you expect Sierra Gorda to provide cash by repaying shareholder loans in 2023?

Answer In terms of a return on investment from Sierra Gorda, our financial goal remains unchanged, meaning optimisation of the rate of financial flows at a similar or even higher level than the one recorded last year, whilst focusing on the rational and safe management of these assets.