

# Layers of possibilities



Results of the KGHM Group for the third quarter  
and first 9 months of 2024

Lubin, 15 November 2024

# Summation of the first 9 months of 2024 in the KGHM Group

Main macroeconomic factors and aspects of the Group compared to 9M 2023

## Macroeconomic environment<sup>1)</sup>

**+6%**

Copper price in  
USD/t

**no change**

Copper price  
in PLN/t

**+16%**

Silver price  
in USD/oz t

**+9%**

Silver price  
in PLN/oz t

**-6%**

A weaker USD  
vs the PLN

## Operating results

**no change**

in extraction of ore, dry weight  
in KGHM Polska Miedź S.A.

**+0.3%**

Production of  
copper in concentrate  
by KGHM Polska Miedź S.A.

**-10.8%**

Production of metallic silver  
by KGHM Polska Miedź S.A.

## Indicators

**+16%**

Higher CAPEX execution  
by KGHM Polska Miedź S.A.

**+2%**

Increase in revenues to  
PLN 26 139 mn

**0.9**

Debt  
(Liquidity indicator, measured as net  
debt to adjusted EBITDA)

# Summation of the first 9 months of 2024 in the KGHM Group and KGHM Polska Miedź S.A.

Basic measures of the results in 9M 2024

KGHM Group

PLN 26 139 mn

Revenues

PLN 6 186 mn

Adjusted EBITDA

PLN 1 314 mn

Profit for the period

KGHM Polska Miedź S.A.

PLN 22 261 mn

Revenues

PLN 3 402 mn

Adjusted EBITDA

PLN 1 204 mn

Profit for the period

# Key production indicators

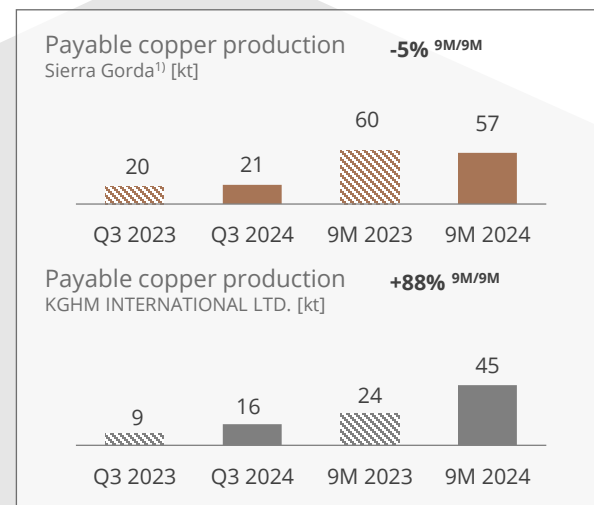
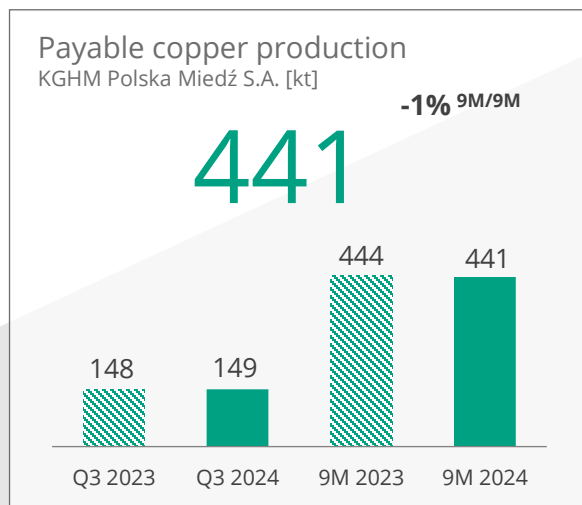
9M 2024

Payable copper production  
by the KGHM Group  
higher by 3% (9M/9M)

# 544

+3% 9M/9M  
[kt]

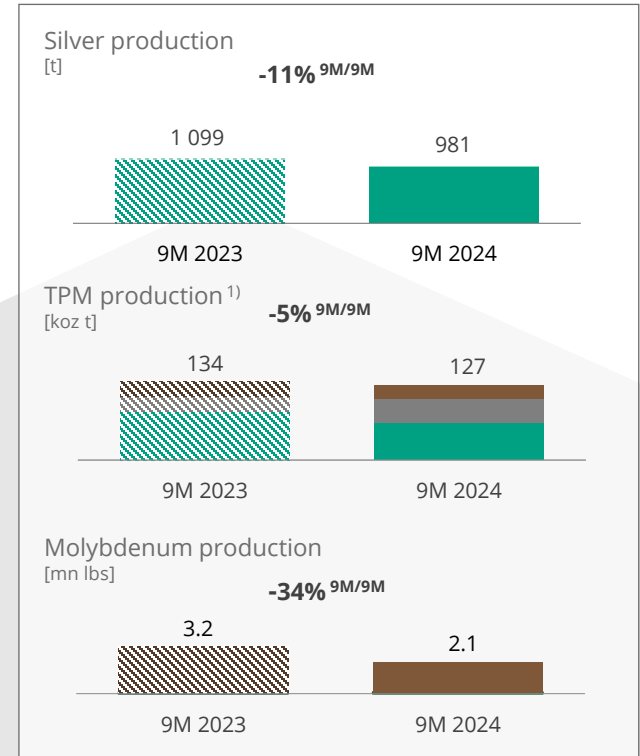
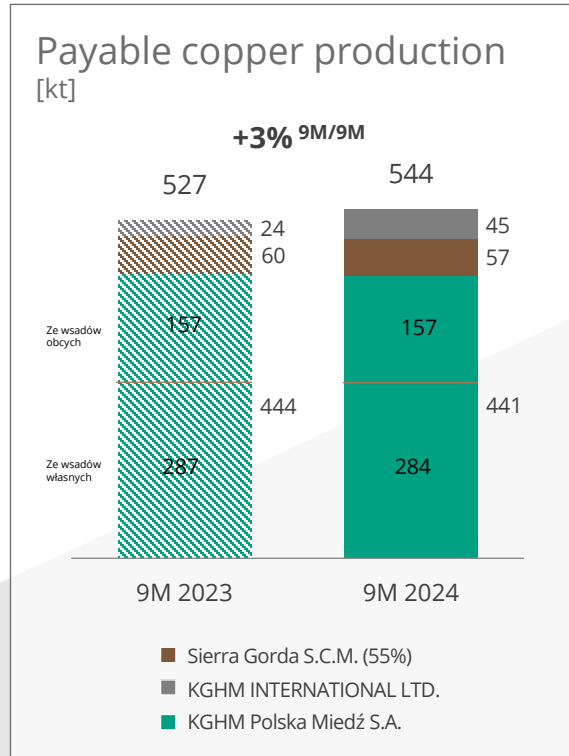
- **KGHM Polska Miedź**  
Production slightly lower than in the prior year – the small decrease was due to execution of the adopted production plan for 2024
- **Sierra Gorda**  
Lower copper content in ore and lower metal recovery, partially offset by higher processing
- **KGHM INTERNATIONAL LTD.**  
Higher production thanks to significant improvement of production parameters in the Robinson mine



# Metals production

## KGHM Group

- Slightly lower copper production by KGHM Polska Miedź S.A. due to execution of the adopted production plan for 2024
- Higher copper production by KGHM INTERNATIONAL LTD. thanks to significant improvement of production parameters in the Robinson mine
- Lower copper production by the Sierra Gorda mine due to lower copper content in ore and lower recovery, which was not offset by higher processing
- Production of silver by the Group was lower than in 9M 2023 mainly due to lower production by KGHM Polska Miedź S.A., as well as by the Sudbury Basin
- Production of precious metals lower than in 9M 2023 due to lower gold production in KGHM Polska Miedź S.A. and Sierra Gorda S.C.M. as well as TPM in the Sudbury Basin, despite higher production in the Robinson mine
- Lower molybdenum production by Sierra Gorda S.C.M. due to extraction of ore with lower molybdenum content and lower recovery





## Production results of the KGHM Group by segment

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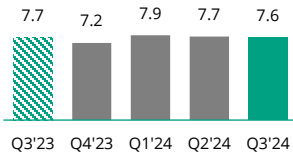
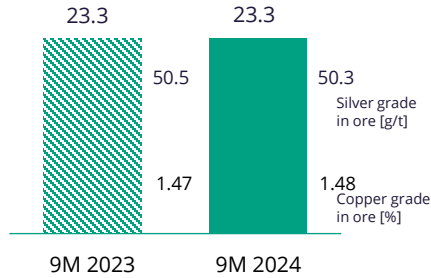


# Production results

KGHM Polska Miedź S.A.

Ore extraction  
[mn t dry weight]

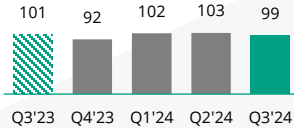
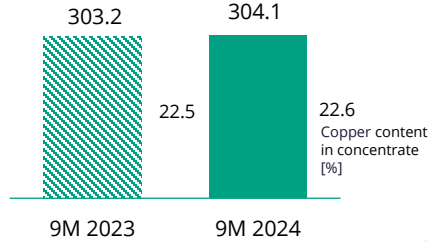
**No change** 9M/9M



- Ore extraction results from areas selected for mining

Production of copper  
in concentrate [kt]

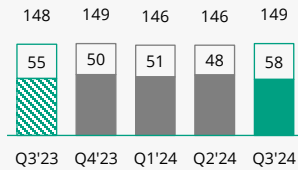
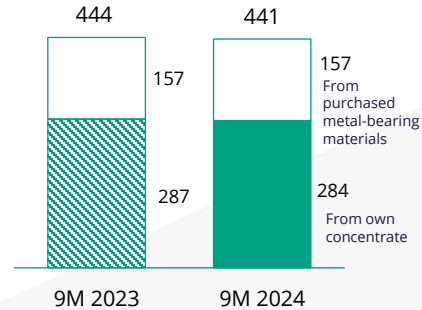
**+0.3%** 9M/9M



- Production of copper in concentrate resulting from volume of production and copper content

Electrolytic copper  
production [kt]

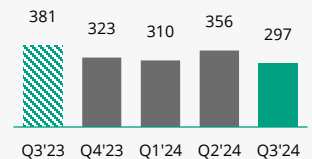
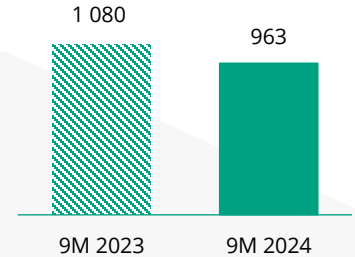
**-0.7%** 9M/9M



- Cathode production results from execution of the adopted production plans for 2024

Metallic silver  
production [t]

**-10.8%** 9M/9M

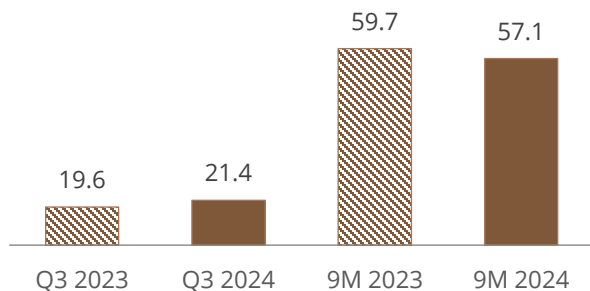


- Lower metallic silver production due to lower availability of charge materials

# Production results

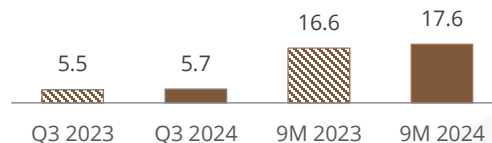
Sierra Gorda S.C.M.<sup>1)</sup>

## Payable copper production [kt] **-4% 9M/9M**

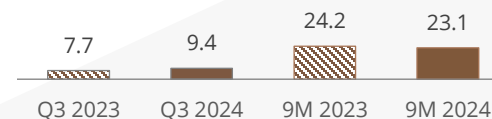


- Lower payable copper production 9M/9M due to the mining of ore with lower copper content and lower recovery, despite a higher volume of processed ore

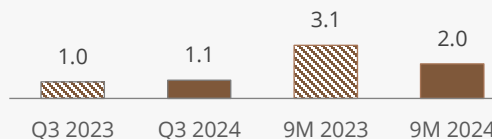
## Silver production [t] **+6% 9M/9M**



## TPM production [koz t] **-5% 9M/9M**



## Molybdenum production [mn lbs] **-35% 9M/9M**



- The volume of precious metals production derived from the content of these metals in mined ore
- The decrease in molybdenum production was due to extraction from areas with lower metal content and lower recovery compared to ore mined in the prior year

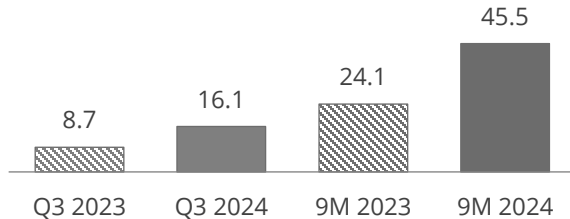


# Production results

KGHM INTERNATIONAL LTD.

## Payable copper production [kt]

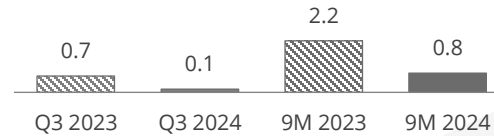
**+89%** 9M/9M



- Higher copper production mainly due to higher copper production by the Robinson mine resulting from extraction from the main, copper-rich zone (higher volume of ore processed with higher copper content)
- Lower copper production compared to the corresponding prior-year period in the Sudbury Basin (extraction of ore with lower copper content, lower volume of ore extraction)
- Lower production by the Carlota mine – according to the adopted plan, stripping was carried out in the Cactus pit to gain access to the new ore zone

## Silver production [t]

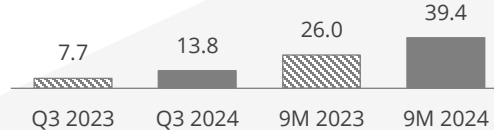
**-64%** 9M/9M



- Silver: lower production by the Sudbury Basin due to lower silver content in ore and a lower volume of ore extraction

## TPM production [koz t]

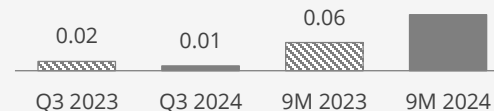
**+52%** 9M/9M



- TPM: higher gold production by the Robinson mine (higher recovery, higher metals content and higher volume of processed ore). Lower precious metals production by the Sudbury Basin (lower TPM content in ore, lower volume of ore extraction)

## Molybdenum production [mn lbs]

**+100%** 9M/9M



- Molybdenum: higher production by the Robinson mine due to higher molybdenum content in ore and higher volume of processed ore

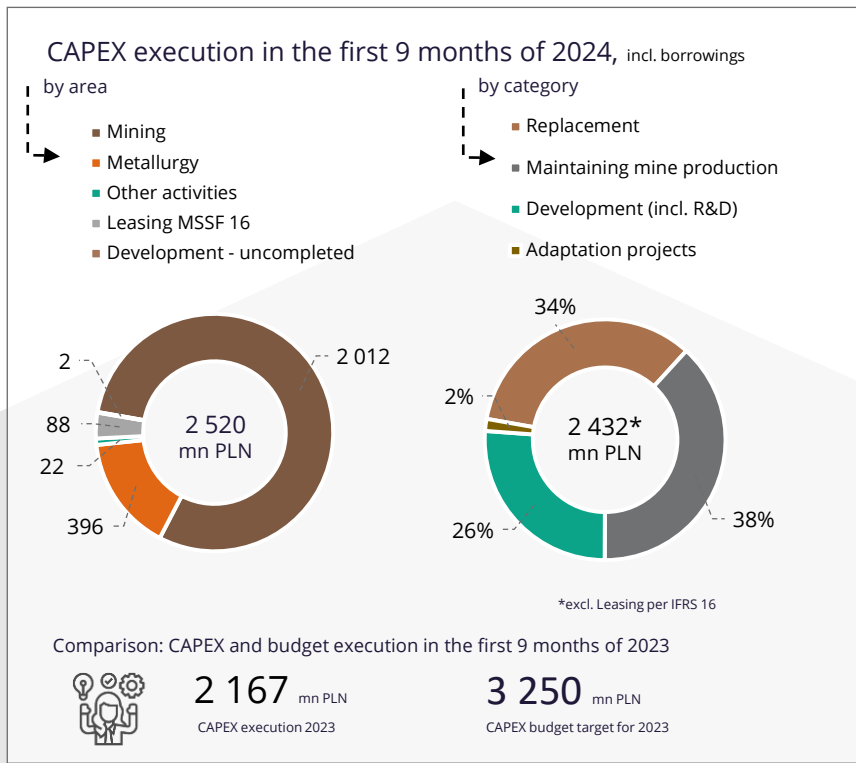


## Advancement of development initiatives

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# A rationale and responsible investment program

Capital expenditures by KGHM Polska Miedź S.A. in the first 9 months of 2024





# CAPEX execution in key investments

## Deposit Access Program

- 30.1 km kilometres of corridors were excavated.
- Central Air-Cooling System (SKC) at the GG-1 shaft – the Surface-based Air Conditioning Station (PSK) is operating with a nominal capacity of 33 MW. Conditions agreed to expand the SKC to a capacity of 40 MW. Work planned for the fourth quarter of 2024 began.
- Central Air-Cooling System (SKC) at the GG-2 shaft – project commenced in September. Tender proceeding initiated to select Contractors for functioning and operating Programs for the PSK and the Ice Water Transfer System (SPWL).

## Adaptation

- Construction of a copper concentrate warehouse at the Rudna Concentrator;
- Construction of a silver bar casting station at the Głogów Copper Smelter and Refinery
- Improvement of OHS conditions at the Polkowice-Sieroszowice mine

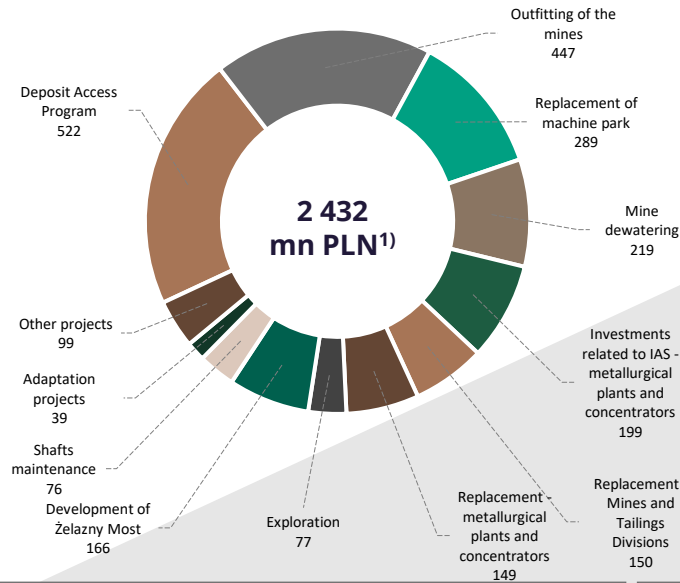
## Maintaining shafts

- SW-4 shaft complex

## Development of the Żelazny Most Tailings Storage Facility

- Southern quarter with segregation station - Static body of the western dam under construction. Agreement signed for tailings cycloning technology at the Polkowice Concentrator. 3 tender proceedings opened related to slimes management (piping, fittings and executory work).
- Increasing dam height to above 195 m – construction work underway by the Company PORR on plan. Construction and execution project received to develop the north-west section, procedure underway to obtain an environmental permit. Changes to municipal area management plans approved in three municipalities.

1) excluding Leasing per IFRS 16, plus borrowing costs and R&D



## Outfitting of the mines

- Conveyor belts – work continued on ruction and extension of conveyor belts (30 conveyor belts under construction; completed - 6.5 km).
- Outfitting and infrastructure of regions/sections – work continued (the largest expenditures were incurred, among others, in projects related to the outfitting of section G-54 and G-32 in the Polkowice-Sieroszowice mine).

## Replacement of machine park

- 167 mine machines were purchased and supplied to the three mines: 34 to Lubin; 58 to Rudna; 75 to Polkowice-Sieroszowice.

## Mine dewatering

- Anti-filtration barrier – injection of first of five openings near completion, drilling and injection of second opening begun; as a result, the inflow of water into the mines which has been increasing since September 2021 has been stabilised. Plans foresee the gradual limitation, together with the drilling of the second opening, of water inflow.
- Dewatering system for the retention clarifier in the Lubin mine – work completed on the construction of piping to a retention clarifier in the Lubin mine aimed at the periodic storage of excess water from the Rudna concentrator.

## Investments related to IAS

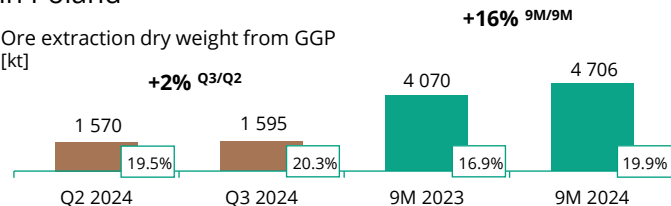
- Maintenance shutdown at the Głogów I Smelter/Refinery – commenced in August; main tasks: average maintenance on the flash furnace and electric furnace, the recovery boiler behind the flash furnace, modernisation of the oil firing flash furnace installation, optimisation of the sulphuric acid plant and updating of control systems; the shutdown was completed in October.
- Concentrators – maintenance on crushers and ball mills, press filters.

# Role of shafts in maintaining output in Poland

Deposit access program in KGHM's concessioned areas

## Share of production from GGP in total production in Poland

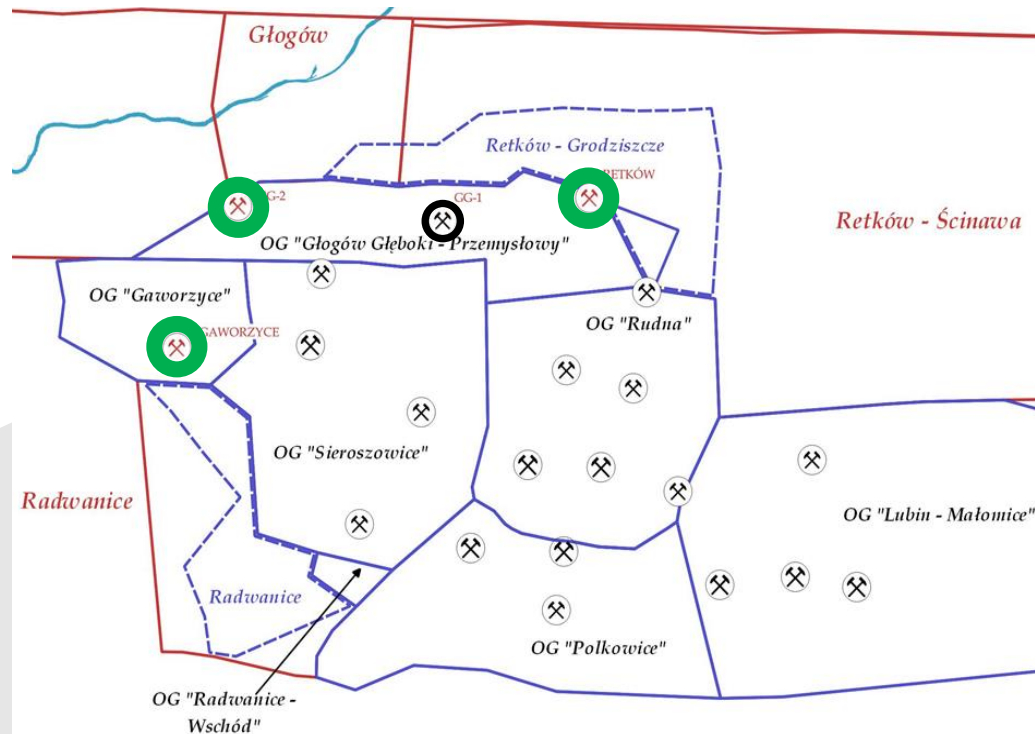
Ore extraction dry weight from GGP [kt]



**GG-1 shaft** - work continues on designing target facilities; in September shaft outfitting commenced; as regards cabling for the 20 kV network, an agreement was signed with Tauron; in terms of rain-industrial piping, building permits were obtained;

**GG-2 shaft** - geological documentation received; environmental documentation is being prepared; designing of the main transformer station in accordance with plan;

**Retków shaft and Gaworzyce shaft** - conditions agreed to carry out geological work;



— Current mining area  
— Border of exploration concessions



## Financial results of the Group

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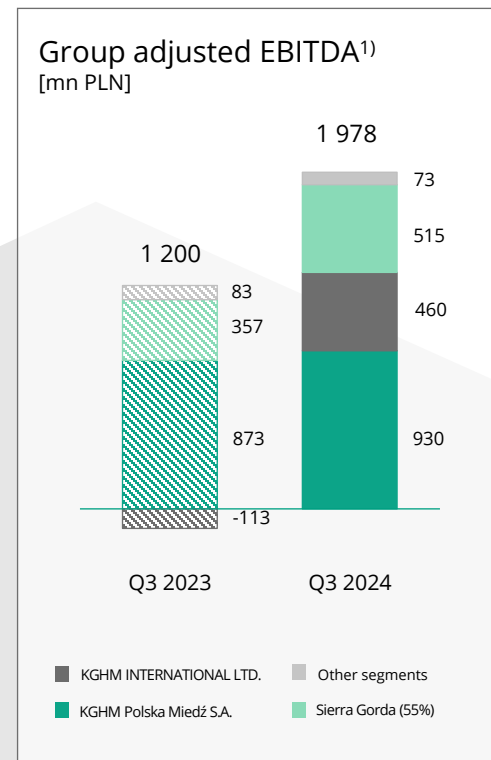
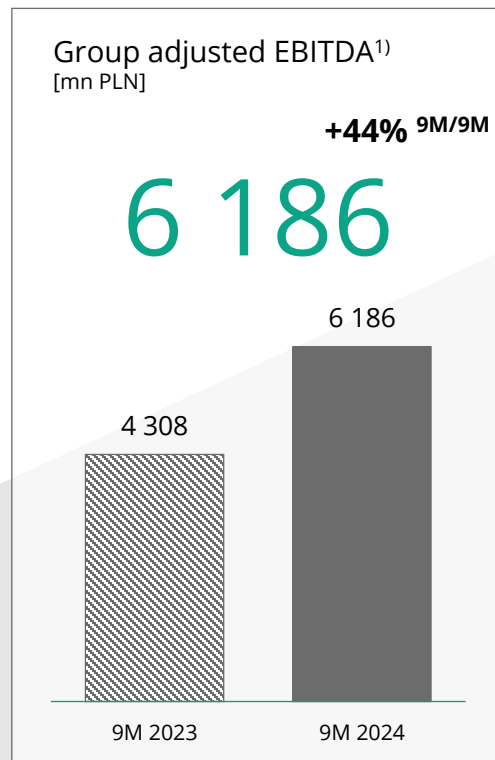
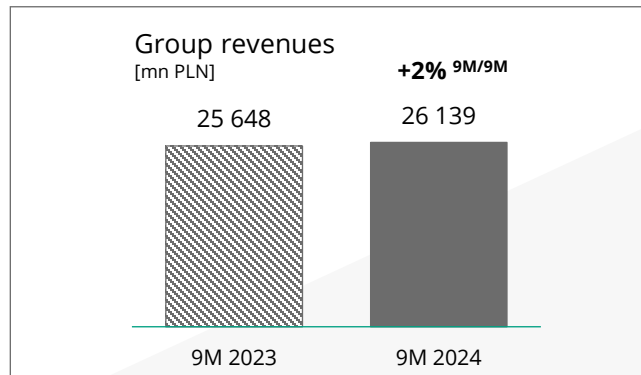


# Key financial indicators of the KGHM Group

9M 2024

## Adjusted EBITDA of the KGHM Group

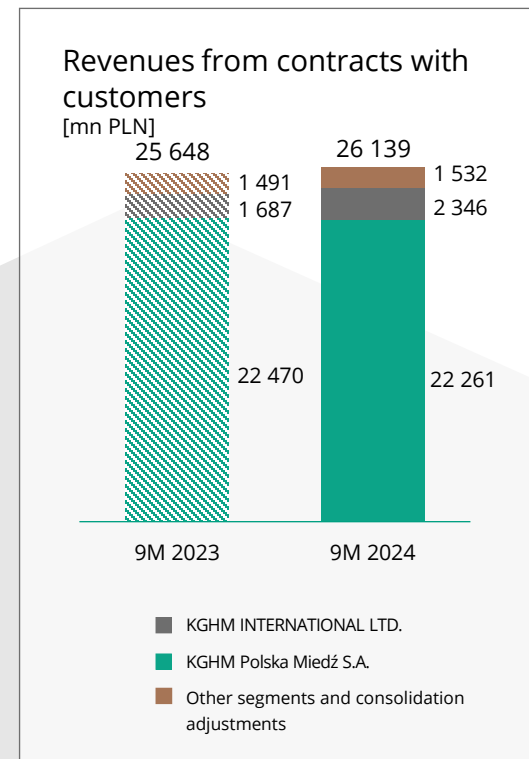
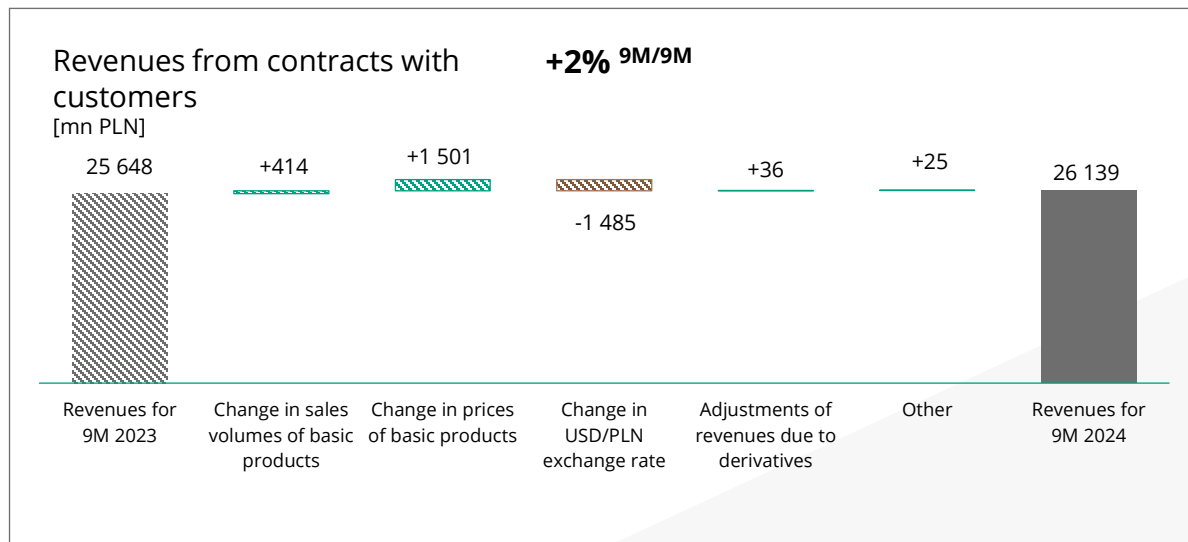
Higher adjusted EBITDA compared to the first 9 months of 2023 mainly in respect of KGHM INTERNATIONAL LTD. and, to a lesser degree, to KGHM Polska Miedź S.A.



1) Sum of segments; adjusted EBITDA = profit/loss on sales + depreciation/amortisation adjusted by impairment losses/reversals of impairment losses on non-current assets.

# Group sales revenue

9M 2024

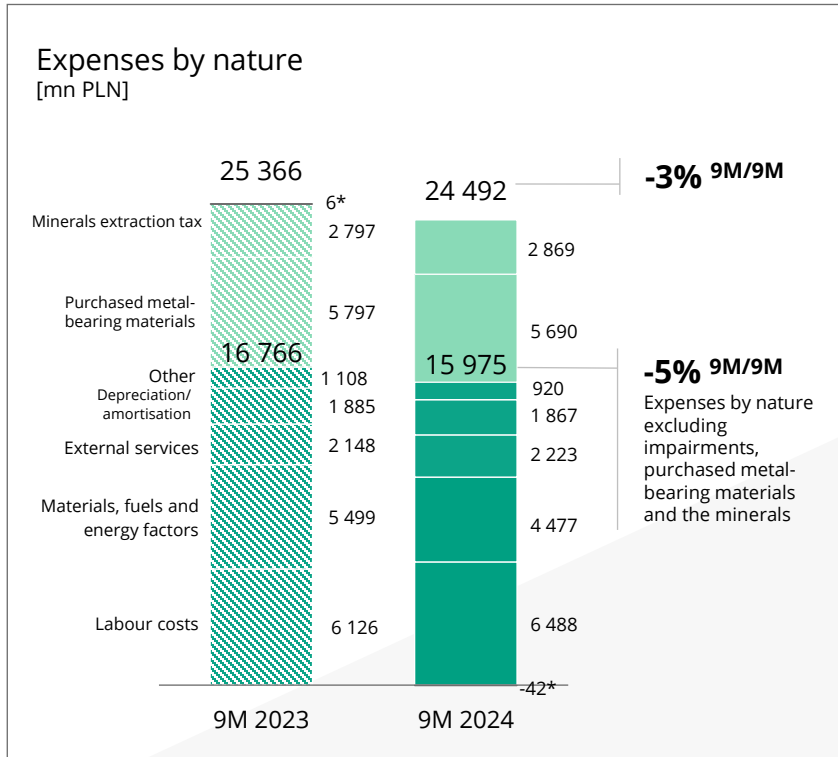


- Higher revenues by PLN 491 million (+2%) compared to 9M 2023, due to higher metals prices and higher sales by KGHM INTERNATIONAL, alongside a less favourable USD/PLN exchange rate and lower sales of gold and silver by KGHM Polska Miedź S.A.

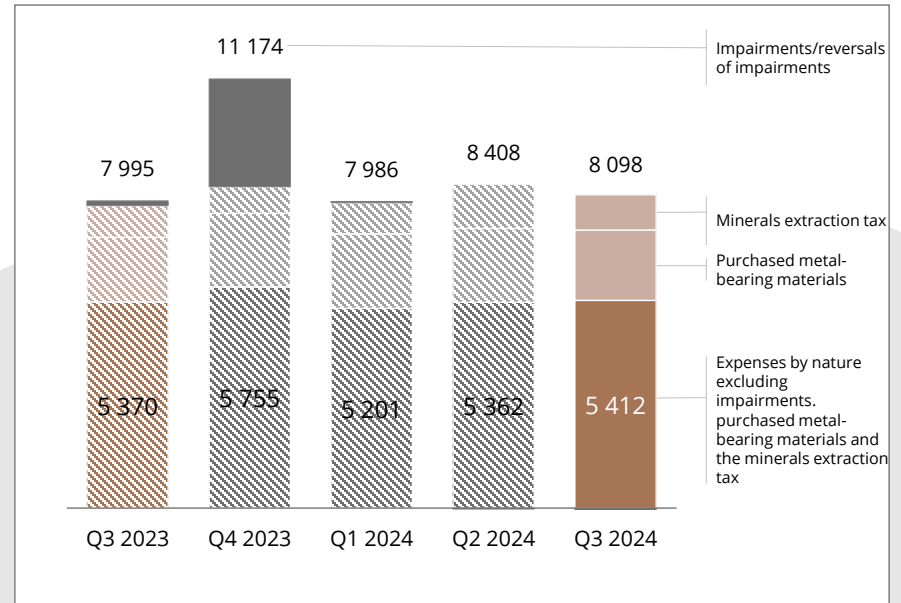


# Expenses by nature

KGHM Group

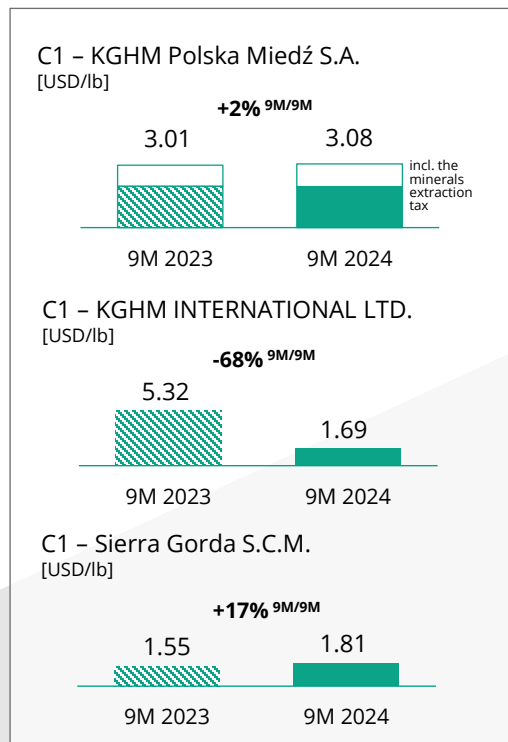
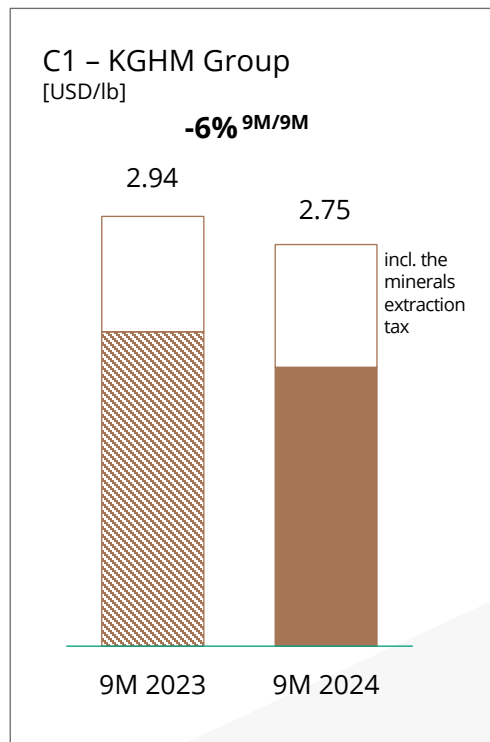


Lower expenses by nature compared to the first 9 months of 2023 mainly due to lower costs of consumption of technological materials and fuels, energy factors and purchased metal-bearing materials



# C1 unit cost <sup>1)</sup>

KGHM Group



- **KGHM Polska Miedź S.A.** – an increase in C1 by 2% mainly due to a weaker USD versus the PLN (-6%) and a higher minerals extraction tax charged by 9%.
- **KGHM INTERNATIONAL LTD.** – the significant decrease in C1 cost results from the improvement in the Robinson mine, which for most of 2023 mined from low copper content zones and struggled with technical problems
- **Sierra Gorda S.C.M.** - an increase in C1 by 17% mainly due to lower sales of copper and higher costs of external services, energy, fuels and spare parts. In 2024 costs were also under pressure due to the utilisation of stored ore (during the period 9M 2023 the situation was reversed).

# Layers of possibilities



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and first 9 months of 2024

Lubin, 15 November 2024