KGHM
POLSKA MIEDŹ

STRATEGY
2055+

of KGHM Polska Miedź S.A. Group

July 2026

A Foreword from the President of the Management Board

Remigiusz Paszkiewicz

”The 2055+ Strategy aims to maintain the KGHM Group's strong position amongst the leaders in copper and silver production, not only in the coming years. Our ambition is to strengthen this position in the long term.

We are focusing on the responsible extraction and processing of natural resources and on maximising the potential of our existing and developing projects, primarily within the Main Technological Line (GCT). We are also aware of the global significance of Polish copper. It is a strategic raw material, particularly for the entire European Union, especially in the context of the energy transition and the drive towards climate neutrality in the European economy.

We want to lay solid foundations for future generations. That is why we are planning for the future in such a way as to pass on to future generations a stable and profitable organisation that operates in line with the principles of sustainable development, acts responsibly, protects the environment and supports the development of local communities.

This strategy has been developed based on a comprehensive analysis of market prospects and conditions, an assessment of opportunities arising, amongst other things, from technological progress, and on the long-standing experience of our employees, management team and board members.”

The strategic context of the KGHM Group's development

Internal situation and industry trends

- Mining at ever greater depths, under increasingly difficult working conditions, increasing tax and environmental burdens, escalating social and wage demands mean that KGHM is becoming increasingly expensive in terms of unit production costs

Strict cost discipline and operational optimisation are essential if we are to invest in the future.

- Copper mining is crucial for the functioning of the KGHM Group's value chain in Poland, whilst raw material supplies are steadily declining

To maintain the entire Main Technological Line and ensure profitable copper production, it is essential to secure access to raw material base and to restructure some of the smelting assets.

- The energy transition is significant because of its impact on a company's operating costs and the achievement of emissions reduction targets

Investments in the Company's own zero- and low-carbon energy sources should based on the principle of supporting the efficiency and stability of production within the Main Technological Line.

- The global scale and complexity of the KGHM Group's mining and smelting operations require specialist industry knowledge and many years of experience

Responsible management means making full use of the technical and managerial staff we have, whilst ensuring the continuity of the skills and human resources necessary for the Group's continued development.

- Systematic development of foreign assets and increasing their value

Developing the portfolio of foreign assets to maximize rates of return and synergies within the KGHM Group, and, in the long term, working to increase their contribution to the Group's value creation.

1) Source: KGHM's own analysis, based on the EY study – Top 10 risks and opportunities for mining and metals companies in 2025.

History of KGHM Polska Miedź S.A.

65 years' experience and unique expertise in the mining and processing of copper ore

1957 — **Discovery of copper deposits at LGCD (Legnica-Głogów Copper District)**

1961 — **Establishment of the Copper Mining and Metallurgy Combine**

1968 — **Commissioning of the first mines**

'Lubin' Copper Mine

'Polkowice' Copper Mine

the 1970s and 1980s — **Development of mining and smelting operations**

'Legnica' Copper Smelter (1953)
'Rudna' Copper Mine (1974)
'Głogów' Copper Smelter (1971)
'Cedynia' Copper Smelter (1979)
'Sieroszowice' Copper Mine (1980)

1991 — **KGHM's transformation** into the State Treasury joint-stock company

1997 — **Go public the Warsaw Stock Exchange**

2012 — **Acquisition of the Canadian company Quadra FNX**

2014 — **Commissioning of the Sierra Gorda copper mine in Chile**

2014 — **Commencement of operations in the Głogów Głęboki-Przemysłowy (Deep Głogów) area**

2010–2019 — **Modernisation of smelting operations**

Flash Smelting Furnace Technology at HM Głogów I (2016)
TBRC (Top Blown Rotary Converter) Furnace at HM Legnica (2019)

2025 — **Commencement of construction work on 3 new shafts**

since 2026 — **Strategy 2055+**

KGHM

Current scale of operations

3

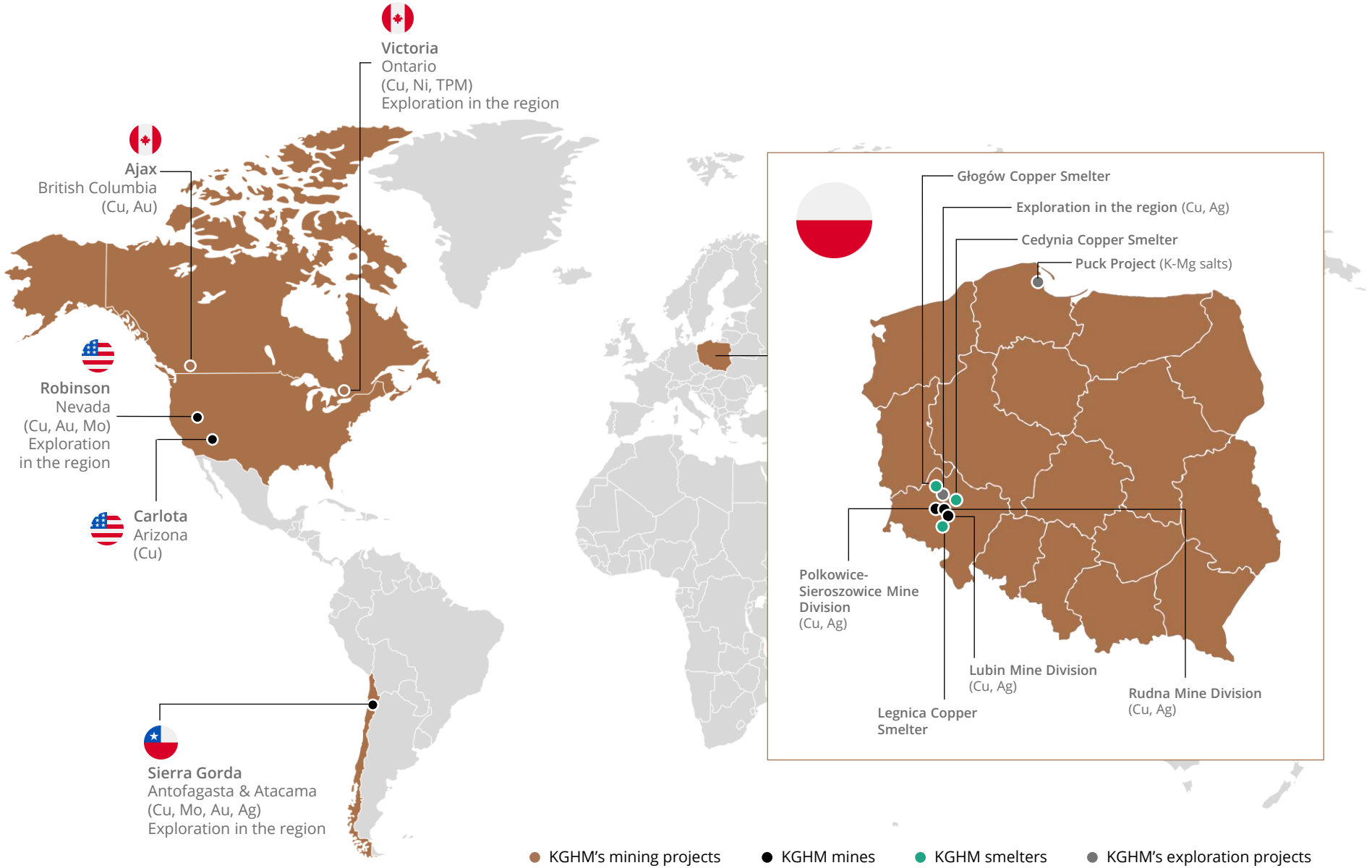
continents, where mining projects are underway: Europe, North America and South America

6

copper mines

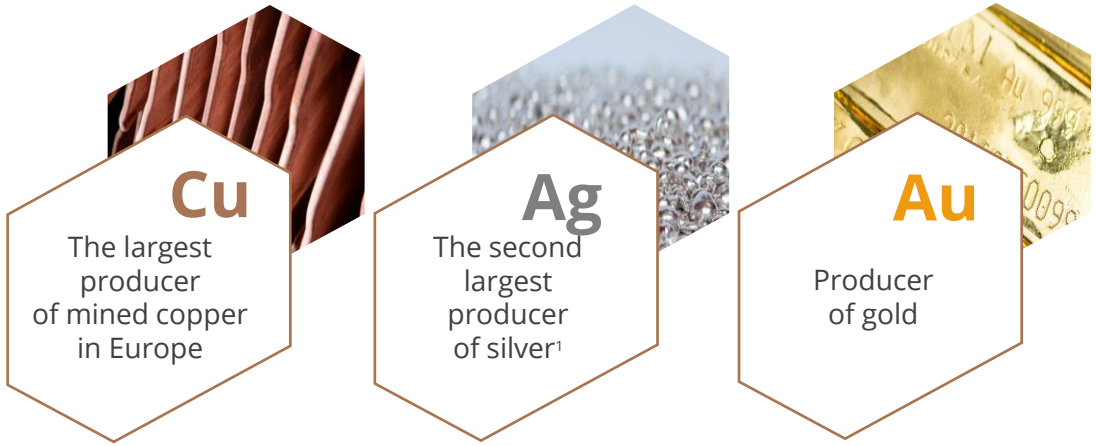
3

copper smelters



KGHM
KEY DATA

Main metals produced



Other products of the KGHM Group

- Molybdenum
- Lead
- Nickel
- Palladium
- Platinum
- Rhenium
- Sulphuric acid
- Selenium
- Copper sulphate
- Nickel sulphate

Copper Mark

KGHM Steelworks with an international certificate for responsible copper production

THE COPPER MARK | RESPONSIBLY PRODUCED COPPER

[1] The World Silver Survey 2026 ranking of global silver producers

Financial and production results[2]

Revenue in the KGHM Group

PLN 36,366 million (+3% y/y)

Adjusted EBITDA in the KGHM Group

PLN 10,276 million (+22% y/y)

710 kt

copper production for sale within the KGHM Group

1 347 t

silver production by KGHM Group

88.6 thousand ounces

gold production by KGHM Polska Miedź S.A.

~34,000

employment within the KGHM Group

over 65 years

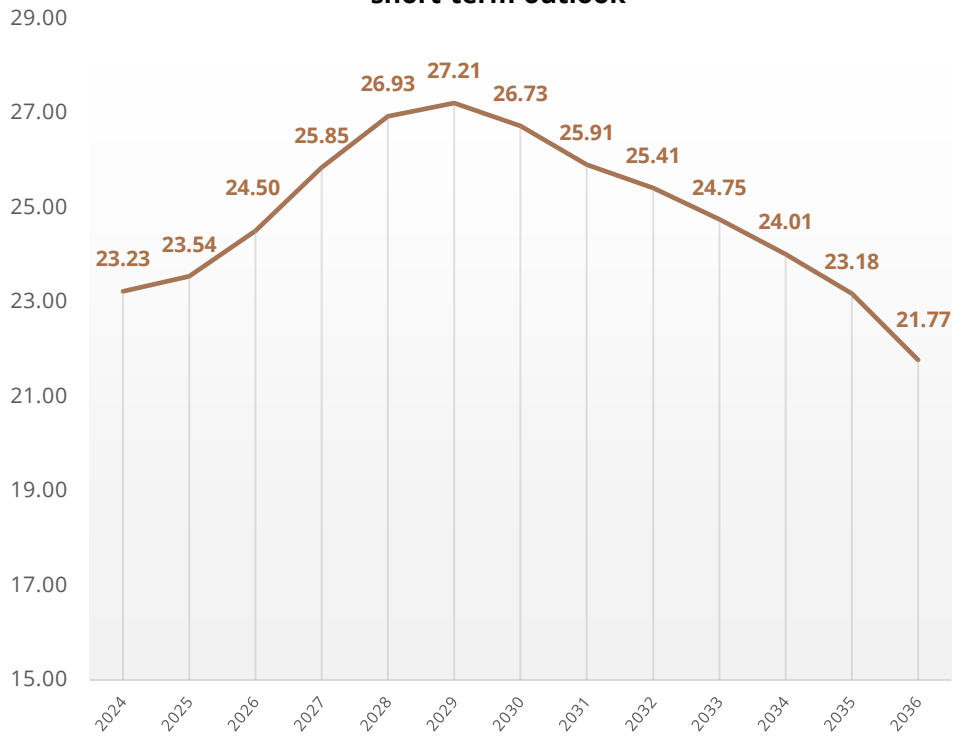
mining and metallurgical traditions

[2] Data for 2025

KGHM’s global operating environment

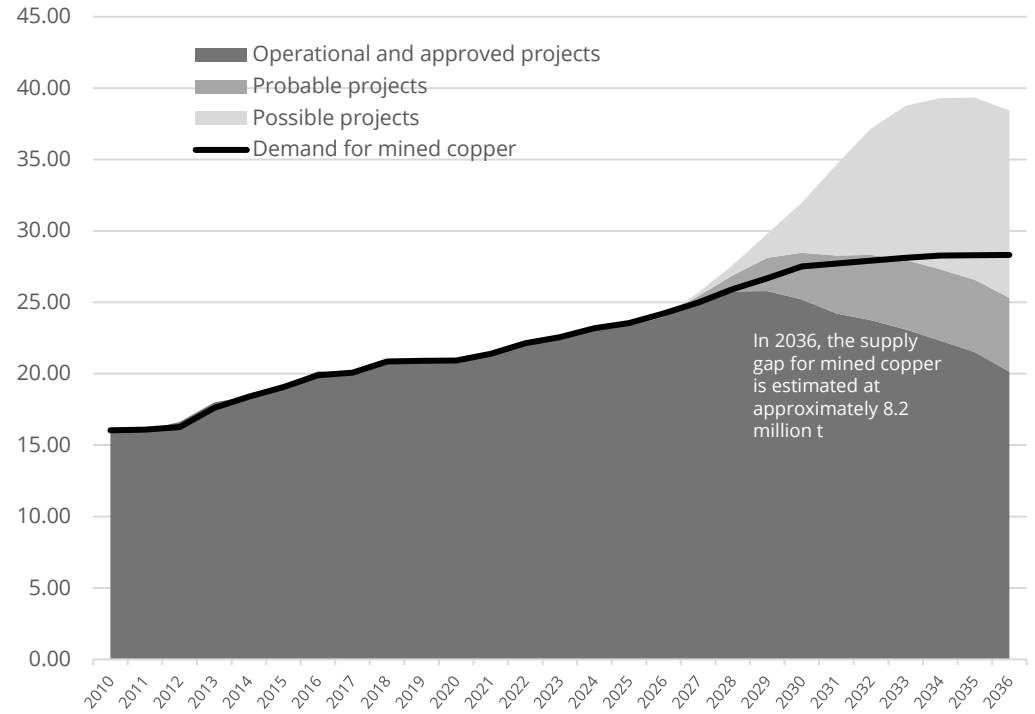
The growing demand for copper will require the launch of new mining projects

Global copper production from mining, 2024–2036 [million t] – short-term outlook



Source: CRU Group, Copper Long-Term Market Outlook – May 2026

Supply and demand for mined copper [million t]

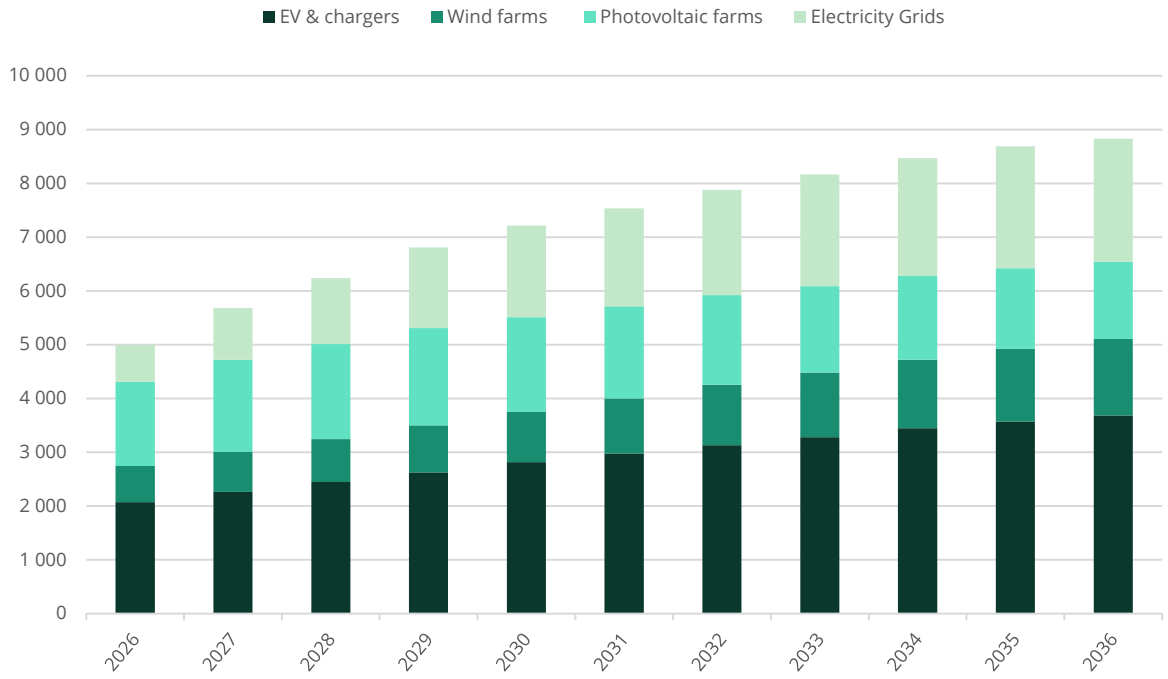


Source: Wood Mackenzie, CRU Group, KGHM Polska Miedź S.A.

KGHM’s global operating environment

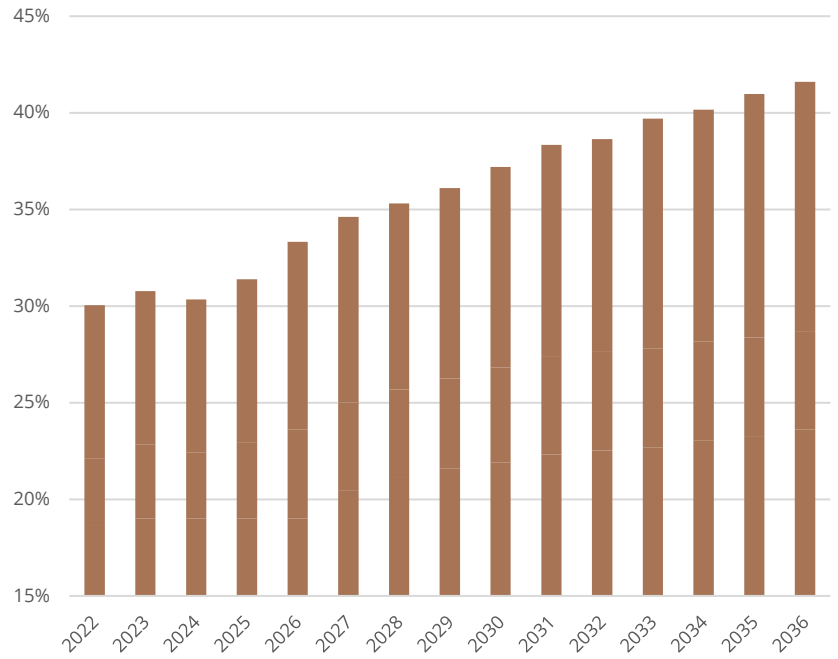
The energy transition will be the main factor shaping copper market forecasts

Forecast for copper demand in green energy sectors [kt]



Source: CRU Group, KGHM Polska Miedź S.A..

Share of scrap in total copper consumption [%]

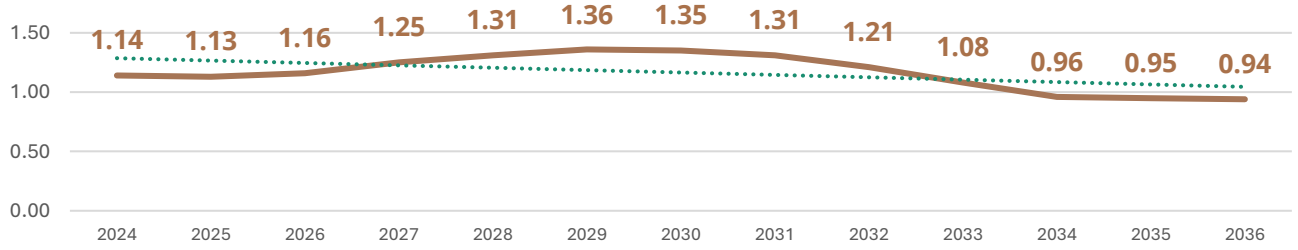


Source: Wood Mackenzie, KGHM Polska Miedź S.A.

Copper market in Europe

KGHM is a key copper mining asset in Europe, Poland accounts for almost 50% of copper production in the EU

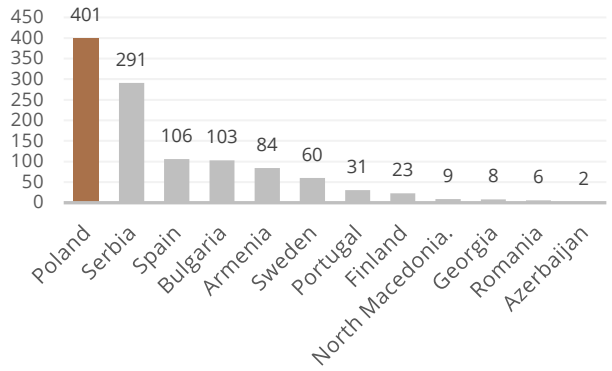
Mining-based copper production in Europe[1] in 2024–2036 (million t Cu)



1) Europe excluding Russia.

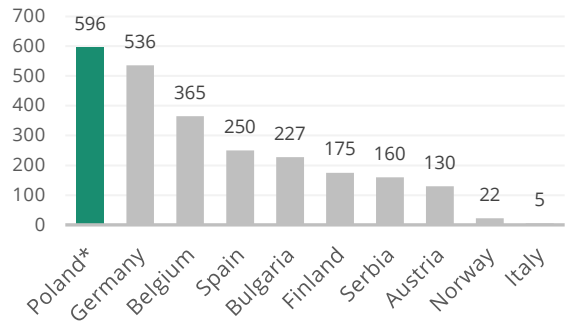
Source: CRU Group - Copper-long-term-market-outlook-May 2026

Mined copper production in Europe
[2025, kt Cu]

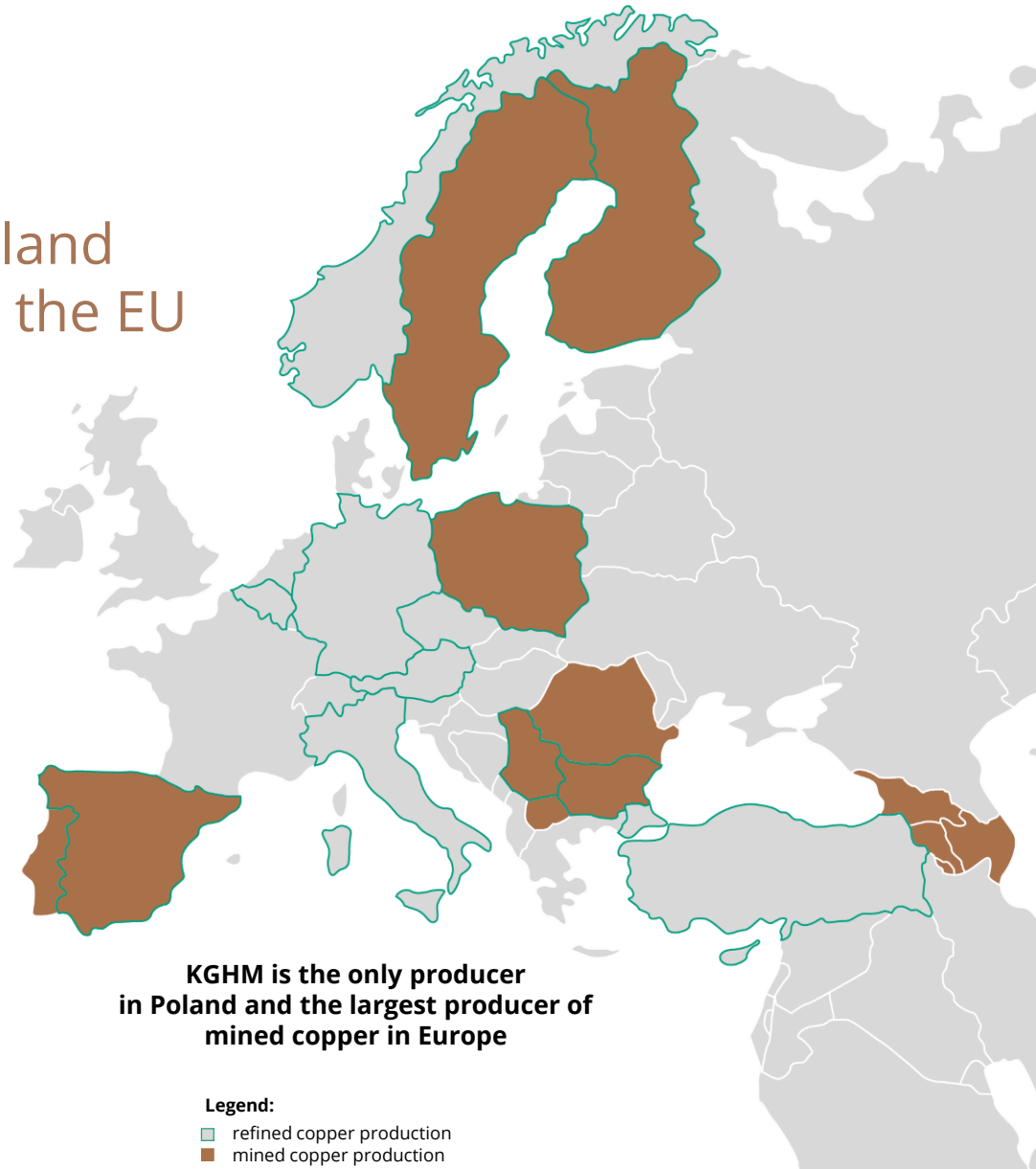


Source: CRU Group – Copper Market Outlook – March 2026
* KGHM Polska Miedź S.A. (domestic production)

Refined copper production in Europe
[2025, kt Cu]



Source: CRU Group – Copper Market Outlook – March 2026
* KGHM Polska Miedź S.A. (domestic production, including imported inputs)



The life cycle of a mining project

The complexity and specific nature of underground mining operations

15–20 years Average time to bring a new copper mine into production worldwide, depending on the size of the deposit, environmental regulations, availability of capital and technology

Exploration and design

- **Prospecting and identification of a deposit**
- **Geological and resource surveys and analyses**
- **Economic and technical analyses**
- **Designing of the mine and safe infrastructure in** challenging deep-underground conditions

3-7 years

Mine construction

- **Obtaining environmental permits and decisions**
  - environmental impact assessment
  - public consultation.
  - permits and licences
- **Securing funding**
- **Construction of shafts, mine workings and infrastructure**

10–20 years
depending on the volume of mining and geological conditions

Mine operation

- **Optimising production efficiency and maintaining the productivity of equipment and infrastructure**
- **Ensuring safety in extreme underground working conditions** (managing risks associated with natural hazards, implementing new technologies)
- **Minimising the environmental impact of operations** (mining waste, mine water,dust and noise emissions)

7-100 years
depending on the size of resources

Mine closure and land reclamation

- **Planning and implementing the mine closure process**
- Reclamation of post-mining areas
- **Long-term risk management** through the monitoring of shaft stability, ground subsidence and water pollution

10+ years

KGHM Group Strategy

The circumstances surrounding KGHM's operations require the Company to have a long-term development strategy with a horizon of at least 30 years

Priorities:

- **A plan designed to implement the long-term vision for the development of the KGHM Group**

  into a company with a diversified raw materials portfolio, whilst remaining focused on responsible copper production

- It takes into account the life cycle of the mine and sets out the necessary development measures up to the point where exploitable reserves are exhausted
- Creates the conditions for development and for unlocking the potential for further efficiency gains and innovation in the raw materials sector
- Focuses on addressing KGHM's current operational challenges, capitalising on business opportunities and optimising costs to increase the EBITDA margin (3–5-year outlook)
- Outlines the main areas of focus up to 2055. Written with a view to a new beginning for KGHM – the decisions taken today will bear fruit in 10 or 15 years' time

Foundations
of the STRATEGY

EACH GRAM OF COPPER CARRIES INNOVATION

means combining quality and modern technologies with a responsible approach to the environment throughout the value chain

SUSTAINABLE EXTRACTION FOR THE NEXT GENERATION

means ensuring sustainable mining practices, through which KGHM creates value for present and future generations

KGHM 2055+

KGHM Group's strategy comprises three complementary areas

Strategic area:

Expansion and development technology and innovation

Strategic area:

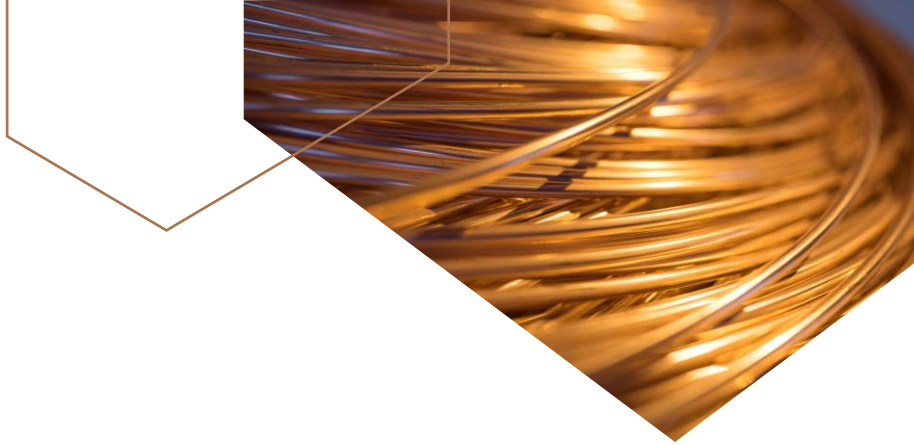
Sustainable mining and smelting of copper and associated products

Strategic area:

Strengthening and developing the competences and business potential of the KGHM Group

Strategy of the KGHM Polska Miedź S.A. Group 2055+

combines three areas of development with clearly defined courses of action that provide a practical response to the opportunities and challenges identified for KGHM in the coming years.



Prospects for the implementation

Strategy of KGHM Polska Miedź S.A. Group

up to 2030

Short term: 3–5 years

Stabilising the foundations of the core business in Poland and abroad to support the Company's further development – ensuring access to the resource base and improving the profitability of operations.

Strengthening the core business

Cu, Ag, Au, Mo

up to 2035

Medium term: 5-10 years

Increasing margins and market share through raw material diversification, focused on developing access to critical raw materials, expanding capabilities into further stages of the value chain, and offering innovative products and services from the KGHM Group.

Extending the value chain, decarbonisation

Cu, Ag, Au, Mo, Ni, Co, platinum group metals, other raw materials from the CRM list

up to 2055 and beyond

Long term: 10+ years

Creating a business structure that is diversified in terms of raw materials and products, and resilient, enabling the Company to grow in a changing economic environment and respond to global transformational trends.

Development of a multi-commodity portfolio

Cu, Ag, Au, Mo, Ni, Co, platinum group metals, lithium, rare earth elements (REEs), other raw materials from the CRM list

Vice-President of the Management Board for Production

Mirosław Laskowski

”Production at KGHM is a precisely planned, integrated process. Every stage of this process – from the mining face in the mining plants, through the enrichment processes at the ore enrichment plants, right through to the cathodes, or wire rod at the smelters – is focused on maximising the value of our resources.

Our challenge lies in the rising costs of extraction in the mines, where access to deposits is becoming increasingly difficult.

Thanks to a clearly defined, comprehensive strategy for the development of the smelting sector, which integrates mining and smelting operations, the Company is able to plan investments well in advance over many years and ensure the sustainable development of the smelting part of the production process.

We will take action and implement modern technological solutions to increase the recovery rate of raw materials, utilise the potential for recycling and minimise waste streams, which will allow us to optimise processes whilst maintaining high environmental standards.

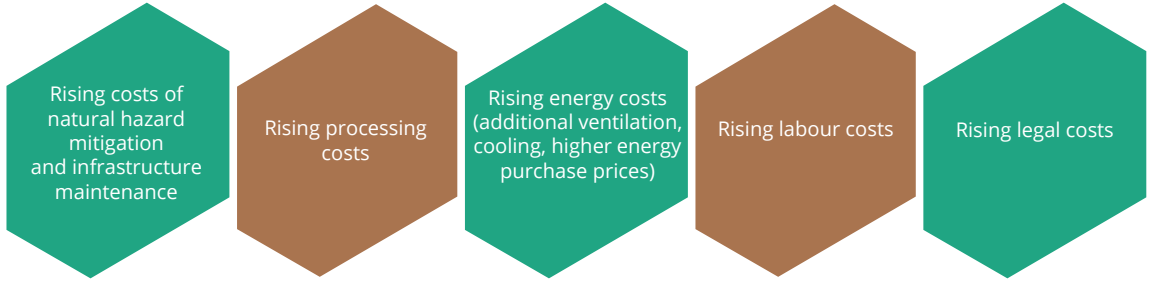
It is also our ambition to increase the degree of processing of the copper products we sell.”

Operating conditions

Increasingly challenging geological and technical conditions, and ever-rising operating costs

Challenges in domestic assets

- Extraction from deep deposits (1,320 m)
- High initial temperature of the rocks (from +27 to +48.5 °C)
- Difficult geological conditions requiring intensive ventilation, air conditioning and drainage (construction of shafts, air conditioning capacity of 98.5 MW and set to increase)
- Increasingly greater distances from mining centres
- Essential investment in modern hazard monitoring technologies and safety systems
- Regulatory pressure and increasing environmental requirements



Changes since 2012[1]

2012	Criterion	2025	Change
1.59	Average copper content in the ore [%]	**1.49**	-6%
2.52	Thickness of the deposit [m]	**2.08**	-17%
134.4	Mineral reserves [kg/m²]	**105.7**	-21%
36	Installed capacity of central air-conditioning stations [MW]	**98.5**	+174%
1,700	Length of ventilation ducts [km]	**2,000**	+18%
308	Number of air-conditioned mining machines [units]	**832**	+170%
23	Number of mining divisions with reduced working hours [number]	**34**	+48%
15	Consumption of explosives [kt]	**20**	+33%
148	Average unit cost of extracting ore [PLN/t]	**303**	+105%

1) Applies to KGHM Polska Miedź S.A.

Strategic directions of KGHM Group 2055+

Strategic area
Sustainable mining and smelting of copper and accompanying products

Development and management of the domestic resource base

- Documentation of national geological copper resources
- Launching mining projects on documented deposits
- Development of the Deposit Access Programme

Ensuring long-term, efficient and flexible production

- Ensuring the effective exploitation of deep deposits
- Preparing to work in difficult conditions involving multiple hazards
- Optimising inter-branch transport and developing logistics capacity

Management of production waste

- Management of tailings
- Circular economy
- Water management system

KGHM 1.0 | KGHM 1.1 | KGHM 2.0

Projected annual production levels at KGHM Polska Miedź S.A.'s domestic assets for 2026–2030

Mining

Extraction of ore: **~32** million t

Concentrate of copper: **1.69–1.76** million t

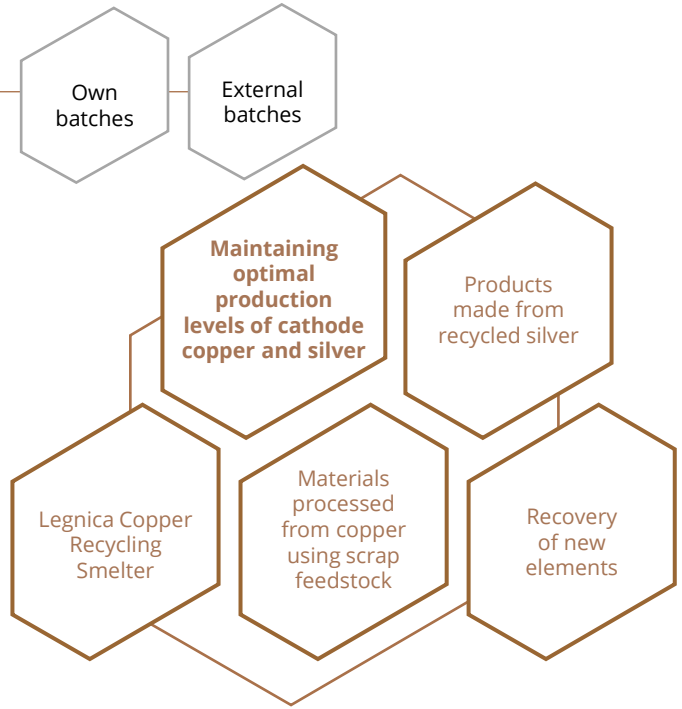
Strategic directions of KGHM Group 2055+

Strategic area

Sustainable mining and smelting of copper and accompanying products

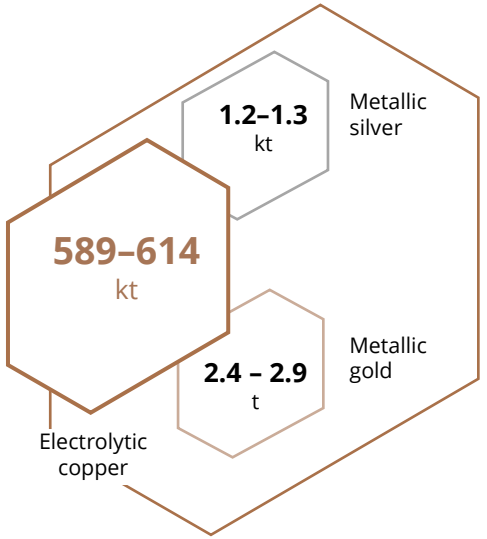
Development of metallurgical production

- Adapting the existing technological infrastructure of the processing and smelting plants to changing internal and external conditions
- Using third-party feedstock in smelting and the production of processed products
- Diversifying the production of by-products from the Main Technological Line
- Optimising waste management



Projected annual production levels at KGHM Polska Miedź S.A.'s domestic assets for 2026–2030

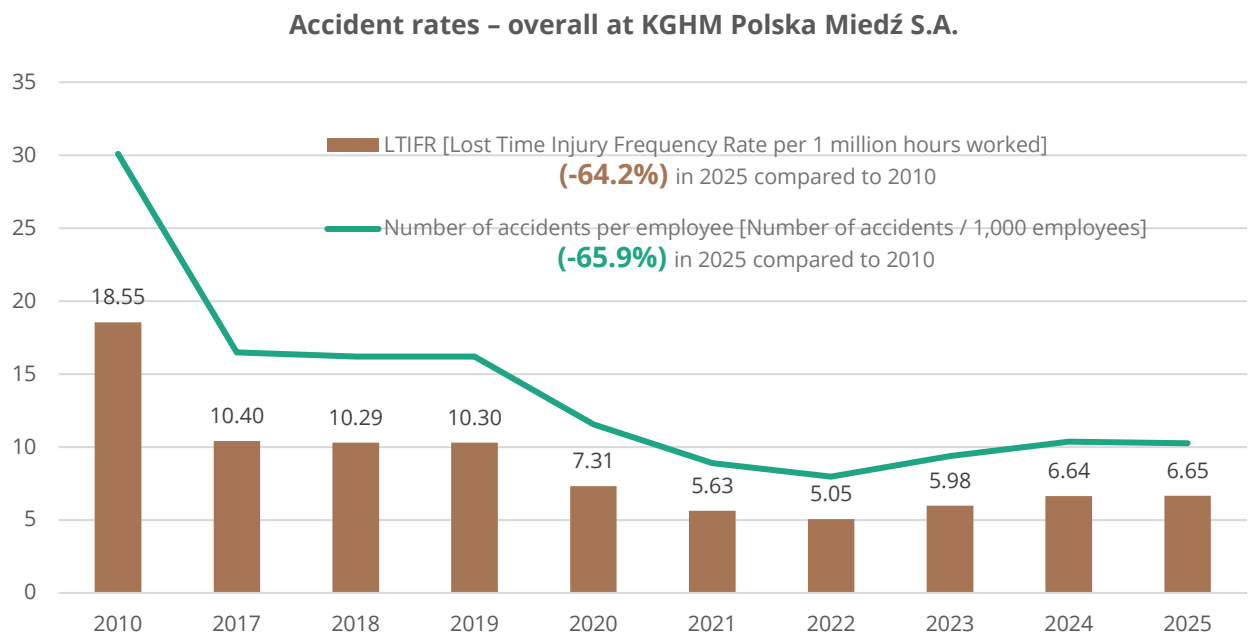
Metallurgy



Health and safety at KGHM

A systematic approach and compliance with the highest OHS standards

Accident rates for the period 2010–2025



The lives and health of employees are our top priority

- Ensuring safe and ergonomic working conditions
- Training and fostering a safety culture
- Health and psychosocial initiatives

Minimising accidents according to the principle *'Zero accidents'*

- Implementation of modern technologies and the identification and mitigation of natural hazards
- Monitoring and elimination of occupational hazards

Integrated safety management model

- Organisational systems and support (including health and safety services in the Branches, the Mining and Metallurgical Rescue Unit, and the Copper Health Centre)
- Improving the health and safety system to comply with ISO 45001

Vice-President of the Management Board for Development

Zbigniew Bryja

”Our priority is to expand our resource base and invest in mining infrastructure to start production in new license areas. We are at a crucial juncture in channelling investment flows into mining and smelting, so to ensure KGHM’s economically optimal, long-term operations for future generations – the decisions taken today will bear fruit in a dozen or so years’ time.

Technological development, diversification of raw materials and the use of innovation are the pillars that enable us to look to the future responsibly. At KGHM, we are investing in the technologies of the future to explore critical metals, extend the value chain with new products and develop new processes using artificial intelligence.

This approach not only supports KGHM’s aspirations but also enables us to deliver solutions that meet the strategic needs of the Polish and European economies. This is also important in the context of regional development, strengthening local communities and safeguarding jobs.”

Development and management of the national resource base

KGHM 1.0

- Construction of 3 shafts: GG-2, Retków, Gaworzyce
- Obtaining two licences for the mining of copper ore

Geological resources within the mining concessions held[1] (remaining to be extracted)
24,850 kt Cu

~6,196 kt Cu
Prospective geological resources

KGHM 1.1

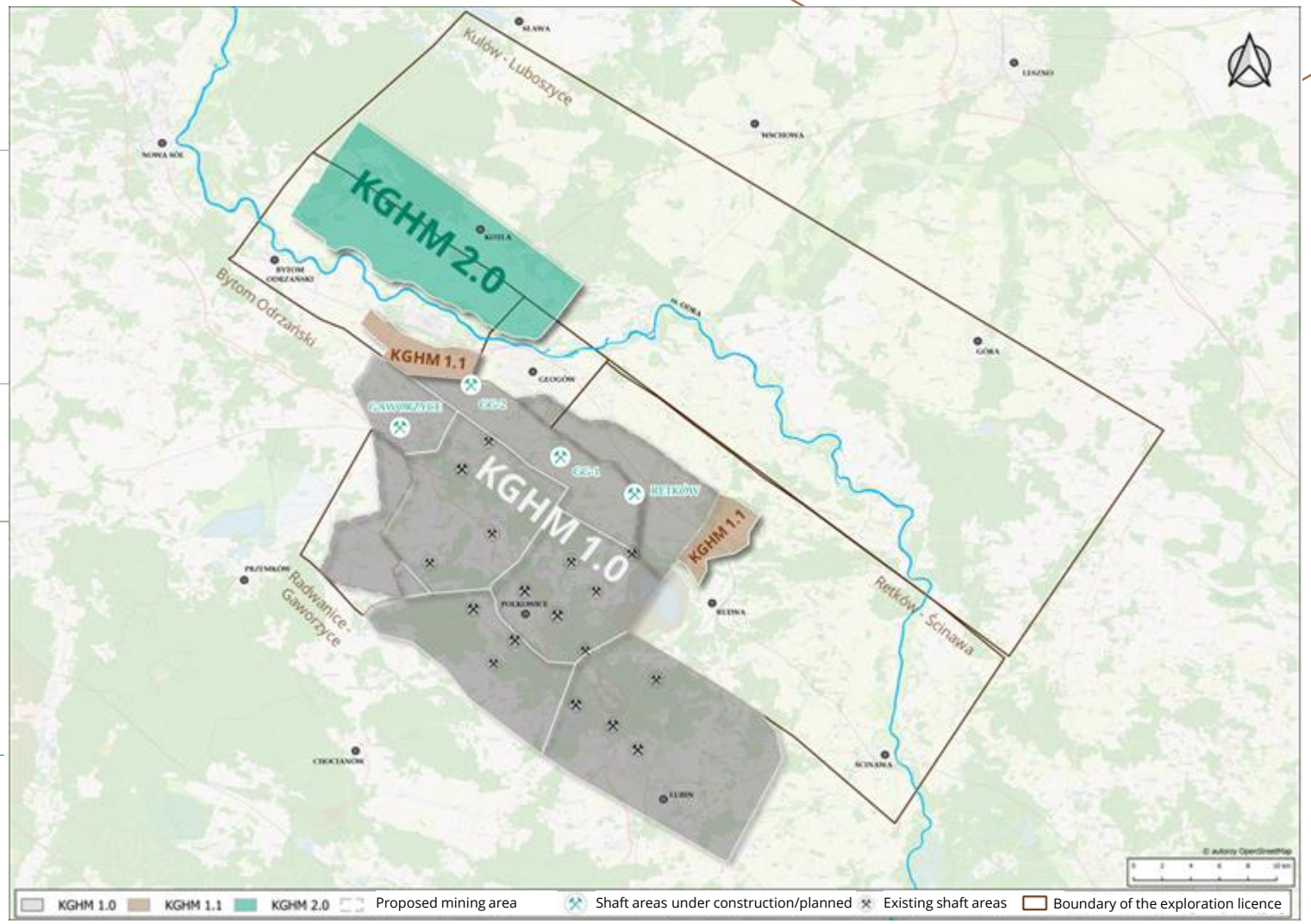
- Obtaining 2 licences for the extraction of copper ore

~6 000 kt Cu
Prospective geological resources

KGHM 2.0

- Obtaining a licence to extract copper ore
- Construction of a new mine across the Oder River

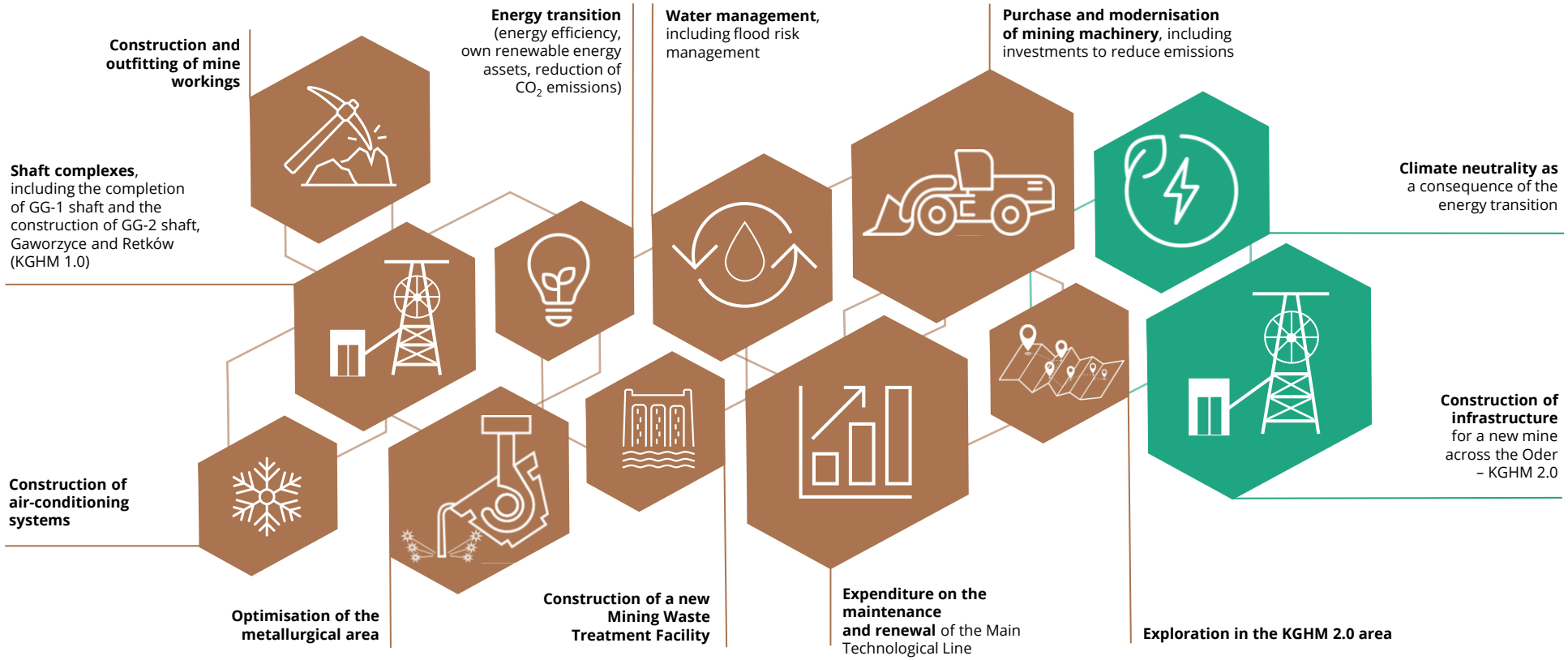
~10 800 kt Cu
Prospective geological resources



1) Geological resources extracted between 1965 and 2024 under the mineral extraction licences held: 22,901 kt Cu

KGHM’s key investment areas in Poland

Medium-term outlook **KGHM 1.0 / KGHM 1.1** Long-term outlook **KGHM 2.0**



Legend:

Size of the mineral deposit is analogous to the level of CAPEX expenditure on the investment area.

KGHM Group's Strategic Directions 2055+

Strategic area

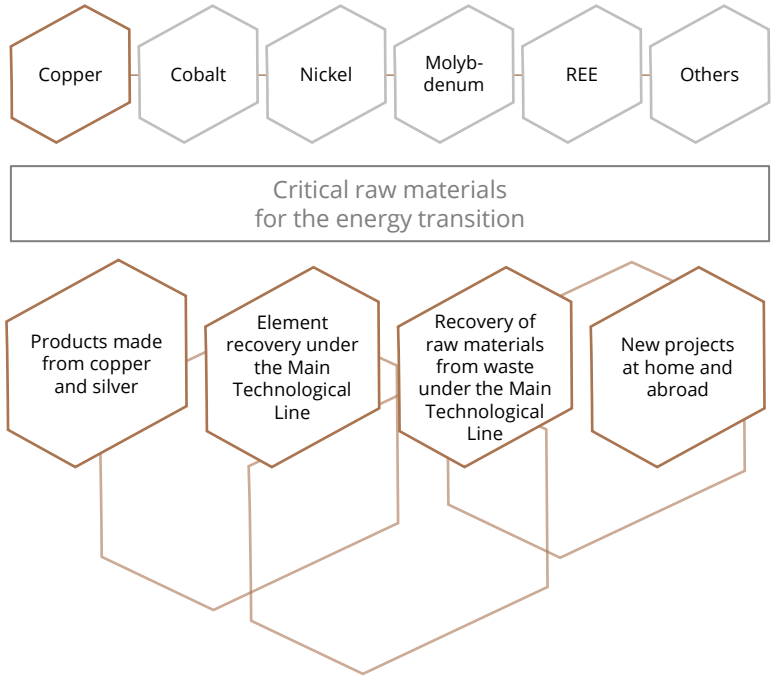
Expansion and technology development and innovation

Extending the value chain with new products and services

- Tailoring the product range to customers' needs, in terms of carbon footprint and product quality
- Expanding the product portfolio to include products with a higher degree of processing than copper cathodes, including through investments that incorporate the recycling of copper scrap
- Assessing the potential for recovering raw materials from waste and processing them into commercial products
- Increasing opportunities to expand the product portfolio through tangible investments, capital investments or cooperation with third parties

Focusing on multiple raw materials, including critical metals

- Development of recovery technologies and commercialisation of new elements found in the main technological line
- Expanding the portfolio in terms of reserves and production of mineral resources other than copper, with a particular focus on critical metals (new areas within the country and projects abroad)



KGHM Group's Strategic Directions 2055+

Strategic area

Expansion and technology development and innovation

Innovation, development of new technologies, knowledge sharing

- Development of techniques and technologies in the main technological line processes; increasing the level of innovation, automation and autonomy in mining and metallurgical processes
- Commercialisation of the KGHM Group's specialist knowledge and know-how within the industry and in other sectors and branches of the economy
- Increasing the level of innovation within the KGHM Group

Invention Exchange

Involvement in trade organisations

Cooperation between industry and science

Participation in research programmes

Waste heat recovery from metallurgical processes and its reuse

Innovative, smart, sustainable metallurgy

Automation of production processes

Circular Economy

New raw materials, including critical ones

Metal recovery from waste

Alternative waste management

New products

min. 75% R&D funding to tackle challenges in the Main Technological Line

Smart Mine

Green energy

Projects and innovations initiating new directions of development

New operating system

Digital working environment for the Main Technological Line's operators

Mechanical excavation, intelligent discharge of excavated material

Remote-controlled and autonomous machines

Data & AI[1] at the KGHM Group

Implementing the concept *Data-Driven Organisation* in technological and business processes

Digital maturity – a data-driven organisation

Improving organisational efficiency and increasing labour productivity

- Development of existing and implementation of new Data&AI solutions, such as automated reporting, machine learning, computer vision (VisionAI) and generative artificial intelligence (GenAI) in management and operational processes
- Supporting the automation and autonomisation of technological processes through digital systems managed by algorithms and expert operations centres
- Providing the infrastructure necessary for the stable operation of AI, including communication networks, data centres, data warehouses and data lakes[2], and sensor technology

Digital Workstation

Business analytics, Data governance

AI technologies in business

Digital transition

~80% **Decisions taken within the Business Areas with the support of analytical and new technology systems**
[up to 2035 year]

15 **Implemented new technology systems** based on data and using AI solutions
[up to 2035 year]

min. 2 **Implementation of Data & AI technologies in the Main Technological Line's processes** with a view to strategically increasing their level of automation and autonomy
[annually]

1) Data and artificial intelligence – smart technologies based on data analysis and AI.
2) 'Data lake', i.e. a central data repository.

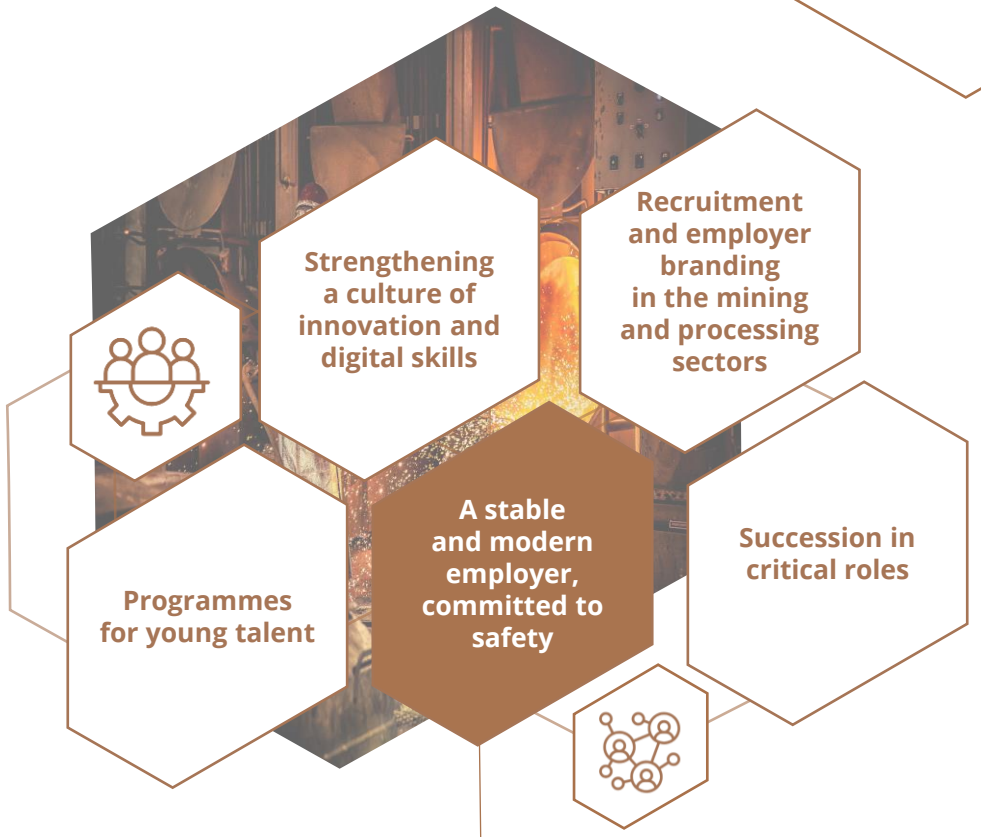
KGHM Group's Strategic Directions 2055+

Strategic area

Strengthening and developing skills and the business potential of the KGHM Group

Ensuring succession and maintaining human potential in the organisation

- Continuous improvement of KGHM's position as an attractive employer on the market for both current and future employees of the KGHM Group
- Optimisation of the HR sphere – succession and replacement programmes for key positions, rotation programmes for branch staff, and development programmes designed to build new competencies required by the organisation
- Building teams capable of operating in an international environment with respect to the preparation and execution of large-scale projects and the implementation of new technologies



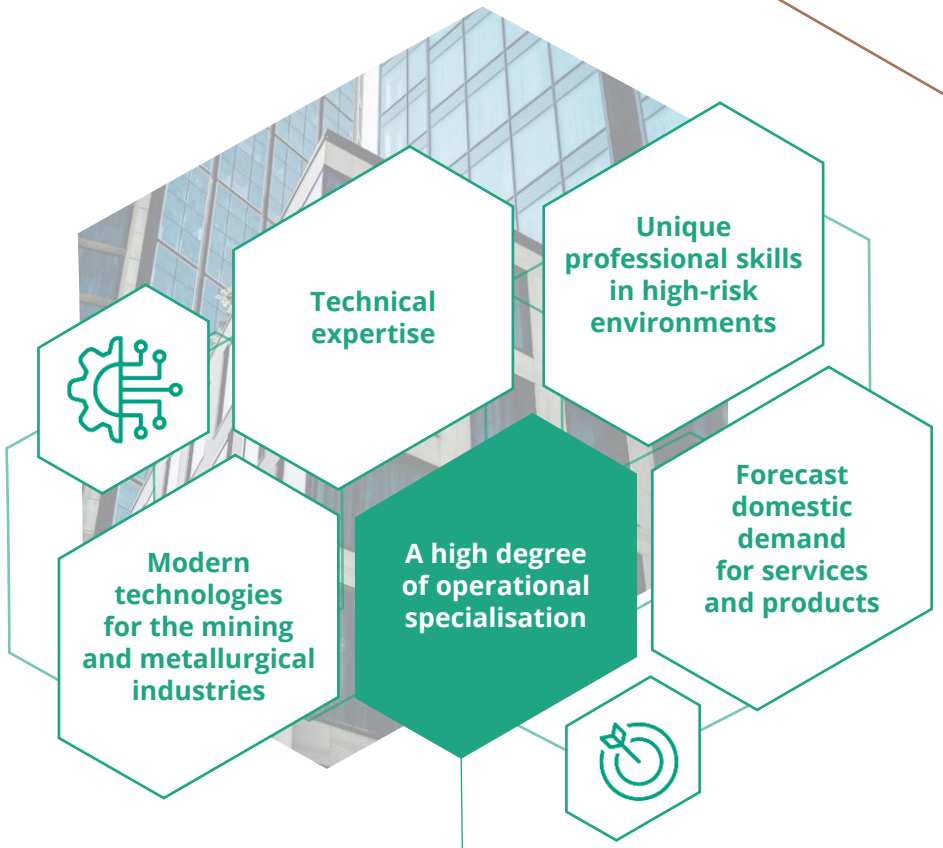
KGHM Group’s Strategic Directions 2055+

Strategic area

Strengthening and developing skills and the business potential of the KGHM Group

Optimising operations and developing the potential of the Group's domestic companies

- Increasing the efficiency of the Main Technological Line by identifying areas for optimisation and leveraging the competitive advantage derived from the unique mining and smelting expertise across the entire KGHM Group
- Support in improving KGHM’s business areas, including production logistics, automation and global procurement, with a view to exploiting economies of scale across the entire KGHM Group, including its foreign assets
- Expanding the scope for using the companies’ potential in external markets, for example by introducing new products and services to their range



Local content at KGHM

The strategic role of the KGHM Group companies and the development of an industrial base in the area surrounding the Group's operations

Local Content
Z korzyścią dla Polski

- Ensuring, through the companies of the KGHM Group, that KGHM's mining and production processes are safe and stable.
- Optimising expertise and resources within individual companies and supplementing the Main Technological Line's expertise to improve the efficiency of resource utilisation within the KGHM Group.
- Increasing the share of local value within the supply chain, thereby strengthening its resilience and developing the capabilities of domestic suppliers, without restricting KGHM's access to the most competitive technologies and solutions available on the global market.

Implementation of local content

Establishing consistent principles for the application and management of local content within the KGHM Group across the entire supply chain – including methodology and localisation criteria in procurement and investment processes

Supply chain mapping

Identifying areas of current and future potential for increasing local value within the KGHM Group's supply chain, at every stage of an investment

Development projects

Long-term development of the local market's competencies and capabilities (development of local suppliers, industrial partnerships and technology transfer, implementation of industrial pilot projects to roll out innovative solutions at the Main Technological Line)

Activating the supplier ecosystem

Active dialogue with the market to better align the supply of local goods and services with the needs of the KGHM Group

Improving the KGHM Group's operational efficiency in selected areas and strengthening relations with stakeholders, as well as ensuring compliance with the ownership policy guidelines

Vice-President of the Management Board for Foreign Assets

Anna Sobieraj-Kozakiewicz

”Foreign assets make a significant contribution to the KGHM Group’s financial results and cash flows. Recently, the Group has recorded record cash flows from these assets, which confirms their current operational value and strategic importance to the Group.

Our aim is for our foreign assets to be in the first half of the global cost curve. We want to achieve this by continuing to optimise the assets currently held in KGHM’s portfolio and by acquiring new assets that are aligned with our long-term objectives.”

KGHM Group's Strategic Directions 2055+

KGHM's priority areas of activity in relation to its assets

Strategic area

Strengthening and developing skills and the business potential of the KGHM Group

Growth in foreign assets

Operating asset potential

Copper and molybdenum mine **Sierra Gorda** (Chile):

- Increasing the resource potential in the Sierra Gorda mine area.
- Projects aimed at increasing copper production from sulphide and oxide ores.

Robinson Copper Mine (USA):

- Optimisation of the mine's life cycle; resource potential in the region.

Development projects

The **Victoria** copper and nickel mine development project (Ontario, Canada).

Early-stage exploration projects conducted in:

- Chile,
- Canada (Quebec, Ontario),
- USA.

Growth of DMC Mining Services

Expansion into foreign markets and the scaling up of DMC Mining Services operations. These include e.g., building a high-value portfolio of business projects and establishing new contracts in the mining sector.

Improving the efficiency of contract delivery and streamlining financial operations by optimising cash flow and financing.

Key foreign assets

Production assets and development projects

Sierra Gorda Mine

Location	Chile, Region II
Type of mine	open pit
Ownership	55% KGHM INTERNATIONAL LTD., 45% South32 Limited
Products and semi-finished products	• **Main mineral**: copper ore • Associated metals: molybdenum , gold. • End product: **copper concentrate, molybdenum concentrate**
Production in 2025	157.9 kt of copper in concentrate, 9.0 million pounds of molybdenum in concentrate – on a 100% basis, share of KGHM Polska Miedź S.A. is 55%
Life of mine	23 years for the current deposit (there is also the possibility of extending the operating life by taking new deposits into account)

- Project to build the Fourth Griding Line.
- Exploration projects, including e.g., Catebela North-East.
- Sierra Gorda Oxide project.
- Other initiatives and strategic projects, including the Mine Development Plan.

Robinson Mine

Location	USA, Nevada, White Pine County, about 400 km north of Las Vegas
Type of mine	open pit
Ownership	100% KGHM INTERNATIONAL LTD.
Products and semi-finished products	• **Main mineral**: copper ore • Associated metals: molybdenum , gold. • End product **copper concentrate, molybdenum concentrate**
Production in 2025	49 kt of payable copper
Life of mine	11 years

- Exploration projects. Analysis of resource potential.

Key foreign assets

Development projects

Location	Canada, Ontario, the Sudbury Basin, approximately 35 km west of the city of Sudbury
Type of mine	underground
Ownership	100% KGHM INTERNATIONAL LTD.
Main product	**copper-nickel ore**
Annual production	~19 kt of copper / ~16 kt of nickel
Life of mine	~14 years

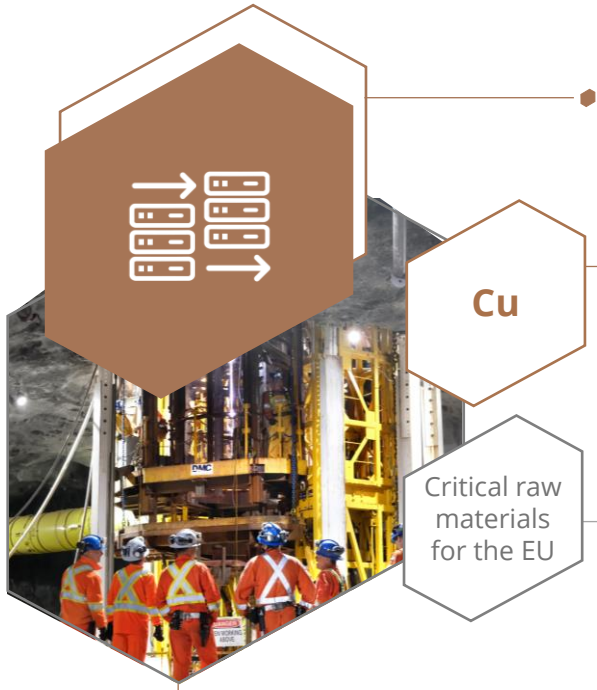
- Further technical and documentation work on the project.
- Securing funding for the project.
- Construction of underground infrastructure (2 shafts – one for ventilation and one for production).
- Cooperation with Indigenous Peoples and local communities.

Other exploration activities

Exploration projects – analysis of resource potential in North and South America.

Growth in foreign assets

Securing new mining projects at various stages of development



The gradual diversification of the foreign asset portfolio with a view to maintain and/or increase production volumes within the KGHM Group in the medium and long term

Focus on the search for, analysis and acquisition of new exploration and mining projects for copper and copper by-products.

Focus on locations where KGHM possesses know-how and strategic advantages.

At the same time, openness to analysing the potential of other regions and developing expertise and know-how in selected metal raw materials other than copper and copper-associated metals (lithium and REEs).

- Development priorities and project selection criteria in line with the Company's Resource Base Development Policy.
- Seeking development projects at various stages of progress, including the conceptual phase: Scoping Study / Preliminary Economic Analysis (PEA) / Preliminary Feasibility Study (PFS) / Feasibility Study (FS) with a view to expand the portfolio of development projects which will ultimately become KGHM's operating assets.
- Developing various forms of cooperation with business partners:
  - option contracts,
  - Mergers & Acquisitions transactions.

Vice-President of the Management Board for Finance

Piotr Krzyżewski

”KGHM's financial stability is the cornerstone of our operations. It enables us to carry out strategic investments and pursue long-term development. We are focused on achieving high profitability, maximising return on investment, maintaining a safe level of debt, and improving the energy efficiency of our technological processes and the consistent implementation of our Energy Strategy.

For years, KGHM has maintained a high level of economic efficiency in its operations, despite difficult geological and mining conditions, which naturally result in high production costs.

Our aim is to maintain cost discipline and secure funding for profitable investments.

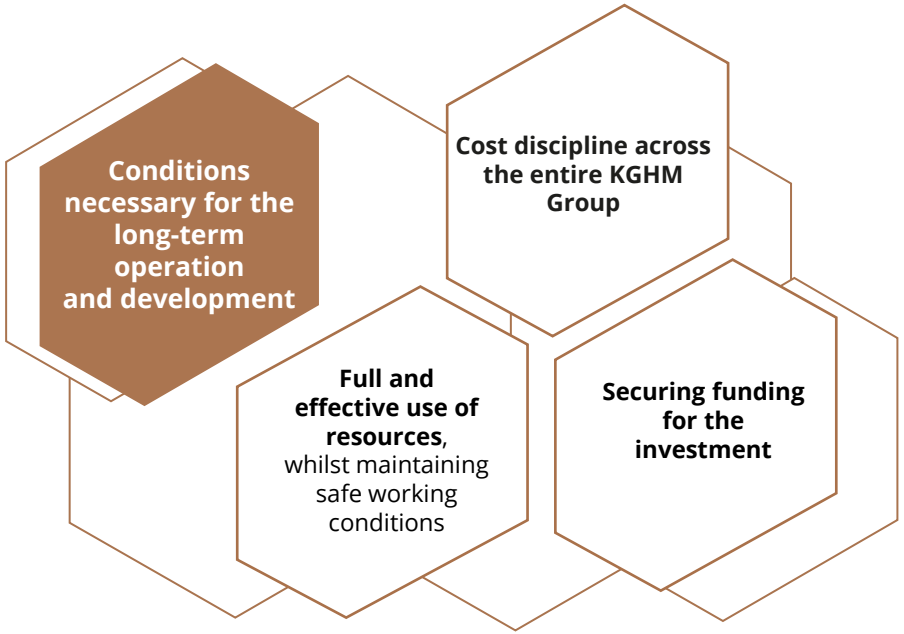
Through effective financial risk management, consistent implementation of our sales policy and operational optimisation – particularly in global markets – we are strengthening our resilience to market volatility, enhancing our competitiveness and maintaining a sustainable position amongst the industry leaders.”

KGHM Group's Strategic Directions 2055+

Strategic area
Strengthening and developing skills
and the business potential of the KGHM Group

Ensuring financial stability

- Securing external sources of funding for investments
- Maintaining a reasonable level of replacement and maintenance expenditure, together with an appropriate level of expenditure allocated to development projects
- Optimisation measures designed to sustainably improve the cost-effectiveness and economic profitability of the KGHM Group's operations
- Mitigating financial risks (market and credit risks) and consistently implementing a sales policy based on building sustainable, long-term commercial relationships with stable and reliable partners, and on the principles of sales diversification



KGHM's sales policy

A consistently implemented sales policy supports the achievement of key strategic objectives

The Sales Policy is underpinned by long-term relationships with stable and reliable partners and a wide-ranging diversification of the product range, which systematically strengthen KGHM's financial security

Reliable partners – long-term business relationships

- Flexibility in responding to customers' needs
- On-time deliveries – always of the highest standard

360° customer view of products sold and new products as part of extending the value chain

Maintaining commercial potential

- Safe sales of products thanks to the presence on global markets
- The offer increases along with its value – prioritising the sale of processed products
- Keeping a close eye on the market – capitalising on business opportunities as they arise whilst taking long-term objectives into account

Copper Cu concentrate, Cu cathodes, Cu wire rod, Cu-OFE wire, Cu-Ag OF wire, granulate

Silver bars, granulate

Gold bars

Molybdenum

Rhenium

Lead

Sulphuric acid

Industrial selenium

Nickel sulphate, Copper sulphate

Main products made from copper

Precious metals as by-products

Other accompanying products

KGHM Group for ESG

The KGHM Group's sustainable development priorities

KGHM Group for the Environment

Protection of biodiversity and sustainable management of natural resources

- KGHM strives to minimise the environmental impact of its operations, focusing on protecting ecosystems and reducing its carbon footprint.

E

KGHM Group for the Social

Creating safe and engaging workplaces

- KGHM sees itself as a community of diverse people united by a common goal – the pursuit of a better future for present and future generations.

S

Corporate governance in KGHM Group

Using transparent, responsible management practices and processes

- Management at KGHM is conducted in a way that ensures transparency, accountability and a balance between the interests of various stakeholders.

G

Transparent and responsible management of sustainable development within the KGHM Group

Sustainable Development Policy

Strategic directions of KGHM Group 2055+

Strategic area

Sustainable mining and smelting of copper and accompanying products

Complying with the requirements of legislation and market standards

- Aligning production infrastructure and business processes with legislative requirements, industry standards and best practice
- Legislative cooperation in support of the raw materials industry; providing early-stage legal advice

- Integrated Management System in line with ISO standards
- National Cyber Security System
- Industry certificates
- Compliance management
- Supporting the achievement of the EU's sustainable development goals

Coopering with local communities and other stakeholders

- Maintaining our status as a responsible employer and social partner within the framework of Corporate Social Responsibility policy
- Cooperation with local authorities in the region and other stakeholders – social dialogue and cooperation,
- Transparent communication, maintaining investor confidence and shareholder satisfaction

- Social Responsibility Policy
- Sponsorship Policy
- Cooperation Model with local government bodies
- Sustainability reporting
- Investor relations

Strategic directions of KGHM Group 2055+

Strategic area

Sustainable mining and smelting of copper and accompanying products

Energy transition

Climate Policy | Decarbonisation Plan | Energy Strategy | Energy Saving Programme

Main directions of decarbonisation

Reduction of indirect Scope 2 emissions:

- Improving energy efficiency in production facilities and optimising technological processes
- Developing our own zero-emission and low-emission energy sources
- Purchase of zero-emission electricity under PPAs

Total reduction of indirect Scope 2 emissions:

- Electricity and heat exclusively from zero-emission and low-emission sources

Maximum reduction of direct Scope 1 emissions:

- Use of hydrogen, synthetic fuels and other zero-emission energy sources in the main technological line
- Implementation of advanced low- and zero-emission technologies in the main technological line
- Use of CCU and CCS technologies

Potential offsetting of remaining emissions

2030 – medium-term target
Reduction in CO_2 emissions by 30%[1]

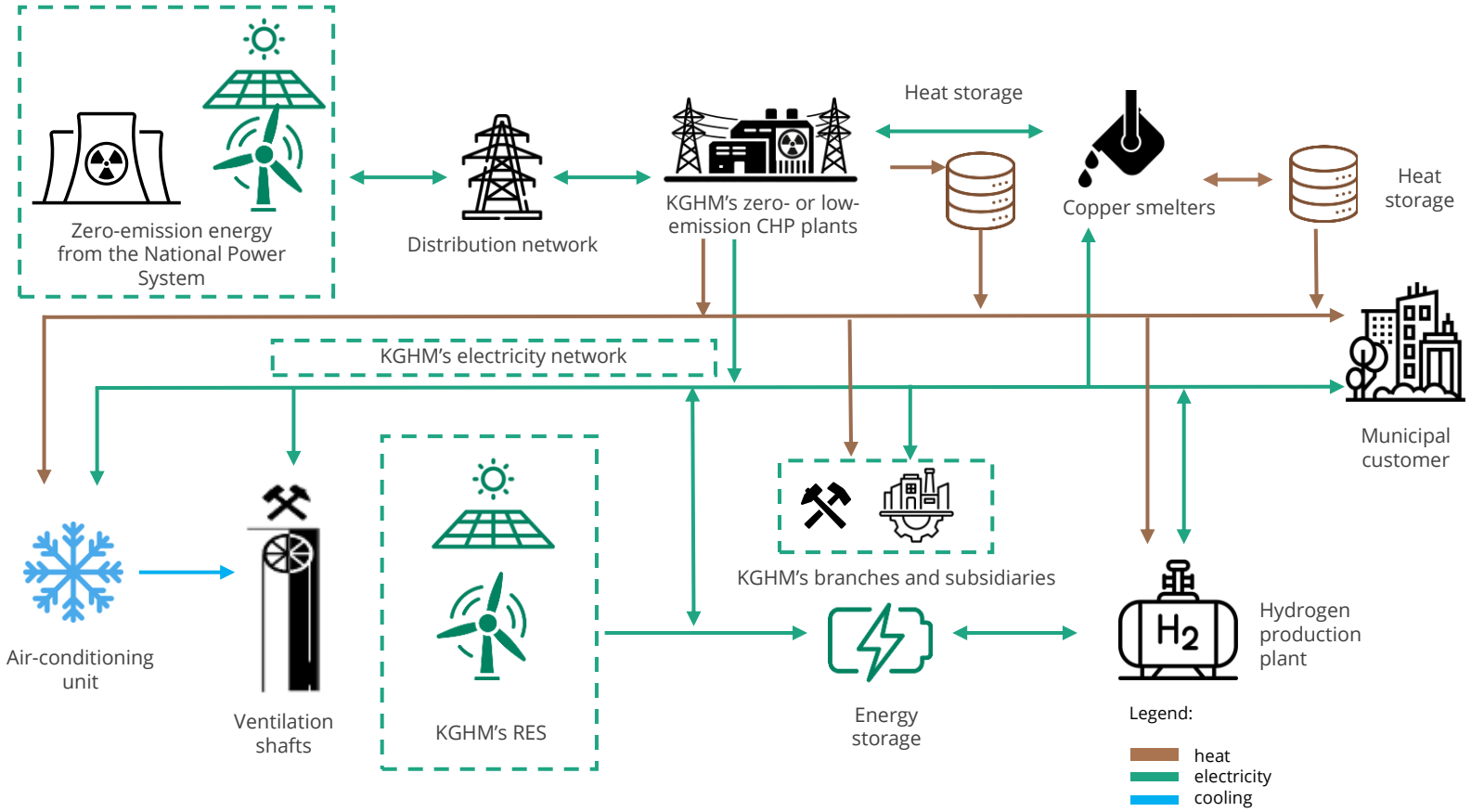
2050 – long-term goal
Climate neutrality

[1] Related to the volume of greenhouse gases generated indirectly as part of KGHM Polska Miedź S.A.'s business activities in 2020.

Energy Policy of KGHM Polska Miedź S.A.

Basic assumptions

- Electricity generation from our own low- and zero-emission generation assets.
- Zero-emission electricity in the Main Technological Line from external suppliers.
- Heat storage facilities, electricity storage facilities and the expansion of the power system to improve energy security and energy efficiency along KGHM's Main Technological Line.



Main strategic objectives

Overarching objective: profitable extraction of raw materials with a view to the period after 2055

KGHM Group's EBITDA margin[1]

Net profit on sales + depreciation added to sales revenue

25.6%

12
PLN billion

Adjusted EBITDA KGHM Group[1]

Capital expenditure at the KGHM Group[2]

Projected capital expenditure for 2026–2030

32+ PLN billion

PLN 6.5 billion on average per year

80% in domestic assets

20% in foreign assets

of which:

40%

Capital expenditure for development projects

Expenditure on R&D

Average annual share of expenditure on research and development as a proportion of expenditure on tangible investment in domestic assets in the years 2026–2030

2%

including R&D in Main Technological Line

min 75%

Revenue from the sale of products that are more highly processed than copper cathodes

as a proportion of total sales of electrolytic copper in the reporting year ending 2035

60%

including copper wire rod, Cu-OFE wire, copper granules and others.

[1] On an average annual basis for the period 2026–2030, in real terms, assuming an average annual copper price of 11,454 USD/t, a silver price of 58.1 USD/oz and a USD/PLN exchange rate of 3.56 based on the median of market forecasts as of June 2026. The financial parameters incorporate KGHM's 55% stake in Sierra Gorda SCM.

[2] Including capital expenditure within Sierra Gorda SCM (55%)

Main strategic objectives

Overarching objective: profitable extraction of raw materials with a view to the period after 2055

Production at the KGHM Group

On average per year between 2026 and 2030

Payable copper production: **730+ kt**

of which:

- 590+ from domestic assets
- 140+ from foreign assets

Copper production from recycled materials at domestic facilities: **180 kt**

Silver production: **1,290 t**

Molybdenum production: **4 million lb** from foreign assets

Energy transition and climate protection

- **min. 220 MW** — An increase of at least 50% (to minimum 220 MW) of the capacity of KGHM's own electricity generation assets in 2030 relative to the capacity ordered by KGHM in 2025 (440 MW)
- **30%** — Reduction in CO_2 emissions at KGHM in 2030 (Scope 2)[2]
- **Net-zero** emissions — Climate neutrality in 2050

Occupational safety

0 accidents

accident rate LTIFR/TRIR[3]

Target: 0 accidents

[1] Own generation sources include: Combined cycle gas turbine units, gas engines, steam recovered from heat recovery boilers at the Głogów Copper Smelter and used to generate electricity in a steam turbine-powered generator, photovoltaic farms and wind farms (completed and planned by KGHM and the KGHM Group).

[2] Reduction in CO_2 emissions, i.e. the quantity of greenhouse gases generated indirectly (Scope 2) as part of the business activities of KGHM Polska Miedź S.A., compared with 2020.

[3] LTIFR (Lost Time Injury Frequency Rate) – the total number of workplace accidents standardised to 1 million hours worked. TRIR (Total Recordable Incident Rate) – an indicator of workplace accidents meeting the criteria for recording as defined by the ICMM (International Council on Mining & Metals) standard.

Prospects for the implementation of the 2055+ Strategy

of KGHM Polska Miedź S.A. Group

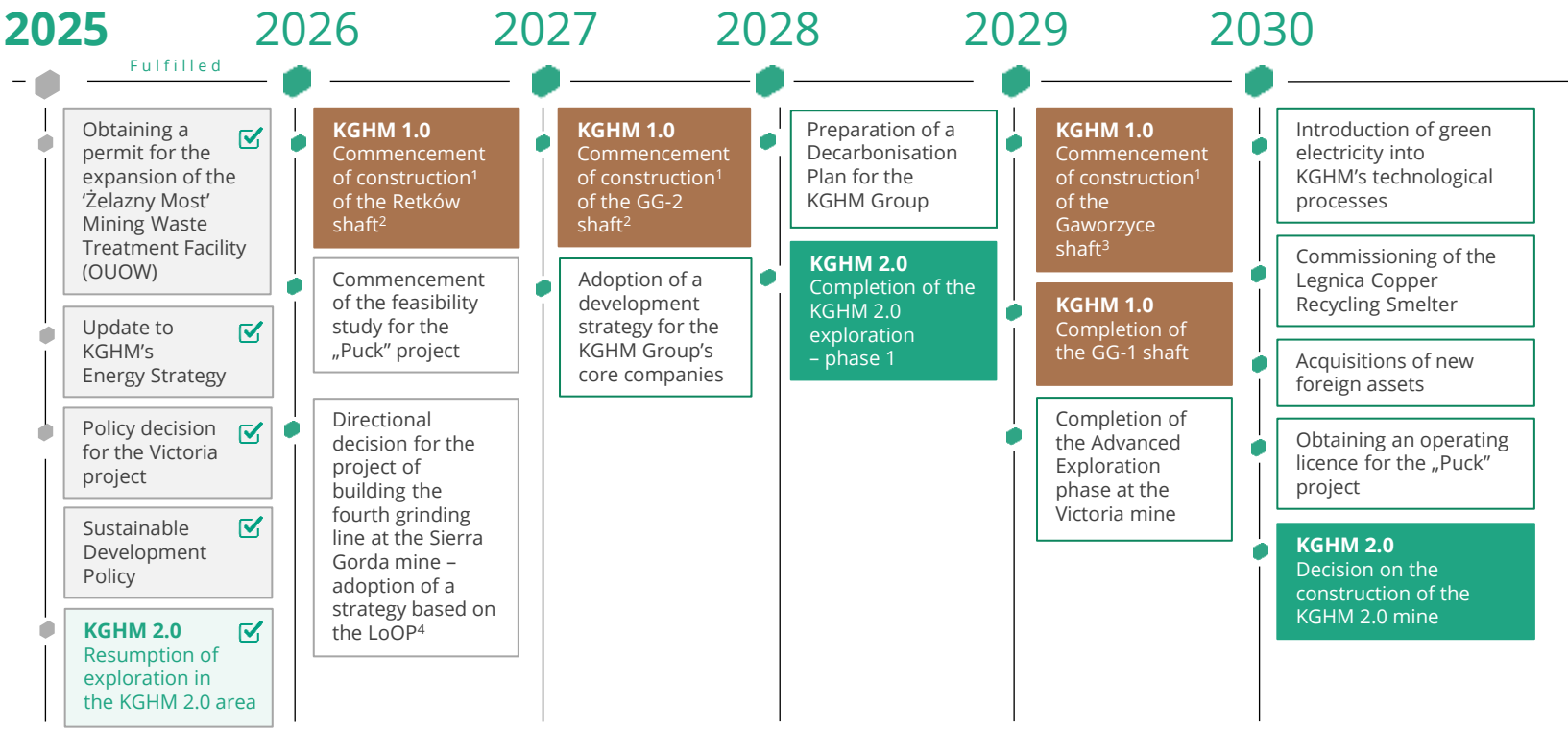
up to 2030:
strengthening the core business

Short term: 3–5 years

- Improving the profitability of copper, silver and molybdenum mining
- Exploration of copper deposits and other raw materials
- Optimisation and transformation of smelting infrastructure
- Circular economy, water and waste management
- Climate Policy for the KGHM Group
- Optimisation of foreign assets
- Energy efficiency and the development of RES

Strengthening the core business

Cu, Ag, Au, Mo



Legend:
- Key achievements
- Milestones to be achieved

1) Commencement of work to prepare the facilities for the shaft sinking period and commencement of the Artificial Ground Freezing (AGF)
2) Down-haul and material shaft, intake ventilation shaft
3) Exhaust ventilation shaft
4) LoOP - (Life of Operation Plan).

Prospects for the implementation of the 2055+ Strategy
of KGHM Polska Miedź S.A. Group

up to 2035:
extending the value chain and decarbonisation

Medium-term (5 to 10 years)

- Circular Economy, Recycling and Urban Mining
- Raw material diversification
- Building expertise in the processing sector
- Continuing the energy transition
- Commencement of commercial production at the Victoria mine; increase in production at the Sierra Gorda mine

Extending the value chain, decarbonisation

Cu, Ag, Au, Mo, Ni, Co, platinum group metals, other raw materials from the CRM list

2031

Increase in production at the Sierra Gorda mine, subject to investment decisions on selected development projects

2032

KGHM 2.0
Obtaining an operating licence for the KGHM 2.0 mine

KGHM 2.0
Start of construction of the shaft areas at the KGHM 2.0 mine

2035

KGHM 1.0
Retków Shaft
(completion of shaft sinking; connection of the shaft to the horizontal workings of the mining divisions)[1]

Increase in production volumes following the acquisition

Start of commercial production at the Victoria mine

Legend:
Milestones to be achieved

1) Connecting the shaft to the mine's horizontal workings and to the workings of other mining operations – establishing a limited ventilation link between the shafts – fresh air is supplied to the mine's workings.

Prospects for the implementation of the 2055+ Strategy
of KGHM Polska Miedź S.A. Group

up to 2055 and beyond:
development of a multi-commodity portfolio, including critical raw materials (CRMs)

Long term: 10+ years

- A strong and balanced multi-commodity portfolio ensuring long-term stability
- KGHM 2.0 Production
- Expansion and extension of the Sierra Gorda mine's life
- Climate neutrality (2050)

Development of a multi-commodity portfolio

Cu, Ag, Au, Mo, Ni, Co, platinum group metals, lithium, rare earth elements (REE), other raw materials from the CRM list

2036
KGHM 1.0 GG-2 SHAFT (completion of shaft sinking, connection of the shaft to the horizontal workings of the mining divisions)[1]

2038
KGHM 1.0 Gaworzyce Shaft (completion of shaft sinking, connection of the shaft to the horizontal workings of the mining divisions)[1]

2040+
KGHM 2.0
Commencement of construction of the Ore Beneficiation Plant in 2047

2050+
Climate neutrality KGHM

KGHM 2.0
Commencement of horizontal drilling operations to develop the deposit (first production) in 2051

2055+
Expansion and extension of the operational life of the Sierra Gorda mine

KGHM 2.0
KGHM 2.0 reaches full production capacity

Legend:
- Milestones to be achieved

1) Connecting the shaft to the mine's horizontal workings and to the workings of other mining operations – establishing a limited ventilation link between the shafts – fresh air is supplied to the mine's workings.

KGHM 2055+

Key areas of focus in the KGHM Group's Strategy

Development of the Main Technological Line

The KGHM Group focuses on its core business, with an emphasis on developing the Main Technological Line and optimising technological processes.

The strategy involves improving technology, modernising infrastructure, replacing machinery and optimising work organisation to achieve the highest possible cost-effectiveness.

The priority is the responsible extraction and processing of resources, and maximising the potential of all projects and assets.

Financial stability and increased profitability

Maximising operational efficiency and developing profit centres within the KGHM Group support higher margins and financial stability.

Measures aimed at improving profitability and return on investment enhance shareholder value, laying the foundations for sustainable profitability.

At the same time, the optimisation of technological processes increases the yield improving the profitability of their extraction.

Expansion and development of the resource base

Replenishment of the resource base in new mining areas, within the current exploration licences (KGHM 1.1 and KGHM 2.0), ensures uninterrupted access to raw materials for decades to come.

Key priorities include measures to improve production efficiency and optimise processes, as well as increasing the contribution of foreign assets to the Group's value creation through a selective approach to exploration and investment projects (including the acquisition of new projects).

The development of a multi-commodity portfolio, including critical raw materials (CRMs), enables KGHM to respond to changing market needs.

Social responsibility and transparent management

KGHM's activities focus on responsible partnership, care for the environment, high business standards and the well-being of its employees.
Today's decisions form part of a plan to ensure a secure future for generations to come.

Our ambition is to pass on to future generations a thriving, profitable company that cares for local communities and the environment.

KGHM
POLSKA MIEDŹ

EACH GRAM OF COPPER CARRIES INNOVATION