



INVESTOR RELATIONS DEPARTMENT Q3 2021 RELEASE

Dear Stakeholders,

We are pleased to announce the release of the results of the KGHM Group for the first 9 months and 3rd quarter of 2021.

Download the full financial report here:

- [ESPI report](#)

You can also download the full report from our Results Center:
<https://kghm.com/en/investors/results-center>

There you will find links to the financial statements, results presentation and other pertinent information to better understand our results. The results presentation will be available to download prior to the Management Board's conference.

The webcast will be on Wednesday, 17th November 2021 at 12:00 CET.

Link to the webcast: <http://infostrefa.tv/kghm>

We invite you to upload your questions for the Management Board of KGHM prior to and during the webcast to the email address: ir@kghm.com

Please also find attached an Excel spreadsheet with our quarterly results for your convenience.

Should you have any questions, please feel free to [contact us](#).

Best wishes,

KGHM Investor Relations Team

Consolidated financial results

The strong positive dynamics of KGHM's operating and financial results in Q3 2021 were driven by solid production results, implementation of the strategy and a favorable macro environment.

Consolidated adjusted EBITDA in Q3 2021 amounted to PLN 2 417 mn and was higher vs Q3 2020 by +PLN 650 mn (+37%), of which KGHM Polska Miedź S.A. was lower by -PLN 6 mn while adjusted EBITDA of Sierra Gorda more than doubled (higher by +PLN 408 mn). The Group's adjusted EBITDA margin amounted to 29%.

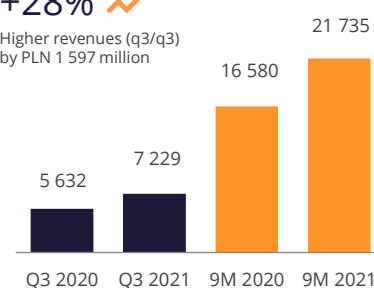
Consolidated revenues for Q3 2021 amounted to PLN 7 229 mn (+28%), their increase due mainly to substantially higher metals prices (mainly Cu and Ag) vs Q3 2020, partially offset by an adjustment of revenues due to derivatives. Net profit of the KGHM Group in Q3 2021 amounted to PLN 1 039 mn mainly due to improvement in EBITDA.

More than a 4-fold increase in the net result of the Group after the first 9 months of 2021, mainly due to the improvement of the net result on sales and the result on involvement in joint ventures, as well as an improvement of the result on exchange rate differences with higher CIT.

Group revenues [mn PLN]

+28%

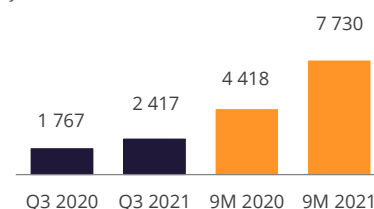
Higher revenues (q3/q3)
by PLN 1 597 million



Group EBITDA [mn PLN]

+37%

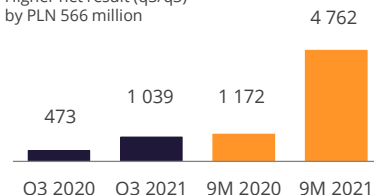
Higher adj. EBITDA (q3/q3)
by PLN 650 million



Group net result [mn PLN]

+120%

Higher net result (q3/q3)
by PLN 566 million



Investor calendar

16-11-2021	Quarterly report for Q3 2021
17-11-2021	Results conference
18-11-2021	On-line chat with CFO



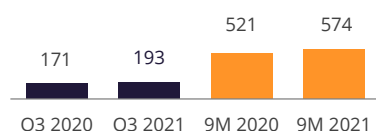
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Consolidated production results

Payable copper production [kt]

+13%

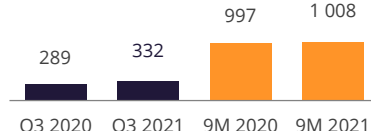
Higher production (q3/q3)
by 22 kt



Silver production [t]

+15%

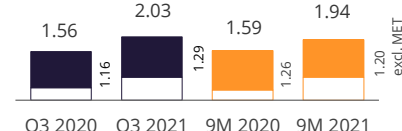
Higher production (q3/q3)
by 43 t



C1 cash cost [USD/lb]

+30%

Higher C1 (q3/q3)



Payable copper production by the KGHM Group in Q3 2021 amounted to 193 kt and was 13% higher compared to the same period of 2020. Payable silver production during this period was higher by 15% (332 vs 289 tonnes in Q3 2020), mainly due to the better availability of charge materials in the Polish operations, while production of Ag in concentrate was higher by 12.2% vs Q3 2020 mainly due to the higher content of this metal in ore in the Polish operations.

C1 cost for the Group in Q3 2021 amounted to 2.03 USD/lb and was higher than in the corresponding period of 2020 by 30%. The increase in this cost was mainly due to a higher minerals extraction tax (MET) charge in KGHM Polska Miedź S.A. (higher valuation of by-products). C1 cost for Sierra Gorda meanwhile was lower by 41%.

[in mn PLN]	3rd quarter of 2021	3rd quarter of 2020	Change [mn PLN]	Change [%]
Revenues	7 229	5 632	+1 597	+28%
Cost of goods sold*	6 164	4 666	+1 498	+32%
Net result on sales	1 065	966	+99	+10%
Adjusted EBITDA	2 417	1 767	+650	+37%
Profit for the period	1 039	473	+566	+120%
[in mn PLN]	9 months of 2021	9 months of 2020	Change [mn PLN]	Change [%]
Revenues	21 735	16 580	+5 155	+31%
Cost of goods sold*	17 864	14 474	+3 390	+23%
Net result on sales	3 871	2 106	+1 765	+84%
Adjusted EBITDA	7 730	4 418	+3 312	+75%
Profit for the period	4 762	1 172	+3 590	+306%

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