



INVESTOR RELATIONS DEPARTMENT Q2 2021 RELEASE

Dear Stakeholders,

We are pleased to announce the release of the results of the KGHM Group for the 1st half and 2nd 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, 18th August 2021 at 12.00 CEST.

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

It will also be possible to listen to the results conference via telephone using the following dial-in information.

In Polish:

Dial-in number: 12 348 08 99
Access code: 0179912

In English:

Dial-in number:
In Poland: 12 348 08 99
Outside Poland: +48 12 348 08 99
Access code: 0199858

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

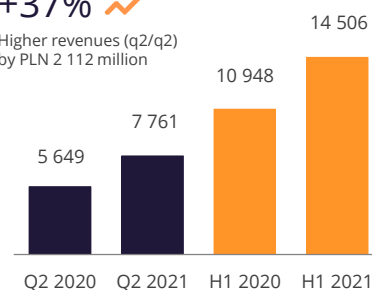
Consolidated adjusted EBITDA in Q2 2021 amounted to PLN 2 705 mn and was higher vs Q2 2020 by +PLN 1 183 mn (+78%), of which KGHM Polska Miedź S.A. was higher by +PLN 451 mn and Sierra Gorda by +PLN 511 mn. The increase in the KGHM Group's EBITDA was mainly due to the more favorable metals prices. EBITDA margin amounted to 30%.

Consolidated revenues for Q2 2021 reached PLN 7 761 mn (+37%), due to substantially higher metals prices (mainly Cu and Ag), partially offset by an adjustment of revenues due to derivatives. Net profit of the KGHM Group in Q2 2021 amounted to PLN 2 358 mn due to improvement in EBITDA and reversal of allowances for impairment on loans granted to Sierra Gorda. The recoverable amount of loans increased by PLN 1 655 mn (USD 435 mn) on a consolidated basis.

Group revenues (mn PLN)

+37%

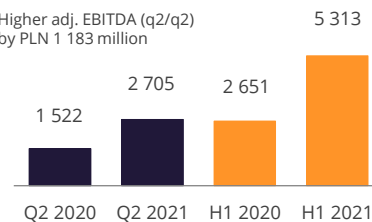
Higher revenues (q2/q2)
by PLN 2 112 million



Group EBITDA (mn PLN)

+78%

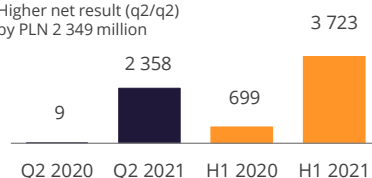
Higher adj. EBITDA (q2/q2)
by PLN 1 183 million



Group net result (mn PLN)

-

Higher net result (q2/q2)
by PLN 2 349 million



Investor calendar

17-08-2021	Financial report for H1 2021
18-08-2021	Results conference
19-08-2021	On-line chat with CFO
16-11-2021	Quarterly report for Q3 2021



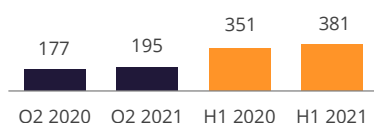
INVESTOR RELATIONS DEPARTMENT Q2 2021 RELEASE

Consolidated production results

Payable copper production [kt]

+11%

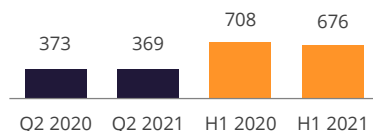
Higher production (q2/q2)
by 18.6 kt



Payable silver production [t]

-1%

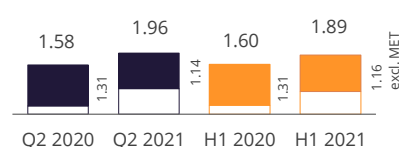
Lower production (q2/q2)
by 3.8 t



C1 cash cost [USD/lb]

+24%

Higher C1 (q2/q2)



Payable copper production by the KGHM Group in Q2 2021 amounted to 195.2 kt and was 11% higher compared to the same period of 2020. Silver production during this period was slightly lower by 1% (369 vs 373 tonnes in Q2 2020), mainly due to the lower availability of charge materials in the Polish operations (due among others to the schedule of processing materials) while production of Ag in concentrate was higher by 7.3% vs Q2 2020.

C1 cost for Q2 2021 amounted to 1.96 USD/lb and was higher than in the corresponding period of 2020 by 24%. 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). Excluding MET, C1 cost was lower compared to Q2 2020 by 13%.

[in mn PLN]	2nd quarter of 2021	2nd quarter of 2020	Change [mn PLN]	Change [%]
Revenues	7 761	5 649	+2 112	+37
Cost of goods sold*	6 397	5 004	+1 393	+28
Net result on sales	1 364	645	+719	+111
Adjusted EBITDA	2 705	1 522	+1 183	+78
Profit for the period	2 358	9	+2 349	x
[in mn PLN]	1st half of 2021	1st half of 2020	Change [mn PLN]	Change [%]
Revenues	14 506	10 948	+3 558	+32
Cost of goods sold*	11 700	9 808	+1 892	+19
Net result on sales	2 806	1 140	+1 666	+146
Adjusted EBITDA	5 313	2 651	+2 662	+100
Profit for the period	3 723	699	+3 024	+433

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