POLISH FINANCIAL SUPERVISION AUTHORITY

Consolidated half-year report PSr 2025

(in accordance with § 61 section 2 and § 63 section 3 of the Decree of the Minister of Finance dated 06 June 2025)

for issuers of securities involved in production, construction, trade or services activities

for the first half of financial year **2025** from **1 January 2025** to **30 June 2025**
containing the condensed consolidated financial statements prepared under International Accounting Standard 34 in PLN and condensed financial statements under International Accounting Standard 34 in PLN.

publication date: 19 August 2025

KGHM Polska Miedź Spółka Akcyjna
(name of the issuer)

KGHM Polska Miedź S.A.
(name of the issuer in brief)

Mining
(issuer branch title per the Warsaw Stock Exchange)

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(auditing company)

This report is a direct translation from the original Polish version.
In the event of differences resulting from the translation, reference should be made to the official Polish version.

SELECTED FINANCIAL DATA

data concerning the condensed consolidated financial statements of the KGHM Polska Miedź S.A. Group

		in PLN mn		in EUR mn	
		from 1 January 2025 to 30 June 2025	**from 1 January 2024 to 30 June 2024**	**from 1 January 2025 to 30 June 2025**	**from 1 January 2024 to 30 June 2024**
I.	Revenues from contracts with customers	17 556	17 480	4 149	4 055
II.	Profit on sales	2 101	2 110	497	489
III.	Profit before income tax	1 315	1 949	311	452
IV.	Profit for the period	580	1 074	137	249
V.	Profit for the period attributable to shareholders of the Parent Entity	579	1 073	137	249
VI.	Profit for the period attributable to non-controlling interest	1	1	-	-
VII.	Other comprehensive income	477	(22)	113	(5)
VIII.	Total comprehensive income	1 057	1 052	250	244
IX.	Total comprehensive income attributable to the shareholders of the Parent Entity	1 057	1 051	250	244
X.	Total comprehensive income attributable to non-controlling interest	-	1	-	-
XI.	Number of shares issued (million)	200	200	200	200
XII.	Earnings per ordinary share (in PLN/EUR) attributable to the shareholders of the Parent Entity	2.90	5.37	0.69	1.25
XIII.	Net cash generated from/(used in) operating activities	1 818	3 028	430	702
XIV.	Net cash generated from/(used in) investing activities	(2 034)	(2 576)	(481)	(598)
XV.	Net cash generated from/(used in) financing activities	(133)	268	(31)	62
XVI.	Total net cash flow	(349)	720	(82)	166
		As at 30 June 2025	**As at 31 December 2024**	**As at 30 June 2025**	**As at 31 December 2024**
XVII.	Non-current assets	42 532	42 285	10 027	9 896
XVIII.	Current assets	11 873	11 607	2 799	2 716
XIX.	Total assets	54 405	53 892	12 826	12 612
XX.	Non-current liabilities	12 528	11 828	2 953	2 768
XXI.	Current liabilities	9 762	11 006	2 302	2 576
XXII.	Equity	32 115	31 058	7 571	7 268
XXIII.	Equity attributable to shareholders of the Parent Entity	32 047	30 990	7 555	7 252
XXIV.	Equity attributable to non-controlling interest	68	68	16	16

data concerning the condensed financial statements of KGHM Polska Miedź S.A.

		in PLN mn		in EUR mn	
		from 1 January 2025 to 30 June 2025	**from 1 January 2024 to 30 June 2024**	**from 1 January 2025 to 30 June 2025**	**from 1 January 2024 to 30 June 2024**
I.	Revenues from contracts with customers	14 860	15 076	3 512	3 497
II.	Profit on sales	1 541	1 671	364	388
III.	Profit before income tax	634	2 018	150	468
IV.	Profit for the period	113	1 331	27	309
V.	Other comprehensive income	756	(63)	178	(15)
VI.	Total comprehensive income	869	1 268	205	294
VII.	Number of shares issued (million)	200	200	200	200
VIII.	Earnings per ordinary share (in PLN/EUR)	0.57	6.66	0.14	1.55
IX.	Net cash generated from/(used in) operating activities	1 526	2 227	361	517
X.	Net cash generated from/(used in) investing activities	(1 497)	(1 995)	(354)	(463)
XI.	Net cash generated from/(used in) financing activities	(98)	481	(23)	112
XII.	Total net cash flow	(69)	713	(16)	166
		As at 30 June 2025	**As at 31 December 2024**	**As at 30 June 2025**	**As at 31 December 2024**
XIII.	Non-current assets	40 631	40 107	9 578	9 386
XIV.	Current assets	10 458	10 298	2 465	2 410
XV.	Total assets	51 089	50 405	12 043	11 796
XVI.	Non-current liabilities	10 076	9 409	2 375	2 202
XVII.	Current liabilities	8 990	9 842	2 119	2 303
XVIII.	Equity	32 023	31 154	7 549	7 291

Table of contents

Part 1 - Condensed consolidated financial statements

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

		from 1 January 2025 to 30 June 2025	from 1 January 2024 to 30 June 2024
Note 2.3	Revenues from contracts with customers	17 556	17 480
Note 3.1	Cost of sales	(14 425)	(14 391)
	Gross profit	**3 131**	**3 089**
Note 3.1	Selling costs and administrative expenses	(1 030)	(979)
	Profit on sales	**2 101**	**2 110**
Note 4.2	Gain due to the reversal of allowances for impairment of loans granted to a joint venture	151	-
	Allowance for impairment of loans granted to a joint venture	-	(407)
Note 4.2	Interest income on loans granted to a joint venture calculated using the effective interest rate method	287	291
	Profit or loss on involvement in a joint venture	438	(116)
Note 3.2	Other operating income, including:	336	952
	other interest calculated using the effective interest rate method	27	18
	reversal of impairment losses on financial instruments	3	1
Note 3.2	Other operating costs, including:	(1 739)	(784)
	impairment losses on financial instruments	-	(2)
Note 3.3	Finance income	362	74
Note 3.3	Finance costs	(183)	(287)
	Profit before income tax	**1 315**	**1 949**
	Income tax expense	(735)	(875)
	PROFIT FOR THE PERIOD	**580**	**1 074**
	Profit for the period attributable to:		
	shareholders of the Parent Entity	579	1 073
	non-controlling interest	1	1
	Weighted average number of ordinary shares (million)	**200**	**200**
	Basic/diluted earnings per share (in PLN)	**2.90**	**5.37**

amounts in PLN millions, unless otherwise stated

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

		from 1 January 2025 to 30 June 2025	from 1 January 2024 to 30 June 2024
	Profit for the period	**580**	**1 074**
	Measurement and settlement of hedging instruments net of the tax effect	153	(264)
	Exchange differences from the translation of statements of operations with a functional currency other than PLN	(283)	9
	Other comprehensive income, which will be reclassified to profit or loss	**(130)**	**(255)**
Note 4.3	Measurement of equity financial instruments at fair value through other comprehensive income, net of the tax effect	693	30
	Actuarial (losses)/gains net of the tax effect	(86)	173
	Surplus from the fair value remeasurement of investment properties, as at the day of reclassification from fixed assets, net of the tax effect	-	30
	Other comprehensive income, which will not be reclassified to profit or loss	**607**	**233**
	Total other comprehensive net income	**477**	**(22)**
	TOTAL COMPREHENSIVE INCOME	**1 057**	**1 052**
	Total comprehensive income attributable to:		
	shareholders of the Parent Entity	1 057	1 051
	non-controlling interest	-	1

amounts in PLN millions, unless otherwise stated

CONSOLIDATED STATEMENT OF CASH FLOWS

		from 1 January 2025 to 30 June 2025	from 1 January 2024 to 30 June 2024
	Cash flow from operating activities		
	Profit before income tax	1 315	1 949
	Depreciation/amortisation recognised in profit or loss	1 014	822
	Interest on loans granted to a joint venture	(287)	(291)
	Other interest	70	94
	Impairment losses on property, plant and equipment and intangible assets	26	47
	Gain due to the reversal of allowance for impairment of loans granted to a joint venture	(151)	-
	Allowances for impairment of loans granted to a joint venture	-	407
	Loss on disposal of property, plant and equipment and intangible assets	6	1
	Gains on disposal of subsidiaries	(89)	-
	Exchange differences, of which:	991	(219)
	from investing activities and on cash	1 293	(278)
	from financing activities	(302)	59
	Change in provisions for decommissioning of mines, liabilities related to future employee benefits programs and other provisions	205	176
	Change in other receivables and liabilities other than working capital	(105)	(79)
	Change in assets and liabilities due to derivatives	55	108
	Reclassification of other comprehensive income to profit or loss due to the realisation of hedging derivatives	(26)	(286)
	Other adjustments	(9)	12
	Exclusions of income and costs, total	1 700	792
	Income tax, of which:	(582)	107
	payments of income tax	(584)	(521)
	refunds of income tax	2	628
Note 4.11	Changes in working capital, including:	(615)	180
Note 4.11	change in trade payables within the reverse factoring mechanism	83	451
	Net cash generated from/(used in) operating activities	**1 818**	**3 028**
	Cash flow from investing activities		
	Expenditures on mining and metallurgical assets, including:	(2 104)	(2 245)
Note 4.5	paid capitalised interest on borrowings	(174)	(159)
Note 4.5	proceeds from settlement of an instrument hedging interest rate of bonds	30	39
	Expenditures on other property, plant and equipment and intangible assets	(334)	(252)
	Expenditures on financial assets designated for decommissioning of mines and other technological facilities	(35)	(33)
	Expenditures on the acquisition of subsidiaries	-	(73)
	Proceeds from repayment of loans granted to a joint venture (principal)	384	-
	Proceeds from disposal of property, plant and equipment and intangible assets	29	11
	Proceeds from disposal of subsidiaries	13	
	Interest received on loans granted to a joint venture	30	44
	Advances granted on property, plant and equipment and intangible assets	(9)	(21)
	Other	(8)	(7)
	Net cash generated from/(used in) investing activities	**(2 034)**	**(2 576)**

amounts in PLN millions, unless otherwise stated

	Cash flow from financing activities		
	Proceeds from issuance of debt securities	-	1 000
Note 4.5	Proceeds from borrowings	434	1 413
Note 4.5	Proceeds from derivatives related to external sources of financing	29	35
	Redemption of debt securities	-	(400)
Note 4.5	Repayment of borrowings	(429)	(1 608)
Note 4.5	Repayment of lease liabilities	(63)	(31)
Note 4.5	Expenditures due to derivatives related to external sources of financing	(30)	(41)
	Interest paid, of which:	(83)	(102)
	trade payables within the reverse factoring mechanism	(56)	(74)
Note 4.5	borrowings	(27)	(28)
	Other	9	2
	Net cash generated from/(used in) financing activities	**(133)**	**268**
	NET CASH FLOW	**(349)**	**720**
	Exchange gains/(losses)	64	(8)
	Cash and cash equivalents at beginning of the period	715	1 729
	Cash and cash equivalents at end of the period, including:	**430**	**2 441**
	restricted cash	13	24

amounts in PLN millions, unless otherwise stated

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		As at 30 June 2025	As at 31 December 2024
	ASSETS		
	Mining and metallurgical property, plant and equipment	24 266	24 050
	Mining and metallurgical intangible assets	3 030	2 830
	Mining and metallurgical property, plant and equipment and intangible assets	27 296	26 880
	Other property, plant and equipment	3 136	3 087
	Other intangible assets	264	213
	Other property, plant and equipment and intangible assets	3 400	3 300
Note 4.2	Involvement in a joint venture – loans granted	8 663	9 800
	Derivatives	297	286
	Other financial instruments measured at fair value	1 751	883
	Other financial instruments measured at amortised cost	559	557
Note 4.3	Financial instruments, total	2 607	1 726
	Deferred tax assets	297	302
	Other non-financial assets	269	277
	Non-current assets	**42 532**	**42 285**
	Inventories	8 765	8 063
Note 4.3	Trade receivables, including:	1 204	1 345
	trade receivables measured at fair value through profit or loss	748	707
	Tax assets	338	453
Note 4.3	Derivatives	293	219
Note 4.3	Other financial assets	275	317
	Other non-financial assets	568	366
Note 4.3	Cash and cash equivalents	430	715
Note 4.12	Non-current assets held for sale (disposal group)	-	129
	Current assets	**11 873**	**11 607**
	TOTAL ASSETS	**54 405**	**53 892**
	EQUITY AND LIABILITIES		
	Share capital	2 000	2 000
	Other reserves from measurement of financial instruments	684	(162)
	Accumulated other comprehensive income other than from measurement of financial instruments	1 410	1 778
	Retained earnings	27 953	27 374
	Equity attributable to shareholders of the Parent Entity	32 047	30 990
	Equity attributable to non-controlling interest	68	68
	Equity	**32 115**	**31 058**
Note 4.3	Borrowings and leases	2 671	2 310
Note 4.3	Debt securities	2 600	2 600
Note 4.3	Derivatives	142	269
Note 4.6	Employee benefits liabilities	2 934	2 784
Note 4.7	Provisions for decommissioning costs of mines and other technological facilities	2 063	2 084
	Deferred tax liabilities	1 749	1 384
Note 4.8	Other liabilities	369	397
	Non-current liabilities	**12 528**	**11 828**
Note 4.3	Borrowings and leases	583	1 259
Note 4.3	Debt securities	2	2
Note 4.3	Derivatives	96	44
Note 4.3	Trade and other payables	4 592	5 132
Note 4.6	Employee benefits liabilities	1 830	2 019
	Tax liabilities	893	1 049
	Provisions for liabilities and other charges	215	280
Note 4.8	Other liabilities	1 551	1 061
Note 4.12	Liabilities related to disposal group	-	160
	Current liabilities	**9 762**	**11 006**
	Non-current and current liabilities	**22 290**	**22 834**
	TOTAL EQUITY AND LIABILITIES	**54 405**	**53 892**

amounts in PLN millions, unless otherwise stated

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Equity attributable to shareholders of the Parent Entity						
	Share capital	Other reserves from measurement of financial instruments	Accumulated other comprehensive income	Retained earnings	Total	Equity attributable to non-controlling interest	Total equity
As at 1 January 2024	**2 000**	**277**	**1 482**	**24 806**	**28 565**	**65**	**28 630**
Transactions with non-controlling interest	-	-	-	-	**-**	1	**1**
Transactions with owners – dividend approved but not paid	-	-	-	(300)	**(300)**	-	**(300)**
Profit for the period	**-**	-	-	1 073	**1 073**	1	**1 074**
Other comprehensive income	-	(234)	212	-	**(22)**	-	**(22)**
Total comprehensive income	**-**	**(234)**	**212**	**1 073**	**1 051**	**1**	**1 052**
As at 30 June 2024	**2 000**	**43**	**1 694**	**25 579**	**29 316**	**67**	**29 383**
As at 1 January 2025	**2 000**	**(162)**	**1 778**	**27 374**	**30 990**	**68**	**31 058**
Profit for the period	-	-	-	579	579	1	**580**
Other comprehensive income	-	846	(368)	-	478	(1)	**477**
Total comprehensive income	**-**	**846**	**(368)**	**579**	**1 057**	**-**	**1 057**
As at 30 June 2025	**2 000**	**684**	**1 410**	**27 953**	**32 047**	**68**	**32 115**

Part 1 – General information

Note 1.1 Corporate information

KGHM Polska Miedź S.A. ("the Parent Entity", "the Company") with its registered office in Lubin at 48 M.Skłodowskiej-Curie Street is a joint stock company registered at the Regional Court for Wrocław Fabryczna, Section IX (Economic) of the National Court Register, entry no. KRS 23302, on the territory of the Republic of Poland.

KGHM Polska Miedź S.A. has a multi-divisional organisational structure, comprised of a Head Office and 10 divisions: 3 mines (Lubin Mine Division, Polkowice-Sieroszowice Mine Division, Rudna Mine Division), 3 metallurgical plants (Głogów Smelter/Refinery, Legnica Smelter/Refinery, Cedynia Wire Rod Division), the Concentrator Division, the Tailings Division, the Mine-Smelter Emergency Rescue Division and the Data Centre Division.

The shares of KGHM Polska Miedź S.A. are listed on the Warsaw Stock Exchange.

The Parent Entity's principal activities include:
- the mining of copper and non-ferrous metals ores, and
- the production of copper, precious and non-ferrous metals.

The business activities of the Group include:
- the mining of copper and non-ferrous metals ores,
- the mined production of metals, including copper, nickel*, silver, gold, platinum*, palladium*,
- the production of goods from copper and precious metals,
- underground construction services,
- the production of machinery and mining equipment,
- transport services,
- services in the areas of research, analysis and design,
- the production of road-building materials, and
- the recovery of associated metals from copper ore.

** Metals produced in the Sudbury Basin, the disposal of these assets and liabilities associated with them took place on 28 February 2025 (Note 4.12).*

The condensed consolidated financial statements were prepared under the assumption that the Group's companies will continue as a going concern during a period of at least 12 months from the end of the reporting period in an unaltered form and business scope, and there are no reasons to suspect any intentional or forced discontinuation or significant limitation of its current activities. As at the date of signing of the condensed consolidated financial statements the Management Board of the Parent Entity is not aware of any facts or circumstances that may cast doubt about the going concern in the foreseeable future.

The KGHM Polska Miedź S.A. Group (the Group) carries out the exploration and mining of copper, nickel and precious metals based on exploration and mining concessions for Polish deposits held by KGHM Polska Miedź S.A., and also based on legal titles held by companies of the KGHM INTERNATIONAL LTD. Group for the exploration for and mining of these resources in the USA, Canada and Chile.

Note 1.2 Declaration by the Management Board of KGHM Polska Miedź S.A.

The Management Board of KGHM Polska Miedź S.A. declares that according to its best judgement:
- the condensed consolidated financial statements for the first half of 2025 and comparative data have been prepared in accordance with accounting principles currently in force, and give a true, fair and clear view of the financial position of the KGHM Polska Miedź S.A. Group and the profit for the period of the Group,
- the condensed separate financial statements of KGHM Polska Miedź S.A. for the first half of 2025 and comparative data have been prepared in accordance with accounting principles currently in force, and give a true, fair and clear view of the financial position of KGHM Polska Miedź S.A. and the profit for the period of KGHM Polska Miedź S.A.,
- the Management Board's report on the activities of the Group in the first half of 2025 presents a true picture of the development and achievements, as well as the condition, of the KGHM Polska Miedź S.A. Group, including a description of the basic exposures and risks.

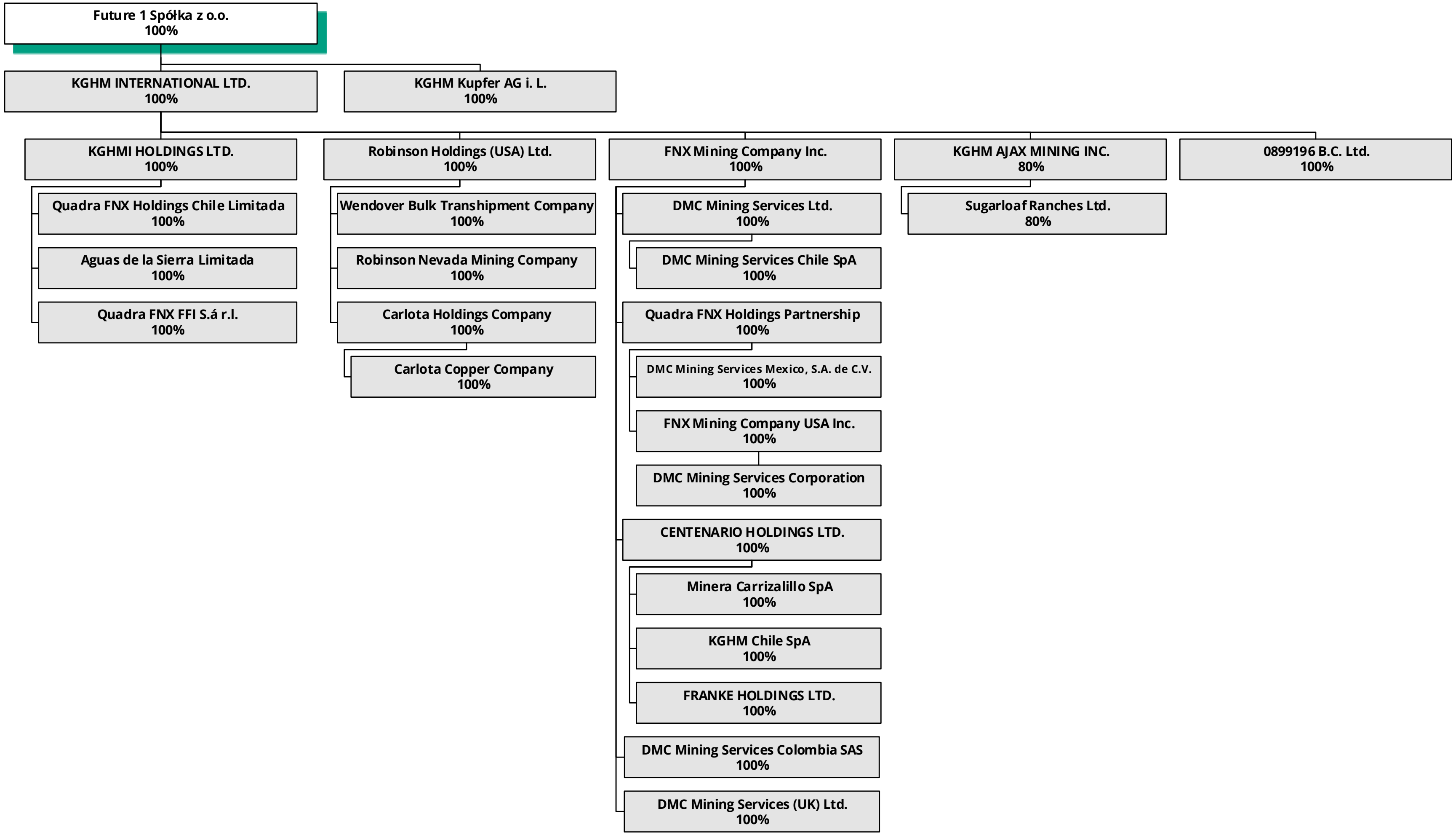
Note 1.3 Structure of the KGHM Polska Miedź S.A. Group

As at 30 June 2025, KGHM Polska Miedź S.A. included 62 subsidiaries in its condensed consolidated financial statements and used the equity method to account for the shares of two joint ventures (Sierra Gorda S.C.M. and NANO CARBON Sp. z o.o. in bankruptcy).

Parent Entity
KGHM Polska Miedź S.A.

- PeBeKa S.A. 100%
- KGHM ZANAM S.A. 100%
  - OOO ZANAM VOSTOK 100%
- POL-MIEDŹ TRANS Sp. z o.o. 100%
- PMT LK Sp. z o.o. 100%
- „Energetyka” sp. z o.o. 100%
  - WPEC w Legnicy S.A. 100%
- INOVA spółka z o.o. 100%
- KGHM CUPRUM sp. z o.o. – CBR 100%
- BIPROMET S.A. 100%
- CBJ sp. z o.o. 100%
- KGHM Metraco S.A. 100%
  - CENTROZŁOM WROCŁAW S.A. 100%
  - Walcownia Metali Nieżelaznych „ŁABĘDY” S.A. 84.98%
- NITROERG S.A. 87.12%
  - NITROERG SERWIS Sp. z o.o 87.12%
- MERCUS Logistyka sp. z o.o. 100%
  - PHU „Lubinpex” Sp. z o.o. 100%
- Polska Grupa Uzdrowisk sp. z o.o. 100%
  - Uzdrowiska Kłodzkie S.A. – Grupa PGU 100%
  - Uzdrowisko Połczyn Grupa PGU S.A. 100%
  - Uzdrowisko Cieplice Sp. z o.o. – Grupa PGU 99.12%
  - Uzdrowisko Świeradów-Czerniawa Sp. z o.o. – Grupa PGU 99.46%
  - CUPRUM Development sp. z o.o. 100%
- „MIEDZIOWE CENTRUM ZDROWIA” S.A. 100%
- Zagłębie Lubin S.A. 100%
- TUW Cuprum * 99.49%
- Future 3 Spółka z o.o. 100%
- Future 4 Spółka z o.o. 100%
- Future 5 Spółka z o.o. 100%
- KGHM (SHANGHAI) COPPER TRADING CO., LTD. 100%
- Invest PV 7 Sp. z o.o. 100%
- Invest PV 40 Sp. z o.o. 100%
- Invest PV 58 Sp. z o.o. 100%
- Invest PV 59 Sp. z o.o. 100%
- Future 1 Spółka z o.o. 100% (continued on next page)

** An entity excluded from consolidation due to the insignificant impact on the condensed consolidated financial statements.*


Future 1 Spółka z o.o. 100%
KGHM INTERNATIONAL LTD. 100%
KGHM Kupfer AG i. L. 100%
KGHMI HOLDINGS LTD. 100%
Robinson Holdings (USA) Ltd. 100%
FNX Mining Company Inc. 100%
KGHM AJAX MINING INC. 80%
0899196 B.C. Ltd. 100%
Quadra FNX Holdings Chile Limitada 100%
Aguas de la Sierra Limitada 100%
Quadra FNX FFI S.á r.l. 100%
Wendover Bulk Transhipment Company 100%
Robinson Nevada Mining Company 100%
Carlota Holdings Company 100%
Carlota Copper Company 100%
DMC Mining Services Ltd. 100%
DMC Mining Services Chile SpA 100%
Quadra FNX Holdings Partnership 100%
DMC Mining Services Mexico, S.A. de C.V. 100%
FNX Mining Company USA Inc. 100%
DMC Mining Services Corporation 100%
CENTENARIO HOLDINGS LTD. 100%
Minera Carrizalillo SpA 100%
KGHM Chile SpA 100%
FRANKE HOLDINGS LTD. 100%
DMC Mining Services Colombia SAS 100%
DMC Mining Services (UK) Ltd. 100%
Sugarloaf Ranches Ltd. 80%

Note 1.4 Exchange rates applied

The following exchange rates were applied in the conversion of selected financial data in EUR:

- for the conversion of turnover, profit or loss and cash flow for the current period, the rate of ***4.2313 EURPLN****,
- for the conversion of turnover, profit or loss and cash flow for the comparable period, the rate of ***4.3109 EURPLN*****,
- for the conversion of assets, equity and liabilities as at 30 June 2025, the current average exchange rate announced by the National Bank of Poland (NBP) as at 30 June 2025, of ***4.2419 EURPLN,***
- for the conversion of assets, equity and liabilities as at 31 December 2024, the current average exchange rate announced by the NBP as at 31 December 2024, of ***4.2730 EURPLN.***

** The rate represents the arithmetic average of current average exchange rates announced by the NBP for each day in the period from January to June 2025.*
*** The rate represents the arithmetic average of current average exchange rates announced by the NBP for the last day of each month during the period from January to June 2024.*

Note 1.5 Accounting policies and the impact of new and amended standards and interpretations

The following half-year report includes:

1. the condensed consolidated financial statements of the KGHM Polska Miedź S.A. Group for the period from 1 January to 30 June 2025 and the comparable period from 1 January to 30 June 2024, together with selected explanatory information,
2. the condensed separate financial statements of KGHM Polska Miedź S.A. for the period from 1 January to 30 June 2025 and the comparable period from 1 January to 30 June 2024, together with selected explanatory information.

The condensed consolidated financial statements for the period from 1 January to 30 June 2025 and as at 30 June 2025 as well as the condensed separate financial statements for the period from 1 January to 30 June 2025 and as at 30 June 2025 were reviewed by a certified auditor.

The consolidated half-year report for the period from 1 January 2025 to 30 June 2025, in that part concerning the condensed consolidated financial statements of the KGHM Polska Miedź S.A. Group and in that part concerning the condensed separate financial statements of KGHM Polska Miedź S.A., was prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the European Union, and for a full understanding of the financial position and operating results of KGHM Polska Miedź S.A. and the KGHM Polska Miedź S.A. Group, should be read jointly with the Annual report RR 2024 and the Consolidated annual report SRR 2024.

The financial statements contained in this half-year report were prepared using the same accounting policies and valuation methods for the current and comparable periods as well as the principles applied in the annual financial statements (consolidated and separate), prepared as at 31 December 2024.

Note 1.5.1 Impact of new and amended standards and interpretations

From 1 January 2025, the **amendments to IAS 21** on how to approach the issue of assessment as to whether a given currency is exchangeable and how to determine a spot exchange rate if it is not exchangeable came into force, effective on or after 1 January 2025.
Up to the date of publication of these condensed consolidated financial statements, the aforementioned amendments were adopted for use by the European Union and in the Group's opinion they do not have an impact on these condensed consolidated financial statements.

Impact of the international tax system reform

Pillar 2 of the BEPS 2.0 project introduced a general framework of the global minimum tax, adopted during the forum of the Organisation for Economic Cooperation and Development (OECD, hereafter: OECD Framework). In the case of member states of the European Union, the first stage of implementation of new rules was the adoption of the Council Directive (EU) 2022/2523 of 14 December 2022 on ensuring a global minimum level of taxation for multinational enterprise groups and large-scale domestic groups in the European Union (hereafter: the Directive). The Directive obliges the individual member states to implement rules of the Directive to their domestic legal systems, in accordance with legislative rules in force in individual states.

In the case of Poland, the regulations of the Directive were implemented to the Polish legal system by the act of 6 November 2024 on top-up taxation of individual companies of international and Polish groups. The Polish legal regulations, which put obligations directly on liable entities, came into force on 1 January 2025 with an option for voluntary application from 1 January 2024 (in the case of the global top-up tax and the Polish top-up tax) and KGHM Polska Miedź S.A. did not take advantage of the possibility of voluntary application from 1 January 2024.

The Polish act is based on OECD Model Rules of 2021 and the EU Directive of 2022 and incorporates provisions of OECD Administrative Guidance on the application of regulations on the BEPS 2.0 reform, which were published in 2023. The analysis of the OECD Framework, the Directive and the act leads to the conclusion that the Company KGHM Polska Miedź S.A., as a so-called MNE (multinational enterprise), is obliged to report a specific level of the tax rate of subsidiaries at the level of individual jurisdictions.

The Group continuously monitors progress of the legislative work aimed at implementation of the rules of the reform of pillar 2 of the BEPS 2.0 project in all jurisdictions in which subsidiaries of the Group operate, and analyses their potential impact on the Parent Entity and the Group. As at the date of publication of these condensed consolidated financial statements of the Group, regulations on the global and domestic top-up tax were implemented in the following jurisdictions in which the Group operates: Canada, Luxembourg, the United Kingdom, Germany and Poland.

While the rules of the Directive should be in force from 2024, the OECD Framework includes a transitional period, which postpones the obligations in this regard by 3 subsequent years. Based on a detailed technical analysis of the assumptions stipulated in transitional rules, it is expected that the Group will be able to use them in jurisdictions, in which it is present with the exception of Luxembourg. At the same time, according to current estimates the probability to pay the top-up tax in Luxembourg is judged by the Group to be low.

In accordance with IAS 12 paragraph 88A, the Group has applied an exception that allows not to recognise deferred tax assets and liabilities related to income taxes of pillar 2 and not to disclose information about these assets and liabilities. Based on the results of the conducted analyses, these condensed consolidated financial statements do not contain any amounts arising from the reform of the international tax system – pillar 2.

The Group will be required to pay the top-up tax for the years 2025 and 2026 if the conditions of maintaining the exemption under the temporary safe harbours for these periods are not met and if in any of the jurisdictions, in which the Group is present, the effective tax rate, calculated in accordance with the BEPS (Base erosion and profit shifting) rules, is below 15%. In the years following 2026, the Group will be obliged to pay the top-up tax if in any of the jurisdictions, in which the Group is present, the effective tax rate, calculated in accordance with the BEPS rules, is below 15%. Since the Group's entities are generally located in high-tax jurisdictions, according to the Group's current knowledge and judgment, the probability of paying the top-up tax in the future is assessed as low.

Note 1.6. Impairment of assets

Pursuant to IAS 36, as at 30 June 2025 the Group assessed the occurrence of indications of impairment of its assets. As a result of the performed evaluation, no indications of impairment of assets were identified. In the first half of 2025, production assets of the Parent Entity were subjected to a further analysis.

Assessment of impairment of production assets and assets in the pre-operational phase of the KGHM Polska Miedź S.A. Group in the context of the market capitalisation of KGHM Polska Miedź S.A.
In the first half of 2025, the share price of KGHM Polska Miedź S.A. remained under pressure of continued uncertainty as to the development of the global macroeconomic situation. The Company's average share price in the first half of 2025 increased by 10% compared to the share price at the end of 2024 and as at 30 June 2025 the Company's share price amounted to PLN 128.90 (the average share price in the first half of 2025 was PLN 126.45). At the same time, the WIG20 index increased by 29.8%, while the WIG index increased by 31.6%. As the result, the market capitalisation of the Company increased from PLN 23 000 million to PLN 25 780 million, which means that as at 30 June 2025 it remained 19.5% below the level of the Company's net assets. However, it should be noted that the average ratio between the market capitalisation and net assets in the entire first half of 2025 amounted to 81%. The analysis of Polish assets showed that not all factors that influence the level of market capitalisation of KGHM Polska Miedź S.A. are factors related to the conducted business activities. From the point of view of the Company's operations, the key factor influencing the level of market capitalisation is the copper price. The copper price continued to be in an upwards trend in the first half of 2025 and reached its maximum price in June 2025 due to the weakening of the US dollar and global trade tensions. The average price of copper in the first half of 2025 amounted to 9 431 USD/t which is a higher level than prices recorded in 2024 (average of 9 147 USD/t). In the case of the Polish assets, of significance are PLN-expressed metals prices, which are also affected by the USD/PLN exchange rate. Fluctuations in the price of copper are usually, and to a large extent, offset by changes in the USD/PLN exchange rate. The average USD/PLN exchange rate in the first half of 2025 amounted to PLN 3.88, which is at a lower level than the exchange rate recorded in 2024 (average of PLN 3.98). Finally, the average price of copper in the first half of 2025 amounted to 36 546 PLN/t, and was 0.4% higher than the prices noted in 2024 (average of 36 401 PLN/t). Favourable macroeconomic data in the first half of 2025 contributed to the decrease in market interest rates to the level of approx. 5.35 for WIBOR 1M, 5.23 for WBIOR 3M and 5.04 for WIBOR 6M at the end of June 2025. The yield of 10-year bonds stabilised at the level close to the level of the NBP's reference rate. KGHM Polska Miedź S.A. maintains full operational capacity and consistently advances planned production, sales and investment budget targets. The financial results achieved by the Company exceed the budget targets, which is also a result of conducted optimisation initiatives and cost discipline applied in response to macroeconomic conditions. The Company continued actions aimed at making the subsequent parts of the copper deposit available and at construction of the mining infrastructure. Current, long-term production plans are up to 2055 and in the current period no indications were identified that could negatively impact the future availability of deposits. KGHM Polska Miedź S.A. continues exploration work on the basis of its concessions and concession proceedings aimed at ensuring the resource base appropriate for operating activities and prolonging mine life. In the context of risks and hazards associated with climate, in the current period, no material impact on the activities of KGHM Polska Miedź S.A. was identified. The Company is discussing with the Ministry of Finance and the Ministry of State Assets changes to the formula for the so-called copper tax. On 26 May 2025, information was published in the Council of Ministers' legislative and non-legislative itinerary on proposed amendments to the act on minerals extraction tax. At the present stage of advancement of legislative work, the final scope of amendments to the aforementioned act and date of its adoption are not possible to determine, and therefore the assessment of the impact of legislative changes on the Company's cash flows. The Management Board of KGHM Polska Miedź S.A. assessed the assumptions adopted as at 31 December 2023 for impairment testing of Polish production assets (mining and metallurgical assets), including mainly macroeconomic assumptions, medium- and long-term production plans and the level of operating costs as well as planned capital expenditures. No indications were identified suggesting the necessity of revision of previously adopted key assumptions.

In the current reporting period, good production results of international assets alongside higher metal prices allowed for a significant improvement of financial results in the segments KGHM INTERNATIONAL LTD. and Sierra Gorda S.C.M. In the segment KGHM INTERNATIONAL LTD., the situation is stable and production results of the Robinson mine are better as compared to the ones recorded in the corresponding prior year period. Advancement of the Victoria project is on schedule and there were no changes to the project's assumptions. Production in the segment Sierra Gorda S.C.M. was significantly better than in the first half of 2024.

As a result of the assessment made, no correlation was identified between the changes in the share price of KGHM Polska Miedź S.A. and the Group's domestic and international activities. Consequently, there were no indications identified suggesting the risk of impairment of the Polish and international production assets and the Victoria project as well as indications suggesting the possibility of reversing the impairment losses which were already made, and therefore there was no impairment testing of these assets as at 30 June 2025.

A summary of analyses undertaken to assess the risk of impairment of assets of the Group as at 31 December 2024 was presented in part 3 of the Consolidated annual report SRR 2024.

Part 2 - Information on segments and revenues

Note 2.1 Information on segments

The operating segments identified in the KGHM Polska Miedź S.A. Group reflect the structure of the Group, the manner in which the Group and its individual entities are managed and the regular reporting to the Parent Entity's Management Board.

As a result of the aggregation of operating segments and taking into account the criteria stipulated in IFRS 8, the following reporting segments are currently identified within the KGHM Polska Miedź S.A. Group:

Reporting segment	Operating segments aggregated in a given reporting segment	Indications of similarity of economic characteristics of segments, taken into account in aggregations
KGHM Polska Miedź S.A.	KGHM Polska Miedź S.A.	Not applicable (it is a single operating and reporting segment)
KGHM INTERNATIONAL LTD.	Companies of the KGHM INTERNATIONAL LTD. Group, in which the following mines, deposits or mining areas and mining enterprises constitute operating segments: Sudbury Basin*, Robinson, Carlota, DMC, Victoria and Ajax projects.	Operating segments within the KGHM INTERNATIONAL LTD. Group are located in North and South America. The Management Board analyses the results of the following operating segments: Sudbury Basin*, Robinson, Carlota, Victoria and Ajax projects and other. In addition, the Management Board receives and analyses reports on the whole KGHM INTERNATIONAL LTD. Group. Operating segments are engaged in the exploration and mining of copper, molybdenum, silver, gold, nickel*, platinum* and palladium* deposits. The operating segments were aggregated based on the similarity of long term margins achieved by individual segments, and the similarity of products, processes and production methods.
Sierra Gorda S.C.M.	Sierra Gorda S.C.M. (joint venture)	Not applicable (it is a single operating and reporting segment)
Other segments	This item includes other Group companies (every individual company is a separate operating segment).	Aggregation was carried out as a result of not meeting the criteria necessitating the identification of a separate additional reporting segment.

** The sale of assets of Sudbury Basin and liabilities associated with them took place on 28 February 2025 (Note 4.12).*

The following companies were not included in any of the aforementioned segments:
- Future 1 Sp. z o.o., which acts as a holding company with respect to the KGHM INTERNATIONAL LTD. Group,
- Future 3 Sp. z o.o., Future 4 Sp. z o.o., Future 5 Sp. z o.o., which operate in the structure related to the establishment of a Tax Group.

These companies do not conduct operating activities which could impact the results achieved by individual segments, and as a result their inclusion could distort the data presented in this part of the condensed consolidated financial statements due to significant settlements with other Group entities.

Each of the segments KGHM Polska Miedź S.A., KGHM INTERNATIONAL LTD. and Sierra Gorda S.C.M. have their own Management Boards, which report the results of their business activities to the Management Board of the Parent Entity.

The segment KGHM Polska Miedź S.A. is composed only of the Parent Entity, and the segment Sierra Gorda S.C.M. is composed only of the joint venture Sierra Gorda S.C.M. Other companies of the KGHM Polska Miedź S.A. Group are presented below by segment: KGHM INTERNATIONAL LTD. and Other segments.

THE SEGMENT KGHM INTERNATIONAL LTD.	
Location	**Company**
The United States of America	Carlota Copper Company, Carlota Holdings Company, DMC Mining Services Corporation, FNX Mining Company USA Inc., Robinson Holdings (USA) Ltd., Robinson Nevada Mining Company, Wendover Bulk Transhipment Company
Chile	Aguas de la Sierra Limitada, Minera Carrizalillo SpA, KGHM Chile SpA, Quadra FNX Holdings Chile Limitada, DMC Mining Services Chile SpA
Canada	KGHM INTERNATIONAL LTD., 0899196 B.C. Ltd., Centenario Holdings Ltd., DMC Mining Services Ltd., FNX Mining Company Inc., FRANKE HOLDINGS LTD., KGHM AJAX MINING Inc., KGHMI HOLDINGS LTD., Quadra FNX Holdings Partnership, Sugarloaf Ranches Ltd., Project Nikolas Company Inc.*
Mexico	DMC Mining Services Mexico, S.A. de C.V.
Colombia	DMC Mining Services Colombia SAS
The United Kingdom	DMC Mining Services (UK) Ltd.
Luxembourg	Quadra FNX FFI S.à r.l.

OTHER SEGMENTS	
Type of activity	**Company**
Support of the core business	BIPROMET S.A., CBJ sp. z o.o., "Energetyka" sp. z o.o., INOVA Spółka z o.o., KGHM CUPRUM sp. z o.o. – CBR, KGHM ZANAM S.A., KGHM Metraco S.A., PeBeKa S.A., POL-MIEDŹ TRANS Sp. z o.o., WPEC w Legnicy S.A.
Sanatorium-healing and hotel services	Uzdrowiska Kłodzkie S.A. - Grupa PGU, Uzdrowisko Cieplice Sp. z o.o. - Grupa PGU, Uzdrowisko Połczyn Grupa PGU S.A., Uzdrowisko Świeradów - Czerniawa Sp. z o.o. – Grupa PGU
Investment funds, financing activities	Polska Grupa Uzdrowisk Sp. z o.o.
Other activities	CENTROZŁOM WROCŁAW S.A., CUPRUM Development sp. z o.o., KGHM (SHANGHAI) COPPER TRADING CO., LTD., KGHM Kupfer AG i. L., MERCUS Logistyka sp. z o.o., MIEDZIOWE CENTRUM ZDROWIA S.A., NITROERG S.A., NITROERG SERWIS Sp. z o.o., PHU "Lubinpex" Sp. z o.o., PMT Linie Kolejowe Sp. z o.o., WMN "ŁABĘDY" S.A., Zagłębie Lubin S.A., OOO ZANAM VOSTOK, Invest PV 7 Sp. z o.o., Invest PV 40 Sp. z o.o., Invest PV 58 Sp. z o.o., Invest PV 59 Sp. z o.o.

** Entity sold on 28 February 2025 (Note 4.12).*

The Parent Entity and the KGHM INTERNATIONAL LTD. Group (a subgroup) have a fundamental impact on the structure of assets and the generation of revenues in the KGHM Polska Miedź S.A. Group. The activities of KGHM Polska Miedź S.A. are concentrated on the mining industry in Poland, while those of the KGHM INTERNATIONAL LTD. Group are concentrated on the mining industry in the countries of North and South America. The profile of activities of the majority of the remaining subsidiaries of the KGHM Polska Miedź S.A. Group differs from the main profile of the Parent Entity's activities.

The Parent Entity's Management Board monitors the operating results of individual segments in order to make decisions on allocating the Group's resources and assess the financial results achieved.

Financial data prepared for management reporting purposes is based on the same accounting policies as those applied when preparing the consolidated financial statements of the Group, while the financial data of individual reporting segments constitutes the amounts presented in appropriate financial statements prior to consolidation adjustments at the level of the KGHM Polska Miedź S.A. Group, i.e.:

- The segment KGHM Polska Miedź S.A. – comprises data from the separate financial statements of the Parent Entity prepared in accordance with IFRSs. In the separate financial statements, interest in subsidiaries (including interest in KGHM INTERNATIONAL LTD.) are measured at cost less any impairment losses.
- The segment KGHM INTERNATIONAL LTD. – comprises consolidated data of the KGHM INTERNATIONAL LTD. Group prepared in accordance with IFRSs. The involvement in Sierra Gorda S.C.M. is accounted for using the equity method.

- The segment Sierra Gorda S.C.M. – comprises the 55% share of assets, liabilities, revenues and costs of this venture presented in the financial statements of Sierra Gorda S.C.M. prepared in accordance with IFRSs.
- Other segments – comprises aggregated data of individual subsidiaries after excluding transactions and balances between them.

The Management Board of the Parent Entity assesses a segment's performance based on adjusted EBITDA and the profit or loss for the period.
The Group defines adjusted EBITDA as profit/loss for the period pursuant to IFRS, excluding taxes (current and deferred income tax as well as the mining tax), finance income and costs, other operating income and costs, profit or loss on involvement in joint ventures, depreciation/amortisation recognised in expenses by nature and recognition/reversal of impairment losses on property, plant and equipment and intangible assets included in the cost of sales, selling costs and administrative expenses.
Adjusted EBITDA – as a financial indicator not defined by IFRSs – is not a standardised measure and therefore its method of calculation may vary between entities, and consequently the presentation and calculation of adjusted EBITDA applied by the Group may not be comparable to that applied by other market entities.
Revenues from transactions with external entities and inter-segment transactions are carried out at arm's length. Eliminations of mutual settlements, revenues and costs between segments were presented in the item "Consolidation adjustments".
Unallocated assets and liabilities concern companies which have not been classified to any segment. Liabilities which have not been allocated to the segments comprise trade payables and deferred tax liabilities.

Note 2.2 Financial results of reporting segments

		from 1 January 2025 to 30 June 2025				Reconciliation items to consolidated data		
		KGHM Polska Miedź S.A.	KGHM INTERNATIONAL LTD.	Sierra Gorda S.C.M.*	Other segments	Elimination of data of the segment Sierra Gorda S.C.M.	Adjustments *****	Consolidated financial statements
Note 2.3	**Total revenues from contracts with customers, of which:**	**14 860**	**1 712**	**2 027**	**6 570**	**(2 027)**	**(5 586)**	**17 556**
	- inter-segment	309	8	-	5 277	-	(5 586)	**8**
	- external	14 551	1 704	2 027	1 293	(2 027)	-	**17 548**
	Cost of sales, selling costs and administrative expenses	(13 319)	(1 179)	(1 147)	(6 502)	1 147	5 545	**(15 455)**
	Segment result – profit/(loss) for the period	**113**	**546**	**364**	**55**	**(364)**	**(134)**	**580**
	Additional information on significant cost/revenue items of the segment							
	Depreciation/amortisation recognised in expenses by nature	(890)	(376)	(422)	(152)	422	15	**(1 403)**
	(Recognition)/reversal of impairment losses on non-current assets, including:	(22)	146	-	-	-	1	**125**
	impairment losses on investments in subsidiaries	(68)	-	-	-	-	68	**-**
	(recognition)/ reversal of allowances for impairment of loans	67	151	-	-	-	(67)	**151**
		As at 30 June 2025						
	Assets, including:	**51 089**	**14 652**	**12 604**	**6 932**	**(12 604)**	**(18 268)**	**54 405**
	Segment assets	51 089	14 652	12 604	6 932	(12 604)	(18 278)	**54 395**
	Assets unallocated to segments	-	-	-	-	-	10	**10**
	Liabilities, including:	**19 066**	**17 279**	**11 820**	**3 624**	**(11 820)**	**(17 679)**	**22 290**
	Segment liabilities	19 066	17 279	11 820	3 624	(11 820)	(17 906)	**22 063**
	Liabilities unallocated to segments	-	-	-	-	-	227	**227**
	Other information	from 1 January 2025 to 30 June 2025						
	Cash expenditures on property, plant and equipment and intangible assets – cash flow	1 892	405	553	299	(553)	(158)	**2 438**
	Production and cost data	from 1 January 2025 to 30 June 2025						
	Payable copper (kt)	272.4	29.2	42.4				
	Molybdenum (million pounds)	-	-	1.7				
	Silver (t)	646.3	0.1	10.8				
	TPM (koz t)**	43.7	25.3	14.7				
	C1 cash cost of producing copper in concentrate (USD/lb)***	3.15	0.99	1.12				
	Segment result - Adjusted EBITDA	**2 431**	**910**	**1 302**	**220**	**-**	**-**	**4 863**
	EBITDA margin******	**16%**	**53%**	**64%**	**3%**	**-**	**-**	**25%**

** 55% of the Group's share in Sierra Gorda S.C.M.'s financial and production data.*
*** TPM (Total Precious Metals) – precious metals (gold, platinum, palladium).*
**** Unit cash cost of payable copper production, reflecting ore mining and processing costs, transport costs, the minerals extraction tax, administrative expenses during the mining phase and smelter treatment and refining charges (TC/RC) less by-product value.*
***** Adjusted EBITDA to revenues from contracts with customers. For the purposes of calculating the Group's EBITDA margin (25%), the consolidated revenues from contracts with customers were increased by revenues from contracts with customers of the segment Sierra Gorda S.C.M. [4 863 / (17 556 + 2 027 * 100%)]*
****** Adjustments include consolidation eliminations and financial data of companies unallocated to any segment.*

Financial results of reporting segments for the comparable period

		from 1 January 2024 to 30 June 2024						
						Reconciliation items to consolidated data		
		KGHM Polska Miedź S.A.	KGHM INTERNATIONAL LTD.	Sierra Gorda S.C.M.*	Other segments	Elimination of data of the segment Sierra Gorda S.C.M	Adjustments*****	Consolidated financial statements
Note 2.3	**Revenues from contracts with customers, of which:**	**15 076**	**1 361**	**1 590**	**6 403**	**(1 590)**	**(5 360)**	**17 480**
	- inter-segment	351	8	-	5 009	-	(5 360)	**8**
	- external	14 725	1 353	1 590	1 394	(1 590)	-	**17 472**
	Cost of sales, selling costs and administrative expenses	(13 405)	(1 067)	(1 154)	(6 302)	1 154	5 404	**(15 370)**
	Segment result – profit/(loss) for the period	**1 331**	**(506)**	**41**	**74**	**(41)**	**175**	**1 074**
	Additional information on significant cost/revenue items of the segment							
	Depreciation/amortisation recognised in expenses by nature	(801)	(360)	(371)	(159)	371	80	**(1 240)**
	(Recognition)/reversal of impairment losses on non-current assets, including:	18	(422)	-	-	-	(50)	**(454)**
	(recognition)/ reversal of allowances for impairment of loans	19	(407)	-	-	-	(19)	**(407)**
		As at 31 December 2024						
	Segment assets	**50 405**	**16 422**	**14 245**	**6 889**	**(14 245)**	**(19 824)**	**53 892**
	Liabilities, of which:	**19 251**	**19 990**	**13 742**	**3 848**	**(13 742)**	**(20 255)**	**22 834**
	Segment liabilities	19 251	19 990	13 742	3 848	(13 742)	(20 478)	**22 611**
	Liabilities unallocated to segments	-	-	-	-	-	223	**223**
	Other information	from 1 January 2024 to 30 June 2024						
	Cash expenditures on property, plant and equipment and intangible assets – cash flow	1 666	692	572	176	(572)	(37)	**2 497**
	Production and cost data	from 1 January 2024 to 30 June 2024						
	Payable copper (kt)	292.5	29.4	35.7				
	Molybdenum (million pounds)	-	0.1	1.0				
	Silver (t)	665.8	0.7	11.9				
	TPM (koz t)**	44.8	25.6	13.7				
	C1 cash cost of producing copper in concentrate (USD/lb)***	3.00	1.87	1.89				
	Segment result - Adjusted EBITDA	**2 472**	**669**	**807**	**260**	**-**	**-**	**4 208**
	EBITDA margin****	**16%**	**49%**	**51%**	**4%**	**-**	**-**	**22%**

** 55% of the Group's share in Sierra Gorda S.C.M.'s financial and production data.*
*** TPM (Total Precious Metals) – precious metals (gold, platinum, palladium).*
**** Unit cash cost of payable copper production, reflecting ore mining and processing costs, transport costs, the minerals extraction tax, administrative expenses during the mining phase and smelter treatment and refining charges (TC/RC) less by-product value.*
***** Adjusted EBITDA to revenues from contracts with customers. For the purposes of calculating the Group's EBITDA margin (22%), the consolidated revenues from contracts with customers were increased by revenues from contracts with customers of the segment Sierra Gorda S.C.M. [4 208 / (17 480 + 1 590) * 100%]*
****** Adjustments arise from consolidation eliminations and financial data of companies unallocated to any segment.*

amounts in PLN millions, unless otherwise stated

Reconciliation of adjusted EBITDA	from 1 January 2025 to 30 June 2025						
	KGHM Polska Miedź S.A.	KGHM INTERNATIONAL LTD.	Other segments	Consolidation adjustments*	Consolidated financial statements	Sierra Gorda S.C.M. **	Adjusted EBITDA (segments, total)
	1	2	3	4	5 (1+2+3+4)	6	7 (5+6-4)
Profit/(loss) for the period	**113**	**546**	**55**	**(134)**	**580**	**364**	
[-] Profit or loss on involvement in joint ventures	-	438	-	-	438	-	
[-] Taxes	(521)	(171)	(18)	(25)	(735)	(167)	
[-] Depreciation/amortisation recognised in expenses by nature	(890)	(376)	(152)	15	(1 403)	(422)	
[-] Finance income/(costs)	169	(489)	(30)	529	179	(333)	
[-] Other operating income/(costs)	(1 076)	235	35	(597)	(1 403)	(16)	
[-] Recognition of impairment losses on non-current assets recognised in cost of sales, selling costs and administrative expenses	-	(1)	-	-	(1)	-	
Segment result - Adjusted EBITDA	**2 431**	**910**	**220**	**(56)**	**3 505**	**1 302**	**4 863**

** Adjustments include consolidation eliminations and financial data of companies unallocated to any segment.*
***55% share of the Group in the financial and production data of Sierra Gorda S.C.M.*

Reconciliation of adjusted EBITDA	from 1 January 2024 to 30 June 2024						
	KGHM Polska Miedź S.A.	KGHM INTERNATIONAL LTD.	Other segments	Consolidation adjustments*	Consolidated financial statements	Sierra Gorda S.C.M. **	Adjusted EBITDA (segments, total)
	1	2	3	4	5 (1+2+3+4)	6	7 (5+6-4)
Profit/(loss) for the period	**1 331**	**(506)**	**74**	**175**	**1 074**	**41**	
[-] Profit or loss on involvement in joint ventures	-	(116)	-	-	(116)	-	
[-] Taxes	(687)	(103)	(24)	(61)	(875)	(30)	
[-] Depreciation/amortisation recognised in expenses by nature	(801)	(360)	(159)	80	(1 240)	(371)	
[-] Finance income/(costs)	(231)	(611)	(27)	656	(213)	(376)	
[-] Other operating income/(costs)	578	30	24	(464)	168	11	
[-] Recognition of impairment losses on non-current assets recognised in cost of sales, selling costs and administrative expenses	-	(15)	-	-	(15)	-	
Segment result - Adjusted EBITDA	**2 472**	**669**	**260**	**(36)**	**3 365**	**807**	**4 208**

** Adjustments arise from consolidation eliminations and financial data of companies unallocated to any segment.*
***55% share of the Group in the financial data of Sierra Gorda S.C.M.*

amounts in PLN millions, unless otherwise stated

Note 2.3 Revenues from contracts with customers of the Group – breakdown by products

	from 1 January 2025 to 30 June 2025						
					Reconciliation items to consolidated data		
	KGHM Polska Miedź S.A.	KGHM INTERNATIONAL LTD.	Sierra Gorda S.C.M.*	Other segments	Elimination of data of the segment Sierra Gorda S.C.M	Consolidation adjustments	Consolidated data
Products							
Copper	10 911	1 027	1 668	5	(1 668)	(20)	**11 923**
Silver	2 748	11	44	-	(44)	-	**2 759**
Gold	554	286	191	-	(191)	-	**840**
Services	118	378	-	1 315	-	(977)	**834**
Energy	69	-	-	251	-	(180)	**140**
Salt	12	-	-	-	-	7**	**19**
Blasting materials and explosives	-	-	-	169	-	(77)	**92**
Mining machinery, transport vehicles and other types of machinery and equipment	-	-	-	20	-	(16)	**4**
Fuel additives	-	-	-	56	-	-	**56**
Lead	137	-	-	-	-	-	**137**
Products from other non-ferrous metals	-	-	-	60	-	-	**60**
Other products	136	10	124	620	(124)	(452)	**314**
Merchandise and materials							
Steel	-	-	-	174	-	(28)	**146**
Petroleum and its derivatives	-	-	-	198	-	(174)	**24**
Salt	-	-	-	19	-	(19)**	**-**
Other merchandise and materials	175	-	-	3 683	-	(3 650)	**208**
TOTAL	**14 860**	**1 712**	**2 027**	**6 570**	**(2 027)**	**(5 586)**	**17 556**

** 55% of the Group's share in revenues of Sierra Gorda S.C.M.*
*** Including: PLN 19 million – reclassification from revenues from the sale of merchandise and materials to revenues from the sale of products.*

amounts in PLN millions, unless otherwise stated

	from 1 January 2024 to 30 June 2024						
					Reconciliation items to consolidated data		
	KGHM Polska Miedź S.A.	KGHM INTERNATIONAL LTD.	Sierra Gorda S.C.M.*	Other segments	Elimination of data of the segment Sierra Gorda S.C.M	Consolidation adjustments	Consolidated data
Products							
Copper	11 647	810	1 286	4	(1 286)	(18)	**12 443**
Silver	2 284	7	41	-	(41)	-	**2 291**
Gold	466	126	128	-	(128)	-	**592**
Services	109	364	-	1 299	-	(949)	**823**
Energy	83	-	-	263	-	(189)	**157**
Salt	31	-	-	-	-	2**	**33**
Blasting materials and explosives	-	-	-	146	-	(70)	**76**
Mining machinery, transport vehicles and other types of machinery and equipment	-	-	-	170	-	(145)	**25**
Fuel additives	-	-	-	60	-	(6)	**54**
Lead	149	-	-	-	-	-	**149**
Products from other non-ferrous metals	-	-	-	62	-	(1)	**61**
Other products	98	54	135	429	(135)	(270)	**311**
Merchandise and materials							
Steel	-	-	-	229	-	(29)	**200**
Petroleum and its derivatives	-	-	-	206	-	(178)	**28**
Salt	-	-	-	33	-	(33)**	**-**
Other merchandise and materials	209	-	-	3 502	-	(3 474)	**237**
TOTAL	**15 076**	**1 361**	**1 590**	**6 403**	**(1 590)**	**(5 360)**	**17 480**

** 55% of the Group's share in revenues of Sierra Gorda S.C.M.*
*** Including: PLN 33 million – reclassification from revenues from the sale of merchandise and materials to revenues from the sale of products.*

amounts in PLN millions, unless otherwise stated

Note 2.4 Revenues from contracts with customers of the Group – breakdown by type of contracts

	from 1 January 2025 to 30 June 2025						
					Reconciliation items to consolidated data		
	KGHM Polska Miedź S.A.	KGHM INTERNATIONAL LTD.	Sierra Gorda S.C.M.*	Other segments	Elimination of data of the segment Sierra Gorda S.C.M	Consolidation adjustments	Consolidated data
Total revenues from contracts with customers	**14 860**	**1 712**	**2 027**	**6 570**	**(2 027)**	**(5 586)**	**17 556**
Revenues from sales contracts, for which the price is set after the date of recognition of the sales (M+ principle), of which:	9 392	1 335	1 893	2	(1 893)	(57)	**10 672**
settled	8 982	120	258	2	(258)	(57)	**9 047**
unsettled	410	1 215	1 635	-	(1 635)	-	**1 625**
Revenues from realisation of long-term contracts	-	349	-	69	-	(64)	**354**
Revenues from other sales contracts	5 468	28	134	6 499	(134)	(5 465)	**6 530**
Total revenues from contracts with customers, of which:	**14 860**	**1 712**	**2 027**	**6 570**	**(2 027)**	**(5 586)**	**17 556**
in factoring	4 211	-	-	100	-	(100)	**4 211**
not in factoring	10 649	1 712	2 027	6 470	(2 027)	(5 486)	**13 345**

** 55% of the Group's share in revenues of Sierra Gorda S.C.M.*

	from 1 January 2025 to 30 June 2025	from 1 January 2024 to 30 June 2024
Total revenues from contracts with customers, of which:	**17 556**	**17 480**
transferred at a certain moment	16 517	16 410
transferred over time	1 039	1 070

amounts in PLN millions, unless otherwise stated

	from 1 January 2024 to 30 June 2024						
					Reconciliation items to consolidated data		
	KGHM Polska Miedź S.A.	KGHM INTERNATIONAL LTD.	Sierra Gorda S.C.M.*	Other segments	Elimination of data of the segment Sierra Gorda S.C.M.	Consolidation adjustments	Consolidated data
Total revenues from contracts with customers	**15 076**	**1 361**	**1 590**	**6 403**	**(1 590)**	**(5 360)**	**17 480**
Revenues from sales contracts, for which the price is set after the date of recognition of the sales (M+ principle), of which:	9 805	997	1 520	-	(1 520)	(57)	**10 745**
settled	9 464	126	260	-	(260)	(57)	**9 533**
unsettled	341	871	1 260	-	(1 260)	-	**1 212**
Revenues from realisation of long-term contracts	-	356	-	123	-	(116)	**363**
Revenues from other sales contracts	5 271	8	70	6 280	(70)	(5 187)	**6 372**
Total revenues from contracts with customers, of which:	**15 076**	**1 361**	**1 590**	**6 403**	**(1 590)**	**(5 360)**	**17 480**
in factoring	4 738	-	-	102	-	(102)	**4 738**
not in factoring	10 338	1 361	1 590	6 301	(1 590)	(5 258)	**12 742**

** 55% of the Group's share in revenues of Sierra Gorda S.C.M.*

amounts in PLN millions, unless otherwise stated

Note 2.5 Revenues from contracts with customers of the Group – geographical breakdown reflecting the location of end customers

	from 1 January 2025 to 30 June 2025							from 1 January 2024 to 30 June 2024
					Reconciliation items to consolidated data			
	KGHM Polska Miedź S.A.	KGHM INTERNATIONAL LTD.	Sierra Gorda S.C.M.*	Other segments	Elimination of data of the segment Sierra Gorda S.C.M.	Consolidation adjustments	Consolidated data	KGHM Polska Miedź S.A. Group
Poland	3 725	-	6	6 394	(6)	(5 586)	**4 533**	4 795
Austria	176	-	-	11	-	-	**187**	179
Belgium	81	-	-	4	-	-	**85**	26
Bulgaria	57	-	-	9	-	-	**66**	71
Czechia	1 117	-	-	8	-	-	**1 125**	1 213
Denmark	26	-	-	-	-	-	**26**	-
Estonia	13	-	-	1	-	-	**14**	20
Finland	37	-	-	3	-	-	**40**	17
France	425	-	-	4	-	-	**429**	421
Spain	2	-	-	3	-	-	**3**	104
The Netherlands	11	-	18	-	(18)	-	**11**	1
Germany	2 540	-	-	48	-	-	**2 588**	2 517
Romania	59	-	-	1	-	-	**60**	63
Slovakia	92	-	-	7	-	-	**99**	105
Slovenia	43	-	-	1	-	-	**44**	54
Sweden	368	-	-	19	-	-	**387**	341
Hungary	760	-	-	3	-	-	**763**	800
The United Kingdom	1 184	-	-	2	-	-	**1 186**	807
Italy	993	-	-	7	-	-	**1 000**	1 152
Australia	86	-	-	-	-	-	**86**	211
Bosnia and Herzegovina	16	-	-	1	-	-	**17**	14
Chile	4	164	304	-	(304)	-	**168**	268
China	856	405	1 298	-	(1 298)	-	**1 262**	1 848
India	144	-	24	-	(24)	-	**144**	-
Japan	-	109	321	-	(321)	-	**109**	-
Canada	27	402	-	-	-	-	**429**	473
South Korea	33	113	22	-	(22)	-	**146**	45
Norway	-	-	-	16	-	-	**16**	-
The United States of America	976	519	-	6	-	-	**1 502**	768
Switzerland	510	-	-	2	-	-	**512**	634
Türkiye	247	-	-	1	-	-	**248**	234
Algeria	55	-	-	-	-	-	**55**	15
Thailand	145	-	-	-	-	-	**145**	63
Singapore	-	-	-	-	-	-	**-**	17
Saudi Arabia	38	-	-	-	-	-	**38**	134
Malaysia	-	-	-	-	-	-	**-**	20
Brazil	-	-	34	-	(34)	-	**-**	-
Other countries	14	-	-	19	-	-	**33**	50
TOTAL	**14 860**	**1 712**	**2 027**	**6 570**	**(2 027)**	**(5 586)**	**17 556**	**17 480**

** 55% of the Group's share in revenues of Sierra Gorda S.C.M.*

amounts in PLN millions, unless otherwise stated

Note 2.6 Main customers

In the period from 1 January 2025 to 30 June 2025 and in the comparable period, the revenues from no single contractor exceeded 10% of the sales revenue of the Group.

Note 2.7 Non-current assets – geographical breakdown

	As at 30 June 2025	As at 31 December 2024
Poland	26 442	25 542
Canada	2 140	2 207
The United States of America	2 064	2 385
Chile	292	291
TOTAL*	**30 938**	**30 425**

** Non-current assets, excluding: derivatives, other financial instruments, other non-financial assets and deferred tax assets (IFRS 8.33b) in the total amount of PLN 11 594 million as at 30 June 2025 (PLN 11 860 million as at 31 December 2024).*

amounts in PLN millions, unless otherwise stated

Part 3 – Explanatory notes to the consolidated statement of profit or loss

Note 3.1 Expenses by nature

	from 1 January 2025 to 30 June 2025	from 1 January 2024 to 30 June 2024
Depreciation of property, plant and equipment and amortisation of intangible assets	1 403	1 240
Employee benefits expenses	4 535	4 252
Materials and energy, including:	6 942	6 846
purchased metal-bearing materials	3 952	3 861
electrical and other energy	1 070	1 084
External services	1 443	1 424
Minerals extraction tax	2 082	1 955
Other taxes and charges	495	483
Revaluation of inventories	3	51
Impairment losses on property, plant and equipment and intangible assets	1	15
Other costs	115	128
Total expenses by nature	**17 019**	**16 394**
Cost of merchandise and materials sold (+)	227	304
Change in inventories of finished goods and work in progress (+/-)	(868)	(248)
Cost of manufacturing products for internal use of the Group (-)	(923)	(1 080)
Total costs of sales, selling costs and administrative expenses, of which:	**15 455**	**15 370**
Cost of sales	14 425	14 391
Selling costs	245	267
Administrative expenses	785	712

amounts in PLN millions, unless otherwise stated

Note 3.2 Other operating income and (costs)

		from 1 January 2025 to 30 June 2025	from 1 January 2024 to 30 June 2024
	Gains on derivatives, of which:	73	537
	measurement	33	70
	realisation	40	467
	Interest income calculated using the effective interest rate method	27	18
	Exchange differences on financial assets and liabilities other than borrowings	-	303
	Reversal of impairment losses on financial instruments	3	1
	Provisions released	30	27
	Gain on disposal of intangible assets	1	3
Note 4.12	Gain on disposal of subsidiaries	89	-
	Fair value gains on trade receivables	24	-
	Government grants received	12	6
	Income from servicing of letters of credit and guarantees	3	10
	Compensation, fines and penalties received	9	20
	Other	65	27
	Total other operating income	**336**	**952**
	Losses on derivatives, of which:	(177)	(564)
	measurement	(70)	(65)
	realisation	(107)	(499)
	Fair value losses on trade receivables	(44)	(74)
	Impairment losses on financial instruments	-	(2)
	Impairment loss on fixed assets under construction and intangible assets not yet available for use	(25)	(32)
	Exchange differences on financial assets and liabilities other than borrowings	(1 414)	-
	Provisions recognised	(19)	(65)
	Loss on disposal of property, plant and equipment	(7)	(4)
	Donations granted	(26)	(22)
	Other	(27)	(21)
	Total other operating costs	**(1 739)**	**(784)**
	Other operating income and (costs)	**(1 403)**	**168**

amounts in PLN millions, unless otherwise stated

Note 3.3 Finance income and (costs)

	from 1 January 2025 to 30 June 2025	from 1 January 2024 to 30 June 2024
Exchange differences on measurement and realisation of borrowings	303	-
Gains on derivatives - realisation	59	74
Total finance income	**362**	**74**
Interest on borrowings, including:	(3)	(5)
leases	(3)	(5)
Interest on trade payables within the reverse factoring mechanism	(55)	(80)
Bank fees and charges on drawn borrowings	(11)	(10)
Exchange differences on measurement and realisation of borrowings	-	(59)
Losses on derivatives - realisation	(61)	(80)
Unwinding of the discount effect	(51)	(47)
Other	(2)	(6)
Total finance costs	**(183)**	**(287)**
Finance income and (costs)	**179**	**(213)**

amounts in PLN millions, unless otherwise stated

Part 4 – Other explanatory notes

Note 4.1 Information on property, plant and equipment and intangible assets

Purchase of property, plant and equipment and intangible assets

	from 1 January 2025 to 30 June 2025	from 1 January 2024 to 30 June 2024
Purchase of property, plant and equipment, including:	2 084	2 453
leased assets	74	14
Purchase of intangible assets	136	145

Payables due to the purchase of property, plant and equipment and intangible assets

	As at 30 June 2025	As at 31 December 2024
Payables due to the purchase of property, plant and equipment and intangible assets	520	1 040

Capital commitments related to property, plant and equipment and intangible assets, not recognised in the consolidated statement of financial position

	As at 30 June 2025	As at 31 December 2024
Purchase of property, plant and equipment	1 603	1 303
Purchase of intangible assets	46	11
Total capital commitments	**1 649**	**1 314**

Note 4.2 Involvement in joint ventures

Joint venture Sierra Gorda S.C.M. accounted for using the equity method

	from 1 January 2025 to 30 June 2025	from 1 January 2024 to 30 June 2024
As at the beginning of the reporting period	-	-
Share of profit for the reporting period	364	41
Settlement of the Group's share of unsettled losses from prior years (accumulated comprehensive losses)	(351)	(29)
Exchange differences from the translation of statements of operations with a functional currency other than PLN	(13)	(12)
As at the end of the reporting period	-	-

	from 1 January 2025 to 30 June 2025	from 1 January 2024 to 30 June 2024
The Group's share (55%) of profit for the reporting period of Sierra Gorda S.C.M., of which:	**364**	**41**
recognised in the valuation of the joint venture	364	41

Unrecognised share of the Group of the losses of Sierra Gorda S.C.M.

	from 1 January 2025 to 30 June 2025	from 1 January 2024 to 31 December 2024
As at the beginning of the reporting period	**(845)**	**(1 054)**
Settlement of the Group's share of unsettled losses from prior years (accumulated comprehensive losses)	351	209
As at the end of the reporting period	**(494)**	**(845)**

Loans granted to the joint venture Sierra Gorda S.C.M.

	from 1 January 2025 to 30 June 2025	from 1 January 2024 to 31 December 2024
As at the beginning of the reporting period	**9 800**	**9 096**
Repayment of loans (principal and interest)	(414)	(464)
Accrued interest	287	552
Gain due to reversal of allowances for impairment of loans granted to the joint venture	151	226
Exchange differences	(1 161)	390
As at the end of the reporting period	**8 663**	**9 800**

The Group classifies loans granted to Sierra Gorda S.C.M. as credit-impaired financial assets due to the high credit risk at the moment of initial recognition (POCI). POCI loans are measured at amortised cost using the effective interest rate, adjusted by the credit risk using the scenario analysis and available free cash of Sierra Gorda S.C.M.

Pursuant to the requirements of IFRS 9.5.5.17, the Group performed measurement of the loan. To estimate the expected credit losses, scenario analysis (IFRS 9.5.5.18) was used, comprising the Group's assumptions on the repayment of the loan granted. Scenario analysis was based on cash flows of Sierra Gorda S.C.M., which were subsequently discounted using the effective interest rate method adjusted by the credit risk, determined at the initial recognition of the loan pursuant to IFRS 9.B5.5.45 at the level of 6.42%.

As at 30 June 2025, the Group estimated the expected cash flows on repayment of receivables due to loans granted to Sierra Gorda S.C.M. (higher as a result of better than expected operating results of the joint venture) as a result of which pursuant to the requirements of IFRS 9.5.5.14, a gain due to the reversal of an allowance for impairment was recognised in the amount of PLN 151 million (USD 42 million).

The Group adopted price paths on the basis of internal macroeconomic assumptions prepared based on available, long-term forecasts from financial and analytical institutions to estimate cash flows of Sierra Gorda S.C.M. as at 30 June 2025. A detailed forecast was prepared for the period 2nd half of 2025-2029, while for the period 2030-2034 a technical adjustment of prices was applied between the last year of the detailed forecast and 2035, for which a long-term metals price forecast was used at the following level:

- for copper – 8 818 USD/t;
- for gold – 1 900 USD/oz.

In the detailed forecast period for the period 2nd half of 2025-2029 the following levels of metal prices were assumed:

- for copper – from 9 500 USD/t to 10 000 USD/t;
- for gold – from 1 800 USD/oz to 3 336 USD/oz.

The Group adopted price paths on the basis of internal macroeconomic assumptions prepared based on available, long-term forecasts from financial and analytical institutions to estimate cash flows of Sierra Gorda S.C.M. as at 31 December 2024. A detailed forecast was prepared for the period 2025-2029, while for the period 2030-2034 a technical adjustment of prices was applied between the last year of the detailed forecast and 2035, for which a long-term metals price forecast was used at the following level:

- for copper– 8 800 USD/t;
- for gold – 1 900 USD/oz.

In the detailed forecast period for the period 2025-2029 the following levels of metal prices were assumed:

- for copper – from 9 500 USD/t to 10 000 USD/t;
- for gold – from 1 800 USD/oz to 2 600 USD/oz.

Other key assumptions used for estimation of cash flows		
	30 June 2025	**31 December 2024**
Mine life / forecast period (years)	23	23
Level of copper production during mine life (kt)	3 397	3 488
Level of molybdenum production during mine life (mn lbs)	210	214
Level of gold production during mine life (koz)	936	966
Average operating margin during mine life	47.2%	47.6%
Applied discount rate after taxation (used to calculate the fair value for disclosure purposes in Note 4.3)	8.72%	8.31%
Capital expenditures to be incurred during mine life (USD million)	1 885	2 021
Capitalised stripping costs during mine life (USD million)	4 153	4 204

amounts in PLN millions, unless otherwise stated

Note 4.3 Financial instruments

Financial assets	As at 30 June 2025					As at 31 December 2024				
	At fair value through other comprehensive income	At fair value through profit or loss	At amortised cost	Hedging instruments	Total	At fair value through other comprehensive income	At fair value through profit or loss	At amortised cost	Hedging instruments	Total
Non-current	1 695	56	9 222	297	**11 270**	837	46	10 357	286	**11 526**
Loans granted to a joint venture	-	-	8 663	-	**8 663**	-	-	9 800	-	**9 800**
Derivatives	-	-	-	297	**297**	-	-	-	286	**286**
Other financial instruments measured at fair value	1 695*	56	-	-	**1 751**	837	46	-	-	**883**
Other financial instruments measured at amortised cost	-	-	559	-	**559**	-	-	557	-	**557**
Current	-	785	1 125	292	**2 202**	-	808	1 595	193	**2 596**
Trade receivables	-	748	456	-	**1 204**	-	707	638	-	**1 345**
Derivatives	-	1	-	292	**293**	-	26	-	193	**219**
Cash and cash equivalents	-	-	430	-	**430**	-	-	715	-	**715**
Other financial assets	-	36	239	-	**275**	-	75	242	-	**317**
Total	**1 695**	**841**	**10 347**	**589**	**13 472**	**837**	**854**	**11 952**	**479**	**14 122**

**Including PLN 847 million – an increase in the fair value of Tauron Polska Energia S.A. due to a share price increase on WSE.*

Financial liabilities	As at 30 June 2025				As at 31 December 2024			
	At fair value through profit or loss	At amortised cost	Hedging instruments	Total	At fair value through profit or loss	At amortised cost	Hedging instruments	Total
Non-current	25	5 481	117	**5 623**	12	5 130	257	**5 399**
Borrowings, lease and debt securities	-	5 271	-	**5 271**	-	4 910	-	**4 910**
Derivatives	25	-	117	**142**	12	-	257	**269**
Other financial liabilities	-	210	-	**210**	-	220	-	**220**
Current	58	5 370	41	**5 469**	14	6 517	33	**6 564**
Borrowings, lease and debt securities	-	585	-	**585**	-	1 261	-	**1 261**
Derivatives	55	-	41	**96**	11	-	33	**44**
Trade payables	-	2 546	-	**2 546**	-	3 132	-	**3 132**
Trade payables within the reverse factoring mechanism	-	2 046	-	**2 046**	-	2 000	-	**2 000**
Other financial liabilities	3	193	-	**196**	3	124	-	**127**
Total	**83**	**10 851**	**158**	**11 092**	**26**	**11 647**	**290**	**11 963**

amounts in PLN millions, unless otherwise stated

The fair value hierarchy of financial instruments measured at fair value in the statement of financial position

Classes of financial instruments	As at 30 June 2025 level 1	level 2	level 3	carrying amount	As at 31 December 2024 level 1	level 2	level 3	carrying amount
Loans granted	-	21	-	21	-	21	-	21
Listed shares	1 563	-	-	1 563	705	-	-	705
Unquoted shares	-	132	-	132	-	132	-	132
Trade receivables	-	748	-	748	-	707	-	707
Assets due to derivatives	-	590	-	590	-	505	-	505
Liabilities due to derivatives	-	(238)	-	(238)	-	(313)	-	(313)
Other financial assets	-	18	53	71	-	34	66	100
Other financial liabilities	-	(3)	-	(3)	-	(3)	-	(3)

The fair value hierarchy of financial instruments measured at amortised cost in the statement of financial position

	As at 30 June 2025				As at 31 December 2024			
	fair value			carrying amount	fair value			carrying amount
Classes of financial instruments	level 1	level 2	level 3		level 1	level 2	level 3	
Loans granted	-	-	7 638	8 663	-	-	8 780	9 800
Received long-term bank and other loans	-	(2 040)	-	(2 040)	-	(1 686)	-	(1 686)
Long-term debt securities	(2 647)	-	-	(2 600)	(2 657)	-	-	(2 600)

The Group does not disclose the fair value of financial instruments measured at amortised cost in the statement of financial position, other than those presented in the table above, because it makes use of the exemption arising from IFRS 7.29 (Disclosure of information on the fair value is not required when the carrying amount is approximate to the fair value).

There was no transfer in the Group of financial instruments between individual levels of the fair value hierarchy in the reporting period.

Methods and measurement techniques used by the Group in determining fair values of each class of financial assets or financial liabilities.

Level 1

Listed shares

Shares are measured based on quotations from the Warsaw Stock Exchange and the TSX Venture Exchange in Toronto.

Long-term debt securities

Long-term debt securities are measured based on quotations from the Catalyst Market of the Warsaw Stock Exchange.

Level 2

Unquoted shares

Unquoted shares are measured using the adjusted net assets. Observable Input data other than the ones from the active market were used in the measurement (e.g. transaction prices of real estate similar to the one subjected to measurement, market interest rates of State Treasury bonds and term deposits in financial institutions, and the risk-free discount rate published by the European Insurance and Occupational Pensions Authority).

Trade receivables

Receivables arising from the realisation of sales under contracts which are finally settled using future prices were measured using forward prices, depending on the period/month of contractual quoting. Forward prices are from the Reuters system.
For trade receivables transferred to non-recourse factoring, a fair value is assumed at the level of the amount of the trade receivables transferred to the factor (nominal value from the invoice) less interest, which are the factor's compensation. Due to the short term between the transfer of receivables to the factor and their payment, fair value is not adjusted by the credit risk of the factor and impact of time lapse.

Loans granted

This item comprises loans measured at fair value, the fair value of which was estimated on the basis of contractual cash flows (per the contract) using the model of discounted cash flows, including the borrower's credit risk.

Other financial assets/liabilities

Receivables/payables due to the settlement of derivatives, whose date of payment falls two working days after the end of the reporting period, were recognised in this item. These instruments were measured to fair value set per the reference price applied in the settlement of these transactions.

Currency and currency-interest derivatives

In the case of derivatives on the currency market and currency-interest transactions (CIRS), the forward prices from the maturity dates of individual transactions were used to determine their fair value. The forward price for currency exchange rates was calculated on the basis of fixing and appropriate interest rates. Interest rates for currencies and the volatility ratios for exchange rates were taken from Reuters. The standard Garman-Kohlhagen model is used to measure European options on currency markets.

Metals derivatives

In the case of derivatives on the commodity market, forward prices from the maturity dates of individual transactions were used to determine their fair value. In the case of copper, official closing prices from the London Metal Exchange were used, and with respect to silver and gold - the fixing price set by the London Bullion Market Association. Volatility ratios and forward prices for measurement of derivatives at the end of the reporting period were obtained from the Reuters system. Levy's approximation to the Black-Scholes model was used for Asian options pricing on metals markets.

Received long-term bank and other loans

The fair value of bank and other loans is estimated by discounting the cash flows associated with these liabilities in timeframes and under conditions arising from agreements, and by applying current rates.

Level 3

Loans granted

Loans granted measured at amortised cost in the statement of financial position are included in this category, because of the use of unobservable assumptions in the fair value measurement. With respect to estimating the fair value of these loans, a significant element of the estimation are the forecasted cash flows of Sierra Gorda S.C.M., which are unobservable input data, and pursuant to IFRS 13 the fair value of these assets is classified to level 3 of the hierarchy. The discount rate adopted to estimate the fair value of loans measured at amortised cost was adopted at 8.72% (as at 31 December 2024, 8.31%).

The forecasted cash flows of Sierra Gorda S.C.M., which are the basis for estimating the fair value of loans measured at amortised cost, are the most sensitive to copper price volatility, which affects other assumptions, such as forecasted production and operating margin. Therefore the Group, pursuant to IFRS 13 p.93.f, performed a sensitivity analysis of the fair value of loans to copper price volatility.

Price paths adopted to estimate the cash flows of Sierra Gorda S.C.M. are presented in Note 4.2.

Sensitivity analysis of the fair value to changes in copper price as at 30 June 2025

		Fair value	
Classes of financial instruments	Fair value	Base plus 0.1 USD/lb during mine life	Base minus 0.1 USD/lb during mine life
Loans granted measured at amortised cost	**7 638**	7 761	7 398
Loans granted measured at amortised cost (USD million)	**2 112**	2 146	2 046

Sensitivity analysis of the carrying amount to changes in copper price as at 30 June 2025

		Carrying amount	
Classes of financial instruments	Carrying amount	Base plus 0.1 USD/lb during mine life	Base minus 0.1 USD/lb during mine life
Loans granted measured at amortised cost	**8 663**	8 727	8 456
Loans granted measured at amortised cost (USD million)	**2 395**	2 413	2 338

Sensitivity analysis of the fair value to changes in copper price as at 31 December 2024

		Fair value	
Classes of financial instruments	Fair value	Base plus 0.1 USD/lb during mine life	Base minus 0.1 USD/lb during mine life
Loans granted measured at amortised cost	**8 780**	9 039	8 624
Loans granted measured at amortised cost (USD million)	**2 141**	2 204	2 103

Sensitivity analysis of the carrying amount to changes in copper price as at 31 December 2024

		Carrying amount	
Classes of financial instruments	Carrying amount	Base plus 0.1 USD/lb during mine life	Base minus 0.1 USD/lb during mine life
Loans granted measured at amortised cost	**9 800**	10 023	9 701
Loans granted measured at amortised cost (USD million)	**2 390**	2 444	2 365

amounts in PLN millions, unless otherwise stated

Other financial assets

This item includes receivables due to conditional payments associated with the agreements on the sale of subsidiaries S.C.M. Franke and Project Nikolas Company Inc., which were estimated based on a probabilistic model stipulated in the binding offer and including the discount of payments for subsequent years.

Note 4.4 Management of risk of commodity, currency, interest rate and risk of changes in prices of energy and energy carriers in the KGHM Polska Miedź S.A. Group

Commodity, currency and interest rate risk management

In managing commodity, currency and interest rate risk, the scale and profile of activities of the Parent Entity and of the mining companies of the KGHM INTERNATIONAL LTD. Group is of the greatest significance for, and has the greatest impact on the results of the KGHM Polska Miedź S.A. Group.

The Parent Entity actively manages market risk by taking actions and making decisions in this regard within the context of the whole KGHM Polska Miedź S.A. Group's global exposure.

The primary technique used by the Group in market risk management are hedging strategies involving derivatives. Natural hedging is also used. The Parent Entity applies hedging transactions, as understood by hedge accounting.

The impact of derivatives and hedging transactions on the items in the statement of profit or loss of the Group and on the items in the statement of comprehensive income is presented below.

Statement of profit or loss	from 1 January 2025 to 30 June 2025	from 1 January 2024 to 30 June 2024
Revenues from contracts with customers (reclassification adjustment)	60	284
Other operating income / (costs)*:	(104)	(27)
on realisation of derivatives	(67)	(32)
on measurement of derivatives	(37)	5
Finance income / (costs):	(2)	(6)
on realisation of derivatives	(2)	(6)
Impact of derivatives and hedging instruments on profit or loss for the period (excluding the tax effect)	**(46)**	**251**

**Including reclassification adjustment for the first half of 2025 in the amount of -PLN 34 million; for the first half of 2024 in the amount of PLN 2 million.*

Statement of other comprehensive income	from 1 January 2025 to 30 June 2025	from 1 January 2024 to 30 June 2024
Impact of measurement of hedging transactions (effective portion)	245	(2)
Reclassification to the statement of profit or loss due to realisation of a hedged item	(26)	(286)
Reclassification to non-current assets due to realisation of a hedged item*	(30)	(39)
Impact of hedging transactions (excluding the tax effect)	**189**	**(327)**
TOTAL COMPREHENSIVE INCOME	**143**	**(76)**

**Reclassification to non-current assets due to capitalisation of borrowing costs under the hedge accounting in the cost of non-current assets.*

The table below presents information on changes in other comprehensive income due to cash flow hedging (excluding the tax effect) in connection with the application of hedge accounting in the first half of 2025 and in the first half of 2024.

Other comprehensive income due to cash flow hedging (excluding the tax effect)	2025	2024
As at 1 January	**78**	**628**
Impact of measurement of hedging transactions (effective part)	245	(2)
Reclassification to revenues from contracts with customers due to realisation of a hedged item	(60)	(284)
Reclassification to other operating costs due to realisation of a hedged item (settlement of the hedging cost)	34	(2)
Reclassification to non-current assets due to realisation of a hedged item*	(30)	(39)
As at 30 June	**267**	**301**

**Reclassification to non-current assets due to capitalisation of borrowing costs under the hedge accounting in the cost of non-current assets.*

Ineffectiveness of hedging recognised in profit for the first half of 2025 and for the first half of 2024 was immaterial.
Due to the full matching of applied instruments to the hedged positions on the metals and currency markets, the Parent Entity does not identify potential sources of inefficiency. Moreover, for CIRS instruments the only potential source of inefficiency is the base risk arising from a one-month mismatch between the transaction volumes and currency revenues being the hedged positions.

The management of market risk in the Parent Entity, and especially the management of the risk of changes in metals prices, exchange rates and interest rates, should be considered through an analysis of the hedging position together with the position being hedged (hedged position). A hedging position is understood as the Parent Entity's position in derivatives. A hedged position is comprised of highly probable, future cash flows (revenues from the physical sale of products).

In the first half of 2025, copper sales of the Parent Entity amounted to 286 thousand tonnes (net sales of 187 thousand tonnes)[1], while the notional amount of copper price hedging strategies settled in the period amounted to 24.63 thousand tonnes, representing approx. 9% of the total sales of this metal realised by the Parent Entity and approx. 13% of net sales in this period (in the first half of 2024 copper sales price was not hedged by derivative transactions). The notional amount of settled silver price hedging transactions in the first half of 2025 represented approx. 10% of sales of this metal by the Parent Entity during that period (in the first half of 2024 silver price was not hedged by derivative transactions). In the case of currency transactions in the first half of 2025, approx. 10% of revenues from copper and silver sales realised by the Parent Entity in this period were hedged (19% in the first half of 2024).

In the first half of 2025, pursuant to the Market Risk Management Policy, the Parent Entity monitored and analysed on an ongoing basis the macroeconomic environment and the situation on financial markets, and also identified and measured market risk related to changes in metals prices, exchange rates and interest rates. As part of the realisation of the strategic hedging plan of the Parent Entity against market risk in the first half of 2025, transactions hedging the planned revenues from metals sales were implemented. On the copper market, seagull option structures (Asian options) for the period from March 2025 to June 2027 in the total tonnage of 69.63 thousand tonnes were entered into. On the silver market, collar option structures (Asian options) for the period from July 2025 to June 2027 in the total tonnage of 7.83 million troy ounces and seagull option structures (Asian options) for the period from July 2026 to June 2027 in the total tonnage of 1.98 million troy ounces were entered into. In the first half of 2025, the Parent Entity did not implement any hedging transactions on the currency and interest rate markets.

In the first half of 2025, QP adjustment *swap* transactions were entered into on the copper and gold markets with maturities to December 2025, as part of the management of a net trading position[2].

As at 30 June 2025, the Parent Entity held an open derivatives position for:

- 96.3 thousand tonnes of copper (of which 91.5 thousand tonnes arose from the strategic management of market risk, while 4.73 thousand tonnes came from the management of a net trading position),
- 12.96 million troy ounces of silver,
- 10.65 thousand ounces of gold, and
- USD 600 million of planned revenues from sales of metals.

Furthermore, as at 30 June 2025, the Parent Entity had loans with fixed interest rate and open Cross Currency Interest Rate Swap (CIRS) transactions in the notional amount of PLN 1.6 billion, hedging both the sales revenues in the currency, as well as the variable interest rate of issued bonds. Commodity risk was also related to derivatives embedded in the purchase contracts for metal-bearing materials.

With respect to managing currency risk, the Parent Entity uses natural hedging by borrowing in currencies in which it generates revenues. As at 30 June 2025, the bank and investment loans which were drawn in USD, following their translation to PLN, amounted to PLN 2 156 million (as at 31 December 2024: PLN 2 420 million).

In the first half of 2025, none of the Group's subsidiaries had implemented any derivatives transactions on the commodity, currency and interest rate markets, and did not hold any open positions on these markets as at 30 June 2025.

Condensed tables of open transactions in derivatives held by the Parent Entity as at 30 June 2025, entered into as part of the strategic management of market risk, are presented below. The hedged notional amounts of transactions in the presented periods are allocated evenly on a monthly basis.

[1] *Copper sales less copper in purchased metal-bearing materials.*

[2] *Applied in order to react to changes in contractual arrangements with customers, non-standard pricing terms as regards metals sales and the purchase of copper-bearing materials.*

Hedging against copper price risk – open derivatives as at 30 June 2025

	Instrument/ option structure	Notional [tonnes]	Average weighted option strike price: sold put option (hedge limited to) [USD/t]	purchased put option (copper price hedging) [USD/t]	sold call option (participation limited to) [USD/t]	Average weighted premium [USD/t]	Effective hedge price [USD/t]
2nd half	seagull	9 750	7 489	9 549	11 049	-	9 549
	seagull	9 000	7 500	9 600	11 500	(100)	9 500
	seagull	9 450	7 500	9 300	11 300	(143)	9 157
	TOTAL VII-XII 2025	**28 200**					
1st half	seagull	9 000	7 500	9 600	11 500	(100)	9 500
	seagull	9 450	7 500	9 300	11 300	(143)	9 157
	seagull	9 600	7 600	9 213	11 563	(134)	9 079
2nd half	seagull	9 450	7 500	9 300	11 300	(143)	9 157
	seagull	9 600	7 600	9 213	11 563	(134)	9 079
	seagull	3 300	7 500	9 400	11 500	(141)	9 259
	TOTAL I-XII 2026	**50 400**					
1st half	seagull	9 600	7 600	9 213	11 563	(134)	9 079
	seagull	3 300	7 500	9 400	11 500	(141)	9 259
	TOTAL I-VI 2027	**12 900**					

Hedging against silver price risk– open derivatives as at 30 June 2025

	Instrument/ option structure	Notional [mn ounces]	Average weighted option strike price: sold put option (hedge limited to) [USD/ounce]	purchased put option (silver price hedging) [USD/ounce]	sold call option (participation limited to) [USD/ounce]	Average weighted premium [USD/ounce]	Effective hedge price [USD/ounce]
2nd half	collar	1.05	-	26.43	40.29	-	26.43
	collar	1.05	-	30.64	45.64	(0.50)	30.14
	collar	0.99	-	31.00	45.00	(0.59)	30.41
	TOTAL VII-XII 2025	**3.09**					
1st half	collar	1.05	-	30.64	45.64	(0.50)	30.14
	collar	0.99	-	31.00	45.00	(0.59)	30.41
	collar	1.95	-	34.54	47.54	(0.45)	34.09
2nd half	seagull	0.99	22.00	33.48	45.48	(0.38)	33.10
	collar	1.95	-	34.54	47.54	(0.45)	34.09
	TOTAL I-XII 2026	**6.93**					
1st half	seagull	0.99	22.00	33.48	45.48	(0.38)	33.10
	collar	1.95	-	34.54	47.54	(0.45)	34.09
	TOTAL I-VI 2027	**2.94**					

Hedging against USD/PLN currency risk - open derivatives as at 30 June 2025

	Instrument/ option structure	Notional [USD mn]	Average weighted option strike price: sold put option (hedge limited to) [USD/PLN]	purchased put option (exchange rate hedging) [USD/PLN]	sold call option (participation limited to) [USD/PLN]	Average weighted premium [PLN per USD 1]	Effective hedge price [USD/PLN]
2nd half	seagull	120	3.60	3.92	4.52	(0.04)	3.88
	collar	240	-	4.04	4.54	(0.05)	3.99
	TOTAL IV-XII 2025	**360**					
1st half	collar	240	-	4.04	4.54	(0.05)	3.99
	TOTAL I-VI 2026	**240**					

Hedging of sales revenues in USD due to currency-interest rate risk connected with the issuance of bonds with a variable interest rate in PLN - open derivatives as at 30 June 2025

	Instrument	Notional [PLN mn]	Average interest rate [fixed interest rate for USD]	Average exchange rate [USD/PLN]
≤ 2029	CIRS	1 600	3.94%	3.81
	TOTAL	**1 600**		

The table below presents detailed data on derivative transactions designated as hedging, held by the Parent Entity as at 30 June 2025.

Open hedging derivatives Type of derivative	Notional of the transaction copper [t] silver [mn ounces] currency [USD mn] CIRS [PLN mn]	Average weighted price /exchange rate/interest rate [USD/t] [USD/ounce] [USD/PLN] [USD/PLN, fixed interest rate for USD]	Maturity - settlement period from	to	Period of profit/loss impact*** from	to
Commodity option structures						
Copper – *seagull**	91 500	9 365 – 11 410	July'25	- June'27	July'25	- July'27
Silver – *seagull**	1.98	33.48 – 45.48	June'26	- June'27	June'26	- July'27
Silver – *collar*	10.98	32.38 – 46.02	July'25	- June'27	July'25	- July'27
Currency option structures						
USD/PLN – *collar*	480	4.04-4.54	July'25	- June'26	July'25	- July'26
USD/PLN – *seagull* *	120	3.92-4.52	July'25	- Dec'25	July'25	- Jan'26
Currency-interest rate transactions						
CIRS**	1 600	3.81 and 3.94%		June'29	June'29	- July'29

** Collar structures, i.e. purchased put options and sold call options were designated as hedging under seagull options structures (CFH – Cash Flow Hedge).*
*** Settlements of interest payments are made periodically, on a half-year basis, until the moment of the realisation of the transaction.*
**** Reclassification of profit or losses on a cash flow hedging instrument from other comprehensive income to the statement of profit or loss takes place in the reporting period in which the hedged position impacts profit or loss (as an adjustment of a hedged position and to other operating income/costs for the settled hedging cost). However, the recognition of the profit or loss on the settlement of the transaction takes place at the date of its settlement.*

All entities with which derivative transactions (excluding embedded derivatives) were entered into by the Group operated in the financial sector.

The credit risk related to derivatives held is continuously monitored by reviewing the credit ratings and is limited by diversifying the portfolio while implementing hedging strategies.

The following table presents the structure of ratings of the financial institutions with whom the Group had derivatives transactions, representing exposure to credit risk.

Rating level		As at 30 June 2025	As at 31 December 2024
Medium-high	from A+ to A- according to S&P and Fitch, and from A1 to A3 according to Moody's	82%	92%
Medium	from BBB+ to BBB- according to S&P and Fitch, and from Baa1 to Baa3 according to Moody's	18%	8%

Exposure to credit risk by main counterparties

	As at 30 June 2025			As at 31 December 2024		
	Open derivatives	Settled derivatives		Open derivatives	Settled derivatives	
	Financial receivables	*Net financial receivables [3]*	**Exposure to credit risk**	*Financial receivables*	*Net financial receivables [3]*	**Exposure to credit risk**
Counterparty 1	86	3	**89**	148	3	**151**
Counterparty 2	69	3	**72**	63	2	**65**
Counterparty 3	68	-	**68**	63	2	**65**
Other	367	12	**379**	216	27	**243**
Total	**590**	**18**	**608**	**490**	**34**	**524**

[3] *The Parent Entity offsets receivables and liabilities due to settled derivatives (that is for which the future flows are known at the end of the reporting period) pursuant to the principles of net settlements of cash flows adopted in framework agreements with individual customers.*

amounts in PLN millions, unless otherwise stated

Taking into consideration the receivables due to open derivative transactions held by the Group (excluding embedded derivatives) as at 30 June 2025 and net receivables due to settled derivatives, the maximum single entity share of the amount exposed to credit risk arising from these transactions amounted to 15%, or PLN 89 million (as at 31 December 2024: 29% or PLN 151 million).

The Parent Entity has determined that, due to its cooperation solely with renowned financial institutions, as well as continuous monitoring of their ratings, it is not materially exposed to credit risk as a result of derivatives concluded with them.

In order to reduce cash flows and at the same time to limit credit risk, the Parent Entity carries out net settlements (based on standard framework agreements entered into with its customers, regulating the trade of financial instruments, meaning ISDA or based on a formula of the Polish Bank Association), by offsetting receivables and liabilities due to settled derivatives.

Receivables and liabilities due to settled derivatives by main counterparties as at 30 June 2025

	As at 30 June 2025	
	*Financial receivables gross/net**	*Financial liabilities gross/net**
Counterparty 1	3	-
Counterparty 2	3	(2)
Other	12	(1)
Total	**18**	**(3)**

**In the current reporting period there were no financial receivables and liabilities due to settled derivatives subject to offsetting.*

Receivables and liabilities due to settled derivatives by main counterparties as at 31 December 2024

	As at 31 December 2024					
			subject to compensation			
	Gross financial receivables	*Gross financial liabilities*	*Financial receivables*	*Financial liabilities*	*Net financial receivables*	*Net financial liabilities*
Counterparty 1	3	-	-	-	3	-
Counterparty 2	2	-	-	-	2	-
Counterparty 3	7	(8)	5	(8)	2	(3)
Other	52	(25)	39	(25)	27	-
Total	**64**	**(33)**	**44**	**(33)**	**34**	**(3)**

The fair value of open derivatives of the KGHM Polska Miedź S.A. Group as at the end of the reporting period, broken down into hedging transactions[4] and trade transactions (including: embedded and adjustment derivatives) is presented in detail in the table below.

The fair value of open derivatives (assets and liabilities) as at 30 June 2025 has changed as compared to 31 December 2024 because of:

- the settlement of transactions in derivatives with maturities in the period from 1 January to 30 June 2025, which were open at the end of 2024,
- entering into new transactions on the forward metals market,
- the change in macroeconomic conditions (e.g. forward prices of copper, silver, gold, USD/PLN forward rates, interest rates and volatility implied at the measurement date).

[4] *Within the KGHM Polska Miedź S.A. Group, the Parent Entity applies cash flow hedge accounting (CFH).*

amounts in PLN millions, unless otherwise stated

Type of derivative	As at 30 June 2025					As at 31 December 2024				
	Financial assets		Financial liabilities			Financial assets		Financial liabilities		
	Non-current	Current	Non-current	Current	Total	Non-current	Current	Non-current	Current	Total
Hedging instruments (CFH), of which:	**297**	**292**	**(117)**	**(41)**	**431**	**286**	**193**	**(257)**	**(33)**	**189**
Derivatives – Metals (price of copper, silver)										
Options – *seagull** (copper)	89	56	(57)	(23)	**65**	55	132	(12)	(7)	**168**
Options – *seagull* (silver)	19	-	(20)	-	**(1)**	-	-	-	-	**-**
Options – *collar* (silver)	47	17	(38)	(17)	**9**	19	25	(6)	(4)	**34**
Derivatives – Currency (USDPLN exchange rate)										
Options - *collar*	16	183	-	(1)	**198**	34	29	(23)	(13)	**27**
Options – *seagull**	-	36	-	-	**36**	1	5	(1)	(5)	**-**
Options – *collar + purchased call options**	-	-	-	-	**-**	-	2	-	(4)	**(2)**
Derivatives – Currency-interest rate										
Cross Currency Interest Rate Swap CIRS	126	-	(2)	-	**124**	177	-	(215)	-	**(38)**
Trade instruments, of which:	**-**	**1**	**(25)**	**(55)**	**(79)**	**-**	**26**	**(12)**	**(11)**	**3**
Derivatives – Metals (price of copper, silver, gold)										
Sold put option (copper)	-	-	(24)	(5)	**(29)**	-	-	(12)	(9)	**(21)**
Sold put option (silver)	-	-	(1)	-	**(1)**	-	-	-	-	**-**
QP adjustment swap transactions (copper)	-	-	-	(4)	**(4)**	-	9	-	-	**9**
QP adjustment swap transactions (gold)	-	1	-	(3)	**(2)**	-	1	-	(1)	**-**
Derivatives – Currency										
Sold put option (USDPLN)	-	-	-	(7)	**(7)**	-	-	-	(1)	**(1)**
Purchased call option (USDPLN)	-	-	-	-	**-**	-	1	-	-	**1**
Embedded derivatives (price of copper, gold)										
Purchase contracts for metal-bearing materials	-	-	-	(36)	**(36)**	-	15	-	-	**15**
TOTAL OPEN DERIVATIVES	**297**	**293**	**(142)**	**(96)**	**352**	**286**	**219**	**(269)**	**(44)**	**192**

** Collar structures, i.e. purchased put options and sold call options were designated as hedging under seagull options structures and collar + purchased call options (CFH – Cash Flow Hedge).*

amounts in PLN millions, unless otherwise stated

Management of risk of changes in prices of energy and energy carriers

In market risk management resulting from changes in energy and energy carriers, the scale and profile of activities of the Parent Entity is of the greatest significance and impact on the results of the KGHM Polska Miedź S.A. Group. The risk of changes in prices of electricity and energy commodities is a commodity risk for the Parent Entity, the measurement of which is based on its impact on cash flow.

The Parent Entity's exposure to the risk of volatility in electricity prices, energy commodities and related merchandise involves the following markets:

- **electricity and natural gas,** which are required to engage in mining and processing operations, including natural gas used to generate electricity to meet the Parent Entity's needs in its own generating sources,
- **CO_2 emission allowances**, which have to be redeemed due to the level of greenhouse gas emissions by installations operated by the Parent Entity being higher than the level of greenhouse gas emissions for which the Parent Entity received freely-granted rights to emit CO_2,
- **property rights to energy** resulting from certificates of origin of energy from renewable sources (RES) and **energy efficiency certificates** (hereafter: property rights), subject to redemption (required for purposes of redemption due to the sale of electricity by the Parent Entity to end users as well as the consumption of purchased electricity for own needs).

The management of commodity price risk with respect to planned purchases of electricity and natural gas is based on the management of exposure to the risk of changes in the prices of electricity and natural gas in a time horizon of up to 36 subsequent months, resulting from electricity and gas purchase plans, less previously-signed purchase contracts with delivery in future periods.

In the case of changes in electricity prices, the source of exposure are sales prices in bilateral contracts and energy sales prices on the Polish Power Exchange (Towarowa Giełda Energii, TGE), where the Parent Entity purchases electricity in forward products (RTEE) as well as on the intra-day and next-day market.

In the case of the risk of changes in gas prices, the source of exposure is a contract entered into with ORLEN S.A., according to which the price of the purchased gas depends to a large degree on the prices quoted on the Polish Power Exchange for E-type gas (as regards both forward and SPOT contracts).

Commodity risk related to CO_2 emission allowances is connected with the exposure to changes in the prices of emission allowances quoted in EUR on an exchange (e.g. European Energy Exchange) and in the EUR/PLN exchange rate, as well as differences in the utilisation of CO_2 emission allowances by the Parent Entity from planned amounts.| In terms of changes in the prices of CO_2 emission allowances, the Parent Entity has a net short position, resulting from the obligation to redeem rights due to CO_2 systemic emissions which occur as a result of the combustion of coal within coal-bearing materials in installations functioning in the copper smelters, and also as a result of the combustion of gas in the CCGT (Combined Cycle Gas Turbine) blocks generating electricity to meet the Parent Entity's needs.

In terms of the risk of changes in property rights, the Parent Entity has a net short position resulting from the obligation to redeem property rights due to the sale of electricity to an end user as well as to the consumption of purchased electricity for own needs, while the source of exposure are mainly the prices of property rights on the wholesale market, (i.e. on the Polish Power Exchange). KGHM Polska Miedź S.A. sells electricity mostly to customers which provide services to the Parent Entity on properties belonging to KGHM Polska Miedź S.A.

Exposure of the Parent Entity to a given risk – demand volume of individual merchandise for own needs

Merchandise	Unit	from 1 January 2025 to 30 June 2025	from 1 January 2024 to 30 June 2024
CO_2 emission allowances (real emission of CO_2)	EUA	651 461	652 648
Property rights, so-called green certificates *	GWh	16.3	51
Property rights, so-called blue certificates**	GWh	0.96	5.1
Property rights, so-called white certificates***	TOE	1 332	1 383
Gas (consumed for own needs)	GWh	1 215	1 253
Electricity (consumed for own needs)	GWh	1 275	1 284

** 5% from the consumed electricity for own needs in 2024, reflecting the obligation for industrial consumers of 80% and 8.5% from the consumed electricity for own needs in 2025, reflecting the obligation for industrial consumers of 15%*

*** 0.5% from the consumed electricity for own needs in 2024, reflecting the obligation for industrial consumers of 80% and 0.5% from the consumed electricity for own needs in 2025, reflecting the obligation for industrial consumers of 15%*

**** 1.5% from the consumed electricity for own needs purchased on TGE for own needs/11.63 (11.63 converter of TOE to MWh)*

amounts in PLN millions, unless otherwise stated

Note 4.5 Liquidity risk and capital management

Capital management policy

Capital management in the Group is aimed at securing funds for development and maintaining the appropriate level of liquidity.
In accordance with adopted market practice, the Group monitors the level of financial security, among others on the basis of the Net Debt/Adjusted EBITDA ratio presented in the table below:

Ratios	Calculations	30 June 2025	31 December 2024
Net Debt/adjusted EBITDA	Relation of net debt to adjusted EBITDA	**0.79**	**0.81**
Net Debt	Borrowings, debt securities and lease liabilities less free cash and cash equivalents, taking into account the impact of derivatives related to external sources of financing – data from the consolidated statement of financial position	5 317	5 303
Adjusted EBITDA*	Profit/(loss) for the period pursuant to IFRS, excluding taxes, finance income and costs, other operating income and costs, profit or loss on involvement in joint ventures, depreciation/amortisation recognised in expenses by nature, recognition/reversal of impairment losses on property, plant and equipment and intangible assets recognised in the cost of sales, selling costs and administrative expenses	6 740	6 580

** Adjusted EBITDA for the period of 12 months ended on the last day of the reporting period, the total of adjusted EBITDA of reporting segments excluding the adjusted EBITDA of the reporting segment of the joint venture Sierra Gorda S.C.M.*

In the management of liquidity, the Group also pays attention to adjusted operating profit, which is the basis for calculating EBITDA according to the definition of the financial covenant and which is comprised of the following items:

	from 1 January 2025 to 30 June 2025	from 1 January 2024 to 31 December 2024
Profit on sales	2 101	3 767
Interest income on loans granted to a joint venture	287	552
Other operating income and (costs)	(1 403)	444
Adjusted profit from operating activities*	**985**	**4 763**

** Presented amount is calculated based on consolidated statement of profit or loss and does not include the gain due to reversal of an allowance for impairment of loans granted to a joint venture.*

As at the end of the reporting period, during the first half of 2025 and after the end of the reporting period, up to the date of publication of this consolidated half-year report, the value of the financial covenant subject to the obligation to report as at 31 December 2024 and 30 June 2025 met the conditions stipulated in the credit agreements. There are no indications that the Group will have difficulties with fulfilling the covenants obligations when they will be checked again on 31 December 2025.

Liquidity management policy

The basic goal of financial liquidity management in the Group is assuring that the companies are able to meet their current and future obligations.

In managing the risk of liquidity loss, the Group maintains an adequate level of cash and access to a broad portfolio of flexible sources of financing.

The Group continuously forecasts and monitors the liquidity based on expected cash flows. In order to minimise the risk of a liquidity gap, the Group takes actions which guarantee safety and financial stability through diversification of sources of financing and assuring their long-term maturity period.

The management of financial liquidity in the Group is performed based on the "Financial Liquidity Management Policy in the Group". The basic principles resulting from the Policy are:

- assuring the stable and effective financing of the Group's activities,
- continuous monitoring of the debt level of the Group,
- effective management of working capital, and
- co-ordinating by the Parent Entity of financial liquidity management processes in Group companies.

amounts in PLN millions, unless otherwise stated

In the first half of 2025, the Group carried out actions aimed at prolonging the availability of external sources of financing and ensuring that their amount corresponds with forecasted financial needs. The process of optimisation of the financial liquidity management continued by concentrating on the effective management of working and debt capital through the appropriate level of use of financial instruments such as bank and other loans, cash pooling and factoring.

The primary instrument used by the Group to deal with current operating activities is cash pooling – local in PLN, USD and EUR and international in USD, which ensures obtaining benefits resulting from the joint liquidity management of the Group.

Net debt changes

		As at 31 December 2024	Cash flows related to debt	Accrued interest	Exchange differences	Other changes	As at 30 June 2025
[+]	Bank loans	856	142	38	(107)	-	929
[+]	Loans	1 980	(214)	32	(205)	(9)	1 584
[+]	Debt securities	2 602	(94)	94	-	-	2 602
[+]	Leases	733	(93)	31	(4)	74*	741
[=]	**Total debt**	**6 171**	**(259)**	**195**	**(316)**	**65**	**5 856**
[-]	Free cash and cash equivalents	691	(274)	-	-	-	417
[-]	Derivatives related to sources of external financing	177	29	-	-	(84)	122
[=]	**Net debt, including:**	**5 303**	**(14)**	**195**	**(316)**	**149**	**5 317**
*Net debt excluding derivatives***		5 480	-	-	-	-	5 439

** Conclusion and modification of lease agreements.*
*** Net debt excluding derivatives - calculated in accordance with the definition of net debt for the purposes of covenants calculation in bank loans agreements.*

Reconciliation of cash flows associated with borrowings to the consolidated statement of cash flows

		from 1 January 2025 to 30 June 2025
Financing activities		
[+]	Proceeds from borrowings	434
[-]	Proceeds from derivatives related to external sources of financing	29
[+]	Repayment of borrowings	(429)
[+]	Repayment of lease liabilities	(63)
[-]	Expenditures on derivatives related to external sources of financing	(30)
[+]	Repayment of interest on borrowings, debt securities	(15)
[+]	Repayment of interest on leases	(12)
Investing activities		
[+]	Paid capitalised interest on borrowings	(174)
[-]	Proceeds from settlement of an instrument hedging interest rate of bonds	30
[-]	**Change in free cash and cash equivalents**	**(274)**
[=]	**TOTAL**	**(14)**

amounts in PLN millions, unless otherwise stated

Details on external financing sources

As at 30 June 2025, the Group had open credit lines, loans and debt securities with a total balance of available financing being the equivalent of PLN 15 517 million, out of which PLN 5 115 million had been drawn.

The structure of external financing sources is presented below.

Unsecured, revolving syndicated credit facility		
A credit facility in the amount of USD 1 438 million, obtained on the basis of a financing agreement concluded by the Parent Entity with a syndicate of banks in 2019 with a maturity of 20 December 2024, with an option to extend it by a further 2 years (5+1+1). The Parent Entity received consent from Syndicate Members twice to extend the term of the agreement. The agreement expires on 20 December 2026, and the amount of available financing during the extension period amounts to USD 1 438 million. The funds acquired through this credit facility are used to finance general corporate purposes. Interest is based on SOFR plus a margin, depending on the Total Consolidated Net Debt/Consolidated EBITDA financial ratio. The credit facility agreement obliges the Group to comply with the financial covenant and non-financial covenants. In accordance with contractual terms, the Parent Entity is obliged to report the level of the financial covenant for the reporting periods, i.e. as at 30 June and as at 31 December. The Parent Entity continuously monitors the risk of exceeding the level of the financial covenant stipulated in the credit facility agreement. As at the reporting date, during the first half of 2025, and after the reporting date, up to the signing of these consolidated financial statements, the value of the financial covenant complied with the provisions of the agreement.		
	30 June 2025	**31 December 2024**
Amount granted	5 200	5 898
Amount of the liability	-	-

Investment loans		
Loans, including loans granted to the Parent Entity by the European Investment Bank in the total amount of PLN 3 340 million: 1. Investment loan in the amount of PLN 2 000 million, with three instalments drawn and the payback periods expiring on 30 October 2026, 30 August 2028 and 23 May 2029 and utilised to the maximum available amount. The funds obtained through this loan were used to finance the Company's investment projects related to modernisation of metallurgy and development of the Żelazny Most tailings storage facility. The loan's instalments have a fixed interest rate. 2. Investment loan in the amount of PLN 1 340 million utilised in four instalments to the maximum available amount. The Parent Entity has drawn three instalments with a fixed interest rate under this loan with maturities on 28 June 2030, 23 April 2031 and 11 September 2031 and one instalment with a variable interest rate based on SOFR with maturity on 6 March 2035. The funds acquired through this loan are used to finance the Parent Entity's projects related to development and replacement at various stages of the production process. The loan agreements with the European Investment Bank oblige the Parent Entity to comply with the financial covenant and non-financial covenants commonly stipulated in such types of agreements. In accordance with contractual terms, the Parent Entity is obliged to report the level of the financial covenant for the reporting periods, i.e. as at 30 June and as at 31 December. The Parent Entity continuously monitors the risk of exceeding the level of the financial covenant stipulated in the loan agreements. As at the reporting date, during the first half of 2025, and after the reporting date, up to the signing of these consolidated financial statements, the value of the financial covenant complied with the provisions of the loan agreements.		
	30 June 2025	**31 December 2024**
Amount granted	3 497	3 521
Amount of the liability	1 584	1 980

amounts in PLN millions, unless otherwise stated

Other bank loans

Bilateral bank loans in the total amount up to PLN 4 220 million are used to finance working capital and are a supporting tool in the management of financial liquidity and support financing of advanced investment undertakings. The Group holds lines of credit in the form of short-term and long-term credit agreements. The funds are available under open lines of credit in PLN, USD and EUR, with interest based on a fixed interest rate or variable interest rate based on WIBOR, SOFR or EURIBOR plus a margin.

	30 June 2025	31 December 2024
Amount granted	4 220	4 294
Amount of the liability	929	856

Debt securities

The Parent Entity carried out two bond issuances on the Polish market:

1. An issuance dated 27 June 2019, under which bonds were issued with a maturity of 5 years in the amount of PLN 400 million and redeemed by the Parent Entity on 27 June 2024, as well as bonds with a maturity of 10 years in the amount of PLN 1 600 million and a redemption date of 27 June 2029.
2. An issuance dated 26 June 2024 in the nominal value of PLN 1 000 million which was carried out under the bond issuance program up to the amount of PLN 4 000 million, established by the issue agreement dated 29 May 2024. The Parent Entity issued 7-year bonds with a redemption date of 26 June 2031.

The nominal value of one bond is PLN 1 000, and the issue price is equal to the nominal value. The bonds' interest rates are based on variable WIBOR plus a margin.
The funds from the issuance of the bonds are used to finance general corporate purposes.

	30 June 2025	31 December 2024
Nominal value of the issuance	2 600	2 600
Amount of the liability	2 602	2 602

Total bank and other loans, debt securities	30 June 2025	31 December 2024
Amount granted / Nominal value of the issue	**15 517**	**16 313**
Amount of the liability	**5 115**	**5 438**

The aforementioned sources fully cover the current, medium and long-term liquidity needs of the Group.

The syndicated credit facility in the amount of USD 1 438 million, the investment loans in the amount of PLN 3 340 million, and bilateral bank loans granted to the Parent Entity in the amount of PLN 4 157 million, are unsecured. Repayment of a part of the liabilities of other Group companies due to bilateral bank loans and other loans are secured and the carrying amount of assets which are the guarantees of repayment of external financing as at 30 June 2025 amounted to PLN 250 million, including property, plant and equipment in the amount of PLN 134 million.

Cash and cash equivalents	As at 30 June 2025	As at 31 December 2024
Cash in bank accounts	337	534
Other financial assets with a maturity of up to 3 months from the date of acquisition - deposits	88	160
Other cash	5	21
Total cash and cash equivalents	**430**	**715**

Liabilities due to guarantees granted

Guarantees are an essential financial liquidity management tool of the Group, thanks to which the Group's companies and the joint venture Sierra Gorda S.C.M. do not have to use their cash in order to secure their liabilities towards other entities.

As at 30 June 2025, the Group held liabilities due to guarantees granted in the total amount of PLN 1 091 million and due to promissory note liabilities in the amount of PLN 209 million.

The most significant items of liabilities due to guarantees granted are liabilities of the Parent Entity aimed at securing the following obligations:

amounts in PLN millions, unless otherwise stated

The most significant items of liabilities due to guarantees granted - contingent liabilities

Guarantees - contingent liabilities (IAS 37)	Amount of guarantees		Validity period
	As at 30 June 2025	As at 31 December 2024	
Security on the proper execution by the Parent Entity of future environmental obligations related to the obligation to restore terrain, following the conclusion of operations of the Żelazny Most tailings storage facility	PLN 99 mn	PLN 109 mn	up to 1 year
Security on the obligations incurred by Brokerage House due to settlements of transactions entered into by the Parent Entity on the markets run by Towarowa Giełda Energii S.A	PLN 100 mn	PLN 70 mn	up to 1 year
Security on claims to cover by the Group costs related to collecting and processing waste	PLN 17 mn	PLN 17 mn	up to 2 years
Security on the obligations related to proper execution of agreements concluded by the Group	PLN 54 mn (PLN 3 mn, CAD 3 mn, EUR 2 mn, USD 10 mn)	PLN 26 mn (PLN 3 mn, CAD 3 mn, EUR 2 mn, USD 1 mn	up to 5 years

The most significant items of liabilities due to financial guarantees granted

Financial guarantees (IFRS 9)	Carrying amount*		Amount of guarantees		Validity period
	As at 30 June 2025	As at 31 December 2024	As at 30 June 2025	As at 31 December 2024	
Guarantee set as security on a bank loan drawn by Sierra Gorda S.C.M.	PLN 14 mn (USD 4 mn)	PLN 47 mn (USD 11 mn)	PLN 796 mn (USD 220 mn)	PLN 904 mn (USD 220 mn)	until September 2027

** The carrying amount was set at the initial value of the guarantee granted less the amount of revenues recognised in profit or loss due to guarantees.*

The most significant items of liabilities due to off-balance-sheet guarantees granted

Guarantees - off-balance-sheet liabilities	Amount of guarantees		Validity period
	As at 30 June 2025	As at 31 December 2024	
Guarantee securing potential claims against the Parent Entity in connection with the obligation of a manager of a tailings storage facility to create a restoration fund. The fund may be in the form of a separate bank account, a provision or a bank guarantee.	PLN 141 mn	PLN 128 mn	up to 1 year
Bank guarantees securing funds to execute obligations related to closure, restoration and oversight, including monitoring of the tailings storage facilities in accordance with the regulatory requirements of countries where KGHM INTERNATIONAL LTD. has mines and projects.	PLN 810 mn	PLN 750 mn	up to 1 year

amounts in PLN millions, unless otherwise stated

Note 4.6 Employee benefits liabilities

	As at 30 June 2025	As at 31 December 2024
Non-current	2 934	2 784
Current	269	297
Liabilities due to future employee benefits programs	**3 203**	**3 081**
Remuneration liabilities	269	469
Social insurance liabilities	493	392
Accruals (unused annual leave, bonuses, other)	799	861
Other current employee benefits liabilities	**1 561**	**1 722**
Total employee benefits liabilities	**4 764**	**4 803**

Discount rate adopted for the measurement of liabilities due to future employee benefits programs in the Parent Entity:

as at 30 June 2025	2025	2026	2027	2028	2029 and beyond
- discount rate	5.50%	5.50%	5.50%	5.50%	5.50%

as at 31 December 2024	2025	2026	2027	2028	2029 and beyond
- discount rate	5.80%	5.80%	5.80%	5.80%	5.80%

Note 4.7 Provisions for decommissioning costs of mines and other technological facilities

	from 1 January 2025 to 30 June 2025	from 1 January 2024 to 31 December 2024
Provisions at the beginning of the reporting period	**2 128**	**1 974**
Changes in estimates recognised in fixed assets	25	135
Utilisation	-	(2)
Other	(43)	21
Provisions at the end of the reporting period, of which:	**2 110**	**2 128**
- non-current provisions, including:	2 063	2 084
Mine Closure Fund and Tailings Storage Facility Restoration Fund	501	482
- current provisions	47	44

amounts in PLN millions, unless otherwise stated

Note 4.8 Other liabilities

	As at 30 June 2025	As at 31 December 2024
Deferred income	126	143
Trade payables	190	195
Other financial liabilities	20	25
Other non-financial liabilities	33	34
Other non-current liabilities	**369**	**397**
Deferred income, including:	202	47
trade payables	20	14
Accruals, including:	1 079	818
provision for purchase of property rights related to electricity	21	16
charges for discharging gases and dusts to the air	557	374
other accounted costs on the basis of contracts entered into	172	189
Liabilities due to settled derivatives	3	3
Other financial liabilities	193	124
Other non-financial liabilities	74	69
Other current liabilities	**1 551**	**1 061**
Total non-current and current liabilities	**1 920**	**1 458**

Note 4.9 Related party transactions

Operating income from related entities	from 1 January 2025 to 30 June 2025	from 1 January 2024 to 30 June 2024
Revenues from sales of products, merchandise and materials to a joint venture Sierra Gorda S.C.M.	8	9
Interest income on loans granted to the joint venture Sierra Gorda S.C.M.	287	291
Revenues from other transactions with the joint venture Sierra Gorda S.C.M.	3	10
Revenues from other transactions with other related parties	28	13
Total	**326**	**323**

Purchase from related entities	from 1 January 2025 to 30 June 2025	from 1 January 2024 to 30 June 2024
Purchase of services, merchandise and materials	35	34
Other purchase transactions	3	5
Total	**38**	**39**

Trade and other receivables from related parties	As at 30 June 2025	As at 31 December 2024
From the joint venture Sierra Gorda S.C.M. - loans granted	8 663	9 800
From the joint venture Sierra Gorda S.C.M. - other receivables	16	50
From other related parties	35	5
Total	**8 714**	**9 855**

Trade and other payables towards related parties	As at 30 June 2025	As at 31 December 2024
Towards the joint venture Sierra Gorda S.C.M.	14	47
Towards other related parties	20	5
Total	**34**	**52**

The State Treasury is an entity controlling KGHM Polska Miedź S.A. at the highest level. The Company makes use of the exemption on the disclosure of detailed information on transactions with the Polish Government and entities controlled or jointly controlled by the Polish Government, or over which the Polish Government has significant influence (IAS 24.25).

Pursuant to the scope of IAS 24.26, as at 30 June 2025 and in the period from 1 January to 30 June 2025, the Group concluded the following transactions with the Polish Government and entities controlled or jointly controlled by the Polish Government, unusual due to their nature or amount:

- due to an agreement on setting mining usufruct for the extraction of mineral resources and for exploration for and evaluation of mineral resources – balance of payables in the amount of PLN 220 million (as at 31 December 2024: PLN 241 million), including fees on setting mining usufruct for the extraction of mineral resources recognised in costs in the amount of PLN 18 million (as at 31 December 2024: PLN 34 million),
- due to a reverse factoring agreement - payables in the amount of PLN 1 012 million, interest costs in the amount of PLN 44 million (as at 31 December 2024, payables in the amount of PLN 1 727 million and interest costs from 1 January to 30 June 2024 in the amount of PLN 65 million),
- other transactions and economic operations: spot currency exchange, depositing cash, granting bank loans, guarantees, and letters of credit (including documentary letters of credit), running bank accounts, servicing of business credit cards, servicing of documentary collection and servicing of special purpose funds with banks related to the State Treasury.

State Treasury companies may purchase bonds issued by KGHM Polska Miedź S.A.

The remaining transactions between the Group and the Polish Government and with entities controlled or jointly controlled by the Polish Government, or over which the government has significant influence, were within the scope of normal, daily economic operations. These transactions concerned the following:

- the purchase of products (energy, fuels, services), merchandise and materials, fixed assets to meet the needs of current operating activities. In the period from 1 January to 30 June 2025, the turnover from these transactions amounted to PLN 1 397 million (from 1 January to 30 June 2024: PLN 1 486 million), and, as at 30 June 2025, the unsettled balance of liabilities from these transactions amounted to PLN 226 million (as at 31 December 2024: PLN 271 million),
- sales to Polish State Treasury Companies. In the period from 1 January to 30 June 2025, the turnover from these sales amounted to PLN 342 million (from 1 January to 30 June 2024: PLN 310 million), and, as at 30 June 2025, the unsettled balance of receivables from these transactions amounted to PLN 235 million (as at 31 December 2024: PLN 189 million).

Remuneration of the Supervisory Board of the Parent Entity (in PLN thousands)	from 1 January 2025 to 30 June 2025	from 1 January 2024 to 30 June 2024
Remuneration due to service in the Supervisory Board, salaries and other current employee benefits	1 276	1 240

Remuneration of the Management Board of the Parent Entity (in PLN thousands)	from 1 January 2025 to 30 June 2025	from 1 January 2024 to 30 June 2024
Salaries and other current employee benefits due to service	10 466*	3 096
Benefits due to termination of employment	120	2 023
Total	**10 586**	**5 119**

** The amount includes the variable part of remuneration for 2024 settled in the second quarter of 2025.*

Remuneration of other key managers (in PLN thousands)	from 1 January 2025 to 30 June 2025	from 1 January 2024 to 30 June 2024
Salaries and other current employee benefits**	3 578	1 955

***The remuneration of other key managers represents the remuneration of the members of the Board of Directors of KGHM INTERNATIONAL LTD. earned in companies of the KGHM Polska Miedź S.A. Group. The increase in the remuneration results from the appointment of Company's employees as members of the Board of Directors of KGHM INTERNATIONAL LTD. in the current reporting period.*

amounts in PLN millions, unless otherwise stated

Based on the definition of key management personnel pursuant to IAS 24 and based on an analysis of the rights and scope of responsibilities of managers of the Group arising from corporate documents and from management contracts, the members of the Board of Directors of KGHM INTERNATIONAL LTD. and the President of the Management Board of KGHM INTERNATIONAL LTD. were recognised as other key managers of the Group.

Note 4.10 Assets and liabilities not recognised in the statement of financial position

The value of contingent assets and liabilities and other liabilities not recognised in the statement of financial position were determined based on estimates.

		As at 30 June 2025	As at 31 December 2024
	Contingent assets	**453**	**428**
	Guarantees received	273	297
	Promissory notes receivables	162	107
	Other	18	24
	Contingent liabilities	**775**	**784**
Note 4.5	Guarantees	288	235
	Promissory note liability	209	223
	Liability due to a claim arising from the executed contract	39	31
	Financial support granted to municipalities in the form of a donation*	117	131
	Estimated potential impact of penalties arising from a tax audit in a subsidiary of the KGHM INTERNATIONAL LTD. Group**	56	83
	Other	66	81

**Detailed information in Part 3, Note 3.9 of the condensed financial statements of KGHM Polska Miedź S.A.*

***Change in the estimate (decrease in liability) due to prescription of a potential claim since the tax office in Chile did not begin its audit for 2021 in due course.*

Note 4.11 Changes in working capital

	Inventories	Trade receivables	Trade payables	Other payables*	Working capital
As at 1 January 2025	(8 063)	(1 345)	3 132	2 000	**(4 276)**
As at 30 June 2025	(8 765)	(1 204)	2 546	2 046	**(5 377)**
Impact of changes from the statement of financial position	**(702)**	**141**	**(586)**	**46**	**(1 101)**
Exchange differences from the translation of statements of operations with a functional currency other than PLN	(70)	(48)	21	-	**(97)**
Depreciation/amortisation recognised in inventories	345	-	-	-	**345**
Change in payables due to the purchase of property, plant and equipment and intangible assets	-	-	217	36	**253**
Change in liabilities due to interest	-	-	-	1	**1**
Reclassification to property, plant and equipment	(16)	-	-	-	**(16)**
Adjustments	**259**	**(48)**	**238**	**37**	**486**
Change recognised in the statement of cash flows from operating activities	**(443)**	**93**	**(348)**	**83**	**(615)**

** Trade payables within the reverse factoring mechanism*

	Inventories	Trade receivables	Trade payables	Other payables*	Working capital
As at 1 January 2024	(8 425)	(932)	3 167	3 021	**(3 169)**
As at the date of obtaining control over a subsidiary	-	(2)	1	-	**(1)**
As at 30 June 2024	(8 452)	(1 450)	2 806	3 544	**(3 552)**
Impact of changes from the statement of financial position	**(27)**	**(516)**	**(362)**	**523**	**(382)**
Exchange differences from the translation of statements of operations with a functional currency other than PLN	12	6	(5)	-	**13**
Depreciation/amortisation recognised in inventories	350	-	-	-	**350**
Change in payables due to the purchase of property, plant and equipment and intangible assets	-	-	297	(66)	**231**
Change in liabilities due to interest	-	-	-	(6)	**(6)**
Reclassification to property, plant and equipment	(26)	-	-	-	**(26)**
Adjustments	**336**	**6**	**292**	**(72)**	**562**
Change recognised in the statement of cash flows from operating activities	**309**	**(510)**	**(70)**	**451**	**180**

** Trade payables within the reverse factoring mechanism*

Note 4.12 Assets sold and liabilities associated with them

Assets and liabilities of Sudbury Basin in the KGHM INTERNATIONAL LTD. Group

In connection to a Share Purchase Agreement which was entered into on 11 September 2024 for the sale of shares of the special purpose company Project Nikolas Company Inc. by FNX Mining Company Inc. to Magna Mining Inc., the sale transaction of a part of the assets of the Sudbury Basin, i.e the mines McCreedy West, Levack/Morrison and Podolsky, as well as mining concessions: Kirkwood, Falconbridge, NW Foy, Rand and North Range, and liabilities associated with them, was concluded on 28 February 2025.

The agreed purchase price comprised the cash contribution in the amount of CAD 5.3 million at the moment of closure of the transaction, CAD 2 million deferred to 31 December 2026 as an unconditional cash payment, the acquisition by FNX Mining Company Inc. of 1 180 705 shares in the company Magna Mining Inc. in the amount of CAD 2 million and conditional payments in the total maximum amount of up to CAD 24 million.

The profit on the sale in the amount of PLN 89 million was recognised in the item “Other operating income”.

Settlement of the sale transaction of assets and liabilities of Sudbury Basin	PLN million
Initial purchase price – cash received	15
Deferred payment (current value)	5
Value of received Magna Mining Inc. shares	6
Initial acquisition price	**26**
Carrying amount of assets and liabilities subject to the sale transaction	(29)
Cash contributed to Project Nikolas Company Inc. before disposal	1
Value of contingent payments	15
Profit on the sale	**69**
Exchange differences on reclassification from other comprehensive income to gains on disposal	20
Gain on disposal in consolidated statement of profit or loss	**89**

amounts in PLN millions, unless otherwise stated

The individual assets held for sale and liabilities associated with them were presented in the segment KGHM INTERNATIONAL LTD.

The value of the assets sold and liabilities associated with them have been presented together with continued activities in the consolidated statement of profit or loss, the consolidated statement of cash flows and in the explanatory notes to these statements, as they represent neither a material part of the activities nor an element of the broader plan of disposal of a material part of the activities (IFRS 5.32 a and b).

Main groups of selected assets and liabilities of the Sudbury Basin classified to Disposal group

	As at 28 February 2025 (date of disposal - date of loss of control)	As at 31 December 2024 (presented under assets and liabilities classified to Disposal group)
ASSETS		
Mining and metallurgical property, plant and equipment	80	82
Mining and metallurgical intangible assets	14	17
Mining and metallurgical property, plant and equipment and intangible assets	94	99
Deferred tax assets	9	-
Non-current assets	**103**	**99**
Inventories	22	24
Current assets	**22**	**24**
TOTAL ASSETS HELD FOR SALE (DISPOSAL GROUP)	**125**	**123**
LIABILITIES		
Provisions for decommissioning costs of mines and other technological facilities	37	38
Other liabilities – liabilities due to Franco Nevada streaming contract	100	108
Non-current liabilities	**137**	**146**
Other liabilities – liabilities due to Franco Nevada streaming contract	17	14
Current liabilities	**17**	**14**
TOTAL LIABILITIES RELATED TO DISPOSAL GROUP	**154**	**160**

Part 5 – Additional information to the consolidated half-year report

Note 5.1 Effect of changes in the organisational structure of the KGHM Polska Miedź S.A. Group

Sale of the subsidiary Project Nikolas Company Inc.
In the first quarter of 2025, the sale transaction of 100% of shares in the subsidiary of the KGHM INTERNATIONAL LTD. Group – Project Nikolas Company Inc. was carried out. Detailed information regarding this transaction is presented in Note 4.12. Assets sold and liabilities associated with them.

Note 5.2 Seasonal or cyclical activities

The KGHM Polska Miedź S.A. Group is not affected by seasonal or cyclical activities.

Note 5.3 Information on the issuance, redemption and repayment of debt and equity securities

In the first half of 2025, there was no issuance, redemption and repayment of debt and equity securities in the Group.

Note 5.4 Information related to a paid (declared) dividend, total and per share

In accordance with Resolution No. 6/2025 of the Ordinary General Meeting of KGHM Polska Miedź S.A. dated 18 June 2025 regarding the allocation of profit of KGHM Polska Miedź S.A. for 2024, it was decided to transfer the profit in the amount of PLN 2 788 million, in its entirety, to the Company's reserve capital.

In accordance with Resolution No. 7/2024 of the Ordinary General Meeting of KGHM Polska Miedź S.A. dated 7 June 2024 regarding the payment of a dividend from profits for previous years, it was decided to pay a dividend to shareholders in the amount of PLN 300 million (PLN 1.50/share). The dividend for 2023 was paid from the profits of KGHM Polska Miedź S.A. for previous years. The Ordinary General Meeting of KGHM Polska Miedź S.A. set the dividend date for 2023 at 28 June 2024 and the dividend payment date for 2023 at 16 July 2024.

All shares of the Parent Entity are ordinary shares.

Note 5.5 List of material proceedings before courts, arbitration authorities or public administration authorities respecting the liabilities and receivables of KGHM Polska Miedź S.A. and its subsidiaries

A proceeding regarding the payment of royalties for the use of invention project no. 1/97/KGHM called "Method for increasing the production capacity of the electrorefining sections of the Metallurgical Plants". Details are presented in section 9.6. Litigation and claims of the Management Board's Report on the activities of the Group in the first half of 2025.

Note 5.6 Monitored areas – important issues that may affect the Group's situation

To date, there has not yet been recorded a substantial negative impact of the following factors on the continuity of production of the core production business, on sales or on the continuity of the supply chain for materials and services. The Parent Entity continues to monitor the international economic situation, in order to assess its potential negative impact on the KGHM Polska Miedź S.A. Group and to take anticipative actions to mitigate this impact.

Note 5.6.1 Impact of macroeconomic conditions

The continued, higher volatility of commodity prices, exchange rates and discount rates may have an impact on valuation of the Group's assets, in particular the international assets. KGHM closely monitors the market environment and continuously analyses potential impact of its volatility on operational assumptions and valuation of assets.

In Note 1.6 and Note 5.6 of these interim consolidated financial statements and Part 1 of interim separate financial statements, a number of factors with a potential impact on the Group's activities were pointed out and described and the most important risk categories influencing the Group's operations were presented, in particular:
- volatility in copper and silver prices on the metals markets,
- volatility in the USD/PLN exchange rate, and
- volatility in prices of energy carriers and electricity.

There was an observable heightened volatility of market environment during the reporting period as a result of tariffs policy of the American administration and reactions of trade partners. While comparing the data as at the reporting date versus the end of 2024, there was a weakening of US dollar versus several other currencies, including PLN, during the reporting period. Moreover, there was an increase in metals prices denominated in the American currency.

The observable macroeconomic changes, including the copper price denominated in PLN, USD/PLN exchange rate as well as discount rates, are not at the moment of a permanent nature, are subject to constant fluctuations (are of a transient nature). As a result, the Group does not consider them as an indication of impairment of assets under IAS 36.

Note 5.6.2 Effects of tariffs policy and the global trade war (USA, China, European Union)

In the reporting period, the Group did not record any negative impact from factors related to effects of tariffs policy and the global trade war (USA, China, European Union), and the potential impact in subsequent periods is assessed as low.

The American market does not have a significant share in the geographic structure of sales of the Group's products manufactured outside the USA, which means that the direct impact of any potential tariffs will be significantly limited. Despite the announcement that the US and the EU have reached a deal on a trade agreement, there are no official documents on the matter yet, and according to press reports, the details still need to be negotiated.

Trade of copper and copper-made products is exempt from the general trade agreement and is regulated by other provisions under the detailed procedure "Section 232", wherein tariffs are varied for copper at different processing stages. Trade barriers announced by the USA on copper and copper-made products will have the greatest impact on the American market. Mining and production operations in Poland are and will continue to be of key importance for KGHM.

However the potential escalation of trade barriers in various regions of the world could negatively impact the dynamics of the global economy growth and, consequently, the demand for raw materials. Therefore, the Company continuously monitors and analyses factors affecting international trade turnover.

Note 5.6.3 Conflict in the Middle East

In the reporting period, the Group did not record any negative impact from factors related to the conflict in the Middle East, and the potential impact in subsequent periods is assessed as moderate.

The most significant risk factors related to the conflict in the Middle East, impacting the Group's operations are the following:

- potential impact on the destabilisation of global economies,
- volatility in oil prices.

Although, military operations between Israel and Iran have ceased, due to the high uncertainty related to further developments in the political situation in the Middle East and its impact on the global economy, its scale and consequences for the KGHM Polska Miedź S.A. Group are not currently possible to estimate for subsequent periods.

Note 5.6.4 The war in Ukraine

In the reporting period, the Group did not record any negative impact from factors related to the war in Ukraine, and the potential impact in subsequent periods is assessed as low.

The most significant risk factors related to the war in Ukraine, impacting the Group's operations are:

- change in the supply chain and the availability of materials and components, fuels and energy on international markets,
- volatility in copper and silver prices on the metals markets,
- volatility in the USD/PLN exchange rate,
- volatility in prices of energy carriers and electricity, and
- the general uncertainty on financial markets.

To assess the impact of the above-mentioned risk categories on the operation of the Group, a detailed analysis of information in the areas of production, sales, supply chain, personnel management and finance is carried out on an ongoing basis.

Impact on the metals market and shares price

From the point of view of the Group, the war in Ukraine has an impact on market risk connected with volatility in metals prices and stock exchange indices during the reporting period. More information is presented in Note 1.6. Impairment of assets.

Impact on the fuels and energy carriers markets and the availability of raw and other materials

Currently, the Group does not experience a significantly negative impact of volatility of supply chains on its business activities. It cannot be ruled out that the continuation of this armed conflict as well as the system of economic sanctions may have a significantly negative impact in subsequent periods on suppliers and customers of the Group and may lead to unfavourable deviations in the continuity of materials and services supply chains in the KGHM Polska Miedź S.A. Group as well as in the receipt of products, caused among others by logistical restrictions and the availability of materials, fuels and energy on international markets. Taking into consideration the continuity of supply of energy carriers (natural gas, coal, coke), at the present time, the KGHM Polska Miedź S.A. Group is fully capable of maintaining the continued operations of the core production business and of all production processes.

Impact on the activities of the Parent Entity and other Group companies

The geopolitical situation associated with the direct aggression of Russia on Ukraine and the implemented system of sanctions does not currently limit the operations of KGHM Polska Miedź S.A. and other Group companies, while the risk of interruptions to the operational continuity of the Company and of the KGHM Polska Miedź S.A. Group in this regard continues to be considered as low.

The ongoing war in Ukraine and limited availability of Russian cathodes on European markets were discounted by the market, and did not constitute an additional factor affecting the sales results of basic copper products in the first half of 2025. The situation associated with the war in Ukraine is not a significant factor in shaping the demand for copper semi-finished products (ETP wire rod and OFE wire). In this product market, the good economic situation is mainly driven by significant investments related to the energy transition in Europe.

In terms of the availability of capital and the level of debt, the Group holds no bank loans drawn from institutions threatened with sanctions.

In KGHM Polska Miedź S.A. as well as in all international mines of the KGHM Polska Miedź S.A. Group and Sierra Gorda S.C.M., no production stoppages were recorded which would have been directly attributable to the war in Ukraine.
There have been no significant changes in the payment morality of customers, and therefore the inflow of receivables in the Parent Entity takes place without any major disturbances.

Preventive actions in the Group

The strategy of diversification of suppliers applied by the entire KGHM Polska Miedź S.A. Group and the use of alternative solutions effectively, at this point in time, mitigates the risk of interruptions in the supply chains of raw and other materials.
Due to the centralisation of the process of obtaining external financing for the needs of the entire Group, in order to transfer liquidity within the Group, a debt instrument in the form of owners loans is used to support the investment process, and the Group uses local and international cash pooling to service its daily operations.
The Group continues to advance its investment projects in accordance with established schedules and therefore does not identify any increase in risk related to their continuation due to the war in Ukraine.

Note 5.7 Subsequent events

Appendix to an agreement on providing reverse factoring services

On 11 July 2025, in the Parent Entity an annex was signed to the concluded agreements on providing reverse factoring services, pursuant to which the total available limit was increased to PLN 500 million.

Part 6 – Quarterly financial information of the Group

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

		from 1 April 2025 to 30 June 2025*	from 1 April 2024 to 30 June 2024*	from 1 January 2025 to 30 June 2025	from 1 January 2024 to 30 June 2024
	Revenues from contracts with customers	8 614	9 165	17 556	17 480
Note 6.1	Cost of sales	(7 091)	(7 085)	(14 425)	(14 391)
	Gross profit	**1 523**	**2 080**	**3 131**	**3 089**
Note 6.1	Selling costs and administrative expenses	(550)	(556)	(1 030)	(979)
	Profit on sales	**973**	**1 524**	**2 101**	**2 110**
	Gain due to the reversal of allowances for impairment of loans granted to a joint venture	148	-	151	-
	Allowances for impairment of loans granted to a joint venture	-	(407)	-	(407)
	Interest income on loans granted to a joint venture calculated using the effective interest rate method	140	147	287	291
	Profit or loss on involvement in a joint venture	288	(260)	438	(116)
Note 6.2	Other operating income, including:	95	680	336	952
	other interest calculated using the effective interest rate method	15	12	27	18
	reversal of impairment losses on financial instruments	3	-	3	1
Note 6.2	Other operating costs, including:	(861)	(592)	(1 739)	(784)
	impairment losses on financial instruments	2	(2)	-	(2)
Note 6.3	Finance income	211	74	362	74
Note 6.3	Finance costs	(125)	(180)	(183)	(287)
	Profit before income tax	**581**	**1 246**	**1 315**	**1 949**
	Income tax expense	(331)	(596)	(735)	(875)
	PROFIT FOR THE PERIOD	**250**	**650**	**580**	**1 074**
	Profit for the period attributable to:				
	shareholders of the Parent Entity	249	649	579	1 073
	non-controlling interest	1	1	1	1
	Weighted average number of ordinary shares (million)	**200**	**200**	**200**	**200**
	Basic and diluted earnings per share (in PLN)	**1.25**	**3.25**	**2.90**	**5.37**

** Data not subject to review and audit.*

amounts in PLN millions, unless otherwise stated

Explanatory notes to the condensed consolidated statement of profit or loss

Note 6.1 Expenses by nature

	from 1 April 2025 to 30 June 2025*	from 1 April 2024 to 30 June 2024*	from 1 January 2025 to 30 June 2025	from 1 January 2024 to 30 June 2024
Depreciation of property, plant and equipment and amortisation of intangible assets	707	647	1 403	1 240
Employee benefits expenses	2 293	2 224	4 535	4 252
Materials and energy, including:	3 290	3 363	6 942	6 846
purchased metal-bearing materials	1 902	1 921	3 952	3 861
electrical and other energy	485	521	1 070	1 084
External services	755	782	1 443	1 424
Minerals extraction tax	1 022	1 150	2 082	1 955
Other taxes and charges	216	134	495	483
Revaluation of inventories	4	11	3	51
Impairment losses on property, plant and equipment and intangible assets	1	15	1	15
Other costs	65	82	115	128
Total expenses by nature	**8 353**	**8 408**	**17 019**	**16 394**
Cost of merchandise and materials sold (+)	107	136	227	304
Change in inventories of finished goods and work in progress (+/-)	(386)	(308)	(868)	(248)
Cost of manufacturing products for internal use of the Group (-)	(433)	(595)	(923)	(1 080)
Total costs of sales, selling costs and administrative expenses, of which:	**7 641**	**7 641**	**15 455**	**15 370**
Cost of sales	7 091	7 085	14 425	14 391
Selling costs	116	141	245	267
Administrative expenses	434	415	785	712

** Data not subject to review and audit.*

amounts in PLN millions, unless otherwise stated

Note 6.2 Other operating income and (costs)

	from 1 April 2025 to 30 June 2025*	from 1 April 2024 to 30 June 2024*	from 1 January 2025 to 30 June 2025	from 1 January 2024 to 30 June 2024
Gains on derivatives, of which:	27	470	73	537
measurement	(9)	13	33	70
realisation	36	457	40	467
Exchange differences on financial assets and liabilities other than borrowings	-	145	-	303
Interest income calculated using the effective interest rate method	15	12	27	18
Reversal of impairment losses on financial instruments	3	-	3	1
Release of provisions	21	22	30	27
Gain on disposal of intangible assets	1	3	1	3
Gain on disposal of subsidiaries	(9)	-	89	-
Fair value gains on trade receivables	4	-	24	-
Government grants received	6	4	12	6
Income from servicing of letters of credit and guarantees	(3)	-	3	10
Compensation, fines and penalties received	5	16	9	20
Other	25	8	65	27
Total other operating income	**95**	**680**	**336**	**952**
Losses on derivatives, of which:	(28)	(481)	(177)	(564)
measurement	56	9	(70)	(65)
realisation	(84)	(490)	(107)	(499)
Fair value losses on trade receivables	(44)	(46)	(44)	(74)
Impairment losses on financial instruments	2	(2)	-	(2)
Impairment loss on fixed assets under construction and intangible assets not yet available for use	(22)	(12)	(25)	(32)
Exchange differences on financial assets and liabilities other than borrowings	(734)	-	(1 414)	-
Provisions recognised	(5)	(26)	(19)	(65)
Loss on disposal of property, plant and equipment	(6)	(2)	(7)	(4)
Donations granted	(11)	(11)	(26)	(22)
Other	(13)	(12)	(27)	(21)
Total other operating costs	**(861)**	**(592)**	**(1 739)**	**(784)**
Other operating income and (costs)	**(766)**	**88**	**(1 403)**	**168**

** Data not subject to review and audit.*

amounts in PLN millions, unless otherwise stated

Note 6.3 Finance income and (costs)

	from 1 April 2025 to 30 June 2025*	from 1 April 2024 to 30 June 2024*	from 1 January 2025 to 30 June 2025	from 1 January 2024 to 30 June 2024
Exchange differences on measurement and realisation of borrowings	152	-	303	-
Gains on derivatives - realisation	59	74	59	74
Total finance income	**211**	**74**	**362**	**74**
Interest on borrowings, including:	(1)	2	(3)	(5)
leases	(1)	(2)	(3)	(5)
Interest on trade payables within the reverse factoring mechanism	(33)	(44)	(55)	(80)
Bank fees and charges on drawn borrowings	(5)	(5)	(11)	(10)
Exchange differences on measurement and realisation of borrowings	-	(26)	-	(59)
Losses on derivatives - realisation	(61)	(80)	(61)	(80)
Unwinding of the discount effect	(25)	(24)	(51)	(47)
Other	-	(3)	(2)	(6)
Total finance costs	**(125)**	**(180)**	**(183)**	**(287)**
Finance income and (costs)	**86**	**(106)**	**179**	**(213)**

** Data not subject to review and audit.*

Condensed financial statements of KGHM Polska Miedź S.A.

SEPARATE STATEMENT OF PROFIT OR LOSS

		from 1 January 2025 to 30 June 2025	from 1 January 2024 to 30 June 2024
Note 2.1	Revenues from contracts with customers	14 860	15 076
Note 2.2	Cost of sales	(12 634)	(12 743)
	Gross profit	**2 226**	**2 333**
Note 2.2	Selling costs and administrative expenses	(685)	(662)
	Profit on sales	**1 541**	**1 671**
Note 2.3	Other operating income, including:	457	1 314
	interest income calculated using the effective interest rate method	201	204
	fair value gains on financial assets measured at fair value through profit or loss	24	337
Note 2.3	Other operating costs, including:	(1 533)	(736)
	fair value losses on financial assets measured at fair value through profit or loss	(381)	(67)
Note 2.4	Finance income	363	74
Note 2.4	Finance costs	(194)	(305)
	Profit before income tax	**634**	**2 018**
	Income tax expense	(521)	(687)
	PROFIT FOR THE PERIOD	**113**	**1 331**
	Weighted average number of ordinary shares (million)	**200**	**200**
	Basic and diluted earnings per share (in PLN)	**0.57**	**6.66**

SEPARATE STATEMENT OF COMPREHENSIVE INCOME

		from 1 January 2025 to 30 June 2025	from 1 January 2024 to 30 June 2024
	Profit for the period	**113**	**1 331**
	Measurement of hedging instruments net of the tax effect	154	(264)
	Other comprehensive income, which will be reclassified to profit or loss	**154**	**(264)**
	Measurement of equity financial instruments at fair value through other comprehensive income net of the tax effect	686	32
Note 3.2	Actuarial (losses)/gains net of the tax effect	(84)	169
	Other comprehensive income, which will not be reclassified to profit or loss	**602**	**201**
	Total other comprehensive net income	**756**	**(63)**
	TOTAL COMPREHENSIVE INCOME	**869**	**1 268**

amounts in PLN millions, unless otherwise stated

SEPARATE STATEMENT OF CASH FLOWS

	Cash flow from operating activities	from 1 January 2025 to 30 June 2025	from 1 January 2024 to 30 June 2024
	Profit before income tax	634	2 018
	Depreciation/amortisation recognised in profit or loss	826	740
	Interest on investment activities	(150)	(161)
	Other interest	93	126
	Dividend income	(10)	(10)
	Losses on modification of financial assets	15	-
	Fair value losses/(gains) on financial assets measured at fair value through profit or loss	339	(337)
	Impairment losses on property, plant and equipment and intangible assets	21	1
	Gains due to change in the value of financial assets measured at amortised cost	(67)	(18)
	Impairment losses on investments in subsidiaries	68	-
	Exchange differences, of which:	402	(88)
	from investing activities and on cash	706	(148)
	from financing activities	(304)	60
	Change in provisions for decommissioning of mines, liabilities related to future employee benefits programs and other provisions	175	181
	Change in other receivables and liabilities other than working capital	(15)	(142)
	Change in assets and liabilities due to derivatives	55	107
	Reclassification of other comprehensive income to profit or loss due to the realisation of hedging derivatives	(26)	(286)
	Other adjustments	(2)	8
	Exclusions of income and costs, total	1 724	121
	Income tax, including:	(533)	101
	payments of income tax	(533)	(511)
	refunds of income tax	-	612
Note 3.10	Change in working capital, including:	(299)	(13)
Note 3.10	change in trade payables within the reverse factoring mechanism	83	451
	Net cash generated from/(used in) operating activities	**1 526**	**2 227**
	Cash flow from investing activities		
	Expenditures on mining and metallurgical assets, including:	(1 866)	(1 645)
	paid capitalised interest on borrowings	(148)	(117)
	proceeds from settlement of an instrument hedging interest rate of bonds	28	31
	Expenditures on other property, plant and equipment and intangible assets	(26)	(21)
	Expenditures on acquisition of shares in subsidiaries	(223)	(160)
	Advances grated for property, plant and equipment and intangible assets	(38)	(9)
	Expenditures on financial assets designated for decommissioning of mines and other technological facilities	(35)	(33)
	Proceeds from repayment of loans granted (principal)	633	31
	Interest received on loans granted	57	33
	Expenditures due to loans granted	-	(191)
	Other	1	-
	Net cash generated from/(used in) investing activities	**(1 497)**	**(1 995)**

amounts in PLN millions, unless otherwise stated

Cash flow from financing activities		
Proceeds from borrowings	399	1 390
Proceeds from cash pooling	40	200
Proceeds from derivatives related to external sources of financing	29	35
Expenditures due to derivatives related to external sources of financing	(30)	(41)
Repayment of lease liabilities	(49)	(18)
Repayment of interest, of which:	(101)	(126)
trade payables within the mechanism of external financing	(56)	(74)
borrowings	(45)	(52)
Repayment of borrowings	(386)	(1 559)
Proceeds from issuance of debt securities	-	1 000
Redemption of debt securities	-	(400)
Net cash generated from/(used in) financing activities	**(98)**	**481**
NET CASH FLOW	**(69)**	**713**
Exchange gains/(losses) on cash and cash equivalents	(1)	1
Cash and cash equivalents at the beginning of the period	367	1 481
Cash and cash equivalents at the end of the period, including:	**297**	**2 195**
restricted cash	**5**	**17**

amounts in PLN millions, unless otherwise stated

SEPARATE STATEMENT OF FINANCIAL POSITION

		As at 30 June 2025	As at 31 December 2024
	ASSETS		
	Mining and metallurgical property, plant and equipment	21 615	21 007
	Mining and metallurgical intangible assets	1 598	1 284
	Mining and metallurgical property, plant and equipment and intangible assets	23 213	22 291
	Other property, plant and equipment	109	119
	Other intangible assets	44	49
	Other property, plant and equipment and intangible assets	153	168
	Investments in subsidiaries - shares	6 300	6 146
Note 3.3	Loans granted, of which:	8 338	9 727
	measured at fair value through profit or loss	3 196	3 668
	measured at amortised cost	5 142	6 059
Note 3.2	Derivatives	297	286
	Other financial instruments measured at fair value through other comprehensive income	1 661	814
	Other financial instruments measured at amortised cost	583	578
Note 3.2	Financial instruments, total	10 879	11 405
	Other non-financial assets	86	97
	Non-current assets	**40 631**	**40 107**
	Inventories	7 617	7 037
Note 3.2	Trade receivables, including:	786	885
	Trade receivables measured at fair value through profit or loss	587	506
	Tax assets	267	396
Note 3.2	Derivatives	293	219
Note 3.2	Cash pooling receivables	450	683
Note 3.2	Other financial assets, including:	338	540
	Loans granted	104	246
	Other non-financial assets	410	171
Note 3.2	Cash and cash equivalents	297	367
	Current assets	**10 458**	**10 298**
	TOTAL ASSETS	**51 089**	**50 405**
	EQUITY AND LIABILITIES		
	Share capital	2 000	2 000
	Other reserves from measurement of financial instruments	723	(117)
	Accumulated other comprehensive income	(720)	(636)
	Retained earnings	30 020	29 907
	Equity	**32 023**	**31 154**
Note 3.2	Borrowings and leases	2 401	2 055
Note 3.2	Debt securities	2 600	2 600
Note 3.2	Derivatives	142	269
Note 3.5	Employee benefits liabilities	2 605	2 467
Note 3.6	Provisions for decommissioning costs of mines and other technological facilities	1 328	1 263
	Deferred tax liabilities	746	460
Note 3.7	Other liabilities	254	295
	Non-current liabilities	**10 076**	**9 409**
Note 3.2	Borrowings and leases	493	1 133
Note 3.2	Debt securities	2	2
Note 3.2	Cash pooling liabilities	601	561
Note 3.2	Derivatives	96	44
Note 3.2	Trade and other payables	4 478	4 825
Note 3.5	Employee benefits liabilities	1 370	1 569
	Tax liabilities	710	786
	Provisions for liabilities and other charges	166	227
Note 3.7	Other liabilities	1 074	695
	Current liabilities	**8 990**	**9 842**
	Non-current and current liabilities	**19 066**	**19 251**
	TOTAL EQUITY AND LIABILITIES	**51 089**	**50 405**

amounts in PLN millions, unless otherwise stated

SEPARATE STATEMENT OF CHANGES IN EQUITY

	Share capital	Other reserves from measurement of financial instruments	Accumulated other comprehensive income	Retained earnings	Total equity
As at 1 January 2024	**2 000**	**320**	**(921)**	**27 419**	**28 818**
Transactions with owners – dividend approved but not paid	-	-	-	(300)	**(300)**
Profit for the period	-	-	-	1 331	**1 331**
Other comprehensive income	-	(232)	169	-	**(63)**
Total comprehensive income	-	(232)	169	1 331	**1 268**
As at 30 June 2024	**2 000**	**88**	**(752)**	**28 450**	**29 786**
As at 1 January 2025	**2 000**	**(117)**	**(636)**	**29 907**	**31 154**
Profit for the period	-	-	-	113	**113**
Other comprehensive income	-	840	(84)	-	**756**
Total comprehensive income	-	840	(84)	113	**869**
As at 30 June 2025	**2 000**	**723**	**(720)**	**30 020**	**32 023**

Part 1 – Impairment of assets

Assessment of the occurrence of indications of impairment of production assets of KGHM Polska Miedź S.A.

In the first half of 2025, the share price of KGHM Polska Miedź S.A. was under pressure of continued uncertainty as to the development of the global macroeconomic situation. The Company's average share price in the first half of 2025 increased by 10% compared to the share price at the end of 2024 and as at 30 June 2025 the Company's share price amounted to PLN 128.90 (the average share price in the first half of 2025 was PLN 126.45). At the same time, the WIG20 index increased by 29.8%, while WIG index increased by 31.6%. As the result, the market capitalisation of the Company increased from PLN 23 000 million to PLN 25 780 million, which means that as at 30 June 2025 it remained 19.5% below the level of the Company's net assets. However, it should be noted that the average ratio between the market capitalisation and net assets in the entire first half of 2025 amounted to 81%.

The analysis of Polish assets showed that not all factors that influence the level of market capitalisation of KGHM Polska Miedź S.A. are factors related to the conducted business activities.

From the point of view of the Company's operations, the key factor influencing the level of market capitalisation is the copper price. The copper price continued to be in an upwards trend in the first half of 2025 and reached its maximum price in June 2025 due to the weakening of the US dollar and global trade tensions. The average price of copper in the first half of 2025 amounted to 9 431 USD/t which is a higher level than prices recorded in 2024 (average of 9 147 USD/t).

In the case of the Polish assets, of significance are PLN-expressed metals prices, which are also affected by the USD/PLN exchange rate. Fluctuations in the price of copper are usually to a large extent offset by changes in the USD/PLN exchange rate. The average USD/PLN exchange rate in the first half of 2025 amounted to PLN 3.88, which is at a lower level than the exchange rate recorded in 2024 (average of PLN 3.98).

Finally, the average price of copper in the first half of 2025 amounted to 36 546 PLN/t, and was 0.4% higher than the prices noted in 2024 (average of 36 401 PLN/t).

Favourable macroeconomic data in the first half of 2025 contributed to the decrease in market interest rates to the level of approx. 5.35 for WIBOR 1M, 5.23 for WBIOR 3M and 5.04 for WIBOR 6M at the end of June 2025. The yield of 10-year bonds stabilised at the level close to the level of the NBP's reference rate.

KGHM Polska Miedź S.A. maintains full operational capacity and consistently advances planned production, sales and investment budget targets. The financial results achieved by the Company exceed the budget targets, which is also a result of conducted optimisation initiatives and cost discipline applied in response to macroeconomic conditions.

The Company continued actions aimed at making the subsequent parts of the copper deposit available and at construction of the mining infrastructure. Current, long-term production plans are up to 2055 and in the current period no indications were identified that could negatively impact the future availability of deposits. KGHM Polska Miedź S.A. continues exploration work on the basis of concessions and concession proceedings aimed at ensuring the resource base appropriate for operating activities and prolonging mine life.

In the context of risks and hazards associated with climate, in the current period, no material impact on the activities of KGHM Polska Miedź S.A. was identified.

The Company is discussing with the Ministry of Finance and the Ministry of State Assets changes to the formula for the so-called copper tax. On 26 May 2025, information was published in the Council of Ministers' legislative and non-legislative itinerary on proposed amendments to the act on minerals extraction tax. At the present stage of advancement of legislative work, the final scope of amendments to the aforementioned act and date of its adoption are not possible to determine, and therefore the assessment of the impact of legislative changes on the Company's cash flows.

As a result of the assessment made, no connection was identified between the changes in the share price of KGHM Polska Miedź S.A. and the Company's domestic activities. Consequently, there were no indications identified suggesting the risk of impairment of the Polish production assets, as well as indications suggesting the possibility of reversing the impairment losses which were already made, and therefore there was no impairment testing of these assets as at 30 June 2025.

The Management Board of KGHM Polska Miedź S.A. assessed the adequacy of the assumptions adopted as at 31 December 2023 in the conducted impairment test of Polish production assets (mining and metallurgical assets), including mainly macroeconomic assumptions, forecasts of medium- and long-term production plans and the level of operating costs and planned capital expenditures. No indications were identified that would necessitate a revision of the key assumptions adopted at that time.

amounts in PLN millions, unless otherwise stated

IMPAIRMENT TESTING OF SHARES OF COMPANIES INVEST PV 7 sp. z o.o., INVEST PV 40 sp. z o.o., INVEST PV 58 sp. z o.o. and INVEST PV 59 sp. z o.o.

In relation to the recapitalisation of companies INVEST PV 7 sp. z o.o., INVEST PV 40 sp. z o.o., INVEST PV 58 sp. z o.o. and INVEST PV 59 sp. z o.o. (whose business activity is the production of electricity using photovoltaic technology) in the amount of PLN 188 million, carried out in this reporting period, and consequently, a significant increase in the value of shares in INVEST PV 7 sp. z o.o., INVEST PV 40 sp. z o.o., INVEST PV 58 sp. z o.o. and INVEST PV 59 sp. z o.o. as at 30 June 2025, impairment tests of the capital involvement in shares of these companies were performed.
As at 30 June 2025, the carrying amount of shares of individual companies was:

- INVEST PV 7 sp. z o.o. – PLN 16 million,
- INVEST PV 40 sp. z o.o. – PLN 32 million,
- INVEST PV 58 sp. z o.o. – PLN 61 million,
- INVEST PV 59 sp. z o.o. – PLN 79 million.

In order to estimate the recoverable amount, in the conducted tests the value of shares was calculated using an income-based approach, i.e. the method of discounted cash flows.

Basic assumptions adopted for impairment testing

Assumption	INVEST PV 7 sp. z o.o.	INVEST PV 40 sp. z o.o.	INVEST PV 58 sp. z o.o.	INVEST PV 59 sp. z o.o.
Detailed forecast period	July 2025 – December 2053, that is to the end of life of the projects			
Electricity prices	Price paths were adopted on the basis of averages of available, long-term forecasts of analytical institutions covering the photovoltaics profile. The average price of electricity in the detailed forecast period amounts to 352 PLN/MWh.			
Level of electricity production in the detailed forecast period	140 361 MWh	264 945 MWh	353 477 MWh	493 166 MWh
Average EBITDA margin during the detailed forecast period	47%	69%	69%	70%
Average notional discount rate during the detailed forecast period*	7.11%	7.11%	7.11%	7.11%

** data are presented after taxation, despite the measurement model of value in use. The application of data before taxation does not have a significant impact on the recoverable amount.*

As a result of the performed impairment testing of companies INVEST PV 7 sp. z o.o., INVEST PV 40 sp. z o.o., INVEST PV 58 sp. z o.o. and INVEST PV 59 sp. z o.o., the recoverable amount of the shares was not obtained at their carrying amount, which provided the basis to recognise impairment losses in the amounts indicated in the table below.

CGU	Carrying amount of shares	Recoverable amount of shares	Impairment loss
INVEST PV 7 sp. z o.o.	16	10	6
INVEST PV 40 sp. z o.o.	32	27	5
INVEST PV 58 sp. z o.o.	61	35	26
INVEST PV 59 sp. z o.o.	79	47	32

In order to monitor the risk of impairment of assets in the subsequent reporting periods and to monitor the possibility of reversal of the impairment loss it was determined that the recoverable amount would be equal to the carrying amount of assets if the discount rate or the average electricity price was as presented below:

	Discount rate	Average electricity price
INVEST PV 7 sp. z o.o.	2.40%	+33%
INVEST PV 40 sp. z o.o.	5.48%	+13%
INVEST PV 58 sp. z o.o.	2.10%	+55%
INVEST PV 59 sp. z o.o.	2.58%	+48%

The summary of analyses undertaken to assess the risk of impairment of assets of the Company as at 31 December 2024 was presented in the part 3 of the Annual report RR 2024.

amounts in PLN millions, unless otherwise stated

Part 2 – Explanatory notes to the separate statement of profit or loss

Note 2.1 Revenues from contracts with customers – geographical breakdown reflecting the location of end customers

		from 1 January 2025 to 30 June 2025	from 1 January 2024 to 30 June 2024
Europe			
	Poland	3 725	3 894
	Germany	2 540	2 475
	The United Kingdom	1 184	806
	Czechia	1 117	1 206
	Italy	993	1 144
	Hungary	760	797
	Switzerland	510	633
	France	425	418
	Sweden	368	326
	Austria	176	166
	Slovakia	92	98
	Belgium	81	23
	Romania	59	62
	Bulgaria	57	60
	Slovenia	43	52
	Finland	37	15
	Denmark	26	3
	Bosnia and Herzegovina	16	13
	Estonia	13	19
	The Netherlands	11	1
	Greece	-	10
	Other countries (dispersed sales)	5	9
North and South America			
	The United States of America	976	678
	Canada	27	22
	Argentina	5	1
	Chile	4	-
Australia			
	Australia	86	211
Asia			
	China	856	1 403
	Türkiye	247	230
	Thailand	145	63
	India	144	-
	Saudi Arabia	38	131
	South Korea	33	45
	Malaysia	-	20
	Singapore	-	17
	Other countries (dispersed sales)	-	2
Africa			
	Algeria	55	15
	Morocco	6	8
TOTAL		**14 860**	**15 076**

amounts in PLN millions, unless otherwise stated

Note 2.2 Expenses by nature

	from 1 January 2025 to 30 June 2025	from 1 January 2024 to 30 June 2024
Depreciation of property, plant and equipment and amortisation of intangible assets	890	801
Employee benefits expenses	2 944	2 768
Materials and energy, including:	6 122	5 995
purchased metal-bearing materials	3 952	3 861
electrical and other energy	920	918
External services, including:	1 350	1 310
transport	179	178
repairs, maintenance and servicing	449	411
mine preparatory work	365	356
Minerals extraction tax	2 082	1 955
Other taxes and charges	366	376
Other costs	56	72
Total expenses by nature	**13 810**	**13 277**
Cost of merchandise and materials sold (+)	170	179
Change in inventories of finished goods and work in progress (+/-)	(566)	57
Cost of manufacturing products for internal use (-)	(95)	(108)
Total costs of sales, selling costs and administrative expenses, of which:	**13 319**	**13 405**
Cost of sales	12 634	12 743
Selling costs	89	91
Administrative expenses	596	571

amounts in PLN millions, unless otherwise stated

Note 2.3 Other operating income and (costs)

	from 1 January 2025 to 30 June 2025	from 1 January 2024 to 30 June 2024
Gains on derivatives, of which:	73	537
measurement	33	70
realisation	40	467
Interest on loans granted and other financial receivables	202	205
Reversal of impairment losses on financial instruments measured at amortised cost, including:	73	19
gain due to the reversal of allowances for impairment of loans granted	72	19
Release of provisions	27	2
Fair value gains on financial assets measured at fair value through profit or loss, including:	24	337
loans	-	337
Dividends income	10	10
Fees and charges on re-invoicing of costs of bank guarantees securing payments of liabilities	8	11
Compensation, fines and penalties received	5	7
Government grants received	3	1
Exchange differences on financial assets and liabilities other than borrowings	-	171
Other	32	14
Total other operating income	**457**	**1 314**
Losses on derivatives, of which:	(176)	(564)
measurement	(69)	(65)
realisation	(107)	(499)
Exchange differences on financial assets and liabilities other than borrowings	(801)	-
Fair value losses on financial assets measured at fair value through profit or loss, including:	(381)	(67)
loans	(339)	-
Impairment losses on shares in subsidiaries	(68)	-
Donations granted	(26)	(22)
Impairment losses on fixed assets under construction and intangible assets not yet available for use	(21)	(1)
Losses on modification of financial assets	(15)	-
Provisions recognised	(9)	(61)
Loss on disposal of property, plant and equipment (including costs associated with disposal)	(7)	(6)
Impairment losses on financial instruments measured at amortised cost, including:	(6)	-
allowances for impairment of loans granted	(5)	-
Other	(23)	(15)
Total other operating costs	**(1 533)**	**(736)**
Other operating income and (costs)	**(1 076)**	**578**

amounts in PLN millions, unless otherwise stated

Note 2.4 Finance income and (costs)

	from 1 January 2025 to 30 June 2025	from 1 January 2024 to 30 June 2024
Exchange differences on measurement and settlement of borrowings	304	-
Gains on derivatives - realisation	59	74
Total finance income	**363**	**74**
Losses on derivatives – realisation	(61)	(80)
Interest on trade payables within the reverse factoring mechanism	(55)	(80)
Unwinding of the discount effect	(40)	(39)
Interest on borrowings, including:	(26)	(33)
leases	(2)	(4)
Fees and charges on external financing	(12)	(13)
Exchange differences on measurement and settlement of borrowings	-	(60)
Total finance costs	**(194)**	**(305)**
Finance income and (costs)	**169**	**(231)**

amounts in PLN millions, unless otherwise stated

Part 3 – Other explanatory notes

Note 3.1 Information on property, plant and equipment and intangible assets

Purchase of property, plant and equipment and intangible assets

	from 1 January 2025 to 30 June 2025	from 1 January 2024 to 30 June 2024
Purchase of property, plant and equipment, including:	1 461	1 480
leases	54	10
Purchase of intangible assets	32	24

Payables due to the purchase of property, plant and equipment and intangible assets

	As at 30 June 2025	As at 31 December 2024
Payables due to the purchase of property, plant and equipment and intangible assets	834	1 409

Capital commitments related to property, plant and equipment and intangible assets, not recognised in the statement of financial position

	As at 30 June 2025	As at 31 December 2024
Purchase of property, plant and equipment	3 239	2 693
Purchase of intangible assets	56	14
Total capital commitments	**3 295**	**2 707**

amounts in PLN millions, unless otherwise stated

Note 3.2 Financial instruments

	Financial assets:	As at 30 June 2025					As at 31 December 2024				
		At fair value through other comprehensive income	At fair value through profit or loss	At amortised cost	Hedging instruments	Total	At fair value through other comprehensive income	At fair value through profit or loss	At amortised cost	Hedging instruments	Total
	Non-current	1 661	3 196	5 725	297	**10 879**	814	3 668	6 637	286	**11 405**
Note 3.3	Loans granted	-	3 196	5 142		**8 338**		3 668	6 059	-	**9 727**
	Derivatives	-	-	-	297	**297**	-	-	-	286	**286**
	Other financial instruments measured at fair value*	1 661	-	-	-	**1 661**	814	-	-	-	**814**
	Other financial instruments measured at amortised cost	-	-	583	-	**583**	-	-	578	-	**578**
	Current	-	588	1 284	292	**2 164**	-	531	1 969	194	**2 694**
	Trade receivables	-	587	199	-	**786**	-	506	379	-	**885**
	Derivatives	-	1	-	292	**293**	-	25	-	194	**219**
	Cash and cash equivalents	-	-	297	-	**297**	-	-	367	-	**367**
	Cash pooling receivables**	-	-	450	-	**450**	-	-	683	-	**683**
	Other financial assets	-	-	338	-	**338**	-	-	540	-	**540**
	Total	**1 661**	**3 784**	**7 009**	**589**	**13 043**	**814**	**4 199**	**8 606**	**480**	**14 099**

** Including an increase in the fair value of Tauron Polska Energia S.A. due to a share price increase on WSE.*

*** Receivables from subsidiaries of the KGHM Polska Miedź S.A. Group which indebted themselves under the cash pooling system.*

amounts in PLN millions, unless otherwise stated

	Financial liabilities:	As at 30 June 2025				As at 31 December 2024			
		At fair value through profit or loss	At amortised cost	Hedging instruments	Total	At fair value through profit or loss	At amortised cost	Hedging instruments	Total
	Non-current	25	5 200	117	**5 342**	12	4 862	257	**5 131**
Note 3.4	Borrowings, lease and debt securities	-	5 001	-	**5 001**	-	4 655	-	**4 655**
	Derivatives	25	-	117	**142**	12	-	257	**269**
	Other financial liabilities		199		**199**	-	207	-	**207**
	Current	58	5 734	41	**5 833**	14	6 661	33	**6 708**
Note 3.4	Borrowings, lease and debt securities	-	495	-	**495**	-	1 135	-	**1 135**
Note 3.4	Cash pooling liabilities*	-	601	-	**601**	-	561	-	**561**
	Other liabilities due to settlement under cash pooling contracts **	-	-	-	**-**	-	27	-	**27**
	Derivatives	55	-	41	**96**	11	-	33	**44**
	Trade payables	-	2 432		**2 432**	-	2 825	-	**2 825**
	Trade payables within the reverse factoring mechanism	-	2 046	-	**2 046**	-	2 000	-	**2 000**
	Other financial liabilities	3	160	-	**163**	3	113	-	**116**
	Total	**83**	**10 934**	**158**	**11 175**	**26**	**11 523**	**290**	**11 839**

** Liabilities of KGHM Polska Miedź S.A. towards Group companies within the credit limit of the group of accounts participating in the cash pooling system.*

*** Other current liabilities of KGHM Polska Miedź S.A. towards participants in the cash pooling system in the form of cash transferred by them which was not used by KGHM Polska Miedź S.A. for its own needs, to be returned after the end of the reporting period.*

amounts in PLN millions, unless otherwise stated

The fair value hierarchy of financial instruments measured at fair value in the statement of financial position

	As at 30 June 2025				As at 31 December 2024			
Classes of financial instruments	level 1	level 2	level 3	carrying amount	level 1	level 2	level 3	carrying amount
Loans granted	-	-	3 196	3 196	-	-	3 668	3 668
Listed shares	1 532	-	-	1 532	685	-	-	685
Unquoted shares	-	129	-	129	-	129	-	129
Trade receivables	-	587	-	587	-	506	-	506
Other financial assets	-	18	-	18	-	34	-	34
Assets due to derivatives	-	590	-	590	-	505	-	505
Liabilities due to derivatives	-	(238)	-	(238)	-	(313)	-	(313)
Other financial liabilities	-	(3)	-	(3)	-	(3)	-	(3)

The fair value hierarchy of financial instruments measured at amortised cost in the statement of financial position

	As at 30 June 2025				As at 31 December 2024			
	fair value			carrying amount	fair value			carrying amount
Classes of financial instruments	level 1	level 2	level 3		level 1	level 2	level 3	
Loans granted	-	959	4 069	5 246	-	1 191	4 654	6 305
Long-term bank and other loans received	-	(1 885)	-	(1 885)	-	(1 538)	-	(1 538)
Long-term debt securities	(2 647)	-	-	(2 600)	(2 657)	-	-	(2 600)

Loans granted measured at amortised cost

Discount rate adopted for estimation of fair value of loans granted measured at amortised cost.

Loans per impairment model	discount rate			carrying amount	discount rate			carrying amount
	level 1	level 2	level 3		level 1	level 2	level 3	
1st degree (fixed interest rate)	x	5.45%	x	759	x	6.34%	x	868
1st and 3rd degree (variable interest rate)	x	5.34% (WIBOR 1M) 4.45%(SOFR)	x	171	x	5.82% (WIBOR 1M), 4.49% (SOFR)	7.54%	354
1st degree (fixed interest rate)	x	x	5.00%	2 808	x	x	5.60%	3 333
POCI (fixed interest rate)*	x	x	8.72%	1 508	x	x	8.31%	1 750
			Total	**5 246**			**Total**	**6 305**

**real discount rate*

Methods and measurement techniques used by the Company in determining fair values of each class of financial assets or financial liabilities.

Level 1

Listed shares

Shares are measured based on quotations from the Warsaw Stock Exchange and the TSX Venture Exchange in Toronto.

Long-term debt securities

Long-term debt securities are measured based on quotations from the Catalyst Market of the Warsaw Stock Exchange.

Level 2

Long-term loans granted

The fair value of loans measured at amortised cost was estimated on the basis of contractual cash flows (per the contract) using the model of discounted cash flows, including the borrower's credit risk. IBOR current market interest rate acquired from the Reuters system is used in the discounting process.

Unquoted shares

Unquoted shares are measured using the adjusted net assets. Observable input data other than the ones from the active market were used in the measurement (e.g. transaction prices of real estate similar to the one subjected to measurement, market interest rates of State Treasury bonds and term deposits in financial institutions, and the risk-free discount rate published by the European Insurance and Occupational Pensions Authority).

Trade receivables

Receivables arising from the realisation of sales under contracts which are finally settled using future prices were measured using forward prices, depending on the period/month of contractual quoting. Forward prices are from the Reuters system.

For trade receivables transferred to non-recourse factoring, a fair value is assumed at the level of the amount of the trade receivables transferred to the factor (nominal value from the invoice) less interest, which are the factor's compensation. Due to the short term between the transfer of receivables to the factor and their payment, fair value is not adjusted by the credit risk of the factor and impact of time lapse.

Other financial assets/liabilities

The fair value of receivables/payables due to the settlement of derivatives, whose date of payment falls two working days after the end of the reporting period was set per the reference price applied in the settlement of these transactions.

Currency and currency-interest derivatives

To determine the fair value of derivatives on the currency market and currency-interest transactions (CIRS), the forward prices from the maturity dates of individual transactions were used. The forward price for currency exchange rates was calculated on the basis of fixing and appropriate interest rates. Interest rates for currencies and the volatility ratios for exchange rates were taken from the Reuters system. The standard Garman-Kohlhagen model is used to measure options on currency markets.

Metals derivatives

To determine the fair value of derivatives on the commodity market, forward prices from the maturity dates of individual transactions were used. In the case of copper, official closing prices from the London Metal Exchange were applied, and with respect to silver and gold - the fixing price set by the London Bullion Market Association. Volatility ratios and forward prices for measurement of derivatives at the end of the reporting period were obtained from the Reuters system. Levy approximation to the Black-Scholes model was used for Asian options pricing on metals markets.

Received long-term bank and other loans

The fair value of bank and other loans is estimated by discounting the cash flows associated with these liabilities in timeframes and under conditions arising from agreements, and by applying current rates. Fair value differs from the carrying amount by the amount of the premium paid to acquire the financing.

Level 3

Long-term loans granted

The fair value of loans was estimated using the forecasted cash flows of international assets (Sierra Gorda S.C.M.), which pursuant to IFRS 13 are unobservable input data, and the fair value of assets determined using such data is classified to level 3 of the fair value hierarchy.

The Company does not disclose the fair value of financial instruments measured at amortised cost (except for long-term loans granted, long-term bank and other loans received and long-term debt securities) in the statement of financial position, because it makes use of the exemption arising from IFRS 7.29.

There was no transfer in the Company of financial instruments between levels of the fair value hierarchy in the reporting period.

amounts in PLN millions, unless otherwise stated

Note 3.3 Receivables due to loans granted

	as at 30 June 2025	as at 31 December 2024
Loans measured at amortised cost – gross amount	5 332	6 469
Allowance for impairment	(86)	(164)
Loans measured at amortised cost – carrying amount	5 246	6 305
Loans measured at fair value – carrying amount	3 196	3 668
Total loans, of which:	**8 442**	**9 973**
- long-term loans	8 338	9 727
- short-term loans	104	246

The following table presents changes in the carrying amount of loans granted measured at fair value.

	from 1 January 2025 to 30 June 2025	from 1 January 2024 to 31 December 2024
At the beginning of the reporting period	**3 668**	**3 766**
Repayment of loans	(133)	(116)
Fair value gains	-	141
Fair value loss	(339)	(123)
At the end of the reporting period	**3 196**	**3 668**

The following tables present the change in the gross amount of loans granted measured at amortised cost.

	Total	Degree 1 Medium rating	Degree 2 Medium rating	Degree 3 Below-medium rating	POCI Medium rating
Gross amount as at 1 January 2025	**6 469**	**4 441**	**-**	**202**	**1 826**
repayment	(583)	(266)	-	(209)	(108)
exchange differences	(693)	(487)	-	-	(206)
interest accrued using the effective interest rate	139	80	-	7	52
Gross amount as at 30 June 2025	**5 332**	**3 768**	**-**	**-**	**1 564**

	Total	Degree 1 Medium rating	Degree 2 Medium rating	Degree 3 Below-medium rating	POCI Medium rating
Gross amount as at 1 January 2024	**6 016**	**901**	**3 361**	**-**	**1 754**
transfer between the degrees of impairment	-	3 317	(3 515)	198	-
loans granted	248	248	-	-	-
subrogation of loans	165	165	-	-	-
repayment	(379)	(143)	(127)	-	(109)
modification of terms to the agreement	(169)	(169)	-	-	-
exchange differences	255	39	144	-	72
interest accrued using the effective interest rate	333	83	137	4	109
Gross amount as at 31 December 2024	**6 469**	**4 441**	**-**	**202**	**1 826**

The following tables present the change in the amount of loss allowance for expected credit losses on loans measured at amortised cost.

amounts in PLN millions, unless otherwise stated

	Total	Degree 1	Degree 2	Degree 3	POCI
Loss allowance for expected credit losses as at 1 January 2025	**164**	**27**	**-**	**61**	**76**
reversal of loss allowance due to repayment of receivables	(61)	-	-	(61)	-
changes in risk parameters	(6)	5	-	-	(11)
exchange differences	(11)	(3)	-	-	(8)
Loss allowance for expected credit losses as at 30 June 2025	**86**	**29**	**-**	**-**	**57**

	Total	Degree 1	Degree 2	Degree 3	POCI
Loss allowance for expected credit losses as at 1 January 2024	**71**	**8**	**19**	**-**	**44**
transfer between the degrees of impairment	-	(1)	-	1	-
changes in risk parameters	89	20	(19)	60	28
exchange differences	4	-	-	-	4
Loss allowance for expected credit losses as at 31 December 2024	**164**	**27**	**-**	**61**	**76**

The Company classifies loans granted to one of the three following categories:

1. Measured at amortised cost, which were determined to be credit-impaired at the moment of initial recognition (POCI),
2. Measured at amortised cost, which were not determined to be credit-impaired at the moment of initial recognition,
3. Measured at fair value through profit or loss.

Loans that at the last stage of cash flows between companies in the Future 1 holding structure or KGHM INTERNATIONAL LTD. were transferred as a loan to a joint venture Sierra Gorda S.C.M., advanced by the KGHM INTERNATIONAL LTD. Group, were classified as POCI loans (identified allowance for impairment due to a high credit risk at the moment of granting). These loans, pursuant to the terms of the annexes from December 2024, are paid on demand, but not later than on 31 December 2032. The original maturity was on 15 December 2024.

The Company presents, in the category of loans classified as measured at fair value through profit or loss, loans that at the last stage of cash flows between companies in the Future 1 Sp. z o.o. holding structure or KGHM INTERNATIONAL LTD. were transferred mainly as increases in share capital of Sierra Gorda S.C.M.

In order to calculate expected credit losses (ECL), the Company uses, among others, the following parameters:

- the borrower's rating - granted using internal methodology of the Company based on Moody's methodology. The Company granted loans mainly to subsidiaries, of which over 99% of borrowers were assigned ratings between Baa2 – Ba1 (in the comparable period, Baa3-B1),
- the curve of accumulated parameters of PD (parameter of probability of default, used to calculate the expected credit losses) for a given borrower, which is set on the basis of market sector quotations of Credit Default Swap contracts from the Reuters system, which quantify the market expectations as for the potential probability of default in a given sector and in a given rating. As at 30 June 2025, PD parameters for the adopted ratings were as follows:

Baa3 to B1 ratings according to Moody's (30 June 2025)

Up to one year	1.04%
1-3 years	4.47%
More than 3 years (at the date of loans' maturity)	17.15%

A3 to Baa3 ratings according to Moody's (31 December 2024)

Up to one year	0.83% - 1.05%
1-3 years	4.32% - 5.86%
More than 3 years (at the date of loans' maturity)	17.97% - 39.36%

- the level of the LGD parameter (loss given default, expressed as a percentage of the amount outstanding) for the purposes of estimating expected credit losses for loans classified to the degree 1 and 2 is adopted at the level of 75% (based on estimations from Moody's Annual Default Study: Corporate Default and Recovery Rates, 1920 – 2016).

amounts in PLN millions, unless otherwise stated

As at the end of the reporting period, the Company performed a measurement of loans classified to level 3 of the fair value hierarchy (measured at fair value as well as at amortised cost (for disclosure purposes)) designated mainly for financing the joint venture Sierra Gorda S.C.M. The basis of measuring the level of recoverability of loans at the level of the separate financial statements of KGHM Polska Miedź S.A. is the estimation of cash flows generated by Sierra Gorda S.C.M. and other significant international production assets, which are subsequently allocated by the Company in individual loans at various levels of the current financing structure. The estimate of cash flows generated by Sierra Gorda S.C.M. and other mines was determined on the basis of forecasts of pricing paths of commodities and current mining plans.

The expected repayments of loans were discounted using:

- the effective interest rate method adjusted by the credit risk, determined at the initial recognition of the loan pursuant to IFRS 9.B5.5.45 at the level of 3.69% - 6.64% - for loans measured at amortised cost,
- the market interest rate at the level of 5.18% - 8.72% - for loans measured at fair value.

In the period from 1 January to 30 June 2025 the following was recognised:

- gains on reversal of expected credit losses due to loans classified as POCI in the amount of PLN 11 million (USD 3 million calculated using an average NBP exchange rate on the date of recognition of the reversal of loss),
- for loans measured at fair value – an estimated decrease in fair value by the amount of PLN 339 million.

In the case of other loans measured at amortised cost, the Company calculated the allowance for impairment on the basis of the model of expected credit losses.

Sensitivity analysis of the fair value of loans due to the change in forecasted cash flows of Sierra Gorda

As at 30 June 2025 and in the comparable period, the Company classified the fair value measurement of loans granted to level 3 of the fair value hierarchy because of the utilisation in the measurement of a significant unmeasurable parameter, that is the forecasted cash flows of Sierra Gorda.

Because of the significant sensitivity of the forecasted cash flows of Sierra Gorda S.C.M. to changes in the copper price, pursuant to IFRS 13 para. 93.f, the Company performed a sensitivity analysis of the fair value (level 3) of loans to changes in copper prices.

As at 30 June 2025, the price paths were adopted on the basis of internal macroeconomic assumptions prepared based on available, long-term forecasts from financial and analytical institutions to estimate cash flows of Sierra Gorda S.C.M. A detailed forecast was prepared for the period 2nd half of 2025-2029, while for the period 2030-2034 a technical adjustment of prices was applied between the last year of the detailed forecast and 2035, for which a long-term metals price forecast was used at the following level:

- for copper– 8 818 USD/t (4.00 USD/lb);
- for gold – 1 900 USD/oz.

As at 31 December 2024, the price paths were adopted on the basis of internal macroeconomic assumptions prepared based on available long-term forecasts from financial and analytical institutions to estimate cash flows of Sierra Gorda S.C.M. A detailed forecast was prepared for the period 2025-2029, while for the period 2030-2034 a technical adjustment of prices was applied between the last year of the detailed forecast and 2035, for which a long-term metals price forecast was used at the following level:

- for copper– 8 800 USD/t (3.99 USD/lb);
- for gold – 1 900 USD/oz.

	As at 30 June 2025		Fair value		As at 31 December 2024		Fair value	
Classes of financial instruments	Fair value	Carrying amount	Base plus 0.1 USD/lb (220 USD/t) during mine life	Base minus 0.1 USD/lb (220 USD/t) during mine life	Fair value	Carrying amount	Base plus 0.1 USD/lb (220 USD/t) during mine life	Base minus 0.1 USD/lb (220 USD/t) during mine life
Loans granted measured at fair value	**3 196**	**3 196**	3 276	3 149	**3 668**	**3 668**	3 745	3 610
Loans granted measured at amortised cost	**4 069**	**4 316**	4 094	4 044	**4 654**	**5 083**	4 685	4 623

amounts in PLN millions, unless otherwise stated

Note 3.4 Net debt

	As at 30 June 2025	As at 31 December 2024
Bank loans	790	100
Loans	1 095	1 438
Debt securities - bonds	2 600	2 600
Leases	516	517
Non-current liabilities due to borrowings	**5 001**	**4 655**
Bank loans	72	693
Loans	332	356
Cash pooling liabilities*	601	561
Debt securities	2	2
Leases	89	84
Current liabilities due to borrowings	**1 096**	**1 696**
Total borrowings	**6 097**	**6 351**
[-] Free cash and cash equivalents	292	359
[-] Derivatives related to external sources of financing	122	177
[=] Net debt	**5 683**	**5 815**

** Liabilities of KGHM Polska Miedź S.A. towards Group companies within the credit limit in the group of accounts participating in the cash pooling system.*

Note 3.5 Employee benefits liabilities

	As at 30 June 2025	As at 31 December 2024
Jubilee bonuses	541	505
Retirement and disability benefits	502	473
Coal equivalent	1 757	1 714
Other benefits	30	28
Total liabilities due to future employee benefits programs	**2 830**	**2 720**
Remuneration and social insurance liabilities	565	658
Accruals due to employee benefits	580	658
Employee benefits	**1 145**	**1 316**
Total employee benefits liabilities, of which:	**3 975**	**4 036**
non-current liabilities	2 605	2 467
current liabilities	1 370	1 569

Discount rate adopted for the measurement of liabilities due to future employee benefits programs as at 30 June 2025

	2025	2026	2027	2028	2029 and beyond
- discount rate	5.50%	5.50%	5.50%	5.50%	5.50%

Discount rate adopted for the measurement of liabilities due to future employee benefits programs as at 31 December 2024

	2025	2026	2027	2028	2029 and beyond
- discount rate	5.80%	5.80%	5.80%	5.80%	5.80%

amounts in PLN millions, unless otherwise stated

Note 3.6 Provisions for decommissioning costs of mines and other technological facilities

	from 1 January 2025 to 30 June 2025	from 1 January 2024 to 31 December 2024
Provision as at the beginning of the reporting period	**1 301**	**1 401**
Changes in estimates recognised in fixed assets	28	(64)
Utilisation	(1)	(1)
Other	38	(35)
Provision as at the end of the reporting period, of which:	**1 366**	**1 301**
- non-current provision, of which:	1 328	1 263
Mine Closure Fund and Tailings Storage Facility Restoration Fund	501	482
- current provision	38	38

Note 3.7 Other liabilities

	As at 30 June 2025	As at 31 December 2024
Trade payables	190	195
Other	64	100
Other non-current liabilities	**254**	**295**
Accruals, including:	673	458
provision for purchase of property rights related to electricity	21	16
charge for discharging gases and dusts to the air	557	374
Liabilities due to the settlement of the Tax Group	94	36
Deferred income (including CO_2 emission allowances in 2025)	179	31
Other liabilities due to settlements under cash pooling contracts	-	27
Other	128	143
Other current liabilities	**1 074**	**695**

Note 3.8 Related party transactions

	from 1 January 2025 to 30 June 2025	from 1 January 2024 to 30 June 2024
Operating income from related parties	**520**	**567**
From subsidiaries	517	558
From other related parties	3	9

amounts in PLN millions, unless otherwise stated

In the period from 1 January 2025 to 30 June 2025, the Company received dividends from subsidiaries in the amount of PLN 10 million (from 1 January to 30 June 2024; PLN 10 million).

	from 1 January 2025 to 30 June 2025	from 1 January 2024 to 30 June 2024
Purchase of merchandise and materials and other purchases from subsidiaries	5 216	4 965

	As at 30 June 2025	As at 31 December 2024
Trade and other receivables from related parties	**9 251**	**11 062**
From subsidiaries, including:	9 237	11 015
loans granted	8 442	9 973
From other related parties	14	47

	As at 30 June 2025	As at 31 December 2024
Payables towards related parties	**1 883**	**1 890**
Towards subsidiaries	1 869	1 843
Towards other related parties	14	47

Remuneration of the key managers of KGHM Polska Miedź S.A., i.e. members of the Management Board and members of the Supervisory Board of KGHM Polska Miedź S.A., is presented in part 4, note 4.9 of the consolidated financial statements.

The State Treasury is an entity controlling KGHM Polska Miedź S.A. at the highest level. The Company makes use of the exemption to disclose a detailed scope of information on transactions with the Polish Government and entities controlled or jointly controlled by the Polish Government, or over which the Polish Government has significant influence (IAS 24.25).

Pursuant to the scope of IAS 24.26, in the period from 1 January to 30 June 2025 the Company concluded the following transactions with the Polish Government and entities controlled or jointly controlled by the Polish Government, unusual due to their nature or amount:

- due to an agreement on setting mining usufruct for the extraction of mineral resources and for exploration for and evaluation of mineral resources – balance of payables as at 30 June 2025 in the amount of PLN 220 million (as at 31 December 2024: PLN 241 million); including fees on setting mining usufruct for the extraction of mineral resources recognised in costs in the amount of PLN 18 million (for 2024: PLN 34 million),
- due to a reverse factoring agreement – as at 30 June 2025 the Company recognised payables in the amount of PLN 1 012 million (as at 31 December 2024, PLN 1 727 million),
- banks related to the State Treasury executed the following transactions and economic operations on the Company's behalf: spot currency exchange, depositing cash, cash pooling, granting bank loans, guarantees and letters of credit (including documentary letters of credit), processing of a documentary collection, running bank accounts, servicing of business credit cards and servicing of special purpose funds.

State Treasury companies may purchase bonds issued by KGHM Polska Miedź S.A.

Other transactions between the Company and the Polish Government and with entities controlled or jointly controlled by the Polish Government, or over which the Polish Government has significant influence, were within the scope of normal, daily economic operations. These transactions concerned the following:

- the purchase of materials, merchandise and services to meet the needs of current operating activities. In the period from 1 January to 30 June 2025, the turnover from these transactions amounted to PLN 1 241 million (from 1 January to 30 June 2024: PLN 1 164 million), and, as at 30 June 2025, the unsettled balance of liabilities from these transactions amounted to PLN 173 million (as at 31 December 2024: PLN 170 million),
- sales to Polish State Treasury Companies. In the period from 1 January to 30 June 2025, the turnover from these sales amounted to PLN 50 million (from 1 January to 30 June 2024: PLN 48 million), and, as at 30 June 2025, the unsettled balance of receivables from these transactions amounted to PLN 173 million (as at 31 December 2024: PLN 128 million).

amounts in PLN millions, unless otherwise stated

Note 3.9 Assets and liabilities not recognised in the statement of financial position

The value of contingent assets and liabilities and other liabilities not recognised in the statement of financial position were determined based on estimates.

	As at 30 June 2025	As at 31 December 2024
Contingent assets	**451**	**425**
Guarantees received	160	148
Promissory notes receivables	289	275
Other	2	2
Contingent liabilities	**821**	**862**
Guarantees	670	698
Financial support granted to municipalities in the form of a donation*	117	131
Other	34	33

** The Company's obligation to provide financial support (cash donations) resulting from agreements concluded with the municipalities of Polkowice, Rudna and Grębocice, where the "Żelazny Most" Tailings Storage Facility is located. These donations are intended to reduce the inconvenience resulting from the Company's current operations in the areas of these municipalities as well as to support them in meeting their needs in the scope of technical, economic and social infrastructure development and relate to events that will or may occur in the coming years. The agreements specify the maximum amount of support available in each year and the maximum total amount of payments in the years 2025-2036. Payments are subject to the municipalities preparing applications in accordance with the terms specified in the agreements. The issue of submitting applications by the municipalities is beyond the Company's control. The municipalities are also required to prepare a report on the expenditure of the funds received, which is verified by the Company.*

Note 3.10 Changes in working capital

	Inventories	Trade receivables	Trade payables	Other payables*	Working capital
As at 1 January 2025	(7 037)	(885)	2 825	2 000	**(3 097)**
As at 30 June 2025	(7 617)	(786)	2 432	2 046	**(3 925)**
Impact of changes in the statement of financial position	**(580)**	**99**	**(393)**	**46**	**(828)**
Depreciation/amortisation recognised in inventories	60	-	-		**60**
Change in payables due to the purchase of property, plant and equipment and intangible assets	-	-	432	36	**468**
Change in liabilities due to interest	-	-	-	1	**1**
Total adjustments	**60**	**-**	**432**	**37**	**529**
Change in the statement of cash flows from operating activities	**(520)**	**99**	**39**	**83**	**(299)**

** Trade payables within the reverse factoring mechanism*

	Inventories	Trade receivables	Trade payables	Other payables*	Working capital
As at 1 January 2024	(7 506)	(471)	3 044	3 021	**(1 912)**
As at 30 June 2024	(7 239)	(966)	2 474	3 544	**(2 187)**
Impact of changes in the statement of financial position	**267**	**(495)**	**(570)**	**523**	**(275)**
Depreciation/amortisation recognised in inventories	57	-	-	-	**57**
Change in payables due to the purchase of property, plant and equipment and intangible assets	-	-	277	(66)	**211**
Change in liabilities due to interest	-	-	-	(6)	**(6)**
Total adjustments	**57**	**-**	**277**	**(72)**	**262**
Change in the statement of cash flows from operating activities	**324**	**(495)**	**(293)**	**451**	**(13)**

** Trade payables within the reverse factoring mechanism*

Part 4 – Quarterly financial information of KGHM Polska Miedź S.A.

SEPARATE STATEMENT OF PROFIT OR LOSS

		from 1 April 2025 to 30 June 2025*	from 1 April 2024 to 30 June 2024*	from 1 January 2025 to 30 June 2025	from 1 January 2024 to 30 June 2024
	Revenues from contracts with customers	7 323	7 797	14 860	15 076
Note 4.1	Cost of sales	(6 206)	(6 233)	(12 634)	(12 743)
	Gross profit	**1 117**	**1 564**	**2 226**	**2 333**
Note 4.1	Selling costs and administrative expenses	(384)	(394)	(685)	(662)
	Profit on sales	**733**	**1 170**	**1 541**	**1 671**
Note 4.2	Other operating income, including:	216	905	457	1 314
	interest income calculated using the effective interest rate method	102	112	201	204
	fair value gains on financial assets measured at fair value through profit or loss	(19)	209	24	337
Note 4.2	Other operating costs, including:	(797)	(558)	(1 533)	(736)
	fair value losses on financial assets measured at fair value through profit or loss	(248)	(32)	(381)	(67)
Note 4.3	Finance income	211	74	363	74
Note 4.3	Finance costs	(122)	(183)	(194)	(305)
	Profit before income tax	**241**	**1 408**	**634**	**2 018**
	Income tax expense	(255)	(464)	(521)	(687)
	PROFIT FOR THE PERIOD	**(14)**	**944**	**113**	**1 331**
	Weighted average number of ordinary shares (million)	**200**	**200**	**200**	**200**
	Basic and diluted earnings per share (in PLN)	**(0.07)**	**4.72**	**0.57**	**6.66**

**Data not subject to review and audit*

amounts in PLN millions, unless otherwise stated

Explanatory notes to the condensed separate statement of profit or loss

Note 4.1 Expenses by nature

	from 1 April 2025 to 30 June 2025*	from 1 April 2024 to 30 June 2024*	from 1 January 2025 to 30 June 2025	from 1 January 2024 to 30 June 2024
Depreciation of property, plant and equipment and amortisation of intangible assets	445	406	890	801
Employee benefits expenses	1 498	1 478	2 944	2 768
Materials and energy, including:	2 931	2 962	6 122	5 995
purchased metal-bearing materials	1 902	1 921	3 952	3 861
electrical and other energy	432	453	920	918
External services, including:	685	674	1 350	1 310
transport	89	88	179	178
repairs, maintenance and servicing	239	221	449	411
mine preparatory work	179	175	365	356
Minerals extraction tax	1 022	1 150	2 082	1 955
Other taxes and charges	172	106	366	376
Other costs	37	48	56	72
Total expenses by nature	**6 790**	**6 824**	**13 810**	**13 277**
Cost of merchandise and materials sold (+)	76	82	170	179
Change in inventories of finished goods and work in progress (+/-)	(232)	(225)	(566)	57
Costs of manufacturing products for internal use (-)	(44)	(54)	(95)	(108)
Total costs of sales, selling costs and administrative expenses, of which:	**6 590**	**6 627**	**13 319**	**13 405**
Cost of sales	6 206	6 233	12 634	12 743
Selling costs	44	44	89	91
Administrative expenses	340	350	596	571

**Data not subject to review and audit*

amounts in PLN millions, unless otherwise stated

Note 4.2 Other operating income and (costs)

	from 1 April 2025 to 30 June 2025*	from 1 April 2024 to 30 June 2024*	from 1 January 2025 to 30 June 2025	from 1 January 2024 to 30 June 2024
Gains on derivatives, of which:	27	470	73	537
measurement	(9)	13	33	70
realisation	36	457	40	467
Interest on loans granted and other financial receivables	103	113	202	205
Reversal of impairment losses on financial instruments measured at amortised cost, including:	67	19	73	19
gains due to the reversal of allowances for impairment of loans granted	67	19	72	19
Release of provisions	19	1	27	2
Fair value gains on financial assets measured at fair value through profit or loss, including:	(19)	209	24	337
loans	-	216	-	337
Dividends income	10	10	10	10
Fees and charges on re-invoicing of costs of bank guarantees securing payments of liabilities	2	1	8	11
Compensations, fines and penalties received	3	4	5	7
Government grants received	3	1	3	1
Exchange differences on financial assets and liabilities other than borrowings	-	76	-	171
Other	1	1	32	14
Total other operating income	**216**	**905**	**457**	**1 314**
Losses on derivatives, of which:	(27)	(481)	(176)	(564)
measurement	57	9	(69)	(65)
realisation	(84)	(490)	(107)	(499)
Exchange differences on financial assets and liabilities other than borrowings	(415)	-	(801)	-
Fair value losses on financial assets measured at fair value through profit or loss, of which:	(248)	(32)	(381)	(67)
loans	(229)	-	(339)	-
trade receivables	(19)	(32)	(42)	(67)
Impairment losses on shares in subsidiaries	(68)	-	(68)	-
Donations granted	(11)	(12)	(26)	(22)
Impairment losses on fixed assets under construction and intangible assets not yet available for use	(21)	(1)	(21)	(1)
Losses on modification of financial assets	17	-	(15)	-
Provisions recognised	(3)	(23)	(9)	(61)
Loss on disposal of property, plant and equipment (including costs associated with disposal)	(6)	(3)	(7)	(6)
Impairment losses on financial instruments measured at amortised cost, including:	(3)	1	(6)	-
allowances for impairment of loans granted	(4)	1	(5)	-
Other	(12)	(7)	(23)	(15)
Total other operating costs	**(797)**	**(558)**	**(1 533)**	**(736)**
Other operating income and (costs)	**(581)**	**347**	**(1 076)**	**578**

**Data not subject to review and audit*

amounts in PLN millions, unless otherwise stated

Note 4.3 Finance income and (costs)

	from 1 April 2025 to 30 June 2025*	from 1 April 2024 to 30 June 2024*	from 1 January 2025 to 30 June 2025	from 1 January 2024 to 30 June 2024
Exchange differences on measurement and realisation of borrowings	152	-	304	-
Gains on derivatives – realisation	59	74	59	74
Total finance income	**211**	**74**	**363**	**74**
Losses on derivatives - realisation	(61)	(80)	(61)	(80)
Interest on trade payables within the reverse factoring mechanism	(33)	(44)	(55)	(80)
Unwinding of the discount effect	(19)	(20)	(40)	(39)
Interest on borrowings, including:	(3)	(6)	(26)	(33)
leases	-	(2)	(2)	(4)
Fees and charges on external financing	(6)	(7)	(12)	(13)
Exchange differences on measurement and realisation of borrowings	-	(26)	-	(60)
Total finance costs	**(122)**	**(183)**	**(194)**	**(305)**
Finance income and (costs)	**89**	**(109)**	**169**	**(231)**

**Data not subject to review and audit*

SIGNATURES OF MEMBERS OF THE MANAGEMENT BOARD

These financial statements were authorised for issue on 18 August 2025.

President
of the Management Board

Andrzej Szydło

Vice President
of the Management Board

Zbigniew Bryja

Vice President
of the Management Board

Piotr Krzyżewski

Vice President
of the Management Board

Mirosław Laskowski

Vice President
of the Management Board

Anna Sobieraj - Kozakiewicz

Vice President
of the Management Board

Piotr Stryczek

SIGNATURE OF PERSON RESPONSIBLE FOR ACCOUNTING

Executive Director
of Accounting Services Centre
Chief Accountant

Agnieszka Sinior