

POLISH FINANCIAL SUPERVISION AUTHORITY

Consolidated quarterly report QSr 1 / 2026

(in accordance with § 61 section 2 and § 63 section 1 of the Decree regarding current and periodic information)

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

For the first quarter of the financial year **2026** from **1 January 2026** to **31 March 2026** containing the condensed consolidated financial statements prepared under IAS (International Accounting Standard) 34 in PLN, and condensed financial statements prepared under IAS 34 in PLN.

publication date: 13 May 2026

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**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 2026 to 31 March 2026	from 1 January 2025 to 31 March 2025	from 1 January 2026 to 31 March 2026	from 1 January 2025 to 31 March 2025
	I. Revenues from contracts with customers	11 872	8 942	2 803
II. Profit on sales	4 000	1 128	944	270
III. Profit before income tax	4 762	734	1 124	175
IV. Profit for the period	3 529	330	833	79
V. Profit for the period attributable to shareholders of the Parent Entity	3 529	330	833	79
VI. Profit for the period attributable to non-controlling interest	-	-	-	-
VII. Other comprehensive income	584	23	138	5
VIII. Total comprehensive income	4 113	353	971	84
IX. Total comprehensive income attributable to shareholders of the Parent Entity	4 113	354	971	84
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 (PLN/EUR) attributable to shareholders of the Parent Entity	17.65	1.65	4.17	0.40
XIII. Net cash generated from/(used in) operating activities	680	1 403	161	335
XIV. Net cash generated from/(used in) investing activities	(827)	(1 319)	(195)	(315)
XV. Net cash generated from/(used in) financing activities	221	35	52	8
XVI. Total net cash flow	74	119	18	28
	As at 31 March 2026	As at 31 December 2025	As at 31 March 2026	As at 31 December 2025
XVII. Non-current assets	46 696	45 015	10 886	10 650
XVIII. Current assets	16 759	13 225	3 907	3 129
XIX. Total assets	63 455	58 240	14 793	13 779
XX. Non-current liabilities	13 248	13 273	3 089	3 140
XXI. Current liabilities	13 196	12 069	3 076	2 855
XXII. Equity	37 011	32 898	8 628	7 784
XXIII. Equity attributable to shareholders of the Parent Entity	36 941	32 828	8 612	7 767
XXIV. Equity attributable to non-controlling interest	70	70	16	17

data concerning the quarterly financial information of KGHM Polska Miedź S.A.

	in PLN mn		in EUR mn	
	from 1 January 2026 to 31 March 2026	from 1 January 2025 to 31 March 2025	from 1 January 2026 to 31 March 2026	from 1 January 2025 to 31 March 2025
	I. Revenues from contracts with customers	10 493	7 537	2 478
II. Profit on sales	3 758	808	887	193
III. Profit before income tax	4 119	393	973	94
IV. Profit for the period	2 968	127	701	30
V. Other comprehensive net income	414	164	98	39
VI. Total comprehensive income	3 382	291	799	70
VII. Number of shares issued (million)	200	200	200	200
VIII. Earnings per ordinary share (PLN/EUR)	14.84	0.64	3.51	0.15
IX. Net cash generated from/(used in) operating activities	813	1 217	192	291
X. Net cash generated from/(used in) investing activities	(487)	(1 051)	(115)	(251)
XI. Net cash generated from/(used in) financing activities	(284)	153	(67)	37
XII. Total net cash flow	42	319	10	76
	As at 31 March 2026	As at 31 December 2025	As at 31 March 2026	As at 31 December 2025
XIII. Non-current assets	43 047	42 166	10 036	9 976
XIV. Current assets	14 240	11 394	3 320	2 696
XV. Total assets	57 287	53 560	13 356	12 672
XVI. Non-current liabilities	10 481	10 951	2 443	2 591
XVII. Current liabilities	11 910	11 095	2 778	2 625
XVIII. Equity	34 896	31 514	8 135	7 456

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Part 1 – Condensed consolidated financial statements

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

		from 1 January 2026 to 31 March 2026	from 1 January 2025 to 31 March 2025
Note 3.3	Revenues from contracts with customers	11 872	8 942
Note 4.1	Cost of sales	(7 366)	(7 334)
	Gross profit on sales	4 506	1 608
Note 4.1	Selling costs and administrative expenses	(506)	(480)
	Profit on sales	4 000	1 128
Note 4.5	Share in profit of a joint venture accounted for using the equity method	221	-
Note 4.5	Gain due to the reversal of allowances for impairment of loans granted to a joint venture	103	3
Note 4.5	Interest income on loans granted to a joint venture calculated using the effective interest rate method	130	147
	Profit or loss on involvement in a joint venture	454	150
Note 4.2	Other operating income, including:	657	241
	other interest calculated using the effective interest rate method	8	12
Note 4.2	Other operating costs, including:	(228)	(878)
	impairment losses on financial instruments	(1)	(2)
Note 4.3	Finance income	-	151
Note 4.3	Finance costs	(121)	(58)
	Profit before income tax	4 762	734
	Income tax expense	(1 233)	(404)
	PROFIT FOR THE PERIOD	3 529	330
	Profit for the period attributable to:		
	shareholders of the Parent Entity	3 529	330
	non-controlling interest	-	-
	Weighted average number of ordinary shares (million)	200	200
	Basic/diluted earnings per share (in PLN)	17.65	1.65

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	from 1 January 2026 to 31 March 2026	from 1 January 2025 to 31 March 2025
Profit for the period	3 529	330
Effective portion of the change in the fair value of hedging instruments and the cost of hedging, net of the tax effect	100	46
Exchange differences from the translation of statements of operations with a functional currency other than PLN	170	(144)
Other comprehensive income which will be reclassified to profit or loss	270	(98)
Measurement of equity financial instruments at fair value through other comprehensive income, net of the tax effect	238	178
Actuarial gains/(losses) net of the tax effect	76	(57)
Other comprehensive income, which will not be reclassified to profit or loss	314	121
Total other comprehensive net income	584	23
TOTAL COMPREHENSIVE INCOME	4 113	353
Total comprehensive income attributable to:		
shareholders of the Parent Entity	4 113	354
non-controlling interest	-	(1)

CONSOLIDATED STATEMENT OF CASH FLOWS

	from 1 January 2026 to 31 March 2026	from 1 January 2025 to 31 March 2025
Cash flow from operating activities		
Profit before income tax	4 762	734
Depreciation/amortisation recognised in profit or loss	488	458
Share in profit of a joint venture accounted for using the equity method	(221)	-
Interest on loans granted to a joint venture	(130)	(147)
Other interest	18	30
Impairment losses on property, plant and equipment and intangible assets	4	3
Gain due to the reversal of allowances for impairment of loans granted to a joint venture	(103)	(3)
Gain on disposal of subsidiaries	-	(98)
Exchange differences, of which:	(301)	490
from investment activities and cash	(379)	640
from financing activities	78	(150)
Change in provisions for decommissioning of mines, liabilities related to future employee benefits programs and other provisions	57	121
Change in other receivables and liabilities other than working capital	266	138
Change in assets and liabilities due to derivatives	(643)	85
Reclassification of other comprehensive income to profit or loss due to the realisation of hedging derivatives	520	(1)
Other adjustments	(28)	(29)
Exclusions of income and costs, total	(73)	1 047
Income tax paid	(766)	(383)
Note 4.11 Changes in working capital, including:	(3 243)	5
change in trade payables within the reverse factoring mechanism	(827)	470
Net cash generated from/(used in) operating activities	680	1 403
Cash flow from investing activities		
Expenditures on mining and metallurgical assets, including:	(1 147)	(1 265)
Note 4.8 paid capitalised interest on borrowings	(33)	(45)
Expenditures on other property, plant and equipment and intangible assets	(271)	(218)
Expenditures on financial assets designated for decommissioning mines and other technological facilities	(34)	(30)
Advances granted on property, plant and equipment and intangible assets	(5)	(2)
Proceeds from repayment of loans granted to a joint venture (principal)	-	152
Proceeds from disposal of property, plant and equipment and intangible assets	8	16
Proceeds from disposal of subsidiaries	-	14
Interest received on loans granted to a joint venture	615	18
Other	7	(4)
Net cash generated from/(used in) investing activities	(827)	(1 319)
Cash flow from financing activities		
Note 4.8 Proceeds from borrowings	877	229
Note 4.8 Repayments of borrowings	(591)	(132)
Note 4.8 Repayment of lease liabilities	(19)	(16)
Payment of interest, of which:	(48)	(50)
trade payables within the reverse factoring mechanism	(12)	(25)
Note 4.8 borrowings	(36)	(25)
Other	2	4
Net cash generated from/(used in) financing activities	221	35
NET CASH FLOW	74	119
Exchange gains/(losses)	5	35
Cash and cash equivalents at beginning of the period	443	715
Cash and cash equivalents at end of the period, including:	522	869
restricted cash	9	16

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at 31 March 2026	As at 31 December 2025
ASSETS		
Mining and metallurgical property, plant and equipment	25 909	25 711
Mining and metallurgical intangible assets	2 936	2 799
Mining and metallurgical property, plant and equipment and intangible assets	28 845	28 510
Other property, plant and equipment	3 146	3 089
Other intangible assets	286	181
Other property, plant and equipment and intangible assets	3 432	3 270
Joint venture accounted for using the equity method	2 112	1 814
Loans granted to a joint venture	8 382	8 436
Note 4.5 Involvement in a joint venture	10 494	10 250
Derivatives	770	168
Other financial instruments measured at fair value	2 088	1 792
Other financial instruments measured at amortised cost	599	566
Note 4.6 Financial instruments, total	3 457	2 526
Deferred tax assets	192	189
Other non-financial assets	276	270
Non-current assets	46 696	45 015
Inventories	12 489	9 608
Note 4.6 Trade receivables, including:	2 047	1 885
trade receivables measured at fair value through profit or loss	1 295	1 342
Tax assets	649	659
Note 4.6 Derivatives	256	128
Note 4.6 Other financial assets	259	237
Other non-financial assets	537	265
Note 4.6 Cash and cash equivalents	522	443
Current assets	16 759	13 225
TOTAL ASSETS	63 455	58 240
EQUITY AND LIABILITIES		
Share capital	2 000	2 000
Other reserves from measurement of financial instruments	(1 391)	(1 729)
Accumulated other comprehensive income, other than from measurement of financial instruments	1 741	1 495
Retained earnings	34 591	31 062
Equity attributable to shareholders of the Parent Entity	36 941	32 828
Equity attributable to non-controlling interest	70	70
Equity	37 011	32 898
Note 4.6 Borrowings and leases	2 242	2 434
Note 4.6 Debt securities	2 600	2 600
Note 4.6 Derivatives	1 959	1 626
Employee benefits liabilities	2 744	2 892
Provisions for decommissioning costs of mines and other technological facilities	2 041	2 123
Deferred tax liabilities	1 297	1 227
Other liabilities	365	371
Non-current liabilities	13 248	13 273
Note 4.6 Borrowings and leases	1 399	811
Note 4.6 Debt securities	35	4
Note 4.6 Derivatives	1 593	1 440
Note 4.6 Trade and other payables	3 812	4 510
Employee benefits liabilities	2 271	2 216
Tax liabilities	2 374	1 746
Provisions for liabilities and other charges	139	137
Other liabilities	1 573	1 205
Current liabilities	13 196	12 069
Non-current and current liabilities	26 444	25 342
TOTAL EQUITY AND LIABILITIES	63 455	58 240

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Equity attributable to shareholders of the Parent Entity				Total	Equity attributable to non-controlling interest	Total equity
	Share capital	Other reserves from measurement of financial instruments	Accumulated other comprehensive income	Retained earnings			
As at 1 January 2025	2 000	(162)	1 778	27 374	30 990	68	31 058
Profit for the period	-	-	-	330	330	-	330
Other comprehensive income	-	224	(200)	-	24	(1)	23
Total comprehensive income	-	224	(200)	330	354	(1)	353
As at 31 March 2025	2 000	62	1 578	27 704	31 344	67	31 411
As at 1 January 2026	2 000	(1 729)	1 495	31 062	32 828	70	32 898
Profit for the period	-	-	-	3 529	3 529	-	3 529
Other comprehensive income	-	338	246	-	584	-	584
Total comprehensive income	-	338	246	3 529	4 113	-	4 113
As at 31 March 2026	2 000	(1 391)	1 741	34 591	36 941	70	37 011

1 – General information

Note 1.1 Corporate information

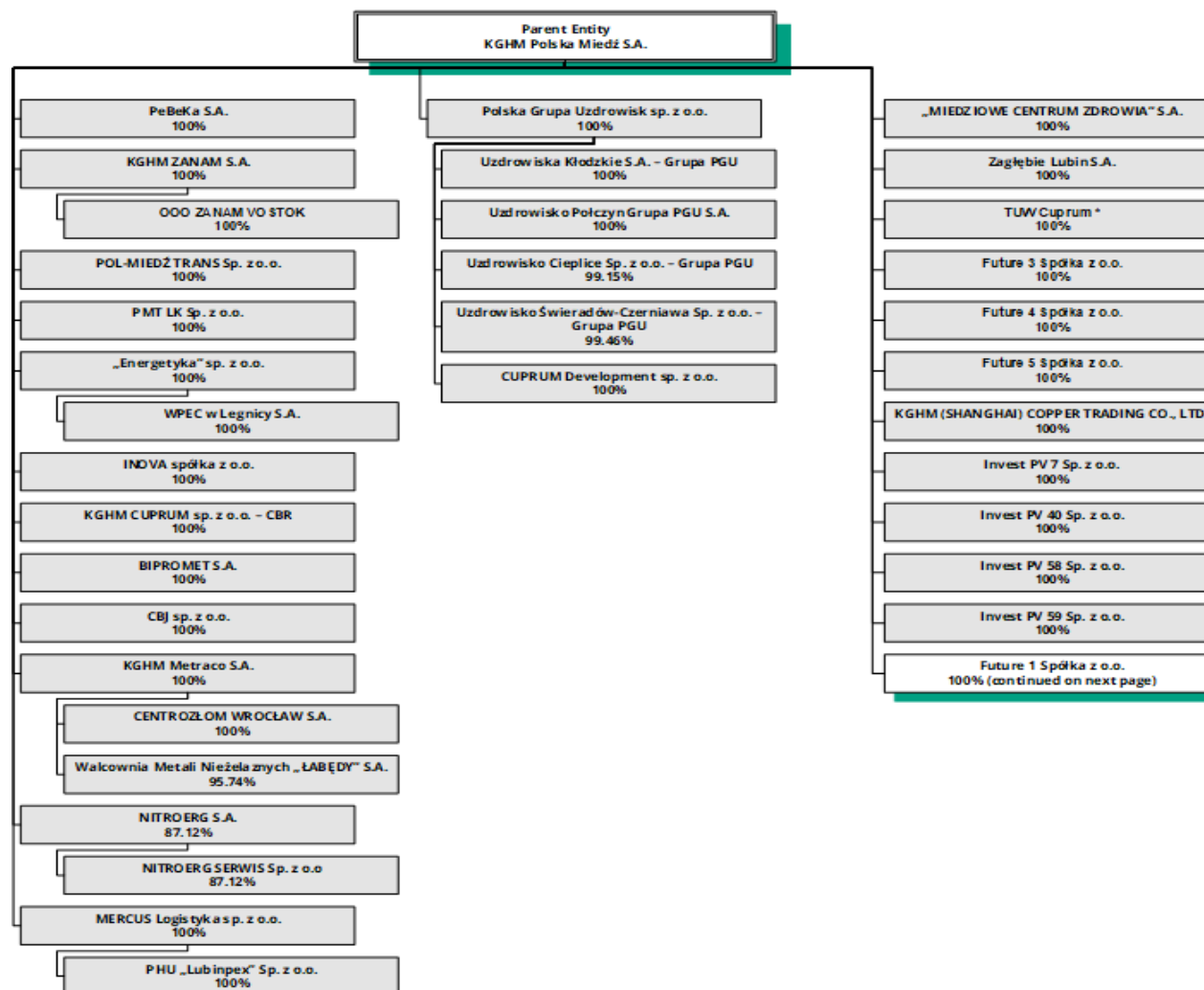
KGHM Polska Miedź S.A. is the Parent Entity of the KGHM Polska Miedź S.A. Group (“the Parent Entity”, “the Company”) with its registered office in Lubin at 48 M. Skłodowskiej-Curie Street and is a joint stock company registered at the Regional Court for Wrocław Fabryczna in Wrocław, Section IX (Economic) of the National Court Register, entry no. KRS 23302, on the territory of the Republic of Poland. Since 1997, the shares of KGHM Polska Miedź S.A. have been listed on the Warsaw Stock Exchange. As at the date of preparation of these consolidated financial statements, the State Treasury is the largest shareholder of the Company, with 31.79% share.

The main business activities of the Parent Entity include the mining of copper ore and non-ferrous metal deposits, carried out by mines on the basis of concessions granted to KGHM Polska Miedź S.A., as well as the production of electrolytic copper, precious metals (including silver and gold) and other non-ferrous metals, carried out in metallurgical plants, using advanced technologies. The Company's operations are characterised by a highly integrated technology chain. The Company carries out tasks on its own, from exploration and acquisition of raw materials through their extraction, production, transport, reaching customers and stakeholders to responsible waste management, so as to limit its negative impact on the environment as much as possible. The Parent Entity has a multi-divisional organisational structure, comprised of a Head Office and 10 divisions located in Lower Silesia: 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 Center Division.

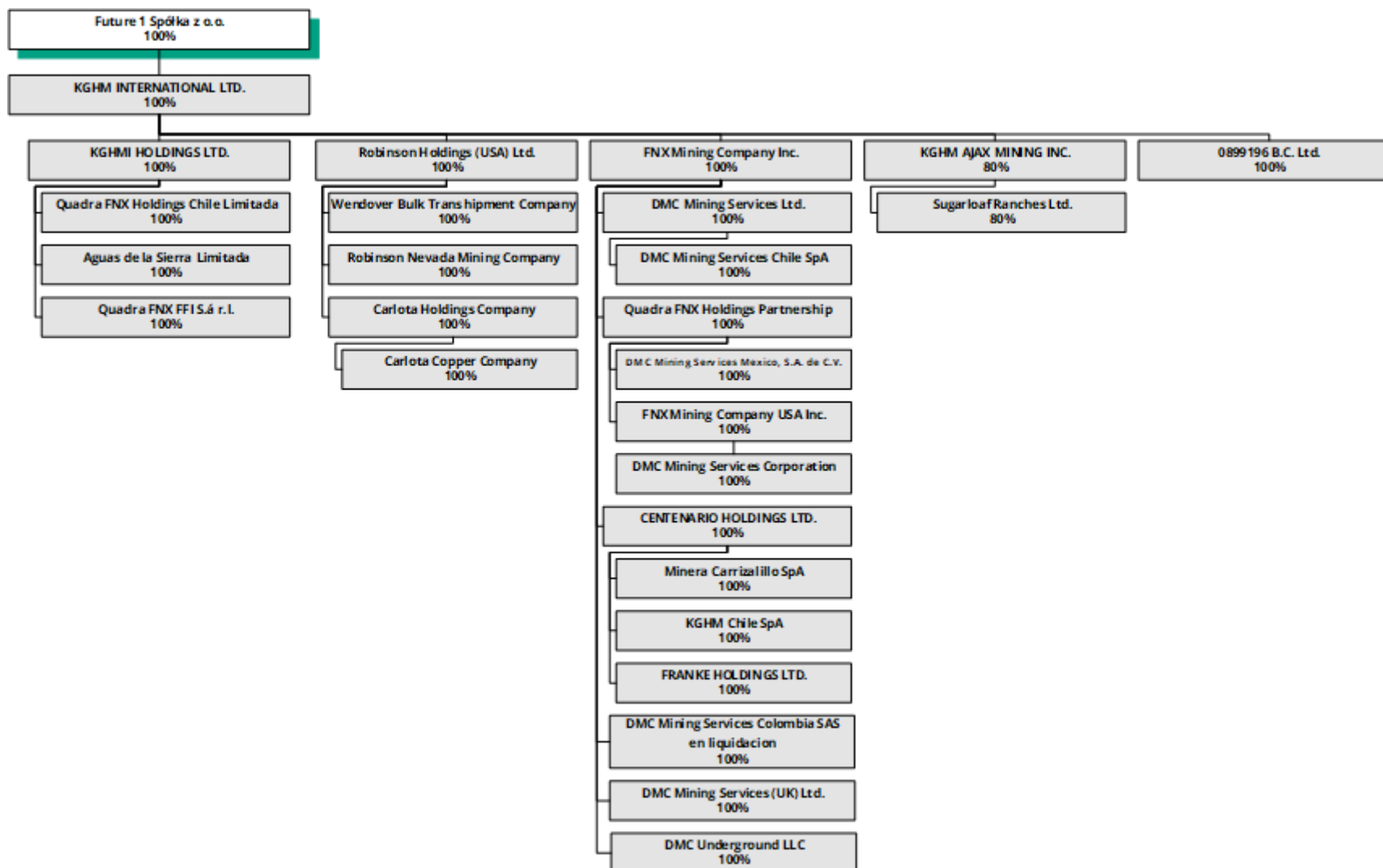
Also, in the case of the KGHM Polska Miedź S.A. Group (the Group), the exploration and mining of copper, nickel and precious metals ore deposits is a key area of activity. On international markets, mining activities are carried out by companies of the KGHM INTERNATIONAL LTD. Group (a subgroup), which hold legal titles for exploration for and mining of raw materials in the USA, Canada and Chile. Moreover, the Group conducts activities that include a number of other supporting and supplementary activities, which are described in Note 3.1

Note 1.2 Structure of the KGHM Polska Miedź S.A. Group

As at 31 March 2026, KGHM Polska Miedź S.A. consolidated 60 subsidiaries and used the equity method to account for the shares of the joint venture Sierra Gorda S.C.M.



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



Note 1.3 Exchange rates applied

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

- for the conversion of turnover, profit or loss and cash flow for the current period, the rate of **4.2352 EURPLN ***,
- for the conversion of turnover, profit or loss and cash flow for the comparable period, the rate of **4.1848 EURPLN****,
- for the conversion of assets, equity and liabilities at 31 March 2026, the current average exchange rate announced by the National Bank of Poland (NBP) as at 31 March 2026, of **4.2894 EURPLN**,
- for the conversion of assets, equity and liabilities at 31 December 2025, the current average exchange rate announced by the NBP as at 31 December 2025, of **4.2267 EURPLN**.

*Exchange rate is the arithmetical average of the current average exchange rates announced by the National Bank of Poland for each day, from January to March 2026.

**Exchange rate is the arithmetical average of the current average exchange rates announced by the National Bank of Poland on the last day of each month, from January to March 2025.

Note 1.4 Accounting policies and the impact of new and amended standards and interpretations

The following quarterly report includes:

1. the condensed consolidated financial statements of the KGHM Polska Miedź S.A. Group for the period from 1 January to 31 March 2026 and the comparable period from 1 January to 31 March 2025, together with selected explanatory information (**Part 1**),
2. the quarterly financial information of KGHM Polska Miedź S.A. for the period from 1 January to 31 March 2026 and the comparable period from 1 January to 31 March 2025 (**Part 2**).

Neither the condensed consolidated financial statements for the period from 1 January to 31 March 2026 and as at 31 March 2026 nor the quarterly financial information of KGHM Polska Miedź S.A. for the period from 1 January to 31 March 2026 and as at 31 March 2026 were subject to audit by a certified auditor.

The consolidated quarterly report for the period from 1 January 2026 to 31 March 2026 was prepared in accordance with IAS 34 *Interim Financial Reporting* as approved 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 2025 and the Consolidated annual report SRR 2025.

This quarterly report's financial statements were prepared using the same accounting policies and valuation methods for the current and comparable periods and principles applied in annual financial statements (consolidated and separate), prepared as at 31 December 2025.

Note 1.4.1 Impact of new and amended standards and interpretations

From 1 January 2026, the following amendments to standards entered into force:

- **Amendments to IFRS 9 and IFRS 7 on classification and measurement of financial instruments in the following scopes:**
 - classification of financial assets associated with ESG features: the Amendment to IFRS 9 concerns mainly loans granted and will not have an impact on the Group's consolidated financial statements, since the Group does not have loans associated with ESG features,
 - principles of derecognition of liabilities, when they are settled in cash using an electronic payment system. This amendment will not have an impact on the consolidated financial statements of the Group, because the Group derecognises a financial liability which is settled in cash using an electronic payment system as at the date of settlement,
 - introduction in IFRS 7 paragraph 11A of changes in information disclosure requirements of equity instruments designated at fair value through other comprehensive income. The Group holds such instruments and will appropriately adjust the scope of disclosure to the amended requirements.
- **Amendments to IFRS 9 and IFRS 7 on contracts referencing nature-dependent electricity.** The amendments concern contracts, which expose the entity (purchaser of electricity) to variability in the underlying amount of electricity because the electricity is generated from a source dependent on uncontrollable natural conditions (such as wind or sun). As at the date of preparation of these condensed consolidated financial statements, the Group has nature-dependent PPA agreements for the purchase of electricity. The Group uses all the energy supplied from these sources for its own needs, as the purchased volume constitutes an insignificant part of the Group's electricity demand and therefore it does not resell it. Pursuant to paragraph 2.4 of IFRS 9, the Group treats these agreements as being outside the scope of this standard.
- **Annual improvements to IFRS Accounting Standards – volume 11.** Amendments introduced to standards under this cycle of amendments will not have a significant impact on the consolidated financial statements of the Group.

Up to the date of publication of these condensed consolidated financial statements, the aforementioned amendments were adopted for use by the European Union.

Impact of the international tax system reform: pillar 2 of the BEPS 2.0 project

The act of 6 November 2024 on top-up taxation of individual companies of international and Polish groups (hereafter: the Act) implemented rules 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 Union to the Polish legal system. Adoption of the Act is the realisation of guidelines of the so-called pillar 2 of the BEPS 2.0 project, which introduces a general framework for a global minimum tax approved under the work of the OECD forum (OECD Framework).

The Polish legal acts entered into force on 1 January 2025 with the possibility of their voluntary application from 1 January 2024 (in the case of the global top-up tax and the Polish top-up tax), but KGHM Polska Miedź S.A. ("the Company") did not exercise the voluntary application option as of 1 January 2024.

Pursuant to the Act, the Company meets the criteria of a so-called MNE (multinational enterprise) and therefore is obliged to report a specific level of the tax rate of its subsidiaries at the level of individual jurisdictions. 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 and Poland.

While the rules of the Directive should have been in force from 2024, the OECD Framework include a transitional period, which postpones the obligations in this regard by 4 subsequent years. Based on a detailed technical analysis of the assumptions stipulated in transitional rules, in the Group's opinion it will be able to use them in the majority of jurisdictions in which it operates. Moreover, according to the current estimates, the probability of paying the top-up tax in any of the jurisdictions is judged by the Group to be low.

In accordance with the requirements of IAS 12 paragraph 88A, the Group does not recognise deferred tax assets and liabilities related to income taxes of pillar 2 and does not 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.

For 2025, the Group did not incur any liability due to the top-up tax and therefore the Group is not obliged to pay it. However, the Group will be required to pay the top-up tax for the years 2026 and 2027 if the conditions of maintaining the exemption under the temporary safe harbours for this period are not met, and if at the level of any of the jurisdictions in which the subsidiaries of the Group are currently present, their effective tax rate (calculated in accordance with the BEPS (Base erosion and profit shifting) rules) is below 15%. In the years following 2027, 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 judged as low.

Note 1.5 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.

The Management Board of KGHM Polska Miedź S.A. assessed the existence of indications of the possibility of impairment of assets, pursuant to the requirements of International Accounting Standard 36 – Impairment of assets. The analysis was carried out taking into account both external factors resulting from the economic and market environments, as well as internal factors relating to the unique nature of the entity's operations, the efficiency of the use of assets and changes in their expected utility.

In the first quarter of 2026, the share price of KGHM Polska Miedź S.A. was characterised by high dynamics, supported, among others, by rising prices of metals, especially copper and silver. The average price of the Company's shares in the first quarter of 2026 increased by 8.4% compared to the share price at the end of 2025 (the average share price in the first quarter of 2026 was PLN 304.46). In the same period, the average WIG20 index increased by 4.7%, and the average WIG index increased by 5.0%. As at 31 March 2026, the share price amounted to PLN 267.90 and was lower by 4.6% as compared to share price from 31 December 2025 (PLN 280.80). As a result, the Company's market capitalisation decreased from PLN 56 160 million to PLN 53 580 million, which means that as at 31 March 2026 it remained at the level of 154% of the value of the Company's net assets. However, it should be noted that the average ratio of market capitalisation to book value of net assets throughout the first quarter of 2026 was 193%.

From the point of view of the Company's operations, the key factor influencing the level of market capitalisation is the price of copper. In the first quarter of 2026, the copper price was characterised by high volatility, peaking in January 2026 (13 844 USD/t) due to the weakening of the US dollar, global trade tensions and supply shortages in the copper market. The average copper price in the first quarter of 2026 was 12 844 USD/t, which is higher than the prices recorded in 2025 (average of 9 945 USD/t).

In the case of the Polish assets, the price of metals in PLN is of significant importance, which is also affected by the USD/PLN exchange rate. Fluctuations in copper prices are usually largely compensated by changes in the USD/PLN exchange rate. The average exchange rate of the US dollar against the PLN in the first quarter of 2026 was PLN 3.62, which is lower than the exchange rate observed in 2025 (average of PLN 3.76).

Finally, the average copper price in PLN in the first quarter of 2026 was 46 475 PLN/t, which was higher than the prices recorded in 2025 (average of 37 303 PLN/t). More significant fluctuations could be observed on the precious metals market. The average price of gold in the first quarter of 2026 was USD 4 875 per ounce, which meant that it was higher than the prices observed in 2025 (average of USD 3 436 per ounce). Along with the increase in the gold price, the price of silver also increased. The average price of silver in the first quarter of 2026 was USD 84 per ounce, which means that it was higher than the prices recorded in 2025 (average of USD 40 per ounce).

Favourable macroeconomic data in 2026 contributed to a decrease in market interest rates, to 3.81 for WIBOR 1M, 3.85 for WIBOR 3M and 3.89 for WIBOR 6M at the end of March 2026, which had a positive impact on the profitability of the business. The yield on 10-year bonds was 2.16 percentage points higher than the NBP 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.

On 1 January 2026, the Act of 21 November 2025 amending the act on the minerals extraction tax and certain other acts, introducing a temporary reduction of the coefficient in the tax calculation formula for copper and silver (2026-2028) and a mechanism for deducting part of capital expenditures from tax (from 2029), entered into force.

In accordance with the aforementioned Act, the reduction in the amount of the copper tax will be conditioned mainly on the application of the investment relief mechanism, which will de facto serve as a source of financing capital expenditures and will not directly translate into a significant change in net cash flows.

The Company will be able to deduct a maximum of 40% of the value of qualified expenditures (no more than 30% of the input tax), which will require the involvement of significant capital in order to fully use the reduction on the minerals extraction tax.

Moreover, in the case of KGHM Polska Miedź S.A., a significant group of investments qualified for tax deduction are development investments, which by definition are not included in the impairment test in the model of value in use. As a result, the amendments to the act on the minerals extraction tax do not constitute an indication of an opportunity to change the recoverable amount of the Company's assets.

The Management Board of KGHM Polska Miedź S.A. assessed the assumptions adopted as at 31 December 2023 for impairment testing of the 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 of the necessity of revision of previously-adopted key assumptions.

In the current financial period, in the international assets, good production results combined with higher metal prices allowed for a significant improvement of the financial result of the KGHM INTERNATIONAL LTD. and Sierra Gorda S.C.M. segments. In the KGHM INTERNATIONAL LTD. segment, the situation remains stable. Despite the fact that the production results of the Robinson mine are lower than those of the previous year and are below budget targets for the current year, mainly due to worse parameters of the mined ore, high metal prices allowed to obtain very favourable financial results, exceeding the budget targets. The execution of the Victoria project is on schedule, there have been no changes in the assumptions of the project. In the Sierra Gorda S.C.M. segment, production did not change significantly compared to the first quarter of 2025.

Taking into account the significant uncertainty and dynamic changes in the environment, which make it difficult to draw conclusions about long-term trends, in the opinion of KGHM Polska Miedź S.A., there were no indications of the risk of impairment of the Polish and international production assets as well as the Victoria project, nor of indications of the possibility of reversing the impairment losses already made. As a result, no impairment tests were carried out for these assets as at 31 March 2026.

Due to the continuing uncertainty and significant volatility of key macroeconomic parameters, in particular metal prices and exchange rates, KGHM Polska Miedź S.A. will continue to monitor global economic conditions on an ongoing basis in terms of stabilisation or non-stabilisation of the indicated trends. If the persistence of the observed changes is confirmed, the Company will assess their impact on the recoverable amount of the assets, pursuant to the principles described in IAS 36.

2 – Realisation of strategy

During the current reporting period, the Company continued to advance the “Strategy of the KGHM Polska Miedź S.A. Group to the year 2030 with an outlook to 2040” approved on 14 January 2022 by the Company’s Supervisory Board, based on the development directions: Elasticity/flexibility, Efficiency, Ecology, E-industry and Energy.

The mission and vision remained unchanged, in the following wording - mission: To always have the copper, and vision: To use our resources efficiently to become the leader in sustainable development. The implementation of the Strategy is supported by KGHM’s values: zero harm, teamwork, results driven, accountability and courage.

At the same time, the Management Board of the Company carried out work to review and update the Strategy, adapting it to changing industry conditions, current challenges and the Group’s operational situation.

Note 2.1 Advancement of the Strategy - key achievements in individual strategic directions of development

The key achievements in advancing the strategic activities in individual strategic directions of development in the first quarter of 2026 are presented below:

Efficiency

- The Deposit Access Programme was continued – 10.5 km of tunnelling were excavated in the Rudna and Polkowice-Sieroszowice mines. The work carried out was related to building infrastructure as regards among others the power system, building piping and local pumps, conveyor belt haulage and air conditioning.
- Preparatory work continues related to the sinking of three new mine shafts (Retków, GG-2 Odra, Gaworzyce). Geological and hydrogeological research work is underway. Work commenced on carrying out exploratory drilling, aimed at acquiring data which is needed among others to design the shaft lining and to select appropriate shaft sinking technology.
- The development of the Żelazny Most Tailings Storage Facility (TSF) was continued, in accordance with the received environmental impact statement decision and the permit to develop the TSF above the crown height of 195 m a.s.l. Work was carried out on building up the walls of the north-western and eastern sections of the dam, construction of the body of the Southern Quarter and the technical infrastructure required for the functioning and servicing of the TSF.
- Work was carried out involving actions to restrict the level of the water hazard in the mines. The project to construct an anti-filtration barrier was continued in order to limit the inflow of mine water to mining areas of the Polkowice-Sieroszowice mine and to increase the capacity to pump-out the mine water.
- Work continued related to the implementation of a Costs Optimisation Program in the KGHM Polska Miedź S.A. Group. Optimisation initiatives comprise all of the Company’s key business areas, which in a permanent and strategic manner will enable enhancement of the economic efficiency of the entire Group.
- Electrolytic copper production in the domestic assets amounted to 145.3 kt.
- Payable copper production in the international assets amounted to 30.6 kt, of which: Sierra Gorda 20.6 kt (55%); Robinson 9.2 kt; Carlota 0.8 kt.
- Production of silver in the Group amounted to 328.5 t of silver. The Company retained its first-place position in the classification „largest silver mines in the world” and second place in the global ranking „largest silver producers” (World Silver Survey 2026).

Elasticity/ Flexibility

- Exploration projects continued in Poland for copper ore deposit exploration and evaluation.
- The results of the feasibility study to manage the Mieroszyno potassium and magnesium salts deposit in the vicinity of Puck were analysed internally.
- Modernisation work continued as regards the electrorefining process by converting to permanent starter sheet technology at the Legnica Copper Smelter and Refinery.
- Design work continued on developing processing activities at the Cedynia Wire Rod Plant, aimed at increasing production and the degree of processing of offered products, which enables extension of the value chain and the generation of added value.
- The Company is systematically increasing the amount of copper scrap processed in its metallurgical plants. During the reported period, 51 thousand tonnes of copper scrap (dry weight) were processed, which amounted to 48 thousand tonnes of copper.
- Development projects in the international assets were continued. The sinking of an exploration shaft under the Advanced Exploration stage of the Victoria project in Canada continued. As regards the Sierra Gorda mine, work was carried out on preparing design documentation to build a fourth grinding line in the ore processing plant.

Ecology, Safety and Sustainable Development	<ul style="list-style-type: none"> – A sustainability report for the KGHM Group for 2025 received positive attestation. – Annual reports on CO₂ emissions for 2025 were verified by an authorised external entity to meet the needs of the system for the trading of greenhouse gas emissions allowances. – The balance of Scope 1, 2 and 3 greenhouse gas emissions for 2025 for the Group to meet the disclosure requirements regarding climate change in accordance with the ESRS reporting standard, and to evaluate the level of achievement of the target reduction goals received positive attestation. – Actions were continued related to managing water and reducing the salt content of water discharged to the Odra river. The possibility of utilising treated mine water in the cooling system of the Głogów Copper Smelter and Refinery was analysed. – The actions in the area of occupational health and safety Improvement were continued. The accident ratios were respectively: LTIFR – 6.65 for the assets in Poland, and TRIR – 0.34 for the international assets¹.
E-industry	<ul style="list-style-type: none"> – Projects aimed at automation of production lines of the Company's mines continued. Final work was carried out on among others the modernisation of the DOTRA wireless communications to digital format. Functional testing of a prototype bolting rig with an automated bolting turret at the Rudna mine was completed with a positive result – preparations are underway to begin the process of implementing this solution in the mining operations. – Standards were developed for the Personnel Registry System in the underground mines. The process of their implementation in the mines commenced. – Activities were carried out in the area of R&D, aimed at searching for innovative solutions for the Company's Core Production Business, including among others the continuation of actions involving the use of automated optic fibre diagnosis of conveyor belts in real time. Work was carried out on the concept of enhancing the energy efficiency of the copper concentrate driers at the Głogów II Copper Smelter and Refinery. Also continued were the preparation of technical-economic assumptions for a project involving the use of mobile crushers in the mines to improve the ore transport process. – Work was carried out on a prototype unit of two robots in an automated system for the cleaning of gas passages between the flash furnace and the recovery boiler at the Głogów I Copper Smelter and Refinery. – Projects continued in the area of digital transformation, focused on implementing tools based on new technology, IT solutions and in terms of cybersecurity. Key actions included among others the implementation of new back-office systems and digitalisation enhancements as well as automation of work whilst maintaining the highest security standards.
Energy	<ul style="list-style-type: none"> – Actions continued related to the implementation of the Energy Strategy of KGHM Polska Miedź S.A. Initiatives were undertaken aimed at increasing energy security and independence and at realisation of objectives of the climate policy as regards the decarbonisation and reducing greenhouse gas emissions generated by the Company, in particular those related to production processes and energy consumption. In particular: <ul style="list-style-type: none"> – the package of projects aimed at increasing electricity generation from own sources was developed, including from RES, such as photovoltaic farms and wind farms, with a total capacity of approx.180 MW, – Bank Gospodarstwa Krajowego (BGK) granted to KGHM Polska Miedź S.A. a loan in the amount of PLN 209 million. The financing will be used to build four photovoltaic installations with a total capacity of 94 MW. This investment will lead to an increase in the capacity volume of own electrical power sources, and the generated energy will be fully used to meet the needs of technological processes, – market analysis continued as regards the possibility of advancing acquisition processes, located in the vicinity of KGHM Polska Miedź S.A., in particular in the area of wind power, – work was carried out aimed at improving energy efficiency and the optimisation of energy consumption. The Energy Reduction Plan was successfully advanced, leading to the cessation or reduction of electricity offtake from the network in the reduction hours under the DSR (Demand Side Response) program, which obligates buyers of electricity to voluntarily reduce for brief periods their offtake from the National Power System whenever a lack of electrical power starts to be noticed, – analyses were carried out regards the capture, transport and geological storage of carbon dioxide under conceptual work to construct a Carbon Capture and Storage installation for the metallurgical production line at the Głogów Copper Smelter and Refinery. – In the first quarter of 2026, own energy sources, including the Group's RES, supplied 39% of the needs of KGHM Polska Miedź S.A. for contracted power. – The Sierra Gorda mine operates solely on RES-generated power.

¹ Combined for the employees of the KGHM INTERNATIONAL LTD. Group and Sierra Gorda S.C.M. as well as subcontractors of these entities.

Note 2.2 Development directions of the KGHM Polska Miedź S.A. Group

The Group has solid foundations for further development and for strengthening the Company's position on the global commodities market. The Group's functioning is determined by its capacity to adapt to changing market conditions and trends, to utilise innovative technology and the possibility to effectively manage geopolitical risks and regulations, especially those related to ESG issues.

Of fundamental importance for the Group is the development of its resource base and ensuring profitable production, while at the same time maximising the value of the assets held in the long term. In the short-term perspective, the Company is focused on developing its core mining and metallurgical activities and on the systematic enhancement of its competencies in this regard within the Group. At the same time actions will be undertaken to protect the climate and at the energy transformation, supporting the building of a resistant and flexible business model, capable of effective functioning in a dynamically changing market and regulatory environment.

Key development-related investments include projects as regards the Core Production Business, including among others:

- searching for and exploring deposits in areas under exploration concessions,
- the Deposit Access Program in the area of Deep Głogów, including building shafts, central air conditioning stations, and the construction of access and development tunnels,
- outfitting new mining areas along with the construction of conveyor belts,
- replacement of mining machinery (among others replacement of the machine park with machines with low-emission engines),
- construction of mine de-watering systems,
- construction of air cooling systems,
- development of the Żelazny Most Tailings Storage Facility above the dam's crown height of 195 m a.s.l.,
- adapting the metallurgical assets in terms of optimising the utilisation and development of existing production infrastructure as regards the production and processing of electrolytic copper, taking into account the possibility of intensification of the processing of purchased charge materials, including copper scrap and the recovery of other elements,
- construction of installations and acquisitions as regards renewable energy.

3 – Information on operating segments and revenues

Note 3.1 Operating 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: 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: 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 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 companies.

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 Transshipment 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.
The United Kingdom	DMC Mining Services (UK) Ltd.
Mongolia	DMC Underground LLC
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., MERCUS Logistyka sp. z o.o., NITROERG S.A., PMT LK Sp. z o.o.
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	CENTROŻŁOM WROCŁAW S.A., CUPRUM Development sp. z o.o., KGHM (SHANGHAI) COPPER TRADING CO., LTD., MIEDZIOWE CENTRUM ZDROWIA S.A., NITROERG SERWIS Sp. z o.o., PHU "Lubinpex" Sp. z o.o., Walcownia Metali Nieżelaznych "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., WPEC w Legnicy S.A.

The Parent Entity and the KGHM INTERNATIONAL LTD. Group (a subgroup) have a fundamental impact on the 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, investments in subsidiaries (including indirect investment in KGHM INTERNATIONAL LTD.) are measured at cost, including the 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 or 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 allocated to any segment. Liabilities which have not been allocated to the segments comprise trade liabilities and deferred tax liabilities.

Reconciliation of adjusted EBITDA

from 1 January 2026 to 31 March 2026

	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 for the period	2 968	448	4	109	3 529	221	
[+] Profit or loss on involvement in joint ventures	-	454	-	-	454	-	
[+] Current and deferred income tax, mining tax***	(1 151)	(32)	(15)	(35)	(1 233)	(109)	
[+] Depreciation/amortisation recognised in expenses by nature	(478)	(156)	(84)	8	(710)	(252)	
[+] Finance income and (costs)	(119)	(238)	(10)	246	(121)	(131)	
[+] Other operating income and (costs)	480	(2)	13	(62)	429	6	
[+] (Recognition)/reversal of impairment losses on non-current assets recognised in cost of sales, selling costs and administrative expenses	-	-	1	-	1	-	
Segment result - adjusted EBITDA	4 236	422	99	(48)	4 709	707	5 464

* 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.

***Mining tax concerns only the segment Sierra Gorda S.C.M.

Reconciliation of adjusted EBITDA

from 1 January 2025 to 31 March 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	127	138	25	40	330	205	
[+] Profit or loss on involvement in joint ventures	-	150	-	-	150	-	
[+] Current and deferred income tax, mining tax***	(266)	(111)	(9)	(18)	(404)	(81)	
[+] Depreciation/amortisation recognised in expenses by nature	(445)	(184)	(76)	9	(696)	(210)	
[+] Finance income and (costs)	80	(253)	(15)	281	93	(170)	
[+] Other operating income and (costs)	(495)	74	23	(239)	(637)	(6)	
[+] (Recognition)/reversal of impairment losses on non-current assets recognised in cost of sales, selling costs and administrative expenses	-	-	-	-	-	-	
Segment result - adjusted EBITDA	1 253	462	102	7	1 824	672	2 489

* 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.

***Mining tax concerns only the segment Sierra Gorda S.C.M.

Note 3.3 Revenues from contracts with customers of the Group – breakdown by products

Products	from 1 January 2026 to 31 March 2026						
				Reconciliation items to consolidated data			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	
Copper	6 860	457	877	2	(877)	(11)	7 308
Silver	2 919	22	85	-	(85)	-	2 941
Gold	348	176	80	-	(80)	-	524
Services	64	227	-	697	-	(500)	488
Energy	41	-	-	179	-	(114)	106
Salt	13	-	-	-	-	19**	32
Blasting materials and explosives	-	-	-	79	-	(35)	44
Mining machinery, transport vehicles and other types of machinery and equipment	-	-	-	89	-	(85)	4
Fuel additives	-	-	-	33	-	-	33
Lead	64	-	-	-	-	-	64
Products from other non-ferrous metals	-	-	-	30	-	(3)	27
Other products	116	6	82	200	(82)	(141)	181
Merchandise and materials							
Steel	-	-	-	44	-	(12)	32
Petroleum and its derivatives	-	-	-	114	-	(95)	19
Salt	-	-	-	32	-	(32)**	-
Other merchandise and materials	68	-	-	2 592	-	(2 591)	69
TOTAL	10 493	888	1 124	4 091	(1 124)	(3 600)	11 872

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

** Including: PLN 32 million – reclassification from revenues from the sale of merchandise and materials to revenues from the sale of products.

from 1 January 2025 to 31 March 2025

				Reconciliation items to consolidated data			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	
Products							
Copper	5 567	543	859	2	(859)	(10)	6 102
Silver	1 340	6	20	-	(20)	-	1 346
Gold	287	150	87	-	(87)	-	437
Services	59	185	-	612	-	(450)	406
Energy	42	-	-	169	-	(110)	101
Salt	8	-	-	-	-	2**	10
Blasting materials and explosives	-	-	-	85	-	(39)	46
Mining machinery, transport vehicles and other types of machinery and equipment	-	-	-	65	-	(50)	15
Fuel additives	-	-	-	33	-	-	33
Lead	68	-	-	-	-	-	68
Products from other non-ferrous metals	-	-	-	28	-	-	28
Other products	72	11	73	238	(73)	(167)	154
Merchandise and materials							
Steel	-	-	-	92	-	(13)	79
Petroleum and its derivatives	-	-	-	103	-	(91)	12
Salt	-	-	-	10	-	(10)**	-
Other merchandise and materials	94	-	-	1 891	-	(1 880)	105
TOTAL	7 537	895	1 039	3 328	(1 039)	(2 818)	8 942

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

** Including: PLN 10 million – reclassification from revenues from the sale of merchandise and materials to revenues from the sale of products.

Note 3.4 Revenues from contracts with customers of the Group – breakdown by type of contracts

from 1 January 2026 to 31 March 2026

	KGHM Polska Miedź S.A.	KGHM INTERNATIONAL LTD.	Sierra Gorda S.C.M.*	Other segments	Reconciliation items to consolidated data		Consolidated data
					Elimination of data of the segment Sierra Gorda S.C.M	Consolidation adjustments	
Total revenues from contracts with customers	10 493	888	1 124	4 091	(1 124)	(3 600)	11 872
Revenues from sales contracts, for which the price is set after the date of recognition of the sales (M+ principle), of which:	8 542	661	1 295	67	(1 295)	(72)	9 198
settled	7 842	34	14	51	(14)	(56)	7 871
unsettled	700	627	1 281	16	(1 281)	(16)	1 327
Revenues from realisation of long-term contracts for mine construction	-	224	-	58	-	(54)	228
Revenues from other sales contracts	1 951	3	(171)	3 966	171	(3 474)	2 446
Total revenues from contracts with customers, of which:	10 493	888	1 124	4 091	(1 124)	(3 600)	11 872
in factoring	2 181	41	-	45	-	(45)	2 222
not in factoring	8 312	847	1 124	4 046	(1 124)	(3 555)	9 650

from 1 January 2026
to 31 March 2026from 1 January 2025
to 31 March 2025

Total revenues from contracts with customers, of which:	11 872	8 942
transferred at a certain moment	11 273	8 400
transferred over time	599	542

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

from 1 January 2025 to 31 March 2025

	KGHM Polska Miedź S.A.	KGHM INTERNATIONAL LTD.	Sierra Gorda S.C.M.*	Other segments	Reconciliation items to consolidated data		Consolidated data
					Elimination of data of the segment Sierra Gorda S.C.M	Consolidation adjustments	
Total revenues from contracts with customers	7 537	895	1 039	3 328	(1 039)	(2 818)	8 942
Revenues from sales contracts, for which the price is set after the date of recognition of the sales (M+ principle), of which:	4 622	710	1 084	55	(1 084)	(41)	5 346
settled	4 261	16	37	44	(37)	(28)	4 293
unsettled	361	694	1 047	11	(1 047)	(13)	1 053
Revenues from realisation of long-term contracts for mine construction	-	180	-	31	-	(30)	181
Revenues from other sales contracts	2 915	5	(45)	3 242	45	(2 747)	3 415
Total revenues from contracts with customers, of which:	7 537	895	1 039	3 328	(1 039)	(2 818)	8 942
in factoring	2 039	-	-	53	-	(53)	2 039
not in factoring	5 498	895	1 039	3 275	(1 039)	(2 765)	6 903

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

Note 3.5 Revenues from contracts with customers of the Group – geographical breakdown reflecting the location of end customers

	from 1 January 2026 to 31 March 2026	from 1 January 2025 to 31 March 2025	Percentage share 2026	Percentage share 2025
Europe, of which:	8 527	6 256	71.82%	69.96%
Poland	2 773	2 219	23.4%	24.8%
Germany	1 360	1 231	11.5%	13.8%
The United Kingdom	1 202	327	10.1%	3.7%
Czechia	784	548	6.6%	6.1%
Italy	634	493	5.3%	5.5%
Switzerland	531	244	4.5%	2.7%
Hungary	393	407	3.3%	4.6%
France	257	191	2.2%	2.1%
Sweden	222	252	1.9%	2.8%
Austria	101	90	0.9%	1.0%
Other countries	270	254	2.3%	2.8%
Asia, of which:	1 793	1 264	15.1%	14.1%
China	489	918	4.1%	10.3%
Türkiye	371	177	3.1%	2.0%
Hong Kong	310	-	2.6%	0.0%
South Korea	258	-	2.2%	0.0%
United Arab Emirates	166	-	1.4%	0.0%
Saudi Arabia	138	38	1.2%	0.4%
Thailand	2	128	0.0%	1.4%
Other countries	59	3	0.5%	0.0%
North America, of which:	1 275	1 300	10.7%	14.5%
The United States of America	1 009	1 087	8.5%	12.2%
Canada	266	213	2.2%	2.4%
South America	90	87	0.8%	1.0%
Australia	181	-	1.5%	0.0%
Africa	6	35	0.1%	0.4%
TOTAL, of which:	11 872	8 942	100.0%	100.0%
Poland	2 773	2 219	23.4%	24.8%
Other countries	9 099	6 723	76.6%	75.2%

Note 3.6 Main customers

In the period from 1 January 2026 to 31 March 2026 and in the comparable period the revenues from contracts with customers from no single contractor exceeded 10% of the revenues from contracts with customers of the KGHM Polska Miedź S.A. Group.

Note 3.7 Non-current assets – geographical breakdown

	As at 31 March 2026	As at 31 December 2025
Poland	29 779	27 548
Canada	2 496	2 345
The United States of America	2 001	1 961
Chile	358	333
TOTAL*	34 634	32 187

*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 12 062 million as at 31 March 2026 (PLN 12 828 million as at 31 December 2025).

Note 3.8 Information on segments' results

3.8.1 The segment KGHM Polska Miedź S.A.

Production results

	Unit	1 st quarter of 2026	1 st quarter of 2025	Change (%)
Ore extraction (dry weight)	mn t	7.8	7.7	+1.3
Copper content in ore	%	1.54	1.48	+4.1
Copper production in concentrate	kt	102.6	99.4	+3.2
Silver production in concentrate	t	350.5	328.6	+6.7
Production of electrolytic copper	kt	145.3	134.0	+8.4
- including from own concentrate	kt	91.6	90.3	+1.4
Production of metallic silver	t	320.8	315.6	+1.6
Production of gold	koz t	23.7	21.5	+10.2

In the period of first 3 months of 2026, an increase in ore production was recorded compared to the same period of the previous year by 107 thousand tonnes of dry weight, which was related to the higher efficiency of the mines. The copper content in the ore increased to 1.54%.

Copper production in concentrate amounted to 102.6 thousand tonnes and was higher by 3.2 thousand tonnes (+3%) compared to the first three months of 2025. The increase in production results from higher processing of ore of better quality in the Concentrators.

Compared to the corresponding period of the previous year, there was an increase in electrolytic copper production by 11.3 thousand tonnes. The increase in cathode production is due to the availability of the charge material and higher availability of the process lines. In the last year, rails and current disconnectors were renovated at the Tank Hall at the Głogów II Copper Smelter and Refinery.

The volume of silver and metallic gold production depends on the availability of charge materials in the Precious Metals Plant of the Głogów Smelter and Refinery. Compared to the corresponding quarter of 2025, there was an increase in the production of these metals by 5.2 tonnes (+2%) and 2.2 thousand troy ounces (+10%), respectively.

Sales

	Unit	1 st quarter of 2026	1 st quarter of 2025	Change (%)
Revenues from contracts with customers, including:	PLN mn	10 493	7 537	+39.2
- copper ¹⁾	PLN mn	6 860	5 567	+23.2
- silver ¹⁾	PLN mn	2 919	1 340	+2.2
Sales volume:				
- copper	kt	142.4	143.3	(0.6)
- silver	t	337.9	332.8	+1.5

¹⁾ Including adjustment to revenues due to hedging transactions

The increase in revenues from contracts with customers by PLN 2 956 million as compared to the corresponding period of 2025 was, above all, caused by:

- an increase by PLN 4 183 million in revenues from higher prices of: silver (+52 USD/oz t, a 2.6-fold increase), copper (+3 504 USD/t, +38%) and gold (+2 015 USD/oz t, +70%),
- a decrease by PLN 78 million in revenues due to a decrease in the volume of sales of: copper (-0.9 thousand tonnes, -1%) and gold (-5.8 thousand troy ounces, -23%) with an increase in silver sales (+5 tonnes, +2%),
- a decrease in revenues due to the less favourable USD/PLN exchange rate by PLN 664 million (change from 3.99 USD/PLN to 3.62 USD/PLN),
- a decrease by PLN 508 million in the adjustment to revenues due to hedging transactions from +PLN 16 million after the first 3 months of 2025 to -PLN 492 million after the first 3 months of 2026.

Costs

	Unit	1 st quarter of 2026	1 st quarter of 2025	Change (%)
Cost of sales, selling costs and administrative expenses	PLN mn	6 735	6 729	0.1
Expenses by nature	PLN mn	8 788	7 020	25.2
Pre-precious metals credit unit cost of electrolytic copper production from own concentrate ¹⁾	PLN/t	48 862	44 965	8.7
Total unit cost of electrolytic copper production from own concentrate	PLN/t	11 518	29 514	(61.0)
C1 unit cost²⁾	USD/lb	1.91	3.15	(39.3)

¹⁾ Unit cost prior to decrease by the value of anode slimes containing, among others, silver and gold

²⁾ Cash cost of concentrate production reflecting the minerals extraction tax, plus administrative expenses and smelter treatment and refining charges (TC/RC), less depreciation/amortisation cost and the value of by-product premiums, calculated for sold payable copper in concentrate

The Parent Entity's cost of sales, selling costs and administrative expenses (total: cost of products, merchandise and materials sold, selling costs and administrative expenses) for the first 3 months of 2026 amounted to PLN 6 735 million and were higher by 0.1% as compared to the corresponding period of 2025, mainly due to higher expenses by nature with a significant increase in the value of inventories resulting from an increase in valuation due to the increase in silver prices and the buildup of anode inventories related to the maintenance shutdown at the Głogów Smelter and Refinery planned for the third quarter of 2026.

In the period of first 3 months of 2026, total expenses by nature in relation to the corresponding period of 2025 were higher by PLN 1 768 million, with a higher minerals extraction tax by PLN 843 million and higher costs of consumption of purchased metal-bearing materials by PLN 839 million due to a 26% higher purchase price and a higher volume of consumption by 6.4 thousand tonnes of copper (+12%).

The increase in expenses by nature, excluding the costs of consumption of purchased metal-bearing materials and the minerals extraction tax amounted to PLN 86 million (+2%) and resulted mainly from increases in the following costs:

- labour by PLN 83 million (+6%) due to an increase in remuneration rates for employees and a higher allowance for the annual bonus,
- depreciation/amortisation by PLN 33 million (+7%) resulting from new investments made in the Company,
- energy factors by PLN 43 million (+9%) due to an increase in the volume of energy consumption purchased externally with lower own energy production from gas-steam blocks and a higher purchase price of energy,

alongside decreases in the following costs:

- consumption of materials and fuels (excluding purchased materials) by PLN 60 million (-9%), mainly due to lower costs of technological gas (-PLN 35 million) due to a lower purchase price and lower volume of consumption,
- external services by PLN 11 million (-2%) resulting mainly from lower costs of mining preparatory work by PLN 23 million (-12%).

C1 cost for the first 3 months of 2026 was 1.91 USD/lb and was 39% lower than the C1 cost in the corresponding period of 2025. The decrease in this cost is mainly due to a higher relief by by-products due to the increase in silver and gold prices alongside a high tax burden by the minerals extraction tax (+1.23 USD/lb as compared to the corresponding period of 2025).

The pre-precious metals credit unit cost of electrolytic copper production from own concentrate (unit cost prior to decrease by the value of anode slimes containing, among others, silver and gold) amounted to 48 862 PLN/t (in the corresponding period of 2025: 44 965 PLN/t) and was higher by 8.7%, mainly due to the higher mineral extraction tax (+6 048 PLN/t) – after excluding the tax, the cost is lower by 6% as compared to the corresponding period of 2025.

The total unit cost of electrolytic copper production from own concentrate amounted to 11 518 PLN/t and was lower than in the corresponding period of 2025 by 61% due to a significantly higher value of anode slimes due to higher prices of silver and gold.

Financial results

The Company recorded a profit for the first three months of 2026 of PLN 2 968 million, or PLN 2 841 million higher than for the corresponding prior-year period.

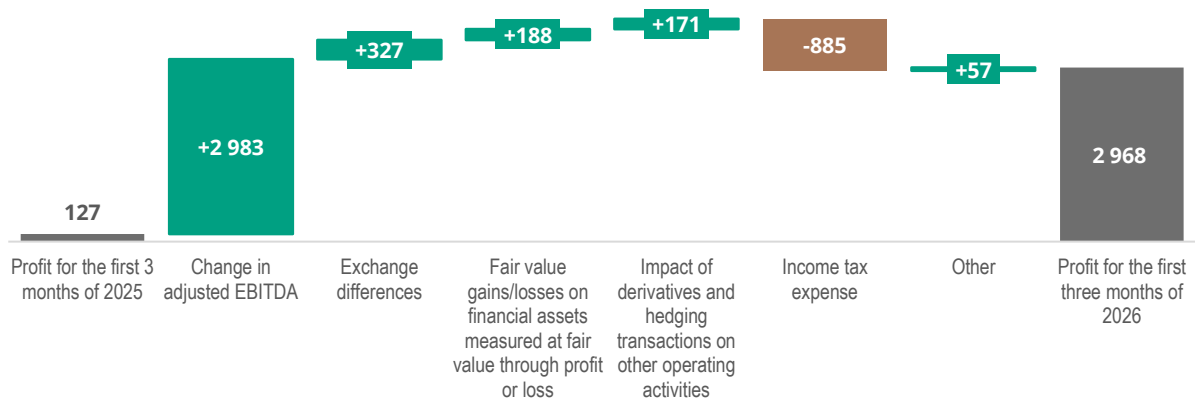
<i>PLN million</i>	<i>1st quarter of 2026</i>	<i>1st quarter of 2025</i>	<i>Change (%)</i>
Revenues from contracts with customers, including:	10 493	7 537	+39.2
- adjustment of revenues due to hedging transactions	(492)	16	×
Cost of sales, selling costs and administrative expenses	(6 735)	(6 729)	+0.1
Profit/(loss) on sales	3 758	808	×4.7
Other operating income and (costs)	480	(495)	×
Finance income and (costs)	(119)	80	×
Profit/(loss) before income tax	4 119	393	×10.5
Income tax expense	(1 151)	(266)	×4.3
Profit/(loss) for the period	2 968	127	×23.4
Adjusted EBITDA¹	4 236	1 253	×3.4

¹⁾ *Adjusted EBITDA = profit on sales + depreciation/amortisation (recognised in expenses by nature) + impairment loss (-reversal of impairment losses) on non-current assets, recognised in cost of sales, selling costs and administrative expenses*

The main factors affecting the change in profit or loss

Item	Impact on change in profit or loss (PLN million)	Description
Adjusted EBITDA	+2 983	The increase was due to: <ul style="list-style-type: none"> – an increase in revenues from contracts with customers by PLN 2 956 million, as described in subsection Sales, – a decrease in costs of sales, selling costs and administrative expenses (excluding depreciation/amortisation) by PLN 27 million, as described in subsection Costs.
Exchange differences	+327	The increase in the result on exchange differences was affected by: <ul style="list-style-type: none"> – result on exchange differences recognised in other operating income and costs higher by PLN 558 million (mainly due to loans), – result on exchange differences from the measurement and realisation of borrowings recognised in finance income and costs lower by PLN 231 million.
Fair value gains/losses on financial assets measured at fair value through profit or loss	+188	Mainly relates to changes in the value of loans measured at fair value through profit or loss (+PLN 272 million).
Impact of derivatives and hedging transactions	+171	A change from -PLN 103 million in the first quarter of 2025 to +PLN 68 million after the first 3 months of 2026.
Income tax expense	(885)	An increase in income tax by PLN 885 million, mainly due to the current income tax.

Change in profit/(loss) for the period (in PLN million)



Capital expenditures

After the first three months of 2026, expenditures on property, plant and equipment and intangible assets amounted to PLN 771 million.

Structure of expenditures on property, plant and equipment and intangible assets (in PLN million)

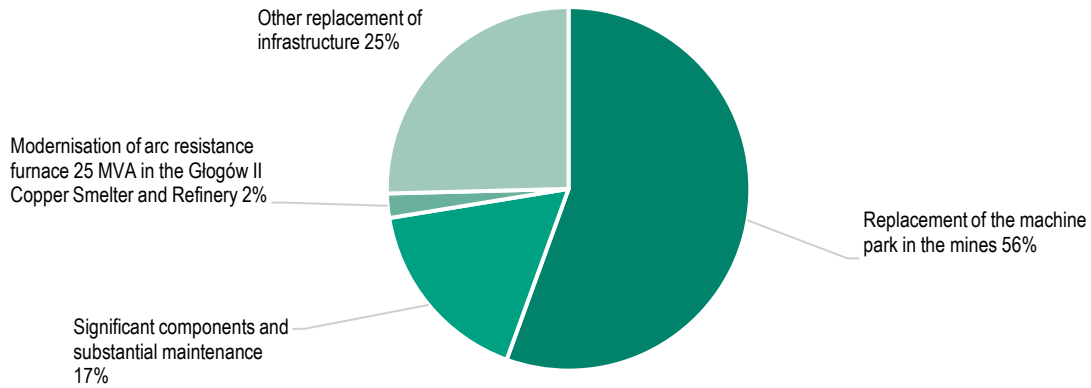
	1 st quarter of 2026	1 st quarter of 2025	Change (%)
Mining	602	535	+12.5
Metallurgy	49	63	(22.2)
Other activities	6	3	×2.0
Borrowing costs	64	65	(1.5)
Development work - uncompleted	-	-	×
Leases per IFRS 16	27	26	+3.8
Purchase of CO ₂ emission allowances	23	-	×
Total	771	692	+11.4

In the first quarter of 2026, capital expenditures on the following segments: mining, metallurgy and other activities were at the level of PLN 657 million.

Investment activities comprised projects related to the replacement, maintenance, development and adaptation.

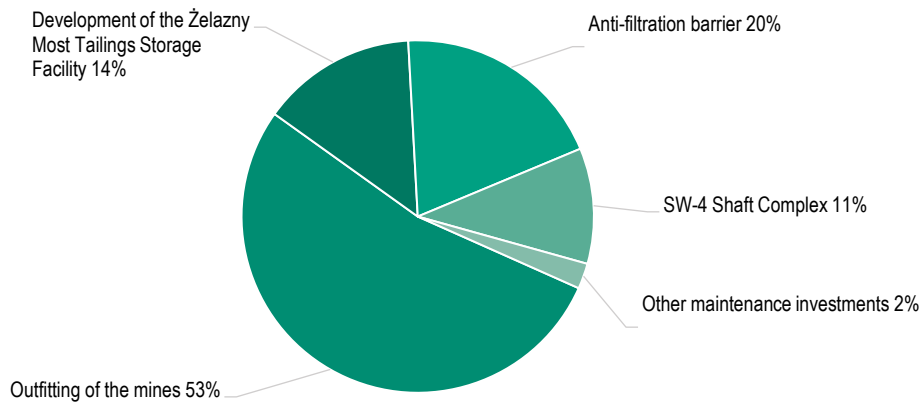
Projects related to replacement aimed at maintaining production equipment in an undeteriorated condition, represent 36% of total expenditures incurred.

Structure of expenditures on replacement



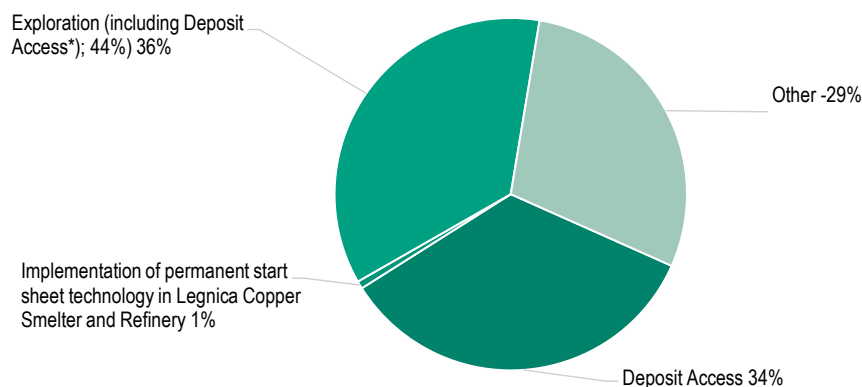
Projects related to maintenance aimed at maintaining mine production at the level set in the approved Production Plan (development of infrastructure to match mine advancement) represent 24% of total expenditures incurred.

Structure of expenditures on maintenance



Development projects aimed at increasing or maintaining the current level of revenues from sales, implementation of technical and technological activities optimising use of existing infrastructure, decreasing operating costs, represent 40% of total expenditures incurred.

Structure of expenditures on development



*) Deposit Access Program

Adaptation projects aimed at adaptation of the company's operations to legal requirements, applicable standards or other regulations, in particular in the area of occupational health and safety, property protection, cybersecurity, ethical and anticorruption standards, environmental protection, quality standards and management systems.

Detailed information on the advancement of key projects may be found in Part 1, Note 2 of the consolidated financial statements on the realisation of the Strategy in the first quarter of 2026.

3.8.2 The segment KGHM INTERNATIONAL LTD.

Production results

	Unit	1 st quarter of 2026	1 st quarter of 2025	Change (%)
Payable copper, including:	kt	10.0	14.4	(30.6)
- Robinson mine (USA)	kt	9.2	13.6	(32.4)
Precious metals (TPM), including:	koz t	8.3	13.2	(37.1)

Compared to the first quarter of 2025, the production of payable copper is lower by 4.4 thousand tonnes, mainly due to geological conditions – mining in the Robinson mine was carried out in zones with a lower copper content (Liberty pit) than in the corresponding quarter of 2025 (Ruth West 5 pit). Mining of ore with worse parameters was reflected in a decrease in copper recovery.

The decrease in production of precious metals amounted to 4.9 thousand troy ounces, mainly due to the lower gold content in the ore processed by the Robinson mine and the sale of Sudbury's production assets in February 2025 (TPM production for the first quarter of 2025 in the amount of 13.2 thousand troy ounces includes 2.4 thousand troy ounces from the Sudbury Basin).

Sales

	Unit	1 st quarter of 2026	1 st quarter of 2025	Change (%)
Revenues from contracts with customers ¹, including:	USD mn	245	225	+8.9
- copper	USD mn	126	137	(8.0)
- TPM – precious metals	USD mn	48	40	+20.0
Copper sales volume	kt	9.8	14.2	(31.0)
TPM sales volume	koz t	9.5	14.2	(33.1)
Revenues from contracts with customers	PLN mn	888	895	(0.8)

¹⁾ Reflects processing premium

The decrease in the volume of copper and gold sales is primarily the result of lower production. The related decrease in revenues was offset by an increase in sale prices of payable metal and an increase in revenues from mining services provided by the companies of the DMC Mining Services group. As a result, revenues from contracts with customers in the functional currency increased by 9%, while in PLN, due to the strengthening of the zloty against the USD, they were slightly below the level achieved in the first quarter of 2025.

The impact of individual factors on the change in the level of revenues of the current quarter compared to revenues for the first quarter of 2025 is presented in the section on financial results.

Costs

The costs of sales, selling costs and administrative expenses in the first quarter of 2026 amounted to USD 172 million (PLN 622 million), 11% higher than the amount recorded in the corresponding quarter of 2025.

	Unit	1 st quarter of 2026	1 st quarter of 2025	Change (%)
Expenses by nature	USD mn	210	207	+1.5
Change in inventories of finished goods and work in progress	USD mn	(11)	(22)	(50.0)
Stripping costs	USD mn	(27)	(30)	(10.0)
Costs of sales, selling costs and administrative expenses	USD mn	172	155	+11.0
Costs of sales, selling costs and administrative expenses	PLN mn	622	617	+0.8
C1 payable copper production cost ²	USD/lb	0.70	1.03	(32.0)

¹⁾ C1 unit production cost of copper - cash cost of payable copper production, reflecting costs of ore extraction and processing, the minerals extraction tax, transport costs, administrative expenses during the mining phase and smelter treatment and refining charges (TC/RC) less by-product value

The main factor responsible for higher costs of sales, selling costs and administrative expenses by USD 17 million was the settlement of costs in inventories in a smaller amount than in the first quarter of 2025.

The C1 unit production cost of copper decreased from 1.03 USD/lb to 0.70 USD/lb of copper as a result of the persistently high gold prices in the first quarter of 2026, which contributed to an increase in revenues in this regards, and therefore an increase in deductions from the sale of associated metals.

Financial results

In the first quarter of 2026, KGHM INTERNATIONAL LTD. achieved an adjusted EBITDA at the level of USD 116 million, that is on the same level as in the corresponding quarter of 2025.

USD mn	1 st quarter of 2026	1 st quarter of 2025	Change (%)
Revenues from contracts with customers	245	225	+8.9
Cost of sales, selling costs and administrative expenses ¹⁾	(172)	(155)	+11.0
Profit/(loss) on sales	73	70	+4.3
Share in profit or loss of a joint venture accounted for using the equity method	61	-	x
Profit/(loss) for the period	124	35	x 3.5
Depreciation/amortisation	(43)	(46)	(6.5)
Adjusted EBITDA	116	116	-

¹⁾ Cost of sales, selling costs and administrative expenses

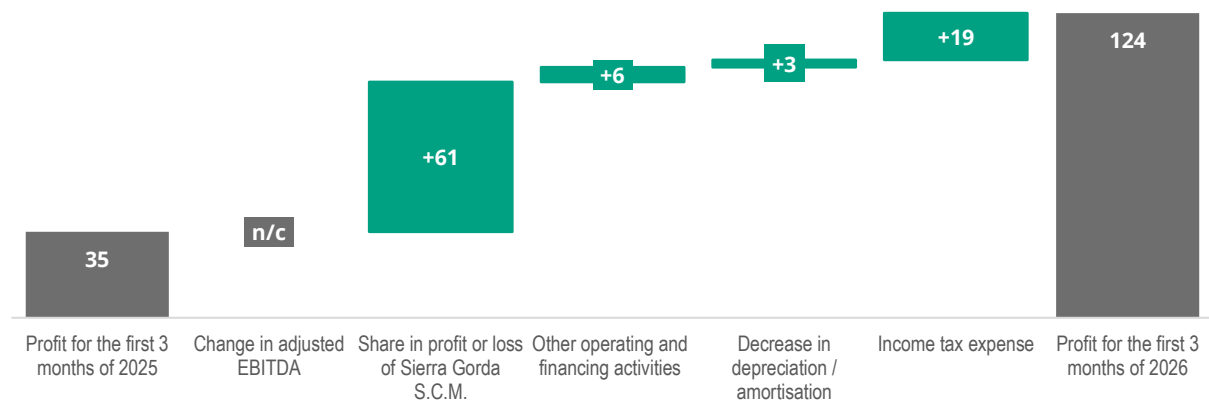
PLN mn	1 st quarter of 2026	1 st quarter of 2025	Change (%)
Revenues from contracts with customers	888	895	(0.8)
Cost of sales, selling costs and administrative expenses ¹⁾	(622)	(617)	+0.8
Profit/(loss) on sales	266	278	(4.3)
Share in profit or loss of a joint venture accounted for using the equity method	221	-	x
Profit/(loss) for the period	448	138	x 3.2
Depreciation/amortisation	(156)	(184)	(15.0)
Adjusted EBITDA	422	462	(8.6)

¹⁾ Cost of sales, selling costs and administrative expenses

Main factors behind the increase in profit or loss for the period:

Item	Description
Adjusted EBITDA – no changes as compared to the first quarter of 2025	An increase in revenues from contracts with customers by USD 20 million , of which +USD 60 million due to an increase in effective sales prices of metals, -USD 63 million due to a decrease in sales volume, and +USD 23 million due to the impact of other factors, including: more favourable refining premiums (TC/RC) of +USD 5 million, higher revenues from mining services (DMC Mining Services) +USD 16 million. An increase in costs charged to EBITDA by USD 20 million , mainly due to a change in inventories of finished goods and work in progress (-USD 11 million in the first quarter of 2026 versus -USD 22 million in the first quarter of 2025) – result of quantitative changes in inventories of ore and copper concentrate in the Robinson mine.
Impact of other operating activities and financing activities +USD 6 million	+USD 27 million – gain on reversal of an allowance for impairment of loans granted to Sierra Gorda S.C.M. (USD 27 million in the first quarter of 2026 versus USD 1 million in the previous year). -USD 19 million – profit on the sale of Sudbury's assets in February 2025 (no profits in this regard in the first quarter of 2026). -USD 2 million – other income/expenses, primarily higher interest costs.
Lower depreciation/amortisation costs +USD 3 million	It mainly concerns the capitalised costs of future decommissioning of assets and stripping in the Robinson mine.
Share in profits of investments accounted for using the equity method +USD 61 million	Share in profit of Sierra Gorda S.C.M., USD 61 million (in the first quarter of 2025 there was no share in profits of Sierra Gorda S.C.M.).
Income tax expense +USD 19 million	Current tax of -USD 8 million (USD 10 million versus USD 2 million in the first quarter of 2025) – an increase mainly due to the improvement in Robinson's operating profit. Deferred tax +USD 27 million (-USD 1 million versus USD 26 million in the first quarter of 2025) – a decrease due to the recognition of deferred tax expense related to the sale of Sudbury in the first quarter of 2025.

Change in profit or loss for the period of KGHM INTERNATIONAL LTD. (in USD million)



Cash expenditures

Cash expenditures by the segment KGHM INTERNATIONAL LTD. amounted to USD 54 million and were lower than realised in the first quarter of 2025 by USD 3 million (-6%), mainly due to lower capitalised stripping costs in the Robinson mine.

USD mn	1 st quarter of 2026	1 st quarter of 2025	Change (%)
Victoria project	19	20	(5.0)
Stripping and other	35	37	(5.4)
Total	54	57	(5.2)

PLN mn	1 st quarter of 2026	1 st quarter of 2025	Change (%)
Victoria project	69	79	(12.6)
Stripping and other	126	147	(14.3)
Total	194	227	(14.5)

3.8.3 The segment Sierra Gorda S.C.M.

The segment Sierra Gorda S.C.M. is a joint venture, whose owners are the KGHM Polska Miedź S.A. Group (55%) and the Australian mining group South32 (45%).

The following production and financial data are for the full ownership of the joint venture (100%) and proportionally to the interest in the company Sierra Gorda S.C.M. (55%), pursuant to the principle of data presentation in the note of the consolidated financial statements on operating segments.

Production results

	Unit	1 st quarter of 2026	1 st quarter of 2025	Change (%)
Copper production	kt	37.5	37.7	(0.5)
Copper production - segment (55%)	kt	20.6	20.8	
Molybdenum production	mn lb	1.7	0.9	+88.9
Molybdenum production - segment (55%)	mn lb	0.9	0.5	
TPM production - gold	koz t	8.2	12.7	(35.4)
TPM production - gold -segment (55%)	koz t	4.5	7.0	

In the first quarter of 2026, copper production was at a level comparable to the one achieved in the corresponding period of 2025, while molybdenum production increased by 89% due to a significant improvement in the recovery of this metal. The increase occurred despite a lower amount of processed ore due to heavy rainfall causing several interruptions in transport of ore and a lower content of molybdenum in the processed ore.

Sales

Revenues from sales in the first quarter of 2026 amounted to USD 564 million (on a 100% basis), or PLN 1 124 million respectively to the 55% interest held by KGHM Polska Miedź S.A.

	Unit	1 st quarter of 2026	1 st quarter of 2025	Change (%)
Revenues from contracts with customers¹, including from the sale of:	USD mn	564	475	+18.7
- copper	USD mn	441	393	+12.2
- molybdenum	USD mn	41	33	+24.2
- TPM (gold)	USD mn	40	40	-
Copper sales volume	kt	33.9	37.6	(9.8)
Molybdenum sales volume	mn lb	1.5	1.6	(6.2)
TPM (gold) sales volume	koz t	7.1	13.3	(46.6)
Revenues from contracts with customers¹ - segment (55% share)	PLN mn	1 124	1 039	+8.2

¹⁾ Reflects metallurgical and refining processing premium and other

Compared to the results achieved in the first quarter of 2025, revenues increased by USD 89 million (+19%). It should be emphasized that the main factor behind the increase was the much higher prices achieved on the sale of metals. A specific situation occurred with regard to the sale of gold. Revenues from the sale of this metal were achieved at the same level as in the first quarter of 2025, with a decrease in volume by 47%.

Processing and refining premiums (TC/RC) were also of significance – due to market conditions, they were more favourable than in the previous year, which resulted in an increase in revenues by USD 10 million compared to the first quarter of 2025.

The detailed impact of individual factors on changes in revenues is presented below as a part of the commentary on the financial results of Sierra Gorda S.C.M.

Costs

The cost of sales, selling costs and administrative expenses amounted to USD 336 million, including cost of sales of USD 292 million and total selling costs and administrative expenses of USD 44 million. Proportionally to the interest held (55%), the costs of the segment amounted to PLN 669 million.

	Unit	1 st quarter of 2026	1 st quarter of 2025	Change (%)
Expenses by nature	USD mn	446	353	+26.4
Change in inventories of finished goods and work in progress	USD mn	(20)	1	x
Stripping costs	USD mn	(90)	(90)	-
Costs of sales, selling costs and administrative expenses	USD mn	336	264	+27.3
Costs of sales, selling costs and administrative expenses – segment 55%	PLN mn	669	577	+16.0
C1 unit cost¹	USD/lb	1.02	1.18	(13.6)

¹⁾ C1 unit production cost of copper - cash cost of payable copper production, reflecting costs of ore extraction and processing, the minerals extraction tax, transport costs, administrative expenses during the mining phase and smelter treatment and refining charges (TC/RC) less by-product value

Cost of sales, selling costs and administrative expenses incurred in the first quarter of 2026 are USD 72 million (+27%) higher than in the corresponding period of 2025, primarily in terms of the following expenses by nature:

- external services – an increase by USD 10 million (+13%) – higher service rates and increase in the scope of maintenance, among others, as a result of weather incidents (increased rainfall in February),
- amortisation/depreciation – an increase in costs by USD 31 million (+32%) – mainly in relation to the depreciation of capitalised stripping costs,
- labour costs – an increase by USD 44 million due to the payment of bonuses to the employees on the basis of agreements signed with trade unions.

Over the same period, the C1 unit cash cost of copper production decreased by 14%, primarily due to record-high silver prices resulting in an increase in deductions for the sale of associated metals.

Financial results

In the first quarter of 2026, adjusted EBITDA amounted to USD 355 million, which is 16% higher than in the corresponding period of 2025.

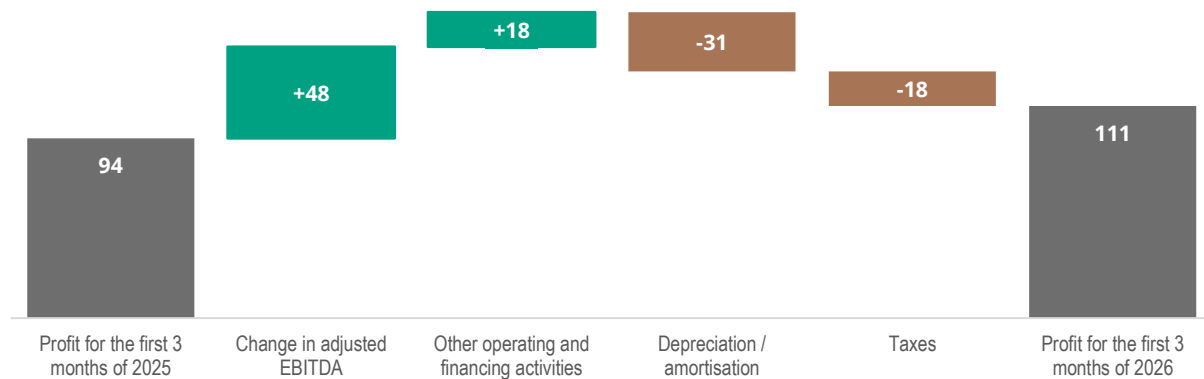
USD million (on a 100% basis)	1 st quarter of 2026	1 st quarter of 2025	Change (%)
Revenues from contracts with customers	564	475	+18.7
Cost of sales, selling costs and administrative expenses	(336)	(264)	+27.3
Profit/(loss) on sales	228	211	+8.1
Profit/(loss) for the period	111	94	+18.1
Depreciation/amortisation	(127)	(96)	+32.3
Adjusted EBITDA	355	307	+15.6

PLN million (on a 55% basis)	1 st quarter of 2026	1 st quarter of 2025	Change (%)
Revenues from contracts with customers	1 124	1 039	+8.2
Cost of sales, selling costs and administrative expenses	(669)	(577)	+16.0
Profit/(loss) on sales	455	462	(1.5)
Profit/(loss) for the period	221	205	+7.8
Depreciation/amortisation	(252)	(210)	+20.0
Adjusted EBITDA	707	672	+5.2

The summary of the most significant factors impacting the level of revenues and costs, and therefore the adjusted EBITDA, is presented in the table below on main factors contributing to the improvement of the profit or loss for the period of Sierra Gorda S.C.M. by USD 17 million.

Item	Description
Increase in adjusted EBITDA +USD 48 million	An increase in revenues by +USD 89 million, of which: <ul style="list-style-type: none"> – copper sales (+USD 38 million) due to an increase in prices (+USD 85 million, including Mark to Market valuation) alongside a negative impact of the decrease in volume by 4 thousand tonnes (-USD 47 million), – silver and gold sales (+USD 33 million) due to higher prices (+55 USD million) alongside the lower volume sold (-USD 22 million), – molybdenum sales (+USD 8 million) – an increase mainly due to higher sales price, – TC/RC processing and refining premiums (+USD 10 million) – an increase due to market conditions. An increase in cost of sales, selling costs and administrative expenses (excluding depreciation/amortisation) by USD 41 million, mainly as regards remuneration agreements (bonuses paid to employees).
Impact of other operating activities and financing activities +USD 18 million	Lower interest cost on loans granted by the Owners for the construction of the mine (+USD 12 million) due to the principal repayments. There were also foreign exchange gains (+USD 2 million) compared to foreign exchange losses in the first quarter of 2025 (-USD 4 million).
Higher depreciation/amortisation costs -USD 31 million	Mainly relates to an increase in depreciation/amortisation of capitalised stripping costs.
Taxes -USD 18 million	Higher tax burden due higher operating results.

Change in profit/loss for the period of Sierra Gorda S.C.M. (in USD million)



Cash expenditures

Cash expenditures on property, plant and equipment and intangible assets, presented in Sierra Gorda S.C.M.'s statement of cash flows, amounted to USD 120 million, the majority of which, that is USD 78 million, represented expenditures on stripping to gain access to further areas of the deposit.

	<i>Unit</i>	<i>1st quarter of 2026</i>	<i>1st quarter of 2025</i>	<i>Change (%)</i>
Cash expenditures on property, plant and equipment	USD mn	120	141	(14.9)
Cash expenditures on property, plant and equipment – segment (55% share)	PLN mn	239	307	(22.1)

Cash flows generated from operating activities of Sierra Gorda S.C.M. achieved in the first quarter of 2026 exceeded cash expenditures by USD 441 million, which following the conversion of cash, enabled the repayment of USD 300 million due to interest on the loan granted by the Owners for mine construction. Out of this amount, USD 165 million is attributable to the KGHM Group (in the first quarter of 2025, expenditures related to the payment of interest and principal amount amounted to USD 80 million, or USD 44 million proportionally to the share of the KGHM Polska Miedź S.A. Group).

4 – Selected additional explanatory notes

Note 4.1 Expenses by nature

	from 1 January 2026 to 31 March 2026	from 1 January 2025 to 31 March 2025
Depreciation of property, plant and equipment and amortisation of intangible assets	710	696
Employee benefits expenses	2 360	2 242
Materials and energy, including:	4 450	3 652
purchased metal-bearing materials	2 889	2 050
electrical and other energy	516	490
External services	726	688
Minerals extraction tax	1 903	1 060
Other taxes and charges	287	279
Other costs	49	49
Total expenses by nature	10 485	8 666
Cost of merchandise and materials sold (+)	74	120
Change in inventories of finished goods and work in progress (+/-)	(2 197)	(482)
Costs of manufacturing products for internal use of the Group (-)	(490)	(490)
Total costs of sales, selling costs and administrative expenses, of which:	7 872	7 814
Cost of sales	7 366	7 334
Selling costs	126	129
Administrative expenses	380	351

Note 4.2 Other operating income and (costs)

	from 1 January 2026 to 31 March 2026	from 1 January 2025 to 31 March 2025
Gains on derivatives, of which:	204	46
measurement	199	42
realisation	5	4
Interest income calculated using the effective interest rate method	8	12
Exchange differences on financial assets and liabilities other than borrowings	351	-
Provisions released	34	9
Gain on disposal of intangible assets	3	-
Gain on disposal of subsidiaries	-	98
Fair value gains on trade receivables and other financial assets	1	20
Government grants received	3	6
Income from servicing of letters of credit and guarantees	3	6
Compensation, fines and penalties received	7	4
Other	43	40
Total other operating income	657	241
Losses on derivatives, of which:	(136)	(149)
measurement	(99)	(126)
realisation	(37)	(23)
Fair value losses on trade receivables	(64)	-
Impairment losses on trade and other financial receivables	(1)	(2)
Impairment losses on fixed assets under construction and intangible assets not yet available for use	(4)	(3)
Exchange differences on financial assets and liabilities other than borrowings	-	(680)
Provisions recognised	(5)	(14)
Losses on disposal of property, plant and equipment	(5)	-
Donations granted	(1)	(15)
Other	(12)	(15)
Total other operating costs	(228)	(878)
Other operating income and (costs)	429	(637)

Note 4.3 Finance income and (costs)

	from 1 January 2026 to 31 March 2026	from 1 January 2025 to 31 March 2025
Finance income - exchange gains/(losses) on measurement and realisation of borrowings	-	151
Interest on borrowings due to leases	(1)	(2)
Interest on trade payables within the reverse factoring mechanism	(12)	(22)
Unwinding of the discount effect due to:	(25)	(26)
provisions for decommissioning of mines	(22)	(23)
financial liabilities	(3)	(3)
Exchange gains/(losses) on measurement and realisation of borrowings	(78)	-
Bank fees and charges on borrowings	(5)	(6)
Other	-	(2)
Total finance costs	(121)	(58)
Finance income and (costs)	(121)	93

Note 4.4 Information on property, plant and equipment and intangible assets**Purchase of property, plant and equipment and intangible assets**

	from 1 January 2026 to 31 March 2026	from 1 January 2025 to 31 March 2025
Purchase of property, plant and equipment, including:	963	1 101
leased assets	27	64
Purchase of intangible assets	178	71

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

	As at 31 March 2026	As at 31 December 2025
Payables due to the purchase of property, plant and equipment and intangible assets	470	913

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

	As at 31 March 2026	As at 31 December 2025
Purchase of property, plant and equipment	1 681	2 015
Purchase of intangible assets	28	15
Total capital commitments	1 709	2 030

Note 4.5 Involvement in joint ventures**Joint venture Sierra Gorda S.C.M. accounted for using the equity method**

	from 1 January 2026 to 31 March 2026	from 1 January 2025 to 31 December 2025
As at the beginning of the reporting period	1 814	-
Share of profit for the reporting period	221	1 759
Reversal of an impairment loss on shares in the joint venture	-	252
Adjustment due to unrealised gains on transactions between the Group and the joint venture	-	345
Settlement of the Group's share of unsettled losses from prior years (accumulated comprehensive losses)	-	(496)
Share in other comprehensive income for the reporting period	-	(8)
Exchange differences from the translation of statements of operations with a functional currency other than PLN	77	(38)
As at the end of the reporting period	2 112	1 814

The Group's unrecognised share of losses of Sierra Gorda S.C.M.

	from 1 January 2026 to 31 March 2026	from 1 January 2025 to 31 December 2025
As at the beginning of the reporting period	-	(576)
Settlement of the Group's share of unsettled losses from prior years (accumulated comprehensive losses)	-	496
Exchange differences resulting from the remeasurement of balances of unsettled losses on different balance sheet dates	-	80
As at the end of the reporting period	-	-

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

	from 1 January 2026 to 31 March 2026	from 1 January 2025 to 31 December 2025
As at the beginning of the reporting period	8 436	9 800
Repayment of loans (principal and interest)	(615)	(1 206)
Accrued interest	130	557
Gain due to the reversal of allowances for impairment of loans granted to the joint venture	103	484
Exchange differences	328	(1 199)
As at the end of the reporting period	8 382	8 436

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 impairment testing of the loan. To estimate the expected credit losses, scenario analysis (IFRS 9.5.5.18) was used, involving the Group's assumptions on the repayment of the loan granted. The scenario analysis was based on cash flows of Sierra Gorda S.C.M., which were subsequently discounted using the effective interest rate 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 31 March 2026, the Group estimated the expected cash flows on repayment of receivables due to a loan granted to Sierra Gorda S.C.M., as a result of which, pursuant to IFRS 9.5.5.14, a gain on reversal of an allowance for impairment was recognised in the amount of PLN 103 million (USD 27 million), in particular due to the inclusion of better forecasted operating results of the joint venture.

As at 31 March 2026, the assumptions adopted for estimation of cash flow due to repayment of receivables due to loans granted to Sierra Gorda S.C.M. have not changed in comparison with the assumptions adopted as at 31 December 2025.

Note 4.6 Financial instruments

Financial assets	As at 31 March 2026					As at 31 December 2025				
	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	2 039	55	8 981	764	11 839	1 744	49	9 002	167	10 962
Loans granted to Sierra Gorda S.C.M.	-	-	8 382	-	8 382	-	-	8 436	-	8 436
Derivatives	-	6	-	764	770	-	1	-	167	168
Other financial instruments measured at fair value	2 039	49	-	-	2 088	1 744	48	-	-	1 792
Other financial instruments measured at amortised cost	-	-	599	-	599	-	-	566	-	566
Current	-	1 389	1 495	200	3 084	-	1 388	1 182	123	2 693
Trade receivables	-	1 295	752	-	2 047	-	1 342	543	-	1 885
Derivatives	-	56	-	200	256	-	5	-	123	128
Cash and cash equivalents	-	-	522	-	522	-	-	443	-	443
Other financial assets	-	38	221	-	259	-	41	196	-	237
Total	2 039	1 444	10 476	964	14 923	1 744	1 437	10 184	290	13 655

Financial liabilities	As at 31 March 2026				As at 31 December 2025			
	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	74	5 050	1 885	7 009	21	5 248	1 605	6 874
Borrowings, leases and debt securities	-	4 842	-	4 842	-	5 034	-	5 034
Derivatives	74	-	1 885	1 959	21	-	1 605	1 626
Other financial liabilities	-	208	-	208	-	214	-	214
Current	234	5 536	1 521	7 291	215	5 542	1 283	7 040
Borrowings, leases and debt securities	-	1 434	-	1 434	-	815	-	815
Derivatives	72	-	1 521	1 593	157	-	1 283	1 440
Trade payables	-	3 345	-	3 345	-	3 213	-	3 213
Trade payables within the reverse factoring mechanism	-	467	-	467	-	1 297	-	1 297
Other financial liabilities	162	290	-	452	58	217	-	275
Total	308	10 586	3 406	14 300	236	10 790	2 888	13 914

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

Classes of financial instruments	As at 31 March 2026				As at 31 December 2025			
	fair value			carrying amount	fair value			carrying amount
	level 1	level 2	level 3		level 1	level 2	level 3	
Loans granted	-	22	-	22	-	22	-	22
Listed shares	1 907	-	-	1 907	1 612	-	-	1 612
Unquoted shares	-	132	-	132	-	132	-	132
Trade receivables	-	1 295	-	1 295	-	1 342	-	1 342
Assets due to derivatives	-	1 026	-	1 026	-	296	-	296
Liabilities due to derivatives	-	(3 552)	-	(3 552)	-	(3 066)	-	(3 066)
Other financial assets	-	23	42	65	-	23	44	67
Other financial liabilities	-	(162)	-	(162)	-	(58)	-	(58)

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

Classes of financial instruments	As at 31 March 2026				As at 31 December 2025			
	fair value			carrying amount	fair value			carrying amount
	level 1	level 2	level 3		level 1	level 2	level 3	
Loans granted	-	-	7 668	8 382	-	-	7 729	8 436
Received long-term bank and other loans	-	(1 607)	-	(1 607)	-	(1 814)	-	(1 814)
Long-term debt securities	(2 620)	-	-	(2 600)	(2 620)	-	-	(2 600)

The Group does not disclose the fair value of other than presented in the table above financial instruments measured at amortised cost in the statement of financial position 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).

In the current reporting period, there was no transfer in the Group of financial instruments between individual levels of the fair value hierarchy.

In addition to financial instruments, the Group also measures investment properties at fair value in the statement of financial position.

Fair value hierarchy of investment properties measured at fair value in the statement of financial position

	As at 31 March 2026				As at 31 December 2025			
	fair value			carrying amount	fair value			carrying amount
	level 1	level 2	level 3		level 1	level 2	level 3	
Investment properties	-	60	128	188	-	60	129	189

level 2 The fair value of the property was estimated using the pairwise comparison method.

level 3 The fair value of the property was estimated using the revenue stream discounting method and the estimation ratios method.

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 currency 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 settlement prices of futures contracts from the COMEX exchange. 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, taking into account the credit risk of Group companies.

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

The price paths adopted as at 31 March 2026 have not changed as compared to the ones adopted as at 31 December 2025.

As at 31 March 2026 and as at 31 December 2025, 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. A detailed forecast was prepared for the period 2026-2030, while for the period 2031-2035 a technical adjustment of prices was applied between the last year of the detailed forecast and 2036, for which a long-term metals price forecast was used at the following level:

- for copper – 9 250 USD/t;
- for gold – 2 500 USD/oz.

In the detailed forecast period for the period 2026-2030 the following levels of metal prices were assumed:

- for copper – from 10 000 USD/t to 10 472 USD/t;
- for gold – from 2 800 USD/oz to 3 800 USD/oz.

Sensitivity analysis of the fair value to changes in copper prices as at 31 March 2026

Classes of financial instruments	Fair value	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 amortised cost	7 668	7 758	7 564
Loans granted measured at amortised cost (in USD million)	2 050	2 074	2 022

Sensitivity analysis of the carrying amount to changes in copper prices as at 31 March 2026

Classes of financial instruments	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 amortised cost	8 382	8 429	8 324
Loans granted measured at amortised cost (in USD million)	2 241	2 253	2 225

Sensitivity analysis of the fair value to changes in copper prices as at 31 December 2025

Classes of financial instruments	Fair value	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 amortised cost	7 729	7 818	7 626
Loans granted measured at amortised cost (in USD million)	2 146	2 171	2 117

Sensitivity analysis of the carrying amount to changes in copper prices as at 31 December 2025

Classes of financial instruments	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 amortised cost	8 436	8 485	8 373
Loans granted measured at amortised cost (in USD million)	2 342	2 356	2 325

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 4.7 Management of commodity, currency and interest rate risk and of 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 is the use of 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 of the statement of profit or loss of the Group and on the items of the statement of comprehensive income is presented below.

Statement of profit or loss	from 1 January 2026 to 31 March 2026	from 1 January 2025 to 31 March 2025
Revenues from contracts with customers (reclassification adjustment)	(492)	16
Other operating income / (costs):	68	(103)
on realisation of derivatives	(32)	(19)
on measurement of derivatives	100	(84)
Impact of derivatives and hedging instruments on profit or loss for the period (excluding the tax effect)	(424)	(87)
Statement of other comprehensive income	from 1 January 2026 to 31 March 2026	from 1 January 2025 to 31 March 2025
Impact of measurement of hedging transactions (effective part)	(398)	57
Reclassification to the statement of profit and loss due to realisation of a hedged item	520	(1)
Impact of hedging transactions (excluding the tax effect)	122	56
TOTAL COMPREHENSIVE INCOME	(302)	(31)

The following table contains 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 quarter of 2026 and in the first quarter of 2025.

Other comprehensive income due to cash flow hedging (excluding the tax effect)	2026	2025
As at 1 January	(2 763)	78
Impact of measurement of hedging transactions (effective part)	(398)	57
Reclassification to revenues from contracts with customers due to realisation of hedged item	492	(16)
Reclassification to other operating costs due to realisation of hedged item (settlement of the hedging cost)	28	15
As at 31 March	(2 641)	134

The hedge's inefficiency recognised in profit or loss in the first quarter of 2026 and in the first quarter of 2025 was immaterial. Due to the full adjustment of the instruments used to the hedged position on the metals and currency markets, the Company does not identify potential sources of ineffectiveness.

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 quarter of 2026, copper sales of the Parent Entity amounted to 142 thousand tonnes (net sales of 82 thousand tonnes²), while the notional amount of copper price hedging strategies settled in this period amounted to 18.83 thousand tonnes, which represented approx. 13% of the total sales of this metal realised by the Parent Entity and approx. 23% of net sales in this period (in the first quarter of 2025: 7% and 11% respectively). The notional amount of settled silver price hedging transactions in the first quarter of 2026 represented approx. 33% of sales of this metal by the Parent Entity during that period (10% in the first quarter of 2025). In the case of currency transactions in the first quarter of 2026, approx. 7% of revenues from copper and silver sales realised by the Parent Entity in this period were hedged (10% in the first quarter of 2025).

As part of the realisation of the strategic hedging plan of the Parent Entity against market risk in the first quarter of 2026, transactions hedging the planned revenues from metal sales were implemented. On the copper market, *collar* option structures (Asian options) for the period from July 2026 to June 2027 for the total tonnage of 19.2 thousand tonnes and *seagull* option structures (Asian options) for the period from July 2027 to December 2028 for the total tonnage of 27.0 thousand tonnes were entered into. On the silver market, in the first quarter of 2026, *collar* option structures (Asian options) for the period from July 2026 to December 2027 for the total tonnage of 3.06 million troy ounces and *seagull* option structures (Asian options) for the period from January 2028 to June 2029 for the total tonnage of 2.97 million troy ounces were implemented. In accordance with hedge accounting principles, *collar* structures, which are a part of the *seagull* strategy, were designated as hedging revenues from sales of copper and silver.

In the first quarter of 2026, QP adjustment swap transactions were entered into on the copper and gold markets with maturities to June 2026, as part of the management of a net trading position³.

As at 31 March 2026, the Parent Entity held an open derivatives position on the commodity and currency markets for:

- 159.4 thousand tonnes of copper entered into as part of the strategic management of market risk, and 2 thousand tonnes of copper (net) entered into as part of the management of a net trading position (so-called adjustment transactions),
- 29.9 million troy ounces of silver,
- 4.1 thousand troy ounces of gold (net) entered into as part of the management of a net trading position (adjustment transactions), and
- USD 120 million of planned revenues from sales of metals.

Furthermore, as at 31 March 2026, the Parent Entity had loans with fixed interest rates. 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 incurring liabilities in currencies in which it has revenues. As at 31 March 2026, the bank and investment loans which were drawn in USD, following their translation to PLN, amounted to PLN 2 174 million (as at 31 December 2025: PLN 2 173 million).

In the first quarter of 2026, none of the Group's subsidiaries had implemented any derivative transactions on the commodity, currency or interest rate markets, and did not hold an open position on these markets as at 31 March 2026.

Condensed tables of open transactions in derivatives held by the Parent Entity as at 31 March 2026, 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.

Management of the risk of changes in copper price – open derivatives as at 31 March 2026

	Instrument/ option structure	Notional	Average weighted option strike price			Average weighted premium	Effective hedge price
			sold put option	purchased put option	sold call option		
		[tonnes]	[USD/t]	[USD/t]	[USD/t]	[USD/t]	[USD/t]
2nd quarter	seagull	4 500	7 500	9 600	11 500	(100)	9 500
	seagull	4 725	7 500	9 300	11 300	(143)	9 157
	seagull	4 800	7 600	9 213	11 563	(134)	9 079
	seagull	4 800	7 800	9 800	11 800	(132)	9 668
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	9 300	7 500	9 465	11 565	(142)	9 323
	seagull	9 600	7 800	9 800	11 800	(132)	9 668
	collar	9 600	-	12 063	14 263	(126)	11 937
Total IV-XII 2026		66 375					
1st half	seagull	9 600	7 600	9 213	11 563	(134)	9 079
	seagull	9 300	7 500	9 465	11 565	(142)	9 323
	seagull	9 600	7 800	9 800	11 800	(132)	9 668
	seagull	9 300	7 700	10 297	12 297	(115)	10 182
	collar	9 600	-	12 063	14 263	(126)	11 937

² Copper sales less purchase of copper-bearing materials.

³ 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.

2nd half	seagull	9 300	7 700	10 297	12 297	(115)	10 182
	seagull	9 300	7 700	10 229	12 229	(74)	10 155
	seagull	9 000	8 500	12 140	14 740	(138)	12 002
Total I-XII 2027		75 000					
1st half	seagull	9 000	8 500	12 140	14 740	(138)	12 002
2nd half	seagull	9 000	8 500	12 140	14 740	(138)	12 002
Total I-XII 2028		18 000					

Management of the risk of changes in silver price – open derivatives as at 31 March 2026

Instrument/ option structure	Notional [mn ounces]	Average weighted option strike price			Average weighted premium [USD/ounce]	Effective hedge price [USD/ounce]	
		sold put option [USD/ounce]	purchased put option [USD/ounce]	sold call option [USD/ounce]			
2nd quarter	collar	0.525	-	30.64	45.64	(0.50)	30.14
	collar	0.495	-	31.00	45.00	(0.59)	30.41
	collar	0.975	-	34.54	47.54	(0.45)	34.09
	collar	1.050	-	37.50	50.50	(0.40)	37.10
	collar	0.510	-	42.75	58.25	-	42.75
2nd half	seagull	0.990	22.00	33.48	45.48	(0.38)	33.10
	collar	1.950	-	34.54	47.54	(0.45)	34.09
	collar	2.100	-	37.50	50.50	(0.40)	37.10
	collar	1.020	-	42.75	58.25	-	42.75
	collar	1.020	-	87.21	103.21	(0.50)	86.71
Total IV-XII 2026		10.635					
1st half	seagull	0.990	22.00	33.48	45.48	(0.38)	33.10
	collar	1.950	-	34.54	47.54	(0.45)	34.09
	seagull	2.100	22.71	39.64	55.64	-	39.64
	collar	1.020	-	42.75	58.25	-	42.75
	collar	1.020	-	87.21	103.21	(0.50)	86.71
2nd half	seagull	2.100	22.71	39.64	55.64	-	39.64
	collar	1.020	-	42.75	58.25	-	42.75
	seagull	0.990	26.00	45.05	62.05	-	45.05
	collar	1.020	-	87.21	103.21	(0.50)	86.71
Total I-XII 2027		12.210					
1st half	seagull	2.100	22.71	39.64	55.64	-	39.64
	seagull	0.990	26.00	45.05	62.05	-	45.05
	seagull	0.990	34.00	87.86	107.36	(0.50)	87.36
2nd half	seagull	0.990	26.00	45.05	62.05	-	45.05
	seagull	0.990	34.00	87.86	107.36	(0.50)	87.36
Total I-XII 2028		6.060					
1st half	seagull	0.990	34.00	87.86	107.36	(0.50)	87.36
Total I-VI 2029		0.990					

Management of the risk of changes in USD/PLN exchange rate – open derivatives as at 31 March 2026

Instrument/ option structure	Notional [USD mn]	Average weighted option strike price			Average weighted premium [PLN per USD 1]	Effective hedge price [USD/PLN]	
		sold put option [USD/PLN]	purchased put option [USD/PLN]	sold call option [USD/PLN]			
2nd quarter	collar	120	-	4.04	4.54	(0.05)	3.99
TOTAL IV-VI 2026		120					

The table below presents detailed data on derivative transactions designated as hedging, held by the Parent Entity as at 31 March 2026.

Open hedging derivatives*	Notional	Average weighted price /exchange rate	Maturity settlement period		Period of profit/loss impact**	
			from	to	from	to
Type of derivative	copper [t] silver [mn ounces] currency [USD mn]	[USD/t] [USD/ounce] [USD/PLN]				
Commodity option structures						
Copper – <i>seagull</i> *	140 175	10 143 – 12 329	Apr'26	- Dec'28	Apr'26	- Jan'29
Copper – <i>collar</i>	19 200	12 063 – 14 263	July'26	- June'27	July'26	- July'27
Silver – <i>seagull</i> *	14.220	49.99 – 66.37	July'26	- June'29	July'26	- July'29
Silver – <i>collar</i>	15.675	47.04 – 61.30	Apr'26	- Dec'27	Apr'26	- Jan'28
Currency option structures						
USD/PLN – <i>collar</i>	120	4.04-4.54	Apr'26	- June'26	Apr'26	- July'26

* Data concerns *collar structures* i.e. purchased put options and sold call options designated as hedging (CFH – Cash Flow Hedge) entered into under the individual strategies hedging market risk.

** Reclassification of profits 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 result on the settlement of the transaction takes place on the date of its settlement.

Management of risk of changes in prices of energy resources

In market risk management resulting from changes in prices of energy resources, 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 flows.

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,
- CO₂ 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 allowances to emit CO₂,
- 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 (PPE), where the Parent Entity purchases electricity in forward products (RTEE) as well as on the intra-day and next-day market (RDB and RDN).

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 largely depends on the prices quoted on the Polish Power Exchange for E-type gas (as regards both forward and SPOT contracts). As part of the management of risk of changes in the prices of energy resources, in the first quarter of 2026 the Parent Entity entered into option transactions on the TTF (*Title Transfer Facility*) natural gas market. *Seagull* option structures on the contract *Endex ICE TTF Natural Gas Month Ahead* for the period from April 2026 to March 2027 for the total volume of 137.95 GWh were entered into.

Management of the risk of changes in natural gas prices – open derivatives as at 31 March 2026

Instrument/ option structure	Notional	Average weighted option strike price			Average weighted premium	Effective hedge price
		sold put option	purchased put option	sold call option		
		[GWh]	[EUR/MWh]	[EUR/MWh]		
Q2 seagull	78.62	25.00	34.17	50.00	-	34.17
Q3 seagull	99.36	25.00	34.17	50.00	-	34.17
Q4 seagull	119.29	25.00	34.17	50.00	-	34.17
Total IV-XII 2026	297.27					
Q1 seagull	116.59	25.00	34.17	50.00	-	34.17
Q2 seagull	26.21	22.80	32.00	50.00	-	32.00
Q3 seagull	33.12	22.80	32.00	50.00	-	32.00
Q4 seagull	39.76	22.80	32.00	50.00	-	32.00
Total I-XII 2027	215.68					

Commodity risk related to CO₂ 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. In terms of changes in the prices of CO₂ emission allowances, the Parent Entity has a net short position, resulting from the obligation to redeem allowances due to CO₂ 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 2026	from 1 January 2025
		to 31 March 2026	to 31 March 2025
CO ₂ emission allowances (actual emission of CO ₂)	EUA	340 451	343 269
Property rights, so-called green certificates *	GWh	8.7	7.8
Property rights, so-called blue certificates**	GWh	0.5	0.46
Property rights, so-called white certificates***	TOE	719	614
Natural gas	GWh	638	686
Electricity	GWh	647	611

* 9% from the consumed electricity for own needs in 2026, reflecting the obligation for industrial consumers of 15% 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, reflecting the obligation for industrial consumers of 15%.

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

Credit risk connected with derivative transactions

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

The credit risk due 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 rating level of the financial institutions with which the Group entered into derivatives transactions, representing an exposure to credit risk.

Rating level		As at 31 March 2026	As at 31 December 2025
Medium-high	from A+ to A- according to S&P and Fitch, and from A1 to A3 according to Moody's	100%	100%

Taking into consideration the receivables due to open derivative transactions held by the Group (excluding embedded derivatives) as at 31 March 2026 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 34%, or PLN 353 million (as at 31 December 2025: 15%, or PLN 47 million).

The Parent Entity assumes that, due to its cooperating solely with renowned financial institutions, as well as continuous monitoring of their ratings, it is not materially exposed to credit risk resulting from derivatives concluded with them.

Exposure to credit risk by main counterparties

	As at 31 March 2026			As at 31 December 2025		
	Open derivatives	Settled derivatives	Exposure to credit risk	Open derivatives	Settled derivatives	Exposure to credit risk
	Financial receivables	Net financial receivables ⁴		Financial receivables	Net financial receivables ⁴	
Counterparty 1	353	-	353	47	-	47
Counterparty 2	184	-	184	41	4	45
Counterparty 3	170	13	183	42	-	42
Other	315	10	325	166	19	185
Total	1 022	23	1 045	296	23	319

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 counterparties, 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 31 March 2026

	As at 31 March 2026					
	Gross financial receivables	Gross financial liabilities	subject to compensation		Net financial receivables	Net financial liabilities
			Financial receivables	Financial liabilities		
Counterparty 1	-	-	-	-	-	-
Counterparty 2	2	(12)	2	(6)	-	(10)
Counterparty 3	13	-	-	-	13	-
Other	10	(152)	-	-	10	(152)
Total	25	(164)	2	(6)	23	(162)

Receivables and liabilities due to settled derivatives by main counterparties as at 31 December 2025

	As at 31 December 2025					
	Gross financial receivables	Gross financial liabilities	subject to compensation		Net financial receivables	Net financial liabilities
			Financial receivables	Financial liabilities		
Counterparty 1	-	(9)	-	-	-	(9)
Counterparty 2	5	(4)	1	(4)	4	(3)
Counterparty 3	-	(8)	-	-	-	(8)
Other	19	(38)	-	-	19	(38)
Total	24	(59)	1	(4)	23	(58)

The fair value of open derivatives of the KGHM Polska Miedź S.A. Group as at the end of the reporting period broken down by hedging transactions⁵ and trade transactions (including embedded and adjustment derivatives) is presented in the table below. The impact of measurement of open hedging derivatives presented in the table below for *seagull* option structures applies to *collar* structures designated as hedging.⁶

⁴ The Parent Entity offsets receivables and liabilities due to settled derivatives (that is for which the future cash 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.

⁵ Within the KGHM Polska Miedź S.A. Group, the Parent Entity applies cash flow hedge accounting (CFH).

⁶ In the process of market risk management, the Parent Entity implements, among others, *seagull* strategies. Within these structures, it applies cash flow hedge accounting in accordance with IFRS 9 and it designates for hedge accounting (CFH – Cash Flow Hedge) only purchased put options and sold call options (*collar* structures). However, the Company treats the sold put options financing these strategies as trade instruments.

Type of derivative	As at 31 March 2026				
	Financial assets		Financial liabilities		Total
	Non-current	Current	Non-current	Current	
Hedging instruments (CFH)*, of which:	764	200	(1 885)	(1 521)	(2 442)
Derivatives – Metals (price of copper, silver)					
Options –collar (copper)	23	35	(14)	(16)	28
Options – <i>seagull</i> * (copper)	187	19	(322)	(309)	(425)
Options – <i>collar</i> (silver)	162	106	(385)	(976)	(1 093)
Options – <i>seagull</i> * (silver)	392	4	(1 164)	(220)	(988)
Derivatives – Currency (USD/PLN exchange rate)					
Options – <i>collar</i>	-	36	-	-	36
Trade instruments, of which:	6	56	(74)	(72)	(84)
Derivatives – Metals (price of copper, silver, gold)					
Sold put options (copper <i>seagull</i>)	-	-	(30)	(1)	(31)
Sold put options (silver <i>seagull</i>)	-	-	(39)	-	(39)
QP adjustment <i>swap</i> transactions (copper)	-	9	-	-	9
QP adjustment <i>swap</i> transactions (gold)	-	14	-	(54)	(40)
Derivatives – Energy resources (natural gas)					
Options – <i>seagull</i> (TTF)	6	29	(5)	(17)	13
Embedded derivatives (price of copper, gold)					
Purchase contracts for metal-bearing materials	-	4	-	-	4
TOTAL OPEN DERIVATIVES	770	256	(1 959)	(1 593)	(2 526)

* Data concerns *collar* structures, i.e. purchased put options and sold call options designated as hedging (CFH – Cash Flow Hedge) entered into under the individual strategies hedging market risk.

The fair value of open derivatives (assets and liabilities) as at 31 March 2026 has changed as compared to 31 December 2025 because of:

- the settlement of transactions in derivatives with maturities in the period from 1 January to 31 March 2026, which were open at the end of 2025,
- entering into new transactions on the forward metals market and natural gas ICE TTF,
- 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).

Note 4.8 Liquidity risk and capital management in the KGHM Polska Miedź S.A. Group

Liquidity and capital management policy

The basic goal of financial liquidity management in the Group is to ensure the capacity of companies to meet the current as well as future obligations.

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

Capital management in the Group is aimed at securing funds for business development and maintaining the appropriate level of liquidity.

Due to the centralisation of the process of obtaining external financing for the entire KGHM Polska Miedź S.A. Group's needs at the Parent Entity's level, intra-group liquidity transfers are realised using debt and equity instruments. The main debt instrument used in intra-group liquidity transfers are owner loans, which support the process of investment activities.

Under the process of liquidity management, and with respect to supporting the current activities, the Group makes use of a supporting tool – local cash pooling in PLN, USD and EUR and internationally in USD. Cash pooling aims to optimise the management of cash held, limiting interest costs, efficient financing of current working capital needs and supporting short-term financial liquidity in the Group.

In the first quarter of 2026, the KGHM Polska Miedź S.A. Group showed a full capacity for meeting its obligations. The cash held and obtained external financing by the Group guarantee continued liquidity and enable the realisation of investment projects.

In accordance with market practice, the Group monitors the level of financial security, among others on the basis of the Net Debt/Adjusted EBITDA ratio, the level of which as at the end of the reporting period is as follows:

Ratio	31 March 2026	31 December 2025
Net debt/Adjusted EBITDA*	0.57	0.76

*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.

Net debt changes

	As at 1 January 2026	Cash flows	Accrued interest	Exchange differences	Other changes	As at 31 March 2026
[+] Bank loans	1 109	(84)	19	37	13	1 094
[+] Loans	1 406	325	12	62	-	1 805
[+] Debt securities	2 604	-	31	-	-	2 635
[+] Leases	730	(43)	25	1	29*	742
[=] Total debt	5 849	198	87	100	42	6 276
[-] Free cash and cash equivalents	425	88	-	-	-	513
[=] Net debt	5 424	110	87	100	42	5 763

* Conclusion and modification of lease agreements.

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

	from 1 January 2026 to 31 March 2026
Financing activities	
[+] Proceeds from borrowings	877
[+] Repayment of borrowings	(591)
[+] Repayment of lease liabilities	(19)
[+] Repayment of interest on borrowings, debt securities	(20)
[+] Repayment of interest on leases	(16)
Investing activities	
[+] Paid capitalised interest on borrowings	(33)
[-] Change in free cash and cash equivalents	88
[=] TOTAL	110

Structure of sources of external financing

As at 31 March 2026, the Group had open credit lines, loans and debt securities with a total balance of available financing being the equivalent of PLN 16 609 million, out of which PLN 5 534 million had been drawn.

The structure of financing sources is presented below.

	As at 31 March 2026	As at 31 December 2025
Unsecured revolving syndicated credit facility		
Amount granted	5 611 (USD 1 500 mn)	5 402 (USD 1 500 mn)
Amount of the liability	-	-
Investment loans		
Amount granted	3 919	3 479
Amount of the liability	1 805	1 406
Other bank loans		
Amount granted	4 479	4 333
Amount of the liability	1 094	1 109
Debt securities		
Nominal value of the issuance	2 600	2 600
Amount of the liability	2 635	2 604
Total borrowings and debt securities		
Amount granted / Nominal value of the issuance	16 609	15 814
Amount of the liability	5 534	5 119

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

Guarantees - contingent liabilities (IAS 37)

	Guarantee amount	
	As at 31 March 2026	As at 31 December 2025
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 Validity period up to 1 year.	151	137
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. Validity period up to 1 year.	50	85
Security on claims to cover costs by the Group related to collecting and processing waste Validity period up to 2 years.	21	21
Security on the obligations related to proper execution of agreements concluded by the Group Validity period up to 5 years.	54 (PLN 5 mn, USD 13 mn)	53 (PLN 4 mn, CAD 2 mn, EUR 2 mn, USD 10 mn)

The most significant items of liabilities due to financial guarantees granted

Financial guarantees (IFRS 9)

	Carrying amount*		Guarantee amount	
	As at 31 March 2026	As at 31 December 2025	As at 31 March 2026	As at 31 December 2025
Guarantee set as security on a bank loan drawn by Sierra Gorda S.C.M. Validity period until September 2027.	9 (USD 2 mn)	11 (USD 3 mn)	824 (USD 220 mn)	793 (USD 220 mn)

* 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 amount of expected credit loss (Stage 1) is PLN 4 million as at 31 March 2026 and PLN 9 million as at 31 December 2025)

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

Guarantees - off-balance-sheet liabilities

	Guarantee amount	
	As at 31 March 2026	As at 31 December 2025
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. Validity period up to 1 year.	230	141
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. Validity period up to 1 year.	755	802

Note 4.9 Related party transactions

Operating income from related entities	from 1 January 2026 to 31 March 2026	from 1 January 2025 to 31 March 2025
Revenues from sales of products, merchandise and materials to the joint venture Sierra Gorda S.C.M.	4	5
Interest income on loans granted to the joint venture Sierra Gorda S.C.M.	130	147
Revenues from other transactions with the joint venture Sierra Gorda S.C.M.	3	3
Revenues from other transactions with other related parties	26	27
Total	163	182
Purchases from related entities	from 1 January 2026 to 31 March 2026	from 1 January 2025 to 31 March 2025
Purchase of services, merchandise and materials	31	29
Other purchase transactions	1	2
Total	32	31
Trade and other receivables from related parties	As at 31 March 2026	As at 31 December 2025
From the joint venture Sierra Gorda S.C.M. - loans granted	8 382	8 436
From the joint venture Sierra Gorda S.C.M. - other receivables	11	16
From other related parties	49	6
Total	8 442	8 458
Trade and other payables towards related parties	As at 31 March 2026	As at 31 December 2025
Towards the joint venture Sierra Gorda S.C.M.	9	11
Towards other related parties	28	6
Total	37	17

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).

In the first quarter of 2026, the Parent Entity and subsidiaries did not enter into significant transactions with related parties under other than arm's length conditions.

Pursuant to the scope of IAS 24.26, as at 31 March 2026 and in the period from 1 January to 31 March 2026, 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 the exploration for and assessment of mineral resources – the balance of payables as at 31 March 2026 amounted to PLN 210 million (as at 31 December 2025: PLN 242 million), including payments on setting mining usufruct for the extraction of mineral resources recognised in costs as at 31 March 2026 in the amount of PLN 9 million (as at 31 December 2025: PLN 35 million),
- due to a reverse factoring agreement - payables in the amount of PLN 261 million, interest costs from 1 January to 31 March 2026 in the amount of PLN 4 million (as at 31 December 2025, payables in the amount of PLN 438 million and interest costs from 1 January to 31 March 2025 in the amount of PLN 20 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 as part of the cooperation 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 31 March 2026, the turnover from these transactions amounted to PLN 730 million (from 1 January to 31 March 2025: PLN 754 million), and, as at 31 March 2026, the unsettled balance of liabilities from these transactions amounted to PLN 216 million (as at 31 December 2025: PLN 202 million),
- sales to Polish State Treasury Companies. In the period from 1 January to 31 March 2026, the turnover from these sales amounted to PLN 212 million (from 1 January to 31 March 2025: PLN 166 million), and, as at 31 March 2026, the unsettled balance of receivables from these transactions amounted to PLN 248 million (as at 31 December 2025: PLN 234 million).

Remuneration of the Supervisory Board of the Parent Entity (in PLN thousands)	from 1 January 2026 to 31 March 2026	from 1 January 2025 to 31 March 2025
Remuneration due to service in the Supervisory Board, salaries and other current benefits	607	637
Remuneration of the Management Board of the Parent Entity (in PLN thousands)	from 1 January 2026 to 31 March 2026	from 1 January 2025 to 31 March 2025
Salaries and other current benefits due to serving in the function	1 835	2 283
Post-termination benefits	1 282	-
Total	3 117	2 283
Remuneration of other key managers (in PLN thousands)	from 1 January 2026 to 31 March 2026	from 1 January 2025 to 31 March 2025
Salaries and other current employee benefits	1 832	1 580

Based on the definition of key management personnel according to IAS 24 and based on an analysis of the rights and scope of responsibilities of managers of the KGHM Polska Miedź S.A. 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 31 March 2026	Increase/(decrease) since the end of the last financial year
Contingent assets	538	48
Guarantees received	240	(16)
Promissory notes receivables	225	9
Other	73	55
Contingent liabilities	772	(2)
Note 4.8 Guarantees	285	(34)
Promissory notes payables	219	8
Liability due to a claim arising from the executed contract	40	11
Financial support granted to municipalities in the form of a donation	122	2
Estimated potential impact of penalties arising from a tax audit in a subsidiary of the KGHM INTERNATIONAL LTD. Group	26	1
Other	80	10

Note 4.11 Change in working capital

	Inventories	Trade receivables	Trade payables	Other payables*	Working capital
As at 1 January 2026	(9 608)	(1 885)	3 213	1 297	(6 983)
As at 31 March 2026	(12 489)	(2 047)	3 345	467	(10 724)
Impact of changes from the statement of financial position	(2 881)	(162)	132	(830)	(3 741)
Exchange differences from the translation of statements of operations with a functional currency other than PLN	31	13	(6)	-	38
Depreciation recognised in inventories	195	-	-	-	195
Change in payables due to the purchase of property, plant and equipment and intangible assets	-	-	262	2	264
Change in liabilities due to interest	-	-	-	1	1
Adjustments, total	226	13	256	3	498
Change recognised in the statement of cash flows from operating activities	(2 655)	(149)	388	(827)	(3 243)

* Trade payables within the reverse factoring mechanism

	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 31 March 2025	(8 321)	(1 418)	2 548	2 401	(4 790)
Impact of changes from the statement of financial position	(258)	(73)	(584)	401	(514)
Exchange differences from the translation of statements of operations with a functional currency other than PLN	(29)	(23)	10	-	(42)
Depreciation recognised in inventories	210	-	-	-	210
Change in payables due to the purchase of property, plant and equipment and intangible assets	1	-	281	66	348
Change in payables due to interests	-	-	-	3	3
Adjustments, total	182	(23)	291	69	519
Change recognised in the statement of cash flows from operating activities	(76)	(96)	(293)	470	5

* Trade payables within the reverse factoring mechanism

5 – Additional information to the consolidated quarterly report

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

In the first quarter of 2026, there were no changes in the organisational structure of the KGHM Polska Miedź S.A. Group.

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

There was no issuance, redemption or repayment of debt and equity securities in the Group in the current quarter.

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

Information related to paid (declared) dividend, total and per share for year 2025 is presented in Note 5.7.

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 the KGHM Polska Miedź S.A. for 2024, it was decided to transfer the entire profit in the amount of PLN 2 788 million to the Company's reserve capital.

All shares of the Parent Entity are ordinary shares.

Note 5.5 Other information to the consolidated quarterly report

Position of the Management Board with respect to the possibility of achieving previously-published forecasts of results for 2026, in the light of results presented in this consolidated quarterly report relative to forecasted results

KGHM Polska Miedź S.A. has not published a forecast of the financial results of the Company and the Group for 2026.

Shareholders holding at least 5% of the total number of votes at the General Meeting of KGHM Polska Miedź S.A. as at the date of publication of this consolidated quarterly report, changes in the ownership structure of significant blocks of shares of KGHM Polska Miedź S.A. in the period since publication of the consolidated report for 2025

As at the date of preparation of this report, pursuant to the information held by KGHM Polska Miedź S.A., the following shareholders held at least 5% in the total number of votes at the General Meeting of KGHM Polska Miedź S.A.:

shareholder	number of shares/votes	total nominal value of shares (PLN)	percentage held in share capital/total number of votes
State Treasury	63 589 900	635 899 000	31.79%
Allianz Polska Otwarty Fundusz Emerytalny	11 961 453	119 614 530	5.98%
Nationale-Nederlanden Otwarty Fundusz Emerytalny	10 104 354	101 043 540	5.05%
Other shareholders	114 344 293	1 143 442 930	57.18%
Total	200 000 000	2 000 000 000	100.00%

As far as the Company is aware, this state has not changed since the publication of the consolidated report for 2025.

Ownership of KGHM Polska Miedź S.A.'s shares or of rights to them by members of the management and supervisory boards of KGHM Polska Miedź S.A., as at the date of publication of the consolidated quarterly report. Changes in ownership during the period following publication of the consolidated report for 2025

Based on information held by KGHM Polska Miedź S.A., as at the date of preparation of this report no Member of the Management Board and the Supervisory Board of the Company held shares of KGHM Polska Miedź S.A. or rights to them. This state has not changed since the publication of the consolidated report for 2025.

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

In the claim dated 26 September 2007, plaintiffs (14 natural persons) filed a claim against KGHM Polska Miedź S.A. ("the Company", "KGHM") with the Regional Court in Legnica for the payment of royalties for the use by the Company of invention project no. 1/97/KGHM called „Sposób zwiększenia zdolności produkcyjnej wydziałów elektrolizacji Hutnictwa Miedzi” (Method for increasing the production capacity of the electrorefining sections of the Metallurgical Plants) ("the Project") for the 8th calculation period (the year 2006). The amount of the claim (principal amount) was set by the Plaintiffs in the claim in the amount of approx. PLN 42 million (principal amount excluding claimed interest and court costs). On 21 January 2008, in the response to the claim, the Company requested the dismissal of the claim in its entirety and filed a counter claim for the repayment of undue royalties paid for the 6th and 7th year of application of the Project (the year 2004 and 2005), also invoking the right of mutual set-off of claims. The amount of the claim (principal amount excluding claimed interest and court costs) in the counter claim was set by the Company in the amount of approx. PLN 25 million.

In a judgement dated 25 September 2018, the Regional Court in Legnica dismissed the counter claim and partially upheld the principal claim to the total amount of approx. PLN 24 million, and at the same time ordered the payment of interest in the amount of approx. PLN 30 million, totalling to approx. PLN 54 million. Both parties to the proceedings appealed against this judgement.

In the judgement of 12 June 2019, the Court of Appeals in Wrocław dismissed the appeals of both parties, changing the judgement of the court of first instance only with regard to the decision on the costs of the main action, charging them to KGHM. The judgements are legally binding and were executed by KGHM on 18-19 June 2019. As a result of the execution of the liabilities, there is no basis to create a provision for the liabilities. KGHM filed a cassation appeal against the judgement of the court of second instance, with respect to the partially upheld principal claim in the principal amount of approx. PLN 24 million as well as with respect to the dismissed counter-claim in the principal amount of approx. PLN 25 million. The plaintiffs did not file a cassation appeal regarding the dismissed part of the principal claim.

In a judgement dated 24 November 2022 the Supreme Court repealed the appealed judgement and referred the case to the Court of Appeals in Wrocław for reconsideration. In the remanding proceedings before the court of second instance, KGHM filed a motion for the restitution of the consideration paid to the plaintiffs, which had been awarded by the judgment of the court of first instance and amended by the costs of the judgement of the court of second instance (motion of restitution).

In its judgement of 4 December 2024, the Court of Appeals in Wrocław again dismissed the appeal of KGHM and the Company's motion of restitution, set-off the costs of the appeal and cassation proceedings between the parties and partially amended the decision regarding the costs of the main claim for the first instance. By a cassation appeal of 14 March 2025, the judgment of the Court of Appeal in Wrocław was appealed against in its entirety by KGHM. The records of the case were sent to the Supreme Court on 30 September 2025, and on 15 October 2025 the case was registered under the designation III PSK 203/25. The current file reference number is I PSK 366/26 and the case is awaiting the scheduling of a hearing regarding the acceptance of the complaint for consideration.

Information on single or multiple transactions entered into with related entities by KGHM Polska Miedź S.A. or a subsidiary thereof, if they were entered into under other than arm's length conditions

In the first quarter of 2026, neither KGHM Polska Miedź S.A. nor subsidiaries thereof entered into transactions with related entities under other than arm's length conditions.

Information on sureties on bank and other loans or guarantees granted by KGHM Polska Miedź S.A. or its subsidiaries – jointly to a single entity or subsidiary thereof, if the total amount of existing sureties or guarantees is significant

In the first quarter of 2026, KGHM Polska Miedź S.A. and its subsidiaries did not grant sureties on bank and other loans and did not issue guarantees - jointly to a single entity or a subsidiary thereof - for which the total amount of existing sureties or guarantees is significant.

Other information which in the opinion of KGHM Polska Miedź S.A. is significant for the assessment of its employment, assets, financial position and financial result and any changes thereto, and information which is significant for assessing the ability to pay its liabilities

On 25 February 2026, the Additional Protocol No. 31 to the Collective Labour Agreement for the Employees of KGHM Polska Miedź S.A. increasing the rates of basic salary by 6.8% from 1 January 2026 was concluded. This Protocol entered into force on 27 February 2026.

Factors, which in the opinion of KGHM Polska Miedź S.A., will impact the results of the Group over at least the following quarter

The most significant factors affecting the results achieved by the KGHM Polska Miedź S.A. Group, through the Parent Entity, including in particular over the following quarter, may be:

- a) the ongoing war in Ukraine and tightening of economic sanctions and their potential impact on changes in the supply chain and the availability of materials and components, fuels and energy on international markets,
- b) the effects of the customs policy and the global trade war (USA, China, European Union),
- c) further consequences of the conflict in the Middle East and its potential impact on the state of global economies,
- d) volatility of crude oil prices due to tensions in the Persian Gulf region, the global trade war, and OPEC+ production policies,
- e) the effects of the China's economic slowdown and its impact on global supply chains,
- f) the effects of the slowdown in the German economy and its impact on the sales structure,
- g) volatility in copper and silver prices on the metals markets,
- h) volatility in the USD/PLN exchange rate,
- i) volatility in electrolytic copper production costs, including in particular due to the minerals extraction tax, changes in the value of consumed purchased copper-bearing materials, volatility in prices of energy carriers and electricity,
- j) the effects of the implemented hedging policy,
- k) changes in the monetary policy of central banks and changes in interest rates, and
- l) the general uncertainty on financial markets.

The most significant factors affecting the results of the KGHM Polska Miedź S.A. Group through the KGHM INTERNATIONAL LTD. Group, including in particular over the following quarter, may be:

- a) similarly as in the case of the Parent Entity, the ongoing war in Ukraine and further consequences of the conflict in the Middle East and their potential impact on business continuity disruptions or business restrictions,
- b) the effects of the customs policy and the global trade war (USA, China, European Union),
- c) volatility of crude oil prices due to tensions in the Persian Gulf region, the global trade war, and OPEC+ production policies,
- d) the varied growth rates of global economies compared to forecasts (mainly China and the USA) due to, among others, the global trade war,
- e) volatility in the level of mining and the level of metal recovery,
- f) volatility in copper, silver, gold prices,
- g) the CLP/USD and USD/PLN exchange rates volatility,
- h) volatility in the cost of copper mining production,
- i) an increase in the prices of materials and services, and
- j) the general uncertainty on financial markets.

The above may affect the results of the Group in subsequent quarters. However, it is not possible to present quantitative estimates of the potential impact of current conditions on the results of the Group. To date, no substantial negative impact of the above factors has been observed 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 global 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 Impact of the war in Ukraine, effects of tariffs policy and the global trade war, conflict in the Middle East

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 categories related to the war in Ukraine which impact 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.

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 1.5 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.

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

Since the beginning of the war in Ukraine, the KGHM Polska Miedź S.A. Group has not experienced a significantly negative impact of volatility of supply chains on its business activities. Taking into account the continuity of supplies of energy carriers (natural gas, coal, coke), the KGHM Polska Miedź S.A. Group currently has full capacity to maintain the continuity of operation of the core production line and all production processes.

Nevertheless, 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 lead to unfavourable deviations in the continuity of materials and services supply chains as well as receipt of products in the Group.

However, the geopolitical situation related to the direct aggression of Russia against Ukraine and the implemented system of sanctions does not restrict the operations of KGHM Polska Miedź S.A. and other Group companies, while the risk of interruptions to the going concern of the Company and the KGHM Polska Miedź S.A. Group in this regard is estimated to be low.

The ongoing war in Ukraine and limited availability of Russian cathodes on European markets have already been discounted by the market and did not constitute an additional factor affecting the sales results of basic copper products in the first quarter of 2026. At the same time, 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). On this product market, the good economic situation is mainly driven by significant investments related to the energy transformation 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 in Sierra Gorda S.C.M., no production stoppages which would have been directly attributable to the war in Ukraine were recorded.

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.

Effects of customs policy and global trade war (the USA, China, the European Union)

In the reporting period, the Group did not record a negative impact due to factors related to customs policy and the global trade war involving the USA, China and the European Union, and the potential impact on the Group in subsequent periods is judged to be low. The US market does not play a significant role in the geographical structure of sales of products manufactured by the KGHM Polska Miedź S.A. Group outside of the USA's borders and therefore the direct impact of announced tariffs will be limited.

Trade of copper and copper-made products is excluded 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. In October 2025, China implemented more restrictive regulations on the export of rare earth metals and products containing them. China controls most of the processing capacity for these metals, and according to European Commission data, a significant portion of import of rare earth metals required by European industry comes from China. These changes may result in delays or difficulties in obtaining export licenses, particularly in relation to the energy transition. Renewable energy components may therefore become more expensive and less available, which may cause delays in investments in wind farms (especially offshore wind farms). It should be noted that in response to Chinese trade restrictions, there is a noticeable change in the approach of European countries to trade with China in terms of, among others, components for the energy transition. In December 2025, Italy was the first EU country to hold an auction for the supply of solar panels,

which banned the participation of Chinese modules, cells and inverters. It should be noted that in the first quarter of 2026, no events of a similar nature to those described above, which could significantly affect the economic relations between the EU and China, were recorded. However, it cannot be ruled out that in the following months of 2026, it is possible that other countries will introduce similar restrictions, aimed at giving priority to components manufactured in the European Union. With regard to the Polish economy, difficulties in obtaining Chinese-made parts necessary to increase the capacity of RES installations may potentially result in a slowdown in the energy transition, hindering the reduction of CO₂ emissions and limiting the growth rate of the share of RES in the Polish energy mix.

Mining and production operations in Poland are and will continue to be of key importance for KGHM Polska Miedź S.A. However, the potential escalation of trade barriers in various regions of the world could negatively impact the dynamics of global economic growth and, consequently, the demand for raw materials. Therefore, economic and political processes affecting international trade are continuously monitored and analysed by the Company.

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.

Due to the escalation of geopolitical tensions in the Middle East, including the commencement of military operations by the United States and Israel against Iran, the most significant categories of conflict-related risks affecting the operations of the Company and the Group are the following:

- potential impact on the global economies,
- volatility of crude oil and natural gas prices,
- volatility of exchange rates (mainly USD/PLN),
- volatility of gold and silver prices,
- supply chain disruptions and availability of fuels and energy on international markets.

Currently, the situation in the Middle East is focused primarily on Iran, a major oil producer and in control over the Strait of Hormuz. Further developments in the global economic situation depend largely on the final outcome of the peace talks.

Due to the high uncertainty related to development of the political situation in the Middle East, neither its scale nor the potential impact on the KGHM Polska Miedź S.A. Group as at the publication date can be estimated for subsequent periods.

Note 5.7 Subsequent events

Granting of a lease-type loan to KGHM INTERNATIONAL LTD.

On 10 April 2026, KGHM INTERNATIONAL LTD. and PKO Leasing S.A. signed a financing agreement under the lease-type loan agreement for an amount of over USD 120 million (PLN 449 million) for investment purposes in order to refinance the purchase of construction and mining machinery used in the Robinson mine in the State of Nevada.

Adoption of a resolution regarding the submission by the Management Board of the Parent Entity of a proposal to the Ordinary General Meeting of KGHM Polska Miedź S.A. regarding the appropriation of profit for 2025

On 27 April 2026, the Management Board of KGHM Polska Miedź S.A. adopted a resolution in respect of which it will submit a proposal to the Ordinary General Meeting of KGHM Polska Miedź S.A. to adopt a resolution on the appropriation of profit for 2025, in the amount of PLN 1 946 million by:

- paying out a dividend in the amount of PLN 300 million (PLN 1.50 per share),
- transferring the amount of PLN 1 646 million to the Company's reserve capital.

Moreover, the Management Board of KGHM Polska Miedź S.A. proposes that the Ordinary General Meeting of KGHM Polska Miedź S.A. set the dividend date at 25 June 2026 and the dividend payment date at 9 July 2026.

The final decision on the appropriation of profit for 2025 will be made by the Ordinary General Meeting of KGHM Polska Miedź S.A.

Convening of the Ordinary General Meeting of KGHM Polska Miedź S.A.

On 5 May 2026, the Management Board of KGHM Polska Miedź S.A. announced the convening of an Ordinary General Meeting of KGHM Polska Miedź S.A. which will take place on 9 June 2026, beginning at 11:00 a.m., at the head office of the Company in Lubin, at the address ul. Marii Skłodowskiej-Curie 48 (in Jan Wyżykowski Hall).

Part 2 - Quarterly financial information of KGHM Polska Miedź S.A.

SEPARATE STATEMENT OF PROFIT OR LOSS

		from 1 January 2026 to 31 March 2026	from 1 January 2025 to 31 March 2025
Note 1	Revenues from contracts with customers	10 493	7 537
Note 2	Cost of sales	(6 415)	(6 428)
	Gross profit on sales	4 078	1 109
Note 2	Selling costs and administrative expenses	(320)	(301)
	Profit on sales	3 758	808
Note 3	Other operating income, including:	704	241
	interest income calculated using the effective interest rate method	84	99
	fair value gains on financial assets measured at fair value through profit or loss	162	43
Note 3	Other operating costs, including:	(224)	(736)
	fair value losses on financial assets measured at fair value through profit or loss	(64)	(133)
Note 4	Finance income	-	152
Note 4	Finance costs	(119)	(72)
	Profit before income tax	4 119	393
	Income tax expense	(1 151)	(266)
	PROFIT FOR THE PERIOD	2 968	127
	Weighted average number of ordinary shares (million)	200	200
	Basic and diluted earnings per share (in PLN)	14.84	0.64

SEPARATE STATEMENT OF COMPREHENSIVE INCOME

	from 1 January 2026 to 31 March 2026	from 1 January 2025 to 31 March 2025
Profit for the period	2 968	127
Effective portion of the change in the fair value of hedging instruments and the cost of hedging, net of the tax effect	100	46
Other comprehensive income, which will be reclassified to profit or loss	100	46
Measurement of equity financial instruments at fair value through other comprehensive income, net of the tax effect	240	175
Actuarial gains / (losses) net of the tax effect	74	(57)
Other comprehensive income, which will not be reclassified to profit or loss	314	118
Total other comprehensive net income	414	164
TOTAL COMPREHENSIVE INCOME	3 382	291

SEPARATE STATEMENT OF CASH FLOWS

	from 1 January 2026 to 31 March 2026	from 1 January 2025 to 31 March 2025
Cash flow from operating activities		
Profit before income tax	4 119	393
Depreciation/amortisation recognised in profit or loss	414	390
Interest on investment activities	(69)	(76)
Other interest	21	51
Losses on modification of financial assets	-	32
Fair value (gains)/losses on loans measured at fair value through profit or loss	(162)	110
(Gains) due to change in the value of loans measured at amortised cost	(1)	(4)
Losses due to changes in the value of property, plant and equipment and intangible assets	4	-
Exchange differences, of which:	(119)	198
from investing activities and cash	(198)	350
from financing activities	79	(152)
Change in provisions for decommissioning of mines, liabilities related to future employee benefits program and other provisions	41	103
Change in other receivables and liabilities other than working capital	752	(61)
Change in assets and liabilities due to derivatives	(643)	85
Reclassification of other comprehensive income to profit or loss due to the realisation of hedging derivatives	520	(1)
Other adjustments	33	19
Exclusions of income and costs, total	791	846
Income tax paid	(762)	(378)
Note 5 Changes in working capital, including:	(3 335)	356
change in trade payables within the reverse factoring mechanism	(827)	470
Net cash generated from/(used in) operating activities	813	1 217
Cash flow from investing activities		
Expenditures on mining and metallurgical assets, including:	(1 048)	(1 141)
paid capitalised interest on borrowings	(27)	(34)
Expenditures on other property, plant and equipment and intangible assets	(30)	(24)
Expenditures on the acquisition of shares in subsidiaries	-	(35)
Expenditures on financial assets designated for decommissioning of mines	(34)	(30)
Advances granted for the purchase of property, plant and equipment and intangible assets	(16)	(27)
Proceeds from repayment of loans granted (principal)	571	186
Interest received on loans granted	70	19
Other	-	1
Net cash generated from/(used in) investing activities	(487)	(1 051)
Cash flow from financing activities		
Proceeds from borrowings	437	208
Repayment of lease liabilities	(10)	(9)
Payment of interest, including:	(47)	(55)
trade payables within the reverse factoring mechanism	(12)	(25)
borrowings	(35)	(30)
Expenditures on cash pooling	(90)	-
Repayments of borrowings received	(574)	(101)
Proceeds from cash pooling	-	110
Net cash generated from / (used in) financing activities	(284)	153
TOTAL NET CASH FLOW	42	319
Exchange differences on measurement of cash and cash equivalents	4	(1)
Cash and cash equivalents at the beginning of the period	216	367
Cash and cash equivalents at the end of the period, including	262	685
restricted cash	4	5

SEPARATE STATEMENT OF FINANCIAL POSITION

	As at 31 March 2026	As at 31 December 2025
ASSETS		
Mining and metallurgical property, plant and equipment	23 213	23 084
Mining and metallurgical intangible assets	1 300	1 258
Mining and metallurgical property, plant and equipment and intangible assets	24 513	24 342
Other property, plant and equipment	110	115
Other intangible assets	58	59
Other property, plant and equipment and intangible assets	168	174
Investments in subsidiaries - shares	6 801	6 801
Loans granted, of which:	8 069	8 290
measured at fair value through profit or loss	2 895	3 225
measured at amortised cost	5 174	5 065
Derivatives	770	168
Other financial instruments measured at fair value through other comprehensive income	1 998	1 703
Other financial instruments measured at amortised cost	643	608
Financial instruments, total	11 480	10 769
Other non-financial assets	85	80
Non-current assets	43 047	42 166
Inventories	10 992	8 312
Trade receivables, including:	1 521	1 239
Trade receivables measured at fair value through profit or loss	1 038	980
Tax assets	572	588
Derivatives	256	128
Cash pooling receivables	9	523
Other financial assets, including:	342	286
Loans granted	95	85
Other non-financial assets	286	102
Cash and cash equivalents	262	216
Current assets	14 240	11 394
TOTAL ASSETS	57 287	53 560
EQUITY AND LIABILITIES		
Share capital	2 000	2 000
Other reserves from measurement of financial instruments	(1 359)	(1 699)
Accumulated other comprehensive income	(566)	(640)
Retained earnings	34 821	31 853
Equity	34 896	31 514
Borrowings and leases	1 594	2 174
Liabilities due to issuance of debt financial instruments	2 600	2 600
Derivatives	1 959	1 626
Employee benefits liabilities	2 422	2 571
Provisions for decommissioning costs of mines and other technological facilities	1 273	1 380
Deferred tax liabilities	361	326
Other liabilities	272	274
Non-current liabilities	10 481	10 951
Borrowings and leases	1 250	733
Liabilities due to issuance of debt financial instruments	35	4
Cash pooling liabilities	521	611
Derivatives	1 593	1 440
Trade and other payables	3 452	4 263
Employee benefits liabilities	1 793	1 699
Tax liabilities	2 037	1 468
Provisions for liabilities and other charges	78	78
Other liabilities	1 151	799
Current liabilities	11 910	11 095
Non-current and current liabilities	22 391	22 046
TOTAL EQUITY AND LIABILITIES	57 287	53 560

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 2025	2 000	(117)	(636)	29 907	31 154
Profit for the period	-	-	-	127	127
Other comprehensive income	-	221	(57)	-	164
Total comprehensive income	-	221	(57)	127	291
As at 31 March 2025	2 000	104	(693)	30 034	31 445
As at 1 January 2026	2 000	(1 699)	(640)	31 853	31 514
Profit for the period	-	-	-	2 968	2 968
Other comprehensive income	-	340	74	-	414
Total comprehensive income	-	340	74	2 968	3 382
As at 31 March 2026	2 000	(1 359)	(566)	34 821	34 896

Explanatory notes

Note 1 Revenues from contracts with customers - geographical breakdown reflecting the location of end customers

	from 1 January 2026 to 31 March 2026	from 1 January 2025 to 31 March 2025
Europe		
Poland	2 358	1 800
Germany	1 337	1 208
The United Kingdom	1 197	326
Czechia	779	545
Italy	632	489
Switzerland	529	244
Hungary	392	405
France	255	188
Sweden	217	242
Austria	95	85
Slovakia	62	47
Other	176	172
North and South America		
The United States of America	603	897
Canada	22	13
Chile	-	4
Australia	181	-
Asia		
China	489	493
Türkiye	369	176
Hong Kong	310	-
United Arab Emirates	166	-
Saudi Arabia	138	38
South Korea	126	-
Other	54	130
Africa		
Morocco	6	6
Algeria	-	29
TOTAL	10 493	7 537

Note 2 Expenses by nature

	from 1 January 2026 to 31 March 2026	from 1 January 2025 to 31 March 2025
Depreciation of property, plant and equipment and amortisation of intangible assets	478	445
Employee benefits expenses	1 529	1 446
Materials and energy, including:	4 013	3 191
purchased metal-bearing materials	2 889	2 050
electrical and other energy	531	488
External services, including:	654	665
transport	90	90
repairs, maintenance and servicing	216	210
mine preparatory work	163	186
Minerals extraction tax	1 903	1 060
Other taxes and charges	191	194
Write-down of inventories	2	-
Other costs	18	19
Total expenses by nature	8 788	7 020
Cost of merchandise and materials sold (+)	69	94
Change in inventories of finished goods and work in progress (+/-)	(2 078)	(334)
Cost of manufacturing products for internal use (-)	(44)	(51)
Total costs of sales, selling costs and administrative expenses, of which:	6 735	6 729
Cost of sales	6 415	6 428
Selling costs	45	45
Administrative expenses	275	256

Note 3 Other operating income and (costs)

	from 1 January 2026 to 31 March 2026	from 1 January 2025 to 31 March 2025
Gains on derivatives, of which:	204	46
measurement	199	42
realisation	5	4
Exchange differences on financial assets and liabilities other than borrowings	172	-
Interest on loans granted and other financial receivables	85	99
Fair value gains on financial assets measured at fair value through profit or loss, including:	162	43
loans	162	-
Reversal of impairment losses on financial instruments measured at amortised cost, including:	3	6
loans	2	5
Release of provisions	34	8
Other	44	39
Total other operating income	704	241
Losses on derivatives, of which:	(136)	(149)
measurement	(99)	(126)
realisation	(37)	(23)
Fair value losses on financial assets measured at fair value through profit or loss, of which:	(64)	(133)
loans	-	(110)
Impairment losses on financial instruments measured at amortised cost, including:	(1)	(3)
loans	(1)	(1)
Losses on modification of financial assets	-	(32)
Exchange differences on financial assets and liabilities other than borrowings	-	(386)
Other	(23)	(33)
Total other operating costs	(224)	(736)
Other operating income and (costs)	480	(495)

Note 4 Finance income and (costs)

	from 1 January 2026 to 31 March 2026	from 1 January 2025 to 31 March 2025
Finance income - exchange differences on measurement and realisation of borrowings	-	152
Interest on borrowings, including:	(4)	(23)
leases	-	(2)
Interest on trade payables within the reverse factoring mechanism	(12)	(22)
Unwinding of the discount effect, including:	(19)	(21)
provisions for decommissioning of mines and other technological facilities	(18)	(19)
Fees and charges on external financing	(5)	(6)
Exchange differences on measurement and realisation of borrowings	(79)	-
Total finance costs	(119)	(72)
Finance income and (costs)	(119)	80

Note 5 Changes in working capital

	Inventories	Trade receivables	Trade payables	Other payables*	Working capital
As at 1 January 2026	(8 312)	(1 239)	2 966	1 297	(5 288)
As at 31 March 2026	(10 992)	(1 521)	2 985	467	(9 061)
Impact of changes from the statement of financial position	(2 680)	(282)	19	(830)	(3 773)
Depreciation recognised in inventories	62	-	-	-	62
Change in liabilities due to purchase of property, plant and equipment	-	-	373	2	375
Change in liabilities due to interest	-	-	-	1	1
Adjustments, total	62	-	373	3	438
Change recognised in the statement of cash flows from operating activities	(2 618)	(282)	392	(827)	(3 335)

* Trade payables within the reverse factoring mechanism

	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 31 March 2025	(7 232)	(739)	2 227	2 401	(3 343)
Impact of changes from the statement of financial position	(195)	146	(598)	401	(246)
Depreciation recognised in inventories	52	-	-	-	52
Change in liabilities due to purchase of property, plant and equipment	-	-	481	66	547
Change in liabilities due to interest	-	-	-	3	3
Adjustments, total	52	-	481	69	602
Change recognised in the statement of cash flows from operating activities	(143)	146	(117)	470	356

* Trade payables within the reverse factoring mechanism

SIGNATURES OF MEMBERS OF THE MANAGEMENT BOARD

This report was authorised for issue on 13 May 2026.

Vice President
of the Management Board

Piotr Krzyżewski

Vice President
of the Management Board

Mirosław Laskowski

SIGNATURE OF PERSON RESPONSIBLE FOR ACCOUNTING

Executive Director
of Accounting Services Centre
Chief Accountant

Agnieszka Senior