



TRANSLATORS' EXPLANATORY NOTE

The English content of this report is a free translation of the registered auditor's report of the below-mentioned Polish Company. In Poland statutory accounts as well as the auditor's report should be prepared and presented in Polish and in accordance with Polish legislation and the accounting principles and practices generally adopted in Poland.

The accompanying translation has not been reclassified or adjusted in any way to conform to the accounting principles generally accepted in countries other than Poland, but certain terminology current in Anglo-Saxon countries has been adopted to the extent practicable. In the event of any discrepancies in interpreting the terminology, the Polish language version is binding.

Independent Registered Auditor's Report

To the Shareholders' Meeting and the Supervisory Board of KGHM Polska Miedź Spółka Akcyjna

Report on the audit of annual financial statements

Our opinion

In our opinion, the attached annual financial statements of KGHM Polska Miedź Spółka Akcyjna („the Company”):

- give a true and fair view of the financial position of the Company as at 31 December 2019 and its financial performance and its cash flows for the year then ended in accordance with the applicable International Financial Reporting Standards as adopted by the European Union and the adopted accounting policies;
- comply in terms of form and content with the laws applicable to the Company and the Company's Articles of Association;
- have been prepared on the basis of properly maintained books of account in accordance with the provisions of Chapter 2 of the Accounting Act of 29 September 1994 (“the Accounting Act” – Consolidated text: Journal of Laws of 2019, item 351, as amended).

Our opinion is consistent with our additional report to the Audit Committee issued on the date of this report.

What we have audited

We have audited the annual financial statement of the KGHM Polska Miedź Spółka Akcyjna which comprise:

- the statement of financial position as at 31 December 2019 ;

and the following prepared for the financial year from 1 January to 31 December 2019:

- the statement of profit or loss;
- the statement of comprehensive income;
- the statement of changes in equity;
- the statement of cash flows, and
- the notes comprising a description of the adopted accounting policies and other explanations.

Basis for opinion

Basis for opinion

We conducted our audit in accordance with the International Standards on Auditing as adopted as National Standards on Auditing by the National Council of Statutory Auditors (“NSA”) and pursuant to the Act of 11 May 2017 on Registered Auditors, Registered Audit Companies and Public Oversight (“the Act on Registered Auditors” – Journal of Laws of 2019, item 1421, as amended) and Regulation (EU)

No. 537/2014 of 16 April 2014 on specific requirements regarding the statutory audit of public-interest entities (“the EU Regulation” – Journal of Laws EU L158). Our responsibilities under those NSA are further described in the *Auditor's responsibilities for the audit of the financial statements section of our report.*

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PricewaterhouseCoopers Polska spółka z ograniczoną odpowiedzialnością Audyt sp.k., wpisana jest do Krajowego Rejestru Sądowego prowadzonego przez Sąd Rejonowy dla m. st. Warszawy, pod numerem KRS 0000750050, NIP 526-021-02-28. Siedzibą Spółki jest Warszawa, ul. Polna 11.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

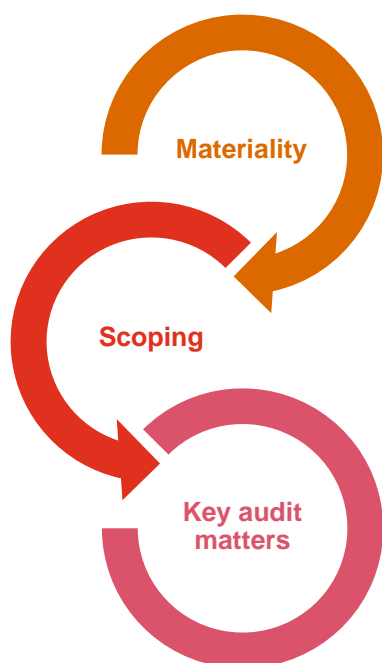
Independence and ethics

We are independent of the Company in accordance with the International Federation of Accountants' Code of Ethics for Professional Accountants ("the IFAC Code") as adopted by resolutions of the National Council of Statutory

Auditors and other ethical requirements that are relevant to our audit of the financial statements in Poland. We have fulfilled our other ethical responsibilities in accordance with these requirements and the IFAC's Code. During the audit, the key registered auditor and the registered audit firm remained independent of the Company in accordance with the independence requirements set out in the Act on Registered Auditors and in the EU Regulation.

Our audit approach

Overview



- The overall materiality threshold adopted for the purposes of our audit was set at PLN 175,6 million, which represents 4,5 % of the arithmetic average of pre-tax profit from the last three financial years, adjusted for the effect of the tax on the extraction of certain minerals recognized by the Company.
- We have audited the annual financial statement of the Company for the period ended 31 December 2019.
- Recognition of revenues from contracts with clients,
- Assessment of the recoverability of loans granted to the KGHM International LTD. Group and Future 1 Sp. z o. o.,
- Assessment of the recoverability of investments in shares of subsidiaries,
- Presentation of reverse factoring transactions in the financial statements,
- Implementation of IFRS 16 Leasing.

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we considered where the Company's Management Board made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. We also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence

of bias that represented a risk of material misstatement due to fraud.

Materiality

The scope of our audit was influenced by the adopted materiality level. Our audit was designed to obtain reasonable assurance that the financial statements as a whole are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if, individually or in aggregate, they could reasonably be expected to influence the

economic decisions of users taken on the basis of the financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall materiality for the financial statements as presented below. These thresholds, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

The concept of materiality is used by the registered auditor both in planning and conducting an audit, as well as in assessing the effect of the misstatements identified during the audit and the unadjusted misstatements (if any), on the financial statements, and also when forming the registered auditor's report. Therefore, all opinions, assertions and statements contained in the registered auditor's report have been made taking into consideration the quantitative and qualitative materiality levels determined in accordance with the audit standards and the registered auditor's professional judgement.

Overall materiality

PLN 175.6 million

How we determined it

4.5% of the arithmetic average of pre-tax profit from the last three financial years, adjusted for the amount of tax on the extraction of certain minerals.

Rationale for the materiality benchmark applied

We have adopted pre-tax profit as the basis for determining materiality, because in our opinion this measure is commonly used to assess the Company's operations by users of financial statements and is a generally accepted benchmark. We adopted the arithmetic average of the last three years due to the volatility of the financial result. We have adjusted the impact of the extraction tax on certain minerals due to the fact that this fee is not dependent on the results achieved by the Company. We assumed significance at the level of 4.5% because based on our professional judgment it is within the acceptable quantitative thresholds of materiality.

We agreed with the Parent Company's Audit Committee that we would inform about the misstatements of the financial statements identified during the audit for a value greater than

PLN 17.6 million, as well as those below that amount, if in our opinion this would be justified due to qualitative factors.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. They include the most significant identified risks of material misstatements, including the identified risks of material misstatement resulting from fraud. These matters were addressed in the context of

our audit of the financial statements as a whole, and in forming our opinion thereon. We summarized our response to these risks and, when deemed appropriate, presented the most important observations relating to these risks. We do not provide a separate opinion on these matters.

Key audit matter

How our audit addressed the key audit matter

Recognition of revenues from contracts with clients

In 2019, the Company recognized revenues from contracts with customers in the amount of PLN 17 683 million, which were described in part 2 of the financial statements.

The Company generates revenues mainly from the sale of copper, silver and gold. Revenues are recognized when the Company meets the obligation to perform the service in the form of transferred good or services with simultaneous acquisition of control over this asset by the buyer. Revenue is recognized at an amount equal to the transaction price representing the consideration for the goods and services provided, including the pricing formulas used.

Bearing in mind the importance of position in the financial statements of the Company, as well as the susceptibility of the position to the risk of misstatement, we recognized that this is a key matter for our audit.

Our testing procedures included in particular:

- understanding the internal control system and analyzing the principles adopted in the Company in terms of recognizing revenue from contracts with clients and identifying the moment of passing control over the good or service provided,
- analysis of the conditions contained in significant sales contracts,
- conducting, on a selected sample, efficiency tests of selected internal controls, important for determining the correct moment of revenue recognition and the correct value of revenues from contracts with clients,
- analysis of trends in recognized revenues from contracts with clients and explanation of unusual events and one-off transactions,
- conducting retail tests on a selected sample, the selection of which used quantitative and qualitative criteria, including agreeing on the price rates used and quantities on issued sales invoices for contracts with customers, delivery documents and payments,
- confirmation of selected sales transactions with the Company's contractors,
- verification, on a selected sample, of sales in the correct reporting period, taking into account the Incoterms terms and conditions of contracts concluded with the Company's contractors,
- assessment of the correctness and completeness of disclosures in the financial statements regarding revenues from contracts with customers.

Recoverability assessment of loans granted to the KGHM International LTD. Group and Future 1 Sp. z o. o.

As at December 31, 2019, the Company reported a balance of loans granted to subsidiaries Future 1 Sp. z o. o. and KGHM International LTD. in the amount of PLN 7,201 million, which is 20% of the total assets of the Company. Receivables due to loans granted to Future 1 Sp. z o. o. and KGHM International LTD. depending

Our testing procedures included in particular

- understanding and assessing the correctness of the applied principle of measuring receivables from loans in accordance with the relevant financial reporting standards,
- checking the mathematical correctness and methodological consistency (using internal valuation experts) of the valuation model of the

on the classification made in accordance with IFRS 9 Financial Instruments, they are measured at:

- a) amortized cost, including an allowance for expected credit losses, or
- b) fair value through profit or loss.

Disclosures regarding the valuation of receivables from loans granted are presented in note 6.2 of the financial statements.

Determining the amount of the write-off due to expected credit losses, as well as measuring the fair value of receivables from granted loans involves the necessity to make a number of significant assumptions and make judgments, in particular regarding the Company's strategy, macroeconomic and market assumptions as well as predictions regarding legal conditions, financial plans and cash flow projections.

Considering the inherent risk of uncertainty associated with significant estimates made by the Management Board, as well as the significance of items in the financial statements, we have determined that this is a key issue for our audit.

impairment loss on loans granted prepared by The Management Board of the Company, using external experts, valuation models, respectively, the fair value of receivables from loans granted and write-offs due to expected credit losses,

- assessment of the work carried out by external experts used by the Management Board of the Parent Company, including their competences and independence,
- critical assessment of the assumptions made by the Management Board of the Company and the estimates made to determine the expected value of loans and the expected credit losses,
- assessment of the sensitivity analysis carried out by the Management Board of the adopted assumptions for the valuation result,
- assessment of the correctness and completeness of disclosures in the financial statements in the scope of valuation of financial assets from granted loans and assessment of their recoverability.

Assessment of the recoverability of investments in subsidiaries' shares

The net value of investments in subsidiaries as at December 31, 2019 was PLN 2 946 million, including:

- investments in shares in Future 1 Sp. z o. o. amounted to PLN 1 185 million,
- investment in shares of Energetyka Sp. z o. o. amounted to PLN 299 million.

Investments in subsidiaries are carried at cost less impairment losses. Accounting policies and disclosures regarding investments in subsidiaries are included in note 6.1 to the annual financial statements.

As at December 31, 2019, the Company identified premises for impairment testing in respect of shares in Future 1 Sp. z o. o. and Energetyka Sp. z o. o.

Disclosures regarding impairment tests of investments in subsidiaries are presented in part 3 of the financial statements.

The correct determination of the write-down revaluating shares is an area that requires significant estimates by the Management Board. Determining the recoverable amount for the value of shares in subsidiaries requires the Management Board

Our testing procedures included in particular:

- verification of compliance of the adopted valuation principle with applicable accounting standards,
- understanding and evaluation of the process of identification by the Management Board of premises for impairment of investments in subsidiaries,
- understanding and assessment of the correctness of applied methods of testing for impairment in accordance with relevant financial reporting standards,
- checking mathematical correctness and methodological coherence (using internal valuation experts) of the valuation model prepared by the Company's Management Board based on discounted cash flows,
- assessment of work done by external experts used by the Company's Management Board, including their competence and independence,
- critical assessment of accepted assumptions and estimates made by the Company's Management Board to determine the recoverable amount, including, inter alia:
 - the projection period of future cash flows based on approved budgets of companies for which an impairment test was carried

to estimate, among others, expected future cash flows from investments.

Considering the inherent risk of uncertainty associated with significant estimates made by the Management Board, as well as the significance of items in the financial statements, we have determined that this is a key issue for our audit.

out and the level of revenues, operating margin and future investment outlays assumed therein,

- the applied discount rate (based on weighted average cost of capital), and the residual growth rate after forecast period,
- assessment of the sensitivity analysis carried out by the Management Board of the adopted assumptions for the valuation result,
- assessment of the correctness and completeness of disclosures regarding investments in subsidiaries.

Presentation of reverse factoring transactions

As at 31 December 2019, the Company presents in the statement of financial position liabilities under reverse factoring in the item Liabilities to suppliers and similar. The value of trade liabilities transferred to reverse factoring as at the balance sheet date was PLN 596 million. Trade liabilities transferred to reverse factoring and not repaid at the end of the reporting period are presented in the statement of financial position as "Liabilities to suppliers and similar" (where these liabilities fall into the "similar" category) due to the judgment of the Management Board of the Parent Company presented in Note 10.3 to the financial statements.

In the cash flow statement, the Company presents flows resulting from the payment of receivables by the factor as part of the change in working capital. At the same time, the Company separates a separate item as part of the change in working capital representing the change in the amount of liabilities submitted for factoring. The judgment of the Parent Company's Management Board regarding the presentation of cash flows regarding reverse factoring transactions in the part not related to interest in operating activities is presented in Note 10.3 to the financial statements.

Pursuant to IAS 7.11, an entity should present cash flows from operating, investing and financing activities in a manner most appropriate to the type of business conducted, due to the fact that this information provides users of financial statements with data that allows assessing the impact of these activities on the entity's financial position; and on the amount of cash and equivalents.

Due to the heterogeneous market practice in the presentation of reverse factoring in the statement of financial position and statement of cash flows,

Our testing procedures included in particular:

- understanding the principles of presentation of reverse factoring transactions applied by the Management Board of the Company and understanding the basis of the judgment made in the context of applicable financial reporting standards and market practice, understanding and assessing the legal impact of the statutory subrogation in accordance with the Civil Code on the classification of reverse factoring transactions in the financial statements,
- analysis and understanding of contractual arrangements with the broker as well as with suppliers under concluded agreements,
- assessment of the correctness and completeness of disclosures regarding reverse factoring in the financial statements, including judgments made by the Management Board of the Company.

We discussed with the Company's Management Board the ambiguity of recording the standards and the lack of detailed regulations regarding the classification and presentation of reverse factoring transactions in the statement of financial position and the statement of cash flows. We have indicated that these issues are currently the subject of lively public debate, and are of interest to supervisory authorities and regulators, which in the future may result in clarifying the regulations in this respect and thus may introduce different presentation and classification rules adopted by the Company.

and the judgment made by the Management Board in this regard, we have determined that this is a key issue for our audit.

Implementation of IFRS 16 Leasing

On January 1, 2019, IFRS 16 *Leasing* entered into force. It replaced IAS 17 and IFRIC interpretations 4, SIC 15, 27. The Company has been adopting IFRS 16 from January 1, 2019. The description of the impact of implementing IFRS 16 on the Company's financial statements is described in note 1.4.

In the statement of financial position as at December 31, 2019, the carrying amount of the right to use the assets is PLN 507 million, and the value of leasing liabilities is PLN 509 million.

If the contract meets the criteria for recognition as a lease, the Company recognizes the right to use the asset together with an appropriate lease liability determined in the amount of discounted future payments during the lease period.

The implementation of IFRS 16 required certain estimates and calculations, including the identification of leasing and non-leasing components in concluded contracts that had an impact on the measurement of leasing liabilities and assets under the right of use.

Given the significance of the position in the Company's financial statements, as well as the susceptibility of the position to the risk of distortion, we have determined that this is a key issue for our audit.

Our testing procedures included in particular:

- obtaining from the Company's Management Board an assessment of the impact of the new standard and the accounting principles adopted by the Company in this respect,
- understanding the internal control system and analysis of the principles adopted in the Company in the scope of identification and ensuring the completeness of contracts covered by IFRS 16,
- analysis of significant contracts based on which the Company uses assets,
- testing the effectiveness of selected internal controls, relevant to determining the completeness of contracts, based on the selected sample,
- conducting retail tests on the selected sample, the selection of which used quantitative and qualitative criteria, including on reconciliation of the data adopted to determine the asset under the right to use and the lease liability to the contract with the supplier,
- verification and assessment, on a selected sample, of adopted estimates and calculations affecting the value of lease liabilities and assets under the right to of use,
- assessment of the correctness and completeness of disclosures in the field of leasing (including the impact of the application of IFRS 16 for the first time presented in Note 1.3) in the financial statements.

Responsibility of the Management and Supervisory Board for the financial statements

The Management Board of the Company is responsible for the preparation, based on the annual financial statements that give a true and fair view of the Company's financial position and results of operations, in accordance with the International Financial Reporting Standards as adopted by the European Union, the adopted accounting policies, the applicable laws and the Parent Company's Articles of Association, and for such internal control as the Management Board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Company's Management Board is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Management Board either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Company's Management Board and members of its Supervisory Board are obliged to ensure that the financial statements comply with the requirements specified in the Accounting Act. Members of the Supervisory Board

are responsible for overseeing the financial reporting process.

Auditor's responsibility for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the NSA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence economic decisions of users taken on the basis of these financial statements.

The scope of the audit does not cover an assurance on the Company's future profitability or the efficiency and effectiveness of the Parent Company's Management Board conducting its affairs, now or in future.

As part of an audit in accordance with the NSA, we exercise professional judgement and maintain professional skepticism throughout the audit.

We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- evaluate the appropriateness of accounting regulations and policies used, and the reasonableness of accounting estimates

and related disclosures made by the Company's Management Board;

- conclude on the appropriateness of the Company's Management Board's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Company's Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated to the Company's Audit Committee, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter

or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be

expected to outweigh the public interest benefits of such communication.

Other information, including the Report on the operations

Other information

Other information comprises the Management Board's Report on the activities of the Company and of the KGHM Polska Miedź S.A. Group ("Group"), in which KGHM Polska Miedź S.A. is the Parent Company, for the financial year ended 31 December 2019 ("the Report on the operations") and the corporate governance statement which are separate parts of the Report on the operations, and a separate report on non-financial information, referred to in Article 49b (1) of the Accounting Act, and the Annual Report for the financial year ended 31 December 2019 ("the Annual Report") (together "Other Information").

Responsibility of the Management and Supervisory Board

The Company's Management Board is responsible for preparing Other Information in accordance with the law.

The Company's Management Board and the members of the Supervisory Board are obliged to ensure that the Report on the operations including its separate parts and a separate report on non-financial information comply with the requirements of the Accounting Act.

Registered auditor's responsibility

Our opinion on the audit of the financial statements does not cover Other Information.

In connection with our audit of the financial statements, our responsibility is to read Other Information and, in doing so, consider whether it is materially inconsistent with the information in the financial statements, our knowledge obtained in our audit, or otherwise appears to be materially misstated. If, based on the work performed, we identified a material misstatement in Other Information, we are obliged to inform about it in our audit report. In accordance with the requirements of the Act on the Registered Auditors, we are also obliged to issue an opinion on whether the Report on the operations has been prepared in accordance with the law and

is consistent with information included in annual financial statements.

Moreover, we are obliged to issue an opinion on whether the Company provided the required information in its corporate governance statement and to inform whether the Company prepared a separate report on non-financial information.

We obtained the Report on the Company's operations before the date of this audit report, and the Annual Report will become available after that date.

If we identify a material misstatement in the Annual Report, we are obliged to inform the Company's Supervisory Board of this fact.

Opinion on the Report on the operations

Based on the work we carried out during the audit, in our opinion, the Report on the operations:

- has been prepared in accordance with the requirements of Article 49 of the Accounting Act and para. 70 and 71 of the Regulation of the Minister of Finance dated 29 March 2018 on current and periodical information submitted by issuers of securities and conditions for considering as equivalent the information required under the legislation of a non-Member State ("Regulation on current information" – Journal of Laws 2018, item 757);
- is consistent with the information in the financial statements and in the consolidated financial statements.

Moreover, based on the knowledge of the Parent Company and the Group, and their environment obtained during our audit, we have not identified any material misstatements in the Report on the operations.

Opinion on the corporate governance statement

In our opinion, in its corporate governance statement, the Company included information set out in para. 70.6 (5) of the Regulation on current information. In addition, in our opinion, information specified in paragraph 70.6 (5)(c)–(f), (h) and (i) of the said Regulation included in the corporate governance statement are consistent with the applicable provisions of the law and with information included in the financial statements.

Information on non-financial information

In accordance with the requirements of the Act on the Registered Auditors, we confirm that the Company has prepared a statement on non-financial information referred to in Article 49 (b) paragraph 9 of the Accounting Act as a separate section of the Report on the operations.

We have not performed any assurance work relating to the separate report on non-financial information and we do not provide any assurance with regard to it.

Report on other legal and regulatory requirements

Opinion on the requirements of Article 44 of the Energy Law

The Company's Management Board is responsible for preparing regulatory financial information in accordance with the requirements of Art. 44 of the Energy Law of April 10, 1997 ("Energy Law" - Journal of Laws of 2019, item 755, as amended).

In accordance with the requirements of art. 44 of the Energy Law, it is our responsibility to examine the regulatory financial information and issue the opinion required by the Energy Law.

Regulatory financial information is presented in note 12.12 of the additional information. Our audit did not include an assessment of whether the information required for disclosure by this law is sufficient to ensure equal treatment of recipients and to eliminate cross-subsidization between activities.

In our opinion, the relevant items of the statement of financial position as at December 31, 2019 and the result statements for the year ended on that date, included in the regulatory financial information (explanatory note No. 12.12), prepared separately for each business activity meet, in all material respects, requirements referred to in art. 44 section 2 of the Energy Law, as regards ensuring equal treatment of recipients and eliminating cross-subsidization between these activities.

In our opinion, the relevant items in the financial statements as at December 31, 2019 and the

result reports for the year ended on that date, included in the regulatory financial information (explanatory note No. 12.12), meet, in all material respects, the requirements of Art. 44 paragraph 2a of the Energy Law.

Statement on the provision of non-audit services

To the best of our knowledge and belief, we declare that the non-audit services we have provided to the Parent Company and its subsidiaries are in accordance with the laws and regulations applicable in Poland and that we have not provided any non-audit services prohibited under Article 5 (1) of the EU regulation and Article 136 of the Act on Registered Auditors.

During the audited period, we provided to the Parent Company, and its controlled entities in the European Union, the following non-audit services which were not disclosed in the Company's Directors' Report or in the financial statements:

- Certifying Service regarding the correct calculation of the value of the intensity of electricity consumption, arithmetic average of incurred costs of electricity used for own needs and unit gross added value determined in accordance with the guidelines contained in Article 52 para. 3 and Article 53 para. 2 and 3 of the Act on renewable energy sources of 20 February 2015,

- Attestation Service in the scope of responsible supply chain for gold and silver in accordance with LBMA Responsible Gold Guidance and LBMA Responsible Silver Guidance.

Appointment

We have been appointed to audit the annual financial statements of the Company by Resolution of the Supervisory Board of December 7, 2018. The financial statements of the Company were audited by us for the first time.

The Key Registered Auditor responsible for the audit on behalf of PricewaterhouseCoopers Polska spółka z ograniczoną odpowiedzialnością Audyt sp.k., a company entered on the list of Registered Audit Companies with the number 144., is Marta Ratajczyk.

Marta Ratajczyk

Key Registered Auditor

No. 13125

Wrocław, March 16, 2020