POLISH FINANCIAL SUPERVISION AUTHORITY

Consolidated quarterly report QSr 1 / 2025

(in accordance with § 60 section 2 and § 62 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 **2025** from **1 January 2025** to **31 March 2025** 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: 14 May 2025

KGHM Polska Miedź Spółka Akcyjna
(name of the issuer)

KGHM Polska Miedź S.A. (name of the issuer in brief)	**Mining** (issuer branch title per the Warsaw Stock Exchange)
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This report is a direct translation from the original Polish version.
In the event of differences resulting from the translation, reference should be made to the official Polish version.

SELECTED FINANCIAL DATA

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

		in PLN mn		in EUR mn	
		from 1 January 2025 to 31 March 2025	**from 1 January 2024 to 31 March 2024**	**from 1 January 2025 to 31 March 2025**	**from 1 January 2024 to 31 March 2024**
I.	Revenues from contracts with customers	8 942	8 315	2 137	1 924
II.	Profit on sales	1 128	586	270	136
III.	Profit before income tax	734	703	175	163
IV.	Profit for the period	330	424	79	98
V.	Profit for the period attributable to shareholders of the Parent Entity	330	424	79	98
VI.	Profit for the period attributable to non-controlling interest	-	-	-	-
VII.	Other comprehensive income	23	(155)	5	(36)
VIII.	Total comprehensive income	353	269	84	62
IX.	Total comprehensive income attributable to shareholders of the Parent Entity	354	269	84	62
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	1.65	2.12	0.40	0.49
XIII.	Net cash generated from/(used in) operating activities	1 403	86	335	20
XIV.	Net cash generated from/(used in) investing activities	(1 319)	(1 418)	(315)	(328)
XV.	Net cash generated from/(used in) financing activities	35	432	8	100
XVI.	Total net cash flow	119	(900)	28	(208)
		As at 31 March 2025	**As at 31 December 2024**	**As at 31 March 2025**	**As at 31 December 2024**
XVII.	Non-current assets	42 110	42 285	10 065	9 896
XVIII.	Current assets	12 028	11 607	2 875	2 716
XIX.	Total assets	54 138	53 892	12 940	12 612
XX.	Non-current liabilities	11 862	11 828	2 835	2 768
XXI.	Current liabilities	10 865	11 006	2 597	2 576
XXII.	Equity	31 411	31 058	7 508	7 268
XXIII.	Equity attributable to shareholders of the Parent Entity	31 344	30 990	7 492	7 252
XXIV.	Equity attributable to non-controlling interest	67	68	16	16

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

		in PLN mn		in EUR mn	
		from 1 January 2025 to 31 March 2025	**from 1 January 2024 to 31 March 2024**	**from 1 January 2025 to 31 March 2025**	**from 1 January 2024 to 31 March 2024**
I.	Revenues from contracts with customers	7 537	7 279	1 801	1 685
II.	Profit on sales	808	501	193	116
III.	Profit before income tax	393	610	94	141
IV.	Profit for the period	127	387	30	90
V.	Other comprehensive net income	164	(160)	39	(37)
VI.	Total comprehensive income	291	227	70	53
VII.	Number of shares issued (million)	200	200	200	200
VIII.	Earnings per ordinary share (PLN/EUR)	0.64	1.94	0.15	0.45
IX.	Net cash generated from/(used in) operating activities	1 217	(195)	291	(45)
X.	Net cash generated from/(used in) investing activities	(1 051)	(1 240)	(251)	(287)
XI.	Net cash generated from/(used in) financing activities	153	639	37	148
XII.	Total net cash flow	319	(796)	76	(184)
		As at 31 March 2025	**As at 31 December 2024**	**As at 31 March 2025**	**As at 31 December 2024**
XIII.	Non-current assets	39 991	40 107	9 558	9 386
XIV.	Current assets	10 730	10 298	2 565	2 410
XV.	Total assets	50 721	50 405	12 123	11 796
XVI.	Non-current liabilities	9 368	9 409	2 239	2 202
XVII.	Current liabilities	9 908	9 842	2 368	2 303
XVIII.	Equity	31 445	31 154	7 516	7 291

Table of contents

Part 1 – Condensed consolidated financial statements

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

		from 1 January 2025 to 31 March 2025	from 1 January 2024 to 31 March 2024
Note 3.3	Revenues from contracts with customers	8 942	8 315
Note 4.1	Cost of sales	(7 334)	(7 306)
	Gross profit on sales	**1 608**	**1 009**
Note 4.1	Selling costs and administrative expenses	(480)	(423)
	Profit on sales	**1 128**	**586**
Note 4.5	Gain due to the reversal of allowances for impairment of loans granted to a joint venture	3	-
Note 4.5	Interest income on loans granted to a joint venture calculated using the effective interest rate method	147	144
	Profit or loss on involvement in a joint venture	150	144
Note 4.2	Other operating income, including:	241	272
	other interest calculated using the effective interest rate method	12	6
	reversal of impairment losses on financial instruments	-	1
Note 4.2	Other operating costs, including:	(878)	(192)
	impairment losses on financial instruments	(2)	-
Note 4.3	Finance income	151	-
Note 4.3	Finance costs	(58)	(107)
	Profit before income tax	**734**	**703**
	Income tax expense	(404)	(279)
	PROFIT FOR THE PERIOD	**330**	**424**
	Profit for the period attributable to:		
	shareholders of the Parent Entity	330	424
	non-controlling interest	-	-
	Weighted average number of ordinary shares (million)	200	200
	Basic/diluted earnings per share (in PLN)	**1.65**	**2.12**

amounts in PLN millions, unless otherwise stated

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	from 1 January 2025 to 31 March 2025	from 1 January 2024 to 31 March 2024
Profit for the period	**330**	**424**
Measurement and settlement of hedging instruments net of the tax effect	46	(129)
Exchange differences from the translation of statements of operations with a functional currency other than PLN	(144)	9
Other comprehensive income which will be reclassified to profit or loss	**(98)**	**(120)**
Measurement of equity financial instruments at fair value through other comprehensive income, net of the tax effect	178	(101)
Actuarial (losses)/gains net of the tax effect	(57)	66
Other comprehensive income, which will not be reclassified to profit or loss	**121**	**(35)**
Total other comprehensive net income	**23**	**(155)**
TOTAL COMPREHENSIVE INCOME	**353**	**269**
Total comprehensive income attributable to:		
shareholders of the Parent Entity	354	269
non-controlling interest	(1)	-

amounts in PLN millions, unless otherwise stated

CONSOLIDATED STATEMENT OF CASH FLOWS

		from 1 January 2025 to 31 March 2025	from 1 January 2024 to 31 March 2024
	Cash flow from operating activities		
	Profit before income tax	734	703
	Depreciation/amortisation recognised in profit or loss	458	356
	Interest on loans granted to a joint venture	(147)	(144)
	Other interest	30	48
	Impairment losses on property, plant and equipment and intangible assets	3	20
	Gain due to the reversal of allowances for impairment of loans granted to a joint venture	(3)	-
Note 4.12	Gain on disposal of subsidiaries	(98)	-
	Exchange differences, of which:	490	(111)
	from investment activities and cash	640	(144)
	from financing activities	(150)	33
	Change in provisions for decommissioning of mines, liabilities related to future employee benefits programs and other provisions	121	110
	Change in other receivables and liabilities other than working capital	138	67
	Change in assets and liabilities due to derivatives	85	90
	Reclassification of other comprehensive income to profit or loss due to the realisation of hedging derivatives	(1)	(158)
	Other adjustments	(29)	6
	Exclusions of income and costs, total	1 047	284
	Income tax paid	(383)	(106)
Note 4.11	Changes in working capital, including:	5	(795)
	change in trade payables within the reverse factoring mechanism	470	(439)
	Net cash generated from/(used in) operating activities	**1 403**	**86**
	Cash flow from investing activities		
	Expenditures on mining and metallurgical assets, including:	(1 265)	(1 149)
Note 4.8	paid capitalised interest on borrowings	(45)	(39)
	Expenditures on other property, plant and equipment and intangible assets	(218)	(162)
	Expenditures on financial assets designated for decommissioning mines and other technological facilities	(30)	(28)
	Advances granted on property, plant and equipment and intangible assets	(2)	-
	Proceeds from repayment of loans granted to a joint venture (principal)	152	-
	Proceeds from disposal of property, plant and equipment and intangible assets	16	3
	Proceeds from disposal of subsidiaries	14	-
	Interest received on loans granted to a joint venture	18	-
	Expenditures on financial assets	-	(74)
	Other	(4)	(8)
	Net cash generated from/(used in) investing activities	**(1 319)**	**(1 418)**
	Cash flow from financing activities		
Note 4.8	Proceeds from borrowings	229	835
Note 4.8	Repayments of borrowings	(132)	(326)
Note 4.8	Repayment of lease liabilities	(16)	(15)
	Payment of interest, of which:	(50)	(65)
	trade payables within the reverse factoring mechanism	(25)	(37)
Note 4.8	borrowings	(25)	(28)
	Other	4	3
	Net cash generated from/(used in) financing activities	**35**	**432**
	NET CASH FLOW	**119**	**(900)**
	Exchange gains/(losses)	35	(3)
	Cash and cash equivalents at beginning of the period	715	1 729
	Cash and cash equivalents at end of the period, including:	**869**	**826**
	restricted cash	16	23

amounts in PLN millions, unless otherwise stated

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		As at 31 March 2025	As at 31 December 2024
	ASSETS		
	Mining and metallurgical property, plant and equipment	24 218	24 050
	Mining and metallurgical intangible assets	2 790	2 830
	Mining and metallurgical property, plant and equipment and intangible assets	27 008	26 880
	Other property, plant and equipment	3 136	3 087
	Other intangible assets	232	213
	Other property, plant and equipment and intangible assets	3 368	3 300
Note 4.5	Involvement in joint ventures – loans granted	9 210	9 800
	Derivatives	266	286
	Other financial instruments measured at fair value	1 119	883
	Other financial instruments measured at amortised cost	562	557
Note 4.6	Financial instruments, total	1 947	1 726
	Deferred tax assets	306	302
	Other non-financial assets	271	277
	Non-current assets	**42 110**	**42 285**
	Inventories	8 321	8 063
Note 4.6	Trade receivables, including:	1 418	1 345
	trade receivables measured at fair value through profit or loss	871	707
	Tax assets	365	453
Note 4.6	Derivatives	196	219
	Other financial assets	287	317
	Other non-financial assets	572	366
Note 4.6	Cash and cash equivalents	869	715
Note 4.12	Non-current assets held for sale (disposal group)	-	129
	Current assets	**12 028**	**11 607**
	TOTAL ASSETS	**54 138**	**53 892**
	EQUITY AND LIABILITIES		
	Share capital	2 000	2 000
	Other reserves from measurement of financial instruments	62	(162)
	Accumulated other comprehensive income, other than from measurement of financial instruments	1 578	1 778
	Retained earnings	27 704	27 374
	Equity attributable to shareholders of the Parent Entity	31 344	30 990
	Equity attributable to non-controlling interest	67	68
	Equity	**31 411**	**31 058**
Note 4.6	Borrowings and leases	2 363	2 310
Note 4.6	Debt securities	2 600	2 600
Note 4.6	Derivatives	161	269
	Employee benefits liabilities	2 847	2 784
	Provisions for decommissioning costs of mines and other technological facilities	2 086	2 084
	Deferred tax liabilities	1 437	1 384
	Other liabilities	368	397
	Non-current liabilities	**11 862**	**11 828**
Note 4.6	Borrowings and leases	1 180	1 259
Note 4.6	Debt securities	49	2
Note 4.6	Derivatives	136	44
Note 4.6	Trade and other payables	4 949	5 132
	Employee benefits liabilities	2 035	2 019
	Tax liabilities	970	1 049
	Provisions for liabilities and other charges	261	280
	Other liabilities	1 285	1 061
Note 4.12	Liabilities related to disposal group	-	160
	Current liabilities	**10 865**	**11 006**
	Non-current and current liabilities	**22 727**	**22 834**
	TOTAL EQUITY AND LIABILITIES	**54 138**	**53 892**

amounts in PLN millions, unless otherwise stated

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Equity attributable to shareholders of the Parent Entity						
	Share capital	Other reserves from measurement of financial instruments	Accumulated other comprehensive income	Retained earnings	Total	Equity attributable to non-controlling interest	Total equity
As at 1 January 2024	**2 000**	**277**	**1 482**	**24 806**	**28 565**	**65**	**28 630**
Transactions with non-controlling interest	-	-	-	-	**-**	1	**1**
Profit for the period	**-**	-	-	424	**424**	-	**424**
Other comprehensive income	-	(230)	75	-	**(155)**	-	**(155)**
Total comprehensive income	**-**	**(230)**	**75**	**424**	**269**	**-**	**269**
As at 31 March 2024	**2 000**	**47**	**1 557**	**25 230**	**28 834**	**66**	**28 900**
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**

1 – General information

Note 1.1 Corporate information

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

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

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

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

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

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

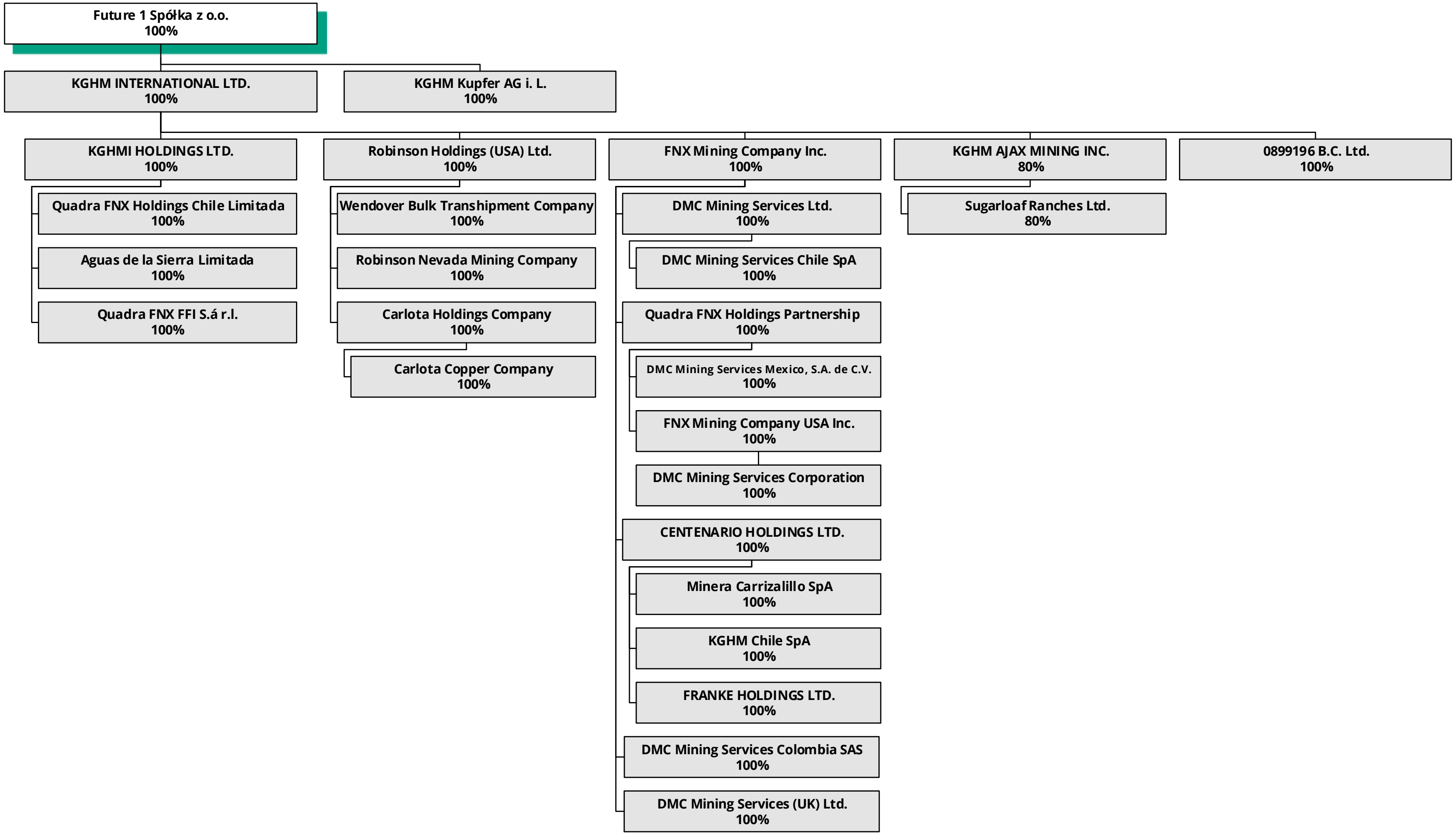
Note 1.2 Structure of the KGHM Polska Miedź S.A. Group

As at 31 March 2025, KGHM Polska Miedź S.A. consolidated 62 subsidiaries and used the equity method to account for the shares of two joint ventures (Sierra Gorda S.C.M. and NANO CARBON Sp. z o.o. in bankruptcy).

Parent Entity
KGHM Polska Miedź S.A.

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

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


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

Note 1.3 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 ***4.1848 EURPLN *,***
- for the conversion of turnover, profit or loss and cash flow for the comparable period, the rate of ***4.3211 EURPLN *,***
- for the conversion of assets, equity and liabilities at 31 March 2025, the current average exchange rate announced by the National Bank of Poland (NBP) as at 31 March 2025, of ***4.1839 EURPLN,***
- for the conversion of assets, equity and liabilities at 31 December 2024, the current average exchange rate announced by the NBP as at 31 December 2024, of ***4.2730 EURPLN.***

**the rates represent the arithmetic average of current average exchange rates announced by the NBP on the last day of each month during the period from January to March respectively of 2025 and 2024.*

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 2025 and the comparable period from 1 January to 31 March 2024, 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 2025 and the comparable period from 1 January to 31 March 2024 **(Part 2)**.

Neither the condensed consolidated financial statements for the period from 1 January to 31 March 2025 and as at 31 March 2025 nor the quarterly financial information of KGHM Polska Miedź S.A. for the period from 1 January to 31 March 2025 and as at 31 March 2025 were subject to audit by a certified auditor.

The consolidated quarterly report for the period from 1 January 2025 to 31 March 2025 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 2024 and the Consolidated annual report SRR 2024.

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 2024.

Note 1.4.1 Impact of new and amended standards and interpretations

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

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

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

In the case of Poland, the regulations of the Directive were implemented to the Polish legal system by the Act of 6 November 2024 on top-up taxation of individual companies of international and Polish groups. The Polish legal regulations, which put obligations directly on liable entities, came into force on 1 January 2025 with an option for voluntary application from 1 January 2024 (in the case of the global top-up tax and the Polish top-up tax), KGHM Polska Miedź S.A. opted for voluntary application from 1 January 2024.

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

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

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

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

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

Note 1.5 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.

In the first quarter of 2025, the share price of KGHM Polska Miedź S.A. remained under pressure of continued uncertainty as to the development of the global macroeconomic situation. The Company's average share price in the first quarter of 2025 increased by 13.1% compared to the share price at the end of 2024 and as at 31 March 2025 amounted to PLN 125.45 (the average share price in the first quarter of 2025 was PLN 130.08). At the same time, the WIG20 index increased by 14.9%, while WIG increased by 13.2%. As the result, the market capitalisation of the Company increased from PLN 23 000 million to PLN 25 090 million, which means that as at 31 March 2025 it remained 20.2% below the level of the Company’s net assets. However, it should be noted that the average ratio between the market capitalisation and net assets in the first quarter of 2025 amounted to 83%.

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

From the point of view of the Company’s operations, the key factor influencing the level of market capitalisation is the copper price. The copper price continued to be in an upwards trend in the first quarter of 2025 and reached its maximum price in March 2025 due to the weakening of the US dollar and global trade tensions. The average price of copper in the first quarter of 2025 amounted to 9 340 USD/t which is a higher level than prices recorded in 2024 (average of 9 147 USD/t).

In the case of the Polish assets, of significance are PLN-expressed metals prices, which are also affected by the USD/PLN exchange rate. Fluctuations in the price of copper are usually to a large extent offset by changes in the USD/PLN exchange rate. The average USD/PLN exchange rate in the first quarter of 2025 amounted to PLN 3.99, which is at a higher level than the exchange rate recorded in 2024 (average of PLN 3.98).

Finally, the average price of copper in the first quarter of 2025 amounted to 37 286 PLN/t, and was 2% higher than the price noted in 2024 (average of 36 401 PLN/t).

In the current period, there were no significant changes in the level of market interest rates. There was a stabilisation from the beginning of 2025 in WIBOR 1M, WIBOR 3M and WIBOR 6M at around 5.83%. The yield of 10-year bonds stabilised at the level close to the level of the NBP’s reference rate.

The Management Board of KGHM Polska Miedź S.A. assessed the assumptions adopted as at 31 December 2023 for impairment testing of Polish production assets (mining and metallurgical assets), including mainly macroeconomic assumptions, medium- and long-term production plans and the level of operating costs as well as planned capital expenditures. No indications were identified suggesting the necessity of revision of previously adopted key assumptions.

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

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

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

The Company is discussing with the Ministry of Finance and the Ministry of State Assets changes to the formula for the so-called copper tax. At the present stage of advancement of discussions, the potential scope and term of legislative changes are not possible to set, and therefore the assessment of the impact of legislative changes on the Company's cash flows.

Good production results of international assets alongside higher metal prices allowed for a significant improvement of financial results both in the KGHM INTERNATIONAL LTD. segment as well as in Sierra Gorda S.C.M. Situation in the Robinson mine is stable and production results are comparable to the ones recorded in the previous year. Production in the Sierra Gorda mine improved significantly as compared to the first quarter of 2024. Advancement of the Victoria project is on schedule and there were no changes to the project's assumptions.

As a result of the assessment made, no connection was identified between the decrease in the share price of KGHM Polska Miedź S.A. and the Group's domestic and international activities. Consequently, there were no indications identified suggesting the risk of impairment of the Polish and international production assets and the Victoria project as well as indications suggesting the possibility of reversing the impairment losses which were already made, and therefore there was no impairment testing of these assets as at 31 March 2025.

amounts in PLN millions, unless otherwise stated

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.

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

Efficiency	– Electrolytic copper production in the domestic assets amounted to 134 thousand tonnes, which was higher than the level planned for in the budget for the first quarter of 2025 by 0.7%. – Payable copper production in the international assets was lower compared to the adopted budget targets and amounted to: Sierra Gorda 20.8 thousand tonnes (55%); Robinson 13.6 thousand tonnes; Carlota 0.6 thousand tonnes; the Sudbury Basin 0.3 thousand tonnes[1]. – Production of silver in the Group amounted to 321 tonnes, keeping the Company in first place in the classification „top silver producing mines" (ranking of World Silver Survey 2025) and in second place in the global ranking „top silver mining companies". – Continuation of the Deposit Access Program –11.2 kilometres of tunnelling were excavated in the Rudna and Polkowice-Sieroszowice mines. All of the work carried out under the Mine Projects Group enables the successive opening of new mining areas. – Development of the Żelazny Most Tailings Storage Facility (TSF) continued, among others work was carried out on building up the crown and actions were undertaken aimed at acquiring environmental decisions to enable an increase in the height of the TSF to above 195 meters a.s.l. – R&D activities were carried out, aimed at searching for innovative solutions for the Core Production Business of the Company. Actions continued to enable the acquisition of external financing sources for projects, in particular from European Union assistance funds and from domestic programs. Initiatives were undertaken aimed at preparing and advancing co-financed projects, and other available support mechanisms were utilised in the target area. – Work was carried out involving actions to restrict the level of the water hazard – a project called "Anti-filtration barrier" was continued to restrict the inflow of water from the rock mass to the mine workings in the Polkowice-Sieroszowice mine, and to increase the possibilities of pumping out underground water. – In order to undertake optimisation actions to permanently raise, on a strategic scale, the economic efficiency of the Group's activities, work commenced on preparing a Costs Optimisation Program for the Group.
Elasticity /flexibility	– Modernisation work was carried out at the Legnica Copper Smelter and Refinery in terms of electrorefining by converting to permanent starter sheet technology. – Actions continued on extending the value chain of the Company, including involving the commencement of design work on the construction of an Upcast II production line together with a Conform installation at the Cedynia Wire Rod Plant, among others to acquire external financing sources for the investment. – The Company is systematically increasing the amount of copper scrap processed in metallurgical plants. During the reporting period, 46 thousand tonnes of copper scrap (dry weight) was processed. – Exploration projects continued with respect to exploring for and evaluating copper ore deposits in Poland (Retków-Ścinawa, Głogów, Synklina Grodziecka, Radwanice, Kulów-Luboszyce). Preparatory work commenced on re-starting geological and other work on the Bytom Odrzański concession. – In terms of other exploration and evaluation concessions (non-copper), work is underway to develop a feasibility study to manage the Mieroszyno potassium and magnesium salts deposit in the vicinity of Puck. – Development projects in the international assets were continued, including the sinking of an exploration shaft under the Advanced Exploration stage of the Victoria project in Canada, whose goal is to provide a detailed level of knowledge of the mineral resources. As regards the Sierra Gorda mine in Chile, work was carried out on preparing design documentation to build a fourth grinding line as well as an exploration program, among others aimed at more precise recognition of already-identified mineralised bodies, as well as exploration for bodies beyond the currently-worked deposit.

[1] The first quarter of 2025 comprises the period January-February, as the Sudbury Basin assets were sold on 28 February 2025.

amounts in PLN millions, unless otherwise stated

Ecology, Safety and Sustainable Development	– Scope 1, 2 and 3 greenhouse gas emissions by the KGHM Group in 2024 were calculated. – Annual reports on CO_2 emissions for 2024 were verified to meet the needs of the system for the trading of greenhouse gas emissions allowances. – Work continued on the Transformation Plan for KGHM Polska Miedź S.A. to mitigate the climate impact. – The operations of the Sierra Gorda mine continued solely on the basis of energy generated from RES. – Actions were continued related to managing water and reducing the salt content of water discharged to the Odra river. Water desalinisation tests commenced at a reverse osmosis pilot installation built at the Lubin Concentrator Region. – An ISO 22301-compliant certificate was obtained, comprising the oversight and coordination of the operations management process of the Core Production Business. – The Occupational Health and Safety Improvement Program was continued (LTIFR: 5.79, TRIR: 0.57). A Climbing-Related Medical Training Centre (Centrum Szkoleniowe Medyczno-Wysokościowe) was opened, providing advanced training for the Emergency Mine-Smelter Rescue Division.
E-industry	– Projects aimed at automation of production lines of the Company's Mining Divisions continued. Functional tests commenced on a prototype bolting rig with an automated bolting turret at the Rudna mine. Advancement of initiatives related to testing battery-powered electric mining machines. – The system for locating and identifying machinery and people in the underground mines was integrated and extended. – Functional testing of a specialised robot capable of high-temperature operation in the Głogów II Copper Smelter and Refinery continued. Analyses continue of the possibility of application of this solution in the other furnace, in Głogów I Copper Smelter and Refinery. – Projects continued in the area of digital transformation, focused on implementing new technological tools, IT solutions and operationalisation tasks, as well as harmonisation of cybersecurity processes.
Energy	– Projects were developed to increase electricity generation from own sources, including renewable energy sources (RES), such as photovoltaic (PV) farms and wind farms (WF): RES projects on own land: – Implementation stage: for the Głogów Copper Smelter and Refinery I-III Photovoltaic Power Plant (7.5 MW), the public procurement process is in progress for the selection of the General Contractor and the Oversight Inspector for each of the designed PV installations. – Preparatory stage: for the projects: PV „Piaskownia Obora" (50 MW), PV „Wartowice I" (88 MW), PV „HM Cedynia" (1.5 MW), PV „Kalinówka" (2 MW), PV „Polkowice" (3.9 MW) and PV „Tarnówek" (2.9 MW) grid connection consent was obtained with the originally assumed capacities. For the projects „PV Kalinówka" and PV „Tarnówek" a building permit was granted. With regard to the PV "Kopalnia Lubin Zachodni" project (5 MW) work continues on making changes to the spatial development plan for the Szklary Górne region. With regard to the PV „Wartowice I" project, preparations are underway to develop a spatial and programme concept. Advancement is being considered of the FW „Radwanice-Żukowice" project (20 MW) located partly on the Company's own land near the Głogów Copper Smelter and Refinery. A concept for power distribution to the Głogów Copper Smelter and Refinery was prepared for the wind project. – Work continued on analysis of the potential of own land for RES projects. Other RES projects and low-emissions generation sources: – Market analysis continued as regards potential acquisitions, in particular as regards wind power. – Work continued on assessing the possibility of utilising small modular nuclear reactor (SMR) technology, to meet the electrical power needs of KGHM Polska Miedź S.A. – Concept work continued on building a Carbon Capture and Storage (CCS technology) installation for the metallurgical production line at the Głogów Copper Smelter and Refinery, including development of a feasibility study for a demonstration installation. – Identification of opportunities to use electricity storage warehouses and their location. – In the first quarter of 2025, the own sources of the Group supplied 197.7 GWh of KGHM Polska Miedź S.A.'s need for electrical power, representing 25.12% of total consumption by the Divisions of KGHM.

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

Development of the resource base and ensuring profitable production is fundamental for the Group, and at the same time maximisation of the long-term value of the assets held. In the short term perspective, the current policy aimed at adapting the functioning of the organisation to the business model and the market environment, as well as at cooperation between the Group's entities, will be continued.

As part of the implementation of the Climate Policy and the energy transition, an increase is expected in the scope of investments in renewable energy sources to meet own needs along with projects related to improving energy efficiency, as well as projects aimed at protecting the environment and adapting to increasing regulatory requirements in this regard.

Key development investments comprise projects in the Core Production Business, among others:
- searching for and exploring deposits in areas under exploration concessions,
- the Deposit Access Program in the Deep Głogów region, including building shafts, a central air cooling station, the construction of access and development tunnels,
- outfitting the new mining areas along with the construction of conveyor belts,
- replacement of mining machinery (among others: replacement of 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 crown height of 195 m a.s.l.,
- adaptation of metallurgical assets in terms of optimising their use and developing existing production infrastructure as regards the production and processing of electrolytic copper to reflect the possibility of intensifying the processing of purchased charge materials, including copper scrap, and the recovery of other elements,
- construction of installations and acquisitions in terms of renewable energy.

The Group has solid foundations for further growth and strengthening of the Company's position on the global commodity market. However, the Group's functioning is determined by its ability to adapt to changing market conditions, use of innovative technologies and effective management of geopolitical and regulatory risks. Adapting to global trends related to ESG and energy transition is also of key importance.

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

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

The following companies were not included in any of the aforementioned segments:

- Future 1 Sp. z o.o., which acts as a holding company with respect to the KGHM INTERNATIONAL LTD. Group,
- Future 3 Sp. z o.o., Future 4 Sp. z o.o., Future 5 Sp. z o.o., which operate in the structure related to the establishment of a Tax Group.

These companies do not conduct operating activities which could impact the results achieved by individual segments, and as a result their inclusion could distort the data presented in this part of the condensed consolidated financial statements due to significant settlements with other Group 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 Transhipment Company
Chile	Aguas de la Sierra Limitada, Minera Carrizalillo SpA, KGHM Chile SpA, Quadra FNX Holdings Chile Limitada, DMC Mining Services Chile SpA
Canada	KGHM INTERNATIONAL LTD., 0899196 B.C. Ltd., Centenario Holdings Ltd., DMC Mining Services Ltd., FNX Mining Company Inc., FRANKE HOLDINGS LTD., KGHM AJAX MINING INC., KGHMI HOLDINGS LTD., Quadra FNX Holdings Partnership, Sugarloaf Ranches Ltd., Project Nikolas Company INC.*
Mexico	DMC Mining Services Mexico, S.A. de C.V.
Colombia	DMC Mining Services Colombia SAS
The United Kingdom	DMC Mining Services (UK) Ltd.
Luxembourg	Quadra FNX FFI S.à r.l.

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

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

The Parent Entity and the KGHM INTERNATIONAL LTD. Group (a subgroup) have a fundamental impact on the 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/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.

Note 3.2 Financial results of reporting segments

		KGHM Polska Miedź S.A.	KGHM INTERNATIONAL LTD.	Sierra Gorda S.C.M.*	Other segments	Reconciliation items to consolidated data: Elimination of data of the segment Sierra Gorda S.C.M	Reconciliation items to consolidated data: Consolidation adjustments****	Consolidated financial statements
		from 1 January 2025 to 31 March 2025						
Note 3.3	**Revenues from contracts with customers, of which:**	**7 537**	**895**	**1 039**	**3 328**	**(1 039)**	**(2 818)**	**8 942**
	- inter-segment	170	5	-	2 648	-	(2 818)	5
	- external	7 367	890	1 039	680	(1 039)	-	8 937
	Cost of sales, selling costs and administrative expenses	(6 729)	(617)	(577)	(3 302)	577	2 834	(7 814)
	Segment result - profit/(loss) for the period	**127**	**138**	**205**	**25**	**(205)**	**40**	**330**
	Additional information on significant revenue/cost items of the segment							
	Depreciation/amortisation recognised in expenses by nature	(445)	(184)	(210)	(76)	210	9	(696)
	(Recognition)/reversal of impairment losses on non-current assets, including:	4	-	-	-	-	(4)	-
	reversal of allowances for impairment of loans granted	4	3	-	-	-	(4)	3
		As at 31 March 2025						
	Segment assets	**50 721**	**15 643**	**13 468**	**7 063**	**(13 468)**	**(19 289)**	**54 138**
	Liabilities, including:	**19 276**	**18 871**	**12 795**	**3 955**	**(12 795)**	**(19 375)**	**22 727**
	Segment liabilities	19 276	18 871	12 795	3 955	(12 795)	(19 600)	22 502
	Liabilities unallocated to segments	-	-	-	-	-	225	225
	Other information	**from 1 January 2025 to 31 March 2025**						
	Cash expenditures on property, plant and equipment and intangible assets – cash flows	1 165	227	307	174	(307)	(83)	1 483
	Production and cost data	**from 1 January 2025 to 31 March 2025**						
	Payable copper (kt)	134.0	14.4	20.8				
	Molybdenum (million pounds)	-	-	0.5				
	Silver (t)	315.6	0.1	5.0				
	TPM (koz t)	21.5	13.2	7.0				
	C1 cash cost of producing copper in concentrate (USD/lb)**	3.15	1.03	1.18				
	Segment result - adjusted EBITDA	**1 253**	**462**	**672**	**102**	**-**	**-**	**2 489**
	EBITDA margin* **	**17%**	**52%**	**65%**	**3%**	**-**	**-**	**25%**

** 55% of the Group's share in Sierra Gorda S.C.M.'s financial and production data.*

*** Unit cash cost of payable copper production, reflecting ore mining and processing costs, transport costs, the minerals extraction tax, administrative expenses during the mining phase and smelter treatment and refining charges (TC/RC) less by-product value. C1 cost is in regard to payable copper in own concentrate in the case of the segment KGHM Polska Miedź S.A. and payable copper in end products of individual mines of the segment KGHM INTERNATIONAL LTD. and the segment Sierra Gorda S.C.M. C1 cost in PLN/lb was calculated using the average exchange rate by the NBP (arithmetical average of daily quotations per the NBP's tables).*

**** Adjusted EBITDA to revenues from contracts with customers. For the purposes of calculating the Group's EBITDA margin (25%), the consolidated revenues from contracts with customers were increased by revenues from contracts with customers of the segment Sierra Gorda S.C.M. [2 489 / (8 942 + 1 039) * 100]*

***** Adjustments arise from consolidation eliminations and financial data of companies unallocated to any segment.*

Financial results of reporting segments for the comparable period

		from 1 January 2024 to 31 March 2024						
						Reconciliation items to consolidated data		
		KGHM Polska Miedź S.A.	KGHM INTERNATIONAL LTD.	Sierra Gorda S.C.M.*	Other segments	Elimination of data of the segment Sierra Gorda S.C.M	Consolidation adjustments****	Consolidated financial statements
Note 3.3	**Revenues from contracts with customers, of which:**	**7 279**	**525**	**679**	**2 987**	**(679)**	**(2 476)**	**8 315**
	- inter-segment	188	5	-	2 288	-	(2 476)	5
	- external	7 091	520	679	699	(679)	-	8 310
	Cost of sales, selling costs and administrative expenses	(6 778)	(470)	(527)	(2 991)	527	2 510	(7 729)
	Segment result - profit/(loss) for the period	**387**	**(89)**	**(17)**	**(10)**	**17**	**136**	**424**
	Additional information on significant revenue/cost items of the segment							
	Depreciation/amortisation recognised in expenses by nature	(395)	(192)	(180)	(80)	180	74	(593)
	Impairment losses on non-current assets	-	-	-	-	-	(20)	(20)
		As at 31 December 2024						
	Segment assets	**50 405**	**16 422**	**14 245**	**6 889**	**(14 245)**	**(19 824)**	**53 892**
	Liabilities, including:	**19 251**	**19 990**	**13 742**	**3 848**	**(13 742)**	**(20 255)**	**22 834**
	Segment liabilities	19 251	19 990	13 742	3 848	(13 742)	(20 478)	22 611
	Liabilities unallocated to segments	-	-	-	-	-	223	223
	Other information	from 1 January 2024 to 31 March 2024						
	Cash expenditures on property, plant and equipment and intangible assets – cash flows	1 019	329	319	166	(319)	(203)	1 311
	Production and cost data	from 1 January 2024 to 31 March 2024						
	Payable copper (kt)	146.2	16.0	17				
	Molybdenum (million pounds)	-	-	0.5				
	Silver (t)	309.8	0.4	5.8				
	TPM (koz t)	20.1	14.2	6.5				
	C1 cash cost of producing copper in concentrate (USD/lb)**	3.01	2.17	1.90				
	Segment result - adjusted EBITDA	**896**	**247**	**332**	**76**	**-**	**-**	**1 551**
	EBITDA margin*	**12%**	**47%**	**49%**	**3%**	**-**	**-**	**17%**

** 55% of the Group's share in Sierra Gorda S.C.M.'s financial and production data.*
*** Unit cash cost of payable copper production, reflecting ore mining and processing costs, transport costs, the minerals extraction tax, administrative expenses during the mining phase and smelter treatment and refining charges (TC/RC) less by-product value. C1 cost is in regard to payable copper in own concentrate in the case of the segment KGHM Polska Miedź S.A. and payable copper in end products of individual mines of the segment KGHM INTERNATIONAL LTD. and the segment Sierra Gorda S.C.M. C1 cost in PLN/lb was calculated using the average exchange rate by the NBP (arithmetical average of daily quotations per the NBP's tables).*
**** Adjusted EBITDA to revenues from contracts with customers. For the purposes of calculating the Group's EBITDA margin (17%), the consolidated revenues from contracts with customers were increased by revenues from contracts with customers of the segment Sierra Gorda S.C.M. [1 551 / (8 315 + 679) * 100]*
***** Adjustments arise from consolidation eliminations and financial data of companies unallocated to any segment.*

amounts in PLN millions, unless otherwise stated

Reconciliation of adjusted EBITDA — from 1 January 2025 to 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 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.*

Reconciliation of adjusted EBITDA — from 1 January 2024 to 31 March 2024

	KGHM Polska Miedź S.A.	KGHM INTERNATIONAL LTD.	Other segments	Consolidation adjustments*	Consolidated financial statements	Sierra Gorda S.C.M. **	Adjusted EBITDA (segments, total)
	1	2	3	4	5 (1+2+3+4)	6	7 (5+6-4)
Profit/(Loss) for the period	**387**	**(89)**	**(10)**	**136**	**424**	**(17)**	
[-] Profit or loss on involvement in joint ventures	**-**	**144**	**-**	**-**	**144**	**-**	
[-] Current and deferred income tax, mining tax***	(223)	(19)	(6)	(31)	(279)	-	
[-] Depreciation/amortisation recognised in expenses by nature	(395)	(192)	(80)	74	(593)	(180)	
[-] Finance income and (costs)	(122)	(263)	(12)	290	(107)	(188)	
[-] Other operating income and (costs)	231	(6)	12	(157)	80	19	
[-] (Recognition)/reversal of impairment losses on non-current assets recognised in cost of sales, selling costs and administrative expenses	-	-	-	-	-	-	
Segment result - adjusted EBITDA	**896**	**247**	**76**	**(40)**	**1 179**	**332**	**1 551**

** 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.*

amounts in PLN millions, unless otherwise stated

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

	from 1 January 2025 to 31 March 2025						
					Reconciliation items to consolidated data		
Products	KGHM Polska Miedź S.A.	KGHM INTERNATIONAL LTD.	Sierra Gorda S.C.M.*	Other segments	Elimination of data of the segment Sierra Gorda S.C.M	Consolidation adjustments	Consolidated data
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.*

amounts in PLN millions, unless otherwise stated

	from 1 January 2024 to 31 March 2024						
					Reconciliation items to consolidated data		
	KGHM Polska Miedź S.A.	KGHM INTERNATIONAL LTD.	Sierra Gorda S.C.M.*	Other segments	Elimination of data of the segment Sierra Gorda S.C.M	Consolidation adjustments	Consolidated data
Products							
Copper	5 714	278	533	2	(533)	(7)	**5 987**
Silver	1 018	1	16	-	(16)	-	**1 019**
Gold	208	45	54	-	(54)	-	**253**
Services	53	176	-	577	-	(419)	**387**
Energy	49	-	-	180	-	(115)	**114**
Salt	19	-	-	-	-	(1)**	**18**
Blasting materials and explosives	-	-	-	69	-	(35)	**34**
Mining machinery, transport vehicles and other types of machinery and equipment	-	-	-	76	-	(69)	**7**
Fuel additives	-	-	-	34	-	-	**34**
Lead	53	-	-	-	-	-	**53**
Products from other non-ferrous metals	-	-	-	30	-	(1)	**29**
Other products	53	25	76	203	(76)	(128)	**153**
Merchandise and materials							
Steel	-	-	-	110	-	(17)	**93**
Petroleum and its derivatives	-	-	-	107	-	(91)	**16**
Salt	-	-	-	18	-	(18)**	**-**
Other merchandise and materials	112	-	-	1 581	-	(1 575)	**118**
TOTAL	**7 279**	**525**	**679**	**2 987**	**(679)**	**(2 476)**	**8 315**

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

*** Including: PLN 18 million – reclassification from revenues from the sale of merchandise and materials to revenues from the sale of products.*

amounts in PLN millions, unless otherwise stated

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

	from 1 January 2025 to 31 March 2025						
					Reconciliation items to consolidated data		
	KGHM Polska Miedź S.A.	KGHM INTERNATIONAL LTD.	Sierra Gorda S.C.M.*	Other segments	Elimination of data of the segment Sierra Gorda S.C.M	Consolidation adjustments	Consolidated data
Total revenues from contracts with customers	**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	1 562	(1 084)	(1 548)	**5 346**
settled	4 261	16	37	1 562	(37)	(1 546)	**4 293**
unsettled	361	694	1 047	-	(1 047)	(2)	**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)	1 735	45	(1 240)	**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**

	from 1 January 2025 to 31 March 2025	from 1 January 2024 to 31 March 2024
Total revenues from contracts with customers, of which:	**8 942**	**8 315**
transferred at a certain moment	8 400	7 769
transferred over time	542	546

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

amounts in PLN millions, unless otherwise stated

	from 1 January 2024 to 31 March 2024						
					Reconciliation items to consolidated data		
	KGHM Polska Miedź S.A.	KGHM INTERNATIONAL LTD.	Sierra Gorda S.C.M.*	Other segments	Elimination of data of the segment Sierra Gorda S.C.M	Consolidation adjustments	Consolidated data
Total revenues from contracts with customers	**7 279**	**525**	**679**	**2 987**	**(679)**	**(2 476)**	**8 315**
Revenues from sales contracts, for which the price is set after the date of recognition of the sales (M+ principle), of which:	4 889	349	662	33	(662)	(53)	**5 218**
settled	4 578	24	30	1	(30)	(26)	**4 577**
unsettled	311	325	632	32	(632)	(27)	**641**
Revenues from realisation of long-term contracts for mine construction	-	171	-	54	-	(52)	**173**
Revenues from other sales contracts	2 390	5	17	2 900	(17)	(2 371)	**2 924**
Total revenues from contracts with customers, of which:	**7 279**	**525**	**679**	**2 987**	**(679)**	**(2 476)**	**8 315**
in factoring	2 376	-	-	278	-	(270)	**2 384**
not in factoring	4 903	525	679	2 709	(679)	(2 206)	**5 931**

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

amounts in PLN millions, unless otherwise stated

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

	from 1 January 2025 to 31 March 2025							from 1 January 2024 to 31 March 2024
					Reconciliation items to consolidated data			
	KGHM Polska Miedź S.A.	KGHM INTERNATIONAL LTD.	Sierra Gorda S.C.M.*	Other segments	Elimination of data of the segment Sierra Gorda S.C.M	Consolidation adjustments	Consolidated data	KGHM Polska Miedź S.A. Group
Poland	1 800	-	4	3 237	(4)	(2 818)	**2 219**	2 318
Austria	85	-	-	5	-	-	**90**	90
Belgium	36	-	-	3	-	-	**39**	9
Bulgaria	26	-	-	6	-	-	**32**	40
Czechia	545	-	-	3	-	-	**548**	565
Denmark	14	-	-	-	-	-	**14**	-
Estonia	7	-	-	1	-	-	**8**	-
Finland	22	-	-	1	-	-	**23**	9
France	188	-	-	3	-	-	**191**	105
Greece	-	-	-	3	-	-	**3**	13
Spain	2	-	-	1	-	-	**3**	9
The Netherlands	5	-	11	-	(11)	-	**5**	1
Germany	1 208	-	-	23	-	-	**1 231**	1 246
Romania	30	-	-	1	-	-	**31**	29
Slovakia	47	-	-	4	-	-	**51**	51
Slovenia	24	-	-	1	-	-	**25**	27
Sweden	242	-	-	10	-	-	**252**	217
Hungary	405	-	-	2	-	-	**407**	392
The United Kingdom	326	-	-	1	-	-	**327**	298
Italy	489	-	-	4	-	-	**493**	569
Australia	-	-	-	-	-	-	**-**	60
Bosnia and Herzegovina	5	-	-	-	-	-	**5**	-
Chile	4	83	174	-	(174)	-	**87**	78
China	493	425	637	-	(637)	-	**918**	1 132
India	2	-	9	-	(9)	-	**2**	-
Japan	-	-	163	-	(163)	-	**-**	1
Canada	13	200	-	-	-	-	**213**	150
South Korea	-	-	16	-	(16)	-	**-**	27
Norway	-	-	-	7	-	-	**7**	-
The United States of America	897	187	-	3	-	-	**1 087**	313
Switzerland	244	-	-	-	-	-	**244**	334
Türkiye	176	-	-	1	-	-	**177**	92
Ukraine	-	-	-	3	-	-	**3**	-
Taiwan	-	-	-	1	-	-	**1**	-
Morocco	6	-	-	-	-	-	**6**	-
Algeria	29	-	-	-	-	-	**29**	-
Brazil	-	-	25	-	(25)	-	**-**	-
Thailand	128	-	-	-	-	-	**128**	-
Saudi Arabia	38	-	-	-	-	-	**38**	114
Other countries	1	-	-	4	-	-	**5**	26
TOTAL	**7 537**	**895**	**1 039**	**3 328**	**(1 039)**	**(2 818)**	**8 942**	**8 315**

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

amounts in PLN millions, unless otherwise stated

Note 3.6 Main customers

In the period from 1 January 2025 to 31 March 2025 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.

In the comparable period, the revenues from no single contractor exceeded 10% of the revenues from contracts with customers of the Group.

Note 3.7 Non-current assets – geographical breakdown

	As at 31 March 2025	As at 31 December 2024
Poland	25 795	25 542
Canada	2 208	2 207
The United States of America	2 323	2 385
Chile	290	291
TOTAL*	**30 616**	**30 425**

**Non-current assets, excluding: derivatives, other financial instruments, other non-financial assets and deferred tax assets (IFRS 8.33b) in the total amount of PLN 11 494 million as at 31 March 2025 (PLN 11 860 million as at 31 December 2024).*

Note 3.8 Information on segments' results

3.8.1 The segment KGHM Polska Miedź S.A.

Production results

	Unit	1st quarter of 2025	1st quarter of 2024	Change (%)
Ore extraction (dry weight)	mn t	7.7	7.9	(2.5)
Copper content in ore	%	1.48	1.48	-
Copper production in concentrate	kt	99.4	102.5	(3.0)
Silver production in concentrate	t	328.6	343.2	(4.3)
Production of electrolytic copper	kt	134.0	146.2	(8.3)
- including from own concentrate	kt	90.3	95.1	(5.0)
Production of metallic silver	t	315.6	309.8	+1.9
Production of gold	koz t	21.5	20.1	+7.0

In the first 3 months of 2025, there was a decrease in ore extraction as compared to the corresponding period of prior year by 200 thousand tonnes (dry weight), which was related to the production calendar being shorter by 2 working days (6 January and 29 February) in the first quarter of 2025. The increased production in days free from work did not fully offset production deficiency, since efficiency in days free from work did not exceed 80% of the efficiency in working days. Copper content in ore was at a similar level to the one recorded in prior year.
Copper production in concentrate amounted to 99.4 thousand tonnes and was lower by 3.1 thousand tonnes (-3%) as compared to the first 3 months of 2024 due to lower processing of ore from the mines.
As compared to the corresponding period of 2024, there was a decrease in electrolytic copper production by 12.2 thousand tonnes due to the realisation of planned maintenance of rails and current disconnectors at the Głogów II Copper Smelter and Refinery.
In the case of operations of Concentrators and smelters, which operate continuously, the decrease in production was also due to shorter calendar in February 2025 (28 days) as compared to February 2024 (29 days).
Metallic silver production amounted to 315.6 tonnes and was higher by 5.8 tonnes (+2%) as compared to the first quarter of 2024. The increase in metallic silver production was due to higher availability of feed material at the Precious Metals Plant of the Głogów Copper Smelter and Refinery.
Metallic gold production amounted to 21.5 thousand troy ounces and was higher by 1.4 thousand troy ounces (+7%) as compared to the first quarter of 2024. The increase in metallic gold production was due to the higher availability of gold-bearing materials.

Sales

	Unit	1st quarter of 2025	1st quarter of 2024	Change (%)
Revenues from contracts with customers, including:	**PLN mn**	**7 537**	**7 279**	**+3.5**
- copper	PLN mn	5 567	5 714	(2.6)
- silver	PLN mn	1 340	1 018	+31.6
Volume of copper sales	kt	143.3	158.8	(9.8)
Volume of silver sales	t	332.8	336.2	(1.0)

The increase in revenues from contracts with customers by PLN 258 million as compared to the corresponding period of 2024 was, above all, caused by:

- an increase in revenues by PLN 949 million due to: higher silver prices (+8.55 USD/oz t, +37%), gold (+789 USD/oz t, +38%) and copper (+902 USD/t, +11%),
- a decrease in revenues by PLN 552 million due to deviations in the volume of sales of main products: copper (15.5 thousand tonnes, -10%), silver (-3 tonnes, -1%) and gold (0.2 thousand troy ounces, +1%),
- a change by -PLN 144 million in an adjustment to revenues due to hedging transactions, from +PLN 160 million in the first quarter of 2024 to +PLN 16 million in the first quarter of 2025.

Costs

	Unit	1st quarter of 2025	1st quarter of 2024	Change (%)
Cost of sales, selling costs and administrative expenses	**PLN mn**	**6 729**	**6 778**	**(0.7)**
Expenses by nature	**PLN mn**	**7 020**	**6 453**	**+8.8**
Pre-precious metals credit unit cost of electrolytic copper production from own concentrate[1]	PLN/t	**44 965**	42 748	+5.2
Total unit cost of electrolytic copper production from own concentrate	PLN/t	29 514	31 937	(7.6)
C1 unit cost [2]	**USD/lb**	**3.15**	**3.01**	**+4.7**

[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 quarter of 2025 amounted to PLN 6 729 million and were lower by 1% as compared to the corresponding period of 2024, mainly due to higher value of inventories alongside higher expenses by nature.

In the first quarter of 2025, total expenses by nature as compared to the corresponding period of 2024 were higher by PLN 567 million, alongside a mineral extraction tax higher by PLN 255 million and the cost of consumption of purchased metal-bearing materials higher by PLN 110 million due to 11% higher purchase price alongside a lower volume by 2.4 thousand tonnes of copper (-4%).
The increase in expenses by nature, excluding purchased metal-bearing materials and the minerals extraction tax, amounted to PLN 202 million (+5%) and mainly resulted from increases in the following costs:

- labour by PLN 156 million due to higher employee wages and lower decrease in liabilities for future employee benefits measured in correspondence with costs – difference as compared to the corresponding period of the prior year in the amount of PLN 62 million,
- depreciation/amortisation by PLN 50 million due to new investments advanced by the Company,
- external services by PLN 29 million due to higher payments for services rendered,
- energy carriers by PLN 23 million due to higher energy prices alongside lower volume of consumption,
- other technological materials and fuels by PLN 25 million, mainly due to higher purchase prices for technological gas alongside a similar consumption volume.

At the same time, the Company recorded a decrease in the item “other taxes and charges” by PLN 76 million due to the change in the manner of recognising CO_2 emission allowances received free of charge. Currently, the Company recognises on a monthly basis 1/12 of the planned CO_2 emission allowances and calculates them cumulatively per the market price of CO_2 emission allowances from the last day of the current month.

C1 cost for the first quarter of 2025 amounted to 3.15 USD/lb and was higher than the C1 cost in the corresponding period of 2024 by 5%. The increase in this cost was mainly due to higher tax burden by the minerals extraction tax and lower production of copper in own concentrate alongside a greater relief by by-products due to higher prices of silver and gold.

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 44 965 PLN/t (in the corresponding period of 2024: 42 748 PLN/t) and was higher by 5%, mainly due to the higher mineral extraction tax and a decrease in production from own concentrate by 5%.

The total unit cost of electrolytic copper production from own concentrate amounted to 29 514 PLN/t and was lower than in the corresponding period of 2024 by 8% alongside higher value of anode slimes due to higher prices of silver and gold.

Financial results

The Company recorded a profit for the first quarter of 2025 of PLN 127 million, or PLN 260 million lower than in the corresponding prior-year period.

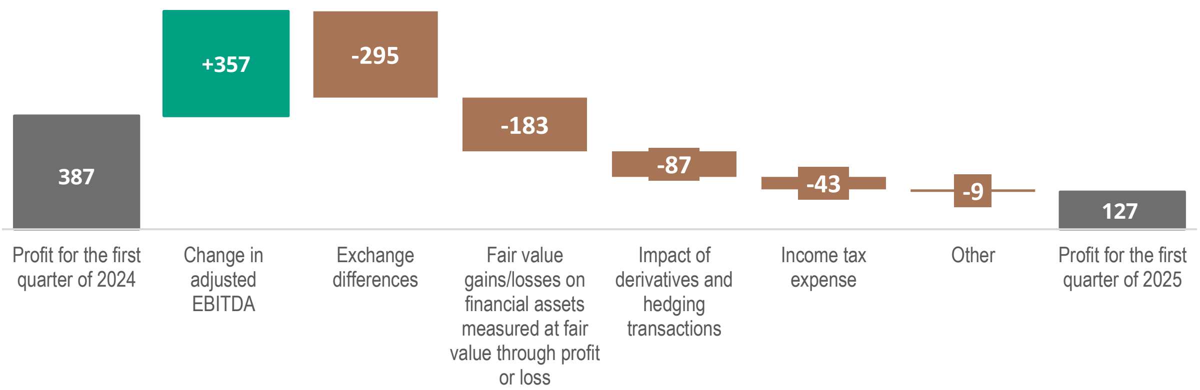
PLN million	*1st quarter of 2025*	*1st quarter of 2024*	*Change (%)*
Revenues from contracts with customers, including:	7 537	7 279	+3.5
- adjustment of revenues due to hedging transactions	16	160	(90.0)
Cost of sales, selling costs and administrative expenses	(6 729)	(6 778)	(0.7)
Profit/(loss) on sales	808	501	+61.3
Other operating income and (costs)	(495)	231	×
Finance income and (costs)	80	(122)	×
Profit/(loss) before income tax	393	610	(35.6)
Income tax expense	(266)	(223)	+19.3
Profit/(loss) for the period	127	387	(67.2)
Adjusted EBITDA[1]	1 253	896	+39.8

[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	+357	The increase in operating result was due to: – an increase in revenues from contracts with customers by PLN 258 million, as described in subsection Sales, – a decrease in cost of sales, selling costs and administrative expenses (excluding depreciation/amortisation) by PLN 99 million, as described in subsection Costs,
Exchange differences	(295)	A decrease in the result on exchange differences was affected by: – result on exchange differences recognised in other operating income and costs lower by PLN 481 million (mainly due to loans), – result on exchange differences from the measurement and realisation of borrowings recognised in finance income and costs higher by PLN 186 million (mainly exchange differences on borrowings).
Fair value gains/losses on financial assets measured at fair value through profit or loss	(183)	Mainly relates to a higher decrease in the value of loans measured at fair value through profit or loss, most of all due to the strengthening of PLN versus USD from 4.1010 on 31 December 2024 to 3.8643 at the end of the reporting period.
Impact of derivatives and hedging transactions	(87)	A decrease in result on measurement and realisation of derivatives in other operating activities from -PLN 16 million to -PLN 103 million.
Income tax expense	(43)	Higher income tax, including PLN 64 million in the scope of the current income tax due to the settlement of the Tax Group alongside a decrease in deferred income tax by PLN 38 million.

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



Capital expenditures

In the first quarter of 2025, expenditures on property, plant and equipment and intangible assets amounted to PLN 692 million.

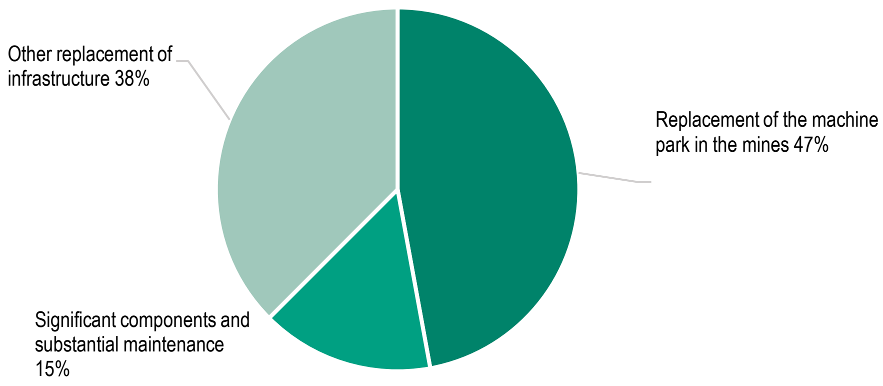
Structure of expenditures on property, plant and equipment and intangible assets (in PLN million)

	1st quarter of 2025	*1st quarter of 2024*	*Change (%)*
Mining	576	536	+7.5
Metallurgy	87	87	-
Other activities	3	5	(40.0)
Development work - uncompleted	0	0	×
Leases per IFRS 16	26	24	+8.3
Total	**692**	**652**	**+6.1**
including borrowing costs	*65*	*59*	*+10.2*

Investment activities comprised projects related to the replacement, maintenance, development and adaptation in the areas of mining, metallurgy and other activities.

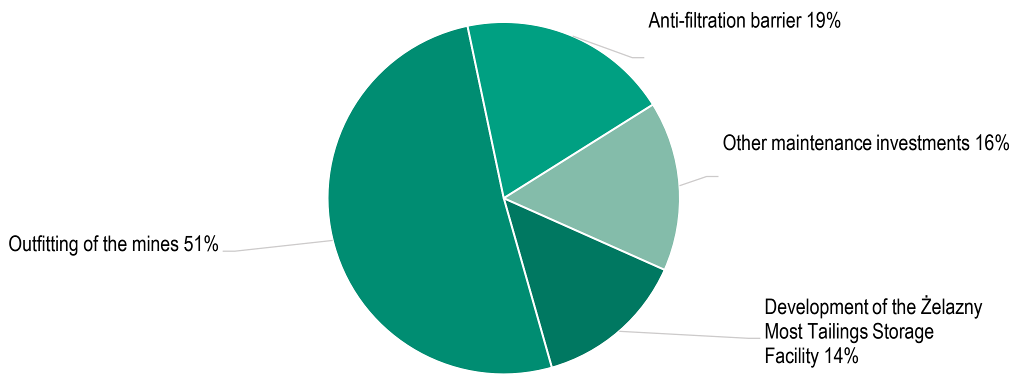
Projects related to replacement aimed at maintaining production equipment in an undeteriorated condition, represent 31% of total expenditures incurred.

Structure of expenditures on replacement



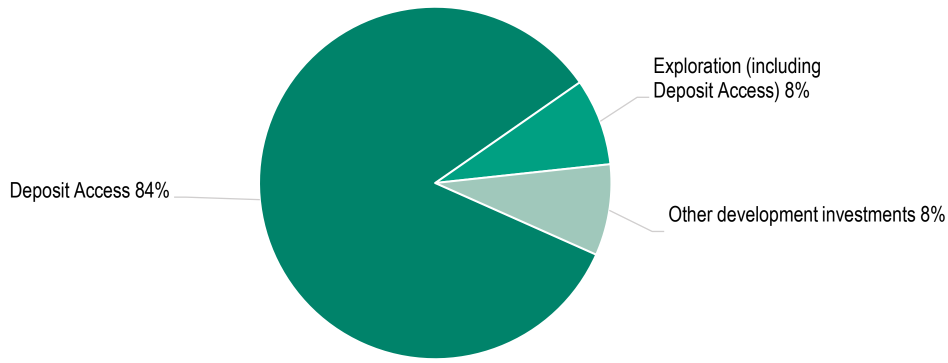
Projects related to maintenance aimed at maintaining mine production at the level set in the approved Production Plan (development of infrastructure to match mine advancement) represent 31% of total expenditures incurred.

Structure of expenditures on maintenance



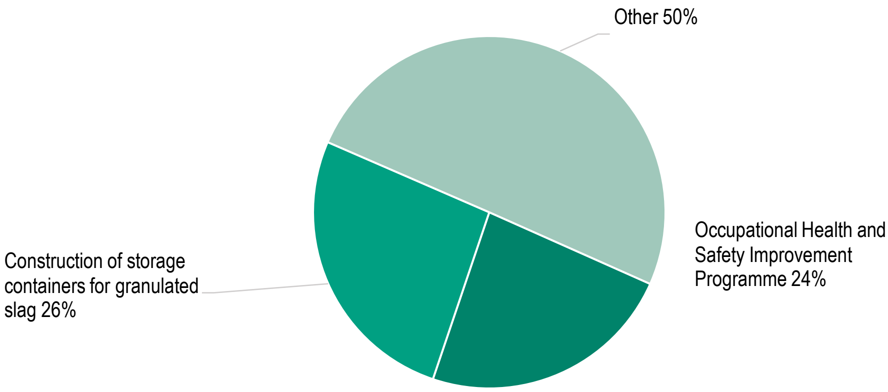
Development projects aimed at increasing or maintaining the current level of revenues from sales, implementation of technical and technological activities optimising use of existing infrastructure, decreasing operating costs, represent 37% of total expenditures incurred.

Structure of expenditures on development



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 represent 1% of total expenditures incurred.

Structure of adaptation expenditures



Detailed information on the advancement of key projects may be found in Part 2, Note 2 of the consolidated financial statements on the realisation of the Strategy in the first quarter of 2025.

3.8.2 The segment KGHM INTERNATIONAL LTD.

Production results

	Unit	1st quarter of 2025	1st quarter of 2024	Change (%)
Payable copper, including:	**kt**	**14.4**	**16.0**	**(10.0)**
- Robinson mine (USA)	kt	13.6	14.3	(4.9)
Payable nickel	kt	0.1	0.1	-
Precious metals (TPM), including:	koz t	13.2	14.2	(7.0)
- Robinson mine (USA)	koz t	10.8	10.2	+5.9
- Sudbury (Canada)	koz t	2.3	4.0	(42.5)

As compared to the first quarter of 2024, payable copper production is lower by 1.6 thousand tonnes (-10%), of which 0.8 thousand tonnes is a result of lower ore processing and lower copper recovery by the Robinson mine, and the other 0.8 thousand tonnes is the result of a decrease in production by the Carlota mine and a sale of the Sudbury assets (February 2025).

As regards precious metals, there was an increase in gold production by Robinson and a decrease in TPM production by Sudbury due to the sale of assets.

Sales

	Unit	1st quarter of 2025	1st quarter of 2024	Change (%)
Revenues from contracts with customers [1], including:	**USD mn**	**225**	**132**	**+70.5**
- copper	USD mn	137	70	+95.7
- nickel	USD mn	1	2	(50.0)
- TPM – precious metals	USD mn	40	14	x 2.9
Copper sales volume	kt	14.2	8.7	+63.2
Nickel sales volume	kt	0.1	0.1	-
TPM sales volume	koz t	14.2	8.9	+59.6
Revenues from contracts with customers	PLN mn	895	525	+70.5

1) Reflects processing premium

In the first quarter of 2025, copper production amounted to 14.4 thousand tonnes and sales amounted to 14.2 thousand tonnes, while in the first quarter of 2024 sales amounted only to a half of the produced payable copper. A similar situation occurred as regards the precious metals.
The increase in sales concerned the Robinson mine (in other mines of KGHM INTERNATIONAL LTD., there was a decrease in copper sales volume).
The increase in copper and TPM sales and the increase in prices of these metals was the main factor contributing to the increase in revenues by over 70% (+USD 93 million) as compared to the first quarter of 2024.

Costs

The costs of sales, selling costs and administrative expenses in the first quarter of 2025 amounted to USD 155 million (PLN 617 million), 31% higher than the amount recorded in the corresponding quarter of 2024.

	Unit	1st quarter of 2025	1st quarter of 2024	Change (%)
Costs of sales, selling costs and administrative expenses	USD mn	155	118	+31.4
Costs of sales, selling costs and administrative expenses	PLN mn	617	470	+31.3
C1 payable copper production cost [1]	**USD/lb**	**1.03**	**2.17**	**(52.5)**

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 the increase in costs of sales, selling costs and administrative expenses by USD 37 million was the increase in sales and associated settlement of costs in inventories in a smaller amount than in the first quarter of 2024.

		1st quarter of 2025	1st quarter of 2024	Change USD mn
Expenses by nature	USD mn	207	204	+3
Change in inventories of finished goods and work in progress	USD mn	(22)	(50)	+28
Stripping costs	USD mn	(30)	(36)	+6
Cost of sales, selling costs and administrative expenses	**USD mn**	**155**	**118**	**+37**

C1 unit production cost of copper amounted to 1.03 USD/lb of copper, which represents a significant (-52%) decrease as compared to the first quarter of 2024, mainly due to the increase in copper sales by Robinson and the increase in revenues from sales of associated metals.

Financial results

In the first quarter of 2025, KGHM INTERNATIONAL LTD. achieved an adjusted EBITDA at the level of USD 116 million, which represents an increase by 87% as compared to the corresponding quarter of 2024.

USD mn	*1st quarter of 2025*	*1st quarter of 2024*	*Change (%)*
Revenues from contracts with customers	225	132	+70.5
Cost of sales, selling costs and administrative expenses [1]	(155)	(118)	+31.6
Profit/(loss) on sales	**70**	**14**	**x 5.0**
PROFIT/(LOSS) FOR THE PERIOD	**35**	**(22)**	**x**
Depreciation/amortisation	(46)	(48)	(4.2)
Adjusted EBITDA	**116**	**62**	**+87.1**

1) Cost of products, merchandise and materials sold, selling costs and administrative expenses

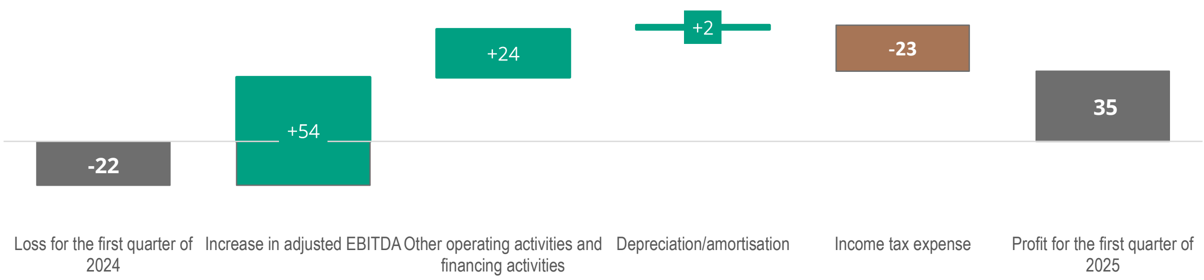
PLN mn	*1st quarter of 2025*	*1st quarter of 2024*	*Change (%)*
Revenues from contracts with customers	895	525	+70.5
Cost of sales, selling costs and administrative expenses[1]	(617)	(470)	+31.2
Profit/(loss) on sales	**278**	**55**	**x 5.1**
PROFIT/(LOSS) FOR THE PERIOD	**138**	**(89)**	**X**
Depreciation/amortisation	(184)	(192)	(4.2)
Adjusted EBITDA	**462**	**247**	**+87.0**

1) Cost of products, merchandise and materials sold, selling costs and administrative expenses

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

Item	Description
Increase in adjusted EBITDA +USD 54 million	An increase in revenues from contracts with customers by **USD 93 million**, of which +USD 75 million as a result of an increase in sales volumes of metals, +USD 17 million due to price changes and +USD 1 million due to other factors.
	An increase in costs charged to EBITDA by **USD 39 million**, mainly due to a change in inventories of finished goods and work in progress.
Impact of other operating activities and financing activities +USD 24 million	**+USD 5 million** – exchange differences – foreign exchange gains (USD 1 million) as compared to losses (-USD 4 million) in the first quarter of 2024.
	+USD 4 million – interest – interest income/costs in the amount of -USD 24 million in the first quarter of 2025 as compared to -USD 28 million in the corresponding period of 2024
	+USD 15 million – other income/costs, including mainly gain from the sale of shares in subsidiaries (Sudbury assets)
Lower depreciation/ amortisation costs +USD 2 million	
Income tax expense (-USD 23 million)	Increase in income tax due to the improved operating results.

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 57 million and were lower by USD 25 million (-30%) as compared to the corresponding period of 2024. In the first quarter of 2025, the Robinson mine realised a smaller scope of stripping (a decrease in expenditures on stripping) and lower expenditures on replacement (in the first quarter of 2024, significant expenditures were incurred to purchase mining machinery).

USD mn	*1st quarter of 2025*	*1st quarter of 2024*	*Change (%)*
Victoria project	20	20	-
Stripping and other	37	62	(40.3)
Total	**57**	**82**	**(30.5)**

PLN mn	*1st quarter of 2025*	*1st quarter of 2024*	*Change (%)*
Victoria project	79	80	(0.6)
Stripping and other	147	249	(41.0)
Total	**227**	**329**	**(31.0)**

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	*1st quarter of 2025*	*1st quarter of 2024*	*Change (%)*
Copper production	**kt**	**37.7**	**30.9**	**+22.0**
Copper production – segment (55%)	kt	20.8	17.0	
Molybdenum production	mn lb	0.9	0.9	-
Molybdenum production – segment (55%)	mn lb	0.5	0.5	
TPM production – gold	koz t	12.7	11.9	+6.7
TPM production – gold -segment (55%)	koz t	7.0	6.5	

In the first quarter of 2025, Sierra Gorda S.C.M. recorded a significant (+6.8 thousand tonnes, or 22%) increase in production of payable copper in concentrate as compared to the corresponding period of 2024. This increase was achieved despite the 6% decrease in processed ore.
Among the main factors contributing to this increase are: higher copper content in processed ore and higher copper recovery. The increased ore quality and process optimisation to increase recovery contributed to achieving a higher amount of copper alongside lower volume of processed material.

Sales

Revenues from sales in the first quarter of 2025 amounted to USD 475 million (on a 100% basis), or PLN 1 039 million respectively to the 55% interest held by KGHM Polska Miedź S.A.

	Unit	*1st quarter of 2025*	*1st quarter of 2024*	*Change (%)*
Revenues from contracts with customers[1], including from the sale of:	**USD mn**	**475**	**309**	**+53.7**
- copper	USD mn	393	243	+61.7
- molybdenum	USD mn	33	35	(5.7)
- TPM (gold)	USD mn	40	24	+66.7
Copper sales volume	kt	37.6	29.2	+28.8
Molybdenum sales volume	mn lb	1.6	1.8	(11.1)
TPM (gold) sales volume	koz t	13.3	11.5	+15.7
Revenues from contracts with customers [1] - segment (55% share)	**PLN mn**	**1 039**	**679**	**+53.0**

[1)] Reflects metallurgical and refining processing premium and other

As compared to results achieved in the first quarter of 2024, revenues increased by USD 166 million (+54%). The increase concerned revenues from copper and gold sales, mainly as a result of higher sales volume. Moreover, TC/RC premiums were more favourable.

The detailed impact of individual factors on changes in revenues was 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 264 million, including cost of sales of USD 233 million and total selling costs and administrative expenses of USD 31 million. Proportionally to the interest held (55%), the costs of the segment amounted to PLN 577 million.

	Unit	*1st quarter of 2025*	*1st quarter of 2024*	*Change (%)*
Costs of sales, selling costs and administrative expenses	USD mn	264	240	+10.0
Costs of sales, selling costs and administrative expenses – segment 55%	PLN mn	577	527	+9.5
C1 unit cost [1]	**USD/lb**	**1.18**	**1.90**	**(37.9)**

[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

Costs incurred in the first quarter of 2025 were higher by USD 24 million (+10%) than the ones recorded in the corresponding period of 2024, mainly due to an increase in scope and prices of external services as well as higher depreciation/amortisation costs.

However, at the same time, the C1 unit cash cost of copper production decreased by 38%, mainly due to:
- higher amount of copper sold,
- higher revenues from gold sales (deductions for associated metals),
- lower costs of TC/RC refining premiums.

Financial results

In the first quarter of 2025, adjusted EBITDA amounted to USD 307 million, which is over two times higher than in the corresponding period of 2024.

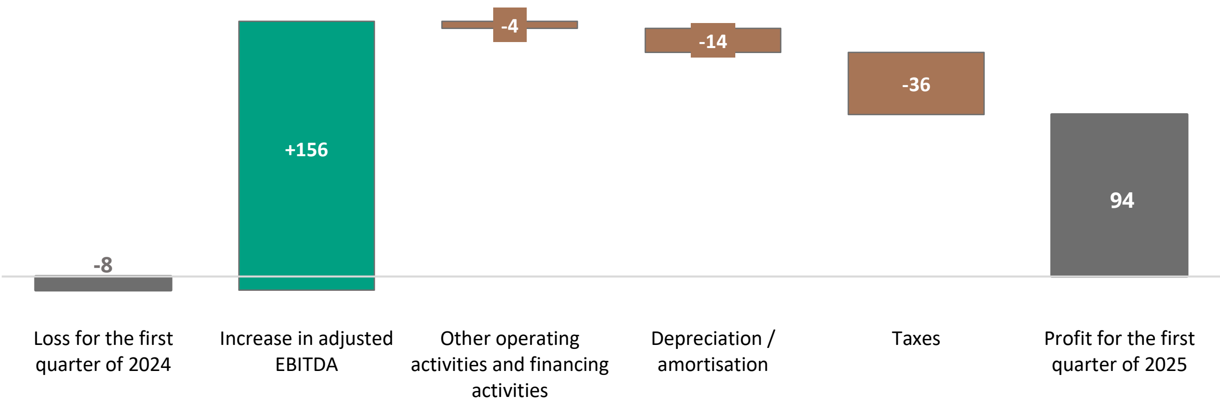
USD million (on a 100% basis)	*1st quarter of 2025*	*1st quarter of 2024*	*Change (%)*
Revenues from contracts with customers	475	309	+53.7
Cost of sales, selling costs and administrative expenses	(264)	(240)	+10.0
Profit/(loss) on sales	**211**	**69**	**x 3.1**
PROFIT/(LOSS) FOR THE PERIOD	**94**	**(8)**	**x**
Depreciation/amortisation	(96)	(82)	+17.1
Adjusted EBITDA	**307**	**151**	**x 2.0**

PLN million (on a 55% basis)	*1st quarter of 2025*	*1st quarter of 2024*	*Change (%)*
Revenues from contracts with customers	1 039	679	+53.0
Cost of sales, selling costs and administrative expenses	(577)	(527)	+9.5
Profit/(loss) on sales	**462**	**152**	**x 3.0**
PROFIT/(LOSS) FOR THE PERIOD	**205**	**(17)**	**x**
Depreciation/amortisation	(210)	(180)	+16.6
Adjusted EBITDA	**672**	**332**	**x 2.0**

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 102 million.

Item	Description
Increase in adjusted EBITDA +USD 156 million	An increase in revenues by +USD 166 million, of which: – copper sales (+USD 139 million) due to an increase in sales volume by 8 thousand tonnes (+USD 76 million) and higher prices (+USD 63 million, including Mark to Market valuation), – silver and gold sales (+USD 18 million due to higher prices and volumes sold), – molybdenum sales (-USD 2 million due to lower volume sold), – processing and refining premiums (+USD 12 million due to market conditions).
	An increase in cost of sales, selling costs and administrative expenses (excluding depreciation/amortisation) by USD 10 million, mainly as regards external services by USD 9 million, alongside the decrease in costs of energy by USD 3 million and lower level of changes in inventories (USD 1 million versus USD 9 million in the first quarter of 2024).
Impact of other operating activities and financing activities -USD 4 million	Mainly foreign exchange losses (-USD 4 million) as compared to foreign exchange gains in the first quarter of 2024 (+USD 10 million)
Higher depreciation/ amortisation costs -USD 14 million	Mainly relates to an increase in depreciation/amortisation of investments due to capitalised stripping costs (USD 9 million).
Taxes -USD 36 million	Higher tax burden due to a recorded profit for the period as compared to loss for the period in the corresponding period of 2024.

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 141 million, the majority of which, that is USD 79 million (56%), represented expenditures on stripping to gain access to further areas of the deposit and the rest concerned development and replacement of property, plant and equipment.

	Unit	*1st quarter of 2025*	*1st quarter of 2024*	*Change (%)*
Cash expenditures on property, plant and equipment	USD mn	141	145	(2.8)
Cash expenditures on property, plant and equipment – segment (55% share)	PLN mn	307	319	(3.8)

The operating inflows of Sierra Gorda S.C.M. achieved in the first quarter of 2025 exceeded cash expenditures by USD 75 million, which following the conversion of cash, enabled the repayment of USD 80 million due to the principal amount and interest on the loan granted by the Owners for mine construction. Out of this amount, USD 44 million is attributable to the KGHM Group. In the first quarter of 2024, no such payments were made by Sierra Gorda S.C.M.

amounts in PLN millions, unless otherwise stated

4 – Selected additional explanatory notes

Note 4.1 Expenses by nature

	from 1 January 2025 to 31 March 2025	from 1 January 2024 to 31 March 2024
Depreciation of property, plant and equipment and amortisation of intangible assets	696	593
Employee benefits expenses	2 242	2 028
Materials and energy, including:	3 652	3 483
purchased metal-bearing materials	2 050	1 940
electrical and other energy	649	643
External services	688	642
Minerals extraction tax	1 060	805
Other taxes and charges	279	349
Write-down of inventories	(1)	40
Other costs	50	46
Total expenses by nature	**8 666**	**7 986**
Cost of merchandise and materials sold (+)	120	168
Change in inventories of finished goods and work in progress (+/-)	(482)	60
Costs of manufacturing products for internal use of the Group (-)	(490)	(485)
Total costs of sales, selling costs and administrative expenses, of which:	**7 814**	**7 729**
Cost of sales	7 334	7 306
Selling costs	129	126
Administrative expenses	351	297

amounts in PLN millions, unless otherwise stated

Note 4.2 Other operating income and (costs)

		from 1 January 2025 to 31 March 2025	from 1 January 2024 to 31 March 2024
	Gains on derivatives, of which:	46	67
	measurement	42	57
	realisation	4	10
	Interest income calculated using the effective interest rate method	12	6
	Exchange differences on financial assets and liabilities other than borrowings	-	158
	Reversal of impairment losses on financial instruments	-	1
	Provisions released	9	5
Note 4.12	Gain on disposal of subsidiaries	98	-
	Fair value gains on trade receivables	20	-
	Government grants received	6	-
	Income from servicing of letters of credit and guarantees	6	10
	Compensation, fines and penalties received	4	-
	Other	40	25
	Total other operating income	**241**	**272**
	Losses on derivatives, of which:	(149)	(83)
	measurement	(126)	(74)
	realisation	(23)	(9)
	Fair value losses on trade receivables	-	(28)
	Impairment losses on financial instruments	(2)	-
	Impairment losses on fixed assets under construction and intangible assets not yet available for use	(3)	(20)
	Exchange differences on financial assets and liabilities other than borrowings	(680)	-
	Provisions recognised	(14)	(39)
	Donations granted	(15)	(11)
	Other	(15)	(11)
	Total other operating costs	**(878)**	**(192)**
	Other operating income and (costs)	**(637)**	**80**

amounts in PLN millions, unless otherwise stated

Note 4.3 Finance income and (costs)

	from 1 January 2025 to 31 March 2025	from 1 January 2024 to 31 March 2024
Finance income - exchange gains/(losses) on measurement and realisation of borrowings	**151**	**-**
Interest on borrowings, including:	(2)	(7)
leases	(2)	(3)
Interest on trade payables within the reverse factoring mechanism	(22)	(36)
Unwinding of the discount effect	(26)	(23)
Exchange gains/(losses) on measurement and realisation of borrowings	-	(33)
Bank fees and charges on borrowings	(6)	(5)
Other	(2)	(3)
Total finance costs	**(58)**	**(107)**
Finance income and (costs)	**93**	**(107)**

Note 4.4 Information on property, plant and equipment and intangible assets

Purchase of property, plant and equipment and intangible assets

	from 1 January 2025 to 31 March 2025	from 1 January 2024 to 31 March 2024
Purchase of property, plant and equipment, including:	1 101	998
leased assets	64	9
Purchase of intangible assets	71	84

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

	As at 31 March 2025	As at 31 December 2024
Payables due to the purchase of property, plant and equipment and intangible assets	506	1 040

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

	As at 31 March 2025	As at 31 December 2024
Purchase of property, plant and equipment	1 444	1 303
Purchase of intangible assets	11	11
Total capital commitments	**1 455**	**1 314**

amounts in PLN millions, unless otherwise stated

Note 4.5 Involvement in joint ventures

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

	from 1 January 2025 to 31 March 2025	from 1 January 2024 to 31 March 2024
As at the beginning of the reporting period	**-**	**-**
Share of profit for the reporting period	205	-
Settlement of the Group's share of unsettled losses from prior years (accumulated comprehensive losses)	(205)	-
As at the end of the reporting period	**-**	**-**

	from 1 January 2025 to 31 March 2025	from 1 January 2024 to 31 March 2024
The Group's share (55%) of profit/(loss) for the reporting period of Sierra Gorda S.C.M., of which:	**205**	**(17)**
recognised in the valuation of the joint venture	205	-
unrecognised in the valuation of the joint venture	-	(17)

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

	from 1 January 2025 to 31 March 2025	from 1 January 2024 to 31 March 2024
As at the beginning of the reporting period	**(845)**	**(1 054)**
Settlement of the Group's share of unsettled losses from prior years (accumulated comprehensive losses)	205	209
As at the end of the reporting period	**(640)**	**(845)**

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

	from 1 January 2025 to 31 March 2025	from 1 January 2024 to 31 March 2024
As at the beginning of the reporting period	**9 800**	**9 096**
Repayment of loans (principal and interest)	(170)	(464)
Accrued interest	147	552
Gain due to the reversal of allowances for impairment of loans granted to the joint venture	3	226
Exchange differences	(570)	390
As at the end of the reporting period	**9 210**	**9 800**

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

Pursuant to the requirements of IFRS 9.5.5.17, the Group performed impairment testing of the loan. To estimate the expected credit losses, scenario analysis (IFRS 9.5.5.18) was used, comprising the Group's assumptions on the repayment of the loan granted. 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 2025, 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 2024.

amounts in PLN millions, unless otherwise stated

Note 4.6 Financial instruments

Financial assets	As at 31 March 2025					As at 31 December 2024				
	At fair value through other comprehensive income	At fair value through profit or loss	At amortised cost	Hedging instruments	Total	At fair value through other comprehensive income	At fair value through profit or loss	At amortised cost	Hedging instruments	Total
Non-current	1 061	58	9 772	266	**11 157**	837	46	10 357	286	**11 526**
Loans granted to a joint venture	-	-	9 210	-	**9 210**	-	-	9 800	-	**9 800**
Derivatives	-	-	-	266	**266**	-	-	-	286	**286**
Other financial instruments measured at fair value	1 061	58	-	-	**1 119**	837	46	-	-	**883**
Other financial instruments measured at amortised cost	-	-	562	-	**562**	-	-	557	-	**557**
Current	-	929	1 662	179	**2 770**	-	808	1 595	193	**2 596**
Trade receivables	-	871	547	-	**1 418**	-	707	638	-	**1 345**
Derivatives	-	17	-	179	**196**	-	26	-	193	**219**
Cash and cash equivalents	-	-	869	-	**869**	-	-	715	-	**715**
Other financial assets	-	41	246	-	**287**	-	75	242	-	**317**
Total	**1 061**	**987**	**11 434**	**445**	**13 927**	**837**	**854**	**11 952**	**479**	**14 122**

amounts in PLN millions, unless otherwise stated

Financial liabilities	As at 31 March 2025				As at 31 December 2024			
	At fair value through profit or loss	At amortised cost	Hedging instruments	Total	At fair value through profit or loss	At amortised cost	Hedging instruments	Total
Non-current	12	5 172	149	**5 333**	12	5 130	257	**5 399**
Borrowings, leases and debt securities	-	4 963	-	**4 963**	-	4 910	-	**4 910**
Derivatives	12	-	149	**161**	12	-	257	**269**
Other financial liabilities	-	209	-	**209**	-	220	-	**220**
Current	108	6 333	36	**6 477**	14	6 517	33	**6 564**
Borrowings, leases and debt securities	-	1 229	-	**1 229**	-	1 261	-	**1 261**
Derivatives	100	-	36	**136**	11	-	33	**44**
Trade payables	-	2 548	-	**2 548**	-	3 132	-	**3 132**
Trade payables within the reverse factoring mechanism	-	2 401	-	**2 401**	-	2 000	-	**2 000**
Other financial liabilities	8	155	-	**163**	3	124	-	**127**
Total	**120**	**11 505**	**185**	**11 810**	**26**	**11 647**	**290**	**11 963**

amounts in PLN millions, unless otherwise stated

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

Classes of financial instruments	As at 31 March 2025 fair value level 1	level 2	level 3	carrying amount	As at 31 December 2024 fair value level 1	level 2	level 3	carrying amount
Loans granted	-	20	-	20	-	21	-	21
Listed shares	929	-	-	929	705	-	-	705
Unquoted shares	-	132	-	132	-	132	-	132
Trade receivables	-	871	-	871	-	707	-	707
Assets due to derivatives	-	462	-	462	-	505	-	505
Liabilities due to derivatives	-	(297)	-	(297)	-	(313)	-	(313)
Other financial assets	-	12	67	79	-	34	66	100
Other financial liabilities	-	(8)	-	(8)	-	(3)	-	(3)

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 2025 fair value level 1	level 2	level 3	carrying amount	As at 31 December 2024 fair value level 1	level 2	level 3	carrying amount
Loans granted	-	-	8 268	9 210	-	-	8 780	9 800
Received long-term bank and other loans	-	(1 688)	-	(1 688)	-	(1 686)	-	(1 686)
Long-term debt securities	(2 647)	-	-	(2 600)	(2 657)	-	-	(2 600)

The Group does not disclose the fair value of 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.

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 fixing price set by the London Bullion Market Association. Volatility ratios and forward prices for measurement of derivatives at the end of the reporting period were obtained from the Reuters system. Levy's approximation to the Black-Scholes model was used for Asian options pricing on metals markets.

Received long-term bank and other loans

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

Level 3

Loans granted

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

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 2025 have not changed as compared to the ones adopted as at 31 December 2024.

As at 31 March 2025 and as at 31 December 2024, 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 2025-2029, while for the period 2030-2034 a technical adjustment of prices was applied between the last year of the detailed forecast and 2035, for which a long-term metals price forecast was used at the following level:

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

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

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

Sensitivity analysis of the fair value to changes in copper prices as at 31 March 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	**8 268**	8 520	8 119
Loans granted measured at amortised cost (in USD million)	**2 140**	2 205	2 101

Sensitivity analysis of the carrying amount to changes in copper prices as at 31 March 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	**9 210**	9 424	9 115
Loans granted measured at amortised cost (in USD million)	**2 383**	2 439	2 359

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

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	**8 780**	9 039	8 624
Loans granted measured at amortised cost (in USD million)	**2 141**	2 204	2 103

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

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	**9 800**	10 023	9 701
Loans granted measured at amortised cost (in USD million)	**2 390**	2 444	2 365

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 2025 to 31 March 2025	from 1 January 2024 to 31 March 2024
Revenues from contracts with customers (reclassification adjustment)	16	160
Other operating income / (costs)*:	(103)	(16)
on realisation of derivatives	(19)	1
on measurement of derivatives	(84)	(17)
Impact of derivatives and hedging instruments on profit or loss for the period (excluding the tax effect)	**(87)**	**144**

**Including reclassification adjustment for the first quarter of 2025 in the amount of PLN (15) million; for the first quarter of 2024 in the amount of PLN (2) million.*

Statement of other comprehensive income	from 1 January 2025 to 31 March 2025	from 1 January 2024 to 31 March 2024
Impact of measurement of hedging transactions (effective part)	57	(1)
Reclassification to the statement of profit and loss due to realisation of a hedged item	(1)	(158)
Impact of hedging transactions (excluding the tax effect)	**56**	**(159)**
TOTAL COMPREHENSIVE INCOME	**(31)**	**(15)**

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 2025 and in the first quarter of 2024.

Other comprehensive income due to cash flow hedging (excluding the tax effect)	2025	2024
As at 1 January	**78**	**628**
Impact of measurement of hedging transactions (effective part)	57	(1)
Reclassification to revenues from contracts with customers due to realisation of hedged item	(16)	(160)
Reclassification to other operating costs due to realisation of hedged item (settlement of the hedging cost)	15	2
As at 31 March	**134**	**469**

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 2025, copper sales of the Parent Entity amounted to 143.3 thousand tonnes (net sales of 97.1 thousand tonnes[2]), while the notional amount of copper price hedging strategies settled in this period amounted to 10.3 thousand tonnes, which represented approx. 7% of the total sales of this metal realised by the Parent Entity and approx. 11% of net sales in this period (in the first quarter of 2024 copper price was not hedged by derivative transactions). The notional amount of settled silver price hedging transactions in the first quarter of 2025 represented approx. 10% of sales of this metal by the Parent Entity during that period (in the first quarter of 2024 silver price was not hedged by derivative transactions). In the case of currency transactions in the first quarter of 2025, approx. 10% of revenues from copper and silver sales realised by the Parent Entity in this period were hedged (20% in the first quarter of 2024).

In the first quarter of 2025, pursuant to the Market Risk Management Policy, the Parent Entity continuously monitored and analysed the macroeconomic environment and the situation on financial markets, and also identified and measured market risk related to changes in metals prices, exchange rates and interest rates. As part of the realisation of the strategic hedging plan of the Parent Entity against market risk in the first quarter of 2025, transactions hedging the planned revenues from copper sales were implemented. *Seagull* option structures (Asian options) for the period from March 2025 to December 2026 for the total tonnage of 34.2 thousand tonnes were entered into. In the first quarter of 2025, no hedging transactions were entered into on the silver, currency and interest rates markets.

In the first quarter of 2025, QP adjustment swap transactions were entered into on the copper and gold markets with maturities to December 2025, as part of the management of a net trading position[3].

As at 31 March 2025, the Parent Entity held an open derivatives position for:

- 75.2 thousand tonnes of copper (including: 70.2 thousand tonnes arose from the strategic management of market risk, while 5 thousand tonnes came from the management of a net trading position),
- 4.20 million troy ounces of silver,
- 21.9 thousand troy ounces of gold, and
- USD 780 million of planned revenues from sales of metals.

Furthermore, as at 31 March 2025, the Parent Entity had loans with fixed interest rates and open Cross Currency Interest Rate Swap (CIRS) transactions in the notional amount of PLN 1.6 billion, hedging both the sales revenues in the currency, as well as the variable interest rate of issued bonds. Commodity risk was also related to derivatives embedded in the purchase contracts for metal-bearing materials.

With respect to managing currency risk, the Parent Entity uses natural hedging by incurring liabilities in currencies in which it has revenues. As at 31 March 2025, the bank and investment loans which were drawn in USD, following their translation to PLN, amounted to PLN 2 383 million (as at 31 December 2024: PLN 2 420 million).

In the first quarter of 2025, none of the Group's mining subsidiaries had implemented any forward transactions on the commodity market or the currency market, and did not hold an open position on this market as at 31 March 2025.

Condensed tables of open transactions in derivatives held by the Parent Entity as at 31 March 2025, entered into as part of the strategic management of market risk, are presented below. The hedged notional amounts of transactions in the presented periods are allocated evenly on a monthly basis.

[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.

Hedging against copper price risk – open derivatives as at 31 March 2025

Period	Instrument/ option structure	Notional [tonnes]	Average weighted option strike price: sold put option – *hedge limited to* [USD/t]	purchased put option – *copper price hedging* [USD/t]	sold call option – *participation limited to* [USD/t]	Average weighted premium [USD/t]	Effective hedge price [USD/t]
2nd quarter	seagull	4 875	7 489	9 549	11 049	-	9 549
	seagull	9 000	7 500	9 600	11 500	(100)	9 500
	seagull	4 725	7 500	9 300	11 300	(143)	9 157
2nd half	seagull	9 750	7 489	9 549	11 049	-	9 549
	seagull	9 000	7 500	9 600	11 500	(100)	9 500
	seagull	9 450	7 500	9 300	11 300	(143)	9 157
TOTAL IV-XII 2025		**42 300**					
1st half	seagull	9 000	7 500	9 600	11 500	(100)	9 500
	seagull	9 450	7 500	9 300	11 300	(143)	9 157
2nd half	seagull	9 450	7 500	9 300	11 300	(143)	9 157
TOTAL I-XII 2026		**27 900**					

Hedging against silver price risk – open derivatives as at 31 March 2025

Period	Instrument/ option structure	Notional [mn ounces]	Average weighted option strike price: sold put option – *hedge limited to* [USD/ounce]	purchased put option – *silver price hedging* [USD/ounce]	sold call option – *participation limited to* [USD/ounce]	Average weighted premium [USD/ounce]	Effective hedge price [USD/ounce]
2nd quarter	collar	0.525	-	26.43	40.29	-	26.43
	collar	0.525	-	30.64	45.64	(0.50)	30.14
2nd half	collar	1.050	-	26.43	40.29	-	26.43
	collar	1.050	-	30.64	45.64	(0.50)	30.14
TOTAL IV-XII 2025		**3.150**					
1st half	collar	1.050	-	30.64	45.64	(0.50)	30.14
TOTAL I-VI 2026		**1.050**					

Hedging against USD/PLN currency risk– open derivatives as at 31 March 2025

Period	Instrument/ option structure	Notional [USD mn]	Average weighted option strike price: sold put option – *hedge limited to* [USD/PLN]	purchased put option – *exchange rate hedging* [USD/PLN]	sold call option – *participation limited to* [USD/PLN]	purchased call option – *participation opened* [USD/PLN]	Average weighted premium [PLN for USD 1]	Effective hedge price [USD/PLN]
2nd quarter	collar + purchased call option	60	-	3.92	4.32	4.62	(0.04)	3.88
	collar	120	-	4.04	4.54	-	(0.05)	3.99
2nd half	seagull	120	3.60	3.92	4.52	-	(0.04)	3.88
	collar	240	-	4.04	4.54	-	(0.05)	3.99
TOTAL IV-XII 2025		**540**						
1st half	collar	240	-	4.04	4.54	-	(0.05)	3.99
TOTAL I-VI 2026		**240**						

Hedging of sales revenues in USD due to currency-interest rate risk connected with the issue of bonds with a variable interest rate in PLN – open derivatives as at 31 March 2025

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

The table below presents detailed data on derivative transactions designated as hedging, held by the Parent Entity as at 31 March 2025.

Open hedging derivatives

Type of derivative	Notional copper [t] silver [mn ounces] currency [USD mn] CIRS [PLN mn]	Average weighted price /exchange rate/interest rate [USD/t] [USD/ounce] [USD/PLN] [USD/PLN, fixed interest rate for USD]	Maturity settlement period from	Maturity settlement period to	Period of profit/loss impact*** from	Period of profit/loss impact*** to
Commodity option structures						
Copper – *seagull**	70 200	9 448 – 11 312	Apr'25	- Dec'26	Apr'25	- Jan'27
Silver – *collar*	4.20	29.06 – 43.63	Apr'25	- June'26	Apr'25	- July'26
Currency option structures						
USD/PLN – *collar + purchased call**	60	3.92-4.32	Apr'25	- June'25	Apr'25	- July'25
USD/PLN – *collar*	600	4.04-4.54	Apr'25	- June'26	Apr'25	- July'26
USD/PLN – *seagull* *	120	3.92-4.52	July'25	- Dec'25	July'25	- Jan'26
Currency-interest rate transactions						
CIRS**	1 600	3.81 and 3.94%		June'29	June'29	- July'29

** Collar structures, i.e. purchased put options and sold call options were designated as hedging under seagull options structures and collar + purchased call options (CFH – Cash Flow Hedge).*
*** Settlements of interest payments are made periodically, on a half-year basis, until the moment of the realisation of the transaction.*
**** Reclassification of 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.*

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 structure of ratings of the financial institutions with which the Group entered into derivatives transactions, representing an exposure to credit risk.

Rating level		As at 31 March 2025	As at 31 December 2024
Medium-high	from A+ to A- according to S&P and Fitch, and from A1 to A3 according to Moody's	86%	92%
Medium	from BBB+ to BBB- according to S&P and Fitch, and from Baa1 to Baa3 according to Moody's	14%	8%

Exposure to credit risk by main counterparties

	As at 31 March 2025 Open derivatives *Financial receivables*	As at 31 March 2025 Settled derivatives *Net financial receivables* [4]	Exposure to credit risk
Counterparty 1	68	-	**68**
Counterparty 2	62	2	**64**
Counterparty 3	59	-	**59**
Other	273	10	**283**
Total	**462**	**12**	**474**

[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 counterparties..*

amounts in PLN millions, unless otherwise stated

Taking into consideration the receivables due to open derivative transactions held by the Group (excluding embedded derivatives) as at 31 March 2025 and net receivables due to settled derivatives, the maximum single entity share of the amount exposed to credit risk arising from these transactions amounted to 14%, or PLN 68 million (as at 31 December 2024: 29%, or PLN 151 million).

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

In order to reduce cash flows and at the same time to limit credit risk, the Parent Entity carries out net settlements (based on standard framework agreements entered into with its counterparties, regulating the trade of financial instruments, meaning ISDA or based on a template 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 2025	
	*Financial receivables gross/net**	*Financial liabilities gross/net**
Counterparty 1	-	(6)
Counterparty 2	2	-
Other	10	(2)
Total	**12**	**(8)**

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

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 transactions[5] and trade transactions (including embedded and adjustment derivatives) is presented in the table below.

Type of derivative	As at 31 March 2025				
	Financial assets		Financial liabilities		
	Non-current	Current	Non-current	Current	Total
Hedging instruments (CFH), of which:	**266**	**179**	**(149)**	**(36)**	**260**
Derivatives – Metals (price of copper, silver)					
Options – *seagull** (copper)	57	65	(31)	(21)	**70**
Options – *collar* (silver)	4	6	(4)	(9)	**(3)**
Derivatives – Currency (USDPLN exchange rate)					
Options – *collar*	37	88	(6)	(5)	**114**
Options – *seagull**	-	15	-	(1)	**14**
Options – *collar + purchased call options**	-	5	-	-	**5**
Derivatives – Currency-interest rate					
Cross Currency Interest Rate Swap CIRS	168	-	(108)	-	**60**
Trade instruments, of which:	**-**	**17**	**(12)**	**(100)**	**(95)**
Derivatives – Metals (price of copper, gold)					
Sold put option (copper)	-	-	(12)	(4)	**(16)**
QP adjustment *swap* transactions (copper)	-	-	-	(4)	**(4)**
QP adjustment *swap* transactions (gold)	-	17	-	(37)	**(20)**
Derivatives – Currency					
Sold put option (USDPLN)	-	-	-	(2)	**(2)**
Purchased call option (USDPLN)	-	-	-	-	**-**
Embedded derivatives (price of copper, gold)					
Purchase contracts for metal-bearing materials	-	-	-	(53)	**(53)**
TOTAL OPEN DERIVATIVES	**266**	**196**	**(161)**	**(136)**	**165**

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

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

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

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

amounts in PLN millions, unless otherwise stated

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

In market risk management resulting from changes in energy and energy carriers, the scale and profile of activities of the Parent Entity is of the greatest significance and impact on the results of the KGHM Polska Miedź S.A. Group. The risk of changes in prices of electricity and energy commodities is a commodity risk for the Parent Entity, the measurement of which is based on its impact on cash 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,
- **CO_2 emission allowances**, which have to be redeemed due to the level of greenhouse gas emissions by installations operated by the Parent Entity being higher than the level of greenhouse gas emissions for which the Parent Entity received freely-granted allowances to emit CO_2,
- **property rights to energy** resulting from certificates of origin of energy from renewable sources (RES) and **energy efficiency certificates** (hereafter: property rights), subject to redemption (required for purposes of redemption due to the sale of electricity by the Parent Entity to end users as well as the consumption of purchased electricity for own needs).

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

In the case of changes in electricity prices, the source of exposure are sales prices in bilateral contracts and energy sales prices on the Polish Power Exchange, 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).

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

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

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

Merchandise	Unit	from 1 January 2025 to 31 March 2025	from 1 January 2024 to 31 March 2024
CO_2 emission allowances	EUA	343 269	339 350
Property rights, so-called green certificates	GWh	7.8	25
Property rights, so-called blue certificates	GWh	0.46	2.5
Property rights, so-called white certificates	TOE	614	714
Natural gas	GWh	686	689
Electricity	GWh	611	630

amounts in PLN millions, unless otherwise stated

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 2025, 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 2025	31 December 2024
Net debt/Adjusted EBITDA*	**0.72**	**0.81**

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

Net debt changes

	As at 31 December 2024	Cash flows related to debt	Accrued interest	Exchange differences	Other changes	As at 31 March 2025
[+] Bank loans	856	161	21	(52)	-	986
[+] Loans	1 980	(112)	17	(104)	(6)	1775
[+] Debt securities	2 602	-	47	-	-	2 649
[+] Leases	733	(38)	26	(3)	64	782
[=] Total debt	**6 171**	**11**	**111**	**(159)**	**58**	**6 192**
[-] Free cash and cash equivalents	691	162	-	-	-	853
[-] Derivatives related to sources of external financing	177	-	-	-	(10)	167
[=] Net debt, including:	**5 303**	**(151)**	**111**	**(159)**	**68**	**5 172**
*Net debt excluding derivatives **	*5 480*	-	-	-	*58*	*5 339*

**Net debt excluding derivatives is presented for the purposes of covenants calculation in bank loans agreements.*

amounts in PLN millions, unless otherwise stated

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

		from 1 January 2025 to 31 March 2025
Financing activities		
[+]	Proceeds from borrowings	229
[+]	Repayment of borrowings	(132)
[+]	Repayment of lease liabilities	(16)
[+]	Repayment of interest on borrowings, debt securities	(10)
[+]	Repayment of interest on leases	(15)
Investing activities		
[+]	Paid capitalised interest on borrowings	(45)
[-]	**Change in free cash and cash equivalents**	**162**
[=]	**TOTAL**	**(151)**

Structure of sources of external financing

As at 31 March 2025, the Group had open credit lines, loans and debt securities with a total balance of available financing being the equivalent of PLN 15 745 million, out of which PLN 5 410 million had been drawn.

The structure of financing sources is presented below.

	As at 31 March 2025	As at 31 December 2024
Unsecured revolving syndicated credit facility		
Amount granted	5 557	5 898
Amount of the liability	-	-
Investment loans		
Amount granted	3 507	3 521
Amount of the liability	1 775	1 980
Other bank loans		
Amount granted	4 081	4 294
Amount of the liability	986	856
Debt securities		
Nominal value of the issuance	2 600	2 600
Amount of the liability	2 649	2 602
Total borrowings and debt securities		
Amount granted / Nominal value of the issuance	**15 745**	**16 313**
Amount of the liability	**5 410**	**5 438**

amounts in PLN millions, unless otherwise stated

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

Guarantees - contingent liabilities (IAS 37)	Amount of guarantees		Validity period
	As at 31 March 2025	As at 31 December 2024	
Security on the proper execution by the Parent Entity of future environmental obligations related to the obligation to restore terrain, following the conclusion of operations of the Żelazny Most tailings storage facility	PLN 106 mn	PLN 109 mn	up to 1 year
Security on the obligations incurred by Brokerage House due to settlements of transactions entered into by the Parent Entity on the markets run by Towarowa Giełda Energii S.A	PLN 70 mn	PLN 70 mn	up to 1 year
Security on claims to cover by the Group costs related to collecting and processing waste	PLN 17 mn	PLN 17 mn	up to 2 years
Security on the obligations related to proper execution of agreements concluded by the Group	PLN 57 mn (PLN 3 mn, CAD 3 mn, EUR 2 mn, USD 10 mn)	PLN 26 mn (PLN 3 mn, CAD 3 mn, EUR 2 mn, USD 1 mn	up to 5 years

The most significant items of liabilities due to financial guarantees granted

Financial guarantees (IFRS 9)	Carrying amount*		Amount of guarantees		Validity period
	As at 31 March 2025	As at 31 December 2024	As at 31 March 2025	As at 31 December 2024	
Guarantee set as security on a bank loan drawn by Sierra Gorda S.C.M.	PLN 18 mn (USD 5 mn)	PLN 47 mn (USD 11 mn)	PLN 851 mn (USD 220 mn)	PLN 904 mn (USD 220 mn)	until September 2027

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

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

Guarantees - off-balance-sheet liabilities	Amount of guarantees		Validity period
	As at 31 March 2025	As at 31 December 2024	
Guarantee securing potential claims against the Parent Entity in connection with the obligation of a manager of a tailings storage facility to create a restoration fund. The fund may be in the form of a separate bank account, a provision or a bank guarantee.	PLN 141 mn	PLN 128 mn	up to 1 year
Bank guarantees securing funds to execute obligations of related to closure, restoration and oversight, including monitoring of the tailings storage facilities in accordance with the regulatory requirements of countries where KGHM INTERNATIONAL LTD. has mines and projects.	PLN 883 mn	PLN 750 mn	up to 1 year

amounts in PLN millions, unless otherwise stated

Note 4.9 Related party transactions

Operating income from related entities	from 1 January 2025 to 31 March 2025	from 1 January 2024 to 31 March 2024
Revenues from sales of products, merchandise and materials to the joint venture Sierra Gorda S.C.M.	5	5
Interest income on loans granted to the joint venture Sierra Gorda S.C.M.	147	144
Revenues from other transactions with the joint venture Sierra Gorda S.C.M.	3	10
Revenues from other transactions with other related parties	27	10
Total	**182**	**169**

Purchases from related entities	from 1 January 2025 to 31 March 2025	from 1 January 2024 to 31 March 2024
Purchase of services, merchandise and materials	29	23
Other purchase transactions	2	4
Total	**31**	**27**

Trade and other receivables from related parties	As at 31 March 2025	As at 31 December 2024
From the joint venture Sierra Gorda S.C.M. - loans granted	9 210	9 800
From the joint venture Sierra Gorda S.C.M. - other receivables	23	50
From other related parties	50	5
Total	**9 283**	**9 855**

Trade and other payables towards related parties	As at 31 March 2025	As at 31 December 2024
Towards the joint venture Sierra Gorda S.C.M.	18	47
Towards other related parties	26	5
Total	**44**	**52**

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 2025, 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 2025 and in the period from 1 January to 31 March 2025, the Group concluded the following transactions with the Polish Government and entities controlled or jointly controlled by the Polish Government, unusual due to their nature or amount:

- due to an agreement on setting mining usufruct for the extraction of mineral resources and for the exploration for and assessment of mineral resources – the balance of payables as at 31 March 2025 amounted to PLN 210 million (as at 31 December 2024: PLN 241 million), including payments on setting mining usufruct for the extraction of mineral resources recognised in costs as at 31 March 2025 in the amount of PLN 9 million (as at 31 December 2024: PLN 34 million),
- due to a reverse factoring agreement - payables in the amount of PLN 1 201 million, interest costs from 1 January to 31 March 2025 in the amount of PLN 20 million (as at 31 December 2024, payables in the amount of PLN 1 727 million and interest costs from 1 January to 31 March 2024 in the amount of PLN 29 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 2025, the turnover from these transactions amounted to PLN 754 million (from 1 January to 31 March 2024: PLN 777 million), and, as at 31 March 2025, the unsettled balance of liabilities from these transactions amounted to PLN 178 million (as at 31 December 2024: PLN 271 million),

- sales to Polish State Treasury Companies. In the period from 1 January to 31 March 2025, the turnover from these sales amounted to PLN 166 million (from 1 January to 31 March 2024: PLN 172 million), and, as at 31 March 2025, the unsettled balance of receivables from these transactions amounted to PLN 232 million (as at 31 December 2024: PLN 189 million).

Remuneration of the Supervisory Board of the Parent Entity (in PLN thousands)	from 1 January 2025 to 31 March 2025	from 1 January 2024 to 31 March 2024
Remuneration due to service in the Supervisory Board, salaries and other current employee benefits	637	637

Remuneration of the Management Board of the Parent Entity (in PLN thousands)	from 1 January 2025 to 31 March 2025	from 1 January 2024 to 31 March 2024
Salaries and other current employee benefits due to serving in the function	2 283	1 374
Benefits due to termination of employment	-	1 347
Total	**2 283**	**2 721**

Remuneration of other key managers (in PLN thousands)	from 1 January 2025 to 31 March 2025	from 1 January 2024 to 31 March 2024
Salaries and other current employee benefits*	1 580	734

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

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 2025	Increase/(decrease) since the end of the last financial year
	Contingent assets	**432**	**4**
	Guarantees received	257	(40)
	Promissory notes receivables	154	47
	Other	21	(3)
	Contingent liabilities	**774**	**(10)**
Note 4.8	Guarantees	271	36
	Promissory notes payables	209	(14)
	Liability due to a claim arising from the executed contract	29	(2)
	Financial support granted to municipalities in the form of a donation	118	(13)
	Estimated potential impact of penalties arising from a tax audit in a subsidiary of the KGHM INTERNATIONAL LTD. Group	78	(5)
	Other	69	(12)

amounts in PLN millions, unless otherwise stated

Note 4.11 Changes in working capital

	Inventories	Trade receivables	Trade payables	Other payables*	Working capital
As at 1 January 2025	(8 063)	(1 345)	3 132	2 000	**(4 276)**
As at 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 liabilities due to interest on reverse factoring	-	-	-	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*

	Inventories	Trade receivables	Trade payables	Other payables*	Working capital
As at 1 January 2024	(8 425)	(932)	3 167	3 021	**(3 169)**
As at the date of obtaining control over a subsidiary	-	(2)	1	-	**(1)**
As at 31 March 2024	(7 959)	(1 616)	2 540	2 548	**(4 487)**
Impact of changes from the statement of financial position	**466**	**(682)**	**(628)**	**(473)**	**(1 317)**
Exchange differences from the translation of statements of operations with a functional currency other than PLN	5	3	(3)	-	**5**
Depreciation recognised in inventories	210	-	-	-	**210**
Change in payables due to the purchase of property, plant and equipment and intangible assets	-	-	270	33	**303**
Change in payables due to interests	-	-	-	1	**1**
Reclassification to property, plant and equipment	3	-	-	-	**3**
Adjustments, total	**218**	**3**	**267**	**34**	**522**
Change recognised in the statement of cash flows from operating activities	**684**	**(679)**	**(361)**	**(439)**	**(795)**

** Trade payables within the reverse factoring mechanism*

Note 4.12 Assets sold and liabilities associated with them

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

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

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

The profit on the sale in the amount of PLN 98 million was recognised in the item "Other operating income".

Settlement of the sale transaction of assets and liabilities of Sudbury Basin

	PLN million
Initial purchase price – cash received	15
Deferred payment (current value)	5
Value of received Magna Mining Inc. shares	6
Initial acquisition price	**26**
Carrying amount of assets and liabilities subject to the sale transaction	(38)
Cash contributed to Project Nikolas Company Inc. before disposal	1
Value of contingent payments	15
Profit/loss on the sale	**78**
Exchange differences on reclassification from other comprehensive income to gains on disposal	20
Gain on disposal in consolidated statement of profit or loss	**98**

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

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

amounts in PLN millions, unless otherwise stated

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

	As at 28 February 2025 (date of disposal - date of loss of control)	As at 31 December 2024 (presented under assets and liabilities classified to Disposal group)
ASSETS		
Mining and metallurgical property, plant and equipment	80	82
Mining and metallurgical intangible assets	14	17
Mining and metallurgical property, plant and equipment and intangible assets	94	99
Non-current assets	**94**	**99**
Inventories	22	24
Current assets	**22**	**24**
TOTAL ASSETS HELD FOR SALE (DISPOSAL GROUP)	**116**	**123**
LIABILITIES		
Provisions for decommissioning costs of mines and other technological facilities	37	38
Other liabilities – liabilities due to Franco Nevada streaming contract	100	108
Non-current liabilities	**137**	**146**
Other liabilities – liabilities due to Franco Nevada streaming contract	17	14
Current liabilities	**17**	**14**
TOTAL LIABILITIES RELATED TO DISPOSAL GROUP	**154**	**160**

amounts in PLN millions, unless otherwise stated

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

Sale of the subsidiary Project Nikolas Company Inc.

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

Note 5.2 Seasonal or cyclical activities

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

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

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

Up to the date of preparation of these consolidated financial statements, the Management Board of the Parent Entity has not made a decision regarding the recommendation on payment of a dividend for 2024.

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

All shares of the Parent Entity are ordinary shares.

Note 5.5 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 2025, 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 for 2025.

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 2024

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 2024.

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 2024

Members of the Management Board and the Supervisory Board of the Company
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 2024.

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. 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 elektrorafinacji Huty 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 a judgement dated 12 June 2019, the Court of Appeal in Wrocław dismissed the appeals of both sides, altering the judgement of the court of first instance solely in the matter of the resolution of court costs from the hearings at the court of first instance and charging them to the Company. KGHM Polska Miedź S.A. 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 its judgement of 4 December 2024, the Court of Appeals in Wrocław again dismissed the appeal of KGHM Polska Miedź S.A. and the Company's restitution application, 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 Polska Miedź S.A.

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

During the period from 1 January 2025 to 31 March 2025, 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 2025, 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 6 February 2025, the Management Board of KGHM Polska Miedź S.A. and trade unions being a party to the Collective Labour Agreement for the Employees of KGHM Polska Miedź S.A., concluded an agreement under which:

1) an additional protocol to the Collective Labour Agreement increasing the monthly rates of basic salary by 9.2% from 1 January 2025 was concluded,
2) form 1 May 2025, an upward employee categorisations have been launched in Company's Divisions, which will cover 20% of the employees,
3) based on the production and financial results for the first half of 2025, an analysis of the development of salary in the Company will be carried out in terms of meeting the demand for an increase of at least 8% of the average total remuneration in 2025 compared to the previous year.

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) an escalation of the conflict in the Middle East and its potential impact on the destabilisation of global economies, among other due to the increase in prices, the decrease in supply or disruptions in oil supplies,
d) volatility of crude oil prices due to the effects of the global trade war and decisions regarding the level of crude oil production by OPEC countries (Organization of the Petroleum Exporting Countries) and non-OPEC countries,
e) the varied growth rates of world economies (mainly China and the USA) due to, among others, the global trade war,
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 purchase prices 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 escalation 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 the effects of the global trade war and decisions regarding the level of crude oil production by OPEC and non-OPEC countries,
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, there has not yet been recorded a substantial negative impact of the above factors on the continuity of production of the Core Production Business, on sales or on the continuity of the supply chain for materials and services.

The Parent Entity continues to monitor the 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 on the operations of the Company and the Group

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

Key risk categories

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.

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.

Impact on the metals market and shares price

From the point of view of the Group, the war in Ukraine has an impact on market risk connected with volatility in metals prices and stock exchange indices during the reporting period. More information is presented in note 1.5 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.

Impact on the fuels and energy carriers market as well as the availability of raw and other materials

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

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

Currently, 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 continues to be estimated as 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 2025. 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.

Preventive actions in the Group

The strategy of diversification of suppliers applied by the entire KGHM Polska Miedź S.A. Group and the use of alternative solutions effectively, at this point in time, mitigates the risk of interruptions in the supply chains of raw and other materials.

Due to the centralisation of the process of obtaining external financing for the entire Group's needs, the realisation of intra-group liquidity transfers is made using a debt instrument in the form of owner loans, which support the process of investment activities, and to support current activities the Group uses local and international cash pooling.

The Group continues to advance its investment projects in accordance with established schedules and therefore does not identify any increase in risk related to their continuation due to the war in Ukraine.

No significant, negative impact of the aforementioned factors has been recorded on the continued operations of the core production business, sales or continuity of the supply chain for materials and services yet. The Parent Entity continuously monitors the global economic situation in order to assess its potential negative impact on the KGHM Polska Miedź S.A. Group and to take preventive actions to mitigate this impact.

Note 5.7 Subsequent events

Dismissal of a Member of the Management Board of KGHM Polska Miedź S.A.

On 9 April 2025, the Supervisory Board of the Company adopted a resolution on the dismissal of Iga Dorota Lis, the Vice President of the Management Board (International Assets) from the 11th term Management Board of KGHM Polska Miedź S.A. upon adoption of the resolution.

Conclusion of an annex to a bank loan agreement

On 29 April 2025, the Company concluded an annex to a bank loan agreement with one of the financing banks, which increased the amount of available financing from USD 150 million to USD 200 million, with no changes to pricing terms and extension of the maturity to 31 January 2027, with the option to annually extend the bank loan's maturity by subsequent 12 months up to 31 January 2037.

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

SEPARATE STATEMENT OF PROFIT OR LOSS

		from 1 January 2025 to 31 March 2025	from 1 January 2024 to 31 March 2024
Note 1	Revenues from contracts with customers	7 537	7 279
Note 2	Cost of sales	(6 428)	(6 510)
	Gross profit on sales	**1 109**	**769**
Note 2	Selling costs and administrative expenses	(301)	(268)
	Profit on sales	**808**	**501**
Note 3	Other operating income, including:	241	409
	interest income calculated using the effective interest rate method	99	92
	fair value gains on financial assets measured at fair value through profit or loss	43	128
Note 3	Other operating costs, including:	(736)	(178)
	fair value losses on financial assets measured at fair value through profit or loss	(133)	(35)
Note 4	Finance income	152	-
Note 4	Finance costs	(72)	(122)
	Profit before income tax	**393**	**610**
	Income tax expense	(266)	(223)
	PROFIT FOR THE PERIOD	**127**	**387**
	Weighted average number of ordinary shares (million)	200	200
	Basic and diluted earnings per share (in PLN)	**0.64**	**1.94**

SEPARATE STATEMENT OF COMPREHENSIVE INCOME

	from 1 January 2025 to 31 March 2025	from 1 January 2024 to 31 March 2024
Profit for the period	**127**	**387**
Measurement of hedging instruments net of the tax effect	46	(129)
Other comprehensive income, which will be reclassified to profit or loss	**46**	**(129)**
Measurement of equity financial instruments at fair value through other comprehensive income, net of the tax effect	175	(99)
Actuarial (losses) / gains net of the tax effect	(57)	68
Other comprehensive income, which will not be reclassified to profit or loss	**118**	**(31)**
Total other comprehensive net income	**164**	**(160)**
TOTAL COMPREHENSIVE INCOME	**291**	**227**

amounts in PLN millions, unless otherwise stated

SEPARATE STATEMENT OF CASH FLOWS

	Cash flow from operating activities	from 1 January 2025 to 31 March 2025	from 1 January 2024 to 31 March 2024
	Profit before income tax	393	610
	Depreciation/amortisation recognised in profit or loss	390	350
	Interest on investment activities	(76)	(78)
	Other interest	51	69
	Losses on modification of financial assets	32	-
	Fair value losses / (gains) on financial assets measured at fair value through profit or loss	110	(121)
	(Gains) / losses due to reversal of impairment on financial assets measured at amortised cost	(4)	(1)
	Exchange differences, of which:	198	(44)
	from investing activities and cash	350	(78)
	from financing activities	(152)	34
	Change in provisions for decommissioning of mines, liabilities related to future employee benefits program and other provisions	103	102
	Change in other receivables and liabilities other than working capital	(61)	(156)
	Change in assets and liabilities due to derivatives	85	90
	Reclassification of other comprehensive income to profit or loss due to the realisation of hedging derivatives	(1)	(158)
	Other adjustments	19	7
	Exclusions of income and costs, total	846	60
	Income tax paid	(378)	(104)
Note 5	Changes in working capital, including:	356	(761)
	change in trade payables within the reverse factoring mechanism	470	(439)
	Net cash generated from/(used in) operating activities	**1 217**	**(195)**
	Cash flow from investing activities		
	Expenditures on mining and metallurgical assets, including:	(1 141)	(1 004)
	paid capitalised interest on borrowings	(34)	(28)
	Expenditures on other property, plant and equipment and intangible assets	(24)	(15)
	Expenditures on the acquisition of subsidiaries	(35)	(160)
	Expenditures on financial assets designated for decommissioning of mines	(30)	(28)
	Advances granted for the purchase of property, plant and equipment and intangible assets	(27)	(4)
	Proceeds from repayment of loans granted (principal)	186	7
	Interest received on loans granted	19	26
	Expenditures due to loans granted	-	(61)
	Other	1	(1)
	Net cash generated from/(used in) investing activities	**(1 051)**	**(1 240)**
	Cash flow from financing activities		
	Proceeds from borrowings	208	799
	Proceeds from cash pooling	110	200
	Repayments of borrowings received	(101)	(285)
	Payment of interest, including:	(55)	(67)
	trade payables within the reverse factoring mechanism	(25)	(37)
	borrowings	(30)	(30)
	Repayment of lease liabilities	(9)	(8)
	Net cash generated from /(used in) financing activities	**153**	**639**
	TOTAL NET CASH FLOW	**319**	**(796)**
	Exchange differences on measurement of cash and cash equivalents	(1)	-
	Cash and cash equivalents at the beginning of the period	367	1 481
	Cash and cash equivalents at the end of the period, including	**685**	**685**
	restricted cash	**5**	**17**

amounts in PLN millions, unless otherwise stated

SEPARATE STATEMENT OF FINANCIAL POSITION

ASSETS	As at 31 March 2025	As at 31 December 2024
Mining and metallurgical property, plant and equipment	21 279	21 007
Mining and metallurgical intangible assets	1 291	1 284
Mining and metallurgical property, plant and equipment and intangible assets	22 570	22 291
Other property, plant and equipment	113	119
Other intangible assets	46	49
Other property, plant and equipment and intangible assets	159	168
Investments in subsidiaries - shares	6 181	6 146
Loans granted, of which:	9 111	9 727
measured at fair value through profit or loss	3 503	3 668
measured at amortised cost	5 608	6 059
Derivatives	266	286
Other financial instruments measured at fair value through other comprehensive income	1 030	814
Other financial instruments measured at amortised cost	583	578
Financial instruments, total	10 990	11 405
Other non-financial assets	91	97
Non-current assets	**39 991**	**40 107**
Inventories	7 232	7 037
Trade receivables, including:	739	885
Trade receivables measured at fair value through profit or loss	498	506
Tax assets	290	396
Derivatives	196	219
Cash pooling receivables	755	683
Other financial assets, including:	477	540
Loans granted	229	246
Other non-financial assets	357	171
Cash and cash equivalents	684	367
Current assets	**10 730**	**10 298**
TOTAL ASSETS	**50 721**	**50 405**
EQUITY AND LIABILITIES		
Share capital	2 000	2 000
Other reserves from measurement of financial instruments	104	(117)
Accumulated other comprehensive income	(693)	(636)
Retained earnings	30 034	29 907
Equity	**31 445**	**31 154**
Borrowings and leases	2 093	2 055
Liabilities due to issuance of debt financial instruments	2 600	2 600
Derivatives	161	269
Employee benefits liabilities	2 526	2 467
Provisions for decommissioning costs of mines and other technological facilities	1 283	1 263
Deferred tax liabilities	445	460
Other liabilities	260	295
Non-current liabilities	**9 368**	**9 409**
Borrowings and leases	1 081	1 133
Liabilities due to issuance of debt financial instruments	49	2
Cash pooling liabilities	671	561
Derivatives	136	44
Trade and other payables	4 628	4 825
Employee benefits liabilities	1 613	1 569
Tax liabilities	696	786
Provisions for liabilities and other charges	209	227
Other liabilities	825	695
Current liabilities	**9 908**	**9 842**
Non-current and current liabilities	**19 276**	**19 251**
TOTAL EQUITY AND LIABILITIES	**50 721**	**50 405**

amounts in PLN millions, unless otherwise stated

SEPARATE STATEMENT OF CHANGES IN EQUITY

	Share capital	Other reserves from measurement of financial instruments	Accumulated other comprehensive income	Retained earnings	Total equity
As at 1 January 2024	**2 000**	**320**	**(921)**	**27 419**	**28 818**
Profit for the period	-	-	-	387	**387**
Other comprehensive income	-	(229)	68	-	**(161)**
Total comprehensive income	-	(229)	68	387	**226**
As at 31 March 2024	**2 000**	**91**	**(853)**	**27 806**	**29 044**
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**

amounts in PLN millions, unless otherwise stated

Explanatory notes

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

		from 1 January 2025 to 31 March 2025	from 1 January 2024 to 31 March 2024
Europe			
	Poland	1 800	1 884
	Germany	1 208	1 226
	Czechia	545	563
	Italy	489	565
	Hungary	405	390
	The United Kingdom	326	297
	Switzerland	244	334
	Sweden	242	210
	France	188	103
	Austria	85	82
	Slovakia	47	48
	Belgium	36	7
	Romania	30	29
	Bulgaria	26	34
	Slovenia	24	26
	Finland	22	8
	Denmark	14	3
	Estonia	7	5
	Bosnia and Herzegovina	5	6
	The Netherlands	5	1
	Spain	2	8
	Lithuania	1	1
	Greece	-	11
North and South America			
	The United States of America	897	278
	Canada	13	9
	Chile	4	-
	Argentina	-	1
Australia		-	60
Asia			
	China	493	857
	Türkiye	176	90
	Thailand	128	-
	Saudi Arabia	38	112
	India	2	-
	South Korea	-	27
	Japan	-	1
Africa			
	Algeria	29	-
	Morocco	6	3
TOTAL		**7 537**	**7 279**

amounts in PLN millions, unless otherwise stated

Note 2 Expenses by nature

	from 1 January 2025 to 31 March 2025	from 1 January 2024 to 31 March 2024
Depreciation of property, plant and equipment and amortisation of intangible assets	445	395
Employee benefits expenses	1 446	1 290
Materials and energy, including:	3 191	3 033
purchased metal-bearing materials	2 050	1 940
electrical and other energy	488	465
External services, including:	665	636
transport	90	90
repairs, maintenance and servicing	210	190
mine preparatory work	186	181
Minerals extraction tax	1 060	805
Other taxes and charges	194	270
Write-down of inventories	-	4
Other costs	19	20
Total expenses by nature	**7 020**	**6 453**
Cost of merchandise and materials sold (+)	94	97
Change in inventories of finished goods and work in progress (+/-)	(334)	282
Cost of manufacturing products for internal use (-)	(51)	(54)
Total costs of sales, selling costs and administrative expenses, including:	**6 729**	**6 778**
Cost of sales	6 428	6 510
Selling costs	45	47
Administrative expenses	256	221

amounts in PLN millions, unless otherwise stated

Note 3 Other operating income and (costs)

	from 1 January 2025 to 31 March 2025	from 1 January 2024 to 31 March 2024
Gains on derivatives, of which:	46	67
measurement	42	57
realisation	4	10
Exchange differences on financial assets and liabilities other than borrowings	-	95
Interest on loans granted and other financial receivables	99	92
Fees and charges on re-invoicing of costs of bank guarantees securing payments of liabilities	6	10
Reversal of impairment losses on financial instruments measured at amortised cost, including:	6	-
gains due to reversal of allowances for impairment of loans granted	5	-
Fair value gains on financial assets measured at fair value through profit or loss, including:	43	128
loans	-	121
Release of provisions	8	1
Other	33	16
Total other operating income	**241**	**409**
Losses on derivatives, of which:	(149)	(83)
measurement	(126)	(74)
realisation	(23)	(9)
Impairment losses on financial instruments measured at amortised cost, including:	(3)	(1)
allowances for impairment of loans granted	(1)	(1)
Losses on modification of financial assets	(32)	-
Exchange differences on financial assets and liabilities other than borrowings	(386)	-
Fair value losses on financial assets measured at fair value through profit or loss, of which:	(133)	(35)
loans	(110)	-
trade receivables	(23)	(35)
Provisions recognised	(6)	(38)
Donations granted	(15)	(10)
Other	(12)	(11)
Total other operating costs	**(736)**	**(178)**
Other operating income and (costs)	**(495)**	**231**

Note 4 Finance income and (costs)

	from 1 January 2025 to 31 March 2025	from 1 January 2024 to 31 March 2024
Finance income - exchange differences on measurement and realisation of borrowings	**152**	**-**
Interest on borrowings, including:	(23)	(27)
leases	(2)	(2)
Interest on trade payables within the reverse factoring mechanism	(22)	(36)
Unwinding of the discount effect	(21)	(19)
Fees and charges on external financing	(6)	(6)
Exchange differences on measurement and realisation of borrowings	-	(34)
Total finance costs	**(72)**	**(122)**
Finance income and (costs)	**80**	**(122)**

amounts in PLN millions, unless otherwise stated

Note 5 Changes in working capital

	Inventories	Trade receivables	Trade payables	Other payables*	Working capital
As at 1 January 2025	(7 037)	(885)	2 825	2 000	**(3 097)**
As at 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*

	Inventories	Trade receivables	Trade payables	Other payables*	Working capital
As at 1 January 2024	(7 506)	(471)	3 044	3 021	**(1 912)**
As at 31 March 2024	(6 823)	(1 121)	2 243	2 548	**(3 153)**
Impact of changes from the statement of financial position	683	(650)	(801)	(473)	**(1 241)**
Depreciation recognised in inventories	44	-	-	-	**44**
Change in liabilities due to purchase of property, plant and equipment	-	-	402	33	**435**
Change in liabilities due to interest	-	-	-	1	**1**
Adjustments, total	44	-	402	34	**480**
Change recognised in the statement of cash flows from operating activities	**727**	**(650)**	**(399)**	**(439)**	**(761)**

** Trade payables within the reverse factoring mechanism*

SIGNATURES OF MEMBERS OF THE MANAGEMENT BOARD

This report was authorised for issue on 14 May 2025

President
of the Management Board

Andrzej Szydło

Vice President
of the Management Board

Zbigniew Bryja

Vice President
of the Management Board

Piotr Krzyżewski

Vice President
of the Management Board

Mirosław Laskowski

Vice President
of the Management Board

Piotr Stryczek

SIGNATURE OF PERSON RESPONSIBLE FOR ACCOUNTING

Executive Director
of Accounting Services Centre
Chief Accountant

Agnieszka Sinior