TRANSLATORS' EXPLANATORY NOTE

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

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

Independent Registered Auditor's Report

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

Report on the audit of annual consolidated financial statements

Our opinion

In our opinion, the attached annual consolidated financial statements of KGHM Polska Miedź Spółka Akcyjna Group („the Group"), in which KGHM Polska Miedź Spółka Akcyjna is the parent entity („the Parent Company"):

- give a true and fair view of the consolidated financial position of the Group as at 31 December 2019 and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the applicable International Financial Reporting Standards as adopted by the European Union and the adopted accounting policies;
- comply in terms of form and content with the laws applicable to the Group and the Parent Company's Articles of Association;

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

What we have audited

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

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

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

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

Basis for opinion

Basis for opinion

We conducted our audit in accordance with the International Standards on Auditing as adopted as National Standards on Auditing by the National Council of Statutory Auditors ("NSA") and pursuant to the Act of 11 May 2017 on Registered Auditors, Registered Audit Companies and Public Oversight ("the Act on Registered Auditors" – Journal of Laws of 2019, item 1421, as amended) and Regulation (EU) No. 537/2014 of 16 April 2014 on specific requirements regarding the statutory audit of public-interest entities ("the EU Regulation" – Journal of Laws EU L158). Our responsibilities under those NSA are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report.

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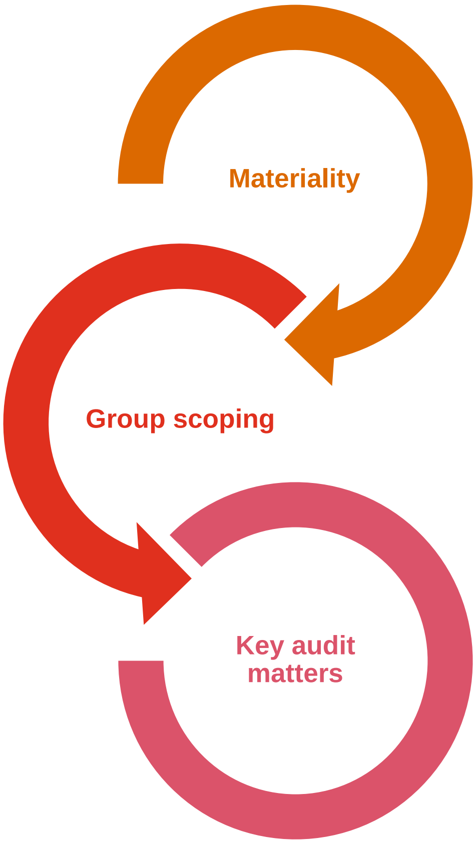
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and ethics

We are independent of the Group in accordance with the International Federation of Accountants' Code of Ethics for Professional Accountants ("the IFAC Code") as adopted by resolutions of the National Council of Statutory Auditors and other ethical requirements that are relevant to our audit of the financial statements in Poland. We have fulfilled our other ethical responsibilities in accordance with these requirements and the IFAC's Code. During the audit, the key registered auditor and the registered audit firm remained independent of the Group in accordance with the independence requirements set out in the Act on Registered Auditors and in the EU Regulation.

Our audit approach

Overview



- The overall materiality threshold adopted for the purposes of our audit was set at PLN 177.7 million, which represents 4.5% of the arithmetic average of consolidated pre-tax profit from the last three financial years, adjusted for the effect of the tax on the extraction of certain minerals recognized by the Parent Company.

- Summary of the scope of work carried out by companies belonging to the PwC network: We have audited the annual financial statements of the Parent Company, the annual consolidated financial statements of the KGHM International Group LTD. and annual financial statements of 9 subsidiaries based in Poland.
- The scope of our audit covered 96% of the Group's revenue and 87% of the sum of total assets of all the consolidated Group companies before consolidation eliminations.

- Recognition of revenues from contracts with clients.
- Valuation of financial assets from loans granted to the Sierra Gorda SCM joint venture.
- Assessment of the recoverability of non-current assets of KGHM International LTD. and domestic subsidiaries and investments in the joint venture Sierra Gorda SCM.
- Presentation of reverse factoring transactions in the consolidated financial statements.
- Implementation of IFRS 16 Leasing.

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

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operated.

Materiality

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

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

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

Overall materiality	PLN 177.7 million
How we determined it	4.5% of the arithmetic average of consolidated pre-tax profit from the last three financial years, adjusted for the amount of tax on the extraction of certain minerals.
Rationale for the materiality benchmark applied	We have adopted consolidated pre-tax profit as the basis for determining materiality, because in our opinion this measure is commonly used to assess the Group's operations by users of financial statements and is a generally accepted benchmark. We adopted the arithmetic average of the last three years due to the volatility of the financial result. We have adjusted the impact of the extraction tax on certain minerals recognized by the Parent Company due to the fact that this fee is not dependent on the results achieved by the Group. We assumed significance at the level of 4.5% because based on our professional judgment it is within the acceptable quantitative thresholds of materiality.

We agreed with the Parent Company's Audit Committee that we would inform about the misstatements of the consolidated financial statements identified during the audit for a value greater than PLN 17.8 million, as well as those below that amount, if in our opinion this would be justified due to qualitative factors.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. They include the most significant identified risks of material misstatements, including the identified risks of material misstatement resulting from fraud. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon. We summarized our response to these risks and, when deemed appropriate, presented the most important observations relating to these risks. We do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Recognition of revenues from contracts with clients In 2019, the Group recognized revenues from contracts with customers in the amount of PLN 22,723 million, which were described in part 2 of the consolidated financial statements. The Group generates revenues mainly from the sale of copper, silver and gold as well as the provision of services. Revenues are recognized when the Group meets the obligation to perform the service in the form of transferred good or services with simultaneous acquisition of control over this asset by the buyer. Revenue is recognized at an amount equal to the transaction price representing the consideration for the goods and services provided, including the pricing formulas used. Bearing in mind the importance of position in the consolidated financial statements of the Group, as well as the susceptibility of the position to the risk of misstatement, we recognized that this is a key matter for our audit.	Our testing procedures included in particular: • understanding the internal control system and analyzing the principles adopted in the Group in terms of recognizing revenue from contracts with clients and identifying the moment of passing control over the good or service provided, • analysis of the conditions contained in significant sales contracts, • conducting, on a selected sample, efficiency tests of selected internal controls, important for determining the correct moment of revenue recognition and the correct value of revenues from contracts with clients, • analysis of trends in recognized revenues from contracts with clients and explanation of unusual events and one-off transactions, • conducting retail tests on a selected sample, the selection of which used quantitative and qualitative criteria, including agreeing on the price rates used and quantities on issued sales invoices for contracts with customers, delivery documents and payments, • confirmation of selected sales transactions with the Group's contractors, • verification, on a selected sample, of sales in the correct reporting period, taking into account the Incoterms terms and conditions of contracts concluded with the Group's contractors, • assessment of the correctness and completeness of disclosures in the consolidated financial statements regarding revenues from contracts with customers.

Valuation of financial assets due to loans granted to the Sierra Gord SCM Joint Venture

As at December 31, 2019, the Group reported the balance of loans granted to the Sierra Gorda SCM joint venture in the amount of PLN 5,694 million, which represents 14.5% of the total assets of the Group.

Receivables from loans granted to Sierra Gorda SCM disclosed in the consolidated financial statements are measured at amortized cost, including an allowance for expected credit loss. At the time of initial recognition, the loans according to IFRS 9 were classified as POCI (purchased or originated credit-impaired) loans, i.e. affected by impairment due to credit risk.

Disclosures regarding the valuation of receivables from loans granted to Sierra Gorda SCM, including assessments of their recoverability, are presented in section 6.2 of the consolidated financial statements.

Determining the expected credit losses in relation to financial assets from loans is associated with the necessity of adopting a number of significant assumptions and making judgments, in particular regarding the Parent Company's strategy for investments in a joint venture, macroeconomic and market assumptions as well as predictions regarding legal conditions, financial plans and cash flow projections.

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

Our testing procedures included in particular:

- understanding and assessing the correctness of the applied principle of measuring receivables from loans in accordance with the relevant financial reporting standards,
- checking the mathematical correctness and methodological consistency (using internal valuation experts) of the valuation model of the impairment loss on loans granted prepared by The Management Board of the Parent Company, using external experts
- assessment of the work carried out by external experts used by the Management Board of the Parent Company, including their competences and independence,
- critical assessment of the assumptions made by the Management Board of the Parent Company and the estimates made to determine the expected credit losses, including:
    - the projection period of future cash flows (consistent with the life of the mine) and the level of revenues, operating margin and future assumed in it investment outlays,
    - the discount rate applied,
- assessment of the sensitivity analysis carried out by the Management Board of the adopted assumptions for the valuation result,
- assessment of the correctness and completeness of disclosures in the consolidated financial statements in the scope of valuation of financial assets from granted loans and assessment of their recoverability.

Assessment of the recoverability of non-current assets of KGHM International LTD and domestic subsidiaries and investments in the joint venture Sierra Gorda SCM

As at December 31, 2019, in the consolidated financial statements, the Group presents tangible and intangible assets in the total amount of PLN 24,448 million, which represents 62% of the total assets disclosed in the consolidated statement of financial position.

As at December 31, 2019, the Group identified premises for impairment testing of the assets of the following subsidiaries:

- KGHM International Groups Ltd. (within which the following cash-generating centers were identified: Robinson mine, Sudburry basin, Franke mine, Carlota mine),
- Energetyka Sp. z o.o.,
- WPEC w Legnicy S.A.,
- POL-MIEDŹ TRANS Sp. z o.o.,
- INTERFERIE S.A.

As a result of impairment tests, the Group::

- reversed the revaluation write-offs on the value of non-current assets of the KGHM International Group LTD in the amount of PLN 169 million, and
- recognized an impairment loss on the non-current assets of Energetyka Sp. z o. o. and WPEC w Legnica SA in the amount of PLN 211 million.

Disclosures regarding the assessment of impairment of non-current assets of the KGHM International Group LTD and domestic subsidiaries are presented in part 3 of the consolidated financial statements.

As at December 31, 2019, the Group reported the carrying amount of investments in the Sierra Gorda SCM joint venture in the amount of PLN 0 (zero) million.

In accordance with the Group's accounting policy, investments in joint ventures are measured using the equity method and reduced by impairment losses.

As at December 31, 2019, the Group identified premises indicating the possibility of reducing the write-off on account of loss of investment in the Sierra Gorda SCM joint venture.

Disclosures regarding the impairment test of investments in the Sierra Gorda SCM joint venture are presented in part 3 of the consolidated financial statements.

Our testing procedures included in particular:

- understanding and assessing the process of identifying evidence for impairment of assets or reducing an impairment loss previously recognized;
- understanding and assessing the correctness of the methods used for testing for impairment in accordance with the relevant financial reporting standards,
- understanding and assessing the principles for determining cash-generating centers;
- a critical assessment of the assumptions and judgments adopted by the Management Board in determining the recoverable amount of individual cash-generating units subject to impairment tests, including:
  - the projection period of future cash flows based on the approved budgets of cash-generating units for which an impairment test was carried out and the level of revenues, operating margin and future replacement and investment expenditures assumed in them,
  - the discount rate used (based on weighted average cost of capital),
  - residual value, including residual growth rate after the forecast period,
- checking mathematical correctness and methodological coherence (using internal valuation experts) prepared by the Parent Company's Management Board, using external experts, a valuation model based on discounted cash flows,
- assessment of work done by external experts used by the Parent Company's Management Board, including their competence and independence
- assessment of the sensitivity analysis of the assumptions made by the Parent Company's Management Board to the result of the impairment assessment;
- assessment of the correctness and completeness of disclosures regarding impairment tests in the consolidated financial statements.

Pursuant to IAS 36 "Impairment of Assets", the Management Board of the Parent Company conducts at the end of the reporting period, and in the event of special events also during the year, an assessment of the occurrence of premises indicating the possibility of impairment or reduction of a previously recognized write-off in relation to tangible and intangible assets fixed assets and investments in joint ventures. In the event of premises, the Management Board calculates the recoverable amount of cash-generating units.

Determination of the recoverable amount is associated with the need to adopt a number of significant assumptions and make judgments for each of the tested cash-generating centers, including in particular the Parent Company's strategy towards individual entities, macroeconomic and market assumptions, predictions as to legal conditions, financial plans and cash flow forecasts.

Considering the inherent risk of uncertainty associated with significant estimates made by the Parent Company's Management Board when measuring the recoverable amount of non-current assets, we have determined that this is a key issue for our audit.

Presentation of reverse transactions in the consolidated financial statements

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

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

Our testing procedures included in particular:

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

We discussed with the Parent Company's Management Board the ambiguity of recording the standards and the lack of detailed regulations regarding the classification and presentation of reverse transactions in the statement of financial position and the statement of cash flows. We have indicated that these issues are currently operating activities is presented in Note 10.3 to the consolidated financial statements.

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

Due to the heterogeneous market practice in the presentation of reverse in the statement of financial position and statement of cash flows, and the judgment made by the Management Board in this regard, we have determined that this is a key issue for our audit.

the subject of lively public debate, and are of interest to supervisory authorities and regulators, which in the future may result in clarifying the regulations in this respect and thus may introduce different presentation and classification rules adopted by the Group.

Implementation of IFRS 16 Leasing

On January 1, 2019, IFRS 16 Leasing entered into force. It replaced IAS 17 and IFRIC interpretations 4, SIC 15, 27. The Group has been adopting IFRS 16 from January 1, 2019. The description of the impact of implementing IFRS 16 on the Group's consolidated financial statements is described in note 1.3.

In the consolidated statement of financial position as at December 31, 2019, the carrying amount of the right to use the assets is PLN 759 million, and the value of leasing liabilities is PLN 692 million. If the contract meets the criteria for recognition as a lease, the Group recognizes the right to use the asset together with an appropriate lease liability determined in the amount of discounted future payments during the lease period.

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

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

Our testing procedures included in particular:

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

Responsibility of the Management and Supervisory Board for the consolidated financial statements

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

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

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

Auditor's responsibility for the audit of the consolidated financial statements

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting regulations and policies used, and the reasonableness of accounting estimates and related disclosures made by the Parent Company's Management Board.
- Conclude on the appropriateness of the Parent Company's Management Board's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated

financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated to the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other information, including the Report on the operations

Other information

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

Responsibility of the Management and Supervisory Board

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

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

Registered auditor's responsibility

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

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

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

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

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

Opinion on the Report on the operations

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

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

- is consistent with the information in the consolidated financial statements.

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

Opinion on the corporate governance statement

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

Information on non-financial information

In accordance with the requirements of the Act on the Registered Auditors, we confirm that the Group has prepared a statement on non-financial information referred to in Article 55 (2c) of the Accounting Act as a separate section of the Report on the operations.

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

Report on other legal and regulatory requirements

Statement on the provision of non-audit services

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

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

- Certifying Service regarding the correct calculation of the value of the intensity of electricity consumption, arithmetic average of incurred costs of electricity used for own needs and unit gross added value determined in accordance with the guidelines contained in Article 52 para. 3 and Article 53 para. 2 and 3 of the Act on renewable energy sources of 20 February 2015,
- Attestation Service in the scope of responsible supply chain for gold and silver in accordance with LBMA Responsible Gold Guidance and LBMA Responsible Silver Guidance.

Appointment

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

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

Marta Ratajczyk

Key Registered Auditor

No. 13125

Wrocław, March 16, 2020