THE MANAGEMENT BOARD'S REPORT ON THE ACTIVITIES OF THE GROUP IN THE FIRST HALF OF 2026

Lubin, August 2026

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SIGNIFICANT EVENTS IN THE FIRST HALF OF 2026 AND TO THE DATE OF PREPARATION OF THIS REPORT

Date	*Event*
Change in macroeconomic conditions	
1st half of 2026	An increase, compared to the first half of 2025, in average prices for the period of copper by +39% and silver by +141%.
1st half of 2026	A decrease, compared to the first half of 2025, in the average USD/PLN exchange rate for the period by -6%.
KGHM Polska Miedź S.A. on the Warsaw Stock Exchange	
1st half of 2026	An increase in the share price of KGHM Polska Miedź S.A. by 18% from PLN 280.80 at the end of 2025 to PLN 331.25.
Allocation of profit for 2025	
27 April 2026	Recommendation of the Management Board regarding the appropriation of profit for 2025 by paying out a dividend in the amount of PLN 300 million.
9 June 2026	Resolution of the Ordinary General Meeting of KGHM Polska Miedź S.A. on the appropriation of profit for 2025 in accordance with the Management Board's recommendation.
Tests for impairment of assets	
28 January 2026	Information on the occurrence of indications to verify the recoverable amount of the Polish and international assets of the KGHM Polska Miedź S.A. Group.
10 March 2026	Information on the results of the conducted tests for impairment of the Polish and international assets of the KGHM Polska Miedź S.A. Group.
Changes in the composition of bodies of KGHM Polska Miedź S.A.	
20 January 2026	Dismissal of the following persons from the composition of the Company’s Supervisory Board: Aleksander Cieśliński, Zbysław Dobrowolski, Dominik Januszewski and Tadeusz Kocowski as well as appointment of the following persons: Zbigniew Ćwiąkalski, Remigiusz Paszkiewicz, Artur Ulrich, Łukasz Żelewski.
30 January 2026	Information on the dismissal of the following persons from the Company’s Management Board: Andrzej Szydło and Piotr Stryczek as well as the delegation of a Member of the Supervisory Board, Remigiusz Paszkiewicz, to temporarily perform the duties of President of the Management Board as well as Vice President of the Management Board (Corporate Affairs).
24 February 2026	Resignation of Remigiusz Paszkiewicz from membership in the Company’s Supervisory Board and his appointment to the composition of the Management Board as President of the Management Board.
9 June 2026	Appointment as of 10 June 2026 of the following persons to the new-term Supervisory Board: Ewa Banachowicz, Zbigniew Ćwiąkalski, Piotr Prugar, Rafał Szmytke, Artur Ulrich, Joanna Zakrzewska and Łukasz Żelewski as well as persons elected by the employees of the KGHM Polska Miedź S.A. Group: Przemysław Darowski, Marcin Kaczanowski and Bogusław Szarek.
Significant agreements	
16 February 2026	Annex to the Long-term agreement with the NKT Group.

Other events	
1 January 2026	Amendments to the act on the minerals extraction tax entered into force.
3 July 2026	Approval by the Supervisory Board of KGHM Polska Miedź S.A. of the Strategy of the KGHM Polska Miedź S.A. Group 2055+" ("Strategy of the KGHM Group 2055+") presented by the Management Board of the Company.

1. ADVANCEMENT OF THE STRATEGY OF THE KGHM POLSKA MIEDŹ S.A. GROUP

1.1. Strategy of the KGHM Group

In the first half of 2026 the Management Board of the Company finalised work related to updating the Company's Strategy, adapting it to the changing market conditions in the raw materials sector as well as its business environment and the internal operational needs of the Group. On 3 July 2026 the Supervisory Board of KGHM Polska Miedź S.A. approved the „Strategy of the KGHM Polska Miedź S.A. Group 2055+" (*„Strategy of the KGHM Group 2055+")* submitted by the Management Board of the Company*,* which was then announced publicly, in accordance with principles governing communication with the capital market by listed entities.

The adopted Strategy designates the Company's long-term development directions, focusing on the profitable mining of raw materials and increasing shareholder value as well as ensuring raw materials security for subsequent decades.

The Strategy of the KGHM Group 2055+ defines the mission as "*Innovation in every gram of copper*" and the vision as "*Responsible mining for future generations*"*.* The overarching strategic goal was defined as *„The profitable mining of minerals with an outlook beyond 2055"*. Realisation of the Strategy supports the current values of KGHM – zero harm, teamwork, results-driven, accountability and courage.

As part of its long-term Strategy, the Company intends to concentrate primarily on strengthening the core production business in Poland and developing its know-how as regards the mining and processing of natural resources, including critical raw materials, while at the same time ensuring financial stability, strengthening the position of KGHM as a modern, multi-resource industrial group, responding to rising global demand related to the energy transition. An important element of the Strategy remains the selective development of the international assets portfolio, based on an active ownership supervision system as well as the potential acquisition of raw materials projects while reflecting their economic effectiveness, risk profile and their consistency with the long-term goals of the KGHM Group. The Strategy also assumes an increase in the role of R&D projects, as a factor supporting the Group's competitive advantage, among others by utilising the potential of artificial intelligence in business processes as well as the development of technology supporting the goals of KGHM as regards ESG.

The Strategy's structure comprises three complementary areas with clearly defined strategic development directions:

Area of the Strategy of the KGHM Group 2055+	Strategic directions
The strengthening and development of know-how and of the business potential of the KGHM Group The utilisation of competitive advantage resulting from unique mining and metallurgical know-how throughout the value chain and in the entities of the KGHM Group.	– Ensure financial stability – Optimise work and develop the potential of the Group's companies in Poland – Develop international assets – Ensure succession and maintain human potential in the organisation
The sustainable mining and metallurgical production of copper and associated products The maximum utilisation of resources and their optimum management, while maintaining the highest environmental and market standards.	– Develop and manage the Polish resource base – Ensure long-term, efficient and flexible production – Manage production waste – Ensure compliance with legislative requirements and market standards – Cooperate with local communities and other stakeholders – Develop metallurgical production – The energy transition
Expansion and development of technology and innovation Development of the value of the KGHM Group's products and expansion of the products portfolio in accordance with megatrends and the current development directions of the mining and metallurgical sector.	– Extension of the value chain with new products and services – Multi-resource portfolio, including critical metals – Innovation, development of new technology, knowledge sharing

The realisation of the Strategy of the KGHM Group 2055+ is planned in 3 time horizons:

- Short-term, up to 5 years (to 2030) – *Strengthening of the core business* - Stabilising the foundations of the core business in Poland and abroad to support the Company's further development by ensuring access to the resource base and improving the profitability of operations.
- Medium-term, up to 10 years (to 2035) – *Extension of the value chain and decarbonisation* - Increasing margins and market share through raw material diversification, focused on developing access to critical raw materials, expanding capabilities into further stages of the value chain, and offering innovative products and services from the KGHM Group.

- Long-term, over 10 years (after 2035) – *Development of a multi-resource portfolio* - Creating a business structure that is diversified in terms of raw materials and products, and resilient, enabling the company to grow in a changing economic environment and respond to global transformational trends.

The main strategic goals along with KPIs with particular emphasis on the short-term and medium-term perspective.

Key KPIs	Goals and amounts
Financial indicators	
EBITDA margin of the KGHM Group[1] *(Adjusted EBITDA to revenues from sales)*	Maintain, on an average annual basis in the years 2026-2030, the EBITDA margin of the KGHM Group at the level of **25.6%**[2].
Adjusted EBITDA of the KGHM Group[1]	Maintain, on an average annual basis in the years 2026-2030, adjusted EBITDA of the KGHM Group at the level of **PLN 12 billion**[3].
Revenues from sales of products more highly-processed than copper cathodes [4]	An increase in revenues from sales of products more highly-processed than copper cathodes to approx. **60%** as compared to total sales of electrolytic copper in the reporting year at the end of 2035.
Production indicators	
Average annual production of the KGHM Group in the years 2026-2030:	
Payable copper production	Maintain, on an average annual basis in the years 2026-2030, payable copper production in the KGHM Group at the level of more than **730 thousand tonnes**, of which approx. 590 thousand tonnes from the Polish assets (including 180 thousand tonnes from scrap) as well as more than 140 thousand tonnes from the international assets.
Silver production	Maintain, on an average annual basis in the years 2026-2030, silver production in the KGHM Group at the level of **1 290 tonnes**.
Molybdenum production	Maintain average annual molybdenum production in the KGHM Group from the international assets at the level of **4.0 million pounds**.
Workplace safety	Strive for **0 accidents** as measured by LTIFR for the assets in Poland and TRIR for the international assets[5].
Energy transition and climate protection	An increase by **at least 50% (up to at least 220 MW)** in installed capacity from own power generation sources[6] in 2030, compared to the capacity ordered by KGHM in 2025 (440 MW).
	Reduce **Scope 2 CO_2 emissions by 30%** in KGHM Polska Miedź S.A. by the end of 2030, achievement of climate neutrality in the long-term in 2050.
Capital expenditures[7]	
Forecasted capital expenditures	In the years 2026-2030 forecasted capital expenditures of the KGHM Group are estimated at more than **PLN 32 billion**, or approx. PLN 6.5 billion on an average annual basis, including: – 80% on projects in the Core Production Business in Poland as well as in the domestic companies of the KGHM Group, – 20% on investments in the international assets.
	In the years 2026-2030 planned capital expenditures on development projects in the Group are estimated at **40% of CAPEX**.

[1] *Financial parameters reflect the 55% share of KGHM in the company Sierra Gorda SCM.*
[2] *In real terms, assuming during this period an average annual copper price of 11 454 USD/t, a silver price of 58.18 USD/oz and a USD/PLN exchange rate of 3.56 – adopted based on the median of market forecasts as at the end of June 2026.*
[3] *In real terms, assuming during this period an average annual copper price of 11 454 USD/t, a silver price of 58.18 USD/oz and a USD/PLN exchange rate of 3.56 – adopted based on the median of market forecasts as at the end of June 2026.*
[4] *Copper wire rod, Cu-OFE rod, copper grains and others.*
[5] *LTIFR (Lost Time Injury Frequency Rate) – the total number of accidents at work standardised to 1 million hours worked. TRIR (Total Recordable Incident Rate) – the ratio of accidents at work that meet the conditions for registration as defined by the ICMM (International Council on Mining & Metals).*
[6] *Own generation sources comprise: CCGT units, natural gas-fired engines, steam energy recovered from the recovery boilers at the Głogów Copper Smelter and Refinery and used to produce electricity in a steam-powered generator, photovoltaic farms and wind farms (advanced and planned in KGHM and in the KGHM Group).*
[7] *Including capital expenditures of the company Sierra Gorda SCM (55%).*

	2% of expenditures on R&D compared to capital expenditures on property, plant and equipment in the assets in Poland in the years 2026-2030, including a min. 75% on R&D in the Core Production Business.

Key development investments comprise projects as regards the Core Production Business, including among others:

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

1.2. Advancement of the Strategy - key achievements

In the current reporting period, the Company consistently advanced key initiatives and development investments, arising from the strategic assumptions to-date, whose continuation is assumed in the new Strategy of the KGHM Group 2055+, thereby ensuring the continuity of conducted operations as well as stable organisational development.

Key achievements in the first half of 2026 pursuant to the strategic directions of the Strategy of the KGHM Group 2055+

Area 1. The strengthening and development of know-how and of the business potential of the KGHM Group	
Ensure financial stability	– The Cost Optimisation Program of the KGHM Group is currently being implemented, being a response to a volatile and unpredictable macroeconomic environment, supporting the company's long-term financial stability and competitiveness. It includes grassroots initiatives, whose goals are: to improve efficiency in the core production business and auxiliary processes of the KGHM Group, rationalise costs and capital expenditures as well as to increase business robustness and at the same time to maintain operational continuity. It is estimated that the results of the program after 3 years in effect (at the end of 2028) will be over PLN 1 billion of permanent improvement to EBITDA compared to the results of 2024. Some of these initiatives are already being advanced and will bring the first results, the remainder will be implemented in stages in the years 2026-2028. The multi-year trend of rising costs has been broken practically in all cost areas of KGHM, which led to cessation of the rise in most types of costs. By the end of the first half of 2026, the EBITDA ratio improved by approximately PLN 300 million (as compared to the results of 2024) due to the implementation of optimisation initiatives. Actions undertaken as part of the Cost Optimisation Program will be continued as one of the Company's strategic initiatives.

Develop international assets	– The exploration program at the Sierra Gorda mine was continued, aimed at verifying the potential existence of the deposit beyond the zone planned to be mined under the currently-operating Catabela pit. Due to the direct potential to extend the life of the mine, the highest priority is attached to the area Catabela Northeast (CNE) as well as zones directly adjacent to the current deposit. To date, other outlying areas have also been identified with high mineralisation potential, whose development is expected in the long-term perspective.
	– Together with South32 Ltd., the investment decision was made to build a fourth grinding line at the ore processing plant of the Sierra Gorda mine (55% KGHM Polska Miedź S.A.). The project entails the construction of a grinding line, and the development of crushing and flotation capacity as well as related process infrastructure. Its goal is to increase the production potential of Sierra Gorda, to increase the plant's processing capacity by more than 20% and to decrease C1 unit cost. Full production capacity is expected to be reached in the second half of 2030. Total capital expenditures for the project, counting from 1 July 2026 to the moment the installation is commissioned, are estimated at approx. USD 725 million. The investment will be financed by a bank loan as well as by Sierra Gorda's own funds.
	– Continued sinking of an exploration shaft under the Advanced Exploration of the Victoria project of in Canada. Work on the project is proceeding according to plan.
	– An agreement was signed on cooperation with selected entities, aimed at developing cooperation in the area of international projects, including:
	  – Sierra Gorda SCM and the Spence mine, which belongs to the mining group BHP, signed an agreement on cooperation, aimed at the identification and evaluation of the possibility of technical and operational cooperation, among others as regards supply, logistics and selected operational processes,
	  – Robinson Holdings, a subsidiary of KGHM Polska Miedź S.A., signed an agreement with the company Bronco Creek Exploration specialising in the exploration of new deposits. The cooperation involves the exploratory analysis of four sites of high geological potential in the state of Nevada, USA,
	  – KGHM Chile SpA, a subsidiary of KGHM Polska Miedź S.A., signed an agreement with Minera Freeport McMoRan South America Limitada, belonging to Freeport McMoRan Inc. The agreement involves the development of a promising copper exploration project in northern Chile. The agreement defines the principles for carrying out preliminary exploration work as well as assessment of the geological potential of the area. The agreement stipulates that KGHM Chile will be responsible for carrying out the preliminary exploration work, which is required to evaluate the nature of the geological area. Depending on the results

	obtained, the agreement foresees the possibility of advancing to the next stage of cooperation, including the creation of a joint venture company aimed at the further development of the project. – An agreement was signed for a lease loan between KGHM INTERNATIONAL LTD. and PKO Leasing S.A. for the amount of more than USD 120 million. The agreement will be in force until March 2031 and is aimed at refinancing fixed assets in the Robinson company. – The Sierra Gorda mine operates solely on RES-generated power. – Payable copper production in the international assets was lower compared to the adopted budget targets and amounted to 59.5 thousand tonnes, including: Sierra Gorda 40.2 thousand tonnes (55%); Robinson 17.7 thousand tonnes; Carlota 1.6 thousand tonnes.
Area 2. The sustainable mining and metallurgical production of copper and associated products	

Develop and manage the Polish resource base	– Exploration projects were advanced with respect to exploring for and evaluating copper ore deposits in the Copper Basin in Poland in accordance with the concessions held. As a result of carrying out the planned scope of geological work on the concession „Głogów", the concession was extinguished ex officio. The information obtained regarding the documented resources will be used in future mining activities.
	– As regards the Deposit Access Program:
	  – 19.4 kilometres of tunnelling were excavated in the Rudna and Polkowice-Sieroszowice mines. The work carried out was related to building infrastructure as regards among others the power system, building piping and local pumps, conveyor belt haulage and air conditioning,
	  – work continues on the building of facilities to outfit the GG-1 shaft, including in particular the final phase of outfitting the shaft piping as well as the initial phase of building surface facilities,
	  – development work was carried out as regards the sinking of three new mine shafts (Retków, GG-2 Odra, Gaworzyce). Work was carried out related with geological-hydrogeological exploratory evaluation. Work continued on making exploratory drillings, aimed at acquiring data necessary among others to design the shaft lining and to select appropriate shaft sinking technology.

Ensure long-term, efficient and flexible production	– Actions were continued as regards improving occupational health and safety. Accident ratios were as follows: LTIFR – 6.46 in KGHM Polska Miedź S.A. and TRIR – 0.28 in the international assets. – Electrolytic copper production in the domestic assets amounted to 291.5 thousand tonnes. Production of silver in the Group amounted to 711.6 tonnes of silver. The Company retained its first place in the classification „largest silver mines in the world" and second place in the global ranking „largest silver producers" (World Silver Survey 2026). The Company again received a certificate for silver, confirming the consistency of KGHM with the requirements set forth in the LBMA Responsible Silver Guidance and enabling inclusion on the prestigious Good Delivery list, which includes the most highly-trusted silver producers in the world. – The Company is systematically increasing the amount of copper scrap being processed by its metallurgical facilities. During the reported period 105 thousand tonnes of copper scrap (dry weight) was processed, which translates to 99 thousand tonnes of copper.

Manage production waste	– The development of the Żelazny Most Tailings Storage Facility (TSF) was continued, in accordance with environmental impact decision obtained and the permit to develop the TSF above the crown height of 195 meters a.s.l. Work was carried out on construction of the north-western load embankments as well as the eastern ones, as well as construction of the body of the Southern Quarter and technical infrastructure necessary for the functioning and servicing of the TSF.
	– As regards water management and reducing the salinity of water sent into the Odra River, work was carried out aimed at:
	  – development of the water retention system as regards conceptual and design work,
	  – construction of an IT system as regards water management in KGHM, comprising the monitoring of basic parameters as well as conducting scenario analyses,
	  – analysing actions related to the water selection system, based on variable mineralisation of water in KGHM, aimed at adapting the ongoing flow of water to Odra,
	  – analysis of the possibilities of utilising treated mine water in the cooling system of the Głogów Copper Smelter and Refinery,
	  – limiting the level of water threat in the mining divisions – work continued on the project to construct an anti-filtration barrier in order to limit the inflow of mine water to mining areas of the Polkowice-Sieroszowice mine and to increase the capacity to pump-out the mine water.

Ensure compliance with legislative requirements and market standards	– As regards transparent and responsible management of sustainable development in the Group:
	  – the sustainable development report for the Group for 2025 received positive attestation.
	  – annual reports on CO_2 emissions for 2025 to meet the needs of the system for the trading of greenhouse gas emissions allowances were verified by an entitled external entity.
	  – scope 1, 2 and 3 greenhouse gas emissions for 2025 for the Group received positive attestation for the purpose of disclosing questions involving climate change in accordance with the ESRS reporting standard as well as aimed at assessing the degree of achievement of the set reduction goals.
	  – a Recertification Audit of the Energy Management System (EMS) was conducted by an independent Certification Body, which ended in a positive result – thereby extending the certification for a further 3 years.

Develop metallurgical production	– An analysis of development directions was underway, enabling the continuation of the high efficiency of smelting own concentrates and the recovery of associated metals, as well as flexibility as regards the processing of third-party feed materials, including scrap, in particular:
	  – modernisation work was carried out at the electrorefining section of the Legnica Copper Smelter and Refinery, comprising the implementation of modern electrolytic copper production technology based on permanent starter sheets,
	  – a technological concept for recycling at the Legnica Copper Smelter and Refinery is being developed.

Energy transition

- Actions continued related to implementation of the Energy Strategy of KGHM Polska Miedź S.A. The actions undertaken were aimed at increasing energy security and independence and at realisation of objectives of the climate policy as regards decarbonisation and reducing greenhouse gas emissions generated by the Company, including those related to production processes and energy consumption. In particular:
  - the package of projects involving own development aimed at increasing electricity generation from own sources was developed, including from RES, such as photovoltaic farms and wind farms, with a total capacity of approx.180 MW,
  - market analysis continued as regards the possibility of advancing acquisition processes, located in the vicinity of KGHM Polska Miedź S.A.,
  - initiatives were advanced aimed at improving energy efficiency and the optimisation of energy consumption,
  - tests to reduce demand under the DSR (*Demand Side Response*) program were successfully conducted,
  - analyses continued as regards possibilities of capturing, transporting and storing carbon dioxide under conceptual work to construct a Carbon Capture and Storage installation using CCS (*Carbon Capture and Storage*) technology for the metallurgical production line at the Głogów Copper Smelter and Refinery,
- Bank Gospodarstwa Krajowego granted KGHM Polska Miedź S.A. a loan in the amount of PLN 209 million. The financing will be used to build four photovoltaic installations with a total capacity of 94 MW on land belonging to the Company. This investment will lead to an increase in the capacity volume of own electrical power sources, and the generated energy will be fully used to meet the needs of technological processes.
- Own energy sources, including the Group's RES, supplied 39% of the needs of KGHM Polska Miedź S.A. for contracted power.

Area 3: Expansion and development of technology and innovation

Extension of the value chain with new products and services

- Design work continued on developing processing activities at the Cedynia Wire Rod Plant, aimed at increasing production and the degree of processing of offered products, which enables extension of the value chain and the generation of higher added value.

Multi-resource portfolio, including critical metals

- Pre-investment analyses are underway involving the assessment of the potential of the Mieroszyno potassium and magnesium salts deposit in the vicinity of Puck, as well as the technical and economic feasibility of its management. On 3 July 2026, KGHM Polska Miedź S.A. signed a letter of intent with the Office of the Marshal of the Pomorskie Voivodeship on cooperation in the project to potentially build a polyhalite mine in the Bay of Puck area (Puck Project). The cooperation will comprise actions involving the preparation and evaluation of possibilities for the further development of the Puck project, including the creation of conditions to advance the investment, comprising the development of infrastructure and logistical support as well as engagement of the local supply chain.

Innovation, development of new technology, knowledge sharing

- In terms of R&D activities aimed at implementation and searching for innovative solutions in the Company's Core Production Business, projects such as the following were continued:
  - modernisation of the DOTRA wireless communications system in the mines – work was completed which enabled the system to operate in a hybrid form, servicing both analogue radiotelephones as well as digital ones,
  - operational testing of the prototype bolting rig with an automated bolting turret at the Rudna mine – completed with a positive result – actions commenced aimed at implementation of the solution in mining operations as well as related with testing of additional prototype machines,
  - implementation in the mines of unified standards for the Personnel Registry System in the underground mines,
  - the utilisation of real-time automated optic fibre diagnostics of conveyor belts,
  - the preparation of technical-economic assumptions for the project to adapt a mobile crusher in the mines aimed at improving the process of ore transport,
  - the application of mechanical processing technology to excavate mine workings in the mines of KGHM,
  - concept to increase the energy efficiency of the copper concentrate drier at the Głogów II Copper Smelter and Refinery,
  - testing of a prototype automated system for the cleaning of gas passages between the flash furnace and the recovery boiler using robots. The positive result of tests in the region of the Głogów I Copper Smelter and Refinery will enable continued work on the implementation of analogous solutions at the Głogów II Copper Smelter and Refinery.
- Projects continued in the area of digital transformation, focused on implementing tools based on new technology, IT solutions and in terms of cybersecurity. Key actions included among others the implementation of new back-office systems and digitalisation enhancements as well as automatization of work whilst maintaining the highest security standards.

2. MACROECONOMIC SALES CONDITIONS

The KGHM Group, due to the nature of the products it sells, operates on a market highly dependent on the market environment, including macroeconomic conditions. In particular, a significant impact on the KGHM Group's results in the first half of 2026 came from the general economic situation, which impacted the level of metals consumption globally, as well as the prices of these metals and exchange rates.

In the first half of 2026, uncertainty in the global economy was very high, with particular emphasis on uncertainty in international trade as well as geopolitical tensions. Amongst the most important factors shaping the macroeconomic landscape during the reporting period in question were the following:

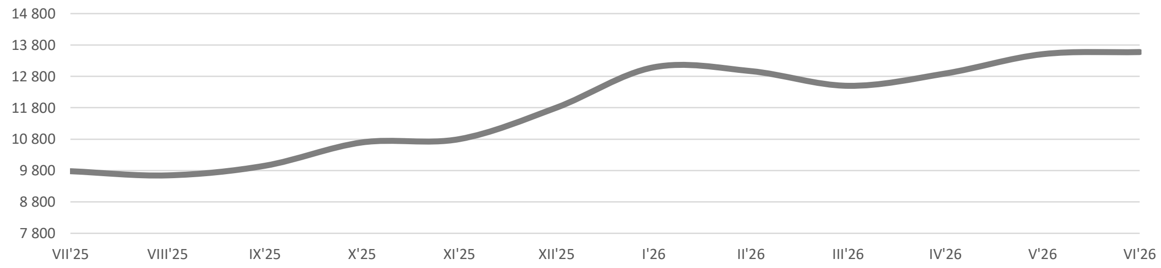
Geopolitical hazards	– continuation of the process of change in the balance of force in geopolitics from a bi-polar to a multi-polar world. A reversal of the international policy of the USA towards isolationism, and consequently an ongoing alteration of global alliances. – an initial rise in tensions and military actions between Israel and Lebanon, the Gaza Strip, Syria, topped by the outbreak of war in the Persian Gulf at the start of March. Following the attack of the USA and Israel against Iran, other Gulf countries, which were considered by Iran to be allies of the USA and enemies of the Islamic Republic, were drawn into the war. – the repercussions of the War in the Gulf for energy commodities markets (in particular crude oil and LNG), the metals market (*force majeur* for aluminium producers with production facilities in Gulf countries) and food markets (fertilizers) were reflected in the prices of raw materials across the globe, increasing inflationary pressure, altering existing paths of reaction of central banks towards higher interest rates as well as their strengthening. – the memorandum signed in June on agreement between the USA and Iran proved to be only a temporary solution, one which did not lead to a lasting easing of the situation and the renewal of shipping through the Strait of Hormuz, as reflected in higher energy commodities prices. – continuation of Russia's aggression against Ukraine, with an increasing role being played by the EU as a block of countries supporting Ukraine. – the USA is dealing with deepening political polarisation and social tensions as well as controversial institutional reforms, which raises challenges for the maintenance of internal stability and the predictability of the regulatory environment.
Trade war	– the US Supreme Court decision challenging the legal basis of the tariffs announced on the so-called "Liberation Day" as well as President Trump's counter-decision announcing temporary global tariffs of 10%, expiring in the second half of 2026, increased uncertainty about further decisions regarding US tariffs and trade agreements. – marginalisation of the stabilising role of the WTO for global trade. – as a result of the trade war, Chinese export pressure on the global ex-USA economy has increased, resulting in deflationary pressure on the one hand and a threat to industrial production on the other, especially in the eurozone.
Copper market fundamentals	– in the first half of the year, copper continued to be imported into the USA, pending decisions on the future of tariffs on this metal. As a result, copper availability in other regions of the world decreased significantly, supporting its prices. – limitations in the form of a small number of new investments in mining projects as well as persistent production problems in some large mines in the world (El Teniente, Grasberg). – a persistent, clear surplus of metallurgical capacity over the supply of copper-bearing materials, – regulatory changes in the USA, aimed at facilitating the building of mines, with a focus on multi-raw material extraction in the USA, – a change in the structure of demand for copper in China – increasing demand from sectors related to modern technologies and energy transformation, – lowering of global economic development forecasts by the largest forecasting institutions as a result of uncertainty caused by the trade war,
Currency market	– after a relatively short cycle of rate cuts, increased inflationary pressure resulting from higher energy prices following the start of the Gulf War forced major central banks to halt rate cuts and even adopt a more hawkish tone. – the election of the new chairman of the Federal Reserve, Kevin Warsh, considered by the markets to be a person with hawkish views, as well as increased geopolitical risk and rising oil prices translated into the strengthening of the USD against a basket of currencies. – the ECB carried out the first increase in interest rates by 25bp at the June meeting. – the issue of debt and the budget deficit in the US remains a significant concern for markets. High debt and increased inflation expectations have resulted in a rise in yields on US *Treasuries.* – the Polish currency remained stable against the euro and did not react significantly to the ongoing war in Ukraine. The current commodity crisis did not significantly impact the EUR and PLN, and Europe remains much better protected from the effects of the shock than in 2022. The volatility of European currencies against the dollar was mainly due to changes in the value of the USD. – the increase in defence spending is becoming a fact, and investments in Europe's security will be reflected in the level of debt in the coming years.

The *cash settlement* price of **copper** in the first half of 2026 on the London Metal Exchange (LME) ranged from 11 826 to 14 097 USD/t. In 2026 the copper market remained relatively resilient, although it functioned in conditions of heightened macroeconomic and geopolitical uncertainty. Of substantial importance were the expectations on the announcement of potential tariffs on copper cathode in the USA, which were the cause of continued imports of copper to this country and supported prices. Demand for the metal continued to support investments in energy networks and the energy transformation as well as the development of data centres related to artificial intelligence. At the same time, the escalation of the conflict in the Middle East, affecting energy prices and inflationary expectations as well as industrial activities costs, increased fears about the rate of growth of the global economy. As a result, investors took into consideration the risk of a slower rate of demand for industrial metals, including copper. The pressure resulting from these factors eased however the supply situation. Of key significance were production interruptions in the largest mines, among others Grasberg, Kamoa-Kakula and El Teniente, which restricted global mining by several hundred thousand tonnes and decreased the probability of market surpluses at least until half of 2027. An additional factor affecting investor expectations remained uncertainty regarding the potential renewal of operations by the Cobre Panama mine, whose probable production amounts to around 350 thousand tonnes of copper annually.

As a result, the fundamentals of the copper market in the first half of 2026 remained stable. Despite fears of global economic growth, demand related to the electrification of the economy as well as ongoing restrictions in supply continued to support the price of this metal, maintaining the positive medium- and long-term outlook for the market.

The average *cash settlement* **price of copper** in the first half of 2026 on the LME amounted to 13 083 USD/t and was 38.7% higher than in the comparable period of 2025, when it amounted on average to 9 431 USD/t.

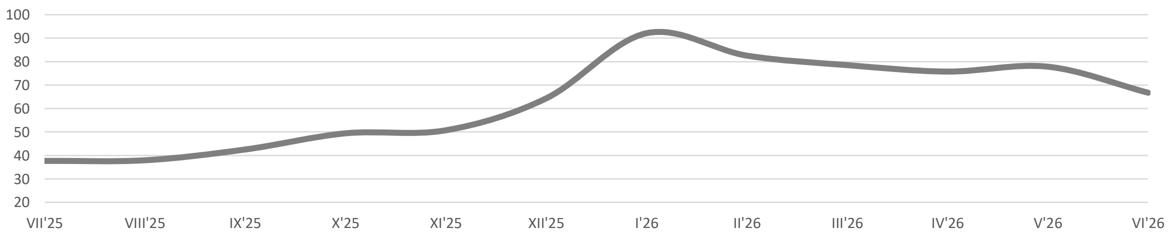
Chart 1. Average monthly copper price on the London Metal Exchange (USD/t)



The average **price of silver** according to the London Bullion Market Association (LBMA) in the first half of 2026 reached the level of 78.83 USD/troz, and was nearly 141% higher than the price of silver in the first half of 2025 (32.76 USD/troz). The first half of 2026 on the precious metals market was characterised by heightened volatility. The rapid increases in prices observed in January and February were interspersed with equally strong corrections, especially evident at the turn of January and February as well as the period from March to June. The price of silver rose from 71.99 USD/troz at the start of the year to 118.45 USD/troz on 29 January, after which it rapidly corrected, ending the first half at the level of 58.80 USD/troz.

The volatility seen in the price of silver in the first half of 2026 was mainly due to increased demand by individual and institutional investors, especially in Asia, while subsequent price corrections were related with taking profits and the strengthening of the USD as well as heightened inflation expectations caused by geopolitical tensions.

Chart 2. Average monthly silver price per the London Bullion Market (USD/troz)



The price of **gold** during the period in question remained under the impact of rapidly changing market conditions, which resulted in alternating periods of increases and corrections in prices. In the first months of the year, prices were supported by continued demand from central banks as well as financial investors, reaching on 29 January 2026 the record level of 5 501.70 USD/troz. In subsequent months, prices corrected downwards, which was mainly due to the strengthening of the USD as well as changing expectations regarding inflation and the further direction of monetary policy of the main central banks.

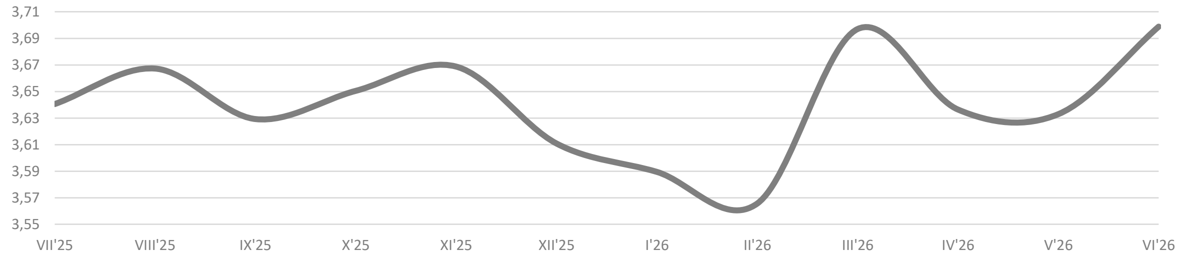
The average **USD/PLN exchange rate** (NBP) in the first half of 2026 amounted to 3.64 and was lower compared to the corresponding period of 2025 by 6.1% (the first half of 2025 the average USD/PLN exchange rate amounted to 3.88).

In the first half of 2026, the Monetary Policy Council decided on one cut in interest rates — in March by 25 bp, moving the NBP reference rate to the level of 3.75%. This decision was impacted by a better inflation outlook, a lower level of CPI inflation and curtailment of the rate of wage growth, limiting the national scale of price pressure. In subsequent months, the room for further monetary policy easing was however limited by the rise in fuel prices related to the conflict in the Middle East as well as continuing uncertainty as regards the impact of geopolitical factors on inflation and economic activity.

The start of the year brought a temporary weakening of the USD, however along with a more hawkish message from the Fed as well as higher inflationary expectations, related among others with higher energy prices, the USD began to gradually regain its advantage over the main currencies. As a result, the **USD/PLN** exchange rate, after dropping to a local minimum at the end of January, in subsequent months moved into an upward trend, reflecting both the strengthening of the USD on the global market and pressure on the currencies of emerging markets.

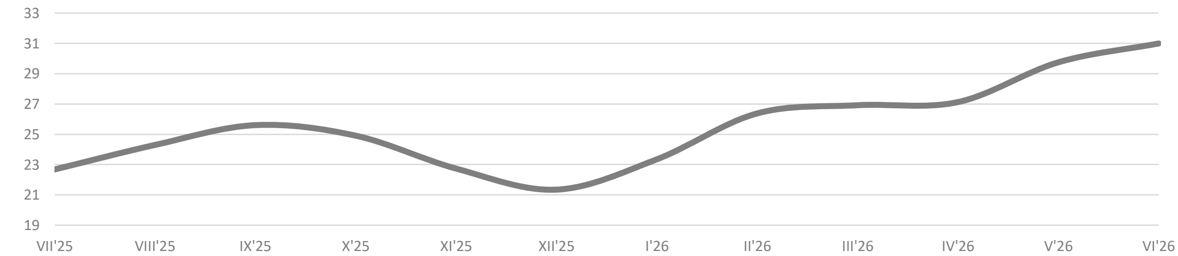
In relation to the Euro, the Polish złoty remained relatively stable for most of the first half, however at the end of the period it weakened, as reflected in the rise of the EUR/PLN rate from around 4.20 at the end of January to around 4.30 at the end of June.

Chart 3. Average monthly USD/PLN exchange rate per the National Bank of Poland



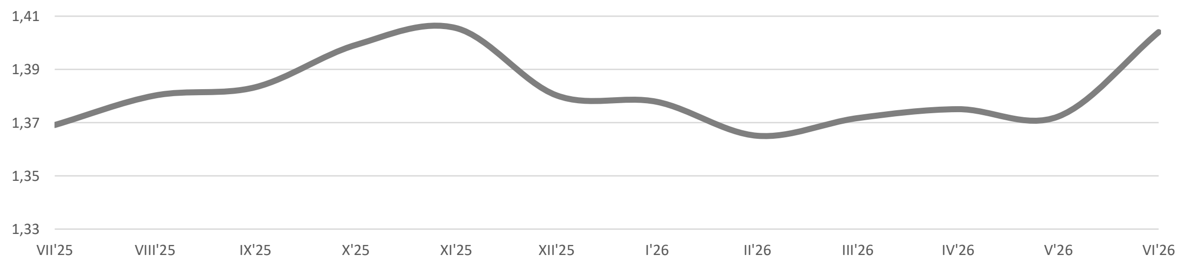
The average **price of molybdenum** in first half of 2026 amounted to 27.42 USD/lb, or an increase of 33% compared to the corresponding period of 2025 (20.62 USD/lb). In the first half of 2026, the price of molybdenum remained in a strong upward trend, which led to higher prices by more than 44% during the period in question. The maximum price of molybdenum in the first half of 2026 amounted to 31.12 USD/lb, with a minimum of 22.70 USD/lb.

Chart 4. Average monthly molybdenum price per Platts (USD/lb)



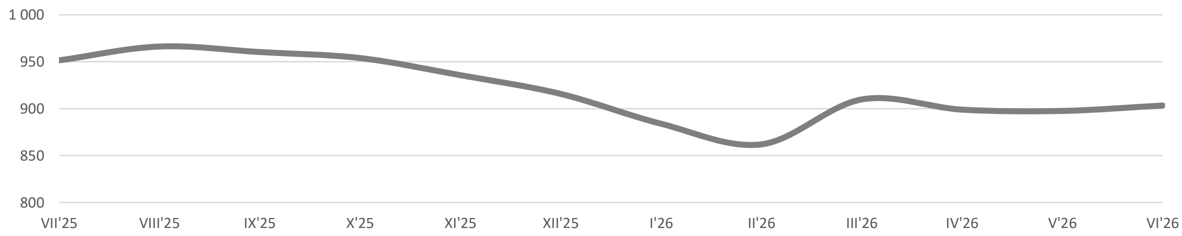
The average **USD/CAD exchange rate** (per the Bank of Canada) in first half of 2026 amounted to 1.38 and was more than 2% lower than the level recorded in the corresponding period of 2025 (1.41). Following a series of interest rate cuts by a total 275 bp, from 5.00% to 2.25%, carried out between May 2024 and October 2025, the Bank of Canada maintained interest rates without change for the entire first half of 2026. During this period the Canadian dollar remained under the impact of various factors, including high prices of energy commodities and geopolitical tensions as well as changes in expectations regarding monetary policy in Canada and the United States.

Chart 5. Average monthly USD/CAD exchange rate per the Bank of Canada



The average **USD/CLP exchange rate** (per the Bank of Chile) in first half of 2026 amounted to 893 and was nearly 7% lower than the level recorded in the first half of 2025 (956). Support for the Chilean peso remained the continued high levels of copper prices, being the main export good of this country. At the same time currency prices remained sensitive to changes in global investor sentiment, expectations regarding monetary policy in the United States and the ongoing geopolitical uncertainty.

Chart 6. Average monthly USD/CLP exchange rate per the Bank of Chile



The macroeconomic factors of the greatest significance for the operations of the Group are presented in the following table.

Table 1. Market factors significant for the operations of the KGHM Polska Miedź S.A. Group – average prices[8]

	Unit	1st half 2026	1st half 2025	Change (%)	2nd quarter 2026	1st quarter 2026
Copper price on the LME	USD/t	13 083	9 431	+38.7	13 329	12 844
Copper price on the LME	PLN/t	47 585	36 546	+30.2	48 732	46 475
Silver price per the LBMA	USD/troz	78.83	32.76	×2.4	73.15	84.33
Gold price per the LBMA	USD/troz	4 693	3 067	+53.0	4 506	4 875
Molybdenum price per Platts	USD/lb	27.42	20.62	+28.6	29.34	25.56
USD/PLN exchange rate per the NBP		3.64	3.88	(6.2)	3.66	3.62
USD/CAD exchange rate per the Bank of Canada		1.38	1.41	(2.1)	1.38	1.37
USD/CLP exchange rate per the Bank of Chile		893	956	(6.6)	900	886

[8] *mathematical average of daily quotes*

3. CONSOLIDATED FINANCIAL RESULTS OF THE KGHM POLSKA MIEDŹ S.A. GROUP

3.1. Financial results

Table 2. Financial results of the Group (in PLN million)

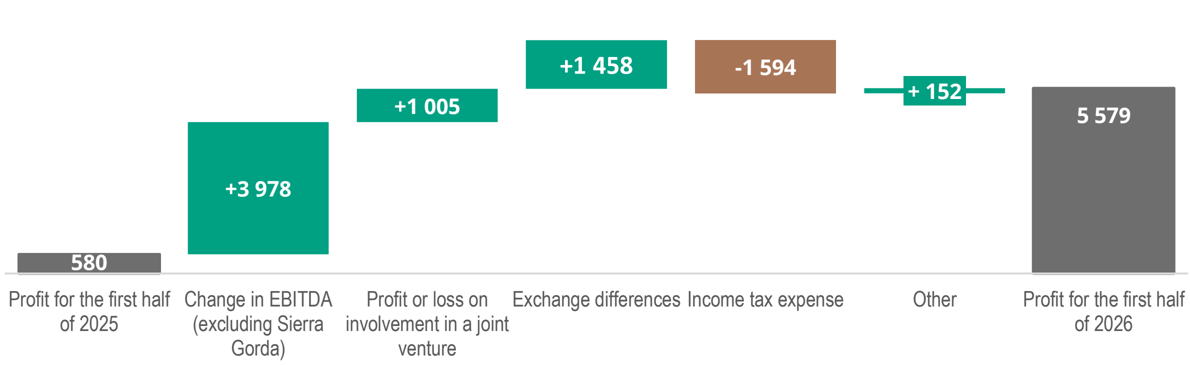
	1st half 2026	1st half 2025	Change (%)	2nd quarter 2026	1st quarter 2026
Revenues from contracts with customers	24 711	17 556	+40.8	12 839	11 872
Cost of sales, selling costs and administrative expenses	(18 654)	(15 455)	+20.7	(10 782)	(7 872)
Profit on sales	**6 057**	**2 101**	**×2.9**	**2 057**	**4 000**
Profit or loss on involvement in a joint venture	1 443	438	×3.3	989	454
Other operating income / (costs)	565	(1 403)	×	136	429
Finance income / (costs)	(157)	179	×	(36)	(121)
Profit before income tax	**7 908**	**1 315**	**×6.0**	**3 146**	**4 762**
Income tax expense	(2 329)	(735)	×3.2	(1 096)	(1 233)
Profit or loss for the period	**5 579**	**580**	**×9.6**	**2 050**	**3 529**
Adjusted EBITDA	**9 198**	**4 863**	**+89.1**	**3 734**	**5 464**

Adjusted EBITDA, defined as profit or loss on sales increased by depreciation/amortisation recognised in expenses by nature and adjusted by recognition/reversal of impairment losses on property, plant and equipment recognised in cost of sales, selling costs and administrative expenses, is one of the basic parameters considered by the Management Board of the Parent Entity when evaluating the results of individual reporting segments.

Table 3. Main factors impacting the change in profit or loss of the Group

Item	Impact on change of profit or loss (in PLN million)	Description
EBITDA	**+3 978**	An increase in EBITDA of reporting segments (excluding Sierra Gorda), comprised of: – EBITDA of the segment KGHM Polska Miedź S.A. +PLN 4 127 million, – EBITDA of the segment KGHM INTERNATIONAL LTD. -PLN 128 million, – EBITDA of the segment other segments -PLN 21 million. The results of the aforementioned segments are described respectively in sections 4-7 of this report.
Profit or loss on involvement in a joint venture	**+1 005**	An increase in profit or loss on involvement in a joint venture, comprised of: – share of the profits of a joint venture +PLN 580 million, – change in the measurement of loans granted to a joint venture +PLN 454 million, – decrease in interest income on loans by PLN 29 million.
Exchange differences	**+1 458**	An increase in the result on exchange differences due to: – a higher result by PLN 1 841 million on exchange differences presented in other operating income and costs (mainly due to loans within the Group), – a lower result by PLN 383 million on exchange differences from the measurement and realisation of borrowings presented in finance income and costs (mainly exchange differences on borrowings of KGHM Polska Miedź S.A.)
Income tax expense	**(1 594)**	An increase in income tax.

Chart 7. Change in profit/loss of the Group in the first half of 2026 (in PLN million)



3.2. Cash flows

Table 4. Cash flow of the Group (in PLN million)

	1st half 2026	1st half 2025	Change (%)	2nd quarter 2026	1st quarter 2026
Net cash generated from/(used in) operating activities	**2 556**	**1 818**	**+40.6**	**1 876**	**680**
Change in working capital	(3 778)	(615)	×6.1	(535)	(3 243)
Net cash generated from/(used in) investing activities	**(1 618)**	**(2 034)**	**(20.5)**	**(791)**	**(827)**
Net cash generated from/(used in) financing activities	**(152)**	**(133)**	**+14.3**	**(373)**	**221**
Net cash flows	**786**	**(349)**	**×**	**712**	**74**
Exchange differences	(12)	64	×	(17)	5
Cash and cash equivalents at the beginning of the period	443	715	(38.0)	522	443
Cash and cash equivalents at the end of the period	**1 217**	**430**	**×2.8**	**1 217**	**522**

Net cash generated from operating activities in the first half of 2026 amounted to +PLN 2 556 million and mainly comprised:

- EBITDA, excluding Sierra Gorda S.C.M. of PLN 7 539 million,
- negative effect of the change in working capital of -PLN 3 778 million including -PLN 1 284 million change in trade payables within the reverse factoring mechanism,
- income tax paid, PLN 1 177 million.

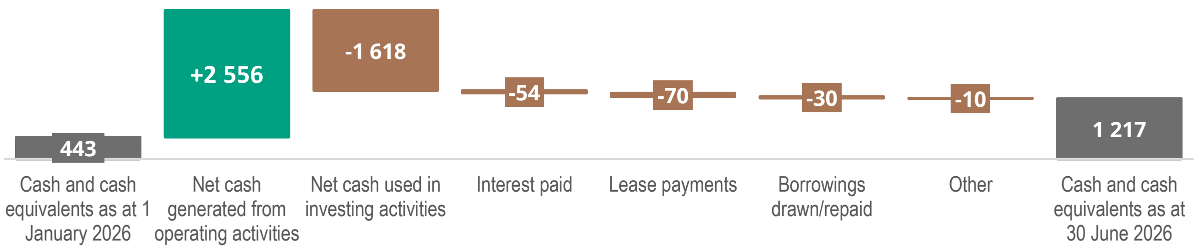
Net cash used in investing activities in the first half of 2026 amounted to -PLN 1 618 million and mainly comprised:

- expenditures on property, plant and equipment and intangible assets of the segment KGHM Polska Miedź S.A. in the amount of PLN 1 892 million,
- expenditures on property, plant and equipment and intangible assets of the segment KGHM INTERNATIONAL LTD., PLN 435 million,
- expenditures on property, plant and equipment and intangible assets of the segment other segments, PLN 387 million,
- repayment of interest on a loan by Sierra Gorda S.C.M., +PLN 1 008 million.

Net cash used in financing activities in the first half of 2026 amounted to -PLN 152 million and mainly comprised repayment of interest, PLN 54 million, repayment of lease liabilities, PLN 70 million and the balance of proceedings from/repayments of bank and other loans, -PLN 30 million.

After reflecting exchange differences on cash and cash equivalents, the balance of cash and cash equivalents increased by PLN 774 million and at the end of the first half of 2026 amounted to PLN 1 217 million.

Chart 8. Cash flow of the Group in the first half of 2026 (in PLN million)



3.3. Assets

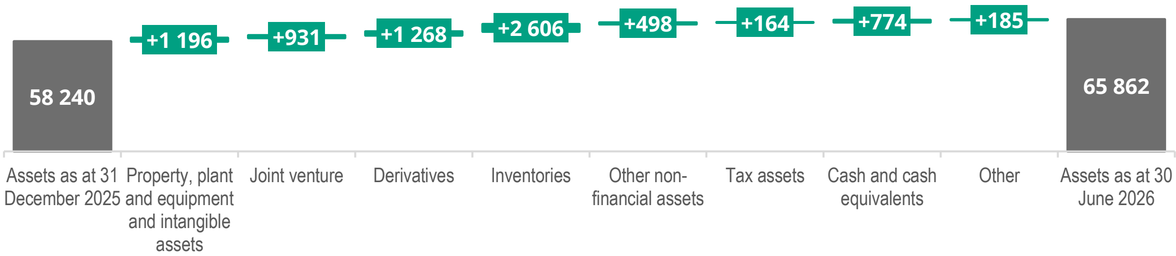
Table 5. Consolidated assets (in PLN million)

	30 June 2026	31 December 2025	Change (%)	31 March 2026
Property, plant and equipment and intangible assets	32 976	31 780	+3.8	32 277
Involvement in the joint venture	11 181	10 250	+9.1	10 494
Financial instruments	3 620	2 526	+43.3	3 457
Deferred tax assets	200	189	+5.8	192
Other non-financial assets	276	270	+2.2	276
Non-current assets	**48 253**	**45 015**	**+7.2**	**46 696**
Inventories	12 214	9 608	+27.1	12 489
Trade receivables	1 916	1 885	+1.6	2 047
Tax assets	823	659	+24.9	649
Derivatives	426	128	×3.3	256
Other financial assets	250	237	+5.5	259
Other non-financial assets	763	265	×2.9	537
Cash and cash equivalents	1 217	443	×2.7	522
Current assets	**17 609**	**13 225**	**+33.1**	**16 759**
Total assets	**65 862**	**58 240**	**+13.1**	**63 455**

At the end of the first half of 2026, total assets in the consolidated financial statements amounted to PLN 65 862 million and were higher compared to 31 December 2025 by PLN 7 622 million. The main changes comprised:

- an increase in property, plant and equipment and intangible assets by PLN 1 196 million due to expenditures incurred on property, plant and equipment and intangible assets in the amount of PLN 2 602 million and depreciation/amortisation at the level of PLN 1 422 million,
- an increase in the value of the involvement in the joint venture Sierra Gorda S.C.M. by PLN 931 million including measurement using the equity method +PLN 679 million, and the value of loans by PLN 252 million (repayment of interest -PLN 1 008 million, accrued interest +PLN 258 million, gain due to reversal of allowance for impairment +PLN 605 million and exchange differences +PLN 397 million,
- an increase in the carrying amount of derivatives by +PLN 1 268 million, including mainly instruments hedging copper and silver (Note 4.4 of the condensed consolidated financial statements).
- an increase in inventories by PLN 2 606 million, mainly due to a maintenance shutdown at the Głogów I Copper Smelter and Refinery in the third quarter of 2026,
- an increase in the value of other non-financial assets by PLN 498 million (mainly CO_2 emissions allowances as well as prepayments due to contribution to the Company Social Benefits Fund and coal equivalent payments for former employees),
- an increase in tax assets by PLN 164 million (mainly due to VAT),
- an increase in cash and cash equivalents by PLN 774 million.

Chart 9. Change in assets of the Group in the first half of 2026 (in PLN million)



3.4. Equity and liabilities

Table 6. Consolidated equity and liabilities (in PLN million)

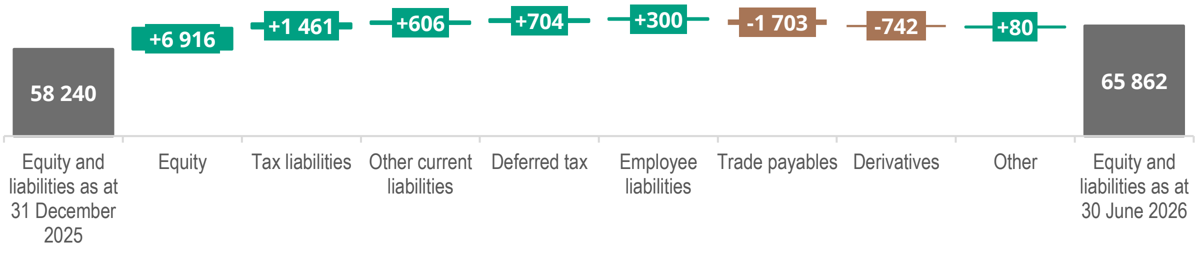
	30 June 2026	31 December 2025	Change (%)	31 March 2026
Equity	**39 814**	**32 898**	+21.0	**37 011**
Borrowings, leases and debt securities	4 528	5 034	(10.1)	4 842
Derivatives	1 225	1 626	(24.7)	1 959
Employee benefits liabilities	3 009	2 892	+4.0	2 744
Provisions for decommissioning costs of mines and other facilities	2 144	2 123	+1.0	2 041
Deferred tax liabilities	1 931	1 227	+57.4	1 297
Other liabilities	364	371	(1.9)	365
Non-current liabilities	**13 201**	**13 273**	(0.5)	**13 248**
Borrowings, leases and debt securities	1 370	815	+68.1	1 434
Derivatives	1 099	1 440	(23.7)	1 593
Trade and other payables	2 807	4 510	(37.8)	3 812
Employee benefits liabilities	2 399	2 216	+8.3	2 271
Tax liabilities	3 207	1 746	+83.7	2 374
Provisions for liabilities and other charges	154	137	+12.4	139
Other liabilities	1 811	1 205	+50.3	1 573
Current liabilities	**12 847**	**12 069**	+6.4	**13 196**
Non-current and current liabilities	**26 048**	**25 342**	+2.8	**26 444**
Total equity and liabilities	**65 862**	**58 240**	+13.1	**63 455**

Equity and liabilities at the end of the first half of 2026 amounted to PLN 65 862 million and were higher compared to 31 December 2025 by PLN 7 622 million. The main changes comprised:

- an increase in equity by PLN 6 916 million, mainly due to profit earned as well as the realisation and measurement of hedging instruments in other comprehensive income (Note 4.4 of the condensed consolidated financial statements),
- an increase in tax liabilities by PLN 1 461 million, mainly due to differences between accrued income tax and its payment as presented in the statement of cash flows,
- an increase in other liabilities (current) by PLN 606 million mainly as regards a liability due to payment of dividend for 2025, PLN 300 million as well as accruals including CO_2 emissions allowances,
- an increase in deferred tax liabilities by PLN 704 million,

- an increase in employee benefits liabilities (current and non-current) in total by PLN 300 million, including PLN 324 million with respect to accruals, mainly related to the annual bonus,
- a decrease in trade and other payables in total by PLN 1 703 million, mainly due to repayment of liabilities due to reverse factoring (Note 4.11 of the condensed consolidated financial statements),
- a decrease in the value of derivatives (current and non-current) in total by PLN 742 million, mainly as regards instruments hedging copper and silver (Note 4.4 of the condensed consolidated financial statements),

Chart 10. Change in equity and liabilities of the Group in the first half of 2026 (in PLN million)



3.5. Financing of Group activities

The Group's management of financial resources involves securing an adequate level of cash and cash equivalents and access to a broad portfolio of flexible sources of financing to ensure the ability to meet both current and future financial liabilities in a timely manner, taking into account the cost of gaining liquidity. The Financial Liquidity Management Policy in force in the Group regulates the rules of raising external financing, the management of debt, the monitoring of the Group's debt levels and the effective management of working capital.

Net debt in the Group

Borrowings of the Group as at 30 June 2026 amounted to PLN 5 898 million, of which 87% represented debt of the Parent Entity.

The amount of free cash and cash equivalents held by the Group, which as at 30 June 2026 amounted to PLN 1 207 million, are of a short term nature.

Table 7. Net debt in the Group (in PLN million)

	30 June 2026	31 December 2025	Change (%)
Liabilities due to:	**5 898**	**5 849**	**+0.8**
Bank loans	875	1 109	(21.1)
Loans	1 714	1 406	+21.9
Debt securities	2 603	2 604	-
Leases	706	730	(3.3)
Free cash and cash equivalents	**1 207**	**425**	**+184**
Net debt	**4 691**	**5 424**	**(13.5)**

Sources of financing in the Group

As at 30 June 2026, the Group held open lines of credit, loans and bonds with a total available equivalent amount of PLN 16 978 million, out of which PLN 5 192 million had been drawn.

Table 8. Sources of financing in the Group

Unsecured, revolving syndicated credit facility in the amount of USD 1.5 billion	A credit facility in the amount of USD 1 500 million acquired on the basis of a financing agreement entered into by the Parent Entity with a syndicate banks group on 2 December 2025, with maturity falling on 2 December 2030, with the option of extending for a further 2 years (5+1+1) as well as the non-binding option to increase the credit amount by a maximum of PLN 500 million. The funds obtained under this credit facility are used to finance general corporate purposes, including capital expenditures.
Investment loans, including loans from the European Investment Bank in the total amount of PLN 4.1 billion with financing periods of up to 12 years	Financing agreements signed by the Parent Entity with the European Investment Bank: – in August 2014 in the amount of PLN 2 000 million, which was drawn in the form of three instalments with maturities falling on 30 October 2026, 30 August 2028 and 23 May 2029. The funds acquired through this loan were used by the Parent Entity to finance investment projects related to modernisation of metallurgy and development of the Żelazny Most tailings storage facility,

	– in December 2017 in the amount of PLN 1 340 million, under which four instalments were drawn with maturities falling on 28 June 2030, 23 April 2031, 11 September 2031 and 6 March 2035. The funds acquired through this loan are used to finance the Parent Entity's development and replacement projects at various stages of the production line.
Bilateral bank loans in the amount of up to PLN 4.6 billion	The Group holds lines of credit in the form of short-term and long-term bilateral agreements in the total amount of PLN 4 604 million. The funds obtained under the aforementioned bank loan agreements are a tool supporting the management of current financial liquidity and support the financing of investments by the Group.
Debt securities in the amount of PLN 2.6 billion	The bond issuance program on the Polish market was established under an issuance agreement dated 29 May 2024 up to the amount of PLN 4 000 million for a period of 10 years, under which: – on 26 June 2024, 7–year series C bonds were issued with a nominal value of PLN 1 000 million with a redemption date of 26 June 2031, – on 17 December 2025, 7–year series D bonds were issued with a nominal value of PLN 1 600 million with a redemption date of 26 December 2032. The funds raised from the bond issuance are used to finance general corporate purposes and to refinance 10-year series B bonds issued in 2019, which were redeemed early in December 2025.

Another source periodically supporting the Group's liquidity is reverse factoring, the main goal of which is to support the effective management of working capital by the timely execution of trade payables towards the suppliers of the Group. As at 30 June 2026 the Group had not made use of this instrument.

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

Utilisation of external financing as at 30 June 2026

The following table presents the Group's external financing structure and the extent to which it was utilised.

Table 9. Amount of external financing available and drawn by the Group (in PLN million)

	Amount drawn as at 30 June 2026	Amount drawn as at 31 December 2025	Change (%)	Amount available as at 30 June 2026	Amount drawn (%) as at 30 June 2026
Unsecured, revolving syndicated credit facility	-	-	-	5 656	-
Loans	1 714	1 406	+21.9	4 118	41.6
Bilateral bank loans	875	1 109	(21.1)	4 604	19.0
Debt securities	2 603	2 604	-	2 600	100.1
Total	**5 192**	**5 119**	**+1.4**	**16 978**	**30.6**

Cash pooling in the Group

In managing its liquidity, the Group utilises tools which support its efficiency. One of the basic instruments used by the Group is the cash pooling management service for a group of accounts – local cash pooling in PLN, USD and EUR and international in USD. Cash pooling is aimed at optimising cash management, limiting interest costs, the effective financing of current needs in terms of financing working capital and supporting short term financial liquidity in the Group.

Loans granted

As at 30 June 2026, the balance of loans granted by the Group amounted to PLN 8 712 million. This item mainly comprises long-term loans with interest based on a fixed interest rate, granted by the KGHM INTERNATIONAL LTD. Group to finance mining assets in Chile and Canada.

Liabilities due to guarantees granted

As at 30 June 2026, the Group held liabilities due to guarantees and letters of credit granted in the total amount of PLN 1 091 million and due to promissory notes liabilities in the amount of PLN 274 million.

Detailed information on the amount and nature of liabilities due to guarantees granted may be found in Note 4.5 of the condensed consolidated financial statements – Liquidity risk and capital management.

Evaluation of Group liquidity

In the first half of 2026, the KGHM Polska Miedź S.A. Group was fully capable of repaying its liabilities. The cash and cash equivalents held by the Group along with the external financing obtained ensure that liquidity will be maintained and enables the achievement of investment goals.

4. RESULTS OF THE SEGMENT KGHM POLSKA MIEDŹ S.A.

4.1. Production

Table 10. Production results of KGHM Polska Miedź S.A.

	Unit	1st half 2026	1st half 2025	Change (%)	2nd quarter 2026	1st quarter 2026
Mined ore (dry weight)	million t	15.34	15.30	+0.3	7.55	7.79
Copper content in ore	%	1.525	1.482	+2.9	1.515	1.535
Production of copper in concentrate	kt	203.4	201.0	+1.2	100.8	102.6
Production of silver in concentrate	t	695.5	659.7	+5.4	345.0	350.5
Production of electrolytic copper	kt	291.5	272.4	+7.0	146.2	145.3
- including from own concentrate	kt	183.6	182.5	+0.6	92.0	91.6
Production of metallic silver	t	696.7	646.3	+7.8	375.9	320.8
Production of gold	koz t	48.6	43.7	+11.2	24.9	23.7

In the first 6 months of 2026 ore extraction was higher compared to the corresponding period of 2025, which was related to higher productivity on working days. Copper content in ore increased to 1.525%.

Production of copper in concentrate was higher by 2.4 thousand tonnes compared to the first 6 months of 2025. The increase in production was due to higher processing of ore by the Concentrators.

Compared to the corresponding period of 2025, electrolytic copper production increased by 19.1 thousand tonnes. The higher production was due to the higher availability of production lines (in the first half of 2025, there was a renovation at the Głogów Copper Smelter and Refinery).

Production of metallic silver and gold depends on the availability of feed materials in the Precious Metals Plant at the Głogów Copper Smelter and Refinery. Compared to the corresponding half-year of 2025, an increase was recorded in the production of these metals respectively by 50.4 tonnes (+8%) and 4.9 thousand troy ounces (+11%).

4.2. Sales

Table 11. Revenues from sales of main products of KGHM Polska Miedź S.A.

	Unit	1st half 2026	1st half 2025	Change (%)	2nd quarter 2026	1st quarter 2026
Revenues from contracts with customers, including:	**PLN mn**	**21 927**	**14 860**	**+47.6**	**11 434**	**10 493**
- copper	PLN mn	14 430	10 911	+32.3	7 570	6 860
- silver	PLN mn	5 843	2 748	×2.1	2 924	2 919
- gold	PLN mn	895	554	+61.6	547	348
Sales volumes:						
- copper	kt	293.5	285.8	+2.7	151.1	142.4
- silver	t	712.2	683.7	+4.2	374.3	337.9
- gold	koz t	52.5	46.9	+11.9	33.0	19.5

The increase in revenues from contracts with customers compared to the first half of 2025 by PLN 7 067 million was mainly due to:

- an increase in revenues by PLN 8 330 million due to higher prices of copper, silver and gold,
- an increase in revenues by PLN 473 million due to higher sales volumes of copper, silver and gold,
- a decrease in revenues by PLN 899 million from sales of basic products (copper, silver and gold) due to a less favourable average annual USD/PLN exchange rate,
- a decrease in revenues by PLN 948 million in adjustments to revenues due to hedging transactions (from +PLN 60 million to -PLN 888 million),
- an increase by PLN 111 million in other revenues from sales, including mainly revenues from the sale of rhenium as well as sulphuric acid.

4.3. Costs

Table 12. Costs of KGHM Polska Miedź S.A.

	Unit	1st half 2026	1st half 2025	Change (%)	2nd quarter 2026	1st quarter 2026
Cost of sales, selling costs and administrative expenses	**PLN mn**	**16 325**	**13 319**	**+22.6**	**9 590**	**6 735**
Expenses by nature	**PLN mn**	**18 848**	**13 810**	**+36.5**	**10 060**	**8 788**
Pre-precious metals credit unit cost of electrolytic copper production from own concentrate[9]	PLN/t	52 201	45 501	+14.7	55 526	48 862
Total unit cost of electrolytic copper production from own concentrate	PLN/t	17 415	30 521	(42.9)	23 286	11 518
C1 unit cost[10]	**USD/lb**	**2.44**	**3.15**	**(22.5)**	**2.94**	**1.91**

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) in the first half of 2026 amounted to PLN 16 325 million and was higher by 23% as compared to the corresponding period of 2025, mainly due to an increase in cost of purchased metal-bearing materials and the minerals extraction tax due to higher copper and silver prices, with a negative change due to an increase in inventories of half-finished products (the preparation of anode copper inventories due to a maintenance shutdown at the Głogów I Copper Smelter and Refinery in the third quarter of 2026).

In the first half of 2026, total expenses by nature compared to the first half of 2025 were higher by PLN 5 038 million, with higher costs of consumption of purchased metal-bearing materials by PLN 2 301 million (a higher purchase price by 29% and a higher volume of consumption by 23 thousand tonnes of copper) and a higher by PLN 1 979 million minerals extraction tax due to higher copper and silver prices.

The increase in expenses by nature, after excluding purchased metal-bearing materials and the minerals extraction tax, was higher by PLN 758 million and was due to:

− higher labour costs by PLN 617 million, +21% (of which PLN 473 million represented the upward adjustment of the provision for the annual bonus),
− higher costs of energy factors by PLN 103 million, +11% due to a higher purchase price and higher consumption of external energy (lower generation of own energy),
− higher depreciation/amortisation by PLN 66 million, +7% due to investments advanced by the Company,
− external services by PLN 11 million, +1% mainly as regards maintenance,
− with lower costs of consumption of materials and technological fuels by PLN 44 million, -4%.

C1 cost in the first half of 2026 amounted to 2.44 USD/lb and was lower than in the corresponding period of 2025 by 23%. The decrease in cost was mainly due to a higher valuation of byproducts. This cost was negatively impacted by the minerals extraction tax and by the strengthening of the PLN versus the USD.

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 52 201 PLN/t (in the corresponding period of 2025: 45 501 PLN/t) and was higher by 15%, mainly due to a higher minerals extraction tax. After subtracting the value of this tax, the cost is lower by 3%.

The total unit cost of electrolytic copper production from own concentrate amounted to 17 415 PLN/t and was lower than in the first half of 2025 by 43% due to higher silver and gold prices.

[9] *Unit cost prior to decrease by the value of anode slimes containing, among others, silver and gold*

[10] *Cash cost of producing concentrate, reflecting the minerals extraction tax, administrative expenses and smelter treatment and refining charges (TC/RC), less depreciation/amortisation and the by-product premium, calculated as sold payable copper in concentrate*

4.4. Financial results

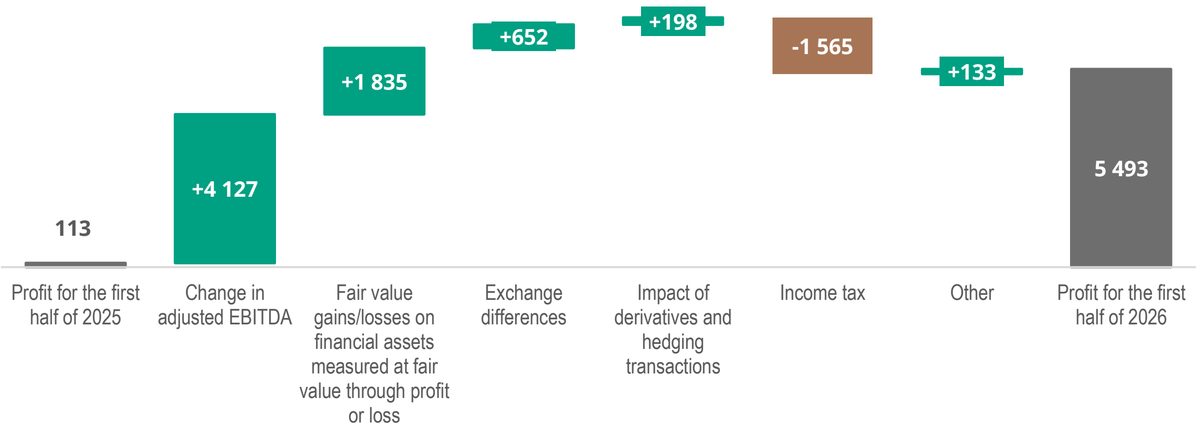
Table 13. Basic items of the statement of profit or loss of KGHM Polska Miedź S.A. (in PLN million)

	1st half 2026	1st half 2025	Change (%)	2nd quarter 2026	1st quarter 2026
Revenues from contracts with customers, including:	**21 927**	**14 860**	**+47.6**	**11 434**	**10 493**
Cost of sales, selling costs and administrative expenses	**(16 325)**	**(13 319)**	**+22.6**	**(9 590)**	**(6 735)**
Profit or loss on sales (EBIT)	**5 602**	**1 541**	**×3.6**	**1 844**	**3 758**
Other operating income / (costs)	**2 132**	**(1 076)**	**×**	**1 652**	**480**
Finance income / (costs)	**(155)**	**169**	**×**	**(36)**	**(119)**
Profit or loss before income tax	**7 579**	**634**	**×12.0**	**3 460**	**4 119**
Income tax expense	(2 086)	(521)	×4.0	(935)	(1 151)
Profit/(loss) for the period	**5 493**	**113**	**×48.6**	**2 525**	**2 968**
Adjusted EBITDA	**6 558**	**2 431**	**×2.7**	**2 322**	**4 236**

Table 14. Main factors impacting the change in profit or loss of KGHM Polska Miedź S.A.

Item	Impact on change of profit or loss (in PLN million)	Description
Adjusted EBITDA	**+4 127**	An increase in EBITDA due to: – **+PLN 7 067 million** due to higher revenues from contracts with customers, described in more detail in section 4.2, – **-PLN 2 940 million** due to an increase in cost of sales, selling costs and administrative expenses regarding EBITDA, mainly due to an increase in inventories of half-finished products (higher copper anode inventories due to the maintenance shutdown at the Głogów Copper Smelter and Refinery). Detailed information on cost of sales, selling costs and administrative expenses may be found in section 4.3.
Fair value gains/losses on financial assets measured at fair value through profit or loss	**+1 835**	An increase in fair value gains/losses on financial assets measured at fair value through profit or loss, from -PLN 357 million to PLN 1 478 million, mostly with respect to loans granted (+PLN 1 893 million).
Exchange differences	**+652**	An increase in the result on exchange differences due to: – **+PLN 1 039 million** – a higher result on exchange differences presented in other operating income and costs, – **-PLN 387 million** – a lower result on exchange differences on the measurement and realisation of borrowings, presented in financial income and costs.
Impact of derivatives and hedging transactions (excluding adjustment due to hedging recognised in revenues from contracts with customers)	**+198**	Including an improvement in the result due to the measurement and realisation of derivatives in other operating activities by PLN 196 million, as well as PLN 2 million on the realisation of derivatives in financing activities.
Income tax	**(1 565)**	An increase in income tax, almost entirely as regards current income tax.
Other	**+133**	Other changes in the result, mainly in respect of: – **+PLN 68 million** – no impairment losses on shares in subsidiaries in the first half of 2026, – **-PLN 66 million** – a higher level of depreciation/amortisation, – **-PLN 62 million** – lower interest income on loans granted and other financial receivables, – **+PLN 49 million** – an increase in dividend income, – **+PLN 40 million** – lower interest on reverse factoring in the first half of 2026

Chart 11. Change in profit/(loss) for the period of KGHM Polska Miedź S.A. (in PLN million)



4.5. Capital expenditures

In the first half of 2026, capital expenditures on property, plant and equipment and intangible assets amounted to PLN 1 663 million and were higher by 10%.

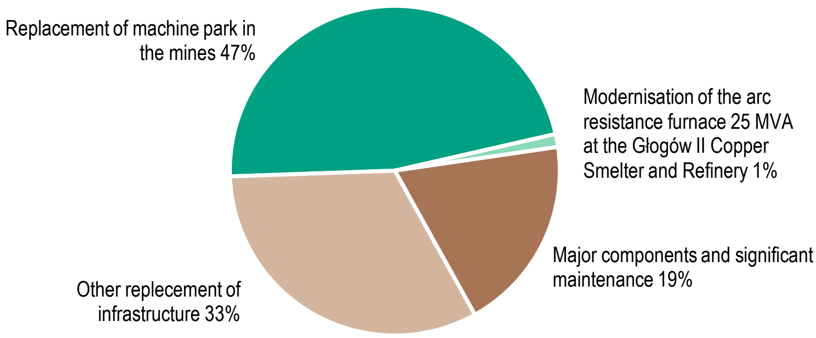
Table 15. Structure of expenditures on property, plant and equipment and intangible assets of KGHM Polska Miedź S.A. (in PLN million)

	1st half 2026	1st half 2025	Change (%)	2nd quarter 2026	1st quarter 2026
Mining	1 251	1 133	+10.4	649	602
Metallurgy	174	181	(3.9)	125	49
Other activities	14	9	+55.6	8	6
Borrowing costs	126	116	+8.6	62	64
Development work - uncompleted	1	-	×	1	-
Leases per IFRS 16	74	73	+1.4	47	27
Purchased CO_2 emission allowances	23	-	×	-	23
Total	**1 663**	**1 512**	**+10.0**	**892**	**771**

In the first half of 2026, capital expenditures in the segments mining, metallurgy and other activities were at the level of PLN 1 439 million. Investment activities comprised projects related to the replacement of equipment, maintenance and development as well as adaptation.

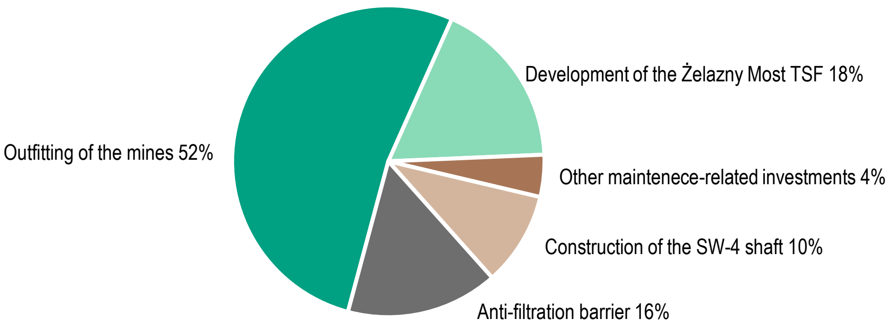
Projects related to replacement aimed at maintaining production equipment in an undeteriorated condition, represent 41% of expenditures incurred.

Chart 12. Structure of expenditures on replacement in KGHM Polska Miedź S.A.



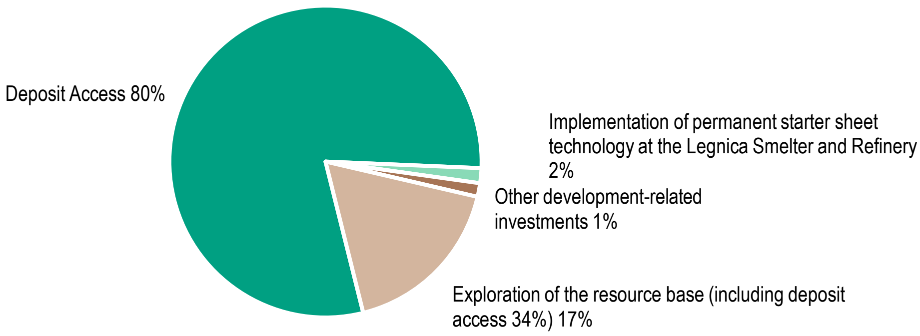
Projects related to maintenance aimed at maintaining production assets in an undeteriorated condition, represent 24% of expenditures incurred.

Chart 13. Structure of expenditures on maintenance in KGHM Polska Miedź S.A.



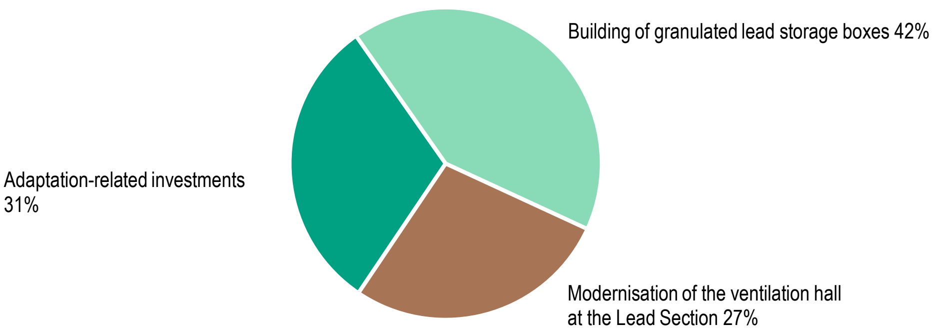
Development projects aimed at increasing or maintaining the current level of revenues from sales, implementation of technical and technological activities optimising use of existing infrastructure, decreasing operating costs, represent 34% of expenditures incurred.

Chart 14. Structure of expenditures on development in KGHM Polska Miedź S.A.



Adaptation projects aimed at adapting the company's operations to changes in laws, existing standards or other regulations, especially as regards occupational health and safety, securing property, cybersecurity, ethical and anti-corruption standards, environmental impact, quality standards and management systems, represent 1% of expenditures incurred.

Chart 15. Structure of expenditures on adaptation in KGHM Polska Miedź S.A.



Detailed information on the advancement of the main projects may be found in Section 1.1 Advancement of the Strategy in the first half of 2026 – key achievements.

5. RESULTS OF THE SEGMENT KGHM INTERNATIONAL LTD.

5.1. Production

Table 16. Production results of KGHM INTERNATIONAL LTD.

	Unit	1st half 2026	1st half 2025	Change (%)	2nd quarter 2026	1st quarter 2026
Payable copper, including:	**kt**	**19.3**	**29.2**	**(33.9)**	**9.3**	**10.0**
- Robinson mine (USA)	kt	17.7	27.8	(36.3)	8.5	9.2
Precious metals (TPM), including:	**koz t**	**15.5**	**25.3**	**(38.7)**	**7.2**	**8.3**

In the first half of 2026, the ore processed by the Robinson mine came from the Liberty pit, characterised by lower geological parameters compared to the ore extracted in the corresponding period of 2025, when the Ruth West 5 pit was being mined. The lower copper content in ore, as well as the decrease in copper recovery by the Robinson mine, represented the main reasons for the lower payable production by the segment KGHM INTERNATIONAL LTD. It should be noted that during this same period, copper production by the Carlota mine increased, however the share of this mine in copper production by the segment is small (8% in the first half of 2026).

5.2. Sales

Table 17. Volumes and sales revenues of KGHM INTERNATIONAL LTD. (in USD million)

	Unit	1st half 2026	1st half 2025	Change (%)	2nd quarter 2026	1st quarter 2026
Revenues from contracts with customers[11], including:	**USD mn**	**492**	**442**	+11.2	**247**	**245**
- copper	USD mn	261	265	(1.5)	135	126
- TPM – precious metals	USD mn	80	75	+6.7	32	48
Copper sales volume	kt	19.4	27.8	(30.2)	9.6	9.8
TPM sales volume	koz t	17.1	25.0	(31.6)	7.6	9.5
Revenues from contracts with customers	**PLN mn**	**1 788**	**1 712**	**+4.4**	**900**	**888**

The increase in revenues was mainly due to macroeconomic conditions - in the first half of 2026 metals prices remained at historically high levels. The price effect offset the impact of lower volumes of sales of copper and gold.

The impact of individual factors on the increase in revenues is discussed in the further parts of this Report.

5.3. Costs

The cost of sales, selling costs and administrative expenses amounted to USD 362 million (PLN 1 318 million), or 19% higher than the amount recorded in the first half of 2025.

Table 18. C1 payable copper production cost of KGHM INTERNATIONAL LTD.

	Unit	1st half 2026	1st half 2025	Change (%)	2nd quarter 2026	1st quarter 2026
Expenses by nature	USD mn	436	409	+6.6	226	210
Change in inventories and work in progress	USD mn	(12)	(59)	(79.7)	(1)	(11)
Capitalised stripping costs	USD mn	(62)	(46)	+34.8	(35)	(27)
Cost of sales, selling costs and administrative expenses	**USD mn**	**362**	**304**	**+19.1**	**190**	**172**
Cost of sales, selling costs and administrative expenses	PLN mn	1 318	1 179	+11.8	696	622
C1 payable copper production cost[(1]	**USD/lb**	**1.25**	**0.99**	**+26.3**	**1.81**	**0.70**

The main reason for the increase in cost of sales, selling costs and administrative expenses by USD 58 million was the settlement of inventory costs in a lower amount than in the first half of 2025.

The increase in cash costs, alongside the decrease in copper sales volume, had an unfavourable impact on the level of C1 unit copper production cost, which after the first 6 months of 2026 was above the level of the prior year (higher by 26%).

[11] *Includes processing premium*

5.4. Financial results

Table 19. Financial results of KGHM INTERNATIONAL LTD. (in USD million)

	1st half 2026	1st half 2025	Change (%)	2nd quarter 2026	1st quarter 2026
Revenues from contracts with customers	**492**	**442**	+11.3	**247**	**245**
Cost of sales, selling costs and administrative expenses[12], including:	(362)	(304)	+19.1	(190)	(172)
- (recognition)/reversal of impairment losses on non-current assets	-	(0)	x	-	-
Profit/(loss) on sales	**130**	**138**	**(5.8)**	**57**	**73**
Share of profits/losses of joint ventures accounted for using the equity method	**160**	**-**	**x**	**99**	**61**
Profit/(loss) for the period	**576**	**141**	**x 4.1**	**452**	**124**
Depreciation/amortisation	(86)	(97)	(11.3)	(43)	(43)
Adjusted EBITDA	**216**	**235**	**(8.1)**	**100**	**116**

Table 20. Financial results of KGHM INTERNATIONAL LTD. (in PLN million)

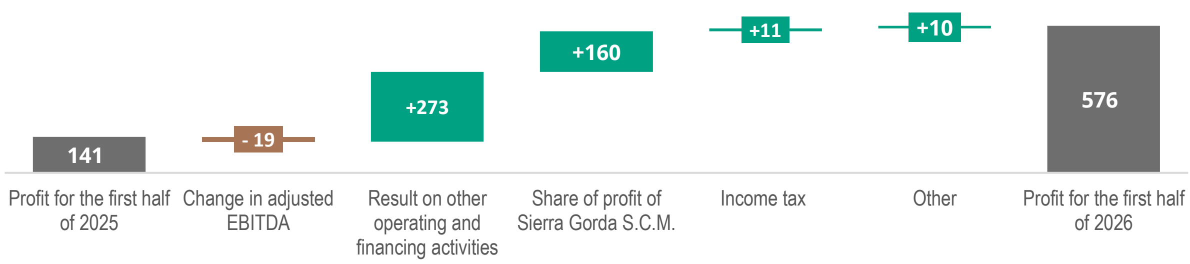
	1st half 2026	1st half 2025	Change (%)	2nd quarter 2026	1st quarter 2026
Revenues from contracts with customers	**1 788**	**1 712**	+4.4	900	888
Cost of sales, selling costs and administrative expenses[6], including:	(1 318)	(1 179)	+11.8	(696)	(622)
- (recognition)/reversal of impairment losses on non-current assets	-	(1)	x	-	-
Profit/(loss) on sales	**470**	**533**	(11.8)	**204**	**266**
Share of profits/losses of joint ventures accounted for using the equity method	**580**	**-**	x	**359**	**221**
Profit/(loss) for the period	**2 097**	**546**	**x 3.8**	**1 649**	**448**
Depreciation/amortisation	(312)	(376)	(17.0)	(156)	(156)
Adjusted EBITDA	**782**	**910**	**(14.1)**	**360**	**422**

Table 21. Main factors impacting the change in profit or loss of KGHM INTERNATIONAL LTD.

Item	Impact on change of profit or loss (in USD million)	Description
Adjusted EBITDA	**(19)**	**+USD 50 million** – an increase in revenues, including mainly due to higher metals prices (+USD 127 million), higher revenues from mining services carried out by DMC (+USD 42 million) as well as a favourable situation on the copper concentrates market, as demonstrated by the drop in TC/RC premiums (+USD 10 million). Negative impact (-USD 130 million) came from a decrease in sales volumes (-8.4 thousand tonnes of copper; -7.9 thousand troy ounces of TPM).
		-USD 69 million – higher costs reducing adjusted EBITDA, including -USD 47 million due to a lower negative change in inventories (-USD 12 million versus -USD 59 million in the first half of 2025). Also higher were the costs of mining services carried out by DMC due to an increase in operating activities compared to the corresponding period of 2025.
Result on other operating and financing activities	**+273**	**+USD 118 million** – gain on a reversal of allowances for impairment of loans granted to Sierra Gorda S.C.M. (USD 161 million versus USD 42 million in the first half of 2025).
		+USD 175 million – gains on revaluation of loans (USD 213 million versus USD 38 million in the prior year).
		-USD 20 million – other
Share of profits of investments accounted for using the equity method	**+160**	Participation in the profits of Sierra Gorda S.C.M. earned in the first half of 2026 (in the corresponding half-year of 2025 there was no share in gains/losses of a joint venture).
Income tax	**+11**	**-USD 17 million** – change in current income tax (USD 23 million versus USD 6 million)
		+USD 28 million – change in deferred income tax (USD 10 million versus USD 38 million)
Other	**+10**	Mainly lower depreciation/amortisation

[12] *Cost of products, merchandise and materials sold, selling costs and administrative expenses*

Chart 16. Change in profit/(loss) for the period of KGHM INTERNATIONAL LTD. (in USD million)



5.5. Cash expenditures

Table 22. Cash expenditures of KGHM INTERNATIONAL LTD. (in USD million)

	1st half 2026	1st half 2025	Change (%)	2nd quarter 2026	1st quarter 2026
Victoria project	33	33	x	14	19
Stripping and other	87	71	+22.5	52	35
Total	**120**	**104**	**+15.4**	**66**	**54**

Table 23. Cash expenditures of KGHM INTERNATIONAL LTD. (in PLN million)

	1st half 2026	1st half 2025	Change (%)	2nd quarter 2026	1st quarter 2026
Victoria project	118	128	(7.8)	49	69
Stripping and other	317	277	+14.4	191	126
Total	**435**	**405**	**+7.4**	**241**	**194**

The increase in cash expenditures is mainly due to the impact of a higher scope of stripping at the Robinson mine.

6. RESULTS OF 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 presented on a 100% basis for the joint venture and proportionally to the interest in the company Sierra Gorda S.C.M. (55%), pursuant to the presentation of data in the note of the consolidated financial statements concerning the operating segments.

6.1. Production

Table 24. Production of copper, molybdenum and precious metals by Sierra Gorda S.C.M.[13]

	Unit	1st half 2026	1st half 2025	Change (%)	2nd quarter 2026	1st quarter 2026
Copper production	kt	73.0	77.1	(5.3)	35.5	37.5
Copper production – segment (55%)	kt	40.2	42.4		19.6	20.6
Molybdenum production	mn lb	3.3	3.1	+6.5	1.6	1.7
Molybdenum production – segment (55%)	mn lb	1.8	1.7		0.9	0.9
TPM production – gold	koz t	16.8	26.8	(37.3)	8.6	8.2
TPM production – gold – segment (55%)	koz t	9.3	14.7		4.8	4.5

In the first half of 2026, a lower amount of ore was extracted than was targeted in the budget, which was a result of intensive rainfall in the first quarter of 2026. Also of significance was the quality of the processed ore and the resulting decrease in copper recovery. Consequently, the result of the aforementioned factors was that, despite an increase in copper content in processed ore, the amount of payable copper in concentrate was lower than in the corresponding half-year 2025 by more than 5%.

6.2. Sales

Revenues from sales in the first half of 2026 amounted to USD 1 281 million (on a 100% basis), or PLN 2 563 million respectively to the 55% interest held by KGHM Polska Miedź S.A.

Table 25. Volume and sales revenues of Sierra Gorda S.C.M.

	Unit	1st half 2026	1st half 2025	Change (%)	2nd quarter 2026	1st quarter 2026
Revenues from contracts with customers[14], including from the sale of:	**USD mn**	**1 281**	**951**	**+34.7**	**717**	**564**
- copper	USD mn	1 009	782	+29.0	568	441
- molybdenum	USD mn	114	58	+96.6	73	41
- TPM (gold)	USD mn	82	89	(7.9)	42	40
Copper sales volume	kt	72.3	77.8	(7.1)	38.4	33.9
Molybdenum sales volume	mn lb	3.8	2.8	+35.7	2.3	1.5
TPM sales volume (gold)	koz t	16.4	27.2	(39.7)	9.3	7.1
Revenues from contracts with customers[8] - segment (55%)	**PLN mn**	**2 563**	**2 027**	**+26.5**	**1 439**	**1 124**

In the second quarter of 2026, market conditions remained good, as reflected by the increase in copper and molybdenum prices compared to the first quarter of 2026. As a result, the effective sales prices obtained by Sierra Gorda S.C.M. in the first half-year were substantially higher than in the corresponding period of 2025. The higher revenues in this regard offset the impact of the lower sales volumes of copper and gold.

The impact of individual revenue factors is presented below in the section on factors impacting the change in the net results.

[13] Payable metal in concentrate
[14] Reflecting treatment/refining and other charges

6.3. Costs

The cost of sales, selling costs and administrative expenses amounted to USD 709 million, while proportionally to the interest held (55%) the costs of the segment amounted to PLN 1 419 million.

Table 26. Cost of sales, selling costs and administrative expenses and C1 payable copper production cost of Sierra Gorda S.C.M.

	Unit	1st half 2026	1st half 2025	Change (%)	2nd quarter 2026	1st quarter 2026
Expenses by nature	USD mn	902	718	+25.5	456	446
Change in products and work in progress	USD mn	12	4	x 3.5	32	(20)
Stripping costs	USD mn	(205)	(184)	+11.4	(115)	(90)
Cost of sales, selling costs and administrative expenses	**USD mn**	**709**	**538**	+31.8	**373**	**336**
Cost of sales, selling costs and administrative expenses - segment (55%)	**PLN mn**	**1 419**	**1 147**	**+23.7**	**750**	**669**
C1 payable copper production cost[2]	**USD/lb**	**0.86**	**1.12**	**(23.2)**	**0.72**	**1.02**

The following factors had the greatest impact on the increase in costs by USD 171 million (+32%):

- external services – an increase by USD 21 million, mainly due to higher rates in spot service contracts, a higher scope of conservation and maintenance work, including due to elimination of the impact of the heavy rainfall in the first quarter,
- depreciation/amortisation – an increase by USD 59 million, including by USD 39 million with respect to depreciation/amortisation of capitalised stripping costs,
- labour costs – an increase by USD 68 million, mainly due to payment of a bonus in accordance with signed wage agreements,
- fuel and oils – an increase in costs by USD 17 million due to higher fuel prices resulting from the conflict in the Middle East.

It should be noted that during this same period (first half of 2026 /2025) C1 unit copper production cost decreased, caused by an increase in total revenues from sales of silver and molybdenum due to market conditions (proceedings from sales of metals other than copper are deducted in calculating C1). This cost, prior to reduction by the value of associated metals, amounted to 2.52 USD/lb versus 2.10 USD/lb in the first half of 2025.

6.4. Financial results

Adjusted EBITDA for the first half of 2026 amounted to USD 829 million, of which proportionally to the interest held (55%) PLN 1 659 million is attributable to the KGHM Group.

Table 27. Results of Sierra Gorda S.C.M. in USD million (on a 100% basis)

	1st half 2026	1st half 2025	Change (%)	2nd quarter 2026	1st quarter 2026
Revenues from contracts with customers	1 281	**951**	+34.7	717	564
Cost of sales, selling costs and administrative expenses	(709)	(538)	+31.8	(373)	(336)
Profit/(loss) on sales	**572**	413	**+38.5**	**344**	**228**
Profit/(loss) for the period	**290**	**171**	**+69.6**	**179**	**111**
Depreciation/amortisation	(257)	(197)	+30.5	(130)	(127)
Adjusted EBITDA	**829**	**610**	**+35.9**	**474**	**355**

Table 28. Results of the segment Sierra Gorda S.C.M. proportionally to the interest held (55%) in PLN million

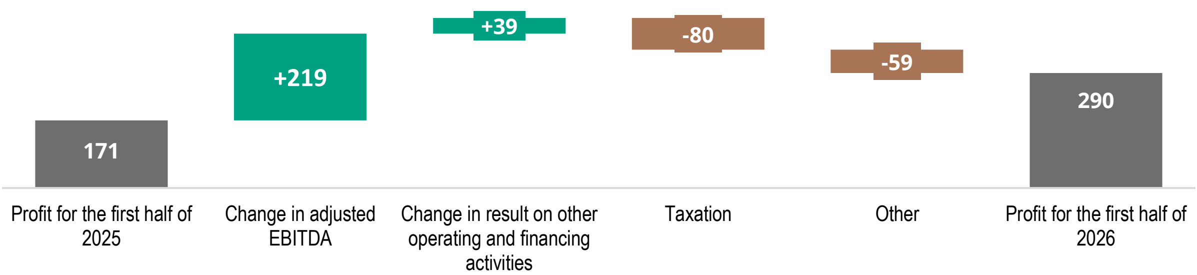
	1st half 2026	1st half 2025	Change (%)	2nd quarter 2026	1st quarter 2026
Revenues from contracts with customers	2 563	2 027	+26.5	1 439	1 124
Cost of sales, selling costs and administrative expenses (prior to reversal of impairment loss as regards 2023)	(1 419)	(1 147)	+23.7	(750)	(669)
Profit/(loss) on sales	**1 144**	**880**	**+30.0**	**689**	**455**
Profit/(loss) for the period	**580**	**364**	**+59.3**	**359**	**221**
Depreciation/amortisation	(515)	(422)	+22.0	(263)	(252)
Adjusted EBITDA	**1 659**	**1 302**	**+27.4**	**952**	**707**

The impact of the main factors, including EBITDA, on the increase in profit for the period is presented in the table below.

Table 29. Main factors impacting the change in profit or loss of the segment Sierra Gorda S.C.M.

Item	Impact on change of profit or loss (in USD million)	Description
Adjusted EBITDA	**+219**	**+USD 330 million** – higher revenues due to higher metals prices (+USD 381 million including Mark to Market valuation) as well as more favourable TC/RC refining premium (+USD 19 million), with negative impact from a lower copper sales volume (-USD 70 million).
		-USD 111 million – higher costs (excluding depreciation/amortisation)
Result on other operating and financing activities	**+39**	**+USD 9 million** – foreign exchange gains (+USD 2 million) versus losses in the first half of 2025 (-USD 7 million).
		+USD 29 million – lower interest on the Owner loan and commercial loans
		+USD 1 million - other
Taxation	**(80)**	higher taxation due to higher operating results
Other	**(59)**	higher depreciation/amortisation, mainly as regards capitalised stripping costs (-USD 39 million).

Chart 17. Change in profit/loss for the period (in USD million)



6.5. Cash expenditures

Cash expenditures presented in the cash flow statement of Sierra Gorda S.C.M. amounted to USD 275 million, i.e. at the level of 6% higher than the level recorded in the first half of 2025, with the increase mainly due to higher unit mining cost, being the basic measurement of capitalised stripping costs.

Table 30. Cash expenditures of Sierra Gorda S.C.M.

	Unit	1st half 2026	1st half 2025	Change (%)	2nd quarter 2026	1st quarter 2026
Cash expenditures on property, plant and equipment	USD mn	275	260	+5.8	155	120
Cash expenditures on property, plant and equipment – segment (55%)	PLN mn	550	553	(0.5)	311	239

Cash flow generated from operating activities amounted to USD 825 million, which entirely covered investment and financial expenditures, including USD 490 million due to repayment of interest on the owner loan, of which USD 270 million was attributable to the KGHM Group. In the corresponding period of 2025, payments to the owners due to the loan granted amounted to respectively USD 200 million and USD 110 million, proportionally to the KGHM Group's share.

7. RESULTS OF THE REPORTING SEGMENT OTHER SEGMENTS

Companies included in other segments are entities with very diversified business activities. They comprise companies supporting the core business and others of a non-operating nature or playing an important role in fulfilling the policy of corporate social responsibility.

7.1. Revenues

Table 31. Revenues from contracts with customers of companies within the KGHM Group – excluding intra-segment revenues (in PLN million)

	1st half 2026	1st half 2025	Change %	2nd quarter 2026	1st quarter 2026
Metraco S.A.	4 655	3 020	+54.1	2 364	2 291
Mercus Logistyka Sp. z o.o.	604	627	(3.7)	317	286
PeBeKa S.A.	543	477	+13.9	274	269
Energetyka Sp. z o.o.	525	457	+14.9	292	233
KGHM ZANAM S.A.	435	403	+7.9	191	243
Centrozłom Wrocław S.A.	229	286	(19.9)	135	94
NITROERG S.A.	273	268	+1.7	139	134
WPEC S.A. w Legnicy	216	190	+13.8	73	143
Miedziowe Centrum Zdrowia S.A.	197	191	+3.2	90	107
POL - MIEDŹ TRANS Sp. z o.o.	133	129	+3.0	68	65
Other	515	522	(1.3)	289	226
TOTAL	**8 325**	**6 570**	**+26.7**	**4 234**	**4 091**

Information on the activities of the Group's main companies may be found in 1.1.7 Our Assets, in The Management Board's Report on the activities of KGHM Polska Miedź S.A. and the KGHM Polska Miedź S.A. Group in 2025.

7.2. Financial results

Table 32. Financial results of other segments – prior to consolidation adjustments (in PLN million)

	1st half 2026	1st half 2025	Change (%)	2nd quarter 2026	1st quarter 2026
Revenues from contracts with customers	8 325	6 570	+26.7	4 234	4 091
- including from external clients	1 329	1 293	+2.8	658	671
Cost of sales, selling costs and administrative expenses	(8 295)	(6 502)	+27.6	(4 220)	(4 075)
Profit/(loss) or loss on sales	**30**	**68**	**(55.9)**	**14**	**16**
Profit/(loss) for the period	**15**	**55**	**(72.7)**	**11**	**4**
Depreciation/amortisation recognised in expenses by nature	(170)	(152)	+11.8	(86)	(84)
Adjusted EBITDA	**199**	**220**	**(9.5)**	**100**	**99**

Other segments recorded a profit for the first half of 2026, prior to recognition of consolidation adjustments, in the amount of PLN 15 million, or a deterioration compared to the first half of 2025 by PLN 40 million (profit for the first half of 2025 amounted to PLN 55 million). This profit for the period is comprised of the profits/losses of individual companies of the KGHM Group after eliminating turnover between companies within the same segment.

The highest profit for the period was achieved by the following companies: Energetyka Sp. z o.o. (PLN 16 million), NITROERG S.A. (PLN 12 million), KGHM ZANAM S.A. (PLN 14 million), KGHM Metraco S.A. (PLN 12 million) as well as PMT Linie Kolejowe Sp. z o. o. (PLN 5 million). The worst results were recorded by PeBeKa S.A. (-PLN 13 million), KGHM CUPRUM Sp. z o. o. (-PLN 6 million) and Centrozłom Wrocław S.A. (-PLN 6 million).

8. RISK MANAGEMENT IN THE GROUP

The KGHM Polska Miedź S.A. Group defines risk **as the impact of uncertainty, being an integral part of the activities conducted and having the potential to result in both opportunities and threats to achievement of the business goals**.
The **current and future, actual and potential impact of risk** on the KGHM Polska Miedź S.A. Group's activities is assessed. Based on this assessment, management practices are reviewed and adjusted in terms of responses to risk.

- Under the implemented Corporate Risk Management Policy and Procedure and the Rules of the Corporate Risk and Compliance Committee in force, the process of corporate risk management in the KGHM Polska Miedź S.A. Group is consistently performed.
- KGHM Polska Miedź S.A. oversees the process of managing corporate risk in the KGHM Polska Miedź S.A. Group, while in the companies of the KGHM Polska Miedź S.A. Group, documents regulating the management of this area are consistent with those of the Parent Entity.
- The realisation of the aforementioned Policy and Procedure and approval of their updating is made at the level of the Management Board of KGHM Polska Miedź S.A. following recommendations by the Corporate Risk and Compliance Committee.
- The system of managing risk and the system of managing compliance are subjected to an efficiency audit compliant with the guidelines of "Best Practice for GPW Listed Companies 2021" on an annual basis.
- Risk factors in various areas of the KGHM Polska Miedź S.A. Group's operations are continuously identified, assessed and analysed in terms of their possible limitation.
- All key risk factors in the KGHM Polska Miedź S.A. Group undergo in-depth analysis in order to develop a Risk Response Plan and Corrective Actions. Other undergo monitoring by the Department of Corporate Risk Management and Compliance, and in terms of financial risk by the division of the Executive Director for Financial Management.
- The reporting of key types of corporate risk of the KGHM Polska Miedź S.A. Group is performed cyclically to the Management Board of KGHM Polska Miedź S.A. and to the Audit Committee of the Supervisory Board of KGHM Polska Miedź S.A.

The Company publishes key documents concerning risk and risk management on its corporate website under the tab Risk management, while those of only an internal nature are published through internal IT systems available to employees. Publicly-available documents on the subject of corporate risk management may also be addressed to various external stakeholder groups as part of establishing business relationships. Operational documents developed at individual stages of the risk management process are addressed to those persons who are directly engaged in carrying out this process within the KGHM Polska Miedź S.A. Group.

The Company has implemented a comprehensive business continuity management system, which also enables a detailed breakdown of the scope of actions undertaken as regards managing corporate risk in terms of the risk of a catastrophic impact and the limited probability of occurrence. In 2025, the first oversight audit of the ISO 22301-compliant Business Continuity Management System ("BCMS") was conducted in KGHM Polska Miedź S.A. The audit covered the Divisions of KGHM Polska Miedź S.A. where the production processes comprising the core business and the Head Office are carried out. The documentation in force as part of the BCMS sets forth the principles and requirements to build the resilience of KGHM Polska Miedź S.A. as regards catastrophic events by sorting out and unifying the current approach to management of the risk of loss of operational continuity of the core production business and preparing for unforeseen events.

The corporate risk management process adopted in the KGHM Polska Miedź S.A. Group is inspired by the solutions adopted by the ISO 31000 standard, best practice in risk management and the specific nature of the Group, and is comprised of the following steps:

Diagram 1. Corporate risk management process in the KGHM Polska Miedź S.A. Group

STEP 1 **Defining the Context**	The first step in the process is comprised of three actions: defining the external context, the internal context and the risk management context. The external context is the environment in which the KGHM Polska Miedź S.A. Group advances its Strategy. Here the definition needs to update the understanding of the social, political, legal, regulatory, financial, economic and technological aspects of the environment which affect its activities. During this step also assessed, based on the results of scenario analysis, are the most important factors for transitioning to a low-emission economy and the paths of climate change and weather models, which are processed in subsequent steps of the process. During the process of defining the internal context, goals are analysed (strategic/business), changes in the organisational structure are planned and performed, new areas of activities, projects, etc. The last part of this step is to define the risk management context, which comprises the setting or updating of goals, the scope, responsibilities and procedures and methodologies applied in the risk management process.
STEP 2 **Identification and Evaluation**	In this step of the process risks which could impact the achievement of goals at the level of the KGHM Polska Miedź S.A. Group are identified and evaluated. The main task in this step is to prepare a complete list of threats which could facilitate, impede, accelerate or delay the achievement of goals. Each identified risk is assigned to a category and a sub-category in the form of a Risk Model, which provides the KGHM Polska Miedź S.A. Group with a consistent risk taxonomy. The following input parameters, data sources and assumptions are used as part of the identification and evaluation: – results of the context analysis, – risk model - a key tool in the context of ensuring that the list of risks is complete, – the results of audits and other control tasks identifying potential new risks in operational areas, – incidents that occurred in the past in connection with the identified risks, non-standard events that caused the risk to materialise and had an actual (loss or gain) or potentially positive or negative impact on the achievement of objectives, – events that may result from the materialisation of risks and their potential consequences, – ESG risk factors, – the approach of the most likely loss or gain rather than the greatest possible loss or gain when assessing risk. When identified, each corporate risk is subjected to assessment using the Risk Assessment Matrix, which provides scaled assessment ranges for the scale of impact, vulnerability and probability. A risk may have various effects, and therefore in order to ensure the broadest possible recognition of potential impact and the limitation of subjective evaluation, the following Impact evaluation measures have been defined: – **finance** – impact of the effects of a given risk in its financial aspect by applying value ranges, – **strategy** – evaluation of the risk's impact on the ability to achieve strategic goals, – **reputation and stakeholders** – impact of the risk on the Company's reputation, trust in the brand, investor relations, relations with stakeholders, also including the context of the effectiveness of actions related to building a responsible business and sustainable development, – **health and safety** – direct impact on health and safety and human life, – **natural environment** – impact of the materialisation of risk on the natural environment, the functioning of the ecosystem and the time required to restore the disturbed balance, – **regulations and laws** – evaluation of the compliance of events with existing laws, with the need to participate in proceedings before bodies of public administration of a supervisory and regulatory nature as well as potential sanctions as a result of such proceedings, – **operational continuity** – evaluation of the impact of risk on interruptions to activities resulting in significant/irreversible effects and loss of access to information important from the point of view of conducted activities. The results of the identification and evaluation of risk are presented in a graphic form, i.e. Risk Maps. These provide a profile of the given risk and support the process of identifying the key risk.

STEP 3 **Analysis and Response**	The goal of this step is to deepen knowledge and to understand the specific nature of the types of key risks identified in the previous step. Cause and effect analyses and a more substantive description of the means of dealing with risk are aimed at facilitating decision making on whether to maintain or eventually change current actions. The following input parameters, data sources and assumptions are used as part of this step for the purpose of determining the risk management methods: – results of the previous stages of the process, including the identified ESG risk factors, – a comprehensive approach that takes into account points of contact with other areas, outside the Risk Owner's area of competence, where the effects of risk materialisation may still be significant or even greater than in the Risk Owner's area, – an overview of the current approach to risk, – an analysis to identify potential gaps in the way risks are managed in order to determine the necessary adaptation measures. A directional decision is called a response to risk. A change in the approach requires specification of corrective actions, i.e. organisational, process, systemic and other changes aimed at reducing the level of key risks. As a consequence of decisions regarding the acceptance of actions identified in response to risks, the necessary financial, human or investment resources are provided as required. During this step KRIs – Key Risk Indicators – are also defined, i.e. a set of business process parameters or environmental parameters which reflect changes to a given risk profile.
STEP 4 **Monitoring and Communication**	The goal of this step is to ensure that the adopted risk response plan is effective (ad hoc and periodic reports), new risk categories are identified (updating of the risk registry), changes in the internal and external environments and their impact on activities are identified, and appropriate actions are taken in response to incidents (updating of information on Incidents). Effective, well-planned and properly executed risk monitoring enables flexible and quick reactions to the changes occurring in the external and internal environments (e.g. risk escalation, changes in the measures related to risk response, or risk assessment parameters, etc.). Realisation of this step guarantees that risk management in the KGHM Polska Miedź S.A. Group fulfils the expectations of the Management Board of KGHM Polska Miedź S.A., the Audit Committee of the Supervisory Board of KGHM Polska Miedź S.A. and other stakeholders by supplying reliable information about risk, continuous improvement and adaptation of the quality and effectiveness of risk response to the demands of the external and internal context.

Diagram 2. Organisational structure of risk management in KGHM Polska Miedź S.A.

Supervisory Board (Audit Committee)					
Performs annual assessment of the effectiveness of the risk management process and monitors the level of risk and ways to address it.					
Management Board					
Has ultimate responsibility for the risk management system and supervision of its individual elements.					
1st line of defence	**2nd line of defence**				**3rd line of defence**
Management	**Risk Committees**				**Audit**
Managers are responsible for identifying, assessing and analysing risk and for the implementation, within their daily duties, of responses to risk. Managers are tasked with ongoing supervision over the application of appropriate responses to risk within the realised tasks, to ensure the expected level of risk is not exceeded.	Support the effectiveness of the risk management process.				The Internal Audit Plan is based on assessing risk and subordinated to business goals, the current level of risk and the degree of efficiency of its management is assessed.
	Corporate Risk and Compliance Committee	Market Risk Committee	Credit Risk Committee	Financial Liquidity Committee	
	Manages corporate risk and continuously monitors key risk	Manages risk of changes in metals prices (e.g.: copper and silver), other merchandise (including energy), as well as exchange and interest rates	Manages risk of failure of customers to meet their obligations	Manages risk of loss of liquidity, understood as the ability to pay current liabilities on time and to carry out necessary purchases as well as the ability to rapidly obtain financing for operations	
	Corporate Risk Management Policy Compliance Management Policy Operational Continuity Management Policy	Market Risk Management Policy	Credit Risk Management Policy	Financial Liquidity Management Policy	Internal Audit Rules
	Director of the Corporate Risk Management and Compliance Department	Executive Director for Financial Management			Executive Director for Internal Audit
	Reports to the Management Board	***Reports to the Vice President of the Management Board (Finance)***			***Reports to the President of the Management Board***

Corporate risk – key risks, risk factors and mitigation

A comprehensive approach to risk management is consistent across the KGHM Polska Miedź S.A. Group and it was designed in such a way as to support the building of a resistant corporate structure.

The comprehensive approach in this area is also reflected in the actions taken by KGHM in the reporting period regarding **risks associated with the ESG area,** i.e. environmental, social and corporate governance issues. The approach to ESG risk management is further described in The Management Board’s Report on the activities of KGHM Polska Miedź S.A. and the KGHM Polska Miedź S.A. Group in 2025, in section 4.1.1 IRO -1 Description of the process of identification and assessment of significant impact, risks and opportunities and SBM-3 Material impacts, risks and opportunities and their links with the strategy and business model.

KGHM Polska Miedź S.A., as part of its risk management, **takes into account issues related to climate change** in accordance with best practices and standards and distinguishes a category of climate risk, the significance of which is equivalent for the Company to the other categories of risk. In The Management Board’s Report on the activities of KGHM Polska Miedź S.A. and the KGHM Polska Miedź S.A. Group in 2025, in section 4.1.1 GOV-5 Risk management and internal controls over sustainability reporting, we describe in more detail our climate risk management strategy, which is one of the elements of the Company's commitment to operational excellence and its mission to act in accordance with sustainable business principles.

The **Risk Model** is a tool used to identify risk in the KGHM Polska Miedź S.A. Group. Its structure is based on the sources of risks and is divided into the following six categories: Technological, Value Chain, Market, External, Internal and Climate. Several dozen sub-categories have been identified and defined for each of these categories, covering particular areas of the operations or management. The KGHM Polska Miedź S.A. Group applies due diligence when undertaking actions aimed at minimising exposure to risk by lowering vulnerability to individual risk factors and reducing the probability of the materialisation of events which such factors could induce.

The KGHM Polska Miedź S.A. Group, as part of the improvement of the corporate risk management process, applies a **two-track approach** consisting not only of limitation of the risk and minimisation its negative effects, but also in optimisation of the ability to accept risks and the effectiveness of the tools used and their profitability. The two-track approach is also **reflected in the assessment of dual materiality performed as part of the ESG risk analysis**, where both the materiality of KGHM's impact on humans and the environment, but also financial materiality, understood as the impact of climate change and sustainable development issues on KGHM, are assessed.

Diagram 3. Risk categories in the Risk Model of KGHM Polska Miedź S.A. and their definitions

Technology

This category is associated with changes in competitiveness resulting from the application of industrial technology, IT, innovation management, protecting and/or managing intellectual property as well as the impact of investment projects involving productivity and technology quality, or changes in the quality and efficiency of IT infrastructure affecting business units, support functions and infrastructure.

Value chain

This category is associated with changes in the operational efficiency of logistics and warehousing in the production process and in providing services, in managing sales, in managing waste and restoration as well as being correlated with the process of managing the supply chain, the availability of utilities and materials in the production process, changes in the evaluation and management of mineral deposit resources, or the advancement of research and exploration projects.

Market

This category is associated with changes in the value of assets, the level of liabilities or profit and loss resulting in a change in the sensitivity to interest rates, currencies, liquidity, inflation rates, customer insolvency, commodities prices, energy and property rights. This category also involves changes in the impact of demand and supply on the products of the KGHM Polska Miedź S.A. Group, the selection of appropriate tools to advance the marketing strategy, changes in expected rates of return on equity investments or the efficiency of transferring risk to the insurer.

External

This category is associated with the conditions involved in conducting activities resulting from changes in economic conditions, changes in laws and regulations (compliance), political decisions, changes in the natural environment as well as catastrophic natural events and force majeure. This category also comprises changes in market share or margins due to changes in the competitive environment or substitutes, the risk of the result of decisions in the courts or arbitration proceedings, the risk of unfavourable administrative decisions, changes in obligations, the designation of tax liabilities or their payment deadlines.

Internal

This category is associated with changes in an entity's activities affected by changes in its structure, organisation, procedures, processes or business model, as well as the risk of changes in corporate image, its products or services, the effectiveness of principles of proceedings related to ethics and anti-corruption, company's interests, or safeguards against loss of confidentiality, integrity, availability and authenticity of informational assets.

Climate

This category is associated with climate-related risk (climate risk) and its impact on the KGHM Polska Miedź S.A. Group's business activities, comprising physical risk (violent and chronic) and risk associated with transition to a low-carbon economy (regulatory, reputational, market and technological).

A detailed description of key risks of the KGHM Polska Miedź S.A. Group, mitigation actions and an identification of the specific risk for the Parent Entity and the KGHM INTERNATIONAL LTD. Group, was presented in the Management Board's Report on the activities of KGHM Polska Miedź S.A. and the KGHM Polska Miedź S.A. Group in 2025 in section 1.5 Risk Management.

Information on the impact of armed conflicts on the functioning of the Company and Group

The situation as regards the war in Ukraine as well as the conflict in the Middle East did not have a substantial, direct impact on the activities of the Company and Group in the first half of 2026. Detailed information on this impact and the related risks is presented in Note 5.6 of the condensed consolidated financial statements.

Compliance

The KGHM Polska Miedź S.A. Group has a compliance system which is an important element of management under the area of corporate governance, among others by more efficient reaction to and preparedness for regulatory changes, caring about the Company's reputation and building an ethical culture in the organisation and increasing awareness and a feeling of responsibility for compliance amongst employees.

As regards development of the process of managing compliance in the first half of 2026, the **Compliance Management Policy in the KGHM Polska Miedź S.A. Group together with a Compliance Management Procedure and Methodology in KGHM Polska Miedź S.A**. was updated. The compliance management process, which is related to the corporate risk management process in the KGHM Group, is an important business tool used to counter the occurrence of events which could lead to sanctions.

The KGHM Polska Miedź S.A. Group defines compliance as meeting:

- **Requirements,** i.e. obligations arising from External Regulations in force and permits, licences and other forms of rights issued on their basis, as well as voluntarily-adopted legal obligations and standards, the failure to comply with which could lead to sanctions.
- **Other requirements,** i.e. obligations arising from internal rules adopted at the corporate level which create specified duties for individual organisational units.

Registries are also maintained which contain Requirements in force arising from identified external regulations determining the regulatory situation of the KGHM Polska Miedź S.A. Group in terms of its various operational aspects, as well as permanent monitoring of Requirements projects at various stages of the legislative process in key areas. The identified external regulations are accompanied by a registry of related regulations regarding the internal legal state of entities of the KGHM Polska Miedź S.A. Group. This approach enables the systematic identification, evaluation and analysis of the risk of loss of compliance or potential non-compliance with generally-prevailing law, internal-corporate regulations and voluntarily-adopted legal obligations and standards in force, including ethical norms, in order to design and implement actions ensuring compliance as a result of this process.

The above is aimed at ensuring that the KGHM Polska Miedź S.A. Group has up-to-date information regarding non-compliance, the risk of loss of compliance and its impact on the organisation, which ensures the creation and protection of shareholder value by establishing a consistent approach to ensuring compliance and avoiding non-compliance or the risk of loss of compliance, as well as supporting the achievement of business goals by implementing tools to minimise the risk of sanctions.

The process of managing compliance is also a valuable tool under the broadly-defined actions carried out in the area of **sustainable development**. The identification of external Requirements, which creates an obligation as regards maintaining a proper approach to questions related with sustainable development, including also Requirements with reference to reporting standards as regards sustainable development, enables the comprehension and adaptation of the Company's actions to a dynamic regulatory environment in this regard.

The identification of Requirements related with individual areas which comprise ESG, i.e. environment, social and corporate governance, as well as the appropriate management of data acquired at various stages of the compliance management process, such as information about incidents, the risk of loss of compliance or non-compliance, are an element in the approach based on due diligence in conducting activities in accordance with sustainable development principles.

The compliance management process adopted in the KGHM Group, presented in the Policy and Procedure, is also inspired by solutions adopted in the ISO 37301 standard, best practice in management compliance and the nature of the KGHM Group, and comprises the following steps:

STEP 1 **Defining the Context**	The goal of this step is to collect required information to conduct a cyclical Process of compliance management and its constant improvement by among others: updating the adopted approach and the method of acting based on the knowledge and experience of the participants of this process, the results of monitoring, including internal and external audits, internal and external controls, reviews and verifications conducted by external entities. Defining the Context is comprised of **three actions**: – defining the external context, – internal context, and – the compliance management context.
STEP 2 **Identification and Evaluation**	The goal of this step is to evaluate the degree of fulfilment of the Requirement, to evaluate the impact of the Requirements and to prepare, based on the collected information, a **Radar of Compliance of the KGHM Group Polska Miedź S.A.** The evaluation is made by applying an **Impact Evaluation Matrix**, which contains a scaled breakdown of evaluations, according to which an evaluation of the impact of the Requirements is carried out, with degrees of fulfilment defined as „unfulfilled", „partially fulfilled" and „potentially unfulfilled". The Impact Evaluation Matrix identifies **5 levels of materiality** (5-point evaluation scale), where 1 is the lowest and 5 is the highest level of impact. The classification diagram of the identified Requirements is based on a **Requirements Model**, which recognizes four main categories of Requirements: – Sector, – Integrated Management System (IMS), – Finances and Markets, – Corporate governance.
STEP 3 **Analysis and Response**	The goal of this step is to deepen knowledge and understand the specifics of individual Requirements, in order to ensure Compliance with the Requirements by **designing and implementing Actions as regards ensuring Compliance**.
STEP 4 **Monitoring and Communication**	The purpose of the monitoring process is to ensure that the KGHM Polska Miedź S.A. Group has up-to-date information regarding external and internal regulations and Requirements and their impact on the entities of the KGHM Group Polska Miedź S.A., as well as to ensure that the compliance management process, including actions geared to ensuring compliance, is efficient, effective and transparent.

A leading role in **supervising the compliance management process** at the KGHM Group level is performed by the Corporate Risk and Compliance Committee, which is responsible for analysing the ad-hoc compliance reports provided and the Consolidated Quarterly Reports of the KGHM Group and other information. Based on this the Committee among others:
- monitors realisation of the Action plans as regards ensuring Compliance,
- issues recommendations as regards adoption by the Management Board of the Consolidated Quarterly Compliance Report of the KGHM Group and ad-hoc compliance reports.

A leading role in **monitoring the compliance management process** at the KGHM Group level is performed by the Audit Committee of the Supervisory Board, which also carries out an annual evaluation of the effectiveness of this system. The effectiveness of the Compliance function is determined by the degree to which KGHM avoids incidences of breaches of the Requirements and protecting the Company's reputation and the trust placed in it by its employees, its business and social environment, including clients, partners and other stakeholders.

In the first half of 2026, implementation of the complex tool eGRC to serve the compliance management system of the KGHM Polska Miedź S.A. Group was completed.

The most important legislative subjects in which the KGHM Polska Miedź S.A. Group was involved were presented in the Management Board's Report on the activities of KGHM Polska Miedź S.A. and the KGHM Polska Miedź S.A. Group in 2025 in section 1.5 Risk Management.

Market risk management

In terms of market risk management (in particular the risk of changes in metals prices and exchange rates) of greatest significance and impact on the results of the Group are the scale and nature of the activities of the Parent Entity and the mining companies of KGHM INTERNATIONAL LTD. The Parent Entity actively manages market risk, undertaking actions and decisions in this regard within the context of the global exposure throughout the KGHM Polska Miedź S.A. Group.

Commodity risk, currency risk	In the first half of 2026, the Group was mainly exposed to the risk of the changes in the prices of metals it sells: copper and silver. Of major significance for the Parent Entity was the risk of changes in exchange rates, in particular the USD/PLN exchange rate. The Group's companies are additionally exposed to the risk of volatility in the prices of other metals. Market risk related to changes in metals prices arises from the formula for setting prices in physical metals sales contracts, which are usually based on the average monthly market prices for the relevant future month.

	In accordance with the Market Risk Management Policy, in the first half of 2026 the Parent Entity continuously identified and measured market risk related to changes in metals prices, exchange rates and interest rates (analysis of the impact of market risk factors on the Parent Entity's activities – profit or loss, balance sheet, statement of cash flows), and also analysed the metals, currencies and interest rates markets. These analyses, along with assessment of the internal situation of the Parent Entity and the Group, represented the basis for taking decisions on the application of hedging strategies on the metals, currency and interest rates markets. Disclosures regarding the management of the risk of changes in metal prices and exchange rates in the first half of 2026 in the Parent Entity and in the Group are presented in Note 4.4 of the condensed consolidated financial statements.
Interest rate risk	As at 30 June 2026, the balance of items exposed to interest rate risk by impacting the amount of interest income and costs was as follows: – cash and cash equivalents: PLN 1 210 million, – borrowings: PLN 3 832 million. As at 30 June 2026, the balance of items exposed to interest rate risk due to changes in the fair value of instruments with fixed interest rates was as follows: – receivables due to loans granted by the Group: PLN 24 million, – borrowings (i.e. bank and other loans drawn with fixed interest rates): PLN 2 066 million. In the first half of 2026, the Parent Entity did not implement any transactions hedging against the risk of changes in interest rates.
Result on derivatives and hedging transactions	The total impact of derivatives and hedging instruments (transactions on the copper, silver, currency, interest rate and natural gas markets as well as embedded derivatives and a loan in USD designated as a hedge against a change in the exchange rate) on the Group's profit or loss in the first half of 2026 amounted to -PLN 795 million, of which: – PLN 888 million decreased revenues from contracts with customers, – PLN 93 million increased the result on other operating activities. Other comprehensive income was increased by PLN 1 711 million (impact of hedging instruments; increase from -PLN 2 763 million to -PLN 1 052 million). As at 30 June 2026, the fair value of open transactions in derivatives of the Group (on the metals, currency, interest rate and natural gas markets, as well as in embedded derivatives) amounted to -PLN 760 million.
Risk of changes in prices of energy and energy carriers	In terms of management of market risk arising from changes in energy and energy carriers, the scale and profile of operations of the Parent Entity have the greatest significance and impact on the results of the KGHM Polska Miedź S.A. Group. It represents a commodity risk for the Parent Entity, which is measured based on its impact on cash flows. Commodity price risk management for planned purchases of electricity and gaseous fuel involves managing the exposure to the risk of changes in the price of electricity and gaseous fuel over a time horizon of up to 36 consecutive months resulting from energy and gas purchase plans, less previously-concluded purchase contracts with delivery in future periods. Detailed disclosures regarding the risk of changes in energy and energy carrier prices in the first half of 2026 in the Parent Entity are presented in Note 4.4 of the condensed consolidated financial statements.
Price risk related to changes in the share prices of listed companies	Price risk related to the shares of listed companies held by the Group is understood as the change in their fair value due to changes in their quoted share prices. As at 30 June 2026, the carrying amount of shares of companies listed on the Warsaw Stock Exchange and on the TSX Venture Exchange amounted to PLN 1 696 million.

Credit risk management

Credit risk is defined as the risk that counterparties will not be able to meet their contractual liabilities.

The Management Board is responsible for credit risk management in the Parent Entity and for compliance with policy in this regard. The main body involved in actions in this area is the Credit Risk Committee.

In the first half of 2026, the KGHM Polska Miedź S.A. Group was exposed to credit risk mainly in four areas.

Credit risk related to trade receivables	To reduce the risk of insolvency by its customers, the Parent Entity has a receivables insurance contract which covers receivables from entities with buyer's credit which have not provided strong collateral or have provided collateral which does not cover the total amount of the receivables. Taking into account the collaterals held and the credit limits granted by the insurance company, as at 30 June 2026 the Parent Entity had secured 88% of its trade receivables (as at 30 June 2025, 81%).
Credit risk related to cash and cash equivalents and bank deposits	The Group allocates periodically free cash in accordance with the requirements to maintain financial liquidity and limit risk and in order to protect capital and maximise interest income. Credit risk related to deposit transactions is continuously monitored by the review of the credit ratings of financial institutions with which the Group cooperates, and by limitation of the level of concentration in individual institutions. As at 30 June 2026, the maximum share of a single entity in terms of credit risk arising from funds of the Group deposited in financial institutions amounted to 35% (as at 31 December 2025, 27%).

Credit risk related to derivatives transactions	All of the entities with which the Group enters into derivatives transactions (with the exception of embedded derivatives) operate in the financial sector. These are mainly financial institutions with a medium-high rating. According to fair value as at 30 June 2026, the maximum share of a single entity with respect to credit risk arising from open derivative transactions entered into by the Group and from net receivables due to settled derivatives amounted to 28% (as at 31 December 2025, 15%). Due to diversification of risk in terms both of the nature and of their geographical location of risk, as well as taking into consideration the ongoing monitoring of the rating of financial institutions with which it cooperates, the Group is not materially exposed to credit risk as a result of the derivative transactions entered into.
Credit risk related to loans granted	As at 30 June 2026, the balance of loans granted by the Parent Entity amounted to PLN 9 307 million. The most important of these are long-term loans in the total amount of PLN 9 155 million granted to the company Future 1 sp. z o.o. and the KGHM INTERNATIONAL LTD. Group. As at 30 June 2026, the balance of loans granted by the Group amounted to PLN 8 712 million. The most important of these are short-term and long-term loans in the total amount of PLN 8 688 million, i.e. USD 2 304 million granted by the KGHM INTERNATIONAL LTD. Group for the financing of a mining joint venture in Chile. The loans granted in connection with the financing of a mining joint venture in Chile are subordinated to liabilities due to a loan in the amount of up to USD 500 million received by Sierra Gorda S.C.M. from a banks syndicate. In order to guarantee the subordinating of owner loans to the debt granted by the banks syndicate, a Subordination Agreement was entered into. Under this Agreement, there exists the possibility to repay the owner loans by the joint venture Sierra Gorda S.C.M., which is contingent on the acceptance of the banks syndicate following the fulfilment of strictly-defined parameters in the Subordination Agreement. Credit risk related to the loans granted to the joint venture Sierra Gorda S.C.M. is dependent on the risk related to mine project advancement and is assessed by the Management Board of the Parent Entity as moderate.

Financial liquidity risk and capital management

Important information regarding financial liquidity risk and capital management is presented in Part 4 of the condensed consolidated financial statements.

9. OTHER INFORMATION

9.1. Factors which, in the issuer's opinion, will impact its results 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 the system 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 impact of tariff policy and the global trade war (USA, China, European Union),
c) the further impact of the conflict in the Middle East and its potential impact on condition of global economies,
d) volatility in crude oil prices due to the tension in the Persian Gulf, the global trade war and the production policy of OPEC+,
e) the impact of a slowdown in the Chinese economy and its impact on the global supply chain,
f) the impact of a slowdown in the German economy and its impact on the sales structure,
g) volatility in copper and silver prices on the metals markets,
h) volatility in the USD/PLN exchange rate,
i) volatility in electrolytic copper production costs, including in particular due to the minerals extraction tax, changes in the value of consumed purchased copper-bearing materials and volatility in prices of energy carriers and electricity,
j) the effects of the implemented hedging policy,
k) changes in the monetary policies of central banks and changes in interest rates, and
l) the general uncertainty on financial markets.

The most significant factors affecting the results achieved by 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 the further impact of the conflict in the Middle East and its potential impact on business continuity disruptions or restrictions of activities,
b) the impact of tariff policy and the global trade war (USA, China, European Union),
c) volatility in crude oil prices due to the tension in the Persian Gulf, the global trade war and the production policy of OPEC+,
d) the different rates of growth of global economies compared to forecasts (mainly China and the USA) due among others to the global trade war,
e) volatility in the level of extraction and metal recovery,
f) volatility in copper, silver and gold prices,
g) volatility in the CLP/USD and USD/PLN exchange rates,
h) volatility in the cost of mined copper 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 aforementioned factors on the continuity of production of the Core 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 potentially negative impact on the KGHM Polska Miedź S.A. Group and to undertake pre-emptive actions to mitigate this impact.

9.2. Position of the Management Board with respect to the possibility of achieving previously published forecasts of results

KGHM Polska Miedź S.A. does not publish forecasts of financial results.

9.3. Significant contracts for the Group operations[15]

In the first half of 2026, and up to the date of preparation of this report, one contract significant for the activities of the Parent Entity and the Group (an annex to an agreement) was entered into:

Annex to the multi-year agreement with the NKT Group dated 7 August 2023	The annex entered into on 16 February 2026 extends cooperation with the NKT Group to December 2036 (under framework conditions). The value of the agreement during its lifetime will exceed 10% of the share capital, which makes it a significant contract. The total estimated value of the extended contract ranges from a minimum of PLN 22.77 billion up to a maximum of PLN 29.28 billion.

9.4. Information on transactions entered into between related parties, under other than arm's length conditions

The KGHM Polska Miedź S.A. Group has implemented a variety of internal rules and regulations regulating the principles under which contracts between the Group's entities may be entered into, including:

- The Organisational Regulation of the Vice President of the Management Board (Finance) of KGHM Polska Miedź S.A. regarding the introduction in the organisational units of KGHM Polska Miedź S.A. of rules for setting transaction prices and procedures for preparing taxation documentation, and setting rules for the cooperation of KGHM Polska Miedź S.A. with the companies of the Group,
- The Principles of Financial Management and Economic System of KGHM Polska Miedź S.A., and
- The Procurement Policy of the KGHM Polska Miedź S.A. Group.

As a result of the application of the aforementioned rules and regulations, in the first half of 2026 neither the Parent Entity nor its subsidiaries entered into significant transactions with related parties under other than arm's length conditions.

9.5. Human resources in the Company and Group

KGHM Polska Miedź S.A.

Average employment in KGHM Polska Miedź S.A. in the first half of 2026 amounted to 18 870 employees, or a slight decrease compared to the first half of 2025 by 0.4%.

Employment in KGHM Polska Miedź S.A. as at 30 June 2026 amounted to 18 820 employees and was 0.4% lower than the level of employment at the end of the corresponding period of 2025.

Table 33. Average employment in KGHM Polska Miedź S.A.

	1st half 2026	1st half 2025	Change (%)
Mines	12 645	12 700	(0.4)
Metallurgical plants	3 607	3 629	(0.6)
Other divisions	2 618	2 624	(0.2)
KGHM Polska Miedź S.A.	**18 870**	**18 953**	**(0.4)**

Group

Average employment in the KGHM Polska Miedź S.A. Group in the first half of 2026 amounted to 34 543 employees, or an increase as compared to the first half of 2025 by 0.1%.

The employment structure is shown below:

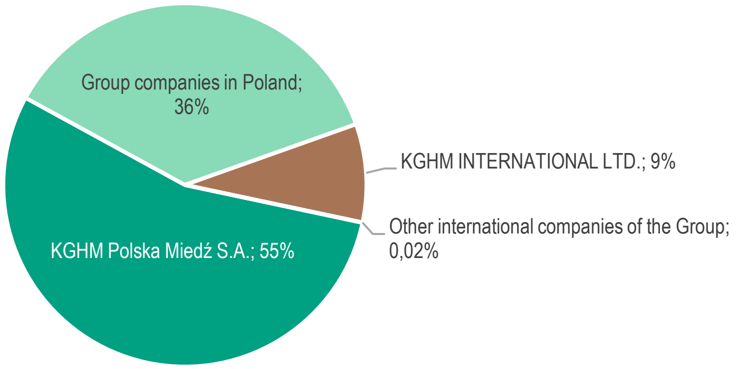
Table 34. Average employment in the Group[16]

	1st half 2026	1st half 2025	Change (%)
KGHM Polska Miedź S.A.	18 870	18 953	(0.4)
Group companies in Poland	12 648	12 751	(0.8)
KGHM INTERNATIONAL LTD.	3 018	2 780	+8.6
Other international companies of the Group	7	9	(22.2)
Total	**34 543**	**34 493**	**+0.1**

[15] *Value of contracts based on metals prices and exchange rates estimated as at the date of signing of a given contract*

[16] *From 2026 average employment shown excludes employment in Sierra Gorda S.C.M., which is not subject to consolidation at the level of the KGHM Polska Miedź S.A. Group*

Chart 18. Employment structure in the Group in the first half of 2026



Companies in Poland

Average employment in the companies of the KGHM Polska Miedź S.A. Group in Poland in the first half of 2026 amounted to 12 648 employees, or a decrease compared to the first half of 2025 by 0.8%. This decrease was mainly in blue collar positions.

Companies abroad

Average employment in the companies of the KGHM INTERNATIONAL LTD. Group in the first half of 2026 amounted to 3 018 employees, or an increase compared to the first half of 2025 by 8.6%. This increase was due to an increase in employment, in particular, in the companies DMC Mining Services and KGHM Chile SpA.

9.6. Litigation and claims

List of significant proceedings before courts, arbitration authorities or public administration authorities respecting the payables and receivables of KGHM Polska Miedź S.A. and its subsidiaries

Proceedings regarding royalties for use of invention project no. 1/97/KGHM "Method for increasing the production capacity of the electrorefining sections of the Metallurgical Plants"	In the claim dated 26 September 2007, the 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) for the 8th calculation period (2006). The amount of the claim (principal amount) was determined by the Plaintiffs in the statement of claim in the amount of approximately PLN 42 million (principal amount excluding claimed interest and court costs). In its response to the statement of claim of 21 January 2008, the Company requested that the claim be dismissed in its entirety and filed a counterclaim for the reimbursement of unduly paid remuneration for the sixth and seventh years of application of the Project (2004 and 2005), also raising a possible plea of set-off of the mutually asserted claims. The amount of the claim (principal amount excluding claimed interest and court costs) in the counterclaim was determined by the Company in the amount of approximately PLN 25 million. In the judgement of 25 September 2018, the Regional Court in Legnica dismissed the counterclaim and partially upheld the principal claim to the total amount of approx. PLN 24 million, and at the same time ordered the payment of interest in the amount of approx. PLN 30 million, totalling to approx. PLN 54 million. Both parties to the proceedings appealed against this judgement. In the judgement of 12 June 2019, the Court of Appeals in Wrocław dismissed the appeals of both parties, changing the judgement of the court of first instance only with regard to the decision on the costs of the main action, charging them to KGHM. The judgements became binding and were executed by KGHM on 18-19 June 2019. As a result of the execution of liabilities there is no basis for the recognition of provisions for liabilities. KGHM filed a cassation appeal against the judgement of the court of second instance with respect to the partially upheld principal claim in the amount of approx. PLN 24 million as well as with respect to the dismissed counter-claim in the amount of approx. PLN 25 million. The plaintiffs did not file a cassation appeal with respect to the dismissed portion of the main claim. In a judgement dated 24 November 2022 the Supreme Court overturned the disputed judgement and ordered the case to be reheard by the Court of Appeal in Wrocław. In the retrial before the court of second instance, KGHM requested the return of the liabilities paid to the plaintiffs of the claim, justified by the judgement of the court of first instance and amended as regards the costs of the judgement of the court of second instance (petition for restitution). In its judgement of 4 December 2024, the Court of Appeals in Wrocław again dismissed KGHM's appeal and the Company's petition for restitution, set-off the costs of the appeal and cassation proceedings between the parties and partially amended the decision regarding the costs of the main claim for the first instance. By a cassation appeal dated 14 March 2025, KGHM filed a claim against the Court of Appeals in Wrocław in its entirety. The records of the case were sent to the Supreme Court on 30 September 2025, and on 15 October 2025 the case was registered under the designation III PSK 203/25. The current file reference number is I PSK 366/26 and the case is awaiting the scheduling of a hearing regarding the acceptance of the complaint for consideration.

9.7. Shareholders and the capital market

Shareholder structure of KGHM Polska Miedź S.A.

As at 30 June 2026, the share capital of the Company, in accordance with the entry in the National Court Register, amounted to PLN 2 000 million and was divided into 200 million shares, series A, having a face value of PLN 10 each. All shares are bearer shares. Each share grants the right to one vote at the general meeting. The Company has not issued preference shares.

In the first half of 2026, there was no change in either registered share capital or in the number of outstanding shares issued. During this same period there was no change in the ownership structure of significant blocks of shares of KGHM Polska Miedź S.A.

The Company's shareholder structure as at 30 June 2026 and at the date this report was prepared, established on the basis of notifications received by the Company pursuant to art. 69 of the Act on public offerings and conditions governing the introduction of financial instruments to organised trading, and on public companies, was as follows:

Table 35. Shareholder structure of the Company as at the date this report was prepared

Shareholder	number of shares/votes	total nominal value of shares (PLN)	percentage held in share capital/total number of votes
State Treasury [17]	63 589 900	635 899 000	31.79%
Allianz Polska Otwarty Fundusz Emerytalny [18]	11 961 453	119 614 530	5.98%
Nationale-Nederlanden Otwarty Fundusz Emerytalny [19]	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, the shareholder structure of KGHM Polska Miedź S.A. did not change since the publication of the consolidated report for the first quarter of 2026.

Other shareholders, whose combined share in the share capital and in the total number of votes amounts to 57.18%, are mainly institutional investors, both international and domestic.

According to information held by KGHM Polska Miedź S.A., as at the date of preparation of this report none of the members of the Company's Management Board held shares of KGHM Polska Miedź S.A. or rights to them, while amongst the Members of the Supervisory Board of the Company only Marcin Kaczanowski held 1 share of KGHM Polska Miedź S.A. The other Members of the Supervisory Board did not hold shares of the Company or rights to them.

The Company does not hold any treasury shares. The Management Board of the Company is unaware of any agreements which could result in changes in the proportion of shares held by present shareholders in the future.

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

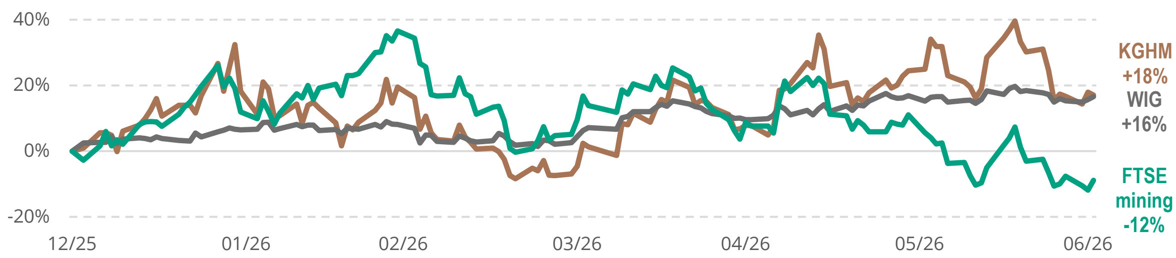
KGHM Polska Miedź S.A. debuted on the Warsaw Stock Exchange (WSE) in July 1997. The Company's shares are traded on the primary market of the WSE in the continuous trading system and are a component of the WIG, WIG20 and WIG30 main indices as well as the mining sector index WIG-MINING. Moreover, KGHM Polska Miedź S.A. is a component company of the FTSE4Good Index Series. The FTSE4Good Index Series is part of the group of ethical investment indicators, reflecting criteria of corporate social responsibility and ESG risk management.

The Company's shares in the first half of 2026

At the end of first half 2026, the share price of KGHM Polska Miedź S.A. recorded an increase by 18% compared to the closing price on the last day of trading in 2025, and at the close of trading on 30 June 2026 amounted to PLN 331.25. During the same period the price of copper – the Company's main product – increased by 6.69%, alongside an increase in the average USD/PLN exchange rate by 5%. At the same time the following WSE indices recorded growth: WIG by 16%, WIG20 by 13%, and WIG30 by 12%. Meanwhile, the FTSE 350 mining – comprised of companies from the mining sector listed on the London Stock Exchange – fell by 12%.

The Company's shares reached their maximum half-year closing price of PLN 392.00 on 17 June 2026. The minimum closing price of PLN 257.20 was recorded on 20 March 2026.

Chart 19. Share price of KGHM Polska Miedź S.A. versus the WIG and FTSE 350 mining (percentage change)



Source: KGHM Polska Miedź S.A., Bloomberg

Key share price data of KGHM Polska Miedź S.A. on the Warsaw Stock Exchange are presented in the following table.

[17] *based on a notification received by the Company dated 12 January 2010*
[18] *based on a notification received by the Company dated 15 May 2023*
[19] *based on a notification received by the Company dated 18 August 2016*

Table 36. Key share price data of the Company on the Warsaw Stock Exchange

Symbol: KGH, ISIN: PLKGHM000017	Unit	I-VI 2026	I-VI 2025	2025
Number of shares issued	million	200	200	200
Market capitalisation of the Company at period's end	PLN bn	66.25	25.78	56.16
Average trading volume per session	shares	1 066 909	795 295	853 527
Change in share price in the period	%	18.00	12.09	144.17
Highest closing price in the period	PLN	392.00	140.75	280.80
Lowest closing price in the period	PLN	257.20	106.50	106.50
Closing price from the last day of trading in the period	PLN	331.25	128.90	280.80

Source: KGHM Polska Miedź S.A., statistical bulletin of the WSE for 2025 and the first half of 2026, Bloomberg

Allocation of profit

In accordance with Resolution No. 8/2026 of the Ordinary General Meeting of KGHM Polska Miedź S.A. dated 9 June 2026 regarding the appropriation of profit of KGHM Polska Miedź S.A. for 2025, the profit generated was appropriated as follows: the amount of PLN 300 million (PLN 1.50/share) as a shareholder dividend (PLN 1.50/share) and the amount of PLN 1 646 million as a transfer to the Company's reserve capital. The Ordinary General Meeting of KGHM Polska Miedź S.A. set a dividend date at 25 June 2026 and a payment date of dividend for 2025 at 9 July 2026.

9.8. Organisational changes in the Group

Companies in Poland

In the first half of 2026, there were no changes in the structure of the group of domestic companies.

In terms of equity investments within this group of companies, KGHM Polska Miedź S.A. increased its equity involvement in the direct subsidiary KGHM CUPRM sp. z o.o. – CBR.

Table 37. Equity investments of KGHM Polska Miedź S.A.

Acquisition of newly-issued shares of KGHM CUPRUM sp. z o.o. – CBR	In May 2026 the Extraordinary Partners' Meeting of KGHM CUPRUM sp. z o.o. – CBR adopted a Resolution to increase the share capital of the company by PLN 13 million. All of the newly-issued shares in the increased share capital were acquired by KGHM Polska Miedź S.A. and were paid for entirely in cash, at their nominal value. The share capital of the Company following the increase amounts to PLN 30.9 million. The funds acquired from the increase in share capital were used to repay interest-bearing debt. KGHM Polska Miedź S.A. owns 100% of the shares of the company.

International companies

Table 38. Equity investments in the international assets

Acquisition of newly-issued shares of KGHM Ajax Mining Inc. with its registered head office in Canada	On 18 June 2026, KGHM INTERNATIONAL LTD. and Abacus Mining & Exploration Corporation (partner in the joint venture), increased the share capital of the company KGHM Ajax Mining Inc., by CAD 4.5 million, proportionally to the share in the share capital of the Company (i.e. KGHM INTERNATIONAL LTD. 80%; Abacus Mining & Exploration Corporation 20%), acquiring in exchange as follows: 450 shares by KGHM INTERNATIONAL LTD. and 360 shares by Abacus Mining & Exploration Corporation, i.e. in total 90 new shares in the share capital of KGHM Ajax Mining Inc.). KGHM Ajax Mining Inc. is engaged in a project to build an open-pit copper and gold mine in Canada (Ajax project). Currently the project is in care & maintenance. In accordance with the agreement between the partners as regards financing for the Ajax project, the share of Abacus Mining & Exploration Corporation in the increased share capital was financed by KGHM INTERNATIONAL LTD. in the form of a loan granted to Abacus Mining & Exploration Corporation.

On 1 April 2026 the company Quadra FNX FFI Sp. z o.o. was entered into the National Court Register (KRS). The company was created as a result of a trans-border transformation of the company Quadra FNX FFI S.à r.l. with its registered head office in Luxembourg, while fully maintaining the legal continuity of the entity.

On 9 April 2026 a decision was entered into the Russian state registry of legal persons to commence the liquidation of the company Zanam Vostok, to appoint a liquidation commission and to designate a liquidator. The expected duration of the liquidation process is around 12 months.

Entities subject to consolidation

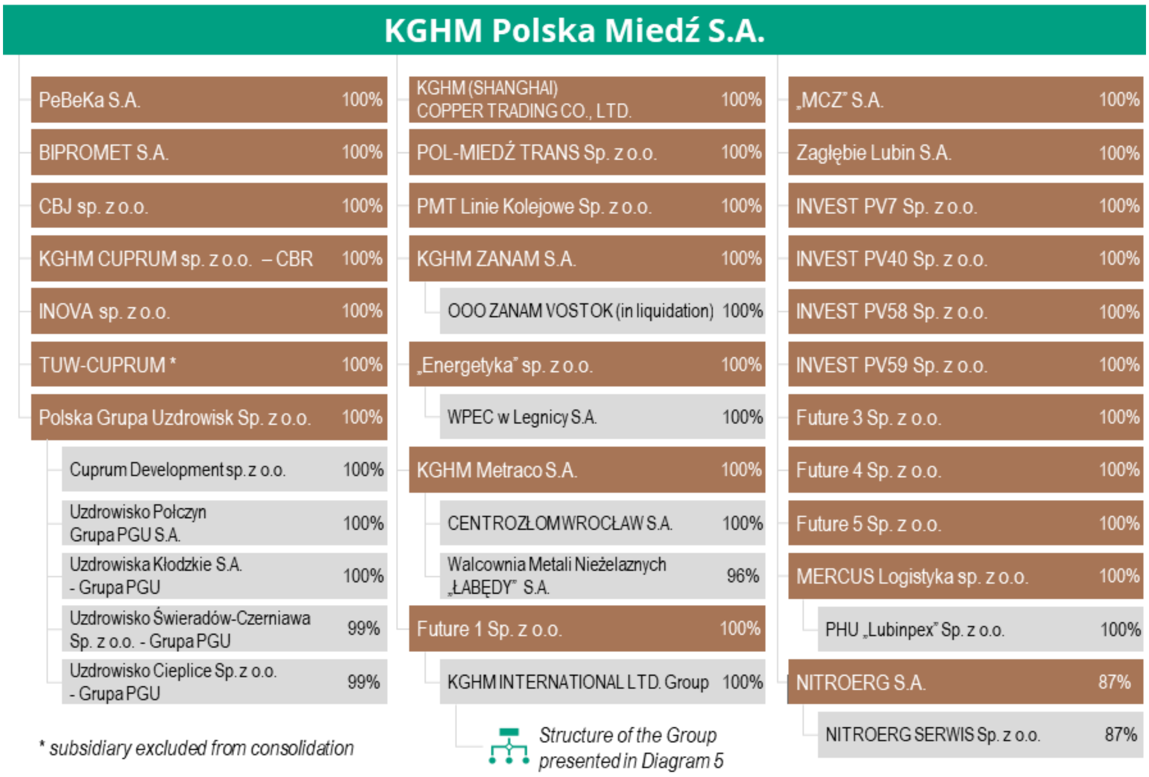
As at 30 June 2026, the Group was composed of the Parent Entity – KGHM Polska Miedź S.A. – and 35 direct and indirect subsidiaries consolidated using the simultaneous method, as well as the KGHM INTERNATIONAL LTD. Group consolidated by including its consolidated financial statements in the financial statements at the highest level of Group consolidation. Altogether, 61 entities (including KGHM Polska Miedź S.A.) are consolidated.

At the end of the first half of 2026, the jointly-controlled entity Sierra Gorda S.C.M. was accounted for using the equity method in the consolidated financial statements.

Excluded from consolidation was Towarzystwo Ubezpieczeń Wzajemnych „CUPRUM", whose assets, revenues and financial results do not have a significant impact on the consolidated statement of financial position and the consolidated statement of comprehensive income.

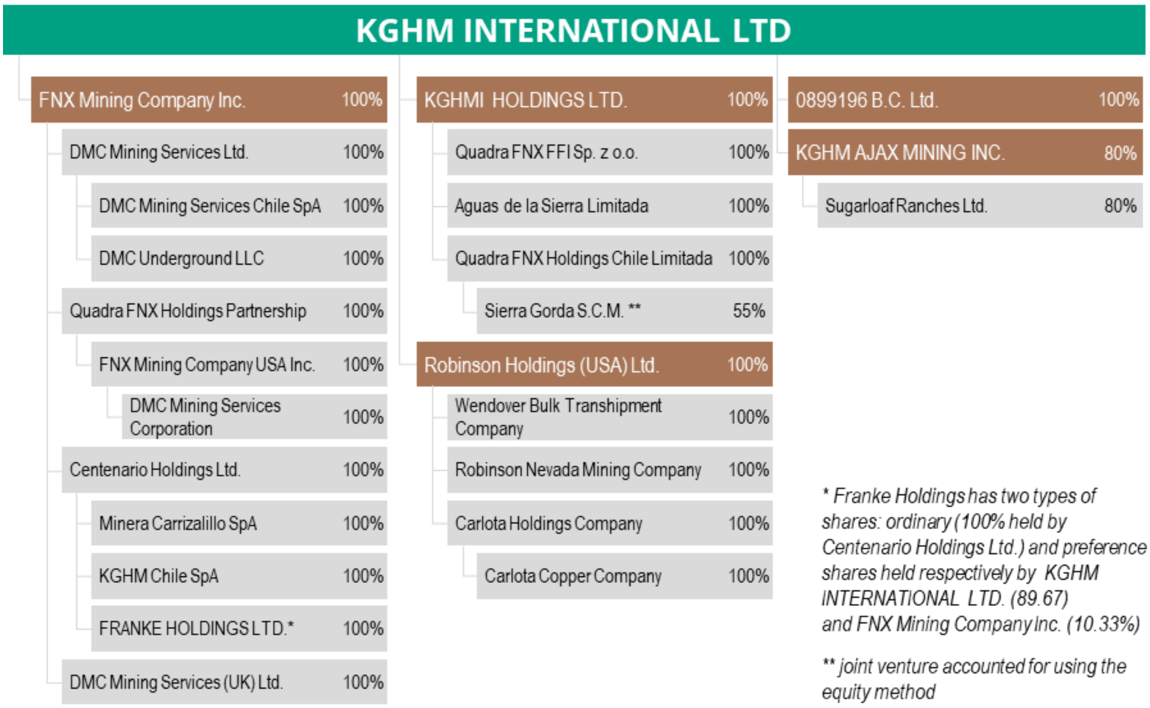
The detailed structures of the KGHM Polska Miedź S.A. Group as well as the KGHM INTERNATIONAL LTD. Group as at 30 June 2026 are provided below:

Diagram 4. Structure of the KGHM Polska Miedź S.A. Group as at 30 June 2026[20]



[20] *Percentages represent the total share of the Group*

Diagram 5. Structure of the KGHM INTERNATIONAL LTD. Group as at 30 June 2026[21]



9.9. Subsequent events

Information concerning subsequent events may be found in Note 5.6 of the condensed consolidated financial statements for the first half of 2026.

[21] *Percentages represent the total share of the Group*

10. USEFUL TERMS AND ABBREVIATIONS

Adjusted EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization)	Profit from sales plus depreciation and amortisation recognised in expenses by nature, and recognition or reversal of impairment losses on non-current assets.
BAT (Best Available Techniques)	"Best Available Techniques (BAT)", as defined in Directive 2010/75/EU, means the most effective and advanced stage in the development of activities and their methods of operation which indicates the practical suitability of particular techniques for providing the basis for emission limit values and other permit conditions designed to prevent and, where that is not practicable, to reduce emissions and the impact on the environment as a whole.
Bearer shares	In accordance with the Polish legal system the term: "bearer shares" has a different meaning than "bearer shares" (anonymous and unregistered shares facilitating illicit actions) eliminated from the market by certain countries, e.g. in the UK. The obligatory dematerialisation of shares carried out in Poland in 2021 abolished the anonymity of all shareholders of joint-stock companies. The necessity to register bearer shares makes it possible to identify each shareholder entitled to hold shares. The division into registered and bearer shares has been upheld largely due to the legal tradition in Poland.
BGP	Gas and Steam Units *(Polish: Bloki Gazowo-Parowe)*
BREF	"BAT REFerence document", the reference document of best available techniques (BAT)
C1 unit cash cost of payable copper production	The unit cash cost of producing payable copper, including mining and processing costs, transport costs, the minerals extraction tax, mining-phase administrative costs, and treatment and refining charges (TC/RC), net of by-product credits. For the KGHM Polska Miedź S.A. segment, C1 cost relates to payable copper in own concentrate, while for the KGHM INTERNATIONAL LTD. and Sierra Gorda S.C.M. segments, it relates to payable copper in the final products of individual mines.
COMEX	The Commodity Exchange, Inc. – a New York-based global commodity exchange specializing in derivatives trading (futures and options) for metals such as gold, silver, copper, aluminum, steel, molybdenum, zinc, lead, and iron ore.
Commercial Partnerships and Companies Code, KSH	Act of 15 September 2000, Commercial Partnerships and Companies Code (Journal of Laws No. 94, item 1037, as amended).
COPI	KGHM Polska Miedź S.A. Oddział Centralny Ośrodek Przetwarzania Informacji (Main Data Processing Centre Division)
Copper cathodes	The primary form of electrolytically refined copper and the final product of the copper electrorefining process.
Copper concentrate	A product obtained by enriching low-grade copper ore.
Copper electrorefining technology	The process of electrolytic refining applied to copper. The periodic withdrawal of portions of the electrolyte is necessary to maintain impurities at an acceptable level, which is a key factor in determining the quality of electrolytically refined copper. The spent electrolyte and anode slimes serve as raw materials for the recovery of certain metals associated with copper, such as silver, gold, selenium, and nickel.
Copper wire rod	A rolled copper rod, typically 6–12 mm in diameter, commonly used as a raw material for the cable and wire industry.
CRU (CRU Group)	A London-based business intelligence and consultancy firm specializing in the mining, metals, and fertilizer markets.
CSRD (Corporate Sustainability Reporting Directive)	Directive (EU) 2022/2464 of the European Parliament and of the Council as regards corporate sustainability reporting, published in the Official Journal of the EU on 16 December 2022.
Cu-OFE wire	Oxygen-free copper wire produced at the Cedynia Copper Wire Rod Plant using UPCAST technology.
Deposit/Mineral deposit	A natural mixture of minerals in the Earth, formed through various geological processes.
DPO	Data Protection Officer
EE TGE YA	The electricity price on the Polish Power Exchange *(Polish: TGE – Towarowa Giełda Energii)* – Poland's only licensed commodity exchange authorized to operate a regulated market – for delivery in the next calendar year (YA – Year Ahead).
Electrolytic copper	The product of the electrolytic refining of copper.
Electrorefining	An electrolysis process using a soluble anode made from the impure metal or alloy being refined. During the process, under carefully controlled conditions, the refined metal is selectively deposited onto the cathode, while impurities remain in the electrolyte in either a dissolved or solid state.

ESPI	Electronic Information Transmission System (*Polish: Elektroniczny System Przekazywania Informacji*) – the official ICT system operated by the Polish Financial Supervision Authority (KNF), used by companies listed on the Warsaw Stock Exchange to disseminate inside information as well as current and periodic reports required under Polish and EU capital market laws to market participants.
ESRS (European Sustainability Reporting Standards)	The standards issued as Commission Delegated Regulation (EU) 2023/2772. The Regulation entered into force and has been applicable since 1 January 2024.
Excavation	A space created by mining operations.
Fed (Federal Reserve)	The Federal Reserve System (commonly referred to as the Federal Reserve or "the Fed") – the central banking system of the United States.
Flotation (ore enrichment)	A process of separating ore into fractions with varying contents of valuable components by exploiting differences in the wettability of individual mineral grains. Easily-wetted minerals sink to the bottom of the flotation cell, while poorly-wetted grains (whose wettability is further reduced by reagents called collectors, e.g., xanthates) rise to the surface of the slurry, attaching to bubbles in a froth created by frothing agents.
Flotation tailings	Waste solids (tailings) generated during the ore processing and flotation stage.
FOMC (The Federal Open Market Committee)	A body within the Federal Reserve System (Fed) responsible for formulating monetary policy, overseeing open market operations in the United States, and setting target levels for the money supply.
Green transition	Action to increase the use of renewable sources for energy production.
Group	The KGHM Polska Miedź S.A. Group comprises KGHM Polska Miedź S.A. as the Parent Entity and the subsidiaries over which it exercises control as defined in International Financial Reporting Standards (IFRS).
Head Office	The Head Office of KGHM Polska Miedź S.A.
HM	Copper Smelter and Refinery *(Polish: huta miedzi)*
INE	Shanghai International Energy Exchange – a subsidiary of the Shanghai Futures Exchange (SHFE) providing a platform for trading futures and options in crude oil, copper, low-sulfur fuel oil, and natural rubber.
Invention Regulations	An internal corporate document setting forth the principles and procedures for evaluating and remunerating inventive project submissions, the acquisition by KGHM Polska Miedź S.A. of the rights to use such projects, and the acquisition of the rights to obtain Exclusive Rights.
IRO	Impacts, Risks, Opportunities
ISO	International Organisation for Standardization
JRGH	KGHM Polska Miedź S.A. Oddział Jednostka Ratownictwa Górniczo-Hutniczego (Emergency Mine/Smelter Rescue Service)
JST	A local government administrative entity *(Polish: jednostka samorządu terytorialnego).*
KGHM INTERNATIONAL LTD. Group	The KGHM INTERNATIONAL LTD. Group comprises KGHM INTERNATIONAL LTD. as the parent entity and the subsidiaries over which it exercises control within the meaning of International Financial Reporting Standards (IFRS).
LBMA	The London Bullion Market Association – a precious metals trade association responsible for setting the global standards for the gold and silver bullion markets.
LGOM, Copper Basin	Legnica-Głogów Copper Basin, Western Copper Basin, Copper Basin *(Polish: Legnicko-Głogowski Okręg Miedziowy)*
LME (London Metal Exchange)	The London Metal Exchange – the world's largest exchange for non-ferrous metals, facilitating trading in futures and options for various commodities. It serves as the global benchmark for metal prices and plays a crucial role in international trade.
LTIFR KGHM (Lost Time Injury Frequency Rate)	The rate of workplace accidents (as defined under Polish law) at KGHM Polska Miedź S.A., normalized per 1,000,000 hours worked.
Management	Managers of individual units or departments of the organisation, including both top management (senior management) and middle management.
Management and supervisory bodies	The highest governance level in the organisation, comprising the Management Board and the Supervisory Board.
Minerals (Mineral Resources)	A raw material of economic significance extracted from the earth, such as coal, crude oil, salt, and metal ores.

Mobility Policy	The International Mobility Policy in the KGHM Polska Miedź S.A. Group, defining the rules for the transfer of employees seconded from one KGHM Polska Miedź S.A. Group entity to another KGHM Polska Miedź S.A. Group entity based in a different country.
Muck, run-of-mine (ROM)	Rock material extracted at the working face, comprising both the ore and waste rock.
NBP	National Bank of Poland *(Polish: Narodowy Bank Polski)*
Net debt	The value of liabilities from loans, borrowings, debt securities, and leases, less cash and cash equivalents, including the impact of derivatives related to external financing sources. This category excludes liabilities arising from the use of financial instruments featuring reverse factoring mechanisms.
OPEC+	OPEC+ is an expanded alliance comprising the members of the Organization of the Petroleum Exporting Countries (OPEC) and other major non-OPEC oil-producing nations that have agreed to cooperate in regulating the global oil supply.
Ore	A mineral resource from which one or more valuable components can be extracted. Ores are classified as monometallic (containing a single metal) or polymetallic (containing more than one metal).
Own employee	An individual who is in an employment relationship with the undertaking.
Own workforce, own workers	Employees who are in an employment relationship with the undertaking ("employees") and non-employees who are either individual contractors supplying labour to the undertaking ("self-employed people") or people provided by undertakings primarily engaged in 'employment activities' (NACE Code N78).
Parent Entity	KGHM Polska Miedź S.A.
Payable metal	The volume of metal produced less losses incurred during further processing into refined metal.
Pillar (mining)	A section of the rock mass left unmined to support the roof and prevent it from collapsing.
Pre-precious metals credit unit cost of electrolytic copper production from own concentrate	The sum of the costs of mining, flotation, and metallurgical processing attributable to cathodes, support functions (COPI, JRGH, and the Head Office), along with the selling costs of cathodes, adjusted for the value of inventories of semi-finished products and work in progress, divided by the volume of electrolytic copper production from own concentrates. This indicator is used exclusively in the Parent Entity (KGHM Polska Miedź S.A.).
REACH	REACH (Registration, Evaluation, Authorisation and Restriction of Chemicals) is a Regulation of the European Parliament and of the Council (EU) concerning the safe use of chemicals through their registration and evaluation and, in certain cases, the authorisation and restriction of the trade and use of specific chemicals.
Sell-side	A term used in the financial services industry to describe the side of the market involved in the creation, promotion, and sale of securities, including entities such as investment banks, brokerage houses, and market makers.
SHFE	The Shanghai Futures Exchange – one of the primary futures exchanges in China, facilitating the trading of financial instruments (futures and options) based on metals such as copper, aluminium, and zinc (including precious metals), as well as energy products and rubber.
Silver Smelting and Electrorefining Technology	It comprises: feed preparation (mixing of feed components and drying); the smelting of Doré metal and anode casting (melting the feed in a Kaldo furnace to remove slag or volatilize impurities, followed by casting the product [99% silver] into anodes); silver electrorefining (resulting in cathode deposit with a silver content of at least 99.99%); melting in an electric induction furnace and casting the refined silver into marketable forms (ingots or granules).
SMR	Small Modular Reactor technology
STEM	An acronym for Science, Technology, Engineering, and Mathematics, denoting the fields of exact and technical sciences that are essential for technological development and an innovative economy.
SX/ EW (solvent extraction and electrowinning)	A copper cathode production technology used at certain KGHM INTERNATIONAL LTD. Group assets, involving the atmospheric leaching of copper ore heaps (the process of dissolving valuable components using a solution) with diluted sulfuric acid.
Time horizon	Time horizon and implementation timeframe for a given action. The following are adopted: short-term horizon – covers a period of up to 1 year medium-term horizon – covers a period of 1 to 5 years long-term horizon – covers a period of more than 5 years
Total unit cost of producing copper from own concentrate	The sum of mining, flotation, and smelting/refining costs attributable to cathodes, support functions (COPI, JRGH, and Head Office), including cathode selling costs, adjusted for the change in the value of semi-finished products and work-in-progress inventories, and less the valuation of anode slimes, divided by the volume of electrolytic copper production from own concentrates.
TPM (Total Precious Metals)	Precious metals (specifically gold, platinum, and palladium).

TRIR (Total Recordable Incident Rate)	The rate of work-related incidents that meet the reporting criteria of the ICMM (International Council on Mining & Metals) standard, normalized per 200,000 hours worked.
Troy ounce (t oz/troz)	A unit of mass used primarily in English-speaking countries and the international precious metals trade. One troy ounce (abbreviated as oz t or troz) corresponds to exactly 31.1035 grams.
TSF	Tailings Storage Facility *(Polish: OUOW – obiekt unieszkodliwiania odpadów wydobywczych)*
TTF Gas MA	The natural gas price on the European TTF (Title Transfer Facility) wholesale market for futures contracts with delivery one month ahead (MA – Month Ahead).
Waste rock	Rock that is considered unusable or of no economic value when extracting a specific mineral from a deposit.
Whistleblowing platform	The "KGHM Ethics Hotline", an anonymous and confidential whistleblowing channel.
WTI Crude Oil	WTI (West Texas Intermediate) crude oil – a grade of crude oil originating from the USA. It serves as one of the main international price benchmarks for crude oil (alongside Brent and Urals).
WTR	Rotary-casting-refining furnace *(Polish: WTR – wychylno-topielno-rafinacyjny)*
y/y	Year on year, an abbreviation for comparing a value in a given period to the corresponding period in the previous year.
ZG	Mines *(Polish: ZG – Zakłady Górnicze)*
ZWR	Ore Processing Plants *(Polish: ZWR – Zakłady Wzbogacania Rud)*

SIGNATURES OF MEMBERS OF THE MANAGEMENT BOARD

This report was authorised for issue on 18 August 2026.

President of the Management Board	Remigiusz Paszkiewicz
Vice President of the Management Board	Zbigniew Bryja
Vice President of the Management Board	Piotr Krzyżewski
Vice President of the Management Board	Mirosław Laskowski
Vice President of the Management Board	Anna Sobieraj - Kozakiewicz