

**INTERIM CONDENSED SEPARATE FINANCIAL STATEMENTS  
OF PROCHEM S.A.**

**As at and for the period of six months ended June  
30, 2022**

**PROCHEM S.A.  
Łopuszańska 95, Street  
02-457 Warsaw  
Poland**

**[www.prochem.com.pl](http://www.prochem.com.pl)**

## Selected financial data

Sales revenue and profit expressed in PLN and the statement of cash flows are translated into EURO at the exchange rate set as the arithmetic mean of average exchange rates announced by the Chairman of the National Bank of Poland on the last day of each month and amount to:

- For the first half of 2022 - 4.6427 PLN/EUR
- For the first half of 2021 - 4.5472 PLN/EUR

Carrying amounts were translated at the average exchange rate announced by the Chairman of the National Bank of Poland as at the date of financial statements, which as at the balance sheet date amounted to:

- 4.6806 PLN/EUR as at 30 June 2022
- 4.5994 PLN/EUR as at 31 December 2021

### *Selected financial data of Prochem S.A.*

Description	Reporting period ended 30 June		Reporting period ended 30 June	
	2022	2021	2022	2021
	In PLN thousands		In EURO thousands	
<i>Separate statement of profit and loss</i>				
Revenues from sale	71 428	83 235	15 385	18 305
Gross profit on sales	2 460	7 189	530	1 581
Results from operating activities	-5 016	3 839	-1 080	844
Before tax profit	24 559	3 339	5 290	734
Profit for the period assigned to :	23 923	2 645	5 153	582
Profit/diluted profit (in PLN/EURO) per one ordinary share	10.16	0.90	2.19	0.20
<i>Separate statement of cash flows</i>				
Net cash provided by (used in) operating activities	-12 920	-2 706	-2 783	-595
Net cash provided by (used in) investing activities	17 985	15 420	3 874	3 391
Net cash provided by (used in) financing activities	-2 056	-1 812	-443	-398
Total cash flows, net	32 051	10 902	6 904	2 398
	As at		As at	
	30 June 2022	31 December 2021	30 June 2022	31 December 2021
	In PLN thousands		In EURO thousands	
<i>Separate statement of financial position</i>				
Total assets	133 423	138 933	28 506	30 207
Total non-current assets	34 389	45 149	7 347	9 816
Total current assets	99 034	93 784	21 158	20 390
Total equity	67 957	44 034	14 519	9 574
Total non-current assets	25 533	17 980	5 455	3 909
Total current assets	39 933	76 919	8 532	16 724
Book value per one ordinary share (in PLN/EUR)	28.86	18.70	6.17	4.07
Weighted average number of shares (in pcs.)	2 355 000	2 355 000	2 355 000	2 355 000
Weighted average number of shares (in pcs.)	2 355 000	2 935 000	2 355 000	2 935 000

## **Statement of the Management Board**

### **Statement of the Management Board regarding the true and fair preparation of the interim separate financial statements**

The Management Board of Prochem S.A. declares that interim condensed separate financial statements of Prochem S.A. were prepared in compliance with requirements of IAS 34 „Interim financial reporting” and with the Regulation of the Minister of Finance dated March 29, 2018 on current and periodic information provided by issuers of securities and the conditions for recognition as equivalent information required by the law of a non-Member State (Journal of Laws of 2018 item 757) („Regulation”) and it reflects in a true, reliable and clear manner the financial position of Prochem S.A. as of June 30, 2022 and December 31, 2021, and results of its operations and cash flows for the period of 6 months ended June 30, 2022 and June 30, 2021.

Member  
of the Management Board  
Michał Dąbrowski

Vice President  
of the Management Board  
Krzysztof Marczak

President of the Management Board  
Marek Kiersznicki

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***Separate financial statements of PROCHEM S.A. as at and for the period of six months ended June 30, 2022***

**Separate statement of financial position as at June 30, 2022**

(all amounts in PLN thousands if not stated otherwise)

A s s e t s	Note No.	As at 30 June 202	As at 31 December 2021
<b>Non-current assets</b>			
Property, plant and equipment	1	1 403	1 089
Intangible assets		38	50
Right-of-use assets	2	17 133	10 027
Shares	3	5 593	5 593
Shares in equity accounted investees	4	4 502	4 502
Deferred tax assets	5	563	1 199
Receivables under seized security deposits		107	61
Other financial assets	6	5 050	22 628
<b>Total non-current assets</b>		<b>34 389</b>	<b>45 149</b>
<b>Current assets</b>			
Inventories	7	59	299
Trade and other receivables	8	32 629	63 990
Receivables under current income tax		138	138
Amounts due from recipients under agreements	15	14 168	8 636
Other financial assets	9	7 750	8 658
Other assets	10	985	809
Cash and cash equivalents		43 305	11 254
<b>Total current assets</b>		<b>99 034</b>	<b>93 784</b>
<b>Total assets</b>		<b>133 423</b>	<b>138 933</b>
<b>E q u i t y a n d l i a b i l i t i e s</b>			
<b>Equity</b>			
Share capital	11	2 935	2 935
Shares		-580	-580
Revaluation reserve		-538	-538
Retained earnings	12	66 140	42 217
<b>Total equity</b>		<b>67 957</b>	<b>44 034</b>
<b>Non-current liabilities</b>			
Non-current loans	13	964	950
Provisions for retirement and similar benefits		827	827
Non-current liabilities under seized security deposits	14	8 605	9 266
Liabilities under lease	16	15 137	6 937
<b>Total non-current liabilities</b>		<b>25 533</b>	<b>17 980</b>
<b>Current liabilities</b>			
Trade payables	14	26 985	57 634
Amounts owed to recipients under agreements	15	2 482	5 803
Liabilities under lease	16	2 257	3 342
Other liabilities	17	8 209	10 140
<b>Total current liabilities</b>		<b>39 933</b>	<b>76 919</b>
<b>Total liabilities</b>		<b>65 466</b>	<b>94 899</b>
<b>Total equity and liabilities</b>		<b>133 423</b>	<b>138 933</b>

*Interim condensed separate financial statements of PROCHEM S.A. as at and for the period of 6 months ended June 30, 2022*

**Separate statement of profit and loss  
From 1 January 2022 to 30 June 2022**

(all amounts in PLN thousands if not stated otherwise)

	Note No.	Period ended 30 June 2022	Period ended 30 June 2021
Revenues from sale, including:		71 428	83 235
Revenues from sale of services	18	70 640	82 650
Revenues from sale of goods and materials		788	585
Cost of sales, including:		-68 968	-76 046
Cost of services sold	19	-68 233	-75 517
Cost of merchandise and raw materials		-735	-529
<b>Gross profit on sales</b>		<b>2 460</b>	<b>7 189</b>
General and administrative expenses	19	-4 843	-4 548
Other operating income	20	763	1 198
Other operating expenses	21	-3 396	-
<b>Results from operating activities</b>		<b>-5 016</b>	<b>3 839</b>
Financial income	22	30 517	245
Profit from liquidation of subsidiary		-	120
Finance expenses	23	-942	-865
<b>Before tax profit</b>		<b>24 559</b>	<b>3 339</b>
Income tax expense:	24	636	694
- current tax		-	651
- deferred tax		636	43
<b>Profit for the period</b>		<b>23 923</b>	<b>2 645</b>
Weighted average number of ordinary shares (in pcs.)		2 355 000	2 935 000
Profit (loss) per one share (in PLN per one share)		10.16	0.90

**Separate statement of comprehensive income**

	Period ended 30 June 2022	Period ended 30 June 2021
<b>Profit for the period</b>	<b>23 923</b>	<b>2 645</b>
<b>Other comprehensive income net</b>	<b>-</b>	<b>-</b>
<i>Other comprehensive income that will be reclassified to profit or loss if certain conditions are met:</i>	<b>-</b>	<b>-</b>
<i>Other comprehensive income that will not be reclassified to profit and loss:</i>	<b>-</b>	<b>-</b>
<b>Total comprehensive income</b>	<b>23 923</b>	<b>2 645</b>
Weighted average number of ordinary share (in pcs.)	2 355 000	2 935 000
Total comprehensive income per ordinary share (in PLN per one share)	10.16	0.90

**Separate statement of changes in equity**

(all amounts in PLN thousands if not stated otherwise)

	Share capital	Own shares	Revaluation reserve	Retained earnings	Total equity
<b>Reporting period from 1 January 2022 to 30 June 2022</b>					
As at the beginning of the period	2 935	-580	-538	42 217	44 034
Net profit (loss) of the given period	-	-	-	23 923	23 923
<i>Other comprehensive income (net)</i>	-	-	-	-	-
<b>Total comprehensive income</b>	-	-	-	23 923	23 923
As at the end of the period	2 935	-580	-538	66 140	67 957

	Share capital	Revaluation reserve	Retained earnings	Total equity
<b>Reporting period from 1 January 2021 to 30 June 2021</b>				
As at the beginning of the period	2 935	-449	54 004	56 490
Net profit (loss) of the given period			2 645	2 645
<i>Other comprehensive income (net)</i>		-	-	-
<b>Total comprehensive income</b>	-	-	2 645	2 645
As at the end of the period	2 935	-449	56 649	59 135

**Separate statement of cash flows**  
**For the period from 1 January 2022 to 30 June 2022**

(all amounts in PLN thousands if not stated otherwise)

	Period ended 30 June 2022	Period ended 30 June 2021
<b>Cash flows – operating activities</b>		
Before tax profit	24 559	3 339
Total adjustment	-37 479	-5 712
Amortisation and depreciation	2 006	1 839
Interest and profit sharing (dividends)	-29 255	95
(Profit) loss on disposal of property, plant and equipment	-541	-
(Profit) loss on disposal of shares	-	-120
Change in provisions	29	235
Change in inventories	240	3 541
Change in receivables and other assets	25 607	18 609
Change in current liabilities, except for loans and borrowings	-36 583	-30 927
Other adjustments (including deferred income)	1 018	1 016
<b>Cash provided by (used in) operating activities</b>	<b>-12 920</b>	<b>-2 373</b>
Income tax paid	0	333
<b>Net cash provided by (used in) operating activities</b>	<b>-12 920</b>	<b>-2 706</b>
<b>Cash flows – investing activities</b>		
Disposal of intangible assets and property, plant and equipment	613	0
Loans received – return of loans granted to related entities	17 500	11 500
Received interest on loans granted to related entities	573	1 365
Share in profit in subsidiary liquidated	-	4 006
Dividends received	29 042	-
Acquisition of intangible assets and property, plant and equipment	-701	-429
Acquisition of shares in subsidiary	-	-1 022
<b>Net cash provided by (used in) investing activities</b>	<b>47 027</b>	<b>15 420</b>
<b>Cash flows – financing activities</b>		
Interest and commission paid	-	-25
Payment of liabilities under lease	-2 056	-1 787
<b>Net cash provided by (used in) financing activities</b>	<b>-2 056</b>	<b>-1 812</b>
Total cash flows	32 051	10 902
Increase/(decrease) in net cash and cash equivalents	32 051	10 902
<b>Cash and cash equivalents at the beginning of the period</b>	<b>11 254</b>	<b>20 854</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>43 305</b>	<b>31 756</b>
<b>Including restricted cash</b>	<b>15</b>	<b>962</b>



***Notes on adopted accounting principles (policy) and other explanatory notes to separate financial statements***

**1. Establishment of the company and its principal activity**

Company Prochem S.A. (hereinafter called „Prochem”, „Company”, „Issuer”) seated in Warsaw, 95 Łopuszańska Street. The Company is registered in the National Court Register (KRS) by the District Court for the Capital City Warsaw, XIV Commercial Department of the National Court Register, under KRS number 0000019753. Principal activity of the Company according to Polish Business Classification (PKD 2007) determines symbol 7112Z- engineering activities and related technical consulting. According to Warsaw Stock Exchange classification the company belongs to construction sector. Company Prochem S.A. is a Parent Company of the Capital Group and prepares consolidated financial statements. Prochem S.A. was established through transformation of a state-owned enterprise under the name of Przedsiębiorstwo Projektowania i Realizacji Inwestycji Przemysłu Chemicznego „Prochem”. The notarial deed and statutes were signed in 1991. Duration of the Company is unlimited,

**1.1. The Management Board and Supervisory authorities of the Issuer**

As at the date of preparation of hereby financial statements the Management Board of Prochem S.A. comprises of the following persons:

Marek Kiersznicki - President of the Management Board  
Krzysztof Marczak - Vice President of the Management Board  
Michał Dąbrowski - Member of the Management Board

There were no changes in the composition of the Management Board of Prochem S.A. in the first half of 2022.

The three-year joint term of the company’s management board began on June 25, 2021.

*Composition of the Supervisory Board of Prochem S.A.*

As at the date of preparation hereby separate financial statements the Supervisory Board comprises of the following persons:

- Marek Garliński Chairman of the Supervisory Board
- Karol Żbikowski Vice Chairman of the Supervisory Board
- Andrzej Karczykowski
- Wiesław Kiepiel
- Jarosław Stępniewski

There were no changes in the composition of the Supervisory Board of the Company in the first half of 2022.

**1.2. Employment**

Average employment in the first half of 2022 was 197 FTEs, and in 2021 203 FTEs. Level of employment in persons as at 30 June 2022 was 201, and as at 31 December 2021 was 202.

## **2. Adopted accounting principles**

### **2.1. Principle of presentation and statement of compliance**

Interim condensed financial statements of PROCHEM S.A. for the first half of 2022 was prepared according to International Accounting Standards IAS 34 „Interim Reporting”, in the shape approved by the European Union and with Decree of the Minister of Finance of 19 February 2009 on current and periodic information provided by issuers of securities and with Decree of the Minister of Finance of 29 March 2018 on current and periodic information provided by issuers of securities and conditions for recognition as equivalent an information required by the law of a non-Member State (Official Journal of 2018 item 757) („Decree”). Hereby interim condensed financial statements do not contain the information and disclosures required for complete financial statements and should be read together with financial statements for the financial year ended 31 December 2021.

The presented financial statements of Prochem S.A. presents fairly and clearly the financial and property situation as at June 30, 2022 and the comparative data as at December 31, 2021, as well as the results of this activity for the year ended June 30, 2022 and the comparative data for the year ended June 30, 2021. The condensed separate financial statements for the period from January 1 to June 30, 2022 and as at June 30, 2022 were subject to review by a certified auditor.

Financial statements of Prochem S.A. as at 30 June 2022 were prepared at assuming to continue business operations as a going concern in the foreseeable futureości.

Financial statements was prepared based on the principle of the historical cost, apart from:

- land, buildings and construction measured at revalued amount,
- investment properties and investment properties-in progress measured at fair value.

Operational activity of the Company does not have seasonal character and is not subject to cyclic trends, except for the segment of the general contracting and rental of construction equipment, which are characterized by a seasonality, which in a large extent depends on weather conditions. Weather conditions have an impact on the volume of the revenues generated in these segments. Lower revenues are achieved during the winter season, when weather conditions do not allow for execution of some construction work.

The duration of the Company's operations is not limited.

The Company's financial year is the calendar year.

### **2.2. Changes in accounting estimates, and in accounting policies**

#### ***New standards, interpretations and changes in published IFRS, and selected accounting principles***

Approved by the IASB for use after January 1, 2022 and during 2022 , amendments to:

- IFRS 34 „Business combinations” – update of references to the Conceptual Framework;
- IAS 16 „Property, plant and equipment” – revenues from products produced in the period of preparation of property, plant and equipment for the commencement of operation;
- IAS 37 „Provisions, Contingent Liabilities and Contingent Assets” – explanations on costs recognized in the analysis of whether the contract is a contract that is onerous;
- Annual Amendments Program 2018-2020 – the amendments contain clarifications and clarify the guidelines of recognition and measurement standards: IFRS 1 “First-time Adoption of International Financial Reporting Standards”, IFRS 9 „Financial Instruments”, IAS 41 “Agriculture”: and to illustrative examples to IFRS 16 „Leases”

The above changes to the standards were approved for use by the European Union by the date of publication of hereby financial statements and did not affect accounting policy and financial statements.

***Standards adopted by the International Accounting Standards Board (IASB), endorsed by the European Union but not yet in force***

- Amendments to IFRS17 "Insurance contracts";
- Amendments to IAS 1 "Presentation of financial statements" – classification of liabilities as current or non-current;
- Amendments to IAS 1 "Presentation of financial statements" Guidelines of the IFRS Board regarding disclosures about accounting policies in practice" – the requirement to disclose material information about accounting principles;
- Amendments to IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" – definition of accounting estimates;
- Amendments to IAS 12 "Income Tax" – an obligation to recognize deferred tax on transactions, i.e. leases;
- Amendments to IFRS 17 "Insurance contracts" – first application of IFRS 17 and IFRS 9 - comparative information.

Prochem S.A. have not decided to earlier apply the Standards and amendments to standards that have been published and approved for use in the EU, but have not yet come into force, will implement them on the date of adoption.

### ***2.3. Changes in accounting estimates***

In the applied accounting principles the biggest importance had, apart from accounting estimates, the professional judgment of the management, which influences the amounts disclosed in the financial statements including in additional explanatory notes. Assumptions of these estimates are based on the best knowledge of the Management Board regarding current and future activities and events in particular areas of activity. They relate to the valuation of retirement benefits, the assessment of the degree of realization and profitability of long-term contracts (of gross margin).

The preparation of financial statements under IFRS endorsed by EU requires using certain accounting estimates and adoption of assumptions concerning future events. Items of the financial statements set on the basis of the estimates are subject to verification if circumstances being base of estimates are changing or as a result of obtaining new information, or of the progressive development of events or of acquiring greater experience. In preparing hereby financial statements were applied the same accounting principles and the same calculation methods which were applied in the financial statements of Prochem S.A. for the year ended 31 December 2021.

### **3. Functional currency and presentation currency of financial statements**

Separate financial statements is presented in thousands of Polish Zloty ('Zloty' or "PLN"), which is the reporting currency and the functional currency of the Company.

**4. Explanatory Notes to separate financial statements as at and for the period of six months ended 30 June 2022**

**Note 1 – Property, Plant and Equipment**

	As at 30 June 2022	As at 31 December 2021
Property, plant and equipment, including:	1 403	1 089
- machinery and equipment	1 163	730
- other PPE	240	359
<b>Total property, plant and equipment</b>	<b>1 403</b>	<b>1 089</b>
<hr/>		
	As at 30 June 2022	As at 31 December 2021
<b>PPE – ownership structure</b>		.
a) own	1 403	1 089
<b>Total Property, plant and equipment in the balance sheet</b>	<b>1 403</b>	<b>1 089</b>
<hr/>		
	Change in PPE from 01 January 2022 to 30 June 2022	Change in PPE from 01 January 2021. to 31 December 2021
<hr/>		
<b>Gross value</b>		
<b>As at opening balance sheet</b>	<b>6 662</b>	<b>6 325</b>
Increase (due to)	693	466
- acquisition of PPE	693	466
Decrease (due to)	-804	-129
- disposal of PPE	-788	-8
- liquidation of PPE	-16	-121
<b>As at closing balance sheet</b>	<b>6 551</b>	<b>6 662</b>
<hr/>		
<b>Depreciation and impairment</b>		
<b>As at opening balance sheet – accumulated depreciation</b>	<b>5 573</b>	<b>5 175</b>
Depreciation for the period (under)	-425	398
- increase (accrued depreciation)	307	524
- decrease due to disposal of non-current assets	-716	-5
- decrease under liquidation of non-current assets	-16	-121
<b>As at closing balance sheet- accumulated depreciation</b>	<b>5 148</b>	<b>5 573</b>
<hr/>		
<b>Impairment of non-current assets</b>	-	-
<hr/>		
<b>The net value of non-current assets as at the end of the balance sheet period</b>	<b>1 403</b>	<b>1 089</b>
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*Interim condensed separate financial statements of PROCHEM S.A. as at and for the period of 6 months ended June 30, 2022*

**Note 2 – The Right-of-Use Assets**

For the period from 1 January 2022 to 30 June 2022	Buildings and constructions	Machinery and equipment	Vehicles	Total
<b>Gross value</b>				
<b>As at opening balance sheet</b>	<b>14 700</b>	<b>378</b>	<b>3 826</b>	<b>18 904</b>
- increase in gross value - conclusion of new contracts	-	-	204	204
- increase in gross value - updating the value of contracts concluded	8 698	-	-	8 698
- decrease in gross value - end of the contract	-	-	-203	-203
<b>As at closing balance sheet</b>	<b>23 398</b>	<b>378</b>	<b>3 827</b>	<b>27 603</b>
<b>Depreciation and impairment</b>				
As at opening balance sheet	6 451	282	2 144	8 877
- depreciation accrued	1 178	32	478	1 688
- decrease - end of the contract	-	-	-95	-95
<b>Total depreciation accumulated as at closing balance sheet</b>	<b>7 629</b>	<b>314</b>	<b>2 527</b>	<b>10 470</b>
<b>Book value net as at opening balance sheet 01.01.2022</b>	<b>8 249</b>	<b>96</b>	<b>1 682</b>	<b>10 027</b>
<b>Book value net as at closing balance sheet 30.06.2022</b>				
Book value gross	14 700	378	3 827	18 905
Accumulated depreciation	7 629	314	2 527	10 470
Write-downs	-	-	-	-
<b>Total net value as at 30 June 2022</b>	<b>15 769</b>	<b>64</b>	<b>1 300</b>	<b>17 133</b>

**Comparative data**

For the period from 1 January 2021 to 31 December 2021	Buildings and constructions	Machinery and equipment	Vehicles	Total
<b>Gross value</b>				
<b>As at opening balance sheet</b>	<b>13 632</b>	<b>337</b>	<b>3 604</b>	<b>17 573</b>
Increase in gross value - conclusion of new contracts	-	41	219	260
Increase in gross value - updating of value of contracts concluded	1 068	-	65	1 133
Decrease in gross value - end of the contract	-	-	-62	-62
<b>Total gross value closing balance sheet</b>	<b>14 700</b>	<b>378</b>	<b>3 827</b>	<b>18 904</b>
<b>Depreciation</b>				
As at opening balance sheet	4 253	188	1 222	5 663
Depreciation accrued	2 198	94	958	3 250
decrease - end of the contract	-	-	-36	-36
<b>Total, accumulated depreciation as at closing balance sheet</b>	<b>6 451</b>	<b>282</b>	<b>2 144</b>	<b>8 877</b>
<b>Book value net as at opening balance sheet - 0 1.01.2021</b>	<b>9 379</b>	<b>149</b>	<b>2 382</b>	<b>11 910</b>
<b>Book value net as at closing balance sheet – 31.12.2021</b>				
Book value gross	14 700	378	3 826	18 904
Accumulated depreciation	6 451	282	2 144	8 877
Write-downs	-	-	-	-
<b>Total net value as at 31 December 2021</b>	<b>8 249</b>	<b>96</b>	<b>1 682</b>	<b>10 027</b>

**Note 3 – Shares in Subsidiaries**

<b>Shares in subsidiaries</b>	<b>30 June 2022</b>	<b>31 December 2021</b>
a) in subsidiaries	5 593	5 593
<b>Shares, net value</b>	<b>5 593</b>	<b>5 593</b>
Write-downs of financial non-current assets	380	380
<b>Shares, gross value</b>	<b>5 973</b>	<b>5 973</b>

<b>Change in shares in subsidiaries and in other entities</b>	<b>As at 30 June 2022</b>	<b>As at 31 December 2021</b>
a) as at the beginning of the period	5 593	8 478
- shares at cost	-	8 478
b) increase	-	2 186
- acquisition of shares in subsidiaries	-	1 022
- resolving of write-down of shares in liquidated subsidiary	-	1 164
b) decrease	-	-5 071
- liquidation of subsidiary	-	-5 050
- write-down of shares	-	-21
<b>As at the end of the period</b>	<b>5 593</b>	<b>5 593</b>

<b>Change in write-downs of shares in subsidiaries</b>	<b>As at 30 June 2022</b>	<b>As at 31 December 2021</b>
As at the beginning of the period	380	1 523
Write-down of shares	-	21
Resolving of write-down of shares – liquidation of subsidiary	-	-1 164
As at the end of the period	380	380

As at 30 June 2022 the Company carried out an analysis that did not show any impairment for shares.

**Note 4 – Shares in equity accounted entities (jointly-controlled entities and associated entities)**

<b>Shares in jointly-controlled entities and in associated entities</b>	<b>As at 30 June 2022</b>	<b>As at 31 December 2021</b>
- shares – net value	4 502	4 502
- write-downs of shares	708	708
<b>Shares, gross value</b>	<b>5 210</b>	<b>5 210</b>

<b>Change in shares in jointly-controlled entities and associated entities</b>	<b>As at 30 June 2022</b>	<b>As at 31 December 2021</b>
a) as at the beginning of the period	4 502	4 502
- shares at cost	4 502	4 502
b) as at the end of the period, net	4 502	4 502
c) write-down	708	708
d) as at the end of the period, gross	5 210	5 210

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Conclusion by Prochem S.A. of the annex to the office space lease agreement, in which the lease period was extended by 5 years, i.e. until June 30, 2030, had a significant impact on the increase in the value of right-of-use assets, in the first half of 2022.

**Note 5 – Settlement of Deferred Income Tax**

Changes in provisions and in deferred tax assets for the first half of 2022 are presented in the table below – deferred tax assets

<b>Deferred tax assets</b>	<b>As at 30 June 2022</b>	<b>As at 31 December 2021</b>
As at the beginning of the period	3 351	3 865
Increase	2 872	2 915
Decrease	-2 769	-3 429
<b>As at the end of the period</b>	<b>3 454</b>	<b>3 351</b>
<b>Provision to deferred income tax</b>	<b>As at 30 June 2022</b>	<b>As at 31 December 2021</b>
As at the beginning of the period	2 152	2 542
Increase	2 422	2 017
Decrease	-1 683	-2 407
<b>As at the end of the period</b>	<b>2 891</b>	<b>2 152</b>
<b>Presentation in statement of financial position</b>	<b>As at 30 June 2022</b>	<b>As at 31 December 2021</b>
Deferred tax assets	3 454	3 351
Provision to deferred income tax	-2 891	-2 152
<b>Assets/(Provision) deferred income tax</b>	<b>563</b>	<b>1 199</b>

**Note 6 – Other Financial Assets**

<b>Other financial assets</b>	<b>As at 30 June 2022</b>	<b>As at 31 December 2021</b>
b) from subsidiaries directly and indirectly:	5 050	5 628
- loans granted	5 050	5 628
c) from associated entities and jointly-controlled entities:	0	17 000
- loans granted	0	17 000
<b>Total other non-current financial assets</b>	<b>5 050</b>	<b>22 628</b>

**Loans granted – as at 30 June 2022**

- Loan granted to jointly-controlled to subsidiary Prochem Inwestycje Sp. z o.o.:
  - in the amount of PLN 5 050 thousand, including: amount of the loan PLN 4 500 thousand, interest PLN 550 thousand. The interest is set annually according to WIBOR 3M rate applicable on the first day of each calendar quarter, increased by a margin of 2.3%. Time for the loan repayment with interest on December 31, 2023.

**Increase:**

- Accrued interest on loans granted to jointly-controlled company Irydion Sp. z o.o. in the amount of PLN 356 thousand,
- Accrued interest on loans granted to subsidiary Prochem Inwestycje Sp. z o.o. in the amount of PLN 140 thousand,

**Decrease:**

- Repayment of loans incurred by jointly-controlled company Irydion Sp. z o.o. in the amount of PLN 17 000 thousand.
- Repayment of loans incurred by jointly-controlled company Irydion Sp. z o.o. in the amount of PLN 356 thousand.  
Partial repayment of a loan incurred by subsidiary Prochem Inwestycje Sp. z o.o. in the amount of PLN 500 thousand.
- Repayment of interest on loan incurred by subsidiary Prochem Inwestycje Sp. z o.o. in the amount of PLN 218 thousand.

**Loans granted - as at 31 December 2021**

- Loans granted to jointly-controlled company Irydion Sp. z o.o. seated in Warsaw:
  - in the amount of PLN 11 000 thousand, including: amount of the loan PLN 11 000 thousand. Interest is set annually according to WIBOR 3M rate on the first business day of each calendar quarter increased by a margin of 2.3%, time for the loan repayment with interest on 22 September 2031;
  - in the amount of PLN 6 000 thousand, including: amount of the loan PLN 6 000 thousand. Interest is set annually at 3% rate per year, time for the loan repayment with interest on 22 September 2031;
- Loan granted to subsidiary Prochem Inwestycje Sp. z o.o.:
  - in the amount of PLN 5 628 thousand, including: amount of the loan PLN 5 000 thousand. Time for the loan repayment with interest, interest in the amount of PLN 628 thousand. The interest is set annually according to WIBOR 3M rate applicable on the first day of each calendar quarter, increased by a margin of 2.3%. Time for the loan repayment with interest on 31 December 2023.

**Increase:**

- Accrued interest on loans granted to jointly-controlled company Irydion Sp. z o.o. In the amount of PLN 457 thousand,
- Accrued interest on loans granted to subsidiary Prochem Inwestycje Sp. z o.o.– PLN 885 thousand,

**Decrease:**

- Repayment of interest on loans incurred by jointly-controlled company Irydion Sp. z o.o. in the amount of PLN 540 thousand.
- Repayment of loans incurred by subsidiary Prochem Inwestycje Sp. z o.o. in the amount of PLN kwocie 11 500 thousand.
- Repayment of interest on loans incurred by subsidiary Prochem Inwestycje Sp. z o.o. in the amount of PLN 1 408 thousand.

**Note 7– Inventories**

Inventories	As at 30 June 2022	As at 31 December 2021
Materials	59	299
<b>Total inventories</b>	<b>59</b>	<b>299</b>
Write-downs of inventories	557	557

**Note 8 – Trade and Other Receivables**

Trade and other receivables	As at 30 June 2022	As at 31 December 2021
Trade receivables	35 670	66 778



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Write-down of trade receivables	3 076	2 812
<b>Trade receivables net, including</b>	<b>32 594</b>	<b>63 966</b>
- with repayment period up to 12 months	32 594	63 966
- with repayment period over 12 months	-	-
<b>Receivables under taxes, subsidies, custom duties, social and health insurance and other benefits</b>	<b>-</b>	<b>-</b>
Other receivables	35	24
Write-down of other receivables	-	-
<b>Other receivables, net</b>	<b>35</b>	<b>24</b>
<b>Total receivables</b>	<b>32 629</b>	<b>63 990</b>

<b>Trade and other receivables from related entities</b>	<b>As at 30 June 2022</b>	<b>As at 31 December 2021</b>
Trade receivables, including:	2 280	12
- from subsidiaries	2	6
- from jointly-controlled entities and associated entities	2 278	6
<b>Trade and other receivables from related entities net, total</b>	<b>2 280</b>	<b>12</b>
Write-down of receivables from related entities	-	-
<b>Trade and other receivables from related entities gross, total</b>	<b>2 280</b>	<b>12</b>

<b>Change in write-downs of trade and other receivables</b>	<b>As at 30 June 2022</b>	<b>As at 31 December 2021</b>
<b>As at the beginning of the period</b>	<b>2 812</b>	<b>2 889</b>
a) increase (due to)	264	-
- provision to trade receivables	264	-
b) decrease (due to)	-	77
- payments received	-	65
- use of provisions created in previous periods	-	12
<b>Write-downs of current trade and other receivables at the end of the period</b>	<b>3 076</b>	<b>2 812</b>

As at 30 June 2022 and as at 31 December 2021 trade receivables include current security deposits under statutory warranty granted for construction and assembly works, respectively for the amounts of PLN 3 698 thousand and PLN 5 561 thousand.

**Note 9 – Other Financial Assets**

<b>Other financial assets</b>	<b>As at 30 June 2022</b>	<b>As at 31 December 2021</b>
a) from other assets :	7 750	8 658
- other financial assets – security deposits securing bank guarantees	7 750	8 658
<b>Other financial assets, total</b>	<b>7 750</b>	<b>8 658</b>
Write-downs of other financial assets	-	-
<b>Other financial assets gross</b>	<b>7 750</b>	<b>8 658</b>

**Note 10 – Other assets**

<b>Other assets by type :</b>	<b>As at 30 June 2022</b>	<b>As at 31 December 2021</b>
a) prepayments	985	809

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- cost of property and personnel insurance	237	192
- Social Benefits Fund (ZFŚS)	202	-
- software maintenance costs	530	610
- subscriptions	7	4
- deferred costs	9	3
<b>Total other assets</b>	<b>985</b>	<b>809</b>

**Note 11 – Share Capital**

SHARE CAPITAL (STRUCTURE)							
Series / emission	Type of share	Type of share preference	Number of shares	Series / emission at nominal value	Method of coverage of capital	Registration date	Right to dividend (from the date)
Founding	inscribed	3 votes per 1 share	580	580	Cash	23-07-1991	01-10-1991
Founding	inscribed	-	6 816	6 816	Gotówka	23-07-1991	01-10-1991
Founding	bearer	-	1 810 104	1 810 104	Gotówka	23-07-1991	01-10-1991
B	inscribed	-	750	750	Gotówka	29-07-1993	01-01-1993
B	bearer	-	536 750	536 750	Gotówka	29-07-1993	01-01-1993
<b>Total number of shares</b>			<b>2 355 000</b>				
<b>Total share capital</b>				<b>2 355 000</b>			
<b>Nominal value of one share = PLN 1.00</b>							

On August 9, 2022, an entry was made in the National Court Register pursuant to Resolution No. 19 of the Ordinary General Meeting (OGM) of June 27, 2022 - the OGM redeemed 580,000 shares with a nominal value of PLN 1 each, including: 145,000 shares series B bearer shares and 435,000 series C bearer shares.

As at the date of publication of hereby financial statements, the share capital was reduced by PLN 580,000, and the number of shares remaining in trade is 2,355,000, the total number of votes attached to these shares is 2,356,160.

**Changing the rights from the issuer's securities**

In accordance with information/notifications received from shareholders, the Company informs that as at the date of hereby report the following shareholders hold at least 5% votes at the general meeting of shareholders:

Name of the shareholder	Number of shares held (in pcs.)	Number of votes held	% of votes in total number of votes	% of share capital
1. Steven Tappan	1 000 000	1 000 000	42.44	42.46
2. Otwarty Fundusz Emerytalny PZU „Złota Jesień”	284 916	284 916	12.09	12.10
3. APUS S.A.	145 965	145 965	6.20	6.20

Change of rights from shares of Prochem S.A. in the first half of 2022:

1. On August 16, 2022, the Management Board of Prochem S.A. (hereinafter referred to as the Company) obtained information about from Powszechnie Towarzystwo Emerytalne PZU S.A. acting on behalf of the Otwarty Fundusz Emerytalny PZU "Złota Jesień" ("OFE PZU") on the change of the share held so far in the total number of votes at the general meeting of the Company. The change is a

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consequence of reducing the share capital from PLN 2,935,000 to PLN 2,355,000 by redeeming 580,000 shares of the Company with a nominal value of PLN 1 each.

Before the change, OFE PZU owned 284,916 shares of the Company, which constituted 9.708% of the share capital and had 284,916 votes from these shares, which constituted 9.704% of the total number of votes at the General Meeting.

After the change, OFE PZU holds 284,916 shares of the Company, which constitutes 12.10% of the share capital and has 284,916 votes from these shares, which constitutes 12.09% of the total number of votes at the General Meeting.

2. On August 19, 2022, the Management Board of Prochem S.A. (hereinafter referred to as the Company) received information from the Company's shareholder, Mr. Steven Tappan, about a change in the share held so far in the total number of votes at General Meeting of the Company. The change is a consequence of reducing the share capital from PLN 2,935,000 to PLN 2,355,000 by redeeming 580,000 shares of the Company with a nominal value of PLN 1 each.

Before the change, Mr. Steven Tappan owned 1,000,000 shares of the Company, which constituted 34.07% of the share capital and held 1,000,000 votes from these shares, which constituted 33.1% of the total number of votes at the General Meeting.

After the change, Mr. Steven Tappan holds 1,000,000 shares of the Company, which constitutes 42.46% of the share capital and has 1,000,000 votes from these shares, which constitutes 42.4% of the total number of votes at the General Meeting.

3. On August 19, 2022, the Management Board of Prochem S.A. (hereinafter referred to as the Company) received information from the shareholder of the Company, Mr. Jean Jaques Alphantera and APUS S.A. on the change of the share held so far in the total number of votes at the general meeting of the Company. The change is a consequence of reducing the share capital from PLN 2,935,000 to PLN 2,355,000 by redeeming 580,000 shares of the Company with a nominal value of PLN 1 each.

Before the change, Mr. Jean Jaques Alphantera and APUS S.A. owned 145 965 shares of the Company, which constituted 4.97% of the share capital and held 145 965 votes from these shares, which constitutes 4.97% of the total number of votes at the General Meeting .

After the change, Mr. Jean Jaques Alphantera and APUS S.A. hold 145 965 shares of the Company, which constitutes 6.20% of the share capital and have 145 965 votes from these shares, which constitutes 6.20% of the total number of votes at the General Meeting.

**Note 12 – Retained Earnings**

	As at 30 June 2022	As at 31 December 2021
Spare capital	32 864	30 151
Other reserve capitals	9 353	9 353
Profit for the period	23 923	2 713
<b>Total</b>	<b>66 140</b>	<b>42 217</b>

**Nota 13 – Non-current Loans**

Non-current loans	As at 30 June 2022	As at 31 December 2021
a) to subsidiaries indirectly and directly	964	950
<b>Total current loans</b>	<b>964</b>	<b>950</b>

***Loans received –as at 30 June 2022***

- Loan received from subsidiary Prochem Zachód Sp. z o.o. in the amount of 964 thousand, including: amount of the loan PLN 950 thousand, interest PLN 14 thousand. The interest is set at 3% rate annually. Repayment date was set on 31 December 2023.

***Increase:***

- Acrued interest on loan from subsidiary Prochem Zachód Sp. z o.o. in the amount of PLN 14 thousand.

***Loans received –as at 31 December 2021***

- Loan received from subsidiary Prochem Zachód Sp. z o.o. in the amount of PLN 950 thousand, including: amount of the loan PLN 950 thousand. The interest rate is set annually at rate of 3% annually. Repayment date was set on 31 December 2023, but not earlier than repayment of loan in Bank ING.

***Noea 14- Trade Payables***

	<b>As at 30 June 2022</b>	<b>As at 31 December 2021</b>
a) to subsidiaries	4 444	164
- for supplies and services, with maturity period:	4 444	164
- up to 12 months	4 444	164
b) to associated entities and jointly-controlled entities	7	8
- for supplies and services, with security period:	7	8
- up to 12 months	7	8
c) to other entities	22 534	57 462
- for supplies and services:	22 534	57 462
- up to 12 months	22 534	-
- above 12 months	-	57 462
<b>Total trade payables</b>	<b>26 985</b>	<b>57 634</b>
<b>Non-current liabilities - under security deposits seized with maturity above 12 months</b>	<b>8 605</b>	<b>9 266</b>
<b>Total trade payables</b>	<b>35 590</b>	<b>66 900</b>

***Note 15 – Settlements under Non-current Agreements***

	<b>As at 30 June 2022</b>	<b>As at 31 December 2022</b>
- amounts due from recipients under agreements	14 168	8 636
<b>Amounts due from recipients under non-current agreements</b>	<b>14 168</b>	<b>8 636</b>

	<b>As at 30 June 2022</b>	<b>As at 31 December 2022</b>
Amounts owed to recipients under agreements, including:	2 482	5 803
a) current	2 482	5 803
<b>Amounts owed to recipients under non-current agreements</b>	<b>2 482</b>	<b>5 803</b>

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Description	As at 30 June 2022	As at 31 December 2021
Revenues according to agreements	866 689	887 341
Revenues invoiced	718 102	705 634
Liabilities planned under implementation of agreements	804 465	827 750
Realized liabilities under contracts	684 496	670 529
Amounts due from recipients	14 168	8 636
Amounts owed to recipients	2 482	5 803

**Note 16 – Liabilities under Lease**

	As at 30 June 2022	As at 31 December 2021
- liabilities under finance lease	-	-
- liabilities under right-of-use	17 394	10 279
<b>Liabilities under lease, total</b>	<b>17 394</b>	<b>10 279</b>
<b>including:</b>		
<b>Current liabilities</b>	<b>2 257</b>	<b>3 342</b>
<b>Non-current liabilities</b>	<b>15 137</b>	<b>6 937</b>

**Note 17 – Other Liabilities**

	As at 30 June 2022	As at 31 December 2021
a) to other entities	1 330	3 913
- under taxes, duties, insurance and other charges	1 312	3 884
- other (by type)	18	-
liabilities to employees	13	24
liabilities to shareholders	5	5
other	-	-
b) other current provisions	6 879	6 227
- provisions for losses on contracts	1 283	3 716
- provision for future costs	3 994	938
- cost of audit	76	24
- current provision for retirement benefits	40	53
- provision for unused leaves	1 486	1 496
<b>Total other liabilities</b>	<b>8 209</b>	<b>10 140</b>

**Note 18 - Revenues from sale of services**

Revenues from sale of services (type of service and type of activity)	Period ended 30 June 2022	Period ended 30 June 2021
- revenues from sale of services, including:	<b>70 640</b>	<b>82 650</b>
- from related entities	2 681	1 065
<b>Revenues from sale of services (territorial structure)</b>	<b>Period ended 30 June 2022</b>	<b>Period ended 30 June 2021</b>
Domestic market	70 640	82 650
- from related entities	2 681	1 065
Exports	-	-

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Revenues under contracts for construction services (general contracting) and other services are presented in note 26 – operating segments.

The gross amount due from ordering parties /recipients for the work under the contracts was presented in note 15.

Information on major customers, whose total value of revenues from sale of services exceeds 10% of the total revenues disclosed in the entity’s profit and loss account for the first half of 2022, is included in note 26 – operating segments.

**Note 19 – Cost of Services Sold**

Costs by type	Period ended 30 June 2022	Period ended 30 June 2021
a) amortization and depreciation	2 006	1 839
b) consumption of materials and energy	651	454
c) outsourcing	56 756	62 943
d) taxes and levies	20	28
e) remuneration	12 277	12 542
f) social security and other benefits	2 778	2 618
g) other costs by type	1 540	797
- property and personal insurance	581	283
- business trips	85	38
- State Fund for Rehabilitation of Disabled Persons PFRON	170	161
- rental of cars	133	131
- other	571	184
<b>Total costs by type</b>	<b>76 028</b>	<b>81 221</b>
Change in inventories, products and prepayments	-2 952	-1 156
General and administrative expenses (negative value)	-4 843	-4 548
<b>Costs of services sold</b>	<b>68 233</b>	<b>75 517</b>

**Note 20 – Other Operating Income**

	Period ended 30 June 2022	Period ended 30 June 2021
a) profit on disposal of non-financial non-current assets	541	-
b) reversal of impairment allowances (under)	-	30
- for receivables	-	30
c) other, including:	222	1 168
- return of litigation cost	-	11
- paid fines, penalties and compensation	218	1 151
- other	4	6
<b>Total other operating income</b>	<b>763</b>	<b>1 198</b>

**Note 21 – Other Operating Expenses**

	Period ended 30 June 2022	Period ended 30 June 2021
b) write-down of	264	-
- receivables	264	-
c) other, including:	3 132	-
- litigation costs	30	-
- fines, penalties and compensation paid	102	-

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- provision to future liabilities	3 000	-
<b>Total other operating expenses</b>	<b>3 396</b>	<b>-</b>

In the first half of 2022 the company Prochem S.A. created provisions for possible future costs related to the execution of contracts.

**Note 22 – Financial Income**

	<b>Period ended 30 June 2022</b>	<b>Period ended 30 June 2021</b>
a) revenues from dividends and share in profit	29 042	-
- from jointly-controlled entities	29 042	-
b) interest on loans granted	496	245
- from subsidiaries	140	19
- from jointly-controlled	356	226
c) other interest	69	-
- from other entities	69	-
d) surplus of positive exchange rate differences	581	-
e) other, including:	329	-
- revenues under discounted non-current liabilities	329	-
<b>Total financial income</b>	<b>30 517</b>	<b>245</b>

In the first half of 2022, the company received a dividend from the jointly-controlled company Irydion Sp. z o.o. in the amount of PLN 29,042 thousand. The company Irydion Sp. z o.o. paid the dividend due after the settlement of the sale of the real estate "Centrum Biurowo-Uslugowe Astrum" in Warsaw.

**Note 23 – Finance Costs**

	<b>Period ended 30 June 2022</b>	<b>Period ended 30 June 2021</b>
a) interest on bank loans	-	15
b) interest on loans granted:	14	14
- for subsidiaries	14	14
c) other interest	269	286
- under lease	269	286
d) surplus of negative exchange rate differences	-	172
e) other, under :	659	378
- commission on bank guarantees	385	353
- commission on loans	-	25
- costs under discount of financial assets	262	-
- other costs	12	-
<b>Total finance costs</b>	<b>942</b>	<b>865</b>

**Note 24 – Income Tax**

*Establishment of the effective tax rate*

	<b>Period ended 30 June 2022</b>	<b>Period ended 30 June 2021</b>
(in PLN thousand)		
Profit for the period	23 923	2 645
Income tax	636	694
Before tax profit	24 559	3 339

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Income tax at the applicable rate of 19 %	4 666	634
Revenues not classified as tax revenues	-5 518	-29
Costs not constituting tax deductible expenses	819	89
Other – tax loss not covered by deferred tax	669	-
<b>Income tax</b>	<b>636</b>	<b>694</b>

**Note 25–Additional Disclosures to the Statement of Cash Flows**

Differences between the amounts established directly from financial statements and those presented in statement of cash flows resulted from a transfer of particular amounts from operating activity to investing activity and financing activity.

They relate to the following balance sheet items (in PLN thousand):

	<b>In 2022</b>	<b>In 2021</b>
<b>Change in current receivables</b>	<b>25 607</b>	<b>18 609</b>
Receivables as at 1 January	63 990	61 232
Amounts due from recipients under contracts as at 1 January	8 636	7 019
Other assets as at 1 January	809	687
Receivables under seized security deposits as at 1 January	61	883
<b>Opening balance sheet after adjustments</b>	<b>73 496</b>	<b>69 821</b>
Receivables as at 30 June	32 629	35 786
Amounts due from recipients under contracts as at 30 June	14 168	14 602
Other assets as at 30 June	985	763
Receivables under seized security deposits as at 30 June	107	61
<b>Closing balance sheet after adjustments</b>	<b>47 889</b>	<b>51 212</b>
<b>Change in current liabilities except for current loans and special funds</b>	<b>- 36 583</b>	<b>-30 927</b>
Trade payables as at 1 January	57 634	55 481
Other liabilities as at 1 January	10 140	5 185
Amounts owed to suppliers under contracts as at 1 January	5 803	20 486
Liabilities under seized security deposits as at 1 January	9 266	15 359
Provision for current security deposits	-53	-129
Provisions for annual leaves	-1 496	-1 456
Provision for audit	-24	-25
Provision for current other costs	-	-1 549
Investment commitments as at 1 January	-8	-55
Liabilities to shareholders	-5	-5
<b>Opening balance sheet after adjustments</b>	<b>81 257</b>	<b>93 292</b>
Trade payables as at 30 June	26 985	34 706
Amounts owed to recipients under contracts as at 30 June	2 482	16 184
Other liabilities as at 30 June	8 209	5 043
Liabilities under seized security deposits as at 30 June	8 605	9 893
Provision for current retirement benefits	-40	-104
Provision for annual leaves	-1 486	-1 443
Provision for audit	-76	-30
Provision to current other costs	-	-1 817
Investment commitments as at 30 June	-	-62
Liabilities to shareholders	-5	-5
<b>Closing balance sheet after adjustments</b>	<b>44 674</b>	<b>62 365</b>



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<b>Change in other adjustments as at balance sheet date</b>	<b>1 018</b>	<b>1 016</b>
Change in security securing the guarantee provided by the bank	908	1 028
Other	110	-12

**Note 26 – Operating segments**

In the period from 1 January 2022 to 30 June 2022 there were no revenues from activities achieved outside Poland (Exports). In the same period of the previous year, there were also no revenues from activities outside Poland.

Information on major customers, which share in sales revenue for the first half of 2022 exceeded 10% of total sales revenue:

- The client, who deals in the production of chemical raw materials – sales revenue PLN 19 081 thousand, representing 26.7 % of sales revenue, which was shown in the segments „General contracting” and „Design services and other engineering services”.
- The client involved in the production of artificial fertilizers – sales revenue PLN 25 823 thousand, representing 36.2% of sales revenue, which was shown in the segment „General contracting”.

Detailed data on the activities of Prochem S.A. in particular segments are presented in the following tables. The analysis of the Company's revenues and results in individual reporting segments covered by the reporting is presented below.

<b>For the period from 01.01.2022 to 30.06.2022</b>	<b>General contracting</b>	<b>Design services, other engineering services</b>	<b>Rental of construction equipment</b>	<b>Commercial activity</b>	<b>Other</b>	<b>Items not assigned</b>	<b>Total</b>
Revenues for external clients	47 898	20 612	218	788	1 912	-	71 427
<b>Total segment revenues</b>	<b>47 898</b>	<b>20 612</b>	<b>218</b>	<b>788</b>	<b>1 912</b>	<b>-</b>	<b>71 427</b>
<b>Result</b>							
<b>Profit (loss) of the segment</b>	<b>-5 570</b>	<b>2 184</b>	<b>-184</b>	<b>53</b>	<b>787</b>	<b>-</b>	<b>-2 383</b>
Financial income						30 517	30 517
Finance costs						-942	-942
<b>Net financial income</b>						<b>29 575</b>	<b>29 575</b>
Profit on operating activities						-2 633	-2 633
<b>Before tax profit</b>						<b>24 559</b>	<b>24 559</b>
Income tax						636	636
<b>Profit for the current period</b>						<b>23 923</b>	<b>23 923</b>
Segment assets (related to activity)	19 746	10 343	237	-	2 336		32 662
Assets unallocated (among others shares and other financial assets)						100 761	100 761
<b>Total assets</b>	<b>19 746</b>	<b>10 343</b>	<b>237</b>	<b>-</b>	<b>2 336</b>	<b>100 761</b>	<b>133 423</b>
Segment liabilities (related to activity)	13 512	590	111	-	-	37 222	51 435
Equity						81 988	81 988
<b>Liabilities and capitals total</b>	<b>13 512</b>	<b>590</b>	<b>111</b>	<b>-</b>	<b>-</b>	<b>119 210</b>	<b>133 423</b>
Depreciation of property, plant and equipment	208	801	29	-	29	927	1 994
Amortization of intangible assets						12	12
Write down of segment assets (receivables from supplies and services)	-264		-2 794		-18		-3 076

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For the period from 01.01.2021 to 30.06.2021	General contracting	Design services, other engineering services	Rental of construction equipment	Commercial activity	Other	Items not assigned	Total
Revenues for external clients	67 610	14 292	209	585	539	-	83 235
<b>Total segment revenues</b>	<b>67 610</b>	<b>14 292</b>	<b>209</b>	<b>585</b>	<b>539</b>	<b>-</b>	<b>83 235</b>
<b>Result</b>							
<b>Profit (loss) of the segment</b>	<b>4 483</b>	<b>-1 325</b>	<b>-336</b>	<b>55</b>	<b>-236</b>	<b>-</b>	<b>2 641</b>
Financial income						365	365
Finance costs						-865	-865
<b>Net financial income</b>						<b>-500</b>	<b>-500</b>
Profit on other operating activities						1 198	1 198
<b>Before tax profit</b>						<b>3 339</b>	<b>3 339</b>
Income tax						694	694
<b>Profit for the current period</b>						<b>2 645</b>	<b>2 645</b>
Segment assets (related to activity)	47 061	2 649	282	-	301		50 293
Assets unallocated (among others shares and other financial assets)						87 138	87 138
<b>Total assets</b>	<b>47 061</b>	<b>2 649</b>	<b>282</b>	<b>-</b>	<b>301</b>	<b>87 138</b>	<b>137 431</b>
Segment assets (related to activity) Equity	63 376	613	166	-	950	13 191 59 135	78 296 59 135
<b>Liabilities and equity total</b>	<b>63 376</b>	<b>613</b>	<b>166</b>	<b>-</b>	<b>950</b>	<b>72 326</b>	<b>137 431</b>
Depreciation of property, plant and equipment	182	764	35		43	792	1 816
Amortization of intangible assets Write-down of segment assets (receivables from supplies and services)	-35	-12	-2 794		-18	23	23 -2 859

*Information about the geographical areas*

Geographical breakdown of sales revenue revealed in statement of profit and loss was presented in accordance with country of the seat of the ordering party.

	01.01-30.06.2022	01.01-30.06.2021
Poland	71 428	83 235
<b>Total sales revenue</b>	<b>71 428</b>	<b>83 235</b>

Geographical breakdown of property, plant and equipment and intangible assets

	30.06.2022	30.06.2021
Poland	1 441	1 349
<b>Total property, plant and equipment and intangible assets</b>	<b>1 441</b>	<b>1 349</b>

*Note 27 – Profit per One Share*

The Issuer's net profit per 1 share remaining in trade as at 30 June 2022 was PLN 10.16, and for the analogous period of 2021 it was PLN 0.90.

**Note 28 – Profit Distribution and Loss Coverage**

Pursuant to the Resolution No. 16 of the Ordinary General Meeting of June 27, 2022 net profit of Prochem S.A. for 2021 in the amount of PLN 2,712,506.66 was entirely allocated to the reserve capital.

**Note 29 - Dividends**

The Issuer did not pay dividend for 2021.

**Note 30 - Financial Instruments and Financial Risk Management**

**30.1 Categories and Classes of Financial Instruments**

**Financial assets**

30 June 2022		Categories of financial instruments	
		Loans, receivables and other	Total
	<b>Classes of financial instruments</b>	<b>note</b>	
	Receivables from supplies and services	8	32 594
	Amounts due from recipients under contracts	15	14 168
	Cash		43 305
	Security deposits constituting security	9	7 750
	Loans granted	6	5 050
	<b>Total</b>		<b>102 867</b>

31 December 2021		Categories of financial instruments finansowych	
		Loans, receivables and other	Total
	<b>Classes of financial instruments</b>	<b>note</b>	
	Receivables from supplies and services	8	63 966
	Amounts due from recipients under contracts	15	8 636
	Cash		11 254
	Security deposits constituting security	9	8 658
	Loans granted	6	22 628
	<b>Total</b>		<b>115 142</b>

**Financial liabilities**

30 June 2022		Financial liabilities measured at amortized cost	
			Total
	<b>Classes of financial instruments</b>	<b>note</b>	
	Loans received	13	964
	Amounts owed to recipients under contracts	15	2 482
	Liabilities under supplies and services	14	26 985
	<b>Total</b>		<b>30 431</b>

31 December 2021		Financial liabilities measured at amortized cost	
			Total

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<b>Classes of financial instruments</b>	<b>note</b>		
Loans received	13	950	950
Amounts owed to recipients under contracts	15	5 803	5 803
Liabilities under supplies and services	14	57 634	57 634
<b>Total</b>		<b>64 387</b>	<b>64 387</b>

**30.2 Impairment allowances of financial assets by classes of financial instruments**

(in PLN thousand)

<b>Classes of financial instruments</b>	<b>30 June 2022</b>	<b>31 December 2021</b>
Receivables from supplies and services	(3 076)	(2 812)
Other receivables	-	-
Other financial assets	(121)	(121)
<b>Total</b>	<b>(3 197)</b>	<b>(2 933)</b>

Impairment allowances of financial assets are presented in note 9.

**30.3 Liquidity risk related to the concentration of sales revenues**

Company Prochem S.A. realized in the first half of 2022 sales revenue in the amount of PLN 71 428 thousand. Customers whose sales revenue exceeded 10% of sales revenue disclosed in the profit and loss account are listed in note 26.

**Note 31– Collateral Granted and Received and Contingent Liabilities and Contingent Assets**

	<b>As at 30 June 2022</b>	<b>As at 31 December 2021</b>
<b>Collateral granted</b>		
Bank guarantee of good performance and statutory warranty	62 408	26 940
Tender guarantee	500	25
Guarantee of payment	2 451	1 058
Guarantee of return of advance payment	131	3 363
<b>Total guarantee granted</b>	<b>65 490</b>	<b>31 386</b>
<b>Total collateral and contingent liabilities</b>	<b>65 490</b>	<b>31 386</b>

<b>Collateral received</b>	<b>As at 30 June 2022</b>	<b>As at 31 December 2021</b>
Bank guarantee of good performance	14 413	20 519
Guarantee by promissory notes for securing contract terms	450	450
<b>Total collateral received</b>	<b>14 863</b>	<b>20 969</b>

**Note 32 - Related Party Transactions and Transactions with Key Management Staff**

Related entities include entities controlled and jointly-controlled entities, as well as those on which the Issuer has an influence, or is a member of key managing staff of the Issuer.

Key management personnel include Members of the Company's Management Board and Members of the Company's Supervisory Board.

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In the first half of 2022 key management personnel and persons related to key management personnel, in addition to remuneration did not conclude other transactions with the Issuer and the companies from the Capital Group.

In the first half of 2022 in the Issuer's enterprise were paid:

- remuneration to the Members of the Management Board in total amount of PLN 874.9 thousand,
- remuneration to the Members of the Supervisory Board in total amount of PLN 156 thousand.

Remuneration paid to members of the Management Board and of Supervisory Board in the first half of 2022 for performing functions in the Management Boards and Supervisory Boards of companies belonging to the capital group was PLN 139.7 thousand.

The transactions between related entities presented below were concluded on market conditions and relate to the sale and purchase of services, among others construction, assembly and rental, as well as loans mutually granted.

Settlements with related entities include receivables, trade payables and financial liabilities. Guarantees and sureties granted to related entities are presented in note 31.

**Reporting period**

(in PLN thousand)

**from 1 January to 30 June 2022**

	Sale of services	Purchase of services	Financial income – interest on loans	Financial income – dividends received	Finance costs – interest on loans
subsidiaries	10	10 864)*	140	-	14
Jointly-controlled entities and associated entities	2 671)**	1 941	356	29 042	-

)\* - including purchased electrical services and supplies of electrical equipment from subsidiary Elektromontaż Kraków S.A. in the amount of PLN 9 964 thousand.

)\*\* - sale of services and purchase of services in its entirety relate to revenues from the jointly controlled company Irydion Sp. z o.o. in Warsaw, for the benefit of which is implemented investment task under the name of „Astrum Biznes Park” in Warsaw.

**As at 30 June 2022**

	Trade payables	Receivables under loans granted	Other receivables	Trade payables	Liabilities under loans granted
Subsidiaries	2	5 050	-	4 444	964
Jointly-controlled entities and associated entities	2 278	-	-	7	-

**Comparative periods**

**from 1 January to 30 June 2021**

	Sale of services	Purchase of services	Financial income – interest on loans	Financial income – dividends received	Finance costs – interest on loans
Subsidiaries	10	1 509)*	19	-	14
Jointly-controlled entities and associated entities	1 055)**	1 663	226	-	-

)\* - including purchased electrical services and supplies of electrical equipment from subsidiary

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Elektromontaż Kraków S.A. in the amount of PLN 1,285 thousand.

)\*\* - sale of services and purchase of services in its entirety relate to revenues from the jointly controlled company Irydion Sp. z o.o. in Warsaw, for the benefit of which is implemented investment task under the name of „Astrum Biznes Park” in Warsaw.

<b>As at 30 June 2021</b>					
	Trade receivables	Receivables under loans granted	Other receivables	Trade payables	Liabilities under loans granted
Subsidiaries	2	5 000	-	1 294	964
Jointly-controlled entities and associated entities	53	17 114	-	-	-

**Note 33– Events after the Balance Sheet Date**

On August 18, 2022, Prochem S.A. received an advance payment for dividend for 2022 from the jointly controlled company Irydin Sp. z o. o. in the amount of PLN 2,520 thousand.

On September 24, 2022, the XLIV Extraordinary General Meeting (EGM) of Prochem S.A. was held, at which a resolution was adopted on consent to the acquisition by Prochem S.A. of own shares for redemption. Pursuant to resolution no. 4, the Extraordinary General Meeting of Prochem S.A. authorizes and obliges the Management Board of Prochem S.A. to purchase own shares in the total number not exceeding 350,000 shares, with the total nominal value not exceeding PLN 350,000. The purchase price of own shares was set at PLN 36, the total purchase price of own shares will not exceed PLN 12,600,000.00. The time for the purchase of own shares was set from September 24, 2022 to November 30, 2022.

**Note 34 - Other Explanatory Notes to Separate Financial Statements**

**Statement of changes in the ownership of the issuer’s shares or rights to them (options) by persons managing and supervising the issuer, in accordance with the information held by the issuer**

As at the date of separate financial statements hereby and according to the declaration received, the following members of the Management Board and the Supervisory Board held shares of PROCHEM SA :

- Marek Kiersznicki – 44,327 pcs.;
- Krzysztof Marczak – 30,268 pcs.;
- Marek Garliński – 49,929 pcs.;
- Andrzej Karczykowski – 111,692 pcs.;
- Jarosław Stępniewski – 50,206 pcs.;

The nominal value of 1 share is PLN 1.

In the first half of 2022, there were no changes in the number of shares held by managing and supervising persons.

**Information on granting a surety for loan or borrowing or guarantee by the issuer or by its subsidiary - jointly to one entity or to its subsidiary, if the total value of existing surety or guarantee is equivalent to at least 10 % of the issuer’s equity**

Not applicable.

**Indication of factors which, in the issuer’s opinion will have an impact on the results achieved by the issuer in the perspective of at least the subsequent quarter**

The issuer participates in a few of tender procedures, which, if successful, may lead to the signing of several significant orders, and as a result, in the following quarters, improve both revenues from sales of services and results on operations.

Factors that may affect the Company's future financial results:

- significant increase in inflation and market interest rates;
- the risk of recession occurrence in the economy;
- increase in operating and financial costs related to inflation and increase in energy prices;
- the impact of the war in Ukraine;
- the impact of the Covid-19/coronavirus pandemic.

***Note 35 - The Impact of the Military Conflict in Ukraine on the Company's Operations***

The Management Board monitors the impact of the political and economic situation in Ukraine on the Company's operations on an ongoing basis. As at the date of hereby financial statements, the Company noticed a noticeable impact on sales and the supply chain. First of all, there has been noticed a sharp increase in the prices of goods and services, delivery times for equipment and materials have been extended and the availability of some goods has been limited. Therefore, there may be some problems with the contracts for execution. However, due to the fact that the vast majority of orders held by the Issuer relate to design services, no significant impact of this situation on the operations of the Companies is expected.

The Management Board of Prochem S.A. monitors the current situation with particular attention and, if necessary, is prepared to take appropriate action to adapt its potential to the new conditions in order to mitigate any negative effects on the entity.

***Note 36 - The Impact of the Coronavirus Pandemic on the Activities of Prochem S.A.***

Prochem S.A. company has taken a number of measures in connection with the COVID-19 pandemic. When the first cases of COVID-19 appeared in the country, the Company developed action plans to ensure the continuity of operation and the provision of key services provided by Prochem S.A. They are constantly adapted to the changing conditions in the environment.

With regard to the contracts in progress, the Company has implemented additional measures to reduce the risk of potential breaches of the terms of the contracts signed by contractors as a result of a change in the economic situation. In particular, in the area of contracts for construction and assembly works and supplies, additional procedures have been implemented in the field of ongoing monitoring of compliance with the terms and deadlines of contract performance and the contractor's financial standing. The risk of loss of financial liquidity by key suppliers is analyzed on an ongoing basis and, if necessary, appropriate actions are taken, including shortening payment deadlines in individual cases.

Management Board of Prochem S.A. monitors the current situation with particular attention.

Measures were also taken to stabilize the Company's financial and operational status by collecting the necessary financial reserves and using appropriate tools and IT solutions to maintain the project potential (e.g. by creating the possibility of remote work).

If necessary, the Management Board of the Company is prepared to take further actions aimed at adapting its potential to the new conditions in order to mitigate any negative effects.

In addition, the Company has taken a number of preventive measures to limit the spread of the virus on facilities and to protect employees.

**Note 37 – Approval of the Financial Statements**

Interim condensed separate financial statements of Prochem S.A. for the period from 1 January 2022 to 30 June 2022 were approved for issue by the Management Board of Prochem S.A. on September 27, 2022.

**Signatures of the Members of the Management Board**

27.09.2022	Marek Kiersznicki	President of the Management Board	..... signature
date	name and surname	position	

27.09.2022	Krzysztof Marczak	Vice President of the Management Board	..... signature
date	name and surname	position	

27.09.2022	Michał Dąbrowski	Vice President of the Management Board	..... signature
date	name and surname	position	

**Signature of person responsible for bookkeeping**

27.09.2022	Barbara Auguścińska-Sawicka	Chief Accountant	..... signature
date	name and surname	position	