

**CONSOLIDATED QUARTERLY REPORT OF PROCHEM S.A.
CAPITAL GROUP FOR THE THIRD QUARTER OF 2015**

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www.prochem.com.pl

PROCHEM S.A.
Powązkowska 44C Street
01-797 Warsaw

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I. Selected financial data

Revenues from sales and profits 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 three quarters of 2015 - 4.1585 PLN/EURO
- For three quarters of 2014 - 4.1794 PLN/EURO

The data disclosed in the Statement of financial position are 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 balance-sheet date amounted to:

- 4.2386 PLN/EURO as at 30 September 2015
- 4.2623 PLN/EURO as at 31 December 2014

Selected financial data of PROCHEM S.A. Capital Group

Description	Reporting period ended 30 September		Reporting period ended 30 September	
	2015	2014	2015	2014
	In PLN thousands		In . EURO thousands	
Consolidated profit and loss account				
Revenues from sales	173 337	113 463	41 682	27 148
Gross profit on sales	17 263	17 036	4 151	4 076
Results from operating activities	5 157	5 942	1 240	1 422
Before tax profit	4 666	4 579	1 122	1 096
Profit for the period assigned to:	2 943	3 653	708	874
Shareholders of parent entity	3 210	3 612	772	864
Non-controlling interest	-267	41	-64	10
Profit/diluted profit per one share (in PLN//EURO)- assigned to shareholders of parent company	0.82	0.93	0.20	0.22
Consolidated statement of cash flows				
Net cash provided by (used in) operating activities	-3 635	1 405	-874	336
Net cash provided by (used in) investing activities	16 622	-4 370	3 997	-1 046
Net cash provided by (used in) financing activities	-4 085	7 807	-982	1 868
Total cash flow, net	8 902	4 842	2 141	1 159
Description	As at		As at	
	30 September 2015	31 December 2014	30 September 2015	31 December 2014
	In PLN thousands		In EURO thousands	
Consolidated statement of financial position				
Total assets	206 412	202 337	48 698	47 471
Total non-current assets	82 056	99 961	19 359	23 452
Total current assets	124 356	102 376	29 339	24 019
Equity attributable to owners of the parent company	115 365	113 436	27 218	26 614
Non-controlling interest	8 710	9 243	2 055	2 169
Total equity	124 075	122 679	29 273	28 782
Total non-current liabilities	5 173	6 884	1 220	1 615
Total current liabilities	77 164	72 774	18 205	17 074
Book value per one ordinary share (in PLN/EURO) - assigned to owners of parent entity	29.62	29.12	6.99	6.83
Weighted average number of shares (units)	3 895 000	3 895 000	3 895 000	3 895 000

Selected financial data of PROCHEM S.A.

Description	Reporting period ended 30 September		Reporting period ended 30 September	
	2015	2014	2015	2014
	In PLN thousands		In EURO thousands	
Separate statement of profit and loss				
Revenues from sales	141 872	80 253	34 116	19 202
Gross profit on sales	12 918	10 957	3 106	2 622
Results from operating activities	5 710	4 957	1 373	1 186
Before tax profit	6 704	4 343	1 612	1 039
Profit for the period	5 277	3 431	1 269	821
Profit per one ordinary share (in PLN/EURO)	1.35	0.88	0.33	0.21
Separate statement of cash flows				
Net cash provided by (used in) operating activities	925	-484	222	-116
Net cash provided by (used in) investing activities	8 196	-3 441	1 971	-823
Net cash provided by (used in) financing activities	-2 626	9 370	-631	2 242
Total cash flow, net	6 495	5 445	1 562	1 303

Description	As at		As at	
	30 September 2015	31 December 2014	30 September 2014	31 December 2014
	In PLN thousands		In EURO thousands	
Separate statement of financial position				
Total assets	149 411	139 683	35 250	32 772
Total non-current assets	54 984	50 609	12 972	11 874
Total current assets	94 427	89 074	22 278	20 898
Total equity	82 496	78 827	19 463	18 494
Total non-current liabilities	728	2 558	172	600
Total current liabilities	66 187	58 298	15 615	13 678
Book value per one ordinary share (in PLN/EURO)	21.18	20.24	5.00	4.75
Weighted average number of ordinary shares (units)	3 895 000	3 895 000	3 895 000	3 895 000

I. Interim condensed consolidated financial statements of Capital Group

Consolidated statement of financial position as at 30 September 2015

(all amounts in PLN thousands if not stated otherwise)

	As at 30 September 2015	As at 31 December 2014
Assets		
Non-current assets		
Property, plant and equipment	23 671	25 238
Intangible assets	402	190
Investment properties	11 960	32 960
Shares	830	830
Shares valued using equity method	24 853	25 136
Deferred tax assets	2 477	1 998
Other financial assets	17 863	13 609
Total non-current assets	82 056	99 961
Current assets		
Inventories	8 967	4 483
Trade and other receivables	81 921	66 534
Other financial assets	4 284	11 209
Other assets	13 676	13 544
Cash and cash equivalents	15 508	6 606
Total current assets	124 356	102 376
Total assets	206 412	202 337
Equity and liabilities		
Equity		
Share capital	3 895	3 895
Revaluation reserve	11 741	11 973
Retained earnings	99 729	97 568
Owners' equity	115 365	113 436
Non-controlling interest	8 710	9 243
Total equity	124 075	122 679
Non-current liabilities		
Provision for deferred income tax	2 877	2 656
Provision for retirement and similar benefits	1 959	1 985
Deferred income	-	1 867
Other liabilities	337	376
Total non-current liabilities	5 173	6 884
Current liabilities		
Bank loans	12 043	14 050
Loans	-	60
Trade receivables	45 787	31 229
Liabilities for current income tax	374	407
Other liabilities	3 656	7 809
Deferred income	15 304	19 219
Total current liabilities	77 164	72 774
Total liabilities	82 337	79 658
Total equity and liabilities	206 412	202 337
Book value – equity attributable to owners of Parent Entity	115 365	113 436
Number of shares (units)	3 895 000	3 895 000
Book value per one share (in PLN)	29.62	29.12

Consolidated profit and loss account
For the period from 1 January 2015 to 30 September 2015
(all amounts in PLN thousands if not stated otherwise)

	Period ended 30 September 2015	Period ended 30 September 2014
Revenues from sales, including :	173 337	113 463
Revenues from sale of services	169 897	109 168
Revenues from sale of goods and materials	3 440	4 295
Cost of sales, including :	-156 074	-96 427
Cost of services sold	-153 219	-92 727
Cost of merchandise and materials sold	-2 855	-3 700
Gross profit on sales	17 263	17 036
General and administrative expenses	-10 929	-11 173
Other operating income	402	457
Other operating expenses	-1 579	-378
Results from operating activities	5 157	5 942
Financial income	788	499
Gain on sale of shares	190	-
Finance costs	-1 186	-1 779
Profit sharing in entities valued using equity method	-283	-83
Before tax profit	4 666	4 579
Income tax :	1 723	926
- current tax	1 994	969
- deferred tax	-271	-43
Profit for the period	2 943	3 653

Profit for the period assigned to:

Shareholders of Parent Entity	3 210	3 612
Non-controlling interest	-267	41
Weighted average number of ordinary shares (units)	3 895 000	3 895 000
Profit per one ordinary share (in PLN per one share) assigned to owners of Parent Entity	0.82	0.93

Consolidated statement of comprehensive income
For the period from 1 January 2015 to 30 September 2015
(all amounts in PLN thousands if not stated otherwise)

Profit for the period	2 943	3 653
Other comprehensive income net	-245	160
<i>Other comprehensive income that will be reclassified to profit or loss under certain conditions:</i>	-245	160
Foreign exchange differences of the translation of the entity operating abroad	-245	160
Total comprehensive income	2 698	3 813

Total comprehensive income assigned to:

Shareholders of Parent Company	2 965	3 772
Non-controlling interest	-267	41
Weighted average number of ordinary shares (units)	3 895 000	3 895 000

Total comprehensive income per one ordinary share (in PLN per one share) assigned to owners of Parent Entity 0.76 0.97

Consolidated statement of changes in equity for the period from 1 January 2015 to 30 September 2015

(all amounts in PLN thousands if not stated otherwise)

The reporting period from 1 January 2015 to 30 September 2015

	Share capital	Revaluation reserve	Retained earnings	Equity assigned to shareholders of parent entity	Equity assigned to non-controlling interest	Total equity
As at the beginning of the period	3 895	11 973	97 568	113 436	9 243	122 679
Net profit (loss) of the given period	-	-	3 210	3 210	-267	2 943
Net other comprehensive income	-	-245	-	-245	-	-245
Total comprehensive income	-	-245	3 210	2 965	-267	2 698
<i>Transactions with shareholders</i>						
Payment of dividend	-	-	-1 363	-1 363	-11	-1 374
Repurchase of own shares for redemption (Elektromontaż) – change in the structure of shareholding	-	11	112	125	-143	-16
Other changes	-	2	198	200	-112	88
As at the end of the period	3 895	11 741	99 729	115 365	8 710	124 075

The reporting period from 1 January 2014 to 30 September 2014

	Share capital	Revaluation reserve	Retained earnings	Equity assigned to shareholders of parent entity	Equity assigned to non-controlling interest	Total equity
As at the beginning of the period	3 895	10 954	92 573	107 422	12 337	119 759
Net profit (loss) of the given period	-	-	3 612	3 612	41	3 653
Net other comprehensive income	-	160	-	160	-	160
Total comprehensive income	-	160	3 612	3 772	41	3 813
<i>Transactions with shareholders</i>						
Payment of dividend	-	-	-	-	-30	-30
Acquisition of shares in company Elektromontaż Kraków S.A. and Prochem Zachód Sp. z o.o.	-	84	334	418	-495	-77
Repurchase of own shares for redemption (Elektromontaż) – change in the structure of shareholding	-	408	968	1 376	-2 098	-722
Other changes – among others sale of shares in subsidiaries	-	-	29	29	-	29
As at the end of the period	3 895	11 606	97 516	113 017	9 755	122 772

Consolidated statement of cash flows for the period from 1 January 2015 to 30 September 2015

(all amounts in PLN thousands if not stated otherwise)

	Period ended 30 September 2015	Period ended 30 September 2014
Cash flows – operating activities		
Profit (loss) before tax	4 666	4 579
Total adjustments	-6 308	-1 918
Share in profit in entities valued using equity method	283	83
Amortization and depreciation	1 784	1 758
Interest and profit sharing (dividends)	189	205
Gain on disposal of property, plant and equipment	-8	-4
Loss on investment	20	-
Change in provisions	-661	-889
Change in inventories	-4 484	-12
Change in receivables and other assets	-13 433	-6 801
Change in current liabilities except for borrowings and loans	12 268	5 194
Other adjustments (including change in deferred income)	-2 266	-1 452
Cash provided by (used in) operating activities	-1 642	2 661
Income tax paid	1 993	1 256
Net cash provided by (used in) operating activities	-3 635	1 405
Cash flows – investing activities		
Inflows	17 709	333
Disposal of intangible assets and property, plant and equipment	6	306
Disposal of real estate	16 978	27
Disposal of subsidiary	566	-
Inflows from loans granted to other entities	143	-
Other inflows from other entities	16	-
Outflows	-1 087	-4 703
Acquisition of intangible assets and property, plant and equipment	-787	-981
For financial assets, including:	-	-3 722
a) In associated entities	-	-3 722
- acquisition of assets	-	-722
- loans granted	-	-3 000
b) In other entities	-300	-
- loans granted	-300	-
Net cash provided by (used in) investing activities	16 622	-4 370
Cash flows – financing activities		
Inflows	3 021	8 679
Bank loans	3 003	8 676
Other financial inflows	18	3
Outflows	-7 106	-872
Dividend paid	-1 361	-
Other than payments to shareholders expenses under profit distribution	-27	-107
Repayment of bank loans	-5 009	-196
Repayment of borrowings	-60	-
Payment of liabilities under finance lease	-175	-156
Commission and interest paid	-474	-413
Net cash provided by (used in) financing activities	-4 085	7 807

Interim condensed consolidated financial statements as at and for the three months ended 30 September 2015

Total cash flow net	8 902	4 842
Net increase/(decrease) in cash and cash equivalents	8 902	4 842
Cash and cash equivalents as at the beginning of the period	6 606	8 249
Cash and cash equivalents as at the end of the period	15 508	13 091

II. Interim condensed separate financial statements of PROCHEM S.A.

Separate statement of financial position as at 30 September 2015

(all amounts in PLN thousands if not stated otherwise)

	As at 30 September 2015	As at 31 December 2014
Assets		
Non-current assets		
Property, plant and equipment	1 554	1 977
Intangible assets	332	151
Shares in subsidiaries	10 162	10 162
Shares in jointly-controlled entities and associated entities	5 210	5 210
Deferred tax assets	1 562	1 073
Other financial assets	36 164	32 036
Total non-current assets	54 984	50 609
Current assets		
Inventories	5 821	2 487
Trade and other receivables	68 305	59 810
Other financial assets	5 022	19 382
Other assets	5 822	4 433
Cash and cash equivalents	9 457	2 962
Total current assets	94 427	89 074
Total assets	149 411	139 683
Equity and liabilities		
Equity		
Share capital	3 895	3 895
Revaluation reserve	1 016	1 261
Retained earnings	77 585	73 671
Total equity	82 496	78 827
Non-current liabilities		
Provisions for retirement and similar benefits	711	711
Deferred income	-	1 827
Other liabilities	17	20
Total non-current liabilities	728	2 558
Current liabilities		
Bank loans	8 484	9 448
Borrowings	957	957
Trade payables	40 218	25 416
Liabilities under current income tax	287	367
Other liabilities	1 279	4 100
Deferred income	14 962	18 010
Total current liabilities	66 187	58 298
Total liabilities	66 915	60 856
Total equity and liabilities	149 411	139 683
Number of shares (units)	3 895 000	3 895 000
Book value per share (in PLN)	21.18	20.24

Separate profit and loss account
For the period from 1 January 2015 to 30 September 2015

(all amounts in PLN thousands if not stated otherwise)

	Period ended 30 September 2015	Period ended 30 September 2014
Revenues from sales, including:	141 872	80 253
Revenues from sale of services	141 872	80 249
Revenues from sale of goods and materials	-	4
Cost of sales, including:	-128 954	-69 296
Cost of services sold	-128 954	69 294
Cost of merchandise and raw materials	-	-2
Gross profit on sales	12 918	10 957
General and administrative expenses	-6 278	-6 092
Other operating income	288	354
Other operating expenses	-1 219	-262
Results from operating activities	5 710	4 957
Financial income	1 896	880
Profit on the disposal of shares in subsidiaries	-	-
Finance expenses	-902	-1 494
Before tax profit	6 704	4 343
Income tax expense:	1 427	912
- current tax	1 916	866
- deferred tax	-489	46
Profit for the period	5 277	3 431
Weighted average number of ordinary shares (units)	3 895 000	3 895 000
Profit/diluted profit per one ordinary share (in PLN per share)	1.35	0.88

Separate statement of comprehensive income
for the period from 1 January 2015 to 30 September 2015

Profit for the period	5 277	3 431
Other comprehensive income , net	-425	160
<i>Other comprehensive income that will be reclassified to profit or loss under certain conditions:</i>	-245	160
Foreign exchange differences on the translation of the entity operating abroad	-245	160
Total comprehensive income	5 032	3 591
Weighted average number of ordinary shares (units)	3 895 000	3 895 000
Total comprehensive income per ordinary share (in PLN per one share)	1.29	0.92

**Separate statement of changes in equity
for the period from 1 January 2015 to 30 September 2015**

(all amounts in PLN thousands if not stated otherwise)

The reporting period from 1 January 2015 to 30 September 2015

	Share capital	Revaluation reserve	Retained earnings	Total equity
As at the beginning of the period	3 895	1 261	73 671	78 827
Net profit of the given period	-	-	5 277	5 277
<i>Other comprehensive income (net)</i>	-	-245	-	-245
Total comprehensive income	-	-245	5 277	5 032
Payment of dividend	-	-	-1 363	-1 363
As at the end of the period	3 895	1 016	77 585	82 496

The reporting period from 1 January 2014 to 30 September 2014

	Share capital	Revaluation reserve	Retained earnings	Total equity
As at the beginning of the period	3 895	950	68 662	73 507
Net profit of the given period	-	-	3 431	3 431
<i>Other comprehensive income (net)</i>	-	160	-	160
Total comprehensive income	-	160	3 431	3 591
As at the end of the period	3 895	1 110	72 093	77 098

Separate statement of cash flows
For the period from 1 January 2015 to 30 September 201
(all amounts in PLN thousands if not stated otherwise)

	Period ended 30 September 2015	Period ended 30 September 2014
Cash flows – operating activities		
Before tax profit	6 704	4 343
Total adjustments	-3 768	-3 660
Amortization and depreciation	745	635
Interest and profit sharing (dividends)	-1 252	-430
(Profit) loss on disposal of property, plant and equipment	-8	86
Change in provisions	-448	-713
Change in inventories	-3 334	875
Change in receivables	-10 276	-9 268
Change in current liabilities, except for loans and borrowings	12 426	5 519
Other adjustments (including deferred income)	-1 621	-364
Cash provided by (used in) operating activities	2 936	683
Income tax paid	2 011	-1 167
Net cash provided by (used in) operating activities	925	-484
Cash flows – investing activities		
Inflows	8 816	376
Disposal of intangible assets and PPE	4	303
Inflows from financial assets in related entities, including:	8 812	73
- repayment of loans granted	6 558	-
- repayment of interest on loans granted	1 251	25
- dividends received	1 003	48
Outflows	-620	-3 817
Acquisition of intangible assets and PPE	-500	-516
For financial assets in related entities, including:	-120	-3 301
- acquisition of financial assets	-	-101
- loans granted	-120	-3 200
Net cash provided by (used in) investing activities	8 196	-3 441
Cash flows – financing activities		
Inflows	3 018	9 608
Loans	3 000	8 658
Borrowings	-	950
Other financial inflows	18	-
Outflows	-5 644	-238
Dividend paid	-1 361	-
Repayment of bank loans	-3 963	-
Commission, interest paid	-320	-238
Net cash provided by (used in) financing activities	-2 626	9 370
Total cash flows, net	6 495	5 445
Net increase/(decrease) in cash and cash equivalents	6 495	5 445
Cash and cash equivalents at the beginning of the period	2 962	3 725
Cash and cash equivalents at the end of the period	9 457	9 170

III. Notes on adopted accounting principles (policy) and other explanatory notes to interim condensed consolidated financial statements of PROCHEM S.A. Capital Group and Company PROCHEM S.A.

These Notes contain both consolidated financial data of the PROCHEM Capital Group (the Prochem Group, the Group, Capital Group) and the separate financial results of PROCHEM S.A. (PROCHEM, the Company, the Issuer).

1. Establishment of Parent Entity and principal activity

Company PROCHEM S.A. (hereinafter called „Prochem”, „Company”, „Issuer” or „Parent Company”) seated in Warsaw, 44C Powązkowska Street. The company is registered in the National Court Register (KRS) by the District Court for the Capital City Warsaw, XII Commercial Department of the National Court Register under KRS number 0000019753. Principal activity according to Polish Business Classification (PKD 2007) determines symbol 7112Z – engineering activities and related technical consulting. According to Warsaw Stock Exchange classification PROCHEM belongs to construction sector. PROCHEM S.A. is a Parent Company of the Capital Group and prepares separate 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 Company’s Articles of Association were signed on 1 October 1991. Duration of the Company is unlimited.

In 2013 the Company commenced implementation of investment project „Turnkey construction of system for the production of highly purified paraffin, oils, lubricant and cooling greases and pattern material with the expansion of power complex” in Belarus. Therefore, for the period of implementation of the project the Representation Office was established. Time limit for the activity of Representation Office is limited, i.e. until 30 July 2016.

2. Management Board and Supervisory authorities of the Parent Entity

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

- Jarosław Stepniowski - President of the Management Board
- Marek Kiersznicki - Vice President of the Management Board
- Krzysztof Marczak - Vice President of the Management Board

There were no changes in composition of the Management Board in the period of nine months of 2015.

The Supervisory Board comprises of:

- Marek Garliński - Chairman
- Steven Tappan – Vice Chairman
- Andrzej Karczykowski
- Krzysztof Obłój
- Wiesław Kiepiel

This composition of the Supervisory Board is current at the date of these financial statements. There were no changes in the composition of the Supervisory Board during nine months of 2015.

3. Employment

During nine months of 2015 average employment in PROCHEM Capital Group was 466 FTEs, and for the year 2014 496.2 FTEs, including employment in the Parent Entity for nine months of 2015 was 240 FTEs and in the year 2014 226.2 FTEs.

Level of employment, in persons as at 30 September 2015 was 480, and as at 30 September 2014 516, including employment in the Parent Entity as at 30 September 2015 245, and as at 30 September 2014 230.

4. Organisation of the Group and indication of entities subject to consolidation

PROCHEM S.A. Capital Group (hereinafter referred to as „Capital Group”, „Group”), in addition to the Parent Company comprises the following subsidiaries directly or indirectly:

Subsidiaries covered by full consolidation:

- Prochem Inwestycje Sp. z o.o. seated in Warsaw – subsidiary directly (100.0%);
- PRO-INHUT Sp. z o.o. seated in Dąbrowa Górnicza – subsidiary indirectly (93.2%);
- Pro-Organika Sp. z o.o. seated in Warsaw – subsidiary directly (91.4%);
- Prochem Serwis Sp. z o.o. seated in Warsaw – subsidiary indirectly (89.1%);
- Przedsiębiorstwo Konsultingowo-Inżynieryjne PREDOM Sp. z o.o. z seated in Wrocław – subsidiary indirectly (81.1% of the capital and profit, 71.4% of votes);
- Prochem Zachód Sp. z o.o. seated in Słubice – subsidiary directly (80.0%);
- ELPRO Sp. z o.o. seated in Kraków – subsidiary indirectly (88.75%, including 77.5% in 50% share of Elektromontaż Kraków);
- Elmont Inwestycje Sp. z o.o. seated in Kraków – subsidiary indirectly (87.75%, including 77.5% in 50% share of Elektromontaż Kraków);
- Elektromontaż Kraków S.A. seated in Kraków – subsidiary indirectly (77.5%), including 65.7% of the capital and votes belongs to company Prochem Inwestycje 100% subsidiary. Elektromontaż Kraków S.A. prepares consolidated financial statements, which contains data of the subsidiary in 100%: ELMONT-POMIARY Sp. z o.o. seated in Kraków and two associated companies ELPRO Sp. z o.o. and Elmont-Inwestycje Sp. z o.o.;
- IRYD Sp. z o.o. seated in Warsaw – subsidiary indirectly 100%;
- ATUTOR Integracja Cyfrowa Sp. z o.o. seated in Warsaw – subsidiary indirectly (87.3% of share belongs to company Prochem Inwestycje Sp. z o.o. 100% subsidiary);
- Prochem RPI Sp. z o.o. seated in Warsaw – subsidiary directly and indirectly in 100%;

Jointly controlled entities and associates valued using the equity method:

- ITEL Sp. z o.o. seated in Gdynia – 42.0% share (18.7% of votes and capitals belongs directly to Prochem S.A., and 23.3% belongs to Prochem RPI Sp. z o.o. subsidiary in 100%);
- Irydion Sp. z o.o. seated in Warsaw – 50% of share;

Consolidated subsidiaries were included in the consolidated financial statements from the date of acquiring control until the date of loss of control by the parent company, and jointly controlled entities and associates from the date of exercising of joint control and of exertion of significant influence.

On 14 April 2015 pursuant to the sale agreement, the Company PROCHEM S.A. sold 12 290 shares in TEOMA S.A. in liquidation. The total sale price was set at the amount of PLN 122.90.

On 22 May 2015 based on the contract of sale, the Company Prochem Inwestycje Sp. Z oo, a 100% subsidiary of PROCHEM S.A. sold 196 shares (representing 89.1% of the share capital) of the company Prochem Service Sp. Z oo seated in Warsaw. The nominal value of shares amounts to PLN 196 thousand. The total sale price was set at amount of PLN 1 300 thousand

5. The adopted accounting principles applied by the Capital Group and the Issuer

Statement of compliance and principles of presentation

Interim condensed consolidated financial statements of PROCHEM S.A. Capital Group and interim condensed separate financial statements for the three quarters of 2015 was prepared according to IAS 34 „Interim Reporting” and the Decree of the Minister of Finance dated 19 February 2009 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 (Official Journal from 2009 No. 33, item 259). The interim condensed consolidated financial statements do not contain the information and disclosures required for complete financial statements and should be read together with the financial statements for the financial year ended 31 December 2014.

Presented interim condensed consolidated financial statements of PROCHEM S.A. Capital Group and interim condensed separate financial statements are compliant with all requirements of IFRS adopted by EU and present a true and fair view of the financial position as at 30 September 2015 and comparable data, as well as results of operations for the period ended 30 September 2015 and comparable data.

Presented interim condensed consolidated financial statements of PROCHEM S.A. Capital Group and interim condensed separate financial statements were prepared assuming that the Company will continue to operate as a going concern in foreseeable future and it is stated that there is no evidence indicating that PROCHEM S.A. Capital Group and Issuer will not be able to continue its operations as a going concern.

Duration of the activities of separate entities belonging to PROCHEM S.A. Capital Group is not limited.

Financial statements of subsidiaries were prepared for the same reporting period as financial statements of parent entity, using consistent accounting policies.

The financial year of the parent company and companies belonging to the Group is the calendar year.

Significant accounting policies and changes in IFRS

The interim condensed consolidated financial statements and interim condensed separate financial statements have been prepared using the same accounting principles and the same calculation methods which were applied in the financial statements as at 31 December 2014.

The Group and the Issuer will apply the announced changes in IFRS, which are still not become effective until the date of presentation of the interim condensed consolidated financial statements, in accordance with their effective date. The possible impact of these changes on the future financial statements is being analyzed.

Changes in estimates

In the third quarter of 2015 years there were no significant changes in the principles and methods of calculation used to determine the estimates and in the values of estimates.

Principles of preparation of financial statements

The consolidated financial statements were prepared based on the principle of the historical cost, apart from:

- land buildings and construction measured at revalued amount,

- Investment properties (land), investment property under construction measured at fair value.

Functional currency and presentation currency of financial statements

The interim condensed consolidated financial statements of the Group and interim condensed separate financial statements of PROCHEM S.A. are presented in Polish Zloty („zloty” or ”PLN”), which is the functional and presentation currency.

The financial result and financial position of the Representative Office in Belarus are translated using the following procedures:

- assets and liabilities are translated at the closing rate at the date of statement of financial position,
- revenues and expenses are translated at the average exchange rate set as the arithmetic mean of average exchange rates for the whole reporting period, and
- arisen exchange differences are recognized in the statement of comprehensive income as the foreign exchange differences of the translation of entity operating abroad.

6. Brief description of achievements and failures of the Issuer during the period covered by the report, together with an indication of the most important events concerning them

In the third quarter of 2015, there were no significant events that would have an impact on the achieved results of PROCHEM S.A. Capital Group and the Issuer.

7. Description of factors and events, especially of untypical nature, which have a significant impact on the achieved financial results

In the third quarter of 2015 the events of untypical nature did not occur.

Other events affecting the financial results of the Capital Group in the third quarter of 2015:

- a) was released provision for deferred income tax created in previous periods in the amount of PLN 131 thousand, and provision was created in the amount of PLN 295 thousand,
- b) deferred tax assets were used in the amount of PLN 819 thousand, and were created in the amount of PLN 728 thousand,
- c) provisions to costs created in the previous periods were used in the amount of PLN 120 thousand,
- d) was made write-down for receivables in the amount of PLN 264 thousand.

Other events affecting the financial results of the Issuer in the third quarter of 2015:

- a) was created provision for deferred income tax in the amount of PLN 95 thousand, and was released provision for deferred income tax created in previous periods in the amount of PLN 129 thousand,
- b) deferred tax assets were used in the amount of PLN 807 thousands, and were created in the amount of PLN 624 thousand,
- c) provisions to costs created in the previous periods were used in the amount of PLN 120 thousand,
- e) was made write-down for receivables in the amount of PLN 264 thousand.

8. Explanations concerning seasonality and cyclicity of the Issuer’s activities in the presented period

Operational activity of the Group and the Issuer neither have seasonal character, nor is subject to cyclic trend, except for the segment of the general contracting and for rental of construction equipment, which are characterized by a seasonality, which in large extent depends on weather conditions. Weather conditions have an impact on the volume of the revenue generated in these segments. Lower revenues are achieved during the winter season, when the weather conditions do not allow for execution of some construction work.

9. Information concerning the issue, repurchase and repayment of non-equity securities and equity securities

In the third quarter of 2015 the economic operations of this type have not occurred.

10. Information on paid (or declared dividend), total and per share, broken down into ordinary and preference shares

In the third quarter of 2015 the Group, based on the Resolution No 13 of the General Meeting of Shareholders of PROCHEM S.A. of 13 June 2015 paid a dividend from the profit for 2014 in the amount of PLN 1 363 thousand. The payment was made on July 17, 2015.

11. Events which occurred after the date of the condensed quarterly financial statements, which were not included in the statements, but which could have a material impact on future financial results of the issuer

Settlement of the dispute with PERN is presented in item 18.

12. Related party transactions

In the nine months of 2015 there were no transactions concluded by the Group and the Issuer with the Members of the Management Board and Supervisory Board, and also with their spouses, the siblings, the ascendants, and the descendants, and with other relatives.

Transactions with related entities, as below, were concluded on market conditions and relate to sale and purchase of services among others - construction and assembly services, and rental, as well as loans granted mutually.

Settlements with related entities include trade settlements and financial settlements.

Guarantees and sureties granted to related entities are presented in item 13.

Transactions of the Capital Group concluded with the entities valued using the equity method.

Reporting period

As at 30 September 2015 the Group's settlements with the entities valued using the equity method developed as follows:

Receivables from non-current loans with interest - PLN 17,863 thousand

Trade and other receivables - PLN 4,539 thousand

Trade payables - PLN 6 thousand.

From 1 January 2015 to 30 September 2015 there were the following transactions with the entities valued using the equity method:

- revenue from sale of services - PLN 22,061 thousand

- financial revenue from interest on loan - PLN 284 thousand

Revenues from sale of services entirely concern jointly-controlled entity Irydion Sp.Z o.o. seated in Warsaw, for benefit of which is implemented an investment project under the name of "Astrum Business Park" in Warsaw.

The share in the net loss for the nine months of 2015 of entities valued under the equity method amounted to PLN 283 thousand.

Comparative data

As at 30 September 2014 the Group's settlements with the entities valued using the equity method developed as follows:

Receivables from non-current loans with interest - PLN 11,484 thousand

Trade and other receivables – PLN 105 thousand

Trade payables – PLN 5 thousand

From 1 January 2014 to 30 September 2014 there were the following transactions with the entities valued using the equity method:

revenue from sale of services – PLN 12,710 thousand,

financial revenues from interest on loan in the amount of PLN 212 thousand.

The share in the net loss for the nine months of 2014 of entities valued under the equity method amounted to PLN 83 thousand.

Transaction of the Issuer with subsidiaries

Data for the reporting period

As at 30 September 2015 the Issuer's settlements with subsidiaries directly and indirectly developed as follows:

Receivables from non-current loans with interest – PLN 18,300 thousand

Receivables from current loans with interest - PLN 895 thousand

Trade and other receivables - PLN 2,288 thousand

Liabilities under current loan along with interest – PLN 957 thousand

Trade payables – PLN 3,107 thousand.

From 1 January 2015 to 30 September 2015 there were the following transactions of the Issuer with subsidiaries directly and indirectly:

- sale and purchase of construction services,
- sale of other services (rental of space)

Total revenues from those transactions amounted to – PLN 114 thousand

Revenues from interest on loans amounted to - PLN 99 thousand

Expenses under interest on loans amounted to – PLN 7 thousand

Comparable data

As at 30 September 2014 the Issuer's settlements with subsidiaries directly and indirectly developed as follows:

Receivables from non-current loans along with interest - PLN 26,457 thousand

Receivables from current loans along with interest - PLN 81 thousand

Trade and other receivables - PLN 4,890 thousand

Trade payables - PLN 1,351 thousand

Liabilities under current loan along with interest – PLN 959 thousand

From 1 January 2014 to 30 September 2014 there were the following transactions of the Issuer with subsidiaries directly and indirectly:

- sale and purchase of construction services,
- sale of other services (rental of space),

Total revenues from those transactions amounted to - PLN 456 thousand

Revenues from interest on loans amounted to - PLN 307 thousand

Revenues from dividends received – PLN 304 thousand

Remuneration under valorization of the contract value – PLN 93 thousand

Transaction of the Issuer with associated entities and with jointly-controlled companies

Reporting period

As at 30 September 2015 the Issuer's settlements with jointly-controlled companies and entities associated directly and indirectly developed as follows:

Receivables from non-current loans - PLN 17,863 thousand

Trade and other receivables - PLN 4,539 thousand

Trade payables - PLN 6 thousand

From 1 January 2015 to 30 September 2015 there were the following transactions with jointly-controlled entities and associated entities:

- revenues from sale of services - PLN 22,061 thousand
- financial revenues under interest on loan - PLN 284 thousand.

Revenues from sale of services entirely concern jointly-controlled entity Irydion Sp.Z o.o. seated in Warsaw, for benefit of which is implemented an investment project under the name of "Astrum Business Park" in Warsaw.

Comparative data

As at 30 September 2014 there were the following transactions of the Issuer with jointly-controlled entities and associated companies:

Receivables from non-current loans along with interest - PLN 11,484 thousand

Trade and other receivables - PLN 105 thousand

Trade payables - PLN 5 thousand

From 1 January 2014 to 30 September 2014 the Issuer's settlements with jointly-controlled entities and associated companies developed as follows:

- revenues from sale of services in the amount of PLN 12,710 thousand
- financial revenues under interest on loans - PLN 212 thousand.

13. Information concerning changes in contingent liabilities or contingent assets that have occurred since last financial year end

Contingent liabilities and contingent assets and other collateral

	Capital Group As at		Including Issuer As at	
	30 September 2015	31 December 2014	30 September 2015	31 December 2014
Granted collateral				
Bank guarantee of good performance	14 733	16 845	10 510	12 859
Guarantee of return of advance payment	13 146	24 668	13 146	24 668
Guarantee of payment	852	997	852	997
Tender guarantee	20	-	20	-
Total collateral granted	28 751	42 510	24 528	38 524
Contingent liabilities				
Surety of promissory notes issued by subsidiary Pro-Input Sp. z o.o. seated in Dąbrowa Górnicza for the benefit of investor in order to secure the claims of a good execution	247	247	247	247
Letters of Credit	-	-	-	-
Total collateral granted and contingent liabilities	28 998	42 757	24 775	38 771

	As at	
	30 September 2015	31 December 2014
Collateral received		
Bank guarantee of good performance	6 762	1 547

Bill of exchange securing terms of the contract	77	77
Total collateral received	6 839	1 624

Collateral received relate only to the Issuer.
Contingent receivables from PERN in item 18.

14. Changes in the structure of the Capital Group since the beginning of the year, including merger of economic entities, acquisition or disposal of subsidiaries and non-current investments, restructuring and discontinued operations

In the nine months of 2015 subsidiary Elektromontaż Kraków S.A. repurchased 678 own shares for redemption for total amount of PLN 16 thousand. As result of repurchase of own shares for redemption by company Elektromontaż Kraków there has been a change in in the structure of shareholding. The share of the Parent Company increased by 0.2% percentage points. As at 30 September 2015 the share of the Parent Company in the share capital and votes of Elektromontaż Krakow is 77.5%.

15. Management Board's position in relation to the possibility of accomplishment of previously published forecast of results for the given year, in the light of results presented in the quarterly report with respect to the forecasted results

The Management Board of PROCHEM S.A. did not publish any forecasts of financial results for 2015 , neither for the company nor for the PROCHEM S.A. Capital Group.

16. Shareholders having directly or indirectly through subsidiaries, at least 5% of the total number of votes at the General Meeting of the Issuer at the date of the quarterly report, including the number of owned shares, their percentage of the share capital, the number of votes from them and their percentage share in the total number of votes at the general meeting, and changes in the ownership of large blocks of shares of the Issuer since the previous quarterly report

According to the Company's knowledge at the date of this report, the following shareholders hold at least 5% of votes at the general meeting of shareholders:

description	Number of shares held	% of votes in total number of votes	% of share capital
1. POROZUMIENIE PHC, including:	1 179 483	30.30	30.28
Steven Tappan	510 000	13.09	13.09
2. Otwarty Fundusz Emerytalny PZU „ZłotaJesień“	387 521	9.95	9.95
3. Legg Mason Towarzystwo Funduszy Inwestycyjnych S.A., including:	560 549	14.39	14.39
- Legg Mason Parasol Fundusz Inwestycyjny Otwarty „Legg Mason Parasol FIO”	284 054	7.29	7.29
4. (QUERCUS Parosolowy SFIO, QUERCUS Absolute Return FIZ and QUERCUS Absolutnego Zwrotu FIZ) managed by Quercus Towarzystwo Funduszy Inwestycyjnych S.A, total: including:	204 198	5.24	5.24
- QUERCUS Parosolowy SFIO	194 944	5.00	5.00

Since the submission of the annual report for the year 2014 the Issuer on 22 October 2015 it was notified that the fund Investment QUERCUS Parasolowy SFIO independently increased share in the total number of votes in the company PROCHEM S.A., and has exceeded the threshold of 5% of the total number of votes in the company PROCHEM S.A.. Before the change, the Fund held 190,644 shares of the Issuer, representing 4.895% of the share capital and had 190,644 votes from these shares. Which represented 4.893% of the total number of votes at the General Meeting. As at 22 October 2015. Fund held 194,944 shares of the Company PROCHEM S.A., representing 5.005% of the share capital of the Company. These shares carried 194,944 votes at the General Meeting of the Company, representing 5.003% of the total number of votes at the General Meeting.

Changing the rights from the issuer's securities

On September 24, 2015 year on the basis of paragraph 10 of the Statute of company PROCHEM S.A., Resolution No. 22/132/94 which was passed by the Warsaw Stock Exchange on 30 May 1994, Resolution No. 636/15 which was adopted by the NDS on 23 September 2015, and Resolution No 955/2015 which was enacted by the Management Board of the Warsaw Stock Exchange on 18 September 2015, was carried out the conversion of registered shares into bearer shares. The date of conversion, assimilation and introduction to trading on the main market in normal mode - September 28, 2015.

After the change:

- the Company's share capital amounts to PLN 3,895.000 and has not changed,
- the total number of votes from all shares of the Issuer at the General Meeting will amount to 3,896,160 decreased by 500 votes.

Structure of shares after the change:

- 3,886,854 shares to bearer,
- 7,566 registered preferred shares,
- 580 registered preferred shares.

17. Statement of changes in ownership of the issuer's shares or rights to them (options) by the managing persons and supervisory authorities, according to the issuer's knowledge in the period from the last quarterly report

As at the date of quarterly report the following members of the Management Board and the Supervisory Board of the Company held shares of PROCHEM SA:

- Jarosław Stępniewski – 80,943 units.;
- Marek Kiersznicki – 70,393 units.;
- Krzysztof Marczak – 43,700 units;
- Andrzej Karczykowski – 115,186 units;
- Marek Garliński – 86,400 units;
- Steven Tappan – 510,000 units.

The nominal value of 1 share is PLN 1.

Managing persons and supervisory authorities don't hold any shares of affiliated entities.

Since the annual report for 2014 there has been no change in the number of issuer's shares held by the members of the Management Board and the Supervisory Board.

18. Proceedings pending before the court, competent authority for arbitration or public administration including information on:

- a) proceedings relating to liabilities or receivables of the issuer or of its subsidiary, which value is at least 10% of the equity of the issuer, with the specification of: the subject of the case, the amount in dispute, date of initiation of proceedings, the parties to the proceedings and the position of the issuer,

- b) two or more proceedings relating to liabilities and receivables with a total value respectively of at least 10% of the Issuer's equity, with determining total value of proceedings separately in the group of liabilities and group of receivables, with the position of the issuer in this case, and in relation to the most significant proceedings in the group of liabilities and the group of receivables – an indication of their subject, the amount in dispute, date of initiation of proceedings and the parties to the proceedings.

PROCHEM S.A. continues to be a party to the proceedings before the court concerning the settlement of the contract which was interrupted on 10 November 2005, for the construction management of an investment project under the name "Pipeline in a section from the ST- 1 Adamowo - to raw material base Plebanka" concluded with PERN S.A. PROCHEM S.A. filed a lawsuit to the court for payment of PLN 41, 301 thousand under the final settlement of the contract, of which PLN 17,364 thousand is recognized in the statement of financial position as a receivable from seized guarantee deposit, and the remaining amount is the contingent receivable. On 18 January 2008 District Court in Warsaw issued a judgment in this case considering claim of PROCHEM S.A. as to be right in principle, while stating that this obligation is not yet due.

On 26 August 2008 the Court of Appeal in Warsaw issued a final judgment on the appeal lodged by PROCHEM S.A. from the a/m judgment of the District Court, recognizing in it that the claim filed by PROCHEM S.A. regarding accounting for the contract is not premature, and at the same time has ordered that the District Court will make the accounting for the contract mentioned above pursuant to the provisions of the contract. This finding is in compliance with position in a case of PROCHEM S.A.

On 12 August 2010 the hearing was held before the District Court in Warsaw, where the Court decided to appoint an expert- Warsaw University of Technology – Department of Civil Engineering, who according to the recommendations of Court of Appeal will make an ultimate accounting for in relation to the disputed contract. In April 2011, the case file was forwarded to the expert witness, who in an opinion published in May 2012 confirmed the amount of the claim of PROCHEM S.A. By order of May 31, 2012, the District Court granted the Warsaw University of Technology a remuneration for opinion in the case, in relation to which the defendant PERN lodged a complaint. According to PERN SA the prepared opinion could not be the basis of the findings of facts of the case for the Court, because it is contrary to the thesis of the Court in which was determined the basis and scope of the opinion.

The Court of Appeal in Warsaw, I Civil Division has cancelled the decision of the District Court which was contested by PERN SA and the request for remuneration of an expert for the drafting of an opinion has submitted to the District Court for reconsideration.

On 5 February 2013 before the District Court in Warsaw, a hearing was held with the participation of experts, after which the court decided to oblige the parties to submit the pleadings in which the final the final conclusions of evidence to complement the expert opinions will be clarified, and postponed the hearing until 16 May 2013.

By order dated February 25, 2013, the District Court in Warsaw XXVI Economic Department upheld the previous decision of the Court, and finally has awarded a remuneration for the expert for drafting the opinion. In grounds for the judgment the Court determined that, at the hearing on 5 February 2013, the certified expert has carefully explained the methodology that has been adopted for the preparation of the legal opinion and it is not inconsistent with the thesis of the Court, and there are no legitimate grounds to complain that the methodology adopted by the experts is not correct.

On 14 May 2013, the Issuer received a notice from the District Court in Warsaw of revocation hearing scheduled for 16 May 2013 and the next date of hearing has not been appointed yet.

On 9 August 2013, the Issuer received from the District Court in Warsaw, the decision as of 1 August 2013, from closed session of the Court. At the meeting, the Court decided to admit evidence of a supplementary opinion of research institute - Warsaw University of Technology in Warsaw, in the circumstance of determining the value of services, supplies, and other liabilities made by PROCHEM S.A. and directly related to the implementation of the agreement that have been made after the date of withdrawal from the contract on the basis of commitments contracted prior to the withdrawal from the contract. In November 2013 the experts appointed by the court have started the work associated with the preparation of the supplementary opinion. On 25 February 2014, the Court received the supplementary opinion that confirms the amount of the claim of PROCHEM S.A.

On 24 October 2014 the court suspended of its own motion the hearing until the removal of formal obstacles that have now been removed and on February 6, 2015, a request was made to continue the proceedings and set a date for the next meeting.

On 4 March 2015 the District Court in Warsaw has scheduled a hearing for 30 April 2015.

At the hearing on 30 April 2015, the Regional Court in Warsaw has pledged experts to supplement the opinion. Date of next hearing will be appointed after the supplementation of expert opinions.

On 6 May 2015 in relation to the doubts raised against some aspects of the expert's opinions and in the interest of a faster conclusion of the case, PROCHEM limited action by the amount of PLN 139 thousand to the amount of PLN 41 162 thousand, along with statutory interest.

On 17 July 2015 the Company received a copy of the supplementary opinion expert, which in all cases had confirmed the position of PROCHEM S.A.

On 22 October 2015 the District Court in Warsaw, XXVI Commercial Division announced judgment in the above matter, in which:

- from the principal action, jointly and severally to the Issuer and a member of the consortium adjudged from PERN:
 - ✓ amount of PLN 35 086 589.26, with statutory interest from 23 March 2006 until the date of payment;
 - ✓ amount of PLN 4 879 883.58, with statutory interest from 22 March 2006 until the date of payment;
 - ✓ amount of PLN 126 400,4, with statutory interest from 16 January 2007 until the date of payment.
- in the cross action, dismissed the action of PERN entirely.

The above mentioned judgment constitutes the judgment of first instance, the parties have the right to lodge an appeal against the judgment.

At 30 of September 2015 the Group presents the receivables from PERN SA under seized during the execution of the contract of guarantee deposits worth PLN 17,364 thousand, which are the subject of a final settlement of the contract and the proceedings pending before the Court. These receivables are not covered by write-down. The remaining amount of the claim of PROCHEM S.A. in the amount of PLN 22,728 thousand was recognized as a contingent asset, because at the reporting date, did not meet all the criteria for recognition as an asset in the understanding of IAS 37.

The value of this procedure exceeds 10% of the equity of the Issuer's Capital Group.

Furthermore, the total value of other proceedings separately for group of liabilities and as well as for group of receivables does not exceed 10% of the equity of the Issuer's Capital Group.

19. Information about the one or more transactions concluded by the issuer or by its subsidiary with related parties, if separately or jointly they are significant and were concluded on terms other than market terms:

- a) the subject of the transaction,
- b) the connections of the issuer or its subsidiary with the entity which is the party to the transaction,
- c) the material terms of the transaction with particular emphasis on financial conditions and the indication of the specific conditions determined by the parties, characteristic of this agreement, in particular those which are different from those commonly applied for such contracts.

In the three quarters of 2015 there were no transactions concluded on other terms than market terms.

In this period the Issuer granted a loan in the amount of PLN 120 thousand to a subsidiary with the repayment date until 31 December 2015. Interest rate was set as at 3% annually.

20. Information on granting surety of 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.

In the reporting period the jointly-controlled company Irydion Sp. z oo on 20 April 2015 signed an agreement on the construction and mortgage loan up to the amount PLN 43 469 thousand for the implementation of development project (construction of office building) under the name of Astrum Business Park in Warsaw. Interest on the loan is established as follows: in the Developer's Phase (the period for implementation of the project) according to a floating interest rate WIBOR 3M plus margin, in the investment phase (after conversion of the loan) 3M EURIBOR plus margin. The repayment date was set for September 22, 2031. The loan will be launched after the establishment of security. The established security for the loan include: the establishment of contractual mortgage, transfer of rights from the insurance policy of the project, transfer of a debt from lease contracts, the establishment of the registered pledge on all shares in the share capital by the Shareholders.

Company PROCHEM S.A. granted to the jointly controlled company Irydion Sp. z o.o. a surety under abovementioned agreement of loan up to the amount of PLN 21,735 thousand. (i.e. 50% of the amount of the loan). The guarantee was fixed up to 20 September 2016.

On April 20, 2015, the company PROCHEM S.A. entered into an agreement of registered pledge of 4 500 shares with a nominal value of PLN 1 000 each, with a total nominal value of PLN 4 500 thousand. These shares represent 50% of the share capital of the jointly controlled entity and give the right to 4,500 votes at the company's shareholders' meeting. Registered pledge on the shares is to constitute the collateral of the loan as above.

21. Other information that in the issuer's opinion is essential to the assessment of the human resources, financial position, financial results and changes in them, and information that is essential to assess the possibility of fulfilment the obligations by the issuer.

The low level of debt and the high financial liquidity permit the Companies from the Capital Group for the current and timely handling of obligations with the result that they are a credible partner in economic turnover.

22. Factors which in the opinion of the issuer will have an impact on its financial performance in the prospect of at least the subsequent quarter

The results in subsequent quarters will depend mainly on the possibility of gaining of new contracts on sale of its services by the companies from the Capital Group. A large impact on the results of the Capital Group will have the continuation of projects already underway: the contract in Belarus and the Center Astrum Business Park in Warsaw.

23. Financial instruments and financial risk management

**Financial assets
As at 30 September 2015**

(in PLN thousands)	Separate financial statements		Consolidated financial statements	
	As at 30 September 2015	As at 31 December 2014	As at 30 September 2015	As at 31 December 2014
Classes of financial instruments				
Receivables from supplies and services	59 286	59 334	72 902	65 665
Cash	9 457	2 962	15 508	6 606
Loans granted	27 257	44 377	22 147	17 777
Other financial assets – discounted	3 929	7 041	3 929	7 041

security deposit constituting collateral for a bank guarantee of repayment of advance payment				
Total	99 929	113 714	114 486	97 089

Financial liabilities
As at 30 September 2015

(in PLN thousands)	Separate financial statements			Consolidated financial statements		
	Financial liabilities measured at amortized cost	Liabilities excluded from IAS 39 financial	Total	Financial liabilities measured at amortized cost	Liabilities excluded from IAS 39 financial	Total
Classes of financial instruments						
Loans	8 484	-	8 484	12 043	-	12 043
Borrowings	957	-	957	-	-	-
Finance lease	-	-	-	-	345	345
Payables	40 218	-	40 218	45 787	-	45 787
Total	49 659	-	49 659	57 830	345	58 175

As at 31 December 2014

(in PLN thousands)	Separate financial statements			Consolidated financial statements		
	Financial liabilities measured at amortized cost	Liabilities excluded from IAS 39 financial	Total	Financial liabilities measured at amortized cost	Liabilities excluded from IAS 39 financial	Total
Classes of financial instruments						
Loans	9 448	-	9 448	14 050	-	14 050
Borrowings	957	-	957	60	-	60
Finance lease	-	-	-	-	590	590
Payables	25 416	-	25 416	31 229	-	31 229
Total	35 821	-	35 821	45 339	590	45 929

Impairment allowances of financial assets by categories and classes of financial assets

(in PLN thousands)	Separate financial statements		Consolidated financial statements	
	As at 30 September 2015	As at 31 December 2014	As at 30 September 2015	As at 31 December 2014
Receivables from supplies and services	(6 092)	(5 515)	(7 148)	(6 943)
Other financial assets	(603)	(207)	(396)	-
Total	(6 695)	(5 722)	(7 544)	(6 943)

Liquidity risk related to the dispute in court with PERN SA

In view of the substantial prolongation of legal proceeding in a dispute with PERN SA which begun in 2006, and currently is pending before the District Court in Warsaw concerning the accounting for the contract in the formula GRI for investment project under the name of "Rurociąg w relacji ST-1 Adamowo - Baza Surowcowa Plebanka" which was interrupted on 10 of November 2005, the risk exists of the need of fulfilment of the commitments by PROCHEM in 2015 in relation to seized guarantee deposits of subcontractors, which at the balance-sheet date amount to PLN 2,928 thousand, before the recovering of guarantee deposits seized by PERN S.A. The amount due to PROCHEM S.A. under security deposit from PERN S.A. as at 31 March 2015 amounts to PLN 17 364 thousand. In the Company's opinion the risk is

minimal, but the Management Board of PROCHEM S.A. takes into account a necessity of accumulation of adequate funds for this purpose. A detailed description of the dispute in item 17.

Liquidity risk associated with the concentration of sales revenues

In the nine months of 2015 the Capital Group realized sales revenues in the amount of PLN 173 337 thousand, including PLN 77 212 thousand (44.54%) concerned Belarusian Client. Accordingly, the Group disclosed in the statement of financial position the following financial instruments related to the above Client.

Classes of financial assets	As at 30 September 2015	% share in total assets
Financial assets		
Receivables from supplies and services	14 913	7,2
Other financial assets (discounted security deposit constituting the collateral for bank guarantee of refund of advance payment)	3 929	1,9
Total financial assets	18 842	9,1
Financial liabilities		
Payables	10 200	4,9
Total financial liabilities	10 200	4,9

24. Financial Reporting by business and geographical segments

Operating segment is a component part of the entity:

- that engages in business activity in connection with which it can obtain income and incur expenses,
- whose operating results are regularly reviewed by the body responsible for making operating decisions in the Company;
- in case of which is available a separate financial information.

Revenues of the segment are revenues from sale to external customers.

Expenses of the segment constitute the expenses composed of costs relating to the sale to external customers.

Segment result is determined on the level of operating income.

The activity of the Companies from Capital Group and the Issuer for the managing purposes was divided into eleven basic operating divisions such as: implementation (General Contracting), design services and other engineering services (supervisions along with the service of project engineer), the rental of the construction equipment, and other activities which include among others revenues from sublet, sale of services of photocopying, and other.

Segment assets include all assets used by a segment, consisting primarily of receivables, inventories, and property, plant and equipment, after reduction by value of provisions and impairment losses. Some assets in the joint use are assigned to the segments based on reasonable weight.

For three quarters of 2015, revenue from the activity achieved by the Parent Entity, outside Poland (Export) and recognized in the consolidated income statement amounted to PLN 77,212 thousand, which represents 44.5% of revenues reported in the consolidated income statement.

In the analogous period of the previous year these revenues amounted to PLN 30096 thousand, which accounted for 26.5% of sales revenue.

Information on the main customers of the Group, which share in revenues from sales recognized in the consolidated profit and loss account for three quarters of 2015 exceeded 10% of total revenues:

- Belarusian client – revenues in the amount of PLN 77 212 thousand, representing 44.5% share in total revenues from sale, which were disclosed in the segment „General contracting” and „Design and other engineering services”
- Irydion Sp. z o.o. jointly controlled company – revenues in the amount of PLN 22 461 thousand, representing 13.0% share in total revenues from sale, which were disclosed in the segment „General contracting” and „Design and other engineering services”
- the manufacturer of rapeseed oil for technical purposes – revenues in the amount of PLN 24 125 thousand, representing 13.9% share in total revenues from sale, which were disclosed in the segment „General contracting” and „Design and other engineering services”;

Assets of the Representation Office in Belarus at 30 September 2015 did not exceed 10% of total balance sheet disclosed in the separate statement of financial position and in the consolidated statement of financial position.

Detailed data on the activities of PROCHEM S.A. and Capital Group in different segments are shown in the following tables

Operating segments – PROCHEM S.A. for three quarters of 2015 – revenues and results of the segments

The current period from 1 January to 30 September 2015

	General contracting	Design services and other engineering services	Rental of the construction equipment	Other	Item not assigned	Total
Revenues relating to external customers	121 631	17 890	1 331	1 020	-	141 872
Total segment revenues	121 631	17 890	1 331	1 020	-	141 872
Result						
Profit (loss) of the segment	11 234	-4 638	162	-118	-	6 640
Financial income	-	-	-	-	1 896	1 896
Finance costs	-	-	-	-	-902	-902
Net financial income	-	-	-	-	994	994
Profit on other operating activities	-	-	-	-	-930	-930
Before tax profit	-	-	-	-	6 704	6 704
Income tax	-	-	-	-	1 427	1 427
Profit for the period	-	-	-	-	5 277	5 277
Assets						
Segment assets (related to activity)	63 404	5 732	361	545	-	70 042
Unallocated assets (among others shares, other financial assets)	-	-	-	-	79 369	79 369
Total assets	63 404	5 732	361	545	79 369	149 411
Depreciation of property, plant and equipment	30	316	66	249	-	661
Amortization of intangible assets	-	-	-	-	84	84

The comparative period from 1 January to 30 September 2014

	General contracting	Design services and other engineering services	Rental of the construction equipment	Other	Item not assigned	Total
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Interim condensed consolidated financial statements as at and for the three months ended 30 September 2015

Revenues relating to external customers	59 706	16 007	3 516	1 024	-	80 253
Total segment revenues	59 706	16 007	3 516	1 024	-	80 253
Result						-
Profit (loss) of the segment	9 241	-5 682	1 461	-155	-	4 865
Financial income	-	-	-	-	880	880
Finance costs	-	-	-	-	-1 494	-1 494
Net financial income	-	-	-	-	-614	-614
Profit on other operating activities	-	-	-	-	92	92
Before tax profit	-	-	-	-	4 343	4 343
Income tax	-	-	-	-	912	912
Profit for the period	-	-	-	-	3 431	3 431
Assets						
Segment assets (related to activity)	49 200	2 894	1 854	934	-	54 882
Unallocated assets (among others shares, other financial assets)	-	-	-	-	82 135	82 135
Total assets	49 200	2 894	1 854	934	82 135	137 017
Depreciation of property, plant and equipment	34	4	101	-	421	560
Amortization of intangible assets	-	-	-	-	71	71

Operating segments – PROCHEM S.A. Capital Group for three quarters of 2015 – revenues and results of the segment

The current period from 1 January to 30 September 2015

	General contracting	Design services and other engineering services	Rental of the construction equipment	Electrical installations	Rental of office space and real estate	Property management	Maintenance	Commercial activity	Other IT services	Other	Items not assigned	Total
Revenues relating to external customers	123 248	19 944	1 331	17 795	3 775	2 069	662	3 440	131	942	-	173 337
Total segment revenues	123 248	19 944	1 331	17 795	3 775	2 069	662	3 440	131	942	-	173 337
Result												
Profit (loss) of the segment	10 994	-4 573	162	-896	707	193	-65	62	-	-250	-	6 334
Financial income	-	-	-	-	-	-	-	-	-	-	978	978
Finance costs	-	-	-	-	-	-	-	-	-	-	-1 186	-1 186
Net financial income	-	-	-	-	-	-	-	-	-	-	-208	-208
Profit sharing in associated entities	-	-	-	-	-	-	-	-	-	-	-283	-283
Profit on other operating activities	-	-	-	-	-	-	-	-	-	-	-1 177	-1 177
Before tax profit	-	-	-	-	-	-	-	-	-	-	4 666	4 666
Income tax	-	-	-	-	-	-	-	-	-	-	1 723	1 723
Net profit for the current period	-	-	-	-	-	-	-	-	-	-	2 943	2 943
Net profit assigned to non-controlling interest	-	-	-	-	-	-	-	-	-	-	-267	-267
Net profit assigned to shareholders of parent entity	-	-	-	-	-	-	-	-	-	-	3 210	3 210
Assets												
Segment assets (related to activity)	63 082	9 193	361	7 692	18 035	-	702	1 717	-	160	-	100 942
Unallocated assets (among others shares, other financial assets)	-	-	-	-	-	-	-	-	-	-	105 470	105 470
Total assets	63 082	9 193	361	7 692	18 035	-	702	1 717	-	160	105 470	206 412
Other information related to segment												
Depreciation of property, plant and equipment	56	368	66	273	498	50	65	31	-	249	27	1 683
Amortization of intangible assets	-	5	-	9	-	-	-	1	-	-	85	101

The current period from 1 January to 30 September 2014

	General contracting	Design services and other engineering services	Rental of the construction equipment	Electrical installations	Rental of office space and real estate	Property management	Maintenance	Commercial activity	Other IT services	Other	Items not assigned	Total
Revenues relating to external customers	60 508	18 958	3 519	16 030	3 789	4 054	1 137	4 295	218	955	--	113 463
Total segment revenues	60 508	18 958	3 519	16 030	3 789	4 054	1 137	4 295	218	955	-	113 463
Result												
Profit (loss) of the segment	9 113	-5 770	1 460	319	776	169	68	121	-	-393	-	5 863
Financial income	-	-	-	-	-	-	-	-	-	-	499	499
Finance costs	-	-	-	-	-	-	-	-	-	-	-1 779	-1 779
Net financial income	-	-	-	-	-	-	-	-	-	-	-1 280	-1 280
Profit sharing in entities valued using the equity method	-	-	-	-	-	-	-	-	-	-	-83	-83
Profit on other operating activities	-	-	-	-	-	-	-	-	-	-	79	79
Before tax profit	-	-	-	-	-	-	-	-	-	-	4 579	4 579
Income tax	-	-	-	-	-	-	-	-	-	-	926	926
Profit for the period	-	-	-	-	-	-	-	-	-	-	3 653	3 653
Net loss assigned to non-controlling interest	-	-	-	-	-	-	-	-	-	-	41	41
Net profit assigned to shareholders of the parent entity	-	-	-	-	-	-	-	-	-	-	3 612	3 612
Assets												
Segment assets (related to activity)	45 289	6 783	1 871	8 153	17 922	3 608	495	1 274	-	756	-	86 151
Unallocated assets (among others shares, other financial assets)	-	-	-	-	-	-	-	-	-	-	116 080	116 080
Total assets	45 289	6 783	1 871	8 153	17 922	3 608	495	1 274	-	756	116 080	202 231
Other information related to segment												
Depreciation of property, plant and equipment	60	91	102	233	490	92	62	31	-	-	454	1 615
Amortization of intangible assets	-	62	-	6	1	-	2	1	-	-	71	143

PROCHEM S.A. CAPITAL GROUP

Information about the geographical areas

The geographical breakdown of sales revenue of PROCHEM S.A. Group, which were disclosed in the consolidated profit and loss account has been shown in accordance with the country of the seat of the ordering party.

	1 January-30 September 2015	1 January-30 September 2014
Poland	96 125	83 367
Belarus	77 212	30 096
Other countries	-	
Total sales revenue	173 337	113 463

The geographical breakdown of property, plant and equipment of the Capital Group of PROCHEM S.A.

	01.01-30.09.2015	01.01.-30.09.2014
Poland	81 875	99 196
Belarus	181	40
Total property, plant and equipment	82 056	99 236

25. Approval of financial statements

The condensed interim financial statements were approved for issue by the Management Board on 16 November 2015.

Signatures of the Members of the Management Board:

16 November 2015 Jarosław Stępniewski President of the Board
date first name and surname position signature

16 November 2015 Marek Kiersznicki Vice President
date first name and surname position signature

16 November 2015 Krzysztof Marczak Vice President
date first name and surname position signature

Signature of the person responsible for bookkeeping

16 November 2015 Barbara Auguścińska-Sawicka Chief Accountant
date first name and surname position signature