

REPORT FOR THE FIRST QUARTER OF 2021

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- Financial information of company PROCHEM S.A.

and

- Selected financial data
- Statement of the Management Board

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

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 quarter of 2021 - 4.5721 PLN/EUR
- for the first quartet of 2020 - 4.3963 PLN/EUR

Balance sheet data 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 balance sheet date amount to:

- 4.6603 PLN/EUR as at 31 March 2021
- 4.6148 PLN/EUR as at 31 December 2020

Selected financial data of the Capital Group of Prochem S.A.

Description	Reporting period ended 31 March		Reporting period ended 31 March	
	2021	2020	2021	2020
	In PLN thousands		In EURO thousands	
Consolidated statement of profit and loss				
Revenues from sale	51 768	91 631	11 323	20 843
Gross profit on sales	6 849	4 688	1 498	1 066
Results from operating activities	3 960	1 357	866	309
Before tax profit	3 429	172	750	39
Profit for the period assigned to :	2 476	-434	542	-99
Shareholders of the Parent Entity	2 356	-314	516	-71
Non-controlling interest	120	-120	26	-27
Profit/diluted profit per one share (in PLN/EUR)- assigned to shareholders of the parent entity	0.80	-0.11	0.18	-0.02
Consolidated statement of cash flows				
Net cash provided by (used in) operating activities	-5 708	1 298	-1 248	295
Net cash provided by (used in) investing activities	-1 042	-280	-228	-64
Net cash provided by (used in) financing activities	-1 751	-1 854	-383	-422
Total cash flows, net	-8 501	-836	-1 859	-190
As at				
Description	31 March 2021		31 March 2021	
	31 December 2020	31 December 2020	31 December 2020	31 December 2020
	In PLN thousands		In EURO thousands	
Consolidated statement of financial position				
Total assets	226 613	251 465	48 626	54 491
Total non-current assets	106 297	107 632	22 809	23 323
Total current assets	120 316	143 833	25 817	31 168
Equity attributable to shareholders of the parent entity	109 971	105 623	23 597	22 888
Non-controlling interest	4 046	6 942	868	1 504
Total equity	114 017	112 565	24 466	24 392
Total non-current liabilities	38 110	42 521	8 178	9 214
Total current liabilities	74 486	96 379	15 983	20 885
Book value per one ordinary share (in PLN/EUR0)- assigned to shareholders of the parent entity	37.47	35.99	8.04	7.80
Weighted average number of shares (in pcs.)	2 935 000	2 935 000	2 935 000	2 935 000

Selected financial data of Prochem S.A.

Description	Reporting period ended 31 March		Reporting period ended 31 March	
	2021	2020	2021	2020
	In PLN thousands		In EURO thousands	
<i>Separate statement of profit and loss</i>				
Revenues from sale	41 089	84 196	8 987	19 152
Gross profit on sales	5 291	3 144	1 157	715
Results from operating activities	3 445	1 320	753	300
Before tax profit	3 388	1 274	741	290
Profit for the period assigned to:	2 544	983	556	224
Profit/diluted profit per one ordinary share (in PLN/EUR)	0.87	0.33	0.19	0.08
<i>Separate statement of cash flows</i>				
Net cash provided by (used in) operating activities	-4 830	-116	-1 059	-26
Net cash provided by (used in) investing activities	3 051	473	669	108
Net cash provided by (used in) financing activities	-916	-893	-200	-203
Total cash flow, net	-2 695	-536	-589	-122

Description	As at		As at	
	31 March 2021	31 December 2020	31 March 2021	31 December 2020
	In PLN thousands		In EURO thousands	
<i>Separate statement of financial position</i>				
Total assets	143 598	166 831	30 813	36 151
Total non-current assets	58 474	63 020	12 547	13 656
Total current assets	85 124	103 811	18 266	22 495
Total equity	59 034	56 490	12 667	12 241
Total non-current liabilities	22 049	26 243	4 731	5 687
Total current liabilities	62 515	84 098	13 414	18 224
Book value per one ordinary share (in PLN/EUR)	20.11	19.25	4.32	4.23
Weighted average number of shares (in pcs.)	2 935 000	2 935 000	2 935 000	2 935 000

Statement of the Management Board

Statement of the Management Board regarding the true and fair preparation of the interim condensed consolidated financial statements

The Management Board of Prochem S. A. the Parent Company of the Capital Group of Prochem S.A. declares that interim condensed consolidated financial statements of the Capital Group of Prochem S.A. and 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 the Capital Group of Prochem S.A. and Prochem S.A. as of March 31, 2021 and as of December 31, 2020, and results of its operations and cash flows for the period of 3 months ended March 31, 2021 and March 31, 2020.

Vice President
of the Management Board
Krzysztof Marczak

Vice President
of the Management Board
Marek Kiersznicki

President of the Management Board
Jarosław Stępniewski

Warsaw, 14 May 2021

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS OF PROCHEM S.A. CAPITAL GROUP

**as at and for the period of three months ended
31 March 2021**

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

Consolidated statement of financial position

(all amounts in PLN thousands if not stated otherwise)

	Note no.	As at 31 March 2021	As at 31 December 2020
A s s e t s			
Non-current assets			
Property, plant and equipment	1	17 096	17 190
Intangible assets		117	76
Investment property	2	9 861	9 861
Right-of-use assets	3	25 207	26 318
Shares		830	830
Shares in entities valued using the equity method	4	34 756	33 907
Deferred tax assets	5	583	1 484
Receivables under retained security deposits		795	883
Other financial assets	6	17 052	17 083
Total non-current assets		106 297	107 632
Current assets			
Inventories	7	1 480	5 339
Trade and other receivables	8	56 874	75 099
Receivables under current income tax		756	756
Amounts due from customers under contracts	13	20 164	13 163
Other financial assets		9 669	9 669
Other assets	9	946	879
Cash and cash equivalents		30 427	38 928
Total current assets		120 316	143 833
Total assets		226 613	251 465

Consolidated statement of financial position

(all amounts in PLN thousands if not stated otherwise)

	Note No.	As at 31 March 2021	As at 31 December 2020
Equity and Liabilities			
Equity			
Share capital	10	2 935	2 935
Revaluation reserve		7 311	7 043
Retained earnings		99 725	95 645
Equity assigned to shareholders of the Parent Entity		109 971	105 623
Non-controlling interest		4 046	6 942
Total equity		114 017	112 565
Non-current liabilities			
Provision under deferred income tax	5	2 492	2 459
Liability under retirement and similar benefits		2 067	2 066
Non-current liabilities under retained security deposits		11 350	14 291
Liabilities under lease		22 058	23 562
Other non-current liabilities		143	143
Total non-current liabilities		38 110	42 521
Current liabilities			
Current bank loans	11	1 184	1 334
Trade payables	12	41 921	60 951
Amounts owed to recipients under contracts	13	18 714	20 486
Liabilities under current income tax		53	159
Current liabilities under lease		5 089	4 576
Other liabilities	14	7 183	8 501
Deferred income	15	342	372
Total current liabilities		74 486	96 379
Total liabilities		112 596	138 900
Total equity and liabilities		226 613	251 465
		109 971	105 623
Book value – equity assigned to owners of the Parent Entity			
Average number of ordinary shares (in pcs.)		2 935 000	2 935 000
Book value per one share (in PLN) – assigned to owners of the Parent Entity		37.47	35.99

Consolidated statement of profit and loss

(all amounts in PLN thousands if not stated otherwise)

	Note No.	Period ended 31 March 2021	Period ended 31 March 2020
Revenues from sale, including :		51 768	91 631
Revenues from sale of services	16	50 393	91 279
Revenues from sale of goods and materials		1 375	352
Cost of sales, including :		-44 919	-86 943
Cost of services sold	17	-44 233	-86 662
Cost of merchandise and raw materials		-686	-281
Gross profit on sales		6 849	4 688
General and administrative expenses	17	-3 230	-3 433
Other operating income	18	348	119
Other operating expenses	19	-7	-17
Results from operating activities		3 960	1 357
Finance income	20	167	322
Profit (loss) on / sale / liquidation of all or part of shares in a subsidiary		-1 038	60
Finance expenses	21	-509	-552
Profit sharing in associates		849	-1 015
Before tax profit		3 429	172
Income tax :		953	606
- current tax		51	1 230
- deferred tax		902	-624
Profit for the period		2 476	-434
Profit for the period assigned to :			
Shareholders of the Parent Entity		2 356	-314
Non-controlling interest		120	-120
Weighted average number of ordinary shares (in pcs.)		2 935 000	2 935 000
Profit (loss) per ordinary share (in PLN per one share) assigned to owners of the Parent Entity		0.80	-0.11

Consolidated statement of comprehensive income

	Period ended 31 March 2021	Period ended 31 March 2020
Profit for the period	2 476	-434
Other comprehensive income net	0	0
Total comprehensive income	2 476	-434
Total comprehensive income assigned to :		
Shareholders of the Parent Entity	2 356	-314
Non-controlling interest	120	-120
Weighted average number of ordinary shares (in pcs.)	2 935 000	2 935 000
Profit per ordinary share (in PLN per one share) assigned to owners of the Parent Entity	0.76	-0.11

Explanatory notes to interim condensed consolidated financial statements constitute the integral part thereof.

Consolidated statement of changes in equity

(all amounts in PLN thousands if not stated otherwise)

	Share capital	Revaluation reserve	Retained earnings	Equity assigned to shareholders of the parent entity	Equity assigned to non-controlling interest	Total equity
Reporting period from 1 January 2021 to 31 March 2021						
As at the beginning of the period after making the data comparable	2 935	7 043	95 645	105 623	6 942	112 565
Net profit of the given period	-	-	2 356	2 356	120	2 476
<i>Other comprehensive income (net)</i>	-	-	-	-	-	-
Total comprehensive income	-	-	2 356	2 356	120	2 476
Other changes	-	268	1 724	1 992	-3 016	-1 024
As at the end of the period	2 935	7 311	99 725	109 971	4 046	114 017

	Share capital	Revaluation reserve	Retained earnings	Equity assigned to shareholders of the parent entity	Equity assigned to non-controlling interest	Total equity
Reporting period from 1 January 2020 to 31 March 2020						
As at the beginning of the period	2 935	6 928	81 953	91 816	6 797	98 613
Net profit of the given period	-	-	-314	-314	-120	-434
<i>Other comprehensive income (net)</i>	-	-	-	-	-	-
Total comprehensive income	-	-	-314	-314	-120	-434
Other changes	-	-	-	-	2	2
As at the end of the period	2 935	6 928	81 639	91 502	6 679	98 181

Explanatory notes to interim condensed consolidated financial statements constitute the integral part thereof.

Consolidated statement of cash flows

(all amounts in PLN thousands if not stated otherwise)

	Period ended 31 March 2021	Period ended 31 March 2020
Cash flows – operating activities		
Before tax profit	3 429	172
Total adjustment	-8 980	1 257
Share in net profits of associates	-849	1 015
Amortization and depreciation	1 632	1 528
Interest and profit sharing (dividends)	248	235
Gain on disposal of property, plant and equipment	-87	-
Profit on investment	1 038	-60
Change in provisions	-130	-163
Change in inventories	3 859	3 082
Change in receivables and other assets	11 245	-21 850
Change in current liabilities, except for loans and borrowings	-25 134	17 455
Other adjustments (including change in deferred income)	-802	15
Cash provided by (used in) operating activities	-5 551	1 429
Income tax paid	157	131
Net cash provided by (used in) operating activities	-5 708	1 298
Cash flows – investing activities		
Inflows	192	-
Inflows from financial assets of related entities	109	-
- repayment of interest on loans granted	83	-
Outflows	-1 234	-280
Acquisition of intangible assets and property, plant and equipment	-210	-280
Expenses for the acquisition of financial assets in related entities	-1 024	-
- acquisition of shares of a subsidiary	-1 024	-
Net cash provided by (used in) investing activities	-1 042	-280
Cash flows – financing activities		
Inflows	-	-
Outflows	-1 751	-1 854
Repayment of bank loans	-151	-541
Interest and commission paid	-29	-95
Payments of liabilities under finance lease	-230	-80
Payments of liabilities under operating lease IFRS 16	-1 341	-1 138
Net cash provided by (used in) financing activities	-1 751	-1 854
Total cash flows, net	-8 501	-836
Increase/(decrease) in net cash and cash equivalents	-8 501	-836
Cash and cash equivalents at the beginning of the period	38 928	34 781
Cash and cash equivalents at the end of the period	30 427	33 945
Including restricted cash	1 520	273

Explanatory notes to interim condensed consolidated financial statements constitute the integral part thereof.

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

1. Establishment of the Parent Entity and 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, XIII 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 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.

Information for esef

Place of business : Warszawa (02-457), ul. Łopuszańska 95

Country of registration : Poland

Name change: was not

2. 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:

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

Composition of the Supervisory Board of Prochem S.A.

As at the date of preparation hereby of 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
- Krzysztof Obłój
- Wiesław Kiepiel

In the first quarter of 2021 there were no changes in composition of the Supervisory Board.

3. Employment

Average employment in the Capital Group of Prochem S.A for the first quarter of 2021 was 388 FTEs, and for the first quarter of 2020 was 385 FTEs.

Level of employment in the Capital Group of Prochem S.A. on 31 March 2021 in persons was 394, and on 31 March 2020 397.

Average employment in Prochem S.A. for the first quarter of 2021 was 206 FTEs, and for the first quarter of 2020 204 FTEs.

4. Description of the Capital Group with indication of the consolidated entities

Prochem S.A. Capital Group (hereinafter referred to as “Capital Group”, „Group”), in addition to the data of the Parent Entity comprises the following subsidiaries directly and 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%)- subject to arrangement proceedings;
- PREDOM Sp. z o.o. seated in Wrocław – subsidiary indirectly (81.7% of share in capital and in profit, 72.3% of votes);
- Prochem Zachód Sp. z o.o. seated in Warsaw – subsidiary directly (80.0%);
- ELPRO Sp. z o.o. in liquidation seated in Krakow – subsidiary indirectly (96.9%, including 93.8% share in 50% share of Elektromontaż Kraków);
- Elektromontaż Kraków S.A. seated in Krakow – subsidiary indirectly (93.8%), including 73.0% share in capital and voting rights belongs to company Prochem Inwestycje subsidiary in 100%. Company Elektromontaż Kraków S.A. prepares consolidated financial statements, which comprises data of subsidiary in 100%: ELMONT-POMIARY Sp. z o.o. seated in Krakow and associated company ELPRO Sp. z o.o in liquidation
- ATUTOR Integracja Cyfrowa Sp. z o.o. seated in Warsaw – subsidiary indirectly (50.14% of share holds company Prochem Inwestycje Sp. z o.o. subsidiary in 100%);
- Prochem RPI Sp. z o.o. seated in Warsaw – subsidiary in 100% (including 3.3% of share in capital and voting right belongs to company Prochem Inwestycje).

Jointly controlled entities and associated entities valued using the equity method:

- ITEL Sp. z o.o. seated in Gdynia – 42.0% of share (18.7% of share in voting right and capitals belongs directly to Prochem S.A., and 23.3% holds Prochem RPI Sp. z o.o. subsidiary in 100%) company covered by a write-down;
- Irydion Sp. z o.o. seated in Warsaw – 50% of share. Jointly-controlled company.

Subsidiaries covered by consolidation have been included in the consolidated financial statements from the date of including the control until the date of loss of control by the Parent Entity, and the jointly-controlled entities and associated entities from the date of exercising of joint control and exertion of significant influence.

Company Predom Projektowanie Sp. z o.o. with capital in the amount of PLN 53 thousand was excluded from consolidation. The company did not start operations.

On February 4, 2021, on the basis of a share sale agreement, the company Prochem S.A. purchased 20,234 series A registered shares of Elektromontaż Kraków S.A. based in Kraków, with a nominal value of PLN 5 each. The parties agreed to purchase price of shares at PLN 50 per share, the total purchase price was PLN 1,011,700. Before the transaction, the company Prochem S.A. had a direct and indirect share in the voting right in the amount of 85.4%, and after the transaction, the share in the voting right is 93.8%

On April 8, 2021, by the decision of the District Court for Kraków-Śródmieście in Kraków, IX Commercial Division of the National Court Register was liquidated and removed from the National Court Register, indirect subsidiary Elmont Inwestycje sp. z o.o.

5. Adopted accounting principles

Principles of presentation and statement of compliance

Interim condensed consolidated financial statements of the Capital Group of PROCHEM S.A. for the first quarter of 2021 was prepared according to IAS 34 „Interim Reporting”, in the shape endorsed by European Union, and in accordance with Minister of Finance Regulation of 19 February 2009 on current and periodic information provided by issuers of securities and conditions for recognition as equivalent required by the law of a non-Member State (Official Journal from 2018 item757) („Decree”). Interim condensed consolidated financial statements hereby do not contain information and disclosures required in full financial statements and should be read in conjunction with the consolidated financial statements for the financial year ended 31 December 2020.

The presented consolidated financial statements of the Capital Group present fairly and clearly the financial and property position of the Group as at March 31, 2021 and the comparative data as at December 31, 2020, as well as the results of this activity for the year ended March 31, 2021 and the comparative data for the year ended March 31, 2020.

Consolidated financial statements of the Prochem S.A. Capital Group as at March 31, 2021 were prepared at assuming to continue business operations as a going concern in the foreseeable future.

Consolidated 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 Parent Entity and entities from the Capital Group 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 large extent depends on weather conditions. Weather conditions influence 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 operations of the individual Group companies is not limited.

Financial statements of all the subsidiaries were prepared for the same period as financial statements of the Parent Entity, using consistent accounting policies.

The financial year of the Parent Company and of the companies belonging to the Group is the calendar year.

Significant accounting policies and changes in IFRS

Changes in accounting estimates, and in accounting policies

The preparation of financial statements under of IFRS endorsed by EU requires using certain accounting estimates and adoption of assumptions concerning future events. Items of the financial statements set under the estimation are subject to verification if circumstances being base of estimates are changing or as a result of obtaining new information or of progressing course of events or of acquiring greater experience. When preparing the consolidated financial statements hereby, we applied the same accounting principles and the same calculation methods which were applied in the consolidated financial statements of the Prochem Capital Group for the year ended 31 December 2020.

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

Standards announced but awaiting endorsement by the European Union, the Group intends to apply all changes in accordance with the date of their entry into force.

The company has not decided to early apply the Standards and amendments to standards that have been published and endorsed for use in the EU, but have not yet come into force, will implement them on the date of adoption.

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 consolidated financial statements. 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).

6. Impact of the coronavirus pandemic on the operations of the Prochem S.A. Capital Group

Since the outbreak of the epidemic, Prochem S.A. and companies from the Group have implemented many procedures related to the need to adapt to the constantly changing operating conditions, as well as to prevent the spread of COVID-19 infections,

Actions taken by the Group in relation to the COVID-19 pandemic

Companies belonging to the Prochem S.A. Group have taken a number of steps in connection with the COVID-19 pandemic. When the first cases of COVID-19 appeared in the country, the Prochem S.A. Group developed action plans to ensure the continuity of operation and the provision of key services provided by Prochem S.A. Similar procedures were also implemented in the remaining Group companies. They are constantly adapted to the changing conditions in the environment.

At the end of the first quarter of 2021, there are no disruptions in any of the areas of operation.

In relation to the contracts in progress, the Group has implemented additional measures to mitigate the risk of potential breaches of the terms of the contracts signed by contractors as a result of changes in the economic situation. In particular, in the area of contracts for construction and assembly works and deliveries, additional procedures were implemented in the field of ongoing monitoring of compliance with the terms and dates of contract performance and the contractor's financial situation. The risk of losing financial liquidity by key suppliers is analysed on an ongoing basis and, if necessary, appropriate actions are taken, including shortening payment terms in individual cases.

The Group has taken a number of preventive measures to reduce the possibility of the virus spreading on the premises and protect employees, including:

- procedures were introduced in the field of personnel and material movement, in particular consisting in minimizing direct contacts - where possible, employees were provided with the possibility of remote work;
- procedures were introduced to ensure the availability of the key personnel of the Group companies;
- it was recommended to limit business trips and participation in business meetings, and instead to use media such as instant messaging and videoconferencing;
- employees were equipped with protective equipment (protective masks, gloves) and disinfectants, and hygienic and sanitary and disinfecting procedures were introduced. Until the end of the first quarter of 2021, the Capital Group had not seen noticeable impact on sales and the supply chain. As at the date of preparation of interim condensed consolidated financial statements hereby, the Group's financial position is stable.

As a result of the analysis and due to the relatively short duration of the epidemic, there are currently no reliable data available on the basis of which the Group could estimate an additional risk element of debt repayment in the near future.

The Group analyses the situation on the markets on an ongoing basis and signals from contractors that may indicate a deterioration of the financial situation and, if necessary, will update the adopted estimates when preparing the current financial statements.

7. Functional currency and presentation currency of financial statements

Consolidated financial statements of the Group is presented in Polish Zloty ('zloty' or "PLN"), which is the reporting currency of the Group, and the functional currency of the Parent Entity.

8. Explanatory notes to consolidated financial statements prepared as at and for the period ended 31 March 2021

Note 1 – Property, Plant and Equipment

	As at 31 March 2021	As at 31 December 2020
Property, plant and equipment, including:	17 071	17 165
- land	2 141	2 148
- buildings, premises and civil engineering objects	12 105	12 168
- machinery and equipment	912	872
- vehicles	1 283	1 219
- other PPE	630	758
Construction under progress	25	25
Total property, plant and equipment	17 096	17 190

Property, plant and equipment – ownership structure	As at 31 March 2021	As at 31 December 2020 .
a) own	14 625	5 808
b) used under rental, lease or other agreement, including :	2 471	11 382
- lease	963	953
- rental and lease	-	9 762
- value of the right of perpetual usufruct	1 508	667
Total, the balance sheet property, plant and equipment	17 096	17 190

The Group, pursuant to an agreement dated 23 July 2004 leases property consisting of 3 buildings with a total area of 6 227.5 m², on a plot of 3 311 m² located in Warsaw at Emilia Plater 18 and Hoża 76/78. The duration of the contract from the date of its conclusion is 30 years.

Land, buildings and constructions are carried at revalued amount, being its fair value at the date of the revaluation, set by experts, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Pursuant to the Accounting Policy adopted by the Group, fair value is measured with sufficient frequency so that the carrying amount did not significantly differ from fair value, whereby not less frequently than every two years.

Carrying amount as at March 31, 2021 does not significantly differ from fair value. The measurement at fair value as at December 31, 2020 was made by the independent valuers not associated with the Group. The valuers have the right qualifications to carry out valuations of land, buildings and structures, as well as current experience in such valuations in locations where are located assets of the Group. Valuation was carried out by reference to the market transaction prices for similar assets.

Interim condensed consolidated financial statements of the Prochem S. A. Capital Group as at and for the period of three months ended March 31, 2021

	Change in PPE for the period from 1 January 2021 to 31 March 2021	Change in PPE for the period from 1 January 2020 to 31 December 2020
Gross value		
As at opening balance sheet	36 353	35 438
Increase (due to)	358	1 977
- acquisition of PPE	358	1 110
- reclassification to non-current assets	-	867
Decrease (due to)	-163	-1 062
- disposal of non-current assets	-109	-296
- liquidation of non-current assets	-111	-59
- reclassification to non-current assets	-	-706
- other changes	57	-1
As at closing balance sheet	36 548	36 353
Depreciation and impairment		
As at opening balance sheet – accumulated depreciation	19 163	17 606
Depreciation for the period (due to)	289	1 557
- increase (depreciation accrued)	504	1 964
- decrease under disposal of non-current assets	-105	-260
- decrease due to liquidation of non-current assets	-111	-53
- reclassification to assets	-	-100
- other changes	1	6
As at closing balance sheet - accumulated depreciation	19 452	19 163
Impairment of non-current assets	-	-
Net value of non-current assets as at closing balance sheet	17 096	17 190

Note 2 – Investment Property

	As at 31 March 2021	As at 31 December 2020
Land	2 188	2 188
Property under construction	-	-
Buildings and constructions	7 673	7 673
Total investment property	9 861	9 861

Investment property by title	Change in investment property for the period from 1 January 2021 to 31 March 2021	Change in investment property for the period from 1 January 2020 to 31 December 2020
Investment property - land		
As at opening balance sheet	2 188	1 764
- increase under reclassification from property, plant and equipment	-	176
- increase due to measurement at fair value	-	248
As at closing balance sheet	2 188	2 188
Investment property under construction		
As at opening balance sheet	-	-
As at closing balance sheet	-	-

Property - buildings and constructions

As at opening balance sheet	7 673	6 546
- change due to:		
a) increase due to measurement at fair value	-	599
b) increase due to reclassification from property, plant and equipment	-	528
Total change	-	1 127
As at closing balance sheet	7 673	7 673
Write-down of property	-	-
Total investment property	9 861	9 861

Pursuant to the Accounting Policy adopted by the Group, fair value is measured with sufficient frequency so that the carrying amount did not significantly differ from fair value, whereby not less frequently than every two years.

Carrying amount as at March 31, 2021 does not significantly differ from fair value. The measurement at fair value as at December 31, 2020 was made by the independent valutors not associated with the Group. The valutors have the right qualifications to carry out valuations of land, buildings and structures, as well as current experience in such valuations in locations where are located assets of the Group. Valuation was carried out by reference to the market transaction prices for similar assets.

Details concerning investment property and information on the hierarchy of fair values as at 31 March 2021.

	Level 1	Level 2	Level 3	Fair value as at 31 March 2021
	In PLN thousands	In PLN thousands	In PLN thousands	In PLN thousands
Investment property	-	-	9 861	9 861

There were no displacements between the levels 1, 2 and 3 in the first quarter

Note 3 – The Right-of-Use Assets

Change in the right-of-use assets

Description	Buildings and constructions	Tools, movables, instruments and equipment	Vehicles	Total
Gross book value	30 196	337	3 604	34 137
Write-downs	-	-	-	-
Total	30 196	337	3 604	34 137
Increase (+)/decrease (-)				
Depreciation				
As at opening balance sheet	-6 409	-188	-1 222	-7 819
- depreciation accrued	-852	-24	-235	-1 111
Total	-7 261	-212	-1 457	-8 930
Net book value as at opening balance sheet – 01.01.2021	23 787	149	2 382	26 318
Net book value as at closing balance sheet - 31.03.2021				
Gross book value	30 196	337	3 604	34 137
Accumulated depreciation	-7 261	-212	-1 457	-8 930
Write-downs	-	-	-	-
Book value net as at 31 March 2021	22 935	125	2 147	25 207

Note 4 – Shares Valued Using the Equity Method

Shares in entities valued using the equity method	As at 31 March 2021	As at 31 December 2020
- Shares – net value	34 756	33 907
- write-downs of shares	1 011	1 011
Shares, gross value	35 767	34 918

Change in jointly-controlled entities and in associated entities	As at 31 March 2021	As at 31 December 2020
a) as at the beginning of the period	33 907	31 499
- shares at cost	33 907	31 499
b) increase (due to)	849	2 408
- share in the result of current year	849	2 408
c) as at the end of the period, net	34 756	33 907
d) write-downs	1 011	1 011
e) as at the end of the period, gross	35 767	34 918

Change in write-downs of shares in jointly-controlled entities and associated entities	As at 31 March 2021	As at 31 December 2020
As at the beginning of the period	1 011	1 011
As at the end of the period	1 011	1 011

Note 5 –Deferred Income Tax

Changes in the values of provisions and deferred income tax assets for the first quarter of 2021 are shown in the table below.

Deferred tax assets	As at 31 March 2021	As at 31 December 2020
As at the beginning of the period	5 896	7 977
Increase	3 836	4 682
Decrease	-4 309	-6 763
As at the end of the period	5 423	5 896

Provision under deferred income tax	As at 31 March 2021	As at 31 December 2020
As at the beginning of the period	6 871	9 227
Increase	2 574	3 466
Decrease	-2 113	-5 822
As at the end of the period	7 332	6 871

	As at 31 March 2021	As at 31 December 2020
Deferred tax assets	5 423	5 896
Provision to deferred income tax	-7 332	-6 871
Assets/(Provision) under deferred income tax	-1 909	-975

Presentation in the statement of financial position	As at 31 March 2021	As at 31 December 2020
Deferred tax assets	583	1 484
Provision to deferred income tax	-2 492	-2 459
Assets/(Provision) under deferred income tax	-1 909	-975

Note 6 – Other financial assets

Other financial assets	As at 31 March 2021	As at 31 December 2020
a) from jointly-controlled entities :	17 052	17 083
- loans granted	17 052	17 083
Other non-current financial assets, total	17 052	17 083

Loans granted - as at 31 March 2021

- Loans granted to jointly-controlled company Irydion Sp. z o. o. Seated in Warsaw:
 - in the amount of PLN 11 008 thousand, including: amount of the loan PLN 11 000 thousand, accrued interest PLN 8 thousand. The interest rate is determined for quarterly periods according to the WIBOR 3M rate from the first business day of a given calendar quarter, increased by a margin of 2.3%, loan repayment date with interest September 22, 2031;
 - in the amount of PLN 6 044 thousand, including: amount of the loan PLN 6 000 thousand, accrued interest PLN 44 thousand. The interest rate is set annually at a rate of 3% per annum, loan repayment date with interest 22 September 2031;

Increase:

- accrued interest on loans granted in the amount of PLN 52 thousand.

Decrease

- Interest paid on interest granted in the amount of PLN 83 thousand.

Loans granted - as at 31 December 2020

- Loans granted to jointly-controlled company Irydion Sp. z o.o. seated in Warsaw:
 - in the amount of PLN 11 083 thousand, including: amount of the loan PLN 11 000 thousand, accrued interest PLN 83 thousand. The interest rate is set annually according to WIBOR 6M rate, loan repayment date with interest 22 September 2031;
 - in the amount of PLN 6 000 thousand, including: amount of the loan PLN 6 000 thousand. The interest rate is set annually at a rate of 3% per annum, loan repayment date with interest 22 September 2031.

Note 7 – Inventories

Inventories	As at 31 March 2021	As at 31 December 2020
Materials	858	4 315
Semi-finished products and work-in-process	353	743
Goods	269	281
Inventories, total	1 480	5 339
Write-downs of inventories	557	557

Note 8 – Trade and Other Receivables

Trade and other receivables	As at 31 March 2021	As at 31 December 2020
Trade receivables	59 887	76 938
Write-down of trade receivables	4 304	4 319
Trade receivables net, including	55 583	72 619
- with repayment period up to 12 months	51 925	66 681

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- with repayment period over 12 months	3 658	5 938
Receivables from taxes, subsidies, custom duties, social and health insurance and other benefits	46	1 132
Other receivables	1 245	1 348
Write-downs of other receivables	-	-
Other receivables net	1 245	1 348
Total receivables	56 874	75 099

Trade and other receivables from related entities	As at 31 March 2021	As at 31 December 2020
Trade receivables, including:	6	76
- from jointly-controlled entities and associated entities	6	76
Total trade and other receivables from related entities net	6	76
Write-downs of receivables from related entities	-	-
Total trade and other receivables from related entities gross	6	76

Change in write-downs of trade and other receivables	As at 31 March 2021	As at 31 December 2020
As at the beginning of the period	4 319	5 219
a) increase (due to)	-	156
- provision to receivables	-	156
b) decrease (due to)	15	1 056
- payments received	15	495
- the use of write-downs created in previous periods	-	561
Write-downs of current trade and other receivables at the end of the period	4 304	4 319

In the majority of contracts signed by the Group, time of payment for services was established in the range from 14 to 60 days.

Note 9 – Other Assets

Other assets by type :	As at 31 March 2021	As at 31 December 2020
a) prepayments	946	879
- cost of property and personnel insurance	394	232
- software maintenance costs	428	556
- subscriptions	9	2
- deferred costs	108	5
- other	7	84
	946	879

Note 10 – Share Capital

SHARE CAPITAL (STRUCTURE)							
Series / emission	Type of share	Type of shares 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	Cash	23-07-1991	01-10-1991
Founding	bearer	-	1 810 104	1 810 104	Cash	23-07-1991	01-10-1991
B	inscribed	-	750	750	Cash	29-07-1993	01-01-1993
B	bearer	-	681 750	681 750	Cash	29-07-1993	01-01-1993
C	bearer	-	435 000	435 000	Cash	20-04-1994	01-01-1994
Total number of shares			2 935 000				
Total share capital				2 935 000			
Nominal value of 1 share = PLN 1.00							

Total number of votes from all shares is 2 936 160.

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	975 250	975 250	33.21	33.22
2.. APUS S.A.	311 769	311 769	10.62	10.62
3. Otwarty Fundusz Emerytalny PZU „Złota Jesień”.	284 900	284 900	9.70	9.71
4. Andrzej Karczykowski	283 391	283 391	9.66	9.66

From April 28, 2021, i.e. from the publication of the consolidated financial statements for 2020, there has been no change in the number of shares giving shareholders at least 5% of votes at the general meeting of shareholders.

Note 11 –Bank Loans

Bank loans	As at 31 March 2021	As at 31 December 2020
- loans	1 184	1 334

Information on incurred bank loans

Name of the bank	Registered office	Limit of the loan	Amount engaged	Repayment date	Terms of interest	Collateral
By Elektromontaż Kraków S.A.						
mBank S.A.	Warsaw	500	-	28.02.2022	WIBOR for 1-month deposits in PLN + margin	Mortgage

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ING BANK Śląski	Katowice	2 500	-	19.11.2021	WIBOR for 1-month deposits ON in PLN + margin	Mortgage
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By Atutor Integracja Cyfrowa sp. z o. o.

Bank Millennium S.A.	Warsaw	150	0	Revolving loan in a bank account from 02.08.2016	WIBOR 1m plus margin	Granting the bank a power of attorney for collection and for the repayment from the accounts, and authorization for the blocking the funds in the case when loan is not repaid in time
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By Pro-Inhut sp. z o.o.

ING Bank Śląski S.A.	Dąbrowa Górnicza	734	735	17.05.2021	WIBOR for 1-month deposits in PLN + margin	BGK Bank guarantee based on a portfolio agreement. Promissory note in blank.
ING Bank Śląski S.A.	Sosnowiec	400	398	30.07.2021	WIBOR for 1-month deposits in PLN + margin	BGK Bank guarantee based on a portfolio agreement. Promissory note in blank.
ING Bank Śląski S.A.	Sosnowiec	200	51	30.07.2021	WIBOR for 1-month deposits in PLN + margin	BGK Bank guarantee based on a portfolio agreement. Promissory note in blank.

Note 12 – Trade Payables

	As at 31 March 2021	As at 31 December 2020
a) to associated entities and to jointly-controlled entities	33	1
- from supplies and services, with maturity period:	33	1
- up to 12 months	33	1
b) to other entities	41 888	60 950
- from supplies and services, with maturity period:	41 888	60 950
- up to 12 months	41 888	60 447
- above 12 months	-	503
Total trade payables	41 921	60 951
Non-current liabilities under seized security deposits with maturity period above 12 months	11 350	14 291
Total trade payables	53 271	75 242

Note 13 – Amounts Owed to Recipients under Contracts

	As at 31 March 2021	As at 31 December 2020
- amounts due from recipients under long-term contracts	20 164	13 163
amounts due from recipients under long-term contracts	20 164	13 163
	As at 31 March 2021	As at 31 December 2020
- amounts owed to recipients under contracts, including :		
- short-time	18 714	20 486
- long-time	-	-
Amounts owed to recipients under long-time contracts	18 714	20 486

Disclosures specified in IFRS 15 are presented in the table below

Description	As at 31 March 2021	As at 31 December 2020
Revenues according to contracts	787 975	767 845
Revenues invoiced	610 416	570 103
Liabilities planned under the implementation of contracts	717 522	698 768
Realized contractual liabilities	583 331	543 668
Amounts due from recipients	20 164	13 163
Amounts owed to suppliers	18 714	20 486

Note 14 – Other Liabilities

	As at 31 March 2021	As at 31 December 2020
a) to other entities	2 980	3 352
- under taxes, duties, insurance and other charges	2 316	2 212
- under remuneration	10	10
- other (by type)	654	1 130
liabilities to employees	397	438
liabilities to shareholders	16	16
other	241	676
b) other non-current provisions	4 203	5 149
- provision for costs booked to the previous year relating to long-term contracts	1 648	1 675
- provision for costs	530	1 333
- cost of audit	32	62
- non current provision for retirement benefits	358	359
- provision for unused holiday leaves	1 635	1 720
Total other liabilities	7 183	8 501

Note 15 – Deferred Income

	As at 31 March 2021	As at 31 December 2020
- funding received from PFR	-	48
- other	342	324
Deferred income as at the end of the period, including:	342	372
Non-current liabilities	-	-
Current liabilities	342	372

Note 16 - Revenues from Sale of Services

Revenues from sale of services (type of service and type of activity)	Period ended 31 March 2021	Period ended 31 March 2020
- revenues from sale of services, including:	50 393	91 279
- from related entities	56	643

Revenues from sale of services (type of service and type of activity)	Period ended 31 March 2021	Period ended 31 March 2020
- revenues from sale of services, including:	50 393	91 124
- from related entities	56	643
Exports	-	155

Revenues under contracts for construction services (general contracting) and other services are presented in Note 23.

The gross amount due from ordering parties/recipients for the work under the contracts was presented in Note 13.

Information on major customers, whose total value of revenues from sales of services exceeds 10% of the total revenues of the entity for the first quarter of 2021, is included in Note 23.

Note 17 – Cost of Services Sold

Costs by type	Period ended 31 March 2021	Period ended 31 March 2020
a) amortization and depreciation	1 632	1 528
b) consumption of materials and energy	3 794	4 333
c) outsourcing	30 888	73 766
d) taxes and levies	57	185
e) remuneration	8 984	9 066
f) social security and other benefits	2 215	1 957
g) costs by type (under)	843	794
- property and personnel insurance	168	86
- business trips	209	258
- State Fund for Rehabilitation (PFRON)	119	69
- rental	63	78
- other	284	303
Total costs by type	48 413	91 629
Change in inventories, goods and accruals and prepayments	-950	-1 534
General and administrative expenses (negative value)	-3 230	-3 433
Cost of services sold	44 233	86 662

Note 18- Other Operating Income

	Period ended 31 March 2021	Period ended 31 March 2020
a) gain on sale of non-financial non-current assets	13	13
b) reversal of impairment (under)	15	36
- for receivables	15	36
c) other, including:	320	70
- reimbursement of litigation costs	119	-
- received compensation , fines and penalties	185	59
- other	16	11
Total other operating income	348	119

Note 19 – Other Operating Expenses

	Period ended 31 March 2021	Period ended 31 March 2020
c) other, including:	7	17
- litigation costs	-	12
- other	7	5
Total other operating expenses	7	17

Note 20 – Financial Income

	Period ended 31 March 2021	Period ended 31 March 2020
a) interest under loans granted	52	78
- from jointly-controlled entities	52	78
b) other interest	-	52
- from other entities	-	52
c) surplus of positive exchange rate differences	115	93
d) other, including:	-	99
- other	-	99
Total financial income	167	322

Note 21 – Finance costs

	Period ended 31 March 2021	Period ended 31 March 2020
a) interest on bank loans	6	10
b) other interest	277	240
- for other entities	6	22
- under lease	271	218
c) surplus of negative exchange rate differences	-	2
d) other, under :	226	300
- commission on bank guarantees	177	139
- commission on loans	23	85
- other costs	26	76
Total finance costs	509	552

Note 22–Additional Disclosures to the Statement of Cash Flows

The Group presents restricted cash accumulated in the split payment account in the statement of financial position as cash and cash equivalents. Restricted funds in the statement of financial flows are presented for information in a separate item.

Differences between the amounts established directly from the financial statements and those disclosed in the statement of cash flows result from transfer of individual amounts from operating activity for investing activity and for financing activity.

These relate to the following balance sheet items (in PLN thousands):

	In 2021	In 2020
Change in current liabilities	11 245	-21 850
Receivables as at 1 January	75 099	77 980
Amounts due from recipients under contracts as at 1 January	13 163	22 851

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Other assets as at 1 January	879	943
Receivables under retained security deposits as at 1 January	883	11
Opening balance sheet after adjustments	90 024	101 785
Receivables as at 31 March	56 874	103 316
Amounts due from recipients under contracts as at 31 March	20 164	19 222
Other assets as at 31 March	946	1 067
Receivables under retained security deposits as at 31 March	795	49
Receivables from non-current assets sold	-	-19
Closing balance sheet after adjustments	78 779	123 635

Change in current liabilities except for current borrowings and special funds	-25 134	17 455
Trade payables as at 1 January	60 951	69 161
Other liabilities as at 1 January	8 501	8 498
Amounts owed to recipients under contracts as at 1 January	20 486	42 638
Liabilities under retained security deposits as at 1 January	14 291	5 790
Provision for current retirement benefits	-359	-384
Provision to holiday benefits	-1 720	-1 485
Provision to audit	-62	-63
Provision to current other costs	-1 565	-1 549
Investment commitments as at 1 January	-55	-
Liabilities to shareholders	-16	-16
Opening balance sheet after adjustments	100 452	122 590
Trade payables as at 31 March	41 921	79 579
Amounts owed to recipients under contracts as at 31 March	18 714	48 559
Other liabilities as at 31 March	7 183	8 178
Liabilities under retained security deposits as at 31 March	11 350	7 321
Provision for current retirement benefits	-359	-354
Provision to holiday benefits	-1 635	-1 375
Provision to audit	-32	-41
Provision to current other costs	-1 549	-1 549
Investment commitments as at 31 March	-258	-
Liabilities under discount of non-current liabilities	-	-256
Liabilities to shareholders	-17	-17
Closing balance sheet upon adjustments	75 318	140 045
Change in other adjustments as at 31 March	-802	15
Change in deferred income – advances received	-30	50
Other	-772	-35

Note 23- Information on Operating Segments

Operating segment is a component part of the Group:

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

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

Costs of the segment are the expenses composed of costs relating to the sale to external customers.

Segment result is determined on the level of operating income.

The activities of the companies from Capital Group and the Issuer, for the managing purposes were divided into eight basic operational sectors such as: execution (general contracting), design services and other engineering services (supervisions along with the project engineer service), lease of the construction equipment and other activity, which include, among others, income from sublease, sale of photocopying services and other.

Segment assets include all assets used by a segment, consisting primarily of receivables, inventories and property, plant and equipment less provision and impairment.

Some assets in the joint use are assigned to these segments based on reasonable weights..

Revenues achieved outside Poland (Exports) from 1 January 2021 to 31 March 2021 did not occur, and in the period from 1 January 2020 to 31 March 2020 amounted to PLN 155 thousand (i.e. 0.2% of sales revenue).

Information on major customers, which share in the sales revenue for the first quarter of 2021 exceeded 10% of the total sales revenue:

- A Client who deals in the production of chemical raw materials – sales revenue PLN 30 516 thousand, which represents 58.9 share in sales revenue, which was shown in the segment „General contracting” and „Design services and other engineering services”.

Detailed data on the activities of the companies from the Group in the individual segments are shown in the tables below.

For the period from 01.01.2021. to 3.03.2021	General contracting	Design services, other engineering services	Rental of construction equipment	Assembly of electrical installations	Rental o office space and real estate	Maintenance	Commercial activity	Other IT services	Other	Items not assigned	Total
Revenues from external clients	30 946	10 358	73	7 548	1 134	-	1 375	-	313	-	51 768
Total segment revenues	30 946	10 358	73	7 548	1 134	-	1 375	-	313	-	51 768
Result											
Profit (loss) of segment	1 176	2 301	-172	-80	180	-	689	-408	-67	-	3 619
Financial income										-871	-871
Finance costs										-509	-509
Net financial income										-1 380	-1 380
Profit sharing in entities valued under the equity method										849	849
Profit on other operating activities										341	341
Before tax profit										3 429	3 429
Income tax										953	953
Profit for the current period										2 476	2 476
Loss assigned to non-controlling interest										120	120
Profit for the period assigned to shareholders of the parent entity										2 356	2 356
<hr/>											
Assets as at 31.03.2021											
Segment assets (related to activity)	52 753	5 818	341	11 610	13 374	-	-	-	122	-	84 018
Unallocated assets (among others shares and other financial assets)	-	-	-	-	-	-	-	-	-	142 595	142 595
Total assets	52 753	5 818	341	11 610	13 374	-	-	-	122	142 595	226 613
<hr/>											
Other information related to segment For the period from 01.01.2021 to 31.03.2021											
Depreciation of property, plant and equipment	91	411	18	250	424	-	-	10	22	392	1 618
Amortization of intangible assets	-	-	-	3	-	-	-	-	-	11	14

Note – operating segments continuation

For the period from 01.01.2020 to 31.03.2020	General contracting	Design services, other engineering services	Rental of construction equipment	Assembly of electrical installations	Rental of office space and real estate	Maintenanc e	Commercial activity	Other IT services	Other	Items not assigned	Total
Revenues from external clients	72 377	11 402	224	5 083	1 241	153	352	49	749	-	91 631
Total segment revenues	72 377	11 402	224	5 083	1 241	153	352	49	749	-	91 631
Result of the segment	-124	888	-116	448	202	16	71	-189	59	-14	1 255
Financial income										382	382
Finance costs										-552	-552
Net financial income/finance costs										-170	-170
Profit sharing in associated entities										-1 015	-1 015
Profit on other operating activities										102	102
Before tax profit										172	172
Income tax										606	606
Profit for the current period										-434	-434
Profit assigned to non-controlling interest										-120	-120
Profit for the period assigned to shareholders of the parent entity										-314	-314
Assets as at 31.03.2020											
Segment assets (related to activity)	87 155	10 434	311	14 861	29 749	-	52	479	91	-	143 132
Unallocated assets (among others shares and other financial assets)										135 407	135 407
Total assets	87 155	10 434	311	14 861	29 749	-	52	479	91	135 407	278 539
Other information related to segment for the period from 01.01.2020 to 31.03.2020											
Depreciation of property, plant and equipment	9	39	16	163	422	13	-	14	-	832	1 508
Amortization of intangible assets	-	1	-	5	-	-	-	2	-	12	20

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.

	01.01-30.03.2021	01.01-31.03.2020
Poland	51 768	91 476
Other countries	-	155
Total sales revenue	51 768	91 631

Geographical breakdown of property, plant and equipment and intangible assets

	31.03.2021	31.12.2020
Poland	17 213	17 266
Total property, plant and equipment and intangible assets	17 213	17 266

Note 24 - Collateral Granted and Received and Contingent Liabilities and Contingent Assets

Collateral granted	As at	
	31.03.2021	31.12.2020
Bank guarantee of good performance	60 121	50 729
Guarantee of return of advance payment	589	1 500
Payment guarantee	995	995
Tender guarantee	1 800	-
Total collateral granted	63 505	53 224
surety for the return of an advance payment in the Group,	7 374	7 374
Total collateral granted	70 879	60 598

Collateral received	As at	
	31.03.2021	31.12.2020
Bank guarantee of good performance	13 108	21 094
promissory note guarantees securing the terms of the contract	2 031	450
Total contingent assets	15 139	21 544

Note 25 - Profit distribution

The Group's financial result is not subject to distribution.

The Issuer's net profit for 2020 in the amount of PLN 10,076,753.04 is proposed by the Management Board to allocate to supplementary capital.

Note 26 - Dividends

Dividends were not paid.

Note 27- Financial Instruments and Financial Risk Management

Financial assets

As at 31 March 2021

(in PLN thousands)

	Categories of financial instruments		
	note	Loans, receivables and other	Total
Classes of financial instruments			
Receivables from supplies and services	8	55 583	55 583
Cash		30 427	30 427
Loans granted	6	17 052	17 052
Amounts due from recipients under agreements	13	20 164	20 164
Other financial assets – security deposits securing the granted bank guarantees		9 669	9 669
Total		132 895	132 895

As at 31 December 2020

(in PLN thousands)

	Categories of financial instruments		
	note	Loans, receivables and other	Total
Classes of financial instruments			
Receivables from supplies and services	8	72 619	72 619
Cash		38 928	38 928
Loans granted	6	17 083	17 083
Amounts due from recipients under agreements	13	13 163	13 163
Other financial assets – security deposits securing the granted bank guarantees		9 669	9 669
Total		151 462	151 462

Financial liabilities

As at 31 March 2021

(in PLN thousands)

	Categories of financial instruments		
	note	Financial liabilities measured at amortized cost	Total
Classes of financial instruments			
Loans	11	1 184	1 184
Amounts owed to recipients under agreements	13	18 714	18 714
Liabilities under supplies and services	12	53 271	53 271
Total		73 169	73 169

As at 31 December 2020

(in PLN thousands)

	Categories of financial instruments		
	note	Financial liabilities measured at amortized cost	Total
Classes of financial instruments			
Loans	11	1 334	1 334
Amounts owed to recipients under agreements		20 486	20 486
Liabilities under supplies and services	12	75 242	75 242
Total		97 062	97 062

The fair value of financial instruments – does not differ from book value.

Note 28 - Related Party Transactions and Transactions with Key Management Personnel

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 management personnel of the entity or the Parent Entity. Key managing personnel comprise the Members of the Management Board of the Parent Entity, and the Members of the Supervisory Board of the Parent Entity.

In the first quarter of 2021 key management personnel and persons related to key management personnel, in addition to remuneration did not conclude other transactions with the companies from the Capital Group of PROCHEM S.A.

Remuneration of the Key Management Personnel

In the first quarter of 2021 in the Issuer's enterprise was paid:

1. Remuneration to the Members of the Management Board in total amount of PLN in the amount of PLN 249.6 thousand,
2. Remuneration to the Members of the Supervisory Board in total amount of PLN 78 thousand.

In the first quarter of 2021 remuneration paid to the Members of the Management Boards for performing functions in the Management Boards and in the Supervisory Boards of companies belonging to the Capital Group amounted to PLN 43.4 thousand.

Below are presented transactions with related entities, which include the jointly-controlled entities or associated entities, as well as with ones, on which the Issuer has an influence or is a member of the key management personnel of the entity or the parent Company. All transactions of related entities were concluded on market conditions and they relate to sale and purchase of services, among others - of construction and assembly services, and rental, as well as of loans granted mutually.

Settlements with related entities include trade settlements and under loans.

Guarantees and sureties granted to related entities are presented in Note 24.

Reporting period

(in PLN thousands)

from 1 January to 31 March 2020

	Sale of services	Purchase of services	Financial income – interest on loans	Financial income – dividends received
Jointly-controlled entities and associated entities	56	835	52	-

As at 31 March 2021

	Trade receivables	Receivables under loans granted	Other receivables	Trade payables
Jointly-controlled entities and associated entities	6	17 052	-	33

Comparative period

(in PLN thousands)

from 1 January to 31 March 2020

	Sale of services	Purchase of services	Financial income – interest on loans	Financial income – dividends received
Jointly-controlled entities and associated entities	643	817	78	-

As at 31 March 2020

	Trade receivables	Receivables under loans granted	Other receivables	Trade payables
Jointly-controlled entities and associated entities	749	18 497	-	45

Note 29 – Events after the Reporting Date

They did not occur.

Note 30 – Other Explanatory Notes to Interim Condensed Consolidated Financial Statements

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 next quarter

For the operations of the Capital Group of Prochem S.A. in 2021, the macroeconomic environment will have a significant impact, in particular the condition of the Polish economy, which significantly affects the decisions on starting new investment plans made by potential customers of companies belonging to the Capital Group of Prochem S.A. (in particular by the industrial companies). The portfolio of orders owned by the companies allows us to assume that the financial results in 2021 will continue to improve. The commercialization of the Astrum Business Park project in Warsaw will also have a significant impact on the results of the Issuer and the Capital Group.

Position of the Management Board 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

Company Prochem S.A. did not publish any forecast of financial results neither for the Company nor for the Capital Group of Prochem S.A. for 2021.

Information on granting by the company or its subsidiary sureties for a credit or loan or granting a guarantee to another entity or a subsidiary of this entity, if the total value of the existing sureties or guarantees is equivalent to at least 10% of equity

In the first quarter of 2021 the companies belonging to the Capital Group did not grant any sureties and guarantees to related entities.

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

As at the date of the financial statements hereby, the following members of the Management Board and Supervisory Board of the company held shares of Prochem S.A.

- Jarosław Stępniewski – 68,383 pcs.;
- Marek Kiersznicki – 59,474 pcs.;
- Krzysztof Marczak – 42,386 pcs.;
- Marek Garliński – 83,996 pcs.;
- Andrzej Karczykowski – 283,391 pcs..

The nominal value of 1 share is PLN 1.

In the first quarter of 2021, there were no changes in the ownership of the issuer's shares or rights to them by the issuer's managing and supervising persons.

Financial information of PROCHEM S.A.

Separated statement of financial position

(all amounts in PLN thousands if not stated otherwise)

	As at 31 marca 2021 r.	As at 31 December 2020
A s s e t s		
Non-current assets		
Property, plant and equipment	1 193	1 150
Intangible assets	80	40
Right-of-use assets	11 130	11 910
Shares	5 604	8 478
Shares in equity-accounted investees	4 502	4 502
Deferred tax assets	480	1 323
Receivables under retained security deposits	772	883
Other financial assets	34 713	34 734
Total non-current assets	58 474	63 020
Current assets		
Inventories	60	3 594
Trade and other receivables	42 463	61 232
Receivables under current income tax	756	756
Amounts due from recipients under contracts	13 470	7 019
Other financial assets	9 669	9 669
Other assets	547	687
Cash and cash equivalents	18 159	20 854
Total current assets	85 124	103 811
Total assets	143 598	166 831

Separate statement of financial position

(all amounts in PLN thousands if not stated otherwise)

	As at 31 March 2021	As at 31 December 2020
Equity and liabilities		
Equity		
Share capital	2 935	2 935
Revaluation reserve	-449	-449
Retained earnings	56 548	54 004
Total equity	59 034	56 490
Non-current liabilities		
Non-current loans	957	950
Provision for retirement and similar benefits	713	713
Non-current liabilities under retained security deposits	11 916	15 359
Liabilities under lease	8 463	9 221
Total non-current liabilities	22 049	26 243
Current liabilities		
Trade payables	36 199	55 481
Amounts owed to recipients under contracts	18 714	20 486
Liabilities under lease	2 956	2 946
Other liabilities	4 646	5 185
Total current liabilities	62 515	84 098
Total liabilities	84 564	110 341
Total equity and liabilities	143 598	166 831
Weighted average number of ordinary shares (units)	2 935 000	2 935 000
Book value per one share (in PLN)	20.11	19.24

Separate statement of profit and loss
for the period from 1 January 2021 to 31 March 2021
(all amounts in PLN thousands if not stated otherwise)

	Period ended 31 March 2021	Period ended 31 March 2020
Revenues from sale, including :	41 089	84 196
Revenues from sale of services	40 784	84 032
Revenues from sale of goods and materials	305	164
Cost of sales, including :	-35 798	-81 052
Cost of services sold	-35 521	-80 923
Cost of merchandise and raw materials	-277	-129
Gross profit on sales	5 291	3 144
General and administrative expenses	-1 936	-1 913
Other operating income	90	89
Other operating expenses	-	-
Results from operating activities	3 445	1 320
Financial income	175	356
Profit on liquidation of subsidiary	120	-
Finance expenses	-352	-402
Before tax profit	3 388	1 274
Income tax :	844	291
- current tax	-	1 102
- deferred tax	844	-811
Profit for the period	2 544	983
Weighted average number of ordinary shares (in pcs.)	2 935 000	2 935 000
Profit (loss) per one ordinary share (in PLN per one share) assigned to owners of the Parent Entity	0.87	0.33

Separate statement of comprehensive income

	Period ended 31 March 2021	Period ended 31 March 2020
Profit for the period	2 544	983
Other comprehensive income net	-	-
Total comprehensive income	2 544	983
Weighted average number of ordinary shares (in pcs.)	2 935 000	3 895 000
Total comprehensive income per ordinary share (in PLN per one share)	0.87	0.33

Separate statement of changes in equity

(all amounts in PLN thousands if not stated otherwise)

	Share capital	Revaluation reserve	Retained earnings	Total equity
Reporting period from 1 January 2021 to 31 March 2021				
As at the beginning of the period	2 935	-449	54 004	56 490
Net profit of the given period	-	-	2 544	2 544
<i>Other comprehensive income (net)</i>	-	-	-	-
Total comprehensive income	-	-	2 544	2 544
Other changes	-	-	-	-
As at the end of the period	2 935	-449	56 548	59 034

	Share capital	Revaluation reserve	Retained earnings	Total equity
Reporting period from 1 January 2020 to 31 March 2020				
As at the beginning of the period	2 935	-390	43 928	46 473
Net profit of the given period	-	-	983	983
<i>Other comprehensive income (net)</i>	-	-	-	-
Total comprehensive income	-	-	983	983
Other changes	-	-	-	-
As at the end of the period	2 935	-390	44 911	47 456

Separate statement of cash flows
for the period from 1 January 2021 to 31 March 2021
(all amounts in PLN thousands if not stated otherwise)

	Period ended 31 March 2021	Period ended 31 March 2020
Cash flows – operating activity		
Before tax profit	3 388	1 274
Total adjustments	-8 218	-1 390
Amortization and depreciation	914	876
Interest and profit sharing (dividends)	113	54
Profit on liquidation of financial assets	-120	-
Change in provisions	-6	-76
Change in inventories	3 534	2 418
Change in receivables and other assets	12 569	-27 750
Change in current liabilities, except for borrowings and loans	-25 233	23 034
Other adjustments (including change in deferred income)	11	54
Cash provided by (used in) operating activity	-4 829	-116
Income tax paid	-	-
Net cash provided by (used in) operating activities	-4 829	-116
Cash flows – investing activities		
Inflows	4 089	495
Proceeds from financial assets in related entities	4 089	495
- distribution of capital in liquidated subsidiary	4 006	-
- repayment of interest on loans granted	83	495
Outflows	-1 038	-22
Acquisition of intangible assets and property, plant and equipment	-14	-22
Outflows on financial assets in subsidiaries	-1 024	-
- acquisition of shares in subsidiary	-1 024	-
Net cash provided by (used in) investing activity	3 051	473
Cash flows - financing activities		
Inflows	-	-
Outflows	-916	-893
Payment of liabilities under operating lease IFRS 16	-893	-805
Interest and commission paid	-23	-88
Net cash provided by (used in) financing activities	-916	-893
Total cash flows, net	-2 695	-536
Increase/(decrease) in cash and cash equivalents net	-2 695	-536
Cash and cash equivalents at the beginning of the period	20 854	21 703
Cash and cash equivalents at the end of the period	18 159	21 167
Including restricted cash	1 268	176

Approval of the financial statements

Hereby interim condensed consolidated financial statements of the Capital Group of Prochem S.A. for the period from 1 January 2021 to 31 March 2021, containing the financial information of the company Prochem S.A. were approved for publication by the Management Board of the Parent Company Prochem S.A. on May 14, 2021.

Signatures of the Members of the Management Board

14 May 2021	Jarosław Stępniewski	President of the Management Board
date	First name and surname	position	signature

14 May 2021	Marek Kiersznicki	Vice President of the Management Board
date	First name and surname	position	signature

14 May 2021	Krzysztof Marczak	Vice President of the Management Board
date	First name and surname	position	signature

Signature of the person responsible for bookkeeping

14 May 2021	Barbara Auguścińska-Sawicka	Chief Accountant
date	First name and surname	position	signature