

**PROCHEM S.A. CAPITAL GROUP**

**CONSOLIDATED QUARTERLY REPORT  
FOR THE FIRST QUARTER OF 2022**

**PROCHEM S.A.  
ul. Łopuszańska 95  
02-457 Warszawa  
Polska**

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

## Selected financial data

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

- for 2022 - 4.6472PLN/EUR
- for 2021 - 4.5775PLN/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:

- 4.6525 PLN/EUR as at 31 March 2022
- 4.5994 PLN/EUR as at 31 December 2021

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

Description	Reporting period ended 31 March		Reporting period ended 31 December	
	2022	2021	2022	2021
	In PLN thousands		In EUR thousands	
<b>Consolidated statement of profit and loss</b>				
Revenues from sale	57 321	51 768	12 335	11 323
Gross profit on sales	6 199	6 849	1 334	1 498
Results from operating activities	2 712	3 960	584	866
Before tax profit	3 212	3 429	691	750
Profit for the period assigned to:	2 030	2 476	437	542
Shareholders of the Parent Entity	1 879	2 356	404	515
Non-controlling interest	151	120	32	26
Profit/diluted profit (in PLN/EUR) per one ordinary share – assigned to shareholders of the Parent Entity	0.80	0.80	0.17	0.18
<b>Consolidated statement of cash flows</b>				
Net cash provided by operating activities	1 474	-5 708	317	-1 248
Net cash provided by investing activities	1 026	-1 042	221	-228
Net cash provided by financing activities	-413	-1 751	-89	-383
Total cash flows, net	2 087	-8 501	449	-1 859
	As at		As at	
Description	31 March 2022	31 December 2021	31 March 2022	31 December 2021
	In PLN thousands		In EUR thousands	
<b>Consolidated statement of financial position</b>				
Total assets	215 230	244 577	46 261	53 176
Total non-current assets	107 150	109 428	23 031	23 792
Total current assets	108 080	135 149	23 231	29 384
Equity attributable to shareholders of the parent entity	101 013	99 138	21 712	21 555
Non-controlling interest	3 780	3 636	812	791
Total equity	104 793	102 774	22 524	22 345
Total non-current liabilities	35 317	36 272	7 591	7 886
Total current liabilities	75 120	105 531	16 146	22 945
Book value per one ordinary share (in PLN/EUR)- assigned to shareholders of the parent entity	42.89	42.10	9.22	9.15
Weighted average number of shares (in pcs.)	2 355 000	2 355 000	2 355 000	2 355 000

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

Description	Reporting period ended 31 March		Reporting period ended 31 December	
	2022	2021	2022	2021
	In PLN thousands		In EUR thousands	
<i>Separate statement of profit and loss</i>				
Revenues from sale	39 659	41 089	8 534	8 987
Gross profit on sales	4 041	5 291	870	1 157
Results from operating activities	2 057	3 445	443	753
Before tax profit	2 012	3 388	433	741
Profit for the period	868	2 544	187	556
Profit/diluted profit (in PLN/EUR)	0.37	0.87	0.08	0.19
<i>Separate statement of cash flows</i>				
Net cash provided by (used in) operating activities	2 045	-4 830	440	-1 056
Net cash provided by (used in) investing activities	1 644	3 051	354	667
Net cash provided by (used in) financing activities	-974	-916	-210	-200
Total cash flows, net	2 715	-2 695	584	-589
<i>Separated statement of financial position</i>				
Description	As at		As at	
	31 March 2022	31 December 2021	31 March 2022	31 December 2021
<i>Separated statement of financial position</i>				
Total assets	112 400	138 933	24 159	30 207
Total non-current assets	42 139	45 149	9 057	9 816
Total current assets	70 261	93 784	15 102	20 390
Total equity	44 902	44 034	9 651	9 574
Total non-current liabilities	17 533	17 980	3 769	3 909
Total current liabilities	49 965	76 919	10 739	16 724
Book value per one ordinary share (in PLN/EUR)	19.07	18.70	4.10	4.07
Weighted average number of shares (in pcs.)	2 355 000	2 355 000	2 355 000	2 355 000

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## Quarterly financial information of Prochem S.A.

*Interim condensed consolidated financial information the Capital Group of PROCHEM S.A. prepared in accordance with the International Financial Reporting Standards approved by the EU as at and for the period ended March 31, 2022*

### Consolidated statement of financial position

(all amounts in PLN thousands if not stated otherwise)

	Note	31 March	31 December
	No.	2022	2021
<b>A s s e t s</b>			
<b>Non-current assets</b>			
Property, plant and equipment	1	15 958	15 757
Intangible assets		84	89
Investment property	2	10 598	10 598
Right-of-use assets	3	23 201	24 422
Shares	4	830	830
Shares in equity-accounted investees	5	39 971	39 139
Deferred tax assets	6	272	1 362
Receivables under retained security deposits		236	231
Other financial assets	7	16 000	17 000
<b>Total non-current assets</b>		<b>107 150</b>	<b>109 428</b>
<b>Current assets</b>			
Inventories	8	8 454	8 379
Trade and other receivables	9	56 992	87 288
Receivables under current income tax		145	436
Amounts due from recipients under contracts	17	16 978	14 996
Other financial assets	10	7 658	8 658
Other assets	11	1 372	998
Cash and cash equivalents		16 481	14 394
<b>Total current assets</b>		<b>108 080</b>	<b>135 149</b>
<b>Total assets</b>		<b>215 230</b>	<b>244 577</b>

## Consolidated statement of financial position

(all amounts in PLN thousands if not stated otherwise)

<b>Equity and liabilities</b>	<b>Note No.</b>	<b>31 March 2022</b>	<b>31 December 2021</b>
<b>Equity</b>			
Share capital	12	2 935	2 935
Own shares		-580	-580
Revaluation reserve		6 513	6 513
Retained earnings	13	92 145	90 270
<b>Owner's equity</b>		<b>101 013</b>	<b>99 138</b>
<b>Non-controlling interest</b>		<b>3 780</b>	<b>3 636</b>
<b>Total equity</b>		<b>104 793</b>	<b>102 774</b>
<b>Non-current liabilities</b>			
Non-current loans	15	300	300
Provision to deferred income tax	6	2 750	2 759
Liabilities under retirement and similar benefits		2 281	2 313
Non-current liabilities under retained security deposits		9 348	9 020
Non-current liabilities under lease	18	20 495	21 737
Other non-current liabilities		143	143
<b>Total non-current liabilities</b>		<b>35 317</b>	<b>36 272</b>
<b>Current liabilities</b>			
Current bank loans	14	4 843	3 704
Current loans	15	400	400
Trade payables	16	55 087	77 461
Amounts owed to recipients under contracts	17	2 300	5 803
Liabilities under current income tax		41	16
Current liabilities under lease	18	4 844	4 923
Other liabilities	18	6 671	12 405
Deferred income	19	934	819
<b>Total current liabilities</b>		<b>75 120</b>	<b>105 531</b>
<b>Total liabilities</b>		<b>110 437</b>	<b>141 803</b>
<b>Total equity and liabilities</b>		<b>215 230</b>	<b>244 577</b>
<b>Book value – equity assigned to owners of the Parent Entity</b>		<b>101 013</b>	<b>99 138</b>
<b>Average number of ordinary shares (in pcs.)</b>		<b>2 355 000</b>	<b>2 355 000</b>
<b>Book value per one share (in PLN) – assigned to owners of the Parent Entity</b>		<b>42.89</b>	<b>42.10</b>

## Consolidated statement of profit and loss

(all amounts in PLN thousands if not stated otherwise)

	Note No.	Period ended 31 March 2022	Period ended 31 March 2021
Revenues from sale, including :		57 321	51 768
Revenues from sale of services	20	56 614	50 393
Revenues from sale of goods and materials	21	707	1 375
Cost of sales, including :		-51 122	-44 919
Cost of services sold	22	-50 452	-44 233
Cost of merchandise and raw materials		-670	-686
<b>Gross profit on sales</b>		<b>6 199</b>	<b>6 849</b>
General and administrative expenses	22	-3 461	-3 230
Other operating income	23	112	348
Other operating expenses	24	-138	-7
<b>Results from operating activities</b>		<b>2 712</b>	<b>3 960</b>
Financial income	25	224	167
Profit on sale of all or par of shares in subsidiary		-	-1 038
Finance expenses	26	-556	-509
Profit sharing in associated entities		832	849
<b>Before tax profit</b>		<b>3 212</b>	<b>3 429</b>
Income tax expense :	27	1 182	953
- current tax		70	51
- deferred tax		1 112	902
<b>Profit for the period</b>		<b>2 030</b>	<b>2 476</b>

Profit for the period assigned to :

Shareholders of the Parent Entity	1 879	2 356
Non-controlling interest	151	120
Weighted average number of ordinary shares (in pcs.)	2 355 000	2 935 000
Profit (loss) per one ordinary share (in PLN per share) assigned to owners of the Parent Entity	0.80	0.80

## Consolidated statement of comprehensive income

	Period ended 31 March 2022	Period ended 31 March 2021
<b>Profit for the period</b>	<b>2 030</b>	<b>2 476</b>
<b>Other comprehensive income net</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income</b>	<b>2 030</b>	<b>2 476</b>

Total comprehensive income assigned to :

Shareholders of the Parent Entity	1 879	2 356
Non-controlling interest	151	120
Weighted average number of ordinary shares (in pcs.)	2 355 000	2 935 000
Total comprehensive income per one ordinary share (in PLN per one share) assigned to owners of the Parent Entity	0.80	0.80

## Consolidated statement of changes in equity

(all amounts in PLN thousands if not stated otherwise)

	Share capital	Own shares	Revaluation reserve	Retained earnings	Equity assigned to shareholders of the parent entity	Equity assigned to non-controlling interest	Total equity
<b>Reporting period from 1 January 2022 to 31 March 2022</b>							
As at the beginning of the period after the data had been brought to comparability	2 935	-580	6 513	90 270	99 138	3 636	102 774
Net profit of the given period	-	-	-	1 879	1 879	151	2 030
Other comprehensive income (net)	-	-	-	-	-	-	-
Total comprehensive income	-	-	-	1 879	1 879	151	2 030
Other changes	-	-	-	-4	-4	-7	-11
As at the end of the period	2 935	-580	6 513	92 145	101 013	3 780	104 793

	Share capital	Own shares	Revaluation reserve	Retained earnings	Equity assigned to shareholders of the parent entity	Equity assigned to non-controlling interest	Total equity
<b>Reporting period from 1 January 2021 to 31 March 2021</b>							
As at the beginning of the period after the data had been brought to comparability	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
Other comprehensive income (net)	-	-	-	-	-	-	--
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



## Consolidated statement of cash flows

(all amounts in PLN thousands if not stated otherwise)

	Period ended 31 March 2022	Period ended 31 March 2021
<b>Cash flows – operating activities</b>		
Before tax profit	3 212	3 429
Total adjustments	- 2 179	-8 980
Share in net profit of associated entities	-832	-849
Amortization and depreciation	1 710	1 632
Interest and profit sharing (dividends)	144	248
(Profit) loss on disposal of property, plant and equipment	-12	-87
(Profit) loss on investment	0	1 038
Change in provisions	-1 720	-130
Change in inventories	-75	3 859
Change in receivables and other assets	27 935	11 245
Change in current liabilities except for loans and borrowings	-30 147	-25 134
Other adjustments (including change in deferred income)	1 013	-802
Cash provided by (used in) operating activities	1 033	-5 551
Income tax paid	-246	157
<b>Net cash provided by (used in) operating activities</b>	<b>1 474</b>	<b>- 5 708</b>
<b>Cash flows – investing activities</b>		
Disposal of intangible assets and property, plant and equipment	22	109
Interest received on loans to related entities	1 176	83
Acquisition of intangible assets and property, plant and equipment	-172	-210
Acquisition of shares in subsidiary	-	-1 024
<b>Net cash provided by (used in) investing activities</b>	<b>1 026</b>	<b>-1 042</b>
<b>Cash flows – financing activity</b>		
Bank loan	1 139	-
Other financial proceeds	-	-
Acquisition of own shares	-	-
Repayment of bank loans	-	-151
Interest and commission paid	-47	-29
Payment of liabilities under lease	-1 505	-1 571
<b>Net cash provided by (used in) financing activity</b>	<b>-413</b>	<b>- 1 751</b>
Total cash flows, net	2 087	-8 501
Increase/(decrease) cash and cash equivalents net	2 087	-8 501
<b>Cash and cash equivalents at the beginning of the period</b>	<b>14 394</b>	<b>38 928</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>16 481</b>	<b>30 427</b>
<b>Including restricted cash</b>	<b>838</b>	<b>1 520</b>

## **Notes on adopted accounting principles (policy) and other explanatory notes to interim condensed consolidated financial statements**

### **1. Establishment of the Parent Entity and Its Principal Activity**

Company Prochem S.A. (hereinafter called „Prochem”, „Company”, „Issuer” or “Parent Entity”) seated in Warsaw, 95 Łopuszańska Street. The Company is registered in the National Court Register (KRS) by the District Court for the Capital City Warsaw, XIV Commercial Department of the National Court Register, under KRS number 0000019753. Principal activity according to Polish Business Classification (PKD 2007) determines symbol 4120Zconstruction works associated with constructing residential and non-residential buildings. 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.

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

Country of registration : Poland

Name change: was not

Address of conducting business activity: Warszawa (02-457), ul. Łopuszańska 95

### **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:

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

There were no changes in the composition of the Management Board in the period from January 1, 2022 to March 31, 2022.

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

As at the date of these consolidated financial statements, comprises the following persons:

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

In the period from January 1, 2022 to March 31, 2022, there was a change in the composition of the Supervisory Board.

### **3. Employment**

In the first quarter of 2022 average employment was 358 FTEs and in 2021 388 FTEs. Level of employment in persons as at 31 March 2022 was 369 , and as at 31 March 2021 394.

#### 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- in restructuring – subsidiary indirectly (93.2%);
- PREDOM Sp. z o.o. seated in Wrocław – subsidiary indirectly (81.7% of share in capital and profit, 72.3% of votes);
- Prochem Zachód Sp. z o.o. seated in Warsaw – subsidiary directly (80.0%);
- Elektromontaż Kraków S.A. seated in Krakow – subsidiary indirectly (91.07%), including 56.59% of share in capital and voting rights holds Prochem Inwestycje subsidiary in 100%. Company Elektromontaż Kraków S.A. prepares consolidated financial statements , which contains data of subsidiary in 100%: ELMONT-POMIARY Sp. z o.o. seated in Krakow.
- 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% share in capital and voting rights holds Prochem Inwestycje).

##### Jointly-controlled entities and associates valued using the equity method:

- ITEL Sp. z o. o. seated in Gdynia – 42.0% of share (18.7% share in voting rights and capital holds directly Prochem S.A., and 23.3% holds Prochem RPI Sp. z o .o. subsidiary in 100%);
- 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.

The company Pro-Inhut Sp. z o. o. with its seat in Dąbrowa Górnicza is subject to arrangement proceedings.

#### 5. Adopted accounting principles and statement of compliance

##### *Statement on compliance and reliability of the prepared financial statements*

Interim condensed consolidated financial statements of PROCHEM S. A. Capital Group for the first quarter of 2022 was prepared according to IAS 34 „Interim Reporting”, in the shape endorsed by the European Union and with Regulation of the Minister of Finance of 19 February 2009 on current and periodic information provided by issuers of securities and Regulation of the Minister of Finance of 29 March 2018 on current and periodic information provided by issuers of securities and conditions for recognition as equivalent an information required by the law of a non-Member State (Official Journal of 2018 item 757) („Regulation”) and presents fairly and clearly the financial and property position as at March 31, 2022 and comparative data as at December 31, 2021, as well as the results of this activity for the 3-month period ended March 31, 2022 and comparative data for the 3-month period ended March 31, 2021 and cash flows for the three months ended March 31, 2022 and March 31, 2021.

Interim condensed financial statements of Prochem S.A. Capital Group as at 31 March 2022 were prepared at assuming to continue business operations as a going concern in the foreseeable future. As at the date of approval of these interim condensed consolidated financial statements, there are no circumstances identified implying any threats to the continued activity of the Group. Duration of the Parent Company and entities comprising the Prochem S.A. Group is indefinite. Hereby interim condensed consolidated financial statements, with the exception of the consolidated cash flow statement, have been prepared on the accrual basis.

### ***Principle of presentation***

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 2021.

Financial statements were 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 Company and of 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 a large extent depends on weather conditions. Weather conditions have an impact on the volume of the revenues generated in these segments. Lower revenues are achieved during the winter season, when weather conditions do not allow for execution of some construction work.

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

### ***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 S.A. Capital Group for the year ended 31 December 2021.

### ***New standards, interpretations and changes in published IFRS, and its impact***

In hereby financial statements, the Group did not decide to apply the published standards, interpretations or amendments to the existing standards before their effective date.

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

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

The consolidated financial statements are presented in thousands of Polish zlotys ("zloty" or "PLN"), which are the functional currency of the Parent Entity the reporting currency.

The financial result and financial situation of the Delegation Office are translated using the following procedures:

- assets and liabilities are translated at the closing rate on the date of the statement of financial position,

- revenues and costs are translated at the average exchange rate on the transaction date, and
- the resulting exchange rate differences are recognized in the profit and loss account.

## **7. Foreign currency transactions**

Transactions in foreign currencies are initially recognized at the NBP exchange rate applicable on the transaction date. Balance sheet items of assets and liabilities expressed in foreign currencies are valued at the average exchange rate of the National Bank of Poland as of the balance sheet date. Profits and losses arising from the settlement of these transactions and the balance sheet valuation of assets and liabilities expressed in foreign currencies are recognized in the profit and loss account.

## **8. The impact of the war conflict in Ukraine on the company's operations**

The Group monitors the impact of the political and economic situation in Ukraine on the Group's operations on an ongoing basis. As at the date of hereby financial statements, the Group noticed a noticeable impact on sales and the supply chain. First of all, there has been noticed a sharp increase in the prices of goods and services, delivery times for equipment and materials have been extended and the availability of some goods has been limited.

The management boards of companies included in the Capital Group of Prochem S.A. they monitor the current situation with particular care and, if necessary, are prepared to take appropriate actions to adapt their potential to new conditions in order to mitigate any negative effects on the entity.

The above-mentioned factors may have an impact on the level of profitability of the business. It is monitored on an ongoing basis so as to take appropriate steps regarding the organization of work and fulfill obligations on time, if necessary.

As at the date of preparation of hereby consolidated financial statement, Group of Prochem S.A. identifies no threat to the continuation of the Group's operations.

## 9. Explanatory notes to interim consolidated financial statements as at and for the period of three months ended 31 March 2022

### Note 1 – Property, Plant and Equipment

	31 March 2022	31 December 2021
Property, plant and equipment, including:	15 958	15 757
- land	1 917	1 924
- buildings, premises and civil engineering objects	10 763	10 966
- machinery and equipment	1 415	866
- vehicles	1 288	1 413
- other PPE	575	588
<b>Total property, plant and equipment</b>	<b>15 958</b>	<b>15 757</b>

Property, plant and equipment – ownership structure	31 March 2022	31 December 2021
a) own	5 555	4 981
b) under rental, lease nor other agreement, including:	10 403	10 776
- lease agreement	9 119	9 484
- value of the right of perpetual usufruct	1 284	1 292
<b>Total balance sheet items of property, plant and equipment</b>	<b>15 958</b>	<b>15 757</b>

The Group, pursuant to an agreement dated 23 July 2004 leases property consisting of 3 buildings with an area of 6 227.5 m<sup>2</sup>, on a plot of 3 311 m<sup>2</sup> 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. The fair value as at March 31, 2022 does not differ materially from the fair value. The fair value as at December 31, 2021 was determined on the basis of a valuation prepared by independent experts not related to the Group. The appraisers are qualified to carry out valuations of land, buildings and structures, as well as current experience in such valuations made in locations where the Group's assets are located.

	Change in property, plant and equipment for the period from 1 January 2022 to 31 March 2022	Change in property, plant and equipment for the period from 1 January 2021 to 31 December 2021
<b>Gross value</b>		
<b>As at opening balance sheet</b>	<b>36 435</b>	<b>36 353</b>
Increase (due to)	719	1 400
- acquisition of non-current assets	719	1 400
Decrease (due to)	-94	-1 318
- disposal of non-current assets	-87	-485
- liquidation of non-current assets	-10	-153
- reversal of the elimination of unpaid non-current assets in subsidiary	-	57
- changes	3	-737
<b>As at closing balance sheet</b>	<b>37 060</b>	<b>36 435</b>
<b>Depreciation and impairment</b>		
<b>As at opening balance sheet – accumulated depreciation</b>	<b>20 678</b>	<b>19 163</b>

Depreciation for the period (under)	424	1 515
- increase (accrued depreciation)	512	2 068
- decrease under disposal of non-current assets	-78	-402
- decrease under liquidation of non-current assets	-10	-153
- other changes	-	2
<b>As at closing balance sheet – accumulated depreciation</b>	<b>21 102</b>	<b>20 678</b>
<b>Impairment of non-current assets</b>	-	-
<b>Net value of non-current assets as at the end of balance period</b>	<b>15 958</b>	<b>15 757</b>

### *Note 2 – Investment Property*

	31 March 2022	31 December 2021
Buildings and constructions	8 216	8 216
Land	2 382	2 382
<b>Total investment property</b>	<b>10 598</b>	<b>10 598</b>

<b>Investment property by titles</b>	<b>Change in investment property for the period from 1 January 2022 to 31 March 2022</b>	<b>Change in investment property for the period from 1 January 2021 to 31 December 2021.</b>
<b>Investment property - land</b>		
As at opening balance sheet:	2 382	2 189
- decrease under reclassification – assets held for sale	-	193
<b>As at closing balance sheet</b>	<b>2 382</b>	<b>2 382</b>
<b>Investment property - buildings and constructions</b>		
As at opening balance sheet:	8 216	7 672
a) increase under reclassification – assets held for sale	-	544
<b>Total change</b>	<b>-</b>	<b>544</b>
<b>As at closing balance sheet</b>	<b>8 216</b>	<b>8 216</b>
Write-down of investment property	-	-
<b>Total investment property</b>	<b>10 598</b>	<b>10 598</b>

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.

Fair value as at March 31, 2022 does not significantly differ from fair value. The measurement at fair value as at December 31, 2021 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.

Details concerning investment property and information on the hierarchy of fair values as at 31 March 2022.

Group	Fair value (in PLN thousand)	
	31 March 2022	31 December 2021
	<b>Level 3</b>	<b>Level 3</b>
Land, including the right of perpetual usufruct	2 382	2 382
Buildings and constructions	8 216	8 216
<b>Total</b>	<b>10 598</b>	<b>10 598</b>

There were no displacements between the levels 1, 2 and 3 in the first quarter of 2022.

### Note 3 – Right-of-use Assets

	As at 31 March 2022	As at 31 December 2021
- buildings and constructions	21 713	22 644
- machinery and equipment	80	96
- vehicles	1 408	1 682
<b>Total assets</b>	<b>23 201</b>	<b>24 422</b>

  

Description	Change in right-of-use assets for the period from 1 January 2022 to 31 March 2022	Change in right-of-use assets for the period from 1 January 2021 to 31 March 2021
Gross book value	36 832	34 137
Increase in value – new contracts concluded	-	260
Increase in gross value– updating of the value of contracts concluded	-	2 497
Decrease in value – the end of the contract	-116	-62
<b>Total, book value gross</b>	<b>36 716</b>	<b>36 832</b>
<b>Increase (+) /decrease (-)</b>		
Depreciation – as at opening balance sheet	12 410	7 819
Depreciation accrued	1 187	4 627
Decrease – the end of the contract	-82	-36
<b>Total accumulated depreciation</b>	<b>13 515</b>	<b>12 410</b>
<b>Total as at closing balance sheet</b>		
Gross book value	36 716	36 832
Accumulated depreciation	-13 515	-12 410
<b>Net book value as at closing balance sheet</b>	<b>23 201</b>	<b>24 422</b>

### Note 4 - Shares

Shares	31 March 2022	31 December 2021
In other entities	830	830
Shares, net value	830	830
Write-downs of shares	6	6
<b>Shares, gross value</b>	<b>836</b>	<b>836</b>

Change in shares	31 March 2022	31 December 2021
a) as at the beginning of the period	830	830
b) as at the end of the period	830	830

#### Shares in other entities as at 31.03.2022

Description	Number of shares	Share in capital (%)	Carrying amount of the shares held ( in PLN thousands)
Kostrzyńsko Słubicka Specjalna Strefa Ekonomiczna	8 250	3.04	825
CeMat'70 S.A.	39	0.04	5



### Note 5 – Shares in Entities Valued Using the Equity Method

Shares in jointly-controlled entities and in associated entities	31 March 2022	31 December 2021
- Shares – net value	39 971	39 139
- write-downs of shares	1 011	1 011
<b>Shares, gross value</b>	<b>40 982</b>	<b>40 150</b>

Change in shares in jointly-controlled entities and in associated entities	31 March 2022	31 December 2021
a) as at the beginning of the period	39 139	33 907
- shares at cost	39 139	33 907
b) increase (under)	832	5 232
-share in the result of current year	832	5 232
c) at the end of the period, net	39 971	39 139
d) write-down	1 011	1 011
<b>e) at the end of the period gross</b>	<b>40 982</b>	<b>40 150</b>

Change in write-downs of shares in jointly-controlled entities and associated entities	31 March 2022	31 December 2021
As at the beginning of the period	1 011	1 011
<b>As at the end of the period</b>	<b>1 011</b>	<b>1 011</b>

Irydion Sp. z o. o. is the only joint contractual arrangement (jointly controlled entity) in which the Group participates. It is a company whose goal is to build an office building under name of "Astrum Biznes Park" in Warsaw. The company is not listed. The Group classified its shares in Irydion as a joint venture. The Group has joint control with the shareholder of LFI 1 Fundusz Inwestycyjny Zamknięty Aktywów Niepublicznych with its seat in Wrocław, 50% of each shareholder. Each of the partners has two representatives on the Supervisory Board.

### Note 6 – Settlement of Deferred Income Tax

Changes in values of provision and deferred tax assets for the first quarter of 2022 are shown in the table below.

Deferred tax assets	As at 31 March 2022	As at 31 December 2021
As at beginning of the period	5 193	5 896
Increase	2 962	4 236
Decrease	-3 703	-4 939
<b>As at the end of the period</b>	<b>4 452</b>	<b>5 193</b>

Provision under deferred income tax	As at 31 March 2022	As at 31 December 2021
As at beginning of the period	6 590	6 871
Increase	2 001	3 160
Decrease	-1 661	-3 441
<b>As at the end of the period</b>	<b>6 930</b>	<b>6 590</b>

	As at 31 March 2022	As at 31 December 2021
Deferred tax assets	4 452	5 193
Provision under deferred tax assets	-6 930	-6 590
<b>Assets/(Provision) under deferred income tax</b>	<b>-2 478</b>	<b>-1 397</b>

<b>Presentation in the statement of financial position</b>	As at 31 March 2022	As at 31 December 2021
Deferred tax assets	272	1 362
Provision under deferred income tax	-2 750	-2 759
<b>Assets/(Provision) under deferred income tax</b>	<b>-2 478</b>	<b>-1 397</b>

#### **Note 7 – Other Non-current Financial Assets**

<b>Other financial assets</b>	31 March 2022	31 December 2021
a) from jointly-controlled entities :	16 000	17 000
- loans granted	16 000	17 000
b) other financial assets – security deposits securing the granted bank guarantees	-	-
<b>Total non-current financial assets</b>	<b>16 000</b>	<b>17 000</b>

#### **Loans granted – as at 31 March 2022**

- Loans granted to jointly-controlled company Irydion Sp. z o.o. seated in Warsaw:
  - in the amount of PLN 11 000 thousand, including: amount of the loan PLN 11 000 thousand, Interest is set annually according to WIBOR 3M rate plus margin of 2.3%. The repayment date of the loan with interest 22 September 2031;
  - in the amount of PLN 5 000 thousand, including: amount of the loan PLN 5 000 thousand. Interest is set annually at 3% rate annually, the repayment date of the loan with interest 22 September 2031.

#### **Increase:**

- Accrued interest on loans granted to jointly-controlled company Irydion Sp. z o.o. In the amount of PLN 176 thousand,

#### **Decrease:**

- Repayment of accrued interest on loans granted to jointly-controlled entity Irydion Sp. z o.o. in the amount of PLN 176 thousand,
- Repayment of loan in the amount of PLN 1 000 thousand.

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

- Loans granted to jointly-controlled entity Irydion Sp. z o.o. seated in Warsaw:
  - in the amount of PLN 11 000 thousand, including: amount of the loan PLN 11 000 thousand, Interest is set annually according to WIBOR 3M rate plus margin of 2.3%. The repayment date of the loan with interest 22 September 2031;
  - in the amount of PLN 6 000 thousand, including: amount of the loan PLN 6 000 thousand. Interest is set annually at 3% rate annually, the repayment date of the loan with interest 22 September 2031.

## Note 8 – Inventories

<b>Inventories</b>	<b>31 March 2022</b>	<b>31 December 2021</b>
Materials	7 856	7 578
Semi-finished products and work-in-process	520	443
Goods	78	358
<b>Total inventories</b>	<b>8 454</b>	<b>8 379</b>
Write-downs of inventories	557	557

## Note 9 – Trade and Other Receivables

<b>Trade and other receivables</b>	<b>31 March 2022</b>	<b>31 December 2021</b>
Trade receivables	59 746	89 994
Write-down of trade receivables	4 261	4 261
<b>Trade receivables net, including</b>	<b>55 485</b>	<b>85 733</b>
- with repayment period up to 12 months	51 146	81 093
- with repayment period above 12 months	4 339	4 640
<b>Receivables from taxes, subsidies, custom duties, social and health insurance and other benefits</b>	<b>126</b>	<b>105</b>
Other receivables	1 381	1 450
Write-down of other receivables	-	-
<b>Other receivables net</b>	<b>1 381</b>	<b>1 450</b>
<b>Total receivables</b>	<b>56 992</b>	<b>87 288</b>

<b>Trade and other receivables from related entities</b>	<b>31 March 2022</b>	<b>31 December 2021</b>
Trade receivables, including:	77	6
- from jointly-controlled entities and associated entities	77	6
<b>Total trade and other receivables from related entities net</b>	<b>77</b>	<b>6</b>
Write-downs of receivables from related entities	-	-
<b>Total trade and other receivables from related entities gross</b>	<b>77</b>	<b>6</b>

<b>Change in write-downs of trade and other receivables</b>	<b>31 March 2022</b>	<b>31 December 2021</b>
<b>As at the beginning of the period</b>	<b>4 261</b>	<b>4 319</b>
a) increase (under)	-	23
- provision to receivables	-	23
b) decrease (under)	-	81
- payment received	-	65
- use of write-downs created in previous periods	-	16
<b>Write-downs of trade and other receivables at the end of period</b>	<b>4 261</b>	<b>4 261</b>

In the majority of contracts signed by the Group, time of payment for services was established in the range from 14 to 60 days. As at 31 March 2022 and as at 31 December 2021 trade receivables include security deposits under statutory warranty for construction and assembly works respectively in the amount of PLN 6 195 thousand and PLN 5 977 thousand.

### Note 10 – Other Financial Assets

Other financial assets by type :	31 March 2022	31 December 2021
a) other financial assets - security deposits securing bank guarantee	7 658	8 658
b) other	-	-
<b>Total financial assets</b>	<b>7 658</b>	<b>8 658</b>

### Note 11 – Other Assets

Other assets by type :	31 March 2022	31 December 2021
a) prepayments	1 372	998
- cost of property and personal insurance	275	232
- software maintenance cost	676	653
- subscriptions	10	4
- deferred costs	329	17
- other	82	92
<b>Total other assets</b>	<b>1 372</b>	<b>998</b>

### Note 12 – Share Capital

SHARE CAPITAL (STRUCTURE)							
Series / emission	Type of share	Type of share preferences	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
<b>Total number of shares</b>			<b>2 935 000</b>				
<b>Total share capital</b>				<b>2 935 000</b>			
<b>Nominal value of one share = PLN 1.00</b>							

In 2021, the Company purchased 580 000 pcs of own shares for redemption, after the settlement of the share buyback 2 355 000 shares are in trade, the total number of votes from these shares is 2 356 160.

### Change of 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	33.21
2. Otwarty Fundusz Emerytalny PZU „Złota Jesień”.	284 900	284 900	9.70	9.71

Change of rights from shares of Prochem S.A. - from the date of publication of the consolidated financial statements of the Capital Group of Prochem S.A. there was no change in the number of shares giving shareholders at least 5% of votes at the general meeting of shareholders.

### Note 13 - Retained Earnings

	31 March 2022	31 December 2021
Spare capital	55 033	54 590
Other reserve capital	29 873	30 310
Profit (loss) of the previous period	5 360	-773
Profit (loss) of the period	1 879	6 143
<b>Total</b>	<b>92 145</b>	<b>90 270</b>

### Note 14 – Current Bank Loans

	31 March 2022	31 December 2021
- loans	4 843	3 704

#### Information on bank loans incurred

Name of the bank	Registered office	Limit of the loan	Amount engaged	Repayment date	Terms of interest	Collateral
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#### By Prochem S.A.

BNP Paribas	Warsaw	2 000	-	30.09.2022	WIBOR 1M + margin	Promissory note in blank
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#### By Elektromontaż Kraków S.A.

mBank S.A.	Warsaw	1 500	1 473	01.03.2023	WIBOR ON + margin	Mortgage + promissory note
ING BANK Śląski	Katowice	3 000	2 136	19.11.2022	WIBOR for 1-months deposits in PLN + margin	Mortgage + promissory note

#### By Atutor Integracja Cyfrowa sp. z o.o.

Bank Milenium S.A.	Warsaw	150	-	Revolving loan in bank account from 02.08.2016.	WIBOR 1m + 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 15 – Liabilities under Loans Received

Liabilities under non-current loan received	31 March 2022	31 December 2021
- non-current loans	300	300
- current part of non-current loans	400	400
<b>Loans received</b>	<b>700</b>	<b>700</b>

On September 30, 2021, the subsidiary P.K.I. PREDOM Sp. z o. o. signed with the Polish Development Fund S.A. a liquidity loan agreement for the amount of PLN 800 thousand under the Government Program "Financial Shield of the Polish Development Fund for Large Companies".

The loan was disbursed in one installment upon the submission of the application in accordance with the provisions of the loan agreement.

The purpose of the loan is to finance the current operations of the Company in accordance with the terms of the agreement.

### Note 16 - Trade Payables

	31 March 2022	31 December 2021
a) to associated entities and jointly –controlled entities	-	6
- for supplies and services, with maturity:	-	6
- up to 12 months	-	6
b) to other entities	55 087	77 455
- for supplies and services, with maturity:	55 087	77 455
- up to 12 months	55 087	77 455
- above 12 months	-	-
<b>Total trade payables</b>	<b>55 087</b>	<b>77 461</b>
Non-current liabilities under seized security deposits	9 348	9 020
<b>Total trade payables</b>	<b>64 435</b>	<b>86 481</b>

### Note 17 – Amounts Owed to Recipients under Long-term Agreements

	31 March 2022	31 December 2021
- amounts due from recipients under agreements	16 978	14 996
<b>Amounts due from recipients under long-term agreements</b>	<b>16 978</b>	<b>14 996</b>

<i>Amounts owed to recipients under long-term agreements</i>	31 March 2022	31 December 2021
- amounts owed to recipients under agreements	2 300	5 803
<b>Amounts owed to recipients under long-term agreements</b>	<b>2 300</b>	<b>5 803</b>

Description	As at 31 March 2022	As at 31 December 2021
The value of revenues according to agreements	959 226	917 129
The value of revenues invoiced	736 843	726 216
Planned liabilities under execution of agreements	876 134	853 158
Fulfilled obligations under agreements	694 832	690 397
Amounts due from recipients	16 978	14 996
Amounts owed to recipients	2 300	5 803

## Note 18 – Other Liabilities

	31 March 2022	31 December 2021
a) to other entities	3 195	5 679
- under taxes, duties, insurance and other benefits	2 457	4 961
- under remuneration	468	452
- other (by type)	270	266
liabilities to employees	4	24
liabilities to shareholders	16	16
liabilities under lease	22	28
other	228	198
b) other non-current provisions	3 476	6 726
- provision to costs accrued to the previous year, relating to long-term contracts	1 382	3 716
- provision to costs	160	968
-cost of audit	32	48
- current provision for retirement benefit	196	227
- provision to unused annual leaves	1 706	1 767
<b>Total other liabilities</b>	<b>6 671</b>	<b>12 405</b>

### Liabilities under lease

	Future minimum lease payments	Interest	Current value	Future minimum lease payments	Interest	Current value
In PLN thousands	In 2022	In 2022	In 2022	In 2021	In 2021	In 2021
Up to one year	409	28	437	468	33	501
1 to 5 years	567	19	586	649	23	672
<b>Total</b>	<b>976</b>	<b>47</b>	<b>1 023</b>	<b>1 117</b>	<b>56</b>	<b>1 173</b>

### Liabilities under right-of-use

	Future minimum lease payments	Interest	Current value	Future minimum lease payments	Interest	Current value
In PLN thousands	In 2022	In 2022	In 2022	In 2021	In 2021	In 2021
Up to one year	4 435	697	5 132	4 455	701	5 156
1 to 5 years	11 534	1630	13 164	12 440	1 703	14 143
above 5years	8 394	1 085	9 452	8 648	1 130	9 778
<b>total</b>	<b>24 363</b>	<b>3 385</b>	<b>27 748</b>	<b>25 543</b>	<b>3 534</b>	<b>29 077</b>

## Note 19 – Deferred Income

	31 March 2022	31 December 2021
- advances received	84	495
- amounts owed to ordering parties under long-term contracts	526	-
- other	324	324
<b>Deferred income at the end of the period , including:</b>	<b>934</b>	<b>819</b>
<b>Non-current liabilities</b>	<b>-</b>	<b>-</b>
<b>Current liabilities</b>	<b>934</b>	<b>819</b>

## **Note 20 - Revenues from Sale of Services**

<b>Revenues from sale of services (type of service and type of activity)</b>	<b>Period ended 31 March 2022</b>	<b>Period ended 31 March 2021</b>
- revenues from sale of services, including:	<b>56 614</b>	<b>50 393</b>
- from related entities	423	56

<b>Revenues from sale (territorial structure)</b>	<b>Period ended 31 March 2022</b>	<b>Period ended 31 March 2021</b>
Home market	56 614	50 393
- including from related entities	423	56
Exports	-	-

Revenues under contracts for construction services (general contracting) and other services are presented in Note 29. The gross amount due from ordering parties/recipients for the work under the contracts was presented in Note 17.

Information on major customers, whose total amount of revenues from sales exceeds 10% of the total revenues of the Group for 2021 is included in Note 29.

## **Note 21 - Revenues from Sale of Goods and Materials**

<b>Revenues from sale of goods and materials (type of goods and materials and type of activity)</b>	<b>Period ended 31 March 2022</b>	<b>Period ended 31 March 2021</b>
Goods and materials	707	1 375

  

<b>Revenues from sale of goods and materials (territorial structure)</b>	<b>Period ended 31 March 2022</b>	<b>Period ended 31 March 2021</b>
Home market	707	1 375

## **Note 22 – Cost of Services Sold**

<b>Costs by type</b>	<b>Period ended 31 March 2022</b>	<b>Period ended 31 March 2021</b>
a) amortization and depreciation	1 710	1 632
b) consumption of materials and energy	7 665	3 794
c) outsourcing	36 265	30 888
d) taxes and levies	62	57
e) remuneration	9 085	8 984
f) social security and other benefits	2 288	2 215
g) other costs by type (by category)	991	843
- property and personal insurance	271	168
- business trips	179	209
- PFRON (State Fund for Rehabilitation of Disabled Persons)	120	119
- cars rental	59	63
- other	362	284
<b>Total costs by type</b>	<b>58 066</b>	<b>48 413</b>
Change in inventory, goods, and prepayments	-4 153	-950
General and administrative expenses (negative value)	-3 461	-3 230



<b>Cost of services sold</b>	<b>50 452</b>	<b>44 233</b>
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### ***Note 23 – Other Operating Income***

	<b>Period ended 31 March 2022</b>	<b>Period ended 31 March 2021</b>
a) gain on disposal of non-financial non-current assets	14	13
b) reversal of impairment allowance (under)	-	15
- receivables	-	15
c) other, including:	98	320
- reimbursement of litigation costs	-	119
- received compensation, fines, and penalties	24	185
- release of provision	70	-
- other	4	16
<b>Total other operating income</b>	<b>112</b>	<b>348</b>

### ***Note 24 – Other Operating Expenses***

	<b>Period ended 31 March 2022</b>	<b>Period ended 31 March 2021</b>
a) Loss on disposal of non-financial non-current assets	2	-
b) write-down (of)	-	-
- receivables	-	-
c) other, including	136	7
- cost of litigation	31	-
- actuarial valuation of employee benefits	1	-
- paid damages, penalties and fines	102	-
- write off bad debts	-	-
- impairment of property, plant and equipment	-	-
- other	2	7
<b>Total other operating expenses</b>	<b>138</b>	<b>7</b>

### ***Note 25 – Financial Income***

	<b>Period ended 31 March 2022</b>	<b>Period ended 31 March 2021</b>
a) interest on loans granted	176	52
- from jointly-controlled entities	176	52
b) other interest	2	-
- from other entities	2	-
c) surplus of positive exchange rate differences	22	115
d) other, including:	24	-
- other	24	-
<b>Total financial income</b>	<b>224</b>	<b>167</b>

### ***Note 26 – Finance Expenses***

	<b>Period ended 31 March 2022</b>	<b>Period ended 31 March 2021</b>
a) interest on bank loans	46	6
b) other interest	282	277
- for other entities	9	6
- under lease	273	271
c) surplus of negative exchange rate difference	11	-

d) other, under :	217	226
- commission on bank guarantees	192	177
- commission on loans	1	23
- other expenses	24	26
<b>Total finance expenses</b>	<b>556</b>	<b>509</b>

### *Note 27 – Income Tax*

<b>Deferred income tax disclosed in statement of profit and loss</b>	<b>Period ended 31 March 2022</b>	<b>Period ended 31 March 2021</b>
- decrease (increase) under arising and reversal of temporary differences	1 112	902
<b>Total deferred income tax</b>	<b>1 112</b>	<b>902</b>

### *Note 28 – Additional Disclosures to the Statement of Cash Flows*

Operating activities include basic activities and turnover from other operating activities.

Investing activities include turnover in the scope of investments in property, plant and equipment, intangible assets, capital investments and securities held for trading.

Received dividends are presented in cash flows from investing activities. Loans granted and repaid with interest due are presented in cash flows from investing activities.

Interests and commissions paid on loans and borrowings incurred as well as lease are shown in cash flows from financial activities. Financial activity also includes received and repaid bank loans and borrowings.

Differences between the amounts established directly from the financial statements and disclosed in the statement of cash flows results from a transfer of specified amounts from operating activity to investing activity and financing activity.

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

	<b>Period ended 31 March 2022</b>	<b>Period ended 31 March 2021</b>
<b>Change in current receivables</b>	<b>27 935</b>	<b>-13 489</b>
Receivables as at 1 January	87 288	75 099
Amounts due from recipients under contracts as at 1 January	14 996	13 163
Pozostałe aktywa na dzień 1 stycznia	998	879
Receivables under seized security deposits as at 1 January	231	883
<b>Opening balance sheet after adjustments</b>	<b>103 513</b>	<b>90 024</b>
Receivables as at 31 March	56 992	56 874
Amounts due from recipients under contracts as at 31 March	16 978	20 164
Other assets as at 31 March	1 372	946
Receivables under seized security deposits as at 31 March	236	795
<b>Closing balance sheet after adjustments</b>	<b>75 578</b>	<b>78 779</b>
<b>Change in current liabilities except for current borrowings and special funds</b>	<b>-30 148</b>	<b>2 332</b>
Trade payables as at 1 January	77 461	60 951
Other liabilities as at 1 January	12 405	8 501
Amounts owed to suppliers under contracts as at 1 January	5 803	20 486
Liabilities under seized security deposits as at 1 January	9 020	14 291
Provision to current retirement benefits	-228	-359

Provision to annual leaves	-1 767	-1 720
Provision to audit	-48	-62
Provision to current other costs	-1 579	-1 565
Investment commitments as at 1 January	-8	-55
Liabilities to shareholders	-15	-16
<b>Opening balance sheet after adjustments</b>	<b>101 044</b>	<b>100 452</b>
Trade payables at as 31 march	55 087	41 921
Amounts owed to recipients under contracts under contracts as at 31 March	2 300	18 714
Other liabilities as at 31 March	6 671	7 183
Liabilities under seized security deposits as at 31 March	9 348	11 350
Provision to current retirement benefits	-196	-359
Provisions to annual leaves	-1 706	-1 635
Provision to audit	-32	-32
Provision to current other costs	-	-1 549
Investment commitments as at 31 March	-560	-258
Liabilities to shareholders	-16	-17
<b>Closing balance sheet after adjustments</b>	<b>70 896</b>	<b>75 318</b>
<b>Change in other adjustments as at balance sheet day</b>	<b>1 013</b>	<b>-802</b>
Change in deferred income – advances received	115	-30
Other	898	-772

### **Note 29 – 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.

The activities of the companies from Capital Group and the Issuer, for the managing purposes were divided into seven 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, assembly of electrical installation, lease of office space, commercial activity and other IT services.

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.

Information on major customers of the Group of Prochem, which share in the sales revenue included in consolidated statement of profit and loss for the first quarter of 2022 exceeded 10% of the total sales revenue:

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

- A Client involved in the production of chemical raw materials – sales revenue PLN 17 063 thousand, which represents 29.8% share in sales revenue, which was shown in the segment „General contracting” and „Design services and other engineering services”.

- A client involved in the production of fertilizers - sales revenue PLN 9 994 thousand, which represents 17.4 % share in sales revenue, which was shown in the segment „General contracting”.

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

***Information about the geographical areas***

Geographical breakdown of sales revenue was presented in accordance with country of the seat of the ordering party.

	Note	For the period from 1.01.2022 to 31.03.2022	For the period from 1.01.2021 to 31.03.2021
Poland		57 321	51 768
Other countries		-	-
	<b>20</b>	<b>57 321</b>	<b>51 768</b>

**Current data**

For the period from 01.01.2022 to 31.03.2022	General contracting	Design services, other engineering services	Rental of construction equipment	Assembly of electrical installation	Rental of office space	Commercial activity	Other IT services	Other	Items not assigned	Total
Revenues for external clients	28 295	10 811	127	14 487	1 222	707	995	677	-	57 321
<b>Total revenues of the segment</b>	<b>28 295</b>	<b>10 811</b>	<b>127</b>	<b>14 187</b>	<b>1 222</b>	<b>707</b>	<b>995</b>	<b>677</b>	<b>-</b>	<b>57 321</b>
<b>Result</b>										
<b>Result of the segment</b>	<b>-1 075</b>	<b>3 273</b>	<b>-50</b>	<b>107</b>	<b>196</b>	<b>37</b>	<b>336</b>	<b>-86</b>	<b>-</b>	<b>2 738</b>
Financial income									224	224
Finance costs									-556	-556
Net financial income									-332	-332
Share in the profit of entities valued using the equity method									-	-
Profit on other operating activities									-26	-26
Before tax profit									3 212	<b>3 212</b>
Income tax									1 182	1 182
Profit for the current period									2 030	<b>2 030</b>
Loss assigned to non-controlling interest									151	<b>151</b>
<b>Profit for the period assigned to shareholders of the parent entity</b>									<b>1 879</b>	<b>1 879</b>
Segment assets (related to activity)	41 179	7 099	684	17 814	21 921	-	-	152	-	88 849
Assets not assigned/unallocated (among others shares and other financial assets)									126 381	126 381
<b>Total assets</b>	<b>41 179</b>	<b>7 099</b>	<b>684</b>	<b>17 814</b>	<b>21 921</b>	<b>-</b>	<b>-</b>	<b>152</b>	<b>126 381</b>	<b>215 230</b>
Depreciation of property, plant and equipment	105	426	18	247	434	-	13	15	442	1 700
Amortization of intangible assets	-	-	-	4	-	-	-	-	6	10

**Comparative data**

For the period from 01.01.2022 to 31.03.2022.	General Contracting	Design services, other engineering services	Rental of construction equipment	Assembly of electrical installation	Rental of office space	Maintenance	Commercial activity	Other IT services	Other	Items not assigned	Total
Revenues for external clients	30 946	10 358	73	7 548	1 134	-	1 375	-	334	-	51 768
<b>Result of the segment</b>	30 946	10 358	73	7 548	1 134	-	1 375	-	334	-	51 768
<b>Result</b>											
<b>Profit (loss) of the segment</b>	<b>1 176</b>	<b>2 301</b>	<b>-172</b>	<b>80</b>	<b>180</b>	<b>-</b>	<b>689</b>	<b>-408</b>	<b>-67</b>	<b>-</b>	<b>3 619</b>
Financial income										-871	-871
Finance costs										-509	-509
Net financial income										-1 380	<b>-1 380</b>
Share in profit of entities valued using the equity method										849	<b>849</b>
Profit on other operating activities										341	<b>341</b>
Before tax profit										3 429	<b>3 429</b>
Income tax										953	<b>953</b>
Profit for the current period										2 476	<b>2 476</b>
Loss assigned to non- controlling interest										120	<b>120</b>
<b>Profit for the period assigned to shareholders of the parent entity</b>										<b>2 356</b>	<b>2 356</b>
Segment assets (related to activity)	52 753	5 818	341	11 610	13 374	-	-	-	122	-	84 018
Assets not assigned/unallocated (among others shares, and other financial assets)	-	-	-	-	-	-	-	-	-	142 595	142 595
<b>Total assets</b>	<b>52 753</b>	<b>5 818</b>	<b>341</b>	<b>11 610</b>	<b>13 374</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>122</b>	<b>142 595</b>	<b>226 613</b>
Depreciation of property, plant and equipment	91	411	18	250	424	-	-	10	22	392	1 618
Amortization of intangible assets	-	-	-	3	-	-	-	-	-	11	14

### **Note 30 – Profit per One Share**

Net profit per 1 share in trade as at balance sheet day 31 March 2022 was PLN 0.80, and in 2021 was PLN 0.80.

### **Note 31 – Profit Share and Loss Coverage**

Net profit of the Prochem S.A. Capital Group is not subject to distribution.

#### *Proposed distribution of the Parent Entity's net profit for 2021*

The Management Board of the Parent Company proposes to allocate the net profit for 2021 in the amount of PLN 2,712,506.66 to spare capital.

### **Note 32 - Dividends**

The Issuer did not pay dividend for 2021.

### **Note 33- Financial Instruments and Financial Risk Management**

#### **33.1 Categories and classes of financial instruments**

##### **Financial assets**

(in PLN thousands)		Categories of financial instruments	
		Loans, receivables and other	
Classes of financial instruments	Note	31.03.2022	31.12.2021
Receivables from supplies and services	9	55 721	85 733
Cash		16 481	14 394
Loans granted	7	16 000	17 000
Other financial assets – security deposits securing bank guarantees	10	7 658	8 658
<b>Total</b>		<b>95 860</b>	<b>125 785</b>

##### **Financial liabilities**

#### **31 March 2022**

(in PLN thousand)		Categories of financial instruments	
		Financial liabilities measured at amortized cost	Total
Classes of financial instruments	note		
Loans	14	4 843	4 843
Borrowings received	15	700	700
Amounts owed to recipients under agreements	17	2 300	2 300
Liabilities under supplies and services	16	64 435	64 435
<b>Total</b>		<b>72 278</b>	<b>72 278</b>

## Categories of financial instruments

(in PLN thousands)		Financial liabilities measured at amortized cost	Total
<b>Classes of financial instruments</b>	<b>note</b>		
Loans	14	3 704	3 704
Borrowings received	15	700	700
Amounts owed to recipients under agreements	17	5 803	5 803
Liabilities under supplies and services	16	86 481	86 481
<b>Total</b>		<b>96 688</b>	<b>96 688</b>

## Impairment losses on financial assets broken down into classes of financial instruments

(in PLN thousands)	As at	
	31 March 2022	31 December 2021
Receivables under supplies and services	4 261	4 261
<b>Total</b>	<b>4 261</b>	<b>4 261</b>

Impairment losses on financial assets are presented in Note 9.

The fair value of financial instruments is close to the balance sheet value due to their short-term nature and variable interest rates.

### 33.2. Financial Risk Management

The Group's operations are exposed to the following financial risks:

- credit risk;
- liquidity risk;
- market risk (including currency risk, interest rate risk).

#### Credit risk

The Group conducting business activities sells services to business entities with deferred payment, as a result of which there may be a risk of not receiving a payment from contractors for the services provided. In order to minimize the credit risk, the Group manages the risk through the obligatory procedure of obtaining collateral.

The assumed period of receivables repayment related to the normal course of sales is 14-60 days.

Amounts due from contracting parties are regularly monitored by the financial services. In case of overdue amounts the procedures of vindication are started.

The age analysis of trade receivables, which are overdue on the end of the reporting period, but in case of which no impairment occurred, is presented in Note 9.

In order to reduce the risk of not recovering the receivables from deliveries and services, the Group accepts a collateral from its customers in the form of, among other: bank and insurance guarantees, mortgages, promissory notes, as well as security deposits.

For the improvement of the current liquidity, in order release the receivables, which have been retained by investors for a proper security for the contracts implemented and statutory warranty for the construction and assembly works, the Group provides bank guarantee and insurance guarantee as a part of guarantee lines, which were launched with this purpose.

Credit risk associated with monetary resources and with bank deposits is considered as low by the Group.

All entities in which the Group deposits its free monetary resources operate in the financial sector. These include domestic banks and branches of the foreign banks with first class current credibility.



Risk of threatened financial assets is reflected by impairment allowances. These include domestic banks and branches of foreign banks with short-term credibility creditworthiness of adequate quality.  
Risk of threatened financial assets is reflected by impairment allowances.

### ***Liquidity risk***

The Group is exposed to the liquidity risk resulting from the relation of current liabilities to current assets.

As at March 31, 2022 and December 31, 2021 the index ratio of current assets to current liabilities (current liquidity ratio) was respectively 1.44 and 1.28.

Detailed information regarding loans is disclosed in Note 14.

Analysis of maturity of liabilities is in Notes Nos. 16 and 18.

### ***Currency exchange rate risk***

Part of contracts of sale of services is concluded with foreign companies in foreign currencies (EUR, USD, BYR). In the case of a significant strengthening of the domestic currency it may adversely affect the performance of the Group. Partially, this risk is mitigated in the natural way through the purchase of equipment and services for the accomplishment of these contracts abroad, as well as through the purchase of relevant financial instruments.

### ***Interest rate risk***

The Group is exposed to the risk of volatility of cash flows under interest rate resulting from bank loans based on floating interest rate WIBOR ON (overnight) and loans granted based on floating rate WIBOR 3M and bill of exchange rediscount rate. The Group did not take into account the decline in interest rates in its analysis.

### ***Note 34 - Related Party Transactions***

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

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

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

Remuneration paid in the first quarter of 2022 in the Issuer's enterprise:

- to the Members of the Management Board of the Parent Entity in the total amount of PLN 350.7 thousand,
- to the Members of the Supervisory Board in the total amount of PLN 108 thousand.

Remuneration paid to the Members of the Management Board and to the Members of the Supervisory Board Supervisory Board in the first quarter of 2022 for performing the functions in the Management Boards and the Supervisory Boards of the companies from the Capital Group:

Krzysztof Marczak	PLN 21.9 thousand
Jarosław Stepniewski	PLN 25.9 thousand
Marek Garliński	PLN 21.9 thousand

Transactions with affiliated entities, as below, were concluded on market conditions and relate to sale

and purchase of services, among others – of construction and assembly services, and rental services, as well as loans granted mutually.

Guarantees and sureties granted to related entities are presented in Note 35.

### Reporting period

(in PLN thousands)

#### from 1 January 2022 to 31 March 2022

	Sale of services	Purchase of services	Financial income – interest on loans
Jointly-controlled entities and associated entities	423	997	-

The sale of services in its entirety relate to revenues from the jointly-controlled company Irydion Sp. z o. o. in Warsaw, for the benefit of which is implemented investment task under the name of „Astrum Business Park” in Warsaw, and costs of purchase of services – relate to fees for rental of office.

### As at 31 March 2022

(in PLN thousands)

	Trade and other receivables	Receivables under loans granted	Trade payables
Jointly-controlled entities and associated entities	77	16 000	-

### Comparative period

(in PLN thousands)

#### from 1 January 2021 to 31 March 2021

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

### As at 31 March 2021

(in PLN thousands)

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

Revenues from the sale of services to jointly-controlled entities and to associated entities for the first quarter of 2022 and 2021 in its entirety relate to revenues from the jointly-controlled company Irydion Sp. z o. o. in Warsaw, for the benefit of which is implemented investment task under the name of „Astrum Biznes Park” in Warsaw.

In the first quarter of 2022 and 2021 the costs relate to the rental of office space.

### **Note 35 – Contingent Liabilities and Contingent Assets and Collateral Granted**

#### **Contingent liabilities**

Contingent liabilities include bank guarantee of a good performance, guarantee of reimbursement of advance payment, guarantee of payment, tender guarantee, and promissory note securing good performance of a contract, which as at the balance sheet date amount to:

	<u>31.03.2022</u>	<u>31.12.2021</u>
<b>Collateral granted</b>		
Bank guarantee of good performance	55 231	31 143
Guarantee of reimbursement of advance payment	1 068	3 363
Guarantee of payment	1 058	1 058
Tender guarantee	-	25
<b>Total collateral granted</b>	<b>57 357</b>	<b>35 589</b>
<b>Contingent liabilities</b>		
Surety for the return of advance payment in the Group	-	-
<b>Total collateral granted and contingent liabilities</b>	<b>57 357</b>	<b>35 589</b>

#### **Contingent assets**

Contingent assets of the Group are bank guarantees of the good performance, which as at balance-sheet day amount to:

	<u>31 March 2022.</u>	<u>31 December 2021</u>
<b>Collateral received</b>		
Guarantee of advance payment	590	-
Bank guarantee of good performance	15 811	20 519
Promissory note guarantees securing the terms of the contract	450	450
<b>Total contingent assets</b>	<b>16 851</b>	<b>20 969</b>

### **Note 36 - Information on Significant Proceedings Pending before the Court**

Did not occur.

### **Note 37 - Events after Reporting Date**

After the end of the reporting period, there were no events that would require disclosure in these financial statements.

### **Note 38 - Other Explanatory Information to the Financial Statements**

#### **Statement of changes in the shareholding of the issuer's shares or rights to them (options) by the Management Board and the Supervisory Board, in accordance with the Issuer's knowledge**

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

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

The nominal value of 1 share is PLN 1.

From the date of publication of the consolidated financial statements for 2021, i.e. April 28, 2022, no changes in the number of shares held by managing and supervising persons have been recorded.

***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.

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

Not applicable.

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

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

The jointly controlled entity Irydion Spółka z o. o., in which the Parent Company holds 50% of the share capital and voting rights, on February 28, 2022, signed a preliminary agreement for the sale of real estate Astrum Business Park in Warsaw. The value of the transaction will amount to approximately EUR 43,000 thousand. The finalization of this agreement will have a significant impact on the financial situation of the Issuer and the Capital Group.

The impact of the war in Ukraine on the Group is described in point 8 of the notes to this report.

***Note 39 – Approval of the Financial Statements***

Interim condensed consolidated financial statements of the Prochem S.A. Capital Group for the first quarter of 2022 were approved for issue by the Management Board of the Parent Entity on May 12, 2022.

# Financial information of PROCHEM S.A.

## Separate statement of financial position

(all amounts in PLN thousands if not stated otherwise)

	As at 31 March 2022	As at 31 December 2021
<b>A s s e t s</b>		
<b>Non-current assets</b>		
Property, plant and equipment	1 604	1 089
Intangible assets	44	50
Right-of-use assets	9 148	10 027
Shares	5 593	5 593
Shares in equity-accounted investees	4 502	4 502
Deferred tax assets	54	1 199
Receivables under retained security deposits	66	61
Other financial assets	21 128	22 628
<b>Total non-current assets</b>	<b>42 139</b>	<b>45 149</b>
<b>Current assets</b>		
Inventories	58	299
Trade and other receivables	36 785	63 990
Receivables under current income tax	138	138
Amounts due from recipients under agreements	10 466	8 636
Other financial assets	7 658	8 658
Other assets	1 187	809
Cash and cash equivalents	13 969	11 254
<b>Total current assets</b>	<b>70 261</b>	<b>93 784</b>
<b>Total assets</b>	<b>112 400</b>	<b>138 933</b>
<b>E q u i t y   a n d   l i a b i l i t i e s</b>		
<b>Equity</b>		
Share capital	2 935	2 935
Shares	-580	-580
Revaluation reserve	-538	-538
Retained earnings	43 085	42 217
<b>Total equity</b>	<b>44 902</b>	<b>44 034</b>
<b>Non-current liabilities</b>		
Liabilities under retirement and similar benefits	827	827
Non-current loans	950	950
Non-current liabilities under seized security deposits	9 660	9 266
Liabilities under lease	6 096	6 937
<b>Total non-current liabilities</b>	<b>17 533</b>	<b>17 980</b>
<b>Current liabilities</b>		
Trade payables	40 389	57 634
Amounts owed to recipients under agreements	2 300	5 803
Liabilities under lease	3 310	3 342
Other liabilities	3 966	10 140
<b>Total current liabilities</b>	<b>49 965</b>	<b>76 919</b>
<b>Total liabilities</b>	<b>67 498</b>	<b>94 899</b>
<b>Total equity and liabilities</b>	<b>112 400</b>	<b>138 933</b>

**Separate statement of profit and loss  
from 1 January 2022 to 31 March 2022**  
(all amounts in PLN thousands if not stated otherwise)

	Period ended 31 March 2022	Period ended 31 March 2021
Revenues from sale, including :	39 659	41 089
Revenues from sale of services	39 101	40 784
Revenues from sale of goods and materials	558	305
Cost of sales, including:	-35 618	-35 798
Cost of services sold	-35 097	-35 521
Cost of merchandise and raw materials	-521	-277
<b>Gross profit on sales</b>	<b>4 041</b>	<b>5 291</b>
General and administrative expenses	-1 889	-1 936
Other operating income	38	90
Other operating expenses	-133	-
<b>Results from operating activities</b>	<b>2 057</b>	<b>3 445</b>
Financial income	282	175
Profit on liquidation of subsidiary	-	120
Finance expenses	-327	-352
<b>Before tax profit</b>	<b>2 012</b>	<b>3 388</b>
Income tax expense :	1 144	844
- current tax	-	-
- deferred tax	1 144	844
<b>Profit for the period</b>	<b>868</b>	<b>2 544</b>
Weighted average number of ordinary shares (in pcs.)	2 355 000	2 935 000
Profit (loss) per one ordinary share (in PLN per one share) assigned to owners of the Parent Entity	0.37	0.87

**Separate statement of comprehensive income**

	Period ended 31 March 2022	Period ended 31 March 2021
<b>Profit for the period</b>	<b>868</b>	<b>2 544</b>
<b>Other comprehensive income net</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income</b>	<b>868</b>	<b>2 544</b>
Weighted average number of ordinary shares (in pcs.)	2 355 000	2 935 000
Total comprehensive income per ordinary share (in PLN per one share)	0.37	0.87

**Separate statement of changes in equity**  
(all amounts in PLN thousands if not stated otherwise)

	Share capital	Own shares	Revaluation reserve	Retained earnings	Total equity
<b>Reporting period from 1 January 2022 to 31 March 2022</b>					
<b>As at the beginning of the period</b>	<b>2 935</b>	<b>-580</b>	<b>-538</b>	<b>42 217</b>	<b>44 034</b>
Net profit of the given period	-	-	-	868	<b>868</b>
<i>Other comprehensive income (net)</i>	-	-	-	-	-
<b>Total comprehensive income</b>	-	-	-	868	868
<b>As at the end of the period</b>	<b>2 935</b>	<b>-580</b>	<b>-538</b>	<b>43 085</b>	<b>44 902</b>

	Share capital	Own shares	Revaluation reserve	Retained earnings	Total equity
<b>Reporting period from 1 January 2021 to 31 March 2021</b>					
<b>As at the beginning of the period</b>	<b>2 935</b>	<b>-</b>	<b>-449</b>	<b>54 004</b>	<b>56 490</b>
Net profit of the given period	-	-	-	2 713	<b>2 713</b>
<i>Other comprehensive income (net)</i>	-	-	-	-	-
<b>Total comprehensive income</b>	-	-	-	<b>2 713</b>	<b>2 713</b>
Other changes, buyback of own shares	-	-580	-89	-14 500	<b>-15 169</b>
<b>As at the end of the period</b>	<b>2 935</b>	<b>-580</b>	<b>-538</b>	<b>42 217</b>	<b>44 034</b>

## Separate statement of cash flows

(all amounts in PLN thousands if not stated otherwise)

	Period ended 31 March 2022	Period ended 31 March 2021
<b>Cash flows – operating activities</b>		
Before tax profit	2 012	3 388
Total adjustments	-162	-8 218
Amortization and depreciation	992	914
Interest and profit sharing (dividends)	-101	113
(Profit) loss on disposal of shares	-12	-
(Profit) loss on disposal of shares	-	-120
Change in provisions	-15	-6
Change in inventories	241	3 534
Change in receivables and in other assets	24 992	12 569
Change in current liabilities, except for borrowings and loans, except for loans and borrowings	-27 065	-25 233
Other adjustment (including change in deferred income)	1 001	11
<b>Cash provided by (used in) operating activities</b>	<b>2 045</b>	<b>-4 830</b>
Income tax paid	-	-
<b>Net cash provided by (used in) operating activities</b>	<b>2 045</b>	<b>-4 830</b>
<b>Cash flows – investing activities</b>		
Proceeds from the division of capital in a liquidated subsidiary	-	4 006
Proceeds from repayment of a loan	1 500	-
Proceeds from interest on loans granted	236	83
Purchase of intangible assets and property, plant and equipment	-112	-14
Outflows on financial assets in subsidiaries	-	-1 024
<b>Net cash provided by (used in) investing activities</b>	<b>1 644</b>	<b>3 051</b>
<b>Cash flows – financing activity</b>		
Payment of liabilities under lease	-974	-893
Interest and commission on loan paid	-	-23
<b>Net cash provided by (used in) financing activity</b>	<b>-974</b>	<b>-916</b>
Total cash flows, net		
Increase/(decrease) in cash and cash equivalents net	2 715	-2 695
<b>Cash and cash equivalents at the beginning of the period</b>	<b>11 254</b>	<b>20 854</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>13 969</b>	<b>18 159</b>
<b>Including restricted cash</b>	<b>739</b>	<b>1 268</b>



## Signatures of the Members of the Management Board

12.05.2022	Marek Kiersznicki	President of the Management Board	.....
date	First name and surname	position	signature

12.05.2022	Krzysztof Marczak	Vice President of the Management Board	.....
date	First name and surname	position	signature

12.05.2022	Michał Dąbrowski	Member of the Management Board	.....
date	First name and surname	position	signature

## Signature of the person responsible for bookkeeping

12.05.2022	Barbara Auguścińska-Sawicka	Chief Accountant	.....
date	First name and surname	position	signature