

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

**As at and for the period of six months ended
30 June 2025**

**PROCHEM S.A.
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02-457 Warsaw
Poland**

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Selected financial data

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

- For the first half of 2025 - 4.2208 PLN/EUR
- For the first half of 2024 - 4.3109 PLN/EUR

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

- 4.2419 PLN/EUR as at 30 June 2025
- 4.2730 PLN/EUR as at 31 December 2024

Selected financial data of Prochem S.A.

Description	Reporting period ended 30 June		Reporting period ended 30 June	
	In 2025	In 2024	In 2025	In 2024
	In PLN thousands		In EURO thousands	
<i>Separate statement of profit and loss</i>				
Revenues from sale	21 796	40 285	5 164	9 345
Gross profit on sales	-2 734	-1 742	-648	-404
Results from operating activities	-8 470	-7 027	-2 007	-1 630
Before tax profit	-3 804	-8 430	-901	-1 956
Profit for the period	-6 036	-9 955	-1 430	-2 309
Profit/diluted profit per one ordinary share (in PLN/EURO)	-3.01	-4.97	-0.71	-1.15
<i>Separate statement of cash flows</i>				
Net cash provided by (used in) operating activities	-9 050	6 913	-2 144	1 604
Net cash provided by (used in) investing activities	1 041	-809	247	-188
Net cash provided by (used in) financing activities	4 990	-1 735	1 182	-402
Total cash flows, net	-3 019	4 369	-715	1 013
Description	As at		As at	
	30 June 2025	31 December 2024	30 June 2025	31 December 2024
	In PLN thousands		In EURO thousands	
<i>Separate statement of financial position</i>				
Total assets	89 962	88 273	21 208	20 658
Total non-current assets	31 512	49 755	7 429	11 644
Total current assets	58 450	38 518	13 779	9 014
Total equity	3 827	9 863	902	2 308
Total non-current liabilities	43 286	40 416	10 204	9 458
Total current liabilities	42 849	37 994	10 101	8 892
Book value per one ordinary share (in PLN/EURO)	1.91	4.92	0.45	1.15
Weighted average number of shares (in pcs.)	2 005 000	2 005 000	2 005 000	2 005 000

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Separate financial statements of PROCHEM S.A. as at and for the period of six months ended 30 June 2025

Separate statement of financial position as at 30 June 2025

(all amounts in PLN thousands if not stated otherwise)

A s s e t s	Note No.	As at 30 June 2025	As at 31 December 2024
Non-current assets			
Property, plant and equipment	1	465	508
Intangible assets		13	18
Right-of-use assets	2	12 768	13 109
Shares	3	6 347	21 659
Deferred tax assets	4	5 392	7 625
Receivables under retained security deposits		256	126
Other financial assets	5	6 271	6 710
Total non-current assets		31 512	49 755
Current assets			
Inventories	6	-	50
Trade and other receivables	7	28 150	5 224
Amounts due from recipients under agreements	14	22 487	21 168
Other financial assets	8	5 880	7 392
Other assets	9	1 667	1 399
Cash and cash equivalents		266	3 285
Total current assets		58 450	38 518
Total assets		89 962	88 273
E q u i t y a n d l i a b i l i t i e s			
Equity			
Share capital	10	2 005	2 005
Revaluation reserve		-320	-320
Retained earnings	11	2 142	8 178
Total equity		3 827	9 863
Non-current liabilities			
Non-current loans	12	25 466	21 973
Liabilities under retirement and similar benefits		670	671
Non-current liabilities under retained security deposits	13	5 046	5 060
Liabilities under lease	15	12 104	12 712
Total non-current liabilities		43 286	40 416
Current liabilities			
Current loans	16	3 370	-
Trade payables	13	29 514	26 449
Amounts owed to customers under agreements	14	3 209	4 192
Liabilities under current income tax		-	24
Liabilities under lease	15	2 156	1 926
Other liabilities	17	4 600	5 403
Total current liabilities		42 849	37 994
Total liabilities		86 135	78 410
Total equity and liabilities		89 962	88 273

Separate statement of profit and loss

From 1 January 2025 to 30 June 2025

(all amounts in PLN thousands if not stated otherwise)

	Note No.	Period ended 30 June 2025	Period ended 30 June 2024
Revenues from sale, including:		21 796	40 285
Revenues from sale of services	18	21 708	40 224
Revenues from sale of goods and materials		88	61
Cost of sales, including:		-24 530	-42 027
Cost of services sold	19	-24 449	-41 969
Cost of merchandise and raw materials		-81	-58
Gross profit on sales		-2 734	-1 742
General and administrative expenses	19	-5 417	-5 317
Other operating income	20	7	40
Other operating expenses	21	-326	-8
Result from operating activities		-8 470	-7 027
Financial income	22	2 945	910
Gain on sale of subsidiary		3 521	-
Finance expenses	23	- 1 800	-2 313
Before tax profit		-3 804	-8 430
Income tax expense :	24	2 232	1 525
- current tax		-	-
- deferred tax		2 232	1 525
Profit for the period		-6 036	-9 955
Weighted average number of ordinary shares (in pcs.)		2 005 000	2 005 000
Profit (loss) per one ordinary share (in PLN per one share)		-3.01	-4.97

Separate statement of comprehensive income

	Period ended 30 June 2025	Period ended 30 June 2024
Profit for the period	-6 036	-9 955
Other comprehensive income net	-	-
<i>Other comprehensive income that will be reclassified to profit or loss if certain conditions are met:</i>	-	-
<i>Other comprehensive income that will not be reclassified to profit and loss:</i>	-	-
Total comprehensive income	-6 036	-9 955
Weighted average number of ordinary shares (units)	2 005 000	2 005 000
Total comprehensive income per ordinary share (in PLN per one share)	-3.01	-4.97

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
Reporting period from 1 January 2025 to 30 June 2025					
As at the beginning of the period	2 005	-	-320	8 178	9 863
Net profit (loss) of the given period	-	-	-	-6 036	-6 036
<i>Other comprehensive income (net)</i>	-	-	-	-	-
Total comprehensive income	-	-	-	-6 036	-6 036
As at the end of the period	2 005	-	-320	2 142	3 827

	Share capital	Own shares	Revaluation reserve	Retained earnings	Total equity
Reporting period from 1 January 2024 to 30 June 2024					
As at the beginning of the period	2 005	-	-443	36 632	38 194
Net profit (loss) of the given period	-	-	-	-9 955	-9 955
<i>Other comprehensive income (net)</i>	-	-	-	-	-
Total comprehensive income	-	-	-	-9 955	-9 955
As at the end of the period	2 005	-	-443	26 677	28 239

Separate statement of cash flows

For the period from 1 January 2025 to 30 June 2025

(all amounts in PLN thousands if not stated otherwise)

	Period ended 30 June 2025	Period ended 30 June 2024
Cash flows – operating activities		
Before tax profit	-3 804	-8 430
Total adjustment	-5 222	15 343
Amortization and depreciation	1 729	1 700
Interest and profit sharing (dividends)	60	784
(Profit) loss on disposal of property, plant and equipment	-	-10
(Profit) loss on disposal of shares	-3 521	-
Change in provisions	-117	1 778
Change in inventories	50	44
Change in receivables and other assets	-5 811	25 684
Change in current liabilities, except for loans and borrowings	1 380	-13 912
Other adjustments (including deferred income)	1 008	-725
Cash provided by (used in) operating activities	-9 026	6 913
Income tax paid	24	-
Net cash provided by (used in) operating activities	-9 050	6 913
Cash flows – investing activities		
Disposal of intangible assets and property, plant and equipment	-	6
Loans received – return of loans granted to related entities	580	400
Interest received on loans granted to related entities	647	276
Acquisition of intangible assets and property, plant and equipment	-186	-15
Acquisition of shares in subsidiary	-	-203
Loans granted	-	-1 273
Net cash provided by (used in) investing activity	1 041	-809
Cash flows – financing activity		
Bank loan incurred	3 370	-
Loan received from related entity	3 500	-
Dividends received	900	352
Interest and commissio on loan paid	-84	-59
Loans repaid	-414	-
Interest on loan paid	-86	-
Payments of lease liabilities	-2 196	-2 028
Net cash provided by (used in) financing activity	4 990	-1 735
Total cash flows net	-3 019	4 369
Increase/(decrease) in net cash and cash equivalents	-3 019	4 369
Cash and cash equivalents as at the beginning of the period	3 285	4 767
Cash and cash equivalents at the end of the period	266	9 136
Including restricted cash	137	1 223

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

1. Establishment of the company and its principal activity

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

1.1. The Management Board and Supervisory authorities of the Issuer

As at the date of preparation of hereby interim condensed separate financial statements the Management Board of the Parent Entity 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 - Vice President of the Management Board

In the first half of 2025, there were no changes in the composition of the Management Board of Prochem S.A., whereby on June 27 2025 there was a change in the position performed by Michał Dąbrowski from Member of the Management Board to Vice President of the Management Board.

Composition of the Supervisory Board of Prochem S.A.

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

- Jarosław Stępniewski Chairman of the Supervisory Board
- Karol Żbikowski Vice Chairman of the Supervisory Board
- Marek Garliński
- Wiesław Kiepiel
- Steven Tappan

In the first half of 2025, there were no changes in the composition of the Supervisory Board.

Employment

Average employment in the first half of 2025 was 168.8 FTEs, and in 2024 186.4 FTEs. Level of employment in persons as at 30 June 2025 was 172, and as at 30 June 2024 was 189.

2. Adopted accounting principles

2.1. Principles of presentation and statement of compliance

Interim condensed financial statements of PROCHEM S.A. for the first half of 2025 was prepared according to International Accounting Standards IAS 34 „Interim Reporting”, in the shape approved by the European Union and with Decree of the Minister of Finance of 19 February 2009 on current and periodic information provided by issuers of securities and with Decree of the Minister of Finance of 29 March 2018 on current and periodic information provided by issuers of securities and conditions for recognition as equivalent an information required by the law of a non-Member State (Official Journal of 2018 item 757) („Decree”). Hereby interim condensed financial statements do not contain the information and disclosures required for complete financial statements and should be read together with financial statements for the financial year ended 31 December 2024.

The presented financial statements of Prochem S.A. presents fairly and clearly the financial and property situation as at June 30, 2025 and the comparative data as at December 31, 2024, as well as the results of this activity for the year ended June 30, 2025 and the comparative data for the year ended June 30, 2024. The condensed separate financial statements for the period from January 1 to June 30, 2025 and as at June 30, 2024 were subject to review by a certified auditor.

The condensed financial statements were prepared at assuming to continue business operations as a going concern business activities in an unchanged form and scope for a period of at least 12 months from the day ending the reporting period, and no premises exist indicating to any intended or forced cessation or significant limitation of its current activities. The circumstances described in notes 36, 37 and 38 were analyzed and, in the opinion of the Management Board, it do not affect the entity's ability to continue as a going concern. As at the date of signing the condensed financial statements, the Management Board of Prochem S.A. does not identify any facts or circumstances that would indicate a threat to the going concern in the foreseeable future.

In preparing hereby financial statements, the same accounting principles and calculation methods were applied as those used in the financial statements of Prochem S.A. for the year ended December 31, 2024. These principles are applied continuously.

The Company's financial year is the calendar year.

2.2. Changes in accounting estimates, and in accounting policies

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

Approved by the IASB for use after 1 January 2025:

- Amendments to IAS 21 "The Effects of Changes in Foreign Exchange Rates" - Non convertibility.

Approved by the IASB for use after 1 January 2026:

- Amendments to IFRS 9 "Financial Instruments" and IFRS 7 "Financial Instruments - Disclosures" - changes in the classification and measurement of financial instruments.

Approved by the IASB for use after 1 January 2027:

- IFRS 18 "Presentation and Disclosure in Financial Statements"
- IFRS 19 "Subsidiaries disclosure without public accountability "

The Company expects that the above-mentioned standards will not have a material impact on the financial statements of Prochem S.A.

In hereby financial statements, the Company has not decided to early apply any published standards, interpretations or amendments to existing standards before their effective date.

The Company intends to apply standards announced but awaiting approval by the European Union in accordance with their effective date.

In the Company's opinion, the amendments to IAS will not have a material impact on hereby financial statements.

2.3. Changes in accounting estimates

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

The preparation of financial statements under IFRS endorsed by EU requires using certain accounting estimates and adoption of assumptions concerning future events. Items of the financial statements set on the basis of the estimates are subject to verification if circumstances being base of estimates are changing or as a result of obtaining new information, or of the progressive development of events or of acquiring greater experience.

2.4. Changes in accounting policies

During the reporting period, the Company did not introduce any changes to its accounting policy.

3. Functional currency and presentation currency of financial statements

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

4. Explanatory Notes to separate financial statements for the period of six months ended June 30, 2025

Note 1 - Property, Plant and Equipment

	As at 30 June 2025	As at 31 December 2024
Property, plant and equipment, including:	465	508
- machinery and equipment	375	392
- other PPE	90	116
Total property, plant and equipment	465	508
PPE – ownership structure	As at 30 June 2025	As at 31 December 2024
a) own	465	508
Total carrying value of property, plant and equipment	465	508
	Change in PPE from 01 January 2025. to 30 June 2025	Change in PPE from 01 January 2024 to 31 December 2024
Gross value		
As at opening balance sheet	6 018	6 640
Increase (due to)	186	128
- acquisition of PPE	186	128
Decrease (due to)	-	-750
- disposal of PPE	-	-232
- liquidation of PPE	-	-518
- decrease – other changes	-	-
As at closing balance sheet	6 204	6 018
Depreciation and impairment		
As at opening balance sheet – accumulated depreciation	5 510	5 714
Depreciation for the period (due to)	229	-204
- increase (accrued depreciation)	229	544
- decrease due to disposal of property, plant and equipment	-	-230
- decrease due to liquidation of property, plant and equipment	-	-518
- decrease – other changes	-	-
As at closing balance sheet - accumulated depreciation	5 739	5 510
Impairment of non-current assets	-	-
Non-current assets net value as at closing balance sheet	465	508

Note 2 – The Right-of-use Assets

For the period from 1 January 2025 to 30 June 2025	Buildings and constructions	Machinery and equipment	Vehicles	Total
Gross value	23 372	317	3 892	27 581
As at opening balance sheet				
- increase in gross value - conclusion of new contracts	-	-	408	408
- increase in value updating of the value of contracts	686	-	59	745
- decrease in gross value - end of the contract	-	-	-457	-457
As at closing balance sheet	24 058	317	3 902	28 277
Depreciation and impairment				
As at opening balance sheet	12 576	113	1 783	14 472
- depreciation accrued	1 034	31	429	1 494
- decrease - end of the contract	-	-	-457	-457
Total accumulated depreciation as at closing balance sheet	13 610	144	1 755	15 509
Net book value as at opening balance sheet 01.01.2025	10 796	204	2 109	13 109
Net book value as at closing balance sheet 30.06.2025				
Gross book value	24 058	317	3 902	28 277
Accumulated depreciation	13 610	144	1 755	15 509
Write-downs	-	-	-	-
Total net value as at 30 June 2025	10 448	173	2 147	12 768

Comparative data

For the period from 1 January 2024 to 30 June 2024	Buildings and constructions	Machinery and equipment	Vehicles	Total
Gross value	23 596	333	3 891	27 820
As at opening balance sheet				
- increase in gross value - conclusion of new contracts	-	-	1 010	1 010
- increase in value updating of the value of contracts	-	-	86	86
- decrease in gross value - end of the contract	-224	-	-1 098	-1 322
- lease settlement - estimates adjustment	-	-16	-	-16
As at closing balance sheet	23 372	317	3 889	27 578
Depreciation and impairment				
As at opening balance sheet	10 610	48	3 124	13 782
- depreciation accrued	985	33	369	1 387
- decrease - end of the contract	-	-	-1 098	-1 098
Total accumulated depreciation as at closing balance sheet	11 595	81	2 395	14 071
Net book value as at opening balance sheet 01.01.2024	12 986	285	767	14 038
Net book value as at closing balance sheet 30.06.2024				
Gross book value	23 372	317	3 889	27 578
Accumulated depreciation	11 595	81	2 395	14 071
Write-downs	-	-	-	-
Total net value as at 30 June 2024	11 777	236	1 494	13 507

Śródroczne skrócone jednostkowe sprawozdanie finansowe PROCHEM S.A. na dzień i za okres 6 miesięcy kończący się 30 czerwca 2025 roku

As at 31.12.2024	Buildings and constructions	Machinery and equipment	Vehicles	Total
Gross value				
As at opening balance sheet	23 596	333	3 891	27 820
increase in gross value - conclusion of new contracts	-	-	1 952	1 952
increase in gross value updating of the value of contracts	-	-	159	159
decrease in gross value - end of the contract	-224	-	-2 110	-2 334
lease settlement - estimates adjustment	-	-16	-	-16
Total gross value as at closing balance sheet	23 372	317	3 892	27 581
Depreciation and impairment				
As at opening balance sheet	10 610	48	3 124	13 782
depreciation accrued	1 966	65	762	2 793
decrease - end of the contract	-	-	-2 103	-2 103
Total accumulated depreciation as at closing balance sheet	12 576	113	1 783	14 472
Net book value as at opening balance sheet - 01.01.2024	12 986	285	767	14 038
Net book value as at closing balance sheet - 31.12.2024				
Gross book value	23 372	317	3 892	27 581
Accumulated depreciation	12 576	113	1 783	14 472
Write-downs	-	-	-	-
Total net value as at 31 December 2024	10 796	204	2 109	13 109

Note 3 - Shares in Subsidiaries

Shares in subsidiaries	30 June 2025	31 December 2024
a) in subsidiaries	6 347	21 659
Shares, net value	6 347	21 659
Write-downs of financial non-current assets	-	-
Shares, gross value	6 347	21 659

Change in shares in subsidiaries and other entities	As at 30 June 2025	As at 31 December 2024
a) as at beginning of the period	21 659	21 598
- shares at cost	21 659	21 598
b) increase	-	203
- acquisition of shares in related entity	-	203
c) decrease	-15 312	-142
- disposal of shares for redemption	-15 312	-142
As at the end of the period	6 347	21 659

As at 30 June 2025, the Company carried out an analysis that did not show any impairment for shares.

Note 4 - Settlement of Deferred Income Tax

Changes in provisions, and deferred income tax for the first half of 2025 are presented in the table below – deferred income tax assets

Deferred tax assets	As at 30 June 2025	As at 31 December 2024
As at the beginning of the period	12 135	12 297
Increase	3 440	5 252
Decrease	-5 111	-5 414
As at the end of the period	10 464	12 135

Provision to deferred income tax	As at 30 June 2025	As at 31 December 2024
As at the beginning of the period	4 510	4 234
Increase	4 916	4 460
Decrease	-4 354	-4 184
As at the end of the period	5 072	4 510

Presentation in the statement of financial position	As at 30 June 2025	As at 31 December 2024
Deferred tax assets	10 464	12 135
Provision under deferred income tax	-5 072	-4 510
Assets/(Provision) under deferred income tax	5 392	7 625

Note 5 - Other Financial Assets

Other financial assets	As at 30 June 2025	As at 31 December 2024
a) from subsidiaries indirectly and directly:	6 271	6 710
- loans granted	6 266	6 330
- interest accrued	5	380
Total other non-current financial assets	6 271	6 710

Loans granted –as at 30 June 2025

- Loan granted to subsidiary Prochem RPI Sp. z o.o.:
 - in the amount of PLN 6 271 thousand, including: amount of the loan PLN 6 266 thousand, interest in the amount of PLN 5 thousand. The interest rate is set annually according to WIBOR 3M rate effective at the first working day of every calendar quarter, increased by a margin of 2.0%. The repayment date of a loan with interest – 30 June 2027.

Increase:

- Accrued interest on loans granted to subsidiary Prochem RPI Sp. z o.o. in the amount of PLN 246 thousand,

Decrease:

- Partial repayment of loan incurred by subsidiary Prochem RPI Sp. z o.o. in the amount of PLN 64 thousand,
- Repayment of interest on loans incurred by subsidiary Prochem RPI Sp. z o.o. in the amount of PLN 621 thousand,

Loans granted –as at 31 December 2024

- Loan granted to subsidiary Prochem RPI Sp. z o.o.:
- in the amount of PLN 6 710 thousand, including: amount of the loan PLN 6 330 thousand, interest in the amount of PLN 380 thousand. The interest rate is set annually according to WIBOR 3M rate effective at the first working day of every calendar quarter, increased by a margin of 2.0%. The repayment date of a loan with interest – 30 June 2027.

Note 6– Inventories

Inventories	As at 30 June 2025	As at 31 December 2024
Materials	-	50
Total inventories	-	50
Write-downs of inventories	557	557

Note 7 - Trade and other receivables

Trade and other receivables	As at 30 June 2025	As at 31 December 2024
Trade receivables	8 043	5 515
Write-down of receivables	330	330
Net trade receivables, including	7 713	5 185
- with repayment period up to 12 months	7 674	5 154
- with repayment period over 12 months	39	31
Receivables under taxes, subsidies, custom duties, social and health insurance and other benefits	-	-
Other receivables	20 488	90
Write-down of other receivables	51	51
Other receivables net	20 437	39
Total receivables	28 150	5 224

To estimate the expected credit loss in the first half of 2025, a reserve matrix was used by Company, which was developed based on observations of historical levels of aging and repayment of receivables. The company performed an impairment test for assets - in the trade receivables item. As a result of the test, no expected credit losses were estimated.

For other classes of financial assets and liabilities, fair value equals book value.

Trade and other receivables from related entities	As at 30 June 2025	As at 31 December 2024
Trade receivables, including:	2	14
- from subsidiaries	2	14
other, including:	20 433	-
- from subsidiaries	20 433	-
Total trade and other receivables from related entities net	20 435	14
Write-downs of receivables from related entities	-	-
Total trade and other receivables from related entities gross	20 435	14

Change in write-downs of trade and other receivables	30 June 2025	31 December 2024
As at beginning of the period:	381	3 175
a) increase (due to)	-	-
- provision for trade receivables	-	-
b) decrease (due to)	-	2 794
- use of the write-off created in previous periods	-	2 794
Write-downs of current trade and other receivables at the end of the period	381	381

As at 30 June 2025 and as at 31 December 2024 trade receivables include current security deposits under statutory warranty granted for construction and assembly works, respectively for the amounts of PLN 442 thousand and PLN 277 thousand.

Note 8 - Other Financial Assets

Other financial assets	30 June 2025	31 December 2024
a) from subsidiaries indirectly and directly	359	876
Loans granted	354	870
Interest accrued	5	6
b) other financial assets – security deposits securing bank guarantee	5 521	6 516
Total other financial assets	5 880	7 392
Write downs of other financial assets	-	-
Other financial assets gross	5 880	7 392

Loans granted - as at 30 June 2025

- Loan granted to subsidiary Prochem Inwestycje Sp. z o.o.:
 - in the amount of PLN 359 thousand, including: amount of the loan PLN 354 thousand, interest in the amount of PLN 5 thousand. The interest rate is set annually according to WIBOR 3M rate effective at the first working day of every calendar quarter, increased by a margin of 2.3%. The repayment date of a loan with interest - 31 December 2025.

Increase:

- Accrued interest on loans granted to subsidiary Prochem Inwestycje Sp. z o.o. in the amount of PLN 25 thousand,

Decrease:

- Partial repayment of loan incurred by subsidiary Prochem Inwestycje Sp. z o.o. in the amount of PLN 516 thousand,
- Repayment of interest on loan incurred by subsidiary Prochem Inwestycje Sp. z o.o. in the amount of PLN 26 thousand,

Loans granted - as at 31 December 2024

- Loan granted to subsidiary Prochem Inwestycje Sp. z o.o.:
 - in the amount of PLN 876 thousand, including: amount of the loan PLN 870 thousand, interest in the amount of PLN 6 thousand. The interest rate is set annually according to WIBOR 3M rate effective at the first working day of every calendar quarter, increased by a margin of 2.3%. The repayment date of a loan with interest - 31 December 2025.

Note 9 - Other Assets

Other assets by type:	As at 30 June 2025	As at 31 December 2024
a) prepayments	1 677	1 399
- cost of property and personnel insurance	395	352
- software maintenance costs	1 259	1 042
- subscriptions	8	5
- deferred costs	5	-
Total other assets	1 667	1 399

Note 10 - Share Capital

SHARE CAPITAL (STRUCTURE)		Number of shares	Number of votes
Total number of registered non-preferred shares		7 397	7 397
Total bearer shares		1 997 603	1 997 603
Total number of shares		2 005 000	2 005 000
Total share capital			2 005 000
Nominal value of one share = PLN 1.00			

As at the date of publication of hereby financial statements 2 005 000 shares remains in trade, the total number of votes attached to these shares is 2 005 000.

Changing the rights from the issuer's securities

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

Name of the shareholder	Number of shares held (in pcs.)	Number of votes held	% of votes in total number of votes	% of share capital
1. Steven Tappan	1 002 500	1 002 500	50.00	50.00
2. Otwarty Fundusz Emerytalny PZU „Złota Jesień”	284 916	284 916	14.21	14.21

There was no change in the rights attached to the shares of Prochem S.A. in the first half of 2025.

Note 11 - Retained Earnings

	As at 30 June 2025	As at 31 December 2024
Spare capital	8 178	27 279
Other reserve capitals	-	9 353
Profit for the period	-6 036	-28 454
Total	2 142	8 178

Note 12 - Non-current Loans

Non-current loans	As at 30 June 2025	As at 31 December 2024
a) to subsidiaries indirectly and directly including:	25 466	21 973
- liability under loan	24 128	21 174
- liability under interest accrued on loan	1 338	799
Total non-current loans	25 466	21 973

Loans received –as at 30 June 2025

- Loan received from subsidiary Prochem Zachód Sp. z o.o. in the amount of PLN 553 thousand, including: amount of the loan PLN 536 thousand, interest of PLN 17 thousand. The annual interest will correspond to the WIBOR 3M interest rate from the first business day of a given calendar quarter, increased by a margin of 2.0%. The repayment date was set for 31 December 2027.
- Loan received from subsidiary Elektromontaż Kraków S.A. in the amount of PLN 5 675 thousand, including: amount of the loan PLN 5 500 thousand, interest of PLN 175 thousand. The annual interest will correspond to the WIBOR 3M interest rate from the first business day of a given calendar quarter, increased by a margin of 2.4%. The repayment date was set for 31 December 2027.
- Loan received from subsidiary Irydion sp. z o.o.
in the amount of EUR 4 535 thousand, at the exchange rate of 30.06.2025 the amount is PLN 19 238 thousand, including:
Amount of the loan EUR 4 265 thousand, at the exchange rate of 30.06.2025 the amount is PLN 18 092 thousand,
Interest EUR 270 thousand, at the exchange rate of 30.06.2025 the amount of interest is PLN 1 146 thousand. Annual interest will correspond to the EURIBOR 3M interest rate from the first business day of a given calendar quarter, increased by a margin of 2.4%. The repayment date was set for 31.12.2027.

Increase:

- Accrued interest on loan from subsidiary Prochem Zachód Sp. z o.o. in the amount of PLN 28 thousand,
- Accrued interest on loan from company Elektromontaż Kraków S.A. in the amount of PLN 160 thousand,
- Loan received from subsidiary Elektromontaż Kraków S.A. in the amount of PLN 3 500 thousand.
- Accrued interest on loan from subsidiary Irydion Sp. z o.o. in the amount of EUR 104 thousand, at the exchange rate of 30.06.2025 amounted to PLN 441 thousand.

Decrease:

- contractual deduction of part of the loan received from the subsidiary Prochem Zachód sp. z o.o. in the amount of PLN 414 thousand,
- contractual deduction of interest on a loan received from a subsidiary Prochem Zachód sp. z o.o. in the amount of PLN 86 thousand,

Loans received –as at 31 December 2024 roku

- Loan received from subsidiary Prochem Zachód Sp. z o.o. in the amount of PLN 1 025 thousand, including: amount of the loan PLN 950 thousand, interest of PLN 75 thousand. The annual interest will correspond to the WIBOR 3M interest rate from the first business day of a given calendar quarter, increased by a margin of 2.0%. The repayment date was set for 31 December 2027.

- Loan received from subsidiary Elektromontaż Kraków S.A. in the amount of PLN 2 015 thousand, including: amount of the loan PLN 2 000 thousand, interest of PLN 15 thousand. The annual interest will correspond to the WIBOR 3M interest rate from the first business day of a given calendar quarter, increased by a margin of 2.4%. The repayment date was set for 31 December 2027.
- Loan received from subsidiary Irydion sp. z o.o. in the amount of EUR 4 431 thousand, at the exchange rate of 31.12.2024 the amount is PLN 18 933 thousand including:
Amount of the loan EUR 4 265 thousand, at the exchange rate of 31.12.2024 r. the amount is PLN 18 224 thousand,
Interest EUR 166 thousand, at the exchange rate of 31.12.2024 the amount of interest is PLN 709 thousand. Annual interest will correspond to the EURIBOR 3M interest rate from the first business day of a given calendar quarter, increased by a margin of 2.4%. The repayment date was set for 31 December 2027.

Note 13 - Trade Payables

	As at 30 June 2025	As at 31 December 2024
a) to subsidiaries	251	251
- from supplies and services, with maturity period:	251	251
- up to 12 months	251	251
b) to other entities	29 263	26 198
- from supplies and services, with maturity period:	29 263	26 198
- up to 12 months	29 263	26 198
- above 12 months	-	-
Total trade payables	29 514	26 449
Non-current liabilities - under seized security deposits with maturity period over 12 months	5 046	5 060
Total trade payables	34 560	31 509

Note 14 – Settlements under Long-term Contracts

	As at 30 June 2025	As at 31 December 2024
- amounts due from recipients under contracts	22 487	21 168
Amounts due from recipients under long-term contracts	22 487	21 168

	As at 30 June 2025	As at 31 December 2024
Amounts owed to recipients under contracts, including:	3 209	4 192
a) current	3 209	4 192
Amounts owed to recipients under long-term contracts	3 209	4 192

Description	As at 30 June 2025	As at 31 December 2024
Revenues according to contracts	397 907	295 243
Contractual revenues invoiced	179 864	177 109
Planned liabilities under implementation of contracts	424 487	312 693
Fulfilled contractual obligations	230 328	214 928
Amounts due from recipients	22 487	21 168
Amounts due to recipients	3 209	4 192

Note 15 - Liabilities under Lease

	As at 30 June 2025	As at 31 December 2024
- liabilities under right-of-use	14 260	14 638
liabilities under right-of-use	14 260	14 638
Including:		
current liabilities	2 156	1 926
non-current liabilities	12 104	12 712

Liabilities under right-of-use

	Future minimum lease payments	Interest	Current value	Future minimum lease payments	Interest	Current value
In PLN thousands	In 2025	In 2025	In 2025	In 2024	In 2024	In 2024
Up to 1 year	2 156	933	3 090	1 926	1 401	3 327
1 to 5 years	12 104	2 152	14 256	11 298	2 945	14 243
over 5 years	-	-	-	1 414	81	1 495
Total	14 260	3 085	17 346	14 638	4 427	19 065

Note 16 – Current bank loans

	As at 30 June 2025	As at 31 December 2024
- loans	3 370	-

Information on bank loans incurred

Bank name	Seat	Loan limit	Amount engaged	Repayment date	Term of interest	Collateral
mBank S.A.	Warsaw	4 000	3 370	28.11.2025	WIBOR ON PLN plus margin Interest accrued annually on the amount of loan used	Promissory note in blank a guarantee, and a declaration of submission to enforcement by the following companies: Elektromontaż Kraków S.A. with its seat in Kraków, Prochem RPI Sp. z o.o. with its seat in Warsaw, and Prochem Inwestycje sp. z o.o. with its seat in Warsaw. Financial pledge on the rights to funds from the bank account.

Note 17 – Other Liabilities

	As at 30 June 2025	As at 31 December 2024
a) to other entities	1 628	1 825
- under taxes, duties, insurance and other charges	1 398	1 708
- under remuneration	2	4
- other (by type)	228	113
liabilities to employees	7	4
to shareholders	5	5
other	216	104
b) other current provisions	2 972	3 578

Śródroczne skrócone jednostkowe sprawozdanie finansowe PROCHEM S.A. na dzień i za okres 6 miesięcy kończący się 30 czerwca 2025 roku

- provisions for losses on contracts	1 453	1 771
- provision for future costs	163	335
- cost of audit	-	82
- current provision for retirement benefit	108	127
- provision for unused holiday leaves	1 248	1 263
Total other liabilities	4 600	5 403

Note 18 - Revenues from Sale of Services

Revenues from sale of services (type of service and type of activity)	Period ended 30 June 2025	Period ended 30 June 2024
- revenues from sale of services, including:	21 708	40 224
- from related entities	302	206

Revenues from sale of services (territorial structure)	Period ended 30 June 2025	Period ended 30 June 2024
Domestic market	21 708	40 224
- from related entities	302	206
Exports	-	-

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

The gross amount due from ordering parties /recipients for the work under the contracts was presented in note 14.

Information on major customers, whose total value of revenues from sale of services exceeds 10% of the total revenues disclosed in the entity's profit and loss account for the first half of 2024, is included in note 26 – operating segments.

Note 19 – Cost of services sold

Costs by type	Period ended 30 June 2025	Period ended 30 June 2024
a) amortization and depreciation	1 729	1 700
b) consumption of materials and power	410	790
c) outsourcing	12 722	28 518
d) taxes and levies	48	48
e) remuneration	11 384	12 038
f) social security and other benefits	2 389	2 659
g) other costs by types	1 274	1 628
- property and personal insurance	380	783
- business trips	153	230
- State Fund for Rehabilitation of Disabled Persons (PFRON)	209	205
- rental of cars	335	130
- other	197	280
Total costs by type	29 956	47 381
Change in inventories, products and prepayments	-90	-95
General and administrative expenses (negative value)	-5 417	-5 317
Cost of services sold	24 449	41 969

Note 20 - Other Operating Income

	Period ended 30 June 2025	Period ended 30 June 2024
a) gain on sale of non-financial and non-current assets	-	10
b) other, including:	7	30
- return of litigation costs	-	1
- received compensation, fines and penalties	-	17
- other	7	12
Total other operating income	7	40

Note 21 - Other Operating Expenses

	Period ended 30 June 2025	Period ended 30 June 2024
a) other, including:	326	8
- litigation costs	44	8
- fines, penalties and compensation paid	282	-
Total other operating expenses	326	8

Note 22 - Financial Income

	Period ended 30 June 2025	Period ended 30 June 2024
a) revenues under dividends and share in profits	2 501	352
- from subsidiaries	2 501	352
b) interest on loans granted	271	334
- from subsidiaries	271	334
c) other interest	28	42
- from other entities	28	42
d) surplus of positive exchange rate differences	145	95
e) other, including:	-	87
- gain under discounted cash	-	87
Total financial income	2 945	910

Note 23 - Finance Expenses

	Period ended 30 June 2025	Period ended 30 June 2024
a) interest on bank loans	84	58
b) interest on loans received from:	629	515
- subsidiaries	629	515
c) other interest	666	1 024
- under lease	654	1 024
- for late payment	12	-
e) oter, by type:	421	716
- commissionon bank guarantees	421	418
- commission on loans	-	1
- costs under discounted non-current liabilities	-	297
Total finance expenses	1 800	2 313

Note 24 - Income Tax

	Period ended 30 June 2025	Period ended 30 June 2024
Deferred income tax disclosed in the profit and loss account		
- decrease (increase) due to the arising and reversal of temporary differences	2 232	1 525
Total deferred income tax	2 232	1 525

Note 25– Additional Disclosures to the Statement of Cash Flows

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

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

	In 2025	In 2024
Change in current receivables	-24 643	25 684
Receivables as at 1 January	5 224	20 261
Amounts due from recipients under contracts as at 1 January	21 168	28 978
Other assets as at 1 January	1 399	1 180
Receivables under seized security deposits as at 1January	126	979
Opening balance after adjustments	27 917	51 398
Receivables as at 30June	28 150	3 730
Amounts due from recipients under contracts as at 30 June	22 487	20 200
Other assets as at 30 June	1 667	1 746
Receivables under seized security deposits as at 30 June	256	38
Closing balance after adjustments	52 560	25 714
Change in current liabilities except for current liabilities except for current loans and special funds	1 380	-13 912
Trade payables as at 1 January	26 449	24 180
Other liabilities as at 1 January	5 403	9 136
Amounts owed to suppliers under contracts as at 1 January	4 192	5 815
Liabilities under seized security deposits as at 1 January	5 060	4 769
Provision for current retirement benefits	-127	-57
Provisions for annual leaves	-1 263	-1 317
Provision for audit	-82	-91
Investment liabilities as at 1January	-	-3
Liabilities to shareholders	-5	-5
Opening balance after adjustments	39 627	42 427
Trade payables as at 30 June	29 514	21 032
Amounts due to recipients under contracts as at 30 June	3 209	1 178
Other liabilities as at 30 June	4 600	4 398
Liabilities under seized security deposits as at 30June	5 046	5 190
Provision for current retirement benefits	-108	-57
Provisions for annual leaves	-1 248	-1 304
Provision for audit	-	-48
Provision for current other costs as at 30 June	-	-1 834
Investment liabilities as at 30 June	-	-35
Liabilities to shareholders	-5	-5
Closing balance after adjustment	41 007	28 515
Change in other adjustments as at balance sheet date	995	-729
Change in security deposits securing bank guarantee	995	-729

Note 26 – Operating Segments

In the period from 1 January 2025 to 30 June 2025 there were no revenues from activities achieved outside Poland (Exports). In the same period of the previous year, there were also no revenues from activities outside Poland.

Information on major customers, which share in sales revenue for the first half of 2025 exceeded 10% of total sales revenue:

- A Client involved in the production of components and parts for aircraft engines - sales revenue PLN 2 974 thousand, representing 13.7 % of sales revenue, which was shown in the segment „General contracting”.
- A Client involved in the production of batteries and accumulators – sales revenue PLN 2 354 thousand, representing 10.8 % of sales revenue, which was shown in the segment „Design services”.

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

For the period from 01.01.2025 to 30.06.2025	General contracting	Design services, other engineering services	Rental of construction equipment	Commercial activity	Other	Items not assigned	Total
Revenues to customers	7 473	14 112	-	88	123	-	21 796
Total segment revenues	7 473	14 112	-	88	123	-	21 796
Result							
Profit (loss) of the segment	-3 857	-4 349	-	7	48	-	-8 151
Financial income						6 466	6 466
Finance costs						-1 800	-1 800
Net financial income						4 666	4 666
Profit on operating activities						-319	-319
Before tax profit						-3 804	-3 804
Income tax						2 232	2 232
Profit for the currnt period						-6 036	-6 036
Segment assets (related to activity)	4 038	3 835	-	-	20 437	97	28 407
Assets unallocated (among others shares and other financial assets)						61 555	61 555
Total assets	4 038	3 835	-	-	20 437	61 652	89 962
Segment liabilities (related to activity)	17 047	1 257	-	87	-	67 744	86 135
Equity						3 827	3 827
Liabilities and capitals total	17 047	1 257	-	87	-	71 571	89 962
Depreciation of property, plant and equipment	161	699	-	-	369	495	1 724
Amortization of intangible assets	-	-	-	-	5	-	5
Write down of segmernt assets (receivables from supplies and services)	-263	-48	-		-70		-381

Śródroczne skrócone jednostkowe sprawozdanie finansowe PROCHEM S.A. na dzień i za okres 6 miesięcy kończący się 30 czerwca 2025 roku

For the period from 01.01.2024 to 30.06.2024.	General contracting	Design services, other engineering services	Rental of construction equipment	Commercial activity	Other	Items not assigned	Total
Revenues to customers	22 135	16 269	66	61	1 754	-	40 285
Total segment revenues	22 135	16 269	66	61	1 754	-	40 285
Result							
Profit (loss) of the segment	-5 506	-3 296	11	4	1 728	-	-7 059
Financial income						910	910
Finance costs						-2 313	-2 313
Net financial income						-1 403	-1 403
Profit on operating activities						32	32
Before tax profit						-8 430	-8 430
Income tax						1 525	1 525
Profit for the current period						-9 955	-9 955
Segment assets (related to activity)	1 262	1 493	-	-	290	9	3 054
Assets unallocated (among others shares and other financial assets)						89 257	89 257
Total assets	1 262	1 493	-	-	290	89 266	92 311
Segment liabilities (related to activity)	17 297	375	12	18	-	46 370	64 072
Equity						28 239	28 239
Liabilities and capitals total	17 297	375	12	18	-	74 609	92 311
Depreciation of property, plant and equipment	146	665	1	-	39	843	1 694
Amortization of intangible assets	-	-	-	-	6	-	6
Write down of segment assets (receivables from supplies and services)	-263		-2 843		-69		-3 175

Information about the geographical areas

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

	01.01-30.06.2025	01.01-30.06.2024
Poland	21 796	40 285
Total sales revenue	21 796	40 285

Geographical breakdown of property, plant and equipment and intangible assets

	30.06.2025	30.06.2024
Poland	478	674
Total property, plant and equipment and intangible assets	478	674

Note 27 – Profit/(Loss) Per Share

The Issuer's net loss per 1 share remaining in trade as at 30 June 2025 was PLN 3.01, and for the analogous period of 2024 net loss per 1 share remaining in trade was PLN 4.97.

Note 28 – Profit Distribution and Loss Coverage

The loss of Prochem S.A. for 2024 in the amount of PLN 28 454 490,04 was covered from the reserve capital in the amount of PLN 9,352,677.49 and from the spare capital in the amount of PLN 19, 101, 812.55 by Resolution No. 15 of the Ordinary General Meeting of 27 June 2025.

Note 29 - Dividends

In 2025 the Issuer did not pay dividend for 2024.

Note 30 - Financial Instruments and Financial Risk Management

30.1 Categories and Classes of Financial Instruments

Financial assets

		Categories of financial instruments	
		Loans, receivables and other	Total
30 June 225			
Classes of financial instruments	note		
Receivables from supplies and services (trade receivables)	7	7 713	7 713
Amounts due from recipients under contracts	14	22 487	22 487
Cash		266	266
Statutory deposits securing bank guarantees	8	5 521	5 521
Loans granted	5 and 8	6 630	6 630
Total		42 617	42 617

		Categories of financial instruments	
		Loans, receivables and other	Total
31 December 2024			
Classes of financial instruments	note		
Receivables from supplies and services (trade receivables)	7	5 185	5 185
Amounts due from recipients under contracts	14	21 168	21 168
Cash		3 285	3 285
Statutory deposits securing bank guarantees	8	6 516	6 516
Loans granted	5 and 8	7 586	7 586
Total		43 740	43 740

Financial liabilities

		Financial liabilities measured at amortized cost	Total
30 June 2025			
Classes of financial instruments	note		
Loans received	12	25 466	25 466
Amounts owed to recipients under contracts	14	3 209	3 209
Non-current liabilities under seized statutory deposits	13	5 046	5 046
Other liabilities	17	4 600	4 600
Liabilities under supplies and services	13	29 514	29 514
Total		67 835	67 835

31 December 2024		Financial liabilities measured at amortized cost	Total
Classes of financial instruments	note		
Loans received	12	21 973	21 973
Amounts owed to recipients under contracts	14	4 192	4 192
Non-current liabilities under seized statutory deposits	13	5 060	5 060
Other liabilities	17	5 403	5 403
Liabilities under supplies and services	13	26 449	26 449
Total		63 077	63 077

30.2 Impairment allowances of financial assets by classes of financial instruments

(in PLN thousand)

Classes of financial instruments	30 June 2025	31 December 2024
Receivables from supplies and services (trade receivables)	(330)	(330)
Other financial assets	-	-
Other receivables	(51)	(51)
Total	(381)	(381)

Impairment allowances of financial assets are presented in note 7.

30.3 Liquidity risk related to the concentration of sales revenue

In the first half of 2025 Prochem S.A. realized sales revenue in the amount of PLN 21 796 thousand. Customers whose sales revenue exceeded 10% of sales revenue disclosed in the statement of profit and loss are listed in note 26.

30.4 Financial Risk Management

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

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

Credit risk

The Company 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 Company 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.

In order to reduce the risk of not recovering the receivables from deliveries and services, the Company 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 Company 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 Company. All entities in which the Company deposits its free monetary resources operate in the financial sector. These include domestic banks and branches of the foreign banks.

The credit risk resulting from the intra-group loans granted is considered low by the Company, due to the fact that the loans are intended for a specific purpose, such as the purchase of investment properties. In some cases, in which a subsidiary fails to meet its obligations under the loans taken out over a long period of time, the Issuer makes a write-down on the value of the loans granted and the accrued interest on the loan.

In the opinion of the Management Board, the risk of financial assets at risk is reflected by making write-downs on their value.

Liquidity risk

The Company is exposed to liquidity risk resulting from the ratio of current assets to non-current liabilities.

As at 30 June 2025 and as at 31 December 2024 the ratio of current assets to non-current liabilities (current liquidity ratio) amounted to 1.36 and 1.01 respectively.

Market Risks

1. Currency Exchange Rate Risk

Part of contracts of sale of services is concluded with foreign companies in foreign currencies (EUR, USD). In the case of a significant strengthening of the domestic currency it may adversely affect the performance of the Company. 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.

2. Interest Rate Risk

The Company is exposed to the risk of variability of cash flows under interest rate resulting from bank loans based on floating interest rate WIBOR ON (overnight) and loans granted and received based on floating rate WIBOR 3M and EURIBOR 3M.

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

	As at 30 June 2025	As at 31 December 2024
Collateral granted		
Bank guarantee of good performance and statutory warranty	41 787	44 835
Tender guarantee	560	600
Guarantee of payment	1 310	1 310
Guarantee of return of advance payment	1 353	615
Total guarantee granted	45 010	47 360
Total collateral granted and contingent liabilities	45 010	47 360
Collateral received		
Bank guarantee of good performance	7 274	8 027
bill of exchange securing the terms of the contract	318	-
Total collateral received	7 592	8 027

The Issuer guaranteed promissory notes issued by its subsidiary PKI Predom Sp. z o.o. as security for an insurance guarantee agreement up to PLN 800,000.

Note 32 – Related Party Transactions and Transactions with Key Management Staff

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

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

In the first half of 2025 key management personnel and persons related to key management personnel, in addition to remuneration did not conclude other transactions with the Issuer and the companies from the Capital Group.

In the first half of 2025 in the Issuer's enterprise were paid:

- remuneration to the Members of the Management Board in total amount of PLN 880.8 thousand,
- remuneration to the Members of the Supervisory Board in total amount of PLN 309.0 thousand.

Remuneration paid to members of the Management Board and of Supervisory Board in the first half of 2025 for performing functions in the Management Boards and Supervisory Boards of companies belonging to the capital group was PLN 187.7 thousand.

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

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

Reporting period

(in PLN thousand)

from 1 January to 30 June 2025

	Sale of services	Purchase of services	financial income – gain from the sale of shares for redemption	Financial income – interest on loans	Financial income – dividends received	Finance costs – interest on loans
subsidiaries	302	-	3 521	271	2 501	629

As at 30 June 2025

	Trade receivables	Receivables under loans granted	Other receivables	Trade payables	Liabilities under loans granted
subsidiaries	2	6 630	20 433	251	25 466

Receivables from the sale of shares for redemption amount to PLN 18,832 thousand.

Comparative period

from 1 January to 30 June 2024

	Sale of services	Purchase of services	Financial income – interest on loans	Financial income – dividends received	Finance costs – interest on loans
subsidiaries	206	21	334	352	515

As at 30 June 2024

	Trade receivables	Receivables under loans granted	Other receivables	Trade payables	Liabilities under loans granted
subsidiaries	4	8 649	124	251	16 494

Prochem S.A.

Raport za pierwsze półrocze 2025 roku

Note 33– Events after the Balance Sheet Date

Pursuant to Annex No. 3 dated August 21, 2025 to the loan agreement dated November 26, 2024, Prochem S.A. received a loan in the amount of PLN 500,000 from its subsidiary Elektromontaż Kraków S.A. The total value of the loan is PLN 6,000,000.00; the repayment date is December 31, 2027; the loan interest rate will be determined for quarterly periods, every calendar quarter. The annual interest rate in a given quarter will correspond to the WIBOR 3M interest rate from the first business day of a given calendar quarter, increased by a margin of 2.4%.

Other Explanatory Notes to Separate Financial Statements

Note 34 - Statement of changes in the ownership of the issuer's shares or rights to them (options) by persons managing and supervising the issuer, in accordance with the information held by the issuer

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

- Marek Kiersznicki – 44,327 pcs.;
- Krzysztof Marczak – 30,268 pcs.;
- Marek Garliński – 27,977 pcs.;
- Jarosław Stępniewski – 50,206 pcs.;
- Steven Tappan – 1,002,500 pcs.

The nominal value of 1 share is PLN 1.

Since the date of publication of the interim condensed consolidated financial statements for the first quarter of 2025, i.e. May 15, 2025 there have been no changes in the number of shares held by managing and supervising persons.

Note 35 - Information on granting a surety for loan or borrowing or guarantee by the issuer or by its subsidiary - jointly to one entity or to its subsidiary, if the total value of existing surety or guarantee is equivalent to at least 10 % of the issuer's equity

In the first half of 2025, the Issuer did not grant any sureties or guarantees equivalent to at least 10% of its equity.

Note 36 - Indication of factors which, in the issuer's opinion will have an impact on the results achieved by the issuer in the perspective of at least the subsequent quarter

The operations of Prochem S.A. in the subsequent quarters of 2025 will be significantly influenced by the macroeconomic environment, in particular the course of the war in Ukraine and the Company's participation in tender procedures and in the preparation of projects submitted for financing from the National Reconstruction Plan in the field of improving energy efficiency, electromobility, renewable energy sources and the circular economy, loan interest rates, inflation level and the related prices of energy and construction materials and services. All these factors significantly influence the decisions made by potential customers of Prochem S.A. (in particular industrial companies) to start new investment plans. The company has several large, long-term design and implementation contracts (expansion of the Oilseed Processing Plant, construction of a liquefied CO2 production facility, cooperation on a nuclear power plant project, project of a battery components factory), which are in the initial phase of implementation and in the near future will allow for an increase in revenues and achievement of a positive margin on operations, and will significantly improve business results.

Note 37 – The Impact of the Military Conflict in Ukraine on the Company's Operations

Company's Management Board monitors the impact of the political and economic situation in Ukraine on the Company's operations on an ongoing basis. As at the date of hereby financial statements, the

Company noticed a noticeable impact on sales and the supply chain. First of all, there has been noticed a sharp increase in the prices of goods and services, delivery times for equipment and materials have been extended and the availability of some goods has been limited.

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

The factors listed may affect the level of profitability of the business. It is monitored on an ongoing basis so that, if necessary, appropriate steps can be taken regarding work organization and obligations can be fulfilled on time.

Note 38– Uncertainty regarding continue as going concern

Due to the significant net loss incurred as at 30/06/2025 and the resulting decrease in Prochem S.A.'s equity to PLN 4 million, the company's Management Board decided to analyze the possibility of continuing the entity's operations for a period of no less than one year from the balance sheet date.

The Management Board states that the losses incurred were generated on two contracts concluded with companies from the Orlen S.A. capital group concerning the design and construction of the Hydrogen Hub at the Anwil S.A. plants in Włocławek. The contract was signed in 2021, before the outbreak of the war in Ukraine. As a result, there was a significant change in the economic environment, involving the disruption of logistics chains and a sharp increase in the prices of energy, materials and construction services. In addition, the supplier of key equipment for the installation under construction noted a significant delay, which resulted in Prochem failing to meet the deadline for completing the installation. The company's attempts to renegotiate the concluded contract in terms of increasing the contractual remuneration and extending the completion deadline were not accepted by the client.

It should also be noted that due to uncertainty regarding global directions of economic development (e.g. electromobility), the execution of some of the orders in the company's portfolio was suspended or postponed in time by investors.

After assessing the impact of the events described above on the entity's continued operations, the Management Board determined that they were one-off events. The resulting losses were covered from the company's own funds. The assets held by the Prochem S.A. capital group are able to fully secure the financial position of the company. In terms of operational activities, taking into account the order portfolio and submitted offers, in the opinion of the Management Board the company should regain profitability. This position is also confirmed by the observed changes in the economic and political environment. Significant investments in nuclear and gas energy, renewable energy sources and improving energy efficiency should begin in the near future. New investments in the development of innovative technologies financed from the National Reconstruction Plan are being prepared. There will also be rapid development of the arms industry. In all these areas, Prochem S.A. has both experience and the necessary competences that can be used both at the design and implementation stages of these investments. Currently, the company is already involved in several tender procedures in this regard.

Taking the above into account, the Management Board of Prochem S.A. states that the adoption of the principle of the entity's ability to continue as a going concern for a period of no less than one year from the balance sheet date is correct and there are no significant uncertainties in this respect.

Note 39 - Approval of the Financial Statements

Interim condensed separate financial statements of Prochem S.A. as at and for the period of 1 January 2025 to 30 June 2025 were approved for issue by the Management Board of Prochem S.A. on September 26, 2025.

Signatures of the Members of the Management Board

Marek Kiersznicki	President	
Name and surname	position	signature

Krzysztof Marczak	Vice President	
Name and surname	position	signature

Michał Dąbrowski	Vice President	
Name and surname	position	signature

Signature of the person entrusted with keeping the accounting books

Barbara Auguścińska-Sawicka	Chief Accountant	
Name and surname	position	signature