

PROCHEM S.A. CAPITAL GROUP

**CONSOLIDATED QUARTERLY REPORT
FOR THE FIRST QUARTER OF 2025**

**PROCHEM S.A.
Łopuszańska 95 Street
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 quarter of 2025 - 4.1848 PLN/EUR
- For the first quarter of 2024 - 4.3211 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 balance sheet date amount to:

- 4.1839 PLN/EUR as at 31 March 2025
- 4.2730 PLN/EUR as at 31 December 2024

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

Description	Reporting period ended 31 March		Reporting period ended 31 March	
	2025	2024	2025	2024
	In PLN thousands		In EUR thousands	
<i>Consolidated statement of profit and loss</i>				
Revenues from sale	21 076	45 322	5 036	10 489
Gross profit on sales	535	4 239	128	981
Results from operating activities	-4 376	-150	-1 046	-35
Before tax profit	-5 405	-1 029	-1 292	-238
Profit for the period assigned to:	-5 735	-2 389	-1 370	-553
Shareholders of the Parent Entity	-5 738	-2 406	-1 371	-557
Non-controlling interest	3	17	1	4
Profit/diluted profit (in PLN/EUR) per one ordinary share – assigned to shareholders of the Parent Entity	-2.86	-1.20	-0.68	-0.28
<i>Consolidated statement of cash flows</i>				
Net cash provided by (used in) operating activities	-6 653	-2 315	-1 590	-536
Net cash provided by (used in) investing activities	-134	-332	-32	-77
Net cash provided by (used in) financing activities	3 576	779	855	180
Total cash flows, net	-3 211	-1 868	-767	-432
	As at		As at	
Description	31 March 2025	31 December 2024	31 March 2024	31 December 2024
	In PLN thousands		In EUR thousands	
<i>Consolidated statement of profit and loss</i>				
Total assets	119 705	123 182	28 611	28 828
Total non-current assets	60 534	61 259	14 468	14 336
Total current assets	59 171	61 923	14 143	14 492
Equity attributable to shareholders of the parent entity	34 483	40 241	8 242	9 418
Non-controlling interest	1 845	1 822	441	426
Total equity	36 328	42 063	8 683	9 844
Total non-current liabilities	33 463	32 441	7 998	7 592
Total current liabilities	49 914	48 678	11 930	11 392
Book value per one ordinary share (in PLN/EUR)- assigned to shareholders of the parent entity	17.20	20.07	4.11	4.70
Weighted average number of shares (in pcs.)	2 005 000	2 005 000	2 005 000	2 005 000

Selected financial data

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Selected financial data of Prochem S.A.

Description	Reporting period ended 31 March		Reporting period ended 31 March	
	2025	2024	2025	2024
	In PLN thousands		In EUR thousands	
<i>Separate statement of profit and loss</i>				
Revenues from sale	8 780	21 734	2 098	5 030
Gross profit on sales	-2 160	1 773	-516	410
Results from operating activities	-5 146	-848	-1 230	-196
Before tax profit	-1 460	-1 389	-349	-321
Profit for the period	-1 639	-2 400	-392	-555
Profit/diluted profit per one share (in PLN/EUR)	-0.82	-1.20	-0.20	-0.28
<i>Separate statement of cash flows</i>				
Net cash provided by (used in) operating activities	-8 721	-1 330	-2 084	-308
Net cash provided by (used in) investing activities	664	-649	159	-150
Net cash provided by (used in) financing activities	4 814	531	1 150	123
Total cash flows, net	-3 243	-1 448	-775	-335
Description	As at		As at	
	31 March 2025	31 December 2024	31 March 2024	31 December 2024
	In PLN thousands		In EUR thousands	
<i>Separated statement of financial position</i>				
Total assets	90 616	88 273	21 658	20 658
Total non-current assets	34 296	49 755	8 197	11 644
Total current assets	56 320	38 518	13 461	9 014
Total equity	8 224	9 863	1 966	2 308
Total non-current liabilities	41 899	40 416	10 014	9 458
Total current liabilities	40 493	37 994	9 678	8 892
Book value per one ordinary share (in PLN/EUR)	4.10	4.92	0.98	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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Quarterly financial information of Prochem S.A.

Interim condensed consolidated financial statement of the Capital Group of PROCHEM S.A. prepared in accordance with the International Financial Reporting Standards endorsed by the EU as at and for the period ended March 31, 2025

Consolidated statement of financial position

(all amounts in PLN thousands if not stated otherwise)

	Note No.	31 March 2025	31 December 2024
A s s e t s			
Non-current assets			
Property, plant and equipment	1	15 504	15 910
Intangible assets		37	33
Investment property	2	12 861	12 963
Right-of-use assets	3	23 319	23 404
Shares	4	830	830
Deferred tax assets	5	7 782	7 961
Receivables under retained security deposits		201	158
Total non-current assets		60 534	61 259
Current assets			
Inventories	6	1 454	989
Trade and other receivables	7	18 736	21 395
Receivables under current income tax		17	-
Amounts due from recipients under contracts	13	26 600	23 536
Other financial assets	8	5 521	6 516
Other assets	9	2 220	1 653
Cash and cash equivalents		4 623	7 834
Total current assets		59 171	61 923
Total assets		119 705	123 182

Consolidated statement of financial position

(all amounts in PLN thousands if not stated otherwise)

Equity and liabilities	Note No.	31 March 2025	31 December 2024
Equity			
Share capital	10	2 005	2 005
Own shares		-	-
Revaluation reserve		4 273	4 273
Retained earnings	11	28 205	33 963
Owner's equity		34 483	40 241
Non-controlling interest		1 845	1 822
Total equity		36 328	42 063
Non-current liabilities			
Non-current bank loans	12	1 621	-
Provision to deferred income tax	5	1 529	1 438
Liabilities under retirement and similar benefits		2 014	2 015
Non-current liabilities under retained security deposits	13	4 781	4 777
Non-current liabilities under lease	15	23 466	24 159
Other non-current liabilities		52	52
Total non-current liabilities		33 463	32 441
Current liabilities			
Current bank loans	12	4 502	648
Trade payables	14	31 188	31 175
Amounts owed to recipients under contracts	14	3 609	4 274
Liabilities under current income tax		10	149
Current liabilities under lease	15	4 169	3 683
Other liabilities	15	6 121	8 434
Deferred income	16	315	315
Total current liabilities		49 914	48 678
Total liabilities		83 377	81 119
Total equity and liabilities		119 705	123 182
Book value – equity assigned to owners of the Parent Entity		34 483	40 241
Average number of ordinary shares (in pcs.)		2 005 000	2 005 000
Book value per one share (in PLN) – assigned to owners of the Parent Entity		17.20	20.07

Consolidated statement of profit and loss

(all amounts in PLN thousands if not stated otherwise)

	Note No.	Period ended 31 March 2025	Period ended 31 March 2024
Revenues from sale, including:		21 076	45 322
Revenues from sale of services	17	20 477	45 292
Revenues from sale of goods and materials	18	599	30
Cost of sales, including:		-20 541	-41 083
Cost of services sold	19	-20 095	-41 055
Cost of merchandise and raw materials		-446	-28
Gross profit on sales		535	4 239
General and administrative expenses	19	-4 621	-4 369
Other operating income	20	44	58
Other operating expenses	21	-334	-78
Results from operating activities		-4 376	-150
Financial income	22	144	167
Finance expenses	23	-1 173	-1 046
Before tax profit		-5 405	-1 029
Income tax expense:	24	330	1 360
- current tax		16	436
- deferred tax		314	924
Profit for the period		-5 735	-2 389

Profit for the period assigned to:

Shareholders of the Parent Entity	-5 738	-2 406
Non-controlling interest	3	17
Weighted average number of ordinary shares (in pcs.)	2 005 000	2 005 000
Profit (loss) per one ordinary share (in PLN per share) assigned to owners of the Parent Entity	-2.86	-1.20

Consolidated statement of comprehensive income

	Period ended 31 March 2025	Period ended 31 March 2024
Profit for the period	-5 735	-2 389
Other comprehensive income net	-	-
Total comprehensive income	-5 735	-2 389

Total comprehensive income assigned to:

Shareholders of the Parent Entity	-5 738	-2 406
Non-controlling interest	3	17
Weighted average number of ordinary shares (in pcs.)	2 005 000	2 005 000
Profit (loss) per one ordinary share (in PLN per share) assigned to owners of the Parent Entity	-2.86	-1.20

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
Reporting period from 1 January 2025 to 31 March 2025							
As at the beginning of the period	2 005	-	4 273	33 963	40 241	1 822	42 063
Net profit of the given period	-	-	-	-5 738	-5 738	3	-5 735
Other comprehensive income (net)	-	-	-	-	-	-	-
Total comprehensive income	-	-	-	-5 738	-5 738	3	-5 735
Other changes	-	-	-	-20	-20	20	-
As at the end of the period	2 005	-	4 273	28 205	34 483	1 845	36 328

	Share capital	Own shares	Revaluation reserve	Retained earnings	Equity assigned to shareholders of the parent entity	Equity assigned to non-controlling interest	Total equity
Reporting period from 1 January 2024 to 31 March 2024							
As at the beginning of the period	2 005	-	3 384	59 490	64 879	2 106	66 985
Net profit of the given period	-	-	-	-2 406	-2 406	17	-2 389
Other comprehensive income (net)	-	-	-	-	-	-	-
Total comprehensive income	-	-	-	-2 406	-2 406	17	-2 389
Other changes	-	-	-	219	219	-422	-203
As at the end of the period	2 005	-	3 384	57 303	62 692	1 701	64 393

	Share capital	Own shares	Revaluation reserve	Retained earnings	Equity assigned to shareholders of the parent entity	Equity assigned to non-controlling interest	Total equity
Reporting period from 1 January 2024 to 31 December 2024							
As at the beginning	2 005	-	3 384	59 490	64 879	2 106	66 985
Net profit of the given period	-	-	-	-25 746	-25 746	153	-25 593
Other comprehensive income (net)	-	-	889	-	889	67	956
Total comprehensive income	-	-	889	-25 746	-24 857	220	-24 637
Dividend paid to non-controlling interest	-	-	-	-	-	-82	-82
Other changes – acquisition of shares in subsidiary	-	-	-	219	219	-422	-203
As at the end of the period	2 005	-	4 273	33 963	40 241	1 822	42 063

Consolidated statement of cash flows

(all amounts in PLN thousands if not stated otherwise)

	Period ended 31 March 2025	Period ended 31 March 2024
Cash flows – operating activities		
Before tax profit	-5 405	-1 029
Total adjustments	-1 076	-839
Amortization and depreciation	1 728	1 612
Interest and profit sharing (dividends)	558	555
Change in provisions	-106	-105
Change in inventories	-466	2 349
Change in receivables and other assets	-1 015	3 949
Change in current liabilities except for loans and borrowings	-2 856	-8 966
Other adjustments (including change in deferred income)	1 081	-233
Cash provided by (used in) operating activities	-6 481	-1 868
Income tax paid	172	447
Net cash provided by (used in) operating activities	-6 653	-2 315
Cash flows – investing activities		
Disposal of intangible assets and property, plant and equipment	-	6
Inflow from sale of shares in related entity	-	25
Acquisition of intangible assets and property, plant and equipment	-134	-160
Acquisition of shares in subsidiary	-	-203
Net cash provided by (used in) investing activities	-134	-332
Przepływy pieniężne z działalności finansowej		
Bank loans	5 544	2 376
Repayment of bank loans	-69	-
Interest and commission paid	-71	-78
Payment of liabilities under lease	-1 828	-1 519
Net cash provided by (used in) financing activity	3 576	779
Total cash flows, net	-3 211	-1 868
Increase/(decrease)in cash and cash equivalents net	-3 211	-1 868
Cash and cash equivalents at the beginning of the period	7 834	14 173
Cash and cash equivalents at the end of the period	4 623	12 305
Including restricted cash	198	823

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 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.

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

In the period from January 1st, 2025 to March 31st 2025 in the composition of the Management Board of the Company Prochem S.A. no changes occurred.

Composition of the Supervisory Board of Prochem S.A.

As at the date of hereby consolidated financial statements, comprises 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 period from January 1st, 2025 to March 31st 2025 there was no change in the composition of the Supervisory Board of the Company.

3. Employment

In the first quarter of 2025 average employment was 295.27 FTEs and in 2024 324.96 FTEs. Level of employment in persons as at 31 March 2025 was 305 and as at 31 March 2024 was 336.

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%);
- PKI PREDOM Sp. z o.o. seated in Wrocław – subsidiary indirectly, 89.6% of share in capital and voting rights holds company Prochem Inwestycje, subsidiary in 100%;
- Prochem Zachód Sp. z o.o. seated in Warsaw – subsidiary directly (100.0%);
- Elektromontaż Kraków S.A. seated in Krakow – subsidiary indirectly (91.8%), including 57.49% of share in capital and voting rights holds company Prochem Inwestycje, subsidiary in 100%;
- Prochem RPI Sp. z o.o. seated in Warsaw – subsidiary in 100% (including 3.3% of share in capital and voting rights holds company Prochem Inwestycje);
- Irydion Sp. z o.o. seated in Warsaw – subsidiary directly (100%).

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.

Pursuant to the Resolution of the Extraordinary Meeting of Shareholders of March 25, 2025, which consented to the acquisition of no more than 8,800 own shares with a total nominal value of PLN 8,800,000.00 for the purpose of their redemption, IRYDION concluded in March 2025 purchase agreement for a remuneration of PLN 2,140.00 per share i.e. for a total remuneration of PLN 18,832,000.00 for purpose of their redemption. The remuneration for the purchased shares will be paid within 21 days from the date of entry of the redemption of the purchased shares and the reduction of the share capital in the National Court Register, but no later than March 15, 2026. Prochem S.A. sold 8,800 shares for PLN 18,832,000.

5. Adopted accounting principles and statement of compliance

Statement on compliance and reliability of the prepared financial statements

Interim condensed consolidated financial statements of the PROCHEM S.A. Capital Group for the first quarter of 2025 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”). Hereby interim condensed consolidated financial statements and interim financial statement of the Issuer presents fairly and clearly the financial and property position as at March 31, 2025 and comparative data as at December 31, 2024, as well as the results of this activity for the 3-month period ended March 31, 2025 and comparative data for the 3-month period ended March 31, 2024 and cash flows for the three months ended March 31, 2025 and March 31, 2024.

Interim condensed financial statements of Prochem S.A. Capital Group as at 31 March 2025 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

Hereby interim condensed consolidated financial statements 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 2024.

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 2024.

Estimates made

Information about the assumptions made and the uncertainty associated with the estimates made relates to:

- property, plant and equipment; key assumptions used in discounted cash flow forecasts;
- investment property; key assumptions used in discounted cash flow forecasts;
- liabilities under retirement and similar benefits: key actuarial assumptions;

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. 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).

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

In hereby financial statements, the Group did not decide to early 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 the 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.

7. Foreign currency transactions

Transactions in foreign currencies are initially recognized at the NBP exchange rate applicable on the transaction date. Carrying amounts of assets and liabilities expressed in foreign currency 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 currency are recognized in the statement of profit and loss.

8. The impact of the war conflict in Ukraine and in the Gaza Strip on the Company's operations

The Group monitors the impact of the political and economic situation in Ukraine and in the Gaza Strip on the Group's operations on an ongoing basis. As at the date of hereby financial statements, the Group had observed a noticeable impact on sales and the supply chain. First of all, there has been 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 from the Capital Group of Prochem S.A. monitor the current situation with particular attention and, if necessary, are prepared to take appropriate actions to adapt its potential to the new conditions in order to mitigate any negative effects on the Group.

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 fulfil obligations on time, if necessary. However, the Group is unable to predict either the further development of the armed conflict in Ukraine and in the Gaza Strip or its further negative effects on its operations.

As at the date of hereby consolidated financial statements, the Group of Prochem S.A. sees no threat to continue operations as a going concern for the Group.

9. Explanatory notes to interim condensed consolidated financial statements as at and for the period of three months ended 31 March 2025

Note 1 - Property, Plant and Equipment

	31 March 2025	31 December 2024
Property, plant and equipment, including:	15 504	15 910
- land	2 484	2 494
- buildings, premises and civil engineering objects	9 430	9 598
- machinery and equipment	1 756	1 868
- vehicles	1 571	1 689
- other PPE	263	261
PPE in-progress	-	-
Total property, plant and equipment	15 504	15 910

Property, plant and equipment – ownership structure	31 March 2025	31 December 2024
a) own	4 867	4 877
b) under rental, lease or other agreement, including	10 637	11 033
- lease agreement	9 278	9 664
- value of the right of perpetual usufruct	1 359	1 369
Total balance sheet items of property, plant and equipment	15 504	15 910

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

Land, buildings and constructions are carried at revalued amount, being its fair value at the date of the revaluation, set by experts, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. The fair value as at March 31, 2025 does not differ substantially from the fair value. The fair value as at December 31, 2024 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 2025 to 31 March 2025	Change in property, plant and equipment for the period from 1 January 2024 to 31 December 2024 .
Gross value		
As at opening balance sheet	38 310	37 235
Increase (due to)	160	4 973
- acquisition of non-current assets	140	1 834
- revaluation of non-current assets	-	1 029
- changes	20	2 110
Decrease (due to)	-5	-3 898
- disposal of non-current assets	-	-1 037
- liquidation of non-current assets	-5	-537
- updating of non-current assets	-	12
- changes	-	-2 324

As at closing balance sheet	38 465	38 310
Depreciation and impairment		
As at opening balance sheet – accumulated depreciation	22 400	21 882
Depreciation for the period (under)	561	518
- increase (accrued depreciation)	545	2 055
- decrease under disposal of non-current assets	-	-804
- decrease under liquidation of non-current assets	-5	-537
- other changes	21	-196
As at closing balance sheet – accumulated depreciation	22 961	22 400
Impairment of non-current assets	-	-
Net value of non-current assets as at the end of balance sheet period	15 504	15 910

Note 2 – Investment Property

	31 March 2025	31 December 2024
Buildings and constructions	8 229	8 331
Land	4 632	4 632
Total investment property	12 861	12 963

Investment property by titles	Change in investment property for the period from 1 January 2025 to 31 March 2025	Change in investment property for the period from 1 January 2024 to 31 December 2024
Investment property – land		
As at opening balance sheet:	4 632	4 406
- increase due to measurement at fair value	-	226
As at closing balance sheet	4 632	4 632
Investment property - buildings and constructions		
As at opening balance sheet:	8 331	7 813
Change due to:		
- increase in value	-	902
- decrease – depreciation accrued	-102	-384
Total change	-102	518
As at closing balance sheet	8 229	8 331
Write-down of investment property	-	-
Total investment property	12 861	12 963

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, 2025 does not significantly differ from fair value. The measurement at fair value as at December 31, 2024 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 2025.

Group	Fair value (in PLN thousands)	
	31 March 2025	31 December 2024
	Level 3	Level 3
Land, including the right of perpetual usufruct	4 632	4 632
Buildings and constructions	8 229	8 331
Total	12 861	12 963

There were no displacements between the levels 1, 2 and 3 in the first quarter of 2025.

Note 3 – Right-of-use Assets

	As at 31 March 2025	As at 31 December 2024
- buildings and constructions	20 925	21 091
- machinery and equipment	189	204
- vehicles	2 205	2 109
Total assets	23 319	23 404

Description	Change in right-of-use assets for the period from 1 January 2025 to 31 March 2025	Change in right-of-use assets for the period from 1 January 2024 to 31 March 2024
Gross book value	45 509	45 748
Increase in value – new contracts concluded	284	1 952
Increase in gross value– updating of the value of contracts concluded	706	159
Decrease in value – the end of the contract	-351	-2 334
Write-downs	-	-16
Total, book value gross	46 148	45 509
Increase (+) /decrease (-)		
Depreciation – as at opening balance sheet	-22 105	-20 055
Depreciation accrued	-1 075	-4 153
Decrease – the end of the contract	351	2 103
Total accumulated depreciation	-22 829	-22 105
Total as at closing balance sheet		
Gross book value	46 148	45 509
Accumulated depreciation	-22 829	-22 105
Net book value as at closing balance sheet	23 319	23 404

Note 4 - Shares

Shares	31 March 2025	31 December 2024
In other entities	830	830
Shares, net value	830	830
Write-downs of shares	6	6
Shares, gross value	836	836

Change in shares	31 March 2025	31 December 2024
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 31.03.2025

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 - Settlement of Deferred Income Tax

Changes in values of provision and deferred tax assets for the first quarter of 2025 are shown in the table below.

Deferred tax assets	As at 31 March 2025	As at 31 December 2024
As at beginning of the period	14 602	14 823
Increase	5 138	6 789
Decrease	-5 161	-7 010
As at the end of the period	14 579	14 602

Provision under deferred income tax	As at 31 March 2025	As at 31 December 2024
As at beginning of the period	8 079	7 645
Increase	4 503	5 465
Decrease	-4 256	-5 031
As at the end of the period	8 326	8 079

Deferred tax assets	As at 31 March 2025	As at 31 December 2024
Deferred tax assets	14 579	14 602
Provision under deferred tax assets	-8 326	-8 079
Assets/(Provision) under deferred income tax	6 253	6 523

Presentation in the statement of financial position	As at 31 March 2025	As at 31 December 2024
Deferred tax assets	7 782	7 961
Provision under deferred tax assets	-1 529	-1 438
Assets/(Provision) under deferred income tax	6 253	6 523

Note 6 – Inventories

Inventories	31 March 2025	31 December 2024
Goods	1 454	989
Total inventories	1 454	989
Write-downs of inventories	557	557

Note 7 - Trade and Other Receivables

Trade and other receivables	31 March 2025	31 December 2024
Trade receivables	20 396	21 904
Write-down of trade receivables	2 458	2 458
Trade receivables net, including	17 938	19 446
- with repayment period up to 12 months	15 043	14 558
- with repayment period above 12 months	2 895	4 888
Receivables from taxes, subsidies, custom duties, social and health insurance and other benefits	275	205
Other receivables	574	1 795
Write-down of other receivables	51	51
Other receivables net	523	1 744
Total receivables	18 736	21 395

For the purpose of estimating the expected credit loss, the Group used a provision matrix, which was developed based on observations of historical aging and repayment levels. The Group conducted an impairment test of assets - in the trade receivables item. As a result of the test, the expected credit losses were estimated and it was found that they do not have a significant impact on the presented value of receivables.

For other classes of financial assets and liabilities, the fair value equals the book value and as at balance sheet date 31.03.2025 amounts to PLN 18 736 thousand, and as 31.12.2024 PLN 21 395 thousand.

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 2025 and as at 31 December 2024 trade receivables include security deposits under statutory warranty for construction and assembly works respectively in the amount of PLN 3 096 thousand and PLN 5 046 thousand.

Change in write-downs of trade and other receivables	31 March 2025	31 December 2024
As at the beginning of the period	2 509	5 423
a) increase (under)	-	20
- provision to receivables	-	20
b) decrease (under)	-	2 934
- resolving of write-downs of receivables	-	140
- use of write-downs created in previous periods	-	2 794
Write-downs of current trade and other receivables at the end of period	2 509	2 509

Note 8 - Other Financial Assets

Other financial assets by type:	31 March 2025	31 December 2024
a) other financial assets - security deposits securing bank guarantees granted	5 521	6 516
Total other financial assets	5 521	6 516

Note 9 - Other Assets

Other assets by type:	31 March 2025	31 December 2024
a)) prepayments	2 220	1 653
- cost of property and personal insurance	308	458
- software maintenance cost	1 509	1 073
- subscriptions	14	7
- deferred costs	100	102
- land use fee	43	11
- write-off to the Social Fund	237	-
- other	9	2
Total other assets	2 220	1 653

Note 10 - Share Capital

SHARE CAPITAL (THE 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	
Share capital, total			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 are in trade, the total number of votes attached to these shares is 2,005,000.

Changing the rights attached to 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% of 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 Tappa	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

Change in rights attached to shares of Prochem S.A. – since the date of publication of the consolidated financial statements of the Prochem S.A. Capital Group for 2024, there has been no change in the number of shares entitling shareholders to at least 5% of votes at the general meeting of shareholders.

Note 11 - Retained Earnings

	31 March 2025	31 December 2024
Spare capital	50 146	50 088
Other reserve capital	9 616	9 621
Profit (loss) of the previous period	-25 819	-
Profit (loss) of the period	-5 738	-25 746
Total	28 205	33 963

Note 12 - Bank Loans

Non-current bank loans

	31 March 2025	31 December 2024
- loans	1 621	-

Information on non-current 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 Elektromontaż Kraków S.A.

Pekao S.A.	Warsaw	2 000	1 621	20.12.2026	WIBOR 1M + margin	Promissory note + BGK guarantee
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Current bank loans

	31 March 2025	31 December 2024
- loans	4 502	648

Information on current bank loans incurred

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

mBank S.A.	Warsaw	4 000	3 923	28.11.2025	The loan interest rate will be equal to the WIBOR ON PLN base rate plus margin. Interest is charged annually on the amount of the loan used.	Promissory note in blank, surety, and declaration of submission to enforcement of the following companies: Elektromontaż Kraków S.A. seated in Krakow, Prochem RPI Sp. z o.o. seated in Warsaw, Prochem Inwestycje sp. z o.o. seated in Warsaw. Financial pledge on rights to cash from a bank account.
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By Elektromontaż Kraków S.A.

mBank S.A.	Warsaw	1 500	579	28.02.2026	WIBOR ON + margin	Contractual mortgage on developed real estate in Dębica and on a residential unit in Krakow + promissory note
ING BANK Śląski	Katowice	3 000	0	19.11.2025	WIBOR for 1-month deposits in PLN + margin	Contractual mortgage on a developed property in Zakopane + promissory note

Note 13 - Trade Payables

	31 March 2025	31 December 2024
a) to other entities	31 188	31 175
- for supplies and services, with maturity:	31 188	31 175
- up to 12 months	31 188	31 175
- above 12 months	-	-
Total trade payables	31 188	31 175
Non-current liabilities under seized security deposits	4 781	4 777
Total trade payables	35 969	35 952

Note 14 - Amounts due from Customers and Owed to Customers under Long-term Agreements

	31 March 2025	31 December 2024
- amounts due from recipients under agreements	26 600	23 536
Amounts due from recipients under long-term agreements	26 600	23 536

Amounts owed to recipients under long-term agreements

	31 March 2025	31 December 2024
- amounts owed to recipients under agreements	3 609	4 274
Amounts owed to recipients under long-term agreements	3 609	4 274

Description	As at 31 March 2025	As at 31 December 2024
The value of revenues according to agreements	304 112	307 447
The value of revenues invoiced	178 111	183 296
Planned liabilities under execution of agreements	319 897	318 474
Fulfilled obligations under agreements	226 391	221 102
Amounts due from recipients	26 600	23 536
Amounts owed to recipients	3 609	4 274

Note 15 - Other Liabilities

	31 March 2025	31 December 2024
a) to other entities	2 440	3 810
- under taxes, duties, insurance and other benefits	1 830	3 135
- under remuneration	552	516
- other (by type)	58	159
liabilities to employees	7	4
liabilities to shareholders	20	20
other	31	135
b) other current provisions	3 681	4 624
- provision to costs accrued to the previous year, relating to long-term contracts	1 595	1 771

- provision to costs	249	911
- cost of audit	117	126
- current provision for retirement benefit	313	332
- provision to unused annual leaves	1 407	1 484
Total other liabilities	6 121	8 434

Liabilities under lease

	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 one year	546	71	617	553	74	627
1 to 5 years	751	47	798	887	40	927
Total	1 297	118	1 415	1 440	114	1 554

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 one year	3 623	1 303	4 926	3 130	1 805	4 935
1 to 5 years	17 459	3 287	20 746	15 256	4 080	19 336
Above 5 years	5 256	286	5 542	8 016	395	8 411
Total	26 338	4 876	31 214	26 402	6 280	32 682

Note 16 - Deferred Income

	31 March 2025	31 December 2024
- advances received	315	315
Deferred income at the end of the period , including:	315	315
Non-current liabilities	-	-
Current liabilities	315	315

Note 17 - Revenues from Sale of Services

Revenues from sale os services (type of service and type of activity)	Period ended 31 March 2025	Period ended 31 March 2024
- revenues from sale of services, including:	20 477	45 292
- from related entities	-	-
Revenues from sale (territorial structure)	Period ended 31 March 2025	Period ended 31 March 2024
Home market	20 477	45 292
- including from related entities	-	-
Exports	-	-

Revenues under contracts for construction services (general contracting) and other services are presented in Note 26. 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 amount of revenues from sales exceeds 10% of the total revenues of the Group for 2025 is included in Note 26.

Note 18 - Revenues from Sale of Goods and Materials

Revenues from sale of goods and materials (type of goods and materials and type of activity)	Period ended 31 March 2025	Period ended 31 March 2024
Goods and materials	599	30

Revenues from sale of goods and materials (territorial structure)	Period ended 31 March 2025	Period ended 31 March 2024
Home market	599	30

Note 19 – Cost of Services Sold

Costs by type	Period ended 31 March 2025	Period ended 31 March 2024
a) amortization and depreciation	1 728	1 612
b) consumption of materials and energy	3 562	11 655
c) outsourcing	7 337	20 187
d) taxes and levies	123	130
e) remuneration	8 950	9 722
f) social security and other benefits	2 158	2 382
g) other costs by type (by category)	1 250	1 302
- property and personal insurance	58	169
- business trips	268	364
- PFRON (State Fund for Rehabilitation of Disabled Persons)	153	132
- cars rental	82	48
- other	689	589
Total costs by type	25 108	46 990
Change in inventory, goods, and prepayments	-392	-1 566
General and administrative expenses (negative value)	-4 621	-4 369
Cost of services sold	20 095	41 055

Note 20 - Other Operating Income

	Period ended 31 March 2025	Period ended 31 March 2024
a) gain on disposal of non-financial non-current assets	-	6
b) other, including:	44	52
- reimbursement of litigation costs	31	1
- received compensation, fines, and penalties	7	17
- release of provision	-	28
- other	6	6
Total other operating income	44	58

Note 21 - Other Operating Expenses

	Period ended 31 March 2025	Period ended 31 March 2024
a) other, including:	334	78
- cost of litigation	49	8
- paid damages, penalties and fines	282	57
- other	3	13
Total other operating expenses	334	78

Note 22 - Financial Income

	Period ended 31 March 2025	Period ended 31 March 2024
a) other interest	113	28
- from other entities	113	28
b) surplus of positive exchange rate differences	31	138
c) other, including:	-	1
- other	-	1
Total financial income	144	167

Note 23 - Finance Expenses

	Period ended 31 March 2025	Period ended 31 March 2024
a) interest on bank loans	71	78
b) other interest	788	514
- for other entities	353	9
- under lease	435	505
c) surplus of negative exchange rate difference	29	216
d) other, under:	285	238
- commission on bank guarantees	246	207
- other expenses	39	31
Total finance expenses	1 173	1 046

Note 24 - Income Tax

Deferred income tax disclosed in statement of profit and loss	Period ended 31 March 2025	Period ended 31 March 2024
- decrease (increase) under arising and reversal of temporary differences	314	924
Total deferred income tax	314	924

Note 25 – 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):

	Period ended 31 March 2025	Period ended 31 March 2024
Change in current receivables	-872	3 974
Receivables as at 1 January	21 395	37 672
Amounts due from recipients under contracts as at 1 January	23 536	34 126
Other assets as at 1 January	1 653	1 338
Receivables under seized security deposits as at 1 January	158	1 185
Receivables for sold non-current financial assets	-	-168
Opening balance sheet after adjustments	46 742	74 153
Receivables as at 31 March	18 736	34 755
Amounts due from recipients under contracts as at 31 March	26 600	32 836
Other assets as at 31 March	2 220	1 572
Receivables under seized security deposits as at 31 March	201	1 184
Receivables for sold non-current financial assets	-143	-143
Closing balance sheet after adjustments	47 614	70 204
Change in current liabilities except for current borrowings and special funds	-2 856	-7 132
Trade payables as at 1 January	31 175	34 123
Other liabilities as at 1 January	8 434	11 490
Amounts owed to suppliers under contracts as at 1 January	4 274	7 066
Liabilities under seized security deposits as at 1 January	4 777	4 486
Other non-current liabilities as at 1 January	52	57
Provision to current retirement benefits	-332	-329
Provision to annual leaves	-1 484	-1 578
Provision to audit	-126	-140
Provision to current other costs	-	-7
Investment commitments as at 1 January	-	-3
Liabilities to shareholders	-20	-10
Opening balance sheet after adjustments	46 750	55 155
Trade payables as at 31 March	31 188	30 821
Amounts owed to recipients under contracts as at 31 March	3 609	2 500
Other liabilities as at 31 March	6 121	10 182
Liabilities under seized security deposits as at 31 March	4 781	4 611
Other non-current liabilities as at 31 March	52	53
Provision to current retirement benefits	-313	-317
Provision to annual leaves	-1 407	-1 508
Provision to audit	-117	-140
Investment commitments as at 31 March	-	-3
Liabilities to shareholders	-20	-10
Closing balance sheet after adjustments	43 894	46 189
Change in other adjustments as at balance sheet day	1 081	-233
Change in deferred income – advances received	-	-269
Other, including:	1 081	36
- change in security deposit securing bank guarantee	995	-

Note 26 – Operating Segments

Operating segment is a component part of the Group:

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

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

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

Segment result is determined at the level of operating result.

The activities of the companies from Capital Group and the Issuer, for the managing purposes were divided into six basic operational sectors such as: execution (general contracting), design services and other engineering services (supervisions along with the project engineer service), assembly of electrical installation, lease of office space, commercial activity and other activity.

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.

In the first quarter of 2025, there was no single major customer of the Prochem S.A. Group whose share in sales revenues recognized in the consolidated profit and loss account for the first quarter of 2025 would exceed 10% of total sales revenues.

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.

	Nota	For the period from 1.01.2025 to 31.03.2025	For the period from 1.01.2024 to 31.03.2024
Poland	18 and 19	21 076	45 322
Other countries		-	-
Total		21 076	45 322

Current data

For the period from 01.01.2025 to 31.03.2025	General contracting	Design services, other engineering services	Assembly of electrical installation	Rental of office space	Commercial activity	Other	Items not assigned	Total
Revenues for external clients	2 367	7 043	9 262	1 728	599	77	-	21 076
Total revenues of the segment	2 367	7 043	9 262	1 728	599	77	-	21 076
Result								
Result of the segment	-2 727	-2 084	168	402	153	2	-	-4 086
Financial income							144	144
Finance costs							-1 173	-1 173
Net financial income							-1 029	-1 029
Profit on other operating activities							-290	-290
Before tax profit							-5 405	-5 405
Income tax							330	330
Profit for the current period							-5 735	-5 735
Profit (loss) assigned to non- controlling interest							3	3
Profit for the period assigned to shareholders of the parent entity							-5 738	-5 738
Segment assets (related to activity)	2 159	10 241	8 731	19 306	-	7	-	40 444
Assets not assigned/unallocated (among others shares and other financial assets)							79 261	79 261
Total assets	2 159	10 241	8 731	19 306	-	7	79 261	119 705
Depreciation of property, plant and equipment	80	360	276	582	-	183	243	1 724
Amortization of intangible assets	-	-	2	-	-	-	2	4

Current data

For the period from 01.01.2024 to 31.03.2024	General contracting	Design services, other engineering services	Rental of construction equipment	Assembly of electrical installation	Rental of office space	Commercial activity	Other	Items not assigned	Total
Revenues for external clients	12 864	9 325	30	21 461	1 446	30	166	-	45 322
Total revenues of the segment	12 864	9 325	30	21 461	1 446	30	166	-	45 322
Result									
Result of the segment	1 123	-2 245	4	945	23	2	18	-	-130
Financial income								167	167
Finance costs								-1 046	-1 046
Net financial income								-879	-879
Profit on other operating activities								-20	-20
Before tax profit								-1 029	-1 029
Income tax								1 360	1 360
Profit for the current period								-2 389	-2 389
Profit (loss) assigned to non-controlling interest								17	17
Profit for the period assigned to shareholders of the parent entity								-2 406	-2 406
Segment assets (related to activity)	7 431	7 605	-	25 687	29 804	-	-	-	70 527
Assets not assigned/unallocated (among others shares and other financial assets)								78 392	78 392
Total assets	7 431	7 605	-	25 687	29 804	-	-	78 392	148 919
Depreciation of property, plant and equipment	69	332	1	239	522	-	20	423	1 606
Amortization of intangible assets	-	-	-	3	-	-	-	3	6

Note 27 - Profit per One Share

Net loss per 1 share in trade as at balance sheet day 31 March 2025 was PLN - 2.86 zł, and in 2024 net loss per 1 share was PLN -1.20.

Note 28 - 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 result for 2024

The Management Board of the Parent Company proposes to cover loss in the amount of PLN 28 454 490.04 from reserve capital in the amount of 9,352,677.49 and from spare capital in the amount of PLN 19 101 812.55.

Note 29 - Dividends

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

(in PLN thousands)		Categories of financial instruments	
		Loans, receivables and other	
Classes of financial instruments	Note	31.03.2025	31.12.2024
Receivables from supplies and services	7	17 938	19 446
Cash		4 623	7 834
Amounts due from recipients under contracts	14	26 600	23 536
Other financial assets – security deposits securing bank guarantees	8	5 521	6 516
Total		54 682	57 332

Financial liabilities

31 March 2025

(in PLN thousands)		Categories of financial instruments	
		Financial liabilities measured at amortized cost	Total
Classes of financial instruments	note		
Loans	12	6 123	6 123
Amounts owed to recipients under agreements	14	3 609	3 609
Liabilities under supplies and services	13	31 188	31 188
Non-current liabilities under retained security deposits	13	4 781	4 781
Other liabilities	15	6 121	6 121
Total		51 822	51 822

31 December 2024

Categories of financial instruments

(in PLN thousands)		Financial liabilities measured at amortized cost	Total
Classes of financial instruments	note		
Loans	12	648	648
Amounts owed to recipients under agreements	14	4 274	4 274
Liabilities under supplies and services	13	31 175	31 175
Non-current liabilities under retained security deposits	13	4 777	4 777
Other liabilities	15	8 434	8 434
Total		49 308	49 308

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

(in PLN thousands)	As at	
	31 March 2025	31 December 2024
Receivables from supplies and services	2 458	2 458
Total	2 458	2 458

Impairment losses on financial assets are presented in Note 7.

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

30.2. 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).
- capital risk.

Credit risk

The Group while 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 7.

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 short term credibility.

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 31 Marcha 2025 and as at 31 December 2024 the index ratio of current assets to current liabilities (current liquidity ratio) was respectively 1.19 and 1.27.

Detailed information regarding loans is disclosed in Note 12.

Analysis of maturity of liabilities is in Note 13.

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 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 1M and bill of exchange rediscount rate. The Group did not take into account the decline in interest rates in its analysis.

Capital risk

The objective of capital risk management is to protect the Group's ability to continue as a going concern so that it can deliver returns to shareholders and maintain an optimal capital structure to reduce its cost.

Note 31 - 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.

The key management staff includes Members of the Company's Management Board and Members of the Company's Supervisory Board.

In the first quarter 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.

Remuneration paid in the first quarter of 2025 in the Issuer's enterprise:

- to the Members of the Management Board of the Parent Entity in in the total amount of PLN 440.3 thousand,
- to the Members of the Supervisory Board in the total amount of PLN 154.5 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 2025 for performing the functions in the Management Boards and the Supervisory Boards of the companies from the Capital Group was PLN 92.6 thousand.

Guarantees and sureties granted to related entities are presented in Note 32.

Note 32 - Contingent Liabilities and Contingent Assets and Other Collateral

Contingent liabilities

Contingent liabilities include bank guarantee of a good performance, guarantee of return 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

	31.03.2025	31.12.2024
Collateral granted		
Bank guarantee of good performance	44 356	47 836
Guarantee of return of advance payment	615	615
Guarantee of payment	1 310	1 310
Tender guarantee	600	600
Total collateral granted	46 881	46 881
Contingent liabilities		
Surety for the return of advance payment in the Group	-	-
Total collateral granted and contingent liabilities	46 881	50 361

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.

Contingent assets

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

	31 March 2025	31 December 2024
Collateral received		
Bank guarantee of good performance	8 034	8 027
Total contingent assets	8 034	8 027

Note 33 - Information on Significant Proceedings Pending before the Court

Did not occur.

Note 34 - Events after Reporting Date

On the basis of Annex No. 2 dated May 5, 2025 to the loan agreement dated November 26, 2024, Prochem S.A. received a loan in the amount of PLN 1,500,000 from its subsidiary Elektromontaż Kraków S.A., repayment date: December 31, 2027; the interest rate on the loan 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%.

Note 35 - 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 – 27,977 pcs.;
- Jarosław Stępniewski – 50,206 pcs.;
- Steven Tappan – 1,002,500 pcs.

The nominal value of 1 share is PLN 1.

From the date of publication of the consolidated financial statements for 2024, i.e. April 25, 2025, no changes in the number of shares held by managing and supervising persons were 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 and a concise description of the issuer's achievements or failures in a given period, along with an indication of the most important events relating to the issuer

For the activities of the Capital Group Prochem S.A. in the subsequent quarters of 2025, the macroeconomic environment will have a significant impact, in particular the course of the war in Ukraine, and participation of companies from the Group in bidding procedures and in the preparation of projects submitted for financing from the National Recovery Plan in the areas of improving energy efficiency, electromobility, renewable energy sources, and the circular economy, loan interest rates, inflation, and related prices of energy, construction materials and construction services. All these factors have a significant impact on the decisions taken by potential customers of the Prochem S.A. Capital Group. (in particular industrial companies) decisions to start new investment objectives.

The Group has several large, long-term design and implementation contracts (cooperation on a nuclear power plant project, design and implementation of a factory producing components for electric car batteries), which are in the initial phase of implementation and in the near future will allow for an increase in revenues and margins on operations, and will significantly improve operating results.

Note 36 – Statement of the Management Board of the Parent Company on the Reliability of the Interim Financial Statements

In accordance with the Regulation of the Minister of Finance of March 29, 2018 on current and periodic information provided by issuers of securities and the conditions for recognizing as equivalent information required by the laws of a non-member state (Journal of Laws of 2018, item 757) ("Regulation") the Management Board of Prochem S.A., the Parent Company of the Prochem S.A. Capital Group, declares that to the best of their knowledge:

- interim condensed consolidated financial statements of the Prochem S.A. Capital Group and interim condensed separate financial statements of Prochem S.A. for the first quarter of 2025 and comparable data were prepared in accordance with the International Financial Reporting Standards approved by the European Union, issued and applicable as of the date of preparation of these consolidated financial statements, and reflect in a true, reliable and clear manner the property and financial situation of the Prochem S.A. Capital Group and Prochem S.A. as at March 31, 2025 and December 31, 2024, and the results of their operations and cash flows for the period of 3 months ended March 31, 2025 and March 31, 2024

Michał Dąbrowski
*Member
of the Management Board*

Krzysztof Marczak
*Vice President
of the Management Board*

Marek Kiersznicki
*President
of the Management Board*

Note 37 - Approval of the Financial Statements

Interim condensed consolidated financial statements of the Prochem S.A. Capital Group. prepared as at and for the period ended March 31, 2025, together with financial information of Prochem S.A. was approved by the Management Board of the Parent Company for publication on May 15, 2025.

Financial information of PROCHEM S.A.

Separate statement of financial position

(all amounts in PLN thousands if not stated otherwise)

	As at 31 March 2025	As at 31 December 2024
A s s e t s		
Non-current assets		
Property, plant and equipment	473	508
Intangible assets	15	18
Right-of-use assets	13 364	13 109
Shares	6 347	21 659
Deferred tax assets	7 446	7 625
Receivables under retained security deposits	169	126
Other financial assets	6 482	6 710
Total non-current assets	34 296	49 755
Current assets		
Inventories	-	50
Trade and other receivables	26 077	5 224
Receivables under current income tax	-	-
Amounts due from recipients under agreements	22 442	21 168
Other financial assets	6 022	7 392
Other assets	1 737	1 399
Cash and cash equivalents	42	3 285
Total current assets	56 320	38 518
Total assets	90 616	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	2 005	2 005
Shares	-	-
Revaluation reserve	-320	-320
Retained earnings	6 539	8 178
Total equity	8 224	9 863
Non-current liabilities		
Liabilities under retirement and similar benefits	670	671
Non-current loans	23 378	21 973
Non-current liabilities under seized security deposits	5 064	5 060
Liabilities under lease	12 787	12 712
Total non-current liabilities	41 899	40 416
Current liabilities		
Current bank loans	3 923	-
Trade payables	27 282	26 449
Amounts owed to recipients under agreements	3 239	4 192
Liabilities under current income tax	-	24
Liabilities under lease	2 101	1 926
Other liabilities	3 948	5 403
Total current liabilities	40 493	37 994
Total liabilities	82 392	78 410
Total equity and liabilities	90 616	88 273

**Separate statement of profit and loss
from 1 January 2025 to 31 March 2025**

(all amounts in PLN thousands if not stated otherwise)

	Period ended 31 March 2025	Period ended 31 March 2024
Revenues from sale, including:	8 780	21 734
Revenues from sale of services	8 740	21 705
Revenues from sale of goods and materials	40	29
Cost of sales, including:	-10 940	-19 961
Cost of services sold	-10 902	-19 934
Cost of merchandise and raw materials	-38	-27
Gross profit on sales	-2 160	1 773
General and administrative expenses	-2 689	-2 642
Other operating income	4	29
Other operating expenses	-301	-8
Results from operating activities	-5 146	-848
Financial income	1 087	320
Gain from the sale of all or part of the shares in subsidiary	3 521	-
Finance expenses	-922	-861
Before tax profit	-1 460	-1 389
Income tax expense:	179	1 011
- current tax	-	-
- deferred tax	179	1 011
Profit for the period	-1 639	-2 400
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) assigned to owners of the Parent Entity	-0.82	-1.20

Separate statement of comprehensive income

	Period ended 31 March 2025	Period ended 31 March 2024
Profit for the period	-1 639	-2 400
Other comprehensive income net	-	-
Total comprehensive income	-1 639	-2 400
Weighted average number of ordinary shares (in pcs.)	2 005 000	2 005 000
Total comprehensive income per ordinary share (in PLN per one share)	-0.82	-1.20

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 31 March 2025					
As at the beginning of the period	2 005	-	-320	8 178	9 863
Net profit of the given period	-	-	-	-1 639	-1 639
<i>Other comprehensive income (net)</i>	-	-	-	-	-
Total comprehensive income	-	-	-	-1 639	-1 639
As at the end of the period	2 005	-	-320	6 539	8 224
Reporting period from 1 January 2024 to 31 March 2024					
As at the beginning of the period	2 005	-	-443	36 632	38 194
Net profit of the given period	-	-	-	-2 400	-2 400
<i>Other comprehensive income (net)</i>	-	-	-	-	-
Total comprehensive income	-	-	-	-2 400	-2 400
As at the end of the period	2 005	-	-443	34 232	35 794
Reporting period from 1 January 2024 to 31 December 2024					
As at the beginning of the period	2 005	-	-443	36 632	38 194
Net profit of the given period	-	-	-	-28 454	-28 454
<i>Other comprehensive income (net)</i>	-	-	123	-	123
Total comprehensive income	-	-	123	-28 454	-28 331
As at the end of the period	2 005	-	-320	8 178	9 863

Separate statement of cash flows

(all amounts in PLN thousands if not stated otherwise)

	Period ended 31 March 2025	Period ended 31 March 2024
Cash flows – operating activities		
Before tax profit	-1 460	-1 389
Total adjustments	-7 237	59
Amortization and depreciation	850	848
Interest and profit sharing (dividends)	-366	321
(Profit) loss on disposal of shares	-3 521	-
Change in provisions	-32	-10
Change in inventories	50	44
Change in receivables and in other assets	-3 676	9 608
Change in current liabilities, except for borrowings and loans, except for loans and borrowings	-1 541	-10 745
Other adjustment (including change in deferred income)	999	-7
Cash provided by (used in) operating activities	-8 697	-1 330
Income tax paid	24	-
Net cash provided by (used in) operating activities	-8 721	-1 330
Cash flows – investing activities		
Proceeds from repayment of a loan	742	-
Disposal of intangible assets and property, plant and equipment	-	6
Acquisition of intangible assets and property, plant and equipment	-78	-2
Outflows on financial assets in subsidiaries	-	-203
Granting a loan to a subsidiary	-	-450
Net cash provided by (used in) investing activities	664	-649
Cash flows – financing activity		
Bank loan incurred	3 923	1 563
Loan received from related entity	2 000	-
Payment of liabilities under lease	-1 079	-1 003
Interest and commission on loan paid	-30	-29
Net cash provided by (used in) financing activity	4 814	531
Total cash flows, net	-3 243	-1 448
Increase/(decrease) in cash and cash equivalents net	-3 243	-1 448
Cash and cash equivalents at the beginning of the period	3 285	4 767
Cash and cash equivalents at the end of the period	42	3 319
Including restricted cash	53	808

Signatures of the Members of the Management Board

15.05.2025	Marek Kiersznicki	President
date	First name and surname	of the Management Board position	signature

15.05.2025	Krzysztof Marczak	Vice President
date	First name and surname	of the Management Board position	signature

15.05.2025.	Michał Dąbrowski	Member
date	First name and surname	of the Management Board position	signature

Signature of the person entrusted with keeping the accounting books

15.05.2025	Barbara Auguścińska-Sawicka	Chief Accountant
date	First name and surname	position	signature