

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

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

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

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

Selected financial data

Sales revenue and profit expressed in PLN and 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 for 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 statement, which as at 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. Capital Group

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>Consolidated statement of profit and loss</i>				
Revenues from sale	48 664	85 301	11 530	19 787
Gross profit on sale	2 532	3 605	600	836
Results from operating activities	-6 871	-5 218	-1 628	-1 210
Before tax profit	-8 594	-7 376	-2 036	-1 711
Profit for the period assigned to:	-10 956	-9 392	-2 596	-2 179
Shareholders of the Parent Entity	-10 985	-9 453	-2 603	-2 193
Non-controlling interest	29	61	7	14
Profit/diluted profit (in PLN/EUR) per one ordinary share – assigned to shareholders of the parent entity	-5.48	-4.71	-1.30	-1.09
<i>Consolidated statement of cash flows</i>				
Net cash provided by (used in) operating activities	-5 821	7 035	-1 379	1 632
Net cash provided by (used in) investing activities	-283	-268	-67	-62
Net cash provided by (used in) financing activities	2 753	-4 627	652	-1 073
Total cash flows, net	-3 351	2 140	-794	496
Description	As at		As at	
	30 June 2025	31 December 2024	30 June 2025	31 December 2024
	In PLN thousands		In EURO thousands	
<i>Consolidated statement of financial position</i>				
Total assets	117 524	123 182	27 705	28 828
Total non-current assets	56 864	61 259	13 405	14 336
Total current assets	60 660	61 923	14 300	14 492
Equity assigned to shareholders of the parent entity	29 236	40 241	6 892	9 418
Non-controlling interest	1 871	1 822	441	426
Total equity	31 107	42 063	7 333	9 844
Total non-current liabilities	32 426	32 441	7 644	7 592
Total current liabilities, razem	53 991	48 678	12 728	11 392
Book value per one ordinary share (in PLN/EUR)- assigned to shareholders of the parent entity	14.58	20.07	3.44	4.70
Weighted average number of shares (in pcs.)	2 005 000	2 005 000	2 005 000	2 005 000

Statement of the Management Board of the Parent Entity

Statement of the Management Board on the reliability of the preparation of the condensed consolidated and separate financial statements

In accordance with the requirements of the Regulation of the Minister of Finance of 29 March 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) (the "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:

- the condensed consolidated financial statements of the Prochem S.A. Capital Group for the first half of 2025 and comparable data have been prepared in accordance with the requirements of IAS 34 "Interim Financial Reporting", and in accordance with the relevant accounting standards applicable to interim financial reporting adopted by the European Union, published and applicable at the time of preparation of hereby consolidated financial statements and reflect in a true, fair and clear manner the assets and financial position and the financial result of the Prochem S.A. Capital Group as at 30 June 2025 and 31 December 2024, and cash flows for the 6-month period ended 30 June 2025 and 30 June 2024;
- the condensed separate financial statements of Prochem S.A. for the first half of 2025 and comparable data have been prepared in accordance with the requirements of IAS 34 "Interim Financial Reporting", and in accordance with the relevant accounting standards applicable to interim financial reporting adopted by the European Union, published and applicable at the time of preparation of hereby consolidated financial statements and reflect in a true, fair and clear manner the assets and financial position and the financial result of the Prochem S.A. Capital Group as at 30 June 2025 and 31 December 2024, and cash flows for the 6-month period ended 30 June 2025 and 30 June 2024;
- the report on the activities of the Prochem S.A. Capital Group for the first half of 2025 provides a true picture of the development, achievements and financial situation of the Group, including a description of the basic risks and threats.

Vice President
of the Management Board
Michał Dąbrowski

Vice President
of the Management Board
Krzysztof Marczak

President of the Management Board
Marek Kiersznicki

Regarding the entity authorized to review the reliability of the preparation of the interim condensed consolidated financial statements

The Management Board of Prochem S.A. the Parent Entity of the Prochem S.A. Capital Group declares that Misters Audytor Adviser Sp. z o.o. with headquarters in Warsaw, ul. Bukowińska 22B, 02-703 Warsaw, the entity authorized to audit and review financial statements entered on the list of auditing companies under number 3704 was selected in accordance with the law and that this entity and the statutory auditors reviewing the financial statements met the conditions for issuing an impartial and independent report on review, in accordance with applicable law.

Vice President
of the Management Board
Michał Dąbrowski

Vice President
of the Management Board
Krzysztof Marczak

President of the Management Board
Marek Kiersznicki

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***Consolidated condensed financial statements of
PROCHEM S.A. Capital Group
As at and for the period of six months ended 30 June 2025***

Consolidated statement of financial position as at 30 June 2025

(all amounts in PLN thousands if not stated otherwise)

	Note No.	As at 30 June 2025	As at 31 December 2024
A s s e t s			
Non-current assets			
Property, plant and equipment	1	15 135	15 910
Intangible assets		32	33
Investment property	2	12 756	12 963
Right-of-use assets	3	22 383	23 404
Shares	4	825	830
Deferred tax assets	5	5 728	7 961
Receivables under retained security deposits		5	158
Total non-current assets		56 864	61 259
Current assets			
Inventories	6	1 320	989
Trade and other receivables	7	19 175	21 395
Receivables under current income tax		9	-
Amounts due from recipients under contracts	14	28 065	23 536
Other financial assets	8	5 521	6 516
Other assets	9	2 087	1 653
Cash and cash equivalents		4 483	7 834
Total current assets		60 660	61 923
Total assets		117 524	123 182

Consolidated statement of financial position as at 30 June 2025

(all amounts in PLN thousands if not stated otherwise)

	Note No.	As at 30 June 2025	As at 31 December 2024
Equity and Liabilities			
Equity			
Share capital	10	2 005	2 005
Own shares		-	-
Revaluation reserve		4 273	4 273
Retained earnings	11	22 958	33 963
Owners' equity		29 236	40 241
Non-controlling interest		1 871	1 822
Total equity		31 107	42 063
Non-current liabilities			
Non-current bank loans	12	2 044	-
Provision to deferred income tax	5	1 497	1 438
Provision to retirement and similar benefits		2 014	2 015
Non-current liabilities under seized security deposits	13	4 763	4 777
Non-current liabilities under lease	15	22 056	24 159
Other non-current liabilities		52	52
Total non-current liabilities		32 426	32 441
Current liabilities			
Current bank loans	12	5 075	648
Trade payables	13	33 646	31 175
Amounts owed to recipients due to contracts	14	3 607	4 274
Liabilities under current income tax		3	149
Current liabilities under lease	15	4 473	3 683
Other liabilities	16	6 816	8 434
Deferred income		371	315
Total current liabilities		53 991	48 678
Total liabilities		86 417	81 119
Total equity and liabilities		117 524	123 182
Book value – equity assigned to owners of the Parent Entity			
		29 236	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		14.58	20.07

**Condensed consolidated 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:		48 664	85 301
Revenues from sale of services	17	48 017	84 815
Revenues from sale of goods and materials	18	647	486
Cost of sales, including:		-48 132	-81 696
Cost of services sold	19	-45 643	-81 296
Cost of merchandise and raw materials		-489	-400
Gross profit on sales		2 532	3 605
General and administrative expenses	19	-9 082	-8 699
Other operating income	20	55	140
Other operating expenses	21	-376	-264
Other operating expenses – the result of a one-off event		-	-
Result from operating activities		-6 871	-5 218
Financial income	22	152	237
Gain (loss) on sale/liquidation of all or part of the shares of a subsidiary		-	-
Finance expenses	23	-1 875	-2 395
Profit sharing in associated entities		-	-
Before tax profit		-8 594	-7 376
Income tax:		2 362	2 016
- current tax		25	593
- deferred tax		2 337	1 423
Profit for the period		-10 956	-9 392

Profit for the period assigned to:		
Shareholders of the Parent Entity	-10 985	-9 453
Non-controlling interest	29	61
Weighted average number of ordinary shares (in pcs.)	2 005 000	2 005 000
Profit (loss) per ordinary share (in PLN per one share assigned to owners of the Parent Entity)	-5.48	-4.71

Consolidated statement of comprehensive income

	Period ended 30 June 2025	Period ended 30 June 2024
Profit for the period	-10 956	-9 392
Profit for the period	-	-
Total comprehensive income	-10 956	-9 392

Profit for the period assigned to:		
Shareholders of the Parent Entity	-10 985	-9 453
Non-controlling interest	29	61
Weighted average number of ordinary shares (in pcs.)	2 005 000	2 005 000
Profit (loss) per ordinary share (in PLN per one share assigned to owners of the Parent Entity)	-5.48	-4.71

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 30 June 2025							
As at the beginning of the period	2 005	-	4 273	33 963	40 241	1 822	42 063
As at the beginning of the period upon making the data comparable	2 005	-	4 273	33 963	40 241	1 822	42 063
Net profit of the given period	-	-	-	-10 985	-10 985	29	-10 956
<i>Other comprehensive income (net)</i>	-	-	-	-	-	-	-
Total comprehensive income	-	-	-	-10 985	-10 985	29	-10 956
Other changes – redemption of shares	-	-	-	-20	-20	20	0
As at the end of the period	2 005	-	4 273	22 958	29 236	1 871	31 107

Comparative period

	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 30 June 2024							
As at the beginning of the period	2 005	-	3 384	59 490	64 879	2 106	66 985
As at the beginning of the period upon making the data comparable	2 005	-	3 384	59 490	64 879	2 106	66 985
Net profit of the given period	-	-	-	-9 453	-9 453	61	-9 392
<i>Other comprehensive income (net)</i>	-	-	-	-	-	-	-
Total comprehensive income	-	-	-	-9 453	-9 453	61	-9 392
Other changes – acquisition of shares in subsidiary	-	-	-	219	219	-422	-203
Dividend paid to non-controlling interest	-	-	-	-	-	-82	-82
As at the end of the period	2 005	-	3 384	50 256	55 645	1 663	57 308

Consolidated 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	-8 594	-7 376
Total adjustments	2 953	15 301
Amortization and depreciation	3 473	3 259
Interest and profit sharing (dividends)	1 125	1 423
Gain on disposal of property, plant and equipment	1	-77
(Gain) loss from investment	-20	-
Change in provisions	-292	1 555
Change in inventories	-332	1 400
Change in receivables and other assets	-2 590	19 585
Change in current liabilities, except for loans and borrowings	452	-10 917
Other adjustments (including change in deferred income)	1 136	-927
Cash provided by (used in) operating activities	-5 641	7 925
Income tax paid	180	890
Net cash provided by (used in) operating activities	-5 821	7 035
Cash flows – investing activities		
Disposal of intangible assets and property, plant and equipment	-	73
Inflows from sale of shares in subsidiary	-	25
Acquisition of intangible assets and property, plant and equipment	-306	-163
Acquisition of shares in subsidiary	-	-203
Other investment inflows	23	-
Net cash provided by (used in) investing activities	-283	-268
Cash flows – financing activities		
Bank loan incurred	6 471	-
Payments to owners, expenses related to profit distribution	-	-72
Repayment of bank loans	-	-1 208
Interest and commission paid	-178	-124
Payment of liabilities under lease	-3 540	-3 223
Net cash provided by (used in) financing activities	2 753	-4 627
Total cash flows, net	-3 351	2 140
Increase/(decrease)in net cash and cash equivalents	-3 351	2 140
Cash and cash equivalents as at the beginning of the period	7 834	14 173
Cash and cash equivalents as at the end of the period	4 483	16 313
Including restricted cash (VAT account)	614	1 377

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

1. Establishment of the company and its principal activity

Company Prochem S.A. (hereinafter referred to as „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 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

The Management Board of the parent company of Prochem S.A. as at the date of preparation of hereby interim condensed consolidated financial statements, includes 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 of hereby interim consolidated financial statements, the following persons are included:

- 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.

2. Employment

Average employment in the Capital Group in the first half of 2025 was 296.4 FTEs, and in the first half of 2024 was 319.8 FTEs. Level of employment in persons as at 30 June 2025 was 300, and as at 30 June 2024 327.

3. Description of the organization of the capital group, with an indication of the entities subject to consolidation

Prochem S.A. Capital Group (referred to as „Capital Group”, „Group”), in addition to the data of the Parent Company 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% share in capital and voting rights belongs to 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% share in capital and voting rights belongs to Prochem Inwestycje subsidiary in 100%.;
- Prochem RPI Sp. z o.o. seated in Warsaw - subsidiary in 100% (including 3.3% share in capital and voting rights belongs to Prochem Inwestycje);
- Irydion Sp. z o.o. seated in Warsaw - subsidiary directly (100%).

Consolidated subsidiaries were included in the consolidated financial statements from the date of including the control until the date of loss of control by the Parent Company, and the jointly-controlled entities and associated entities from the date of exercising of joint control and exertion of significant influence.

In March 2025, company IRYDION, 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, for a remuneration of PLN 2,140.00 per share, i.e. for a total remuneration of PLN 18,832,000.00, concluded a share purchase agreement for the purpose of their redemption. The consideration 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.

4. Adopted accounting principles

Principle of presentation and statement of compliance

Interim condensed consolidated 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. Hereby interim condensed consolidated financial statements do not contain the information and disclosures required for complete financial statements and should be read together with consolidated financial statements for the financial year ended 31 December 2024.

The presented financial statements of the Prochem S.A. Capital Group present fairly and clearly the financial and property position 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. Condensed consolidated financial statements for the period from 1 January to 30 June 2025 and as at 30 June 2025 was subject to review by certified auditor.

Hereby interim condensed consolidated financial statements of the Prochem S.A. Capital Group have been prepared at assuming to continue business operations as a going concern in an unchanged form and scope for a period of at least 12 months from the end of the reporting period and there are no indications of any intended or forced cessation or significant limitation of its current activities. The management boards of the companies comprising the Prochem S.A. Capital Group have analysed the circumstances described in notes 34, 35 and 36 and in their opinion they do not affect the ability of the individual companies to continue as going concern.

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.

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 Entity and entities from the Capital Group does not have seasonal character and is not subject to cyclic trends, except for the segment of the general contracting, which is characterized by a seasonality, which in large extent depends on weather conditions. Weather conditions influence the volume of the revenues generated in these segments. Lower revenues are achieved during the winter season, when weather conditions do not allow for execution of some construction work.

The duration of the operations of the individual Capital Group companies is not limited.

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

Significant accounting principles and changes in IFRS

Changes in accounting estimates, and in accounting policies

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. In preparing hereby financial statements were 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.

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).

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

The Group has not decided to early apply any standards or amendments to standards, interpretations or amendments to existing standards before their effective.

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

In the opinion of the Capital Group, the amendments to IAS will not have a material impact on hereby financial statements.

5. Functional currency and presentation currency of financial statements

Consolidated financial statements are presented in thousands of Polish Zloty ('zloty' or "PLN"), which is the reporting currency and the functional currency of the Companies from the Capital Group S.A.

6. Explanatory notes to interim condensed consolidated financial statements prepared for the six-month period 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:	15 135	15 910
- land	2 473	2 494
- buildings, premises, civil engineering facilities	9 237	9 598
- machinery and equipment	1 736	1 868
- vehicles	1 448	1 689
- other PPE	241	261
Construction under progress	-	-
Total property, plant and equipment	15 135	15 910

Property, plant and equipment – ownership structure	As at 30 June 2025	As at 31 December 2024
a) own	4 851	4 877
b) used under a rental, lease or other agreement, including:	10 284	11 033
- lease	1 129	1 437
- rental	7 807	8 227
- value of the right of perpetual usufruct	1 348	1 369
Total carrying value of property, plant and equipment	15 135	15 910

The Group, pursuant to 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. Fair value as at June 30, 2025 does not differ significantly from fair value. Fair value was set based on measurement as at December 31, 2024 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.

	Change in PPE from 1 January 2025 to 30 June 2025	Change in PPE from 1 January 2024 to 31 December 2024
Gross value		
As at opening balance sheet	38 310	37 235
Increase (due to)	328	4 973
- acquisition of non-current assets	308	1 834
- re-measurement of property, plant and equipment	-	1 029
- changes	20	2 110
Decrease (due to)	-17	-3 898
- disposal of non-current assets	-1	-1 037
- liquidation of non-current assets	-16	-537
- changes	-	-2 324
As at closing balance sheet	38 621	38 310

Depreciation and impairment

As at opening balance sheet – accumulated depreciation	22 400	21 882
Depreciation for the period (due to)	1 086	518
- increase (accrued depreciation)	1 083	2 055
- decrease under disposal of non-current assets	-1	-804
- decrease under liquidation of non-current assets	-16	-537
- other changes	20	-196
As at closing balance sheet - accumulated depreciation	23 486	22 400
Impairment of PPE	-	-
PPE net value as at closing balance sheet	15 135	15 910

Note 2 – Investment Property

	As at 30 June 2025	As at 31 December 2024
Buildings and constructions	8 124	8 331
Land	4 632	4 632
Total investment property	12 756	12 963

Investment property according to category	Change in investment property for the period from 1 January 2025. to 30 June 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:		
a) increase – acquisition	-	902
b) decrease – depreciation accrued	-207	-384
Total changes	-207	518
As at closing balance sheet	8 124	8 331
Write-down of investment property	-	-
Total investment property	12 756	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, wherein not less frequently than once every two years.

Carrying value of the investment property as at 30 June 2025 does not significantly differ from fair value. Measurement at fair value as at 31 December 2024 was made by the independent valuers not associated with the Group. Valuers have the right qualifications to carry out valuations of investment property as well as current experience in such valuations in locations where are located assets of the Group. Valuation was carried out by reference to the market transaction prices for similar assets.

Details concerning investment property and information on the hierarchy of fair values as at 30 June 2025.

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

	Level 1	Level 2	Level 3	Fair value as at 30.06.2025
	In PLN thousands	In PLN thousands	In PLN thousands	In PLN thousands
Investment property	-	-	12 756	12 756

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

Note 3 – The Right-of-Use Assets

	As at 30 June 2025	As at 31 December 2024
- buildings and constructions	20 063	21 091
- machinery and equipment	173	204
- vehicles	2 147	2 109
Total assets	22 383	23 404

For the period from 1 January 2025 to 30 June 2025	Buildings and constructions	Tools, instruments, movables and equipment	Vehicles	Total
Gross book value	41 300	317	3 892	45 509
Increase in gross value-conclusion of new contracts	-	-	408	408
Increase in gross value-updating the value of contracts concluded	686	-	59	745
Decrease in gross value – ending of contract	-	-	-457	-457
Total	41 986	317	3 902	46 205
Increase (+) /decrease (-)				
Depreciation - as at opening balance	20 209	113	1 783	22 105
Depreciation accrued	1 714	31	429	2 174
Decrease - ending of contract	-	-	-457	-457
Total as at 30.06.2025	21 923	144	1 755	23 822
Gross book value	41 986	317	3 902	46 205
Accumulated depreciation	-21 923	-144	-1 755	-23 822
Book value net as at 30.06.2025 .	20 063	173	2 147	22 383

Comparative data

Description	Buildings and constructions	Tools, instruments, movables and equipment	Vehicles	Total
Book value gross	41 524	333	3 891	45 748
Increase in value – conclusion of new contracts	-	-	1 952	1 952
Increase in gross value– updating the value of concluded contracts	-	-	159	159
Decrease in value – ending of contract	-224	-	-2 110	-2 334
Write downs	-	-16	-	-16
Total	41 300	317	3 892	45 509
Increase (+) /decrease (-)				
Depreciation – as at opening balance sheet	-16 883	-48	-3 124	-20 055
Accumulated depreciation	-3 326	-65	-762	-4 153

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

Decrease – ending of contract	-	-	2 103	2 103
Total	-20 209	-113	-1 783	-22 105
Total as at 31.12.2024				
Book value gross	41 300	317	3 892	45 509
Accumulated depreciation	-20 209	-113	-1 783	-22 105
Book value net as at 31.12.2024	21 091	204	2 109	23 404

Note 4 – Shares

Shares	30 June 2025	31 December 2024
In other entities	825	830
Shares, net value	825	830
Write-downs of shares	6	6
Shares, gross value	831	836

Change in shares	30 June 2025	31 December 2024
a) As at the beginning of the period	830	830
- Disposal of shares in other entities	5	-
b) As at the end of the period	825	830

Note 5 – Settlement of Deferred Income Tax

Changes in provision and deferred tax assets for the first half of 2025 are presented in the table below.

Deferred tax assets	As at 30 June 2025	As at 31 December 2024
As at the beginning of the period	14 602	14 823
Increase	4 067	6 789
Decrease	-5 357	-7 010
As at the end of the period	13 312	14 602
Provision under deferred income tax	As at 30 June 2025	As at 31 December 2024
As at the beginning of the period	8 079	7 645
Increase	5 706	5 465
Decrease	-4 704	-5 031
As at the end of the period	9 081	8 079
Deferred tax assets	As at 30 June 2025	As at 31 December 2024
Provision under deferred income tax	-9 081	-8 079
Assets/(Provision) under deferred income tax	4 231	6 523

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

Presentation in the statement of financial position	As at 30 June 2025	As at 31 December 2024
Deferred tax assets	5 728	7 961
Provision under deferred income tax	-1 497	-1 438
Assets/(Provision) under deferred income tax	4 231	6 523

Note 6 - Inventories

Inventories	As at 30 June 2025	As at 31 December 2024
Materials	1 320	989
Total inventories	1 320	989
Including write-down 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	20 901	21 904
Write-down of trade receivables	2 453	2 458
Trade receivables net, including	18 448	19 446
- with repayment period up to 12 months	15 651	14 558
- with repayment period more than 12 months	2 797	4 888
Receivables from taxes, subsidies, custom duties, social and health insurance and other benefits	56	205
Other receivables	722	1 795
Write-down of other receivables	51	51
Other receivables net	671	1 744
Total receivables	19 175	21 395

To estimate the expected credit loss, the Group used a reserve matrix, which was developed based on observations of historical levels of aging and repayment of receivables. The Group performed an impairment test for assets - in the trade receivables item. As a result of the test, expected credit losses were not estimated.

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

Trade receivables with the remaining repayment period from the balance sheet date:	As at 30 June 2025	As at 31 December 2024
a) up to 1 month	10 414	10 240
b) above 1 month up to 3 months	3 545	3 519
c) above 3 months up to 6 months	940	27
d) above 6 month up to 1 year	175	427
e) above 1 year	2 797	4 888
f) receivables overdue	3 030	2 803
Total trade receivables (gross)	20 901	21 904
g) write-downs of trade receivables	2 453	2 458
Total trade receivables (net)	18 448	19 446

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

Age analysis of overdue trade receivables (gross)	As at 30 June 2025	As at 31 December 2024
a) up to 1 month	393	181
b) above 1 month up to 3 months	146	424
c) above 3 months up to 6 months	239	22
d) above 6 month up to 1 year	298	236
e) above 1 year	1 954	1 940
Total overdue trade receivables (gross)	3 030	2 803
f) write-downs of overdue trade receivables	1 995	2 123
Total overdue trade receivables (net)	1 035	680

Change in write-downs of trade and other receivables	As at 30 June 2025	As at 31 December 2024
As at the beginning of the period	2 509	5 423
a) increase (due to)	-	20
- provision to receivables	-	20
b) decrease (due to)	5	2 934
- use of write-downs created in previous periods	5	2 794
- release of provision to receivables	-	140
Write-downs of current trade and other receivables as at the end of the period	2 504	2 509

As at 30 June 2025 and 31 December 2024 trade receivables include current security deposits under statutory warranty granted for construction and assembly work, respectively for the amounts of PLN 2 802 thousand and 5 046 thousand.

Note 8 – Other Financial Assets

Other financial assets	As at 30 June 2025	As at 31 December 2024
a) from other entities:	5 521	6 516
- other financial assets – statutory warranty securing bank guarantee	5 521	6 516
Total other financial assets	5 521	6 516
Write-downs of other financial assets	-	-
Other financial assets gross	5 521	6 516

Note 9 – Other Assets

Other assets by type:	As at 30 June 2025	As at 31 December 2024
a) prepayments:	2 087	1 653
- cost of property and personnel insurance	521	458
- software maintenance costs	1 268	1 073
- subscriptions	9	7
- deferred costs	92	102
- land use fee	32	11
- write-off for the Social Fund	158	-
- other	7	2
b) other prepayments and accruals	-	-
Other assets	2 087	1 653

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	
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 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	33 681	50 088
Other reserve capitals	262	9 621
Profit for the previous period	-	-
Profit for the period	-10 985	-25 746
Total	22 958	33 963

Note 12 – Bank Loans

	As at 30 June 2025	As at 31 December 2024
- total loans including:	7 119	648
- non-current loans	2 044	-
- current loans	5 075	648

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

Information on bank loans incurred

Name of the bank	Registered office	Loan limit	Amount engaged	Repayment Date	Terms of interest	Collateral
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By PROCHEM S.A.

mBank S.A.	Warsaw	4 000	3 370	28.11.2025	WIBOR ON PLN plus margin. Interest is charged annually on the amount of credit used	promissory note in blank and surety and declaration of submission to enforcement by the following companies: Elektromontaż Kraków S.A. with its registered office in Kraków, Prochem RPI Sp. z o.o. with its registered office in Warsaw, and Prochem Inwestycje Sp. z o.o. with its registered office in Warsaw. Financial pledge on rights to funds from a bank account
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By Elektromontaż Kraków S.A.

Pekao S.A.	Warsaw	3 000	2 044	20.12.2026	WIBOR 1M + margin	Promissory note + BGK guarantee
ING BANK Śląski	Katowice	3 000	946	19.11.2025	WIBOR for 1-month deposits ON in PLN + margin	Contractual mortgage on a developed property in Zakopane + promissory note
mBank S.A.	Warsaw	1 500	759	28.02.2026	WIBOR ON + margin	Contractual mortgage on the developed real estate in Dębica and on the residential premises in Kraków + promissory note.

Note 13 – Trade Payables

	As at 30 June 2025	As at 31 December 2024
a) to other entities	33 646	31 175
- from supplies and services, with maturity period:	33 646	31 175
- up to 12 months	33 646	31 175
- over 12 months	-	-
Total current trade payables	33 646	31 175
Non-current liabilities under security deposits seized with maturity period above 12 months	4 763	4 777
Total trade payables	38 409	35 952

Note 14 - Settlements under Non-current Agreements

	As at 30 June 2025	As at 31 December 2024
- amounts due from recipients under non-current contracts:	28 065	23 536
amounts due from recipients under non-current contracts	28 065	23 536

	As at 30 June 2025	As at 31 December 2024
- amounts owed to recipients under non-current contracts:	3 607	4 274
a) current	3 607	4 274
Amounts owed to recipients under non-current contracts	3 607	4 274

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

Description	As at 30 June 2025	As at 31 December 2024
Revenues according to contracts	435 635	307 447
Revenues invoiced	194 396	183 296
Liabilities planned under execution of contracts	442 627	318 474
Fulfilled liabilities under contracts	241 018	221 102
Amounts due from recipients	28 065	23 536
Amounts owed to recipients	3 607	4 274

Note 15 - Liabilities under Lease

Liabilities at the end of the period, including:	As at 30 June 2025	As at 31 December 2024
- liabilities under finance lease	1 135	1 440
- liabilities under right-of-use	25 395	26 402
Total liabilities under lease	26 530	27 842
Including current	4 474	3 683

Liabilities under finance 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	473	60	533	553	74	627
1 to 5 years	662	38	700	887	40	927
Total	1 135	98	1 233	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	4 000	1 276	5 277	3 130	1 805	4 935
1 to 5 years	16 730	3 021	19 751	15 256	4 080	19 336
above 5 years	4 664	244	4 908	8 016	395	8 411
Total	25 394	4 541	29 936	26 402	6 280	32 682

Note 16 – Other Liabilities

	As at 30 June 2025	As at 31 December 2024
a)) to other entities:	3 390	3 810
- under taxes, duties, insurance and other charges	2 594	3 135
- under remuneration	473	516
- other (by type):	323	159
liabilities to employees	7	4
liabilities to shareholders	20	20
other	296	135

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

b) other current provisions:	3 426	4 624
- provision for costs accrued to the previous year, concerning long –term contracts	1 453	1 771
- provision to costs	322	911
- cost of audit	-	126
- current provision for retirement benefit	313	332
- provision for unused holiday leaves	1 338	1 484
Total other liabilities	6 816	8 434

Note 17 - Revenues from Sale of Services

Revenues from the sale of goods and materials (material structure and types of activities)	Period ended 30 June 2025	Period ended 30 June 2024
- revenues from sale of goods , including:	48 017	84 815
- from related entities	-	-
Revenues from sale of services (territorial structure)	Period ended 30 June 2025	Period ended 30 June 2024
Domestic sales	48 017	84 815

Revenues under contracts for construction services (general contracting) and other services are presented in Note 25 – operating segments.

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

Information on major customers, whose total value of revenues from sales of services exceeds 10% of the total revenues disclosed in statement of profit and loss of the entity for the first half of 2025 is included in Note 25 – operating segments.

Note 18 - Revenues from Sale of Goods and Materials

Revenues from the sale of goods and materials (material structure and types of activities)	Period ended 30 June 2025	Period ended 30 June 2024
- revenues from sale of goods	647	486
Revenues from sale of services (territorial structure)	Period ended 30 June 2025	Period ended 30 June 2024
Domestic sales	647	486

Note 19 – Cost of Services Sold

Costs by type	Period ended 30 June 2025	Period ended 30 June 2024
a) amortization and depreciation	3 473	3 259
b) consumption of materials and energy	8 671	19 521
c) outsourcing	17 679	41 935
d) taxes and levies	219	189
e) remuneration	18 410	18 667
f) social security and other benefits	4 164	4 253
g) other costs by type:	2 560	2 762
- property and personal insurance	475	923
- business trips	534	615
- State Fund for Rehabilitation of Disabled Persons PFRON	311	267

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

- rental of cars	335	130
- other	905	827
Total costs by type	55 176	90 586
Change in inventories, products and prepayments	-451	-591
General and administrative expenses (negative value)	-9 082	-8 699
Costs of services sold	45 643	81 296

Note 20 - Other Operating Income

	Period ended 30 June 2025	Period ended 30 June 2024
a) gain on sale of non-financial non-current assets	-	77
b) other, including:	55	63
- return of litigation cost	31	1
- compensation, fines and penalties received	7	17
- release of provision	-	28
- other	17	17
Total other operating income	55	140

Note 21 - Other Operating Expenses

	Period ended 30 June 2025	Period ended 30 June 2024
a) impairment allowance	-	21
- for receivables	-	21
b) other, including::	376	243
- litigation costs	74	8
- fines, penalties and compensation paid	282	189
- actuarial valuation of employee benefits	-	1
- other	20	45
Total other operating expenses	376	264

Note 2 - Financial Income

	Period ended 30 June 2025	Period ended 30 June 2024
a) interest under loans granted	-	-
- from jointly-controlled entities	-	-
b) other interest	119	54
- from other entities	119	54
c) surplus of positive exchange rate differences	9	95
d) other, including:	24	88
- revenues under discounted financial assets	-	87
- revenues under sale of financial assets	20	-
- other	4	1
Total financial income	152	237

Note 23 – Finance Costs

	Period ended 30 June 2025	Period ended 30 June 2024
a)) interest on bank loans	178	123
b) other interest	1 228	1 262
- for other entities	383	23
- under lease	845	1 239
c) surplus of negative exchange rate differences	30	214
d) other, under:	439	796
- commission on bank guarantees	421	418
- commission on loans	-	1
- costs under discounted non-current liabilities	-	297
- other costs	18	80
Total finance costs	1 875	2 395

Note 24– Additional Disclosures to the Statement of Cash Flows

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

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

	Period ended 30 June	
	In 2025	In 2024
Change in current receivables	-2 447	19 585
Receivables as at 1 January	21 395	37 847
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 under disposal of financial assets	-	-168
Opening balance sheet after adjustments	46 742	74 328
Receivables as at 30 June	19 175	28 828
Amounts due from recipients under contracts as at 30 June	28 065	23 315
Other assets as at 30 June	2 087	2 216
Receivables under seized security deposits as at 30 June	5	527
Receivables under non-current assets sold	-	-
Receivables under disposal of financial assets	-143	-143
Closing balance sheet after adjustments	49 189	54 743
Change in current liabilities except for current loans and special funds	452	-10 917
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 for current retirement benefits	-332	-329
Provisions for annual leaves	-1 484	-1 578
Provision for audit	-126	-140
Provision for current other costs	-	-7
Investment commitments	-	-3
Liabilities to shareholders	-20	-10
Opening Balance after adjustments	46 750	55 155

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

Trade payables as at 30 June	33 646	35 264
Amounts owed to recipients under contracts as at 30 June	3 607	1 322
Other liabilities as at 30 June	6 816	6 426
Liabilities under seized security deposits as at 30 June	4 763	4 907
Other non-current liabilities as at 30 June	52	53
Provision for current retirement benefits	-313	-317
Provisions for annual leaves	-1 338	-1 426
Provision for audit	-	-48
Provision for current other costs	-	-1 834
Investment commitments	-11	-89
Liabilities to shareholders	-20	-20
Closing balance after adjustment	47 202	44 238
Change in other adjustments as at 30 June	1 136	-927
Change in deferred income – advances received	56	-290
Other	1 080	-637

Note 25– Operating Segments

In the period from January 1, 2025 to June 30, 2025, there were no revenues from operations generated outside Poland (Exports) in the analogous period of the previous year, and the Group did not also generate revenues from Exports.

In the first half 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 half of the year would exceed 10% of total sales revenues.

Detailed data on the operations of Prochem S.A. Group in the individual segments are shown in the following tables. The analysis and results of the Group in the individual reporting segments covered by the reporting is presented below.

Note operating segments

For the period from 01.01.2025 to 30.06.2025.	General contracting o	Design services, and other engineering services	Assembly of electrical installation	Rental of office space and real estate	Commercial activity	Other	Items not assigned	Total
Revenues to external clients	7 468	16 607	20 266	3 525	647	151	-	48 664
Total segment revenues	7 468	16 607	20 266	3 525	647	151	-	48 664
Result of the segment	-3 857	-4 184	448	881	158	4	-	-6 550
Financial income							152	152
Finance costs							-1 875	-1 875
Net financial income							-1 723	-1 723
Profit on other operating activity							-321	-321
Before tax profit							-8 594	-8 594
Income tax							2 362	2 362
Profit for the current period							-10 956	-10 956
Loss assigned to non-controlling interest							29	29
Profit for the period assigned to shareholders of the parent entity							-10 985	-10 985
Segment assets (related to activity)	4 036	9 350	13 484	27 660	-	-496	-	54 034
Unallocated /not assigned assets (among others shares and other financial assets)							63 490	63 490
Total assets	4 036	9 350	13 484	27 660	-	-496	63 490	117 524
Segment assets (related to activity)	16 513	5 566	12 088	8 478	87	-	43 685	86 417
Owners of parent entity's equity	-	-	-	-	-	-	29 236	29 236
Non-controlling interest	-	-	-	-	-	-	1 871	1 871
Liabilities and equity, total	16 513	5 566	12 088	8 748	87	-	74 793	117 524
Depreciation of property, plant and equipment	161	733	540	1 162	-	369	495	3 463
Amortization of intangible assets	-	-	5	-	-	-	5	10

Note operating segments continuation

For the period from 01.01.2024 to 30.06.2024	General contracting o	Design services, and other engineering services	Rental of construction equipment	Assembly of electrical installation	Rental of office space and real estate	Management of real estates	Commercial activity	Other IT services	Other	Items not assigned	Total
Revenues to external clients	21 936	18 318	66	39 478	3 074	156	486	-	1 787	-	85 301
Total segment revenues	21 936	18 318	66	39 478	3 074	156	486	-	1 787	-	85 301
Result of the segment	-5 506	-3 265	11	1 447	456	-	87	-	1 676	-	-5 094
Total segment revenues										237	237
Result of the segment										-2 395	-2 395
Net financial income										-2 158	-2 158
Profit on other operating activities										-124	-124
Before tax profit										-7 376	-7 376
Income tax										2 016	2 016
Profit for the current period										-9 392	-9 392
Loss assigned to non-controlling interest										61	61
Profit for the period assigned to shareholders of the parent entity										-9 453	-9 453
Segment assets (related to activity)	1 258	6 904	-	24 673	28 530	-	-	-	290	-	61 655
Unallocated /not assigned assets (among others shares and other financial assets)										76 816	76 816
Total assets	1 258	6 904	-	24 673	28 530	-	-	-	290	76 816	138 471
Segment liabilities (related to activity)	16 763	375	4 780	19 375	11 413	-	-	18	-	28 439	81 163
Owner's equity	-	-	-	-	-	-	-	-	-	55 645	55 645
Non-controlling interest	-	-	-	-	-	-	-	-	-	1 663	1 663
Liabilities and equity, total	16 763	375	4 780	19 375	11 413	-	-	18	-	85 747	138 471
Depreciation of property, plant and equipment	146	681	1	497	1 041	-	-	-	39	843	3 248
Amortization of intangible assets	-	-	-	5	-	-	-	-	-	6	11

Information on the geographical areas

Geographical breakdown of sales revenue revealed in the 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	48 664	85 301
Total sales revenue	48 664	85 301

Geographical breakdown of property, plant and equipment and intangible assets

	30.06.2025	30.06.2024
Poland	15 166	15 121
Slovakia	1	-
Total property, plant and equipment and intangible assets	15 167	15 121

Note 26 - Profit per One Share

Net loss per 1 share of the Parent Entity remaining in trade as at 30 June 2025 was PLN (5.48), and for the analogous period of 2024 net loss was PLN (4.71).

Note 27 – Profit Distribution and Loss Coverage

Profit for the period of the Prochem S.A. Capital Group is not subject to distribution.

Pursuant to the Resolution No. 15 of the Ordinary General Meeting of June 27, 2025 the Issuer's net loss 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.

Note 28 - Dividends

In 2025 the Issuer did not pay dividend for 2024.

Note 29 - Financial Instruments and Financial Risk Management

29.1. Categories and classes of financial instruments

Financial assets

30 June 2025		Categories of financial instruments	
		Loans, receivables and other	Total
Classes of financial instruments	note		
Receivables from supplies and services	7	18 448	18 448
Amounts due from recipients under contracts	14	28 065	28 065
Cash		4 483	4 483
Other financial assets -security deposits constituting collateral for bank guarantees granted	8	5 521	5 521
Total		56 517	56 517

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

31 December 2024

		Categories of financial instruments	
		Loans, receivables and other	Total
Classes of financial instruments	note		
Receivables from supplies and services	7	19 446	19 446
Amounts due from recipients under contracts	14	23 536	23 536
Cash		7 834	7 834
Other financial assets -security deposits constituting collateral for bank guarantees granted	8	6 516	6 516
Total		57 332	57 332

Financial liabilities

30 June 2025

		Financial liabilities measured at amortized cost	
			Total
Classes of financial instruments	note		
Amounts owed to recipients under contracts	14	3 607	3 607
Other liabilities	16	6 816	6 816
Trade payables	13	33 646	33 646
Loans	12	7 119	7 119
Total		51 188	51 188

31 December 2024

		Financial liabilities measured at amortized cost	
			Total
Classes of financial instruments	note		
Amounts owed to recipients under contracts	14	4 274	4 274
Other liabilities	16	8 434	8 434
Trade payables	13	31 175	31 175
Loans	12	648	648
Total		44 531	44 531

29.2. Impairment allowances of financial assets by classes of financial instruments

(in PLN thousands)

Classes of financial instruments	30 June 2025	31 December 2024
Receivables from supplies and services	2 453	2 458
Total	2 453	2 458

Impairment allowances of financial assets are presented in note.

29.3. Liquidity risk related to the concentration of sales revenue

Prochem S.A. Capital group realized in the first half of 2025 sales revenue in the amount of PLN 48 017 thousand. Clients whose sales revenue exceeded 10% of sales revenue disclosed in the profit and loss account are listed in note 25.

29.4. Credit risk

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

The assumed period of receivables repayment related to the normal course of sales is 14-60 days. Amounts due from contracting parties are regularly monitored by the financial services. In case of overdue amounts the procedures of vindication are started.

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

Risk of threatened financial assets is reflected by impairment allowances.

29.5. Currency exchange rate risk

Part of contracts of sale of services (mainly of parent entity) is concluded with foreign companies in foreign currencies (EUR and 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 necessary for the accomplishment of these contracts abroad.

29.6. Interest rate change risk

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

29.7. Capital risk

The aim of capital risk management is to protect the Group's ability to continue its operations so that it is possible to generate returns for shareholders and maintain an optimal capital structure in order to reduce its cost.

29.8 Liquidity risk

The Capital Group companies are exposed to liquidity risk resulting from the ratio of current assets to current liabilities.

As at 30 June 2025 and as at 31 December 2024 the ratio of current assets to current liabilities of the Capital Group (current liquidity ratio) amounted to 1.12 and 1.27 respectively.

Note 30 – Collateral Granted and Received and Contingent Liabilities and Contingent Assets

	As at 30 June 2025	As at 31 December 2024
Bank guarantee of good performance and statutory warranty	48 542	47 836
Guarantee of return of advance payment	1 353	615
Guarantee of payment	1 310	1 310
Tender guarantee	560	600
Total guarantee granted	51 765	50 361
Total collateral granted and contingent liabilities	51 765	50 361

Collateral received	As at 30 June 2025	As at 31 December 2024
Bank guarantee of good performance	7 274	8 027
Promissory notes guarantees 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 31 - 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 30.

Note 32– 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 33 - 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 SA:

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

The nominal value of 1 share is PLN 1.

In the first half of 2025, there were no changes in the number of shares held by managing and supervising persons.

Note 34 - the impact of the military 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 noticed a noticeable impact on sales and the supply chain. First of all, there has been noticed a sharp increase in the prices of goods and services, delivery times for equipment and materials have been extended and the availability of some goods has been limited.

The Management Boards of the companies from the Prochem S.A. Capital Group monitor the current situation with particular attention and, if necessary, are 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. 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 preparation of hereby consolidated financial statements, the Prochem S.A. Group sees no threat regarding Group's continue as going concern.

Note 35 - Indication of factors which, in the issuer's opinion will have an impact on the results achieved by the Group in the perspective of at least the subsequent quarter

The operations of the Prochem S.A. Capital Group 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 participation of the Companies from the Capital Group 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 the Prochem S.A. Capital Group (in particular industrial companies) to start new investment plans. The Group 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 36– Uncertainty regarding continue as going concern

Due to the significant net loss incurred as at June 30, 2025 and the resulting decrease in Prochem S.A.'s equity to PLN 4 million, Management Board of Parent Entity decided to analyse 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 of the Parent Entity states that the losses incurred were generated on two contracts concluded by the parent entity 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 continued operations of the parent entity, the Management Board determined that they were one-off events. The resulting losses were covered from the own funds of the parent entity. 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 parent entity 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 37 - 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, any sureties or guarantees equivalent to at least 10% of the equity were not granted.

Note 38 - Approval of the consolidated financial statements

Interim condensed consolidated financial statement of the Capital Group and Prochem S.A. 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 of the Management Board	
Name and surname	position	signature

Krzysztof Marczak	Vice President of the Management Board	
Name and surname	position	signature

Michał Dąbrowski	Vice President of the Management Board	
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