

PROCHEM S.A. CAPITAL GROUP

CONSOLIDATED QUARTERLY REPORT

FOR THE THIRD QUARTER OF 2025

PROCHEM S.A.
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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 third quarter of 2025 - 4.2365 PLN/EUR
- For the third quarter of 2024 - 4.3022 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:

- 4.2692 PLN/EUR as at 30 September 2025
- 4.2730 PLN/EUR as at 31 December 2024

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

Description	Reporting period ended 30 September		Reporting period ended 30 September	
	2025	2024	2025	2024
	In PLN thousands		In EURO thousands	
Consolidated statement of profit and loss				
Revenues from sale	89 284	121 574	21 075	28 259
Gross profit on sales	7 570	6 089	1 787	1 415
Results from operating activities	-5 204	-8 140	-1 228	-1 892
Before tax profit	-7 599	-11 148	-1 794	-2 591
Profit for the period, assigned to:	-9 944	-13 493	-2 347	-3 136
Shareholders of the Parent Entity	-10 045	-13 593	-2 371	-3 160
Non-controlling interest	101	100	24	23
Profit/diluted profit (in PLN/EURO) per one ordinary share – assigned to shareholders of parent entity	-5.01	-6.78	-1.18	-1.58

Description	As at			
	30 September 2025	31 December 2024	30 September 2025	31 December 2024
	In PLN thousands		In EURO thousands	
Consolidated statement of cash flows				
Net cash provided by (used in) operating activities	-6 270	-2 075	-1 480	-482
Net cash provided by (used in) investing activities	-312	-294	-74	-68
Net cash provided by (used in) financing activities	5 147	-2 887	1 215	-671
Net cash flows, total	-1 435	-5 256	-339	-1 222

Description	As at			
	30 September 2025	31 December 2024	30 September 2025	31 December 2024
	In PLN thousands		In EURO thousands	
Consolidated statement of financial position				
Total assets	130 666	123 182	30 607	28 828
Total non-current assets	55 844	61 259	13 081	14 336
Total current assets	74 822	61 923	17 526	14 492
Equity attributable to shareholders of the parent entity	30 176	40 241	7 068	9 418
Non-controlling interest	1 943	1 822	455	426
Total equity	32 119	42 063	7 523	9 844
Total non-current liabilities	30 739	32 441	7 200	7 592
Total current liabilities	67 808	48 678	15 883	11 392
Book value per one ordinary share (in PLN/EURO) – assigned to shareholders of the parent entity	15.05	20.07	3.53	4.70
Weighted average number of shares (in pcs.)	2 005 000	2 005 000	2 005 000	2 005 000

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 third quarter of 2025 - 4.2365 PLN/EUR
- For the third quarter of 2024 - 4.3022 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:

- 4.2692 PLN/EUR as at 30 September 2025
- 4.2730 PLN/EUR as at 31 December 2024

Selected financial data of Prochem S.A.

Description	Reporting period ended 30 September		Reporting period ended 30 September	
	2025	2024	2025	2024
	In PLN thousands		In EURO thousands	
Separate statement of profit and loss				
Revenues from sale	40 826	59 855	9 637	13 913
Gross profit on sales	-955	-2 524	-225	-587
Results from operating activities	-8 337	-11 124	-1 968	-2 586
Before tax profit	-4 386	-13 101	-1 035	-3 045
Profit for the period	-6 422	-14 743	-1 516	-3 427
Profit/diluted profit (in PLN/EUR) per one ordinary share	-3.20	-7.35	-0.76	-1.71
Separate statement of cash flows				
Net cash provided by (used in) operating activities	-7 461	-4 966	-1 761	-1 154
Net cash provided by (used in) investing activities	1 399	-410	330	-95
Net cash provided by (used in) financing activities	5 759	965	1 359	224
Total cash flows, net	-303	-4 411	-72	-1 025

Description	As at			
	30 September 2025	31 December 2024	30 September 2025	31 December 2024
	In PLN thousands		In EURO thousands	
Separate statement of financial position				
Total assets	89 577	88 273	20 982	20 658
Total non-current assets	31 133	49 755	7 292	11 644
Total current assets	58 444	38 518	13 690	9 014
Total equity	3 441	9 863	806	2 308
Total non-current liabilities	42 259	40 416	9 899	9 458
Total current liabilities	43 877	37 994	10 278	8 892
Book value per one ordinary share (in PLN/EURO)	1.72	4.92	0.40	1.15
Weighted average number of shares (in pcs.)	2 005 000	2 005 000	2 005 000	2 005 000

Contents

Interim condensed consolidated financial statements of the Prochem S.A. Capital Group

1. Consolidated statement of financial position
2. Consolidated statement of profit and loss
3. Consolidated statement of comprehensive income
4. Consolidated statement of changes in equity
5. Consolidated statement of cash flows

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

1. Establishment of the Parent Entity and Its Principal Activity
2. The Management Board and Supervisory authorities of the Issuer
3. Employment
4. Description of the Capital Group with indication of the consolidated entities
5. Adopted accounting principles and statement of compliance
 - Principles of presentation and Statement on the compliance and reliability of the prepared report
 - Changes in accounting estimates and in accounting policies
 - New standards, interpretations and changes in published IFRS and their impact
6. Functional currency and presentation currency of financial statements
7. Foreign currency transactions
8. Explanatory notes to interim condensed consolidated financial statements as at and for the period of 9 months ended 30 September 2025
 - Note 38 - Statement of the Management Board of the Parent Entity regarding the true and fair preparation of the interim financial statements
 - Note 39 - Approval of financial statements for issue by the Management Boards of the Parent Entity

Prochem S.A. Financial information

Signatures of the Members of the Management Board

Interim condensed consolidated financial statements of the PROCHEM S.A. Capital Group prepared in accordance with International Financial Reporting Standards endorsed by EU as at and for the period ended September 30, 2025

Consolidated statement of financial position

(all amounts in PLN thousands if not stated otherwise)

	Note No.	30 September 2025	31 December 2024
Assets			
Non-current assets			
Property, plant and equipment	1	14 831	15 910
Intangible assets		30	33
Investment property	2	12 653	12 963
Right-of-use assets	3	21 447	23 404
Shares	4	825	830
Deferred tax assets	5	5 802	7 961
Receivables under seized security deposits		256	158
Total non-current assets		55 844	61 259
Current assets			
Inventories	6	2 981	989
Trade and other receivables	7	34 059	21 395
Receivables under current income tax		9	-
Amounts due from recipients under contracts	14	25 134	23 536
Other financial assets	8	4 126	6 516
Other assets	9	2 114	1 653
Cash and cash equivalents		6 399	7 834
Total current assets		74 822	61 923
Total assets		130 666	123 182

Consolidated statement of financial position

(all amounts in PLN thousands if not stated otherwise)

Equity and liabilities	Note No.	30 September 2025	31 December 2024
Equity			
Share capital	10	2 005	2 005
Own shares		-	-
Revaluation reserve		4 273	4 273
Retained earnings	11	23 898	33 963
Owners' equity		30 176	40 241
Non-controlling interest		1 943	1 822
Total equity		32 119	42 063
Non-current liabilities			
Non-current bank loans	12	2 939	-
Provision to deferred income tax	5	1 397	1 438
Liability under retirement and similar benefits		2 014	2 015
Non-current liabilities under seized security deposits		3 397	4 777
Non-current liabilities under lease	15	20 940	24 159
Other non-current liabilities		52	52
Total non-current liabilities		30 739	32 441
Current liabilities			
Current bank loans	12	7 584	648
Trade payables	13	44 935	31 175
Amounts owed to recipients under contracts	14	3 298	4 274
Liabilities under current income tax		116	149
Current liabilities under lease	15	5 106	3 683
Other liabilities	15	6 063	8 434
Deferred income	16	706	315
Total current liabilities		67 808	48 678
Total liabilities		98 547	81 119
Total equity and liabilities		130 666	123 182
Book value – equity assigned to owners of the Parent Entity		30 176	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 Parent Entity		15.05	20.07

Consolidated statement of profit and loss

(all amounts in PLN thousands if not stated otherwise)

	Note No.	Period ended 30 September 2025	Period ended 30 September 2024
Revenues from sale, including:		89 284	121 574
Revenues from sale of services	17	88 635	121 022
Revenues from sale of goods and materials	18	649	552
Cost of sales, including:		-81 714	-115 485
Cost of services sold	19	-81 223	-115 024
Cost of merchandise and raw materials		-491	-461
Gross profit on sales		7 570	6 089
General and administrative expenses	19	-13 459	-13 998
Other operating income	20	1 161	121
Other operating expenses	21	-476	-352
Results from operating activities		-5 204	-8 140
Financial income	22	163	488
Profit on sale of all or part of shares in subsidiary		-	-
Finance expenses	23	-2 558	-3 496
Profit sharing in associated entities		-	-
Before tax profit		-7 599	-11 148
Income tax expense:	24	2 345	2 345
- current tax		228	864
- deferred tax		2 117	1 481
Profit for the period		-9 944	-13 493

Profit for the period assigned to:

Shareholders of the Parent Entity	-10 045	-13 593
Non-controlling interest	101	100
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	-5.01	-6.78

Consolidated statement of comprehensive income

		Period ended 30 September 2025	Period ended 30 September 2024
Profit for the period		-9 944	-13 493
Other comprehensive income net		-	-
Total comprehensive income		-9 944	-13 493

Total comprehensive income assigned to:

Shareholders of the Parent Entity	-10 045	-13 593
Non-controlling interest	101	100
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	-5.01	-6.78

Consolidated statements 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 September 2025							
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	-	-	-	-10 045	-10 045	101	-9 944
<i>Other comprehensive income (net)</i>	-	-	-	-	-	-	-
Total comprehensive income	-	-	-	-10 045	-10 045	101	-9 944
Other changes – redemption of shares	-	-	-	-20	-20	20	-
As at the end of the period	2 005	-	4 273	23 898	30 176	1 943	32 119

	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 September 2024							
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	-	-	-	-13 593	-13 593	100	-13 493
<i>Other comprehensive income (net)</i>	-	-	-	-	-	-	-
Total comprehensive income	-	-	-	-13 593	-13 593	100	-13 493
Dividend paid to non-controlling interest	-	-	-	-	-	-82	-82
Other changes – acquisition of shares in subsidiary	-	-	-	219	219	-422	-203
redemption of shares in subsidiary	-	-	-	-	-	-	-
As at the end of the period	2 005	-	3 384	46 116	51 505	1 702	53 207

Consolidated statement of cash flows
(all amounts in PLN thousands if not stated otherwise)

	Period ended 30 September 2025	Period ended 30 September 2024
Cash flows - operating activities		
Before tax profit	-7 599	-11 148
Total adjustments	1 600	10 131
Amortization and depreciation	5 206	4 940
Interest and profit sharing (dividends)	1 492	1 914
(Profit) loss on disposal of property, plant and equipment	1	-29
(Profit) loss on investment	-20	-
Change in provision	-404	-395
Change in inventories	-1 993	1 797
Change in receivables and in other assets	-14 821	12 584
Change in current liabilities except for borrowings and loans	9 310	-9 459
Other adjustments (including change in deferred income)	2 829	-1 221
Cash provided by (used in) operating activities	-5 999	-1 017
Income tax paid	271	1 058
Net cash provided by (used in) operating activities	-6 270	-2 075
Cash flows – investing activities		
Disposal of intangible assets and property, plant and equipment	-	174
Inflow from sale of shares	-	168
Acquisition of intangible assets and property, plant and equipment	-335	-433
Other inflow from investment	23	-
Acquisition of shares in subsidiary	-	-203
Net cash provided by (used in) investing activity	-312	-294
Cash flows – financing activity		
Bank loan	9 875	3 771
Interest received	40	-
Other than payments to owners, outflows under profit distribution	-	-72
Repayment of bank loans	-	-1 561
Interest and commission paid	-300	-157
Payment of liabilities under lease	-4 468	-4 868
Net cash provided by (used in) financing activity	5 147	-2 887
Total cash flows, net	-1 435	-5 256
Increase/(decrease) in cash and cash equivalents net	-1 435	-5 256
Cash and cash equivalents at the beginning of the period	7 834	14 173
Cash and cash equivalents at the end of the period	6 399	8 917
Including restricted cash	749	394

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

1. Establishment of the Parent Entity and Its Principal Activity

Company Prochem S. A. (hereinafter called „Prochem”, „Company”, „Issuer”) seated in Warsaw, 95 Łopuszańska Street. The Company is registered in the National Court Register (KRS) by the District Court for the Capital City Warsaw, XIV Commercial Department of the National Court Register, under KRS number 0000019753. Principal activity 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 Supervisory Board and Supervisory Authorities of the Issuer

The Management Board of the parent company Prochem S.A. as at the date of preparation of hereby consolidated financial statements consists of the following persons:

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

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

Composition of the Supervisory Board of Prochem S.A.

As at the date of preparation hereby consolidated financial statements comprises of the following persons:

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

In the period from 1 January 2025 to 30 September 2025 there were no changes in the composition of the Supervisory Board.

3. Employment

Average employment in the Prochem S.A. Capital Group for three quarters of 2025 was 294.6 FTEs and in 2024 316.8 FTEs. Level of employment in persons as at September 30, 2025 was 296 and as at 30 September 2024 311.

4. Description of the organization of the capital group, indicating the entities subject to consolidation

Prochem S.A. Capital Group (hereinafter 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 holds Prochem Inwestycje subsidiary in 100%;
- Prochem Zachód Sp. z o.o. seated in Warsaw – subsidiary directly (100.0%);
- Elektromontaż Kraków S.A seated in Kraków – subsidiary indirectly (91.8%), including 57.49% share in capital and voting rights holds 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 holds 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.

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

Principles of presentation and Statement on the compliance and reliability of the prepared report

Interim condensed consolidated financial statements of the PROCHEM S.A. for the current period from January 1 to September 30, 2025, the comparable period from January 1 to September 30, 2024, together with selected explanatory notes, were not subject to review by a statutory auditor.

Interim condensed consolidated financial statements of PROCHEM S.A. for the third quarter of 2025 were prepared according to IAS 34 „Interim Reporting”, in the shape endorsed by the European Union and with Regulation of the Minister of Finance of February 19, 2009 on current and periodic information provided by issuers of securities and Regulation of the Minister of Finance of March 29, 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 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 Capital Group of Prochem S.A. presents fairly and clearly the financial and property situation as at September 30, 2025 and the comparative data as at December 31, 2024, as well as the results of this activity for the year ended September 30, 2025 and comparative data for the year ended September 30, 2024.

Hereby interim condensed consolidated financial statements of the Prochem S.A. Capital Group have been prepared at assuming to continue as going concern its business activities in an unchanged form and scope for a period of at least 12 months from the day ending the reporting period and that no premises exist 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 36 and 37 and in their opinion they do not affect the ability of the individual companies to continue as going concern.

The Management Board of Prochem S.A., the parent company of the Prochem S.A. Capital Group, does not identify any facts or circumstances as at the date of signing the condensed consolidated financial statements that would indicate a threat to the going concern in the foreseeable future.

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

Financial statements were prepared based on the principle of the historical cost, apart from:

- land, buildings and constructions 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 being 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 that segment. Lower revenues are achieved during the winter season, when weather conditions do not allow for execution of some construction work.

The duration of operation of individual entities of the Capital Group is not limited.

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

Significant accounting principles and changes to IFRS

Changes in accounting estimates and in accounting policies

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

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 selected accounting principles

Approved by the IASB for use after January 1, 2025:

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

Approved by the IASB for use after 1January 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 1January 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 adopt standards, amendments to standards, interpretations or amendments to existing standards before their effective date.

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.

6. 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 Parent Entity.

7. Transactions in foreign currencies

Transactions in foreign currencies are initially recognized at the exchange rate of the NBP effective as at the transaction date. Balance sheet items of assets and liabilities expressed in foreign currencies are measured at the average NBP exchange rate in force at the balance sheet date. Gains and losses arising from the settlement of such transactions and carrying value of assets and liabilities expressed in foreign currencies are recognized in the statement of profit and loss.

8. Explanatory notes to interim condensed consolidated financial statements as at and for the period of 9 months ended 30 September 2025

Note 1 – Property, Plant and Equipment

	As at 30 September 2025	As at 31 December 2024
Property, plant and equipment, including:		
- land	14 831	15 910
- buildings, premises and civil engineering objects	2 462	2 494
- machinery and equipment	8 949	9 598
- vehicles	1 793	1 868
- other PPE	1 389	1 689
Construction under progress	238	261
Total property, plant and equipment	14 831	15 910

	As at 30 September 2025	As at 31 December 2024
Property, plant and equipment - ownership structure		
a) own	4 881	4 877
b) use under rental, lease or other agreement , including, including:		
- lease	9 950	11 033
- rental	1 028	1 437
- value of the right of perpetual usufruct	7 585	8 227
Balance sheet items of property, plant and equipment, total	14 831	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 year.

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 September 30, 2025 does not significantly differ from fair value. The measurement at fair value as at December 31, 2024 was made by 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 made in locations where the Group's assets are located.

	Change in property, plant and equipment for the period from January 1, 2025 to September 30, 2025	Change in property, plant and equipment for the period from January 1, 2024 to December 31, 2024
Gross value		
As at opening balance sheet	38 310	37 235
Increase (due to)	554	4 973
- acquisition of non-current assets	534	1 834
- re-measurement of non-current assets	-	1 029
- changes	20	2 110
Decrease (due to)	-24	-3 898
- disposal of non-current assets	-1	-1 037
- liquidation of non-current assets	-23	-537
- changes	-	-2 324
As at closing balance sheet	38 840	38 310

Depreciation and impairment

As at opening balance sheet – accumulated depreciation	22 400	21 882
Depreciation for the period (under)	1 609	518
- increase (due to accrued depreciation)	1 613	2 055
- decrease due to the sale of non-current assets	-1	-804
- decrease due to liquidation of non-current assets	-23	-537
- other changes	20	-196
As at closing balance sheet - accumulated depreciation	24 009	22 400
Impairment of non-current assets	-	-
Net value of non-current assets at the end of the balance sheet period	14 831	15 910

Note 2 – Investment property

	As at 30 September 2025	As at 31 December 2024
Buildings and constructions	8 021	8 331
Land	4 632	4 632
Total investment property	12 653	12 963
 Investment property due to	 Changes in investment property for the period from 1 January 2025 to 30 September 2025	 Changes 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
a) increase due to acquisition	-	220
b) increase due to measurement at fair value	-	682
c) decrease - depreciation accrued	-310	-384
Total change	-310	518
As at closing balance sheet	8 021	8 331
 Write-down of investment property	-	-
Total investment property	12 653	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 every two years.

Fair value as at September 30, 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 constructions, 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 30 September 2025.

	Level 1	Level 2	Level 3	Fair value as at 30.09.2025
	In PLN thousands	In PLN thousands	In PLN thousands	In PLN thousands
Investment property	-	-	12 653	12 653

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

Note 3 – Right-of-use Assets

	As at 30 September 2025	As at 31 December 2024
- buildings and constructions	19 201	21 091
- machinery and equipment	157	204
- vehicles	2 089	2 109
Total assets	21 447	23 404

Description	Changes in right-of-use assets for the period from 1 January 2025 to 30 September 2025	Changes in right-of-use assets for the period from 1 January 2024 to 31 December 2024
Gross book value	45 509	45 748
Increase in value – new contracts concluded	602	1 952
Increase in gross value – updating of the value of contracts concluded	745	159
Decrease in value – ending of a contract	-1 108	-2 334
Impairment	-	-16
Total, gross book value	45 748	45 509
Increase (+) /decrease (-)		
Depreciation – as at opening balance sheet	-22 105	-20 055
Depreciation accrued	-3 269	-4 153
Decrease – ending of a contract	1 073	2 103
Total, accumulated depreciation	-24 301	-22 105
Total as at closing balance sheet		
Gross book value	45 748	45 509
Accumulated depreciation	-24 301	-22 105
Net book value as at closing balance sheet	21 447	23 404

Note 4 - Shares

Shares in other entities	As at 30 September 2025	As at 31 December 2024
In other entities	825	830
Shares, net value	825	830
Write-down of shares	6	6
Shares, gross value	831	836

Changes in shares	As at 30 September 2025	As at 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

Shares in other entities as at 30.09.2025

Description	Number of shares	Share in capital (%)	Carrying amount of shares held (in PLN thousands)
Kostrzyńsko Słubicka Specjalna Strefa Ekonomiczna	8 250	3.04	825

Note 5 – Settlement of Deferred Income Tax

Changes in the values of provision and deferred income tax for three quarters of 2025 are shown in the table below.

Deferred tax assets	As at	
	30 September 2025	31 December 2024
As at the beginning of the period	14 602	14 823
Increase	4 035	6 789
Decrease	-5 426	-7 010
As at the end of the period	13 211	14 602
Provision under deferred income tax	As at	
	30 September 2025	31 December 2024
As at the beginning of the period	8 079	7 645
Increase	6 156	5 465
Decrease	-5 429	-5 031
As at the end of the period	8 806	8 079

	As at	
	30 September 2025	31 December 2024
Deferred tax assets	13 211	14 602
Provision under deferred income tax	-8 806	-8 079
Assets/(Provision) under deferred income tax	4 405	6 523
Presentation in the statement of financial position	As at	
	30 September 2025	31 December 2024
Deferred tax assets	5 802	7 961
Provision under deferred income tax	-1 397	-1 438
Assets/(Provision) under deferred income tax	4 405	6 523

Note 6 – Inventories

Inventories	As at 30 September 2025	As at 31 December 2024
Materials	2 981	989
Total inventories	2 981	989
Write-down of inventories	557	557

Note 7 – Trade and Other Receivables

Trade and other receivables	As at 30 September 2025	As at 31 December 2024
Trade receivables	35 608	21 904
Write-down of trade receivables	2 453	2 458
Trade receivables net, including	33 155	19 446
- with repayment period up to 12 months	30 481	14 558
- with repayment period above 12 months	2 674	4 888
Receivables from taxes, subsidies, custom duties, social and health insurance and other benefits	242	205
Other receivables	713	1 795
Write-down of other receivables	51	51
Other receivables net	662	1 744
Total receivables	34 059	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 estimated and included in other operating expenses. As a result of the test, no expected credit losses were estimated

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

Trade receivables with the remaining repayment period from the balance sheet date:	As at 30 September 2025	As at 31 December 2024
a) up to 1 month	23 885	10 240
b) above 1 month up to 3 months	5 657	3 519
c) above 3 months up to 6 months	999	27
d) above 6 months up to 1 year	48	427
e) above 1 year	2 762	4 888
f) receivables overdue	2 257	2 803
Total trade receivables (gross)	35 608	21 904
g) write-downs of trade receivables	2 453	2 458
Total trade receivables (net)	33 155	19 446

Age analysis of trade receivables overdue (gross)	As at 30 September 2025	As at 31 December 2024
a) up to 1 month	3	181
b) above 1 month up to 3 months	136	424
c) above 3 months up to 6 months	29	22
d) above 6 months up to 1 year	110	236
e) above 1 year	1 979	1 940
Total trade receivables (gross)	2 257	2 803
f) write-downs of trade receivables overdue	1 944	2 123
Total trade receivables overdue (net)	313	680

	As at 30 September 2025	As at 31 December 2024
Change in write-downs of trade and other receivables		
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 at the end of the period	2 504	2 509

In most contracts signed by the Group, payment terms for services are set in the range of 14 to 60 days. As at September 30, 2025 and as at December 31, 2024 receivables include security deposits under statutory warranty for construction and assembly works, respectively in the amounts of PLN 2 930 thousand and PLN 5 046 thousand.

Note 8 – Other Financial Assets

	As at 30 September 2025	As at 31 December 2024
Other financial assets by type:		
a) other financial assets - security deposits securing bank guarantees	4 126	6 516
Total other financial assets	4 126	6 516

Note 9 – Other Assets

	As at 30 September 2025	As at 31 December 2024
a) prepayments	2 114	1 653
- cost of property and personal insurance	411	458
- software maintenance cost	1 408	1 073
- subscriptions	14	7
- subscriptions	116	102
- land use fee	22	11
- other	64	2
- write-off for the Social Fund	79	-
Other assets	2 114	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 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 2025.

Note 11 – Retained Earnings

	As at 30 September 2025	As at 31 December 2024
Spare capital	33 681	50 088
Other reserve capitals	263	9 621
Profit for the previous period	-	-
Profit for the period	-10 045	-25 746
Total	23 898	33 963

Note 12 – Current Bank Loans

	As at 30 September 2025	As at 31 December 2024
- total loans including:	10 523	648
- non-current loans	2 939	-
- current loans	7 584	648

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	3 552	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 Warszawie and Prochem Inwestycje sp. z o.o. with its
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						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	2 939	20.12.2026	WIBOR 1M plus margin	Wechsel + gwarancja BGK
ING BANK Śląski	Katowice	3 000	2 646	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	1 386	28.02.2026	WIBOR ON plus 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 September 2025	As at 31 December 2024
a) to other entities	44 935	31 175
- from supplies and services, with maturity period:		
- up to 12 months	44 935	31 175
- over 12 months	44 935	31 175
Total trade payables	44 935	31 175
Non-current liabilities under seized security deposits	3 397	4 777
Total trade payables	48 332	35 952

Note 14 – Amounts Owed to Recipients under Long-term Agreements

	As at 30 September 2025	As at 31 December 2024
- amounts due from recipients under contracts	25 134	23 536
Amounts due from recipients under long-term agreements	25 134	23 536

Amounts owed to recipients under long-term agreements

	As at 30 September 2025	As at 31 December 2024
- amounts owed to recipients under non-current contracts	3 298	4 274
Amounts owed to recipients under non-current contracts	3 298	4 274

Description	As at 30 September 2025	As at 31 December 2024
Revenues according to contracts	402 730	307 447
Value of revenues invoiced	180 136	183 296
Planned liabilities under execution of agreements	430 246	318 474
Fulfilled obligations under agreements	247 264	221 102
Amounts due from recipients	25 134	23 536
Amounts owed to recipients	3 298	4 274

Note 15 – Other Liabilities

	As at 30 September 2025	As at 31 December 2024
a) to other entities	3 170	3 810
- under taxes, duties, insurance and other benefits	2 511	3 135
- under remuneration	430	516
- other (by type)	229	159
liabilities to employees	9	4
liabilities to shareholders	20	20
other	200	135
b) other non-current provisions	2 893	4 624
- provision for costs accrued to long-term contracts	1 000	1 771
- provision for costs	354	911
- cost of audit	-	126
- current provision for retirement benefit	297	332
- provision for unused annual leaves	1 242	1 484
Total other liabilities	6 063	8 434

Liabilities under lease

	Future minimum lease payments	Interest	Current value	Future minimum lease payments	Interest	Current value
In PLN thousands	2025	2025	2025	2024	2024	2024
Up to one year	462	50	512	553	74	627
1 to 5 years	573	31	604	887	40	927
Total	1 035	81	1 116	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	2025	2025	2025	2024	2024	2024
Up to one year	4 644	1 372	6 016	3 130	1 805	4 935
1 to 5 years	16 275	2 670	18 945	15 256	4 080	19 336
Above 5 years	4 092	223	4 315	8 016	395	8 411
Total	25 011	4 265	29 276	26 402	6 280	32 682

Note 16 – Deferred Income

	As at 30 September 2025	As at 31 December 2024
- advances received	706	315
Deferred income at the end of the period, including:	706	315
Non-current liabilities	-	-
Current liabilities	706	315

Note 17 - Revenues from Sale of Services

Revenue from sale of services (type of service and type of activity)	Period ended 30 September 2025	Period ended 30 September 2024
- revenues from sale of service , including:	88 635	121 022
- from related entities	-	-
 Revenues from sale (territorial structure)	 Period ended 30 September 2025	 Period ended 30 September 2024
Domestic market	88 635	121 022
- including from related entities	-	-

Revenues under contracts for construction services (general contracting) and other services are presented in Note 26. 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 of the Group for 2025 is included in Note 26 – Operating segments.

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 30 September 2025	Period ended 30 September 2024
Goods and materials	649	552
Revenues from sale of goods and materials (territorial structure)	Period ended 30 September 2025	Period ended 30 September 2024
Home market	649	552

Note 21 – Cost of Services

Costs by type	Period ended 30 September 2025	Period ended 30 September 2024
a) amortization and depreciation	5 206	4 940
b) consumption of materials and energy	16 230	24 530
c) outsourcing	36 916	51 934
d) taxes and levies	303	241
e) remuneration	28 326	27 702
f) social security and other benefits	6 312	6 098
g) other costs by type (by category)	3 247	4 368
- property and personal insurance	598	1 197
- business trips	667	842
- State Fund for Rehabilitation of Disabled Persons (PFRON)	463	422
- cars rental	254	215
- other	1 265	1 692
Total costs by type	96 540	119 813
Change in inventories, goods and prepayments	-1 858	9 209
General and administrative expenses (negative value)	-13 459	-13 998
Cost of services	81 223	115 024

Note 20 – Other Operating Income

	Period ended 30 September 2025	Period ended 30 September 2024
a) gain on disposal of non-financial non-current assets	-	29
b) donations	20	-
c) other, including:	1 141	92
- reimbursement of litigation costs	31	1
- received compensation, fines and penalties	1 071	17
- release of provision	-	28
- other	39	46
Total other operating income	1 161	121

Nota 21 – Other Operating Expenses

	Period ended 30 September 2025	Period ended 30 September 2024
a) impairment allowance (under)	-	21
- receivables	-	21
b) other, including::	476	331
- litigation costs	75	16
- actuarial valuation of employee benefits	-	1
- damages, penalties and fines paid	282	197
- other	119	117
Total other operating expenses	476	352

Note 22 – Financial Income

	Period ended 30 September 2025	Period ended 30 September 2024
a) other interest	134	81
- from other entities	134	81
b) surplus of positive exchange rate differences	9	201
c) other, including:	20	206
- income under discounted non-current liabilities	-	205
- other	-	1
Total financial income	163	488

Note 23 – Finance Costs

	Period ended 30 September 2025	Period ended 30 September 2024
a) interest on bank loans	300	156
b) other interest:	1 502	1 753
- for other entities	421	40
- under lease	1 081	1 713
c) surplus of negative exchange rate differences	27	402
d) other, under:	729	1 185
- commission on bank guarantees	635	621
- commission on loans	-	1
- costs under discounted non-current liabilities	-	435
- other costs	94	128
Total finance costs	2 558	3 496

Note 24 – Income Tax

Deferred income tax disclosed in the profit and loss account	Period ended 30 September 2025	Period ended 30 September 2024
- decrease (increase) due to arising and reversal of temporary differences	2 117	1 481
Total deferred income tax	2 117	1 481

Note 25 – 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 September 2025	Period ended 30 September 2024
Change in current receivables	-14 678	12 559
Receivables as at 1 January	21 395	37 847
Amounts due from recipients under agreements as at January 1	23 536	34 126
Other assets as at 1 January	1 653	1 338
Receivables under seized security deposits as at January 1	158	1 185
Receivables under disposal of financial assets	-	-168
Opening balance sheet after adjustments	46 742	74 328
Receivables as at September 30	34 059	29 944
Amounts due from recipients under agreements as at September 30	25 134	29 395
Other assets as at September 30	2 114	2 132
Receivables under seized security deposits as at September 30	256	441
Receivables under disposal of financial assets	-143	-143
Closing balance sheet after adjustments	61 420	61 769
Change in current liabilities except for current borrowings and special funds	9 311	-9 459
Trade payables as at January 1	31 175	34 123
Other liabilities as at January 1	8 434	11 490
Amounts owed to suppliers under agreements 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 as at January 1	-	-3
Liabilities to shareholders	-20	-10
Opening Balance Sheet after adjustments	46 750	55 155
Trade payable as at September 30	44 935	35 754
Amounts owed to recipients under agreements as at September 30	3 298	478
Other liabilities as at September 30	6 063	6 317
Liabilities under seized security deposits as at September 30	3 397	4 789
Other non-current liabilities as at September 30	52	53
Provision for current retirement benefits	-297	-317

Provisions for annual leaves	-1 242	-1 358
Investment commitments	-125	-
Liabilities to shareholders	-20	-20
Closing balance sheet after adjustment	56 061	45 696
Change in other adjustments as at balance sheet day	2 829	-1 221
Change in deferred income - advances received	391	-290
Other , adjustment of non-current financial assets (security deposits securing bank guarantees)	2 438	-931

Note 26 – Operating Segments

In the period from January 1, 2025 to September 30, 2025, there were no revenues from operating activity achieved outside Poland (Exports) in the analogous period of the previous year, the Group also did not achieve revenues from Exports.

In the period from 1 January to 30 September 2025, there was no single major customer of the Prochem S.A. Group whose share in sales revenue recognized in the consolidated statement of profit and loss for the three quarters of 2025 would exceed 10% of total sales revenue.

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

Information about the geographical areas

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

	Note	For the period from 1.01.2025 to 30.09.2025	For the period from 1.01.2024 to 30.09.2024
Poland		89 284	121 574
Other countries		-	-
	17	89 284	121 574

Current data

For the period from 01.01.2025 to 30.09.2025	General contracting	Design services, other engineering services	Assembly of electrical installations	Rental of office space	Commercial activity	Other	Items not assigned	Total
Revenues to external clients	16 022	28 460	38 647	5 268	649	238	-	89 284
Total revenues of the segment	16 022	28 460	38 647	5 268	649	238	-	89 284
Result								
Result of the segment	-5 974	-3 280	1 508	1 376	158	323	-	-5 889
Financial income							163	163
Finance costs							-2 558	-2 558
Financial revenues net							-2 395	-2 395
Profit sharing in entities valued using the equity method							-	-
Profit on other operating activities							685	685
Before tax profit							-7 599	-7 599
Income tax							2 345	2 345
Profit for the current period							-9 944	-9 944
Loss assigned to non-controlling interest							101	101
Profit for the period assigned to shareholders of the parent entity							-10 045	-10 045
Segment assets (related to activity)	5 955	8 130	26 166	27 092	-	17	-	67 360
Assets not assigned/unallocated (among others shares and other financial assets)							63 306	63 306
Total assets	5 955	8 130	26 166	27 092	-	17	63 306	130 666
Depreciation of property, plant and equipment	246	1 110	805	1 739	-	536	756	5 192
Amortization of intangible assets	-	-	7	-	-	-	7	14

Comparative data

For the period from 01.01.2024 to 30.09.2024.	General contracting	Design services, other engineering services	Rental of construction equipment	Assembly of electrical installations	Rental of office space	Commercial activity	Other	Items not assigned	Total
Revenues to external clients	33 239	27 935	-	53 081	4 894	552	1 873	-	121 574
Total revenues of the segment	33 239	27 935	-	53 081	4 894	552	1 873	-	121 574
Result									
Result of the segment	-9 060	-3 805	-	2 393	765	90	1 708	-	-7 909
Financial income								488	488
Finance costs								-3 496	-3 496
Financial revenues net								-3 008	-3 008
Profit sharing in entities valued using the equity method								-	-
Profit on other operating activities								-231	-231
Before tax profit								-11 148	-11 148
Income tax								2 345	2 345
Profit for the current period								-13 493	-13 493
Loss assigned to non-controlling interest								100	100
Profit for the period assigned to shareholders of the parent entity								-13 593	-13 593
Segment assets (related to activity)	7 418	10 615	-	16 521	29 655	-	124	-	64 333
Assets not assigned/unallocated (among others shares and other financial assets)								72 853	72 853
Total assets	7 418	10 615	-	16 521	29 655	-	124	72 853	137 186
Depreciation of property, plant and equipment	219	1 017	-	761	1 616	-	64	1 247	4 924
Amortization of intangible assets	-	-	-	8	-	-	-	8	16

Note 27 – Profit per One Share

Net loss per 1 share of the Parent Entity remaining in trade as at September 30, 2025 was PLN (5.01), and for the analogous period of 2024 loss was PLN (6.78).

Note 28 – Profit Sharing and Loss Coverage

Net profit 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 net loss of Prochem S.A. for 2024 in the amount of PLN 28 454 490.04 was covered from the reserve capital in the amount of PLN 9,352,677 and from spare capital in the amount of PLN 19 101 812.55.49.

Note 29 - Dividends

In 2025 the Issuer did not pay dividend for 2024.

Note 30 - Financial Instruments and Financial Risk Management

30.1 Categories and classes of financial instruments

Financial assets

		Categories of financial instruments	
		Loans, receivables and other	
		30.09.2025	31.12.2024
Classes of financial instruments	note		
Receivables from supplies and services	7	33 155	19 446
Cash		6 399	7 834
Amounts due from recipients under contracts	14	25 134	23 536
Receivables under seized guarantee deposits		256	158
Other financial assets –security deposits securing bank guarantees	8	4 126	6 516
Total		69 070	57 490

Financial liabilities

30 September 2025

		Categories of financial instruments	
		Financial liabilities measured at amortized cost	Total
Classes of financial instruments	note		
Loans	12	10 523	10 523
Amounts owed to recipients under agreements	14	3 298	3 298
Non-current liabilities under seized guarantee deposits	13	3 397	3 397
Other liabilities	15	6 063	6 063
Liabilities under supplies and services	13	44 935	44 935
Total		68 216	68 216

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
Non-current liabilities under seized guarantee deposits	13	4 777	4 777
Other liabilities	15	8 434	8 434
Liabilities under supplies and services	13	31 175	31 175
Total		49 308	49 308

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

(in PLN thousands)	As at	
	30 September 2025	31 December 2024
Receivables from supplies and services	2 453	2 458
Total	2 453	2 458

Write-downs of financial assets are presented in note 7.

The fair value of financial instruments approximates to the carrying amount due to their non-current nature and the floating interest rate.

30.2. Liquidity risk related to the concentration of sales revenue

Prochem S.A. Capital Group realized in three quarters of 2025 sales revenue in the amount of PLN 89,284 thousand. Information on Clients whose sales revenue exceeded 10% of sales revenue disclosed in the statement of profit and loss 26.

30.3. Financial Risk Management

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

Credit risk

While conducting business activities the Group 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 to 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.

Liquidity risk related to the concentration of sales revenue

Prochem S.A. Capital Group in the period from 01.01.2025 to 30.09.2025 realized sales revenues in the amount of PLN 89 284 thousand. Clients whose sales revenue exceeded 10 % of sales revenue disclosed in the statement of profit and loss are listed in note 26.

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.

Interest Rate Risk

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

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.

Liquidity risk

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

As at September 30, 2025 and as at December 31, 2024 the index ratio of current assets to current liabilities of Capital Group (current liquidity ratio) was respectively 1.10 and 1.27.

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.

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

From January 1, to September 30, 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 from January 1, 2025 to September 30, 2025 in the Issuer's enterprise:

- to the Members of the Management Board of the Parent Entity in total amount of PLN 1 334 thousand,
- to the Members of the Supervisory Board in total amount of PLN 463.5 thousand.

Remuneration paid to the Members of the Management Board and the Supervisory Board for three quarters of 2025 for serving in the Management Boards and in the Supervisory Boards of companies belonging to the Capital Group was PLN 280.9 thousand.

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

Note 32 – Collateral Granted and Received and Contingent Liabilities and Contingent Assets

Contingent liabilities

Contingent liabilities - i.e. bank guarantees of good performance, of return of advance payment, of payment and of tender bonds, and bill of exchange surety for good performance of the contract, which as at the balance sheet date amount to:

	As at 30 September 2025	As at 31 December 2024
<u>Collateral granted</u>		
Bank guarantee of good performance and statutory warranty	39 039	47 836
Guarantee of return of advance payment	1 353	615
Bank guarantee of payment	1 310	1 310
Tender bank guarantee	-	600
Total collateral granted	41 702	50 361
Total collateral granted and contingent liabilities	41 702	50 361

The Issuer guaranteed bills of exchange issued by the subsidiary PKI Predom Sp. z o.o. as security for an insurance guarantee agreement up to the amount of PLN 800 thousand.

Contingent assets

The Group's contingent assets are bank guarantees of good performance, which as at the balance sheet date amount to:

	As at 30 September 2025	As at 31 December 2024
<u>Collateral received</u>		
Bank guarantee of good performance	7 371	8 027
Bill of exchange guarantees for securing the terms of the contract	318	-
Total collateral received	7 689	8 027

Note 33 - Information on Significant Proceedings Pending Before the Court

None occurred.

Note 34 – Events after Balance Sheet Date

None occurred.

Note 35 - Other Explanatory Notes to Financial Statements

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 Stepniewski – 50,206 pcs.;
- Steven Tappan – 1,002,500 pcs.

The nominal value of 1 share is PLN 1.

Since the date of publication of the interim condensed consolidated financial statements for the first half of 2025, i.e. September 26, 2025, no change in the number of shares held by management and supervisory persons has been recorded.

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

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 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, loan interest rates, inflation levels and 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 in the near future will allow for an increase in revenues and achieving margins on operations, and will significantly improve business results.

Nota 36 - 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 Board of the companies belonging to the Prochem S.A. Capital Group monitors the current situation with particular attention and, if necessary is prepared to take appropriate action to adapt its potential to the new conditions in order to mitigate any negative effects on the Group.

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

can be fulfilled on. 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 to continue as a going concern.

Note 37– Uncertainty regarding continue as going concern

Due to the decrease in the equity of the parent company Prochem S.A., the Management Board of the parent company Prochem S.A. decided to analyse the possibility of continuing the entity's going concern for a period of not less than one year from the balance sheet date.

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

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

After assessing the impact of the events described above on the entity's continued operations, the Management Board of parent entity 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 parent entity Prochem S.A. should regain profitability. This position is also confirmed by the observed changes in the economic and political environment. Significant investments in nuclear and gas energy, renewable energy sources and improving energy efficiency should begin in the near future. New investments in the development of innovative technologies financed from the National Reconstruction Plan are being prepared. There will also be rapid development of the arms industry. In all these areas, Prochem S.A. has both experience and the necessary competences that can be used both at the design and implementation stages of these investments. Currently, the company is already involved in several tender procedures in this regard.

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

Note 38 - Declaration of the Management Board of the Parent Entity regarding the reliability of the prepared interim financial statements

In compliance with the Regulation of the Minister of Finance dated March 29, 2018 on current and periodic information provided by issuers of securities and the conditions for recognition as equivalent information required by the law of a non-Member State (Journal of Laws of 2018 item 757) („Regulation”) the Management Board of Prochem S.A. the Parent Entity of the Prochem S.A. Capital Group declares that to the best of their knowledge:

- that interim condensed consolidated financial statements of the Prochem S.A. Capital Group and interim separate financial statements of Prochem S.A. for the third quarter of 2025 and comparable data have been prepared in accordance with International Financial Reporting Standards approved by the European Union, issued and effective as at the date of preparation of hereby consolidated financial statements and truly, fairly and clearly reflect the assets and financial position of the Prochem S.A. Capital Group and Prochem S.A. as at 30 September 2025 and 31 December 2024, and the results of its operations and cash flows for the 9-month period ended 30 September 2025 and 30 September 2024.

Michał Dąbrowski
Vice President
of the Management Board

Krzysztof Marczak
Vice President
of the Management Board

Marek Kiersznicki
President of the Management Board

Note 39- Approval of financial statements for publication by the Management of the Parent Entity

The interim condensed consolidated financial statements of the Prochem S.A. Capital Group prepared as at and for the period ended 30 September 2025, together with the financial information of Prochem S.A., were approved by the Management Board of the Parent Entity for publication on 14 November 2025.

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Michał Dąbrowski
Vice President
of the Management Board

.....
Krzysztof Marczak
Vice President
of the Management Board

.....
Marek Kiersznicki
President of the Management Board

Financial information of PROCHEM S.A.

Separate statement of financial position

(all amounts in PLN thousands if not stated otherwise)

	As at 30 September 2025	As at 31 December 2024
A s s e t s		
Non-current assets		
Property, plant and equipment	473	508
Intangible assets	11	18
Right-of-use assets	12 172	13 109
Shares	6 347	21 659
Deferred tax assets	5 589	7 625
Receivables under seized security deposits	507	126
Other financial assets	6 034	6 710
Total non-current assets	31 133	49 755
Current assets		
Inventories	-	50
Trade and other receivables	27 739	5 224
Amounts due from recipients under contracts	21 548	21 168
Other financial assets	4 492	7 392
Other assets	1 683	1 399
Cash and cash equivalents	2 982	3 285
Total current assets	58 444	38 518
Total assets	89 577	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
Revaluation reserve	-320	-320
Retained earnings	1 756	8 178
Total equity	3 441	9 863
Non-current liabilities		
Liabilities under retirement and similar benefits	670	671
Non-current loans	26 409	21 973
Non-current liabilities under seized security deposits	3 680	5 060
Liabilities under lease	11 500	12 712
Total non-current liabilities	42 259	40 416
Current liabilities		
Current bank loans	3 552	-
Trade payables	30 679	26 449
Amounts owed to recipients under contracts	2 640	4 192
Liabilities under current income tax	-	24
Liabilities under lease	2 713	1 926
Other liabilities	4 293	5 403
Total current liabilities	43 877	37 994
Total liabilities	86 136	78 410
Total equity and liabilities	89 577	88 273

Separate statement of profit and loss
From 1 January 2025 to 30 September 2025
 (all amounts in PLN thousands if not stated otherwise)

	Period ended 30 September 2025	Period ended 30 September 2024
Revenues from sale, including:	40 826	59 855
Revenues from sale of services	40 738	59 730
Revenues from sale of goods and materials	88	125
Cost of sales, including :	-41 781	-62 379
Cost of services sold	-41 700	-62 262
Cost of merchandise and raw materials	-81	-117
Gross profit on sales	-955	-2 524
General and administrative expenses	-8 120	-8 637
Other operating income	1 065	53
Other operating expenses	-327	-16
Results from operating activities	-8 337	-11 124
Financial income	2 951	1 322
Gain on sale of all or part of the shares of a subsidiary	3 521	-
Finance expenses	-2 521	-3 299
Before tax profit	-4 386	-13 101
Income tax expense :	2 036	1 642
- current tax	-	-
- deferred tax	2 036	1 642
Profit for the period	-6 422	-14 743
Weighted average number of ordinary shares (in pcs.)	2 005 000	2 005 000
Profit (loss) per one ordinary share (in PLN per one share)	-3.20	-7.35

Separate statement of comprehensive income

	Period ended 30 September 2025	Period ended 30 September 2024
Profit for the period	-6 422	-14 743
Other comprehensive income net	-	-
Total comprehensive income	-6 422	-14 743
Weighted average number of ordinary shares (in pcs.)	2 005 000	2 005 000
Total comprehensive income per ordinary shares (in PLN per one share)	-3.20	-7.35

Separate statement of changes in equity

(all amounts in PLN thousands if not stated otherwise)

	Share capital	Own shares	Revaluation reserve	Retained earnings	Total equity
Reporting period from 1 January 2025 to 30 September 2025					
As at the beginning of the period	2 005	-	-320	8 178	9 863
Net profit of the given period	-	-	-	-6 422	-6 422
<i>Other comprehensive income (net)</i>	-	-	-	-	-
Total comprehensive income	-	-	-	-6 422	-6 422
As at the end of the period	2 005	-	-320	1 756	3 441

	Share capital	Own shares	Revaluation reserve	Retained earnings	Total equity
Reporting period from 1 January 2024 to 30 September 2024					
As at the beginning of the period	2 005	-	-443	36 632	38 194
Net profit of the given period	-	-	-	-14 743	-14 743
<i>Other comprehensive income (net)</i>	-	-	-	-	-
Total comprehensive income	-	-	-	-14 743	-14 743
As at the end of the period	2 005	-	-443	21 889	23 451

Separate statement of cash flows

(all amounts in PLN thousands if not stated otherwise)

	Period ended 30 September 2024	Period ended 30 September 2023
Cash flows – operating activities		
Before tax profit	-4 386	-13 101
Total adjustments	-3 051	8 135
Amortization and depreciation	2 583	2 533
Interest and profit sharing (dividends)	-1 070	1 141
(Profit) loss on disposal of property, plant and equipment	-	-14
(Profit) loss on disposal of shares	-3 521	-
Change in provisions	-153	-114
Change in inventories	50	44
Change in receivables and in other assets	-3 602	9 514
Change in current liabilities, except for borrowings and loans	226	-4 016
Other adjustments (including deferred income)	2 436	-953
Cash provided by (used in) operating activities	-7 437	-4 966
Income tax paid	24	-
Net cash provided by (used in) operating activities	-7 461	-4 966
Cash flows – investing activities		
Disposal of intangible assets and property, plant and equipment	-	14
Inflow from repayment of a loan	813	900
Inflows from interest on loans granted	764	276
Acquisition of intangible assets and property, plant and equipment	-178	-124
Outflows on financial assets in subsidiaries	-	-203
Loans granted	-	-1 273
Net cash provided by (used in) investing activities	1 399	-410
Cash flows – financing activities		
Bank loan incurred	3 552	3 771
Borrowing received from related entity	4 000	-
Dividends received	1 375	352
Interest received	40	-
Repayment of loans received from related entities	-414	-
Interest and commission on credit paid	-129	-81
Interest and commission on loans paid	-86	-
Payment of liabilities under lease	-2 579	-3 077
Net cash provided by (used in) financing activities	5 759	965
Total cash flows, net	-303	-4 411
Increase/(decrease) in cash and cash equivalents net	-303	-4 411
Cash and cash equivalents at the beginning of the period	3 285	4 767
Cash and cash equivalents at the end of the period	2 982	356
Including restricted cash	584	1

Signatures of the Members of the Management Board

14.11.2025	Marek Kiersznicki	President
date	First name and surname	of the Management Board position	signature
14.11.2025	Krzysztof Marczak	Vice President
date	First name and surname	of the Management Board position	signature
14.11.2025	Michał Dąbrowski	Vice President
date	First name and surname	of the Management Board position	signature

Signature of the person entrusted with keeping the accounting books

14.11.2025	Barbara Auguścińska-Sawicka	Chief Accountant
date	First name and surname	position	signature