MANAGEMENT BOARD REPORT

ON THE ACTIVITIES OF THE PROCHEM S.A.

CAPITAL GROUP IN 2025

Warsaw, April 29, 2026

1. Principles of presentation of financial statements

Principles of preparation of the consolidated financial statements of the Prochem S.A. Capital Group for 2025 have been included in Explanatory Notes to the financial statements.

2. Overview of the basic economic and financial volumes disclosed in the annual financial statements and presentation of the development prospects of the Prochem S.A. Capital Group in 2026

In 2025 the Prochem S.A. Capital Group achieved revenues from basic activity in the amount of PLN 133 million. They are PLN 7 million lower than those achieved in 2024. The decline occurred in the general contracting services segment, while sales in the design and engineering services segment increased by 13% compared to 2024. However, the total sales volume was too small for the Company to achieve profitability of its operations. The reason for the insufficient number of orders is the lack of industrial investment, especially in the chemical industry. Companies in this industry in Europe struggle with high production costs – primarily energy and gas, which is why they lose competition to companies from other regions of the world.

As a result, the operating activities of the Capital Group resulted in a loss of PLN 9.6 million.

In terms of operating activities, taking into account the existing order portfolio and submitted offers, in the Management Board’s opinion the Capital Group should regain profitability in 2026. This position is also confirmed by the observed changes in the economic and political environment. Recently, significant investments have been made in the areas of nuclear and gas energy, renewable energy sources and increasing energy efficiency. The arm industry is also developing. In all these areas, the companies from the Prochem S.A. Capital Group have both experience and the necessary competences that can be used both at the design and implementation stages of these investments. Currently, companies are already involved in several tender procedures in this area.

2.1 Characteristics of the structure of assets and liabilities of the consolidated balance sheet, including for regard to the liquidity of the Issuer's Capital Group

As at December 31, 2025 non-current assets accounted for 47.5% total balance sheet, i.e. amount of PLN 57,644 thousand, and current assets 52.5%, i.e. amount of PLN 63,802 thousand. Compared to the previous year, there was a drop in the value of non-current assets by PLN 8.5 milion, while current assets increased by PLN 7.0 milion.

The Capital Group's equity decreased by PLN 15 milion and accounted for 22.1% of the balance sheet total at the end of 2025, while total liabilities increased by PLN 13.5 milion and accounted for 77.9% of the balance sheet total. Changes in both assets and liabilities result from the loss on the Capital Group's operations recorded in 2025.

3. Description of significant risk factors and threats to the activity of the Prochem Capital Group

Companies belonging to the Prochem S.A. Capital Group are exposed to the following types of risks and threats in their activities:

3.1 Economic fluctuations in the investment market

Some of the companies included in the Capital Group provide services in the investment market, which is characterized by large-scale fluctuations in demand strongly linked to the overall macroeconomic situation of the country, which is currently strongly influenced by high inflation and the situation related to the effects of the war in Ukraine and the Middle East. Methods used by the Group to limit the negative impact of these factors on financial results (accumulation of financial reserves, diversification of services provided, using appropriate IT tools and solutions), may not fully neutralize this risk.

3.2 Possibility of threat occurence during the performance of contracts

Types of activity conducted by the companies belonging to the Capital Group, in particular, the preparation and management of technically complex investment projects, often implemented on the basis of contracts concluded under conditions of a strong price competition, cause that there is a constant risk of the technical and financial problems occurrence in this scope.

3.3 Dependence on the staff

The risk of dependence on staff occurs especially in the parent company. Improving the quality of services provided, undertaking the implementation of complex technological projects, using modern IT systems and working for renowned clients requires the highest professional qualifications from employees. Recruiting such people, especially in the situation of liberalization of the European labour market, may be difficult. The company tries to minimize this threat by improving the qualifications of its staff and using motivational programs that bind employees to the company.

3.4 Exchange rate risk

Part of contracts (mainly of the parent company) for the sale of services is concluded with foreign companies in foreign currencies (EUR, US$). In the event of a significant strengthening of the domestic currency, this may have an adverse effect on the Group's results. This risk is partially mitigated in a natural way i. e. through the purchase of equipment and services necessary for the execution of these contracts abroad.

3.5 Risk of dependence on significant service buyers

The execution of contracts for implementation with a significant value by the companies belonging to the Group requires significant expenditures to be incurred on the purchase of services and equipment, which are then sold to the customer in the form of a ready facility. Lack of proper correlation between the expenditure incurred and proceeds from the execution of a contract with a customer may trigger necessity of the use of external financing by the companies, and in special circumstances, may cause even temporary loss of a financial liquidity. Such risk is largely secured by appropriate provisions in the contract with the client, under which the client is obliged to successively return the expenses incurred during the execution of the order.

4. Statement of application of principles of corporate governance in the Company Prochem S.A. in 2025

By Resolution No. 13/1834/2021 of the Stock Exchange Council of March 29, 2021, new corporate governance principles for companies listed on the WSE Main Market were adopted. This is subsequent version of the set of corporate governance principles applicable to companies listed on the WSE Main Market. The new principles entered into force on July 1, 2021. In connection with the above, from July 1, 2021, the Company applies the principles contained in the document "Best Practices of Companies Listed on the Warsaw Stock Exchange 2021" ("DPSN 2021"), except for the principles: 1.3.1., 1.3.2., 1.4., 1.4.1., 1.4.2., 2.1., 2.2., 2.11.6., 4.1., 4.3., 6.2., 6.3.:

In its business strategy, the company also takes into account the subject of ESG, in particular including:

1.3.1. environmental issues, including measures and risks related to climate change and sustainable development issues;

The principle is not applied.

Company comment:

In the course of its operations, the company takes into account modern technological solutions, also paying attention to environmental aspects. However, the Company's business strategy is not a formalized document and is not communicated to the public, therefore it is not possible to include the ESG subject in the manner indicated in the above principle.

1.3.2. social and employee matters, concerning e.g. actions taken and planned to ensure gender equality, proper working conditions, respect for employee rights, dialogue with local communities, customer relations

The principle is not applied.

Company comment:

The issues indicated in the above principle are important for the Company and are implemented in its current operations. The company takes care to ensure gender equality, proper working conditions, respect for employees' rights, as well as proper relations with contractors. However, the Company's business strategy is not a formalized document and is not communicated to the public, therefore it is not possible to include the ESG subject in the manner indicated in the above principle.

1.4. In order to ensure proper communication with stakeholders, within the scope of the adopted business strategy, the company publishes on its website information on the assumptions of its strategy, measurable goals, including in particular long-term goals, planned activities and progress in its implementation, determined by means of measures, financial and non-financial. Information on the strategy in the ESG area should, among others:

1.4.1. explain how the decision-making processes in the company and its group entities take into account issues related to climate change, pointing to the resulting risks;

1.4.2. present the value of the equal pay index paid to its employees, calculated as a percentage difference between the average monthly remuneration (including bonuses, awards and other allowances) of women and men for the last year, and provide information on actions taken to eliminate possible inequalities in this regard, together with the presentation of the related risks and the time horizon in which it is planned to achieve equality.

The principle is not applied.

Company comment:

The principles cannot be applied by the company due to the lack of public communication of a formalized business strategy.

2.1. The company should have a diversity policy towards the management board and the supervisory board, adopted by the supervisory board or the general meeting, respectively. The diversity policy defines the goals and criteria of diversity, e.g. in such areas as gender, field of education, specialist knowledge, age and professional experience, and also indicates the date and method of monitoring the implementation of these goals. In terms of diversity in terms of gender, the condition for ensuring the diversity of the company's governing bodies is the minority share in a given governing body at a level not lower than 30%.

The principle is not applied.

Company comment:

The company does not have a formalized diversity policy in place. The basic criterion when making decisions on the selection of persons to the Management Board and the Supervisory

Board are the competences of the candidates, while recognizing the principle of non-discrimination of candidates for any non-substantive reasons.

2.2. Persons making decisions on the selection of members of the company's management board or supervisory board should ensure the versatility of these bodies by selecting persons to ensure diversity, enabling, among others, achieving the target ratio of the minimum share of minorities set at a level not lower than 30%, in accordance with the objectives set out in the adopted diversity policy referred to in principle 2.1.

The principle is not applied.

Company comment:

The company does not have a formalized diversity policy in place. Persons making decisions on the selection of members of the Company's governing bodies are guided by the candidates' competences, their education and professional experience as well as knowledge, while recognizing the principle of non-discrimination of candidates for any non-substantive reasons.

2.11.6. information on the degree of implementation of the diversity policy in relation to the management board and the supervisory board, including the implementation of the objectives referred to in principle 2.1.

The principle is not applied.

Company comment:

The Company has not adopted a formalized diversity policy towards the management board and the supervisory board, therefore the information indicated in the above principle cannot be included in the report of the Supervisory Board.

4.1. The company should enable shareholders to participate in the general meeting using electronic means of communication (e-general meeting), if it is justified due to the expectations of shareholders reported to the company, provided that it is able to provide the technical infrastructure necessary to conduct such a general meeting.

The principle is not applied.

Company comment:

The Company's shareholding structure does not justify the introduction of the solutions referred to in the above principle, taking into account the proportionality and adequacy of the adopted solutions and the Company's individual needs.

4.3. The company provides publicly available transmission of general meetings in real time

The principle is not applied.

Company comment:

The Company's shareholding structure does not justify the introduction of the solutions referred to in the above principle, taking into account the proportionality and adequacy of the adopted solutions and the Company's individual needs.

6.2. Incentive programs should be structured in such a way that, among other things, they make the level of remuneration of members of the company's management board and its key managers dependent on the actual, long-term situation of the company in terms of financial and non-financial results and long-term increase in value for shareholders and sustainable development, as well as the stability of the company's operations

The principle is not applied.

Company comment:

The Company's "Remuneration Policy for Members of the Management Board and Supervisory Board" in force in the Company does not provide for the functioning of incentive programs in the Company. The principles for remunerating Management Board Members are set out in contracts prepared by the Supervisory Board, based on the applicable Remuneration Policy. The remuneration of key managers is determined in a way aimed at attracting, retaining and motivating these people to properly perform their duties, adequately to the tasks performed and the responsibility incurred.

6.3. If one of the incentive programs in the company is a managerial option programme, then the implementation of the option program should be conditional upon the eligible persons meeting, within at least 3 years, financial and non-financial and sustainable development goals set in advance, realistic and appropriate for the company, and the purchase price of the shares by the entitled persons or the settlement of the options may not differ from the value of the shares from the period when the program was adopted.

The principle is not applied.

Company comment:

The Company does not use an incentive scheme based on the managerial option scheme.

The full text of the set of corporate governance principles to which the Company is subject, along with a list of principles that the Company currently does not apply and a commentary in this regard, is available on the website of Prochem S.A. – www.prochem.com.pl.

5. Description of the internal control system in the Capital Group

Internal control is one of the functions of the ongoing management of the Group being exercised directly by the Management Board, directors, proxies and other employees employed in managerial positions or entrusted with such a function.

Companies belonging to the Capital Group have a comprehensive system of internal control, with the aim of to ensure timely and accurate disclosure of facts concerning all material elements of the company's operations. That contributes to obtain a complete knowledge of the financial position, results of operations, the Group's property and management efficiency. The scope of control includes above all:

- business activities of the company, basic and auxiliary,
- financial reporting and accounting settlements,
- compliance with the company's activity with the applicable laws, and with internal regulations,
- employment and wages.

Institutional internal control analyses the accomplished undertakings and documentation related to it. The main task of it is to carry out comprehensive checks in respect of the most important issues for the Group and collecting and elaboration of the information on the activities of the organizational units of the Group, selected economic problems and other issues that in the given period were regarded as the most relevant by the Management Board of the Parent Entity.

Apart from the institutional internal control, there is also the so-called functional control in the Group which is exercised by managers of various ranks. Managers perform the supervision over the employees subject to them, consisting in the checking of the state of accomplishment of tasks set.

Institutional internal control is exercised in the PROCHEM S.A. Capital Group mainly by services from financial and accounting departments, and also by the employees of the legal and organizational department. Part of the tasks of the internal control is carried out by teams and commissions appointed for this purpose.

Control activities are carried out in all phases of activity in the form of the preliminary control, current and next. Financial and accounting documents are subject to substantive, formal and accounting control. Information on formal and substantive correctness and calculation correctness bears signature in an identifiable manner (full name and surname), or bears the personal stamp of the authorized person and the date of approval of the document.

The internal control system which is functioning in the PROCHEM S.A. Capital Group ensures completeness of the recognizing of the economic operations, and the proper qualification of source documents as well the correct valuation of the resources had at disposal at particular stages of the registration, and thus ensures the correctness of preparation of the financial statements and enables the Management Board to carry out the Group's activities based on a verified and complete information.

6. Description of the risk management system in the Capital Group

The following risks occur in business activities:

- risk of economic fluctuations in the investment market,
- risk of losing key employees,
- risk of threats occurring during contract execution,

- currency risk,
- risk of dependence on significant buyers of services,
- risk of payment unreliability,

Risk management in particular areas consists in:
- monitoring of the phenomena generating the risk,
- undertaking the activities aiming at the reducing the level of a risk.

In terms of individual risks, the situation is as follows:

- The risk of economic fluctuations in the investment market:
- monitoring of the macroeconomic situation and in the selected industries
- scope diversification (development of the activities being alike to engineering services - developer's activity)
- territorial diversification (export development)
- accumulation of the financial reserves

- The risk of loss of key employees
- monitoring of the level of employment, remuneration and staff fluctuation
- monitoring of the labor market and of the level of the remuneration in the market
- maintaining the training system and raising qualifications
- incentive programs for key employees
- active recruitment system – cooperation within the environment and maintaining of relations with Universities

- Risk of threats occurring during contract execution
- realistic price calculation when concluding contracts,
- monitoring the progress in execution of contracts, and disclosure of threats on the basis of the "Control of Service Costs" procedure introduced by Cost Control Team,
- selection of reliable subcontractors,
- contract clauses restricting the maximum amount of contractual penalties

- The foreign currency risk:
- monitoring and forecasting of currency exchange rates
- forward type currency transactions
- purchase of equipment and services in the currency of the contract
- maintaining a high level of domestic sales

- The risk of dependence on significant buyers of services
- monitoring of the execution of contracts with the significant buyers of services
- contractual provisions containing the cushioning elements
- maintaining of the partner relations with recurring customers

- The risk of payment unreliability
- monitoring the financial standing of key clients before and during the execution of contracts
- application of specialized debt collection procedures

Both the identification of risk factors, their monitoring and the system of risk mitigation measures applied in the PROCHEM S.A. Capital Group are at a good level, and the implemented development and diversification strategy helps reduce some risks and leads to professionalization in the scope of instruments used.

Note 36 of the Consolidated Financial Statements for 2025 includes a description of significant off-balance sheet items in terms of subject, object and value as well as a description of financial instruments in relation to:

- risks: price changes, credit, significant cash flow disruptions and loss of financial liquidity to which the Capital Group is exposed;
- the objectives and methods of financial risk management adopted by the Capital Group, including methods of securing significant types of planned transactions for which hedge accounting is used.

7. Information on shareholders holding large blocks of Issuer's shares

According to the information available to the Company as of the date of hereby report, the following shareholders hold at least 5% of votes at the general meeting of shareholders:

Name of the shareholder	Number of shares held (in pcs.)	Number of votes held	% of votes in total number of votes	% of share capital
1. Steven Tappan	1 002 500	1 002 500	50.00	50.00
2. Otwarty Fundusz Emerytalny PZU „Złota Jesień".	284 916	284 916	14.02	14.21

Company's share capital amounts to PLN 2,005,000 and is divided into 2,005,000 shares with a nominal value of PLN 1.

There are no securities that would give special control rights in relation to the Issuer.
There are no restrictions on the transfer of ownership of the Issuer's securities.

8. Description of the principles regarding the appointment and dismissal of managing persons and their powers

Persons serving in the Issuer's Management Board are appointed by its Supervisory Board. The term of office of the Issuer's Management Board lasts three years. Powers of the managing persons are defined by the Statute of Prochem S.A. and they do not go beyond the framework set by the Commercial Companies Code. In particular, the right to decide on the issue or redemption of shares has only a General Meeting of Shareholders.

9. Description of the principles for amending the statute or articles of association of the Issuer

The principles of amendment the statute or the articles of association of the Issuer are determined in accordance with the provisions of the Code of Commercial Companies.

10. Procedure of the General Meeting of Shareholders of Prochem S.A.

Procedure of the General Meeting of Shareholders of Prochem S.A. and its basic powers, and descriptions of the rights of shareholders and the way of their exercising are contained in the Statutes of Prochem S.A. and in the Bylaw of the General Meeting of Prochem S.A. Above mentioned documents are available on the website of Prochem S.A. www.prochem.com.pl.

11. The composition and the changes that occurred during the last financial year, and description of the activities of the Management Board, Supervisory Board or administrative authorities of the Issuer and of their committees

In the period from January 1, 2025 to December 31, 2025, there were no changes in the composition of the Company's Management Board.

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

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

The two-year joint term of office of the company's management board began on June 27, 2025.

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

Marek Garliński
Wiesław Kiepiel
Jarosław Stępniewski – Chairman of the Supervisory Board
Steven Tappan

Karol Żbikowski

In the period from 1 January 2025 to 31 December 2025 there were no changes in the composition of the Company's Supervisory Board. The Ordinary General Meeting of Prochem S.A., by resolution No. 21 of June 24, 2024, appointed the Supervisory Board of the 12th term of office in the composition specified above.

Description of the operation of the Management Board is contained in the Bylaw of the Management Board, and description of the operation of the Supervisory Board in the Bylaw of the Supervisory Board. These documents are available on the website of the Issuer www.prochem.com.pl.

On August 25, 2020, the Supervisory Board of the Issuer appointed the Audit Committee composed of:

Karol Żbikowski - Chairman of the Audit Committee

Jarosław Stępniewski - Member of the Audit Committee

Wiesław Kiepiel - Member of the Audit Committee

Mr. Karol Żbikowski and Mr. Wiesław Kiepiel meet the statutory independence criteria and, due to their education and professional experience, have the necessary knowledge and skills in accounting.

Mr. Jarosław Stępniewski due to his education and professional experience (performed the function of the President of the Management Board of Prochem S.A. for 13 years) has the necessary knowledge and skills in the industry in which the Issuer operates.

Company Misters Audytor Adviser sp. z o. o. in addition to auditing financial statements also provides evaluation service on the report on remuneration.

Main assumptions of the audit company's selection policy for the audit and audit policy of the audit company conducting the audit, by entities related to this audit company and by a member of the network of audit firms of permitted non-audit services:

1. According to § 22 section 2 item 9 of the Statutes of the Company, the audit company is selected to audit financial statements by the Supervisory Board

2. The Supervisory Board, when setting the policy of selecting an audit company, is primarily aimed at the high quality of financial information, which is addressed to the Company's stakeholders. While accomplishing above objective, the Supervisory Board and the Audit Committee which was selected from its composition perform the tasks of supervising the accounting system, internal control and risk management as well as selecting an audit company and monitoring the financial audit process.

3. The audit company is selected for a period not shorter than 2 years and not longer than 5 years. The decision on such the period selected is taken by the Supervisory Board.

4. When submitting the offer, the auditing companies are bound to meet the following formal requirements:
   a. Documentary evidence for an entry in the list of audit companies kept by the National Council of Statutory Auditors as well as in the list of audit companies carrying out statutory audits in the public interest entities in the previous year together with the information referred to in Article 16 section 3 letter a of Regulation No 537/2014
   b. Documentary evidence of having a third party liability insurance.
   c. Submission of a statement on having an internal quality control system with the commitment to develop and made available by the Offering side of a policy of quality control of the order execution in case of selecting a company to audit financial statements of Prochem S.A.
   d. Submission of a statement of no obstacles in carrying out the audit of financial statements of Prochem S.A. which were marked in Art. 69 sections 7 and 9 of the Act of May 11, 2017 on statutory auditors, audit companies and public supervision (hereinafter: the Act), in the event when this company is selected.
   e. Submission of the Offering side independence statement, under pain of criminal responsibility for a false statement.
   f. Submission of the statement whether the Offering side was punished for violation of the provisions of the Act or Regulation No. 537/2014

5. The evaluation of offers submitted by audit companies is based on the following criteria:
   a. The amount of remuneration for auditing financial statements of the Company PROCHEM S.A. and its subsidiaries.
   b. The number of statutory auditors employed by the audit company and their professional qualifications, and in particular, is the qualifications of statutory auditor who will perform the function of a key statutory auditor.
   c. Experience in auditing financial statements of companies listed on the regulated market of the Warsaw Stock Exchange S.A.
   d. Industry specialization.
   e. The description of the audit methodology presented by the company,
   f. The schedule of audits carried out by the auditing company.
6. The Audit Committee may set additional selection criteria.

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The recommendation to select an audit company to conduct the audit has met the applicable conditions and was prepared following the selection procedure organized by the Issuer that met the applicable criteria.

In 2025 the Audit Committee held four meetings.

12. Proceedings pending before the court, competent authority for arbitration or public administration body

PROCHEM S.A. is a party to the following court proceedings:

1. **The Company's claim against SEEN Technologie Sp. z o. o. in Warsaw („Seen").**
   On December 12, 2025, the Company sued Seen for payment of PLN **8,402,115** for non-performance or improper performance of obligations arising from the construction works contract, including damage suffered by Prochem S.A**.** The case is being conducted by the District Court in Warsaw, 20th Commercial Division, under file reference GC 1404/25.
2. **Claim of TAWI sp. z o.o. against the Company**
   Demand by TAWI sp. z o.o. for remuneration in the amount of PLN 1,750,185 for work allegedly performed for Prochem S.A. during the implementation of the investment regarding the construction of an auxiliary boiler room as part of the construction of Unit C of the Ostrołęka Power Plant. Prochem S.A. claims that TAWI sp. z o. o. was not a subcontractor of Prochem S.A. and performed the work for the benefit of other entities involved in the implementation of the investment. The case is being conducted by the District Court in Warsaw, 20th Commercial Division, under file reference XX GC 1158/22.
3. **Claim of TAWI sp. z o.o. against the Company**
   Demand by TAWI sp. z o.o. for the return of the retained security deposit in the amount of PLN 413,250, which was included by Prochem S.A. towards contractual penalties. The case is being conducted by the District Court in Warsaw, 20th Commercial Division, under file reference XX GC 442/25.
4. **Claim of Centrum Badawczo Wdrożeniowe (the Research and Implementation Centre) „UNITEX" sp. z o.o. against the Company**
   Demand by UNITEX sp. z o.o. for remuneration in the amount of PLN 867, 847,41 for work allegedly performed for Prochem S.A. during the implementation of the investment regarding the construction of an auxiliary boiler room as part of the construction of Unit C of the Ostrołęka Power Plant. The case is being conducted by the District Court in Warsaw, 20th Commercial Division, under file reference XX GC 509/22.

13. Information on basic products and services of the Prochem S.A. Capital Group

The subject of activity of the companies belonging to the PROCHEM S.A. Capital Group is the provision of services and the sale of materials and goods related to:

- construction: designing, general contracting, project management, technical consultancy, general construction works, installation and assembly services and rental of construction equipment;
- rental of office space;
- technical consulting, development and implementation of new technologies, integration of IT systems.

Revenues from the sale of these services in 2025 were 4.6% lower than those achieved in the previous year.

Breakdown of revenues by separate types of activity is shown below:

(Revenues in PLN thousand)

DESCRIPTION	IN 2025	IN 2024
REVENUE FROM SALES OF SERVICES TOTAL	132 684	139 031
Of which :		
- sale of engineering and construction services	124 753	130 324
- space rental	7 215	6 765
- sale of other services	716	1 942

14. Breakdown into sales markets for the sale of services in 2025

The share of export in the sale of services in 2025 was 2.4%.

The recipients of the Group's services, whose share in sales revenues in 2024 exceeded 10%, was:

- Pratt & Whitney Kalisz Sp. z o.o. – 15% share in revenues from the sale of services;

There are no other formal ties with this entity, apart from commercial agreements.

15. Information on concluded agreements significant for the operations of the Capital Group of Prochem S.A.

The main revenues of the Prochem S.A. Capital Group expected in 2026 will be obtained as a result of the implementation of contracts for the provision of design and implementation services for Staoil Sp. z o.o., Bioagra S.A., Pratt and Whitney Kalisz Sp. z o.o., and design services for Energoprojekt-Katowice S.A., JS Energy Sp. z o.o., BHI Sp. z o.o., Adamed Pharma S.A. and Bechtel Polska.

The Issuer is not aware of any agreements concluded between the shareholders of Prochem S.A. that would be significant for the business activity of the Capital Group of Prochem S.A.

16. Information on organizational or capital connections of the Capital Group of Prochem S.A. and major capital investments made within the Capital Group

The Issuer does not have any branches or plants, but has the following direct or indirect subsidiaries:

Subsidiaries consolidated using the full method:

- Prochem Inwestycje Sp. z o.o. seated in Warsaw – subsidiary directly (100.0%);
- PKI PREDOM Sp. z o.o. seated in Wrocław – subsidiary indirectly (91.4% of share in capital and profit, 91.4% of votes), including 85.7% of 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% of 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% of share in capital and voting rights belongs to Prochem Inwestycje);
- Irydion Sp. z o.o. seated in Warsaw - subsidiary directly (100%).

Consolidated subsidiaries are included in the consolidated financial statements from the date the parent company obtains control.

17. Related party transactions

In 2025, no significant transactions were concluded between the companies of the Issuer's Capital Group on terms other than market conditions.

18. Information on credits and loans contracted

Name of the bank	Seat	Loan limit	Amount engaged	Repayment date	Terms of interest	Security
By Prochem S.A.						
mBank S.A.	Warsaw	4 000	1 434	31.12.2026	WIBOR ON PLN plus margin.	A promissory note in blank and a guarantee and declaration of submission to enforcement of companies: Elektromontaż Kraków S.A seated in Krakow, Prochem RPI Sp. z o.o. seated in Warsaw, Prochem Inwestycje sp. z o.o. seated in Warsaw.
By Elektromontaż Kraków S.A.						
mBank S.A.	Warsaw	1 500	944	28.02.2026	WIBOR ON + margin	Mortgage + promissory note
Pekao S.A.	Warsaw	3 000	1 696	20.12.2026	WIBOR for 1-month deposits in PLN + margin	BGK guarantee + promissory note
ING Bank Śląski	Katowice	3 000	1 160	19.11.2026	WIBOR for 1-month deposits in PLN + margin	Mortgage + promissory note

19. Information on loans granted.

As at 31 December 2025, the Group has no receivables under loans granted.

20. Information on guarantees and sureties granted and received

The total value of sureties and guarantees granted by the companies from the Capital Group related to operating activities as at 31 December 2025 is PLN 44,135 thousand, including:

a) bank guarantees of good performance of services – PLN 41,429 thousand;

b) advance payment refund guarantee – 1,353 thousand;

c) rent payment guarantee – 1,353 thousand;

The total amount of contingent receivables under guarantees of good performance and statutory warranty received as at December 31, 2025 is PLN 7,510 thousand.

21. Description of the use of the proceeds from the issue

In 2025 the companies from the Capital Group did not issue any securities.

22. Explanation of differences between the achieved financial result and forecasts

In 2025 the Prochem S.A. Capital Group did not publish forecast of financial results.

23. Assessment of the management of financial resources

In 2025, companies from the Prochem S.A. Capital Group demonstrated their ability to meet their obligations. Both the level of financial resources and the available credit lines allow for the timely fulfilment of contracted liabilities.

24. Assessment of the feasibility of implementing investment plans

Due to the operating losses incurred over the past two years, the companies from the Capital Group are focusing on regaining profitability and rebuilding its financial resources. Therefore, aside from necessary investments in computer hardware and design software, the company has no immediate plans for further investments.

25. Assessment of factors and unusual events affecting the achieved financial results

The financial results in 2025 were impacted by an insufficient number of orders for the company's services resulting from a lack of industrial investment, particularly in the chemical industry. Companies in this sector in Europe struggle with high production costs – primarily energy and gas – and lose competition compared to companies in other regions of the world. It should also be noted that in 2025, due to the uncertainty regarding global economic development directions (e.g. electromobility), the execution of some of the orders held in the company's portfolio was suspended or postponed by investors for further period.

As a result, the operations of the Prochem S.A. Capital Group in 2025 ended with a net loss of PLN 14.5 million.

26. Characteristics of external and internal factors significant for the development of the Prochem Capital Group in 2026

The macroeconomic environment will have a significant impact on the operations of Prochem S.A. Capital Group in the subsequent quarters of 2026, in particular the course of the war in Ukraine and the Middle East, loan interest rates, inflation levels and the related prices of energy, construction materials and services. All these factors significantly influence the decisions made by potential clients of companies from the Prochem S.A. Capital Group (in particular industrial companies) to start new investment projects. The company has several large, long-term design and implementation contracts (expansion of the Oilseed Processing Plant, construction of a liquefied CO_2 production facility, cooperation on a nuclear power plant project, projects of CCGT units at the Kozienice power plant and the CHP plant in Warsaw, project of a battery components factory), which in the near future will allow for an increase in revenues and margins on operations and will significantly improve operating results.

The Management Boards of companies from the Prochem S.A. Capital Group are closely monitoring the current situation and are taking appropriate actions to adapt its potential and the scope of services provided to the new conditions.

27. Characteristics of the development policy of the Prochem S.A. Capital Group.

The policy of Prochem S.A. focuses on further consolidation of the Capital Group and adapting its operations to rapidly changing market requirements.

28. Changes in the basic principles of management of the Issuer and its Capital Group

In 2025, there were no significant changes affecting the management principles of the Issuer and its Capital Group.

29. Description of agreements concluded between the Issuer and management staff providing for compensation

Employment contracts concluded by the Issuer with management staff provide for compensation in the amount of remuneration for a period of six months in the event of dismissal from the position of a management board member, except when the dismissal results from reasons that are obvious the fault of the management staff member.

30. The value of remuneration of the Issuer's management and supervisory personnel

The remuneration paid in 2025 in the Issuer's enterprise to members of the Management Board and Supervisory Board is presented in the explanatory notes to the financial statements for 2025.

31. Determination of the total number of shares and stocks of the Issuer and related entities held by the Issuer's management and supervisory personnel

As at the date of preparation of the financial report, the following members of the Management Board and Supervisory Board of the company held shares in Prochem S.A.;

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

The nominal value of 1 share is PLN 1.

In related companies, management and supervisory personnel do not hold any shares or stocks.

32. Information on agreements that may result in changes in the proportions of shares held by existing shareholders

The Issuer is not aware of any agreements that may result in changes in the proportions of shares held by existing shareholders.

33. Information about the employee share program control system

There is no employee share program in the companies of the Prochem S.A. Capital Group..

34. Information on the agreement with the entity authorized to audit the Issuer's financial statements

In 2023 on the basis of the resolution of the Supervisory Board of Prochem S.A. of May 24, 2023 on the selection of an auditor on September 6, 2023, an agreement was concluded with the entity authorized to audit financial statements, Misters Audytor Adviser sp. z o. o. for the audit and review of the separate and consolidated financial statements of Prochem S.A. The agreement was concluded for the audit of the financial statements for 2023, 2024 and 2025.

Remuneration of the entity auditing the financial statements and related entities

Remuneration of the auditing entity Misters Audytor Adviser Sp. z o .o. under contracts for the review and audit of financial statements and contracts for assurance services in the companies from the Prochem S.A. Capital Group	**from 01.01.2025 to 31.12.2025**	**from 01.01.2024 to 31.12.2024**
- audit of annual financial statements	163	158
- review of financial statements	56	54
- other assurance services	9	9

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