

Subject: Factors with a bearing on the performance of the SECO/WARWICK Group – delayed disclosure of inside information

Current Report No. 15/2017 of June 14th 2017

Legal basis: Art. 17.1 of MAR – Inside information

Text of the report:

To ensure reliable communication with capital market participants, the Management Board of SECO/WARWICK S.A. (the “Company”), acting pursuant to Art. 17.4 of MAR, publishes information on events with a bearing on the consolidated financial results of the SECO/WARWICK Group (the “Group”) for H1 2017, whose disclosure was delayed on May 12th 2017.

The Company’s Management Board was advised by the subsidiary Retech Systems LLC of the need to budget additional unplanned contract costs. Therefore, steps were taken to analyse and verify the collected information and the reasonableness of the cost planning.

Today it was found that, based on additional analysis and verification by the Issuer’s Management Board, the additional costs of the implementation of contracts at Retech Systems LLC (USA) amount to PLN 11.75m. The increased contract costs will significantly affect the Group’s consolidated financial statements for H1 2017.

The costs are mainly associated with the difficulty in achieving the parameters required by the customer in certain devices supplied by Retech Systems LLC within the previously assumed contract budget.

The Company’s Management Board points out that the increased cost estimates are based on unaudited financial data, and therefore may be revised following the independent auditor’s review of the financial statements for H1 2017.

The Group’s consolidated report for H1 2017, reviewed by an independent auditor, will be released on September 11th 2017.

Legal basis: Art. 17.1 of MAR – Inside information