



SECO/WARWICK
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INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD JANUARY 1ST-JUNE 30TH 2017

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I. General information

1. Parent

The parent of the SECO/WARWICK Group (“the SECOMWARWICK Group”, “the Group”) is SECO/WARWICK Spółka Akcyjna of Świebodzin (“the Company”). The Company was incorporated on January 2nd 2007 by virtue of the decision issued by District Court for Zielona Góra, VIII Commercial Division of the National Court Register, and entered in the Register of Entrepreneurs of the National Court Register under No. KRS 0000271014.

Name: SECO/WARWICK S.A.
Legal form: Joint-stock company (spółka akcyjna)
Registered offices: ul. Sobieskiego 8, 66-200 Świebodzin, Poland

Principal business activity according to the Polish Classification of Business Activities (PKD):

28,21,Z	Manufacture of ovens, furnaces and furnace burners
25	Manufacture of fabricated metal products, except machinery and equipment
33	Repair, maintenance, and assembly of machinery and equipment
46	Wholesale trade, except of motor vehicles and motorcycles
49	Land transport and transport via pipelines
52	Warehousing and support activities for transportation
62	Computer programming, consultancy and related activities
71	Architectural and engineering activities; technical testing and analysis
72	Scientific research and development
64,20,Z	Activities of holding companies

National Court Register (KRS) No. KRS 0000271014
Industry Identification Number (REGON) 970011679

2. Duration of the Group

SECO/WARWICK S.A. and other entities of the SECO/WARWICK Group have been registered to operate for an unlimited period of time, except for SECO/WARWICK Retech Thermal Equipment Manufacturing Tianjin Co. Ltd. established on May 5th 2010 for a period of 27 years and SECO/WARWICK France established on April 8th 2015 for a period of 15 years.

3. Presented periods

These interim condensed consolidated financial statements have been prepared for the period from January 1st to June 30th 2017.

Comparative data is presented:

- as at December 31st 2016 – for the interim consolidated statement of financial position,
- for the period from January 1st to June 30th 2016 – for the interim consolidated statement of comprehensive income and the interim consolidated statement of cash flows,
- for the period from January 1st to June 30th 2016 and from January 1st to December 31st 2016 – for the interim consolidated statement of changes in equity.

The interim profit/loss may not fully reflect the realisable profit/loss for the full financial year.

4. Composition of SECO/WARWICK S.A.'s governing bodies

As at the date of issue of these financial statements and as at June 30th 2017, the Management Board of SECO/WARWICK S.A. was composed of:

- Paweł Wyrzykowski – President of the Management Board
- Wojciech Peret – Member of the Management Board
- Sławomir Woźniak – Member of the Management Board
- Bartosz Klinowski – Member of the Management Board

As at December 31st 2016, the composition of the SECO/WARWICK S.A. Management Board was as follows:

- Paweł Wyrzykowski – President of the Management Board
- Jarosław Talerzak – Vice President of the Management Board
- Wojciech Peret – Member of the Management Board

As at the date of issue of these financial statements, as at June 30th 2017 and as at December 31st 2016, the Supervisory Board of SECO/WARWICK S.A. was composed of:

- Andrzej Zawistowski – Chairman of the Supervisory Board
- Henryk Pilarski – Deputy Chairman of the Supervisory Board
- Jeffrey Boswell – Member of the Supervisory Board
- James A. Goltz – Member of the Supervisory Board
- Marcin Murawski – Member of the Supervisory Board
- Paweł Tamborski – Member of the Supervisory Board

Changes in the composition of the Management Board:

On December 8th 2016, by Resolution No. 2 the Supervisory Board of SECO/WARWICK S.A. appointed Mr Sławomir Woźniak as Member of the Management Board, with effect from January 2nd 2017.

On December 8th 2016, by Resolution No. 3 the Supervisory Board of SECO/WARWICK S.A. appointed Mr Bartosz Klinowski as Member of the Management Board, with effect from January 2nd 2017.

On December 30th 2016, Mr Jarosław Talerzak resigned as Vice President of the Management Board, with effect from January 1st 2017.

On August 31st 2017, Mr Wojciech Peret resigned as Member of the Management Board, with effect from August 31st 2017.

5. Auditors

Ernst & Young Audyt Polska spółka z ograniczoną odpowiedzialnością spółka komandytowa
Rondo ONZ 1
00-124 Warsaw, Poland

6. Significant shareholders of the parent

The table below lists the shareholders holding over 5% of the total vote at the General Meeting as at June 30th 2017:

Shareholder	Number of shares	Ownership interest (%)	Number of votes	% of total vote at General Meeting
SW Holding	3,387,139	32.89%	3,387,139	34.92%
Spruce Holding Limited Liability Company (USA)	1,123,337	10.91%	1,123,337	11.58%
Aviva Otwarty Fundusz Emerytalny Aviva BZ WBK	1,046,573	10.16%	1,046,573	10.79%
Bleauhard Holdings LLC	637,028	6.19%	637,028	6.57%
Nationale-Nederlanden Otwarty Fundusz Emerytalny	600,000	5.83%	600,000	6.19%
Metlife OFE	577,470	5.61%	577,470	5.95%

The data presented in the table is based on notifications received from the shareholders.

SECO/WARWICK S.A. holds 598,500 treasury shares, representing 5.81% of the share capital. The Company does not exercise voting rights in respect of its treasury shares.

7. Subsidiaries

SECO/WARWICK S.A. is the parent of the following subsidiaries:

- SECO/WARWICK Corporation,
- SECO/WARWICK Rus,
- Retech Systems LLC,
- SECO/WARWICK Retech Thermal Equipment Manufacturing Tianjin Co. Ltd.,
- SECO/WARWICK GmbH,
- SECO/WARWICK Germany GmbH,
- SECO/WARWICK Allied Pvt. Ltd. (Mumbai) India,
- ALLIED FURNACES PVT. LTD.,
- SECO/WARWICK France,
- SECO/WARWICK Services Sp. z o.o.,
- SECO/WARWICK of Delaware, Inc.,
- Retech Tianjin Holdings LLC,
- SECO WARWICK USA HOLDING LLC,
- SECO VACUUM TECHNOLOGIES LLC,
- SECO/WARWICK Systems and Services India PVT. Ltd.

SECO/WARWICK of Delaware Inc, Retech Tianjin Holdings LLC, SECO WARWICK USA HOLDING LLC are not consolidated since their contribution to the Group's financial statements is immaterial.

Changes in the composition of the Group:

In Current Report No. 1/2017, referring to Current Report No. 26/2016 of October 31st 2016, the Management Board of SECO/WARWICK S.A. announced that on January 2nd 2017 the District Court in Zielona Góra, 8th Commercial Division of the National Court Register, registered the merger of the Company with its subsidiary, SECO/WARWICK EUROPE sp. z o.o. of Świebodzin.

The merger was effected pursuant to Art. 492.1.1 of the Commercial Companies Code, i.e. through the transfer of all assets of SECO/WARWICK EUROPE Sp. z o.o. to SECO/WARWICK S.A. by way of universal succession. As a result of the merger, SECO/WARWICK S.A., as the acquirer, assumed all the rights and obligations of SECO/WARWICK EUROPE Sp. z o.o., which was dissolved without liquidation proceedings, as of the date of its deletion from the register.

As SECO/WARWICK S.A. was the sole owner of SECO/WARWICK EUROPE Sp. z o.o., the merger was effected under Art. 515.1 of the Commercial Companies Code, i.e. without a share capital increase at SECO/WARWICK S.A.

On March 28th 2017, the Company increased the share capital of the subsidiary SECO/WARWICK Retech of China by USD 1,000,000.00 (PLN 3,925,900.00 translated at the mid exchange rate quoted by the NBP for March 27th 2017), thus increasing its shareholding in S/W Retech to 93.13%.

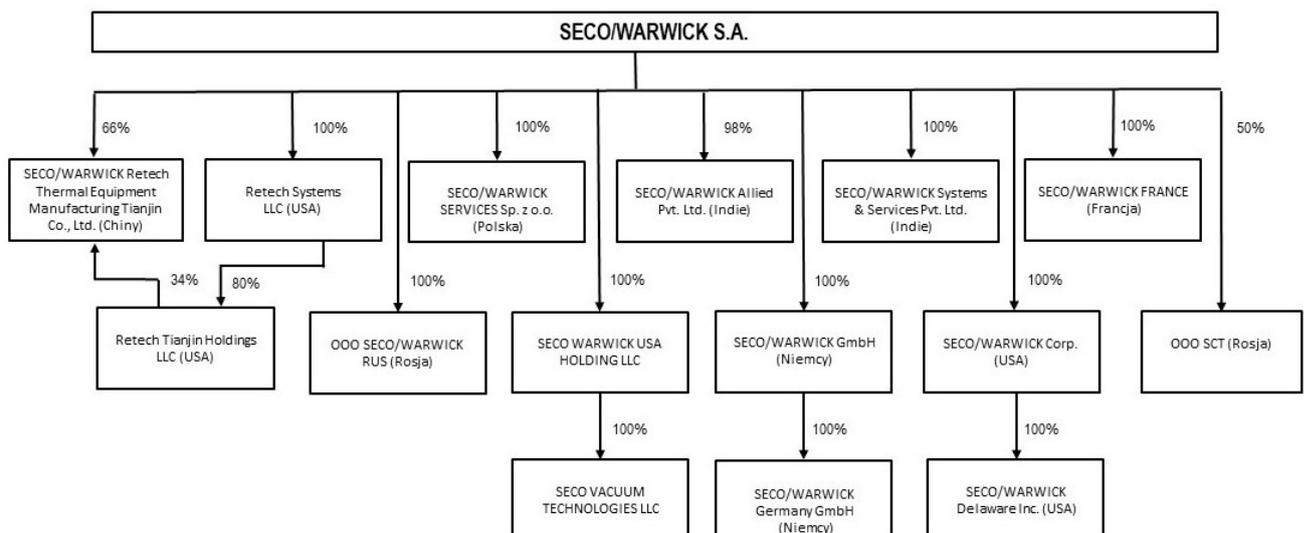
On May 24th 2017, SECO/WARWICK Systems and Services India PVT. Ltd. of Mumbai (India) was registered. The company's business consists in sale and repair and maintenance services.

In the first half of 2017, no other organisational changes, such as merger, acquisition or loss of control over subsidiaries and long-term investments, division, restructuring or discontinued operations, occurred in the SECO/WARWICK Group.

8. Associates

- OOO SCT (Solnechnogorsk) Russia, in which the Parent holds a 50% interest, conferring the right to 50% of the total vote at the General Meeting of the company.

9. Organisation of the Group, including the associate:



II. Key financial data translated into the euro

The table below presents average EUR/PLN exchange rates quoted by the National Bank of Poland for the periods covered by these financial statements and by the historical financial information:

Reporting period	Jun 30 2017	Dec 31 2016	Jun 30 2016
Average exchange rate for the period*	4.2474	-	4.3805
Exchange rate effective for the last day of the period	4.2265	4.4240	-

**) Average of the exchange rates effective for the last day of each month in the period.*

Items of assets, equity and liabilities in the interim condensed statement of financial position have been translated using the EUR/PLN exchange rates quoted by the National Bank of Poland for the last day of the period.

Items of the interim condensed consolidated statement of comprehensive income and statement of cash flows have been translated using the exchange rates calculated as the arithmetic means of the EUR/PLN mid market rates quoted by the National Bank of Poland as effective for the last day of each month in the reporting period.

The table below presents key items of the interim condensed consolidated statement of financial position, statement of comprehensive income and statement of cash flows disclosed in the interim condensed consolidated financial statements and the comparative data, translated into the euro:

Key consolidated financial data	H1 cumulatively Jan 1–Jun 30			
	2017	2016	2017	2016
	(PLN '000)		(EUR '000)	
Revenue	253,936	285,490	59,786	65,173
Cost of sales	-224,829	-224,104	-52,933	-51,159
Operating profit/(loss)	-14,771	18,242	-3,478	4,164
Profit/(loss) before tax	-9,833	11,103	-2,315	2,535
Net profit/(loss) attributable to owners of the parent	-12,992	5,193	-3,059	1,186
Net cash flows from operating activities	-21,848	-14,608	-5,144	-3,335
Net cash flows from investing activities	6,160	-5,357	1,450	-1,223
Net cash flows from financing activities	11,576	-5,126	2,726	-1,170
	Jun 30 2017	Dec 31 2016	Jun 30 2017	Dec 31 2016
Total assets	498,518	518,717	117,951	117,251
Total liabilities	321,587	318,985	76,088	72,103
including current liabilities	276,115	258,836	65,330	58,507
Equity	176,931	199,731	41,862	45,147
Share capital	3,616	3,616	856	817

The table below presents the key items of the interim condensed separate statement of financial position, statement of comprehensive income and statement of cash flows presented in these financial statements, together with the relevant comparative data, translated into the euro:

Separate financial highlights	H1 cumulatively Jan 1–Jun 30			
	2017	2016	2017	2016
	(PLN '000)		(EUR '000)	
Revenue	129,089	5,556	30,392	1,268
Cost of sales	-109,494	-4,690	-25,779	-1,071
Operating profit/(loss)	3,614	-1,011	851	-231
Profit/(loss) before tax	10,845	12,824	2,553	2,927
Net profit/(loss)	8,041	12,666	1,893	2,892
Net cash flows from operating activities	-7,263	3,843	-1,710	877
Net cash flows from investing activities	2,629	6,423	619	1,466
Net cash flows from financing activities	21,360	-8,012	5,029	-1,829
	Jun 30 2017	Dec 31 2016	Jun 30 2017	Dec 31 2016
Total assets	341,416	140,598	80,780	31,781
Total liabilities	181,773	32,022	43,008	7,238
including current liabilities	154,233	12,914	36,492	2,919
Equity	159,643	108,576	37,772	24,542
Share capital	3,616	3,616	856	817

III. Statement of compliance

In compliance with the requirements laid down in the Regulation of the Minister of Finance on current and periodic information to be published by issuers of securities and conditions for recognition as equivalent of information whose disclosure is required under the laws of a non-member state, dated February 19th 2009 (Dz.U. of 2014, item 133, as amended) (the "Regulation"), the Management Board of the Parent represents that to the best of its knowledge these interim condensed consolidated financial statements and the relevant comparative data have been prepared in compliance with the accounting standards applicable to the Group and give an accurate, fair and clear view of the Group's assets, financial condition and financial performance, and the Directors' half-year report on the Group's operations gives a true picture of the Group's development, achievements and standing; they also include a description of key risks and threats.

These interim condensed consolidated financial statements have been prepared in accordance with IAS 34 – *Interim Financial Reporting* as endorsed by the EU and the Regulation.

The Management Board represents that the auditor reviewing these half-year condensed consolidated financial statements and half-year condensed separate financial statements was appointed in compliance with the applicable laws, and that both the auditing firm and the qualified auditors who performed the review met the conditions required to issue an impartial and independent report on the review, in accordance with the applicable provisions of Polish law and professional standards. In accordance with the corporate governance principles adopted by the Management Board, the qualified auditor was appointed by the Supervisory Board by Resolution No. 14/2017 of April 27th 2017 concerning the appointment of an auditor. The Supervisory Board

appointed the auditor with due regard for the impartiality and objectivity of the selection itself as well as of the performance of the auditor's tasks.

IV. Authorisation of the financial statements

The Parent's Management Board authorised these interim condensed consolidated financial statements for issue on September 11th 2017.

Date: September 11th 2017

Paweł Wyrzykowski

Sławomir Woźniak

Bartosz Klinowski

*President of the
Management Board*

Member of the Management Board

*Member of the Management
Board*



INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD JANUARY 1ST–JUNE 30TH 2017

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
(PLN '000)

	Note	For the period Jan 1–Jun 30 2017 (unaudited)	For the period Jan 1–Jun 30 2016 (unaudited)
Revenue from sale of goods and services		249,767	280,402
Revenue from sale of merchandise and materials		4,169	5,088
Revenue	1	253,936	285,490
Cost of products sold and services rendered		-221,491	-220,443
Merchandise and materials sold		-3,338	-3,661
Cost of sales		-224,829	-224,104
Gross profit/(loss)		29,107	61,386
Other income	3	5,378	3,655
Distribution costs		-20,191	-16,426
Administrative expenses		-27,959	-28,701
Other expenses	3	-1,106	-1,672
Operating profit/(loss)		-14,771	18,242
Finance income	4	8,228	428
Finance costs	4	-3,322	-7,507
Share of net profit/(loss) of associates		32	-60
Profit/(loss) before tax		-9,833	11,103
Actual tax expense		-3,114	-4,132
Net profit/(loss) from continuing operations		-12,947	6,971
Profit/(loss) from discontinued operations		-	-1,822
Net profit/(loss)		-12,947	5,149
Net profit/(loss) attributable to			
Owners of the Parent		-12,992	5,193
Non-controlling interests		45	-45
EARNINGS/(LOSS) PER SHARE:			
	5		
- basic earnings/(loss) per share attributable to owners of the parent		-1.26	0.48
- diluted earnings/(loss) per share attributable to owners of the parent		-1.26	0.48
- basic earnings/(loss) per share from continuing operations, attributable to owners of the parent		-1.26	0.65
- diluted earnings/(loss) per share from continuing operations, attributable to owners of the parent		-1.26	0.65

OTHER COMPREHENSIVE INCOME:

Items that will not be reclassified to profit or loss:

Actuarial gains/(losses) on a defined benefit pension plan	-216	0
Income tax on other comprehensive income	76	0

Items that may be reclassified to profit or loss:

Valuation of cash flow hedging derivatives	15	4,556	-438
Exchange differences on translating foreign operations, including income tax effect		-8,859	840
Income tax on other comprehensive income		-866	83
Total other comprehensive income, net		-5,309	485
Total comprehensive income		-18,256	5,634

Total comprehensive income attributable to

Owners of the Parent	-18,338	5,218
Non-controlling interests	82	416

Date: September 11th 2017

Piotr Walasek	Paweł Wyrzykowski	Sławomir Woźniak	Bartosz Klinowski
<i>Chief Financial Officer</i>	<i>President of the Management Board</i>	<i>Member of the Management Board</i>	<i>Member of the Management Board</i>

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(PLN '000)

	Note	Jun 30 2017 (unaudited)	Dec 31 2016 (audited)
Non-current assets			
Property, plant and equipment	6	87,552	98,292
Investment property		376	381
Goodwill	11	38,259	43,004
Intangible assets	7	32,509	29,619
Long-term receivables		5,088	5,567
Other financial assets	14.15	2,946	8,369
Deferred tax assets		975	5,821
		167,704	191,053
Current assets			
Inventories	9	41,394	39,377
Trade receivables		90,438	97,827
Income tax assets		472	7,300
Other short-term receivables	16	21,957	29,116
Cash and cash equivalents		37,223	41,147
Other financial assets	14.15	4,775	266
Other non-financial assets		3,329	5,972
Contract settlement	12	128,860	106,554
		328,448	327,560
Assets held for sale		2,366	104
TOTAL ASSETS		498,518	518,717

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
 (PLN '000)

	Note	Jun 30 2017 (unaudited)	Dec 31 2016 (audited)
Equity			
Share capital		3,616	3,616
Statutory reserve funds		176,142	182,429
Other components of equity		9,686	9,284
Hedging reserve		1,377	-2,313
Retained earnings / accumulated losses		-13,864	7,259
Equity attributable to owners of the Parent		176,958	200,275
Non-controlling interests		-27	-544
		176,931	199,731
Non-current liabilities			
Borrowings and other debt instruments		15,586	27,462
Other financial liabilities		2,755	2,561
Trade payables		56	244
Other non-current liabilities		172	185
Deferred tax liabilities		8,927	10,834
Provision for retirement and similar benefits		4,510	5,113
Other provisions		164	176
Deferred income		13,301	13,574
		45,472	60,149
Current liabilities			
Borrowings and other debt instruments		72,643	49,978
Other financial liabilities		805	7,014
Trade payables		69,808	67,712
Income tax payable		273	209
Taxes, customs duties and social security payable		5,992	6,839
Other current liabilities	17	13,289	6,256
Provision for retirement and similar benefits		8,808	11,584
Other provisions		4,421	6,214
Deferred income		1,015	1,015
Contract settlement	12	99,059	102,015
		276,115	258,836
TOTAL EQUITY AND LIABILITIES		498,518	518,717

Date: September 11th 2017

Piotr Walasek	Paweł Wyrzykowski	Sławomir Woźniak	Bartosz Klinowski
<i>Chief Financial Officer</i>	<i>President of the Management Board</i>	<i>Member of the Management Board</i>	<i>Member of the Management Board</i>

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
 (PLN '000)

	For the period Jan 1–Jun 30 2017	For the period Jan 1–Jun 30 2016
	(unaudited)	(unaudited)
OPERATING ACTIVITIES		
Profit/(loss) before tax from continuing operations	-9,833	11,103
Profit/(loss) before tax from discontinued operations	-	-1,822
Profit/(loss) before tax	-9,833	9,281
Total adjustments:	-17,986	-25,098
Share of net profit of associates	-45	9
Depreciation and amortisation	5,519	5,509
Foreign exchange gains/(losses)	-3,935	339
Interest and profit distributions (dividends)	1,906	2,054
Gain/(loss) on investing activities	-2,420	-123
Balance-sheet valuation of derivative instruments	-7,510	-2,438
Change in provisions	-3,376	-2,685
Change in inventories	-3,657	-2,386
Change in receivables	-87	-5,277
Change in current liabilities (other than financial liabilities)	15,145	327
Change in accruals, deferrals and contracts	-19,425	-23,050
Other adjustments	-101	2,622
Income tax paid/recovered	5,971	1,210
Net cash from operating activities	-21,848	-14,608
INVESTING ACTIVITIES		
Cash provided by investing activities	15,494	797
Proceeds from disposal of intangible assets and property, plant and equipment	8,660	253
Other inflows from financial assets	6,834	544
Cash used in investing activities	9,334	6,154
Investments in intangible assets, property, plant and equipment, and investment property	9,274	6,154
Other cash used in investing activities	59	-
Net cash from investing activities	6,160	-5,357
FINANCING ACTIVITIES		
Cash provided by financing activities	29,945	14,255
Borrowings and other debt instruments	29,903	14,183
Other inflow	42	71
Cash used in financing activities	18,369	19,380
Repayment of borrowings and other debt instruments	15,987	13,686
Dividends and other distributions to owners	-	3,007
Other financial liabilities	11	-

Payment of finance lease liabilities	467	696
Interest paid	1,903	1,992
Net cash from financing activities	11,576	-5,126
Total net cash	-4,112	-25,090
Net change in cash, including:	13,868	-29,630
- effect of exchange rate fluctuations on cash held	0	-55
Cash at beginning of period	41,334	58,050
Cash at end of period	37,222	32,960

Date: September 11th 2017

Piotr Walasek	Paweł Wyrzykowski	Sławomir Woźniak	Bartosz Klinowski
<i>Chief Financial Officer</i>	<i>President of the Management Board</i>	<i>Member of the Management Board</i>	<i>Member of the Management Board</i>

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
(PLN '000)

	Share capital	Statutory reserve funds	Hedging reserve	Other components of equity	Exchange differences	Retained earnings / accumulated losses	Equity attributable to owners of the Parent	Equity attributable to non-controlling interests	Total equity
Equity as at Jan 1 2017	3,616	182,429	-2,313	9,284	27,029	-19,770	200,275	-544	199,731
Profit/(loss) for the period	-	-	-	-	-	-12,992	-12,992	45	-12,947
Other comprehensive income	-	-	3,690	-	-8,896	-140	-5,346	37	-5,309
Total comprehensive income for the year	-	-	3,690	-	-8,896	-13,132	-18,338	82	-18,256
Management stock options	-	-	-	402	-	-	402	-	402
Distribution of profit (dividend)	-	-	-	-	-	-4,947	-4,947	-	-4,947
Transfer of retained earnings/deficit to statutory reserve funds	-	-6,286	-	-	-	6,286	-	-	-
Accounting for increase of control at SWR	-	-	-	-	-	-434	-434	434	-
Equity as at Jun 30 2017 (unaudited)	3,616	176,143	1,377	9,686	18,134	-31,998	176,959	-27	176,931
Equity as at Jan 1 2016	3,704	190,271	-1,891	24,231	21,388	-62,123	175,580	450	176,030
Profit/(loss) for the period	-	-	-	-	-	5,193	5,193	-45	5,149
Other comprehensive income	-	-	-355	-	380	-	25	461	485
Total comprehensive income for the year	-	-	-355	-	380	5,193	5,218	416	5,634
Dividend	-	-	-	-	-	-3,007	-3,007	-	-3,007
Management stock options	-	-	-	300	-	-	300	-	300
Transfer of retained earnings/deficit to statutory reserve funds	-	-23,519	-	-	-	23,519	-	-	-
Transfer from capital reserve to statutory reserve funds	-	15,705	-	-15,705	-	-	-	-	-
Sale of shares	-	-29	-	100	-	-	71	-	71
Accounting for increase of control at SWA	-	-	-	-	-	1,314	1,314	-793	521

Equity as at Jun 30 2016 (unaudited)	3,704	182,429	-2,246	8,525	21,768	-35,103	179,477	73	179,550
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	Share capital	Statutory reserve funds	Hedging reserve	Other components of equity	Exchange differences	Retained earnings / accumulated losses	Equity attributable to owners of the Parent	Equity attributable to non-controlling interests	Total equity
Equity as at Jan 1 2016	3,704	190,271	-1,891	24,231	21,388	-62,123	175,580	449	176,030
Profit/(loss) for the period	-	-	-	-	-	19,787	19,787	-143	19,644
Other comprehensive income	-	-	-423	-	5,641	740	5,958	464	6,423
Total comprehensive income for the year	-	-	-423	-	5,641	20,527	25,745	321	26,067
Dividend	-	-	-	-	-	-3,007	-3,007	-	-3,007
Cancellation of treasury shares	-88	-	-	88	-	-	-	-	-
Disposal of own shares	-	-29	-	100	-	-	71	-	71
Management stock options	-	-	-	571	-	-	571	-	571
Coverage of loss brought forward	-	-23,519	-	-	-	23,519	-	-	-
Transfer from capital reserve to statutory reserve funds	-	15,705	-	-15,705	-	-	-	-	-
Accounting for increase of control at SWA	-	-	-	-	-	1,314	1,314	-1,314	-
Equity as at Dec 31 2016 (audited)	3,616	182,429	-2,313	9,284	27,029	-19,770	200,275	-544	199,731

Date: September 11th 2017

Piotr Walasek

Chief Financial Officer

Paweł Wyrzykowski

President of the Management Board

Sławomir Woźniak

Member of the Management Board

Bartosz Klinowski

Member of the Management Board



**SUPPLEMENTARY INFORMATION TO THE INTERIM CONDENSED
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED**

JUNE 30TH 2017

I. Compliance with International Financial Reporting Standards

These interim condensed consolidated financial statements have been prepared in accordance with IAS 34 *Interim Financial Reporting*, as endorsed by the European Union, and the Regulation of the Minister of Finance on current and periodic information to be published by issuers of securities and conditions for recognition as equivalent of information whose disclosure is required under the laws of a non-member state, dated February 19th 2009 (consolidated text: Dz.U. of 2014, item 133, as amended) (the "Regulation").

These interim condensed consolidated financial statements do not include all the information and disclosures required in the case of full-year consolidated financial statements and should be read in conjunction with the consolidated financial statements of the Group for the year ended December 31st 2016, authorised for issue on April 27th 2017.

II. Going concern assumption and comparability of accounts

These interim condensed consolidated financial statements have been prepared on the assumption that the Group would continue as a going concern for 12 months from the last reporting date, i.e. June 30th 2017. As at the date of signing these financial statements, the Parent's Management Board was aware of no facts or circumstances that would involve a threat to the Group's continuing as a going concern in the 12 months after the end of the reporting period, as a result of any planned or forced discontinuation or material downsizing of its existing operations.

By the date of these interim condensed consolidated financial statements for H1 2017, no events occurred which have not but should have been disclosed in the accounting books for the reporting period. In these financial statements no material events related to prior years are disclosed.

III. Basis of consolidation

In the six months ended June 30th 2017, there were no changes in the composition of the Group relative to December 31st 2016. The rules of consolidation did not change either.

IV. Applied accounting policies, including methods of measurement of assets, equity and liabilities, income and expenses

These interim condensed consolidated financial statements have been prepared based on a historical cost approach, except with respect to financial derivatives, which are measured at fair value.

These interim condensed consolidated financial statements are presented in the złoty ("PLN") and, unless specified otherwise, all amounts are given in thousands of zlotys.

The accounting policies applied in preparing these interim condensed financial statements are consistent with the policies applied in preparing the Group's full-year financial statements for the year started January 1st 2016. After January 1st 2016, no new or amended standards or interpretations that would be effective for annual periods beginning after January 1st 2016 have been issued. The standards and interpretations which have been issued but are not yet effective as they have not yet been endorsed by the European Union or have been endorsed by the European Union, but have not been early adopted by the Company are presented in the Company's financial statements for 2016. In the first half of 2017, IFRS 17 *Insurance Contracts* and IFRIC 23 *Uncertainty over Income Tax Treatments* were only issued.

The Management Board does not expect the implementation of the above standards and interpretations to have any material effect on the accounting policies applied by the Company.

The Company did not elect to early adopt any of the standards, interpretations or amendments that have been published but are not yet effective as not yet endorsed by the European Union.

The Management Board is currently analysing the potential effect of those amendments on the accounting policies applied by the Group. However, the Management Board does not expect the implementation of these standards to have a material effect on the Group.

V. Material judgements and estimates

Critical judgements made by the Management Board in applying the Company's accounting policies and key sources of estimation uncertainty are the same in these interim condensed consolidated financial statements as those presented in Section IX of the 2016 Consolidated Financial Statements.

VI. Changes in accounting policies

The Group intends to adopt amendments to IFRS issued but not yet effective as at the date of issue of these half-year condensed consolidated financial statements, as of their effective date. The impacts of these amendments and new standards on the Group's future consolidated financial statements are discussed in Section XI of the 2016 Consolidated Financial Statements.



**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL
STATEMENTS
FOR THE SIX MONTHS ENDED**

JUNE 30TH 2017

Note 1. REVENUE

As provided for under IAS 18, revenue from sales of finished goods, merchandise, materials and services, net of VAT, discounts and rebates, is recognised when the entity has transferred to the buyer the significant risks and rewards incidental to their ownership.

To account for long-term contracts, the Group applies the provisions of IAS 11 Construction Contracts. When the outcome of a construction contract can be estimated reliably, the percentage of completion method is used. The percentage of completion is determined by reference to costs incurred to date in comparison with total contract costs determined in accordance with the Group's best estimate. The revenue as at the end of the reporting period is determined based on the percentage of completion of the contract, net of any revenue which affected the financial result in previous reporting periods. Estimated contract revenue attributable to the given reporting period is recognised as revenue from sale of finished goods for the period, and disclosed under assets in the statement of financial position as receivables under settlement of long-term contracts.

In the six months ended June 30th 2017, revenue from sale of products amounted to PLN 250m, down 11% from PLN 280m in the six months ended June 30th 2016. In the same period, revenue from sale of merchandise and materials amounted to PLN 4m, down 18% from PLN 5m in the six months ended June 30th 2016.

Note 2. OPERATING SEGMENTS

The Group's core business consists in manufacture of four key groups of products: vacuum furnaces, aluminium heat exchanger brazing systems, aluminium heat treatment systems and metallurgy equipment used for melting and vacuum casting of metals and specialty alloys. Also, in accordance with the Company's management accounts, a separate aftersales segment has been established. The SECO/WARWICK Group's operations are divided into five core business segments corresponding to the product groups:

Vacuum furnaces (Vacuum)

Vacuum furnaces have multiple applications in a number of industries, including machine tool, aviation, power, electrical engineering, medical equipment, automotive and specialised industries. Vacuum furnaces may be used in a wide variety of processes, such as heat treatment of steel and alloys, brazing, sintering, and degassing.

Melting furnaces

The metallurgy applications of the vacuum melting furnaces include alloying, melting and purifying specialty metals, including reactive metals (e.g. titanium, zirconium) and heat-resistant metals (e.g. tantalum). Due to their physical properties, specialty metals may only be treated with the use of technologically advanced solutions under high vacuum conditions.

The different types of melting furnaces include melting and holding furnaces used for the manufacture of precision castings (such as components of jet engines, power turbines and medical implants).

Melting furnaces may also be used as an element of the globally-unique processes involving disposal of hazardous waste (such as nuclear by-products).

Thermal

Atmosphere furnaces are widely used in the process of thermal and thermochemical treatment of steel and metals in protective atmospheres for improved hardness. Atmosphere furnaces designed for thermochemical treatment are employed in the gas carburising, gas nitriding and other processes. Such furnaces are used chiefly by the automotive and metal industries, including for the manufacturing of anti-friction bearings, as well as for use in commercial hardening plants and specialty industries.

Aluminium heat treatment systems (Aluminium Process)

The Aluminium Process solutions offered by the Group are used in the production of aluminium sheet for the automotive and aviation industries, as well as for the manufacturing of packaging foil for multiple applications. In addition, the Aluminium Process systems are used to heat treat aluminium castings. The CAB systems are used primarily in the automotive industry for brazing heat exchangers mounted in passenger cars and trucks (charge air coolers, air conditioning evaporators and condensers, oil coolers, etc.). Outside the automotive industry, CAB processes are used in the manufacture of IC radiators, steam condensers for CHP plants, exhaust gas heat exchangers for power generators, etc.

Aftersales

The Aftersales Segment covers the conversion, modernisation and modification of customer-owned equipment, including the equipment manufactured by third parties. This segment also includes sale of spare parts and all aftersales services.

Financial data for the segments includes only segment revenue, expenses and segment's profit or loss. It is impracticable for the Group to allocate assets to the particular segments as its plant and equipment (including buildings and structures) is shared by all the segments.

H1 2017	Continuing operations						Discontinued operations	Unallocated items	Total
	Vacuum Furnaces	Thermal	Aluminium Process	Melting Furnaces	Aftersales	Total			
Total segment revenue	63,877	27,452	80,735	42,491	38,264	252,820	-	1,116	253,936
Sales to customers accounting for 10% or more of revenue	-	-	-	-	-	-	-	-	-
Total segment expenses	-51,353	-26,606	-66,228	-51,933	-26,319	-222,439	-	-2,390	-224,829
Gross profit/(loss)	12,524	846	14,507	-9,441	11,945	30,381	-	-1,274	29,107
Operating income								5,378	5,378
Distribution costs								-20,191	-20,191
Administrative expenses								-27,959	-27,959
Operating expenses								-1,106	-1,106
Segment profit/(loss) on operating activities									-14,771
Finance income								8,228	8,228
Finance costs								-3,322	-3,322
Share in profit of associate								32	32
Profit before tax									-9,833
Actual tax expense								-3,114	-3,114
Profit/(loss) from continuing operations									-12,947
Profit/(loss) from discontinued operations								-	-
Profit/(loss) attributable to non-controlling interests								45	45
Net profit/(loss) attributable to owners of the parent									-12,992

H1 2016	Continuing operations						Discontinued operations	Unallocated items	Total
	Vacuum Furnaces	Thermal	Aluminium Process	Melting Furnaces	Aftersales	Total			
Total segment revenue	58,621	23,194	56,280	103,739	41,264	283,098	-	2,392	285,490
Sales to customers accounting for 10% or more of revenue	-	-	-	41,467	-	-	-	-	41,467
Total segment expenses	-42,805	-18,908	-44,564	-88,329	-26,923	-221,528	-	-2,576	-224,104
Gross profit/(loss)	15,816	4,286	11,717	15,410	14,341	61,570		-184	61,386
Operating income								3,655	3,655
Distribution costs								-16,426	-16,426
Administrative expenses								-28,701	-28,701
Operating expenses								-1,672	-1,672
Segment profit/(loss) on operating activities									18,242
Finance income								428	428
Finance costs								-7,507	-7,507
Share in profit of associate								-60	-60
Profit before tax									11,103
Actual tax expense								-4,132	-4,132
Profit/(loss) from continuing operations									6,971
Profit/(loss) from discontinued operations								-1,822	-1,822
Profit/(loss) attributable to non-controlling interests								-45	-45
Net profit/(loss) attributable to owners of the parent									5,193

Note 3. OTHER INCOME AND EXPENSES

OTHER INCOME	Jan 1–Jun 30 2017	Jan 1–Jun 30 2016
Reversal of impairment losses on receivables	-	57
Reversal of provisions	5	1,519
Gain on disposal of property, plant and equipment	1,173	34
Penalties and compensation/damages received	2,941	160
Inventory settlement	-	47
Income from lease of tangible assets and investment property	635	858
Grant for development work	505	454
Other	120	526
Total other income	5,378	3,655

OTHER EXPENSES	Jan 1–Jun 30 2017	Jan 1–Jun 30 2016
Impairment losses on receivables	628	-
Loss on disposal of property, plant and equipment	53	54
Court expenses, compensation/damages, penalties	6	31
Cost related to income from lease of tangible assets	125	670
Cost of discontinued production	-	-
Donations	40	189
Provision for damages	2	49
Other	253	678
Total other expenses	1,106	1,672

Note 4. FINANCE INCOME AND COSTS

FINANCE INCOME	Jan 1–Jun 30 2017	Jan 1–Jun 30 2016
Interest income	280	428
Gain on derivative instruments at maturity	1,057	-
Valuation of derivative instruments	6,766	-
Net foreign exchange gains	-	-
Other	126	-
Total finance income	8,228	428

FINANCE COSTS	Jan 1–Jun 30 2017	Jan 1–Jun 30 2016
Interest on bank loans	2,284	2,317
Loss on derivative instruments at maturity	-	2,015
Valuation of derivative instruments	-	1,472
Net foreign exchange losses	815	1,518
Other	223	185
Total finance costs	3,322	7,507

Note 5. EARNINGS PER SHARE

Item	Jun 30 2017	Jun 30 2016
Net profit from continuing operations attributable to shareholders	-12,992	7,016
Profit/(loss) from discontinued operations attributable to shareholders	-	-1,822
Net profit attributable to owners of the parent	-12,992	5,193
Interest on redeemable preference shares convertible into ordinary shares	-	-
Net profit attributable to holders of ordinary shares, used to calculate diluted earnings per share	-12,992	5,193
Weighted average number of outstanding ordinary shares, used to calculate basic earnings per share	10,298,554	10,737,837
Earnings per share	-1.26	0.48
Dilutive effect:		
Number of potential subscription warrants	-	-
Number of potential shares issued at market price	-	-
Adjusted weighted average number of ordinary shares, used to calculate diluted earnings per share	-	-
Diluted earnings per share	-1.26	0.48

Note 6. PROPERTY, PLANT AND EQUIPMENT

As at June 30th 2017, net property, plant and equipment amounted to PLN 87,552 thousand, down PLN 10,739 thousand on December 31st 2016.

In the six months ended June 30th 2017, net property, plant and equipment increased by PLN 5,562 thousand as a result of acquisition. Net property, plant and equipment decreased by PLN 15,028 thousand as a result of sale (PLN 11,410 thousand), liquidation (PLN 976 thousand), and reclassification to assets for sale (PLN 2,366 thousand). The depreciation charge for the six months ended June 30th 2017 amounted to PLN 4,214 thousand. Accumulated depreciation of property, plant and equipment fell by PLN 4,358 thousand as a result of sale and liquidation. In the six months ended June 30th 2017, a PLN 1,540 thousand reversal of impairment losses on property, plant and equipment was recognised. Foreign exchange differences amounted to PLN - 4,306 thousand in the same period. As at June 30th 2017, tangible assets under construction amounted to PLN 4,087 thousand.

In the six months ended June 30th 2016, net property, plant and equipment increased by PLN 12,287 thousand as a result of acquisition (PLN 450 thousand), internal generation (PLN 10,749 thousand), and concluded lease agreements (PLN 1,088 thousand). Net property, plant and equipment decreased by PLN 7,381 thousand as a result of sale (PLN 839 thousand), liquidation (PLN 592 thousand), and separation of assets for sale (PLN 5,801 thousand). The depreciation charge for the six months ended June 30th 2016 amounted to PLN 4,572 thousand. Accumulated depreciation of property, plant and equipment fell by PLN 3,183 thousand as a result of sale and liquidation of assets and separation of assets for sale. In the six months ended June 30th 2016, no impairment loss on property, plant and equipment was recognised. Foreign exchange differences amounted to PLN 946 thousand in the same period. As at June 30th 2016, tangible assets under construction amounted to PLN 6,868 thousand.

Tangible assets under construction:

<i>Tangible assets under construction as at Jan 1 2017</i>	<i>Expenditure in the reporting period</i>	<i>Accounting for the expenditure</i>					<i>Intangible assets</i>	<i>As of Jun 30 2017</i>
		<i>Buildings, premises and civil engineering structures</i>	<i>Machinery and equipment</i>	<i>Vehicles</i>	<i>Other</i>			
2,738	5,524	574	1,611	1,170	554	266	4,087	

<i>Tangible assets under construction as at Jan 1 2016</i>	<i>Expenditure in the reporting period</i>	<i>Accounting for the expenditure</i>					<i>Intangible assets</i>	<i>Dec 31 2016</i>
		<i>Buildings, premises and civil engineering structures</i>	<i>Machinery and equipment</i>	<i>Vehicles</i>	<i>Other</i>			
10,197	4,948	4,357	4,898	1,891	573	689	2,738	

Note 7. INTANGIBLE ASSETS

As at June 30th 2017, net intangible assets amounted to PLN 32,509 thousand, up PLN 2,889 thousand on December 31st 2016.

In the six months ended June 30th 2017, net intangible assets increased as a result of acquisition by PLN 4,223 thousand. The amortisation charge for the six months ended June 30th 2017 amounted to PLN 1,072 thousand. In the six months ended June 30th 2017, no reversal of impairment losses on intangible assets was recognised. Foreign exchange differences amounted to PLN -176 thousand.

In the six months ended June 30th 2016, net intangible assets increased by PLN 887 thousand, including by PLN 549 thousand as a result of acquisition. In the six months ended June 30th 2016, net intangible assets decreased as a result of reclassification by PLN 2,170 thousand. The amortisation charge for the six months ended June 30th 2016 amounted to PLN 896 thousand. In the six months ended June 30th 2016, no reversal of impairment losses on intangible assets was recognised. Foreign exchange differences amounted to PLN -134 thousand.

Note 8. IMPAIRMENT LOSSES/WRITE-DOWNS

Impairment losses	Jun 30 2017	Dec 31 2016
Trade receivables	17,692	18,507
Equity interests	44,946	44,946
Inventories	2,601	2,906
Tangible assets	845	2,493

IMPAIRMENT LOSSES ON TRADE RECEIVABLES	Jun 30 2017	Jun 30 2016
Opening balance	18,507	19,478
Increase, including:	1,208	14
- impairment losses recognised in correspondence with other expenses	1,208	-
- net exchange differences on translating financial statements into presentation currency	-	14
Decrease, including:	2,024	57
- impairment losses reversed in correspondence with other income	580	57
- net exchange differences on translating financial statements into presentation currency	1,444	-
Closing balance	17,692	19,435

Note 9. INVENTORIES

Item	Jun 30 2017	Dec 31 2016
Materials (at cost)	29,636	31,097
Semi-finished products and work in progress	9,754	7,031
Finished goods	1,947	1,098
Merchandise	57	151
Total inventories (carrying amount)	41,394	39,377
Write-downs of inventories	2,601	2,906
Gross inventories	43,996	42,283

CHANGE IN INVENTORY WRITE-DOWNS

WRITE-DOWNS	Jun 30 2017	Jun 30 2016
Opening balance	2,906	2,447
Increase, including:	-	40
- write-downs recognised in correspondence with other expenses	-	-

- net exchange differences on translating financial statements into presentation currency	-	40
Decrease, including:	305	-
- write-downs reversed in correspondence with other income	-	-
- net exchange differences on translating financial statements into presentation currency	305	-
Closing balance	2,601	2,487

Note 10. DIVIDENDS PROPOSED OR APPROVED BY THE DATE OF AUTHORISATION OF THESE FINANCIAL STATEMENTS

On May 26th 2017, by Resolution No. 20 the Annual General Meeting of SECO/WARWICK S.A. decided to pay the shareholders dividend for 2016 in a total amount of PLN 4,947,027.54 (four million, nine hundred and forty-seven thousand, twenty-seven złoty, fifty-four grosz). Dividend per share was PLN 0.51. The dividend record date and the dividend payment date were July 4th 2017 and July 18th 2017, respectively.

Note 11. GOODWILL

Item	Jun 30 2017	Dec 31 2016
Consolidation goodwill at beginning of period	43,003	40,194
Exchange differences on translation of goodwill	-4,745	2,809
Total goodwill at end of period	38,258	43,003

Note 12. LONG-TERM CONTRACTS

This Note presents costs as from the contract commencement date to the reporting date.

Contracts in progress at the end of the reporting period:	Jun 30 2017	Dec 31 2016
Included in the consolidated financial statements as amounts due:		
From customers under construction contracts	128,860	106,554
To customers under construction contracts	-99,059	-102,015
	<u>29,800</u>	<u>4,539</u>

Revenue from a contract in progress recognised as revenue in H1 2017 amounted to PLN 225,277 thousand (H1 2016: PLN 277,345 thousand).

As at June 30th 2017, advances received from customers for contract work totalled PLN 120,548 thousand (as at June 30th 2016: PLN 126,531 thousand).

Note 13. CAPITAL COMMITMENTS

As at June 30th 2017, the Group had capital commitments related to property, plant and equipment of PLN 473 thousand. The funds were allocated for the purchase of new plant and equipment.

Note 14. LOANS

	Jun 30 2017	Dec 31 2016
Increase in loans advanced, including:	99	134
- non-current	34	67
- current	65	67

In 2016 and in H1 2017, no loans were granted to Members of Management Boards or Supervisory Boards of the Group companies.

Note 15. DERIVATIVE FINANCIAL INSTRUMENTS

	Jun 30 2017		Dec 31 2016	
	Assets	Liabilities	Assets	Liabilities
Derivative financial instruments	5,769	9	199	6,694
Total hedging instruments				
- non-current	1,116	4	-	559
- current	4,653	5	199	6,135

Disclosures of derivative financial instruments which qualify for hedge accounting

In H1 2017, SECO/WARWICK EUROPE S.A. used currency forwards to hedge on average 55% of its export cash flows denominated in EUR, 58% of its cash flows denominated in USD, and 57% of its cash flows denominated in GBP. The purpose is to hedge the budgeted exchange rates for contracts. Any changes in the value of EUR-, USD-, CZK- or GBP-denominated cash flows are offset by changes in the fair value of the hedging instrument. Hedge accounting is applied if the criteria provided for in IAS 39:88 are met.

The balance-sheet valuation of derivative instruments is recognised in equity. If a transaction which has been hedged with a currency forward affects profit or loss, the valuation previously recognised in equity is reclassified to profit or loss. Given that transactions in derivative instruments are entered into for the purposes of concluded long-term contracts (accounted for based on the stage of completion measured by reference to contract costs incurred), the Group assumed that the transactions affect profit or loss in proportion to the percentage of completion of a given contract. The Group further assumed that the valuations of derivative instruments as at the reporting date provided by partner banks reliably reflect the fair value of its currency forwards, and so this value was disclosed in its accounting records. The effectiveness of transactions is assessed by comparing the maturity dates and nominal values of the hedged item and the hedging instrument.

The table below presents total values of hedging relationships open as at June 30th 2017.

30/06/2017	Notional amount of contract (EUR '000)	Original notional amount of hedging instrument	Remaining notional amount of hedging instrument as at Jun 30 2017	Fair value of instrument (PLN '000)	Amount recognised in profit or loss cumulatively (PLN '000)	Amount recognised in equity (PLN '000)	Date for final settlement of hedging instrument
TOTAL	68,313	36,539	24,101	3,512	2,191	1,321	from Jul 31 2017 to Jan 17 2019
Jun 30 2017	Notional amount of contract (USD '000)	Original notional amount of hedging instrument	Remaining notional amount of hedging instrument as at Jun 30 2017	Fair value of instrument (PLN '000)	Amount recognised in profit or loss cumulatively (PLN '000)	Amount recognised in equity (PLN '000)	Date for final settlement of hedging instrument
TOTAL	42,107	21,464	10,831	2,118	936	1,182	from Jul 31 2017 to Jan 17 2019
30/06/2017	Notional amount of contract (CZK '000)	Original notional amount of hedging instrument	Remaining notional amount of hedging instrument as at Jun 30 2017	Fair value of instrument (PLN '000)	Amount recognised in profit or loss cumulatively (PLN '000)	Amount recognised in equity (PLN '000)	Date for final settlement of hedging instrument
TOTAL	31,000	31,000	31,000	81	1	80	from Jan 30 2017 to Jan 31 2018
30/06/2017	Notional amount of contract (GBP '000)	Original notional amount of hedging instrument	Remaining notional amount of hedging instrument as at Jun 30 2017	Fair value of instrument (PLN '000)	Amount recognised in profit or loss cumulatively (PLN '000)	Amount recognised in equity (PLN '000)	Date for final settlement of hedging instrument
TOTAL	368	210	210	49	13	36	from Sep 28 2017 to Jan 31 2018

The table below presents total values of hedging relationships open as at December 31st 2016.

Dec 31 2016	Notional amount of contract (EUR '000)	Original notional amount of hedging instrument	Remaining notional amount of hedging instrument as at Dec 30 2016	Fair value of instrument (PLN '000)	Amount recognised in profit or loss (PLN '000)	Amount recognised in equity (PLN '000)	Date for final settlement of hedging instrument
TOTAL	58,044	34,376	22,127	-1,195	-748	-447	from Jan 31 2017 to Dec 5 2018
31/12/2016	Notional amount of contract (USD '000)	Original notional amount of hedging instrument	Remaining notional amount of hedging instrument as at Dec 30 2016	Fair value of instrument (PLN '000)	Amount recognised in profit or loss (PLN '000)	Amount recognised in equity (PLN '000)	Date for final settlement of hedging instrument
TOTAL	41,887	24,599	14,114	-5,220	-2,877	-2,343	from Jan 12 2017 to May 4 2018
31/12/2016	Notional amount of contract (CZK '000)	Original notional amount of hedging instrument	Remaining notional amount of hedging instrument as at Dec 30 2016	Fair value of instrument (PLN '000)	Amount recognised in profit or loss (PLN '000)	Amount recognised in equity (PLN '000)	Date for final settlement of hedging instrument
TOTAL	31,000	31,000	31,000	-66	-40	-26	from Jan 30 2017 to Jan 31 2018

Note 16. OTHER SHORT-TERM RECEIVABLES

Item	Jun 30 2017	Dec 31 2016
receivables under prepayments	6,973	8,377
tax, custom duties, social and health insurance and other benefits receivables	13,001	8,341
insurance receivable	-	11,158
other receivables	1,983	1,241
Total other short-term receivables	21,957	29,116

Note 17. OTHER CURRENT LIABILITIES

Item	Jun 30 2017	Dec 31 2016
salaries and wages, other obligations towards employees	6,509	3,970
dividends payable	4,947	-
other liabilities	1,833	2,286
Total current liabilities	13,289	6,256

Note 18. MATERIAL ERROR CORRECTIONS

No material error corrections were made in H1 2017.

Note 19. OFF-BALANCE-SHEET ITEMS

Contingent liabilities

Contingent liabilities under guarantees and sureties issued amounted to PLN 65,006 thousand as at June 30th 2017, and to PLN 68,429 thousand as at the end of 2016. The guarantees were issued in respect of:

- APG → advance payment guarantee
- BB → bid bond
- CRG → credit repayment guarantee
- PBG → performance bond guarantee
- SBLC → stand-by letter of credit
- WAD → bid bond guarantee
- CRB → credit repayment bond

Note 20. SETTLEMENTS RELATED TO COURT CASES

For detailed information on court cases in 2016, see Note 37 to the consolidated financial statements for the period ended December 31st 2016. By the date of issue of these financial statements, the Company had not received any additional information.

Note 21. RELATED PARTIES

No material related-party transactions were executed.

Note 22. EXPLANATORY INFORMATION TO THE STATEMENT OF CASH FLOWS

Item	Jun 30 2017	Jun 30 2016
Cash in the statement of financial position	37,223	31,147
Exchange differences on balance-sheet valuation	-	52
Cash attributable to discontinued operations	-	1,961
Total cash and cash equivalents disclosed in the statement of cash flows	37,223	32,960

Note 23. FAIR VALUE HIERARCHY

The Group classifies all financial instruments (presented in Note 17) measured at fair value to Level 2. The valuation method and technique used to measure financial instruments at fair value are the same as those applied as at December 31st 2016. Both in the reporting period and the comparable period, there were no transfers between the levels of fair value hierarchy of financial instruments at the Group, nor was there any change in the classification of instruments as a result of changing the purpose or use of these instruments.

Note 24. SEASONALITY OR CYCLICALITY OF BUSINESS IN THE REPORTING PERIOD

The SECO/WARWICK Group's business is not exposed to any significant seasonal or cyclical fluctuations.

Note 25. NON-RECURRING EVENTS DUE TO THEIR TYPE, SCALE OR FREQUENCY

No non-recurring events occurred other than those described herein.

Note 26. MATERIAL EVENTS WHICH OCCURRED AFTER THE END OF THE INTERIM PERIOD AND ARE NOT DISCLOSED IN THESE FINANCIAL STATEMENTS

No such events occurred.

Date: September 11th 2017

Piotr Walasek	Paweł Wyrzykowski	Sławomir Woźniak	Bartosz Klinowski
<i>Chief Financial Officer</i>	<i>President of the Management Board</i>	<i>Member of the Management Board</i>	<i>Member of the Management Board</i>



INTERIM CONDENSED SEPARATE FINANCIAL STATEMENTS

FOR THE PERIOD JANUARY 1ST–JUNE 30TH 2017

INTERIM CONDENSED SEPARATE STATEMENT OF COMPREHENSIVE INCOME
 (PLN '000)

	Note	For the period Jan 1–Jun 30 2017 (unaudited)	For the period Jan 1–Jun 30 2016 (unaudited)
Revenue from sale of goods and services		129,074	5,554
Revenue from sale of merchandise and materials		15	2
Revenue		129,089	5,556
Cost of products sold and services rendered		-109,482	-4,689
Merchandise and materials sold		-12	-2
Cost of sales		-109,494	-4,690
Gross profit/(loss)		19,595	866
Other income	1	4,754	216
Distribution costs		-7,135	0
Administrative expenses		-10,682	-1,747
Other expenses	1	-2,918	-346
Operating profit/(loss)		3,614	-1,011
Finance income	2	8,155	21,451
Finance costs	2	-924	-7,616
Profit/(loss) before tax		10,845	12,824
Actual tax expense		-2,804	157
Net profit/(loss) from continuing operations		8,041	12,666
Profit/(loss) from discontinued operations		-	-
Net profit/(loss)		8,041	12,666
OTHER COMPREHENSIVE INCOME:			
Cash flow hedges		-	-
Income tax on other comprehensive income		-	-
Other comprehensive income, net of tax		-	-
Total comprehensive income		8,041	12,666
Earnings/(loss) per share (PLN):			
- basic and diluted from net profit/(loss)		0.78	-0.14

Date: September 11th 2017

Anna Kozłowska

Paweł Wyrzykowski

Sławomir Woźniak

Bartosz Klinowski

Chief Accountant
*President of the
Management Board*
*Member of the Management
Board*
*Member of the
Management Board*

INTERIM CONDENSED SEPARATE STATEMENT OF FINANCIAL POSITION
 (PLN '000)

	Note	Jun 30 2017 (unaudited)	Dec 31 2016
Non-current assets			
Property, plant and equipment	3	55,697	1,504
Investment property		376	-
Intangible assets		32,177	9,759
Long-term receivables		4,829	4,388
Other financial assets		51,518	109,087
Deferred tax assets		1,444	6,021
		146,041	130,759
Current assets			
Inventories		22,284	100
Trade receivables		53,404	7,086
Income tax assets		-	-
Other short-term receivables		14,679	57
Cash and cash equivalents		18,095	1,368
Other financial assets		10,078	1,071
Other non-financial assets		947	156
Contract settlement		75,889	-
		195,375	9,838
Assets held for sale			
		-	-
TOTAL ASSETS		341,416	140,598

INTERIM CONDENSED SEPARATE STATEMENT OF FINANCIAL POSITION
 (PLN '000)

	Note	Jun 30 2017 (unaudited)	Dec 31 2016
Equity			
Share capital		3,616	3,616
Statutory reserve funds		104,260	97,674
Other components of equity		10,761	188
Hedging reserve		1,377	9,096
Retained earnings / accumulated losses		39,628	-1,999
		159,643	108,576
Non-current liabilities			
Borrowings and other debt instruments		11,045	15,517
Other financial liabilities		2,607	118
Provision for retirement and similar benefits		587	0
Deferred income		13,301	3,473
		27,540	19,108
Current liabilities			
Borrowings and other debt instruments		50,432	8,961
Other financial liabilities		743	188
Trade payables		30,152	1,132
Taxes, customs duties and social security payable		3,857	-
Other current liabilities		8,259	945
Provision for retirement and similar benefits		4,404	1,344
Other provisions		1,396	-
Deferred income		1,015	344
Contract settlement		53,975	-
		154,233	12,914
TOTAL EQUITY AND LIABILITIES		341,416	140,598

Date: September 11th 2017

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Sławomir Woźniak

Bartosz Klinowski

Chief Accountant
President of the Management Board
Member of the Management Board
Member of the Management Board

INTERIM CONDENSED SEPARATE STATEMENT OF CASH FLOWS
 (PLN '000)

	For the period Jan 1–Jun 30 2017	For the period Jan 1–Jun 30 2016
	(unaudited)	(unaudited)
OPERATING ACTIVITIES		
Profit/(loss) before tax	10,845	12,824
Total adjustments:	-19,852	-8,606
Depreciation and amortisation	3,220	719
Foreign exchange gains/(losses)	-195	241
Interest and profit distributions (dividends)	843	-20,872
Gain/(loss) on investing activities	-873	6,606
Balance-sheet valuation of derivative instruments	-7,510	-824
Change in provisions	-4,070	0
Change in inventories	-462	2,336
Change in receivables	3,652	3,059
Change in current liabilities (other than financial liabilities)	-6,087	-
Change in accruals, deferrals and contracts	-8,772	-171
Other adjustments	402	300
Income tax paid/recovered	1,743	-374
Net cash from operating activities	-7,263	3,843
INVESTING ACTIVITIES		
Cash provided by investing activities	17,910	17,295
Proceeds from disposal of intangible assets and property, plant and equipment	169	125
Dividends and profit distributions received	-	14,913
Cash acquired from merger with SECO/WARWICK Europe	17,688	-
Decrease in loans advanced	-	2,258
Other inflows from financial assets	53	-
Cash used in investing activities	15,281	10,873
Investments in intangible assets, property, plant and equipment, and investment property	7,355	116
Acquisition of shares in related entities	6,926	9,845
Other cash used in investing activities	1,000	912
Net cash from investing activities	2,629	6,423
FINANCING ACTIVITIES		
Cash provided by financing activities	27,247	71
Borrowings and other debt instruments	27,247	-
Net proceeds from issue of equity interests (shares) or other equity instruments and contributions to equity	-	71
Cash used in financing activities	5,887	8,083
Repayment of borrowings and other debt instruments	4,543	4,423
Dividend	-	3,007

Payment of finance lease liabilities	437	110
Interest paid	907	542
Net cash from financing activities	21,360	-8,012
Total net cash	16,727	2,254
Net change in cash, including:	-961	2,178
- effect of exchange rate fluctuations on cash held	0	-76
Cash at beginning of period	1,368	7,565
Cash at end of period	18,095	9,819

Date: September 11th 2017

Anna Kozłowska

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Sławomir Woźniak

Bartosz Klinowski

Chief Accountant

President of the Management Board

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Member of the Management Board

INTERIM CONDENSED SEPARATE STATEMENT OF CHANGES IN EQUITY
(PLN '000)

	Share capital	Statutory reserve funds	Hedging reserve	Capital reserves	Other components of equity	Retained earnings / accumulated losses	Total equity
Equity as at Jan 1 2017	3,616	97,674	-	188	9,096	-1,999	108,576
Profit/(loss) for the period	-	-	-	-	-	8,041	8,041
Other comprehensive income	-	-	3,690	-	-	-	3,690
Total comprehensive income for the year	-	-	3,690	0	0	8,041	11,732
Management stock options	-	-	-	-	402	-	402
Merger of SWSA and SWE	-	13,532	-2,313	1,075	-	31,587	43,881
Transfer of retained earnings/deficit to statutory reserve funds	-	-6,946	-	-	-	1,999	-4,947
Equity as at Jun 30 2017 (unaudited)	3,616	104,260	1,377	1,263	9,498	39,628	159,643

	Share capital	Statutory reserve funds	Hedging reserve	Capital reserves	Other components of equity	Retained earnings / accumulated losses	Total equity
Equity as at Jan 1 2016	3,704	126,900	-	15,705	8,525	-41,895	112,939
Profit/(loss) for the period	-	-	-	-	-	12,666	12,666
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	-	12,666	12,666
Dividend	-	-3,007	-	-	-	-	-3,007
Disposal of own shares	-	-29	-	100	-	-	71
Management stock options	-	-	-	-	300	-	300
Coverage of loss brought forward	-	-41,895	-	-	-	41,895	-
Transfer from capital reserve to statutory reserve funds	-	15,705	-	-15,705	-	-	-
Equity as at Jun 30 2016 (unaudited)	3,704	97,674	-	100	8,825	12,667	122,970

INTERIM CONDENSED SEPARATE STATEMENT OF CHANGES IN EQUITY
(PLN '000)

	Share capital	Statutory reserve funds	Hedging reserve	Capital reserves	Other components of equity	Retained earnings / accumulated losses	Total equity
Equity as at Jan 1 2016	3,704	126,900	-	15,705	8,525	-41,895	112,939
Profit/(loss) for the period	-	-	-	-	-	-1,999	-1,999
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	-	-1,999	-1,999
Dividend	-	-3,007	-	-	-	-	-3,007
Cancellation of treasury shares	-88	-	-	88	-	-	-
Disposal of own shares	-	-29	-	100	-	-	71
Management stock options	-	-	-	-	571	-	571
Coverage of loss brought forward	-	-41,895	-	-	-	41,895	-
Transfer from capital reserve to statutory reserve funds	-	15,705	-	-15,705	-	-	-
Equity as at Dec 31 2016	3,616	97,674	-	188	9,096	-1,999	108,576

Date: September 11th 2017

Anna Kozłowska

Paweł Wyrzykowski

Sławomir Woźniak

Bartosz Klinowski

Chief Accountant

President of the Management Board

Member of the Management Board

Member of the Management Board



**NOTES TO THE INTERIM CONDENSED SEPARATE FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED**

JUNE 30TH 2017

BASIS OF PREPARATION

These interim condensed separate financial statements have been prepared in accordance with IAS 34 *Interim Financial Reporting*, as endorsed by the European Union, and the Regulation of the Minister of Finance on current and periodic information to be published by issuers of securities and conditions for recognition as equivalent of information whose disclosure is required under the laws of a non-member state, dated February 19th 2009 (consolidated text: Dz.U. of 2014, item 133, as amended in Dz.U. of 2016, No. 0, item 860) (the "Regulation").

These interim condensed separate financial statements should be read in conjunction with the interim condensed consolidated financial statements approved for issue by the Management Board and released on the date of issue of these interim condensed separate financial statements, in order to obtain complete information on the SECO/WARWICK Group's assets and financial position as at June 30th 2017 and its financial performance in the period from January 1st to June 30th 2017, in accordance with the International Financial Reporting Standards endorsed by the European Union. These interim condensed separate financial statements do not include all the information and disclosures required in the case of full-year financial statements and should be read in conjunction with the separate financial statements for the year ended December 31st 2016, authorised for issue on April 27th 2017.

These half-year condensed separate financial statements are presented in the Polish złoty ("PLN") and, unless specified otherwise, all amounts are given in thousands of zlotys.

The comparative data is sourced from the statement of financial position as at December 31st 2016 and from the statement of comprehensive income, statement of cash flows and statement of changes in equity for the six months ended June 30th 2016.

The presented financial data has been reviewed by an independent auditor.

In the preparation of these condensed separate financial statements, none of the published but not yet effective standards or standard interpretations have been applied.

These interim financial statements for the six months ended June 30th 2017 have been prepared based on the going concern assumption.

These interim condensed financial statements have been prepared in accordance with the same accounting policies and computation methods as those applied to prepare the most recent full-year financial statements.

In these interim condensed financial statements, there were no significant changes in the estimated amounts which were presented in the previous interim periods of the current financial year or changes in the estimates presented in previous financial years that would have a material effect on the current interim period.

Note 1. OTHER INCOME AND EXPENSES

OTHER INCOME	Jan 1–Jun 30 2017	Jan 1–Jun 30 2016
Gain on disposal of non-current non-financial assets	-	34
Compensation/damages received	2,941	-
Grant for development work	505	172
Other	1,309	9
Total other income	4,754	216

OTHER EXPENSES	Jan 1–Jun 30 2017	Jan 1–Jun 30 2016
Impairment losses on receivables	2,739	345
Loss on disposal of non-financial assets	22	-
Donations	1	1
Other	157	-
Total other expenses	2,918	346

Note 2. FINANCE INCOME AND COSTS

FINANCE INCOME	Jan 1–Jun 30 2017	Jan 1–Jun 30 2016
Interest income	69	67
Dividend received	-	21,384
Gain/loss on derivative instruments	7,823	-
Net foreign exchange gains	263	-
Total finance income	8,155	21,451

FINANCE COSTS	Jan 1–Jun 30 2017	Jan 1–Jun 30 2016
Interest paid	917	568
Net foreign exchange losses	-	425
Impairment losses on shares	-	3,940
Impairment losses on loans	-	1,772
Loan cancellation	-	912
Other	6	-
Total finance costs	924	7,616

Note 3. PROPERTY, PLANT AND EQUIPMENT

As at June 30th 2017, net property, plant and equipment amounted to PLN 55,697 thousand, up PLN 54,193 thousand on December 31st 2016. PLN 55,048 thousand results from the merger referred to in Section 7 of the consolidated financial statements.

In the six months ended June 30th 2017, net property, plant and equipment increased by PLN 4,000 thousand, including PLN 3,730 thousand as a result of acquisition (PLN 90 thousand in the six months ended June 30th 2016).

In the six months ended June 30th 2017, net property, plant and equipment decreased by PLN 1,804 thousand, including PLN 765 thousand as a result of sale and PLN 769 thousand as a result of liquidation. In the six months ended June 30th 2016, net property, plant and equipment decreased by PLN 426 thousand, including PLN 334 thousand as a result of sale and PLN 92 thousand as a result of assignment of lease agreements.

The depreciation charge for the six months ended June 30th 2017 amounted to PLN 2,172 thousand (six months ended June 30th 2016: PLN 245 thousand). Accumulated depreciation of property, plant and equipment fell by PLN 703 thousand, including PLN 575 thousand as a result of sale (PLN 288 thousand in the six months ended June 30th 2016, including PLN 212 thousand as a result of sale).

In the six months ended June 30th 2017 and June 30th 2016, no impairment loss on property, plant and equipment was recognised. In the six months ended June 30th 2017, a PLN 1,540 reversal of impairment loss was recognised.

As at June 30th 2017, tangible assets under construction amounted to PLN 1,387 thousand (June 30th 2016: PLN 26 thousand).

Note 4. INVESTMENTS IN SUBSIDIARY, JOINTLY-CONTROLLED AND ASSOCIATED ENTITIES

As at Jun 30 2017	Carrying amount of equity interests	Ownership interest (%)	% of the total vote	Method of consolidation
SECO/WARWICK Corporation	-	100%	100%	full
SECO/WARWICK Rus	378	100%	100%	full
SECO/WARWICK USA HOLDING LLC	1,909	100%	100%	full
RETECH Systems LLC	38,464	100%	100%	full
SECO/WARWICK ALLIED	-	98%	98%	full
SECO/WARWICK Retech	3,926	93%	93%	full
OOO SCT Russia	-	50%	50%	equity method
SECO/WARWICK GmbH	1,177	100%	100%	full
SECO/WARWICK Germany GmbH	-	100%	100%	full
SECO/WARWICK France	886	100%	100%	full
SECO/WARWICK Service Sp. z o.o.	1,239	100%	100%	full
SECO/WARWICK Systems and Services	2,385	100%	100%	full
Dec 31 2016				
SECO/WARWICK EUROPE Sp. z o.o.	70,407	100%	100%	full
SECO/WARWICK Corporation	-	100%	100%	full
SECO/WARWICK Rus	2	100%	100%	full
SECO/WARWICK USA HOLDING LLC	147	100%	100%	full
RETECH Systems LLC	38,464	100%	100%	full
SECO/WARWICK ALLIED	-	75%	75%	full
SECO/WARWICK Retech	-	90%	90%	full
OOO SCT Russia	-	50%	50%	equity method
SECO/WARWICK GmbH	-	100%	100%	full
SECO/WARWICK Germany GmbH	-	100%	100%	full
SECO/WARWICK France	-	100%	100%	full
SECO/WARWICK Service Sp. z o.o.	-	100%	100%	full

Note 5. IMPAIRMENT LOSSES ON ASSETS

Impairment losses	Jun 30 2017	Dec 31 2016
Trade receivables	8,426	5,257
Shares in subsidiaries	73,148	73,116
Inventories and property, plant and equipment	200	-
Loans	2,824	2,824

IMPAIRMENT LOSSES ON TRADE RECEIVABLES	Jun 30 2017	Jun 30 2016
Opening balance	5,257	7,819
Increase, including:	3,171	345
- merger of SWSA and SWE	436	-
- impairment losses recognised in correspondence with other expenses	2,735	345
Decrease, including:	3	3,354
- reversal of impairment losses following cancellation of written off receivables	3	3,354
Closing balance	8,425	4,810

IMPAIRMENT LOSSES ON EQUITY INTERESTS	Jun 30 2017	Jun 30 2016
Opening balance	73,116	79,729
Increase, including:	32	3,940
- merger of SWSA and SWE	32	-
- impairment losses recognised in correspondence with finance costs	-	3,940
Decrease, including:	-	-
- impairment losses reversed in correspondence with finance income	-	-
Closing balance	73,148	83,669

WRITE-DOWNS OF INVENTORIES AND IMPAIRMENT LOSSES ON TANGIBLE ASSETS	Jun 30 2017	Jun 30 2016
Opening balance	-	-
Increase, including:	1,740	-
- merger of SWSA and SWE	1,740	-
- write-downs/impairment losses recognised	-	-
Decrease, including:	1,540	-
- write-downs/impairment losses reversed	1,540	-
Closing balance	200	-

IMPAIRMENT LOSSES ON LOANS	Jun 30 2017	Jun 30 2016
Opening balance	2,824	2,436
Increase, including:	-	1,772

- impairment losses recognised in correspondence with finance costs	-	1,772
Decrease, including:	-	1,615
- reversal of impairment losses following cancellation of written off loans	-	1,615
Closing balance	2,824	2,593

Note 6. DIVIDENDS PROPOSED OR APPROVED BY THE DATE OF AUTHORISATION OF THESE FINANCIAL STATEMENTS

On May 26th 2017, by Resolution No. 20 the Annual General Meeting of SECO/WARWICK S.A. decided to pay the shareholders dividend for 2016 in a total amount of PLN 4,947,027.54 (four million, nine hundred and forty-seven thousand, twenty-seven złoty, fifty-four grosz). Dividend per share was PLN 0.51. The dividend record date and the dividend payment date were July 4th 2017 and July 18th 2017, respectively.

Note 7. CAPITAL COMMITMENTS

As at June 30th 2017, the Company had capital commitments related to property, plant and equipment of PLN 473 thousand. The funds were allocated for the purchase of new plant and equipment.

Note 8. RELATED-PARTY TRANSACTIONS

Related party	Year	Sales to related parties	Purchases from related parties	Receivables from related parties	Liabilities towards related parties
OF SECO/WARWICK EUROPE					
	<i>Jun 30 2017</i>	-	-	-	-
	<i>Jun 30 2016</i>	3,401	265	2,404	103
	<i>Dec 31 2016</i>	7,018	414	4,207	74
SECO/WARWICK Corporation					
	<i>Jun 30 2017</i>	4,293	161	4,295	91
	<i>Jun 30 2016</i>	703	13	718	13
	<i>Dec 31 2016</i>	1,526	13	1,311	-
RETECH					
	<i>Jun 30 2017</i>	1,852	1,125	1,506	3,989
	<i>Jun 30 2016</i>	941	-	473	-
	<i>Dec 31 2016</i>	1,960	-	636	-
SECO/WARWICK Allied					
	<i>Jun 30 2017</i>	409	9	-	101
	<i>Jun 30 2016</i>	95	-	423	-
	<i>Dec 31 2016</i>	354	-	324	-
SECO/WARWICK RETECH					
	<i>Jun 30 2017</i>	1,928	743	957	709
	<i>Jun 30 2016</i>	270	-	277	-
	<i>Dec 31 2016</i>	480	-	397	-
SECO VACUUM TECHNOLOGIES LLC					
	<i>Jun 30 2017</i>	50	-	48	-
	<i>Jun 30 2016</i>	-	-	-	-
	<i>Dec 31 2016</i>	-	-	-	-

SECO/WARWICK GmbH					
	<i>Jun 30 2017</i>	-	-	9	50
	<i>Jun 30 2016</i>	-	-	-	-
	<i>Dec 31 2016</i>	50	-	-	-
SECO/WARWICK Germany GmbH					
	<i>Jun 30 2017</i>	41	402	4,570	656
	<i>Jun 30 2016</i>	12	21	70	9
	<i>Dec 31 2016</i>	42	39	24	27
SECO/WARWICK Services Sp. z o.o.					
	<i>Jun 30 2017</i>	1,646	828	913	15
	<i>Jun 30 2016</i>	119	1	146	1
	<i>Dec 31 2016</i>	220	80	102	94
SECO/WARWICK France					
	<i>Jun 30 2017</i>	16	483	16	208
	<i>Jun 30 2016</i>	4	-	4	-
	<i>Dec 31 2016</i>	6	-	2	-
SECO/WARWICK Rus					
	<i>Jun 30 2017</i>	21	202	160	542
	<i>Jun 30 2016</i>	3	-	6	-
	<i>Dec 31 2016</i>	6	-	3	-

Note 9. MERGER WITH SW EUROPE

On January 2nd 2017, SECO/WARWICK S.A. merged with SECO/WARWICK Europe Sp. z o.o., as described in Section 7 of the consolidated financial statements. The companies' statements of financial position at the time of merger were as follows:

Jan 2 2017	SWSA	SWE	Eliminations	SWSA
Non-current assets				
Property, plant and equipment	1,504	51,283	-	52,787
Investment property	0	381	-	381
Intangible assets	9,759	20,892	-1,581	29,070
Long-term receivables	4,388	1,104	-	5,492
Other financial assets	109,087	4,842	-70,407	43,522
Deferred tax assets	6,021	-	300	6,322
	130,759	78,502	- 71,688	137,573
Current assets				
Inventories	100	21,723	-	21,823
Trade receivables	7,086	47,821	-4,281	50,626
Income tax assets	-	1,743	-	1,743
Other short-term receivables	57	20,388	-	20,445
Cash and cash equivalents	1,368	17,688	-	19,056
Other financial assets	1,071	4,685	-1,004	4,752
Other non-financial assets	156	1,983	-	2,139
Contract settlement	-	67,627	-	67,627
	9,839	183,657	- 5,285	188,211
TOTAL ASSETS	140,598	262,159	-76,973	325,784

Jan 2 2017	SWSA	SWE	Eliminations	SWSA
Equity				
Share capital	3,616	84,348	-84,348	3,616
Statutory reserve funds	97,674	8,121	5,411	111,206
Other components of equity	9,284	1,075	-	10,359
Hedging reserve	-	-2,313	-	-2,313
Retained earnings / accumulated losses	-1,999	24,338	7,249	29,588
	108,576	115,569	-71,688	152,457
Non-current liabilities				
Borrowings and other debt instruments	15,517	-	-	15,517
Deferred tax liabilities	-	1,209	-	1,209
Other financial liabilities	118	2,375	-	2,493
Provision for retirement and similar benefits	-	587	-	587
Deferred income	3,473	10,100	-	13,574
	19,108	14,272	-	33,380
Current liabilities				
Borrowings and other debt instruments	8,961	15,665	-1,004	23,622
Other financial liabilities	188	6,775	-	6,962
Trade payables	1,132	41,667	-4,281	38,518
Taxes, customs duties and social security payable	606	3,190	-	3,796
Other current liabilities	339	423	-	762
Provision for retirement and similar benefits	1,344	4,364	-	5,709
Other provisions	-	4,161	-	4,161
Deferred income	344	671	-	1,015
Contract settlement	-	55,404	-	55,404
	12,914	132,319	-5,285	139,948
TOTAL EQUITY AND LIABILITIES	140,598	262,159	-76,973	325,784

Note 10. PRESENTATION ADJUSTMENTS

No material error corrections were made in H1 2017.

Note 11. SEASONAL AND CYCLICAL CHANGES IN BUSINESS DURING THE REPORTING PERIOD

SECO/WARWICK S.A.'s business is not exposed to any significant seasonal or cyclical fluctuations.

Note 12. EVENTS WHICH ARE NON-TYPICAL DUE TO THEIR NATURE, SCALE OR FREQUENCY

No such events occurred.

Note 13. MATERIAL EVENTS WHICH OCCURRED AFTER THE END OF THE INTERIM PERIOD AND ARE NOT DISCLOSED IN THESE FINANCIAL STATEMENTS

No such events occurred.

Note 14. ISSUE, REDEMPTION AND REPAYMENT OF DEBT AND EQUITY SECURITIES

No such events occurred.

Date: September 11th 2017

Piotr Walasek

Paweł Wyrzykowski

Sławomir Woźniak

Bartosz Klinowski

Chief Financial Officer

President of the Management Board

Member of the Management Board

Member of the Management Board