



INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD JANUARY 1ST–MARCH 31ST 2018

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**INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD
JANUARY 1ST–MARCH 31ST 2018**

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(PLN '000)

	Jan 1–Mar 31 2016	Jan 1–Mar 31 2017
	(unaudited)	(unaudited) (restated)
Revenue from sale of finished goods and services	115,872	125,321
Revenue from sale of merchandise and materials	4,508	1,810
Revenue	120,379	127,131
Cost of finished goods sold and services rendered	-91,422	-105,310
Cost of merchandise and materials sold	-4,480	-1,435
Cost of sales	-95,901	-106,745
Gross profit/(loss)	24,478	20,386
Other income	731	736
Distribution costs	-8,905	-9,858
Administrative expenses	-11,078	-12,154
Other expenses	-531	-392
Operating profit/(loss)	4,696	-1,283
Finance income	2,274	4,456
Finance costs	-1,275	-1,084
Share of net profit/(loss) of associates	25	-20
Profit/(loss) before tax	5,720	2,070
Income tax	-1,896	-591
Net profit/(loss) from continuing operations	3,824	1,479
Profit/(loss) from discontinued operations	-	-985
Net profit/(loss)	3,824	494
Net profit/(loss) attributable to		
Owners of the parent	3,841	410
Non-controlling interests	-16	84
EARNINGS PER SHARE:		
- basic earnings/(loss) per share attributable to owners of the parent	0.37	0.04
- diluted earnings/(loss) per share attributable to owners of the parent	0.37	0.04
- basic earnings/(loss) per share from continuing operations, attributable to owners of the parent	0.37	0.14
- diluted earnings/(loss) per share from continuing operations, attributable to owners of the parent	0.37	0.14

OTHER COMPREHENSIVE INCOME:

Items that will not be reclassified to profit or loss:

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

Items that may be reclassified to profit or loss:

Valuation of cash flow hedging derivatives	-1,319	4,227
Exchange differences on translating foreign operations, including income tax effect	-1,052	-4,149
Income tax on other comprehensive income	251	-803
Total other comprehensive income, net	-2,121	-725
Total comprehensive income	1,703	-230

Total comprehensive income attributable to

Owners of the parent	1,775	-337
Non-controlling interests	-72	107

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

	March 31st 2018 (unaudited)	December 31st 2017 (audited)
Non-current assets		
Property, plant and equipment	78,047	78,184
Investment property	367	371
Goodwill	35,369	36,019
Intangible assets	38,592	36,755
Long-term receivables	3,905	4,532
Other financial assets	339	2,000
Deferred tax assets	113	180
	156,732	158,040
Current assets		
Inventories	63,831	41,357
Trade receivables	62,093	69,071
Income tax assets	220	232
Other short-term receivables	20,481	17,008
Cash and cash equivalents	44,234	52,077
Other financial assets	5,814	5,328
Other non-financial assets	3,493	3,949
Contract settlement	107,957	103,780
	308,122	292,803
Assets held for sale	32,753	33,154
TOTAL ASSETS	497,607	483,997

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

	March 31st 2018 (unaudited)	December 31st 2017 (audited)
Equity		
Share capital	3,616	3,616
Statutory reserve funds	176,142	176,142
Other components of equity	10,289	10,088
Hedging reserve	1,037	2,106
Retained earnings / accumulated losses	-38,832	-40,705
Equity attributable to owners of the parent	152,253	151,248
Non-controlling interests	-130	-58
	152,123	151,190
Non-current liabilities		
Borrowings	6,458	8,055
Other financial liabilities	3,498	3,296
Deferred tax liabilities	9,186	7,814
Provision for retirement and similar benefits	2,783	2,820
Deferred income	12,539	12,793
	34,464	34,778
Current liabilities		
Borrowings	74,139	70,184
Other financial liabilities	1,372	1,560
Trade payables	64,772	59,981
Income tax payable	89	188
Taxes, customs duties and social security payable	5,170	6,048
Other current liabilities	7,192	9,879
Provision for retirement and similar benefits	11,924	10,330
Other provisions	24,245	5,420
Deferred income	1,015	1,015
Contract settlement	88,349	100,271
	278,267	264,875
Liabilities directly related to discontinued operations	32,753	33,154
TOTAL EQUITY AND LIABILITIES	497,607	483,997

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

Jan 1–Mar 31 2016 Jan 1–Mar 31 2017

	(unaudited)	(unaudited)
OPERATING ACTIVITIES		
Profit/(loss) before tax from continuing operations	5,720	2,070
Profit/(loss) before tax from discontinued operations	-	-985
Profit/(loss) before tax	5,720	1,085
Total adjustments:	-8,667	-32,048
Share of net profit of associates	-91	-10
Depreciation and amortisation	2,328	2,676
Foreign exchange gains/(losses)	-422	-1,911
Interest and profit distributions (dividends)	657	845
Gain/(loss) on investing activities	93	-133
Balance-sheet valuation of derivative instruments	354	-5,310
Change in provisions	10,518	-3,199
Change in inventories	-22,358	561
Change in receivables	4,099	-5,236
Change in liabilities (other than financial liabilities)	2,762	5,429
Change in accruals, deferrals and contracts	-6,016	-24,290
Other adjustments	-590	-1,469
Income tax (paid)/refunded	-336	3,488
Net cash from operating activities	-3,283	-27,475
INVESTING ACTIVITIES		
Cash provided by investing activities	498	8,706
Proceeds from disposal of intangible assets and property, plant and equipment	71	8,688
Other inflows from financial assets	427	18
Cash used in investing activities	6,396	6,187
Investments in intangible assets, property, plant and equipment, and investment property	6,396	3,074
Other cash used in investing activities	-	3,113
Net cash from investing activities	-5,898	2,519
FINANCING ACTIVITIES		
Cash provided by investing activities	10,724	24,291
Borrowings	10,724	24,291
Cash used in investing activities	9,821	1,118
Repayment of borrowings	8,824	-
Other financial liabilities	-	5
Payment of finance lease liabilities	434	262
Interest paid	564	850
Net cash from financing activities	903	23,173
Total net cash	-8,278	-1,782
Net change in cash, including:	-7,918	16,114
- effect of exchange rate fluctuations on cash held	143	-84
Cash at beginning of period	52,369	41,334
Cash at end of period	44,234	39,552

The SECO/WARWICK Group

 Interim condensed consolidated financial statements
 for the period January 1st–March 31st 2018

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 January 1st 2018	3,616	176,143	2,106	10,088	17,439	-58,144	151,248	-58	151,190
Profit/(loss) for the year	-	-	-	-	-	3,841	3,841	-16	3,824
Other comprehensive income	-	-	-1,068	-	-997	-	-2,065	-56	-2,121
Total comprehensive income for the year	-	-	-1,068	-	-997	3,841	1,775	-72	1,703
Opening balance adjustment due to IFRS 15	-	-	-	-	-	-971	-	-	-971
Management stock options	-	-	-	201	-	-	201	-	201
Equity as at Mar 31 2018 (unaudited)	3,616	176,143	1,037	10,290	16,442	-55,275	152,253	-130	152,123

	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 January 1st 2017	3,616	182,429	-2,313	9,284	27,029	-19,770	200,275	-544	199,731
Profit/(loss) for the year	-	-	-	-	-	410	410	84	494
Other comprehensive income	-	-	3,424	-	-4,171	-	-747	23	-725
Total comprehensive income for the year	-	-	3,424	-	-4,171	410	-337	107	-230
Management stock options	-	-	-	311	-	-	311	-	311
Equity as at Mar 31 2017 (unaudited)	3,616	182,429	1,111	9,595	22,858	-19,361	200,249	-437	199,812

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 January 1st 2017	3,616	182,429	-2,313	9,284	27,029	-19,770	200,275	-544	199,731
Profit/(loss) for the year	-	-	-	-	-	-41,860	-41,860	17	-41,843
Other comprehensive income	-	-	4,419	-	-9,590	2,581	-2,590	35	-2,555
Total comprehensive income for the year	-	-	4,419	-	-9,590	-39,279	-44,450	52	-44,399
Dividend	-	-	-	-	-	-4,947	-4,947	-	-4,947
Management stock options	-	-	-	804	-	-	804	-	804
Coverage of loss brought forward	-	-6,286	-	-	-	6,286	-	-	-
Accounting for increase of control at SECO/WARWICK Retech	-	-	-	-	-	-434	-434	434	-
Equity as at Dec 31 2017 (audited)	3,616	176,143	2,106	10,088	17,439	-58,144	151,248	-58	151,190



**INTERIM CONDENSED SEPARATE FINANCIAL STATEMENTS
FOR THE PERIOD
JANUARY 1ST–MARCH 31ST 2018**

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

	Jan 1–Mar 31 2016	Jan 1–Mar 31 2017
	(unaudited)	(unaudited)
Revenue from sale of finished goods and services	64,501	66,202
Revenue from sale of merchandise and materials	-	12
Revenue	64,501	66,214
Cost of finished goods sold and services rendered	-50,958	-55,160
Cost of merchandise and materials sold	-3	-9
Cost of sales	-50,962	-55,170
Gross profit/(loss)	13,540	11,044
Other income	1,142	932
Distribution costs	-3,401	-3,259
Administrative expenses	-4,829	-5,147
Other expenses	-450	-100
Operating profit/(loss)	6,002	3,471
Finance income	2,106	4,855
Finance costs	-1,010	-707
Profit/(loss) before tax	7,098	7,619
Income tax	-1,411	-1,501
Net profit/(loss) from continuing operations	5,687	6,118
Profit/(loss) from discontinued operations	-	-
Net profit/(loss)	5,687	6,118
OTHER COMPREHENSIVE INCOME:		
Valuation of cash flow hedging derivatives	-1,319	4,227
Income tax on other comprehensive income	251	-803
Other comprehensive income, net	-1,068	3,424
Total comprehensive income	4,619	9,542
Earnings/(loss) per share (PLN):		
- basic and diluted, from net profit/(loss)	0.45	0.93

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

	March 31st 2018 (unaudited)	December 31st 2017 (audited)
Non-current assets		
Property, plant and equipment	58,603	58,566
Investment property	367	371
Intangible assets	38,186	36,268
Long-term receivables	3,879	4,532
Investments in subsidiaries, jointly controlled entities and associates	61,161	61,161
Deferred tax assets	-	28
Other financial assets	321	1,983
	162,517	162,908
Current assets		
Inventories	22,308	22,242
Trade receivables	37,801	45,380
Income tax assets	16	16
Other short-term receivables	15,243	9,671
Cash and cash equivalents	19,110	30,913
Other financial assets	6,860	6,329
Current prepayments and accrued income	1,262	2,669
Contract settlement	85,085	73,131
	187,687	190,349
Assets held for sale	-	-
TOTAL ASSETS	350,204	353,257

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

	March 31st 2018 (unaudited)	December 31st 2017 (audited)
Equity		
Share capital	3,616	3,616
Statutory reserve funds	114,460	114,460
Hedging reserve	1,037	2,106
Capital reserves	10,289	10,088
Retained earnings / accumulated losses	42,435	37,359
	171,838	167,629
Non-current liabilities		
Borrowings	6,305	7,885
Other financial liabilities	3,248	3,030
Deferred tax liabilities	1,156	-
Provision for retirement and similar benefits	838	838
Deferred income	12,539	12,793
	24,086	24,546
Current liabilities		
Borrowings	56,168	62,953
Other financial liabilities	1,265	1,058
Trade payables	25,183	28,518
Other current liabilities	7,835	9,853
Provision for retirement and similar benefits	7,926	6,346
Other provisions	11,225	2,738
Deferred income	1,015	1,015
Contract settlement	43,664	48,603
	154,280	161,082
TOTAL EQUITY AND LIABILITIES	350,204	353,257

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

Jan 1–Mar 31 2016 Jan 1–Mar 31 2017

	(unaudited)	(unaudited)
OPERATING ACTIVITIES		
Profit/(loss) before tax	7,098	7,619
Total adjustments:	-4,178	-20,396
Depreciation and amortisation	1,670	1,475
Foreign exchange gains/(losses)	-292	5
Interest and profit distributions (dividends)	586	314
Gain/(loss) on investing activities	110	3
Balance-sheet valuation of derivative instruments	354	-5,310
Change in provisions	1,303	-1,820
Change in inventories	-66	667
Change in receivables	2,659	1,793
Change in liabilities (other than financial liabilities)	-3,065	-5,556
Change in accruals, deferrals and contracts	-7,639	-12,277
Other adjustments	201	311
Income tax (paid)/refunded	-	-
Net cash from operating activities	2,920	-12,778
INVESTING ACTIVITIES		
Cash provided by investing activities	78	83
Proceeds from disposal of intangible assets and property, plant and equipment	69	65
Other inflows from financial assets	9	18
Cash used in investing activities	5,699	8,470
Investments in intangible assets, property, plant and equipment, and investment property	5,699	2,402
Acquisition of shares in related entities	-	5,068
Other cash used in investing activities	-	1,000
Net cash from investing activities	-5,621	-8,387
FINANCING ACTIVITIES		
Cash provided by investing activities	-	19,761
Borrowings	-	19,761
Cash used in investing activities	9,245	594
Repayment of borrowings	8,331	-
Payment of finance lease liabilities	397	251
Interest paid	517	343
Net cash from financing activities	-9,245	19,167
Total net cash	-11,945	-1,997
Net change in cash, including:	-11,803	-2,081
- effect of exchange rate fluctuations on cash held	143	-84
Cash at beginning of period	30,913	19,056
Cash at end of period	19,110	17,059

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

	Share capital	Statutory reserve funds	Hedging reserve	Reserve capital and other components of equity	Retained earnings / accumulated losses	Total equity
Equity as at January 1st 2018	3,616	114,460	2,106	10,088	37,359	167,629
Profit/(loss) for the year	-	-	-	-	5,687	5,687
Other comprehensive income	-	-	-1,068	-	-	-1,068
Total comprehensive income for the year	-	-	-1,068	-	5,687	4,619
Adjustments relating to IFRSs	-	-	-	-	-611	-611
Management stock options	-	-	-	201	-	201
Equity as at Mar 31 2018 (unaudited)	3,616	114,460	1,037	10,289	42,435	171,838

	Share capital	Statutory reserve funds	Hedging reserve	Reserve capital and other components of equity	Retained earnings / accumulated losses	Total equity
Equity as at January 1st 2017	3,616	97,674	-	9,284	-1,999	108,576
Profit/(loss) for the year	-	-	-	-	6,118	6,118
Other comprehensive income	-	-	3,424	-	-	3,424
Total comprehensive income for the year	-	-	3,424	-	6,118	9,542
Business combinations	-	13,532	-2,313	1,075	32,868	45,161
Management stock options	-	-	-	311	-	311
Equity as at Mar 31 2017 (unaudited)	3,616	111,206	1,111	10,670	36,987	163,590

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

	Share capital	Statutory reserve funds	Hedging reserve	Reserve capital and other components of equity	Retained earnings / accumulated losses	Total equity
Equity as at January 1st 2017	3,616	97,674	0	9,284	-1,999	108,576
Profit/(loss) for the year	-	-	4,419	-	16,499	20,918
Total comprehensive income for the year	-	-	4,419	-	16,499	20,918
Dividend	-	-	-	-	-4,947	-4,947
Transfer from statutory reserve funds to profit/(loss) brought forward	-	-6,946	-	-	6,946	-
Business combinations	-	23,732	-2,313	-	20,859	42,278
Management stock options	-	-	-	804	-	804
Equity as at Dec 31 2017 (audited)	3,616	114,460	2,106	10,088	37,359	167,629



**SUPPLEMENTARY INFORMATION TO THE INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS
FOR THE PERIOD
JANUARY 1ST–MARCH 31ST 2018**

The SECO/WARWICK Group

Interim condensed consolidated financial statements
for the period January 1st–March 31st 2018

I. General information

The SECO/WARWICK Group

The Parent of the SECO/WARWICK Group (the "SECO/WARWICK Group", the "Group") is SECO/WARWICK Spółka Akcyjna of Świebodzin (the "Company"). The Company was incorporated on January 2nd 2007 and registered by District Court for Zielona Góra, 8th Commercial Division of the National Court Register in the Register of Businesses of the National Court Register under No. KRS 0000271014.

The operations of the SECO/WARWICK Group are divided into five main business segments:

- Vacuum Furnaces
- aluminium heat treatment systems (Aluminium Process + Controlled Atmosphere Brazing),
- Atmosphere Furnaces (Thermal)
- Melting Furnaces,
- Aftersales.

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.,
- ACE THERMAL TECHNOLOGIES PRIVATE LIMITED,
- 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 due to immateriality.

The Group has one associate:

- OOO SCT (Solnechnogorsk) Russia, in which SECO/WARWICK S.A. holds a 50% interest, conferring the right to 50% of the total voting rights in the company.

The SECO/WARWICK Group

Interim condensed consolidated financial statements
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Table: Composition of the SECO/WARWICK Group as at March 31st 2018 is presented below:

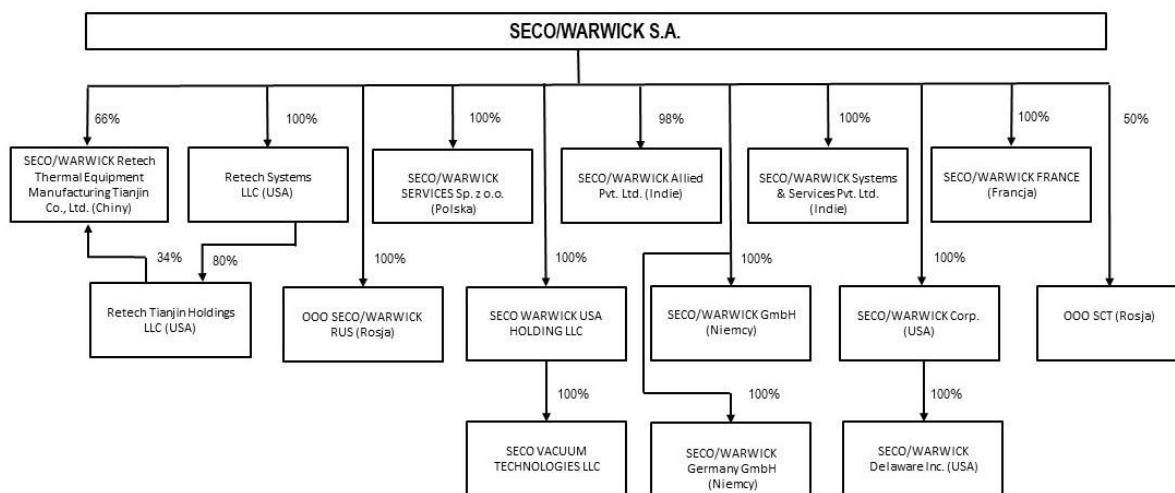
Company	Registered office	Principal business activity	Method of consolidation/accounting for equity interest	Group's ownership interest
Parent				
SECO/WARWICK S.A.	Świebodzin	Holding company of the SECO/WARWICK Group. Holding equity interests and providing strategic management services Manufacture of equipment for metal heat treatment	N.A.	N.A.
Direct and indirect subsidiaries				
SECO/WARWICK Corp.	Meadville (USA)	Manufacture of equipment for metal heat treatment	Full	100%
SECO/WARWICK of Delaware, Inc	Wilmington (USA)	Holding company; registration of trademarks and patents, and granting licences for use of the trademarks and patents by SECO/WARWICK Corp.	Full	100%
SECO/WARWICK Rus	Moscow (Russia)	Distribution of the Group's products	Full	100%
Retech Systems LLC	Ukiah (USA)	Trade and services; manufacture of metallurgy equipment used for melting and vacuum casting of metals and specialty alloys	Full	100%
SECO/WARWICK Retech Thermal Equipment Manufacturing Tianjin Co., Ltd.	Tianjin (China)	Manufacture of equipment for metal heat treatment	Full	93%
Retech Tianjin Holdings LLC	(USA)	Holding company	Full	80%
SECO/WARWICK Allied Pvt. Ltd.	Mumbai (India)	Manufacture of equipment for metal heat treatment	Full	98%
ALLIED FURNACES PVT. LTD.	Mumbai (India)	Manufacture of equipment for metal heat treatment	Full	98%
ACE THERMAL TECHNOLOGIES PRIVATE LIMITED	Mumbai (India)	Manufacture of equipment for metal heat treatment	Full	98%
SECO/WARWICK GmbH	Bedburg-Hau (Germany)	Intermediation in the sale of furnaces and spare parts manufactured by SECO/WARWICK S.A., and provision of technical support to customers in Germany, Austria, the Netherlands, Switzerland, Liechtenstein and Slovenia	Full	100%
OOO SCT	Solnechnogorsk (Russia)	Provision of metal heat treatment services in Russia	Equity	50%

The SECO/WARWICK Group

Interim condensed consolidated financial statements for the period January 1st–March 31st 2018

SECO/WARWICK Germany GmbH	Bedburg-Hau (Germany)	Provision of metal heat treatment services in Germany	Full	100%
SECO/WARWICK France	Roissy-en-Brie (France)	Commercial and technical representation of SECO/WARWICK S.A. in France, French-speaking countries and their neighbouring countries	Full	100%
SECO/WARWICK Services Sp. z o.o.	Świebodzin	Repair and maintenance services	Full	100%
SECO WARWICK USA HOLDING LLC	Wilmington (USA)	Holding company	Full	100%
SECO VACUUM TECHNOLOGIES LLC	Wilmington (USA)	Sale and distribution of vacuum furnaces	Full	100%
SECO/WARWICK Systems and Services India PVT. Ltd.	Mumbai (India)	Sale, repair and maintenance services	Full	100%

Organisation of the Group:



Composition of the SECO/WARWICK Group as at the date of issue of this Report

Between March 31st 2018 and the issue date of these financial statements, there were no changes in the composition of the SECO/WARWICK Group.

II. 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 financial statements are presented in the złoty (“PLN”), and unless specified otherwise, all amounts are given in thousands of PLN.

The SECO/WARWICK Group

Interim condensed consolidated financial statements for the period January 1st–March 31st 2018

Material judgements and estimates

Material 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 VIII of the 2017 Consolidated Financial Statements.

Changes in accounting policies

Save for the below-described changes resulting from the introduction of new standards effective for reporting periods beginning on or after January 1st 2018, the same accounting policies as described in the consolidated financial statements prepared as at and for the year ended December 31st 2017 were applied by the Group in the preparation of the interim condensed consolidated financial statements.

IFRS 15 Revenue from Contracts with Customers

IFRS 15 *Revenue from Contracts with Customers* was issued on May 28th 2014 and is effective for reporting periods beginning on or after January 1st 2018. The standard was endorsed by the European Union on September 22nd 2016.

The standard applies to almost all contracts with customers and replaces IAS 18 *Revenue*, IAS 11 *Construction Contracts* as well as numerous interpretations related to revenue recognition. The core principle of the standard is that revenue is to be recognised upon transfer of goods or services to a customer, at the transaction price.

In line with IFRS 15, 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.

Any goods or services that are sold in bundles that are separately identifiable as part of a contract concluded with a customer should be recognised separately, and any discounts and rebates on the transaction price should be allocated to the specific bundle items.

IFRS 15 introduces a new five-step model to determine the method of revenue measurement and recognition, whereby revenue should be recognised in an amount which reflects consideration to which the entity expects to be entitled, when (or as) the Group satisfies a performance obligation and transfers the goods. Depending on the fulfilment of the criteria specified in the standard, revenue may be recognised either on a one-off basis, at the point in time when control of goods or services is transferred to the customer, or over time, reflecting the performance of the obligation.

The Group analysed individual categories of revenue and contracts in terms of the effect of applying IFRS 15 on the revenue recognition method, including in particular in terms of the time of recognition and the recognised revenue amount; the Group also verified the correctness of presentation of individual revenue categories.

Following the application of IFRS 15, retained earnings of PLN -1.0m (net effect) were recognised as a result of separation of costs of potential warranty repairs from contract settlement and their recognition under provisions for warranty repairs.

The Group applied the standard using the modified retrospective method of adoption in which the cumulative effect of first-time adoption of the standard is recognised as an asset while contractual obligations, work in progress, provisions for warranty repairs and liabilities arising from advances received – in correspondence with retained earnings as at the first day of application of the standard, i.e. January 1st 2018.

III. Financial highlights

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

Financial year	Mar 31 2018	Dec 31 2017	Mar 31 2017
Average exchange rate for the period*	4.1784	-	4.2891
Exchange rate effective for the last day of the period	4.2085	4.1709	-

*) Arithmetic mean 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 consolidated 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:

Consolidated financial highlights

Consolidated financial highlights	Q1 YTD from Jan 1 to Mar 30			
	2018	2017	2018	2017
	(PLN '000)		(EUR '000)	
Revenue	120,379	127,131	28,810	29,641
Cost of sales	-95,901	-106,745	-22,952	-24,888
Operating profit/(loss)	4,696	-1,283	1,124	-299
Profit/(loss) before tax	5,720	2,070	1,369	483
Net profit/(loss) attributable to owners of the parent	3,841	410	919	96
Net cash flows from operating activities	-3,283	-27,475	-786	-6,406
Net cash flows from investing activities	-5,898	2,519	-1,412	587
Net cash flows from financing activities	903	23,173	216	5,403
	Mar 31 2018	Dec 31 2017	Mar 31 2018	Dec 31 2017
Total assets	497,607	483,997	118,239	116,041
Total liabilities	312,731	299,653	74,309	71,844
Including current liabilities	278,267	264,875	66,120	63,505
Equity	152,123	151,190	36,147	36,249
Share capital	3,616	3,616	859	867

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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

Financial highlights	Q1 YTD from Jan 1 to Mar 30			
	2018	2017	2018	2017
	(PLN '000)		(EUR '000)	
Revenue	64,501	66,214	15,437	15,438
Cost of sales	-50,962	-55,170	-12,196	-12,863
Operating profit/(loss)	6,002	3,471	1,436	809
Profit/(loss) before tax	7,098	7,619	1,699	1,776
Net profit/(loss)	5,687	6,118	1,361	1,426
Net cash flows from operating activities	2,920	-12,778	699	-2,979
Net cash flows from investing activities	-5,621	-8,387	-1,345	-1,955
Net cash flows from financing activities	-9,245	19,167	-2,212	4,469
	Mar 31 2018	Dec 31 2017	Mar 31 2018	Dec 31 2017
Total assets	350,204	353,257	83,214	84,696
Total liabilities	178,366	185,628	42,382	44,506
Including current liabilities	154,280	161,082	36,659	38,621
Equity	171,838	167,629	40,831	40,190
Share capital	3,616	3,616	859	867



**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD
JANUARY 1ST–MARCH 31ST 2018**

Selected supplementary information

If the criteria of IFRS 15:35 are met, revenue from long-term contracts is recognised over time. Otherwise, revenue is recognised when the control of a good is passed to the external customer. 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.

At the end of each reporting period, the Group estimates the result on each contract. When it is probable that total contract costs will exceed total contract revenue, the expected loss is immediately recognised in profit or loss.

The amount of such loss is determined irrespective of whether or not work has commenced on the contract, the stage of contract completion, or the amount of profits expected to arise on other contracts.

The Group recognises only documented revenue, i.e. revenue which is guaranteed under the original contract, adjusted to account for any subsequent amendments (annexes). Changes in contract revenue are recognised when it is certain (the contract or its annexes) or at least when it is probable (initialled annexes or initialled contracts) that the customer will accept the changes and the amounts of revenue resulting from those changes, and when the value of that revenue can be measured reliably.

Revenue as at the end of the reporting period is determined based on the percentage of contract completion, net of any revenue which affected the financial result in previous reporting periods. For contracts denominated in a currency other than the functional currency, the revenue at the end of the reporting period is calculated first of all based on the exchange rate used for partial invoicing, pro rata to the percentage of contract completion. According to the new interpretation of IFRIC 22, in order to determine the exchange rate of advance payments, the transaction date is the date on which the advance payment was initially recognised as an asset or liability. If there are multiple advance payments or receipts, the transaction date is determined for each such payment or receipt. Estimated contract revenue attributable to a 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 contracts.

Any excess of prepayments received under a contract over the estimated revenue attributable to a given reporting period is recognised under liabilities as prepaid deliveries. Up to the amount of the estimated contract revenue, prepayments reduce the receivables under settlement of long-term contracts.

Any excess of invoiced revenue is recognised under contract settlement.

Revenue from sales and total revenue and income of the Group:

Item	Jan 1–Dec 31 2018	Jan 1–Dec 31 2017
Revenue from sale of finished goods and services	115,872	125,321
Sales of merchandise and materials	4,508	1,810
TOTAL sales revenue	120,379	127,131
Other income	731	736
Finance income	2,274	4,456
TOTAL revenue and income	123,385	132,323

OPERATING SEGMENTS

Jan 1–Mar 31 2016	Continuing operations						Unallocated items	Total
	Vacuum Furnaces	Atmosphere Furnaces (Thermal)	Aluminium Process	Melting Furnaces	Aftersales	Total		
Total segment revenue	35,433	17,112	16,844	31,693	19,193	120,275	104	120,379
Sales to customers accounting for 10% or more of revenue	-	-	-	-	-	-	-	-
Total segment expenses	-26,482	-14,911	-13,042	-26,762	-13,879	-95,076	-825	-95,901
Gross profit/(loss)	8,952	2,201	3,802	4,931	5,314	25,199	-721	24,478

Jan 1–Mar 31 2017	Continuing operations						Unallocated items	Total
	Vacuum Furnaces	Atmosphere Furnaces (Thermal)	Aluminium Process	Melting Furnaces	Aftersales	Total		
Total segment revenue	31,464	11,477	41,144	22,076	20,884	127,045	86	127,131
Sales to customers accounting for 10% or more of revenue	-	-	-	-	-	-	-	-
Total segment expenses	-24,873	-11,084	-34,086	-21,114	-14,822	-105,978	-767	-106,745
Gross profit/(loss)	6,592	393	7,058	962	6,062	21,066	-681	20,386

OTHER INCOME AND EXPENSES

OTHER INCOME	Jan 1–Dec 31 2018	Jan 1–Dec 31 2017
Reversal of provisions	30	-
Gain on disposal of property, plant and equipment	46	18
Penalties and compensation/damages received	57	7
Income from lease of tangible assets and investment property	309	248
Grant for development work	254	254
Other	36	209
Total other income	731	736

OTHER EXPENSES	Jan 1–Dec 31 2018	Jan 1–Dec 31 2017
Impairment losses on receivables	-	181
Court expenses, compensation/damages, penalties	10	1
Revaluation of property, plant and equipment	-	25
Cost of lease of tangible assets	51	67
Decommissioning of an item of property, plant and equipment	148	21
Other	322	97
Total other expenses	531	392

FINANCE INCOME AND COSTS

FINANCE INCOME	Jan 1–Dec 31 2018	Jan 1–Dec 31 2017
Interest income	17	9
Valuation of derivative instruments	-	4,410
Gain on derivative instruments at maturity	1785	-
Other	473	37
Total finance income	2,274	4,456

FINANCE COSTS	Jan 1–Dec 31 2018	Jan 1–Dec 31 2017
Interest on bank borrowings	746	634
Valuation of derivative instruments	490	298
Other	40	153
Total finance costs	1,275	1,084

PROPERTY, PLANT AND EQUIPMENT

In the period January 1st–March 31st 2018, the cost of acquired intangible assets and property, plant and equipment at the SECO/WARWICK Group amounted to PLN 6,396 thousand.

Item	Mar 31 2018	Dec 31 2017
Tangible assets	71,907	72,487
Tangible assets under construction	6,139	5,697
Property, plant and equipment	78,047	78,184

IMPAIRMENT LOSSES ON ASSETS

Impairment losses on	Mar 31 2018	Dec 31 2017	Mar 31 2017
Trade receivables	4,369	4,502	4,218
Shares	44,946	44,946	44,946
Inventories	3,303	3,326	2,755
Tangible assets	779	794	2,440
Total impairment losses	53,397	53,567	54,358

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

In the first quarter of 2018, the SECO/WARWICK Group did not pay or declare any dividend.

CAPITAL COMMITMENTS

As at March 31st 2018, the SECO/WARWICK Group had capital commitments related to property, plant and equipment of PLN 388 thousand. The funds were allocated for the purchase of new plant and equipment.

DISCONTINUED OPERATIONS

On December 20th 2017, the Management Board of SECO/WARWICK S.A. passed a resolution to sell 98% of shares in SECO/WARWICK Allied Pvt. Ltd. (“SW Allied”) of India. This information was announced to the public on the same day in Current Report No. 19/2017.

In the interim consolidated financial statements of the SECO/WARWICK Group for Q1 2018, the SW Allied business is reported as discontinued operations in the statement of profit or loss and as assets held for sale and liabilities related to assets held for sale in the statement of financial position.

The table below presents discontinued operations.

	Jan 1–Mar 31 2018	Jan 1–Mar 31 2017
Revenue from sale of finished goods	2,410	3,583
Revenue from sale of merchandise and materials	-	-
Revenue	2,410	3,583
Cost of finished goods sold	-2,371	-3,871
Cost of merchandise and materials sold	-	-
Cost of sales	-2,371	-3,871

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Gross profit/(loss)	39	-288
Other income	177	1,450
Distribution costs	-25	-102
Administrative expenses	-1,160	-1,846
Other expenses	-	-91
Operating profit/(loss)	-968	-877
Finance income	42	441
Finance costs	-360	-549
Profit/(loss) before tax	-1,287	-985
Income tax	-	-
Net profit/(loss)	-1,287	-985
Write-off to net realisable value	1,287	-
Profit/(loss) from discontinued operations	-	-985

CONSOLIDATED OFF-BALANCE-SHEET ITEMS

Contingent liabilities

Contingent liabilities under guarantees and sureties issued amounted to PLN 49,916 thousand as at March 31st 2018 and PLN 62,720 thousand at the end of 2017. The guarantees were issued in respect of:

Item		Mar 31 2018	Dec 31 2017
APG	Advance payment guarantee	43,041	43,435
CRG	Credit repayment guarantee	-	2085
PBG	Performance bond	2,784	1,969
SBLC	Stand-by letter of credit	-	11,140
WAD	Bid bond guarantee	4,091	4091
Total		49,916	62,720

SETTLEMENTS RELATED TO COURT CASES

For detailed information on court cases, see Note 35 to the consolidated financial statements for the period ended December 31st 2017. By the date of issue of these financial statements, the Company has not received any additional information.

Consistency of the accounting policies and computation methods applied in the preparation of the interim report for Q3 2018

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 March 29th 2018 (consolidated text: Dz.U. of 2018, item 757) (the "Regulation").

Seasonality and cyclical nature of SECO/WARWICK S.A.'s and its Group's operations

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

Types and amounts of items affecting the assets, equity and liabilities, capital, net profit/loss or cash flows, which are extraordinary due to their type, size or effect

In the business of SECO/WARWICK S.A. and its Group, there are no material types or amounts of items that would affect assets, equity and liabilities, share capital, net profit/(loss) or cash flows and that would be unusual due to their type, size or effect.

Types and amount of changes in estimates disclosed in previous interim periods of the financial year 2018 or changes in estimates disclosed in previous financial years if they have a material bearing on Q1 2018

In the business of SECO/WARWICK S.A. and the SECO/WARWICK Group, there were no changes in estimates disclosed in the preceding financial years which would, due to their type or amount, have a material bearing on the Company's or the Group's results for Q1 2018.

Issue, redemption and repayment of debt and equity securities

No such events occurred.

Earnings per share

Item	Mar 31 2018	Mar 31 2017
Net profit from continuing operations attributable to shareholders	3,841	1,395
Profit(loss) from discontinued operations attributable to shareholders	-	-985
Net profit attributable to owners of the parent	3,841	410
Interest on redeemable preference shares convertible into ordinary shares	-	-
Net profit attributable to holders of ordinary shares used to calculate diluted earnings per share	3,841	410
Weighted average number of outstanding ordinary shares used to calculate basic earnings per share	10,298,554	10,298,554
Earnings per share	0.37	0.04
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	0.37	0.04

Material events subsequent to the end of Q1 2018, not disclosed in the financial statements for Q1 2018 but potentially having a material bearing on the future financial performance of the SECO/WARWICK Group

No such events occurred.

Other supplementary information

1. Material achievements and failures of SECO/WARWICK S.A. and the SECO/WARWICK Group in Q1 2018 and key related events

Sales in Q1 2018 amounted to PLN 120.4m, down 5.3% year on year. The largest increases were recorded in the Melting Furnaces, Atmosphere Furnaces and Vacuum Furnaces segments, amounting to 43.6%, 49.1% and 12.6%, respectively. Declines were posted by the Aftersales segment (-8.1%) and the Aluminium Process segment (-59.1%, especially at SECO/WARWICK Corp. and SECO/WARWICK S.A.).

In the first quarter of 2018, the Group companies secured orders for the total amount of PLN 116.5m. More than 28% of the orders were placed in the Melting Furnaces segment, 25% – in the Aluminium Process segment, and 18% in the Aftersales segment. In the corresponding period of the previous year, the value of secured orders was PLN 86.4m. The value of the Group's order book was PLN 366m at the end of Q1 2018, down by 11% year on year (end of March 2017: PLN 412m).

In Q1 2018, the Group recorded the average gross margin of 20.3%, higher than in Q1 2017 when it stood at 16%, mainly due to the higher margins posted by the Melting Furnaces segment (16% vs 4% in Q1 2017) and the Atmosphere Furnaces segment (13% vs 3% in Q1 2017).

Distribution costs and administrative expenses went down by 9.2% to PLN 20.0m in Q1 2018, relative to PLN 22m a year earlier. The Company's financial result was materially affected by the PLN 1.3m valuation of future/forward contracts hedging currency exposure.

The Company's Management Board is not aware of any material failures at the parent or any of its direct or indirect subsidiaries that would occur in the reporting period or by the issue date of these financial statements, i.e. May 18th 2018.

2. Factors and events, especially of a non-recurring nature, having a material bearing on the financial performance in Q1 2018

In the SECO/WARWICK Group's business there were no factors or events, especially of a non-recurring nature, that could have a material bearing on the Group's financial performance in Q1 2018.

3. Changes in the Group's structure, including changes resulting from merger, acquisition or loss of control of subsidiaries and long-term investments, demerger, restructuring or discontinued operations.

In Q1 2018, there were no changes in the SECO/WARWICK Group's structure which would result from mergers, acquisitions or disposals of Group entities, long-term investments, demergers, restructurings or discontinued operations, other than those described in the DISCONTINUED OPERATIONS note to these financial statements.

4. Management Board's position on the feasibility of meeting any previously published forecasts for 2018 in light of the results presented in the Q1 2018 report.

The Management Board of SECO/WARWICK S.A. did not publish any forecasts of the Company's or the Group's financial performance in 2018.

5. Shareholders holding, directly or indirectly, 5% or more of the total vote at the General Meeting as at the issue date of this report, including information on any changes subsequent to the issue of the previous periodic report (full-year report for 2017)

Table: Table: Shareholders holding – directly or indirectly through subsidiaries – 5% or more of the total vote at the General Meeting as at the issue date of this report

Shareholder	Number of shares	Ownership interest (%)	Number of voting rights	% of total voting rights
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 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.

The SECO/WARWICK Group is not aware of any changes in major holdings of the Company shares in the period from the issue date of the 2017 full-year report (April 26th 2018) to the date of issue of the Q1 2018 report.

6. SECO/WARWICK S.A. shares held by its management and supervisory personnel as at the issue date of this report, including information on any changes in such holdings subsequent to the issue date of the previous periodic report (full-year report for 2017)

Members of the Management Board and Supervisory Board of SECO/WARWICK S.A. do not hold any shares in related entities.

	Apr 26 2018			Decrease/increase	May 18 2018			Total par value of shares (PLN)
	Number of S/W shares held	Ownership interest	% of total voting rights		Number of S/W shares held	Ownership interest	% of total voting rights	
Management Board								
Paweł Wyrzykowski	254,558	2.47%	2.47%	-	254,558	2.47%	2.47%	50,912
Sławomir Woźniak	20,246	0.20%	0.20%	-	20,246	0.20%	0.20%	4,049
Bartosz Klinowski	50,335	0.49%	0.49%	-	50,335	0.49%	0.49%	10,067
Supervisory Board								
Andrzej Zawistowski	65,000	0.63%	0.63%	-	65,000	0.63%	0.63%	13,000
Jeffrey Boswell	9,776	0.09%	0.09%	-	9,776	0.09%	0.09%	1,955
Henryk Pilarski	10	0.0001%	0.0001%	-	10	0.0001%	0.0001%	2
James A. Goltz	-	-	-	-	-	-	-	-
Marcin Murawski	-	-	-	-	-	-	-	-
Jacek Tucharz	-	-	-	-	-	-	-	-
Commercial								

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proxy								
Piotr Walasek	19,335	0.19%	0.19%	-	19,335	0.19%	0.19%	3,867
Total	419,260	4.07%	4.07%	-	419,260	4.07%	4.07%	83,852

Item	26.04.2018	18.05.2018
Number of shares	10,298,554	10,298,554
Par value per share	0.20	0.20
Share capital	2,059,710.80	2,059,710.80

In the reporting period, members of SECO/WARWICK S.A.'s Management and Supervisory Boards did not enter into any transactions involving their holdings of SECO/WARWICK S.A. shares.

7. Material court, arbitration and administrative proceedings.

In Q1 2018, neither the Company nor any other SECO/WARWICK Group company was party (whether jointly or individually) to any material proceedings.

For detailed information on material proceedings, see Note 35 to the consolidated financial statements for the period ended December 31st 2017. By the date of issue of these financial statements, the Company had not received any additional information.

8. Transaction or a series of transactions concluded by the Company or any of its subsidiaries with related parties where the value of such transaction or all such transactions jointly is material and the transactions were not concluded at arm's length

In Q1 2018, SECO/WARWICK S.A. and its subsidiaries did not enter into any non-routine or non arm's-length transactions with related parties which would be material to the Group.

9. Material loan sureties or guarantees issued by SECO/WARWICK S.A. or its subsidiaries

In Q1 2018, neither SECO/WARWICK S.A. nor any of its subsidiaries issued any material loan sureties or guarantees.

10. Any other information which in the Company's opinion is material for the assessment of its personnel, assets, financial condition and financial performance or changes therein, or for the assessment of the Company's ability to meet its obligations

In Q1 2018, no events occurred in the SECO/WARWICK Group's business which in the Company's opinion would be material for the assessment of its personnel, assets, financial condition and financial result or changes therein, or for the assessment of the Company's ability to meet its obligations.

As at this Report issue date, the Company's and the Group's business was stable. The Group and the Company pay all their liabilities when due.

11. Factors which in the Group's opinion will affect its performance in the next quarter or in a longer term

SECO/WARWICK S.A. Incentive Scheme

I. The incentive scheme of April 23rd 2015 for the years 2016-2018

With a view to providing additional incentives to the management staff to continue work on the development and consolidation of the SECO/WARWICK Group, and to further increase the value of SECO/WARWICK shares, on April 23rd 2015 the Supervisory Board approved the key objectives of the 2016–2018 Incentive Scheme for members of the SECO/WARWICK Group's management staff (the "2016–2018 Incentive Scheme").

The Supervisory Board determined the Individual Objectives and the Joint Objective for the Incentive Scheme Participants, the achievement of which is a precondition for a Scheme Participant to become eligible for benefits under the Scheme. The objectives cover financial and operating ratios of the individual subsidiaries, the organisational units related to particular technologies, or the entire Group, and depend on the position held by the Scheme Participant. For the entire Group, the Individual Objective defined for the President of the

Management Board, the Chief Financial Officer and the Chief Operating Officer at SECO/WARWICK S.A. is the Group's consolidated net profit. For 2016 and 2017, the Objective was set at PLN 18m.

On April 27th 2017, having examined the Company's and the Group's audited financial information for 2016, the Supervisory Board passed a resolution to review the Individual Objectives and the Joint Objective defined in the Rules of the Incentive Scheme, relating to the achievement of specific operating and financial metrics for 2016.

Based on the review findings, the Supervisory Board granted to the eligible Scheme participants 81,657 share options, conferring rights to acquire 81,657 Company shares at a price of PLN 0.20 per share. Of that number, 73,393 share options were granted to the Management Board members and the commercial proxy.

II. Termination of the Incentive Scheme

On March 14th 2018, the Supervisory Board passed a resolution to terminate the 2016–2018 Incentive Scheme (the "Resolution") adopted pursuant to Resolution No. 9 of the Supervisory Board of April 23rd 2015.

Pursuant to the Resolution, the Incentive Scheme had to be terminated in its entirety due to material distortion of the Company's financial result for the financial year 2017 caused mainly by significant one-off events at the Group with an adverse effect on the Group's financial performance in 2017, which rendered the original assumptions of the Incentive Scheme inadequate.

The Resolution also defined the terms and conditions on which the terminated Incentive Scheme would be settled:

1. The Company will conclude with nine beneficiaries of the terminated Incentive Scheme ("Beneficiaries") relevant agreements ("Agreements"), under which a total of 102,166 Company shares will be delivered to the Beneficiaries free of charge, and compensation bonuses in a total amount of PLN 389.6 thousand will be paid to the Beneficiaries;
2. Under the Agreements, the Beneficiaries will waive any claims against the Company related to the Incentive Scheme or its termination.

III. Adoption of the 2018–2020 Incentive Scheme for members of the SECO/WARWICK Group's management staff

On April 11th 2018, an Extraordinary General Meeting of SECO/WARWICK S.A. passed Resolution No. 20 to approve the 2018–2020 Incentive Scheme, approve the Rules of the Incentive Scheme, and allocate the Company's treasury shares for the purposes of the Incentive Scheme. The Meeting also passed Resolution No. 21 approving the list of participants of the 2018–2020 Incentive Scheme. The above information was published in Current Report No. 09/2018 of April 11th 2018.