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**INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE PERIOD JANUARY 1ST–MARCH 31ST 2020**

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**INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD  
JANUARY 1ST–MARCH 31ST 2020**

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

(PLN '000)

	Jan 1–Mar 30 2020	Jan 1–Mar 31 2019
	(unaudited)	(unaudited)
Revenue from sale of finished goods and services	100,009	107,553
Revenue from sale of merchandise and materials	990	3,467
<b>Revenue</b>	<b>100,999</b>	<b>111,020</b>
Cost of finished goods sold and services rendered	-79,699	-83,750
Cost of merchandise and materials sold	-639	-3,118
<b>Cost of sales</b>	<b>-80,338</b>	<b>-86,868</b>
<b>Gross profit/(loss)</b>	<b>20,660</b>	<b>24,152</b>
Other income	403	695
Distribution costs	-6,182	-7,300
Administrative expenses	-11,745	-11,546
Impairment of receivables and contract assets	-	95
Other expenses	-776	-554
<b>Operating profit/(loss)</b>	<b>2,362</b>	<b>5,543</b>
Finance income	4,549	1,145
Finance costs	-2,299	-1,127
Share of net profit/(loss) of equity-accounted associates	-32	-64
<b>Profit/(loss) before tax</b>	<b>4,579</b>	<b>5,497</b>
Income tax	-1,952	-1,102
Net profit/(loss) from continuing operations	2,627	4,395
Profit/(loss) from discontinued operations	-	-
<b>Net profit/(loss)</b>	<b>2,627</b>	<b>4,395</b>
<b>Net profit/(loss) attributable to</b>		
Owners of the parent	2,639	4,132
Non-controlling interests	-13	263
<b>OTHER COMPREHENSIVE INCOME:</b>		
<b>Items that will not be reclassified to profit or loss:</b>		
Actuarial gains/(losses) on a defined benefit pension plan	-	-
<b>Items that may be reclassified to profit or loss:</b>		
Valuation of cash flow hedging derivatives	-3,142	-55
Exchange differences on translating foreign operations	5,200	1,328
Actuarial gains/(losses)		
Income tax on other comprehensive income	597	11
<b>Total other comprehensive income, net</b>	<b>2,655</b>	<b>1,283</b>
<b>Total comprehensive income</b>	<b>5,282</b>	<b>5,678</b>

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**Total comprehensive income attributable to**

Owners of the parent	5,251	5,296
Non-controlling interests	31	382

**EARNINGS PER SHARE:**

- basic earnings/(loss) per share attributable to owners of the parent	0.27	0.42
- diluted earnings/(loss) per share attributable to owners of the parent	0.26	0.42
- basic earnings/(loss) per share from continuing operations attributable to owners of the parent	0.27	0.32
- diluted earnings/(loss) per share from continuing operations attributable to owners of the parent	0.26	0.42

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

	Mar 31 2020 (unaudited)	Dec 31 2019 (audited)
<b>Non-current assets</b>		
Property, plant and equipment	63,260	65,823
Right-of-use assets	13,690	13,508
Investment property	328	334
Goodwill	42,733	39,174
Intangible assets	57,104	55,984
Long-term receivables	1,811	2,104
Other financial assets	529	155
Deferred tax assets	111	95
	<b>179,566</b>	<b>177,177</b>
<b>Current assets</b>		
Inventories	63,666	64,401
Trade receivables	63,248	56,687
Income tax assets	391	386
Other short-term receivables	12,912	12,776
Cash and cash equivalents	43,320	36,595
Other financial assets	821	695
Other non-financial assets	4,164	4,880
Contract assets	96,474	101,984
	<b>284,997</b>	<b>278,404</b>
<b>TOTAL ASSETS</b>	<b>464,562</b>	<b>455,581</b>

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

	Mar 31 2020 (unaudited)	Dec 31 2019 (audited)
<b>Equity</b>		
Share capital	3,616	3,616
Statutory reserve funds	190,773	205,773
Other components of equity	29,063	13,811
Hedging reserve	-2,706	-161
Translation reserve	26,697	21,541
Retained earnings / accumulated losses	-52,822	-55,461
<b>Equity attributable to owners of the parent</b>	<b>194,622</b>	<b>189,118</b>
<b>Non-controlling interests</b>	<b>506</b>	<b>475</b>
	<b>195,127</b>	<b>189,593</b>
<b>Non-current liabilities</b>		
Borrowings	186	155
Lease liabilities	7,938	7,638
Derivative financial instruments	1,371	287
Deferred tax liabilities	15,890	14,689
Provision for retirement and similar benefits	2,609	2,503
Grants for development projects	14,618	15,698
Contract liabilities	4,804	2,186
	<b>47,415</b>	<b>43,156</b>
<b>Current liabilities</b>		
Borrowings	27,903	32,858
Lease liabilities	3,519	3,577
Derivative financial instruments	4,248	719
Other financial liabilities	-	419
Trade payables	36,746	47,647
Other current liabilities	11,540	12,047
Provision for retirement and similar benefits	9,602	9,140
Other provisions	13,267	10,940
Grants for development projects	2,744	760
Contract liabilities	112,449	104,724
	<b>222,019</b>	<b>222,831</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>464,562</b>	<b>455,581</b>

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

	Jan 1–Mar 30 2020 (unaudited)	Jan 1–Mar 31 2019 (unaudited)
<b>OPERATING ACTIVITIES</b>		
<b>Profit/(loss) before tax</b>	<b>4,577</b>	<b>5,497</b>
<b>Total adjustments:</b>	<b>8,241</b>	<b>-10,922</b>
Share of net profit of associates	29	57
Depreciation and amortisation	2,739	2,285
Foreign exchange gains/(losses)	250	234
Interest and profit distributions (dividends)	338	433
Gain/(loss) on investing activities	-365	118
Change in provisions	2,190	138
Change in inventories	3,462	-837
Change in receivables	-2,859	-805
Change in current liabilities (other than financial liabilities)	-14,657	-3,306
Change in grants for development projects	540	192
Change in accruals, deferrals and contracts	15,446	-10,830
Change in currency forward contracts	971	717
Management stock options	252	606
Other adjustments	-98	78
<b>Income tax (paid)/refunded</b>	<b>-394</b>	<b>-34</b>
<b>Net cash from operating activities</b>	<b>12,424</b>	<b>-5,459</b>
<b>INVESTING ACTIVITIES</b>		
<b>Cash provided by investing activities</b>	<b>2,887</b>	<b>412</b>
Proceeds from disposal of intangible assets and property, plant and equipment	2,887	321
Other proceeds from financial assets	-	92
<b>Cash used in financing activities</b>	<b>2,830</b>	<b>2,321</b>
Investments in intangible assets, property, plant and equipment, and investment property	2,831	2,322
<b>Net cash from investing activities</b>	<b>56</b>	<b>-1,909</b>
<b>FINANCING ACTIVITIES</b>		
<b>Cash provided by investing activities</b>	<b>533</b>	<b>5,215</b>
Borrowings	263	5,038
Grants	270	177
<b>Cash used in financing activities</b>	<b>6,698</b>	<b>22,439</b>
Repayment of borrowings	5,412	21,441
Payment of lease liabilities	928	511
Interest paid	356	484
<b>Net cash from financing activities</b>	<b>-6,164</b>	<b>-17,224</b>
<b>Total net cash</b>	<b>6,316</b>	<b>-24,591</b>
<b>Net change in cash, including:</b>	<b>6,724</b>	<b>-17,985</b>
- effect of exchange rate fluctuations on cash held	408	104
<b>Cash at beginning of period</b>	<b>36,595</b>	<b>53,894</b>
<b>Cash at end of period</b>	<b>43,320</b>	<b>29,406</b>



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

	Share capital	Statutory reserve funds	Hedging reserve	Other components of equity	Translation reserve	Retained earnings / accumulated losses	Equity attributable to owners of the parent	Equity attributable to non-controlling interests	Total equity
<b>Equity as at Jan 1 2020</b>	<b>3,616</b>	<b>205,773</b>	<b>-161</b>	<b>13,811</b>	<b>21,541</b>	<b>-55,462</b>	<b>189,119</b>	<b>475</b>	<b>189,593</b>
Profit/(loss) for period	-	-	-	-	-	2,639	<b>2,639</b>	-13	<b>2,627</b>
Other comprehensive income	-	-	-2,545	-	5,157	-	<b>2,612</b>	43	<b>2,655</b>
Total comprehensive income for the year	-	-	-2,545	-	5,157	2,639	<b>5,251</b>	31	<b>5,282</b>
Management stock options	-	-	-	252	-	-	<b>252</b>	-	<b>252</b>
Capital reserve for buyback of shares	-	-15,000	-	15,000	-	-	-	-	-
<b>Equity as at Mar 31 2020 (unaudited)</b>	<b>3,616</b>	<b>190,773</b>	<b>-2,706</b>	<b>29,064</b>	<b>26,697</b>	<b>-52,822</b>	<b>194,622</b>	<b>505</b>	<b>195,128</b>

	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
<b>Equity as at Jan 1 2019</b>	<b>3,616</b>	<b>193,449</b>	<b>-586</b>	<b>12,067</b>	<b>21,182</b>	<b>-55,358</b>	<b>174,372</b>	<b>-54</b>	<b>174,317</b>
Profit/(loss) for period	-	-	-	-	-	4,132	<b>4,132</b>	263	<b>4,395</b>
Other comprehensive income	-	-	-45	-	1,210	-	<b>1,165</b>	119	<b>1,283</b>
Total comprehensive income for the year	-	-	-45	-	1,210	4,132	<b>5,296</b>	382	<b>5,678</b>
Allocation of profit to dividend payment									

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Management stock options	-	-	-	606	-	-	606	-	606
Sale of treasury shares									
<b>Equity as at Mar 31 2019 (unaudited)</b>	<b>3,616</b>	<b>193,449</b>	<b>-631</b>	<b>12,673</b>	<b>22,392</b>	<b>-51,226</b>	<b>180,274</b>	<b>328</b>	<b>180,601</b>

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

	Share capital	Statutory reserve funds	Hedging reserve	Other components of equity	Translation reserve	Retained earnings / accumulated losses	Equity attributable to owners of the parent	Equity attributable to non-controlling interests	Total equity
<b>Equity as at Jan 1 2019</b>	<b>3,616</b>	<b>193,449</b>	<b>-586</b>	<b>12,067</b>	<b>21,182</b>	<b>-55,358</b>	<b>174,372</b>	<b>-54</b>	<b>174,317</b>
Profit/(loss) for period	-	-	-	-	-	15,295	15,295	432	15,726
Other comprehensive income	-	-	425	-142	359	944	1,585	97	1,682
Total comprehensive income for the year	-	-	425	-142	359	16,238	16,880	529	17,409
Allocation of profit to dividend payment	-	-	-	-	-	-4,019	-4,019	-	-4,019
Management stock options	-	-	-	-1,688	-	-	1,688	-	1,688
Sale of treasury shares	-	-	-	198	-	-	198	-	198
Coverage of loss brought forward	-	12,323	-	-	-	-12,323	-	-	-
<b>Equity as at Dec 31 2019 (audited)</b>	<b>3,616</b>	<b>205,773</b>	<b>-161</b>	<b>13,811</b>	<b>21,541</b>	<b>-55,462</b>	<b>189,119</b>	<b>475</b>	<b>189,593</b>

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Interim condensed consolidated financial statements  
for the period January 1st–March 31st 2020



**INTERIM CONDENSED SEPARATE FINANCIAL STATEMENTS  
FOR THE PERIOD  
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**INTERIM CONDENSED SEPARATE STATEMENT OF COMPREHENSIVE INCOME**

(PLN '000)

	Jan 1–Mar 30 2020	Jan 1–Mar 31 2019
	(unaudited)	(unaudited)
Revenue from sale of finished goods and services	64,403	68,748
Revenue from sale of merchandise and materials	2	7
<b>Revenue</b>	<b>64,405</b>	<b>68,755</b>
Cost of finished goods sold and services rendered	-51,422	-54,906
Cost of merchandise and materials sold	-2	-7
<b>Cost of sales</b>	<b>-51,424</b>	<b>-54,913</b>
<b>Gross profit/(loss)</b>	<b>12,981</b>	<b>13,842</b>
Other income	651	563
Distribution costs	-2,275	-2,991
Administrative expenses	-5,831	-5,248
Impairment of receivables and contract assets	-	79
Other expenses	-557	-497
<b>Operating profit/(loss)</b>	<b>4,969</b>	<b>5,747</b>
Finance income	5,054	353
Finance costs	-2,124	-736
<b>Profit/(loss) before tax</b>	<b>7,900</b>	<b>5,365</b>
Income tax	-1,604	-1,026
<b>Net profit/(loss) from continuing operations</b>	<b>6,296</b>	<b>4,339</b>
<b>DISCONTINUED OPERATIONS</b>		
Net profit/(loss) from discontinued operations	-	-
<b>Net profit/(loss) for the year</b>	<b>6,296</b>	<b>4,339</b>
<b>OTHER COMPREHENSIVE INCOME:</b>		
<b>Items to be reclassified to profit/(loss) in subsequent reporting periods</b>		
Cash flow hedges	-3,142	-55
Actuarial gains/(losses)	-	-
Income tax on other comprehensive income	597	11
<b>Other comprehensive income, net</b>	<b>-2,545</b>	<b>-45</b>
<b>Total comprehensive income</b>	<b>3,750</b>	<b>4,294</b>
Earnings/(loss) per share (PLN):		
- basic earnings/(loss) per share attributable to owners of the parent	0.63	0.44
- diluted earnings/(loss) per share attributable to owners of the parent	0.62	0.44

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

	Mar 31 2020 (unaudited)	Dec 31 2019 (audited)
<b>Non-current assets</b>		
Property, plant and equipment	52,100	52,745
Right-of-use assets	11,767	11,174
Investment property	328	334
Intangible assets	56,257	55,072
Long-term receivables	1,778	2,072
Investments in related entities	58,422	58,422
Other financial assets	529	155
Contract costs	2,895	2,981
	<b>184,075</b>	<b>182,954</b>
<b>Current assets</b>		
Inventories	25,226	31,939
Trade receivables	59,659	58,571
Other short-term receivables	7,521	8,278
Cash and cash equivalents	28,930	23,099
Other financial assets	2,836	2,695
Other non-financial assets	2,081	2,740
Contract costs	3,255	3,255
Contract assets	69,351	73,295
	<b>198,858</b>	<b>203,871</b>
<b>TOTAL ASSETS</b>	<b>382,933</b>	<b>386,824</b>

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

	Mar 31 2020 (unaudited)	Dec 31 2019 (audited)
<b>Equity</b>		
Share capital	3,616	3,616
Statutory reserve funds	126,372	141,372
Hedging reserve	-2,706	-161
Other components of equity	29,063	13,811
Retained earnings / accumulated losses	38,531	32,235
	<b>194,876</b>	<b>190,873</b>
<b>Non-current liabilities</b>		
Lease liabilities	6,788	6,331
Derivative financial instruments	1,371	287
Deferred tax liabilities	7,314	6,307
Provision for retirement and similar benefits	1,243	1,243
Grants for development projects	14,618	15,698
Contract liabilities	3,674	1,777
	<b>35,009</b>	<b>31,644</b>
<b>Current liabilities</b>		
Borrowings	23,891	27,418
Lease liabilities	2,784	2,591
Derivative financial instruments	4,248	719
Trade payables	26,419	42,781
Other current liabilities	7,385	8,363
Provision for retirement and similar benefits	7,102	5,976
Other provisions	9,583	7,596
Grants for development projects	2,609	718
Contract liabilities	69,027	68,145
	<b>153,049</b>	<b>164,308</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>382,933</b>	<b>386,824</b>

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

Jan 1–Mar 30 2020    Jan 1–Mar 31 2019

	(unaudited)	(unaudited)
<b>OPERATING ACTIVITIES</b>		
<b>Profit/(loss) before tax</b>	<b>7,900</b>	<b>5,365</b>
<b>Total adjustments:</b>	<b>4,046</b>	<b>-7,036</b>
Depreciation and amortisation	1,772	1,553
Foreign exchange gains/(losses)	-408	-102
Interest and profit distributions (dividends)	282	431
Gain/(loss) on investing activities	-39	13
Change in provisions	3,113	1,473
Change in inventories	6,713	2,377
Change in receivables	-38	-900
Change in liabilities (other than current financial liabilities)	-16,581	-11,961
Change in grants for development projects	540	192
Change in contract assets and liabilities	6,810	-1,840
Change in accruals and deferrals	659	404
Change in currency forward contracts	971	717
Other adjustments (including management stock options)	252	606
<b>Income tax (paid)/refunded</b>	<b>-</b>	<b>-</b>
<b>Net cash from operating activities</b>	<b>11,945</b>	<b>-1,672</b>
<b>INVESTING ACTIVITIES</b>		
<b>Cash provided by investing activities</b>	<b>-</b>	<b>8</b>
Proceeds from disposal of intangible assets and property, plant and equipment	-	8
<b>Cash used in financing activities</b>	<b>2,522</b>	<b>2,671</b>
Investments in intangible assets, property, plant and equipment, and investment property	2,522	1,934
Share capital increase at subsidiaries	-	737
<b>Net cash from investing activities</b>	<b>-2,522</b>	<b>-2,663</b>
<b>FINANCING ACTIVITIES</b>		
<b>Cash provided by investing activities</b>	<b>270</b>	<b>177</b>
Grants	270	177
<b>Cash used in financing activities</b>	<b>4,271</b>	<b>20,948</b>
Repayment of borrowings	3,527	20,050
Payment of finance lease liabilities	448	467
Interest paid	297	431
<b>Net cash from financing activities</b>	<b>-4,001</b>	<b>-20,771</b>
<b>Total net cash</b>	<b>5,423</b>	<b>-25,106</b>
<b>Net change in cash, including:</b>	<b>5,831</b>	<b>-25,002</b>
- effect of exchange rate fluctuations on cash held	408	104
<b>Cash at beginning of period</b>	<b>23,099</b>	<b>39,770</b>
<b>Cash at end of period</b>	<b>28,930</b>	<b>14,768</b>

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

	Share capital	Statutory reserve funds	Revaluation capital reserve	Other components of equity	Retained earnings / accumulated losses	Total equity
<b>Equity as at Jan 1 2020</b>	<b>3,616</b>	<b>141,371</b>	<b>-161</b>	<b>13,811</b>	<b>32,235</b>	<b>190,872</b>
Profit/(loss) for period	-	-	-	-	6,296	<b>6,296</b>
Other comprehensive income	-	-	-2,545	-	-	<b>-2,545</b>
Total comprehensive income for the year	-	-	-2,545	-	6,296	<b>3,750</b>
Capital reserve for buyback of shares	-	- 15,000	-	15,000	-	-
Management stock options	-	-	-	252	-	<b>252</b>
<b>Equity as at Mar 31 2020 (unaudited)</b>	<b>3,616</b>	<b>126,371</b>	<b>-2,706</b>	<b>29,063</b>	<b>38,531</b>	<b>194,876</b>

	Share capital	Statutory reserve funds	Revaluation capital reserve	Other components of equity	Retained earnings / accumulated losses	Total equity
<b>Equity as at Jan 1 2019</b>	<b>3,616</b>	<b>130,960</b>	<b>-586</b>	<b>12,067</b>	<b>36,046</b>	<b>182,103</b>
Profit/(loss) for period	-	-	-	-	4,339	<b>4,339</b>
Other comprehensive income	-	-	-45	-	-	<b>-45</b>
Total comprehensive income for the year	-	-	-45	-	4,339	<b>4,294</b>
Management stock options	-	-	-	606	-	<b>606</b>
<b>Equity as at Mar 31 2019 (unaudited)</b>	<b>3,616</b>	<b>130,960</b>	<b>-631</b>	<b>12,673</b>	<b>40,385</b>	<b>187,003</b>



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

	Share capital	Statutory reserve funds	Revaluation capital reserve	Other components of equity	Retained earnings / accumulated losses	Total equity
<b>Equity as at Jan 1 2019</b>	<b>3,616</b>	<b>130,960</b>	<b>-586</b>	<b>12,067</b>	<b>36,046</b>	<b>182,103</b>
Profit/(loss) for the period	-	-	-	-	10,620	<b>10,620</b>
Other comprehensive income	-	-	425	-142	-	<b>283</b>
Total comprehensive income for the year	-	-	425	-142	10,620	<b>10,902</b>
Allocation of profit to dividend payment	-	-	-	-	-4,019	<b>-4,019</b>
Transfer of retained earnings to statutory reserve funds	-	10,412	-	-	-10,412	-
Management stock options	-	-	-	1,688	-	<b>1,688</b>
Sale of treasury shares under the incentive scheme	-	-	-	198	-	<b>198</b>
<b>Equity as at Dec 31 2019 (audited)</b>	<b>3,616</b>	<b>141,371</b>	<b>-161</b>	<b>13,811</b>	<b>32,235</b>	<b>190,872</b>



**SUPPLEMENTARY INFORMATION TO THE INTERIM CONDENSED CONSOLIDATED  
FINANCIAL STATEMENTS  
FOR THE PERIOD  
JANUARY 1ST–MARCH 31ST 2020**

## 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, Poland (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),
- 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 Germany GmbH,
- 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.

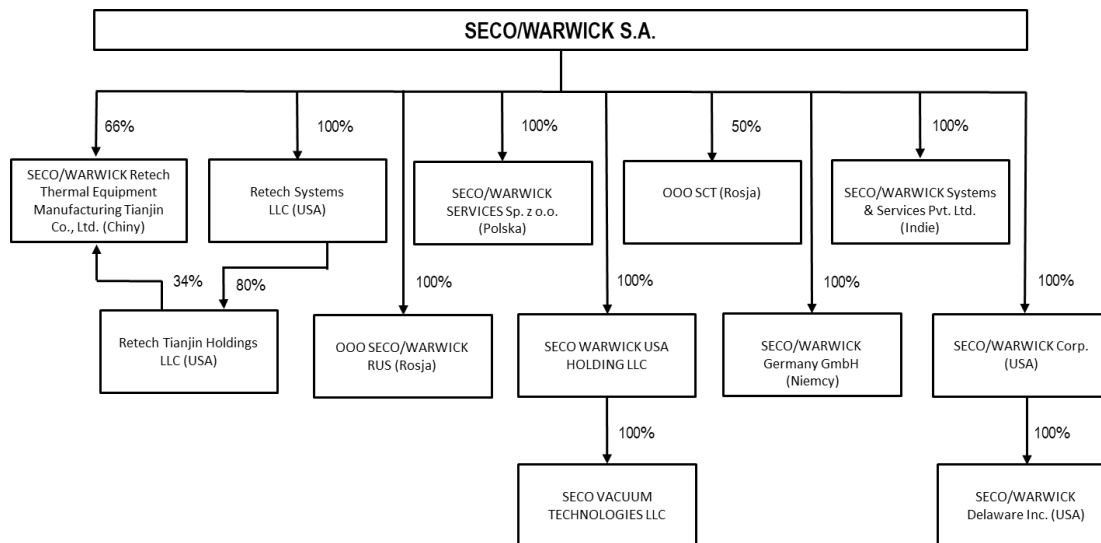
The Group includes a jointly controlled entity, i.e. OOO SCT (Solnechnogorsk) Russia, in which SECO/WARWICK S.A. holds a 50% interest, conferring the right to 50% of the total voting rights in the company.

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**Table: Composition of the SECO/WARWICK Group as at March 31st 2020**

<b>Company</b>	<b>Registered office</b>	<b>Principal business activity</b>	<b>Group's ownership interest</b>
<b>Parent</b>			
SECO/WARWICK S.A.	Świebodzin (Poland)	Holding company of the SECO/WARWICK Group; holding equity interests and providing strategic management services; manufacture of equipment for metal heat treatment.	N.A.
<b>Direct and indirect subsidiaries</b>			
SECO/WARWICK Corp.	Meadville (USA)	Manufacture of equipment for metal heat treatment	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.	100%
SECO/WARWICK Rus	Moscow (Russia)	Distribution of the Group's products	100%
Retech Systems LLC	Ukiah (USA)	Trade and services; manufacture of metallurgy equipment used for melting and vacuum casting of metals and specialty alloys	100%
SECO/WARWICK Retech Thermal Equipment Manufacturing Tianjin Co., Ltd.	Tianjin (China)	Manufacture of equipment for metal heat treatment	93%
Retech Tianjin Holdings LLC	(USA)	Holding company	80%
OOO SCT	Solnechnogorsk (Russia)	Provision of metal heat treatment services in Russia	50%
SECO/WARWICK Germany GmbH	Bedburg-Hau (Germany)	Provision of metal heat treatment services in Germany	100%
SECO/WARWICK Services Sp. z o.o.	Świebodzin (Poland)	Repair and maintenance services	100%
SECO WARWICK USA HOLDING LLC	Wilmington (USA)	Holding company	100%
SECO VACUUM TECHNOLOGIES LLC	Wilmington (USA)	Sale and distribution of vacuum furnaces.	100%
SECO/WARWICK Systems and Services India PVT. Ltd.	Mumbai (India)	Sale, repair and maintenance services	100%

**Organisation of the Group:**



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

Between March 31st 2020 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 stated otherwise, all amounts are given in thousands of PLN. Exchange differences on translating items of the statement of financial position are calculated as differences between the exchange rates applicable to the opening and closing balance.

The accounting policies applied in the preparation of these interim condensed consolidated financial statements are consistent with the policies applied in the preparation of the Group's full-year consolidated financial statements for the year ended December 31st 2019, except for the application of new or amended standards and interpretations effective for annual periods beginning on or after January 1st 2020.

**Material judgements and assumptions**

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 VII of the 2019 Consolidated Financial Statements.

**Changes in accounting policies**

The same accounting policies as described in the consolidated financial statements prepared as at and for the year ended December 31st 2019 were applied by the Group in the preparation of these interim condensed consolidated financial statements.

**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 2020	Dec 31 2019	Mar 31 2019
Average exchange rate for the period*	4.3963	-	4.2978
Exchange rate effective for the last day of the period	4.5523	4.2585	-

\*) *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 31			
	2020	2019	2020	2019
	(PLN '000)		(EUR '000)	
Revenue	100,999	111,020	22,974	25,832
Cost of sales	-80,338	-86,868	-18,274	-20,212
Operating profit/(loss)	2,362	5,543	537	1,290
Profit/(loss) before tax	4,579	5,497	1,041	1,279
Net profit/(loss) attributable to owners of the parent	2,639	4,132	600	961
Net cash flows from operating activities	12,424	-5,282	2,826	-1,229
Net cash flows from investing activities	56	-1,909	13	-444
Net cash flows from financing activities	-6,164	-17,400	-1,402	-4,049
	<b>Mar 31 2020</b>	<b>Dec 31 2019</b>	<b>Mar 31 2020</b>	<b>Dec 31 2019</b>
Total assets	464,562	455,581	102,050	106,982
Total liabilities	269,435	265,988	59,187	62,460
Including current liabilities	222,019	222,831	48,771	52,326
Equity	195,127	189,593	42,863	44,521
Share capital	3,616	3,616	794	849

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:

## SECO/WARWICK Group

Interim condensed consolidated financial statements  
for the period January 1st–March 31st 2020

## Separate financial highlights

Separate financial highlights	Q1 YTD from Jan 1 to Mar 31			
	2020	2019	2020	2019
	(PLN '000)		(EUR '000)	
Revenue	64,405	68,755	14,650	15,998
Cost of sales	-51,424	-54,913	-11,697	-12,777
Operating profit/(loss)	4,969	5,747	1,130	1,337
Profit/(loss) before tax	7,900	5,365	1,797	1,248
Net profit/(loss) attributable to owners of the parent	6,296	4,339	1,432	1,010
Net cash flows from operating activities	11,945	-1,672	2,717	-389
Net cash flows from investing activities	-2,522	-2,663	-574	-620
Net cash flows from financing activities	-4,001	-20,771	-910	-4,833
	<b>Mar 31 2020</b>	<b>Dec 31 2019</b>	<b>Mar 31 2020</b>	<b>Dec 31 2019</b>
Total assets	382,933	386,824	84,119	90,836
Total liabilities	188,057	195,951	41,310	46,014
Including current liabilities	153,049	164,308	33,620	38,583
Equity	194,876	190,873	42,808	44,822
Share capital	3,616	3,616	794	849



**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD  
JANUARY 1ST–MARCH 31ST 2020**



Selected supplementary information

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

Item	Jan 1–Mar 31 2020	Jan 1–Mar 31 2019
Revenue from sale of finished goods and services	100,009	107,553
- including revenue recognised over time	73,197	95,446
Revenue from sale of merchandise and materials	990	3,467
<b>TOTAL revenue</b>	<b>100,999</b>	<b>111,020</b>
Other income	403	695
Finance income	4,549	1,145
<b>TOTAL revenue and income</b>	<b>105,951</b>	<b>112,860</b>

Revenue by geographical markets:

Item	Jan 1–Mar 31 2020	Jan 1–Mar 31 2019
European Union	32,613	38,205
Commonwealth of Independent States	6,776	1,632
USA	31,319	35,575
Asia	25,251	29,513
Other	5,039	6,095
<b>TOTAL revenue</b>	<b>100,999</b>	<b>111,020</b>

All revenue is recognised by the Group in accordance with IFRS 15.

OPERATING SEGMENTS

Jan 1–Mar 30 2020	Continuing operations						Unallocated items	Total
	Vacuum Furnaces	Atmosphere Furnaces (Thermal)	Aluminium Process	Melting Furnaces	Aftersales	Total		
<b>Total segment revenue</b>	27,718	9,595	18,117	22,349	23,219	100,999	-	100,999
Sales to customers accounting for 10% or more of revenue	-	-	-	-	-	-	-	-
<b>Total segment expenses</b>	-20,536	-8,815	-13,350	-19,768	-15,976	-78,445	-1,893	-80,338
<b>Gross profit/(loss)</b>	7,182	780	4,767	2,581	7,243	22,553	-1,893	20,660

Jan 1–Mar 31 2019	Continuing operations						Unallocated items	Total
	Vacuum Furnaces	Atmosphere Furnaces (Thermal)	Aluminium Process	Melting Furnaces	Aftersales	Total		
<b>Total segment revenue</b>	31,864	14,699	20,779	24,073	19,554	110,969	50	111,020
Sales to customers accounting for 10% or more of revenue	-	-	-	-	-	-	-	-
<b>Total segment expenses</b>	-24,290	-12,977	-13,686	-21,503	-13,019	-85,475	-1,393	-86,868
<b>Gross profit/(loss)</b>	7,574	1,722	7,094	2,570	6,534	25,494	-1,342	24,152

**SECO/WARWICK Group**

Interim condensed consolidated financial statements  
for the period January 1st–March 31st 2020

## OTHER INCOME AND EXPENSES

OTHER INCOME	Jan 1–Mar 31 2020	Jan 1–Mar 31 2019
Reversal of provisions	-	150
Gain on disposal of property, plant and equipment	3	290
Penalties and compensation received	83	-
Income from lease of property, plant and equipment and investment property	189	244
Licence revenue	103	-
Other	24	12
<b>Total other income</b>	<b>403</b>	<b>695</b>

OTHER EXPENSES	Jan 1–Mar 31 2020	Jan 1–Mar 31 2019
Inventory write-downs	350	-
Loss on disposal of property, plant and equipment	39	6
Court expenses, compensation/damages, penalties	37	233
Cost related to income from lease of property, plant and equipment	105	72
Other	246	243
<b>Total other expenses</b>	<b>775</b>	<b>554</b>

## FINANCE INCOME AND COSTS

FINANCE INCOME	Jan 1–Mar 31 2020	Jan 1–Mar 31 2019
Interest income	92	134
Net foreign exchange gains	4,456	1,012
<b>Total finance income</b>	<b>4,549</b>	<b>1,145</b>

FINANCE COSTS	Jan 1–Mar 31 2020	Jan 1–Mar 31 2019
Interest paid	517	627
Net gain/(loss) on derivative instruments	1,740	221
Other	43	278
<b>Total finance costs</b>	<b>2,299</b>	<b>1,127</b>

## PROPERTY, PLANT AND EQUIPMENT

In the period from January 1st to March 31st 2020, the cost of acquired intangible assets and property, plant and equipment at the SECO/WARWICK Group amounted to PLN 2,831 thousand.

Item	Mar 31 2020	Dec 31 2019
Tangible assets	62,250	64,799
Tangible assets under construction	1,010	1,026
<b>Property, plant and equipment</b>	<b>63,260</b>	<b>65,823</b>

## IMPAIRMENT LOSSES ON ASSETS

Impairment losses on	Mar 31 2020	Dec 31 2019	Mar 31 2019
Trade receivables	15,174	15,174	12,281
Shares	44,946	44,946	44,946
Inventories	8,064	7,714	6,304
Contract assets	577	577	577
Tangible assets	2,095	2,095	2,026
<b>Total impairment losses</b>	<b>70,855</b>	<b>70,505</b>	<b>66,133</b>

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

On April 22nd 2020, the Supervisory Board gave a positive assessment of the Management Board's proposal to allocate SECO/WARWICK S.A.'s total net profit for 2019, of PLN 10,619,707.32 (ten million, six hundred and nineteen thousand, seven hundred and seven złoty, 32/100), to the Company's statutory reserve funds. On April 22nd 2020, in Current Report No. 10/2020, the Company announced the Management Board's dividend proposal.

## CAPITAL COMMITMENTS

As at March 31st 2020, the SECO/WARWICK Group had capital commitments related to property, plant and equipment of PLN 72 thousand. The funds were allocated for purchase of new machinery and equipment.

## CONSOLIDATED OFF-BALANCE-SHEET ITEMS

### Contingent liabilities

Contingent liabilities under guarantees and sureties issued amounted to PLN 45,396 thousand as at March 31st 2020 and PLN 44,563 thousand at the end of 2019. The following guarantees were issued:

Item		Mar 31 2020	Dec 31 2019
APG	advance payment guarantee	35,975	37,974
PBG	performance bond	3,729	1,519
BBG	bid bond	5,692	5,070
<b>Total</b>		<b>45,396</b>	<b>44,563</b>

## SETTLEMENTS RELATED TO COURT CASES

For detailed information on litigation that the Group is involved in, see Note 34 to the consolidated financial statements for the period ended December 31st 2019. By the date of issue of these financial statements, the Company had not received any additional information in this respect.

**Consistency of the accounting policies and computation methods applied in the preparation of the interim report for Q1 2020**

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 2020 or changes in estimates disclosed in previous financial years if they have a material bearing on Q1 2020**

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 2020.

**Issue, redemption and repayment of debt and equity securities**

No such events occurred.

**Earnings per share**

Item	Mar 31 2020	Mar 31 2019
Net profit from continuing operations attributable to owners of the parent	2,639	4,132
Net profit attributable to owners of the parent	2,639	4,132
<b>Net profit attributable to holders of ordinary shares used to calculate diluted earnings per share</b>	<b>2,639</b>	<b>4,132</b>
Weighted average number of outstanding ordinary shares used to calculate basic earnings per share	9,934,277	9,802,220
<b>Earnings per share</b>	<b>0.27</b>	<b>0.42</b>
Dilutive effect:		
Number of potential shares to be issued under the Incentive Scheme	227,200	113,325
Number of potential shares to be issued at market price	-21,061	-11,122
Adjusted weighted average number of ordinary shares used to calculate diluted earnings per share	10,140,416	9,904,423
<b>Diluted earnings per share</b>	<b>0.26</b>	<b>0.42</b>

**Material events subsequent to the end of Q1 2020, not disclosed in the financial statements for Q1 2020 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 2020 and key related events**

The Group's sales in Q1 2020 amounted to PLN 101.0m, down 9.0% year on year. Growth was recorded in the Aftersales segment, with sales up 18.7%. The other segments, i.e. Atmosphere Furnaces, Vacuum Furnaces, Aluminium Process, and Melting Furnaces, reported lower sales, down 34.7%, 13.0%, 12.8%, and 7.2%, respectively.

In Q1 2020, the Group companies secured orders for the total amount of PLN 41.0m, with approximately 61% of all orders placed in the Aftersales segment and 34% in the Vacuum Furnaces segment. In the corresponding period of the previous year, the value of secured orders was PLN 106.7m. As at the end of Q1 2020, the value of the order book was PLN 335.7m. The year-on-year decrease in the value of secured orders was largely attributable to the coronavirus pandemic, which severely impeded economic activity, including capital projects, in most countries.

In Q1 2020, the Group recorded an decrease in the average gross margin to 20.5% (Q1 2019: 21.8%), the decline being mainly attributable to the lower margins posted by the Aluminium Process segment (26.3% vs 34.1% in Q1 2019). An year-on-year increase in the margin (by 0.9pp) was reported by the Melting Furnaces segment.

Distribution costs and administrative expenses went down by 4.9% to PLN 17.9m in Q1 2020, relative to PLN 18.8m a year earlier. The net foreign exchange gains of PLN 4.5m generated by the Company strongly contributed to its net finance income.

In order to give a comprehensive view of the Group's financial position, this section also presents alternative performance measures (APMs) as these are standard metrics and indicators commonly used in financial analysis. The APMs applied by the Company should only be read as an addition rather than an alternative to financial information presented in financial statements and should be considered in conjunction with the Group's financial statements for Q1 2020.

As at the end of Q1 2020, EBIT margin was 2.3%, down 2.7pp year on year. EBITDA margin also fell, to 5.0% from 7.1% in Q1 2019.

The cash ratio improved quarter on quarter, to 1.3 from 1.2 as at the end of 2019. The current and quick ratios remained unchanged at 0.2 and 1.0, respectively. The ratios indicate that the Group is operationally stable and has the ability to pay its liabilities when due.

<b>LIQUIDITY RATIOS</b>	<b>Mar 31 2020</b>	<b>Dec 31 2019</b>
Current ratio	0.2	0.2
Quick ratio	1.0	1.0
Cash ratio	1.3	1.2

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 15th 2020.

**2. Factors and events, especially of a non-recurring nature, with a material bearing on the Company's financial performance in Q1 2020 and potential bearing, in the Company's opinion, on its performance in the next quarter or in a longer term**

On February 12th 2020, the Extraordinary General Meeting passed Resolution No. 5 to authorise the Company's Management Board to repurchase the Company's shares listed on the regulated market operated by the Warsaw Stock Exchange.

On February 27th 2020, an annex to the overdraft facility agreement with Santander Bank Polska Spółka Akcyjna was signed, extending the facility repayment deadline until February 28th 2021.

In early March 2020, in Current Report No. 7/2020, the Company's Management Board announced the adoption of the 'SECO/WARWICK Strategy for 2020-2022', which had received a positive assessment from the Supervisory Board. The document defines the Group's mission and vision and sets out key assumptions for the four main dimensions of its business, i.e. finance, customer relations, processes and human resources. In view of the ongoing SARS-CoV-2 virus pandemic, the Management Board has been reviewing and updating the strategic assumptions and is also prepared to change certain strategic objectives if required.

At the end of 2019, the first news was received of the spread of the SARS-CoV-2 virus, causing the COVID-19 disease, in China. In the first months of 2020, the virus spread across the world, and its adverse impacts are being felt in many countries. In connection with the spread of SARS-CoV-2 in Poland, the Polish government announced a state of epidemic threat as of March 14th 2020, and then a state of epidemic as of March 20th 2020, and introduced far-reaching restrictions aimed at limiting the pace and extent of the epidemic. Similar precautionary measures were implemented in most of the affected countries, including in the world's largest economies. The restrictions have strongly affected business organisations' ability to operate and have a material bearing on the current economic situation. It should also be pointed out that the epidemic threat is driving a strong volatility on stock exchange and currency markets, unavailability of certain goods and services, as well as the risk of disruption to global supply chains of key importance to specialised industrial production activities.

The Company has identified the following as the main risks that may affect the Group's operations and financial performance in the coming periods: (i) the risk of reduced order volumes (including a marked decline in major contracts, postponement of deliveries, and partial or complete cancellation of certain orders) and, as a result, of reduced or considerably deferred sales; (ii) discontinuation of capital expenditures by the Group's key customers; (iii) delays in the performance of the Group companies' contracts due to the prolonged downtimes in China, Europe and the US seen since Q1 2020; (iv) aggravation of the crisis in the automotive and aviation sectors; (v) travel restrictions due to COVID-19 pandemic, constraining the Group's ability to carry out effective sales processes and provide equipment start-up or maintenance services; (vi) difficulties in the performance of contracts resulting from the introduction of a remote work system to protect employees' health and life against COVID-19; (vii) potential impediments in the Group's cooperation with its key suppliers of raw materials and components.

With respect to the Company and other Group companies, the negative impact of the epidemic to date has involved primarily a reduction in the number and value of new orders placed by the Company's trading partners. The Company's Management Board is closely monitoring the global business environment to identify trends that may potentially lead to suspension of delivery (i.e. deferral of income) or, in extreme cases, partial or complete cancellation of certain orders in the backlog as at the reporting date. This may result in a significant deferral or loss of all or some revenue from contracts (partly offset by liquidated damages, if any, paid to Group companies) and in lower cash flows than expected.

The Company's Management Board took steps to mitigate the adverse effect of the situation on the Company's and the Group's operations and financial performance, while taking steps to ensure safety of the employees and trading partners. On April 1st 2020, in consultation with trade unions, the Company reduced employees' working hours to 80%, with pro rata cuts of the pay amounts. The Company's employees confirmed their readiness to work reduced hours and to accept the proportionate pay reductions. A Covid19 team has been established to mitigate the effects and risks of the epidemic. Procedures and policies have been put in place, including a rotational work system with a home office option for most of the Company's employees, to minimise the risk of infection among staff. In the case of the departments in which remote work is not possible, an equivalent working time has been introduced. The Company also decided to apply for aid under various financial assistance and business support programmes as introduced on some of the Group's markets. In Q2 2020, the Company received two tranches of wage subsidies, amounting to PLN 2.2m (out of the expected total of PLN 3.3m) as part of the 'anti-crisis shield' package in connection with the reduced working hours, while the

US-based Group companies received close to USD 1.7m under the PayCheck Protection Program dedicated to small and medium-sized businesses. Loans granted under the PayCheck Protection Program may qualify for full or partial forgiveness subject to certain terms and conditions.

Based on its best knowledge, the Company's Management Board does not expect any rise in the number of court disputes, any penalties imposed for contract performance delays, contract terminations, or insolvencies of the Company's customers. The Management Board monitors and analyses on an ongoing basis the situation, the value of orders, and the stage of completion of contracts, to undertake activities to secure the Company's operations if necessary. So far, the Group has not experienced any significant problems with the availability of feedstocks, materials or goods. At present, the epidemic risk associated with the virus is developing dynamically and therefore the Management Board does not have an estimate of the final effect of the changes on the Company's profit or loss. The Company's Management Board will continue to monitor the potential impact of the epidemic and take all reasonable steps to mitigate its negative effects on the Company and other Group companies. Any possible impacts will be reflected in the subsequent financial statements.

**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 2020, 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.

**4. Management Board's position on the feasibility of meeting any previously published forecasts for 2020 in light of the results presented in the Q1 2020 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 2020.

**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 2019)**

**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 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	32.89%
Spruce Holding Limited Liability Company (USA)	1,123,337	10.91%	1,123,337	10.91%
Aviva Otwarty Fundusz Emerytalny Aviva Santander	1,046,573	10.16%	1,046,573	10.16%
Bleauhard Holdings LLC	637,028	6.19%	637,028	6.19%
Nationale-Nederlanden Otwarty Fundusz Emerytalny	600,000	5.83%	600,000	5.83%
Metlife OFE	577,470	5.61%	577,470	5.61%

The data is based on notifications received from the shareholders.

SECO/WARWICK S.A. holds 364,277 treasury shares, representing 3.54% of the share capital. The Company does not exercise voting rights in respect of its treasury shares.



The Company is not aware of any changes in major holdings of its shares in the period from the issue date of the 2019 full-year report (April 22nd 2020) to this report date.

**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 2019)**

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

	Apr 22 2020				May 15 2020			
	Number of S/W shares held	Ownership interest	% of total voting rights	Decrease/increase	Number of S/W shares held	Ownership interest	% of total voting rights	Total par value of shares (PLN)
<b>Management Board</b>								
Sławomir Woźniak	44,306	0.43%	0.43%	-	44,306	0.43%	0.43%	8,861
Jarosław Talerzak	31,141	0.30%	0.30%	-	31,141	0.30%	0.30%	6,228
Bartosz Klinowski	97,751	0.95%	0.95%	-	97,751	0.95%	0.95%	19,550
Earl Good	6,331	0.06%	0.06%	-	6,331	0.06%	0.06%	1,266
Piotr Walasek	29,035	0.28%	0.28%	-	29,035	0.28%	0.28%	5,807
<b>Supervisory Board</b>								
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
Marcin Murawski	-	-	-	-	-	-	-	-
Jacek Tucharz	-	-	-	-	-	-	-	-
<b>Total</b>	<b>283,350</b>	<b>2.75%</b>	<b>2.75%</b>	<b>0</b>	<b>283,350</b>	<b>2.75%</b>	<b>2.75%</b>	<b>56,670</b>

Item	Apr 22 2020	May 15 2020
Number of shares	10,298,554	10,298,554
Par value per share	0.20	0.20
<b>Share capital</b>	<b>2,059,710.80</b>	<b>2,059,710.80</b>

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 2020, 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 34 to the consolidated financial statements for the period ended December 31st 2019. By the date of issue of these financial statements, the Company had not received any additional information in this respect.

**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 2020, 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 2020, 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 2020, no events other than those discussed in Section 2 above 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 the date of issue of this report, 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**

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 Incentive Scheme beneficiaries are the Group's senior management staff. The Incentive Scheme includes a total of 494,000 shares. The annual equity volumes for the years 2018, 2019, 2020, and the assessment parameter, which is determined by the Company's Supervisory Board and approved by the General Meeting, have been established for each beneficiary. The assessment parameter is closely linked to the net profit of the SECO/WARWICK Group, the separate net profit, or operating profit of an operating segment. After the end of each financial year, the Company's Supervisory Board and General Meeting determine and approve the achievement of individual targets by the beneficiaries. On June 5th 2019, the Supervisory Board passed Resolution No. 01/2019 approving the results of the review of the annual targets for the 2018 Incentive Scheme, and indicating the proposed number of shares to be acquired by each of the beneficiaries, subject to the condition that they remain employed with the Company in the period from January 1st 2019 to December 31st 2019. On the same day, the Annual General Meeting approved the resolution passed by the Supervisory Board and decided to extend the list of positions eligible for participation in the Incentive Scheme and to amend the Rules of the Incentive Scheme as previously proposed by the Supervisory Board. On October 2nd 2019, as part of the settlement of the 2018 Incentive Scheme, the Company entered into agreements with its participants for the acquisition of a total of 132,057 shares in the Company. The shares were sold to the beneficiaries of the Incentive Scheme for PLN 1.50 (one zloty, fifty grosz) per share. The sold shares represent 1.28% of the Company's share capital and confer the right to 132,057 votes, or 1.28% of total voting rights, at the General Meeting. Following the sale, the Company holds 364,277 treasury shares, representing 3.54% of its share capital and 3.54% of total voting rights at its General Meeting. On December 12th 2019, by Resolution No. 01/2019 the Supervisory Board defined the individual 2020 targets for the participants of the 2018–2020 Incentive Scheme. Achievement of the individual targets is a condition for the award of rights under the Incentive Scheme to its participants, provided that they remain employed with the Company in the period from January 1st to December 31st 2020. The targets cover financial and operating ratios of the individual subsidiaries, the organisational units related to

particular technologies, or the entire Group, depending on the position of a participant. As at December 31st 2019, the maximum number of options that may be granted to the beneficiaries of the 2018–2020 Incentive Scheme was 361,943 (December 31st 2018: 494,000). The cost of option vesting recognised in Q1 2020 was PLN 252 thousand.