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**CONSOLIDATED QUARTERLY REPORT**  
**FOR THE PERIOD JANUARY 1ST–MARCH 31ST 2021**

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**INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD  
JANUARY 1ST–MARCH 31ST 2021**

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

(PLN '000)

	Jan 1–Mar 31 2021	Jan 1–Mar 31 2020
	(unaudited)	(unaudited)
Revenue from sale of finished goods and services	102,927	100,009
Revenue from sale of merchandise and materials	1,415	990
<b>Revenue</b>	<b>104,342</b>	<b>100,999</b>
Cost of finished goods sold and services rendered	-80,905	-79,699
Cost of merchandise and materials sold	-835	-639
<b>Cost of sales</b>	<b>-81,739</b>	<b>-80,338</b>
<b>Gross profit/(loss)</b>	<b>22,603</b>	<b>20,660</b>
Other income	818	403
Distribution costs	-6,132	-6,182
Administrative expenses	-12,369	-11,745
Impairment of receivables and contract assets	27	-
Other expenses	-536	-776
<b>Operating profit/(loss)</b>	<b>4,410</b>	<b>2,362</b>
Finance income	1,887	4,549
Finance costs	-1,953	-2,299
Share of net profit/(loss) of equity-accounted associates	-32	-32
<b>Profit/(loss) before tax</b>	<b>4,312</b>	<b>4,579</b>
Income tax	-1,001	-1,952
Net profit/(loss) from continuing operations	3,311	2,627
Profit/(loss) from discontinued operations	-	-
<b>Net profit/(loss)</b>	<b>3,311</b>	<b>2,627</b>
<b>Net profit/(loss) attributable to</b>		
Owners of the parent	<b>3,209</b>	<b>2,639</b>
Non-controlling interests	103	-13
<b>OTHER COMPREHENSIVE INCOME:</b>		
<b>Items not to be reclassified to profit/(loss) in subsequent reporting periods</b>		
Actuarial gains/(losses) on a defined benefit pension plan	-	-
<b>Items which may be reclassified to profit/(loss) in subsequent reporting periods</b>		
Valuation of cash flow hedging derivatives	-1,349	-3,142
Exchange differences on translating foreign operations	3,751	5,200
Actuarial gains/(losses)	-	-
Income tax on other comprehensive income	256	597
<b>Total other comprehensive income, net</b>	<b>2,658</b>	<b>2,655</b>
<b>Total comprehensive income</b>	<b>5,970</b>	<b>5,282</b>

**Total comprehensive income attributable to**

Owners of the parent	5,813	5,251
Non-controlling interests	157	31

**EARNINGS PER SHARE:**

- basic earnings/(loss) per share attributable to owners of the parent	0.36	0.27
- diluted earnings/(loss) per share attributable to owners of the parent	0.35	0.26
- basic earnings/(loss) per share from continuing operations attributable to owners of the parent	0.36	0.27
- diluted earnings/(loss) per share from continuing operations attributable to owners of the parent	0.35	0.26

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

	Mar 31 2021 (unaudited)	Dec 31 2020 (audited)
<b>Non-current assets</b>		
Property, plant and equipment	54,993	54,331
Right-of-use assets	23,748	23,649
Investment property	304	310
Goodwill	41,012	38,931
Intangible assets	46,599	45,440
Long-term receivables	683	677
Other financial assets	3	3
Deferred tax assets	1,105	978
	<b>168,447</b>	<b>164,320</b>
<b>Current assets</b>		
Inventories	67,007	61,555
Trade receivables	58,419	84,842
Income tax assets	737	481
Other short-term receivables	11,969	13,222
Other financial assets	-	345
Other non-financial assets	4,533	3,181
Contract assets	87,601	70,022
Cash and cash equivalents	53,607	52,558
	<b>283,873</b>	<b>286,205</b>
<b>TOTAL ASSETS</b>	<b>452,321</b>	<b>450,525</b>

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

	Mar 31 2021 (unaudited)	Dec 31 2020 (audited)
<b>Equity</b>		
Share capital	3,616	3,616
Statutory reserve funds	201,557	201,557
Other components of equity	15,512	15,258
Hedging reserve	-2,617	-1,524
Translation reserve	24,674	20,978
Retained earnings / accumulated losses	-48,315	-51,524
<b>Equity attributable to owners of the parent</b>	<b>194,428</b>	<b>188,361</b>
<b>Non-controlling interests</b>	<b>1,012</b>	<b>855</b>
	<b>195,439</b>	<b>189,215</b>
<b>Non-current liabilities</b>		
Borrowings	9,887	10,690
Lease liabilities	16,588	16,908
Derivative financial instruments	235	402
Deferred tax liabilities	17,224	16,617
Employee benefit obligations	2,211	2,173
Contract liabilities	546	598
	<b>46,692</b>	<b>47,388</b>
<b>Current liabilities</b>		
Borrowings	9,135	21,321
Lease liabilities	4,819	4,647
Derivative financial instruments	4,538	2,682
Other financial liabilities	169	-
Trade payables	48,724	42,961
Other current liabilities	7,492	7,693
Employee benefit obligations	17,770	14,325
Other provisions	8,077	8,056
Contract liabilities	109,465	112,237
	<b>210,189</b>	<b>213,922</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>452,321</b>	<b>450,525</b>

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

	Jan 1–Mar 31 2021 (unaudited)	Jan 1–Mar 31 2020 restated (unaudited)
<b>OPERATING ACTIVITIES</b>		
<b>Profit/(loss) before tax</b>	<b>4,312</b>	<b>4,577</b>
<b>Total adjustments:</b>	<b>14,022</b>	<b>8,241</b>
Share of net profit/loss of a jointly controlled entity	32	569
Depreciation and amortisation	3,203	2,739
Foreign exchange gains/(losses)	1,893	250
Interest and profit distributions (dividends)	139	338
Gain/(loss) on investing activities	50	-365
Change in provisions	2,943	2,190
Change in inventories	-4,177	3,462
Change in receivables	29,712	-2,859
Change in current liabilities (other than financial liabilities)	4,094	-14,657
Change in contract assets and liabilities	-26,264	14,787
Change in accruals and deferrals	1,555	659
Change in currency forward contracts	849	971
Other adjustments (including management stock options)	-7	155
<b>Income tax (paid)/refunded</b>	<b>-316</b>	<b>-394</b>
<b>Net cash from operating activities</b>	<b>18,018</b>	<b>12,424</b>
<b>INVESTING ACTIVITIES</b>		
<b>Cash provided by investing activities</b>	<b>54</b>	<b>2,887</b>
Proceeds from disposal of intangible assets and property, plant and equipment	39	2,887
Other proceeds from financial assets	15	-
<b>Cash used in investing activities</b>	<b>3,180</b>	<b>2,830</b>
Investments in intangible assets, property, plant and equipment, and investment property	3,181	2,831
<b>Net cash from investing activities</b>	<b>-3,127</b>	<b>57</b>
<b>FINANCING ACTIVITIES</b>		
<b>Cash provided by financing activities</b>	<b>218</b>	<b>533</b>
Increase in bank borrowings	-	263
Grants received	218	270
<b>Cash used in financing activities</b>	<b>14,235</b>	<b>6,698</b>
Repayment of bank borrowings	13,011	5,412
Payment of lease liabilities	1,014	928
Interest paid	177	356
Other cash used in financing activities	30	-
<b>Net cash from financing activities</b>	<b>-14,017</b>	<b>-6,165</b>
<b>Total net cash</b>	<b>875</b>	<b>6,316</b>
<b>Net change in cash, including:</b>	<b>17,012</b>	<b>6,724</b>
- effect of exchange rate fluctuations on cash held	174	408
<b>Cash at beginning of period</b>	<b>52,558</b>	<b>36,595</b>
<b>Cash at end of period</b>	<b>53,607</b>	<b>43,320</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 2021</b>	<b>3,616</b>	<b>201,557</b>	<b>-1,524</b>	<b>15,258</b>	<b>20,978</b>	<b>-51,525</b>	<b>188,363</b>	<b>853</b>	<b>189,216</b>
Profit/(loss) for period	-	-	-	-	-	3,209	<b>3,209</b>	103	<b>3,312</b>
Other comprehensive income	-	-	-1,093	-	3,697	-	<b>2,604</b>	54	<b>2,658</b>
<b>Total comprehensive income for the year</b>	-	-	-1,093	-	3,697	3,209	<b>5,813</b>	157	<b>5,970</b>
Management stock options	-	-	-	254	-	-	<b>254</b>	-	<b>254</b>
<b>Equity as at Mar 31 2021 (unaudited)</b>	<b>3,616</b>	<b>201,557</b>	<b>-2,617</b>	<b>15,512</b>	<b>24,674</b>	<b>-48,315</b>	<b>194,427</b>	<b>1,012</b>	<b>195,440</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 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>
<b>Total comprehensive income for the year</b>	-	-	-2,545	-	5,157	2,639	<b>5,251</b>	31	<b>5,282</b>
Allocation of profit to dividend payment	-	-	-	-	-	-	-	-	-
Management stock	-	-	-	252	-	-	<b>252</b>	-	<b>252</b>

options

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>

**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	-	-	-	-	-	13,773	13,773	342	14,115
Other comprehensive income	-	-	-1,364	-	-563	565	-1,361	38	-1,323
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-1,364</b>	<b>-</b>	<b>-563</b>	<b>14,338</b>	<b>12,412</b>	<b>380</b>	<b>12,791</b>
Management stock options	-	-	-	1,364	-	-	1,364	-	1,364
Transfer of retained earnings to statutory reserve funds	-	10,399	-	-	-	-10,399	-	-	-
Capital reserve for repurchase of shares	-	-	-	14,615	-	-	-	-	-
Repurchase of shares	-	-	-	-14,615	-	-	-14,615	-	-14,615
Sale of treasury shares under the incentive scheme	-	-	-	83	-	-	83	-	83
<b>Equity as at Dec 31 2020 (audited)</b>	<b>3,616</b>	<b>201,557</b>	<b>-1,524</b>	<b>15,258</b>	<b>20,978</b>	<b>-51,525</b>	<b>188,363</b>	<b>853</b>	<b>189,214</b>



**INTERIM CONDENSED SEPARATE FINANCIAL STATEMENTS  
FOR THE PERIOD  
JANUARY 1ST–MARCH 31ST 2021**

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

	Jan 1–Mar 31 2021	Jan 1–Mar 31 2020
	(unaudited)	(unaudited)
Revenue from sale of finished goods and services	61,359	64,403
Revenue from sale of merchandise and materials	2	2
<b>Revenue</b>	<b>61,361</b>	<b>64,405</b>
Cost of finished goods sold and services rendered	-49,144	-51,422
Cost of merchandise and materials sold	-3	-2
<b>Cost of sales</b>	<b>-49,147</b>	<b>-51,424</b>
<b>Gross profit/(loss)</b>	<b>12,214</b>	<b>12,981</b>
Other income	518	651
Distribution costs	-3,681	-2,275
Administrative expenses	-5,633	-5,831
Impairment of receivables and contract assets	-	-
Other expenses	-364	-557
<b>Operating profit/(loss)</b>	<b>3,055</b>	<b>4,969</b>
Finance income	881	5,054
Finance costs	-1,509	-2,124
<b>Profit/(loss) before tax</b>	<b>2,426</b>	<b>7,900</b>
Income tax	-653	-1,604
<b>Net profit/(loss) from continuing operations</b>	<b>1,773</b>	<b>6,296</b>
<b>DISCONTINUED OPERATIONS</b>		
Net profit/(loss) from discontinued operations	-	-
<b>Net profit/(loss) for the year</b>	<b>1,773</b>	<b>6,296</b>
<b>OTHER COMPREHENSIVE INCOME:</b>		
<b>Items to be reclassified to profit/(loss) in subsequent reporting periods</b>		
Valuation of cash flow hedging derivatives	-1,186	-3,142
Actuarial gains/(losses)	-	-
Income tax on other comprehensive income	225	597
<b>Other comprehensive income, net</b>	<b>-960</b>	<b>-2,545</b>
<b>Total comprehensive income</b>	<b>812</b>	<b>3,750</b>
Earnings/(loss) per share (PLN):		
- basic earnings/(loss) per share attributable to owners of the parent	0.20	0.63
- diluted earnings/(loss) per share attributable to owners of the parent	0.20	0.62

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

	Mar 31 2021 (unaudited)	Dec 31 2020 (audited)
<b>Non-current assets</b>		
Property, plant and equipment	44,176	44,585
Right-of-use assets	10,977	11,255
Investment property	304	310
Intangible assets	45,667	44,664
Long-term receivables	478	512
Investments in related entities	58,422	58,422
Other financial assets	3	3
	<b>160,026</b>	<b>159,751</b>
<b>Current assets</b>		
Inventories	27,883	26,331
Trade receivables	46,115	58,616
Other short-term receivables	15,550	14,493
Derivative financial instruments	-	345
Other financial assets	2,000	2,000
Other non-financial assets	1,863	1,943
Contract costs	3,113	3,882
Contract assets	55,619	48,524
Cash and cash equivalents	10,241	15,940
	<b>162,384</b>	<b>172,073</b>
<b>TOTAL ASSETS</b>	<b>322,410</b>	<b>331,823</b>

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

	Mar 31 2021 (unaudited)	Dec 31 2020 (audited)
<b>Equity</b>		
Share capital	3,616	3,616
Statutory reserve funds	137,376	137,376
Hedging reserve	-2,485	-1,524
Other components of equity	15,512	15,258
Retained earnings / accumulated losses	31,245	29,472
	<b>185,265</b>	<b>184,198</b>
<b>Non-current liabilities</b>		
Borrowings	9,667	10,472
Lease liabilities	6,447	6,678
Derivative financial instruments	235	402
Deferred tax liabilities	8,288	7,860
Employee benefit obligations	1,335	1,335
Contract liabilities	546	598
	<b>26,517</b>	<b>27,344</b>
<b>Current liabilities</b>		
Borrowings	8,085	19,612
Lease liabilities	2,028	2,306
Derivative financial instruments	4,538	2,682
Trade payables	46,437	40,861
Other current liabilities	5,529	5,241
Employee benefit obligations	10,375	8,196
Other provisions	5,326	5,019
Contract liabilities	28,311	36,364
	<b>110,628</b>	<b>120,281</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>322,410</b>	<b>331,823</b>

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

	Jan 1–Mar 31 2021	Jan 1–Mar 31 2020 restated
	(unaudited)	(unaudited)
<b>OPERATING ACTIVITIES</b>		
<b>Profit/(loss) before tax</b>	<b>2,426</b>	<b>7,900</b>
<b>Total adjustments:</b>	<b>6,550</b>	<b>4,046</b>
Depreciation and amortisation	1,828	2,312
Foreign exchange gains/(losses)	-174	-408
Interest and profit distributions (dividends)	113	282
Gain/(loss) on investing activities	-	-39
Change in provisions	2,486	3,113
Change in inventories	-1,552	6,713
Change in receivables	11,478	-38
Change in liabilities (other than current financial liabilities)	5,747	-16,581
Change in contract assets and liabilities	-14,432	6,810
Change in accruals and deferrals	80	659
Change in currency forward contracts	849	971
Other adjustments (including management stock options)	128	252
<b>Income tax (paid)/refunded</b>	<b>-</b>	<b>-</b>
<b>Net cash from operating activities</b>	<b>8,976</b>	<b>11,945</b>
<b>INVESTING ACTIVITIES</b>		
<b>Cash provided by investing activities</b>	<b>15</b>	<b>-</b>
Other inflows	15	-
<b>Cash used in investing activities</b>	<b>2,089</b>	<b>2,522</b>
Investments in intangible assets, property, plant and equipment, and investment property	2,089	2,522
<b>Net cash from investing activities</b>	<b>-2,075</b>	<b>-2,522</b>
<b>FINANCING ACTIVITIES</b>		
<b>Cash provided by financing activities</b>	<b>218</b>	<b>270</b>
Grants received	218	270
<b>Cash used in financing activities</b>	<b>12,993</b>	<b>4,271</b>
Repayment of bank borrowings	12,333	3,527
Payment of lease liabilities	532	448
Interest paid	128	297
<b>Net cash from financing activities</b>	<b>-12,775</b>	<b>-4,001</b>
<b>Total net cash</b>	<b>-5,874</b>	<b>5,423</b>
<b>Net change in cash, including:</b>	<b>-5,699</b>	<b>5,831</b>
- effect of exchange rate fluctuations on cash held	174	408
<b>Cash at beginning of period</b>	<b>15,940</b>	<b>23,099</b>
<b>Cash at end of period</b>	<b>10,241</b>	<b>28,930</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 2021</b>	<b>3,616</b>	<b>137,376</b>	<b>-1,524</b>	<b>15,258</b>	<b>29,472</b>	<b>184,197</b>
Profit/(loss) for period	-	-	-	-	1,773	1,773
Other comprehensive income	-	-	-960	-	-	-960
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-960</b>	<b>-</b>	<b>1,773</b>	<b>812</b>
Management stock options	-	-	-	254	-	254
<b>Equity as at Mar 31 2021 (unaudited)</b>	<b>3,616</b>	<b>137,376</b>	<b>-2,485</b>	<b>15,512</b>	<b>31,245</b>	<b>185,265</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 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	6,296
Other comprehensive income	-	-	-2,545	-	-	-2,545
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-2,545</b>	<b>-</b>	<b>6,296</b>	<b>3,750</b>
Capital reserve for repurchase of shares	-	-15,000	-	15,000	-	-
Management stock options	-	-	-	252	-	252
<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>



**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 the period	-	-	-	-	7,856	7,856
Other comprehensive income	-	-	-1,364	-	-	-1,364
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-1,364</b>	<b>-</b>	<b>7,856</b>	<b>6,493</b>
Sale of treasury shares under the incentive scheme	-	-	-	83	-	83
Transfer of retained earnings to statutory reserve funds	-	10,620	-	-	-10,620	-
Management stock options	-	-	-	1,364	-	1,364
Repurchase of shares	-	-	-	-14,615	-	-14,615
Capital reserve for repurchase of shares	-	-14,615	-	14,615	-	-
<b>Equity as at Dec 31 2020 (audited)</b>	<b>3,616</b>	<b>137,376</b>	<b>-1,524</b>	<b>15,258</b>	<b>29,472</b>	<b>184,197</b>



**SUPPLEMENTARY INFORMATION TO THE INTERIM CONDENSED CONSOLIDATED  
FINANCIAL STATEMENTS  
FOR THE PERIOD  
JANUARY 1ST–MARCH 31ST 2021**

## 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 (ATM)\*,
- Melting Furnaces,
- Aftersales.

\*On October 1st 2020, following a review of the solutions offered in the ATM segment, a decision was made to wind up the ATM segment and most of the segment’s technologies were transferred to other business units.

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.

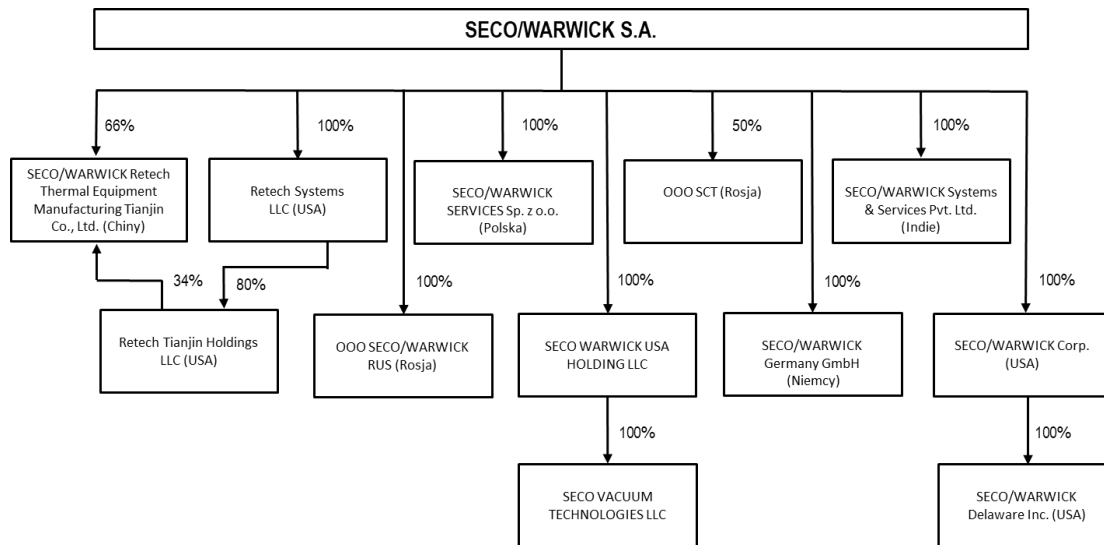
The Group includes a jointly controlled entity:

- 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.

**Table: Composition of the SECO/WARWICK Group as at March 31st 2021**

Company	Registered office	Principal business activity	Group's ownership interest
<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)	Sale, repair and maintenance services	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%
OOO SECO/WARWICK Rus	Moscow (Russia)	Distribution of the Group's products	100%
Retech Systems LLC	Buffalo (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 GmbH	Germany Bedburg-Hau (Germany)	Sale, repair and maintenance services	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 issue date of this Report**

Between March 31st 2021 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 zloty ("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 2020, except for the application of new or amended standards and interpretations effective for annual periods beginning on or after January 1st 2021.

**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 VIII of the 2020 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 2020 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 2021	Dec 31 2020	Mar 31 2020
Average exchange rate for the period*	4.5721	-	4.3963
Exchange rate effective for the last day of the period	4.6603	4.6148	-

*\*) 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	From Jan 1 to Mar 31			
	2021	2020	2021	2020
	(PLN '000)		(EUR '000)	
Revenue	104,342	100,999	22,822	22,974
Cost of sales	-81,739	-80,338	-17,878	-18,274
Operating profit/(loss)	4,382	2,362	959	537
Profit/(loss) before tax	4,285	4,579	937	1,041
Net profit/(loss) attributable to owners of the parent	3,209	2,639	702	600
Net cash flows from operating activities	18,018	12,424	3,941	2,826
Net cash flows from investing activities	-3,127	57	-684	13
Net cash flows from financing activities	-14,017	-6,165	-3,066	-1,402
	<b>Mar 31 2021</b>	<b>Dec 31 2020</b>	<b>Mar 31 2021</b>	<b>Dec 31 2020</b>
Total assets	452,321	464,562	97,058	102,050
Total liabilities	256,881	269,435	55,121	59,187
Including current liabilities	210,189	222,019	45,102	48,771
Equity	195,439	195,127	41,937	42,863
Share capital	3,616	3,616	776	794

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:

Separate financial highlights	From Jan 1 to Mar 31			
	2021	2020	2021	2020
	(PLN '000)		(EUR '000)	
Revenue	61,361	64,405	13,421	14,650
Cost of sales	-49,147	-51,424	-10,749	-11,697
Operating profit/(loss)	3,055	4,969	668	1,130
Profit/(loss) before tax	2,426	7,900	531	1,797
Net profit/(loss) attributable to owners of the parent	1,773	6,296	388	1,432
Net cash flows from operating activities	8,976	11,945	1,963	2,717
Net cash flows from investing activities	-2,075	-2,522	-454	-574
Net cash flows from financing activities	-12,775	-4,001	-2,794	-910
	<b>Mar 31</b>	<b>Dec 31</b>	<b>Mar 31</b>	<b>Dec 31</b>
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
Total assets	322,410	331,823	69,182	71,904
Total liabilities	137,146	147,626	29,429	31,990
Including current liabilities	110,628	120,281	23,738	26,064
Equity	185,265	184,198	39,754	39,915
Share capital	3,616	3,616	776	784



**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD  
JANUARY 1ST–MARCH 31ST 2021**



Selected supplementary information

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

Item	Jan 1–Mar 31 2021	Jan 1–Mar 31 2020
Revenue from sale of finished goods and services	102,927	100,009
- including revenue recognised over time	92,433	73,197
Revenue from sale of merchandise and materials	1,415	990
<b>TOTAL revenue</b>	<b>104,342</b>	<b>100,999</b>
Other income	818	403
Finance income	1,887	4,549
<b>TOTAL revenue and income</b>	<b>107,047</b>	<b>105,951</b>

Revenue by geographical markets:

Item	Jan 1–Mar 31 2021	Jan 1–Mar 31 2020
European Union	23,007	32,613
Commonwealth of Independent States	20,431	6,776
USA	22,228	31,319
Asia	30,581	25,251
Other	8,096	5,039
<b>TOTAL revenue</b>	<b>104,342</b>	<b>100,999</b>

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

OPERATING SEGMENTS

Jan 1–Mar 31 2021	Continuing operations						Unallocated items	Total
	Vacuum Furnaces	Atmosphere Furnaces (Thermal)	Aluminium Process	Melting Furnaces	Aftersales	Total		
<b>Total segment revenue</b>	<b>27,011</b>	<b>2,093</b>	<b>22,832</b>	<b>32,151</b>	<b>20,255</b>	<b>104,342</b>	-	<b>104,342</b>
Sales to customers accounting for 10% or more of revenue	-	-	-	-	-	-	-	-
<b>Total segment expenses</b>	<b>-20,926</b>	<b>-2,242</b>	<b>-17,519</b>	<b>-26,796</b>	<b>-14,152</b>	<b>-81,635</b>	<b>-105</b>	<b>-81,739</b>
<b>Gross profit/(loss)</b>	<b>6,086</b>	<b>-149</b>	<b>5,313</b>	<b>5,356</b>	<b>6,103</b>	<b>22,708</b>	<b>-105</b>	<b>22,603</b>

Jan 1–Mar 31 2020	Continuing operations						Unallocated items	Total
	Vacuum Furnaces	Atmosphere Furnaces (Thermal)	Aluminium Process	Melting Furnaces	Aftersales	Total		
<b>Total segment revenue</b>	<b>27,718</b>	<b>9,595</b>	<b>18,117</b>	<b>22,349</b>	<b>23,219</b>	<b>100,999</b>	-	<b>100,999</b>
Sales to customers accounting for 10% or more of revenue	-	-	-	-	-	-	-	-
<b>Total segment expenses</b>	<b>-20,536</b>	<b>-8,815</b>	<b>-13,350</b>	<b>-19,768</b>	<b>-15,976</b>	<b>-78,445</b>	<b>-1,893</b>	<b>-80,338</b>
<b>Gross profit/(loss)</b>	<b>7,182</b>	<b>780</b>	<b>4,767</b>	<b>2,581</b>	<b>7,243</b>	<b>22,553</b>	<b>-1,893</b>	<b>20,660</b>

## OTHER INCOME AND EXPENSES

OTHER INCOME	Jan 1–Mar 31 2021	Jan 1–Mar 31 2020
Reversal of provisions	391	-
Gain on disposal of property, plant and equipment	-	3
Accounting for lease in connection with decision not to exercise the right to purchase the leased asset	126	-
Penalties and compensation/damages received	-	83
Income from lease of property, plant and equipment and investment property	198	189
Licence revenue	-	103
Other	102	24
<b>Total other income</b>	<b>818</b>	<b>403</b>

OTHER EXPENSES	Jan 1–Mar 31 2021	Jan 1–Mar 31 2020
Inventory write-downs	310	350
Loss on disposal of property, plant and equipment	-	39
Court expenses, compensation/damages, penalties	18	37
Cost related to income from lease of property, plant and equipment	139	105
Other	71	246
<b>Total other expenses</b>	<b>537</b>	<b>775</b>

## FINANCE INCOME AND COSTS

FINANCE INCOME	Jan 1–Mar 31 2021	Jan 1–Mar 31 2020
Interest income	88	92
Net foreign exchange gains	1,799	4,456
<b>Total finance income</b>	<b>1,887</b>	<b>4,549</b>

FINANCE COSTS	Jan 1–Mar 31 2021	Jan 1–Mar 31 2020
Interest paid	358	517
Net gain/(loss) on derivative instruments	1,227	1,740
Other	368	43
<b>Total finance costs</b>	<b>1,953</b>	<b>2,299</b>

## PROPERTY, PLANT AND EQUIPMENT

In the period from January 1st to March 31st 2021, the cost of acquired intangible assets and property, plant and equipment at the SECO/WARWICK Group amounted to PLN 3,181 thousand.

Item	Mar 31 2021	Dec 31 2020
Tangible assets	53,949	50,924
Tangible assets under construction	1,044	3,404
<b>Property, plant and equipment</b>	<b>54,993</b>	<b>54,328</b>

#### IMPAIRMENT LOSSES ON ASSETS

Impairment losses on	Mar 31 2021	Dec 31 2020	Mar 31 2020
Trade receivables	14,469	14,497	14,497
Shares	44,946	44,946	44,946
Inventories	8,320	8,010	8,064
Contract assets	312	312	577
Tangible assets	4	4	2,095
<b>Total impairment losses</b>	<b>68,051</b>	<b>67,768</b>	<b>70,178</b>

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

The Supervisory Board approved SECO/WARWICK S.A. Management Board's proposal, contained in the Management Board Resolution No.1/2021 of April 22nd 2021, on allocation of SECO/WARWICK S.A.'s net profit for 2020.

On April 22nd 2021, in Current Report No. 2/2021, the Company announced the Management Board's dividend proposal to allocate the Company's net profit of PLN 7,856,447.93 (seven million, eight hundred and fifty-six thousand, four hundred and forty-seven zloty, 93/100) as follows:

- PLN 4,944,307.50 (four million, nine hundred and forty-four thousand, three hundred and seven zloty, 50/100) of the net profit is to be distributed as dividend to the shareholders (PLN 0.55 per share),
- PLN 2,912,140.43 (two million, nine hundred and twelve thousand, one hundred and forty zloty, 43/100) of the net profit is to be allocated to the Company's statutory reserve funds.

Furthermore, the Management Board recommended that the dividend record date (Day R) should be July 1st 2021 and that the dividend payment (Day P) should be July 15th 2021.

The final decision on distribution of the net profit for 2020 and payment of dividend will be made by the Annual General Meeting.

#### CAPITAL COMMITMENTS

As at March 31st 2021, the SECO/WARWICK Group had capital commitments related to property, plant and equipment of PLN 123 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 38,260 thousand as at March 31st 2021 and PLN 31,571 thousand at the end of 2020. The following guarantees were issued:

Item		Mar 31 2021	Dec 31 2020
APG	advance payment guarantee	26,368	24,299
BB	bid bond payment guarantee	168	166
PBG	performance bond	2,121	1,961
BBG	bid bond	-	5,145
WOG	warranty obligations guarantee	4,139	-
PG	payment guarantee	5,464	-
<b>Total</b>		<b>38,260</b>	<b>31,571</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 2020. 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 the first quarter of 2021

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 the first quarter of 2021

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 the first quarter of 2021.

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

No such events occurred.

#### Earnings per share:

Item	Mar 31 2021	Mar 31 2020
Net profit from continuing operations attributable to owners of the parent	3,209	2,639
Net profit attributable to owners of the parent	3,209	2,639

Interest on redeemable preference shares convertible into ordinary shares	-	-
<b>Net profit attributable to holders of ordinary shares used to calculate diluted earnings per share</b>	<b>3,209</b>	<b>2,639</b>
Weighted average number of outstanding ordinary shares used to calculate basic earnings per share	8,989,650	9,934,277
<b>Earnings per share</b>	<b>0.36</b>	<b>0.27</b>
Dilutive effect:		
Number of potential shares to be issued under the Incentive Scheme	94,980	227,200
Number of potential shares to be issued at market price	10,957	21,061
Adjusted weighted average number of ordinary shares used to calculate diluted earnings per share	9,073,674	10,140,416
<b>Diluted earnings per share</b>	<b>0.35</b>	<b>0.26</b>

**Material events subsequent to the end of the first quarter of 2021, not disclosed in the financial statements for the first quarter of 2021 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 the first quarter of 2021 and key related events**

The Group's sales in the first quarter of 2021 amounted to PLN 104.3m, up 3.3% year on year. Increases were recorded in the segments of Melting Furnaces (+43.9%) and Aluminium Process (+26.0%). In contrast, sales recorded by the segments of Aftersales and Vacuum Furnaces were down by -12.8% and -2.5% respectively.

In the first quarter of 2021, the Group companies secured orders for the total amount of PLN 59.6m. Approximately 48.4% of all orders were placed in the Aftersales segment, 26.4% – in the Aluminium Process segment, and 25.2% – in the Vacuum Furnaces segment. In the corresponding period of the previous year, the value of secured orders was PLN 41m. As at the end of the first quarter of 2020, the value of the order book was PLN 300.2m. The year-on-year decrease in the value of secured orders was mainly attributable to the coronavirus pandemic.

In the first quarter of 2021, the Group recorded an increase in the average gross margin to 21.7%, from 20.5% in the first quarter of 2020, the increase being mainly attributable to the higher margin posted by the Melting Furnaces segment (16.7% vs 11.5% in the first quarter of 2020).

Distribution costs and administrative expenses went up by 3.2%, to PLN 18.5m in the first quarter of 2021 from PLN 17.9m a year earlier.

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 the for the first quarter of 2021.

As at the end of the first quarter of 2021, the EBIT margin was 4.2%, up by 1.9pp year on year. The EBITDA margin also rose, to 7.3% from 5.1% in the first quarter of 2020.

The current and cash ratios improved slightly relative to the end of 2020 (0.3 vs 0.2 and 1.4 vs 1.3, respectively). The quick ratio deteriorated (1.0 vs 1.1). The ratios indicate that the Group is operationally stable and has the ability to pay its liabilities when due.

LIQUIDITY RATIOS	Mar 31 2020	Dec 31 2020
Current ratio	0.3	0.2
Quick ratio	1.0	1.1
Cash ratio	1.4	1.3

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 14th 2021.

## **2. Factors and events, especially of a non-recurring nature, having a material bearing on the financial performance in the first quarter of 2021**

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.

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.

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 delays in contract performance, contract terminations, or insolvencies of the Group's customers. The Management Board regularly monitors and analyses the situation, the value of orders, and the stage of completion of contracts, to take steps aimed at securing the Group's operations, if required.

So far, the Group has not experienced any significant problems with the availability of feedstocks, materials or goods.

Based on current observations, the Company identifies the following main areas of the impact of the COVID-19 pandemic on the Company's and the Group's operations, financial condition and results for the three months ended March 31st 2021:

1. As no material change in the timeliness of receivables collection was identified, no material impairment losses on receivables or contract assets were recognised;
2. lower number and value of new orders placed by the Group's trading partners;
3. reintroduction of labour and travel restrictions in China, Europe and the United States, which could delay the performance of contracts concluded by the Group companies by hampering selling efforts and the ability to put equipment into operation and perform maintenance services;
4. difficulties in the performance of contracts resulting from the introduction of a remote work system to protect employees' health and life against COVID-19;
5. potential impediments in the Group's cooperation with its key suppliers of raw materials and components.

## **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 the first quarter of 2021, 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 2021 in light of the results presented in the report for the first quarter of 2021**

The Management Board of SECO/WARWICK S.A. did not publish any forecasts of the Company's or the Group's financial performance in 2021.

**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 2020)**

**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	32.89%
Spruce Holding Limited Liability Company (USA)	1,091,952	10.60%	1,091,952	10.60%
Bleauhard Holdings LLC	594,973	5.78%	594,973	5.78%
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.

As at December 31st 2020, SECO/WARWICK S.A. held 1,308,904 treasury shares, representing 12.71% of the share capital. The Company does not exercise voting rights in respect of the 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 2020 full-year report (April 22nd 2021) 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 2020)**

	Apr 22 2021			Decrease/increase	May 14 2021			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	
<b>Management Board</b>								
Sławomir Woźniak	56,217	0.55%	0.55%	-	56,217	0.55%	0.55%	11,243
Jarosław Talerzak*	31,141	0.30%	0.30%	-	-	-	-	-
Bartosz Klinowski	109,662	1.06%	1.06%	-	109,662	1.06%	1.06%	21,932



Earl Good	6,331	0.06%	0.06%	-	6,331	0.06%	0.06%	1,266
Piotr Walasek	33,005	0.32%	0.32%	-	33,005	0.32%	0.32%	6,601
<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	1,060	0.0103%	0.0103%	-	1,060	0.0103%	0.0103%	212
Marcin Murawski	-	-	-	-	-	-	-	-
Jacek Tucharz	-	-	-	-	-	-	-	-
<b>Total</b>	<b>312,192</b>	<b>3.03%</b>	<b>3.03%</b>	<b>0</b>	<b>281,051</b>	<b>2.73%</b>	<b>2.73%</b>	<b>56,210</b>

\*In Current Report No. 03/2021, the Management Board announced that Mr Jarosław Talerzak resigned from his position as Member and Vice President of the Company's Management Board, with effect from April 27th 2021.

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.

Item	Apr 22 2021	May 14 2021
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>

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

#### 7. Material court, arbitration and administrative proceedings

In the first quarter of 2021, 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 2020. 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 the first quarter of 2021, 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 the first quarter of 2021, SECO/WARWICK S.A. and its subsidiaries did not issue any sureties for borrowings, loans or guarantees to a single entity or such entity's subsidiary where the total amount of outstanding sureties or guarantees would be significant.

#### 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 the first quarter of 2021, 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 December 12th 2019, by Resolution No. 01/2019 the Supervisory Board defined the individual targets for 2020 for the participants of the 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 2020, the maximum number of options that may be granted to the beneficiaries of the Incentive Scheme was 227,200 (December 31st 2019: 361,943; December 31st 2018 494,000). The cost of option vesting recognised in 2020 was PLN 1,364 thousand. The cost of option vesting recognised in the first quarter of 2021 was PLN 254 thousand.

##### **COVID-19 pandemic**

The impact of the COVID-19 pandemic on the Company and the Group, their financial condition and results in subsequent periods depends on a number of factors. The factors include the duration and intensification of the pandemic and measures taken by the government to contain the pandemic and protect the public against the effects of the crisis and thus its ultimate impact on the Polish economy. The Management Board will be monitoring the COVID-19 situation and its impact on the Polish economy.