



CONSOLIDATED REPORT FOR THE FIRST QUARTER OF 2022

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INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD JANUARY 1ST–MARCH 31ST 2022

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(PLN '000)

	Jan 1–Mar 31 2022 (unaudited)	Jan 1–Mar 31 2021 (unaudited)
Revenue	122,294	104,342
Cost of sales	-95,697	-81,739
Gross profit	26,597	22,603
Other income	492	818
Distribution costs	-7,607	-6,132
Administrative expenses	-12,441	-12,369
Impairment of receivables and contract assets	-77	27
Other expenses	-620	-536
Operating profit	6,344	4,410
Finance income	52	1,887
Finance costs	-3,909	-1,953
Share of net profit/(loss) of equity-accounted associates	-267	-32
Profit before tax	2,220	4,312
Income tax	-940	-1,001
Net profit	1,280	3,311
Net profit attributable to		
Owners of the parent	1,181	3,209
Non-controlling interests	98	103

	Jan 1–Mar 31 2022 (unaudited)	Jan 1–Mar 31 2021 (unaudited)
Profit	1,280	3,311
OTHER COMPREHENSIVE INCOME:		
Items not to be reclassified to profit/(loss) in subsequent reporting periods	-	-
Actuarial gains on a defined benefit pension plan	-	-
Items which may be reclassified to profit/(loss) in subsequent reporting periods	1,356	2,402
Valuation of cash flow hedge derivatives	-188	-1,349
Exchange differences on translating foreign operations	1,545	3,751
Other comprehensive income before tax	-	-
Income tax on other comprehensive income	36	256
Total other comprehensive income, net	1,392	2,658

Total comprehensive income	2,672	5,970
<hr/>		
Total comprehensive income attributable to		
Owners of the parent	2,527	5,813
Non-controlling interests	145	157
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EARNINGS PER SHARE:		
- basic earnings (loss) per share	0.14	0.36
- diluted earnings (loss) per share	0.13	0.35
- basic earnings/(loss) per share from continuing operations attributable to owners of the parent	0.14	0.36
- diluted earnings/(loss) per share from continuing operations attributable to owners of the parent	0.13	0.35
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INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(PLN '000)

	Mar 31 2022	Dec 31 2021
	(unaudited)	(audited)
Assets		
Property, plant and equipment	52,909	52,875
Right-of-use assets	21,773	20,993
Investment property	280	286
Goodwill	31,748	31,748
Intangible assets	47,448	47,248
Long-term receivables	1,398	1,457
Other financial assets	3	3
Deferred tax assets	2,318	1,714
Non-current assets	157,877	156,324
Inventories	72,458	62,790
Trade receivables and other short-term receivables	90,069	101,888
Income tax assets	411	280
Other financial assets	10	35
Other non-financial assets	4,159	2,620
Contract assets	94,630	78,434
Cash and cash equivalents	70,779	54,225
Current assets	332,517	300,272
TOTAL ASSETS	490,394	456,596

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

	Mar 31 2022 (unaudited)	Dec 31 2021 (audited)
EQUITY AND LIABILITIES		
Share capital	3,616	3,616
Share premium reserve	78,666	78,666
Treasury shares	-28,532	-28,532
Other components of equity	66,336	64,620
Retained earnings	75,048	73,754
Equity attributable to owners of the parent	195,134	192,124
Non-controlling interests	1,525	1,377
Equity	196,659	193,501
Borrowings	11,427	12,585
Lease liabilities	14,431	13,952
Derivative financial instruments	486	90
Deferred tax liabilities	18,030	18,194
Employee benefit obligations	1,143	1,143
Contract liabilities	1,357	1,357
Non-current liabilities	46,875	47,322
Borrowings	46,581	37,207
Lease liabilities	4,715	4,589
Derivative financial instruments	4,196	3,782
Trade and other liabilities	68,694	62,382
Employee benefit obligations	22,183	19,130
Other provisions	9,721	9,766
Contract liabilities	90,769	78,917
Current liabilities	246,860	215,773
Total liabilities	293,735	263,095
TOTAL EQUITY AND LIABILITIES	490,394	456,596

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

	Jan 1–Mar 31 2022	Jan 1–Mar 31 2021
	(unaudited)	(unaudited)
Cash flows from operating activities		
Profit before tax	2,220	4,312
Total adjustments:	11,065	14,022
Share of net (profit)/loss of a jointly controlled entity	267	32
Depreciation and amortisation	3,542	3,203
Foreign exchange gains/(losses)	1,626	1,893
Adjustments due to finance income (cost)	396	139
Gain/(loss) on investing activities	-481	50
Other adjustments	207	-262
Changes in items of the statement of financial position:		
Change in provisions	2,750	2,943
Change in inventories	-8,457	-4,177
Change in receivables	11,316	29,712
Change in current liabilities other than financial liabilities	6,281	5,649
Change in contract assets and liabilities	-7,391	-26,264
Change in currency derivative instruments	603	849
Adjustments due to share-based payments	406	254
Cash provided by operating activities	13,285	18,334
Income tax paid	-905	-316
Net cash from operating activities	12,380	18,018
CASH FLOWS FROM INVESTING ACTIVITIES		
INVESTING ACTIVITIES		
Cash provided by financing activities	140	54
Proceeds from disposal of intangible assets and property, plant and equipment	140	39
Other proceeds from financial assets	-	15
Investments in intangible assets, property, plant and equipment, and investment property	-2,524	-3,181
Other cash used in investing activities	-35	-
Net cash from investing activities	-2,419	-3,127
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from borrowings	8,372	-
Grants received	-	218
Repayment of bank borrowings	-231	-13,011
Other financial liabilities	-1,100	-1,014
Payment of interest	-481	-180
Other cash used in financing activities	-	-30
Net cash from financing activities	6,560	-14,017
Increase (decrease) in cash and cash equivalents before the effect of exchange rate changes	16,521	875
Effect of exchange rate changes on cash and cash equivalents	33	174

Increase (decrease) in cash and cash equivalents	16,554	1,049
Cash at beginning of period	54,225	52,558
Cash at end of period	70,779	53,607

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(PLN '000)

	Share capital	Share premium reserve	Treasury shares	Other components of equity	Retained earnings / accumulated losses	Equity attributable to owners of the parent	Equity attributable to non-controlling interests	Total equity
Equity as at Jan 1 2022	3,616	78,666	-28,532	64,620	73,754	192,124	1,377	193,501
Profit/(loss) for period	-	-	-	-	1,181	1,181	98	1,280
Other comprehensive income	-	-	-	1,310	114	1,424	47	1,470
Total comprehensive income for the year	-	-	-	1,310	1,295	2,605	145	2,750
Management stock options	-	-	-	406	-	406	-	406
Changes in equity	-	-	-	1,716	1,295	3,011	145	3,156
Equity as at Mar 31 2022 (unaudited)	3,616	78,666	-28,532	66,336	75,048	195,134	1,526	196,658
	Share capital	Share premium reserve	Treasury shares	Other components of equity	Retained earnings / accumulated losses	Equity attributable to owners of the parent	Equity attributable to non-controlling interests	Total equity
Equity as at Jan 1 2021	3,616	78,666	-22,338	49,866	71,370	181,179	852	182,031
Profit/(loss) for period	-	-	-	-	3,209	3,209	103	3,312
Other comprehensive income	-	-	-	2,601	-	2,601	57	2,658
Total comprehensive income for the year	-	-	-	2,601	3,209	5,810	160	5,970
Management stock options	-	-	-	254	-	254	-	254
Changes in equity	-	-	-	2,855	3,209	6,064	160	6,224
Equity as at Mar 31 2021 (unaudited)	3,616	78,666	-22,338	52,721	74,579	187,244	1,012	188,255

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

	Share capital	Share premium reserve	Treasury shares	Other components of equity	Retained earnings / accumulated losses	Equity attributable to owners of the parent	Equity attributable to non-controlling interests	Total equity
Equity as at Jan 1 2021	3,616	78,666	-22,338	49,866	71,370	181,179	852	182,031
Profit/(loss) for period	-	-	-	-	16,914	16,914	395	17,309
Other comprehensive income	-	-	-	3,511	3,415	6,927	130	7,057
Total comprehensive income for the year	-	-	-	-	20,329	23,841	525	24,366
Sale of treasury shares under the incentive scheme	-	-	2,556	-1,757	-	799	-	799
Payment of dividends	-	-	-	-	-4,944	-4,944	-	-4,944
Capital reserve for repurchase of shares	-	-	-	13,000	-13,000	-	-	-
Repurchase of shares	-	-	-8,750	-	-	-8,750	-	-8,750
Changes in equity	-	-	-6,194	14,754	2,385	10,946	525	11,470
Equity as at Dec 31 2021 (audited)	3,616	78,666	-28,532	64,620	73,754	192,124	1,377	193,501



**INTERIM CONDENSED SEPARATE FINANCIAL STATEMENTS
FOR THE PERIOD JANUARY 1ST–MARCH 31ST 2022**

INTERIM CONDENSED SEPARATE STATEMENT OF COMPREHENSIVE INCOME

(PLN '000)

	Jan 1–Mar 31 2022 (unaudited)	Jan 1–Mar 31 2021 (unaudited)
Revenue	72,116	61,361
Cost of sales	-58,706	-49,147
Gross profit	13,410	12,214
Other income	429	518
Distribution costs	-3,554	-3,681
Administrative expenses	-5,974	-5,633
Other expenses	-439	-364
Operating profit	3,872	3,055
Finance income	298	881
Finance costs	-2,374	-1,509
Profit before tax	1,796	2,426
Income tax	-492	-653
Net profit from operations	1,304	1,773
Net profit	1,304	1,773

	Jan 1–Mar 31 2022 (unaudited)	Jan 1–Mar 31 2021 (unaudited)
Profit	1,304	1,773
OTHER COMPREHENSIVE INCOME:		
Items not to be reclassified to profit/(loss) in subsequent reporting periods	-	-
Actuarial gains on a defined benefit pension plan	-	-
Items which may be reclassified to profit/(loss) in subsequent reporting periods	-233	-1,186
Valuation of cash flow hedge derivatives	-233	-1,186
Income tax on other comprehensive income	44	225
Income tax relating to components of other comprehensive income that will be reclassified to profit or loss	44	225
Total other comprehensive income, net	-188	-960
Total comprehensive income	1,115	812
EARNINGS PER SHARE:		
- basic earnings (loss) per share	0.15	0.20
- diluted earnings (loss) per share	0.15	0.20

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

	Mar 31 2022 (unaudited)	Dec 31 2021 (audited)
Assets		
Property, plant and equipment	41,161	41,587
Right-of-use assets	11,048	9,937
Investment property	280	286
Intangible assets	45,853	46,133
Long-term receivables	1,216	1,279
Investments in related entities	58,422	58,422
Other financial assets	3	3
Contract costs	-	65
Non-current assets	157,983	157,711
Inventories	35,511	30,045
Trade receivables and other short-term receivables	59,779	67,342
Other financial assets	10	2,035
Other non-financial assets	2,287	1,545
Contract costs	1,482	1,809
Contract assets	72,894	65,945
Cash and cash equivalents	25,824	17,878
Current assets	197,787	186,599
TOTAL ASSETS	355,770	344,310

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

	Mar 31 2022 (unaudited)	Dec 31 2021 (audited)
EQUITY AND LIABILITIES		
Share capital	3,616	3,616
Share premium reserve	78,666	78,666
Treasury shares	-28,532	-28,532
Other components of equity	47,198	46,981
Retained earnings	79,867	78,563
Equity	180,815	179,294
Borrowings	11,280	12,431
Lease liabilities	6,369	5,504
Derivative financial instruments	486	90
Deferred tax liabilities	8,841	9,442
Employee benefit obligations	1,061	1,061
Contract liabilities	1,357	1,357
Non-current liabilities	29,394	29,884
Borrowings	42,893	33,370
Lease liabilities	2,065	1,926
Derivative financial instruments	4,196	3,782
Trade and other liabilities	54,346	52,243
Current income tax payable	410	-
Employee benefit obligations	13,616	10,767
Other provisions	6,274	6,636
Contract liabilities	21,761	26,408
Current liabilities	145,561	135,132
Total liabilities	174,955	165,016
TOTAL EQUITY AND LIABILITIES	355,770	344,310

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

	Jan 1–Mar 31 2022 (unaudited)	Jan 1–Mar 31 2021 (unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	1,796	2,426
Total adjustments:	-1,785	6,550
Depreciation and amortisation	1,869	1,828
Foreign exchange gains/(losses)	-33	-174
Adjustments due to finance income (cost)	363	113
Gain/(loss) on investing activities	-59	-
Other adjustments	-4	-126
Changes in items of the statement of financial position:		
Change in provisions	2,487	2,486
Change in inventories	-5,465	-1,552
Change in receivables	7,627	11,478
Change in liabilities (other than current financial liabilities)	2,369	5,747
Change in contract assets and liabilities	-11,205	-14,432
Change in accruals and deferrals	-742	80
Change in currency derivative instruments	603	849
Adjustments due to share-based payments	406	254
Cash provided by operating activities	10	8,976
Income tax paid	-639	-
Net cash from operating activities	-628	8,976
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of intangible assets and property, plant and equipment	95	-
Other proceeds from financial assets	2,009	15
Investments in intangible assets, property, plant and equipment, and investment property	-957	-2,089
Net cash from investing activities	1,147	-2,075
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from borrowings	8,372	-
Grants received	-	218
Repayment of bank borrowings	-	-12,333
Payment of lease liabilities	-606	-532
Payment of interest	-372	-128
Net cash from financing activities	7,394	-12,775
Increase (decrease) in cash and cash equivalents before the effect of exchange rate changes	7,913	-5,874
Effect of exchange rate changes on cash and cash equivalents	33	174
Increase (decrease) in cash and cash equivalents	7,946	-5,699
Cash at beginning of period	17,878	15,940
Cash at end of period	25,824	10,241

INTERIM CONDENSED SEPARATE STATEMENT OF CHANGES IN EQUITY

(PLN '000)

	Share capital	Share premium reserve	Treasury shares	Other components of equity	Retained earnings	Total equity
Equity as at Jan 1 2022	3,616	78,666	-28,533	46,981	78,563	179,294
Profit/(loss) for period	-	-	-	-	1,304	1,304
Other comprehensive income	-	-	-	-188	-	-188
Total comprehensive income for the year	-	-	-	-188	1,304	1,115
Management stock options	-	-	-	406	-	406
Equity as at Mar 31 2022 (unaudited)	3,616	78,666	-28,533	47,199	79,867	180,815

	Share capital	Share premium reserve	Treasury shares	Other components of equity	Retained earnings	Total equity
Equity as at Jan 1 2021	3,616	78,666	-22,338	36,071	88,182	184,198
Profit/(loss) for period	-	-	-	-	1,773	1,773
Other comprehensive income	-	-	-	-960	-	-960
Total comprehensive income for the year	-	-	-	-960	1,773	812
Management stock options	-	-	-	254	-	254
Equity as at Mar 31 2021 (unaudited)	3,616	78,666	-22,338	35,365	89,955	185,264

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

	Share capital	Share premium reserve	Treasury shares	Other components of equity	Retained earnings	Total equity
Equity as at Jan 1 2021	3,616	78,666	-22,338	36,071	88,182	184,198
Profit for period	-	-	-	-	8,325	8,325
Other comprehensive income	-	-	-	-336	-	-336
Total comprehensive income for the year	-	-	-	-336	8,325	7,989
Sale of treasury shares under the incentive scheme	-	-	-	153	-	153
Payment of dividends	-	-	-	-	-4,944	-4,944
Valuation of management stock option plan	-	-	-	648	-	648
Capital reserve for repurchase of shares	-	-	-	13,000	-13,000	-
Repurchase of shares	-	-	-8,750	-	-	-8,750
Carrying amount of treasury shares sold under the incentive scheme	-	-	2,555	-2,555	-	-
Changes in equity	-	-	-6,195	10,910	-9,619	-4,904
Equity as at Dec 31 2021 (audited)	3,616	78,666	-28,533	46,981	78,563	179,294



**SUPPLEMENTARY INFORMATION TO THE INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS
FOR THE FIRST QUARTER OF 2022**

I. GENERAL INFORMATION

1. Parent

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 the 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 four main product groups:

- Vacuum furnaces,
- Aluminium heat treatment systems and CAB lines (Aluminium Process + Controlled Atmosphere Brazing),
- Melting furnaces,
- Aftersales services.

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.
- OOO SCT

Jointly controlled entity:

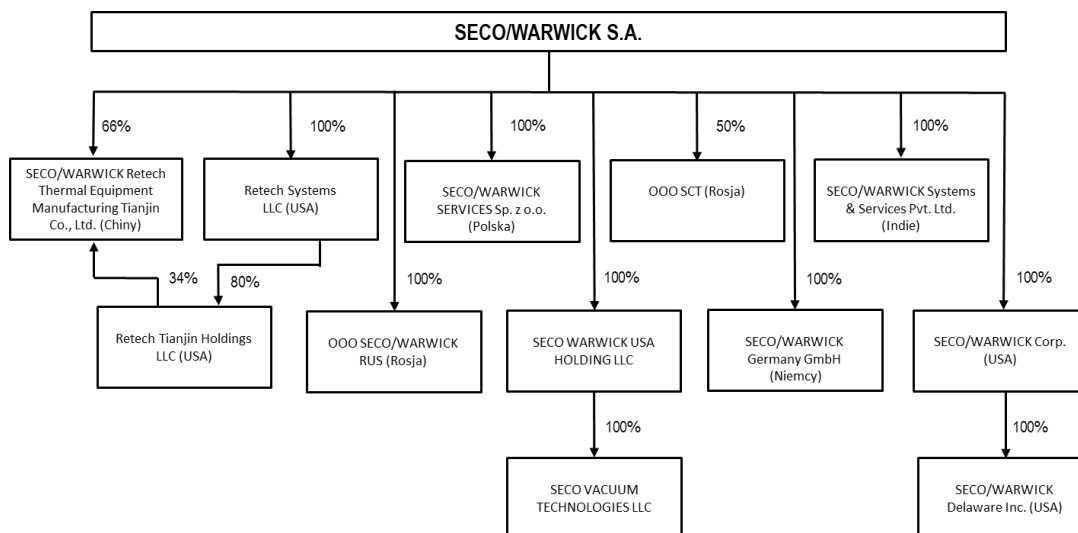
- OOO SCT (Solnechnogorsk) Russia, in which SECO/WARWICK S.A. holds a 50% interest, conferring the right to 50% of the total voting rights in the Company.

Table: Composition of the SECO/WARWICK Group as at March 31st 2022

Company	Registered office	Principal business activity	Group's ownership interest
Parent			
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.
Direct and indirect subsidiaries			

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%
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 Germany GmbH	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 2022 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 2021, except for the application of new or amended standards and interpretations effective for annual periods beginning on or after January 1st 2022.

Other new or amended standards and interpretations which have been applied for the first time in 2022 do not have a material effect on the Group's interim condensed consolidated financial statements.

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 2021 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 2021 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 2022	Dec 31 2021	Mar 31 2021
Average exchange rate for the period*	4.6472	-	4.5721
Exchange rate effective for the last day of the period	4.6525	4.5994	-

**) 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			
	2022	2021	2022	2021
	(PLN '000)		(EUR '000)	
Revenue	122,294	104,342	26,316	22,822
Cost of sales	-95,697	-81,739	-20,592	-17,878
Operating profit/(loss)	6,344	4,382	1,365	959
Profit/(loss) before tax	2,220	4,285	478	937
Net profit/(loss) attributable to owners of the parent	1,181	3,209	254	702
Net cash flows from operating activities	12,380	18,018	2,664	3,941
Net cash flows from investing activities	-2,419	-3,127	-521	-684
Net cash flows from financing activities	6,560	-14,017	1,412	-3,066
	Mar 31 2022	Dec 31 2021	Mar 31 2022	Dec 31 2021
Total assets	490,394	456,596	105,404	99,273
Total liabilities	293,735	263,095	63,135	57,202
Including current liabilities	246,860	215,773	53,060	46,913
Equity	196,659	193,501	42,270	42,071
Share capital	3,616	3,616	777	786

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			
	2022	2021	2022	2021
	(PLN '000)		(EUR '000)	
Revenue	72,116	61,361	15,518	13,421
Cost of sales	-58,706	-49,147	-12,632	-10,749
Operating profit/(loss)	3,872	3,055	833	668
Profit/(loss) before tax	1,796	2,426	386	531
Net profit/(loss) attributable to owners of the parent	1,304	1,773	281	388
Net cash flows from operating activities	10	8,976	2	1,963
Net cash flows from investing activities	1,147	-2,075	247	-454
Net cash flows from financing activities	7,394	-12,775	1,591	-2,794
	Mar 31 2022	Dec 31 2021	Mar 31 2022	Dec 31 2021
Total assets	355,770	344,310	76,469	73,882

Total liabilities	174,955	165,016	37,604	35,409
Including current liabilities	145,561	135,132	31,287	28,996
Equity	180,815	179,294	38,864	38,473
Share capital	3,616	3,616	777	776



**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AND OTHER SUPPLEMENTARY INFORMATION TO THE REPORT FOR THE FIRST
QUARTER OF 2022**

SELECTED SUPPLEMENTARY INFORMATION
Revenue from sales and total revenue and income of the Group:

Item	Jan 1–Mar 31 2022	Jan 1–Mar 31 2021
Revenue from sale of finished goods and services	119,867	102,927
- including revenue recognised over time	99,158	92,433
Revenue from sale of merchandise and materials	2,427	1,415
TOTAL revenue	122,294	104,342
Other income	492	818
Finance income	52	1,887
TOTAL revenue and income	122,838	107,047

Revenue by geographical markets:

Item	Jan 1–Mar 31 2022	Jan 1–Mar 31 2021
European Union	48,005	23,007
Russia	5,517	20,385
USA	36,027	22,228
Asia	30,041	30,581
Other	2,705	8,142
TOTAL revenue	122,294	104,342

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

Revenue by operating segment:

	Mar 31 2022		
	Production and distribution – Rest of the World	Production and distribution – China	Total
Total revenue	111,003	11,291	122,294
Sales to customers accounting for 10% or more of revenue	-	-	-
Cost of sales	-87,691	-8,006	-95,697
Gross profit/(loss)	23,312	3,285	26,597
Operating profit	4,674	1,670	6,344
Net profit	-251	1,432	1,181
Non-current assets	150,831	7,046	157,877

Mar 31 2021

	Production and distribution – Rest of the World	Production and distribution – China	Total
Total revenue	91,197	13,146	104,342
Sales to customers accounting for 10% or more of revenue	-	-	-
Cost of sales	-71,982	-9,757	-81,739
Gross profit/(loss)	19,214	3,389	22,603
Operating profit	2,407	2,003	4,410
Net profit	1,600	1,609	3,209
Non-current assets	162,482	5,966	168,447

MAIN PRODUCTS Q1 2022

Item	Vacuum Furnaces	Aluminium Process	Melting Furnaces	Aftersales services	Total	Other	Total
Total revenue	47,810	25,695	21,195	27,297	121,997	297	122,294
Sales to customers accounting for 10% or more of revenue	-	-	-	-	-	-	-
Total expenses	-37,272	-20,646	-18,315	-19,263	-95,497	-200	-95,697
Gross profit/(loss)	10,538	5,049	2,880	8,033	26,500	97	26,597

MAIN PRODUCTS Q1 2021

Item	Vacuum Furnaces	Aluminium Process	Melting Furnaces	Aftersales services	Total	Other	Total
Total revenue	27,011	22,832	32,151	20,255	102,250	2,093	104,342
Sales to customers accounting for 10% or more of revenue	-	-	-	-	-	-	-
Total expenses	-20,926	-17,519	-26,796	-14,152	-79,392	-2,347	-81,739
Gross profit/(loss)	6,086	5,313	5,356	6,103	22,857	-254	22,603

OTHER INCOME AND EXPENSES

OTHER INCOME	Jan 1–Mar 31 2022	Jan 1–Mar 31 2021
Reversal of provisions	-	391
Gain on disposal of property, plant and equipment	59	-
Accounting for lease in connection with decision not to exercise the right to purchase the leased asset	4	126
Income from lease of property, plant and equipment and investment property	213	198
Other	216	102
Total other income	492	818

OTHER EXPENSES	Jan 1–Mar 31 2022	Jan 1–Mar 31 2021
Inventory write-downs	321	310
Court expenses, compensation/damages, penalties	36	18
Cost related to income from lease of property, plant and equipment	181	139
Donations	16	-
Other	65	71
Total other expenses	620	537

FINANCE INCOME AND COSTS

FINANCE INCOME	Jan 1–Mar 31 2022	Jan 1–Mar 31 2021
Interest income	52	88
Net foreign exchange gains	-	1,799
Total finance income	52	1,887

FINANCE COSTS	Jan 1–Mar 31 2022	Jan 1–Mar 31 2021
Payment of interest	630	193
Interest on leases	192	165
Net loss on derivative instruments	1,700	1,227
Net foreign exchange losses	1,280	-
Other	107	368
Total finance costs	3,909	1,953

PROPERTY, PLANT AND EQUIPMENT

In the period from January 1st to March 31st 2022, the cost of acquired intangible assets and property, plant and equipment at the SECO/WARWICK Group amounted to PLN 2,524 thousand.

Item	Mar 31 2022	Dec 31 2021
property, plant and equipment	52,171	51,264
property, plant and equipment under construction	737	1,611
Property, plant and equipment	52,909	52,875

IMPAIRMENT LOSSES ON ASSETS

Impairment losses on	Mar 31 2022	Dec 31 2021	Mar 31 2021
Trade receivables	15,578	15,501	14,469
Shares	44,946	44,946	44,946
Inventories	11,176	10,855	8,320
Contract assets	312	312	312
Tangible assets	3	3	4
Total impairment losses	72,014	71,616	68,051

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

On April 21st 2022, the Supervisory Board approved SECO/WARWICK S.A. Management Board's proposal, contained in the Management Board Resolution No.1/2022 of April 21st 2022, on allocation of SECO/WARWICK S.A.'s net profit for 2021.

On April 21st 2022, in Current Report No. 2/2022, the Company announced the Management Board's dividend proposal. The Management Board proposed that the Company's net profit of PLN 8,324,846.47 (eight million, three hundred and twenty-four thousand, eight hundred and forty-six zloty, 47/100) be distributed as follows:

- PLN 2,548,909.50 (two million, five hundred and forty-eight thousand, nine hundred and nine zloty, 50/100) – as a dividend to shareholders,
- PLN 5,775,936.97 (five million, seven hundred and seventy-five thousand, nine hundred and thirty-six zloty, 97/100) – to the Company's statutory reserve funds.

Furthermore, the Management Board recommended that the dividend record date (Day R) should be June 15th 2022 and that the dividend payment (Day P) should be June 29th 2022.

The final decision on distribution of the net profit for 2021 and payment of dividend will be made by the Annual General Meeting to be held on May 25th 2022.

CAPITAL COMMITMENTS

As at March 31st 2022, the SECO/WARWICK Group had capital commitments related to property, plant and equipment of PLN 34 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 11,097 thousand as at March 31st 2022 and PLN 9,250 thousand at the end of 2021. The following guarantees were issued:

Item		Mar 31 2022	Dec 31 2021
PBG	performance bond	7,597	5,440
BBG	bid bond	-	3,810
WOG	warranty obligations guarantee	3,500	-
Total		11,097	9,250

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 2021. 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 2022

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 2021 or changes in estimates disclosed in previous financial years if they have a material bearing on the first quarter of 2022

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 2022.

Issue, redemption and repayment of debt and equity securities

No such events occurred.

Earnings per share:

Item	Mar 31 2022	Mar 31 2021
Net profit from continuing operations attributable to owners of the parent	1,181	3,209
Net profit attributable to owners of the parent	1,181	3,209
Interest on redeemable preference shares convertible into ordinary shares	-	-
Net profit attributable to holders of ordinary shares used to calculate diluted earnings per share	1,181	3,209
Weighted average number of outstanding ordinary shares used to calculate basic earnings per share	8,496,365	8,989,650
Earnings per share	0.14	0.36
Dilutive effect:		

Number of potential shares to be issued under the Incentive Scheme	284,295	94,980
Number of potential shares to be issued at market price	30,705	10,957
Adjusted weighted average number of ordinary shares used to calculate diluted earnings per share	8,780,660	9,073,674
Diluted earnings per share	0.13	0.35

Material events subsequent to the end of Q1 2022, not disclosed in the financial statements for Q1 2022 but potentially having a material bearing on the future financial performance of the SECO/WARWICK Group

No such events occurred.

OTHER SUPPLEMENTARY INFORMATION TO THE REPORT FOR THE FIRST QUARTER OF 2022

1. Material achievements and failures of SECO/WARWICK S.A. and the SECO/WARWICK Group in the first quarter of 2022 and key related events

The Group's sales in the first quarter of 2022 amounted to PLN 122.3m, up 17.2% year on year. Increases were recorded in the Vacuum Furnaces (+77.0%), Aluminium Process (+12.5%) and Aftersales (+34.8%) segments. The Melting Furnaces segment's sales declined (-34.1%) due to the completion of a significant part of a large contract in 2021.

In the first quarter of 2022, the Group companies secured orders for the total amount of PLN 148.3m. Approximately 53.2% of all orders were placed in the Melting Furnaces segment, 22.8% in the Aftersales segment, 13.2% in the Aluminium Process segment, and 10.8% in the Vacuum Furnaces segment. In the corresponding period of the previous year, the value of secured orders was PLN 59.5m. As at the end of the first quarter of 2022, the value of the order book was PLN 368.6m. In the same period of 2021, the value of the order book was PLN 305.3m, up 20.7% year on year.

In the first quarter of 2022, the Group maintained its average gross margin at the previous year's level of 21.7%.

Distribution costs and administrative expenses went up by 8.4%, from PLN 18.5m in the first quarter of 2021 to PLN 20.5m in the first quarter of 2022, and accounted for 17.7% and 16.4% of revenue in the respective quarters.

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 first quarter of 2022.

As at the end of the first quarter of 2022, the EBIT margin was 5.2%, up by 1.0 pp year on year. The EBITDA margin also rose, to 8.1% from 7.3% in the first quarter of 2021.

The current and quick ratios remained unchanged relative to the end of 2021. The cash ratio deteriorated slightly (1.3 vs 1.4). The ratios indicate that the Group is operationally stable and has the ability to pay its liabilities when due.

LIQUIDITY RATIOS	Mar 31 2022	Dec 31 2021
Current ratio	0.3	0.3
Quick ratio	1.1	1.1
Cash ratio	1.3	1.4

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 16th 2022.

2. Factors and events, especially of a non-recurring nature, having a material bearing on the financial results for the first quarter of 2022

For a detailed description of factors and events of a non-recurring nature with a material bearing on the financial results, including those achieved in the first quarter of 2022, see Section III "Effect of the COVID-19 pandemic and the war in Ukraine" of the consolidated financial statements for 2021.

COVID-19 PANDEMIC

As at the date of this report, the COVID-19 pandemic did not have any material adverse effect on the Group's operations.

The potential effect 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 that are beyond the Company's control. The factors include the duration and intensity of the pandemic and measures taken by governments to contain it and protect the public against the effects of the crisis and thus its ultimate impact on the economy. The Management Board will be monitoring the COVID-19 situation and its impact on the economy, and will take appropriate measures depending on how the situation develops.

WAR IN UKRAINE

As at the date of this report, the armed conflict in Ukraine did not have any material adverse effect on the Group's operations. However, based on current observations, the Company identifies the following main areas of a possible impact of the war in Ukraine on the Company's and the Group's operations and financial condition:

- increased volatility of exchange rate movements,
- a global economic downturn coupled with growing inflation (stagflation),
- increased geopolitical risk, resulting in a risk of lower investment activity in the industries of the Group's customers,
- further supply chain disruptions – shortages of some components, feedstocks and materials, such as steel, and significant price hikes,
- growing costs of energy (electricity, fuels and natural gas),
- rising interest rates resulting in higher finance costs,
- IT risks.

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 2022, 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 2022 in light of the results presented in the report for the first quarter of 2022

The Management Board of SECO/WARWICK S.A. did not publish any forecasts of the Company's or the Group's financial performance in 2022.

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 2021)

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%
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, including documents submitted to be able to participate in the Company's General Meetings.

As at March 31st 2022, SECO/WARWICK S.A. held 1,802,189 treasury shares, representing 17.50% 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 2021 full-year report (April 21st 2022) 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 2021)

	Apr 21 2022				May 16 2022			
	Number of S/W shares held	Ownership interest	% of total voting rights	Decrease/inc rease	Number of S/W shares held	Ownership interest	% of total voting rights	Total par value of shares (PLN)
Management Board								
Sławomir Woźniak	92,490	0.90%	0.90%	-	92,490	0.90%	0.90%	18,498
Bartosz Klinowski	121,753	1.18%	1.18%	-	121,753	1.18%	1.18%	24,351
Earl Good	26,225	0.25%	0.25%	-	26,225	0.25%	0.25%	5,245
Piotr Walasek	45,096	0.44%	0.44%	-	45,096	0.44%	0.44%	9,019
Supervisory Board								
Andrzej Zawistowski	65,000	0.63%	0.63%	-	65,000	0.63%	0.63%	13,000
Jeffrey Boswell	9,776	0.09%	0.09%	-	9,776	0.09%	0.09%	1,955
Henryk Pilarski	1,060	0.0103%	0.0103%	-	1,060	0.0103%	0.0103%	212

Marcin Murawski	-	-	-	-	-	-	-	-	-
Jacek Tucharz	-	-	-	-	-	-	-	-	-
Total	361,400	3.51%	3.51%	-	361,400	3.51%	3.51%	72,280	

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 2022	May 16 2022
Number of shares	10,298,554	10,298,554
Par value of shares	0.20	0.20
Share capital	2,059,710.80	2,059,710.80

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 2022, 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 2021. 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 2022, 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 2022, 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 2022, 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 16th 2021, by Resolution No. 1/2021 the Supervisory Board defined the individual targets for 2022 for the participants of the Incentive Scheme, as announced by the Company in Current Report No. 21/2021 of December 17th 2021. 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 2022. 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 Scheme participant.

Costs incurred in the first quarter of 2022 in connection with the Incentive Scheme for 2022-2024 amounted to PLN 374 thousand.

Costs incurred in the first quarter of 2022 in connection with the Incentive Scheme for 2018-2020 amounted to PLN 33 thousand.

Costs of option vesting recognised in the first quarter of 2022 totalled PLN 406 thousand, PLN 254 thousand in the first quarter of 2021, and PLN 648 thousand for the entire 2021.

COVID-19 pandemic

For more information on the possible impact of the COVID-19 pandemic, see Section 2 of other supplementary information to the report for the first quarter of 2022 and Section III of the Notes to the consolidated financial statements for 2021.

WAR IN UKRAINE

For more information on the possible impact of the war in Ukraine, see Section 2 of other supplementary information to the report for the first quarter of 2022 and Section III of the Notes to the consolidated financial statements for 2021.