



SECO/WARWICK
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CONSOLIDATED REPORT FOR THE FIRST QUARTER OF 2023

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INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD JANUARY 1ST–MARCH 31ST 2023

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(PLN '000)

| | Jan 1–Mar 31 2023 (unaudited) | Jan 1–Mar 31 2022 (unaudited) |
|--|---|---|
| Revenue | 171,165 | 122,294 |
| Cost of sales | -131,543 | -95,697 |
| Gross profit | 39,622 | 26,597 |
| Other income | 840 | 492 |
| Distribution costs | -9,977 | -7,607 |
| Administrative expenses | -17,626 | -12,441 |
| Impairment of receivables and contract assets | -24 | -77 |
| Other expenses | -479 | -620 |
| Operating profit | 12,355 | 6,344 |
| Finance income | 1,998 | 52 |
| Finance costs | -3,678 | -3,909 |
| Share of net profit/(loss) of equity-accounted associates | -86 | -267 |
| Profit before tax | 10,589 | 2,220 |
| Income tax | -1,306 | -940 |
| Net profit | 9,283 | 1,280 |
| Net profit attributable to | | |
| Owners of the parent | 9,013 | 1,181 |
| Non-controlling interests | 269 | 98 |
| | Jan 1– Mar 31 2023 (unaudited) | Jan 1– Mar 31 2022 (unaudited) |
| Profit | 9,283 | 1,280 |
| 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 | -1,495 | 1,356 |
| Valuation of cash flow hedge derivatives | 574 | -188 |
| Exchange differences on translating foreign operations | -2,069 | 1,545 |
| Other comprehensive income before tax | - | - |
| Income tax on other comprehensive income | -109 | 36 |
| Total other comprehensive income, net | -1,604 | 1,392 |

| | | |
|---|--------------|--------------|
| Total comprehensive income | 7,678 | 2,672 |
| Total comprehensive income attributable to | | |
| Owners of the parent | 7,454 | 2,527 |
| Non-controlling interests | 225 | 145 |
| EARNINGS PER SHARE: | | |
| - basic earnings (loss) per share | 1.06 | 0.14 |
| - diluted earnings (loss) per share | 1.03 | 0.13 |
| - basic earnings/(loss) per share from continuing operations attributable to owners of the parent | 1.06 | 0.14 |
| - diluted earnings/(loss) per share from continuing operations attributable to owners of the parent | 1.03 | 0.13 |

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

| | Mar 31 2023 (unaudited) | Dec 31 2022 (audited) |
|--|--|--|
| Assets | | |
| Property, plant and equipment | 55,390 | 55,570 |
| Right-of-use assets | 26,040 | 26,428 |
| Investment property | 256 | 262 |
| Goodwill | 31,748 | 31,748 |
| Intangible assets | 49,077 | 48,474 |
| Non-current trade and other receivables | 1,907 | 1,830 |
| Other financial assets | 3 | 100 |
| Deferred tax assets | 1,965 | 1,786 |
| Non-current assets | 166,385 | 166,198 |
| Inventories | 95,237 | 89,239 |
| Trade receivables and other short-term receivables | 106,950 | 104,811 |
| Income tax assets | 1,821 | 1,570 |
| Other financial assets | 1,831 | 1,214 |
| Other non-financial assets | 4,693 | 3,856 |
| Contract assets | 132,578 | 140,874 |
| Cash and cash equivalents | 68,776 | 73,900 |
| Current assets | 411,885 | 415,464 |
| TOTAL ASSETS | 578,270 | 581,662 |

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

| | Mar 31 2023 | Dec 31 2022 |
|---|--------------------|--------------------|
| | (unaudited) | (audited) |
| EQUITY AND LIABILITIES | | |
| Share capital | 3,616 | 3,616 |
| Share premium reserve | 78,666 | 78,666 |
| Treasury shares | -28,532 | -28,532 |
| Other capital reserves | 70,098 | 70,831 |
| Retained earnings | 106,095 | 97,081 |
| Equity attributable to owners of the parent | 229,943 | 221,662 |
| Non-controlling interests | 2,636 | 2,409 |
| Equity | 232,579 | 224,071 |
| Borrowings | 6,781 | 7,948 |
| Lease liabilities | 17,896 | 18,396 |
| Deferred tax liabilities | 16,906 | 15,813 |
| Employee benefit obligations | 1,358 | 1,421 |
| Contract liabilities | 1,357 | 1,357 |
| Non-current liabilities | 44,297 | 44,935 |
| Borrowings | 58,565 | 58,047 |
| Lease liabilities | 5,466 | 5,414 |
| Derivative financial instruments | 525 | 1,984 |
| Trade and other liabilities | 84,705 | 84,699 |
| Employee benefit obligations | 29,712 | 26,428 |
| Other provisions | 9,921 | 10,017 |
| Contract liabilities | 112,500 | 126,067 |
| Current liabilities | 301,394 | 312,656 |
| Total liabilities | 345,691 | 357,591 |
| TOTAL EQUITY AND LIABILITIES | 578,270 | 581,662 |

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

| | Jan 1–Mar 31 2023 (unaudited) | Jan 1–Mar 31 2022 (unaudited) |
|--|----------------------------------|----------------------------------|
| Cash flows from operating activities | | |
| Profit before tax | 10,589 | 2,220 |
| Total adjustments: | -8,104 | 11,065 |
| Share of net (profit)/loss of a jointly controlled entity | 86 | 267 |
| Depreciation and amortisation | 4,062 | 3,542 |
| Foreign exchange gains/(losses) | -1,288 | 1,626 |
| Adjustments due to finance income/(cost) | 1,598 | 396 |
| Gain/(loss) on investing activities | -849 | -481 |
| Other adjustments | 754 | 207 |
| Changes in items of the statement of financial position: | | |
| Change in provisions | 2,185 | 2,750 |
| Change in inventories | -6,741 | -8,457 |
| Change in receivables | -4,343 | 11,316 |
| Change in current liabilities other than financial liabilities | 2,750 | 6,281 |
| Change in contract assets and liabilities | -4,914 | -7,391 |
| Change in currency derivative instruments | -1,406 | 603 |
| Adjustments due to share-based payments | - | 406 |
| Cash provided by operating activities | 2,484 | 13,285 |
| Income tax paid | -330 | -905 |
| Net cash from operating activities | 2,154 | 12,380 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| INVESTING ACTIVITIES | | |
| Cash provided by investing activities | 188 | 140 |
| Proceeds from disposal of intangible assets and property, plant and equipment | 110 | 140 |
| Other proceeds from financial assets | 78 | - |
| Investments in intangible assets, property, plant and equipment, and investment property | -4,137 | -2,524 |
| Other cash used in investing activities | - | -35 |
| Net cash from investing activities | -3,949 | -2,419 |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Proceeds from borrowings | 561 | 8,372 |
| Grants received | - | - |
| Repayment of bank borrowings | -1,207 | -231 |
| Other financial liabilities | -1,108 | -1,100 |
| Payment of interest | -1,656 | -481 |
| Other cash used in financing activities | - | - |
| Net cash from financing activities | -3,410 | 6,560 |
| Increase (decrease) in cash and cash equivalents before the effect of exchange rate changes | -5,206 | 16,521 |
| Effect of exchange rate changes on cash and cash equivalents | 82 | 33 |
| Increase (decrease) in cash and cash equivalents | -5,124 | 16,554 |
| Cash at beginning of period | 73,900 | 54,225 |
| Cash at end of period | 68,776 | 70,779 |

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(PLN '000)

| | Share capital | Share premium reserve | Treasury shares | Other capital reserves | Retained earnings / accumulated losses | Equity attributable to owners of the parent | Equity attributable to non-controlling interests | Total equity |
|--|---------------|-----------------------|-----------------|------------------------|--|---|--|----------------|
| Equity as at Jan 1 2023 | 3,616 | 78,666 | -28,532 | 70,831 | 97,081 | 221,662 | 2,409 | 224,071 |
| Profit/(loss) for period | - | - | - | - | 9,013 | 9,013 | 269 | 9,282 |
| Other comprehensive income | - | - | - | -1,560 | - | -1,560 | -44 | -1,604 |
| Total comprehensive income for the year | - | - | - | -1,560 | 9,013 | 7,454 | 225 | 7,678 |
| Valuation of management stock option plan | - | - | - | 827 | - | 827 | - | 827 |
| Changes in equity | - | - | - | -733 | 9,013 | 8,281 | 225 | 8,506 |
| Equity as at Mar 31 2023 (unaudited) | 3,616 | 78,666 | -28,532 | 70,098 | 106,095 | 229,943 | 2,636 | 232,579 |

| | Share capital | Share premium reserve | Treasury shares | Other capital reserves | 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 |
| Valuation of management stock option plan | - | - | - | 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 |

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

| | Share capital | Share premium reserve | Treasury shares | Other capital reserves | 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 | - | - | - | - | 30,619 | 30,619 | 1,436 | 32,055 |
| Other comprehensive income | - | - | - | 4,686 | -4,743 | -57 | -404 | -461 |
| Total comprehensive income for the year | - | - | - | 4,686 | 25,876 | 30,562 | 1,032 | 31,594 |
| Sale of treasury shares under the incentive scheme | - | - | - | - | - | - | - | - |
| Payment of dividends | - | - | - | - | -2,549 | -2,549 | - | -2,549 |
| Valuation of management stock option plan | - | - | - | 1,525 | - | 1,525 | - | 1,525 |
| Repurchase of shares | - | - | - | - | - | - | - | - |
| Changes in equity | - | - | - | 6,211 | 23,327 | 29,538 | 1,032 | 30,570 |
| Equity as at Dec 31 2022 (audited) | 3,616 | 78,666 | -28,532 | 70,831 | 97,081 | 221,662 | 2,409 | 224,071 |



**INTERIM CONDENSED SEPARATE FINANCIAL STATEMENTS
FOR THE PERIOD JANUARY 1ST–MARCH 31ST 2023**

INTERIM CONDENSED SEPARATE STATEMENT OF COMPREHENSIVE INCOME

(PLN '000)

| | Jan 1–Mar 31 2023 (unaudited) | Jan 1–Mar 31 2022 (unaudited) |
|---|--|--|
| Revenue | 72,651 | 72,116 |
| Cost of sales | -55,891 | -58,706 |
| Gross profit | 16,760 | 13,410 |
| Other income | 686 | 429 |
| Distribution costs | -4,407 | -3,554 |
| Administrative expenses | -7,103 | -5,974 |
| Other expenses | -552 | -439 |
| Operating profit | 5,384 | 3,872 |
| Finance income | 1,181 | 298 |
| Finance costs | -2,761 | -2,374 |
| Profit before tax | 3,805 | 1,796 |
| Income tax | -940 | -492 |
| Net profit from operations | 2,864 | 1,304 |
| Net profit | 2,864 | 1,304 |
| | Jan 1–Mar 31 2023 (unaudited) | Jan 1–Mar 31 2022 (unaudited) |
| Profit | 2,864 | 1,304 |
| 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 | 574 | -233 |
| Valuation of cash flow hedge derivatives | 574 | -233 |
| Income tax on other comprehensive income | -109 | 44 |
| Income tax relating to components of other comprehensive income that will be reclassified to profit or loss | -109 | 44 |
| Total other comprehensive income, net | 465 | -188 |
| Total comprehensive income | 3,329 | 1,115 |
| EARNINGS PER SHARE: | | |
| - basic earnings (loss) per share | 0.34 | 0.15 |
| - diluted earnings (loss) per share | 0.33 | 0.15 |

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

| | Mar 31 2023 (unaudited) | Dec 31 2022 (audited) |
|--|--|--|
| Assets | | |
| Property, plant and equipment | 41,980 | 41,950 |
| Right-of-use assets | 11,576 | 11,379 |
| Investment property | 256 | 262 |
| Intangible assets | 47,348 | 47,012 |
| Long-term receivables | 1,578 | 1,641 |
| Investments in related entities | 70,820 | 70,820 |
| Other financial assets | 3 | 100 |
| Contract costs | - | 92 |
| Non-current assets | 173,562 | 173,257 |
| Inventories | 51,470 | 47,731 |
| Trade receivables and other short-term receivables | 67,716 | 57,210 |
| Income tax assets | 1,801 | 1,565 |
| Other financial assets | 1,831 | 1,214 |
| Other non-financial assets | 2,606 | 2,101 |
| Contract costs | 772 | 1,001 |
| Contract assets | 78,854 | 90,667 |
| Cash and cash equivalents | 14,341 | 13,206 |
| Current assets | 219,391 | 214,696 |
| TOTAL ASSETS | 392,953 | 387,953 |

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

| | Mar 31 2023 (unaudited) | Dec 31 2022 (audited) |
|-------------------------------------|--|--|
| EQUITY AND LIABILITIES | | |
| Share capital | 3,616 | 3,616 |
| Share premium reserve | 78,666 | 78,666 |
| Treasury shares | -28,532 | -28,532 |
| Other capital reserves | 51,848 | 50,556 |
| Retained earnings | 91,186 | 88,322 |
| Equity | 196,784 | 192,627 |
| Borrowings | 6,676 | 7,827 |
| Lease liabilities | 6,699 | 6,715 |
| Deferred tax liabilities | 7,917 | 6,937 |
| Employee benefit obligations | 816 | 816 |
| Contract liabilities | 1,357 | 1,357 |
| Non-current liabilities | 23,465 | 23,652 |
| Borrowings | 58,419 | 57,858 |
| Lease liabilities | 2,255 | 2,077 |
| Derivative financial instruments | 525 | 1,984 |
| Trade and other liabilities | 51,438 | 48,153 |
| Employee benefit obligations | 18,885 | 15,478 |
| Other provisions | 5,080 | 5,607 |
| Contract liabilities | 36,102 | 40,516 |
| Current liabilities | 172,704 | 171,673 |
| Total liabilities | 196,169 | 195,325 |
| TOTAL EQUITY AND LIABILITIES | 392,953 | 387,953 |

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

| | Jan 1–Mar 31 2023 (unaudited) | Jan 1–Mar 31 2022 (unaudited) |
|--|----------------------------------|----------------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Profit before tax | 3,805 | 1,796 |
| Total adjustments: | 2,626 | -1,785 |
| Depreciation and amortisation | 2,156 | 1,869 |
| Foreign exchange gains/(losses) | -82 | -33 |
| Adjustments due to finance income/(cost) | 1,553 | 363 |
| Gain/(loss) on investing activities | -106 | -59 |
| Other adjustments | -48 | -4 |
| Changes in items of the statement of financial position: | | |
| Change in provisions | 2,880 | 2,487 |
| Change in inventories | -3,739 | -5,465 |
| Change in receivables | -10,564 | 7,627 |
| Change in liabilities (other than current financial liabilities) | 3,939 | 2,369 |
| Change in contract assets and liabilities | 7,720 | -11,205 |
| Change in accruals and deferrals | -505 | -742 |
| Change in currency derivative instruments | -1,406 | 603 |
| Adjustments due to share-based payments | 827 | 406 |
| Cash provided by operating activities | 6,431 | 10 |
| Income tax paid | -306 | -639 |
| Net cash from operating activities | 6,125 | -628 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Proceeds from disposal of intangible assets and property, plant and equipment | 106 | 95 |
| Other proceeds from financial assets | - | 2,009 |
| Investments in intangible assets, property, plant and equipment, and investment property | -2,474 | -957 |
| Net cash from investing activities | -2,369 | 1,147 |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Proceeds from borrowings | 561 | 8,372 |
| Grants received | - | - |
| Repayment of bank borrowings | -1,151 | - |
| Payment of lease liabilities | -560 | -606 |
| Payment of interest | -1,553 | -372 |
| Net cash from financing activities | -2,703 | 7,394 |
| Increase (decrease) in cash and cash equivalents before the effect of exchange rate changes | 1,053 | 7,913 |
| Effect of exchange rate changes on cash and cash equivalents | 82 | 33 |
| Increase (decrease) in cash and cash equivalents | 1,135 | 7,946 |
| Cash at beginning of period | 13,206 | 17,878 |
| Cash at end of period | 14,341 | 25,824 |

INTERIM CONDENSED SEPARATE STATEMENT OF CHANGES IN EQUITY

(PLN '000)

| | Share capital | Share premium reserve | Treasury shares | Other capital reserves | Retained earnings | Total equity |
|--|---------------|-----------------------|-----------------|------------------------|-------------------|----------------|
| Equity as at Jan 1 2023 | 3,616 | 78,666 | -28,533 | 50,555 | 88,321 | 192,627 |
| Profit/(loss) for period | - | - | - | 465 | 2,864 | 3,329 |
| Other comprehensive income | - | - | - | - | - | - |
| Total comprehensive income for the year | - | - | - | 465 | 2,864 | 3,329 |
| Valuation of management stock option plan | - | - | - | 827 | - | 827 |
| Equity as at Mar 31 2023 (unaudited) | 3,616 | 78,666 | -28,533 | 51,848 | 91,186 | 196,784 |

| | Share capital | Share premium reserve | Treasury shares | Other capital reserves | 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 |
| Valuation of management stock option plan | - | - | - | 406 | - | 406 |
| Equity as at Mar 31 2022 (unaudited) | 3,616 | 78,666 | -28,533 | 47,199 | 79,867 | 180,815 |

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

| | Share capital | Share premium reserve | Treasury shares | Other capital reserves | Retained earnings | Total equity |
|--|---------------|-----------------------|-----------------|------------------------|-------------------|----------------|
| Equity as at Jan 1 2022 | 3,616 | 78,666 | -28,533 | 46,981 | 78,563 | 179,294 |
| Profit for period | - | - | - | - | 12,308 | 12,308 |
| Other comprehensive income | - | - | - | 2,049 | - | 2,049 |
| Total comprehensive income for the year | - | - | - | 2,049 | 12,308 | 14,357 |
| Payment of dividends | - | - | - | - | -2,549 | -2,549 |
| Valuation of management stock option plan | - | - | - | 1,525 | - | 1,525 |
| Changes in equity | - | - | - | 3,574 | 9,759 | 13,333 |
| Equity as at Dec 31 2022 (audited) | 3,616 | 78,666 | -28,533 | 50,556 | 88,322 | 192,627 |



**SUPPLEMENTARY INFORMATION TO THE INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS
FOR THE FIRST QUARTER OF 2023**

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.,
- SECO/WARWICK Technical Services (Tianjin) Co.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.

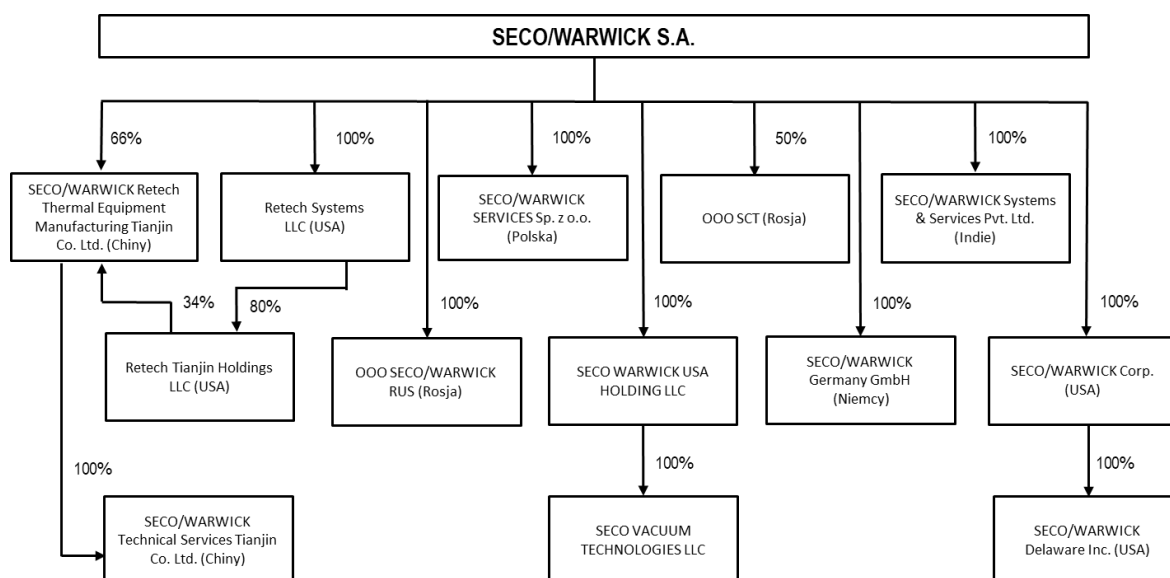
Table: Composition of the SECO/WARWICK Group as at March 31st 2023

| 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 | 100% |

trademarks and patents by SECO/WARWICK Corp.

| | | | |
|---|-------------------------|--|------|
| 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% |
| SECO/WARWICK Technical Services Tianjin Co. Ltd. | Tianjin (China) | Sale, repair and maintenance services | 93% |

Organisation of the Group:



Composition of the SECO/WARWICK Group as at the issue date of these financial statements

Between March 31st 2023 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 Polish zloty ("PLN"), and unless stated otherwise, all amounts are given in thousands of PLN.

Any differences between the total amounts and the sum of their components are due to rounding. 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 2022, except for the application of new or amended standards and interpretations effective for annual periods beginning on or after January 1st 2023.

Other new or amended standards and interpretations which have been applied for the first time in 2023 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 VII of the 2022 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 2022 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 2023 | Dec 31 2022 | Mar 31 2022 |
|--|-------------|-------------|-------------|
| Average exchange rate for the period* | 4.7005 | - | 4.6472 |
| Exchange rate effective for the last day of the period | 4.6755 | 4.6899 | - |

**) 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 | | | |
|--|----------------------|--------------------|--------------------|--------------------|
| | 2023 | 2022 | 2023 | 2022 |
| | (PLN '000) | | (EUR '000) | |
| Revenue | 171,165 | 122,294 | 36,414 | 26,316 |
| Cost of sales | -131,543 | -95,697 | -27,985 | -20,592 |
| Operating profit/(loss) | 12,355 | 6,344 | 2,628 | 1,365 |
| Profit/(loss) before tax | 10,589 | 2,220 | 2,253 | 478 |
| Net profit/(loss) attributable to owners of the parent | 9,013 | 1,181 | 1,918 | 254 |
| Net cash flows from operating activities | 2,154 | 12,380 | 458 | 2,664 |
| Net cash flows from investing activities | -3,949 | -2,419 | -840 | -521 |
| Net cash flows from financing activities | -3,410 | 6,560 | -726 | 1,412 |
| | Mar 31 2023 | Dec 31 2022 | Mar 31 2023 | Dec 31 2022 |
| Total assets | 578,270 | 581,662 | 123,681 | 125,021 |
| Total liabilities | 345,691 | 357,590 | 73,937 | 76,860 |
| Including current liabilities | 301,394 | 312,656 | 64,462 | 67,202 |
| Equity | 232,579 | 224,071 | 49,744 | 48,161 |
| Share capital | 3,616 | 3,616 | 773 | 777 |

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 | | | |
|--|----------------------|--------------------|--------------------|--------------------|
| | 2023 | 2022 | 2023 | 2022 |
| | (PLN '000) | | (EUR '000) | |
| Revenue | 72,651 | 72,116 | 15,456 | 15,518 |
| Cost of sales | -55,891 | -58,706 | -11,891 | -12,632 |
| Operating profit/(loss) | 5,384 | 3,872 | 1,145 | 833 |
| Profit/(loss) before tax | 3,805 | 1,796 | 809 | 386 |
| Net profit/(loss) attributable to owners of the parent | 2,864 | 1,304 | 609 | 281 |
| Net cash flows from operating activities | 6,431 | 10 | 1,368 | 2 |
| Net cash flows from investing activities | -2,369 | 1,147 | -504 | 247 |
| Net cash flows from financing activities | -2,703 | 7,394 | -575 | 1,591 |
| | Mar 31 2023 | Dec 31 2022 | Mar 31 2023 | Dec 31 2022 |
| Total assets | 392,953 | 387,953 | 84,045 | 83,386 |
| Total liabilities | 196,169 | 195,325 | 41,957 | 41,983 |

| | | | | |
|-------------------------------|---------|---------|--------|--------|
| Including current liabilities | 172,704 | 171,673 | 36,938 | 36,899 |
| Equity | 196,784 | 192,627 | 42,088 | 41,403 |
| Share capital | 3,616 | 3,616 | 773 | 777 |



**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AND OTHER SUPPLEMENTARY INFORMATION TO THE REPORT FOR THE FIRST
QUARTER OF 2023**

SELECTED SUPPLEMENTARY INFORMATION

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

| Item | Jan 1–Mar 31 2023 | Jan 1–Mar 31 2022 |
|--|-------------------|-------------------|
| Revenue from sale of finished goods and services | 167,750 | 119,867 |
| - including revenue recognised over time | 151,821 | 99,158 |
| Revenue from sale of merchandise and materials | 3,414 | 2,427 |
| TOTAL revenue | 171,165 | 122,294 |
| Other income | 840 | 492 |
| Finance income | 1,998 | 52 |
| TOTAL revenue and income | 174,003 | 122,838 |

Revenue by geographical markets:

| Item | Jan 1–Mar 31 2023 | Jan 1–Mar 31 2022 |
|----------------------|-------------------|-------------------|
| European Union | 53,035 | 48,005 |
| Russia | 660 | 5,517 |
| USA | 67,515 | 36,027 |
| Asia | 35,105 | 30,041 |
| Other | 14,850 | 2,705 |
| TOTAL revenue | 171,165 | 122,294 |

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

Revenue by operating segment:

| | Mar 31 2023 | | |
|--|---|-------------------------------------|-----------------|
| | Production and distribution – Rest of the World | Production and distribution – China | Total |
| Total revenue | 148,248 | 22,916 | 171,165 |
| Sales to customers accounting for 10% or more of revenue | - | - | - |
| Cost of sales | -115,487 | -16,055 | -131,543 |
| Gross profit/(loss) | 32,761 | 6,861 | 39,622 |
| Operating profit | 8,359 | 3,996 | 12,355 |
| Net profit | 5,101 | 3,913 | 9,013 |
| Non-current assets | 154,324 | 12,061 | 166,385 |

| | 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 |

MAIN PRODUCTS Q1 2023

| Jan 1–Mar 31 2023 | Vacuum Furnaces | Aluminium Process | Melting Furnaces | Aftersales services | Total | Other | Total |
|---|----------------------------|------------------------------|-----------------------------|--------------------------------|-----------------|--------------|-----------------|
| Total revenue | 45,137 | 32,997 | 60,296 | 32,701 | 171,130 | 35 | 171,165 |
| Sales to customers accounting for 10% or more of revenue | - | - | - | - | - | - | - |
| Total expenses | -34,992 | -23,532 | -50,980 | -22,018 | -131,522 | -21 | -131,543 |
| Gross profit/(loss) | 10,146 | 9,465 | 9,315 | 10,683 | 39,608 | 14 | 39,622 |

MAIN PRODUCTS Q1 2022

| Jan 1–Mar 31 2022 | 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 |

OTHER INCOME AND EXPENSES

| OTHER INCOME | Jan 1–Mar 31 2023 | Jan 1–Mar 31 2022 |
|---|--------------------------|--------------------------|
| Gain on disposal of property, plant and equipment | 106 | 59 |
| Accounting for lease in connection with decision not to exercise the right to purchase the leased asset | 48 | 4 |
| Income from lease of property, plant and equipment and investment property | 204 | 213 |
| Other | 480 | 216 |
| Total other income | 840 | 492 |

| OTHER EXPENSES | Jan 1–Mar 31 2023 | Jan 1–Mar 31 2022 |
|--|--------------------------|--------------------------|
| Inventory write-downs | 147 | 321 |
| Court expenses, compensation/damages, penalties | 12 | 36 |
| Cost related to income from lease of property, plant and equipment | 259 | 181 |
| Donations | - | 16 |
| Other | 61 | 65 |
| Total other expenses | 479 | 620 |

FINANCE INCOME AND COSTS

| FINANCE INCOME | Jan 1–Mar 31 2023 | Jan 1–Mar 31 2022 |
|------------------------------------|--------------------------|--------------------------|
| Interest income | 114 | 52 |
| Net loss on derivative instruments | 1,141 | - |
| Other | 743 | - |
| Total finance income | 1,998 | 52 |

| FINANCE COSTS | Jan 1–Mar 31 2023 | Jan 1–Mar 31 2022 |
|------------------------------------|--------------------------|--------------------------|
| Payment of interest | 1,456 | 630 |
| Interest on leases | 339 | 192 |
| Net loss on derivative instruments | - | 1,700 |
| Net foreign exchange losses | 1,545 | 1,280 |
| Other | 338 | 107 |
| Total finance costs | 3,678 | 3,909 |

PROPERTY, PLANT AND EQUIPMENT

In the period from January 1st to March 31st 2023, the cost of acquired intangible assets and property, plant and equipment at the SECO/WARWICK Group amounted to PLN 4,137 thousand.

| Item | Mar 31 2023 | Dec 31 2022 |
|--|--------------------|--------------------|
| property, plant and equipment | 51,871 | 51,360 |
| property, plant and equipment under construction | 3,519 | 4,210 |
| Property, plant and equipment | 55,390 | 55,570 |

IMPAIRMENT LOSSES ON ASSETS

| Impairment losses on | Mar 31 2023 | Dec 31 2022 | Mar 31 2022 |
|--------------------------------|--------------------|--------------------|--------------------|
| Trade receivables | 17,565 | 17,540 | 15,578 |
| Shares | 44,946 | 44,946 | 44,946 |
| Inventories | 12,978 | 12,831 | 11,176 |
| Contract assets | 312 | 312 | 312 |
| Tangible assets | 3 | 3 | 3 |
| Total impairment losses | 75,803 | 75,632 | 72,014 |

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

On April 27th 2023, the Supervisory Board approved SECO/WARWICK S.A. Management Board's proposal, contained in the Management Board Resolution No.9/2023 of April 27th 2023, on allocation of SECO/WARWICK S.A.'s net profit for 2022.

On April 27th 2023, in Current Report No. 3/2023, the Company announced the Management Board's dividend proposal. The Management Board proposed that the Company's net profit of PLN 12,307,729.50 (twelve million, three hundred and seven thousand, seven hundred and twenty-nine zloty, 50/100) be allocated as follows:

- A portion of the net profit of PLN 8,496,365.00 (eight million, four hundred and ninety-six thousand, three hundred and sixty-five zloty, 00/100) for payment of dividend,
- A portion of the net profit of PLN 3,811,364.50 (three million, eight hundred and eleven thousand, three hundred and sixty-four zloty, 50/100) to the Company's statutory reserve funds.

Furthermore, the Management Board recommended that the dividend record date (Day R) should be June 15th 2023 and that the dividend payment (Day P) should be June 29th 2023.

Final decision on the allocation of the Company's net profit for 2022, including the dividend amount payable, the dividend record date and the dividend payment date, will rest with the Annual General Meeting of SECO/WARWICK S.A.

CAPITAL COMMITMENTS

As at March 31st 2023, the SECO/WARWICK Group had capital commitments related to property, plant and equipment of PLN 54 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 7,474 thousand as at March 31st 2023 and PLN 8,460 thousand at the end of 2022. The following guarantees were issued:

| Item | | Mar 31 2022 | Dec 31 2022 |
|--------------|--------------------------------|--------------------|--------------------|
| PBG | performance bond | 5,323 | 6,349 |
| BBG | bid bond | - | 2,110 |
| WOG | warranty obligations guarantee | 2,151 | - |
| Total | | 7,474 | 8,460 |

SETTLEMENTS RELATED TO COURT CASES

For detailed information on litigation that the Group is involved in, see Note 35 to the consolidated financial statements for the period ended December 31st 2022. By the issue date 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 2023

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 unusual due to their nature, 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 nature, size or effect.

Types and amount of changes in estimates disclosed in previous interim periods of the financial year 2022 or changes in estimates disclosed in previous financial years if they have a material bearing on the first quarter of 2023

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 2023.

Issue, redemption and repayment of debt and equity securities

No such events occurred.

Earnings per share:

| Item | Mar 31 2023 | Mar 31 2022 |
|---|--------------------|--------------------|
| Net profit from continuing operations attributable to owners of the parent | 9,013 | 1,181 |
| Net profit attributable to owners of the parent | 9,013 | 1,181 |
| Interest on redeemable preference shares convertible into ordinary shares | - | - |
| Net profit attributable to holders of ordinary shares used to calculate diluted earnings per share | 9,013 | 1,181 |
| Weighted average number of outstanding ordinary shares used to calculate basic earnings per share | 8,496,365 | 8,496,365 |
| Earnings per share | 1.06 | 0.14 |
| Dilutive effect: | | |
| Number of potential shares to be issued under the Incentive Scheme | 295,701 | 284,295 |
| Number of potential shares to be issued at market price | 19,299 | 30,705 |
| Adjusted weighted average number of ordinary shares used to calculate diluted earnings per share | 8,792,066 | 8,780,660 |
| Diluted earnings per share | 1.03 | 0.13 |

Material events subsequent to the end of Q1 2023, not disclosed in the financial statements for Q1 2023 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 2023 and key related events

The Group's sales in the first quarter of 2023 amounted to PLN 171.2m, up 40% year on year. Increases were recorded in the Melting Furnaces (+184.5%), Aluminium Process (+28.4%) and Aftersales (+19.8%) segments. On the other hand, total sales of Vacuum Furnaces fell slightly (-5.6%).

In the first quarter of 2023, the Group companies secured orders for the total amount of PLN 174.5m. Approximately 35.1% of all orders were placed in the Aluminium Process segment, 30.8% in the Vacuum Furnaces segment, 14.7% in the Melting Furnaces segment, and 19.5% in the Aftersales services segment. In the corresponding period of the previous year, the backlog of orders was PLN 146.6m. As at the end of the first quarter of 2023, the value of the backlog was PLN 559.8m. In the same period of 2022, the value of the backlog was PLN 372.3m, up 33.5% year on year.

In the first quarter of 2023, the Group's average net margin increased by 1.4%, to 23.1% from 21.7% in the same period of the year before.

Distribution costs and administrative expenses went up by 37.7%, from PLN 20.05m in the first quarter of 2022 to PLN 27.6m in the first quarter of 2023, and accounted for 16.4% and 16.1% 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 for the first quarter of 2023.

As at the end of the first quarter of 2023, the EBIT margin was 7.2%, up by 2.0 pp year on year. The EBITDA margin also rose, to 9.6% from 8.1% in the first quarter of 2022.

The current ratio remained unchanged relative to the end of 2022. On the other hand, the quick and cash ratios improved slightly, by 1.1 vs 1.0 and by 1.4 vs 1.3, respectively. The ratios indicate that the Group is operationally stable and has the ability to pay its liabilities when due.

| LIQUIDITY RATIOS | Mar 31 2023 | Dec 31 2022 |
|-------------------------|--------------------|--------------------|
| Current ratio | 0.2 | 0.2 |
| Quick ratio | 1.1 | 1.0 |
| 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 16th 2023.

2. Factors and events, especially of a non-recurring nature, having a material bearing on the financial results for the first quarter of 2023

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 2023, see Section III "Effect of the war in Ukraine on the Group's position" of the consolidated financial statements for 2022.

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 2023, 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 2023 in light of the results presented in the report for the first quarter of 2023

The Management Board of SECO/WARWICK S.A. did not publish any forecasts of the Company's or the Group's financial performance in 2023.

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 2022).

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% |
| NNLife Otwarty Fundusz Emerytalny* | 640,798 | 6.22% | 640,798 | 6.22% |

* formerly: MetLife OFE.

The data is based on notifications received from the shareholders.

As at Mar 31 2023: SECO/WARWICK S.A. holds 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 2022 full-year report (April 27th 2023) to this report date.

As at Mar 31 2023: SECO/WARWICK S.A. holds 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.

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 2022).

| | Number of S/W shares held | Ownership interest | % of total voting rights |
|--------------------------|---------------------------|--------------------|--------------------------|
| Management Board | | | |
| Sławomir Woźniak | 92,490 | 0.90% | 0.90% |
| Bartosz Klinowski | 121,753 | 1.18% | 1.18% |
| Earl Good | 26,225 | 0.25% | 0.25% |
| Piotr Walasek | 45,096 | 0.44% | 0.44% |
| Supervisory Board | | | |
| Andrzej Zawistowski | 65,000 | 0.63% | 0.63% |
| Jeffrey Boswell | 9,776 | 0.09% | 0.09% |
| Marcin Murawski | - | - | - |
| Robert Jasiński | - | - | - |
| Maciej Karnicki | - | - | - |
| Total | 360,340 | 3.50% | 3.50% |

From the issue date of the full-year report for 2022, i.e. April 27th 2023, to the issue date of this report, members of SECO/WARWICK S.A.s' Management and Supervisory Boards did not conclude any transactions in SECO/WARWICK S.A. shares.

| Item | Apr 27 2023 | May 16 2023 |
|----------------------|---------------------|---------------------|
| 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 2023, neither the Company nor any other SECO/WARWICK Group company was party (whether jointly or individually) to any material proceedings.

For detailed information on material proceedings, see Note 35 to the consolidated financial statements for the period ended December 31st 2022. By the issue date 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 2023, 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 2023, 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 Group's ability to meet its obligations

In the first quarter of 2023, 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 Group'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 2022 in connection with the 2022–2024 Incentive Scheme amounted to PLN 1,460 thousand. Costs incurred in 2022 in connection with the 2018–2020 Incentive Scheme amounted to PLN 65 thousand.

The total cost of option vesting recognised in 2022 was PLN 1,525 thousand (PLN 648 thousand in 2021).

Costs incurred in the first quarter of 2023 in connection with the Incentive Scheme for 2022-2024 amounted to PLN 827 thousand.

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 2023 and Section III of the Notes to the consolidated financial statements for 2022.