



SECOWARWICK
www.secowarwick.com

CONSOLIDATED REPORT FOR THE THIRD QUARTER OF 2023

CONTENTS

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS	3
INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	4
INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION	6
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS	8
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	9
INTERIM CONDENSED SEPARATE FINANCIAL STATEMENTS.....	10
INTERIM CONDENSED SEPARATE STATEMENT OF COMPREHENSIVE INCOME	11
INTERIM CONDENSED SEPARATE STATEMENT OF FINANCIAL POSITION	13
INTERIM CONDENSED SEPARATE STATEMENT OF CASH FLOWS	15
INTERIM CONDENSED SEPARATE STATEMENT OF CHANGES IN EQUITY	17
SUPPLEMENTARY INFORMATION TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS ..	18
I. GENERAL INFORMATION	19
II. Applied accounting policies, including methods of measurement of assets, equity and liabilities, income and expenses	22
III. Financial highlights	24
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS	26



INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD JANUARY 1ST–SEPTEMBER 30TH 2023

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(PLN '000)

	Jan 1–Sep 30 2023	Jan 1–Sep 30 2022	Jul 1–Sep 30 2023	Jul 1–Sep 30 2022
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Revenue	502,003	448,867	151,577	176,497
Cost of sales	-387,886	-346,250	-117,032	-136,008
Gross profit	114,118	102,617	34,545	40,489
Other income	1,951	2,576	944	1,500
Distribution costs	-32,500	-25,508	-10,672	-8,528
Administrative expenses	-51,920	-41,032	-17,449	-15,535
Impairment of receivables and contract assets	-1,027	-184	475	-63
Other expenses	-1,773	-2,707	-288	-897
Operating profit	28,849	35,763	7,555	16,966
Finance income	4,003	6,945	-621	3,288
Finance costs	-7,864	-12,890	-266	-6,828
Share of net profit/(loss) of equity-accounted associates	-200	-394	-85	-29
Profit before tax	24,788	29,424	6,583	13,398
Income tax	-3,801	-5,039	-1,259	-2,448
Net profit/(loss) from continuing operations	20,986	24,385	5,323	10,950
Net profit	20,986	24,385	5,323	10,950
Net profit/(loss) attributable to				
Owners of the parent	20,188	23,477	5,256	10,429
Non-controlling interests	798	908	67	520
Profit	20,986	24,385	5,323	10,950
OTHER COMPREHENSIVE INCOME:				
Items not to be reclassified to profit/(loss) in subsequent reporting periods				
Actuarial gains on a defined benefit pension plan	-	-169	-	-56
Items which may be reclassified to profit/(loss) in subsequent reporting periods				
Valuation of cash flow hedge derivatives	-931	-2,708	-2,075	-1,407
Exchange differences on translating	-1,295	8,494	4,545	4,221

foreign operations

Other comprehensive income before tax	-2,225	5,617	2,470	2,758
Income tax on other comprehensive income	177	515	394	267
Income tax relating to components of other comprehensive income that will not be reclassified to profit or loss	-	-	-	-
Income tax relating to components of other comprehensive income that will be reclassified to profit or loss	177	515	394	267
Total other comprehensive income, net	-2,049	6,131	2,864	3,026
Total comprehensive income	18,938	30,517	8,187	13,975

Total comprehensive income attributable to

Owners of the parent	18,751	29,802	7,947	13,375
Non-controlling interests	187	715	240	601

EARNINGS PER SHARE:

- basic earnings per share attributable to owners of the parent	2.38	2.76	0.62	1.23
- diluted earnings per share attributable to owners of the parent	2.30	2.67	0.60	1.19
- basic earnings/(loss) per share from continuing operations attributable to owners of the parent	2.38	2.76	0.62	1.23
- diluted earnings per share attributable to owners of the parent	2.30	2.67	0.60	1.19

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(PLN '000)

	Sep 30 2023	Dec 31 2022
	(unaudited)	(audited)
ASSETS		
Property, plant and equipment	60,892	55,570
Right-of-use assets	46,347	26,428
Investment property	244	262
Goodwill	31,748	31,748
Intangible assets	52,731	48,474
Long-term trade and other receivables	2,186	1,830
Other financial assets	3	100
Deferred tax assets	1,794	1,786
Non-current assets	195,945	166,197
Inventories	95,537	89,239
Short-term trade and other receivables	131,530	104,811
Income tax assets	748	1,570
Other financial assets	1,744	1,214
Other non-financial assets	4,878	3,856
Contract assets	135,201	140,874
Cash and cash equivalents	56,813	73,900
Current assets other than held for sale	426,451	415,464
Assets classified as held for sale	-	-
Current assets	426,451	415,464
TOTAL ASSETS	622,395	581,662

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

	Sep 30 2023 (unaudited)	Dec 31 2022 (audited)
EQUITY AND LIABILITIES		
Share capital	3,557	3,616
Share premium reserve	78,666	78,666
Treasury shares	-20,268	-28,532
Other capital reserves	63,320	70,831
Retained earnings	108,772	97,081
Equity attributable to owners of the parent	234,046	221,662
Non-controlling interests	2,600	2,409
Equity	236,646	224,071
Borrowings	4,457	7,948
Lease liabilities	34,844	18,396
Derivative financial instruments	113	
Deferred tax liabilities	15,539	15,813
Employee benefit obligations	1,277	1,421
Contract liabilities	1,357	1,357
Non-current liabilities	57,588	44,935
Borrowings	78,666	58,047
Lease liabilities	8,816	5,414
Derivative financial instruments	1,154	1,984
Trade and other liabilities	84,582	84,699
Employee benefit obligations	25,301	26,428
Other provisions	12,211	10,017
Contract liabilities	117,431	126,067
Current liabilities	328,162	312,656
Total liabilities	385,749	357,591
TOTAL EQUITY AND LIABILITIES	622,395	581,662

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

(PLN '000)

	Jan 1–Sep 30 2023	Jan 1–Sep 30 2022
	(unaudited)	(unaudited)
Cash flows from operating activities		
Profit before tax	24,788	29,424
Total adjustments:	-18,035	-15,421
Share of net (profit)/loss of a jointly controlled entity	200	394
Depreciation and amortisation	12,482	11,071
Foreign exchange gains/(losses)	841	3,902
Adjustments due to finance income/(costs)	5,061	2,584
Gain/(loss) on investing activities	1,238	-1,019
Other adjustments	934	-417
Changes in items of the statement of financial position:		
Change in provisions	-148	4,453
Change in inventories	-7,587	-33,573
Change in receivables	-32,324	5,709
Change in current liabilities other than financial liabilities	6,565	6,099
Change in contract assets and liabilities	-4,375	-20,160
Change in currency derivative instruments	-2,081	4377
Adjustments due to share-based payments	1,158	1,158
Cash provided by operating activities	6,752	14,002
Income tax paid	-3,887	-5,845
Net cash from operating activities	2,866	8,157
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of intangible assets and property, plant and equipment	110	1,505
Other proceeds from financial assets	-	48
Investments in intangible assets and property, plant and equipment	-18,833	-7,892
Other cash used in investing activities	-	-39
Net cash from investing activities	-18,724	-6,378
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from borrowings	22,216	33,925
Grants received	-	203
Dividends and other distributions to owners	-8,496	-2,549
Repayment of credit facilities	-5,180	-6,798
Payment of lease liabilities	-4,359	-3,284
Payment of interest	-5,363	-2,955
Net cash from financing activities	-1,183	18,542
Increase (decrease) in cash and cash equivalents before the effect of exchange rate changes	-17,041	20,321
Effect of exchange rate changes on cash and cash equivalents	-46	-308
Increase (decrease) in cash and cash equivalents	-17,087	-11,345
Cash at beginning of period	73,900	54,225
Cash at end of period	56,813	74,239

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 for period	-	-	-	-	20,188	20,188	798	20,986
Other comprehensive income	-	-	-	-1,437	-	-1,437	-611	-2,049
Total comprehensive income for period	-	-	-	-1,437	20,188	18,752	187	18,938
Payment of dividend	-	-	-	-	-8,496	-8,496	-	-8,496
Sale of treasury shares under the incentive scheme	-	-	-	24	-	24	-	24
Valuation of management stock option plan	-	-	-	2,107	-	2,107	-	2,107
Carrying amount of treasury shares sold under the incentive scheme	-	-	3,000	-3,000	-	-	-	-
Cancellation of treasury shares	-60	-	5,264	-5,204	-	-	-	-
Changes in equity	-60	-	8,264	-7,510	11,692	12,385	187	12,572
Equity as at Sep 30 2023 (unaudited)	3,556	78,666	-20,268	63,320	108,772	234,048	2,598	236,646

	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 for period	-	-	-	-	23,477	23,477	908	24,385
Other comprehensive income	-	-	-	6,493	-169	6,324	-193	6,131
Total comprehensive income for the year	-	-	-	6,493	23,308	29,802	715	30,517
Payment of dividend	-	-	-	-	-2,549	-2,549	-	-2,549
Valuation of management stock option plan	-	-	-	1,158	-	1,158	-	1,158
Changes in equity	-	-	-	7,651	20,760	28,410	715	29,125
Equity as at Sep 30 2022 (unaudited)	3,616	78,666	-28,532	72,271	94,513	220,534	2,095	222,629



INTERIM CONDENSED SEPARATE FINANCIAL STATEMENTS
FOR THE PERIOD JANUARY 1ST–SEPTEMBER 30TH 2023

INTERIM CONDENSED SEPARATE STATEMENT OF COMPREHENSIVE INCOME

(PLN '000)

	Jan 1–Sep 30 2023	Jan 1–Sep 30 2022	Jul 1–Sep 30 2023	Jul 1–Sep 30 2022
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Revenue	213,310	214,256	72,506	69,831
Cost of sales	-169,626	-170,306	-58,207	-54,014
Gross profit	43,685	43,950	14,299	15,816
Other income	1,416	3,139	363	1,731
Distribution costs	-13,912	-11,976	-4,004	-3,693
Administrative expenses	-19,792	-18,258	-7,172	-6,520
Impairment of receivables and contract assets	447	-	447	-
Other expenses	-1,469	-1,962	-216	-795
Operating profit	10,374	14,894	3,717	6,540
Finance income	12,169	7,846	2,069	2,966
Finance costs	-5,592	-12,111	231	-6,526
Profit before tax	16,952	10,628	6,017	2,980
Income tax	-2,566	-1,835	-720	-730
Net profit from operations	14,386	8,793	5,297	2,250
Net profit	14,386	8,793	5,297	2,250

	Jan 1–Sep 30 2023	Jan 1–Sep 30 2022	Jul 1–Sep 30 2023	Jul 1–Sep 30 2022
Profit	14,386	8,793	5,297	2,250
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	-931	-2,708	-2,075	-1,407
Valuation of cash flow hedge derivatives	-931	-2,708	-2,075	-1,407
Other comprehensive income before tax	-931	-2,708	-2,075	-1,407
Income tax on other comprehensive income	177	515	394	267

Income tax relating to components of other comprehensive income that will be reclassified to profit or loss	177	515	394	267
Other comprehensive income, net	-754	-2,193	-1,681	-1,139
Total comprehensive income	13,632	6,599	3,616	1,110
EARNINGS PER SHARE:				
- basic earnings (loss) per share	1.74	1.03	0.67	0.26
- diluted earnings (loss) per share	1.70	1.00	0.67	0.26

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

	Sep 30 2023 (unaudited)	Dec 31 2022 (audited)
ASSETS		
Property, plant and equipment	42,067	41,950
Right-of-use assets	11,032	11,379
Investment property	244	262
Intangible assets	47,888	47,012
Long-term receivables	1,143	1,641
Investments in related entities	70,820	70,820
Other financial assets	3	100
Contract costs	-	92
Non-current assets	173,198	173,257
Inventories	57,841	47,731
Short-term trade and other receivables	91,581	57,210
Income tax assets	700	1,565
Other financial assets	1,744	1,214
Other non-financial assets	2,608	2,101
Contract costs	404	1,001
Contract assets	66,435	90,667
Cash and cash equivalents	7,607	13,206
Current assets other than held for sale	228,920	214,696
Assets classified as held for sale	-	-
Current assets	228,920	214,696
TOTAL ASSETS	402,118	387,953

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

	Sep 30 2023 (unaudited)	Dec 31 2022 (audited)
EQUITY AND LIABILITIES		
Share capital	3,557	3,616
Share premium reserve	78,666	78,666
Treasury shares	-20,268	-28,532
Other capital reserves	43,729	50,556
Retained earnings	94,212	88,322
Equity	199,894	192,627
Borrowings	4,374	7,827
Lease liabilities	5,121	6,715
Derivative financial instruments	113	-
Deferred tax liabilities	7,043	6,937
Employee benefit obligations	816	816
Contract liabilities	1,357	1,357
Non-current liabilities	18,824	23,652
Borrowings	75,445	57,858
Lease liabilities	3,398	2,077
Derivative financial instruments	1,154	1,984
Trade and other liabilities	53,581	48,153
Employee benefit obligations	12,719	15,478
Other provisions	7,496	5,607
Contract liabilities	29,608	40,516
Liabilities directly related to non-current assets classified as held for sale		
Current liabilities	183,400	171,673
Total liabilities	202,224	195,325
TOTAL EQUITY AND LIABILITIES	402,118	387,953

INTERIM CONDENSED SEPARATE STATEMENT OF CASH FLOWS

(PLN '000)

	Jan 1–Sep 30 2023	Jan 1–Sep 30 2022
	(unaudited)	(unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	16,952	10,628
Total adjustments:	-17,124	-32,482
Depreciation and amortisation	6,536	6,018
Foreign exchange gains/(losses)	241	308
Adjustments due to finance income/(costs)	-3,043	2,632
Gain/(loss) on investing activities	716	-1,443
Other adjustments	-	-97
Changes in items of the statement of financial position:		
Change in provisions	-870	1,461
Change in inventories	-10,110	-14,961
Change in receivables	-30,256	-9,585
Change in current liabilities other than financial liabilities	6,107	-2,576
Change in contract assets and liabilities	14,012	-19,473
Change in accruals and deferrals	-507	-301
Change in currency derivative instruments	-2,081	4,377
Adjustments due to share-based payments	2,131	1,158
Cash provided by operating activities	-172	-21,854
Income tax paid	-1,420	-1,908
Net cash from operating activities	-1,593	-23,762
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of intangible assets and property, plant and equipment	106	1,490
Dividends received	4,000	-
Other proceeds from financial assets	-	2,009
Investments in intangible assets and property, plant and equipment	-7,263	-3,954
Net cash from investing activities	-3,157	-455
CASH FLOWS FROM FINANCING ACTIVITIES		
Grants	-	203
Borrowings	17,587	33,925
Repayment of borrowings	-3,453	-3,453
Dividend	-8,496	-2,549

Payment of finance lease liabilities	-1,547	-1,525
Payment of interest	-4,894	-2,641
Net cash from financing activities	-803	23,960
Increase (decrease) in cash and cash equivalents before the effect of exchange rate changes	-5,552	-257
Effect of exchange rate changes on cash and cash equivalents	-5,599	-565
Increase (decrease) in cash and cash equivalents	-46	-308
Cash at beginning of period	13,206	17,878
Cash at end of period	7,607	17,313

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 (audited)	3,616	78,666	-28,532	50,556	88,322	192,627
Profit for period	-	-	-	-	14,386	14,386
Other comprehensive income	-	-	-	-754	-	-754
Total comprehensive income for period	-	-	-	-754	14,386	13,632
Payment of dividend	-	-	-	-	-8,496	-8,496
Sale of treasury shares under the incentive scheme	-	-	-	24	-	24
Valuation of management stock option plan	-	-	-	2,107	-	2,107
Carrying amount of treasury shares sold under the incentive scheme	-	-	3,000	-3,000	-	-
Cancellation of treasury shares	-60	-	5,264	-5,204	-	-
Changes in equity	-60	-	8,264	-6,827	5,890	7,267
Equity as at Sep 30 2023 (unaudited)	3,557	78,666	-20,268	43,729	94,212	199,894

	Share capital	Share premium reserve	Treasury shares	Other capital reserves	Retained earnings	Total equity
Equity as at Jan 1 2022 (audited)	3,616	78,666	-28,533	46,981	78,563	179,293
Profit for period	-	-	-	-	8,793	8,793
Other comprehensive income	-	-	-	-2,193	-	-2,193
Total comprehensive income for period	-	-	-	-2,193	8,793	6,599
Payment of dividend	-	-	-	-	-2,549	-2,549
Valuation of management stock option plan	-	-	-	1,158	-	1,158
Changes in equity	-	-	-	-1,036	6,244	5,208
Equity as at Sep 30 2022 (unaudited)	3,616	78,666	-28,533	45,945	84,807	184,502



**SUPPLEMENTARY INFORMATION TO THE INTERIM CONDENSED
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED**

SEPTEMBER 30TH 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 Process + Controlled Atmosphere Brazing lines,
- 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

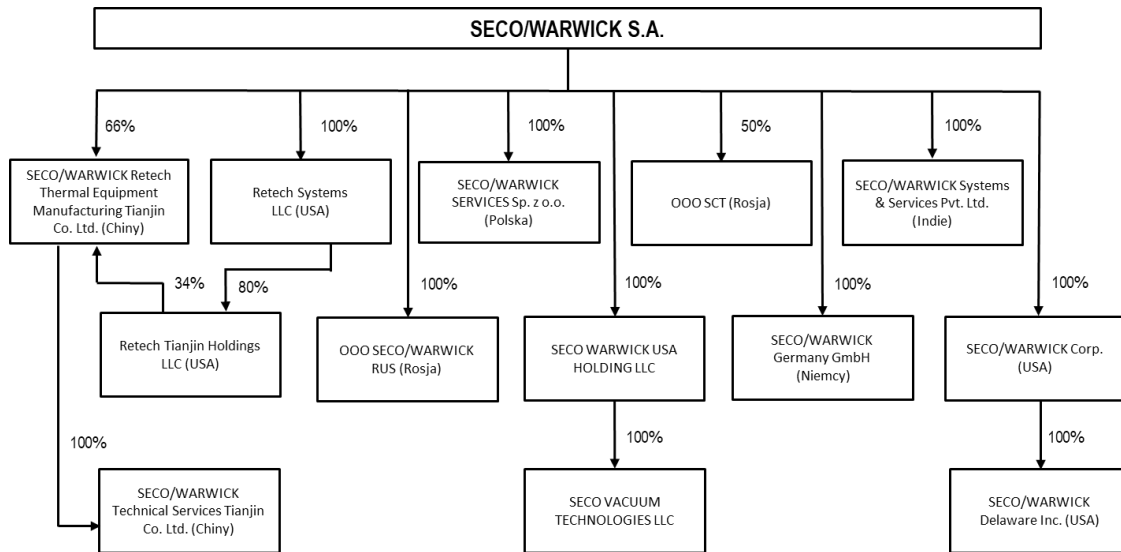
Jointly controlled entity:

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

Table: Composition of the SECO/WARWICK Group as at September 30th 2023:

Company	Registered office	Principal business activity	Seco/Warwick'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 GmbH	Germany Bedburg-Hau (Germany)	Sale, repair and maintenance services	100%
SECO/WARWICK Services Sp. z o.o.	Świebodzin (Poland)	Repair and maintenance services	100%
SECO WARWICK USA HOLDING LLC	Wilmington (USA)	Holding company	100%
SECO VACUUM TECHNOLOGIES LLC	Wilmington (USA)	Sale and distribution of vacuum furnaces	100%
SECO/WARWICK Systems and Services India PVT. Ltd.	Mumbai (India)	Sale, repair and maintenance services	100%
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 September 30th 2023 and the issue date of these financial statements, there were no changes in the composition of the SECO/WARWICK Group.

Composition of SECO/WARWICK S.A.’s governing bodies

As at the date of issue of these financial statements and as at September 30th 2023, the Management Board of SECO/WARWICK S.A. was composed of:

- Sławomir Woźniak – President of the Management Board
- Bartosz Klinowski – Member of the Management Board
- Earl Good – Member of the Management Board
- Piotr Walasek – Member of the Management Board

As at the date of issue of these financial statements and as at September 30th 2023, the Supervisory Board of SECO/WARWICK S.A. was composed of:

- Andrzej Zawistowski – Chair of the Supervisory Board
- Maciej Karnicki – Deputy Chair of the Supervisory Board
- Jeffrey Boswell – Member of the Supervisory Board
- Marcin Murawski – Member of the Supervisory Board
- Robert Jasiński – Member of the Supervisory Board.

Changes in the composition of the Management Board:

In the period from January 1st 2023 to the date of issue of these financial statements, there were no changes in the composition of the Management Board of SECO/WARWICK S.A.

On June 7th 2023, the Supervisory Board of Seco Warwick S.A. re-appointed the existing Management Board for a new joint term of office.

Changes in the composition of the Supervisory Board:

In the period from January 1st 2023 to the date of issue of these financial statements, there were no changes in the composition of the Supervisory Board of SECO/WARWICK S.A.

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.

Historical cost is generally determined on the basis of fair value of the consideration paid for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction on the principal (or most advantageous) market at the measurement date under current market conditions, regardless of whether that price is directly observable or estimated using another valuation technique. When measuring an asset or liability at fair value, the Group takes into account the characteristics of the asset or liability if market participants take these characteristics into account when measuring the assets or liabilities at the measurement date.

These interim condensed consolidated financial statements are presented in the Polish złoty (“PLN”) and, unless specified 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 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 VII of the consolidated financial statements for 2022.

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.

These financial statements have been prepared in accordance with IFRSs as endorsed by the EU, issued and effective for reporting periods beginning on or after January 1st 2022.

1. New standards, interpretations and amendments to existing standards effective in 2023

- **New IFRS 17 *Insurance Contracts***

The new standard includes guidance on the recognition, measurement, presentation and disclosure of insurance and reinsurance contracts, superseding IFRS 4. The implementation of the standard has had no material effect on the Group’s consolidated financial statements.

- **Amendment to IFRS 4 *Insurance Contracts***

The amendment extended the temporary exemption from applying IFRS 9 to 2023. Its implementation has had no effect on the Group’s consolidated financial statements.

- **Amendment to IAS 1 *Presentation of Financial Statements***

The IASB has clarified what kind of information on accounting policies is material, requiring its disclosure in the entity’s financial statements. The guidance is focused on adapting the required disclosures to the entity’s individual circumstances. The IASB cautions against the copy-pasting of standardised provisions from IFRS and expects that the basis for measurement of financial instruments

will be considered material information. The amendment has had no effect on the Group's consolidated financial statements.

- **Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors Definition of accounting estimates**

The IASB has amended standard to introduce a new definition of accounting estimates: Accounting estimates are monetary amounts in financial statements that are subject to measurement uncertainty. The amendment has had no effect on the Group's consolidated financial statements.

- **Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction**

The IASB has introduced a rule whereby if a transaction gives rise to equal taxable and deductible temporary differences, the entity should recognise deferred tax assets and liabilities even if the transaction is not a business combination and affects neither accounting nor taxable profit. This means that deferred tax assets and liabilities must be recognised when, for instance, equal taxable and deductible temporary differences arise in connection with a lease (separately for the lease liability and for the right-of-use asset) or decommissioning obligations. No amendment has been made to the rule requiring the offsetting of deferred tax assets and liabilities where current tax assets and liabilities are offset. These amendments have had no effect on the Group's consolidated financial statements.

- **Amendments to IFRS 17 Insurance Contracts**

The IASB has introduced transitional regulations with respect to comparative information for entities that adopt IFRS 17 and IFRS 9 at the same time to address possible accounting mismatches resulting from differences between those standards. These amendments have had no effect on the Group's consolidated financial statements.

2. Standards and interpretations not applied in these financial statements

Standards and interpretations	Type of expected change in accounting policies
Amendments to IAS 7 <i>Statement of Cash Flows</i> and IFRS 7 <i>Financial Instruments: Disclosures</i> Effective for annual periods beginning on or after January 1st 2024.	The amendment describes the characteristics of reverse factoring (supplier finance arrangements), introducing additional disclosure requirements.
Amendment to IAS 12 <i>Income Taxes</i> Effective for annual periods beginning on or after January 1st 2023.	The amendment introduces a temporary exception to the accounting for deferred tax assets and liabilities arising from the implementation of international tax reform ('Pillar Two Model Rules' issued by OECD) and a requirement to make additional disclosures.
Amendment to IAS 1 <i>Presentation of Financial Statements</i> Effective for annual periods beginning on or after January 1st 2024.	The IASB has clarified the rules for classifying liabilities as current or non-current primarily in two respects: <ul style="list-style-type: none"> ▪ it has been made clear that such classification is subject to the entity's rights that are in existence as at the reporting date, ▪ the classification is unaffected by management's intention to accelerate or defer settlement of a liability.
Amendment to IAS 1 <i>Presentation of Financial Statements</i> Effective for annual periods beginning on or after January 1st 2024.	The amendment makes clear that covenants with which the entity must comply in the future do not affect the classification of a liability as current or non-current as at the reporting date. However, the entity should disclose such covenants in the notes to the financial statements.

Standards and interpretations
Type of expected change in accounting policies

Amendment to IFRS 16 *Leases* Effective for annual periods beginning on or after January 1st 2024.

The amendment specifies the requirements for measuring the lease liability arising in a sale and leaseback transaction. It is intended to ensure that the entity does not recognise any amount of the gain or loss relating to the right of use it retains where lease payments are variable and do not depend on an index or rate.

The Group did not elect to early adopt any of the standards, interpretations or amendments that have been published but are not yet effective.

The Group's Management Board does not expect the application of the new standards and interpretations to have any material effect on the financial statements.

III. Financial highlights

Average EUR/PLN exchange rates quoted by the National Bank of Poland for the periods covered by these financial statements, including with respect to historical financial data, were as follows:

Reporting period	Sep 30 2023	Dec 31 2022	Sep 30 2022
Average exchange rate for the period*	4.5773	-	4.6880
Exchange rate effective for the last day of the period	4.6356	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 Sep 30			
	2023	2022	2023	2022
	(PLN '000)		(EUR '000)	
Revenue	502,003	448,867	109,672	95,748
Cost of sales	-387,886	-346,250	-84,741	-73,858
Operating profit/(loss)	28,849	35,763	6,303	7,629
Profit/(loss) before tax	24,788	29,424	5,415	6,276
Net profit/(loss) attributable to owners of the parent	20,188	23,477	4,411	5,008

Net cash flows from operating activities	2,866	8,157	626	1,740
Net cash flows from investing activities	-18,724	-6,378	-4,091	-1,360
Net cash flows from financing activities	-1,183	18,542	-258	3,955
	Sep 30 2023	Dec 31 2022	Sep 30 2023	Dec 31 2022
Total assets	622,395	456,596	134,264	99,273
Total liabilities	385,749	263,095	83,215	57,202
Including current liabilities	328,162	215,773	70,792	46,913
Equity	236,646	193,501	51,050	42,071
Share capital	3,557	3,616	767	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 Sep 30			
	2023	2022	2023	2022
	(PLN '000)		(EUR '000)	
Revenue	213,310	214,256	46,602	45,703
Cost of sales	-169,626	-170,306	-37,058	-36,328
Operating profit/(loss)	10,374	14,894	2,266	3,177
Profit/(loss) before tax	16,952	10,628	3,703	2,267
Net profit/(loss) attributable to owners of the parent	14,386	8,793	3,143	1,876
Net cash flows from operating activities	-1,593	-23,762	-348	-5,069
Net cash flows from investing activities	-3,157	-455	-690	-97
Net cash flows from financing activities	-803	23,960	-175	5,111
	Sep 30 2023	Dec 31 2022	Sep 30 2023	Dec 31 2022
Total assets	402,118	387,953	86,746	82,721
Total liabilities	202,224	195,325	43,624	41,648
Including current liabilities	183,400	171,673	39,563	36,605
Equity	199,894	192,627	43,122	41,073
Share capital	3,557	3,616	767	771



**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL
STATEMENTS
FOR THE NINE MONTHS ENDED
SEPTEMBER 30TH 2023**

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

Item	Jan 1–Sep 30 2023	Jan 1–Sep 30 2022	Jul 1–Sep 30 2023	Jul 1–Sep 30 2022
Revenue from sale of finished goods and services	493,537	442,285	149,350	172,360
- including revenue recognised over time	390,752	390,809	81,229	160,177
Revenue from sale of merchandise and materials	8,467	6,582	2,226	4,136
TOTAL revenue	502,003	448,867	151,577	176,497
Other income	1,951	2,576	944	1,570
Finance income	4,003	6,945	-621	2,322
TOTAL revenue and income	507,957	458,388	151,900	180,388

Revenue by geographical markets:

Item	Jan 1–Sep 30 2023	Jan 1–Sep 30 2022	Jul 1–Sep 30 2023	Jul 1–Sep 30 2022
European Union	182,033	153,305	60,297	54,272
Russia	2,663	11,620	-184	865
USA	187,382	147,604	54,799	61,293
Asia	100,313	127,075	31,559	55,019
Other	29,613	9,263	5,106	5,048
TOTAL revenue	502,003	448,867	151,577	176,497

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

For detailed information on recognition of revenue by the Group, see Section VI of its consolidated financial statements for 2022.

Revenue by operating segment:

	Sep 30 2023		Sep 30 2022	
	Production and distribution – Rest of the World	Production and distribution – China	Production and distribution – Rest of the World	Production and distribution – China
Total revenue	426,194	75,809	379,256	69,610
Sales to customers accounting for 10% or more of revenue	-	-	-	-
Cost of sales	-335,066	-52,819	-298,251	-47,999
Gross profit/(loss)	91,128	22,989	81,005	21,612
Operating profit	-12,451	15,317	2,849	5,308
Net profit	9,548	10,640	10,541	12,937
Non-current assets	523,358	99,037	514,640	91,462

<i>Item</i>	MAIN PRODUCTS JAN 1–SEP 30 2023					<i>Other</i>	<i>Total</i>
	<i>Vacuum Furnaces</i>	<i>Aluminium Process</i>	<i>Melting Furnaces</i>	<i>Aftersales services</i>	<i>Total</i>		
Total revenue	142,644	106,099	149,737	105,006	503,486	-1,482	502,003
Sales to customers accounting for 10% or more of revenue	-	-	-	-	-	-	-
Total expenses	-110,242	-78,025	-132,155	-65,924	-386,346	-1,540	-387,886
Gross profit/(loss)	32,402	28,073	17,583	39,082	117,140	-3,022	114,118

<i>Item</i>	MAIN PRODUCTS JUL 1–SEP 30 2023					<i>Other</i>	<i>Total</i>
	<i>Vacuum Furnaces</i>	<i>Aluminium Process</i>	<i>Melting Furnaces</i>	<i>Aftersales services</i>	<i>Total</i>		
Total revenue	48,494	31,799	39,359	33,463	153,114	-1,538	151,577
Sales to customers accounting for 10% or more of revenue	-	-	-	-	-	-	-
Total expenses	-37,362	-25,271	-35,341	-17,916	-115,890	-1,142	-117,032
Gross profit/(loss)	11,132	6,528	4,018	15,546	37,224	-2,679	34,545

<i>Item</i>	MAIN PRODUCTS JAN 1–SEP 30 2022					<i>Other</i>	<i>Total</i>
	<i>Vacuum Furnaces</i>	<i>Aluminium Process</i>	<i>Melting Furnaces</i>	<i>Aftersales services</i>	<i>Total</i>		
Total revenue	151,397	106,275	96,252	94,229	448,153	713	448,867
Sales to customers accounting for 10% or more of revenue	-	-	-	-	-	-	-
Total expenses	-113,132	-80,816	-86,539	-64,997	-345,484	-766	-346,250
Gross profit/(loss)	38,265	25,459	9,713	29,232	102,670	-53	102,617

<i>Item</i>	MAIN PRODUCTS JUL 1–SEP 30 2022					<i>Other</i>	<i>Total</i>
	<i>Vacuum Furnaces</i>	<i>Aluminium Process</i>	<i>Melting Furnaces</i>	<i>Aftersales services</i>	<i>Total</i>		
Total revenue	54,042	42,582	41,852	37,965	176,441	56	176,497
Sales to customers accounting for 10% or more of revenue	-	-	-	-	-	-	-
Total expenses	-36,791	-31,621	-39,793	-27,524	-135,730	-277	-136,008
Gross profit/(loss)	17,251	10,960	2,059	10,441	40,711	-222	40,489

OTHER INCOME AND EXPENSES

OTHER INCOME	Jan 1–Sep 30 2023	Jan 1–Sep 30 2022	Jul 1–Sep 30 2023	Jul 1–Sep 30 2022
Reversal of inventory write-downs	14	158	14	-2
Reversal of provisions	320	-	320	-
Gain on disposal of property, plant and equipment	144	1,443	38	1,332
Compensation and damages received	12	23	11	13
Income from lease of property, plant and equipment and investment property	645	677	211	237
Accounting for lease in connection with decision not to exercise the right to purchase the leased asset	48	97	-	10
Other	767	178	350	-89
Total other income	1,951	2,576	944	1,500

OTHER EXPENSES	Jan 1–Sep 30 2023	Jan 1–Sep 30 2022	Jul 1–Sep 30 2023	Jul 1–Sep 30 2022
Inventory write-downs	544	1,569	-50	593
Loss on disposal of property, plant and equipment	-	-	-	-17
Court expenses, compensation/damages paid	114	52	8	13
Cost related to income from lease of property, plant and equipment	632	513	178	166
Donations	23	27	11	-
Other	459	545	141	134
Total other expenses	1,773	2,707	288	897

Impairment of receivables and contract assets	Jan 1–Sep 30 2023	Jan 1–Sep 30 2022	Jul 1–Sep 30 2023	Jul 1–Sep 30 2022
Impairment of receivables	876	184	-475	63
Impairment of contract assets	151	-	-	-
Impairment of receivables and contract assets	1,027	184	-475	63

FINANCE INCOME AND COSTS

FINANCE INCOME	Jan 1–Sep 30 2023	Jan 1–Sep 30 2022	Jul 1–Sep 30 2023	Jul 1–Sep 30 2022
Interest income	464	220	125	126
Net loss on derivative instruments	3,482	-	154	-
Net foreign exchange gains	56	6,635	56	3,194
Other	-	90	-955	-32
Total finance income	4,003	6,945	-621	3,288

FINANCE COSTS	Jan 1–Sep 30 2023	Jan 1–Sep 30 2022	Jul 1–Sep 30 2023	Jul 1–Sep 30 2022
Payment of interest	4,786	3,428	1,822	1,734
Interest on leases	1,032	711	343	275

Net loss on derivative instruments	-	8,202	-	4,650
Net foreign exchange losses	1440	100	-2,019	100
Other	606	449	121	68
Total finance costs	7,864	12,890	266	6,828

PROPERTY, PLANT AND EQUIPMENT

In the period from January 1st to September 30th 2023, the cost of acquired intangible assets and property, plant and equipment at the SECO/WARWICK Group amounted to PLN 18,833 thousand.

Item	Sep 30 2023	Dec 31 2022
Tangible assets	53,194	51,360
Tangible assets under construction	7,699	4,210
Property, plant and equipment	60,892	55,570

IMPAIRMENT LOSSES AND WRITE-DOWNS

Impairment losses and write-downs as at	Sep 30 2023	Dec 31 2022
Trade receivables	18,416	17,540
Goodwill	44,946	44,946
Inventories	13,362	12,831
Contract assets	492	341
Property, plant and equipment	3	3

IMPAIRMENT LOSSES ON TRADE RECEIVABLES

	Sep 30 2023	Dec 31 2022
At beginning of period	17,540	15,501
Increase	876	2,825
Reversal (-)		-138
Use (-)	-	-
Net exchange differences on translating financial statements into presentation currency	-	-647
At end of period	18,416	17,540

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

On June 7th 2023, the Annual General Meeting passed Resolution No. 22 on distribution of the Company's net profit for 2022 and payment of dividend, whereby it decided to allocate a part of the net profit for 2022, of PLN 8,496,365.00 (eight million, four hundred and ninety-six thousand, three hundred and sixty five zloty, 00/100) to dividend payment. Dividend per share was PLN 1. June 15th 2023 was set as the dividend record date (Day R) and June 29th 2023 as the dividend payment date (Day P).

CAPITAL COMMITMENTS

As at September 30th 2023, the SECO/WARWICK Group had capital commitments related to property, plant and equipment of PLN 31 thousand. The funds were allocated for purchase of new machinery and equipment.

CONSOLIDATED OFF-BALANCE-SHEET ITEMS

Contingent liabilities

As at September 30th 2023, contingent liabilities under performance bonds (bank guarantees) issued amounted to PLN 11,503 thousand (end of 2022: PLN 8,460 thousand).

Consistency of the accounting policies and computation methods applied in the preparation of the interim report for the third 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 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 nature, size or effect.

Types and amount of changes in estimates disclosed in previous interim periods of the financial year 2023 or changes in estimates disclosed in previous financial years if they have material bearing on the third 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 previous financial years that would, due to their type or amount, have material bearing on the Company's or the Group's results for the third quarter of 2023.

Issue, redemption and repayment of debt and equity securities

No such events occurred.

Earnings per share

Item	Jan 1–Sep 30 2023	Jan 1–Sep 30 2022	Jul 1–Sep 30 2023	Jul 1–Sep 30 2022
Net profit/(loss) from continuing operations attributable to owners of the parent	20,188	23,477	5,256	10,429
Profit/(loss) from discontinued operations attributable to owners of the parent	-	-	-	-
Net profit/(loss) attributable to owners of the parent	20,188	23,477	5,256	10,429
Interest on redeemable preference shares convertible into ordinary shares	-	-	-	-
Net profit attributable to holders of ordinary shares used to calculate diluted earnings per share	20,188	23,477	5,256	10,429
Weighted average number of outstanding ordinary shares used to calculate basic earnings	8,496,365	8,496,365	8,496,365	8,496,365

per share

Earnings per share	2.38	2.76	0.62	1.23
Adjusted weighted average number of ordinary shares used to calculate diluted earnings per share	8,779,987	8,779,987	8,779,987	8,779,987
Diluted earnings per share	2.30	2.67	0.60	1.19

Material events subsequent to the end of the third quarter of 2023, not disclosed in the financial statements for the third quarter of 2023 but having potentially material bearing on future financial performance of the SECO/WARWICK Group

No such events occurred.

OTHER SUPPLEMENTARY INFORMATION TO THE REPORT FOR THE THIRD QUARTER OF 2023

1. Material achievements and failures of SECO/WARWICK S.A. and the SECO/WARWICK Group in the first three quarters of 2023 and key related events

In the period from January to September 2023, the Group's sales amounted to PLN 502m, up 12% year on year, with the gross margin slightly down, by 0.2pp year on year (22.7% in the reporting period). The increase in sales reflected the Group's order book.

The largest increase in sales was recorded by the Melting Furnace plant (56%).

Sales of the Aluminium Process plant remained broadly unchanged, while the Vacuum Furnace plant reported a slight decline (-6%).

Sales reported by the Aftersales segment (spare parts and maintenance services) increased by 11%.

In the period from January to September 2023, the Group companies secured a backlog of orders worth a total of PLN 467.4m, compared with PLN 578.3m in the same period of the previous year. The largest proportion (31%) of the orders were attributable to the Vacuum Furnace plant, 30% – to Aftersales, 24% – to the Aluminium Process plant, and 15% – to the Melting Furnace plant.

As at the end of September 2023, the value of the order book was PLN 526.5m.

In the period January–September 2023, the Group's gross margin fell slightly (to 22.7%) compared with the same period of 2022 (22.9%). The highest margin (37.2%) was recorded by Aftersales, followed by the Aluminium Process plant and Vacuum Furnace plant, with margins of 26.5% and 22.7%, respectively.

Distribution costs and administrative expenses rose by close to PLN 17.9m (26.9%) year on year, to PLN 84.4m. The Group's EBITDA came in at PLN 41.3m, down by 11.7% year on year. Net profit attributable to owners of the parent was PLN 20.2m (down by 13.9% year on year).

On September 26th 2023, the Company released Current Report No. 17/2023 announcing adoption by the Management Board of the SECO/WARWICK Group's Strategy for 2023-2026, approved and endorsed on the same day by the Supervisory Board.

The SECO/WARWICK Group's Strategy outlines a vision for orderly and targeted development of the Group in the context of the fast changing market, especially opportunities and challenges offered by the external environment and the Group's internal resources, its strong capabilities and leading position on the global heat treatment and metallurgy markets.

2. Factors and events, especially non-recurring ones, having material bearing on the financial performance in the third quarter of 2023

In the third quarter of 2023, based on current observations, the Company continues to identify the impact of the war in Ukraine on its financial condition:

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 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 third quarter of 2023, there were no changes in the organisational structure of the SECO/WARWICK Group's business that would result from mergers, acquisitions or disposals of Group entities, long-term investments, demergers or restructurings.

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 third 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 voting rights 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

Table: Shareholders holding – directly or indirectly through subsidiaries – 5% or more of the total voting rights at the General Meeting as at the issue date of the report for the first half of 2023, that is September 8th 2023

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%
Generali Otwarty Fundusz Emerytalny*	640,798	6.22%	640,798	6.22%

* formerly: NNLife Otwarty Fundusz Emerytalny

Table: Shareholders holding – directly or indirectly through subsidiaries – 5% or more of the total voting rights at the General Meeting as at the issue date of the report for the third quarter of 2023, that is November 14th 2023

Shareholder	Number of shares	Ownership interest (%)	Number of voting rights	% of total voting rights
SW Holding	3,387,139	33.87%	3,387,139	33.87%
Spruce Holding Limited Liability Company (USA)	1,091,952	10.92%	1,091,952	10.92%
Nationale-Nederlanden Otwarty Fundusz Emerytalny	600,000	6.00%	600,000	6.00%
Generali Otwarty Fundusz Emerytalny*	640,798	6.41%	640,798	6.41%

* formerly: NNLife Otwarty Fundusz Emerytalny

The information presented in the table is based on notifications received by the Company from the shareholders under Art. 69 of the Public Offering Act.

Treasury shares

As at November 14th 2023, SECO/WARWICK S.A. held 1,383,635 treasury shares, representing 13.84% of the share capital. The Company does not exercise voting rights in respect of the treasury shares.

Changes in major holdings of Company shares from the issue date of the previous interim report, i.e. the report for the first half of 2023, to the issue date of this report

On September 20th 2023, the Company released Current Report No. 13/2023 announcing receipt of a decision issued by the District Court in Zielona Góra, 8th Commercial Division of the National Court Register, on September 19th 2023, on registration on the same date of amendments to the Company's Articles of Association.

The amendments made to the Articles of Association by the Annual General Meeting were communicated in Current Report No. 7/2023 of June 7th 2023.

In accordance with the amendments, 298,554 (two hundred and ninety-eight thousand, five hundred and fifty-four) Company bearer shares with a par value of PLN 0.20 per share (the "Shares"), repurchased by the Company under and in the performance of Resolution No. 5 of the Annual General Meeting of October 7th 2021, were cancelled.

The cancelled Shares conferred 298,554 voting rights at the General Meeting, representing 2.90% of the total voting rights in the Company.

The cancellation of the Shares was voluntary. Involving treasury shares, the cancellation was made without any consideration. Following the cancellation of the Shares, the Company's share capital was reduced from PLN 2,059,710.80 (two million, fifty-nine thousand, seven hundred and ten złoty, 80/100) to PLN 2,000,000.00 (two million złoty), i.e. by PLN 59,710.80 (fifty-nine thousand, seven hundred and ten złoty, 80/100).

Following the change, the total number of voting rights in the Company is 10,000,000.

6. SECO/WARWICK S.A. shares held by 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

Table: Members of SECO/WARWICK S.A. Management Board and Supervisory Board holding Company shares as at the issue dates of the reports for the first half of 2023 and the third quarter of 2023.

	Sep 8 2023				Nov 14 2023			
	Number of S/W shares held	Ownership interest	% of total voting rights	Decrease/increase	Number of S/W shares held	Ownership interest	% of total voting rights	Total par value of shares (PLN)
Management Board								
Sławomir Woźniak	137,490	1.34%	1.34%	-	137,490	1.37%	1.37%	27,498
Bartosz Klinowski	144,253	1.40%	1.40%	-	144,253	1.44%	1.44%	28,851
Earl Good	26,225	0.25%	0.25%	-	26,225	0.26%	0.26%	5,245
Piotr Walasek	67,596	0.66%	0.66%	-	67,596	0.68%	0.68%	13,519
Supervisory Board								
Andrzej Zawistowski	65,000	0.63%	0.63%	-	65,000	0.65%	0.65%	13,000
Jeffrey Boswell	9,776	0.09%	0.09%	-	9,776	0.10%	0.10%	1,955
Marcin Murawski	-	-	-	-	-	-	-	-
Robert Jasiński	-	-	-	-	-	-	-	-
Maciej Karnicki	-	-	-	-	-	-	-	-
Total	450,340	4.37%	4.37%	-	450,340	4.50%	4.50%	90,068

Item	Sep 8 2022	Nov 14 2022
Number of shares	10,298,554	10,000,000
Par value per share	0.20	0.20
Share capital	2,059,710.80	2,000,000.00

From the issue date of the report for the first half of 2023, i.e., September 8th 2023, to the issue date of the report for the third quarter of 2023, members of SECO/WARWICK S.A.'s Management and Supervisory Boards did not enter into any transactions involving SECO/WARWICK S.A. shares.

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 third 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. Non-arm's length transaction or series of transactions concluded by the Company with related parties

In the third 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. Loan sureties or guarantees provided by SECO/WARWICK S.A. or its subsidiaries, jointly to one entity or its subsidiary, where the total outstanding amount of such sureties or guarantees is significant

In the third 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 Company's ability to meet its obligations

In the third quarter of 2023, no events occurred in the SECO/WARWICK Group's business which in the Company's opinion would be material for the assessment of its personnel, assets, financial condition and financial result or changes therein, or for the assessment of the Company's ability to meet its obligations.

As at 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.

On December 15th 2022, by Resolution No. 2/2022 the Supervisory Board defined the individual targets for 2023 for the participants of the Incentive Scheme, as announced by the Company in Current Report No. 11/2022 of December 15th 2022. 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 2023. The targets were approved by the General Meeting's Resolution No. 23 of June 7th 2023.

In the case of the Incentive Scheme for 2022 and 2023, 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.

Achievement of the targets for 2022 was approved by the Annual General Meeting's Resolution No. 24 of June 7th 2023.

Costs incurred in the first three quarters of 2023 in connection with the Incentive Scheme for 2022–2024 amounted to PLN 2,107 thousand.

Costs incurred in the first three quarters of 2022 in connection with the Incentive Scheme for 2022–2024 amounted to PLN 1,158 thousand.

WAR IN UKRAINE

For information on the possible impact of the war in Ukraine, see Section 2 of other supplementary information to this Report and Section III of the Notes to the consolidated financial statements for 2022.