

SCOPE METALS GROUP LTD.
AND ITS SUBSIDIARIES

SUMMARY OF ANNUAL BALANCE SHEET AND STATEMENT OF
INCOME FOR THE YEAR ENDED DECEMBER 31st, 2017

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SCOPE METALS GROUP LTD.**BALANCE SHEET****Consolidated****December 31st****2017** **2016**
Audited **Audited****In Thousands of US dollars****CURRENT ASSETS**

Cash and cash equivalents	56,325	61,999
Short - term investments	13,100	-
Marketable securities	5,453	3,554
Trade receivables, net	83,761	100,247
Other receivables	5,243	4,519
Inventory	<u>126,555</u>	<u>122,471</u>
	290,437	292,790
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NON CURRENT ASSETS

Long - term investments	4,327	-
Prepaid payments	264	399
Employee benefits assets	257	534
Property and equipment	94,704	93,518
Goodwill	1,213	1,187
Intangible assets	2,805	2,812
Deferred taxes	<u>2,556</u>	<u>1,164</u>
	106,126	99,614
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	396,563	392,404
	=====	=====

The amounts were translated into US \$ at a rate of 3.467 NIS =1 US\$

SCOPE METALS GROUP LTD.**BALANCE SHEET****Consolidated****December 31st**

	<u>2017</u>	<u>2016</u>
	<u>Audited</u>	<u>Audited</u>

In Thousands of US dollars**CURRENT LIABILITIES**

Short - term credit from banks	1,501	2,714
Current maturities of long term loans from banks and others	65,074	70,928
Trade payables	22,106	23,409
Other payables	<u>13,542</u>	<u>11,586</u>
	102,223	108,637
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NON CURRENT LIABILITIES

Long - term loans from banks and others	163,104	153,921
Deferred taxes	<u>7,572</u>	<u>7,657</u>
	170,676	161,578
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TOTAL LIABILITIES

	272,899	270,215
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EQUITY

Share capital	4,247	4,247
Premium and capital funds	105,173	105,173
Retained earnings	29,516	24,703
Foreign currency translation fund	<u>(15,272)</u>	<u>(11,934)</u>
	123,664	122,189
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	396,563	392,404
	=====	=====

March 28th 2018

SCOPE METALS GROUP LTD.**STATEMENT OF INCOME****Consolidated**

	For the year ended December 31 st <u>2017</u> <u>Audited</u>	For the year ended December 31 st <u>2016</u> <u>Audited</u>	For the year ended December 31 st <u>2015</u> <u>Audited</u>
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In Thousands of US dollars (except Earnings Per Share data)

Sales turnover	346,569	377,238	414,393
Cost of goods sold	<u>242,893</u>	<u>278,331</u>	<u>324,979</u>
Gross profit	103,676 -----	98,907 -----	89,414 -----
Selling and marketing expenses	45,589	47,318	47,757
General and administrative expenses	<u>17,714</u>	<u>16,003</u>	<u>16,325</u>
Operating income before other expenses	40,373 -----	35,586 -----	25,332 -----
Other expenses (income), net	862	114	1,248
Operating income	39,511 -----	35,472 -----	24,084 -----
Finance income	901	747	828
Finance expenses	<u>8,922</u> 8,021	<u>8,351</u> 7,604	<u>8,395</u> 7,567
Income before taxes on income	31,490	27,868	16,517
Taxes on income	<u>4,317</u>	<u>4,437</u>	<u>4,794</u>
Net income	27,173 -----	23,431 -----	11,723 -----
<u>Net income per share attributed to the company's shareholders (NIS)</u>			
Basic income per share	2.49 =====	2.15 =====	1.08 =====
Diluted income per share	2.49 =====	2.15 =====	1.08 =====