

**CONSOLIDATED**

**QUARTERLY REPORT**

**of the Impexmetal Capital Group  
for the third quarter of 2017**

## POLISH FINANCIAL SUPERVISION AUTHORITY

## Consolidated quarterly report PSr 2017

(in accordance with § 82.2 and § 83.3 of the Ordinance of the Minister of Finance of 19 February 2009 - Journal of Laws No. 33, item 259)  
for the issuers of securities dealing with production, construction, trade or services

for the first half of the 2017 financial year covering the period from 1 January 2017 to 30 September 2017

including condensed consolidated financial statements in line with: IAS/IFRS

in: PLN

and condensed financial statements in line with: IAS/IFRS

in: PLN

submitted on: 10 November 2017

<b>IMPEXMETAL S.A.</b> (full name of the issuer)	
<b>IMPEXMET</b> (short name of the issuer)	<b>Metal (met)</b> (sector as classified by WSE)
<b>03-301</b> (postal code)	<b>Warszawa</b> (place)
<b>Jagiellońska</b> (street)	<b>76</b> (number)
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<b>info@impexmetal.com.pl</b> (e-mail)	<b>www.impexmetal.com.pl</b> (www)
<b>525-00-03-551</b> (Tax Identification Number - NIP)	<b>011135378</b> (Statistical number - REGON)

SELECTED FINANCIAL DATA	in PLN'000		In EUR'000	
	1.01. – 30.09.2017	1.01. – 30.09.2016	1.01. – 30.09.2017	1.01. – 30.09.2016
Data for the interim condensed CONSOLIDATED financial statements				
I. Sales revenue	2 545 049	2 208 215	597 907	505 451
II. Operating profit (loss)	156 350	151 193	36 731	34 607
III. Gross profit (loss) before tax	151 501	139 618	35 592	31 958
IV. Net profit (loss) from continuing operations attributable to equity of the parent	115 626	110 080	27 164	25 197
V. Net profit (loss)	124 944	114 937	29 353	26 309
VI. Net profit (loss) attributable to equity of the parent	117 091	111 241	27 508	25 463
VII. Net cash flows from operating activities	97 634	46 642	22 937	10 676
VIII. Net cash flows from investing activities	(95 098)	(103 998)	(22 341)	(23 805)
IX. Net cash flows from financing activities	9 597	82 496	2 255	18 883
X. Total net cash flows	12 133	25 140	2 850	5 754
XI. Number of shares without possessed treasury shares in the amount of 10 060 000 units as at 30.09.2017 and 7 424 000 units as at 30.09.2016	189 940 000	192 576 000	189 940 000	192 576 000
XII. Net profit (loss) / diluted net profit (loss) of the parent per ordinary share (in PLN/EUR)	0,62	0,58	0,14	0,13
XIII. Weighted average number of shares without possessed treasury shares	190 312 246	192 734 552	190 312 246	192 734 552
XIV. Net profit (loss) / diluted net profit (loss) of the parent per ordinary share/weighted no of shares (in PLN/EUR)	0,62	0,58	0,14	0,13
	30.09.2017	31.12.2016	30.09.2017	31.12.2016
XV. Assets	2 885 437	2 657 551	669 615	600 712
XVI. Non-current liabilities	280 587	201 434	65 115	45 532
XVII. Current liabilities	748 650	733 382	173 737	165 774
XVIII. Equity	1 834 920	1 700 570	425 824	384 396
XIX. Equity attributable to equity holders of the parent	1 533 146	1 408 463	355 793	318 369
XX. Share capital	94 661	94 661	21 968	21 397
XXI. Number of shares without possessed treasury shares in the amount of 10 060 000 units as at 30.09.2017 and 7 737 000 as at 31.12.2016	189 940 000	192 262 200	189 940 000	192 262 200
XXII. Book value / diluted book value per share of the parent (in PLN/EUR)	8,07	7,33	1,87	1,66
data for the interim condensed financial statements				
	1.01. – 30.09.2017	1.01. – 30.09.2016	1.01. – 30.09.2017	1.01. – 30.09.2016
I. Sales revenue	864 263	766 051	203 041	175 346
II. Operating profit (loss)	89 414	77 846	21 006	17 819
III. Gross profit (loss) before tax	91 175	76 164	21 420	17 434
IV. Net profit (loss)	77 817	64 451	18 281	14 753
V. Net cash flows from operating activities	54 508	78 164	12 806	17 891
VI. Net cash flows from investing activities	(16 156)	(149 259)	(3 796)	(34 165)
VII. Net cash flows from financing activities	(41 621)	69 466	(9 778)	15 900
VIII. Total net cash flows	(3 269)	(1 629)	(768)	(373)
IX. Number of shares without possessed treasury shares	189 940 000	192 576 000	189 940 000	192 576 000
X. Net profit (loss)/diluted profit (loss) per ordinary share (in PLN/EUR)	0,41	0,33	0,10	0,08
XI. Weighted average number of ordinary shares without possessed treasury shares	190 312 246	192 734 552	190 312 246	192 734 552
XII. Net profit (loss)/diluted profit (loss) of the parent per share/weighted no of shares (in PLN/EUR)	0,41	0,33	0,10	0,08
	30.09.2017	31.12.2016	30.09.2017	31.12.2016
XIII. Assets	1 669 039	1 582 905	387 329	357 800
XIV. Non-current liabilities	216 976	170 255	50 353	38 484
XV. Current liabilities	297 625	349 561	69 069	79 015
XVI. Equity	1 154 438	1 063 089	267 907	240 300
XVII. Share capital	94 661	94 661	21 968	21 397
XVIII. Number of shares without possessed treasury shares	189 940 000	192 262 200	189 940 000	192 262 200
XIX. Book value / diluted book value per one share (in PLN/EUR)	6,08	5,53	1,41	1,25



**CONDENSED INTERIM CONSOLIDATED**

**QUARTERLY REPORT**

**of the Impexmetal Capital Group  
for the third quarter of 2017**


**CONSOLIDATED PROFIT AND LOSS ACCOUNT  
 FOR THE PERIOD FROM 1 JANUARY TO 30 SEPTEMBER 2017 AND FOR 2016, RESPECTIVELY**

	For 9 months ended 30/09/2017	For 9 months ended 30/09/2016 (restated figures)
<b>Continuing operations</b>		
Revenue from sales of products	2 230 592	1 869 478
Revenue from sales of goods and materials	314 457	338 737
<b>Total revenue from sales</b>	<b>2 545 049</b>	<b>2 208 215</b>
Cost of products sold	2 019 767	1 678 688
Value of goods and materials sold	269 415	283 182
<b>Cost of products, goods and materials sold</b>	<b>2 289 182</b>	<b>1 961 870</b>
<b>Gross profit (loss) on sales</b>	<b>255 867</b>	<b>246 345</b>
Selling expenses	58 409	53 012
General and administrative costs	56 396	53 964
Other operating revenue	18 943	24 090
Other operating expenses	3 655	12 266
<b>Operating profit (loss)</b>	<b>156 350</b>	<b>151 193</b>
Financial revenue	31 107	22 081
Financial expenses	37 647	34 283
Share in profit of affiliated entity (*)	1 691	627
<b>Profit (loss) before tax</b>	<b>151 501</b>	<b>139 618</b>
Income tax	27 109	24 665
<b>Net profit (loss) from continuing operations</b>	<b>124 392</b>	<b>114 953</b>
Attributable to:		
Equity holders of the parent	115 626	110 080
Minority shareholders	8 766	4 873
<b>Net profit (loss) from discontinued operations</b>	<b>552</b>	<b>(16)</b>
<b>Net profit (loss)</b>	<b>124 944</b>	<b>114 937</b>
Attributable to:		
Equity holders of the parent	117 091	111 241
Minority shareholders	7 853	3 696
<b>Net profit (loss) per share attributable to equity holders of the parent (in PLN)</b>	<b>0,62</b>	<b>0,57</b>
Diluted profit (loss) per ordinary share	0,62	0,57
<b>Net profit (loss) from continuing operations per share attributable to equity holders of the parent (in PLN)</b>	<b>0,61</b>	<b>0,56</b>
Diluted profit (loss) from continuing operations per ordinary share	0,61	0,56
<b>Net profit (loss) from discontinued operations per share attributable to equity holders of the parent (in PLN)</b>	<b>0,01</b>	<b>0,01</b>
Diluted profit (loss) from discontinued operations per ordinary share	0,01	0,01

(\*) Share in the result of Alchemia Capital Group


**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE PERIOD FROM 1 JANUARY TO 30 SEPTEMBER 2017 AND FOR 2016, RESPECTIVELY**

	For 9 months ended 30/09/2017	For 9 months ended 30/09/2016 (restated figures)
<b>Net profit (loss)</b>	<b>124 944</b>	<b>114 937</b>
<b>Income recognized in capital to be classified on the financial result</b>	<b>17 206</b>	<b>29 284</b>
Exchange differences on translation of foreign operations	(5 976)	(1 170)
Instruments hedging the cash flows	1 298	10 668
Revaluation of assets available to sell	26 562	26 766
Deferred income tax regarding income in capital	(4 678)	(6 980)
<b>Income recognized in capital not to be classified on the financial result</b>	<b>-</b>	<b>45</b>
Valuation of pension and similar benefits	-	56
Deferred income tax regarding income recognised in capital	-	(11)
<b>Income recognized in net capital</b>	<b>17 206</b>	<b>29 329</b>
<b>Total comprehensive income</b>	<b>142 150</b>	<b>144 266</b>
Attributable to:		
<b>Equity holders of the parent</b>	<b>133 413</b>	<b>140 410</b>
Minority shareholders	8 737	3 856

**CONSOLIDATED PROFIT AND LOSS ACCOUNT - discontinued operations  
FOR THE PERIOD FROM 1 JANUARY TO 30 SEPTEMBER 2017 AND FOR 2016, RESPECTIVELY**

	For 9 months ended 30/09/2017	For 9 months ended 30/09/2016
<b>Discontinued operations</b>		
Revenue from sales of products	95	120
Revenue from sales of goods and materials	-	1
<b>Total revenue from sales</b>	<b>95</b>	<b>121</b>
Cost of sold products	104	132
Value of goods and materials sold	-	-
<b>Cost of products, goods and materials sold</b>	<b>104</b>	<b>132</b>
<b>Gross profit (loss) on sales</b>	<b>(9)</b>	<b>(11)</b>
Selling expenses	-	-
General and administrative costs	-	-
Other operating revenue	2 207	4 568
Other operating expenses	1 592	4 902
<b>Operating profit (loss)</b>	<b>606</b>	<b>(345)</b>
Financial revenue	95	12
Financial expenses	149	120
<b>Profit (loss) before tax</b>	<b>552</b>	<b>(453)</b>
Deferred income tax	-	(437)
<b>Net profit (loss) from discontinued operations</b>	<b>552</b>	<b>(16)</b>
Attributable to:		
Equity holders of the parent	1 465	1 161
Minority shareholders	(913)	(1 177)


**CONSOLIDATED PROFIT AND LOSS ACCOUNT  
 FOR THE PERIOD FROM 1 JULY TO 30 SEPTEMBER 2017 AND FOR 2016, RESPECTIVELY**

	For 3 months ended 30/09/2017	For 3 months ended 30/09/2016 (restated figures)
<b>Continuing operations</b>		
Revenue from sales of products	733 002	638 855
Revenue from sales of goods and materials	106 587	85 504
<b>Total revenue from sales</b>	<b>839 589</b>	<b>724 359</b>
Cost of products sold	656 273	562 132
Value of goods and materials sold	92 109	80 198
<b>Cost of products, goods and materials sold</b>	<b>748 382</b>	<b>642 330</b>
<b>Gross profit (loss) on sales</b>	<b>91 207</b>	<b>82 029</b>
Selling expenses	19 092	18 476
General and administrative costs	21 770	16 807
Other operating revenue	10 033	20 329
Other operating expenses	(2 642)	(223)
<b>Operating profit (loss)</b>	<b>63 020</b>	<b>67 298</b>
Financial revenue	8 186	5 870
Financial expenses	16 120	9 433
Share in profit of affiliated entity (*)	1 867	(477)
<b>Profit (loss) before tax</b>	<b>56 953</b>	<b>63 258</b>
Income tax	8 398	9 900
<b>Net profit (loss) from continuing operations</b>	<b>48 555</b>	<b>53 358</b>
Attributable to:		
Equity holders of the parent	43 474	49 026
Minority shareholders	5 081	4 332
<b>Net profit (loss) from discontinued operations</b>	<b>1 307</b>	<b>(546)</b>
<b>Net profit (loss)</b>	<b>49 862</b>	<b>52 812</b>
Attributable to:		
Equity holders of the parent	44 660	49 079
Minority shareholders	5 202	3 733
<b>Net profit (loss) per share attributable to equity holders of the parent (in PLN)</b>	<b>0,24</b>	<b>0,25</b>
Diluted profit (loss) per ordinary share	0,24	0,25
<b>Net profit (loss) from continuing operations per share attributable to equity holders of the parent (in PLN)</b>	<b>0,23</b>	<b>0,25</b>
Diluted profit (loss) from continuing operations per ordinary share	0,23	0,25
<b>Net profit (loss) from discontinued operations per share attributable to equity holders of the parent (in PLN)</b>	<b>0,01</b>	<b>0,00</b>
Diluted profit (loss) from discontinued operations per ordinary share	0,01	0,00

(\*) Share in the result of Alchemia Capital Group


**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE PERIOD FROM 1 JULY TO 30 SEPTEMBER 2017 AND FOR 2016, RESPECTIVELY**

	For 3 months ended 30/09/2017	For 3 months ended 30/09/2016 (restated figures)
<b>Net profit (loss)</b>	<b>49 862</b>	<b>52 812</b>
<b>Income recognized in capital to be classified on the financial result</b>	<b>(35 599)</b>	<b>20 133</b>
Exchange differences on translation of foreign operations	520	(2 761)
Instruments hedging the cash flows	(26 959)	12 269
Revaluation of assets available to sell	(18 075)	15 930
Deferred income tax regarding income in capital	8 915	(5 305)
<b>Income recognized in capital not to be classified on the financial result</b>	<b>-</b>	<b>-</b>
<b>Income recognized in net capital</b>	<b>(35 599)</b>	<b>20 133</b>
<b>Total comprehensive income</b>	<b>14 263</b>	<b>72 945</b>
Attributable to:		
<b>Equity holders of the parent</b>	<b>9 505</b>	<b>70 063</b>
Minority shareholders	4 758	2 882

**CONSOLIDATED PROFIT AND LOSS ACCOUNT – discontinued operations  
FOR THE PERIOD FROM 1 JULY TO 30 SEPTEMBER 2017 AND FOR 2016, RESPECTIVELY**

	For 3 months ended 30/09/2017	For 3 months ended 30/09/2016
<b>Discontinued operations</b>		
Revenue from sales of products	38	40
Revenue from sales of goods and materials	-	-
<b>Total revenue from sales</b>	<b>38</b>	<b>40</b>
Cost of products sold	41	46
Value of goods and materials sold	-	-
<b>Cost of products, goods and materials sold</b>	<b>41</b>	<b>46</b>
<b>Gross profit (loss) on sales</b>	<b>(3)</b>	<b>(6)</b>
Selling expenses	-	-
General and administrative costs	-	-
Other operating revenue	1 679	266
Other operating expenses	457	761
<b>Operating profit (loss)</b>	<b>1 219</b>	<b>(501)</b>
Financial revenue	95	(1)
Financial expenses	7	44
<b>Profit (loss) before tax</b>	<b>1 307</b>	<b>(546)</b>
Deferred income tax	-	-
<b>Net profit (loss) from discontinued operations</b>	<b>1 307</b>	<b>(546)</b>
Attributable to:		
Equity holders of the parent	1 186	53
Minority shareholders	121	(599)



**CONSOLIDATED BALANCE SHEET**

**PREPARED AS AT 30 SEPTEMBER 2017 AND AS AT 31 DECEMBER 2016**

	30/09/2017	31/12/2016 (restated figures)	01/01/2016 (restated figures)
<b>ASSETS</b>			
<b>Non-current assets</b>			
Fixed asset in kind	689 621	635 288	585 937
Investment property	145 006	158 925	255 983
Intangible assets	14 665	15 438	15 831
Goodwill	49 105	49 106	49 632
Investments in controlled entities	306 672	303 761	229 069
Available-for-sale financial assets	324 692	288 677	181 646
Granted loans	106 756	96 756	92 711
Deferred tax assets	2 323	2 128	2 327
Receivables and other long-term assets	1 293	1 640	769
<b>Total non-current assets</b>	<b>1 640 133</b>	<b>1 551 719</b>	<b>1 413 905</b>
<b>Current assets</b>			
Inventories	554 468	552 398	454 599
Trade and other receivables	468 281	330 394	311 901
Granted loans	43 303	44 485	49 213
Derivative financial instruments	58 768	16 622	10 866
Available-for-sale financial assets	7 706	57 406	32 842
Income tax receivables	128	2 454	3 682
Other assets	7 062	6 886	4 589
Cash and cash equivalents	104 104	93 534	75 678
<b>Total current assets</b>	<b>1 243 820</b>	<b>1 104 179</b>	<b>943 370</b>
<b>Held-for-sale assets (HMN Szopienice S.A. in liquidation)</b>	<b>1 484</b>	<b>1 653</b>	<b>4 610</b>
<b>Total assets</b>	<b>2 885 437</b>	<b>2 657 551</b>	<b>2 361 885</b>




**CONSOLIDATED BALANCE SHEET – cont.**

	30/09/2017	31/12/2016 (restated figures)	01/01/2016 (restated figures)
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	94 661	94 661	94 661
Treasury shares (negative value)	(34 690)	(25 960)	(24 441)
Supplementary capital due to issue of shares above their face value	28 867	28 867	28 867
Capital related to hedge accounting	(3 402)	(4 180)	(3 057)
Capital from revaluation of retirement benefits and similar	(80)	(80)	(114)
Capital from revaluation of assets	29 048	7 532	(25 628)
Exchange differences on translation of controlled entities	11 014	16 986	15 629
Retained earnings, including:	1 407 728	1 290 637	1 155 585
Reserve capital	125 867	125 867	78 222
Profit of the equity holders of the parent	117 091	132 282	141 348
<b>Equity attributable to equity holders of the parent</b>	<b>1 533 146</b>	<b>1 408 463</b>	<b>1 241 502</b>
<b>Equity attributable to minority shareholders</b>	<b>301 774</b>	<b>292 107</b>	<b>293 087</b>
<b>Total equity</b>	<b>1 834 920</b>	<b>1 700 570</b>	<b>1 534 589</b>
<b>Long-term liabilities and provisions for liabilities</b>			
Loans and bank credit facilities	173 926	100 301	43 904
Provisions on liabilities due to retirement and similar benefits	4 812	4 924	5 375
Deferred tax liabilities	80 858	74 333	60 009
Other long-term provisions	3 286	3 188	2 894
Other liabilities	9 019	9 569	22 467
Other equity	8 686	9 119	10 177
<b>Total long-term liabilities and provisions</b>	<b>280 587</b>	<b>201 434</b>	<b>144 826</b>
<b>Short-term liabilities and provisions for liabilities</b>			
Trade and other liabilities	373 484	299 991	268 974
Loans and bank credit facilities	333 580	385 799	355 683
Derivative financial instruments	15 886	27 775	18 442
Current tax liabilities	14 405	9 033	3 944
Provisions on liabilities due to retirement and similar benefits	6 657	8 600	4 330
Other short-term provisions	2 008	1 187	3 476
Other equity and liabilities	2 630	997	898
<b>Total short-term liabilities and provisions for liabilities</b>	<b>748 650</b>	<b>733 382</b>	<b>655 747</b>
<b>Total liabilities</b>	<b>1 029 237</b>	<b>934 816</b>	<b>800 573</b>
<b>Liabilities related to held-for-sale assets (*)</b>	<b>21 280</b>	<b>22 165</b>	<b>26 723</b>
<b>Total equity and liabilities</b>	<b>2 885 437</b>	<b>2 657 551</b>	<b>2 361 885</b>

(\*) Discontinued operations of HMN Szopienice S.A. in liquidation.

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
 FOR THE PERIOD FROM 1 JANUARY TO 30 SEPTEMBER 2017 AND FOR 2016, RESPECTIVELY**

	Capital attributable to equity holders of the parent									
	Share capital)	Treasury shares (*)	Supplementary capital due to issue of shares above their face value	Capital related to hedge accounting	Capital due to assets revaluation	Capital due to revaluation of retirements benefits and similar	Exchange differences on translation of foreign operations	Retained profits	Capitals attributable to minority shareholders	Total
As at 1 January 2017	94 661	(25 960)	28 867	(4 180)	7 532	(80)	16 986	1 290 637	292 107	1 700 570
Comprehensive income for 9 months of 2017	-	-	-	778	21 516	-	(5 972)	117 091	8 737	142 150
Buyback	-	(8 730)								(8 730)
Capital due to consolidation (change in stake's structure)	-	-	-	-	-	-	-	-	1 074	1 074
Dividend payment	-	-	-	-	-	-	-	-	(144)	(144)
As at 30 September 2017	94 661	(34 690)	28 867	(3 402)	29 048	(80)	11 014	1 407 728	301 774	1 834 920

	Capital attributable to equity holders of the parent									
	Share capital	Treasury shares (*)	Supplementary capital due to issue of shares above their face value	Capital related to hedge accounting	Capital due to assets revaluation	Capital due to revaluation of retirements benefits and similar	Exchange differences on translation of foreign operations	Retained profits	Capitals attributable to minority shareholders	Total
As at 1 January 2016	94 661	(24 441)	28 867	(3 057)	(25 628)	(114)	15 629	1 155 585	293 087	1 534 589
Comprehensive income in 2016	-	-	-	(1 110)	33 160	36	1 357	132 282	3 704	169 429
Buyback	-	(1 519)	-	-	-	-	-	-	-	(1 519)
Capital due to consolidation (change of stake's structure)	-	-	-	(13)	-	(2)	-	2 904	(4 449)	(1 560)
Dividend payment	-	-	-	-	-	-	-	(134)	(235)	(369)
As at 31December 2016	94 661	(25 960)	28 867	(4 180)	7 532	(80)	16 986	1 290 637	292 107	1 700 570

	Capital attributable to equity holders of the parent									
	Share capital	Treasury shares (*)	Supplementary capital due to issue of shares above their face value	Capital related to hedge accounting	Capital due to assets revaluation	Capital due to revaluation of retirements benefits and similar	Exchange differences on translation of foreign operations	Retained profits	Capitals attributable to minority shareholders	Total
As at 1 January 2016	94 661	(24 441)	28 867	(3 057)	(25 628)	(114)	15 629	1 155 585	293 087	1 534 589
Comprehensive income for 9 months of 2016	-	-	-	9 293	20 995	45	(1 164)	111 241	3 856	144 266
Buyback	-	(614)	-	-	-	-	-	-	-	(614)
Capital due to consolidation (change of stake's structure)	-	-	-	-	-	-	-	-	-	-
Dividend payment	-	-	-	-	-	-	-	-	(235)	(235)
As at 30 September 2016	94 661	(25 055)	28 867	6 236	(4 633)	(69)	14 465	1 266 826	296 708	1 678 006

(\*) Treasury shares in purchased price, purchased for redemption or further re-sale in the amount of 10 060 000 units as at 30.09.2017 and 7 737 000 units as at 31.12.2016 and 7 424 000 units as at 30.09.2016.

**CONSOLIDATED STATEMENT OF CASH FLOWS  
 FOR THE PERIOD FROM 1 JANUARY TO 30 SEPTEMBER 2017 AND FOR 2016, RESPECTIVELY**

	For 9 months ended 30/09/2017	For 9 months ended 30/09/2016 (restated figures)
<b>Cash flows from operating activities</b>		
<b>Profit (loss) before tax</b>	<b>152 053</b>	<b>139 165</b>
Amortization	44 934	41 597
Profit/loss on financial activities	(476)	5 769
Dividend from profit participation	-	-
Profit/loss on investing activities	(14 533)	(28 075)
<b>Changes in working capital:</b>		
(Increase)/decrease of the receivables	(148 675)	(136 393)
(Increase)/decrease of the inventories	(2 544)	(27 627)
(Increase)/decrease in liabilities	82 863	54 952
Provisions and accruals	1 837	7 460
Other items	(1 350)	1 514
<b>Cash generated on operating activities</b>	<b>114 109</b>	<b>58 362</b>
Income tax received/(paid)	(16 475)	(11 720)
<b>Net cash flows on operating activities</b>	<b>97 634</b>	<b>46 642</b>
<b>Cash flows from investing operations</b>		
<b>Proceeds</b>		
Disposal of real fixed assets	18 556	21 052
Disposal of investment properties	-	94 166
Disposal of financial assets	-	58
Disposal of bonds	1 000	35 300
Payment of granted loans	117	114
Received interests	6 431	4 259
<b>Payments</b>		
Purchase of fixed assets in kind	(96 105)	(80 052)
Acquisition of subsidiaries and associated entities	(1 397)	(109 433)
Purchase of financial assets	-	-
Purchase of bonds	(11 000)	(39 000)
Loans granted	(10 000)	(27 000)
Other investing payments	(2 700)	(3 462)
<b>Net cash on investing operations</b>	<b>(95 098)</b>	<b>(103 998)</b>
<b>Cash generated on financial operations</b>		
<b>Proceeds</b>		
Credits and loans	124 324	195 811
Other financial proceeds	2 126	2 454
<b>Payments</b>		
Buyback	(8 730)	(411)
Dividends and other payments to owners	(144)	(234)
Repayment of loans and borrowings	(95 224)	(105 514)
Interest paid	(11 095)	(8 805)
Payments due to financial lease agreements	(1 660)	(276)
Other financial payments	-	(529)
<b>Net cash on financing operations</b>	<b>9 597</b>	<b>82 496</b>
<b>Total net cash flows</b>	<b>12 133</b>	<b>25 140</b>
Impact of exchange rate fluctuations on the balance of cash in foreign currencies	(1 669)	(1 331)
<b>Change of cash and cash equivalents</b>	<b>10 464</b>	<b>23 809</b>
<b>Opening balance of cash and cash equivalents, including:</b>	<b>93 542</b>	<b>75 714</b>
from continuing operations	93 534	75 664
from discontinued operations	8	50
<b>Opening balance of cash in acquired of entities</b>	<b>492</b>	<b>-</b>
<b>Closing balance of cash and cash equivalents, including:</b>	<b>104 498</b>	<b>99 523</b>
from continuing operations	104 104	99 473
from discontinued operations	394	50



**CONSOLIDATED STATEMENT OF CASH FLOWS – discontinued operations  
FOR THE PERIOD FROM 1 JANUARY TO 30 SEPTEMBER 2017 AND FOR 2016, RESPECTIVELY**

<b>Discontinued operations</b>	<b>For 9 months ended 30/09/2017</b>	<b>For 9 months ended 30/09/2016</b>
<b>Cash flows from operating activities</b>		
Profit (loss) before tax	552	(453)
Adjustments	(2 171)	(5 654)
<b>Net cash flows generated on operating activities</b>	<b>(1 619)</b>	<b>(6 107)</b>
<b>Cash flows from investing activities</b>		
Proceeds	1 705	4 750
Payments	-	-
<b>Net cash flows generated on investing activities</b>	<b>1 705</b>	<b>4 750</b>
<b>Cash flows from financing activities</b>		
Proceeds	300	1 907
Payments	-	(550)
<b>Net cash flows from financing activities</b>	<b>300</b>	<b>1 357</b>
<b>Change of cash and cash equivalents</b>	<b>386</b>	<b>-</b>
<b>Opening balance of cash and cash equivalents</b>	<b>8</b>	<b>50</b>
<b>Closing balance of cash and cash equivalents</b>	<b>394</b>	<b>50</b>



**CONDENSED INTERIM**

**QUARTERLY REPORT**

**Impexmetal S.A.**

**for the third quarter of 2017**

**PROFIT AND LOSS ACCOUNT****FOR THE PERIOD FROM 1 JANUARY TO 30 SEPTEMBER 2017 AND FOR 2016, RESPECTIVELY**

	For 9 months ended 30/09/2017	For 9 months ended 30/09/2016
<b>Continuing operations</b>		
Revenue from sales of products	837 326	739 576
Cost of goods and materials sold	26 937	26 475
<b>Total revenue from sales</b>	<b>864 263</b>	<b>766 051</b>
Cost of products sold	724 933	634 571
Value of goods and materials sold	30 333	23 323
<b>Cost of products, goods and materials sold</b>	<b>755 266</b>	<b>657 894</b>
<b>Gross profit (loss) on sales</b>	<b>108 997</b>	<b>108 157</b>
Selling expenses	26 189	24 191
General and administrative costs	18 645	17 676
Other operating revenue (*)	25 649	14 736
Other operating expenses	398	3 180
<b>Operating profit (loss)</b>	<b>89 414</b>	<b>77 846</b>
Financial revenue (**)	99 267	40 546
Financial expenses (***)	97 506	42 228
<b>Profit (loss) before tax</b>	<b>91 175</b>	<b>76 164</b>
Income tax	13 358	11 713
<b>Net profit (loss) from continuing operations</b>	<b>77 817</b>	<b>64 451</b>
<b>Discontinued operations</b>		
<b>Net profit (loss) from discontinued operations</b>	<b>-</b>	<b>-</b>
<b>Net profit (loss)</b>	<b>77 817</b>	<b>64 451</b>
<b>Basic/Diluted net profit per ordinary share (in PLN)/ weighted average number of shares</b>	<b>0,41</b>	<b>0,33</b>

(\*) including revenues due to dividend in the period ended of 9 months of 2017 in the amount of PLN 23 079 th. and the amount of PLN 13 617 th. in 2016.

(\*\*)including brokerage activities to related companies in the period of 9 months of 2017 in the amount of PLN 91 763 th, and the amount of PLN 36 373 th. in 2016.

(\*\*\*)including brokerage activities to related companies in the period of 9 months of 2017 in the amount of PLN 91 703 th, and the amount of PLN 36 357 th. in 2016.

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME****FOR THE PERIOD FROM 1 JANUARY TO 30 SEPTEMBER 2017 AND FOR 2016, RESPECTIVELY**

	For 9 months ended 30/09/2017	For 9 months ended 30/09/2016
<b>Net profit (loss)</b>	<b>77 817</b>	<b>64 451</b>
<b>Income recognized in capital to be classified on the financial result</b>	<b>22 262</b>	<b>33 768</b>
Instruments hedging the cash flows	783	14 277
Revaluation of assets available to sell and other assets	26 562	27 296
Revaluation of retirement benefits and similar	-	-
Deferred income tax regarding income recognized in capital	(5 083)	(7 805)
<b>Income recognized in capital not to be classified on the financial result</b>	<b>-</b>	<b>45</b>
Revaluation of retirement benefits and similar	-	56
Deferred income tax regarding income recognized in capital	-	(11)
<b>Income recognized in net capital</b>	<b>22 262</b>	<b>33 813</b>
<b>Total comprehensive income</b>	<b>100 079</b>	<b>98 264</b>


**PROFIT AND LOSS ACCOUNT  
FOR THE PERIOD FROM 1 JULY TO 30 SEPTEMBER 2017 AND FOR 2016, RESPECTIVELY**

	For 3 months ended 30/09/2017	For 3 months ended 30/09/2016
<b>Continuing operations</b>		
Revenue from sales of products	277 875	244 583
Revenue from sales of goods and materials	8 072	7 264
<b>Total revenue from sales</b>	<b>285 947</b>	<b>251 847</b>
Cost of products sold	240 589	207 805
Value of goods and materials sold	8 946	6 629
<b>Cost of products, goods and materials sold</b>	<b>249 535</b>	<b>214 434</b>
<b>Gross profit (loss) on sales</b>	<b>36 412</b>	<b>37 413</b>
Selling expenses	8 511	8 188
General and administrative costs	7 037	5 660
Other operating revenue	507	2 167
Other operating expenses	347	471
<b>Operating profit (loss)</b>	<b>21 024</b>	<b>25 261</b>
Financial revenue (*)	20 397	15 730
Financial expenses (**)	21 274	15 614
<b>Profit (loss) before tax</b>	<b>20 147</b>	<b>25 377</b>
Income tax	3 949	4 441
<b>Net profit (loss) from continuing operations</b>	<b>16 198</b>	<b>20 936</b>
<b>Discontinued operations</b>		
<b>Net profit (loss) from discontinued operations</b>	<b>-</b>	<b>-</b>
<b>Net profit (loss)</b>	<b>16 198</b>	<b>20 936</b>
<b>Basic/Diluted net profit per ordinary share (in PLN)/ weighted average number of shares</b>	<b>0,09</b>	<b>0,11</b>

(\*)including brokerage activities to related companies in the period of 3 months of 2017 in the amount of PLN 19 435 th, and the amount of PLN 13 829 th. in 2016.

(\*\*)including brokerage activities to related companies in the period of 3 months of 2017 in the amount of PLN 19 419 th, and the amount of PLN 13 827 th. in 2016

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE PERIOD FROM 1 JULY TO 30 SEPTEMBER 2017 AND FOR 2016, RESPECTIVELY**

	For 3 months ended 30/09/2017	For 3 months ended 30/09/2016
<b>Net profit (loss)</b>	<b>16 198</b>	<b>20 936</b>
<b>Income recognized in capital to be classified on the financial result</b>	<b>(32 717)</b>	<b>30 387</b>
Instruments hedging the cash flows	(22 486)	20 917
Revaluation of assets available to sell and other assets	(18 420)	16 530
Revaluation of retirement benefits and similar	-	-
Deferred income tax regarding income recognized in capital	8 189	(7 060)
<b>Income recognized in capital not to be classified on the financial result</b>	<b>-</b>	<b>-</b>
Revaluation of retirement benefits and similar	-	-
Deferred income tax regarding income recognized in capital	-	-
<b>Income recognized in net capital</b>	<b>(32 717)</b>	<b>30 387</b>
<b>Total comprehensive income</b>	<b>(16 519)</b>	<b>51 323</b>

**BALANCE SHEET****PREPARED AS AT 30 SEPTEMBER 2017 AND AS AT 31 DECEMBER 2016**

	30/09/2017	31/12/2016
<b>ASSETS</b>		
<b>Non-current assets</b>		
Fixed asset in kind	342 711	340 259
Investment property	5 062	5 062
Intangible assets	2 434	2 055
Goodwill	2 122	2 122
Investments in controlled entities	625 559	628 609
Available-for-sale financial assets	133 472	106 910
Granted loans	106 756	96 756
Receivables and other long-term assets	156	740
<b>Total non-current assets</b>	<b>1 218 272</b>	<b>1 182 513</b>
<b>Current assets</b>		
Inventories	228 544	231 857
Trade and other receivables	164 342	100 213
Granted loans	42 568	43 685
Derivative financial instruments	11 975	19 191
Available-for-sale financial assets	-	-
Income tax receivables	-	-
Other assets	3 046	1 885
Cash and cash equivalents	292	3 561
<b>Total current assets</b>	<b>450 767</b>	<b>400 392</b>
<b>TOTAL ASSETS</b>	<b>1 669 039</b>	<b>1 582 905</b>



**BALANCE SHEET – cont.**

	30/09/2017	31/12/2016
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	94 661	94 661
Treasury shares (negative value)	(34 690)	(25 960)
Supplementary capital due to issue of shares above their face value	28 576	28 576
Capital related to hedge accounting	(1 846)	(2 592)
Capital from revaluation of assets available to sell	28 424	6 908
Capital from revaluation of retirement benefits and similar	296	296
Retained earnings, including:	1 039 017	961 200
Reserve capital	125 867	125 867
Net profit of the current year	77 817	95 191
<b>Total equity</b>	<b>1 154 438</b>	<b>1 063 089</b>
<b>Long-term liabilities and provisions for liabilities</b>		
Loans and bank credit facilities	141 465	99 724
Debt securities	16 000	16 000
Provisions on liabilities due to retirement and similar benefits	1 673	1 673
Deferred tax liabilities	57 228	52 028
Other liabilities	372	538
Other equity	238	292
<b>Total long-term liabilities and provisions</b>	<b>216 976</b>	<b>170 255</b>
<b>Short-term liabilities and provisions for liabilities</b>		
Trade and other liabilities	184 992	151 986
Loans and bank credits	70 326	140 791
Derivative financial instruments	14 093	23 863
Debt securities	15 000	20 236
Current income tax receivables	10 535	8 725
Provisions on liabilities due to retirement and similar benefits	1 506	1 366
Other short-term provisions	1 094	2 522
Other equity	79	72
<b>Total short-term liabilities and provisions for liabilities</b>	<b>297 625</b>	<b>349 561</b>
<b>Total liabilities</b>	<b>514 601</b>	<b>519 816</b>
<b>TOTAL EQUITY</b>	<b>1 669 039</b>	<b>1 582 905</b>



**STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD FROM 1 JANUARY TO 30 SEPTEMBER 2017 AND FOR 2015, RESPECTIVELY**

	Share capital	Treasury shares (*)	Supplementary capital due to issue of shares above their face value	Capital related to hedge accounting	Capital due to revaluation of assets available to sell	Capital due to revaluation of retirements benefits and similar	Retained earnings	Total equity
<b>As at 1 January 2017</b>	<b>94 661</b>	<b>(25 960)</b>	<b>28 576</b>	<b>(2 592)</b>	<b>6 908</b>	<b>296</b>	<b>961 200</b>	<b>1 063 089</b>
Comprehensive income for 9 months of 2017	-	-	-	746	21 516	-	77 817	100 079
Buyback	-	(8 730)	-	-	-	-	-	(8 730)
<b>As at 30 September 2017</b>	<b>94 661</b>	<b>(34 690)</b>	<b>28 576</b>	<b>(1 846)</b>	<b>28 424</b>	<b>296</b>	<b>1 039 017</b>	<b>1 154 438</b>

  

	Share capital	Treasury shares (*)	Supplementary capital due to issue of shares above their face value	Capital related to hedge accounting	Capital due to revaluation of assets available to sell	Capital due to revaluation of retirements benefits and similar	Retained earnings	Total equity
<b>As at 1 January 2016</b>	<b>94 661</b>	<b>(24 441)</b>	<b>28 576</b>	<b>(3 263)</b>	<b>(26 242)</b>	<b>184</b>	<b>866 009</b>	<b>935 484</b>
Comprehensive income for 12 months of 2016	-	-	-	671	33 150	112	95 191	129 124
Buyback	-	(1 519)	-	-	-	-	-	(1 519)
<b>As at 31 December 2016</b>	<b>94 661</b>	<b>(25 960)</b>	<b>28 576</b>	<b>(2 592)</b>	<b>6 908</b>	<b>296</b>	<b>961 200</b>	<b>1 063 089</b>

  

	Share capital	Treasury shares (*)	Supplementary capital due to issue of shares above their face value	Capital related to hedge accounting	Capital due to revaluation of assets available to sell	Capital due to revaluation of retirements benefits and similar	Retained earnings	Total equity
<b>As at 1 January 2016</b>	<b>94 661</b>	<b>(24 441)</b>	<b>28 576</b>	<b>(3 263)</b>	<b>(26 242)</b>	<b>184</b>	<b>866 009</b>	<b>935 484</b>
Comprehensive income for 9 months of 2016	-	-	-	12 493	21 275	45	64 451	98 264
Buyback	-	(614)	-	-	-	-	-	(614)
<b>As at 30 September 2016</b>	<b>94 661</b>	<b>(25 055)</b>	<b>28 576</b>	<b>9 230</b>	<b>(4 967)</b>	<b>229</b>	<b>930 460</b>	<b>1 033 134</b>

(\*)Treasury shares in purchased price, purchased for redemption or further re-sale in the amount of 10 060 000 units as at 30.09.2017 and 7 737 000 units as at 31.12.2016 and 7 424 000 units as at 30.09.2016.



# Impexmetal S.A.

Additional information to the Condensed interim semi-annual report for the period from 1 January till 30 September 2017

## STATEMENT OF CASH FLOWS

FOR THE PERIOD FROM 1 JANUARY TO 30 SEPTEMBER 2017 AND FOR 2016, RESPECTIVELY

	For 9 months ended 30/09/2017	For 9 months ended 30/09/2016
<b>Cash flows from operating activities</b>		
<b>Profit (loss) before tax</b>	<b>91 175</b>	<b>76 164</b>
Amortization	26 177	22 994
(Positive)/negative net exchange differences	(5 727)	(3 360)
Interests from financial liabilities	5 411	4 931
Interest and dividends	(25 756)	(16 319)
Profit/loss on investing activities	(5 219)	57
<b>Changes in working capital:</b>		
(Increase)/decrease in the balance of trade receivables	(61 796)	(28 084)
(Increase)/decrease in the balance of inventories	3 313	(11 988)
(Increase)/decrease in liabilities	37 086	28 672
Provisions and accruals	3 046	6 958
Other	(1 771)	(1 067)
<b>Cash generated on operating activities</b>	<b>65 939</b>	<b>78 958</b>
Income tax received/(paid)	(11 431)	(794)
<b>Net cash flows on operating activities</b>	<b>54 508</b>	<b>78 164</b>
<b>Cash flows from investing operations</b>		
<b>Proceeds</b>		
Disposal of real fixed assets	1 015	122
Disposal of subsidiary	-	2 349
Disposal of financial assets	8 876	53
Dividend received	20 750	13 594
Disposal of bonds	-	11 500
Repayment of granted loans	10 117	2 800
Retained interests	2 609	2 556
<b>Payments</b>		
Purchase of fixed assets in kind	(38 076)	(64 553)
Purchase of subordinated entities	(1 397)	(85 480)
Purchase of bonds	-	(5 000)
Granted loans	(20 050)	(27 200)
<b>Net cash flows on investing operations</b>	<b>(16 156)</b>	<b>(149 259)</b>
<b>Cash flows from financing operations</b>		
<b>Proceeds</b>		
Credit and loans	61 800	140 264
Issue of debt securities	-	15 000
<b>Payments</b>		
Buyback	(8 730)	(411)
Payments of credits and loans	(84 048)	(77 363)
Redemption of debt securities	(5 000)	(3 000)
Payment of liabilities arising from financial leases	(159)	(85)
Interests paid	(5 484)	(4 939)
<b>Net cash flows from financing operations</b>	<b>(41 621)</b>	<b>69 466</b>
<b>Total net cash flows</b>	<b>(3 269)</b>	<b>(1 629)</b>
Impact of exchange rate fluctuations on the balance of cash in foreign currencies	-	-
<b>Change of cash and cash equivalents</b>	<b>(3 269)</b>	<b>(1 629)</b>
<b>Opening balance of cash and cash equivalents</b>	<b>3 561</b>	<b>1 766</b>
<b>Closing balance of cash and cash equivalents</b>	<b>292</b>	<b>137</b>

Figures in PLN '000 unless stated otherwise.