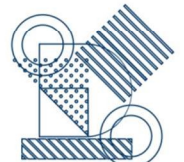
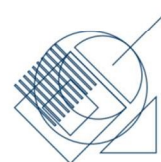
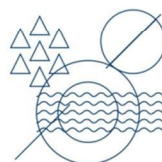
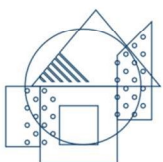


MASTERPLAST PLC. HALF-YEARLY REPORT

27 AUGUST 2019



MASTERPLAST PLC.

Half-yearly Report

Consolidated, not audited

According to International Financial and Reporting Standards (IFRS)

27 August 2019

Founded in 1997, the main areas of activity of Masterplast (later: "Group" or "Masterplast") are production and sales of building industry insulation materials. With its headquarters in Hungary, the Central and Eastern European international company group has eight active subsidiary companies all over the world, where it operates two own-property production units. The Group has a presence with its main products, thermal insulation system, heat, sound and water insulation, roofing and dry construction on the market. Its international production bases (own and production under license) ensures that group products reaches the European markets and the markets outside Europe through its subsidiary companies and partners. Masterplast considers the aspects of sustainability, energy efficiency and environment protection of high importance in its internal processes as well as in production and innovation.

1. SUMMARY

In a basically positive market the Company has increased its revenues by 6% in Q2 2019. With the increase in turnover, the trade margin value was increased almost at the same extent, next to it there was an improvement in the efficiency of production output too. Due to the payrises and the expanding headcount the payroll costs showed an increase, as well as higher depreciation was realized related to the manufacturing investments, while the other operating expenses decreased. EBITDA was 2 409 thousand EUR (8,4% EBITDA ratio) in Q2 2019 compared to the 2 067 thousand EUR (7,7% EBIDTA ratio) in Q2 2018, whereas the Company's operating profit (EBIT) was 1 835 thousand EUR compared to the 1 580 thousand EUR of the base period. The financial result landed on a lower profit, whereas the profit after taxation was 10% higher than the Q2 2018 was. The Group expects positive construction environment for the second half year, which may provide a good basis for the growth in the strongest season. The acquisition of T-Cell Plasztik provides growing product background to meet the dynamically increasing demands at insulation materials. In addition to this, the further growing output and efficiency of the own production can ensure to reach the annual sales and operating profit target.

| Data in 1000 EUR | Q2 2019 | Q2 2018 | H1 2019 | H1 2018 |
|----------------------------|----------------|----------------|----------------|----------------|
| Sales revenues | 28 507 | 26 839 | 50 575 | 45 390 |
| EBITDA | 2 409 | 2 067 | 3 342 | 2 798 |
| EBITDA ratio | 8,4% | 7,7% | 6,6% | 6,2% |
| Profit/loss after taxation | 1 824 | 1 653 | 2 061 | 1 706 |
| Net income ratio | 6,4% | 6,2% | 4,1% | 3,8% |

Source: consolidated non-audited report of the Group on 30th of June 2019 and non-audited report on 30st of June 2018 based on IFRS accounting rules, as well as the non-audited data from the Group's management information system

- In Q2 2019 the Company has met with mostly favourable trends in the new building market and in the home renovation market of major importance for Masterplast. On the most significant **Hungarian** market according to the feedback of the market participants, the Q2 in the construction industry was moderately increasing. On the **Romanian market** the demand in the construction market was negative, due to the unfavourable weather conditions and due to the economic policy factors. In **Serbia** in Q2 2019, the commercial has grown compared to the same period last year and in the construction sector the number of building permits increased too. In **Ukraine**, the economy has performed well in Q2 2019 and the value of the construction works exceeded the value of last year. In **Poland** the economic growth continued, but with a lessened extent, and in the construction industry the number of the accomplished flats and building projects increased. In **Slovakia** the construction industry was stagnant, compared to the growing of last year the building output fell back in Q2 2019. In **Croatia**, the unemployment rate was smaller and the building industry grew.
- The total revenue of the Company was 28 507 thousand EUR in Q2 2019, 6% higher than in the base period in 2018.
- Still the **Thermal insulation system** provided the biggest product share, where the overall sales grew by 15% in Q2 2019. The sales decreased by 6% in the **Roofing foils and accessories**, while in the **Dry construction system** product group grew by 15%. In the **Heat, sound and water insulation materials** segment the sales in Q2 2019 was smaller (-5%) as in the **Building industry accessories** product group (-15%) compared to the

base period in 2018. In case the **Industrial applications products**, the Group has achieved 5% increase in turnover in Q2 2019 versus Q2 2018.

- On the Group's main – **Hungarian market** the sales has increased by 12% in Q2 2019 compared to the base, The sales revenues also grew in **Ukraine** (18%) and on the Company's **export markets** (16%). A moderated extent was in **Poland** (4%) and in **Croatia** (1%), while in **Romania** (-12%), in **Serbia** (-7%), in **Slovakia** (-3%) and with the smallest share of sales in **North Macedonia** (-14%) the revenues was smaller.
- With the increase in turnover, the trade margin value was increased almost at the same extent. The Group's trade margin was higher on the export, Polish, Slovakian, Ukrainian and Romanian markets, but the realized margin volume grew in the Hungarian and Croatian markets as well.
- There was a growth in the production output of fiberglass mesh, profile and EPS in Serbia, while in Kal the foam factory production dropped on a lesser extent in Q2 2019 compared to the base quarter.
- The cost of materials and services – considering the change in the self-manufactured inventories as well – has increased by a smaller rate than the turnover expansion in Q2 2019.
- As a result of the expanding headcount of the fiberglass mesh factory in Serbia and due to the payrises the personnel expenses of the Company has increased in Q2 2019 compared to the base period. The Group employed 1 027 people by the end of June 2019 compared to the 930 employees in the base period.
- Mainly the investments in the production lines in Serbia and in Kal resulted in an increase in the amount of depreciation in Q2 2019 compared to the base.
- The other operating expenses of the Company decreased in Q2 2019 compared to the base period.
- As the result of the above mentioned the Group EBITDA was 2 409 thousand EUR in Q2 2019 (8,4% EBITDA ratio) compared to the 2 067 thousand EUR (7,7% EBITDA ratio) in the base period, which was 17% growth.
- Taken into account the depreciation too the EBIT resulted in 1 835 thousand EUR in Q2 2019 which exceeded by 16% the 1 580 thousand EUR level of the base period.
- The interest expenditures decreased, the interest revenues increased in Q2 2019 compared to the base period. The Company has generated and booked 179 thousand EUR profit as other financial result in Q2 2019 compared to the 296 thousand EUR profit of Q2 2018.
- The Group PAT was 1 824 thousand EUR profit in Q2 2019 compared to the base period's profit of 1 653 thousand EUR.
- The total fixed assets amounted to 37 563 thousand EUR at the end of Q2 2019, by 4 397 thousand EUR higher than base period's volume.
- The inventory at the end of Q2 2019 was 21 444 thousand EUR, which partly owing to the inventory optimization project landed by 2 067 thousand EUR lower than the base period closing stock was.
- The trade accounts receivables were 18 512 thousand EUR at the end of this quarter which meant an increase (12%) compared to base period.

Business prospects

The acquisition of T-Cell Plasztik Kft. in June 2019 ensure the further dynamic growth of EPS sales for the second half of the year. In the thermal insulation system segment, besides the construction of new buildings, the growth of the renovation sector may also be significant. In addition, both segments are positively affected by the increasingly used thicker insulation materials and the launch of new state incentives (extended family support system and village CSOK).

The growing production output (primarily through fiberglass mesh investment in Subotica) provides a rising product base for regional subsidiaries and Western European exports. In addition, the increased production also means greater manufacturing efficiency and effectiveness for the second half of the year.

2. Presentation of the external economic and industrial environment

The external economic and industrial environment has a significant effect on the production and sale of the insulation and other construction materials, which is the main activity of the Masterplast. While the sale of the constructional and accessories product is mainly in relation with the new buildings market, the insulation related materials (primarily the heat insulation) depends on both the new building and home renovation market.

The Masterplast in Q2 2019 has faced with slightly moderated but mostly favourable trends and industrial climate regarding the Company's relevant single markets in its country portfolio.

On the most significant **Hungarian market** according to the feedback of the market participants, the Q2 in the construction industry was moderately increasing. The demand was negatively impacted by the extreme weather conditions in the first two months of the quarter and by the advanced customer purchases at the beginning of this year, while it was strengthened by the investments that were carried over from last year. The output of each major group of construction has expanded, including of buildings and other structures too. At the building group the growth came from the construction of industrial, residential and office buildings. In the second quarter, new housing construction numbers were on a downward trend, while the number of building contracts for educational and sports facilities increased. The labor shortages had a major impact on the performance of the construction industry, which become not only a sectoral problem but a national one. Construction expectations remain positive for the new periods, although final withdrawal of the VAT discount is expected to affect the starting of new investments, while the expanded "CSOK" started in this summer can bring many opportunities in the renovation market.

Demand in the construction market was negative in **Romania** in the second quarter of 2019, mainly attributable to the changing weather. In addition, the government has reduced the number of planned investments, and due to the economic situation of Bucharest, the building insulation projects have been stopped. As a result the turnover of the building material traders dropped significantly especially on the thermal insulation market compared to the same period last year. The real estate market also showed a downturn and for the first time in a few years the property prices have decreased in some regions.

In **Serbia** the National Bank has further pursued its price-stability policy and brought favourable conditions to the whole economy with the decreased interest rate. In the construction sector, the number of issued building permits increased slightly, just as the employment nationally.

In **Ukraine**, the economy performed well compared to the same period in 2018. The value of the constructions carried out exceeded the value of Q2 last year by more than 26%.

In **Poland**, the economic growth continued but with a lessened extent. The construction companies are a little pessimistic not only about their future orders, but the implementations already in progress were considered risky. Rising wages and higher building material prices as well as the continuous labor shortage marked the market in the second quarter. In the construction industry, the number of the completed flats and the number of construction projects that had been started increased based on data from the statistical office, but the number of building permits issued decreased in Q2 2019.

In **Slovakia**, the construction industry was stagnant, compared to the growing of last year, the building output fell back in Q2 2019. The continuing labor shortage was the feature of the period and the construction firms were increasingly employing foreign workers to solve the problem.

The economic indicators have shown improvement in **Croatia** in Q2 2019. The unemployment decreased, the construction industry continued to expand and not only the value of the planned investments was higher, but the number of building permits issued also increased. Nationally in the residential building prices there was a growth compared to the same period last year, mainly in the capital.

The industrial production in **North Macedonia** increased, as did the construction activity. The number of building permits issued has also increased compared to the same period last year, as well as the estimated value of the new building investments.

In correspondence with the processes and data cited above, a EUROSTAT quarterly statistic report is recalled here presenting the changes in the volume of the issued building permits divided by countries and compared to the base (preceding) periods.

Quarterly change of building permits from Q1 2018 to Q1 2019:

| | Q1 2018 | Q2 2018 | Q3 2018 | Q4 2018 | Q1 2019 |
|----------|---------|---------|---------|---------|---------|
| Croatia | -20,7 | -6,9 | 18,7 | -10,0 | 35,9 |
| Hungary | 23,1 | -29,0 | 11,2 | 4,8 | 15,7 |
| Austria | -12,2 | -5,6 | -7,2 | 0,3 | 9,3 |
| Poland | 3,1 | -4,8 | 3,1 | -3,2 | -0,7 |
| Romania | -1,0 | -0,6 | -2,8 | 1,3 | 4,7 |
| Slovakia | -27,2 | 47,4 | 4,6 | 12,1 | -37,6 |
| Serbia | -20,7 | -6,9 | 18,7 | -10,0 | 35,9 |

Source: EUROSTAT: Building permits - quarterly data

3. Sales by main product groups

From 2019 the company has revised and changed the classification of some item groups into product group categories. In the last few years the revenues from the Bituminous roof covering item group are considerably reduced, so the presentation is no longer justified in the Roofing foils and accessories product group and from 2019 it was reclassified to the Building industry accessories product group. The revision concerned the Colour plaster item group which was transcategorized from the Thermal insulation system product group to the Building industry accessories product group.

As the IFRS 15 came into force from 1st January 2018 the mediated services were presented at net way at the Company. For the sake of comparability, the Company made a restatement for the base period, so the mediated services have been reclassified to the materials and services used line.

The following table contains the reclassification of results:

| Sales by main product groups (in 1000 EUR) | Q2 2018 | | | | H1 2018 | | | |
|--|--|--|-----------------------------|--------------------------|-------------------------------------|-----------------------------|--------------------------|-------------------------------------|
| | Previous classification of sales revenue | Previous classification of sales revenue | Item group reclassification | IFRS 15 reclassification | New classification of sales revenue | Item group reclassification | IFRS 15 reclassification | New classification of sales revenue |
| Thermal insulation system | 13 099 | -343 | -61 | 12 696 | 21 253 | -435 | -107 | 20 711 |
| Roofing foils and accessories | 4 598 | -638 | -18 | 3 941 | 7 353 | -894 | -32 | 6 427 |
| Dry construction system | 2 513 | 0 | -12 | 2 500 | 5 432 | 0 | -29 | 5 403 |
| Heat, sound and water insulation materials | 3 856 | 0 | -16 | 3 841 | 6 219 | 0 | -27 | 6 192 |
| Building industry accessories | 919 | 981 | -11 | 1 889 | 1 526 | 1 329 | -17 | 2 839 |
| Industrial applications | 1 987 | 0 | -15 | 1 972 | 3 850 | 0 | -31 | 3 819 |
| Total sales revenue | 26 971 | 0 | -133 | 26 839 | 45 632 | 0 | -242 | 45 390 |

Source: non-audited data from the Group's management information system

Sales by main product groups:

| Data in 1000 EUR | Q2 2019 | Q2 2018 | Index | H1 2019 | H1 2018 | Index |
|--|---------------|---------------|-----------|---------------|---------------|------------|
| | (A) | (B) | (A/B-1) | (A) | (B) | (A/B-1) |
| Thermal insulation system | 14 622 | 12 696 | 15% | 25 209 | 20 711 | 22% |
| Roofing foils and accessories | 3 692 | 3 941 | -6% | 6 576 | 6 427 | 2% |
| Dry construction system | 2 885 | 2 500 | 15% | 5 893 | 5 403 | 9% |
| Heat, sound and water insulation materials | 3 631 | 3 841 | -5% | 6 409 | 6 192 | 3% |
| Building industry accessories | 1 600 | 1 889 | -15% | 2 716 | 2 839 | -4% |
| Industrial applications | 2 078 | 1 972 | 5% | 3 773 | 3 819 | -1% |
| Total sales revenue | 28 507 | 26 839 | 6% | 50 575 | 45 390 | 11% |
| Contribution of product groups in percentage to the total sales revenue | | | | | | |
| Thermal insulation system | 51% | 47% | | 50% | 46% | |
| Roofing foils and accessories | 13% | 15% | | 13% | 14% | |
| Dry construction system | 10% | 9% | | 12% | 12% | |
| Heat, sound and water insulation materials | 13% | 14% | | 13% | 14% | |
| Building industry accessories | 6% | 7% | | 5% | 6% | |
| Industrial applications | 7% | 7% | | 7% | 8% | |
| Total sales revenue | 100% | 100% | | 100% | 100% | |

Source: consolidated non-audited report of the Group on 30th of June 2019 and non-audited report on 30st of June 2018 based on IFRS accounting rules, as well as the non-audited data from the Group's management information system

The Masterplast sales in Q2 2019 was 28 507 thousand EUR, 6% higher comparing to the base period in 2018.

Within the Group's sales revenue, the **Thermal insulation systems** continued to generate for the highest sales proportion (51%), where in the second quarter the sales increased by 15%. The sales volume grew at each item group, but the most significant increase was at the fiberglass mesh sales. Regarding the markets the sales of fiberglass mesh products provided the highest increase on export markets, but the turnover was rising everywhere except for the Croatian, Romanian and North Macedonian markets compared to the same period last year. The sales growth of EPS was mainly driven by the Hungarian market, which was reduced by the smaller sales on the Serbian market compared to Q2 2018.

Turnover of the **Roofing foils and accessories** decreased by 6% in Q2 2019 versus Q2 2018. In the diffusion roofing foils item group the sales were landed on a higher level, while in the other item groups there was a drop in the turnover. Regarding the markets, on the export area the lagging in the turnover was significant, in Slovakia the sales was stagnant while the Croatian, Polish and Romanian markets performed the best.

Sales of the **Dry construction system** products increased by 15% in Q2 2019 compared to the base. In terms of gypsum plasterboard systems, the turnover growth on the Hungarian market was the highest, but on the other markets the sales also increased, except of Croatia, Poland, Serbia and the export area.

In the **Heat, sound and water insulation materials** product group in Q2 2019 the sales decreased by 5% compared to the same period in 2018. The sales of glass and rock wool products and the sales of foam were smaller, while there was a growth in the turnover of XPS products. In terms of markets, the Company's revenue increased in Hungary, Ukraine, Slovakia and on the export area, regarding the other countries it was falling.

Turnover of **Building industry accessories** products decreased by 15% in the second quarter of 2019 compared to the base, where sales dropped nameable way in Serbia, but in the Romanian, Croatian and Slovakian markets the revenue was lower too.

In the case of **Industrial applications product** group, the Group achieved 5% increase in Q2 2019 versus the base period. The sales of packaging related products showed decline while the non-strategic trade of raw materials were growing compared to the base.

4. Sales by countries

The breakdown of the sales by countries shows the revenue realized in countries where Masterplast has its own subsidiary, regardless of which subsidiary has sold in its country. For countries where there is no subsidiary of the Group, sales are reported on the Exports line.

Sales by countries:

| Data in 1000 EUR | Q2 2019 | Q2 2018 | Index | H1 2019 | H1 2018 | Index |
|---|---------------|---------------|-----------|---------------|---------------|------------|
| | (A) | (B) | (A/B-1) | (A) | (B) | (A/B-1) |
| Hungary | 10 288 | 9 146 | 12% | 18 956 | 15 937 | 19% |
| Export | 5 384 | 4 624 | 16% | 9 507 | 8 108 | 17% |
| Romania | 3 126 | 3 538 | -12% | 5 364 | 5 613 | -4% |
| Serbia | 2 445 | 2 631 | -7% | 4 180 | 4 250 | -2% |
| Poland | 2 595 | 2 196 | 18% | 3 879 | 3 184 | 22% |
| Ukraine | 1 978 | 1 908 | 4% | 3 679 | 3 454 | 7% |
| Croatia | 1 298 | 1 341 | -3% | 2 261 | 2 146 | 5% |
| Slovakia | 935 | 925 | 1% | 1 913 | 1 808 | 6% |
| North Macedonia | 459 | 531 | -14% | 837 | 889 | -6% |
| Total sales revenue | 28 507 | 26 839 | 6% | 50 575 | 45 390 | 11% |
| Contribution of countries in percentage to the total sales revenue | | | | | | |
| Hungary | 36% | 34% | | 37% | 35% | |
| Export | 19% | 17% | | 19% | 18% | |
| Romania | 11% | 13% | | 11% | 12% | |
| Serbia | 9% | 10% | | 8% | 9% | |
| Poland | 9% | 8% | | 8% | 7% | |
| Ukraine | 7% | 7% | | 7% | 8% | |
| Croatia | 5% | 5% | | 4% | 5% | |
| Slovakia | 3% | 3% | | 4% | 4% | |
| North Macedonia | 2% | 2% | | 2% | 2% | |
| Total sales revenue | 100% | 100% | | 100% | 100% | |

Source: consolidated non-audited report of the Group on 30th of June 2019 and non-audited report on 30st of June 2018 based on IFRS accounting rules, as well as the non-audited data from the Group's management information system

On the most relevant **Hungarian market** the turnover has grown by 12% in Q2 2019 compared to the base period. In the Roofing foils and accessories and in the Building industry accessories product group the sales decreased, while in the other product groups they increased. With the highest rate the EPS and fiberglass mesh at the Thermal insulation system and the gypsum plasterboard profiles at the Dry construction system sales extended.

An increase of 16% was achieved on the **export market** in Q2 2019 compared to the base period. The Group has increased its sales in the Thermal insulation system group including the increasing revenues from fiberglass mesh products. A growth has been reached in the Heat, sound and water insulation materials and also in the Building industry accessories. The other product groups had a decrease in sales. Considering its markets the Masterplast reached a growth in Italy, in Czech Republic, in Bulgaria and in Germany, while in United Kingdom, in Finland and in Russia the sales lessened.

On the **Romanian market** the sales decreased by 12% in Q2 2019 compared to the base period. The Company has increased its sales in the Dry construction system product group and in the Roofing foils and accessories. The other product groups had a decrease in sales compared to the base period. The turnover of the glass and rock wool products belonging to the Thermal insulation system group decreased significantly.

In **Serbia** the sales were decreased by 7% in Q2 2019 compared to 2018. A growth in sales has been achieved regarding the Thermal insulation system product group where although the EPS sales dropped but the fiberglass mesh revenue reached a higher level. The turnover of the other product groups was smaller in the second quarter this year than in Q2 2018.

In **Ukraine**, the growing in sales was 18% in Q2 2019 compared to the base. The Company's revenue increased especially in the most relevant Thermal insulation system product group - where not the own-produced fiberglass mesh sales accounted for most of the turnover. Except of Roofing foils and accessories the other product groups also showed a growth for the second quarter in 2019.

On the **Polish market** the sales were up by 4% in Q2 2019 compared to the base. The revenue increased especially in the diffusion roofing foils from the Roofing foils and accessories product group, and also in the own-produced fiberglass mesh from Thermal insulation system product group. The sales was higher in the Building industrial accessories too, but in the Heat, sound and water insulation materials and in the Dry construction system product group the Company reached smaller turnover.

The sales were down by 3% in Q2 2019 on the **Slovakian market**. In the Thermal insulation system, in the Dry construction system and in the Heat, sound and water insulation materials the Group reached higher sales than in Q2 2018 were. Regarding the Roofing foils and accessories the turnover was on the same level, but in the Building industry accessories and in the Industrial applications products it was decreased.

On the **Croatian market** the sales grew by 1% in Q2 2019 on base term. The revenue increase was in the Thermal insulation system product group, especially in case EPS products and in the Roofing foils and accessories product group. The other product groups had a drop in sales compared to the base period.

In **North Macedonia**, with the smallest turnover share, a 14% decrease in sales was reported in Q2 2019, which was mainly due to the smaller revenue of the fiberglass mesh from the Thermal insulation system product group. There was a growth in the Dry construction system product group and also in the Building industry accessories, but at the others the sales were increased.

Overall, in the basically positive industrial environment the Group has increased its total sales by 6% in Q2 2019 compared to the base period. The Group achieved sales growth in the Hungarian, export, Ukrainian, Polish and Croatian market, while sales decreased in Romania, Serbia and North Macedonia. The turnover was also mixed across the product groups. Regarding the Thermal insulation system, the Dry construction system and the Industrial applications products the sales were increased, but at the Roofing foils and accessories, at the Heat, sound and water insulation materials and also at the Building industry accessories there was a drop.

5. Profit and loss account

The exhibit below shows the consolidated profit and loss statement of the Masterplast PLC. in total cost form, in EUR. As the IFRS 15 came into force from 01/01/2018 the mediated services booked on the cost of materials and services line. For the sake of comparability the 2018 data has been restated accordingly. The amendment has no effects on the profit after tax. Besides this there has been no change in the Company's accounting policy compared to the previous year.

| Data in EUR | Q2 2019 | Q2 2018 | Change | Index | H1 2019 | H1 2018 | Change | Index |
|--|------------------|------------------|----------------|-------------|------------------|------------------|----------------|--------------|
| | (A) | (B) | A-B | (A/B-1) | (A) | (B) | A-B | (A/B-1) |
| Sales revenues | 28 507 387 | 26 838 530 | 1 668 857 | 6% | 50 575 054 | 45 390 437 | 5 184 617 | 11% |
| Cost of materials and services | -22 849 479 | -22 323 414 | -526 065 | 2% | -41 069 640 | -37 041 829 | -4 027 811 | 11% |
| Payroll costs and contributions | -3 478 700 | -3 025 410 | -453 290 | 15% | -6 426 845 | -5 842 826 | -584 019 | 10% |
| Depreciation | -573 119 | -487 070 | -86 049 | 18% | -1 111 108 | -952 808 | -158 300 | 17% |
| Change in self-manufactured inventories | 25 774 | 601 241 | -575 467 | -96% | 111 471 | 414 413 | -302 942 | -73% |
| Other operating revenues and expenses | 203 546 | -24 092 | 227 638 | -945% | 151 516 | -122 140 | 273 656 | -224% |
| EBITDA | 2 408 528 | 2 066 856 | 341 672 | 17% | 3 341 556 | 2 798 055 | 543 501 | 19% |
| <i>EBIDTA ratio</i> | <i>8,4%</i> | <i>7,7%</i> | | | <i>6,6%</i> | <i>6,2%</i> | | |
| PROFIT / LOSS OF BUSINESS ACTIVITY (EBIT) | 1 835 409 | 1 579 786 | 255 623 | 16% | 2 230 448 | 1 845 247 | 385 201 | 21% |
| Interest revenues | 16 725 | 10 938 | 5 787 | 53% | 30 576 | 47 641 | -17 065 | -36% |
| Interest expenses | -108 451 | -138 253 | 29 802 | -22% | -262 172 | -280 609 | 18 437 | -7% |
| Other financial revenues and expenses | 179 042 | 295 614 | -116 572 | -39% | 238 845 | 185 940 | 52 905 | 28% |
| FINANCIAL PROFIT/LOSS | 87 316 | 168 299 | -80 983 | -48% | 7 249 | -47 028 | 54 277 | -115% |
| Profit/loss from associations | 5 894 | 5 684 | 210 | 4% | 702 | 16 587 | -15 885 | -96% |
| Profit/loss before income tax | 1 928 619 | 1 753 769 | 174 850 | 10% | 2 238 399 | 1 814 806 | 423 593 | 23% |
| Taxes | -104 314 | -100 379 | -3 935 | 4% | -177 366 | -108 530 | -68 836 | 63% |
| Profit/loss after taxation | 1 824 305 | 1 653 390 | 170 915 | 10% | 2 061 033 | 1 706 276 | 354 757 | 21% |
| <i>Profit attributable to the owners of the parent</i> | <i>1 761 217</i> | <i>1 616 179</i> | <i>145 038</i> | <i>9%</i> | <i>1 984 253</i> | <i>1 650 174</i> | <i>334 079</i> | <i>20%</i> |
| <i>Profit attributable to the minority</i> | <i>63 088</i> | <i>37 211</i> | <i>25 877</i> | <i>70%</i> | <i>76 780</i> | <i>56 102</i> | <i>20 678</i> | <i>37%</i> |
| <i>Earnings per share (EPS)</i> | <i>0,12</i> | <i>0,11</i> | | | <i>0,14</i> | <i>0,11</i> | | |
| <i>Diluted earnings per share (diluted EPS)</i> | <i>0,12</i> | <i>0,11</i> | | | <i>0,14</i> | <i>0,11</i> | | |

Source: consolidated non-audited report of the Group on 30th of June 2019 and non-audited report on 30st of June 2018 based on IFRS accounting rules

The total revenue of the Group was 28 507 thousand EUR in Q2 2019, with 1 669 thousand EUR (6%) higher than in the base period.

Compared to the previous period the sales growth in the period was more modest and the total turnover landed under the budget. This was due to the unfavourable weather conditions, lower production output of the fiberglass mesh plant in Serbia and the decline in the demand of packaging industry customers served by plant in Kal.

With the increase in turnover, the trade margin value was increased almost at the same extent. The Group's trade margin was higher on the Export, Polish, Slovakian, Ukrainian and Romanian markets, but the realized margin volume grew in the Hungarian and Croatian markets as well. There was a growth in the production output of fiberglass mesh, profile and EPS in Serbia, while in Kal the foam factory production dropped on a lesser extent in Q2 2019 compared to the base quarter. The material and other material costs slightly increased while the 3rd party related transportation expenditures decreased. The maintenance costs, the energy costs, the fuel costs and rents were also increased in Q2 2019 compared to the base period. The cost of materials and services – considering the change in the self-manufactured inventories as well – has increased (5%) by smaller rate than the turnover expansion in Q2 2019.

As a result of the expanding headcount of the fiberglass mesh factory in Serbia and due to the payrises the personnel expenses of the Company has increased by 15% in Q2 2019 compared to the base period. The Group had 1 027 employees at the end of June 2019 opposed to the staff level of 930 people of the base period. 422 people were employed at the production unit in Subotica at the end of Q2 2019, compared to the level of 360 staff at 30th of June 2018.

Mainly the investments in the production lines in Serbia and in Kal resulted in an increase in the amount of depreciation in Q2 2019 compared to the base.

The other operating expenses of the Company decreased in Q2 2019 compared to the base period whenas the released accruals for fiberglass production in Serbia improved the result for the period.

As the result of the above mentioned the Group EBITDA was 2 409 thousand EUR in Q2 2019 (8,4% EBITDA ratio) compared to the 2 067 thousand EUR (7,7% EBITDA ratio) in the base period, which was 17% growth. Taken into account the depreciation too the EBIT resulted in 1 835 thousand EUR in Q2 2019 which exceeded by 16% the 1 580 thousand EUR level of the base period.

The interest expenditures decreased, the interest revenues increased in Q2 2019 compared to the base period.

The other financial related incomes and expenditures mainly represent the exchange rate related profits/losses. As the Company mainly realises its purchases in euro and USD and the sales are being generated in local currencies therefor the fluctuation of these currencies can have a remarkable effect on the Group's financial results. Since most of the local currencies are linked to the euro, the EUR/USD rate moves also influences – in case USD purchases – the exchange rate results. The Company had concluded EUR/USD and EUR/HUF based hedging deals in 2018, the results from closure and evaluation of this deals are also reflected among other financial profit/loss. The Hungarian entities (Masterfoam Kft., and Masterplast International Kft.) carry euro dominated working capital loans while the Serbian subsidiary holds euro base investment loan as well.

The following table shows the exchanges of major currencies for the Group in 2019, 2018 and 2017:

| Closing exchange rates | 31-12-2017 | 31-03-2018 | 30-06-2018 | 31-12-2018 | 31-03-2019 | 30-06-2019 | Index | Index | Index | Index | Index |
|------------------------|------------|------------|------------|------------|------------|------------|---------|---------|---------|---------|---------|
| | A | B | C | D | E | F | C/A | F/D | C/B | F/E | F/C |
| EUR/USD | 1,20 | 1,23 | 1,17 | 1,14 | 1,12 | 1,14 | 97,22% | 99,52% | 94,65% | 101,59% | 97,76% |
| EUR/HUF | 310,14 | 312,55 | 328,60 | 321,51 | 320,79 | 323,54 | 105,95% | 100,63% | 105,14% | 100,86% | 98,46% |
| EUR/RON | 4,66 | 4,66 | 4,66 | 4,66 | 4,76 | 4,74 | 100,02% | 101,53% | 100,02% | 99,42% | 101,59% |
| EUR/RSD | 118,47 | 118,39 | 118,07 | 118,19 | 118,01 | 117,91 | 99,66% | 99,76% | 99,73% | 99,92% | 99,87% |
| EUR/UAH | 33,50 | 32,70 | 30,57 | 31,71 | 30,57 | 29,73 | 91,25% | 93,74% | 93,48% | 97,26% | 97,26% |
| USD/HUF | 258,82 | 253,94 | 282,06 | 280,94 | 286,14 | 284,08 | 108,98% | 101,12% | 111,07% | 99,28% | 100,72% |
| USD/RON | 3,89 | 3,78 | 4,00 | 4,07 | 4,24 | 4,16 | 102,91% | 102,09% | 105,91% | 98,00% | 103,88% |
| USD/RSD | 99,12 | 96,08 | 101,34 | 103,39 | 105,00 | 103,77 | 102,24% | 100,37% | 105,47% | 98,82% | 102,40% |
| USD/UAH | 28,07 | 26,54 | 26,19 | 27,69 | 27,25 | 26,17 | 93,30% | 94,50% | 98,68% | 96,03% | 99,91% |

Source: Hungarian National Bank rates

The Company has generated and booked 179 thousand EUR profit as other financial result in Q2 2019 compared to the 296 thousand EUR profit of Q2 2018.

The Group PAT was 1 824 thousand EUR profit in Q2 2019 compared to the base period's profit of 1 653 thousand EUR.

Overall, in a basically positive market the Company has increased its revenues by 6% in Q2 2019. With the increase in turnover, the trade margin value was increased almost at the same extent while there was an improvement in the efficiency of production output. The cost of materials and services – considering the change in the self-manufactured inventories as well – has increased by smaller rate than the turnover expansion in Q2 2019. Due to the payrises and the expanding headcount the payroll costs showed an increase, as well as higher depreciation was realized related to the manufacturing investments, while the other operating expenses decreased. EBITDA was 2 409 thousand EUR (8,4% EBITDA ratio) in Q2 2019 compared to the 2 067 thousand EUR (7,7% EBITDA ratio) in Q2 2018, whereas the Company's operating profit (EBIT) was 1 835 thousand EUR compared to the 1 580 thousand EUR of the base period. The financial result landed on a lower profit, whereas the profit after taxation was 10% higher than in the Q2 2018 was.

The Group expects a positive construction environment for the second half year, which may provide a good basis for the growth in the strongest season. The further growing output and efficiency of the own production can ensure to reach the annual sales and operating profit target.

6. Other comprehensive income

| Data in EUR | 30-06-2019 | 30-06-2018 |
|--|------------------|-------------------|
| Profit for the year | 2 061 033 | 1 706 276 |
| Foreign exchange result on translation* | -374 642 | -1 118 071 |
| Parent company's share of the change in the value of associates* | 310 430 | -108 |
| Other comprehensive income | -64 212 | -1 118 179 |
| Comprehensive income | 1 996 821 | 588 097 |

Source: consolidated non-audited report of the Group on 30th of June 2019 and non-audited report on 30st of June 2018 based on IFRS accounting rules

* Will not be recognised in profit or loss in future periods

7. Balance sheet

Due to the strong seasonal impact of the Group's business during the year, the Company presents and analyses its balance sheet as at 30th June 2019 comparing to the balance sheet data of the same date of the previous year. A separate table shows the comparison with year-end volumes.

| Data in EUR | 30-06-2018 | 30-06-2018 | Change | Index |
|--|-------------------|-------------------|-------------------|------------|
| | (A) | (B) | A-B | (A/B-1) |
| FIXED ASSETS | | | | |
| Land, buildings and equipment | 36 851 818 | 32 767 736 | 4 084 082 | 12% |
| Intangible assets | 64 839 | 1 940 | 62 899 | 3242% |
| Shares in related companies | 344 907 | 50 128 | 294 779 | 588% |
| Deferred tax assets | 301 441 | 345 915 | -44 474 | -13% |
| Total fixed assets | 37 563 005 | 33 165 719 | 4 397 286 | 13% |
| | | | | |
| CURRENT ASSETS | | | | |
| Inventories | 21 443 901 | 23 510 990 | -2 067 089 | -9% |
| Trade accounts receivable | 18 511 942 | 16 600 946 | 1 910 996 | 12% |
| Tax receivables | 1 158 972 | 951 020 | 207 952 | 22% |
| Other financial receivables | 75 774 | 1 213 | 74 561 | 6147% |
| Other current assets | 1 542 828 | 2 239 807 | -696 979 | -31% |
| Liquid assets | 2 576 701 | 1 837 879 | 738 822 | 40% |
| Total current assets | 45 310 118 | 45 141 855 | 168 263 | 0% |
| | | | | |
| TOTAL ASSETS | 82 873 123 | 78 307 574 | 4 565 549 | 6% |
| | | | | |
| CAPITAL AND RESERVES | | | | |
| Subscribed capital | 5 503 939 | 5 503 939 | 0 | 0% |
| Reserves | 24 143 901 | 20 659 971 | 3 483 930 | 17% |
| Repurchased shares | -20 713 | -20 794 | 81 | 0% |
| Parent share of interests | 1 984 253 | 1 650 174 | 334 079 | 20% |
| Equity attributable to the owners of the parent | 31 611 380 | 27 793 290 | 3 818 090 | 14% |
| Minority interests | 368 459 | 324 831 | 43 628 | 13% |
| Total capital and reserves | 31 979 839 | 28 118 121 | 3 861 718 | 14% |
| | | | | |
| LONG-TERM LIABILITIES | | | | |
| Long- term loans | 6 324 897 | 5 110 847 | 1 214 050 | 24% |
| Deferred tax liabilities | 181 139 | 243 612 | -62 473 | -26% |
| Deferred income | 3 615 406 | 3 077 605 | 537 801 | 17% |
| Other long-term liabilities | 760 308 | 728 525 | 31 783 | 4% |
| Total long-term liabilities | 10 881 750 | 9 160 589 | 1 721 161 | 19% |
| | | | | |
| SHORT-TERM LIABILITIES | | | | |
| Short-term loans | 21 314 268 | 19 760 668 | 1 553 600 | 8% |
| Trade accounts payable | 13 618 522 | 16 274 252 | -2 655 730 | -16% |
| Short-term leasing liabilities | 162 330 | 102 693 | 59 637 | 58% |
| Other financial liabilities | 31 630 | 152 531 | -120 901 | -79% |
| Tax liabilities | 1 384 295 | 1 200 201 | 184 094 | 15% |
| Short-term deferred income | 933 723 | 360 076 | 573 647 | 159% |
| Provisions | 253 409 | 395 111 | -141 702 | -36% |
| Other short-term liabilities | 2 313 357 | 2 783 332 | -469 975 | -17% |
| Total short-term liabilities | 40 011 534 | 41 028 864 | -1 017 330 | -2% |
| | | | | |
| TOTAL LIABILITIES | 50 893 284 | 50 189 453 | 703 831 | 1% |
| | | | | |
| TOTAL CAPITAL AND LIABILITIES | 82 873 123 | 78 307 574 | 4 565 549 | 6% |

Source: consolidated non-audited report of the Group on 30th of June 2019 and non-audited report on 30st of June 2018 based on IFRS accounting rules

The total assets of the Group were 82 873 thousand EUR on the 30th of June 2019, by 4 566 thousand EUR higher than at the end of the base period.

The total fixed assets amounted to 37 563 thousand EUR at the end of Q2 2019, by 4 397 thousand EUR higher than base period's volume. The increase was due to the fiberglass mesh production investment in Subotica and in the expansion of the foam production line in Kal. The Company has overall spent 2 461 thousand EUR on CAPEX in H1 2019.

The inventory at the end of Q2 2019 was 21 444 thousand EUR, which partly owing to the inventory optimization project landed by 2 067 thousand EUR lower than the base period closing stock was.

The trade accounts receivables were 18 512 thousand EUR at the end of this quarter which meant 1 911 thousand EUR increase (12%) compared to base period.

The Group's cash and equivalents stood at 2 577 thousand EUR at the end of Q2 2019, which were higher by 739 thousand EUR than the closing volume in Q2 2018.

In relation with the CAPEX the amount of the long-term loans (24%) increased, just as the short-term credit lines (8%) at the end of Q2 2019 compared to the closing data of the base period.

The accounts payable decreased in a smaller extent (16%) by 2 656 thousand EUR, while the deferred income increased (32%) related to the government grants to investments.

8. Cash-flow, bank information

| Data in EUR | 30-06-2019 | 30-06-2018 | Change | Index |
|---|-------------------|-------------------|------------------|-------------|
| | (A) | (B) | A-B | (A/B-1) |
| Operating Activities | | | | |
| PBT | 2 238 399 | 1 814 806 | 423 593 | 23% |
| Depreciation and Amortisation | 1 111 108 | 952 808 | 158 300 | 17% |
| Bad debt provision | 62 779 | 37 615 | 25 164 | 67% |
| Shortage and scrap of stocks | 88 646 | 39 389 | 49 256 | 125% |
| Provisions | 66 465 | 306 666 | -240 201 | -78% |
| Profit on fixed asset sale | -35 409 | -78 057 | 42 649 | -55% |
| Interest expense | 262 172 | 254 535 | 7 637 | 3% |
| Interest revenue | -30 576 | -21 567 | -9 009 | 42% |
| Profit/loss from associations | -702 | -16 587 | 15 885 | -96% |
| Unrealized foreign exchange gain (loss) | 165 141 | -378 822 | 543 962 | -144% |
| | | | | |
| Changes in Working Capital | | | | |
| Change in Accounts Receivable | -6 121 757 | -5 328 086 | -793 671 | 15% |
| Change in Inventory | 1 527 737 | -2 378 853 | 3 906 590 | -164% |
| Change in Other Assets | 94 287 | 300 241 | -205 954 | -69% |
| Change in Accounts Payable | 844 683 | 3 410 640 | -2 565 957 | -75% |
| Change in Short-term liabilities | -15 065 | 1 460 147 | -1 475 212 | -101% |
| | | | | |
| Taxation | -34 802 | 214 027 | -248 830 | -116% |
| Net Cash from Operations | 223 104 | 588 902 | -365 798 | -62% |
| | | | | |
| Investing Activities | | | | |
| CAPEX | -2 460 631 | -4 825 555 | 2 364 924 | -49% |
| Sale of fixed assets | 101 954 | 144 176 | -42 222 | -29% |
| Subsidiaries sold | 100 | | 100 | 0% |
| Interest received | 30 576 | 21 567 | 9 009 | 42% |
| Net Cash from Investing activities | -2 328 001 | -4 659 812 | 2 331 811 | -50% |
| | | | | |
| Financing Activities | | | | |
| Borrowing | 3 849 868 | 8 797 885 | -4 948 017 | -56% |
| Loan repayments | -636 954 | -5 634 970 | 4 998 015 | -89% |
| Government grant | 0 | | 0 | 0% |
| Dividends paid | 0 | 0 | 0 | 0% |
| Interest paid | -262 172 | -254 535 | -7 637 | 3% |
| Net Cash from Financing activities | 2 950 742 | 2 908 381 | 42 361 | 1% |
| | | | | |
| Net Cash flow of the period | 845 845 | -1 162 529 | 2 008 374 | -173% |
| Cash at beginning of period | 2 089 823 | 3 013 001 | -923 178 | -31% |
| Effect of exchange rate changes | -358 967 | -12 593 | -346 374 | 2751% |
| Cash at end of period | 2 576 701 | 1 837 879 | 738 822 | 40% |

Source: consolidated non-audited report of the Group on 30th of June 2019 and non-audited report on 30st of June 2018 based on IFRS accounting rules

The net cash flow from operation was 223 thousand EUR at the end of Q2 2019, while it was 589 thousand EUR the end of the base period.

The cash flow from investing activities was -2 328 thousand EUR in H1 2019 compared to -4 660 thousand EUR in H1 2018.

The net cash flow from financial related activities amounted to 2 951 thousand EUR compared to the 2 908 thousand EUR of the base year.

All in all the cash and equivalents of the Company was 2 577 thousand EUR at 30th of June 2019 which was higher by 739 thousand EUR than the level of the previous year.

Loans and bank related information:

By the end of June 2019, the Company had complied with the lately redefined and contracted banking covenant requirements.

Investigations against Masterplast:

An investigation has been extended to the MASTERPLAST Romania Srl. which was launched by the Romanian tax authority to an assumed tax claim in relation with anti-dumping laws on imported products concerning the operations of some of the suppliers of the Romanian subsidiary of the Company. For the upcoming periods of the procedure – making with the options of the tax laws – for the assurance of any enforcement, a 2nd rank mortgage and disposal and debit restrictions had been registered in the amount of 2 171 473 EUR (10 118 411 RON) on the properties owned by the MASTERPLAST Romania Srl. This procedure has no influence on the operation and business activities of the MASTERPLAST Romania Srl. The Company has appealed against the 2nd rank mortgage. As the result of the completed tax investigation, as the first degree resolution, the Romanian tax authority determined a VAT liability in the amount of 267 411 EUR (1 246 053 RON) and additionally 85 121 EUR (396 638 RON) as default interest for the inspected period from 01.01.2014 to 31.08.2016. The Company represented a bank guarantee for the tax liabilities.

9. Change in equity

| Data in EUR | Subscribed capital | Shares | Capital reserves | Accumulated profit reserves | Conversation reserves | Total reserves | Parent company's share of profit | Equity per shareholders in parent company | Share of external owners | Shareholders' equity |
|--|--------------------|----------------|------------------|-----------------------------|-----------------------|-------------------|----------------------------------|---|--------------------------|----------------------|
| 01-01-2018 | 5 226 391 | -22 031 | 6 655 559 | 19 301 619 | -7 664 609 | 18 292 569 | 2 610 062 | 26 106 991 | 269 862 | 26 376 853 |
| Net profit | | | | | | | 1 650 174 | 1 650 174 | 56 102 | 1 706 276 |
| Other comprehensive income | | | | | -1 117 046 | -1 117 046 | | -1 117 046 | -1 133 | -1 118 179 |
| Transfer of previous year's net profit | | | | 2 610 062 | | 2 610 062 | -2 610 062 | | | |
| Repurchased shares | | 1 237 | | | | | | 1 237 | | 1 237 |
| Capital increase | 277 548 | | | | | | | 277 548 | | 277 548 |
| Capital increase - agio | | | 1 407 169 | | | 1 407 169 | | 1 407 169 | | 1 407 169 |
| Change in the share of external owners | | | | | | | | | | |
| Paid dividends | | | | -532 783 | | -532 783 | | -532 783 | | -532 783 |
| Ownership contribution | | | | | | | | | | |
| 30-06-2018 | 5 503 939 | -20 794 | 8 062 728 | 21 378 898 | -8 781 655 | 20 659 971 | 1 650 174 | 27 793 290 | 324 831 | 28 118 121 |
| 01-01-2019 | 5 503 939 | -20 843 | 8 062 732 | 21 346 318 | -8 480 506 | 20 928 544 | 3 283 382 | 29 695 022 | 287 866 | 29 982 888 |
| Net profit | | | | | | | 1 984 253 | 1 984 253 | 76 780 | 2 061 033 |
| Other comprehensive income | | | | | -68 025 | -68 025 | | -68 025 | 3 813 | -64 212 |
| Transfer of previous year's net profit | | | | 3 283 382 | | 3 283 382 | -3 283 382 | | | |
| Repurchased shares | | 130 | | | | | | 130 | | 130 |
| Capital increase | | | | | | | | | | |
| Capital increase - agio | | | | | | | | | | |
| Change in the share of external owners | | | | | | | | | | |
| Paid dividends | | | | | | | | | | |
| Ownership contribution | | | | | | | | | | |
| 30-06-2019 | 5 503 939 | -20 713 | 8 062 732 | 24 629 700 | -8 548 531 | 24 143 901 | 1 984 253 | 31 611 380 | 368 459 | 31 979 839 |

Source: consolidated non-audited report of the Group on 30th of June 2019 and non-audited report on 30st of June 2018 based on IFRS accounting rules

10. Contingent liabilities

| Company | Type of guarantee | Covert amount by guarantee | Currency | Amount in EUR | Currency |
|-----------------------|-------------------|----------------------------|----------|------------------|------------|
| Masterplast Romania | Bank guarantee | 1 246 053 | RON | 263 152 | EUR |
| Masterplast Romania | Bank guarantee | 396 638 | RON | 83 765 | EUR |
| Masterfoam Kft. | Custom | 10 000 000 | HUF | 30 908 | EUR |
| Masterfoam Kft. | Tender guarantee | 260 000 000 | HUF | 803 610 | EUR |
| Masterplast YU D.o.o. | Bank guarantee | 2 000 000 | EUR | 2 000 000 | EUR |
| Total: | | | | 3 181 436 | EUR |

Source: consolidated non-audited report of the Group on 30th of June 2019 and non-audited report on 30st of June 2018 based on IFRS accounting rules, as well as the non-audited data from the Group's management information system

Off balance sheet items: relevant items in financial terms but items are not being presented in the balance sheet (such as guarantees, mortgage related liabilities etc.).

The Company has presented a bank guarantee covering the liabilities which were determined by the Romanian tax authority in the amount of 1 246 053 RON and 396 638 RON as default interest. Taking into account the legal outcome of the case, in consultation with the Company's legal counsel, the obligation is presented by the Company as a contingent liability.

11. The presentation of the segments at Masterplast

| H1 2019 (Data in EUR) | Sales | Production | Unallocated costs | Segment elimination | Consolidated |
|--------------------------|------------------|----------------|-------------------|---------------------|------------------|
| Sales revenues | 50 575 054 | 0 | 0 | 0 | 50 575 054 |
| Sales between segments | 11 628 297 | 12 662 057 | 0 | -24 290 354 | -0 |
| Depreciation | -498 138 | -480 677 | -132 294 | 0 | -1 111 108 |
| Operating expenses | -58 782 461 | -11 768 650 | -872 740 | 24 290 354 | -47 133 498 |
| EBITDA | 3 420 890 | 893 407 | -872 740 | 0 | 3 441 556 |
| <i>EBITDA ratio</i> | <i>5,5%</i> | <i>7,3%</i> | <i>0,0%</i> | | <i>7,6%</i> |
| EBIT | 2 922 752 | 412 730 | -1 005 034 | 0 | 2 330 448 |
| <i>EBIT ratio</i> | <i>4,7%</i> | <i>3,4%</i> | <i>0,0%</i> | | <i>5,1%</i> |
| Fixed Assets | 11 819 444 | 18 222 940 | 6 809 434 | 0 | 36 851 818 |
| Inventories | 18 696 982 | 2 746 919 | | 0 | 21 443 901 |

| H1 2018 (Data in EUR) | Sales | Production | Unallocated costs | Segment elimination | Consolidated |
|--------------------------|------------------|----------------|-------------------|---------------------|------------------|
| Sales revenues | 45 390 437 | 0 | 0 | 0 | 45 390 437 |
| Sales between segments | 17 157 143 | 12 225 434 | 0 | -29 382 577 | 0 |
| Depreciation | -322 420 | -401 475 | -228 913 | 0 | -952 808 |
| Operating expenses | -59 502 121 | -11 459 631 | -1 013 207 | 29 382 577 | -42 592 382 |
| EBITDA | 3 045 459 | 765 803 | -1 013 207 | 0 | 2 798 055 |
| <i>EBITDA ratio</i> | <i>4,9%</i> | <i>6,3%</i> | <i>0,0%</i> | | <i>6,2%</i> |
| EBIT | 2 723 039 | 364 328 | -1 242 120 | 0 | 1 845 247 |
| <i>EBIT ratio</i> | <i>4,4%</i> | <i>3,0%</i> | <i>0,0%</i> | | <i>4,1%</i> |
| Fixed Assets | 9 717 698 | 17 252 711 | 5 797 327 | 0 | 32 767 736 |
| Inventories | 20 053 557 | 3 457 433 | 0 | 0 | 23 510 990 |

Source: non-audited data from the Group's management information system

The turnover of the Sales segment was 50 575 thousand EUR in H1 2019, which passed the base period's result by 5 185 thousand EUR (11%). In addition to the increase in turnover, the realized margin also grew compared to base period. Notable expansion was achieved on the export and Polish markets, but also the growth in the realized margins can be highlighted on the Hungarian, Serbian, Slovakian, Ukrainian and Croatian markets as well. The EBIDTA of this segment was 3 421 thousand EUR in the first six months of this year, the EBITDA ratio was 5,5%, which was more than half percent higher than in the prior year.

Regarding of the Production segment, the turnover for H1 2018 was 12 662 thousand EUR, which passed the base period's result by 437 thousand EUR (4%). With the further increasing production output of the Company, the own production became more efficient and profitable, but due to the declining demand of packaging industry the revenue landed under the budget. The manufacturing EBITDA was 893 thousand EUR (7,3% EBITDA ratio) compared to the 766 thousand EUR (6,3% EBITDA ratio) of H1 2018. The increase in the fixed assets caused a larger depreciation and the EBIT was 413 thousand EUR in the first half of 2019 compared to the last year's 364 thousand EUR. The production performance of each plant is presented below.

In the Group's EPS plant in Subotica in Q2 2019 the production volume was growing again. After the outstanding Q1 the output was more moderated, 6% higher than in the same period of last year. On the whole the volume in H1 exceeded the previous year's output by 31%.

The quarterly output of the mesh edge protection production was 17% higher than the period of last year. For the first half year the output growth was 10% higher than H1 2018.

In Subotica, the production and output of the fiberglass factory also increased compared to the base period. However, the high growth plans could not be achieved, mainly due to slower recruitment and training than planned. The technological advancements were completed and worked well with traditional weaving. The machines with German technology were only started operationally with considerable slippage at the end of the quarter, so they did not bring in additional volumes compared to last year. Cumulative output of fiberglass mesh products was 15% higher than in the same period last year, but was smaller than the planned volume. The task for the next quarter is to fill up production headcount and stabilize the German technology.

In the Kal based foam factory the quarterly output was in 12% lagging compared to the level of Q2 2018. The largest decline was in the third party packaging industry customers, while affiliated company markets were stable. With the machineries of the technology development from last year, the Company successfully developed new product types in Q2. However, their introduction on the market was started in the last weeks of the second quarter – so it had no significant improvement effect. The task for the next quarter is to continue introducing new products to the market, to familiarize and get them across the major customers.

12. Changes of the full time employees (headcount)

| | 30-06-2019 | 31-12-2018 | 30-06-2018 |
|-----------------------|-------------------|-------------------|-------------------|
| Company employees | 42 | 43 | 41 |
| Group level employees | 1027 | 925 | 930 |

Source: non-audited data from the Group's management information system

13. Significant events between the quarter-end and the semi-annual report

In addition to the published information, no significant events occurred.

14. Balance sheet compared with 31 December 2018 status

| Data in 1000 EUR | 30-06-2019 | 31-12-2018 | Change | Index |
|--|-------------------|-------------------|------------------|------------|
| | (A) | (B) | A-B | (A/B-1) |
| FIXED ASSETS | | | | |
| Land, buildings and equipment | 36 851 818 | 35 454 633 | 1 397 185 | 4% |
| Intangible assets | 64 839 | 207 028 | -142 189 | -69% |
| Shares in related companies | 344 907 | 33 775 | 311 132 | 921% |
| Deferred tax assets | 301 441 | 303 568 | -2 127 | -1% |
| Total fixed assets | 37 563 005 | 35 999 004 | 1 564 001 | 4% |
| CURRENT ASSETS | | | | |
| Inventories | 21 443 901 | 23 059 923 | -1 616 022 | -7% |
| Trade accounts receivable | 18 511 942 | 12 453 324 | 6 058 618 | 49% |
| Tax receivables | 1 158 972 | 1 075 573 | 83 399 | 8% |
| Other financial receivables | 75 774 | 23 275 | 52 499 | 226% |
| Other current assets | 1 542 828 | 1 773 013 | -230 185 | -13% |
| Liquid assets | 2 576 701 | 2 089 823 | 486 878 | 23% |
| Total current assets | 45 310 118 | 40 474 931 | 4 835 187 | 12% |
| TOTAL ASSETS | 82 873 123 | 76 473 935 | 6 399 188 | 8% |
| CAPITAL AND RESERVES | | | | |
| Subscribed capital | 5 503 939 | 5 503 939 | 0 | 0% |
| Reserves | 24 143 901 | 20 928 544 | 3 215 357 | 15% |
| Repurchased shares | -20 713 | -20 843 | 130 | -1% |
| Parent share of interests | 1 984 253 | 3 283 382 | -1 299 129 | -40% |
| Equity attributable to the owners of the parent | 31 611 380 | 29 695 022 | 1 916 358 | 6% |
| Minority interests | 368 459 | 287 866 | 80 593 | 28% |
| Total capital and reserves | 31 979 839 | 29 982 888 | 1 996 951 | 7% |
| LONG-TERM LIABILITIES | | | | |
| Long-term loans | 6 324 897 | 6 050 695 | 274 202 | 5% |
| Deferred tax liabilities | 181 139 | 181 514 | -375 | 0% |
| Deferred income | 3 615 406 | 4 067 918 | -452 512 | -11% |
| Other long-term liabilities | 760 308 | 721 352 | 38 956 | 5% |
| Total long-term liabilities | 10 881 750 | 11 021 479 | -139 729 | -1% |
| SHORT-TERM LIABILITIES | | | | |
| Short-term loans | 21 314 268 | 18 375 553 | 2 938 715 | 16% |
| Trade accounts payable | 13 618 522 | 12 773 839 | 844 683 | 7% |
| Short-term leasing liabilities | 162 330 | 289 284 | -126 954 | -44% |
| Other financial liabilities | 31 630 | 255 | 31 375 | 12304% |
| Tax liabilities | 1 384 295 | 641 013 | 743 282 | 116% |
| Short-term deferred income | 933 723 | 933 723 | 0 | 0% |
| Provisions | 253 409 | 186 944 | 66 465 | 36% |
| Other short-term liabilities | 2 313 357 | 2 268 957 | 44 400 | 2% |
| Total short-term liabilities | 40 011 534 | 35 469 568 | 4 541 966 | 13% |
| TOTAL LIABILITIES | 50 893 284 | 46 491 047 | 4 402 237 | 9% |
| TOTAL CAPITAL AND LIABILITIES | 82 873 123 | 76 473 935 | 6 399 188 | 8% |

Source: consolidated non-audited report of the Group on 30th of June 2019 and audited report of 31th of December 2018 based on IFRS accounting rules

15. Consolidated companies

| Company | Place of business registration | Equity capital | Foreign currency | Ownership | Voting rate | Activity |
|---|--------------------------------|----------------|------------------|-----------|-------------|--|
| Masterplast Romania S.R.L. | Romania | 36 000 | RON | 100% | 100% | Wholesale of building materials |
| Masterplast YU D.o.o. | Serbia | 192 557 060 | RSD | 100% | 100% | Wholesale of building materials, EPS and fiberglass production |
| Master Plast s.r.o. | Slovakia | 26 555 | EUR | 100% | 100% | Wholesale of building materials |
| Masterplast d.o.o. | Croatia | 20 000 | HRK | 100% | 100% | Wholesale of building materials |
| MasterPlast TOV | Ukraine | 27 000 | UAH | 80% | 80% | Wholesale of building materials |
| Masterplast Sp zoo | Poland | 200 000 | PLN | 80,04% | 80,04% | Wholesale of building materials |
| MasterFoam Kft. | Hungary | 3 000 000 | HUF | 100% | 100% | Foam sheet production |
| Masterplast Kft. | Hungary | 10 000 000 | HUF | 100% | 100% | Wholesale of building materials |
| Masterplast D.O.O. | North Macedonia | 973 255 | MKD | 10% | 10% | Wholesale of building materials |
| Green MP Invest | Ukraine | 33 223 500 | UAH | 100% | 100% | Asset management |
| Masterplast Hungária Kft. | Hungary | 230 000 000 | HUF | 100% | 100% | Wholesale of building materials |
| Mastermesh Production Kft. | Hungary | 300 000 000 | HUF | 100% | 100% | Fiberglass production |
| Masterplast International Kft. | Hungary | 3 000 000 | HUF | 100% | 100% | Wholesale of building materials |
| Indirect relations: | | | | | | |
| Masterplast D.O.O. | North Macedonia | 973 255 | MKD | 80% | 80% | Wholesale of building materials |
| Affiliated company of the Group: | | | | | | |
| Masterprofil Kft. | Hungary | 3 000 000 | HUF | 20% | 20% | Profile production |
| T-Cell Kft. | Hungary | 104 000 000 | HUF | 24% | 24% | EPS production |

Source: non-audited data from the Group's management information system

The Company on 3 June 2019 acquired 24% ownership in T-CELL Plasztik Company with Limited Liability. The main activity of T-CELL Plasztik Kft. is a polystyrene manufacture, in its two plants in Hungary – in Hajduszoboszló and Zalaegerszeg. With the collaboration between the two Hungarian companies, the existing manufacturing background of the Group is also further strengthened, where by means of purchases, the growth in capacity and the favourable logistics facilities may help to better exploit the opportunities provided by the construction industry boom.

The consolidation of the Company is based on equity valuation (equity method), and the Group has determined that the value of T-CELL Plasztik Kft.'s equity is recognized in profit and loss account. The fair value of the interest at the date of preparation of the interim management report is the same as the purchase value, so the profit and loss account has not been adjusted by the difference resulting from the valuation of the share.

16. Leaders and strategic employees influencing the operation of the Issuer

The members of the Board:

| Name | Post | Commencement of mandate (beginning of membership in the Board) | Completion of mandate | Time spent in Board /as Board members | Stockholding (pcs) |
|-------------------------|----------------------------|--|-----------------------|---------------------------------------|--------------------|
| Tibor Dávid | Chairman of the Board | 03-04-2008 | 30-04-2020 | approximately 11 years | 4 548 057 |
| Ács Balázs | Vice Chairman of the Board | 03-04-2008 | 30-04-2020 | approximately 11 years | 3 877 259 |
| Kazár András | Board member | 24-04-2013 | 30-04-2020 | approximately 6 years | - |
| Dr. Martin-Hajdu György | Board member | 01-05-2014 | 30-04-2020 | approximately 5 years | - |
| Dirk Theuns | Board member | 01-05-2014 | 30-04-2020 | approximately 5 years | - |

The data of the Company's top management are shown in the table below on 30 June 2019:

| Name | Post | Beginning of the current top management position | Completion of current top management position | Stockholding (pcs) |
|---------------|------|--|---|--------------------|
| Nádasi Róbert | CEO | 01-08-2018 | indefinite duration | 33 864 |

17. The shareholders of the Company with a holding above 5%

The Company's shareholders with a holding of more than 5% at the time of the closure of the report based on the announcements:

| Name | Deposit handler | Quantity (pcs) | Share (%) |
|-----------------------------|-----------------|-------------------|--------------|
| Tibor Dávid | no | 4 548 057 | 31,15 |
| Ács Balázs | no | 3 877 259 | 26,55 |
| OTP Alapkezelő Zrt. | no | 978 727 | 6,70 |
| SOH Kft. & LPH Kft. jointly | no | 779 676 | 5,34 |
| Total | | 10 183 719 | 69,75 |

18. Presentation of the amount of own shares (pcs)

| | 30-06-2019 |
|--------------------------------|----------------|
| Issuing ownership | 179 798 |
| Affiliated companies ownership | 0 |
| Total | 178 798 |

19. Publications issued by Masterplast PLC. in the reference period:

| Publication date | Object |
|------------------|---|
| 02.01.2019. | Share capital, voting rights |
| 01.02.2019. | Share capital, voting rights |
| 26.02.2019. | Publication of Q1-Q4 2018 results, interim management report |
| 01.03.2019. | Share capital, voting rights |
| 04.03.2019. | Notification and public disclosure of transaction by persons discharging material responsibilities |
| 05.03.2019. | Notification and public disclosure of transaction by persons discharging material responsibilities |
| 25.03.2019. | General Meeting Invitation |
| 29.03.2019. | Share capital, voting rights |
| 04.04.2019. | General Meeting Proposals |
| 04.04.2019. | Remuneration Statement |
| 25.04.2019. | General Meeting Resolutions |
| 25.04.2019. | CG Declaration |
| 25.04.2019. | Annual Report |
| 25.04.2019. | Summary Report |
| 29.04.2019. | Information about sales of interest |
| 29.04.2019. | Transactions with Treasury Shares |
| 02.05.2019. | Share capital, voting rights |
| 16.05.2019. | Publication of Q1 2019 results, interim management report |
| 16.05.2019. | Information about the rules for the purchase of treasury shares required for the Employees' Stock Ownership Program (MRP) |
| 16.05.2019. | Information on the purchase of treasury shares |
| 17.05.2019. | Information on the purchase of treasury shares |
| 20.05.2019. | Information on the purchase of treasury shares |
| 27.05.2019. | Information on the purchase of treasury shares |
| 29.05.2019. | Information on the purchase of treasury shares |
| 03.06.2019. | Share capital, voting rights |
| 03.06.2019. | Information about investing |
| 06.06.2019. | Information about sales of interest |
| 17.06.2019. | Information about the content of the Option agreement between the MASTERPLAST Plc. and the Masterplast MRP Organization |
| 20.06.2019. | Information on the purchase of treasury shares |
| 28.06.2019. | Information about the registration of acquisition to the company register |
| 01.07.2019. | Share capital, voting rights |
| 03.07.2019. | Information on the registration of changes to the company's register corresponding to the resolutions of the AGM |
| 03.07.2019. | Articles of Association |
| 29.07.2019. | Information of the change of the personally responsible auditor |
| 01.08.2019. | Share capital, voting rights |

DECLARATION

MASTERPLAST Public Limited Company (8143 Sárszentmihály, Árpád u. 1 / A, hereafter referred to as "the Company") states that the consolidated half-yearly report prepared with the best of its knowledge and based on the applicable accounting standards provides a true and fair view of the issuer and of the assets, liabilities and financial state development profits and losses, and performance of the issuing and consolidating companies, describing the main assets affecting the remaining six months of the financial year and the consolidated financial statements of the consolidating companies, risks and uncertainties.

Sárszentmihály, 27 August 2019



Tibor Dávid
Chairman of the Board

