

**MASTERPLAST**  
**GROUP-INTERNATIONAL**  
www.masterplastgroup.com

**MASTERPLAST PLC.**  
**HALF-YEARLY REPORT**  
**28 AUGUST 2018**

**MASTERPLAST PLC.**

**Half-yearly Report**

Consolidated, not audited

According to International Financial and Reporting Standards (IFRS)

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 environment the Company has increased its revenues by 14% in Q2 2018. Mainly due to the outstanding performance on the Hungarian, Export and Polish markets, the revenues and the trade margins were both increased and the logistics efficiency improved. With the further increasing production output of the Company the own production became more efficient and profitable. Due to the higher manufacturing headcount and to the wage inflation effects the overall personnel costs have increased and the amortization and other expenditures also showed a smaller rise. The growing revenue supported by the increasing trade margin and the improving production and transporting efficiency resulted in a 41% increase of Company operation profit (EBIT) level in Q2 2018. Due to its favourable banking conditions - despite the higher credit exposure - the Company's interest expense increased slightly, while the favourable exchange rate effects had improved the financial result. Based on the above, the Group's profit after tax has almost doubled compared to the base period. Considering the favourable market sentiment, the Company expects a further growth for H2 2018 as well, - mainly due to the anticipated growth on the Hungarian, Export and Polish markets-, which might be coupling with a higher manufacturing and operating results.**

<b>Data in 1000 EUR</b>	<b>Q2 2018</b>	<b>Q2 2017</b>	<b>H1 2018</b>	<b>H1 2017</b>
Sales revenues	26 971	23 679	45 632	41 669
EBITDA	2 067	1 558	2 798	2 129
EBITDA ratio	7,7%	6,6%	6,1%	5,1%
Profit/loss after taxation	1 653	848	1 706	874
Net income ratio	6,1%	3,6%	3,7%	2,1%

*Source: consolidated non-audited report of the Group on 30<sup>th</sup> of June 2018 and on 30<sup>th</sup> of June 2017 based on IFRS accounting rules, as well as the non-audited data from the Group's management information system*

- In Q2 2018 the Company has met with mostly favourable trends in its single markets. On the most significant **Hungarian market** the building industry growth had been continued and even more robust economic trends were reported by the statistics. According to the indications of the market players the demand on the **Romanian market** was fluctuated in Q2 2018 and overall the total volume of the construction works has slightly decreased compared to the base period. In **Serbia** the GDP also grew in Q2 2018 compared to the base period, and the introduced reforms in the construction industry brought positive effects on the investments. In **Ukraine** the inflation has decreased in Q2 2018 and the volume of the construction works slightly increased compared to the same period of 2017. The economic indicators showed an improvement in **Croatia** in Q2 2018, while the construction works volume output grew. In **Slovakia** and **Poland** the economies have continued to grow.
- The total revenue of the Company was 26 971 thousand EUR in Q2 2018, 14% higher than in the base period in 2017.
- Still the **Thermal insulation system** reached the biggest, 49% share, where the overall sales grow by 7% in 2018 Q2. The sales were increased by 12% in the **Roofing foils and accessories**, while by 7% in **Dry construction system** product group. In the **Heat, sound and water insulation materials** segment the sales were increased by a relevant 34% compared to the base period, while a 20% growth was reported in the

**Building industry accessories** sales. In case the **Industrial applications** products, the Group has realised a 53% increase in sales in Q2 2018 compared to Q2 2017.

- On its main – **Hungarian market** the group has increased its sales by 24% in Q2 2018 compared to the base. The less relevant **Polish market** showed an outstanding achievement where the revenues peaked by 30% in Q2 2018 compared to the base period. Also a remarkable 22% increase was in **Ukraine**. The Masterplast performed well in **Serbia**, where there was a 13% growth in turnover, 12% in **Slovakia**, 11% in the **Export market**. On an another relevant, **Romanian market** the Group sales fell by 1%, while decreased by 12% in **Croatia** compared to the base.
- In addition to the increase in turnover, the Company's gross trade margin also grew in Q2 2018 compared to the base period. The greatest expansion was achieved on the Hungarian and Romanian markets in Q2 2018 on base term. The fiberglass mesh and the EPS production output in Subotica have significantly increased. The manufacturing efficiency improved and the production output increased in Q2 2018 compared to the base period. Due to the growing production volumes the costs of raw and other materials as well the 3rd party transportation expenditures were increased while the fuel-, vehicle maintenance-, and advertisement costs were lessened in the 2nd Quarter 2018 compared to the same period in 2017. Due to the increasing trade margins and the improving manufacturing and transportation efficiency, the cost of materials and services – considering the change in the self-manufactured inventories as well – has increased by 11% in Q2 2018 while the turnover expanded by 14%.
- The expanding production of the fiberglass mesh in Serbia and the increase in wages in Hungary were resulted in an increase in the personal expenditures in Q2 2018 compared to the base period. The Company had 930 employees at the end of June 2018 compared to the staff level of 879 people at the end of the base period. 360 people were employed at the fiberglass mesh production unit in Subotica at the end of June 2018, compared to the base period's 309 employee.
- Mainly the investment in the new product lines in Serbia resulted in an increase in the amount of depreciation in Q2 2018 compared to the base.
- The other operating expenses of the Company increased in Q2 2018 compared to the - by one-off items improved (sale of fixed assets) - base period.
- As the result of the above mentioned the EBITDA was 2 067 thousand euros in Q2 2018 (7,7% EBITDA ratio) compared to the 1 558 thousand euros (with 6,6% EBITDA ratio) in the base period which represented a more than half a million EUR increase. Taken into account the depreciation too the EBIT resulted in 1 580 thousand euros in 2018 which exceeds by 37% the 1 152 thousand EUR level of the base period.
- Due to the higher utilized loan portfolio the interest expenditures has though increased in the second quarter of 2018 compared to the base period, but this increase was buffered by the more favourable banking conditions.
- Mainly as a result of the intense HUF exchange rate movements in the last quarter, 296 thousand euros profit was booked among other financial results in Q2 2018, compared to a loss of 73 thousand euros in the base period.
- Considering the financial results as well, the Company has generated 1 653 thousand euros profit after tax in Q2 2018 compared to the 848 thousand euros result of the base period.
- The Group's total asset on the 30th of June 2018 was 78 308 thousand euros, which were higher by 8 276 thousand euros than in the base period.
- The inventory level at the end the Q2 in 2018 was 23 511 thousand euros, which were higher by 3 480 thousand euros than in the base period's closing volume.
- As result of the higher sales performance attributable to the quarter, the trade accounts receivables were increased by 1 101 thousand euros (7%) compared to the base in 2017.

## 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 new the building and home improvement market.

The Masterplast in Q2 2018 period has faced with mostly favourable trends and industrial climate regarding the Company's relevant single markets in its country portfolio.

On the most relevant **Hungarian market** still an industrial growth and even more robust economy trends had been reported by the statistics. The driven factors - the still running EU funded energy efficiency tenders and the state subsidised home building schemes - are resulted in an increase in the apartment buildings constructions. The main expansive areas of the housing industry are the construction projects and investments those are carried out in the Capital and in the larger cities of Hungary. An increasing demand had been detected in the private sector and the number of issued building permits climbed further. Due to these economic measures the market expansion can continue in the coming period, although in a smaller scale than in the peak base period's growth.

The feedback of the building industry participants showed a fluctuating demand on the **Romanian construction market** in Q2 2018. Overall the construction industrial works has slightly decreased compared to base period. The new housing market shrunk, while the maintenance and improvement construction market increased in this quarter. The biggest challenge on the market was still the lack of the available labour. The labour, the energy-, the fuel costs and some building material price have all increased due to the foreign currency movements, which – by the increasing price per a square meter – negatively affected the new housing market.

In **Serbia** in Q2 2018 the GDP has also grown compared to the base period in 2017. The National Bank has further pursued its price-stability policy and brought more favourable conditions to the whole economy. The industrial output has grown, international trade has expanded, both the export and import also improved. The introduced reforms in the building sector had a positive impact on the investments and the number of issued building permits has also increased compared to the base period.

In **Ukraine** during the consolidation process the inflation was moderated in the second quarter and the volume of the finished construction works slightly increased compared to the same period in 2017.

The overall economic indicators have shown some improvement in **Croatia** in Q2 2018, the GDP grew supported mainly by the increase in the retail trade of goods. The volume of the construction works has increased, but there has been a slight decline in the housing construction. The indebtedness of construction companies and the sector-wide go-round debt were still sets back the expansion of the industry.

In **Slovakia** and **Poland** the economy continued to grow. In Slovakia the unemployment decreased and the construction industry performed well where most of the sector's production was provided by the new and improvement housing constructions. The lending rates declined and lead to intensifying investments in the new housing construction market.

The construction activity in **Macedonia** slightly increased, but market participants were faced with growing building material prices and strengthening competition.

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 Q4 2016 to Q1 2018:

	Q4 2016	Q1 2017	Q2 2017	Q3 2017	Q4 2017	Q1 2018
Bulgaria	8,9	10,9	7,3	11,1	4,9	3,0
Croatia	-12,5	27,5	-4,2	-1,3	24,6	-12,0
Hungary	28,6	11,2	-11,0	-6,3	2,7	26,6
Austria	-0,3	8,1	0,1	8,2	-2,0	-4,6
Poland	9,6	2,7	5,4	1,1	-0,4	2,7
Romania	0,4	1,4	5,4	3,0	4,3	1,4
Slovakia	31,9	-37,5	14,6	2,4	2,8	-27,2
Serbia	-7,6	-9,3	20,4	20,7	18,6	-4,2

Source: EUROSTAT: Building permits - quarterly data

### 3. Sales by main product groups

From 2018 the company has revised the reporting of the sales divided by the main product groups. In the last few years the revenues from the Bituminous roof covering and shingle coverings are considerably reduced, the stand alone presentation of this product group is no longer grounded, so since 2018 it will be merged with Roofing foils and accessories product group. From the Heat, sound and water insulation materials product group the Bituminous waterproofing products were left and will be contributed to revenues of the Roofing foils and accessories product group. The revenues of the packaging industrial materials – due to its increased volume – has been removed from the Heat, sound and water insulation materials- and the Building industry accessories product group and being presented among the lately established Industrial applications product group.

As the IFRS 15 came into force from 1st January 2018 the Company recognise the given cash discount as a revenue deduction item. For the sake of comparability the Company made a restatement for the base period, so the given cash discounts have been retroactively reclassified from the other financial expenditures line.

The following table contains the reclassification of results:

Sales by main product groups (in 1000 EUR)		Q2 2017				H1 2017			
Previous product groups	New product groups	Previous classification of the sales revenue	Sales revenue reclassification	Payment discount (sconto) reclassification	New classification of the sales revenue	Previous classification of the sales revenue	Sales revenue reclassification	Payment discount (sconto) reclassification	New classification of the sales revenue
Thermal insulation systems and its elements	Thermal insulation system	11 479	818	-36	12 261	18 797	1 368	-52	20 113
Roofing foils and accessories	Roofing foils and accessories	3 311	816	-13	4 113	5 826	1 299	-20	7 106
Bituminous roof covering and shingle coverings	-	724	-724	0	0	1 079	-1 079	0	0
Dry construction and accessories profile products	Dry construction system	2 360	0	-9	2 352	4 730	0	-14	4 716
Heat, sound and water insulation materials	Heat, sound and water insulation materials	4 298	-1 402	-8	2 887	7 547	-2 455	-12	5 079
Building industry accessories	Building industry accessories	811	-40	-2	769	1 409	-68	-3	1 338
Production and other packaging materials	Industrial applications	773	532	-8	1 298	2 396	935	-14	3 316
<b>Total sales revenue</b>		<b>23 756</b>	<b>0</b>	<b>-76</b>	<b>23 679</b>	<b>41 784</b>	<b>0</b>	<b>-116</b>	<b>41 669</b>

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

Sales by main product groups:

Data in 1000 EUR	Q2 2018	Q2 2017	Index	H1 2018	H1 2017	Index
	(A)	(B)	(A/B-1)	(A)	(B)	(A/B-1)
Thermal insulation system	13 099	12 261	7%	21 253	20 113	6%
Roofing foils and accessories	4 598	4 113	12%	7 353	7 106	3%
Dry construction system	2 513	2 352	7%	5 432	4 716	15%
Heat, sound and water insulation materials	3 856	2 887	34%	6 219	5 079	22%
Building industry accessories	919	769	20%	1 526	1 338	14%
Industrial applications	1 987	1 298	53%	3 850	3 316	16%
<b>Total sales revenue</b>	<b>26 971</b>	<b>23 679</b>	<b>14%</b>	<b>45 632</b>	<b>41 669</b>	<b>10%</b>
<b>Contribution of product groups in percentage to the total sales revenue</b>						
Thermal insulation system	49%	52%		47%	48%	
Roofing foils and accessories	17%	17%		16%	17%	
Dry construction system	9%	10%		12%	11%	
Heat, sound and water insulation materials	14%	12%		14%	12%	
Building industry accessories	3%	3%		3%	3%	
Industrial applications	7%	5%		8%	8%	
<b>Total sales revenue</b>	<b>100%</b>	<b>100%</b>		<b>100%</b>	<b>100%</b>	

Source: consolidated non-audited report of the Group on 30<sup>th</sup> of June 2018 and on 30<sup>th</sup> of June 2017 based on IFRS accounting rules, as well as the non-audited data from the Group's management information system

The Masterplast sales in Q2 2018 was 26 971 thousand EUR, 14% higher comparing to the base period in 2017.

The **Thermal insulation system** still reached the largest share (49%) comparing to the Group's total the sales, where the turnover increased by 7% in Q2. The increase in sales were mainly due to the 14% growth in the fiberglass mesh sales. The fiberglass sales grew the biggest in Poland and on the Export markets, but the company was also able to increase its sales in Serbia, Romania and in Hungary as well compared to the base period. The sales of the expanded polystyrene (EPS) has stagnated– grew on the Hungarian and Serbian but the sales were decreased on the Romanian, Croatian and Slovakian markets compared to the Q2 2017.

The **Roofing foils and accessories** product group has performed 12% increase in turnover in Q2 2018 compared to 2017. The sales of the reclassified Bituminous roof covering products decreased, while the sale of the diffusive roofing foils remarkably increased. Considering the single markets, except on the Serbian, Macedonian and Slovakian markets the revenues grew on all the other countries in Q2 2018 compared to the base period

In the field of the **Dry construction system** the sales were up by 7% compared to the base period in 2017. Considering the plasterboard systems group the sales showed an increase on the Hungarian, Serbian, Ukrainian and the Export markets while the revenues was declined on the Croatian, Macedonian, Polish and Romanian markets in Q2 2018 compared to the base period.

The revenue in the **Heat, sound and water insulation materials** product group grew by a significant 34% in Q2 2018 compared to the base period in 2017. The sales of the fibre- and rock wool products increased in the greatest extent, but growth in sales were reported in case the other product elements as well. Considering the countries, expect from the Macedonian market the Company has increased its sales in all the other countries.

On the market of **Building industry accessories** the Company reached a 20% sales increase in Q2 2018 on base term, where excluding the Export, Croatian and Macedonian markets on all the other markets of the Group the revenues were higher.

In case the products of the **Industrial applications** product group the Company sales were widened by 53% in Q2 2018 compared to the base period. It should be noted that the packaging related products nearly grow by 30% while a significant increase were reached by the non-strategic trade of raw materials in the second quarter.

**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.

From 2018 on, the accumulated revenues of the Other line low-volume countries with subsidiaries are being retransferred. The customer relationship management of the classified non active Russian and Austrian subsidiaries are carried out by the Export department, accordingly the realized revenues were presented among Export sales and Macedonia will be shown as a single item hereinafter. For the sake of comparability the sales of 2017 are presented in accordance with the reclassification in the table below.

Sales by countries:

Data in 1000 EUR	Q2 2018	Q2 2017	Index	H1 2018	H1 2017	Index
	(A)	(B)	(A/B-1)	(A)	(B)	(A/B-1)
Hungary	9 277	7 479	24%	16 174	13 912	16%
Export	4 624	4 166	11%	8 108	7 538	8%
Romania	3 538	3 561	-1%	5 613	5 928	-5%
Serbia	2 631	2 338	13%	4 250	4 068	4%
Poland	1 909	1 471	30%	3 459	2 344	48%
Ukraine	2 196	1 798	22%	3 184	2 862	11%
Slovakia	1 341	1 202	12%	2 146	1 989	8%
Croatia	925	1 052	-12%	1 808	2 064	-12%
Macedonia	531	612	-13%	889	962	-8%
<b>Total sales revenue</b>	<b>26 971</b>	<b>23 679</b>	<b>14%</b>	<b>45 632</b>	<b>41 669</b>	<b>10%</b>
<b>Contribution of countries in percentage to the total sales revenue</b>						
Hungary	34%	32%		35%	33%	
Export	17%	18%		18%	18%	
Romania	13%	15%		12%	14%	
Serbia	10%	10%		9%	10%	
Poland	7%	6%		8%	6%	
Ukraine	8%	8%		7%	7%	
Slovakia	5%	5%		5%	5%	
Croatia	3%	4%		4%	5%	
Macedonia	2%	3%		2%	2%	
<b>Total sales revenue</b>	<b>100%</b>	<b>100%</b>		<b>100%</b>	<b>100%</b>	

Source: consolidated non-audited report of the Group on 30<sup>th</sup> of June 2018 and on 30<sup>th</sup> of June 2017 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 24% in Q2 2018 compared to the base period. The Company was able to expand its turnover in all the product groups in Q2 2018 on the Hungarian market, with the largest growths were reported in the sales of the Thermal insulation system related EPS product and in the sales of glass and rock wool products belonging to the Heat, sound and water insulation materials group. Taking the favourable market climate into consideration the Company expects to continue its growth to the upcoming periods.

Another remarkable increase of 11% was achieved by the Group on its **Export market** in Q2 2018 compared to the base period. Increased its sales in the Thermal insulation system group including the increasing revenues from fiberglass mesh products where the sales achievement were mainly due to a newly acquired clients and the intensified sales toward the system distributors. A relevant growth has been reported in the Roofing foils and accessories product group, which can be explained by the weak sales in March. Excluding the Building industry



accessories products all the other product group performed an increase in sales. The Masterplast reached an outstanding growth on the German-, Austrian-, Finnish-, and on the Mediterranean (Greek and Italian) markets.

On the other relevant **Romanian market** the sales decreased by 1% in Q2 2018 compared to the base period. In Romania the Company has introduced product portfolio and structural changes by the end of 2017, moderating the planned target figures as well. The decrease in the sales of the Thermal insulation system related EPS and adhesives were primarily due to these measures in 2018. However the revenues from fiberglass mesh-, and the heat, sound and water insulation materials sales were notably up. Besides the Dry construction and Industrial applications products all the other product group's sales were above the base period level.

In **Serbia** the Masterplast's sales were increased by 13% in 2018 Q2 compared to the base period where except the Roofing foils and accessories product group all the others performed a growth in revenues. It should be highlighted that the extreme increase in the sales of the EPS - belonging to the Thermal insulation system product group – also derives from its subdued performance of the base period. The decreased revenue of the Roofing foils and accessories was due to the weak sales volumes of the Bituminous roof and shingle coverings.

The Group performed outstandingly well on the **Polish market**, where the sales were up by 30% in Q2 2018 compared to the base. The glass and rock wool products were introduced on the market and were contributed with their remarkable turnover to the revenues of the second quarter. The revenue from sales of the own produced fiberglass mesh were increased and the Company did fairly good in the other product group categories as well.

In **Ukraine** the increase in sales was 22% in Q2 2018 compared to the 2017 base. The Company increased its revenues in all the product groups. The most relevant Thermal insulation system product group – where not the own-produced fiberglass mesh sales accounted for most of the turnover -, also the important Roofing foils and accessories product group showed an increase in sales in Q2 2018 compared to the base period. Also should be noted that in the less relevant Heat, sound and water insulation materials group, the lately introduced glass and rock wool products were strongly contributed to the turnover in the second quarter.

The Masterplast's sales were up by 12% in Q2 2018 on the **Slovakian market**. While in cases the Heat, sound and water insulation materials group and the Building industry accessories the sales were up, in case the Thermal insulation system product group and the Dry construction system it was stagnated, while in case the others the sales has decreased.

On the **Croatian market** the Group sales shrunk by 12% in Q2 2018 on base term. The sales were decreased in almost all the product groups, only the Roofing foils and accessories product group showed an increase in sales compared to the base period.

In **Macedonia**, with the smallest turnover share, a 13% decrease in sales was reported in Q2 2018, due to the decrease in sales of the fiberglass mesh from Thermal insulation system product group, of the diffusive roofing foils and of the Bituminous roof and shingle coverings from The Roofing foils and accessories product group.

Overall in the rather positive industrial environment the Group has increased its total sales by 14% in Q2 2018 compared to the base period. The most remarkable gains in sales were achieved on the Polish, Hungarian-, Export and Ukrainian market, while among the product groups the revenues of the Industrial applications products and the Heat, sound and water insulation materials group grew to the greatest extent. Considering the favourable market mood, the Company predicts a further sales growth in the period of H2 2018, mostly due to the expected higher growth on the Hungarian, on the Export and Polish markets.

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 Company recognise the given cash discount (sconto) among the revenues, while the purchase related received cash discounts (sconto received) are booked on the materials, goods and services line. For the sake of comparability the 2017 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 2018	Q2 2017	Change	Index	H1 2018	H1 2017	Change	Index
	(A)	(B)	A-B	(A/B-1)	(A)	(B)	A-B	(A/B-1)
Sales revenues	26 971 146	23 678 862	3 292 284	14%	45 632 037	41 668 570	3 963 467	10%
Cost of materials and services	-22 456 030	-19 522 027	-2 934 002	15%	-37 283 429	-34 715 510	-2 567 919	7%
Payroll costs and contributions	-3 025 410	-2 575 537	-449 873	17%	-5 842 826	-4 917 751	-925 075	19%
Depreciation	-487 070	-405 393	-81 677	20%	-952 808	-796 517	-156 291	20%
Change in self-manufactured inventories	601 241	-165 855	767 096	-463%	414 413	-71 037	485 450	-683%
Other operating revenues and expenses	-24 092	142 225	-166 317	-117%	-122 140	164 785	-286 925	-174%
<b>EBITDA</b>	<b>2 066 856</b>	<b>1 557 668</b>	<b>509 188</b>	<b>33%</b>	<b>2 798 055</b>	<b>2 129 057</b>	<b>668 998</b>	<b>31%</b>
<i>EBIDTA ratio</i>	<i>7,7%</i>	<i>6,6%</i>			<i>6,1%</i>	<i>5,1%</i>		
<b>PROFIT / LOSS OF BUSINESS ACTIVITY (EBIT)</b>	<b>1 579 786</b>	<b>1 152 275</b>	<b>427 511</b>	<b>37%</b>	<b>1 845 247</b>	<b>1 332 540</b>	<b>512 707</b>	<b>38%</b>
Interest revenues	10 938	39 329	-28 391	-72%	47 641	74 517	-26 876	-36%
Interest expenses	-138 253	-148 372	10 119	-7%	-280 609	-290 177	9 568	-3%
Other financial revenues and expenses	295 614	-73 451	369 065	-502%	185 940	-109 304	295 244	-270%
<b>FINANCIAL PROFIT/LOSS</b>	<b>168 299</b>	<b>-182 494</b>	<b>350 793</b>	<b>-192%</b>	<b>-47 028</b>	<b>-324 964</b>	<b>277 936</b>	<b>-86%</b>
Profit/loss from associations	5 684	-1 321	7 005	-530%	16 587	171	16 416	9600%
<b>Profit/loss before income tax</b>	<b>1 753 769</b>	<b>968 460</b>	<b>785 309</b>	<b>81%</b>	<b>1 814 806</b>	<b>1 007 747</b>	<b>807 059</b>	<b>80%</b>
Taxes	-100 379	-120 382	20 003	-17%	-108 530	-133 450	24 920	-19%
<b>Profit/loss after taxation</b>	<b>1 653 390</b>	<b>848 078</b>	<b>805 312</b>	<b>95%</b>	<b>1 706 276</b>	<b>874 297</b>	<b>831 979</b>	<b>95%</b>
<i>Profit attributable to the owners of the parent</i>	<i>1 616 179</i>	<i>808 278</i>	<i>807 901</i>	<i>100%</i>	<i>1 650 174</i>	<i>830 906</i>	<i>819 268</i>	<i>99%</i>
<i>Profit attributable to the minority</i>	<i>37 211</i>	<i>39 800</i>	<i>-2 589</i>	<i>-7%</i>	<i>56 102</i>	<i>43 391</i>	<i>12 711</i>	<i>29%</i>
<i>Earnings per share (EPS)</i>	<i>0,11</i>	<i>0,06</i>			<i>0,11</i>	<i>0,06</i>		
<i>Diluted earnings per share (diluted EPS)</i>	<i>0,11</i>	<i>0,06</i>			<i>0,11</i>	<i>0,06</i>		

Source: consolidated non-audited report of the Group on 30<sup>th</sup> of June 2018 and on 30<sup>th</sup> of June 2017 based on IFRS accounting rules

The total revenue of the Group was 26 971 thousand EUR in Q2 2018, with 3 292 thousand euros (14%) higher than in the base period.

In addition to the increase in turnover, the Company's gross trade margin also grew in Q2 2018 compared to the base period. Notable expansion was achieved on the Hungarian and Romanian markets, but also the growth in the realized margins can be highlighted on the Serbian, Slovakian, Polish and Export markets as well. Remarkable increased the production output of fiberglass mesh and EPS production in Subotica and a slight increase were achieved at the corner bead profiles in Subotica and at the foam sheet production in Kal in Q2 2018 compared to the base period. Mainly the increasing fiberglass mesh production output in Subotica resulted in an improved production efficiency and in increased results from production in Q2 2018 compared to the base period. Due to rising production volumes, the Group's material and other material costs next to the external delivery costs increased, while fuel, vehicle maintenance and advertising costs fell in Q2 2018 compared to the base period. Overall, the fix cost ratio has decreased and the efficiency of logistics has improved. Due to the increasing trade margins and the improving manufacturing efficiency, the Group's cost of materials and services – considering the change in the self-manufactured inventories as well – has increased by 11% while the turnover expanded by 14% in Q2 2018.

Mainly due to the expanded fiberglass mesh production in Serbia, together with the increase in wages in Hungary the personnel expenditures of the Company has increased by 17% in Q2 2018 compared to the base period. The Group had 930 employees at the end of June 2018 opposed to the staff level of 879 people of the base period. 360 people were employed at the new production unit in Subotica at the end of June 2018, compared to the level of 309 staff at 30th of June 2017.

Mainly the investment in the product lines in Serbia resulted in an increase in the amount of depreciation in Q2 2018 compared to the base.

Other operating expenses increased in Q2 2018 compared to the by one-off items improved (sale of fixed assets) base data.

As a result of the above, the generated Group EBITDA was 2 067 thousand euros in Q2 2018 (7,7% EBITDA ratio) compared to the 1 558 thousand euros (6,6% EBITDA ratio) in the base period, corresponding a more than half a million euro increase. Taken the depreciation too into account the operating profit (EBIT) of the Company was 1 580 thousand EUR in 2018, which passed the base period's result of 1 152 thousand euros by 37%.

Due to the higher loan utilization the interest expenditures of the Company increased in Q2 2018 compared to the base period, but the increase in costs was subdued by a more favourable banking conditions.

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 (Masterplast Kft., 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 2018, 2017 and 2016:

Closing exchange rates	2016.12.31	2017.03.31	2017.06.30	2017.12.31	2018.03.31	2018.06.30	Index	Index	Index	Index	Index
	A	B	C	D	E	F	C/A	F/D	C/B	F/E	F/C
EUR/USD	1,06	1,07	1,14	1,20	1,23	1,17	107,68%	97,22%	106,62%	94,65%	102,17%
EUR/HUF	311,02	308,70	308,87	310,14	312,55	328,60	99,31%	105,95%	100,06%	105,14%	106,39%
EUR/RON	4,54	4,55	4,55	4,66	4,66	4,66	100,31%	100,02%	100,09%	100,02%	102,35%
EUR/RSD	123,47	123,97	120,85	118,47	118,39	118,07	97,88%	99,66%	97,48%	99,73%	97,70%
EUR/UAH	28,42	28,96	29,79	33,50	32,70	30,57	104,81%	91,25%	102,85%	93,48%	102,62%
USD/HUF	293,69	288,64	270,87	258,82	253,94	282,06	92,23%	108,98%	93,84%	111,07%	104,13%
USD/RON	4,30	4,26	3,99	3,89	3,78	4,00	92,83%	102,91%	93,70%	105,91%	100,30%
USD/RSD	117,14	116,13	105,65	99,12	96,08	101,34	90,19%	102,24%	90,97%	105,47%	95,92%
USD/UAH	27,19	26,98	26,10	28,07	26,54	26,19	95,99%	93,30%	96,73%	98,68%	100,35%
USD/RUB	60,66	56,38	59,09	57,60	57,26	62,76	97,40%	108,95%	104,80%	109,60%	106,21%

Source: Hungarian National Bank rates

Mainly as a result of the intense movements of the HUF FX rates a 296 thousand euros gain as other financial results has been booked in Q2 2018 compared to the 73 thousand euros loss in the base period. As a result of the weakening HUF rate the net FX positions (assets) of the Hungarian companies were appreciated causing the substantial profit from exchange rates.

Considering the financial results as well, the Company has generated 1 653 thousand euros profit after tax in Q2 2018 compared to the 848 thousand euros gained in the base period corresponding a 95% increase.

Overall, in a rather positive industrial environment the Company increased its overall sales by 14% in Q2 2018. Mainly due to the outstanding achievement on the Hungarian, Export and Polish markets both the revenue and trade margin of the Company increased. With the further growing production outputs the own production became more efficient and more profitable. The growing production labour and the increase in wages resulted in an increase in personnel costs and other expenditures as well. As the results of the higher turnover, the rising trade margin and the improved production and transportation efficiency, the Company's operating profit (EBIT) improved nearly by 37% in Q2 2018 compared to the base period. Due to its favourable banking conditions - despite the higher credit exposure - the Company's interest expense increased slightly, while the exchange rate effects has overall improved the financial results. The Group's profit after tax exceeded the profit of the base period nearly 100%. Considering the favourable market climate, the Company anticipates further growth for the period of H2 2018 – mainly prospecting further increase on the Hungarian, Export and Polish markets – which can be coupling with an improving manufacturing and operating results.

## 6. Other comprehensive income

Data in EUR	30-06-2018	30-06-2017
<b>Profit for the year</b>	<b>1 706 276</b>	<b>874 297</b>
Foreign exchange loss on translation*	-1 118 071	254 731
Parent company's share of the change in the value of associates*	-108	14
<b>Other comprehensive income</b>	<b>-1 118 179</b>	<b>254 745</b>
<b>Comprehensive income</b>	<b>588 097</b>	<b>1 129 042</b>

Source: consolidated non-audited report of the Group on 30<sup>th</sup> of June 2018 and on 30<sup>th</sup> of June 2017 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 2018 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	30-06-2017	Change	Index
	(A)	(B)	A-B	(A/B-1)
<b>FIXED ASSETS</b>				
Land, buildings and equipment	32 767 736	27 918 695	4 849 041	17%
Intangible assets	1 940	54 371	-52 431	-96%
Shares in related companies	50 128	34 965	15 163	43%
Deferred tax assets	345 915	384 530	-38 615	-10%
<b>Total fixed assets</b>	<b>33 165 719</b>	<b>28 392 561</b>	<b>4 773 158</b>	<b>17%</b>
<b>CURRENT ASSETS</b>				
Inventories	23 510 990	20 030 746	3 480 244	17%
Trade accounts receivable	16 600 946	15 499 810	1 101 136	7%
Tax receivables	951 020	1 205 790	-254 770	-21%
Other financial receivables	1 213	74 925	-73 712	-98%
Other current assets	2 239 807	2 083 090	156 717	8%
Liquid assets	1 837 879	2 744 318	-906 439	-33%
<b>Total current assets</b>	<b>45 141 855</b>	<b>41 638 679</b>	<b>3 503 176</b>	<b>8%</b>
<b>TOTAL ASSETS</b>	<b>78 307 574</b>	<b>70 031 240</b>	<b>8 276 334</b>	<b>12%</b>
<b>CAPITAL AND RESERVES</b>				
Subscribed capital	5 503 939	5 226 391	277 548	5%
Reserves	20 659 971	19 547 149	1 112 822	6%
Repurchased shares	-20 794	-17 816	-2 978	17%
Parent share of interests	1 650 174	830 906	819 268	99%
<b>Equity attributable to the owners of the parent</b>	<b>27 793 290</b>	<b>25 586 630</b>	<b>2 206 660</b>	<b>9%</b>
Minority interests	324 831	400 554	-75 723	-19%
<b>Total capital and reserves</b>	<b>28 118 121</b>	<b>25 987 184</b>	<b>2 130 937</b>	<b>8%</b>
<b>LONG-TERM LIABILITIES</b>				
Long- term loans	5 110 847	6 760 966	-1 650 119	-24%
Deferred tax liabilities	243 612	278 380	-34 768	-12%
Deferred income	3 077 605	1 905 010	1 172 595	62%
Other long-term liabilities	728 525	2 157 719	-1 429 194	-66%
<b>Total long-term liabilities</b>	<b>9 160 589</b>	<b>11 102 075</b>	<b>-1 941 486</b>	<b>-17%</b>
<b>SHORT-TERM LIABILITIES</b>				
Short-term loans	19 760 668	14 775 896	4 984 772	34%
Trade accounts payable	16 274 252	14 580 548	1 693 704	12%
Short-term leasing liabilities	102 693	91 656	11 037	12%
Other financial liabilities	152 531	142 282	10 249	7%
Tax liabilities	1 200 201	1 166 579	33 622	3%
Short-term deferred income	360 076	302 157	57 919	19%
Provisions	395 111	134 961	260 150	193%
Other short-term liabilities	2 783 332	1 747 902	1 035 430	59%
<b>Total short-term liabilities</b>	<b>41 028 864</b>	<b>32 941 981</b>	<b>8 086 883</b>	<b>25%</b>
<b>TOTAL LIABILITIES</b>	<b>50 189 453</b>	<b>44 044 056</b>	<b>6 145 397</b>	<b>14%</b>
<b>TOTAL CAPITAL AND LIABILITIES</b>	<b>78 307 574</b>	<b>70 031 240</b>	<b>8 276 334</b>	<b>12%</b>

Source: consolidated non-audited report of the Group on 30<sup>th</sup> of June 2018 and on 30<sup>th</sup> of June 2017 based on IFRS accounting rules

The total assets of the Group were 78 308 thousand euros on the 30th of June 2018, by 8 276 thousand euros higher than at the end of the base period.

The total fixed assets amounted to 32 768 thousand euros at the end of H1 2018, by 4 849 thousand euros higher than base period's volume. The increase was due to the fiberglass mesh production investment in Subotica. The Company has overall spent 4 826 thousand euros on capital expenditure as buying tangible assets.

The inventory at the end of the Q2 2018 was 23 511 thousand euros, by 3 480 thousand euros higher than the end of the base period, which was mainly due to the growing output related higher raw material demand in the Subotica plant and the higher own produced fiberglass mesh inventory.

Due to the mainly intensified sales in the quarter, the trade receivables has increased by 1 101 thousand euros (7%) comparing to the base period in 2017.

The other current assets were 2 240 thousand euros, increased by 157 thousand euros compared to the H1 of the previous year.

The Group's cash and equivalents stood at 1 838 thousand euros at 30th of June 2018, which were lower by 906 thousand euros than the closing volume in H1 2017.

In relation with the increase in the inventory level the Group's supplier accounts grew by the end of the Q2 2018. The rising financial need stemming from the enhancing own production and the fulfilment of the advance payments of the investment increased the aggregated (short and long term) loans of the Company compared to the base period of 2017.

8. Cash-flow, bank information

Data in EUR	30-06-2018	30-06-2017	Change	Index
	(A)	(B)	A-B	(A/B-1)
<b>Operating Activities</b>				
PBT	1 814 806	1 007 747	807 059	80%
Depreciation and Amortisation	952 808	796 517	156 291	20%
Bad debt provision	37 615	115 724	-78 109	-67%
Shortage and scrap of stocks	39 389	17 663	21 727	123%
Provisions	306 666	66 829	239 837	359%
Profit on fixed asset sale	-78 057	-236 408	158 351	-67%
Interest expense	254 535	290 177	-35 642	-12%
Interest revenue	-21 567	-74 517	52 950	-71%
Profit/loss from associations	-16 587	-171	-16 416	9600%
Unrealized foreign exchange gain (loss)	-378 822	-59 514	-319 308	537%
<b>Changes in Working Capital</b>				
Change in Accounts Receivable	-5 328 086	-4 994 109	-333 977	7%
Change in Inventory	-2 378 853	-1 378 809	-1 000 045	73%
Change in Other Assets	300 241	63 337	236 904	374%
Change in Accounts Payable	3 410 640	3 723 780	-313 140	-8%
Change in Short-term liabilities	1 460 147	141 084	1 319 063	935%
Taxation	214 027	-12 803	226 830	-1772%
<b>Net Cash from Operations</b>	<b>588 902</b>	<b>-533 473</b>	<b>1 122 375</b>	<b>-210%</b>
<b>Investing Activities</b>				
CAPEX	-4 825 555	-3 822 516	-1 003 039	26%
Sale of fixed assets	144 176	404 263	-260 087	-64%
Financial revenues	21 567	74 517	-52 950	-71%
<b>Net Cash from Investing activities</b>	<b>-4 659 812</b>	<b>-3 343 735</b>	<b>-1 316 076</b>	<b>39%</b>
<b>Financing Activities</b>				
Borrowing	8 797 885	7 495 615	1 302 271	17%
Loan repayments	-5 634 970	-3 046 814	-2 588 156	85%
Payment of dividends	-254 535	-290 177	35 642	-12%
<b>Net Cash from Financing activities</b>	<b>2 908 381</b>	<b>4 158 624</b>	<b>-1 250 243</b>	<b>-30%</b>
Net Cash flow of the period	-1 162 529	281 416	-1 443 945	-513%
Cash at beginning of period	3 013 001	2 442 368	570 633	23%
Effect of exchange rate changes	-12 593	20 534	-33 127	-161%
<b>Cash at end of period</b>	<b>1 837 879</b>	<b>2 744 318</b>	<b>-906 439</b>	<b>-33%</b>

Source: consolidated non-audited report of the Group on 30<sup>th</sup> of June 2018 and on 30<sup>th</sup> of June 2017 based on IFRS accounting rules

The net cash flow from operation was 589 thousand euros in H1 2018, while it was -533 thousand euros the end of the base period, where the differences was caused by the changes in the inventory level, which was decreased by the profit before tax and the increase in the other liabilities.

The cash flow from investing activities was -4 660 thousand euros in 2018 compared to -3 344 thousand euros in the base period, where the higher Group's CAPEX explains the differences.

The net cash flow from financial related activities amounted to 2 908 thousand euros in 2018 compared to the 4 159 thousand euros in the base period, where the higher exposure of credit lines and the higher loan repayment in 2018 account for the differences.

All in all the cash and equivalents of the Company was 1 838 thousand euros at 30th of June 2018 which was lower by 906 thousand euros than the level of the base period.

**Loans and bank related information:**

By the end of June 2018, the Company had complied with the lately redefined and contracted banking covenant requirements.

**Investigations against Masterplast:**

The District Prosecution Office of Fejér County (hereinafter referred to as "Prosecution Office") terminated the investigation with its decision dated 25th May 2018 which had been started by the Central Transdanubian Crime Directorate of the National Tax and Customs Administration, Investigation Department II. on 21st October 2015 on the grounds of the suspicion of committing unlawful VAT reclaim in the amount of EUR 731 166 – among others – against Masterplast Ltd. The reason of the prosecutor's decision was that on the data of the investigation the perpetration of a criminal offence could not be established and continued procedure would not expected to yield any result. At the same time the Prosecution Office informed the Court of Registration on the termination of the investigation against the legal person regarding to the Masterplast Ltd. On the base of that the Court of Registration deleted the reference to the criminal procedure from the company register. On the base of the above the procedure under prosecution number B/460/2015 has been definitively terminated against all natural and legal persons.

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 subsidy 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 and launched a legal remedy process against the determination.



9. Change in equity

Data in EUR	Subscribed capital	Shares	Capital reserves	Accumulated profit reserves	Conversion reserves	Total reserves	Parent company's share of profit	Equity per shareholders in parent company	Share of external owners	Shareholders' equity
<b>01-01-2017</b>	<b>5 226 391</b>	<b>-17 693</b>	<b>6 655 559</b>	<b>18 059 110</b>	<b>-7 686 840</b>	<b>17 027 829</b>	<b>2 314 595</b>	<b>24 551 122</b>	<b>319 448</b>	<b>24 870 570</b>
Net profit	0	0	0	0	0	0	2 610 062	2 610 062	71 435	2 681 497
Other comprehensive income	0	0	0	0	22 231	22 231	0	22 231	-121 021	-98 790
Transfer of previous year's net profit	0	0	0	2 314 595	0	2 314 595	-2 314 595	0	0	0
Repurchased shares	0	-4 338	0	0	0	0	0	-4 338	0	-4 338
Change in the share of external owners	0	0	0	0	0	0	0	0	0	0
Paid dividends	0	0	0	-1 023 094	0	-1 023 094	0	-1 023 094	0	-1 023 094
Ownership contribution	0	0	0	-48 992	0	-48 992	0	-48 992	0	-48 992
<b>31-12-2017</b>	<b>5 226 391</b>	<b>-22 031</b>	<b>6 655 559</b>	<b>19 301 619</b>	<b>-7 664 609</b>	<b>18 292 569</b>	<b>2 610 062</b>	<b>26 106 991</b>	<b>269 862</b>	<b>26 376 853</b>
<b>01-01-2018</b>	<b>5 226 391</b>	<b>-22 031</b>	<b>6 655 559</b>	<b>19 301 619</b>	<b>-7 664 609</b>	<b>18 292 569</b>	<b>2 610 062</b>	<b>26 106 991</b>	<b>269 862</b>	<b>26 376 853</b>
Net profit						0	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	0		0
Repurchased shares		1 237				0		1 237		1 237
Capital increase	277 548					0		277 548		277 548
Premium income			1 407 169			1 407 169		1 407 169		1 407 169
Change in the share of external owners				0	0	0		0	0	0
Paid dividends				-532 783		-532 783		-532 783		-532 783
Ownership contribution				0		0		0		0
<b>30-06-2018</b>	<b>5 503 939</b>	<b>-20 794</b>	<b>8 062 728</b>	<b>21 378 898</b>	<b>-8 781 655</b>	<b>20 659 971</b>	<b>1 650 174</b>	<b>27 793 290</b>	<b>324 831</b>	<b>28 118 121</b>

Source: consolidated non-audited report of the Group on 30<sup>th</sup> of June 2018 and audited report of 31<sup>th</sup> of December 2017 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	267 330	EUR
Masterplast Romania	Bank guarantee	396 638	RON	85 095	EUR
Masterplast Kft.	Custom	100 000 000	HUF	304 321	EUR
Masterfoam Kft.	Custom	10 000 000	HUF	30 432	EUR
Masterplast YU D.o.o.	Bank guarantee	2 000 000	EUR	2 000 000	EUR
<b>Total:</b>				<b>2 687 179</b>	<b>EUR</b>

Source: consolidated non-audited report of the Group on 30<sup>th</sup> of June 2018, as well as the non-audited data from the Company'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 and the Company launched a legal remedy process against the decision. 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 2018 (Data in EUR)	Sales	Production	Unallocated costs	Segment elimination	Consolidated
Sales revenues	45 632 037	0	0	0	45 632 037
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	-59 743 721	-11 459 631	-1 013 207	29 382 577	-42 833 982
<b>EBITDA</b>	<b>3 045 459</b>	<b>765 803</b>	<b>-1 013 207</b>	<b>0</b>	<b>2 798 055</b>
<i>EBITDA ratio</i>	4.9%	6.3%	0.0%		6.1%
<b>EBIT</b>	<b>2 723 039</b>	<b>364 328</b>	<b>-1 242 120</b>	<b>0</b>	<b>1 845 247</b>
<i>EBIT ratio</i>	4.3%	3.0%	0.0%		4.0%
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

H1 2017 (Data in EUR)	Sales	Production	Unallocated costs	Segment elimination	Consolidated
Sales revenues	41 668 570	0	0	0	41 668 570
Sales between segments	12 310 028	9 515 476	0	-21 825 504	0
Depreciation	-316 210	-338 256	-142 051	0	-796 517
Operating expenses	-51 342 368	-9 380 509	-642 140	21 825 504	-39 539 513
<b>EBITDA</b>	<b>2 636 230</b>	<b>134 967</b>	<b>-642 140</b>	<b>0</b>	<b>2 129 057</b>
<i>EBITDA ratio</i>	4.9%	1.4%	0.0%		5.1%
<b>EBIT</b>	<b>2 320 020</b>	<b>-203 289</b>	<b>-784 191</b>	<b>0</b>	<b>1 332 540</b>
<i>EBIT ratio</i>	4.3%	-2.1%	0.0%		3.2%
Fixed Assets	8 787 691	12 816 141	6 314 863	0	27 918 695
Inventories	16 883 461	3 147 285		0	20 030 746

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

The turnover of the Sales segment was 45 632 thousand euros in H1 2018, which passed the base period's result by 3 963 thousand euros (10%). In addition to the increase in turnover, the realized margin also grew compared to base period. Notable expansion was achieved on the Hungarian and Polish markets, but also the growth in the realized margins can be highlighted on the Export, Serbian, Slovakian and Ukrainian markets as well. The EBIDTA of this segment was 3 045 thousand euros in the first six months of this year, the EBITDA ratio was 4,9%, which was the same as in the prior year.

Regarding of the Production segment, the turnover for H1 2018 was 12 225 thousand euros, which passed the base period's result by 2 710 thousand euros (28%). With the further increasing production output of the Company, the own production became more efficient and profitable. The manufacturing EBITDA was 766 thousand euros (EBITDA ratio 6,3%) compared to the 135 thousand euros (EBITDA ratio 1,4%) of H1 2017. The increase in the fixed assets caused a larger depreciation but the EBIT was still positive with 364 thousand euros in the first half of 2018 compared to the last year's -203 thousand euros. The production performance of each plant is presented below.

In the fiberglass mesh factory in Subotica both the production and the sales substantially – by more than 50% - were above the base period. The development of the fiberglass mesh production in Subotica is in line with the approved plan by installing the new target machines into service. The production output of the corner bead profiles became almost 10% higher, while the EPS production fell by 9% in H1 compared to the base period of the previous year.

In the foam sheet factory of the Group - centred in Kál - the level of the output in H1 2018 was over with 5% the base period's volume. The development projects for capacity enhancement and quality improvement were running in accordance with the plans. The Company is preparing for the next quarter's technical installations. In H1 2018 the fiberglass production has met with the level to the base period in Kál.

## **12. Changes of the full time employees (headcount)**

	<b>30-06-2017</b>	<b>31-12-2017</b>	<b>30-06-2018</b>
Company employees	42	46	41
Group level employees	879	934	930

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

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

Mr. László Piry's employment relationship as Chief Executive Officer has been terminated by mutual agreement on 31st July 2018. From 1st August 2018 the Chief Executive Officer of the Company shall be the former Chief Financial Officer Mr. Róbert Nádas. The change does not affect the Company's operating structure and the role of the founding shareholders.

**14. Balance sheet compared with 31 December 2017 status**

<b>Data in EUR</b>	<b>30-06-2018</b>	<b>31-12-2017</b>	<b>Change</b>	<b>Index</b>
	<b>(A)</b>	<b>(B)</b>	<b>A-B</b>	<b>(A/B-1)</b>
<b>FIXED ASSETS</b>				
Land, buildings and equipment	32 767 736	29 348 497	3 419 239	12%
Intangible assets	1 940	17 466	-15 526	-89%
Shares in related companies	50 128	33 649	16 479	49%
Deferred tax assets	345 915	329 945	15 970	5%
<b>Total fixed assets</b>	<b>33 165 719</b>	<b>29 729 557</b>	<b>3 436 162</b>	<b>12%</b>
<b>CURRENT ASSETS</b>				
Inventories	23 510 990	21 171 043	2 339 947	11%
Trade accounts receivable	16 600 946	11 310 958	5 289 988	47%
Tax receivables	951 020	1 270 846	-319 826	-25%
Other financial receivables	1 213	24 360	-23 147	-95%
Other current assets	2 239 807	2 197 075	42 732	2%
Liquid assets	1 837 879	3 013 001	-1 175 122	-39%
<b>Total current assets</b>	<b>45 141 855</b>	<b>38 987 283</b>	<b>6 154 572</b>	<b>16%</b>
<b>TOTAL ASSETS</b>	<b>78 307 574</b>	<b>68 716 840</b>	<b>9 590 734</b>	<b>14%</b>
<b>CAPITAL AND RESERVES</b>				
Subscribed capital	5 503 939	5 226 391	277 548	5%
Reserves	20 659 971	18 292 569	2 367 402	13%
Repurchased shares	-20 794	-22 031	1 237	-6%
Parent share of interests	1 650 174	2 610 062	-959 888	-37%
<b>Equity attributable to the owners of the parent</b>	<b>27 793 290</b>	<b>26 106 991</b>	<b>1 686 299</b>	<b>6%</b>
Minority interests	324 831	269 862	54 969	20%
<b>Total capital and reserves</b>	<b>28 118 121</b>	<b>26 376 853</b>	<b>1 741 268</b>	<b>7%</b>
<b>LONG-TERM LIABILITIES</b>				
Long-term loans	5 110 847	3 198 672	1 912 175	60%
Deferred tax liabilities	243 612	169 314	74 298	44%
Deferred income	3 077 605	1 706 778	1 370 827	80%
Other long-term liabilities	728 525	691 628	36 897	5%
<b>Total long-term liabilities</b>	<b>9 160 589</b>	<b>5 766 392</b>	<b>3 394 197</b>	<b>59%</b>
<b>SHORT-TERM LIABILITIES</b>				
Short-term loans	19 760 668	18 509 927	1 250 741	7%
Trade accounts payable	16 274 252	12 863 612	3 410 640	27%
Short-term leasing liabilities	102 693	239 378	-136 685	-57%
Other financial liabilities	152 531	5 106	147 425	2887%
Tax liabilities	1 200 201	603 315	596 886	99%
Short-term deferred income	360 076	360 076	0	0%
Provisions	395 111	88 445	306 666	347%
Other short-term liabilities	2 783 332	3 903 736	-1 120 404	-29%
<b>Total short-term liabilities</b>	<b>41 028 864</b>	<b>36 573 595</b>	<b>4 455 269</b>	<b>12%</b>
<b>TOTAL LIABILITIES</b>	<b>50 189 453</b>	<b>42 339 987</b>	<b>7 849 466</b>	<b>19%</b>
<b>TOTAL CAPITAL AND LIABILITIES</b>	<b>78 307 574</b>	<b>68 716 840</b>	<b>9 590 734</b>	<b>14%</b>

Source: consolidated non-audited report of the Group on 30<sup>th</sup> of June 2018 and audited report of 31<sup>th</sup> of December 2017 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.	Macedonia	973 255	MKD	10%	10%	Wholesale of building materials
OOO Masterplast RUS	Russia	1 000 000	RUB	100%	100%	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
<b>Indirect relations:</b>						
Masterplast D.O.O.	Macedonia	973 255	MKD	80%	80%	Wholesale of building materials
<b>Affiliated company of the Group:</b>						
Masterprofil Kft.	Hungary	3 000 000	HUF	20%	20%	Profile production

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

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	30-04-2019	approximately 10 years	4 767 076
Ács Balázs	Vice Chairman of the Board	03-04-2008	30-04-2019	approximately 10 years	4 455 046
Kazár András	Board member	24-04-2013	30-04-2019	approximately 5 years	-
Dr. Martin-Hajdu György	Board member	01-05-2014	30-04-2019	approximately 4 years	-
Dirk Theuns	Board member	01-05-2014	30-04-2019	approximately 4 years	-

The data of the Company's top management are shown in the table below on 30 June 2018:

Name	Post	Beginning of the current top management position	Completion of current top management position	Stockholding (pcs)
Piry László	CEO	01-01-2017	indefinite duration	-
Nádasi Róbert	CFO	02-08-2010	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	4 767 076	32,65
Ács Balázs	no	4 455 046	30,51
OTP Alapkezelő Zrt.	no	908 727	6,22
SOH Kft. & LPH Kft. jointly	no	779 676	5,34
<b>Total</b>		<b>10 910 525</b>	<b>74,72</b>

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

	30-06-2018
Issuing ownership	11 901
Affiliated companies ownership	0
<b>Total</b>	<b>11 901</b>

**19. Publications issued by the Company in the reference period:**

Publication date	Object
02-01-2018	Share capital, voting rights
09-01-2018	Information on the transfer of treasury shares to Employee Stock Ownership Plan
16-01-2018	Information about capital increase
01-02-2018	Share capital, voting rights
27-02-2018	Publication of Q1-Q4 2016 results, interim management report
01-03-2018	Share capital, voting rights
09-03-2018	Information about the registration of the capital increase in the company register
09-03-2018	Articles of Associations
22-03-2018	Disclosure of Ownership
26-03-2018	Disclosure of Ownership
27-03-2018	GM - Invitation
27-03-2018	Remuneration Statement
03-04-2018	Share capital, voting rights
06-04-2018	GM - Proposals
10-04-2018	Information on the transfer of treasury shares to Employee Stock Ownership Plan
27-04-2018	General Meeting Resolutions
27-04-2018	CG Declarations
27-04-2018	Annual Report of year
28-04-2018	Summary Report
02-05-2018	Share capital, voting rights
17-05-2018	Interim Management Statement
01-06-2018	Share capital, voting rights
13-06-2018	Information on termination of investigation
02-07-2018	Share capital, voting rights
04-07-2018	Information on the transfer of treasury shares to Employee Stock Ownership Plan
09-07-2018	Articles of Associations
09-07-2018	Information on the registration of changes to the company's register corresponding to the resolutions of the AGM
31-07-2018	Information on personal change
01-08-2018	Share capital, voting rights
09-08-2018	Information on personal change

## STATEMENT

**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, 28 August 2018



Tibor Dávid  
Chairman of the Board





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