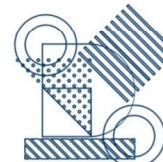
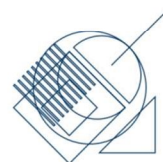
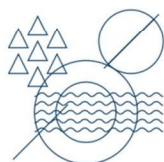
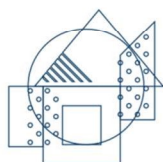


MASTERPLAST PLC. INTERIM MANAGEMENT REPORT

16 MAY 2019



MASTERPLAST PLC.
Interim management report

Consolidated, not audited

According to International Financial and Reporting Standards (IFRS)

16 May 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 (19%) by more than the previous periods in Q1 2019. With the increase in turnover, the trade margins were increased at the same extent and there was a further growing in the production output. 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 934 thousand EUR (4,2 EBITDA ratio) in Q1 2019 compared to the 732 thousand EUR (3,9% EBITDA ratio) in Q1 2018, which was 28% growth, whereas the Company's operating profit (EBIT) was nearly 50% higher than the base period. Due to the favourable foreign exchange effects the financial result also improved, so the profit after taxation was more than four times higher (238 thousand EUR) in the seasonally weakest quarter.

Data in 1000 EUR	Q1 2019	Q1 2018
Sales revenues	22 068	18 552
EBITDA	934	732
EBITDA ratio	4,2%	3,9%
Profit/loss after taxation	238	54
Net income ratio	1,1%	0,3%

Source: consolidated non-audited report of the Group on 31st of March 2019 and non-audited report on 31st of March 2018 based on IFRS accounting rules, as well as the non-audited data from the Group's management information system

- In Q1 2019 the Company has met with mostly favourable trends in its single markets. On the most significant **Hungarian** market according to the feedback of the market participants, the Q1 in the construction industry was a very strong quarter. On the **Romanian market** the demand in the construction market was negative, while the number of building permits issued increased in the first quarter. In **Serbia** in Q1 2019, the GDP 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 Q1 2019 and the value of the construction works exceeded the value of last year. The economic indicators showed an improvement in **Croatia**, the GDP and the construction industry also grew. In **Poland** the economic growth continued, and also in **Slovakia** the construction industry performed well, market participants reported a similar growth rate in the first quarter of 2019 than the base of last year.
- The total revenue of the Company was 22 068 thousand EUR in Q1 2019, 19% higher than in the base period in 2018.
- Still the **Thermal insulation system** provided the biggest product share, where the overall sales grew by 32% in Q1 2019. The sales were increased by 16% in the **Roofing foils and accessories**, while in the **Dry construction system** product group it grew by 4%. In the **Heat, sound and water insulation materials** segment the sales in Q1 2019 were increased by 18%, similar than in the **Building industry accessories** product group compared to the base period in 2018. In case the **Industrial applications products**, the Group has achieved 8% decrease in turnover in Q1 2019 versus Q1 2018.
- On the Group's main – **Hungarian market** the sales has increased by 28% in Q1 2019 compared to the base. The sales revenues grew on the Company's **Exports markets** (18%) too, as well in **Romania** (8%), in **Serbia**

(7%), in **Poland** (10%), in **Ukraine** (30%), in **Croatia** (11%) and in **Slovakia** (20%). With the smallest share of sales at **North Macedonia** the revenues was higher by 5%.

- With the increase in turnover, the trade margin value was increased almost to the same extent. The Group's trade margin was higher on the Export, Polish, Slovakian, Croatian and Serbian markets in the quarter, but the realized margin volume grew in the Hungarian, Ukrainian and Romanian markets as well. Significantly grew the production output of fiberglass mesh and EPS in Serbia, while in Kal the foam factory production dropped on a lesser extent in Q1 2019 compared to the base quarter. The cost of materials and services – considering the change in the self-manufactured inventories as well – has increased (22%) by higher rate than the turnover expansion in Q1 2019.
- As a result of the expanding headcount of the fiberglass mesh factory in Serbia and due to the payraises the personnel expenses of the Company has increased by 5% in Q1 2019 compared to the base period. The Group employed 963 people by the end of March 2019 compared to the 900 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 Q1 2019 compared to the base.
- The other operating expenses of the Company decreased in Q1 2019 compared to the base period, when higher loss on bad debtors raised last year's expenses.
- As the result of the above mentioned the Group EBITDA was 934 thousand EUR in Q1 2019 (4,2% EBITDA ratio) compared to the 732 thousand EUR (with 3,9% EBITDA ratio) in the base period, which was 28% growth.
- Taken into account the depreciation too the EBIT resulted in 396 thousand EUR in Q1 2019 which exceeds nearly by 50% the 266 thousand EUR level of the base period.
- Due to the higher utilized loan portfolio the interest expenditures has increased in the first quarter of 2019 compared to the base period.
- The Company has generated and booked 60 thousand EUR profit as other financial result which came from the favourable foreign exchange effects in Q1 2019 compared to the 11 thousand EUR loss of Q1 2018.
- The Group PAT was more than four times higher, 238 thousand EUR profit in Q1 2019 compared to the base period's profit of 54 thousand EUR.
- The total fixed assets amounted to 35 892 thousand EUR at the end of Q1 2019, by 6 370 thousand EUR higher than base period's volume.
- The inventory at the end of the first quarter of 2019 was 23 794 thousand EUR, which landed almost on the same value of the base period closing stock.
- The trade accounts receivables were 16 225 thousand EUR at the end of this quarter which was a less increase (16%) compared to turnover increase.

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 improvement market.

The Masterplast in Q1 2019 has faced with 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 Q1 in the construction industry was a very strong quarter, where the demand was mainly reinforced by the completion of investments that were carried over from last year. As the result of the ongoing EU energetics tenders and the implemented government incentives, the increased building construction was the driving force but the favourable weather conditions also had a very positive effect on demand. The main growth areas are the building market investments in the capital where the number of dwellings built was one and a half times higher in the first quarter. The labor shortages had a major impact on the performance of the construction industry, which has now become not only a sectoral problem but a national one. The new building permits issued decreased nationwide by 2%, while in the villages it increased almost one and a half times. The number of finished flats was 8% higher than in the first quarter of last year. Construction expectations remain positive for the new periods, although final withdrawal of the VAT is expected to affect the starting of new investments, while the expanded "CSOK" starting in the summer can bring a lot of opportunities in the renovation market.

Demand in the construction market was negative in **Romania** in the first quarter of 2019, mainly attributable to the changing weather. Property prices have risen, and demand for housing also fallen due to the more careful financial behaviour of customers. Compared to the same period of the previous year, the number of issued building permits increased in the first quarter. Addition to this the minimum wages also increased. For the completion of government renovations which were postponed, the municipalities of larger cities received financial support, which is likely to affect the demand of the next quarter.

In **Serbia** in Q1 2019 the GDP has also grown by 2,3% compared to the base period of 2018. The National Bank has further pursued its price-stability policy and brought favourable conditions to the whole economy. While the industrial output has decreased, the international trade has expanded, both the export and import also improved. In the construction sector, the number of issued building permits decreased slightly, but within this the residential buildings still showed an increase of almost 15%.

In **Ukraine**, the economy performed well compared to the same period in 2018. The value of the constructions carried out exceeded the value of Q1 last year by more than 24%.

The economic indicators have shown further improvement in **Croatia** in Q1 2019. The GDP grew, the unemployment decreased and wages increased. 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.

In **Poland**, economic growth continued. GDP growth was above 4%, demand on the domestic market increased, while on the export market the demand weakened slightly. The investment expenditures also showed a smaller value. Wages and employment have also increased. 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 Q1 2019.

In **Slovakia**, the construction industry performed well in the first quarter, the market participants reported a similar increase than in the last year was. Unemployment was further featuring to the period, but the proportion of workers in the construction sector was larger. The building material shortage from the previous period ended, and the favourable weather conditions also contributed to the expansion of the construction industry.

GDP in **North Macedonia** increased, industrial production also increased, as did the construction activity. Wages grew and the number of building permits issued have increased by more than 10% compared to the same period last year.

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 2017 to Q1 2019:

	Q4 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018
Croatia	29,7	-14,8	-11,6	17,1	-11,7
Hungary	2,8	25,9	-31,0	11,7	4,9
Austria	-2,4	-12,2	-5,6	-7,2	0,4
Poland	1,0	2,5	-4,1	3,5	-3,0
Romania	3,9	-0,7	-2,1	-1,9	1,9
Slovakia	2,8	-27,2	47,4	4,6	12,1

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 transategorized 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)	Q1 2018			
Product groups	Previous classification of sales revenue	Item group reclassification	IFRS 15 reclassification	New classification of sales revenue
Thermal insulation system	8 154	-92	-46	8 015
Roofing foils and accessories	2 755	-256	-13	2 485
Dry construction system	2 919	0	-16	2 903
Heat, sound and water insulation materials	2 363	0	-11	2 352
Building industry accessories	608	348	-6	950
Industrial applications	1 863	0	-16	1 847
Total sales revenue	18 661	0	-109	18 552

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

Sales by main product groups:

Data in 1000 EUR	Q1 2019	Q1 2018	Index
	(A)	(B)	(A/B-1)
Thermal insulation system	10 587	8 015	32%
Roofing foils and accessories	2 884	2 485	16%
Dry construction system	3 008	2 903	4%
Heat, sound and water insulation materials	2 778	2 352	18%
Building industry accessories	1 117	950	18%
Industrial applications	1 695	1 847	-8%
Total sales revenue	22 068	18 552	19%
Contribution of product groups in percentage to the total sales revenue			
Thermal insulation system	48%	43%	
Roofing foils and accessories	13%	13%	
Dry construction system	14%	16%	
Heat, sound and water insulation materials	13%	13%	
Building industry accessories	5%	5%	
Industrial applications	8%	10%	
Total sales revenue	100%	100%	

Source: consolidated non-audited report of the Group on 31st of March 2019 and non-audited report on 31st of March 2018 based on IFRS accounting rules, as well as the non-audited data from the Group's management information system

The Masterplast sales in Q1 2019 was 22 068 thousand EUR, 19% 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 (48%), where in the first quarter the sales increased by significant 32%. The sale volume growth came almost to the same extent from fiberglass mesh sales and from expanded polystyrene product (EPS) sales. Sales of fiberglass mesh products provided the highest increase on Export markets, but the turnover was rising everywhere except for Serbian, Polish and North Macedonian markets compared to the same period last year. The sales growth of EPS was mainly driven by the Hungarian market, but turnover increase was realized everywhere in the first quarter of 2019 except for the Romanian market.

Turnover of **Roofing foils and accessories** increased by 16% in Q1 2019 versus Q1 2018. In each item groups of the product group the sales were landed on a higher level. Regarding the markets, the Hungarian, the Polish and the Ukrainian markets performed the best, but except of North Macedonia, in all markets the turnover exceeded the amounts of previous year same period.

Sales of the **Dry construction system** products increased by 4% in Q1 compared to the 2018 base. In terms of gypsum plasterboard systems, the turnover growth on the Hungarian market was the highest, but in the North Macedonian and Ukrainian markets the sales also increased, while on the others decreased in the first quarter of 2019 compared to the base.

In the **Heat, sound and water insulation materials** product group in Q1 2019 sales increased by 18% compared to the same period in 2018. The sales growth of XPS products were the highest, but almost all of the item group's sales increased. Only the foam sheets sales showed a slightly decrease. In terms of markets, the Company's revenue increased in all countries except Export area and Romania.

Turnover of **Building industry accessories** products increased by 18% in the first quarter of 2019 compared to the base, where sales grew in all countries with the exception of the Romanian, Serbian and Croatian markets.

In the case of **industrial applications product** group, the Group achieved 8% decrease in Q1 2019 versus the base period. The sales of packaging related products showed decline while the non-strategic trade of raw materials were on the same level of 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	Q1 2019	Q1 2018	Index
	(A)	(B)	(A/B-1)
Hungary	8 668	6 791	28%
Export	4 123	3 484	18%
Romania	2 238	2 076	8%
Serbia	1 735	1 619	7%
Poland	1 701	1 547	10%
Ukraine	1 284	988	30%
Croatia	978	884	11%
Slovakia	963	805	20%
North Macedonia	378	359	5%
Total sales revenue	22 068	18 552	19%
Contribution of countries in percentage to the total sales revenue			
Hungary	39%	37%	
Export	19%	19%	
Romania	10%	11%	
Serbia	8%	9%	
Poland	8%	8%	
Ukraine	6%	5%	
Croatia	4%	5%	
Slovakia	4%	4%	
North Macedonia	2%	2%	
Total sales revenue	100%	100%	

Source: consolidated non-audited report of the Group on 31st of March 2019 and non-audited report on 31st of March 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 28% in Q1 2019 compared to the base period. The Company was able to expand its turnover in all product groups, within this the largest growth was reported in the sales of the Thermal insulation system related EPS products. The other product groups also performed nicely as the growth in each groups was above 20% in the first quarter.

An increase of 18% was achieved on the **Export market** in Q1 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 Roofing foils and accessories and in the Building industry accessories too. The other product groups had a decrease in sales. Considering its markets the Masterplast reached a growth in Italy, in Austria and in Albania while in Finland, in Czech Republic and in Norway the sales lessened.

On the **Romanian market** the sales increased by 8% in Q1 2019 compared to the base period. The Company has increased its sales principally in the fiberglass mesh products from the Thermal insulation system product group, but a growth has been reached also in the Roofing foils and accessories. The other product groups had a decrease in sales compared to the base period.

In **Serbia** the sales were increased by 7% in Q1 2019 compared to 2018. A growth in sales has been achieved regarding the Heat, sound and water insulation materials, the Thermal insulation system product group and the

Roofing foils and accessories. The turnover of the Building industrial accessories was on the same level as Q1 2018, but the in the Dry building system product group there was a decrease.

On the **Polish market** the sales were up by 10% in Q1 2019 compared to the base. The revenue increased especially in the diffusion roofing foils from the Roofing foils and accessories product group, and also the Building industrial accessories and the Heat, sound and water insulation materials reached higher turnover. The sales was slightly decreased in the own-produced fiberglass mesh from Thermal insulation system product group and smaller scale reduction in the sales was in the Dry construction system product group.

In **Ukraine**, the growing in sales was 30% in Q1 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. The other product groups also showed a growth for the first quarter in 2019.

On the **Croatian market** the sales grew by 11% in Q1 2019 on base term. The revenue increase was the highest in the Thermal insulation system product group. The other product groups had a growth in sales too compared to the base period except of the Building industrial accessories which was stagnated and except of the Dry construction system product group in which the revenue decreased.

The sales were up by 20% in Q1 2019 on the **Slovakian** market. Except the Dry construction system, in all product groups the turnover increased compared to Q1 2018, prominently in the Thermal insulation system product group.

In **North Macedonia**, with the smallest turnover share, a 5% increase in sales was reported in Q1 2019, which was mainly due to the growth of the profiles included in the Dry construction system product group. While the fiberglass mesh revenue at Thermal insulation system decreased similar to the revenue at Roofing foils and accessories, in case of all the other product groups the sales were increased.

Overall in the basically positive industrial environment the Group has increased its total sales by 19% in Q1 2019 compared to the base period. Growth in sales was achieved on all markets of the Company. Among the product groups excluding the Industrial applications everywhere there was growing in the turnover.

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 1000 EUR	Q1 2019	Q1 2018	Change	Index
	(A)	(B)	A-B	(A/B-1)
Sales revenues	22 068	18 552	3 516	19%
Cost of materials and services	-18 220	-14 718	-3 502	24%
Payroll costs and contributions	-2 948	-2 817	-131	5%
Depreciation	-538	-466	-72	15%
Change in self-manufactured inventories	86	-187	273	-146%
Other operating revenues and expenses	-52	-98	46	-47%
EBITDA	934	732	202	28%
<i>EBITDA ratio</i>	<i>4,2%</i>	<i>3,9%</i>		
PROFIT / LOSS OF BUSINESS ACTIVITY (EBIT)	396	266	130	49%
Interest revenues	14	37	-23	-62%
Interest expenses	-154	-142	-12	8%
Other financial revenues and expenses	60	-110	170	-155%
FINANCIAL PROFIT/LOSS	-80	-215	135	-63%
Profit/loss from associations	-5	11	-16	-145%
Profit/loss before income tax	311	62	249	402%
Taxes	-73	-8	-65	813%
Profit/loss after taxation	238	54	184	341%
<i>Profit attributable to the owners of the parent</i>	<i>238</i>	<i>35</i>	<i>203</i>	<i>580%</i>
<i>Profit attributable to the minority</i>	<i>0</i>	<i>19</i>	<i>-19</i>	<i>-100%</i>
<i>Earnings per share (EPS)</i>	<i>0,02</i>	<i>0,00</i>		
<i>Diluted earnings per share (diluted EPS)</i>	<i>0,02</i>	<i>0,00</i>		

Source: consolidated non-audited report of the Group on 31st of March 2019 and non-audited report on 31st of March 2018 based on IFRS accounting rules, as well as the non-audited data from the Group's management information system

The total revenue of the Group was 22 068 thousand EUR in Q1 2019, with 3 516 thousand euros (19%) higher than in the base period.

With the increase in turnover, the trade margin value was increased almost to the same extent. The Group's trade margin was higher on the Export, Polish, Slovakian, Croatian and Serbian markets in the quarter, but the realized margin volume grew in the Hungarian, Ukrainian and Romanian markets as well. Significantly grew the production output of fiberglass mesh and EPS in Serbia, while in Kal the foam factory production dropped on a lesser extent in

Q1 2019 compared to the base quarter. The material and other material costs slightly increased while the maintenance costs elements and the 3rd party related transportation expenditures decreased. The energy costs, the fuel costs and rents were also increased in Q1 2019 compared to the base period. The cost of materials and services – considering the change in the self-manufactured inventories as well – has increased (22%) by higher rate than the turnover expansion in Q1 2019.

As a result of the expanding headcount of the fiberglass mesh factory in Serbia and due to the payraises the personnel expenses of the Company has increased by 5% in Q1 2019 compared to the base period. The Group had 963 employees at the end of March 2019 opposed to the staff level of 900 people of the base period. 368 people were employed at the production unit in Subotica at the end of Q1 2019, compared to the level of 351 staff at 31th of March 2018.

Mainly the investments in the production lines in Serbia and in Kal resulted in an increase in the amount of depreciation in Q1 2019 compared to the base.

The other operating expenses of the Company decreased in Q1 2019 compared to the base period, when higher loss on bad debtors raised last year's expenses.

As the result of the above mentioned the Group EBITDA was 934 thousand EUR in Q1 2019 (4,2% EBITDA ratio) compared to the 732 thousand EUR (with 3,9% EBITDA ratio) in the base period, which was 28% growth. Taken into account the depreciation too the EBIT resulted in 396 thousand EUR in Q1 2019 which exceeds nearly by 50% the 266 thousand EUR level of the base period.

Due to the higher utilized loan portfolio the interest expenditures has increased in the first quarter of 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 (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 2019, 2018 and 2017:

Closing exchange rates	31-12-2017	31-03-2018	31-12-2018	21-03-2019	Index	Index	Index	Index
	A	B	C	D	C/A	C/B	D/B	D/C
EUR/USD	1,20	1,23	1,14	1,12	95,50%	92,98%	91,09%	97,96%
EUR/HUF	310,14	312,55	321,51	320,79	103,67%	102,87%	102,64%	99,78%
EUR/RON	4,66	4,66	4,66	4,76	100,08%	100,08%	102,21%	102,12%
EUR/RSD	118,47	118,39	118,19	118,01	99,77%	99,83%	99,68%	99,84%
EUR/UAH	33,50	32,70	31,71	30,57	94,67%	96,99%	93,48%	96,38%
USD/HUF	258,82	253,94	280,94	286,14	108,55%	110,63%	112,68%	101,85%
USD/RON	3,89	3,78	4,07	4,24	104,72%	107,77%	112,26%	104,17%
USD/RSD	99,12	96,08	103,39	105,00	104,31%	107,61%	109,29%	101,56%
USD/UAH	28,07	26,54	27,69	27,25	98,64%	104,33%	102,67%	98,41%

Source: Hungarian National Bank rates

Attributable to the favourable foreign exchange effects – the strengthening of the Ukrainian hryvnia - the Company has generated and booked 60 thousand EUR profit as other financial result in Q1 2019 compared to the 11 thousand EUR loss of Q1 2018, which was deteriorated by the – sold in the meantime – Russian subsidiary's financial result.

The Group PAT was more than four times higher, 238 thousand EUR profit in Q1 2019 compared to the base period's profit of 54 thousand EUR.

Overall, in a basically positive market the Company has increased its revenues by more than the previous periods (19%) in Q1 2019. With the increase in turnover, the trade margins were increased at the same extent and there was a further growing in the production output. 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 934 thousand EUR (4,2 EBITDA ratio) in Q1 2019 compared to the 732 thousand EUR (3,9% EBITDA ratio) in Q1 2018, which was 28% growth, whereas the Company's operating profit (EBIT) was nearly 50% higher than the base period. Due to the favourable foreign exchange effects the financial result also improved, so the profit after taxation was more than four times higher (238 thousand EUR) in the seasonally weakest quarter.

6. Other comprehensive income

Data in 1000 EUR	31-03-2019	31-03-2018
Profit for the year	238	54
Foreign exchange result on translation*	167	-219
Parent company's share of the change in the value of associates*	0	0
Other comprehensive income	167	-219
Comprehensive income	403	-166

Source: consolidated non-audited report of the Group on 31th of March 2019 and non-audited report on 31st of March 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 31th March 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 1000 EUR	31-03-2019	31-03-2018	Change	Index
	(A)	(B)	A-B	(A/B-1)
FIXED ASSETS				
Land, buildings and equipment	35 489	29 130	6 359	22%
Intangible assets	73	6	67	1117%
Shares in related companies	29	45	-16	-36%
Deferred tax assets	301	341	-40	-12%
Total fixed assets	35 892	29 522	6 370	22%
CURRENT ASSETS				
Inventories	23 794	23 419	375	2%
Trade accounts receivable	16 225	13 964	2 261	16%
Tax receivables	1 500	1 505	-5	0%
Other financial receivables	23	24	-1	-4%
Other current assets	2 406	4 214	-1 808	-43%
Liquid assets	1 907	634	1 273	201%
Total current assets	45 855	43 760	2 095	5%
TOTAL ASSETS	81 747	73 282	8 465	12%
CAPITAL AND RESERVES				
Subscribed capital	5 504	5 504	0	0%
Reserves	24 379	22 037	2 342	11%
Repurchased shares	-21	-22	1	-5%
Parent share of interests	223	34	189	556%
Equity attributable to the owners of the parent	30 085	27 553	2 532	9%
Minority interests	301	294	7	2%
Total capital and reserves	30 386	27 847	2 539	9%
LONG-TERM LIABILITIES				
Long- term loans	6 966	4 735	2 231	47%
Deferred tax liabilities	181	170	11	6%
Deferred income	3 850	2 802	1 048	37%
Other long-term liabilities	725	736	-11	-1%
Total long-term liabilities	11 722	8 443	3 279	39%
SHORT-TERM LIABILITIES				
Short-term loans	19 901	19 130	771	4%
Trade accounts payable	14 906	13 865	1 041	8%
Short-term leasing liabilities	226	166	60	36%
Other financial liabilities	0	5	-5	-100%
Tax liabilities	869	875	-6	-1%
Short-term deferred income	934	360	574	159%
Provisions	257	324	-67	-21%
Other short-term liabilities	2 545	2 267	278	12%
Total short-term liabilities	39 638	36 992	2 646	7%
TOTAL LIABILITIES	51 361	45 435	5 925	13%
TOTAL CAPITAL AND LIABILITIES	81 747	73 282	8 465	12%

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

The total assets of the Group were 81 747 thousand euros on the 31st of March 2019, by 8 465 thousand euros higher than at the end of the base period.

The total fixed assets amounted to 35 892 thousand euros at the end of Q1 2019, by 6 370 thousand euros 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 491 thousand euros on CAPEX in Q1 2019.

The inventory at the end of the quarter was 23 794 thousand euros, which was landed almost on the same value of the base period closing stock.

The amount of the receivables was 16 225 thousand euros on 31st of March 2019, which has increased by 2 261 thousand euros (16%) – less than the increase of turnover – comparing to the base period in 2018.

The Group's cash and equivalents stood at 1 907 thousand euros at the end of Q1 2019, which were higher by 1 273 thousand euros than the closing volume in Q1 2018.

In relation with the CAPEX the amount of the long-term loans (49%) increased, just as the short-term credit lines (4%) at the end of Q1 2019 compared to the closing data of the base period.

The accounts payable increased by 1 041 thousand euros, while the deferred income sharply increased related to the government grants to investments.

8. Cash-flow, bank information

Data in 1000 EUR	31-03-2019	31-03-2018	Change	Index
	(A)	(B)	A-B	(A/B-1)
Operating Activities				
PBT	310	61	249	408%
Depreciation and Amortisation	538	466	72	15%
Bad debt provision	173	134	39	29%
Shortage and scrap of stocks	17	13	4	31%
Provisions	70	235	-165	-70%
Profit on fixed asset sale	-24	-75	51	-68%
Interest expense	154	142	12	8%
Interest revenue	-14	-37	23	-62%
Profit/loss from associations	5	-11	16	-145%
Unrealized foreign exchange gain (loss)	-56	36	-92	-256%
Changes in Working Capital				
Change in Accounts Receivable	-3 949	-2 785	-1 164	42%
Change in Inventory	-747	-2 263	1 516	-67%
Change in Other Assets	-1 058	-2 250	1 192	-53%
Change in Accounts Payable	2 133	1 002	1 131	113%
Change in Short-term liabilities	418	1 119	-701	-63%
Taxation	-35	0	-35	0%
Net Cash from Operations	-2 066	-4 214	2 148	-51%
Investing Activities				
CAPEX	-491	-311	-180	58%
Sale of fixed assets	75	95	-20	-21%
Subsidiaries sold	0	0	0	0%
Interest received	14	37	-23	-62%
Net Cash from Investing activities	-402	-180	-222	123%
Financing Activities				
Borrowing	4 593	3 079	1 514	49%
Loan repayments	-2 153	-922	-1 231	134%
Government grant	0	0	0	0%
Dividends paid	0	0	0	0%
Interest paid	-154	-142	-12	8%
Net Cash from Financing activities	2 287	2 014	273	14%
Net Cash flow of the period	-181	-2 379	2 198	-92%
Cash at beginning of period	2 090	3 013	-923	-31%
Effect of exchange rate changes	-2	0	-2	0%
Cash at end of period	1 907	634	1 273	201%

Source: consolidated non-audited report of the Group on 31st of March 2019 and non-audited report on 31st of March 2018 based on IFRS accounting rules

The net cash flow from operation was -2 066 thousand euros in Q1 2019, while it was -4 214 thousand euros the end of the base period.

The cash flow from investing activities was -402 thousand euros in Q1 2019 compared to -180 thousand euros in the base period.

The net cash flow from financial related activities amounted to 2 287 thousand euros compared to the 2 014 thousand euros in the base period.

All in all the cash and equivalents of the Company was 1 907 thousand euros at 31st of March 2019 which was higher by 1 273 thousand euros than the level of the previous year.

Loans and bank related information:

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

The Company's working capital financing credit line has increased by 1 million EUR at the bank of the Group in Hungary.

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 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.

9. Change in equity

Data in 1000 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
01-01-2018	5 226	-22	6 656	19 302	-7 665	18 293	2 610	26 107	270	26 377
Net profit						0	34	34	19	53
Other comprehensive income					-224	-224		-224	5	-219
Transfer of previous year's net profit				2 610		2 610	-2 610	0		0
Repurchased shares		0				0		0		0
Capital increase	278					0		278		278
Capital increase - agio			1 407			1 407		1 407		1 407
Change in the share of external owners				0	0	0		0	0	0
Paid dividends				0		0		0		0
Ownership contribution				-49		-49		-49		-49
31-03-2018	5 504	-22	8 063	21 863	-7 888	22 037	34	27 553	294	27 847
01-01-2019	5 504	-21	8 063	21 346	-8 481	20 929	3 283	29 695	288	29 983
Net profit	0	0	0	0	0	0	223	223	14	237
Other comprehensive income	0	0	0	0	167	167		167	-1	167
Transfer of previous year's net profit	0	0	0	3 283	0	3 283	-3 283	0	0	0
Repurchased shares	0	0	0	0	0	0	0	0	0	0
31-03-2019	5 504	-21	8 063	24 630	-8 313	24 379	223	30 085	301	30 386

Source: consolidated non-audited report of the Group on 31th of March 2019 and non-audited report on 31st of March 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	261 622	EUR
Masterplast Romania	Bank guarantee	396 638	RON	83 278	EUR
Masterfoam Kft.	Custom	10 000 000	HUF	31 173	EUR
Masterfoam Kft.	Tender guarantee	260 000 000	HUF	810 499	EUR
Masterplast YU D.o.o.	Bank guarantee	2 000 000	EUR	2 000 000	EUR
Total:				3 186 572	EUR

Source: consolidated non-audited report of the Group on 31th of March 2019 and non-audited report on 31st of March 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. Presentation of the manufacturing capacity

In the Group's EPS plant in Subotica in Q1 2019 the production volume was outstanding, the output was 78% higher than in the same period of last year. A very strong quarter was achieved without significant downtime and machine failure, and usual maintenances at the beginning of the year were aligned with the production.

The quarterly output of the mesh edge protection production was almost the same in the first quarter than the period of last year.

In the fiberglass mesh plant in Subotica the production level surpassed by 19% the base volume. Last year's technology developments worked well, the production efficiency and the quality improved, the specific energy demand decreased. The year 2019 tasks are to continue the exact setup of new technologies and the acquisition of usage on skill level, as well as the headcount extension with a continuous increase in production.

In the Kal based foam factory the quarterly output was in 12% lagging compared to the level of Q1 2018. The largest decline was in the third party packaging industry customers, while affiliated company markets were stable. The machineries of the technology development from last year, have already been produced in Q1. In parallel with production, more and more product recipe set up and moved to the new production line. For Q2 2019 it is the task to have deeper technological knowledge, to finalize further recipes and to complete some work organization tasks in connection with the accomplishment of high growth plans.

12. Changes of the full time employees (headcount)

	31-03-2019	31-12-2018	31-03-2017
Company employees	41	43	40
Group level employees	963	925	900

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

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

Masterplast Romania SRL, 100% owned by the Company, closed its 100% ownership of Moldavian Masterplast Construct SRL in April 2019. The Moldavian subsidiary had a minor importance for the Group and was not necessary for the achievement of strategic goals, so the closure does not cause any change in the Company's financial statements.

14. Balance sheet compared with 31 December 2018 status

Data in 1000 EUR	31-03-2019	31-12-2018	Change	Index
	(A)	(B)	A-B	(A/B-1)
FIXED ASSETS				
Land, buildings and equipment	35 489	35 455	34	0%
Intangible assets	73	207	-134	-65%
Shares in related companies	29	34	-5	-15%
Deferred tax assets	301	304	-3	-1%
Total fixed assets	35 892	36 000	-108	0%
CURRENT ASSETS				
Inventories	23 794	23 060	734	3%
Trade accounts receivable	16 225	12 453	3 772	30%
Tax receivables	1 500	1 076	424	39%
Other financial receivables	23	23	0	0%
Other current assets	2 406	1 773	633	36%
Liquid assets	1 907	2 090	-183	-9%
Total current assets	45 855	40 475	5 380	13%
TOTAL ASSETS	81 747	76 475	5 272	7%
CAPITAL AND RESERVES				
Subscribed capital	5 504	5 504	0	0%
Reserves	24 379	20 929	3 450	16%
Repurchased shares	-21	-21	0	0%
Parent share of interests	223	3 283	-3 060	-93%
Equity attributable to the owners of the parent	30 085	29 695	390	1%
Minority interests	301	288	13	5%
Total capital and reserves	30 386	29 983	403	1%
LONG-TERM LIABILITIES				
Long-term loans	6 966	6 051	915	15%
Deferred tax liabilities	181	182	-1	-1%
Deferred income	3 850	4 068	-218	-5%
Other long-term liabilities	725	721	4	1%
Total long-term liabilities	11 722	11 022	700	6%
SHORT-TERM LIABILITIES				
Short-term loans	19 901	18 376	1 525	8%
Trade accounts payable	14 906	12 774	2 132	17%
Short-term leasing liabilities	226	289	-63	-22%
Other financial liabilities	0	0	0	0%
Tax liabilities	869	641	228	36%
Short-term deferred income	934	934	0	0%
Provisions	257	187	70	37%
Other short-term liabilities	2 545	2 269	276	12%
Total short-term liabilities	39 638	35 470	4 168	12%
TOTAL LIABILITIES	51 361	46 492	4 868	10%
TOTAL CAPITAL AND LIABILITIES	81 747	76 475	5 272	7%

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

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	4 548 057
Ács Balázs	Vice Chairman of the Board	03-04-2008	30-04-2019	approximately 10 years	3 877 259
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 31 March 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)

	31-03-2019
Issuing ownership	11 817
Affiliated companies ownership	0
Total	11 817

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

DECLARATION

MASTERPLAST PLC. (H-8143 Sárszentmihály, Árpád u. 1/A.) declares that the interim management report provides a true and fair view of the financial position of MASTERPLAST PLC., comprises the subsidiaries included in the consolidation.

Sárszentmihály, 16 May 2019



Tibor Dávid
Chairman of the Board

