



MASTERPLAST PLC.
HALF-YEARLY REPORT

18 August 2021



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Consolidated, not audited

According to International Financial and Reporting Standards (IFRS)

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Founded in 1997, the main areas of activity of Masterplast (later: "Group", "Masterplast", "Company") are production and sales of building industry insulation materials, which was complemented by the production and sale of healthcare products from 2020 with the acquisition of the Aschersleben plant. With its headquarters in Hungary, the Central and Eastern European international company group has nine active subsidiary companies all over the world, where it operates five 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 construction industry market. Its international production bases (own and production under license) ensure that group products reach 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

As the coronavirus situation improved, global construction demand strengthened significantly, while serving the market was hampered by raw material supply problems and price increases. Masterplast increased its sales by 108% in the second quarter relying on its strong supply chain, high inventories and market position. The turnover of the new German manufacturing company and the sales of protective clothing started last December contributed to the jump, but the turnover in the core business also increased significantly compared to the low base. The trade margin of the Group increased by higher rate than the turnover growth, thanks to the stable performance of the construction segment, the growing sales of protective clothing and the outstanding profitability of health care textile production in Germany. The profitability of subsidiaries increased, the capacity utilization of the company's production units and production efficiency also improved. Due to all this, the Company's EBITDA was 8 505 thousand EUR (14,9%), which is more than three times the same period last year, while profit after tax was 6 349 thousand EUR, which was almost 250% higher than the previous year's base. After the first half of the year, the Company's after-tax profit exceeded its full-year 2020 result by more than 40%. For the rest of the year, the company also expects a turbulent raw materials market and favorable insulation industrial environment as a result of the incentives, where the Company - relying on its strong supply chain - forecasts significantly higher earnings than in the previous year's base for the following quarters as well.

Data in 1000 EUR	Q2 2021	Q2 2020	H1 2021	H1 2020
Sales revenues	57 138	27 499	95 418	52 451
EBITDA	8 505	2 757	12 877	3 883
EBITDA ratio	14,9%	10,0%	13,5%	7,4%
Profit/loss after taxation	6 349	1 838	9 147	2 110
Net income ratio	11,1%	6,7%	9,6%	4,0%

Source: consolidated non-audited report of the Group on 30th of June 2021 and non-audited report on 30th of June 2020 based on IFRS accounting rules, as well as the non-audited data from the Group's management information system

- Mitigation of measures taken due to the coronavirus epidemic has led to an improvement in the economic environment. However, the shortage of raw materials at the beginning of 2021 and the related price increase continue to affect the business in the Company's markets and construction industry. Nevertheless, construction demand is on the rise in most countries and, thanks to the Company's stable supply chain, it has been able to take advantage of expanding demand in most markets with a strengthening market position. In Hungary, which is the most relevant market of the Company, the performance of the construction sector showed an outstanding growth, and the effect of expanding government subsidies was again felt in the development of industry demand. The recovery that began in the first quarter of the year continued in Romania, Serbia, Croatia and northern Macedonia, while statistics also improved somewhat in Slovakia. Overall, Germany, Ukraine and Poland experienced a decline in construction performance in the second quarter of 2021.
- The total revenue of the Company was 57 138 thousand EUR in Q2 2021, 108% higher than in the base period in 2020. The turnover in the core business increased, which was largely supported by the operation of the new

German manufacturing company, as well as the sale of medical protective clothing, which started last December. The growth rate was boosted by that the base quarter in 2020 was the period most affected by the coronavirus.

- The Company achieved growth in all product groups. Still the thermal insulation system provided the biggest product share, where the overall sales increased by 52% in Q2 2021. Sales of roofing foils and accessories more than doubled, while the dry construction system product group expanded by 53% compared to the base. The turnover of heat, sound and water insulation materials increased by 40% and that of building industry accessories by 6%. At the same time, sales of the industrial applications product group increased significantly (721%), mainly due to the sale of medical foils and the finished product (protective clothing) launched at the end of the previous year.
- Turnover in the Group's largest Hungarian market increased two and a half times in Q2 2021, where in addition to expanding insulation and construction sales, sales of protective clothing also increased the turnover. Similarly high turnover growth was achieved in the Export markets (97%), and in Poland (152%), and in Germany, already presented as a separate item, due to the operation of the new subsidiary (602%). The Company also achieved double-digit sales growth in other markets (Romania 20%, Serbia 42%, Ukraine 27%, Slovakia 43%, Croatia 24%, Northern Macedonia 33%).
- In addition to the increase in turnover, the trade margin also increased in Q2 2021 compared to the base period. The growth was largely driven by the operation of the new German manufacturing company and the emergence of the healthcare segment in the portfolio, but margins in the construction segment products also increased.
- The efficiency of own production has further improved. The output of the Serbian fiberglass mesh and EPS plants increased significantly compared to the base, the production of mesh edge declined slightly. The output of foam plant in Kál also exceeded the level of the second quarter of last year. The German fleece unit operated with high capacity utilization in the second quarter again.
- The cost of materials and services – considering the change in the self-manufactured inventories as well – has increased by smaller rate than the turnover growth in Q2 2021.
- Due to the operation of Aschersleben plant, to the new factory units established in Hungary and to the payraises the personnel expenses of the Company increased in the quarter compared to the base. The Group had 1 207 employees at the end of Q2 opposed to the staff level of 1 099 people of the base period.
- Mainly related to the operation of the new German subsidiary and investment in the Hungarian site there was an increase in the amount of depreciation. The other operating expenses also landed on a higher level in Q2 2021 compared to the base period.
- The EBITDA was 8 505 thousand EUR (14,9% EBITDA ratio) compared to 2 757 thousand EUR (10% EBITDA ratio) of base period, which meant 209% increase. The EBITDA from the core business increased due to efficient operations and the expansion of manufacturing in addition to an outstanding sales performance, which was further improved by the higher profitability of the healthcare industry (German manufacturing and protective clothing sales). Operating profit in the first quarter (EBIT) was 7 388 thousand EUR, which was 245% higher than the base value of 2 140 thousand EUR.
- The Company's interest revenues deteriorated slightly, while as a result of the other financial operations, a higher loss due to exchange rate effects was recognized in Q2 2021 compared to the base.
- The Group's PAT for Q2 2021 was 6 349 thousand EUR, almost three and a half times the profit of EUR 1 838 thousand in the base period.
- Due to the acquisition of the German production unit, to the sanitary fleece factory in Sárszentmihály and to the investments launched, the value of fixed assets amounted to 80 436 thousand EUR at the end of Q2 2021, which is 43 647 thousand EUR higher than the level by the end of the base period.
- Mainly due to the increase in production outputs, the inventory amounted to 31 511 thousand EUR at the end of Q2 2021, which is 8 966 thousand EUR higher than the closing value of the base period.
- The Company's accounts receivable increased in line with the quarterly sales growth (108%), landed at 34 757 thousand EUR at the end of June 2021, which is EUR 17 982 thousand (107%) higher than a year earlier.

- Through a bond with a nominal value of HUF 6.0 billion issued at the end of last year under the Growth Bond Program the Company restructured its financing, this increased the Group's bond liabilities in the balance sheet, cash and cash equivalents increased by 3.5 million euros to 8 914 thousand EUR at the end of the period.

2. Business Prospects

The outlook for the Company's insulation and healthcare business is also favorable. As a result of the coronavirus, the concept of home has been re-evaluated, and confinement has changed the quality requirements for home living space. This resulted in a global renovation and construction fever in the housing industry, the implementation of which is being supported by state incentives in several markets of the Group due to the tightening of energy efficiency and insulation policies and regulations for new construction. With regard to the health industry, the emphasis remains on virus protection, the expanding demand and the need for innovation ensure a good base for the coming quarters.

Due to the recovery of the renovation sector, the Company still expects a turbulent raw materials market, but its strong market and production positions ensure a high level of exploitation of the opportunities provided by demand. It is important to mention that the export restrictions introduced by the Hungarian state to curb the price of construction materials do not affect the range of products manufactured and marketed by Masterplast.

As a result, the Company forecasts a similar sales revenue for the second half of the year. The development of the raw material market situation, which had a positive effect on the Group's position in the first half of the year through the increase in finished product prices until the depletion of previous inventories, is expected to result in a certain decrease in trade margins in construction segment. It is expected that due to the readiness of healthcare and the stabilization of demand and supply, the volume and margins of the healthcare segment - which is now based on own production- , will decrease compared to the first half of the year, where in the crisis situation the sanitary products were in short supply. Taking all this into account, the Group expects a declining EBITDA ratio, but at the same time forecasts significantly higher profit than in the previous year's base for the following quarters.

3. 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 are the main activities of the Masterplast. While the sale of the constructional and accessories products is mainly in relation with the new buildings market, the insulation related materials (primarily the heat insulation) depend on both the new building and home renovation markets.

The coronavirus and the measures related to the current situation did not fundamentally affect the operation of the construction industry, the economic environment stimulated by the lifting of restrictions reinforces positive industry trends. However, the shortage of raw materials at the beginning of 2021 and the related price increase has still a significant impact on business operations in the Company's markets. Strategic inventory, own production capacity, quality of supplier relationships, and appropriate pricing played a key role in the successful operation.

On the most significant Hungarian market according to KSH data, the volume of construction output showed an upward trend in the second quarter compared to the same period of the previous year, as did the number of contracts for the construction of buildings. The stimulating effect of the governmental support home creation program expanded in 2021 with new elements, and the housing renovation support that was introduced also from the beginning of the year has been increasingly felt in the development of industry demand. Amid raw material supply disruptions, in the Hungarian market the strong market participants operating their own production capacity gained an advantage, so in addition to the already favorable market demand, Masterplast's market position also strengthened. The Company's market expectations are also positive for the coming periods, counting on further sales and profit growth.

In Romania, with the stabilization of the virus situation, the economy revived and statistics showed higher-than-expected growth. In terms of construction output, the sector accepted the significant price increase, so the positive trend that started in the first quarter continued in the second quarter. The recovery is still mainly due to new construction segment. The state supports the industry with tax breaks, a sector-specific raised minimum wage, while it also helps real estate purchases through low interest rates and the provision of a state guarantee. Demand for new residential real estate in the market is projected to be unbroken and in 2021 the Romanian real estate market could close a record year.

In Serbia, the government's economic protection measures remained in place, seeking to secure the liquidity of the economy and individuals by keeping interest rates at the same level. The new reports on the regional economic outlook show economic recovery. In the construction industry the recovery in the first half of the year also continued in the second quarter, both the value of construction work and the number of building permits issued increased compared to the same period last year.

In Ukraine, the Ukrainian Ministry of Economy estimates that GDP grew by 6%. His forecasts for the future are also encouraging in terms of both the national economy and construction. Regarding construction industry, the value of works performed decreased in the second quarter of 2021 compared to last year. The decline was reported among non-residential and other buildings, in the case of residential buildings, however, the industry started to grow, according to statistics.

In Germany, the economy underperformed in the second quarter. Although GDP was 9.2% higher than the second quarter most affected by the coronavirus situation last year, its level is still lower than before the virus. The worldwide shortage of raw materials has slowed the construction industry in the country. Increasing number of suppliers are unable to fulfil orders, which is holding back construction. The demand side, on the other hand, is strengthened by the government's subsidies for the energy modernization of buildings, which have been introduced to achieve climate-neutral goals.

In Poland, construction output remains below year-on-year performance, but shows an improving trend month-on-month in terms of the rate of decline. However, in the area of residential buildings, the number of constructions and permits issued in the first half of 2021 set a historic record. At the same time, the pessimism of market participants

in the construction industry can be felt due to the increase in raw material prices and labor prices, as well as the economic uncertainty caused by the coronavirus epidemic.

In Slovakia, the industrial production increased in the second quarter. Statistics on construction output have also improved in the quarter, but hectic price changes and an uncertain outlook due to a shortage of goods at European level are clearly shaping the mood of market participants. Thanks to the stable supply chain behind the Company, the Group was able to turn the situation in the Slovak market to the benefit of the Company.

In Croatia, industrial production showed an increase in the second quarter as well. The construction industry also expanded compared to the same period last year, with both the value of construction work and the number of building permits issued increasing. As in other markets, the Croatian market was affected by a shortage of raw materials, so the Company was able to capitalize on its strengths of its supply chain and inventory in this market also.

In northern Macedonia, construction demand also developed favorably in the second quarter compared to the same period last year, according to the number of building permits issued and the estimated total value of construction. The industrial production of the economy also started to grow.

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

Quarterly change of building permits from Q1 2020 to Q1 2021:

	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021
Croatia	-15,2	20,9	-3,4	4,2	10,8
Hungary	-9,5	-28,6	5,2	-1,7	39,7
Poland	-3,0	-1,5	11,4	15,3	10,6
Romania	-2,1	-25,7	31,8	7,3	10,9
Slovakia	-2,0	-29,4	23,6	-11,8	5,5
Serbia	23,9	-17,4	-16,0	2,4	37,4

Source: EUROSTAT: Building permits - quarterly data

3. Sales by main product groups

Sales by main product groups:

Data in 1000 EUR	Q2 2021	Q2 2020	Index	H1 2021	H1 2020	Index
	(A)	(B)	(A/B-1)	(A)	(B)	(A/B-1)
Thermal insulation system	21 044	13 882	52%	34 840	25 967	34%
Roofing foils and accessories	8 255	3 717	122%	14 257	6 768	111%
Dry construction system	4 418	2 895	53%	8 606	6 271	37%
Heat, sound and water insulation materials	4 697	3 360	40%	7 952	6 211	28%
Building industry accessories	1 658	1 567	6%	2 856	2 702	6%
Industrial applications	17 065	2 078	721%	26 907	4 532	494%
Total sales revenue	57 138	27 499	108%	95 418	52 451	82%
Contribution of product groups in percentage to the total sales revenue						
Thermal insulation system	37%	49%	-	37%	49%	-
Roofing foils and accessories	14%	14%	-	15%	13%	-
Dry construction system	8%	11%	-	9%	12%	-
Heat, sound and water insulation materials	8%	12%	-	8%	12%	-
Building industry accessories	3%	6%	-	3%	5%	-
Industrial applications	30%	8%	-	28%	9%	-
Total sales revenue	100%	100%	-	100%	100%	-

Source: consolidated non-audited report of the Group on 30th of June 2021 and non-audited report on 30th of June 2020 based on IFRS accounting rules, as well as the non-audited data from the Group's management information system

The Masterplast sales in Q2 2021 was 57 138 thousand EUR, which is more than twice the turnover of the same period in the base year 2020.

Within the Group's sales revenue, the thermal insulation systems continued to generate for the highest sales proportion (37%), where in the quarter the sales increased by 52%. Within the product group, sales of EPS products and fiberglass mesh also increased significantly, but each item contributed to the half-year result with growth. In terms of markets, the company achieved modest growth in Romania, but in other countries it was significant, in many cases over 50%, of which the double sales performance to Export countries was the most outstanding.

Turnover of the roofing foils and accessories similarly to the previous period, also expanded drastically in the second quarter. The turnover of diffusion roofing foils almost tripled, to which the turnover of the production unit of Masterplast Nonwoven GmbH, the jump in the sales to polish market, and the increase in the export territories contributed the most. Looking further at the markets, the product group's sales increased significantly in all countries except the Croatian, Slovak and Northern Macedonian markets.

Sales of the dry construction system products also improved well in Q2 2021 by 53% compared to the base. The high-value growth was mainly due to sales of profiles and accessories, but sales of drywall also increased. Examining the countries, the Romanian and export markets declined, the turnover increased in the other countries, within which the Hungarian, Serbian, Polish and northern Macedonian territories performed outstandingly.

In the heat, sound and water insulation materials product group the sales increased by 40% in Q2 2021 compared to the same period in 2020. In addition to sales of glass and rock wool and XPS products, turnover of foam products also showed strong growth. The product group also performed well in terms of markets, and the Group's turnover increased in all sales areas.

Turnover of building industry accessories products increased by 6% in the second quarter of 2021 compared to the base. The Company has achieved growth in most markets. The Polish, Romanian and Croatian markets performed well, while sales of the product group decreased in Northern Macedonia, Germany and Slovakia.

In the case of the industrial applications product group, the turnover increased eightfold in Q2 compared to the base. The growth was mainly due to the sales of German plant's healthcare products and that of protective clothing to Hungarian healthcare, but income from packaging related products and revenue of non-strategic trade of raw materials also increased.

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 the country. For countries where there is no subsidiary of the Group, sales are reported on the Export line.

In the first half of 2020, the Company revised and changed the breakdown of its sales by country. With acquisition of Masterplast Nonwoven GmbH, the Group reclassified the German market from the Export category to a separate category, as from H2 2020 Masterplast has own subsidiary in the country.

The following table describes the reclassifications for the base period:

Data in 1000 EUR	Q2 2020			H1 2020		
	Sales revenue by previous classification	Reclassification	Sales revenue according to the new classification	Sales revenue by previous classification	Reclassification	Sales revenue according to the new classification
Hungary	11 218		11 218	22 420		22 420
Export	4 128	-553	3 575	7 817	-927	6 890
Romania	3 330		3 330	6 253		6 253
Serbia	2 406		2 406	4 324		4 324
Ukraine	2 104		2 104	3 422		3 422
Germany	0	553	553	0	927	927
Poland	1 675		1 675	3 356		3 356
Slovakia	1 357		1 357	2 346		2 346
Croatia	883		883	1 802		1 802
North Macedonia	399		399	712		712
Total sales revenue	27 499	0	27 499	52 451	0	52 451

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

Sales by countries:

Data in 1000 EUR	Q2 2021	Q2 2020	Index	H1 2021	H1 2020	Index
	(A)	(B)	(A/B-1)	(A)	(B)	(A/B-1)
Hungary	28 362	11 218	153%	46 290	22 420	106%
Export	7 035	3 575	97%	11 972	6 890	74%
Germany	3 883	553	602%	7 807	927	742%
Poland	4 220	1 675	152%	6 966	3 356	108%
Romania	3 992	3 330	20%	6 453	6 253	3%
Serbia	3 413	2 406	42%	5 739	4 324	33%
Ukraine	2 670	2 104	27%	4 143	3 422	21%
Slovakia	1 934	1 357	43%	3 130	2 346	33%
Croatia	1 099	883	24%	2 037	1 802	13%
North Macedonia	530	399	33%	880	712	24%
Total sales revenue	57 138	27 499	108%	95 418	52 451	82%
Contribution of countries in percentage to the total sales revenue						
Hungary	50%	41%	-	49%	44%	-
Export	12%	13%	-	13%	13%	-
Germany	7%	2%	-	8%	2%	-
Poland	7%	6%	-	7%	6%	-
Romania	7%	12%	-	7%	12%	-
Serbia	6%	9%	-	6%	8%	-
Ukraine	5%	8%	-	4%	7%	-
Slovakia	3%	5%	-	3%	4%	-
Croatia	2%	3%	-	2%	3%	-
North Macedonia	1%	1%	-	1%	1%	-
Total sales revenue	100%	100%	-	100%	100%	-

Source: consolidated non-audited report of the Group on 30th of June 2021 and non-audited report on 30th of June 2020 based on IFRS accounting rules, as well as the non-audited data from the Group's management information system

In the most relevant Hungarian market, the turnover increased by 153% in Q2 2021 compared to the base period. The reason for this large growth partially was the entry into the healthcare finished products market. The sales of protective clothing to Hungarian healthcare started in the last quarter of last year in large quantities, and represented in the industrial applications product group. Company also achieved outstanding growth in the construction product groups in the Hungarian market. The government incentives for home creation and renovation mentioned above continued to have a positive effect on demand. The increase in turnover was also strengthened by the processes caused by the disruptions in the supply of raw materials: the increase in the price of finished products, and a kind of market restructuring benefited the Company thanks to its strong supply chain with own production. In the case of building industry accessories more modestly, but in the other product groups, quarterly revenue increased significantly compared to the base period.

In the Export the turnover doubled in Q2 2021 compared to the same period last year, but with regard to the base it is important to note that Q2 2020 was the quarter most affected by the coronavirus and the impact on export markets was the most noticeable. The revenue of fiberglass mesh products from the thermal insulation system product group and the sales of diffusion roofing foils from the roofing foils and accessories product group increased the most, but with the exception of dry construction system, the sales of other product groups also expanded nicely. In terms of performance in the target countries, the second half of the year was mixed, but the Company achieved growth in most of them and in the countries representing a larger share. The increase in turnover in Italy, England, Latvia and France should be highlighted.

The German market is reported separately compared to previous periods, because Masterplast has been present in the country with direct sales since H2 2020. Thanks to the new manufacturing company, turnover in the country has increased significantly. Masterplast Nonwoven's products are categorized in the product group of roofing foils and accessories and in the medical foils in the industrial applications. However, the Group is still presents in the German market with its other product groups, which sales increased also compared to the base period.

Turnover in the Polish market increased by 152% in Q2 2021 compared to the base period. The turnover growth was the biggest at the roofing foils and accessories and at the thermal insulation system product groups, but sales growth for dry construction systems was also outstanding in the quarter. The Company's turnover in the Polish market did not decrease compared to the base in any of the product groups.

In the Romanian market, sales increased by 20% in the second quarter of 2021 compared to the base period. Sales of roofing foils contributed the most to the growth, but the product group Heat, sound and water insulation materials also performed well. Only the sales of the dry construction systems decreased.

Serbia achieved a 42% increase in sales in Q2 2021 compared to the base. Turnover increased in all product groups. Within this, the sales result of EPS and fiberglass products included as part of the elements of the thermal insulation system product group, as well as the increase of dry construction systems product group should be highlighted.

In Ukraine the Company achieved a 27% turnover growth compared to the base of 2020. The sales result of roofing foils increased the most, but the sales of non-self-manufactured fiberglass mesh belonging to thermal insulation system product group also developed nicely. Sales also increased in the heat, sound and water insulation materials, the other product groups were at the level of the base period in the second quarter of the year.

In the Slovak market, sales increased by 43% in the second quarter of 2021. Sales of building industry accessories and roofing foils decreased compared to the same period of the previous year, while the Company's turnover increased significantly in the other groups.

In the Croatian market, sales also increased nicely in the second quarter of 2021 compared to the same period of the previous year (24%). Only in the case of roofing foils the turnover decreased, in the other product groups the sales revenue of the Company increased. Within this the performance of the dry construction systems was the most outstanding.

In North Macedonia, with the smallest turnover share, 33% increase in sales was reported in Q2 2021. Except for the roofing foils and building industry accessories, the products groups' revenue rose compared to the base.

Overall, in addition to industry demand in an upswing, amid the challenges posed by raw material shortages, the Company has gained an advantageous market position in its markets by relying on a strong supply chain, achieving outstanding sales performance. All in all, the sales revenue more than doubled in the second quarter of 2021, compared to the same period of the previous year, in connection with which it is important to note that the period was most affected by the coronavirus in 2020. The sales result of the new German manufacturing company and the healthcare segment (starting from the second half of the base year) also contributed to the sales performance a large extent. Turnover increased in all of the Company's key markets, and all members of its product groups.

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.

Data in EUR	Q2 2021	Q2 2020	Change	Index	H1 2021	H1 2020	Change	Index
	(A)	(B)	A-B	(A/B-1)	(A)	(B)	A-B	(A/B-1)
Sales revenues	57 137 963	27 499 480	29 638 483	108%	95 418 135	52 451 214	42 966 921	82%
Cost of materials and services	-42 633 379	-21 218 320	-21 415 059	101%	-71 527 458	-41 396 408	-30 131 050	73%
Payroll costs and contributions	-5 647 466	-3 646 507	-2 000 959	55%	-10 364 245	-7 383 950	-2 980 295	40%
Depreciation	-1 116 791	-616 955	-499 836	81%	-1 978 599	-1 249 226	-729 373	58%
Change in self-manufactured inventories	-52 257	24 876	-77 133	-310%	-202 241	245 267	-447 508	-182%
Other operating revenues and expenses	-300 134	97 036	-397 170	-409%	-447 515	-33 488	-414 027	1236%
EBITDA	8 504 727	2 756 565	5 748 162	209%	12 876 676	3 882 635	8 994 041	232%
<i>EBITDA ratio</i>	14,9%	10,0%	-	-	13,5%	7,4%	-	-
PROFIT / LOSS OF BUSINESS ACTIVITY (EBIT)	7 387 936	2 139 610	5 248 326	245%	10 898 077	2 633 409	8 264 668	314%
Interest revenues	84 468	6 878	77 590	1128%	166 005	24 739	141 266	571%
Interest expenses	-304 358	-90 642	-213 716	236%	-552 216	-205 378	-346 838	169%
Other financial revenues and expenses	-217 534	-98 495	-119 039	121%	-300 034	-142 172	-157 862	111%
FINANCIAL PROFIT/LOSS	-437 424	-182 259	-255 165	140%	-686 245	-322 811	-363 434	113%
Profit/loss from associations	125 624	0	125 624	0%	144 693	0	144 693	0%
Profit/loss before income tax	7 076 136	1 957 351	5 118 785	262%	10 356 525	2 310 598	8 045 927	348%
Taxes	-727 376	-119 775	-607 601	507%	-1 209 683	-201 052	-1 008 631	502%
Profit/loss after taxation	6 348 760	1 837 576	4 511 184	245%	9 146 842	2 109 546	7 037 296	334%
<i>Profit attributable to the owners of the parent</i>	6 419 552	1 759 152	4 660 400	265%	9 053 765	2 099 659	6 954 106	331%
<i>Profit attributable to the minority</i>	-70 792	78 424	-149 216	-190%	93 077	9 887	83 190	841%
<i>Earnings per share (EPS) (EUR)</i>	0,44	0,12	-	-	0,62	0,14	-	-
<i>Diluted earnings per share (diluted EPS) (EUR)</i>	0,44	0,12	-	-	0,62	0,14	-	-

Source: consolidated non-audited report of the Group on 30th of June 2021 and non-audited report on 30th of June 2020 based on IFRS accounting rules

The Group's sales revenue in Q2 2021 was 57 138 thousand EUR, which is 29 638 thousand EUR (108%) higher than in the base period. The outstanding growth was largely due to sales of the new German manufacturing company and the appearance of the healthcare segment, but the Company also achieved a strong sales growth in its core business, where the growth rate was boosted by that the base quarter in 2020 had been the period most affected by the coronavirus.

In addition to the increase in turnover, the trade margin and margin rate also increased in Q2 2021 compared to the base period. The high-performing healthcare segment contributed greatly to this, but the margin from sales of

traditional products also improved for the members of the Group. The Export, Hungarian, Romanian and Serbian markets increased the Group's trading margin the most in the quarter, but the realized margin and their efficiency in terms of sales also improved for all subsidiaries of the Company.

Production efficiency has further improved. Emission of the fiberglass in Subotica was also well above the base period value in Q2 2021 quarter. EPS production also expanded compared to the base, while second-quarter output of mesh edge profiles at the Serbian plant decreased slightly. The output of the isofoam factory was above the base period level. The German fleece unit continued to operate at high-capacity utilization. Raw material supply disruptions have been successfully handled in all of the Company's plant units, thus ensuring continuity of production.

The Group's material and other material costs, costs of services highly increased, just as energy and fuel costs. Maintenance costs also landed on a higher level, while 3rd party related transportation expenditures and rent fees did not increase significantly in Q2 2021 compared to the base period. Overall, the cost of materials and services – considering the change in the self-manufactured inventories as well – has increased by smaller rate (101%) than the turnover growth in Q2 2021.

Due to the operation of the Aschersleben plant, the new production units established at the Hungarian site, and wage increases, personnel expenses increased by 55% in Q2 2021 compared to the base period. The Group had 1 207 employees at the end of Q2 opposed to the staff level of 1 099 people of the base period. 497 people were employed at the fiberglass mesh production unit in Subotica at the end of this quarter, the same as the June 2020 staff. The Masterplast Nonwoven plant employed 44 people at the end of the quarter, and the number of employees of the Hungarian subsidiary, which is expanding with production units, exceeded by 47 people the level of base year.

Mainly related to the operation of the new Germany subsidiary and to the production capacities established at the Hungarian site there was an increase in the amount of depreciation.

As a result of the recognition of a larger amount of customer impairment, other operating expenses increased in the second quarter against the result of the base period.

As the result of the above mentioned the Group EBITDA was 8 505 thousand EUR (11,9% EBITDA ratio) compared to 2 757 thousand EUR (10% EBITDA ratio) of base period, which meant 209% increase. The EBITDA from the core business increased due to efficient operations and the expansion of manufacturing, which was further improved by the higher profitability of the healthcare industry (German manufacturing and protective clothing sales).

Considered the depreciation in the second quarter (EBIT) was 7 388 thousand EUR, which was 245% higher than the base value of EUR 2 140 thousand.

The Company's interest revenues deteriorated slightly, interest expenses and interest income also increased in Q2 2021 compared to the base. The company's net interest expense decreased due to loans refinanced with a favourable interest rate bond, but also increased due to the newly raised working capital loans required for growth, which meant a total loss of 136 thousand EUR compared to the base.

The other financial related incomes and expenditures mainly represent the exchange rate related profits/losses. As the Company mainly realises its purchases in EUR 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 EUR, the EUR/USD rate moves also influences – in case USD purchases – the exchange rate results.

In order to balance the exchange rate effects related to purchases, especially in the Far East, the Company concluded EU /USD and EUR/HUF futures transactions in Q2 2021 as well. The unrealized exchange rate result of open transactions and the realized exchange rate result of transactions closed in the last quarter are also reflected in other income from financial operations.

The following table shows the exchanges of major currencies for the Group in 2021, 2020 and 2019:

Closing exchange rates	31-12-2019	31-03-2020	30-06-2020	31-12-2020	31-03-2021	30-06-2021	Index	Index	Index	Index	Index
	A	B	C	D	E	F	C/A	F/D	C/B	F/E	F/C
EUR/USD	1,12	1,10	1,12	1,23	1,17	1,19	100,04%	96,81%	102,19%	101,20%	105,95%
EUR/HUF	330,52	359,09	356,57	365,13	363,73	351,90	107,88%	96,38%	99,30%	96,75%	98,69%
EUR/RON	4,78	4,83	4,84	4,87	4,93	4,93	101,32%	101,18%	100,35%	100,03%	101,74%
EUR/RSD	117,59	117,50	117,58	117,58	117,58	117,57	99,99%	99,99%	100,06%	99,99%	99,99%
EUR/UAH	26,42	30,96	29,95	34,74	32,72	32,30	113,35%	92,98%	96,73%	98,71%	107,85%
USD/HUF	294,74	327,07	317,83	297,36	309,66	296,04	107,83%	99,56%	97,17%	95,60%	93,14%
USD/RON	4,26	4,40	4,32	3,97	4,20	4,14	101,47%	104,45%	98,29%	98,70%	95,82%
USD/RSD	104,92	106,68	104,63	95,66	100,43	98,74	99,73%	103,21%	98,08%	98,32%	94,37%
USD/UAH	23,69	28,06	26,69	28,27	27,89	27,18	112,69%	96,12%	95,12%	97,46%	101,81%

Source: Hungarian National Bank rates

Because of exchange rate effects the Company has generated and booked 218 thousand EUR loss as other financial result in Q2 2021 compared to the 98 thousand EUR loss of Q2 2020.

The Group's PAT for Q2 2021 was 6 349 thousand EUR, which 245% larger than the profit of 1 838 thousand EUR of the base period.

All in all, with the raw material market situation prevailing since the beginning of the year, the Company has another strong, profitable quarter behind it. Sales revenue was able to grow by 108% in the second quarter. In addition to the increase in turnover, the trade margin also increased. The efficiency of our own production has further improved. The output of the Serbian fiberglass mesh and EPS factory and the improving isofoam factory also increased, the production of mesh edge profiles in Serbia remained slightly lower than in the same period last year. The German fleece unit was again operating at high-capacity utilization during the quarter. The Group's EBITDA in Q2 2021 was 8 505 thousand EUR (14.9% EBITDA margin) compared to 2 757 thousand EUR (10% EBITDA margin) in the base period, an increase of 209%. The Group's financial result deteriorated, the PAT was 6 349 thousand EUR in the second quarter of 2021, which is almost three and a half times the profit of 1 838 thousand EUR in the base period.

6. Other comprehensive income

Data in 1000 EUR	30-06-2021	30-06-2020
Profit for the year	9 146 842	2 109 546
Foreign exchange result on translation*	686 302	-1 525 168
Comprehensive income related to a CCIRS transaction*	-583 965	0
Parent company's share of the change in the value of associates*	11 234	-23 439
Other comprehensive income	113 571	-1 548 607
Comprehensive income	9 260 413	560 939

Source: consolidated non-audited report of the Group on 30th of June 2021 and non-audited report on 30th of June 2020 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 2021 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	30-06-2021	30-06-2020	Change	Index
	(A)	(B)	A-B	(A/B-1)
FIXED ASSETS				
Land, buildings and equipment	79 087 989	35 994 394	43 093 595	120%
Intangible assets	168 141	131 533	36 608	28%
Shares in related companies	454 725	297 398	157 327	53%
Deferred tax assets	724 844	365 146	359 698	99%
Total fixed assets	80 435 699	36 788 471	43 647 228	119%
CURRENT ASSETS				
Inventories	31 510 589	22 544 333	8 966 256	40%
Trade accounts receivable	34 756 853	16 774 677	17 982 176	107%
Tax receivables	1 671 042	1 547 124	123 918	8%
Other financial receivables	600	101 919	-101 319	-99%
Other current assets	1 667 359	5 767 746	-4 100 387	-71%
Liquid assets	8 913 700	5 386 363	3 527 337	65%
Total current assets	78 520 143	52 122 162	26 397 981	51%
TOTAL ASSETS	158 955 842	88 910 633	70 045 209	79%
CAPITAL AND RESERVES				
Subscribed capital	5 503 939	5 503 939	0	0%
Reserves	29 656 432	25 485 008	4 171 424	16%
Repurchased shares	-2 280 148	-451 224	-1 828 924	405%
Parent share of interests	9 053 765	2 099 659	6 954 106	331%
Equity attributable to the owners of the parent	41 933 988	32 637 382	9 296 606	28%
Minority interests	1 899 756	460 119	1 439 637	313%
Total capital and reserves	43 833 744	33 097 501	10 736 243	32%
LONG-TERM LIABILITIES				
Long-term loans	6 604 425	4 122 971	2 481 454	60%
Liabilities from issued bonds	34 008 081	16 822 827	17 185 254	102%
Deferred tax liabilities	351 822	185 580	166 242	90%
Deferred income	31 551 374	3 373 118	28 178 256	835%
Other long-term liabilities	4 796 809	786 852	4 009 957	510%
Total long-term liabilities	77 312 511	25 291 348	52 021 163	206%
SHORT-TERM LIABILITIES				
Short-term loans	11 327 379	11 048 137	279 242	3%
Trade accounts payable	15 114 307	11 439 490	3 674 817	32%
Short-term leasing liabilities	179 628	197 472	-17 844	-9%
Other financial liabilities	2 443 545	1 974 383	469 162	24%
Tax liabilities	3 660 832	2 376 195	1 284 637	54%
Short-term deferred income	449 799	625 658	-175 859	-28%
Provisions	810 467	285 167	525 300	184%
Other short-term liabilities	3 823 630	2 575 282	1 248 348	48%
Total short-term liabilities	37 809 587	30 521 784	7 287 803	24%
TOTAL LIABILITIES	115 122 098	55 813 132	59 308 966	106%
TOTAL CAPITAL AND LIABILITIES	158 955 842	88 910 633	70 045 209	79%

Source: consolidated non-audited report of the Group on 30th of June 2021 and non-audited report on 30th of June 2020 based on IFRS accounting rules

The total assets of the Group were 158 956 thousand EUR on the end of June 2021, by 70 045 thousand EUR higher than at the end of the base period.

Due to the acquisition of a German production unit and the investments launched, the value of fixed assets amounted 80 436 thousand EUR at the end of Q2 2021, which is 43 647 thousand EUR higher than at the value of end of base period. In the first half of 2021, the Company spent 27 726 thousand EUR on the purchase CAPEX.

Due to the increase in production outputs, the inventory amounted to 31 511 thousand EUR at the end of June 2021, which is 8 966 thousand EUR higher than the closing value of the base period.

The Company's accounts receivable increased in line with the quarterly increase in turnover (108%), landed at 34 757 thousand EUR at the end of Q2 2021, which is EUR 17 982 thousand (107%) higher than in Q2 2020 was.

The Group's cash and equivalents stood at 8 914 thousand EUR at the end of June 2021 versus 5 386 thousand EUR the closing value Q2 2020.

By issuing bonds with a nominal value of HUF 6 billion HUF within the framework of the bond program launched by the MNB, the Company provides a stable source for its ongoing and future investments. This increased the Group's liabilities related to bonds in the balance sheet.

The value of deferred revenues increased by 28 178 thousand EUR compared to the base period due to investment-related grants not yet recognized in profit or loss.

The accounts payable landed on 15 114 thousand EUR in the end of Q2 2021 versus 11 439 thousand EUR of end of Q2 2020.

8. Cash-flow, bank information

Data in EUR	30-06-2021	30-06-2020	Change	Index
	(A)	(B)	A-B	(A/B-1)
Operating Activities				
PBT	10 356 525	2 310 598	8 045 927	348%
Depreciation and Amortisation	1 978 599	1 249 226	729 373	58%
Bad debt provision	373 426	153 957	219 469	143%
Shortage and scrap of stocks	42 712	12 294	30 417	247%
Provisions	493 301	66 343	426 958	644%
Profit on fixed asset sale	-21 500	11 684	-33 185	-284%
Interest expense	552 216	205 378	346 838	169%
Interest revenue	-166 005	-24 739	-141 266	571%
Profit/loss from associations	-144 693	0	-144 693	0%
Unrealized foreign exchange gain (loss)	726 305	-346 656	1 072 962	-310%
Changes in Working Capital				
Change in Accounts Receivable	-18 369 885	-2 456 736	-15 913 149	648%
Change in Inventory	-6 474 821	-1 300 323	-5 174 497	398%
Change in Other Assets	-943 849	-4 862 941	3 919 092	-81%
Change in Accounts Payable	1 808 040	711 714	1 096 326	154%
Change in Short-term liabilities	6 157 829	262 795	5 895 035	2243%
Taxation	0	0	0	0%
Net Cash from Operations	-3 631 800	-4 007 406	375 607	-9%
Investing Activities				
CAPEX	-27 726 359	-1 010 841	-26 715 518	2643%
Sale of fixed assets	70 882	18 330	52 551	287%
Subsidiaries sold	0	100	-100	-100%
Interest received	166 005	24 739	141 266	571%
Net Cash from Investing activities	-27 489 472	-967 672	-26 521 800	2741%
Financing Activities				
Borrowing	8 251 416	6 978 989	1 272 427	18%
Loan repayments	-158 690	-1 524 107	1 365 417	-90%
Interest paid	-552 216	-205 378	-346 838	169%
Net Cash from Financing activities	7 540 510	5 249 505	2 291 006	44%
Net Cash flow of the period	-23 580 762	274 426	-23 855 188	-8693%
Cash at beginning of period	33 266 652	4 530 341	28 736 311	634%
Effect of exchange rate changes	-772 190	581 595	-1 353 785	-233%
Cash at end of period	8 913 700	5 386 363	3 527 338	65%

Source: consolidated non-audited report of the Group on 30th of June 2021 and non-audited report on 30th of June 2020 based on IFRS accounting rules

The net cash flow from operation was -3 632 thousand EUR at the end of Q2 2021, compared to the -4 007 thousand EUR value of end of the base period.

The cash flow from investing activities was -27 489 thousand EUR at end of June 2021 compared to -968 thousand EUR in same period 2020.

The net cash flow from financial related activities amounted to 7 541 thousand EUR versus the 5 250 thousand EUR of the base year.

All in all, the cash and equivalents of the Company was 8 914 thousand EUR at the end of Q2 2021 which was higher by 3 527 thousand EUR than the 5 386 thousand EUR level of the previous year same period.

Loans and bank related information:

By the end of June 2021, the Company had complied with the lately redefined and contracted banking covenant requirements.

Investigations against Masterplast:

An investigation has been extended to the MASTERPLAST Romania Srl. which was launched by the Romanian tax authority to an assumed tax claim in relation with anti-dumping laws on imported products concerning the operations of some of the suppliers of the Romanian subsidiary of the Company, and the investigative authority suspected MASTERPLAST Romania S.R.L. and two executive officials of it. For the upcoming periods of the procedure, as a security for possible future enforcement up to the amount of EUR 2 019 880 (9 951 341 RON), ordered the seizure and banned the alienation of Romanian properties owned by MASTERPLAST Romania S.R.L.

This procedure has no influence on the operation and business activities of the MASTERPLAST Romania Srl.

The Company has initiated a legal redress against the decision. The legal redress is under procedure.

As the result of the completed tax investigation, the Romanian tax authority determined a VAT liability in the amount of 252 918 EUR (1 246 053 RON) and additionally 80 508 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.

As part of the transfer price investigation launched at the Romanian subsidiary of the Company, the Romanian Tax Authorities identified a tax deficit of EUR 470 672 (RON 2 318 107) for the financial years 2014-2018. The Company has appealed because of the finding with the assistance of experts thus the proceedings are still ongoing. In order to avoid possible future tax fines, the Company has paid the full amount to the tax authorities in year 2020, which was presented in the profit and loss account as "Other operating income (expenses)".

9. Change in equity

Data in EUR	Subscribed capital	Shares	Capital reserves	Accumulated profit reserves	Conversation reserves	Total reserves	Parent company's share of profit	Equity per shareholders in parent company	Share of external owners	Shareholders' equity
01-01-2020	5 503 939	-381 447	8 062 732	23 061 535	-8 686 325	22 437 942	4 572 942	32 133 376	472 963	32 606 339
Net profit	0	0	0	0	0	0	2 099 659	2 099 659	9 887	2 109 546
Comprehensive income related to a CCIRS transaction	0	0	0	0	0	0	0	0	0	0
MRP capital benefit	0	0	0	0	0	0	0	0	0	0
Other comprehensive income	0	0	0	0	-1 525 876	-1 525 876	0	-1 525 876	-22 731	-1 548 607
Transfer of previous year's net profit	0	0	0	4 572 942	0	4 572 942	-4 572 942	0	0	0
Repurchased shares	0	-69 777	0	0	0	0	0	-69 777	0	-69 777
Other	0	0	0	0	0	0	0	0	0	0
30-06-2020	5 503 939	-451 224	8 062 732	27 634 477	-10 212 201	25 485 008	2 099 659	32 637 382	460 119	33 097 501
01-01-2021	5 503 939	-138 422	8 062 732	27 634 477	-11 860 594	23 836 615	5 767 984	34 970 116	1 899 176	36 869 292
Net profit	0	0	0	0	0	0	9 053 765	9 053 765	93 077	9 146 842
Comprehensive income related to a CCIRS transaction	0	0	0	0	-583 965	-583 965	0	-583 965	0	-583 965
MRP capital benefit	0	173 141	0	0	0	0	0	173 141	0	173 141
Other comprehensive income	0	0	0	0	790 033	790 033	0	790 033	-92 497	697 536
Transfer of previous year's net profit	0	0	0	5 767 984	0	5 767 984	-5 767 984	0	0	0
Repurchased shares	0	-2 314 867	0	0	0	0	0	-2 314 867	0	-2 314 867
Other	0	0	0	-154 235	0	-154 235	0	-154 235	0	-154 235
30-06-2021	5 503 939	-2 280 148	8 062 732	33 248 226	-11 654 526	29 656 432	9 053 765	41 933 988	1 899 756	43 833 744

Source: consolidated non-audited report of the Group on 30th of June 2021 and non-audited report on 30th of June 2020 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	252 918	EUR
Masterplast Romania	Bank guarantee	396 638	RON	80 508	EUR
Masterfoam Kft.	Custom	10 000 000	HUF	28 417	EUR
Masterfoam Kft.	Tender guarantee	251 003 670	HUF	713 281	EUR
Masterplast Proizvodnja DOO Subotica	Bill of exchange	0	EUR	0	EUR
Masterplast YU D.o.o.	Bank guarantee	220 000	EUR	220 000	EUR
Masterplast YU D.o.o.	Bank guarantee	2 000 000	EUR	2 000 000	EUR
Total:				3 295 125	EUR

Source: consolidated non-audited report of the Group on 30th of June 2021 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 segments at Masterplast

H1 2021 (Data in EUR)	Sales	Production	Unallocated costs	Segment elimination	Consolidated
Sales revenues	80 961 873	14 410 104	46 158		95 418 135
Sales between segments	17 897 383	32 227 238	1 024 245	-51148866	0
Depreciation	-492 120	-1 342 678	-143 801		-1 978 599
Operating expenses	-92 226 514	-39 242 145	-2 221 666	51148866	-82 541 459
EBITDA	6 632 742	7 395 197	-1 151 263	0	12 876 676
<i>EBITDA ratio</i>	<i>6,71%</i>	<i>15,86%</i>	<i>-107,55%</i>		<i>13,49%</i>
EBIT	6 140 622	6 052 519	-1 295 064	0	10 898 077
<i>EBIT ratio</i>	<i>6,21%</i>	<i>12,98%</i>	<i>-120,99%</i>		<i>11,42%</i>
Fixed Assets	11 972 307	61 796 003	5 817 824		79 586 134
Inventories	25 109 472	7 882 066	19 051		33 010 589

H1 2020 (Data in EUR)	Sales	Production	Unallocated costs	Segment elimination	Consolidated
Sales revenues	52 451 214	0	0	0	52 451 214
Sales between segments	14 865 692	16 920 846	0	-31 786 538	0
Depreciation	-564 370	-557 813	-127 043	0	-1 249 226
Operating expenses	-63 531 580	-15 846 065	-977 472	31 786 538	-48 568 579
EBITDA	3 785 326	1 074 781	-977 472	0	3 882 635
<i>EBITDA ratio</i>	<i>5,6%</i>	<i>6,4%</i>	<i>0%</i>	<i>-</i>	<i>7,4%</i>
EBIT	3 220 956	516 968	-1 104 515	0	2 633 409
<i>EBIT ratio</i>	<i>4,7%</i>	<i>3,1%</i>	<i>0%</i>	<i>-</i>	<i>5,0%</i>
Fixed Assets	10 867 456	18 938 598	6 188 340	0	35 994 394
Inventories	15 423 021	7 121 312	0	0	22 544 333

The sales revenue of the sales segment in the first half of 2021 was 98 859 thousand EUR, which is 31 542 thousand EUR (47%) higher than in the base period. In addition to the increase in turnover, the trade margin also increased compared to the first half of 2020. The Group's realized trading margins increased in the markets in general. Sales segment's EBITDA was 6 633 thousand EUR and the EBITDA margin was 6,7%.

Regarding of the Production segment, sales revenue in the first half of 2021 was 46 637 thousand EUR, which is 29 716 thousand EUR (176%) higher than in the base period. In addition to the expansion of production emissions, it has become more efficient and effective. Manufacturing EBITDA was 7 395 thousand EUR (EBITDA margin 15,9%) compared to 1 075 thousand EUR in the first half of 2020 (EBITDA margin 6,4%). Taking into account depreciation, EBIT was 6 053 EUR thousand in the first half of 2021 compared to EUR 517 thousand last year. The production performance of each production unit is presented below.

The Group's manufacturing activities were not materially affected by illnesses caused by Covid19. There were minor short capacity reductions during production due to illness of workers, but this did not disrupt the service of customers. The Company was also able to provide the supply of raw materials despite the fact that the availability of raw materials was very limited. In several markets, more competitors have lost capacity due to insufficient raw materials. The Company tested the raw materials of several new suppliers and incorporated them into its manufacturing process, thus ensuring a wider range of potential suppliers.

At the Group's EPS plant in Subotica, production in the second quarter of 2021 was 11% higher than in the same period of the previous year. Cumulative production in the first half of the year was 18% higher than the previous year's base. Not only volume increase characterized the period, but the weight of higher value products also increased in the portfolio.

The production of mesh edge in Subotica - after a record output of previous quarter – was 19% lower compared to last year's strong base in the second quarter. Cumulatively, half-year production was still 13% above base.

In Subotica, the output of the finished products at the fiberglass factory was more than 32% higher than in the second quarter of last year, bringing the cumulative half-year performance growth close to 30%. The increase in the production volume of semi-finished products was slightly behind the production of finished products, but it was also 23% higher than at the end of the first half of the year.

The Group's Kál based foam factory had significantly higher emissions, 39% than in the same period last year. Thus, first-half output was 20% above base.

At the central site in Sárszentmihály, the diffusion roofing foil production plant continued its normal production with higher emissions, which approximately was 50% higher than in the first quarter. The quarterly performance of the confectioning and winding section was double the previous year's volume, cumulatively exceeding the base by 70%.

The Aschersleben fleece production unit continued production with high capacity-utilization in Q2 as well. The manufactured products were delivered directly to customers, serving specific orders.

The Group continued to manufacture protective coveralls made of its own qualified raw materials - finished sanitary products - by involving domestic sewing capacities and fulfilling the concluded supply contracts.

The Group completed its largest investment by the end of the second quarter. As a result of the investment in Sárszentmihály, the Group is able to serve the regional markets with non-woven products manufactured for healthcare in the long term. According to the plans, the rising production will manufacture marketable finished products in the third quarter with continuously improving production volumes and efficiencies.

12. Changes of the full time employees (headcount)

	30-06-2021	31-12-2020	30-06-2020
Company employees	54	47	46
Group level employees	1207	1 109	1 099

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

13. Significant events between the quarter-end and the publication of this half-year report

There were no significant events other than the published information.

14. Balance sheet compared with 31 December 2020 status

Data in EUR	30-06-2021	31-12-2020	Change	Index
	(A)	(B)	A-B	(A/B-1)
FIXED ASSETS				
Land, buildings and equipment	79 087 989	48 904 259	30 183 730	62%
Intangible assets	168 141	176 669	-8 528	-5%
Goodwill	0	4 291 000	-4 291 000	-100%
Shares in related companies	454 725	298 798	155 927	52%
Deferred tax assets	724 844	753 967	-29 123	-4%
Total fixed assets	80 435 699	54 424 693	26 011 006	48%
CURRENT ASSETS				
Inventories	31 510 589	25 084 151	6 426 438	26%
Trade accounts receivable	34 756 853	16 754 723	18 002 130	107%
Tax receivables	1 671 042	618 569	1 052 473	170%
Other financial receivables	600	13 006	-12 406	-95%
Other current assets	1 667 359	1 763 577	-96 218	-5%
Liquid assets	8 913 700	33 266 652	-24 352 952	-73%
Total current assets	78 520 143	77 500 678	1 019 465	1%
TOTAL ASSETS	158 955 842	131 925 371	27 030 471	20%
CAPITAL AND RESERVES				
Subscribed capital	5 503 939	5 503 939	0	0%
Reserves	29 656 432	23 836 615	5 819 817	24%
Repurchased shares	-2 280 148	-138 422	-2 141 726	1547%
Parent share of interests	9 053 765	5 767 984	3 285 781	57%
Equity attributable to the owners of the parent	41 933 988	34 970 116	6 963 872	20%
Minority interests	1 899 756	1 899 176	580	0%
Total capital and reserves	43 833 744	36 869 292	6 964 452	19%
LONG-TERM LIABILITIES				
Long-term loans	6 604 425	3 925 533	2 678 892	68%
Liabilities from issued bonds	34 008 081	32 771 800	1 236 281	
Deferred tax liabilities	351 822	337 911	13 911	4%
Deferred income	31 551 374	3 362 161	28 189 213	838%
Other long-term liabilities	4 796 809	4 598 549	198 260	4%
Total long-term liabilities	77 312 511	44 995 954	32 316 557	72%
SHORT-TERM LIABILITIES				
Short-term loans	11 327 379	5 913 545	5 413 834	92%
Trade accounts payable	15 114 307	13 306 267	1 808 040	14%
Short-term leasing liabilities	179 628	268 759	-89 131	-33%
Other financial liabilities	2 443 545	2 479 708	-36 163	-1%
Tax liabilities	3 660 832	2 496 539	1 164 293	47%
Short-term deferred income	449 799	449 799	0	0%
Provisions	810 467	317 166	493 301	156%
Other short-term liabilities	3 823 630	24 828 342	-21 004 712	-85%
Total short-term liabilities	37 809 587	50 060 125	-12 250 538	-24%
TOTAL LIABILITIES	115 122 098	95 056 079	20 066 019	21%
TOTAL CAPITAL AND LIABILITIES	158 955 842	131 925 371	27 030 471	20%

Source: consolidated non-audited report of the Group on 30th of June 2021 and audited report on 31st of December 2020 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%	Production of medical raw materials and finished products
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
Masterplast Nonwoven GmbH	Germany	25 000	EUR	50%	50%	Fleece and multilayer membrane production
Fidelis Bau Kft.	Hungary	3 000 000	HUF	100%	100%	Thermobeton production
Indirect relations:						
Masterplast D.O.O.	North Macedonia	973 255	MKD	80%	80%	Wholesale of building materials
Masterplast Proizvodnja D.o.o.	Serbia	600 000	RSD	100%	100%	XPS production
Affiliated company of the Group:						
Masterprofil Kft.	Hungary	3 000 000	HUF	20%	20%	Profile production
Master Modul Kft.	Hungary	3 000 000	HUF	25%	25%	Production of modular buildings
T-CELL Plasztik Kft.	Hungary	104 000 000	HUF	24%	24%	EPS production

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

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

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

The members of the Board:

Name	Post	Commencement of mandate (beginning of membership in the Board)	Completion of mandate	Time spent in Board /as Board members	Stockholding (pcs)
Tibor Dávid	Chairman of the Board	03-04-2008	30-04-2022	approximately 13 years	4 548 057
Ács Balázs	Vice Chairman of the Board	03-04-2008	30-04-2022	approximately 13 years	3 877 259
Dirk Theuns	Board member	01-05-2014	30-04-2022	approximately 7 years	-
Dezse Margaret	Board member	01-05-2020	30-04-2022	approximately 1 years	-
Sinkó Ottó	Board member	01-05-2020	30-04-2022	approximately 1 years	-

The data of the Company's top management are shown in the table below on 30th June 2021:

Name	Post	Beginning of the current top management position	Completion of current top management position	Stockholding (pcs)
Tibor Dávid	Chairman	03-04-2008	indefinite duration	4 548 057
Ács Balázs	Vice Chairman	03-04-2008	indefinite duration	3 877 259
Nádasi Róbert	CEO	01-08-2018	indefinite duration	67 799

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%
SOH Kft. & LPH Kft. jointly	no	798 869	5,47%
Total		9 224 185	63,17%

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

	30-06-2021
Issuing ownership	205 000
Affiliated companies ownership	0
Total	205 000

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

Publication date	Object
04.01.2021.	Voting rights, registered capital
08.01.2021.	Masterplast is starting a new fiberglass manufacturing development
12.01.2021.	Information on documents related to the investor forum on 12 January 2021
14.01.2021.	Information on the publication the video of the online investor forum of 12 January 2021
01.02.2021.	Voting rights, registered capital
17.02.2021.	Information document on bond registration
17.02.2021.	Announcement with respect to the registration of bonds
25.02.2021.	Interim management statement
01.03.2021.	Voting rights, registered capital
03.03.2021.	The analysis of DR. KALLIWODA RESEARCH GmbH about the MASTERPLAST Nyrt
03.03.2021.	The analysis of DR. KALLIWODA RESEARCH GmbH about the MASTERPLAST Nyrt
29.03.2021.	GM - Invitation
31.03.2021.	Investment in production of finished healthcare products at Masterplast
01.04.2021.	Voting rights, registered capital
07.04.2021.	GM - Proposals
07.04.2021.	Remuneration Statement
12.04.2021.	Information on the establishment of a joint venture
26.04.2021.	Agreement for the supply of medical protective clothing
27.04.2021.	Information related to a press article that will be published
29.04.2021.	Resolutions of the Board of Directors made within the competence of the General Meeting
29.04.2021.	CG Declaration
29.04.2021.	Annual Report
29.04.2021.	Summary Report
03.05.2021.	Voting rights, registered capital
04.05.2021.	Information on the transfer of own shares
04.05.2021.	Information on transaction by person discharging material responsibility
07.05.2021.	Information on transfer of own shares to MRP Organization
14.05.2021.	Information on time-scheduled share buy-back program in relation to Employee Stock Ownership Program (MRP)
17.05.2021.	Information on the purchase of own shares
18.05.2021.	Information on the purchase of own shares
19.05.2021.	Information on the buying of own shares
20.05.2021.	Publication of Q1 2021 results, interim management report
20.05.2021.	Information on the buying of own shares
21.05.2021.	Information on the transfer of own shares
21.05.2021.	Information on the buying of own shares
26.05.2021.	Information on the buying of own shares
26.05.2021.	Information on the buying of own shares
27.05.2021.	Information on the buying of own shares
28.05.2021.	Information on the buying of own shares
31.05.2021.	Information on the buying of own shares
01.06.2021.	Voting rights, registered capital
01.06.2021.	Information on the buying of own shares
02.06.2021.	Information on the buying of own shares
03.06.2021.	Information on the buying of own shares
04.06.2021.	Information on the buying of own shares
07.06.2021.	Information on the registration of changes to the company's register according to the resolutions of the Board of Directors in the scope of the AGM
07.06.2021.	Actual Articles of Associations of MASTERPLAST Nyrt
25.06.2021.	Masterplast starts an XPS production investment in Subotica
29.06.2021.	Handover of a healthcare textile plant
29.06.2021.	Joining the Preferred Exporter Partnership Program
30.06.2021.	Announcement regarding dividend payment
01.07.2021.	Revision of result forecast
01.07.2021.	Voting rights, registered capital
14.07.2021.	Announcement with respect to taking initial steps to participate in the Bond Funding for Growth Program
02.08.2021.	Voting rights, registered capital
16.08.2021.	Extraordinary information about credit rating

DECLARATION

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

Sárszentmihály, 18 August 2021



Tibor Dávid
Chairman of the Board

MASTERPLAST

