



MASTERPLAST PLC.  
HALF-YEARLY REPORT

28 July 2022

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Consolidated, non-audited  
According to International Financial and Reporting Standards (IFRS)  
28 July 2022

The main activity areas of Masterplast (later: "Group", "Masterplast", "Company"), founded in 1997, are production and sales of building insulation materials and systems in construction industry, complemented by the production and sale of healthcare textile and hygiene products. The international Group, which headquarter is based in Hungary, has its own active subsidiary companies in 10 European countries, where 7 different production plant units are operated. The Group represents itself with its construction industry products on thermal insulation system, heat, sound and water insulation, roofing and on dry construction market, furthermore the Company participates with hygiene products on healthcare market. The international and domestic manufacturing bases ensure competitiveness to deliver the products of the Group to the European markets and markets outside Europe, via its subsidiaries and partners. The aspects of sustainability, energy efficiency and environment protection are considered by Masterplast as high importance in the internal processes, as in production and innovation.

## 1. SUMMARY

**Primarily due to increase in turnover of thermal insulation, the Company's sales of EUR 57 597 thousand in Q2 exceeded the record base, where last year base was driven by strong sales of medical protective clothing. The Company's increased production output and improved manufacturing efficiencies contributed significantly to the outstanding profit generation, outperforming the last year H1 base healthcare sales, which includes higher gross margin volumes compared to the construction segment. Company's material and personnel cost increase is driven by the expanded production. Taking all these factors into account, the Company's quarterly EBITDA is lower about EUR 100 thousand compared to last base year's record result, but the half-year EBITDA increased by 6% to EUR 13 634 thousand (12.5% EBITDA margin), compared to the base H1 of EUR 12 877 thousand. Foreign exchange effects favourable to the Company improved the financial results of the Group. Considering all these effects, the Company's Q2 profit after tax increased by 30% to EUR 8 258 thousand, and the total H1 2022 profit after tax was EUR 11 477 thousand which is almost 70% of the forecasted profit for the whole year. The intensifying European energy independence goals and high energy prices project a positive industry trend for the thermal insulation industry, primarily in the renovation sector. Masterplast's strong production background, stable supply chain, high level of inventory, and investments planned to be completed in the near future create a solid foundation for its further growth, and if the currency environment will be favourable for the company, its annual profit after tax may exceed its forecast for 2022.**

Data in 1000 EUR	Q2 2022	Q2 2021	H1 2022	H1 2021
Sales revenues	57 597	57 138	109 107	95 418
EBITDA	8 400	8 505	13 634	12 877
EBITDA ratio	14,6%	14,9%	12,5%	13,5%
Profit/loss after taxation	8 258	6 349	11 477	9 147
Net income ratio	14,3%	11,1%	10,5%	9,6%

*Source: consolidated non-audited report of the Group on 30th of June 2022 and non-audited report on 30th of June 2021 based on IFRS accounting rules, as well as the non-audited data from the Group's management information system*

- Increasing supply difficulties and price rises as a consequence of the Russian-Ukrainian war, coupled with rising inflation, had a mixed effect on construction demand in the Company's markets. The performance of the construction industry increased in the Hungarian and Italian markets stimulated by state subsidies, as well as in Croatia, however in the other markets (Romanian, German, Slovak, Polish, Serbian) a decreasing industry trend prevailed. The war in Ukraine since the end of February has made the economy activity impossible, including the construction industry, for the foreseeable future in several regions. Although, work has already started again in the central and western areas, but the industry indicators are still significantly lower than last year's numbers. In its other markets the Company managed to compensate the loss of turnover on the Ukrainian market.
- The sales revenue of Masterplast in Q2 2022 was EUR 57 597 thousand, 1% higher than the same period of 2021. In the construction segment, higher revenues were driven by higher prices in addition to higher volumes.

- In terms of the sales of Q2 2022, the thermal insulation systems product group - which represents the largest share (54%) of total revenue and largely includes self-produced products - expanded by 47% and significantly further strengthened its weight.
- The revenue of the dry construction system product group was 20% higher than the base, and the turnover of heat-, sound- and water insulation materials was 26% higher. The sales revenue of roofing foils and accessories decreased by 19% compared to the strong base, and the sales of building industry accessories also showed a moderate decline (-6%). The turnover of the industrial applications product group was 58% below the base year, attributable to the decrease in health industry sales.
- The sales revenue in the Italian market - which now operates with its own subsidiary and reported separately - sharply increased (82%), and the quarter was also strong in Slovakia (45%). Sales also increased on the export markets (13%), Romania (14%), Serbia (15%), Croatia (4%), and the North Macedonia (1%) market. In the Hungarian market overall turnover decreased by 8% compared to the base period, where insulation and construction industry sales increased significantly (45%), while the turnover of healthcare products decreased compared to last year's outstanding base. Sales decreased in Germany (-5%) and Poland (-11%), while turnover in the war-torn Ukraine fell by 47% in the second quarter. In Ukraine, after the Company's assets and stocks were transferred to secured territories, sales activities in the western regions restarted again at the end of March. Thanks to the good sales performance realized there, the Company's Ukrainian market sales show a catching-up trend.
- The Gross margin in Q2 2022. was almost at the level of the base period amount thanks to the stable performance of the construction industry segment and the further rise of self-produced products, despite the significant decrease in the share of the healthcare segment with higher profitability,
- Output at the Serbian EPS, mesh edge and fiberglass mesh factory increased compared to year ago performance, however the foam factory in Kal produced below its base. Emissions from the Aschersleben plant decreased compared to the same period last year. At the Sárszentmihály production site for fleece and sanitary raw materials, trial production and optimisation of production capacity continued and terminated with success. The healthcare products division is prepared for serial production, meanwhile. Raw material supply disruptions, which have resurfaced due to the war situation, have been successfully managed in all the Company's factories, ensuring continuity of production.
- The cost of materials and services – considering the change in the self-manufactured inventories as well – increased (1%) in line with the turnover growth in Q2 2022, compared to prior base year.
- The personnel expenses of the Company increased in Q2 2022 compared to the base, due to the new factory units established in Hungary, the higher number of employees in Serbia and to the salary increase in line with market trends. The Group had 1 551 employees at the end of June 2022, compared to the staff level of 1 207 headcount of the base period.
- An increase in the amount of depreciation was driven by established new CAPEX investment in Hungarian site meanwhile the related government support was accounted proportionally in the figures.
- On the other operating income line, the Company recorded a profit of EUR 1 005 thousand compared to a loss of EUR 300 thousand in the base period. The difference is explained by the removal of deferred income related to the government grants received in line with the depreciation and the write-back of the impairment of sold and used stocks.
- The Group's EBITDA in Q2 2022 was EUR 8 400 thousand (14.6% EBITDA margin) compared to EUR 8 505 thousand (14.9% EBITDA margin) in the base period, an increase of 20%. The turnover increase accompanied by efficient operation and the expansion of production led to an increase in EBITDA of the core business, at the same time the medical test production has not yet contributed significantly to the Company's EBITDA generation for this quarter.
- Considering depreciation, the operating profit in the fourth quarter (EBIT) was EUR 7 047 thousand, compared to the base value of EUR 7 388 thousand.
- Interest expenses of the Company increased due to bond issues in Q3 2021, while other financial operations resulted in a higher profit in Q2 2022 compared to the base period due to favorable exchange rate effects for the Company.

- The Group's profit after tax in Q2 2022 was EUR 8 258 thousand, 30% higher than the profit of EUR 6 349 thousand in the base period.
- Due to the sanitary fleece factory in Sárszentmihály and to the already launched investments, the value of fixed assets amounted to EUR 97 883 thousand at the end of Q2 2022, which is EUR 17 448 thousand higher than the end of the base period.
- As a result of the stock management policy implemented to ensure a stable supply chain and minimize inflation risks, the stock at the end of June 2022 was EUR 70 629 thousand, which is EUR 39 119 thousand higher than the closing stock of the base period, the increase includes the increase of stock related to own production and the price of purchased stock. The Company is prepared for the uninterrupted supply management of the upcoming, expectedly strong season.
- At the end of June 2022, the Company's accounts receivable, with the nearly same Q2 turnover performance as in the base period, was EUR 30 872 thousand, which is EUR 3 885 thousand lower than the 2021 base. The value of the current assets in the Ukrainian subsidiary includes a total impairment loss of EUR 500 thousand.
- The bond issue fund raising carried out in the second half of last year increased the Group's bond-related liability in the balance sheet. The Company's loan outstanding liability increased by a total of EUR 12 862 thousand resulted by the raised bank funds to finance the higher working capital requirements of investments and increased own production.
- The Group's cash and cash equivalents were EUR 14 925 thousand at the end of March 2022, EUR 6 011 thousand higher than at the end of the base period.

## **2. Business Prospects**

The deteriorating economic environment, high inflation and rising interest rates are impacting the Group's markets, the new construction market slowing down and a strong recovery expected in the renovation market. The deepening energy crisis in Europe is fundamentally changing people's attitudes towards energy. The energy modernisation of buildings is essential in dealing with the crisis, and the role of insulation is becoming indispensable. The guidelines laid down in the REPowerEU programme foresee the emergence of strong building energy support programmes. This could ensure a long-term increase in demand for insulation materials.

The company is continuously developing its production capacity of thermal insulation materials. The third phase of the fiberglass mesh production development in Subotica was completed during the second quarter and is already supporting the Company's further growth. The new plant under the XPS insulation material production development in Subotica is scheduled to start production in 2023. The Company has launched investments in production of EPS-based insulation materials in Italy and at its Kal site, where production is also expected to start early next year. The Company is also exploring further investments in the production of insulation materials.

The production of health textiles and finished healthcare products at the Company's central site is expected to be productive from the second half of the year, whereas the product portfolio is under quality testing and the customer base being established.

The indirect effects of the Russian-Ukrainian war, the energy crisis and the epidemic situation are causing disruptions in supply chains, which will further increase raw material costs and supply difficulties for economic operators. The company is working with high stocks of raw materials to mitigate these difficulties. Its strategic inventory and diversified supplier portfolio ensure business continuity and maintain high service levels.

After securing assets and resources Masterplast has resumed operations in Ukraine in non-war affected areas. The potential impact on the Group's profitability of the limited operations is considered to be marginal, given the proportion of the territory involved on Group level. In the medium to long term, the business potential for Masterplast, as a long-established producer of building materials and insulation materials in the Ukrainian market, in the reconstruction of Ukraine may offset the loss of revenues during the war period.

The stable supply chain, the manufacturing and development investments made and underway, the strong financial backing and, last but not least, the agile organisational culture provide a solid basis for the Company's further and sustainable growth. In the light of the first half-year results, in case the favourable currency environment for the Company remaining, **the annual profit after tax could exceed the forecast of EUR 16.5 million for 2022.**

### 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 Russia-Ukraine war is exacerbating supply difficulties and price rises, the deepening energy crisis is rapidly reshaping market operating conditions and preferences. So far, these effects have continued to stimulate industry demand in several markets through purchases made earlier than planned in the quarter under review. At the same time, the construction and insulation markets are being boosted by government subsidies and programmes to support climate protection and energy efficiency targets and climate protection.

On the most significant Hungarian market, available statistics show an increase in construction output in the first months of 2022 compared to the same period last year, as well as an increase in the number of new contracts signed. Despite the unfolding economic crisis, favourable industry trends prevailed in the construction sector during the quarter: government supports (the family support home creation programme, home renovation support for families with young children, and preferential loans provided by the national bank under the Green Home programme) continue to stimulate residential investments. The state is trying to mitigate the impact of soaring energy prices by regulating prices, making them more affordable for the public.

In Romania, construction output has been on a downward trend due to macroeconomic effects, with the significant increase in the price of building materials, which has been impacted by the rise in energy and primary raw material prices, holding back the volume of work.

According to available data, GDP in Serbia increased. The number of building permits issued increased compared to the same period last year, but construction output decreased in real terms. Inflation has a negative impact on the volume of works. The Serbian state is also trying to mitigate the negative effects of the energy crisis on economic activity through various measures, such as limiting the increase in electricity prices, correcting the price of oil derivatives, gas transportation agreements, and the construction of storage facilities.

In Ukraine, the war situation since the end of February has put the economy, including the construction industry, in a precarious position for the foreseeable future. Various estimates suggest that Ukraine's GDP will fall by 35-50% in 2022. Construction has resumed in some areas of Ukraine, but construction indicators show a decline of more than 70% and construction costs have risen by 20%. The primary real estate market has almost come to a standstill, emergency repairs, demolitions and construction of temporary structures likely to become the main construction activity in the near future.

In Germany, hope of a strong recovery have been dashed by the Russian-Ukrainian war, with German GDP forecast to grow by only 1.6% in 2022. The coronavirus epidemic appeared to have lost its hold in the second quarter of 2022. Services have recovered since the spring, but the war situation has prolonged problems in global supply chains, increasing energy costs and freight costs, reducing purchasing power. While among large companies is clearly deteriorating, medium-sized companies reported an overall stable business environment in June. But business expectations for the second half of 2022 are increasingly pessimistic due to continued material shortages, rising construction prices, shorter working hours and the threat of Russian gas supply disruptions. The construction industry expects growth of between 0-2% this year.

The construction industry in Poland is in a difficult situation. This is reflected in the fact that fewer housing starts had been made in the period than a year earlier. Rising raw material and labour prices are exacerbated by the Russian-Ukrainian conflict. The influx of labour from the East and the import of some construction materials has been also hampered by the fighting, all of which has a direct impact on the operations of Polish construction operators. Forecasts are pessimistic for the industry, with the prospect of bankruptcy of several, mainly smaller, industrial players and a sharp drop in construction investment.

In Slovakia the government and the construction industry are in difficult situation, with high inflation, due to the current runaway energy and commodity prices and shortages. Mild growth in April was followed by a 1.8% year-on-year decline in May. There is a lot of new construction and projects waiting to be completed on the market, but fears of an emerging crisis are high. The construction industry could be helped by the government's green programme, currently in the tendering phase, which is expected to provide €560 million to support the renovation of 30,000 not energy-efficient old houses.

The Croatian economy continued to grow in the first half of this year, despite record inflation. Despite rising prices, construction output and the number of permits issued also increased in the first half of the year.



### 3. Sales by main product groups

Sales by main product groups:

Data in 1000 EUR	Q2 2022	Q2 2021	Index	H1 2022	H1 2021	Index
	(A)	(B)	(A/B-1)	(A)	(B)	(A/B-1)
Thermal insulation system	30 930	21 045	47%	56 808	34 840	63%
Roofing foils and accessories	6 662	8 255	-19%	14 156	14 257	-1%
Dry construction system	5 299	4 418	20%	11 010	8 606	28%
Heat, sound and water insulation materials	5 912	4 697	26%	10 185	7 952	28%
Building industry accessories	1 563	1 658	-6%	3 016	2 856	6%
Industrial applications	7 231	17 065	-58%	13 932	26 907	-48%
<b>Total sales revenue</b>	<b>57 597</b>	<b>57 138</b>	<b>1%</b>	<b>109 107</b>	<b>95 418</b>	<b>14%</b>
<b>Contribution of product groups in percentage to the total sales revenue</b>						
Thermal insulation system	54%	36%	-	52%	37%	-
Roofing foils and accessories	12%	15%	-	13%	15%	-
Dry construction system	9%	8%	-	10%	9%	-
Heat, sound and water insulation materials	10%	8%	-	9%	8%	-
Building industry accessories	3%	3%	-	3%	3%	-
Industrial applications	12%	30%	-	13%	28%	-
<b>Total sales revenue</b>	<b>100%</b>	<b>100%</b>	<b>-</b>	<b>100%</b>	<b>100%</b>	<b>-</b>

Source: consolidated non-audited report of the Group on 30th of June 2022 and non-audited report on 30th of June 2021 based on IFRS accounting rules, as well as the non-audited data from the Group's management information system

Group sales revenue in Q2 2022 was EUR 57 597 thousand, 1% higher than in the base period.

The product group of thermal insulation systems, which comprises the largest share (54%) of the portfolio and largely includes products own-manufactured, grew by 47% and significantly strengthened its weight. Within this product group, sales of own-produced EPS products nearly doubled, while sales of fiberglass mesh and other insulation products also increased. Looking at the regional figures, sales of the product group grew significantly in most markets, with the sales performance in Italy more than doubling. In Germany and in the war-torn Ukrainian market, sales of the product group declined.

Roofing foils accessories' Q2 sales closed 19% lower compared to the same period in 2021. Within the product group, sales of both own-produced diffusion and conventional roofing foils declined, while sales of roof elements increased. In terms of markets, sales were significantly lower in the export and Polish markets, which performed very strongly in the base period, and in Ukraine. Sales in the other markets decreased or increased to a lesser extent.

In dry construction systems, quarterly sales grew by 20% compared to the 2021 base. Sales of drywalls performed well, profiles and accessories showing a smaller increase in the quarter. By country, sales increased in the export, Hungarian, Romanian, Slovakian and Italian regions, while sales decreased in the other markets.

Sales of heat, sound and water insulation materials increased by 26% in Q2 2022 compared to the same period in 2021. Rockwool, XPS, foam and waterproofing materials all showed growth in the quarter. In terms of market distribution, performance was mixed, with sales declining in Poland, Romania, Serbia, Ukraine and Italy, while in rest of the markets turnover grew well.

The turnover of building industry accessories decreased by 6% in Q2 2022 compared to the base. Sales increased in Croatia, Northern Macedonia and Italy, while in the other markets sales stagnated or decreased.

In the industrial applications product group, sales fell by 58% in Q2 2022 compared to the base quarter. Sales of healthcare products were below the base, packaging products and non-strategic commodity trading also showed a slight decline.



#### 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 2022, the Company revised and changed the breakdown of its sales by country. With foundation of Masterplast Italia Srl, the Group reclassified the Italian market from the Export category to a separate category, as from H1 2022 Masterplast has own subsidiary in the country.

The following table describes the reclassifications for the base period:

Data in 1000 EUR	Q2 2021			H1 2021		
	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	28 362		28 362	46 290		46 290
Export	7 035	-2 414	4 621	11 972	-3 554	8 418
Germany	3 883		3 883	7 807		7 807
Poland	4 220		4 220	6 966		6 966
Romania	3 992		3 992	6 453		6 453
Serbia	3 413		3 413	5 739		5 739
Italy	0	2 414	2 414	-	3 554	3 554
Ukraine	2 670		2 670	4 143		4 143
Slovakia	1 934		1 934	3 130		3 130
Croatia	1 099		1 099	2 037		2 037
North Macedonia	530		530	880		880
<b>Total sales revenue</b>	<b>57 138</b>	<b>0</b>	<b>57 138</b>	<b>95 418</b>	<b>0</b>	<b>95 418</b>

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

Sales by countries:

<b>Data in 1000 EUR</b>	<b>Q2 2022</b>	<b>Q2 2021</b>	<b>Index</b>	<b>H1 2022</b>	<b>H1 2021</b>	<b>Index</b>
	<b>(A)</b>	<b>(B)</b>	<b>(A/B-1)</b>	<b>(A)</b>	<b>(B)</b>	<b>(A/B-1)</b>
Hungary	26 143	28 362	-8%	48 104	46 290	4%
Export	5 234	4 621	13%	9 824	8 418	17%
Italy	4 393	2 414	82%	9 109	3 554	156%
Romania	4 536	3 992	14%	8 863	6 453	37%
Germany	3 690	3 883	-5%	7 737	7 807	-1%
Poland	3 768	4 220	-11%	7 656	6 966	10%
Serbia	3 926	3 413	15%	7 341	5 739	28%
Slovakia	2 813	1 934	45%	4 632	3 130	48%
Ukraine	1 412	2 670	-47%	2 539	4 143	-39%
Croatia	1 146	1 099	4%	2 273	2 037	12%
North-Macedonia	536	530	1%	1 029	880	17%
<b>Total sales revenue</b>	<b>57 597</b>	<b>57 138</b>	<b>1%</b>	<b>109 107</b>	<b>95 418</b>	<b>14%</b>
<b>Contribution of countries in percentage to the total sales revenue</b>						
Hungary	45%	50%	-	45%	49%	-
Export	9%	8%	-	9%	9%	-
Italy	8%	4%	-	8%	4%	-
Romania	8%	7%	-	8%	7%	-
Germany	6%	7%	-	7%	8%	-
Poland	7%	7%	-	7%	7%	-
Serbia	7%	6%		7%	6%	
Slovakia	5%	3%	-	4%	3%	-
Ukraine	2%	5%	-	2%	4%	-
Croatia	2%	2%	-	2%	2%	-
North-Macedonia	1%	1%	-	1%	1%	-
<b>Total sales revenue</b>	<b>100%</b>	<b>100%</b>	<b>-</b>	<b>100%</b>	<b>100%</b>	<b>-</b>

Source: consolidated non-audited report of the Group on 30th of June 2022 and non-audited report on 30th of June 2021 based on IFRS accounting rules, as well as the non-audited data from the Group's management information system

In the Group's largest Hungarian market, revenue declined by 8% in Q2 2022 compared to the base. In the construction segment, the Company achieved an outstanding growth of 45% in the quarter. Government subsidies and renovation incentives continued to ensure high demand, while threatening market trends and price increases due to the war situation in Ukraine also resulted in additional demand due to pre-purchases. Regarding the construction product groups, sales of the thermal insulation product group increased strongly, mainly due to EPS, but sales of the dry construction system products and heat, sound and water insulation materials also increased, while roofing foils' and building industry accessories' sales decreased slightly compared to the quarterly base period. Sales of finished health care products lagged the very strong base in the Hungarian market.

In the export markets, turnover increased by 13% in Q2 2022 compared to the same period last year. Sales of own-produced fiberglass mesh was the main contributor to sales growth in the thermal insulation product group, but sales of dry construction products, thermal sound and water insulation products and industrial applications also expanded. Roofing foils and building industry accessories showed a decline. Noteworthy increases in the Company's turnover were recorded in the Greek, Czech and French territories, while the UK, Latvia and Ireland were major decliners for export activity this quarter.

In Italy, now a separate market with a subsidiary presence, the Company achieved an 82% increase in sales compared to the same quarter last year, where the Italian government's insulation tax rebate campaign boosted demand. The thermal insulation systems product group accounts for a significant share of market sales, with growth in fiberglass mesh sales contributing most to the expansion, but sales of EPS products and thermal insulation profiles also grew strongly.

Sales in the Romanian market increased by 14% in Q2 2022 compared to the base period. Sales in the thermal insulation product group increased significantly, driven by sales of fiberglass mesh, but also showed growth in sales of roofing foil and dry construction products. Quarterly sales of other product groups were flat or declined.

In the German market, turnover fell by 5% in Q2 compared to the same period last year. Sales of own-produced diffusion roofing foils and fiberglass mesh also declined, while sales of healthcare products increased slightly year-on-year in the second quarter in the German market.

The Polish market closed 11% below the base in Q2 2022. Fiberglass sales showed a strong increase in the thermal insulation product group, while sales in the other product groups declined compared to the base. In particular, sales of roofing foils were below the exceptionally strong base sales.

Serbia achieved a 15% increase in turnover in Q2 2022 compared to the base. The thermal insulation system product group recorded a strong increase in sales, mainly driven by fiberglass mesh sales and to a lesser extent by the performance of EPS products. However, sales in the other product groups decreased in the Serbian market in the second quarter.

In the Slovak market, sales grew by 45% in Q2 2022. Sales of EPS products more than quadrupled in the thermal insulation systems product group, and the thermal, sound and water insulation product group also performed well. Apart from building industry accessories and industrial applications, all product groups increased their sales on the Slovak market in the quarter under review.

In Ukraine, the war situation led to a 47% drop in turnover in Q2 2022 compared to the base period of 2021. Given that sales activity in the war-affected regions has come to a standstill, the sales shortfall affects all product groups. At the same time, sales performance in the western regions of the country is good, so the shortfall has started to catch up.

Sales in the Croatian market increased by 4% in Q2 2022 compared to the same period of the previous year. Sales in the thermal insulation system product group increased mainly due to sales of fiberglass mesh, and the company performed well in thermal, sound and water insulation materials and building accessories. However, sales of roofing foils and dry construction products on the Croatian market were down on the previous year.

In North Macedonia, which has the lowest share of Group turnover, turnover was 1% higher than a year earlier in Q2 2022. Sales were up in the thermal insulation product group thanks to sales of fiberglass mesh and profiles, and sales of thermal, sound and water insulation materials and building industry accessories also increased. Sales of roofing foils and drywall products, on the other hand, declined compared to the base.

Overall, the strong performance of the construction segment in the second quarter helped the Company match last year's record quarter which was boosted by high volumes of medical protective clothing sales. Within the product portfolio, the role of the thermal insulation product group became even more prominent. In terms of markets, there was a jump in sales in the Italian market, but also record sales of building products in the Hungarian and Slovakian markets. Sales in war-torn Ukraine were significantly down on a year earlier, but are catching up thanks to a good performance in regions away from the front.

## 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 2022	Q2 2021	Change	Index	H1 2022	H1 2021	Change	Index
	(A)	(B)	A-B	(A/B-1)	(A)	(B)	A-B	(A/B-1)
Sales revenues	57 596 954	57 137 963	458 991	1%	109 106 837	95 418 135	13 688 702	14%
Cost of materials and services	-47 827 195	-42 633 379	-5 193 816	12%	-89 219 156	-71 527 458	-17 691 698	25%
Payroll costs and contributions	-6 894 498	-5 647 466	-1 247 032	22%	-13 687 843	-10 364 245	-3 323 598	32%
Depreciation	-1 352 794	-1 116 791	-236 003	21%	-2 680 422	-1 978 599	-701 823	35%
Change in self-manufactured inventories	4 518 812	-52 257	4 571 069	-8747%	6 805 187	-202 241	7 007 428	-3465%
Other operating revenues and expenses	1 005 474	-300 134	1 305 608	-435%	629 326	-447 515	1 076 841	-241%
<b>EBITDA</b>	<b>8 399 547</b>	<b>8 504 727</b>	<b>-105 180</b>	<b>-1%</b>	<b>13 634 351</b>	<b>12 876 676</b>	<b>757 675</b>	<b>6%</b>
<i>EBIDTA ratio</i>	14,6%	14,9%	-0,3%	-/-	12,5%	13,5%	0	-/-
<b>PROFIT / LOSS OF BUSINESS ACTIVITY (EBIT)</b>	<b>7 046 753</b>	<b>7 387 936</b>	<b>-341 183</b>	<b>-5%</b>	<b>10 953 929</b>	<b>10 898 077</b>	<b>55 852</b>	<b>1%</b>
Interest revenues	137 764	84 468	53 296	63%	262 083	166 005	96 078	58%
Interest expenses	-575 352	-304 358	-270 994	89%	-1 062 333	-552 216	-510 117	92%
Other financial revenues and expenses	2 533 796	-217 534	2 751 330	-1265%	2 710 134	-300 034	3 010 168	-1003%
<b>FINANCIAL PROFIT/LOSS</b>	<b>2 096 208</b>	<b>-437 424</b>	<b>2 533 632</b>	<b>-579%</b>	<b>1 909 884</b>	<b>-686 245</b>	<b>2 596 129</b>	<b>-378%</b>
Profit/loss from associations	121 285	125 624	-4 339	-3%	121 285	144 693	-23 408	-16%
<b>Profit/loss before income tax</b>	<b>9 264 246</b>	<b>7 076 136</b>	<b>2 188 110</b>	<b>31%</b>	<b>12 985 098</b>	<b>10 356 525</b>	<b>2 628 573</b>	<b>25%</b>
Taxes	-1 006 225	-727 376	-278 849	38%	-1 508 540	-1 209 683	-298 857	25%
<b>Profit/loss after taxation</b>	<b>8 258 021</b>	<b>6 348 760</b>	<b>1 909 261</b>	<b>30%</b>	<b>11 476 558</b>	<b>9 146 842</b>	<b>2 329 716</b>	<b>25%</b>
<i>Profit attributable to the owners of the parent</i>	8 197 168	6 419 552	1 777 616	28%	11 507 396	9 053 765	2 453 631	27%
<i>Profit attributable to the minority</i>	60 853	-70 792	131 645	-186%	-30 838	93 077	-123 915	-133%
<i>Earnings per share (EPS) (EUR)</i>	<b>0,57</b>	<b>0,44</b>			<b>0,80</b>	<b>0,62</b>		
<i>Diluted earnings per share (diluted EPS) (EUR)</i>	<b>0,57</b>	<b>0,44</b>			<b>0,80</b>	<b>0,62</b>		

Source: consolidated non-audited report of the Group on 30th of June 2022 and non-audited report on 30th of June 2021 based on IFRS accounting rules

The Group's sales revenue in Q2 2022 was EUR 57 597 thousand, which is EUR 459 thousand (1%) higher than in the base period.

Thanks to the solid performance of the construction segment the trade margin in Q2 2022 was close to the base period level, even with a significant decline in the share of the higher-earning healthcare sales. The trade margin of the group members increased in construction, while the margin rate on sales decreased only for some subsidiaries.

Capacity and utilisation of own production in the construction sector continued to improve. Output at the EPS, mesh edge protection and fiberglass factories in Serbia increased strongly compared to a year ago, while the foam factory in Kal produced below its base. Emissions from the Aschersleben plant decreased compared to the same period last year. The trial production and production capacity optimisation at the Sárszentmihály production unit for fleece and sanitary raw materials was successful. The sanitary finished products division is ready for series production, while the process of obtaining sanitary certificates is underway. The disruption of raw material supply due to the war situation and the epidemic situation in the Far East has been successfully managed in all the Company's production units, ensuring continuity of production.

The Company's cost of materials and services, including the change in own-produced inventories, increased in line with the increase in turnover (1%) in the quarter, compared to the previous year's base. The Group's costs of raw and other materials for production, energy and fuel increased, while the value of services decreased in Q2 2022 compared to the base period.

Personnel expenses increased by 22% in Q1 2022 compared to the base period, largely due to the expansion of the Hungarian site and the Serbian site, as well as the increase in wage levels in line with market trends. At the end of June 2022, the Group employed 1 551 people, compared to 1 207 at the end of the base period.

The increase in the amount of depreciation driven mainly by the established new CAPEX investment in Hungarian site, against which the subsidies received have been entered in the accounts on a proportionally.

On the other operating income line, the Company recorded a profit of EUR 1 005 thousand compared to a loss of EUR 300 thousand in the base period. The difference is explained by the removal of deferred income related to the government grants received in line with the depreciation and the write-back of the impairment of sold and used stocks.

The Group's EBITDA in Q2 2022 was EUR 8 400 thousand (14.6% EBITDA margin) compared to EUR 8 505 thousand (14.9% EBITDA margin) in the base period. Taking into account depreciation and amortization, the operating result (EBIT) for the second quarter was EUR 7 047 thousand compared to EUR 7 388 thousand in the reference period.

As a result of bond issues to finance investments, the Company's interest expenses increased, with interest income showing a loss increase of EUR 218 thousand compared to the base.

The other financial related incomes and expenditures mainly represent the exchange rate related profits/losses. As the Company mainly realizes 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 influence – in case USD purchases – the exchange rate results. At the end of the year, the company had EUR/HUF futures transactions, the revaluations of which were also included in the Group's financial results.

The following table shows the exchanges of major currencies for the Group in 2022, 2021 and 2020:

Closing exchange rates	31-12-2020	31-03-2021	30-06-2021	31-12-2021	31-03-2022	30-06-2022	Index	Index	Index	Index	Index
	A	B	C	D	E	F	C/A	F/D	C/B	F/E	F/C
EUR/USD	1,23	1,17	1,19	1,13	1,11	1,04	96,81%	92,16%	101,20%	93,81%	87,84%
EUR/HUF	365,13	363,73	351,90	369,00	369,62	396,75	96,38%	107,52%	96,75%	107,34%	112,75%
EUR/RON	4,87	4,93	4,93	4,95	4,95	4,95	101,18%	99,95%	100,03%	99,98%	100,38%
EUR/RSD	117,58	117,58	117,57	117,58	117,75	117,41	99,99%	99,85%	99,99%	99,71%	99,86%
EUR/UAH	34,74	32,72	32,30	30,92	32,59	30,78	92,98%	99,53%	98,71%	94,45%	95,28%
USD/HUF	297,36	309,66	296,04	325,71	332,09	379,99	99,56%	116,67%	95,60%	114,42%	128,36%
USD/RON	3,97	4,20	4,14	4,37	4,45	4,74	104,45%	108,50%	98,70%	106,55%	114,48%
USD/RSD	95,66	100,43	98,74	103,93	105,50	112,26	103,21%	108,02%	98,32%	106,41%	113,70%
USD/UAH	28,27	27,89	27,18	27,28	29,25	29,25	96,12%	107,25%	97,46%	100,00%	107,65%

Source: Hungarian National Bank rates

Because of favorable exchange rate effects for the Group, the Company has generated and booked profit of EUR 2 534 thousand as other financial result in Q2 2022 compared to the EUR 218 thousand loss of base period.

As a result, the Group's profit after tax in Q2 2022 was EUR 8 258 thousand, which is 30% higher than the profit of EUR 6 349 thousand in the base period.

All in all, thanks to growth in the core insulation and construction businesses, the Company's sales exceeded last year's record base, where sales was boosted by high volumes of medical protective clothing business. The Company's increased manufacturing output and improved manufacturing efficiencies contributed significantly to the outstanding earnings performance, outperforming the base in the first half of the year, which base included higher healthcare sales margin. With expanding production, the Company's material and personnel costs increased. All these factors resulted in a second quarter EBITDA of EUR 8 400 thousand (14.6% EBITDA margin), compared to a base of EUR 8 505 thousand. Favourable currency movements for the Company significantly improved the Group's financial result. As a result, the Company's second quarter profit after tax closed at EUR 8 258 thousand, 30% above the base.

## 6. Other comprehensive income

Data in EUR	30-06-2022	30-06-2021
<b>Profit for the year</b>	<b>11 476 558</b>	<b>9 146 842</b>
Foreign exchange result on translation*	-2 205 354	686 302
Comprehensive income related to a CCIRS transaction*	-292 661	-583 965
Parent company's share of the change in the value of associates*	-38 683	11 234
<b>Other comprehensive income</b>	<b>-2 536 698</b>	<b>113 571</b>
<b>Comprehensive income</b>	<b>8 939 860</b>	<b>9 260 413</b>

Source: consolidated non-audited report of the Group on 30th of June 2022 and non-audited report on 30th of June 2021 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 2022 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	30-06-2022	30-06-2021	Change	Index
	(A)	(B)	A-B	(A/B-1)
<b>FIXED ASSETS</b>				
Land, buildings and equipment	95 163 376	79 087 989	16 075 387	20%
Intangible assets	141 386	168 141	-26 755	-16%
Shares in related companies	1 890 485	454 725	1 435 760	316%
Deferred tax assets	688 093	724 844	-36 751	-5%
<b>Total fixed assets</b>	<b>97 883 340</b>	<b>80 435 699</b>	<b>17 447 641</b>	<b>22%</b>
<b>CURRENT ASSETS</b>				
Inventories	70 629 209	31 510 589	39 118 620	124%
Trade accounts receivable	30 871 842	34 756 853	-3 885 011	-11%
Tax receivables	4 799 889	1 671 042	3 128 847	187%
Other financial receivables	13 667	600	13 067	2178%
Other current assets	3 949 092	1 667 359	2 281 733	137%
Liquid assets	14 924 885	8 913 700	6 011 185	67%
<b>Total current assets</b>	<b>125 188 584</b>	<b>78 520 143</b>	<b>46 668 441</b>	<b>59%</b>
<b>TOTAL ASSETS</b>	<b>223 071 924</b>	<b>158 955 842</b>	<b>64 116 082</b>	<b>40%</b>
<b>CAPITAL AND RESERVES</b>				
Subscribed capital	5 503 939	5 503 939	0	0%
Reserves	40 771 963	29 656 432	11 115 531	37%
Repurchased shares	-1 928 219	-2 280 148	351 929	-15%
Parent share of interests	11 507 396	9 053 765	2 453 631	27%
<b>Equity attributable to the owners of the parent</b>	<b>55 855 079</b>	<b>41 933 988</b>	<b>13 921 091</b>	<b>33%</b>
Minority interests	587 809	1 899 756	-1 311 947	-69%
<b>Total capital and reserves</b>	<b>56 442 888</b>	<b>43 833 744</b>	<b>12 609 144</b>	<b>29%</b>
<b>LONG-TERM LIABILITIES</b>				
Long-term loans	14 154 610	6 604 425	7 550 185	114%
Liabilities from issued bonds	52 865 871	34 008 081	18 857 790	55%
Deferred tax liabilities	495 127	351 822	143 305	41%
Deferred income	37 790 740	31 551 374	6 239 366	20%
Other long-term liabilities	647 180	4 796 809	-4 149 629	-87%
<b>Total long-term liabilities</b>	<b>105 953 528</b>	<b>77 312 511</b>	<b>28 641 017</b>	<b>37%</b>
<b>SHORT-TERM LIABILITIES</b>				
Short-term loans	16 638 856	11 327 379	5 311 477	47%
Trade accounts payable	27 271 918	15 114 307	12 157 611	80%
Short-term leasing liabilities	160 586	179 628	-19 042	-11%
Other financial liabilities	5 828 195	2 443 545	3 384 650	139%
Tax liabilities	6 206 832	3 660 832	2 546 000	70%
Short-term deferred income	2 784 959	449 799	2 335 160	519%
Provisions	758 749	810 467	-51 718	-6%
Other short-term liabilities	1 025 413	3 823 630	-2 798 217	-73%
<b>Total short-term liabilities</b>	<b>60 675 508</b>	<b>37 809 587</b>	<b>22 865 921</b>	<b>60%</b>
<b>TOTAL LIABILITIES</b>	<b>166 629 036</b>	<b>115 122 098</b>	<b>51 506 938</b>	<b>45%</b>
<b>TOTAL CAPITAL AND LIABILITIES</b>	<b>223 071 924</b>	<b>158 955 842</b>	<b>64 116 082</b>	<b>40%</b>

Source: consolidated non-audited report of the Group on 30th of June 2022 and non-audited report on 30th of June 2021 based on IFRS accounting rules



On 30th June 2022, the Group's assets amounted to EUR 223 072 thousand, EUR 64 116 thousand higher than at the end of the base period.

The value of fixed assets at the end of June 2022 was EUR 97 883 thousand, EUR 17 448 thousand higher than at the end of the reference period due to the transfer of the health care plant in Sárszentmihály and the investments launched.

As a result of the inventory policy implemented to ensure a stable supply chain and to minimise inflation risks, the inventory level at the end of June 2022 was EUR 70 629 thousand, EUR 39 119 thousand higher than the closing stock at the end of the base period. The increase includes the increase in the price of inventories related to own production and purchased stocks. The company is prepared for a smooth supply of the coming season, which is expected to be strong.

The Company's trade accounts receivables at the end of June 2022 was EUR 30 872 thousand, EUR 3 885 thousand lower than the base year with the same sales performance. The current assets in the Ukrainian subsidiary include a combined impairment of EUR 500 thousand.

The Group's cash and cash equivalents stood at EUR 14 925 thousand at the end of June 2022, EUR 6 011 thousand higher than at the end of the base period.

Under the Growth Bond Programme of MNB The Company issued bonds of HUF 12 billion nominal value in previous years and of HUF 9 billion nominal value in 2021's third quarter increased the Group's bond liabilities in the balance sheet and provided stable source of financing for its ongoing future investments. The total amount of loans increased by a total of EUR 12 862 thousand due to the bank loans drawn to finance the higher working capital requirements for investments and increased own production.

The Group's accounts payable closed at EUR 27 272 thousand, compared to EUR 15 114 thousand at the end of the first quarter of last year. The value of deferred income increased by EUR 8 575 thousand compared to the base period due to grants related to investments not yet recognised in the income statement.

8. Cash-flow, bank information

Data in EUR	30-06-2022	30-06-2021	Change	Index
	(A)	(B)	A-B	(A/B-1)
<b>Operating Activities</b>				
PBT	12 985 098	10 356 525	2 628 573	25%
Depreciation and Amortisation	2 680 422	1 978 599	701 823	35%
Bad debt provision	347 527	373 426	-25 899	-7%
Shortage and scrap of stocks	265 202	42 712	222 490	521%
Provisions	191 486	493 301	-301 815	-61%
Profit on fixed asset sale	-29 399	-21 500	-7 899	37%
Interest expense	1 062 333	552 216	510 117	92%
Interest revenue	-262 083	-166 005	-96 078	58%
Profit/loss from associations	-121 285	-144 693	23 408	-16%
Unrealized foreign exchange gain (loss)	-3 209 891	726 305	-3 936 197	-542%
<b>Changes in Working Capital</b>				
Change in Accounts Receivable	-10 207 100	-18 369 885	8 162 785	-44%
Change in Inventory	-23 807 116	-6 474 821	-17 332 295	268%
Change in Other Assets	-4 072 729	-943 849	-3 128 880	332%
Change in Accounts Payable	10 482 192	1 808 040	8 674 152	480%
Change in Short-term liabilities	208 296	6 157 829	-5 949 534	-97%
Taxation	-1 371 430	0	-1 371 430	0%
<b>Net Cash from Operations</b>	<b>-14 858 478</b>	<b>-3 631 800</b>	<b>-11 226 678</b>	<b>309%</b>
<b>Investing Activities</b>				
CAPEX	-6 211 007	-27 726 359	21 515 352	-78%
Sale of fixed assets	47 757	70 882	-23 124	-33%
Acquisition or establishment of subsidiaries	-1 351 918	0	-1 351 918	0%
Interest received	262 083	166 005	96 078	58%
<b>Net Cash from Investing activities</b>	<b>-7 253 084</b>	<b>-27 489 472</b>	<b>20 236 388</b>	<b>-74%</b>
<b>Financing Activities</b>				
Redeemed treasury shares	-1 129 967	0	-1 129 967	0%
Borrowing	21 186 128	8 251 416	12 934 712	157%
Loan repayments	-617 690	-158 690	-459 000	289%
Dividends paid	-45 248	0	-45 248	0%
Interest paid	-1 062 333	-552 216	-510 117	92%
<b>Net Cash from Financing activities</b>	<b>18 330 890</b>	<b>7 540 510</b>	<b>10 790 380</b>	<b>143%</b>
Net Cash flow of the period	-3 780 673	-23 580 762	19 800 089	-84%
Cash at beginning of period	15 381 844	33 266 652	-17 884 808	-54%
Effect of exchange rate changes	3 323 713	-772 190	4 095 903	-530%
<b>Cash at end of period</b>	<b>14 924 885</b>	<b>8 913 700</b>	<b>6 011 185</b>	<b>67%</b>

Source: consolidated non-audited report of the Group on 30th of June 2022 and non-audited report on 30th of June 2021 based on IFRS accounting rules

The net cash flow from operation was EUR -14 858 thousand at the end of Q2 2022, compared to the EUR – 3 632 thousand value of end of the base period.

The cash flow from investing activities was EUR -7 253 thousand at end of June 2022 compared to EUR -27 489 thousand in same period 2021.

The net cash flow from financial related activities amounted to EUR 18 331 thousand versus the EUR 7 541 thousand of the base year.

All in all, the cash and equivalents of the Company was EUR 14 925 thousand at the end of Q2 2022 which was higher by EUR 6 011 thousand than the EUR 8 914 thousand level of the previous year same period.

**Loans and bank related information:**

By the end of June 2022, the Company had complied with the lately redefined and contracted banking covenant requirements.

**Investigations against Masterplast:**

In connection with the tax audits of the Romanian subsidiary explained below, there have been no changes after the financial years 2019 and 2020. The Group expects that the above proceedings will not have a major impact on the Group's financial position and profits.

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 2 011 754 (RON 9 951 341), 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 EUR 251 962 (RON 1 246 053) and additionally EUR 80 203 (RON 396 638) 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 1000 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
<b>01-01-2021</b>	<b>5 503 939</b>	<b>-138 422</b>	<b>8 062 732</b>	<b>27 634 477</b>	<b>-11 860 594</b>	<b>23 836 615</b>	<b>5 767 984</b>	<b>34 970 116</b>	<b>1 899 176</b>	<b>36 869 292</b>
Profit for the year	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 share based payments	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
Prior year's profit or loss reclassified	0	0	0	5 767 984	0	5 767 984	-5 767 984	0	0	0
Redeemed treasury 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
<b>30-06-2021</b>	<b>5 503 939</b>	<b>-2 280 148</b>	<b>8 062 732</b>	<b>33 248 226</b>	<b>-11 654 526</b>	<b>29 656 432</b>	<b>9 053 765</b>	<b>41 933 988</b>	<b>1 899 756</b>	<b>43 833 744</b>
<b>01-01-2022</b>	<b>5 503 939</b>	<b>-2 252 298</b>	<b>8 062 732</b>	<b>34 351 463</b>	<b>-13 808 548</b>	<b>28 605 647</b>	<b>15 860 834</b>	<b>47 718 122</b>	<b>646 123</b>	<b>48 364 245</b>
Profit for the year	0	0	0	0	0	0	11 507 396	11 507 396	-30 838	11 476 558
Comprehensive income related to a CCIRS transaction	0	0	0	0	-292 661	-292 661	0	-292 661	0	-292 661
Dividends to minority shareholders	0	0	0	0	0	0	0	0	-45 248	-45 248
MRP share based payments	0	180 723	0	0	0	0	0	180 723	0	180 723
Other comprehensive income	0	0	0	0	-2 261 809	-2 261 809	0	-2 261 809	17 772	-2 244 037
Prior year's profit or loss reclassified	0	0	0	15 860 834	0	15 860 834	-15 860 834	0	0	0
Redeemed treasury shares	0	143 356	0	-1 074 991	0	-1 074 991	0	-931 635	0	-931 635
Other	0	0	0	-65 057	0	-65 057	0	-65 057	0	-65 057
<b>30-06-2022</b>	<b>5 503 939</b>	<b>-1 928 219</b>	<b>8 062 732</b>	<b>49 072 249</b>	<b>-16 363 018</b>	<b>40 771 963</b>	<b>11 507 396</b>	<b>55 855 079</b>	<b>587 809</b>	<b>56 442 888</b>

Source: consolidated non-audited report of the Group on 30th of June 2022 and non-audited report on 30th of June 2021 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	251 962	EUR
Masterplast Romania	Bank guarantee	396 638	RON	80 203	EUR
Masterfoam Kft.	Custom	10 000 000	HUF	25 205	EUR
Masterfoam Kft.	Tender guarantee	251 003 670	HUF	632 649	EUR
Masterplast Proizvodnja DOO Subotica	Bill of exchange	0	EUR	0	EUR
Masterplast YU D.o.o	Bank guarantee	142 499 241	RSD	1 213 736	EUR
Masterplast YU D.o.o.	Bank guarantee	10 000 000	RSD	85 175	EUR
Masterplast YU D.o.o.	Bank guarantee	2 000 000	EUR	2 000 000	EUR
<b>Total:</b>				<b>4 288 930</b>	<b>EUR</b>

Source: consolidated non-audited report of the Group on 30<sup>th</sup> of June 2022 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 2022 (Data in EUR)	Sales	Production	Unallocated costs	Segment elimination	Consolidated
Sales revenues	99 743 708	9 316 693	46 436	0	109 106 837
Sales between segments	30 148 368	39 488 394	1 097 173	-70 733 935	0
Depreciation	-523 962	-1 948 704	-207 757	0	-2 680 422
Operating expenses	-119 266 755	-44 558 451	-2 381 215	70 733 935	-95 472 486
<b>EBITDA</b>	<b>10 625 320</b>	<b>4 246 636</b>	<b>-1 237 605</b>	<b>0</b>	<b>13 634 351</b>
<i>EBITDA ratio</i>	8,18%	8,70%	-108,22%	-	12,50%
<b>EBIT</b>	<b>10 101 359</b>	<b>2 297 932</b>	<b>-1 445 362</b>	<b>0</b>	<b>10 953 929</b>
<i>EBIT ratio</i>	7,78%	4,71%	-126,39%	-	10,04%
Fixed Assets	11 469 772	75 108 081	8 585 523	0	95 163 376
Inventories	60 672 820	9 936 759	19 630	0	70 629 209

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
<b>EBITDA</b>	<b>6 632 742</b>	<b>7 395 197</b>	<b>-1 151 263</b>	<b>0</b>	<b>12 876 676</b>
<i>EBITDA ratio</i>	6,71%	15,86%	-107,55%		13,49%
<b>EBIT</b>	<b>6 140 622</b>	<b>6 052 519</b>	<b>-1 295 064</b>	<b>0</b>	<b>10 898 077</b>
<i>EBIT ratio</i>	6,21%	12,98%	-120,99%		11,42%
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

Source: consolidated non-audited report of the Group on 30th of June 2022 and non-audited report on 30th of June 2021 based on IFRS accounting rules

The Sales segment's revenue in H1 2022 was EUR 129 892 thousand, which is EUR 31 033 thousand (31%) higher than in the base period. The EBITDA of the Sales segment was EUR 10 625 thousand (EBITDA margin of 8,18%), an increase of 60% compared to the base period. The improvement in the sales segment's results is largely due to the increase in the share of own-produced construction products in sales.

The total sales revenue of the manufacturing segment in the first half of 2022 amounted to EUR 48 805 thousand, which is EUR 2 168 thousand (5%) higher than last year. Within this, the sales of products transferred to the Sales segment increased by EUR 7 621 thousand, or 23%, while the external sales of the segment decreased due to the significantly lower sales performance of healthcare products compared to the base. Manufacturing EBITDA was EUR 4 247 thousand (EBITDA margin 8,7%) compared to EUR 7 395 thousand in H1 2021 (EBITDA margin 15,9%). Including depreciation, EBIT was EUR 2 298 thousand in H1 2022 compared to EUR 6 053 thousand last year. The production performance of each production unit is presented below.

Despite increasing difficulties in the supply of raw materials and increasingly frequent supplier delays, the continued operation of the plants was ensured thanks to the Company's broad supplier base.

In the second quarter of 2022, production at the Group's EPS factory in Subotica increased significantly by 26.5% compared to the same period last year. The year is characterised by steadily growing demand for products in all markets. Mesh edge profiles production in Subotica closed the second quarter with a production increase of around 36% compared to the base. The commissioning of new machinery at the fiberglass mesh factory in Subotica was completed in the second quarter. In the capacity expanded plant the production and the sales of the final product have also increased. Output was more than 17% higher than the base year.

In the second quarter, production at the Group's Kal-based foam plant decreased by 6% compared to the base period, and the total for the first six months of the year was 4% above the base period.

At the central site in sárszentmihály, production of diffusion roof foils increased by 11% compared to the same period last year, while activity in the confectioning and laminating plant doubled in the second quarter.

At the central site, the optimisation and maximisation of production capacity and the improvement of production indicators continues in the fleece production unit, with successful sample production and product development in the quarter under review. The finished healthcare product manufacturing unit has been successfully prepared for series production. Certification of healthcare products is in progress.

Emissions from the Aschersleben fleece production unit decreased compared to last year's baseline. To compensate for the decrease in the volume of production of sanitary raw materials, several sample production and product development activities were carried out to achieve optimal capacity utilisation in the future.

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

	<b>30-06-2022</b>	<b>31-12-2021</b>	<b>30-06-2021</b>
Company employees	74	63	54
Group level employees	1 551	1 379	1 207

*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**

The Company has decided to set up a new polystyrene - commonly known as Hungarocell - production unit. The new insulation material plant will be located in Hungary, at its production base in Kál in Heves County, thus focusing local production resources on insulation materials instead of foam packaging. The Company believes that mass energy renovation of buildings has become inevitable due to the energy crisis in Europe, which will significantly increase the demand for insulation products. The plant, equipped with modern technology, will be able to produce the Company's entire range of polystyrene thermal insulation products, with an annual output of 300 thousand cubic metres. The investment, worth EUR 2,1 million, will be financed from the Company's own resources and will increase its current output capacity by around 40%. The Company has significant manufacturing know-how and experience in the production of polystyrene insulation materials, which will allow the development to be completed quickly, within a few months. The new plant is scheduled to start operations in the first quarter of 2023 and will play a role in the efficient supply of the Hungarian and Slovakian markets in particular.

14. Balance sheet compared with 31 December 2021 status

Data in EUR	30-06-2022	31-12-2021	Change	Index
	(A)	(B)	A-B	(A/B-1)
<b>FIXED ASSETS</b>				
Land, buildings and equipment	95 163 376	89 624 060	5 539 316	6%
Intangible assets	141 386	151 193	-9 807	-6%
Goodwill	0	0	0	0%
Shares in related companies	1 890 485	553 064	1 337 421	242%
Deferred tax assets	688 093	673 888	14 205	2%
<b>Total fixed assets</b>	<b>97 883 340</b>	<b>91 002 205</b>	<b>6 881 135</b>	<b>8%</b>
<b>CURRENT ASSETS</b>				
Inventories	70 629 209	47 088 375	23 540 834	50%
Trade accounts receivable	30 871 842	21 011 189	9 860 653	47%
Tax receivables	4 799 889	1 926 172	2 873 717	149%
Other financial receivables	13 667	74 612	-60 945	-82%
Other current assets	3 949 092	2 689 135	1 259 957	47%
Liquid assets	14 924 885	15 381 844	-456 959	-3%
<b>Total current assets</b>	<b>125 188 584</b>	<b>88 171 327</b>	<b>37 017 257</b>	<b>42%</b>
<b>TOTAL ASSETS</b>	<b>223 071 924</b>	<b>179 173 532</b>	<b>43 898 392</b>	<b>25%</b>
<b>CAPITAL AND RESERVES</b>				
Subscribed capital	5 503 939	5 503 939	0	0%
Reserves	40 771 963	28 605 647	12 166 316	43%
Repurchased shares	-1 928 219	-2 252 298	324 079	-14%
Parent share of interests	11 507 396	15 860 834	-4 353 438	-27%
<b>Equity attributable to the owners of the parent</b>	<b>55 855 079</b>	<b>47 718 122</b>	<b>8 136 957</b>	<b>17%</b>
Minority interests	587 809	646 123	-58 314	-9%
<b>Total capital and reserves</b>	<b>56 442 888</b>	<b>48 364 245</b>	<b>8 078 643</b>	<b>17%</b>
<b>LONG-TERM LIABILITIES</b>				
Long-term loans	14 154 610	4 152 415	10 002 195	241%
Liabilities from issued bonds	52 865 871	56 835 587	-3 969 716	
Deferred tax liabilities	495 127	502 356	-7 229	-1%
Deferred income	37 790 740	29 923 217	7 867 523	26%
Other long-term liabilities	647 180	650 857	-3 677	-1%
<b>Total long-term liabilities</b>	<b>105 953 528</b>	<b>92 064 432</b>	<b>13 889 096</b>	<b>15%</b>
<b>SHORT-TERM LIABILITIES</b>				
Short-term loans	16 638 856	6 063 072	10 575 784	174%
Trade accounts payable	27 271 918	16 789 726	10 482 192	62%
Short-term leasing liabilities	160 586	299 158	-138 572	-46%
Other financial liabilities	5 828 195	4 299 706	1 528 489	36%
Tax liabilities	6 206 832	3 262 781	2 944 051	90%
Short-term deferred income	2 784 959	2 784 959	0	0%
Provisions	758 749	567 263	191 486	34%
Other short-term liabilities	1 025 413	4 678 190	-3 652 777	-78%
<b>Total short-term liabilities</b>	<b>60 675 508</b>	<b>38 744 855</b>	<b>21 930 653</b>	<b>57%</b>
<b>TOTAL LIABILITIES</b>	<b>166 629 036</b>	<b>130 809 287</b>	<b>35 819 749</b>	<b>27%</b>
<b>TOTAL CAPITAL AND LIABILITIES</b>	<b>223 071 924</b>	<b>179 173 532</b>	<b>43 898 392</b>	<b>25%</b>

Source: consolidated non-audited report of the Group on 30th of June 2022 and audited report on 31st of December 2021 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 Medical Kft.	Hungary	10 000 000	HUF	100%	100%	Wholesale of building materials 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
Masterplast Modulhouse Kft.	Hungary	300 000 000	HUF	100%	100%	Construction of residential and non-residential buildings
Masterplast International Kft.	Hungary	3 000 000	HUF	100%	100%	Wholesale of building materials
Masterplast Nonwoven GmbH	Germany	25 000	EUR	100%	100%	Fleece and multilayer membrane production
Fidelis Bau Kft.	Hungary	3 000 000	HUF	100%	100%	Thermobeton production
Masterplast Italia Srl.	Italy	200 000	EUR	51%	51%	Wholesale of building materials
<b>Indirect relations:</b>						
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
<b>Affiliated company of the Group:</b>						
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
MASTERWOOL MW-1 d.o.o.*	Serbia	293 900 000	RSD	51%	50%	Rock wool production

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

\* MASTERWOOL MW-1 d.o.o. has been established, investment and operations are not yet underway.

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	30-04-2023	approximately 14 years	4 548 057
Ács Balázs	Vice Chairman of the Board	03-04-2008	30-04-2023	approximately 14 years	3 877 259
Dirk Theuns	Board member	01-05-2014	30-04-2023	approximately 8 years	-
Dezse Margaret	Board member	01-05-2020	30-04-2023	approximately 2 years	1300
Sinkó Ottó	Board member	01-05-2020	30-04-2022	approximately 2 years	-
Fazekas Bálint	Board member	2022.05.01.	2023.04.30	new member	-

The data of the Company's top management are shown in the table below on 30th June 2022:

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	105 620

## 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%
<b>Total</b>		<b>9 224 185</b>	<b>63,17%</b>

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

	30-06-2022
Issuing ownership	204 917
Affiliated companies ownership	0
<b>Total</b>	<b>204 917</b>

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

Publication date	Object
03.01.2022.	Voting rights, registered capital
18.01.2022.	Information on documents and press release related to the investor forum on 18 January 2022
01.02.2022.	Voting rights, registered capital
15.02.2022.	Changing of corporate action timetable
15.05.2022.	Corporate Action Timetable
24.02.2022.	Interim management statement
01.03.2022.	Voting rights, registered capital
28.03.2022.	GM - Invitation
28.03.2022.	Information on transaction with own shares
01.04.2022.	Voting rights, registered capital
06.04.2022.	GM - Proposals
13.04.2022.	Information on the decision of the Company to expand its market in Italy
13.04.2022.	Information on the establishment of a foreign subsidiary
28.04.2022.	Information on the start of production in Italy
28.04.2022.	General Meeting Resolutions
28.04.2022.	CG Declaration
28.04.2022.	Annual Report
28.04.2022.	Remuneration Report
28.04.2022.	ESG Report
28.04.2022.	Summary report
02.05.2022.	Voting rights, registered capital
03.05.2022.	Information on the planned share purchase schedule of the MASTERPLAST Employee Stock Ownership Program Organization
04.05.2022.	Information on share purchasing by MASTERPLAST Employee Stock Ownership Program Organization
05.05.2022.	Publication of Q1 2022 results, interim management report
05.05.2022.	Information on share purchasing by MASTERPLAST Employee Stock Ownership Program Organization
06.05.2022.	Information on share purchasing by MASTERPLAST Employee Stock Ownership Program Organization
09.05.2022.	Information on share purchasing by MASTERPLAST Employee Stock Ownership Program Organization
11.05.2022.	Information on share purchasing by MASTERPLAST Employee Stock Ownership Program Organization
12.05.2022.	Information on share purchasing by MASTERPLAST Employee Stock Ownership Program Organization
13.05.2022.	Information on share purchasing by MASTERPLAST Employee Stock Ownership Program Organization
16.05.2022.	Information on share purchasing by MASTERPLAST Employee Stock Ownership Program Organization
17.05.2022.	Information on share purchasing by MASTERPLAST Employee Stock Ownership Program Organization
18.05.2022.	Information on share purchasing by MASTERPLAST Employee Stock Ownership Program Organization
19.05.2022.	Information on share purchasing by MASTERPLAST Employee Stock Ownership Program Organization
20.05.2022.	Information on share purchasing by MASTERPLAST Employee Stock Ownership Program Organization
23.05.2022.	Information on share purchasing by MASTERPLAST Employee Stock Ownership Program Organization
24.05.2022.	Information on share purchasing by MASTERPLAST Employee Stock Ownership Program Organization
25.05.2022.	Information on share purchasing by MASTERPLAST Employee Stock Ownership Program Organization
26.05.2022.	Information on share purchasing by MASTERPLAST Employee Stock Ownership Program Organization
31.05.2022.	Information on share purchasing by MASTERPLAST Employee Stock Ownership Program Organization
01.06.2022.	Information on share purchasing by MASTERPLAST Employee Stock Ownership Program Organization
01.06.2022.	Voting rights, registered capital
02.06.2022.	Information on share purchasing by MASTERPLAST Employee Stock Ownership Program Organization
07.06.2022.	Information on share purchasing by MASTERPLAST Employee Stock Ownership Program Organization
08.06.2022.	Information on share purchasing by MASTERPLAST Employee Stock Ownership Program Organization
09.06.2022.	Information on share purchasing by MASTERPLAST Employee Stock Ownership Program Organization
10.06.2022.	Information on share purchasing by MASTERPLAST Employee Stock Ownership Program Organization
13.06.2022.	Information on share purchasing by MASTERPLAST Employee Stock Ownership Program Organization
14.06.2022.	Information on share purchasing by MASTERPLAST Employee Stock Ownership Program Organization
15.06.2022.	Information on share purchasing by MASTERPLAST Employee Stock Ownership Program Organization
16.06.2022.	Information on share purchasing by MASTERPLAST Employee Stock Ownership Program Organization
17.06.2022.	Information on share purchasing by MASTERPLAST Employee Stock Ownership Program Organization
20.06.2022.	Information on share purchasing by MASTERPLAST Employee Stock Ownership Program Organization
21.06.2022.	Information on the transfer of own shares
21.06.2022.	Information on transaction by person discharging material responsibility
22.06.2022.	Information on share purchasing by MASTERPLAST Employee Stock Ownership Program Organization
22.06.2022.	Articles of Associations
22.06.2022.	Information on the registration of changes to the company's register according to the resolutions of the AGM
23.06.2022.	Information on share purchasing by MASTERPLAST Employee Stock Ownership Program Organization
24.06.2022.	Information on the decision of MNB
27.06.2022.	Information on share purchasing by MASTERPLAST Employee Stock Ownership Program Organization
01.07.2022.	Voting rights, registered capital
15.07.2022.	Extraordinary information about credit rating
22.07.2022.	Announcement regarding dividend payment
26.07.2022.	Information on the expansion of the production capacity for thermal insulation products

**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, 28 July 2022



Tibor Dávid  
Chairman of the Board

# MASTERPLAST

8143 Sárszentmihály, Árpád u. 1/A., Hungary  
Phone: +36-22-801-300  
Fax: +36-22-801-382  
E-mail: [masterplast@masterplast.hu](mailto:masterplast@masterplast.hu)  
[www.masterplastgroup.com](http://www.masterplastgroup.com)

