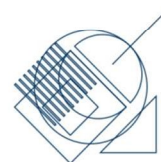
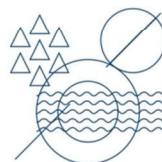
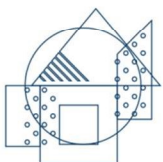


# MASTERPLAST PLC. INTERIM MANAGEMENT REPORT

25 FEBRUARY 2020



**MASTERPLAST PLC.**  
**Interim management report**  
**2019**

Consolidated, not audited  
According to International Financial and Reporting Standards (IFRS)  
25 February 2020

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

## 1. SUMMARY

In a basically positive industry environment, the performance of the Company was in line with the forecast. The Group annual revenue increased by 10% in 2019 versus the prior year. The EBITDA was 7 268 thousand EUR (6,8% EBITDA ratio) compared to 6 034 thousand EUR in 2018 (6,2% EBITDA ratio) which meant 20% growth. PAT increased by almost 1 500 thousand EUR, which was 45% growth compared to the base. With this performance, the Company achieved the sales and EBITDA level, while its PAT exceeded by almost 800 thousand EUR the previously published profit targets. In the last quarter of 2019, the Company has increased its revenues by 7%. Compared to the increase in turnover, the trade margin value was also increased but at a lower extent. There was a growth in the production output of traditional fiberglass mesh and EPS in Serbia, while the foam production growth in Kal significantly lagged behind in Q4 2019 compared to the plans and the base quarter. The cost of materials and services – considering the change in the self-manufactured inventories as well – has increased by a smaller rate than the turnover expansion in Q4 2019. Due to the payrises and the expanding headcount the payroll costs showed an increase, while depreciation decreased just as the other operating expenses. EBITDA was 1 275 thousand EUR (5,1% EBITDA ratio) in Q4 2019 compared to the 1 040 thousand EUR (4,4% EBITDA ratio) in Q4 2018. The Company’s operating profit (EBIT) was 972 thousand EUR, 71% higher compared to the 570 thousand EUR of the base period. The financial result of the Group slightly decreased, furthermore the profit after taxation of Q4 2019 landed on 660 thousand EUR profit compared to the 456 thousand EUR base. All in all, Masterplast expects positive construction environment for the next year, which may provide a good basis for the further growth.

Data in 1000 EUR	Q4 2019	Q4 2018	2019	2018
Sales revenues	25 151	23 605	107 134	97 340
EBITDA	1 275	1 040	7 268	6 034
EBITDA ratio	5,1%	4,4%	6,8%	6,2%
Profit/loss after taxation	660	456	4 819	3 325
Net income ratio	2,6%	1,9%	4,5%	3,4%

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

- In Q4 2019 the Company has met with slightly moderated but mostly favourable trends in the new building market and in the home renovation market of major importance for Masterplast. On the most significant **Hungarian market** the building industry was moderately increasing, and the number of ongoing construction projects remained significant Q4. On the **Romanian market** the market showed an improving picture due to the growing number of public investments and the unusually favourable weather conditions. In **Serbia** in Q4 2019, the construction activity increased just as the number of building permits issued. In **Ukraine**, the building industry performed well, and the construction works exceeded the value of Q4 last year. In **Poland** the output growth was smaller than expected in the sector and the value of building and assembly work landed on a lower level in Q4 2019. In **Slovakia** the construction industry dropped, and high real estate prices marked the quarter. In **Croatia** continued the expansion of the industry and the number of

building permits issued increased. In **Northern Macedonia**, the value of construction work increased, while property demand slightly decreased.

- The total revenue of the Company was 25 151 thousand EUR in Q4 2019, 7% higher than in the base period in 2018.
- Still the **Thermal insulation system** provided the biggest product share, where the overall sales grew by 12% in Q4 2019, also the same increase was realized in the **Dry construction system** product group. In the **Heat, sound and water insulation materials** segment the revenue in Q4 2019 was higher too (6%), while the sales landed on the same level at the **Roofing foils and accessories** and at the **Industrial applications**. The **Building industry accessories** product group achieved 16% decrease in turnover compared to the base period in 2018.
- On the Group's main **Hungarian market** the sales increased by 12% in Q4 2019 compared to the base while on the **export markets** it decreased by 1%. The sales revenues also grew in **Romania** (14%), in **Serbia** (4%), in **Ukraine** (10%) and in **Slovakia** (2%). In **Poland** (-11%) and in **Croatia** (-1%) the revenues were smaller, just as in **North Macedonia** (-14%) with the smallest share of sales
- Compared to the increase in turnover, the increase in the trade margin value was smaller in Q4 2019. The Group's trade margin was higher on the Ukrainian and Polish markets, but the realized margin volume grew on the Hungarian and Romanian markets as well.
- There was a growth in the production output of traditional fiberglass mesh and EPS, while the profile production in Serbia and the foam production in Kal dropped in Q4 2019 compared to the base quarter.
- The cost of materials and services – considering the change in the self-manufactured inventories as well – has increased (3%) less than the turnover expansion in Q4 2019.
- As a result of the expanding headcount of the fiberglass mesh factory in Serbia and due to the payrises the personnel expenses of the Company have increased by 40% in Q4 2019 compared to the base period. The Group had 1 099 employees at the end of 2019 opposed to the staff level of 925 people of the base period.
- There was a decrease in the amount of depreciation in Q4 2019 compared to the base.
- The other operating expenses in Q4 2019 also decreased compared to the base period.
- The Group EBITDA was 1 275 thousand EUR in Q4 2019 (5,1% EBITDA ratio) compared to the 1 040 thousand EUR (4,4% EBITDA ratio) in the base period, which was 23% growth.
- The EBIT resulted in 972 thousand EUR in Q4 2019 which exceeded by 71% the 570 thousand EUR level of the base period.
- The interest revenues increased while the interest expenditures also increased in Q4 2019 compared to the base period. Regarding the other financial result, the Company has generated and booked 82 thousand EUR loss in Q4 2019 compared to the 137 thousand EUR profit of Q4 2018.
- The Group PAT was 660 thousand EUR profit in Q4 2019 compared to the base period's profit of 456 thousand EUR.
- The total fixed assets amounted to 38 064 thousand EUR at the end of Q4 2019, by 2 064 thousand EUR higher than base period's volume.
- The inventory at the end of Q4 2019 was 19 952 thousand EUR, landed by 3 108 thousand EUR lower than the base period closing stock was. As a result of the Company's successful inventory management, the inventory level was reduced by 13% with increasing sales and production output.
- The trade accounts receivables were 14 496 thousand EUR at the end of this quarter which meant 2 043 thousand EUR increase (16%) compared to base period.

The Company issued a total of 6 billion HUF (18,1 million EUR) nominal value of bonds under Growth Bond Program announced by the National Bank of Hungary which restructured the financing of the Group. This provides a long-term low-interest (1,08% EUR basis) resource for further growth.

## Business prospects

In the 2020 business year the Masterplast continues to expect dynamic market growth. The further development of the fiberglass mesh and EPS plant in Subotica which operates at full production capacity and the production capacity of the T-CELL Plasztik Kft., which was acquired in the 2019 business year, and the exploitation of the synergies created by the acquisition provide a stable background for the further expansion of the thermal insulation and dry construction systems. Another key pillar of the growth is the European Union's amended Energy Efficiency Directive for 2020-2030, which provides a good base for the further flare both on the continuously growing renovation market and on the new housing market.

## 2. Presentation of the external economic and industrial environment

The external economic and industrial environment has a significant effect on the production and sale of the insulation and other construction materials, which 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 Masterplast in Q4 2019 has faced with slightly moderated but mostly favourable trends and industrial climate in its country portfolio.

On the most significant **Hungarian market** according to the feedback of the market participants, the Q4 in the construction industry was strong, but moderately increasing. The positive construction mood which had started in 2016 is still going, and the building market has been featured by slowing but still substantial growing for the past months. After a very strong October (above 20%), construction growth in November was nearly 7% higher than in the previous year, while in December it was only 3% higher. At the two major groups of construction, both the buildings and other structures resulted in an increase, additionally the number of ongoing construction projects remained significant. In Q4 the new housing construction numbers were on a downward trend, and the labour shortage also had a major impact on the performance of the construction industry, which was not only a sectoral problem but a national one. Due to the lack of professionals, there were slippages in residential and office buildings, as evidenced by the fall in the building handover number. Construction expectations remain positive for the next year, although final withdrawal of the VAT discount has effect on the starting of new investments, while the expanded "CSOK" started in summer can bring many new opportunities in the renovation market.

The construction market showed an improving picture in **Romania** in Q4 2019 mainly due to the government subsidies. The government has increased the number of planned investments, the building insulation projects have continued and the unusually favourable weather conditions of the period also had a positive effect on demand.

In **Serbia** the industrial production decreased slightly, while the construction activity increased. Not only the large investments but also the number of dwellings has increased, demonstrated by the increasing number of building permits issued. The employment has also risen, while the unemployment rate reached its lowest level in the last five years.

In **Ukraine**, the building industry performed well compared to the same period in 2018 and the construction works in all categories exceeded the value of Q4 last year by more than 20%. The number of residential buildings increased by 3%, while the number of non-residential buildings increased by nearly 27%.

In **Poland**, in Q4 the construction industry slowed down. In this sector the output growth was smaller than expected, and the value of building and assembly work landed on a lower level. Rising wages and higher building material prices as well as the continuous labour shortage featured the market in the quarter. The construction companies' financial forecasts were negative, and the payment of the provided services and works were delayed. Demand in the real estate market increased, mainly driven by the investment purchases.

In **Slovakia**, compared to last year's growth the construction output dropped in Q4 2019. According to analysts, October showed an upward trend, but overall the construction industry stagnated in the last quarter due to the November setback. Real estate prices continued to be high and, according to market participants, a slight economic downturn is expected.

The economic indicators have shown improvement in **Croatia** in Q4 2019. The inflation and the unemployment decreased, while wages increased, and the expansion of the construction industry continued. The number of building permits issued increased, furthermore at the buildings the construction growth was 9% and at the other buildings it was nearly 4%.

The industrial production in **North Macedonia** increased, as did the value of construction work. The number of building permits issued also was higher compared to the same period last year, while property demand has continued to decline and there was labour shortage that associated with higher wages in the construction industry.

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 2018 to Q3 2019:

	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019	Q2 2019	Q3 2019
Croatia	-20,6	-8,1	20,0	-10,0	36,5	-2,3	1,2
Hungary	20,1	-27,5	7,5	9,3	12,2	-22,2	12,7
Austria	-12,2	-3,7	-10,3	1,1	9,2	-3,3	4,8
Poland	4,0	-6,5	5,0	-1,6	0,0	5,0	-0,6
Romania	-0,9	0,0	-0,8	-2,3	5,2	-5,0	-1,8
Slovakia	-27,2	47,4	4,6	12,1	-37,6	19,7	22,4
Serbia	-20,6	-8,1	20,0	-10,0	36,5	-2,3	1,2

Source: EUROSTAT: Building permits - quarterly data

### 3. Sales by main product groups

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

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

The following table contains the reclassification of results:

Sales by main product groups (in 1000 EUR)	Q4 2018				2018			
	Previous classification of sales revenue	Item group reclassification	IFRS 15 reclassification	New classification of sales revenue	Previous classification of sales revenue	Item group reclassification	IFRS 15 reclassification	New classification of sales revenue
Thermal insulation system	10 937	-290	171	10 818	46 604	-1 015	0	45 589
Roofing foils and accessories	3 427	-258	48	3 217	15 823	-1 660	0	14 163
Dry construction system	2 412	0	42	2 454	10 670	0	0	10 670
Heat, sound and water insulation materials	3 233	0	42	3 275	13 110	0	0	13 110
Building industry accessories	888	548	26	1 462	3 356	2 675	0	6 031
Industrial applications	2 333	0	46	2 379	7 777	0	0	7 777
<b>Total sales revenue</b>	<b>23 230</b>	<b>0</b>	<b>375</b>	<b>23 605</b>	<b>97 340</b>	<b>0</b>	<b>0</b>	<b>97 340</b>

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

Sales by main product groups:

Data in 1000 EUR	Q4 2019	Q4 2018	Index	2019	2018	Index
	(A)	(B)	(A/B-1)	(A)	(B)	(A/B-1)
Thermal insulation system	12 102	10 818	12%	52 489	45 589	15%
Roofing foils and accessories	3 231	3 217	0%	14 324	14 163	1%
Dry construction system	2 742	2 454	12%	11 566	10 670	8%
Heat, sound and water insulation materials	3 462	3 275	6%	13 453	13 110	3%
Building industry accessories	1 223	1 462	-16%	5 568	6 031	-8%
Industrial applications	2 390	2 379	0%	9 734	7 777	25%
<b>Total sales revenue</b>	<b>25 151</b>	<b>23 605</b>	<b>7%</b>	<b>107 134</b>	<b>97 340</b>	<b>10%</b>
<b>Contribution of product groups in percentage to the total sales revenue</b>						
Thermal insulation system	48%	46%		49%	47%	
Roofing foils and accessories	13%	14%		13%	15%	
Dry construction system	11%	10%		11%	11%	
Heat, sound and water insulation materials	14%	14%		13%	13%	
Building industry accessories	5%	6%		5%	6%	
Industrial applications	10%	10%		9%	8%	
<b>Total sales revenue</b>	<b>100%</b>	<b>100%</b>		<b>100%</b>	<b>100%</b>	

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

The Masterplast sales in Q4 2019 was 25 151 thousand EUR, 7% higher comparing to the base period in 2018.

Within the Group's sales revenue, the **Thermal insulation systems** continued to generate for the highest sales proportion (48%), where in the fourth quarter the sales increased by 12%. The sales volume grew at each item group, but the most significant increase was at the fiberglass mesh and at EPS sales. Regarding the markets, the sales of fiberglass mesh products provided on the Hungarian market the highest increase, but the turnover was rising everywhere except for the Croatian, North-Macedonian and Polish markets compared to the same period last year. The sales growth of EPS was mainly driven by the Hungarian market, but on the other ones there was an increase in Q4 too compared to Q4 2018.

Turnover of the **Roofing foils and accessories** landed on the same level in Q4 2019 versus Q4 2018. In the diffusion roofing foils item group the sales reached a slightly smaller amount. Regarding the markets, the demand was mixed, on the export area the lagging in the turnover was the most significant, while in Romania the sales growth was the highest.

Sales of the **Dry construction system** products increased by 12% in Q4 2019 compared to the base. In terms of gypsum plasterboard systems, the turnover growth on the Hungarian market was the highest, but on the other markets the sales also increased, except of Croatia, Serbia, Slovakia and the export area.

In the **Heat, sound and water insulation materials** product group in Q4 2019 the sales increased by 6% compared to the same period in 2018. The sales of foam products were smaller, while there was a growth in the turnover of glass and rock wool products, the XPS products and drainage ditch system. In terms of markets, the Company's revenue with the greatest extent increased in Ukraine and decreased on the export area.

Turnover of **Building industry accessories** products decreased by 16% in the fourth quarter of 2019 compared to the base, where the sales dropped in all areas except of the Slovakian, Romanian and Ukrainian markets.

In the case of **Industrial applications** product group, the Masterplast achieved the same sales level in Q4 2019 as in the base period was. The sales of packaging related products showed a smaller scale decline while the non-strategic trade of raw materials was growing compared to the base.

#### **4. Sales by countries**

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



Sales by countries:

Data in 1000 EUR	Q4 2019	Q4 2018	Index	2019	2018	Index
	(A)	(B)	(A/B-1)	(A)	(B)	(A/B-1)
Hungary	11 216	10 042	12%	42 659	35 447	20%
Export	3 348	3 378	-1%	17 324	15 708	10%
Romania	2 736	2 406	14%	12 044	11 485	5%
Serbia	2 473	2 382	4%	9 236	9 329	-1%
Ukraine	1 973	1 794	10%	8 912	7 893	13%
Poland	1 209	1 363	-11%	6 834	7 327	-7%
Slovakia	972	956	2%	4 759	4 712	1%
Croatia	909	917	-1%	3 811	3 782	1%
North Macedonia	315	366	-14%	1 555	1 656	-6%
<b>Total sales revenue</b>	<b>25 151</b>	<b>23 605</b>	<b>7%</b>	<b>107 134</b>	<b>97 340</b>	<b>10%</b>
<b>Contribution of countries in percentage to the total sales revenue</b>						
Hungary	45%	43%		40%	36%	
Export	13%	14%		16%	16%	
Romania	11%	10%		11%	12%	
Serbia	10%	10%		9%	10%	
Ukraine	8%	8%		8%	8%	
Poland	5%	6%		6%	8%	
Slovakia	4%	4%		4%	5%	
Croatia	4%	4%		4%	4%	
North Macedonia	1%	2%		1%	2%	
<b>Total sales revenue</b>	<b>100%</b>	<b>100%</b>		<b>100%</b>	<b>100%</b>	

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

On the most relevant **Hungarian market** the turnover has grown by 12% in Q4 2019 compared to the base period. Except of the Building industry accessories, in all product group the sales increased. With the highest rate the EPS and fiberglass mesh at the Thermal insulation system and the gypsum plasterboard profiles at the Dry construction system sales extended. In addition, the outstanding growth on the market was also significantly influenced by the expansion of Industrial applications.

A decrease of 1% was achieved on the **export market** in Q4 2019 compared to the base period. The Group had slightly decreasing sales in each product group, but from the Thermal insulation system group including the revenue of fiberglass mesh products was increasing. Considering its markets, the Masterplast reached a growth in the Austrian, German and Estonian areas, while the biggest drop was in Czech Republic, in the United Kingdom, in Russia and in Italy.

On the **Romanian market** the sales increased by 14% in Q4 2019 compared to the base period. The sales of Thermal insulation system increased the most, but the revenue of the other product groups was growing too compared to the base

In **Serbia** the sales increased by 4% in Q4 2019 compared to 2018. A growth in turnover was achieved regarding the Thermal insulation system and the Heat, sound and water insulation materials, while the turnover of the other product groups was smaller in the quarter this year than in Q4 2018.

In **Ukraine**, the growing in sales was 10% in Q4 2019 compared to the base. The Company's revenue increased in the most relevant Thermal insulation system product group, where the non-own-produced fiberglass mesh sales accounted for most of the turnover. The other product groups except of the Roofing foils and accessories also showed a growth in Q4 2019.

On the **Polish market** the sales were down by 11% in Q4 2019 compared to the base. The revenue increased in the Roofing foils and accessories product group and in the Dry construction system product group. Regarding the other groups the Company reached smaller turnover. The sales of own-produced fiberglass mesh from Thermal insulation system product group and the rockwool and glasswool products from Heat, sound and water insulation materials decreased the most.

The sales increased by 2% in Q4 2019 on the **Slovakian market**. In the Thermal insulation system product group and in the Building industry accessories sales were higher. Regarding the other product groups, the turnover decreased in the quarter compared to the base.

On the **Croatian market** the sales fell by 1% in Q4 2019 on base term. The revenue increase was in the Roofing foils and accessories and in the Heat, sound and water insulation materials product group. The other product groups had a drop in sales compared to the base period.

In **North Macedonia**, with the smallest turnover share, 14% decrease in sales was reported in Q4 2019. There was a growth in the Dry construction system product group while at the others the sales were decreased compared to the Q4 2018.

Overall, in a basically positive industrial environment the Group has increased its total sales by 7% in Q4 2019 compared to the base period. The Group achieved sales growth in the Hungarian, Romanian, Serbian, Ukrainian, and Slovakian markets, while sales decreased in the export area, in Poland, in Croatia and in North Macedonia. The turnover was also mixed across the product groups. The sales of the Thermal insulation system, the Dry construction system and the Heat, sound and water insulation materials were increased, while the Roofing foils and accessories with the Industrial applications product group was stagnant. Regarding the Building industry accessories there was also a drop in the revenue.

## 5. Profit and loss account

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

Data in 1000 EUR	Q4 2019	Q4 2018	Change	Index	2019	2018	Change	Index
	(A)	(B)	A-B	(A/B-1)	(A)	(B)	A-B	(A/B-1)
Sales revenues	25 151	23 605	1 546	7%	107 134	97 340	9 794	10%
Cost of materials and services	-21 322	-19 160	-2 162	11%	-87 750	-79 203	-8 547	11%
Payroll costs and contributions	-3 915	-2 796	-1 119	40%	-14 033	-11 548	-2 485	22%
Depreciation	-303	-470	167	-36%	-2 024	-1 915	-109	6%
Change in self-manufactured inventories	1 425	-219	1 644	-751%	1 849	24	1 825	7604%
Other operating revenues and expenses	-64	-390	326	-84%	68	-579	647	-112%
<b>EBITDA</b>	<b>1 275</b>	<b>1 040</b>	<b>235</b>	<b>23%</b>	<b>7 268</b>	<b>6 034</b>	<b>1 234</b>	<b>20%</b>
<i>EBIDTA ratio</i>	<i>5,1%</i>	<i>4,4%</i>			<i>6,8%</i>	<i>6,2%</i>		
<b>PROFIT / LOSS OF BUSINESS ACTIVITY (EBIT)</b>	<b>972</b>	<b>570</b>	<b>402</b>	<b>71%</b>	<b>5 244</b>	<b>4 119</b>	<b>1 125</b>	<b>27%</b>
Interest revenues	26	4	22	550%	77	74	3	4%
Interest expenses	-150	-118	-32	27%	-547	-555	8	-1%
Other financial revenues and expenses	-82	137	-219	-160%	554	-14	568	-4057%
<b>FINANCIAL PROFIT/LOSS</b>	<b>-206</b>	<b>23</b>	<b>-229</b>	<b>-996%</b>	<b>84</b>	<b>-495</b>	<b>579</b>	<b>-117%</b>
Profit/loss from associations	-16	-11	-5	45%	-15	0	-15	0%
<b>Profit/loss before income tax</b>	<b>750</b>	<b>582</b>	<b>168</b>	<b>29%</b>	<b>5 313</b>	<b>3 624</b>	<b>1 689</b>	<b>47%</b>
Taxes	-90	-126	36	-29%	-494	-299	-195	65%
<b>Profit/loss after taxation</b>	<b>660</b>	<b>456</b>	<b>204</b>	<b>45%</b>	<b>4 819</b>	<b>3 325</b>	<b>1 494</b>	<b>45%</b>
<i>Profit attributable to the owners of the parent</i>	<i>604</i>	<i>461</i>	<i>143</i>	<i>31%</i>	<i>4 629</i>	<i>3 283</i>	<i>1 346</i>	<i>41%</i>
<i>Profit attributable to the minority</i>	<i>56</i>	<i>-5</i>	<i>61</i>	<i>-1220%</i>	<i>190</i>	<i>42</i>	<i>148</i>	<i>352%</i>
<i>Earnings per share (EPS)</i>	<i>0,04</i>	<i>0,03</i>			<i>0,32</i>	<i>0,22</i>		
<i>Diluted earnings per share (diluted EPS)</i>	<i>0,04</i>	<i>0,03</i>			<i>0,32</i>	<i>0,22</i>		

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

The total revenue of the Group was 25 151 thousand EUR in Q4 2019, with 1 546 thousand EUR (7%) higher than in the base period. Compared to the increase in turnover, the increase in the trade margin value was smaller in Q4 2019. The Group's trade margin was higher on the Ukrainian and Polish markets, but the realized margin volume grew in the Hungarian and Romanian markets as well. There was a growth in the production output of traditional fiberglass mesh and EPS, while the profile production in Serbia and the foam production in Kal dropped in Q4 2019 compared to the base quarter. The material and other material costs slightly increased while the fuel and maintenance costs decreased. The 3rd party related transportation expenditures increased, just as the energy costs and rent fees in Q4 2019 compared to the base period. The cost of materials and services – considering the change in the self-manufactured inventories as well – has increased (3%) less than the turnover expansion in Q4 2019.

As a result of the expanding headcount of the fiberglass mesh factory in Serbia and due to the payrises the personnel expenses of the Company have increased by 40% in Q4 2019 compared to the base period. The Group had 1 099 employees at the end of 2019 opposed to the staff level of 925 people of the base period. 486 people were employed at the production unit in Subotica at the end of Q4 2019, compared to the level of 370 staff at end of December 2018.

There was a decrease in the amount of depreciation in Q4 2019 compared to the base, similar than the other operating expenses in Q4 2019 compared to the base period whenas the released accruals for fiberglass mesh production in Serbia improved the result for the period.

As the result of the above mentioned the Group EBITDA was 1 275 thousand EUR in Q4 2019 (5,1% EBITDA ratio) compared to the 1 040 thousand EUR (4,4% EBITDA ratio) in the base period, which was 23% growth. Considered the depreciation too the EBIT resulted in 972 thousand EUR in Q4 2019 which exceeded by 71% the 570 thousand EUR level of the base period.

The interest revenues increased while the interest expenditures also increased in Q4 2019 compared to the base period.

The Group disbursed the money received from its HUF-denominated bonds to its subsidiaries in the form of euro-based parent company loans. In order to optimize exchange rate effects arising from transactions registered in foreign currencies and to optimize interest costs, the Company entered into a CCIRS hedge in December 2019, and the effect on profit being insignificant in the last quarter, however, based on the current financing structure of the Company it will decrease in the coming years.

The other financial related incomes and expenditures mainly represent the exchange rate related profits/losses. As the Company mainly realises its purchases in euro and USD and the sales are being generated in local currencies therefor the fluctuation of these currencies can have a remarkable effect on the Group's financial results. Since most of the local currencies are linked to the euro, the EUR/USD rate moves also influences – in case USD purchases – the exchange rate results. The Company had concluded EUR/USD and EUR/HUF based hedging deals in 2019, the results from closure of this deals are also reflected among other financial profit/loss. The Hungarian entities (Masterfoam Kft., and Masterplast International Kft.) carry euro dominated working capital loans while the Serbian subsidiary holds euro base investment loan as well.

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

Closing exchange rates	31-12-2017	30-09-2018	31-12-2018	30-09-2019	31-12-2019	Index	Index	Index	Index
	A	B	C	D	E	C/A	C/B	E/C	E/D
EUR/USD	1,20	1,16	1,14	1,09	1,12	95,50%	98,53%	97,99%	102,56%
EUR/HUF	310,14	323,78	321,51	334,65	330,52	103,67%	99,30%	102,80%	98,77%
EUR/RON	4,66	4,66	4,66	4,75	4,78	100,08%	100,00%	102,47%	100,59%
EUR/RSD	118,47	118,42	118,19	117,53	117,59	99,77%	99,81%	99,49%	100,05%
EUR/UAH	33,50	33,13	31,71	26,33	26,42	94,67%	95,73%	83,31%	100,33%
USD/HUF	258,82	278,76	280,94	306,06	294,74	108,55%	100,78%	104,91%	96,30%
USD/RON	3,89	4,02	4,07	4,35	4,26	104,72%	101,31%	104,60%	97,98%
USD/RSD	99,12	101,69	103,39	107,43	104,92	104,31%	101,67%	101,48%	97,66%
USD/UAH	28,07	28,30	27,69	24,08	23,69	98,64%	97,84%	85,55%	98,35%

Source: Hungarian National Bank rates

Mainly because of the Hungarian forint – euro trend the Company has generated and booked 82 thousand EUR loss as other financial result in Q4 2019 compared to the 137 thousand EUR profit of Q4 2018.

The Group PAT was 660 thousand EUR profit in Q4 2019 compared to the base period's profit of 456 thousand EUR.

All in all, the Group annual revenue increased by 10% in 2019 versus the prior year. The EBITDA was 7 268 thousand EUR (6,8% EBITDA ratio) compared to 6 034 thousand EUR in 2018 (6,2% EBITDA ratio) which meant 20% growth. PAT increased by almost 1 500 thousand EUR, which was 45% growth compared to the base

In a basically positive industry environment, in the last quarter of 2019, the Company has increased its revenues by 7%. Compared to the increase in turnover, the trade margin value was also increased but at a lower extent. There was a growth in the production output of traditional fiberglass mesh and EPS in Serbia, while the foam production growth in Kal significantly lagged behind in Q4 2019 compared to the plans and the base quarter. The cost of materials and services – considering the change in the self-manufactured inventories as well – has increased by a smaller rate than the turnover expansion in Q4 2019. Due to the payrises and the expanding headcount the payroll costs showed an increase, while depreciation decreased just as the other operating expenses. EBITDA was 1 275 thousand EUR (5,1% EBITDA ratio) in Q4 2019 compared to the 1 040 thousand EUR (4,4% EBITDA ratio) in Q4 2018. The Company's operating profit (EBIT) was 972 thousand EUR, 71% higher compared to the 570 thousand EUR of the base period. The financial result of the Group slightly decreased, furthermore the profit after taxation of Q4 2019 landed on 660 thousand EUR profit compared to the 456 thousand EUR base.

## 6. Other comprehensive income

Data in 1000 EUR	31-12-2019	31-12-2018
<b>Profit for the year</b>	<b>4 820</b>	<b>3 326</b>
Foreign exchange result on translation*	-468	-840
Parent company's share of the change in the value of associates*	299	0
<b>Other comprehensive income</b>	<b>-169</b>	<b>-840</b>
<b>Comprehensive income</b>	<b>4 652</b>	<b>2 485</b>

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

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

7. Balance sheet

Data in 1000 EUR	31-12-2019	31-12-2018	Change	Index
	(A)	(B)	A-B	(A/B-1)
<b>FIXED ASSETS</b>				
Land, buildings and equipment	37 261	35 455	1 806	5%
Intangible assets	165	207	-42	-20%
Shares in related companies	318	34	284	835%
Deferred tax assets	320	304	16	5%
<b>Total fixed assets</b>	<b>38 064</b>	<b>36 000</b>	<b>2 064</b>	<b>6%</b>
<b>CURRENT ASSETS</b>				
Inventories	19 952	23 060	-3 108	-13%
Trade accounts receivable	14 496	12 453	2 043	16%
Tax receivables	1 135	1 076	59	5%
Other financial receivables	0	23	-23	-100%
Other current assets	1 655	1 773	-118	-7%
Liquid assets	2 488	2 090	398	19%
<b>Total current assets</b>	<b>39 726</b>	<b>40 475</b>	<b>-749</b>	<b>-2%</b>
<b>TOTAL ASSETS</b>	<b>77 790</b>	<b>76 475</b>	<b>1 315</b>	<b>2%</b>
<b>CAPITAL AND RESERVES</b>				
Subscribed capital	5 504	5 504	0	0%
Reserves	22 480	20 929	1 551	7%
Repurchased shares	-381	-21	-360	1714%
Parent share of interests	4 630	3 283	1 347	41%
<b>Equity attributable to the owners of the parent</b>	<b>32 233</b>	<b>29 695</b>	<b>2 538</b>	<b>9%</b>
Minority interests	473	288	185	64%
<b>Total capital and reserves</b>	<b>32 706</b>	<b>29 983</b>	<b>2 723</b>	<b>9%</b>
<b>LONG-TERM LIABILITIES</b>				
Long-term loans	3 864	6 051	-2 187	-36%
Liabilities from issued bonds	18 136	0	18 136	0%
Deferred tax liabilities	179	182	-3	-2%
Deferred income	3 782	4 068	-286	-7%
Other long-term liabilities	709	721	-12	-2%
<b>Total long-term liabilities</b>	<b>26 670</b>	<b>11 022</b>	<b>15 648</b>	<b>142%</b>
<b>SHORT-TERM LIABILITIES</b>				
Short-term loans	3 969	18 376	-14 407	-78%
Trade accounts payable	9 455	12 774	-3 319	-26%
Short-term leasing liabilities	279	289	-10	-3%
Other financial liabilities	84	0	84	0%
Tax liabilities	1 178	641	537	84%
Short-term deferred income	600	934	-334	-36%
Provisions	284	187	97	52%
Other short-term liabilities	2 565	2 269	296	13%
<b>Total short-term liabilities</b>	<b>18 414</b>	<b>35 470</b>	<b>-17 056</b>	<b>-48%</b>
<b>TOTAL LIABILITIES</b>	<b>45 084</b>	<b>46 492</b>	<b>-1 408</b>	<b>-3%</b>
<b>TOTAL CAPITAL AND LIABILITIES</b>	<b>77 790</b>	<b>76 475</b>	<b>1 315</b>	<b>2%</b>

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

The total assets of the Group were 77 790 thousand EUR on the end of December 2019, by 1 315 thousand EUR higher than at the end of the base period.

The total fixed assets amounted to 38 064 thousand EUR at the end of Q4 2019, by 2 064 thousand EUR higher than base period's volume. The increase was due to the fiberglass mesh production investment in Subotica and in the expansion of the foam production line in Kal. The Company has overall spent 3 587 thousand EUR on CAPEX in 2019.

The inventory at the end of Q4 2019 was 19 952 thousand EUR, landed by 3 108 thousand EUR lower than the base period closing stock was. As a result of the Company's successful inventory management, the inventory level was reduced by 13% with increasing sales and production output.

The trade accounts receivables were 14 496 thousand EUR at the end of this quarter which meant 2 043 thousand EUR increase (16%) compared to base period, which is due to the increased sales to T-CELL Plasztik Kft., as the Masterplast has become its primary raw material supplier following the acquisition.

The Group's cash and equivalents stood at 2 488 thousand EUR at the end of 2019, which were higher by 398 thousand EUR than the closing volume in 2018.

The Company issued a total of 6 billion HUF (18 136 thousand EUR) nominal value of bonds under Growth Bond Program announced by the National Bank of Hungary to refinance existing loans, which resulted in a decrease of 18 136 thousand EUR in short-term and long-term loans and in an increase in the liabilities related to bonds in the balance sheet by same amount.

The accounts payable decreased by 3 319 thousand EUR (-26%) versus Q4 2018, and the deferred income also dropped (-12%) related to the government grants to investments.

**8. Cash-flow, bank information**

Data in 1000 EUR	31-12-2019	31-12-2018	Change	Index
	(A)	(B)	A-B	(A/B-1)
<b>Operating Activities</b>				
PBT	5 314	3 625	1 689	47%
Depreciation and Amortisation	2 024	1 915	109	6%
Bad debt provision	122	203	-81	-40%
Shortage and scrap of stocks	171	342	-171	-50%
Provisions	97	98	-1	-1%
Profit on fixed asset sale	-74	121	-195	-161%
Interest expense	547	555	-8	-1%
Interest revenue	-77	-74	-3	4%
Profit/loss from associations	15	0	15	0%
Unrealized foreign exchange gain (loss)	610	874	-264	-30%
<b>Changes in Working Capital</b>				
Change in Accounts Receivable	-2 131	-1 237	-894	72%
Change in Inventory	2 904	-2 339	5 243	-224%
Change in Other Assets	82	620	-538	-87%
Change in Accounts Payable	-3 319	-90	-3 229	3588%
Change in Short-term liabilities	-843	618	-1 461	-236%
Taxation	0	-198	198	-100%
<b>Net Cash from Operations</b>	<b>5 442</b>	<b>5 032</b>	<b>410</b>	<b>8%</b>
<b>Investing Activities</b>				
CAPEX	-3 587	-8 649	5 062	-59%
Sale of fixed assets	213	439	-226	-51%
Subsidiaries sold	0	0	0	0%
Government grant	0	0	0	0%
Interest received	77	74	3	4%
<b>Net Cash from Investing activities</b>	<b>-3 297</b>	<b>-8 136</b>	<b>4 839</b>	<b>-59%</b>
<b>Financing Activities</b>				
Borrowing	296	15 168	-14 872	-98%
Loan repayments	-16 889	-12 450	-4 439	36%
Government grant	18 136	0	18 136	0%
Bond issued	0	935	-935	-100%
Dividends paid	-1 568	-564	-1 004	178%
Interest paid	-547	-555	8	-1%
<b>Net Cash from Financing activities</b>	<b>-572</b>	<b>2 534</b>	<b>-3 106</b>	<b>-123%</b>
Net Cash flow of the period	1 573	-570	2 143	-376%
Cash at beginning of period	2 090	3 013	-923	-31%
Effect of exchange rate changes	-1 173	-354	-819	231%
<b>Cash at end of period</b>	<b>2 488</b>	<b>2 090</b>	<b>398</b>	<b>19%</b>

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



The net cash flow from operation was 5 442 thousand EUR at the end of Q4 2019, while it was 5 032 thousand EUR the end of the base period.

The cash flow from investing activities was -3 297 thousand EUR until end of 2019 compared to -8 136 thousand EUR in same period 2018.

The net cash flow from financial related activities amounted to -572 thousand EUR compared to the 2 534 thousand EUR of the base year, including the recently issued bonds under Growth Bond Program announced by the National Bank of Hungary which was used to refinance the existing loans in full.

All in all, the cash and equivalents of the Company was 2 488 thousand EUR at the end of 2019 which was higher by 398 thousand EUR than the level of the previous year.

**Loans and bank related information:**

By the end of December 2019, the Company had complied with the lately redefined and contracted banking covenant requirements. The Group is participating in the Growth Funding for Growth Scheme program, the planned value of the bond issuance is 6 billion Hungarian forints.

Name and calculation of the index	Required	Fulfilled	
	2019	2019	2018
Liquidity rate (current assets / current liabilities)	1,00	2,16	1,17
Leverage (equity/ balance sheet total)	30,0%	41,80%	41,37%
Operating level profitability (operating profit / sales revenue)	4,00%	4,90%	4,55%
Net debt/EBITDA	3,90	3,58	3,38

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

The Group participated in the Growth Bond Program announced by the National Bank of Hungary, in the framework of which Masterplast Plc. issued bond with a nominal value of 6 billion HUF. The bonds were launched on the BSE Xbond market on 18 February 2020. Information about the bonds can be found at the following links:

Information document:

[https://bet.hu/site/newkib/hu/2020.02./Informacios\\_dokumentum\\_kotvenyek\\_regisztraciojahoz\\_128355993](https://bet.hu/site/newkib/hu/2020.02./Informacios_dokumentum_kotvenyek_regisztraciojahoz_128355993)

Bond Auction Result:

[https://bet.hu/site/newkib/hu/2019.12./Bejelentes\\_kotveny\\_aukcio\\_eredmenyet\\_erintoen\\_128331410](https://bet.hu/site/newkib/hu/2019.12./Bejelentes_kotveny_aukcio_eredmenyet_erintoen_128331410)

Bond formation:

[https://bet.hu/site/newkib/hu/2019.12./Bejelentes\\_kotveny\\_aukcio\\_eredmenyet\\_erintoen\\_128331410](https://bet.hu/site/newkib/hu/2019.12./Bejelentes_kotveny_aukcio_eredmenyet_erintoen_128331410)

Xbond registration:

[https://bet.hu/site/newkib/hu/2020.02./Bejelentes\\_kotvenyek\\_regisztraciojat\\_illetoen\\_128355951](https://bet.hu/site/newkib/hu/2020.02./Bejelentes_kotvenyek_regisztraciojat_illetoen_128355951)

**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 2 081 871 (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 260 719 EUR (1 246 053 RON) and additionally 82 991 EUR (396 638 RON) as default interest for the inspected period from 01-01-2014 to 31-08-2016. The Company represented a bank guarantee for the tax liabilities.

**9. Change in equity**

Data in 1000 EUR	Subscribed capital	Shares	Capital reserves	Accumulated profit reserves	Conversion reserves	Total reserves	Parent company's share of profit	Equity per shareholders in parent company	Share of external owners	Shareholders' equity
01-01-2018	5 226	-22	6 656	19 302	-7 665	18 293	2 610	26 107	270	26 377
Net profit							2 822	2 822	47	2 869
Other comprehensive income					-925	-925		-925	-26	-951
Transfer of previous year's net profit				2 610		2 610	-2 610			
Repurchased shares		1						1		1
Capital increase	278							278		278
Capital increase - agio			1 407			1 407		1 407		1 407
Change in the share of external owners										
Paid dividends				-541		-541		-541		-541
Ownership contribution										
31-12-2018	5 504	-21	8 063	21 371	-8 590	20 844	2 822	29 149	291	29 440
01-01-2019	5 504	-21	8 063	21 346	-8 481	20 929	3 283	29 695	288	29 983
Net profit							4 630	4 630	190	4 820
Other comprehensive income					-164	-164		-164	-5	-169
Transfer of previous year's net profit				3 283		3 283	-3 283			
Repurchased shares		-361						-361		-361
Capital increase										
Capital increase - agio										
Change in the share of external owners										
Paid dividends				-1 568		-1 568		-1 568		-1 568
Ownership contribution										
31-12-2019	5 504	-381	8 063	23 062	-8 644	22 480	4 630	32 233	473	32 706

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

**10. Contingent liabilities**

Company	Type of guarantee	Covert amount by guarantee	Currency	Amount in EUR	Currency
Masterplast Romania	Bank guarantee	1 246 053	RON	260 719	EUR
Masterplast Romania	Bank guarantee	396 638	RON	82 991	EUR
Masterfoam Kft.	Custom	10 000 000	HUF	30 255	EUR
Masterfoam Kft.	Tender guarantee	260 000 000	HUF	786 639	EUR
Masterplast YU D.o.o.	Bank guarantee	2 000 000	EUR	2 000 000	EUR
<b>Total:</b>				<b>3 160 604</b>	<b>EUR</b>

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

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

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

**11. Presentation of the manufacturing capacity**

In the Group's EPS plant in Subotica in Q4 2019 the positive trend since the beginning of the year continued and production increased again compared to the same period last year. Growth rate remained high – above 15% – despite the extremely high base period. In the month of October the production was the highest ever, and the plant capacity utilization reached almost 100%. The cumulatively output was 21,5% higher than a year earlier.

The quarterly output of the mesh edge protection production was 5% lower than the period of last year. For the full year the output growth was 1% higher than in 2018.

In Subotica, the production and output of the traditional fiberglass mesh factory also increased compared to the base period and managed to exceed the high growth plans both in production output and in sales. The output was 33% above of the Q4 2018 production level. The technological developments worked well at the traditional weaving, the production became more efficient and the quality of the products improved. The number of employees required for production has stabilized, the professional routine and competence of the employees have improved. Total annual production was 26% higher than in 2018, thus achieving the 2019 production target.

At the German technology machines there were still significant delays compared to annual targets. However, in the last quarter, production has improved tremendously, both in terms of output quantity and quality. Production was 40% higher than in the previous quarter and reached 65% of the maximum capacity in Q4 with steadily improving trends. It is important that machine operators delivered results, which gives confidence for next year.

In the Kal based foam factory the quarterly output was in lagging compared to the level of Q4 2018, just like the cumulative output, which closed at -11% versus last year. The largest decline was in the third-party packaging industry customers, but at the affiliated companies and export markets there were a slight lag too. The launch of the new product was continued in the market, which already generated recurring orders in the last quarter. In order to operate more efficiently, the management of the subsidiary has been renewed, thereby strengthening the growth of the business year 2020.

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

	31-12-2019	31-12-2018
Company employees	46	43
Group level employees	1 099	925

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

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

**Growth Bond Program**

The Group participated in the Growth Bond Program announced by the National Bank of Hungary, in the framework of which Masterplast Plc. issued bond with a nominal value of 6 billion HUF. The bonds were launched on the BSE Xbond market on 18 February 2020. Information about the bonds can be found at the following links:

Information document:

[https://bet.hu/site/newkib/hu/2020.02./Informacios\\_dokumentum\\_kotvenyek\\_regisztraciojahoz\\_128355993](https://bet.hu/site/newkib/hu/2020.02./Informacios_dokumentum_kotvenyek_regisztraciojahoz_128355993)

Xbond registration:

[https://bet.hu/site/newkib/hu/2020.02./Bejelentes\\_kotvenyek\\_regisztraciojat\\_illetoen\\_128355951](https://bet.hu/site/newkib/hu/2020.02./Bejelentes_kotvenyek_regisztraciojat_illetoen_128355951)

14. Consolidated companies

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

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

The members of the Board:

Name	Post	Commencement of mandate (beginning of membership in the Board)	Completion of mandate	Time spent in Board /as Board members	Stockholding (pcs)
Tibor Dávid	Chairman of the Board	03-04-2008	30-04-2020	approximately 12 years	4 548 057
Ács Balázs	Vice Chairman of the Board	03-04-2008	30-04-2020	approximately 12 years	3 877 259
Kazár András	Board member	24-04-2013	30-04-2020	approximately 7 years	-
Dr. Martin-Hajdu György	Board member	01-05-2014	30-04-2020	approximately 6 years	-
Dirk Theuns	Board member	01-05-2014	30-04-2020	approximately 6 years	-

The data of the Company's top management are shown in the table below on 31 December 2019:

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	33 864

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

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

Name	Deposit handler	Quantity (pcs)	Share (%)
Tibor Dávid	no	4 548 057	31,15
Ács Balázs	no	3 877 259	26,55
OTP Alapkezelő Zrt.	no	935 184	6,40
SOH Kft. & LPH Kft. jointly	no	779 676	5,34
<b>Total</b>		<b>10 140 170</b>	<b>69,44</b>

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

	31-12-2019
Issuing ownership	179 798
Affiliated companies ownership	0
<b>Total</b>	<b>178 798</b>

**18. Publications issued by Masterplast PLC. in the reference period:**

<b>Publication date</b>	<b>Object</b>
02.01.2019.	Share capital, voting rights
01.02.2019.	Share capital, voting rights
26.02.2019.	Publication of Q1-Q4 2018 results, interim management report
01.03.2019.	Share capital, voting rights
04.03.2019.	Notification and public disclosure of transaction by persons discharging material responsibilities
05.03.2019.	Notification and public disclosure of transaction by persons discharging material responsibilities
25.03.2019.	General Meeting Invitation
29.03.2019.	Share capital, voting rights
04.04.2019.	General Meeting Proposals
04.04.2019.	Remuneration Statement
25.04.2019.	General Meeting Resolutions
25.04.2019.	CG Declaration
25.04.2019.	Annual Report
25.04.2019.	Summary Report
29.04.2019.	Information about sales of interest
29.04.2019.	Transactions with Treasury Shares
02.05.2019.	Share capital, voting rights
16.05.2019.	Publication of Q1 2019 results, interim management report
16.05.2019.	Information about the rules for the purchase of treasury shares required for the Employees' Stock Ownership Program (MRP)
16.05.2019.	Information on the purchase of treasury shares
17.05.2019.	Information on the purchase of treasury shares
20.05.2019.	Information on the purchase of treasury shares
27.05.2019.	Information on the purchase of treasury shares
29.05.2019.	Information on the purchase of treasury shares
03.06.2019.	Share capital, voting rights
03.06.2019.	Information about investing
06.06.2019.	Information about sales of interest
17.06.2019.	Information about the content of the Option agreement between the MASTERPLAST Plc. and the Masterplast MRP Organization
20.06.2019.	Information on the purchase of treasury shares
28.06.2019.	Information about the registration of acquisition to the company register
01.07.2019.	Share capital, voting rights
03.07.2019.	Information on the registration of changes to the company's register corresponding to the resolutions of the AGM
03.07.2019.	Articles of Association
29.07.2019.	Information of the change of the personally responsible auditor
01.08.2019.	Share capital, voting rights
27.08.2019.	Half-yearly Report
02.09.2019.	Share capital, voting rights
04.09.2019.	Information about the registration of the change of personally responsible auditor in the company register
09.09.2019.	Extraordinary information about credit rating
12.09.2019.	Change of management structure
12.09.2019.	General Meeting Invitation
23.09.2019.	General Meeting proposals
01.10.2019.	Share capital, voting rights
07.10.2019.	Announcement regarding dividend payment

Continuation - Publications issued by Masterplast PLC. in the reference period:

<b>Publication date</b>	<b>Object</b>
14.10.2019.	General Meeting Resolution
04.11.2019.	Share capital, voting rights
12.11.2019.	Change of Corporate Action Timetable
13.11.2019	Information about investor forum
2019.11.14	Interim management statement
2019.11.25	Information about cancellation of official encumbrance regarding to the real estates of a subsidiary company
2019.12.02	Share capital, voting rights
2019.12.04	Announcement on auction of MASTERPLAST bonds
2019.12.06	Announcement with respect to the issue of bonds
2019.12.09	Information on documents related to the investor forum on 9th December 2019
2019.12.19	Corporate Action Timetable



**DECLARATION**

**MASTERPLAST Nyrt.** (H-8143 Sárszentmihály, Árpád u. 1/A.) declares that the Publication of Q1-Q4 2019 results provides a true and fair view of the financial position of MASTERPLAST Nyrt., comprises the subsidiaries included in the consolidation.

Sárszentmihály, 25 February 2020



Tibor Dávid  
Chairman of the Board

