MASTERPLAST GROUP INTERNATIONAL

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MASTERPLAST PLC.
INTERIM MANAGEMENT REPORT
15 NOVEMBER 2017

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15 November 2017

Consolidated, not audited

According to Inernational Financial and Reporting Standards (IFRS)

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

1. SUMMARY

In a further improving market environment the Company increased its revenues by 10% in Q3 2017, mainly due the outstanding sales on the Hungarian, Polish, Romanian and Slovakian markets. The gross trade margin improved, but with lower pace than the revenue grown, due to larger proportion of EPS (Expanded Polystyrene) sales with lower margin. The production output of the Company overall has increased, while the boosting process of the fiberglass mesh factory in Subotica lagged behind the plans. The factory faced a higher unit raw material-, wage and waste costs, which had a negative effect on the quarterly profitability. Due to the growing manufacturing headcounts the overall personnel costs increased, while the other expenditures decreased. Mainly due to margin surplus stemming from the growing revenues the Company was able to increase its EBITDA by 13% in the Q3, while cumulative closed over the base period, making up for the lag generated in the H1 period. The increase of loans resulted in a higher interest expenses and the unfavourable exchange rate tendency had a negative effects on the financial results, so the cumulated profit after tax was still below the base period's result. The further improving market environment, the expected extra margin driven by the increase in the revenues together with the growing outputs of the own production and the improving effectiveness might guarantee to overdeliver the Company's sales target and to achieve the operational profit target of the business plan for 2017.

Data in 1000 EUR	Q3 2017	Q3 2016	2017 YTD	2016 YTD
Sales revenues	26 738	24 248	68 522	62 122
EBITDA	2 002	1 779	4 246	4 237
EBITDA ratio	7,5%	7,3%	6,2%	6,8%
Profit/loss after taxation	1 128	985	2 002	2 446
Net income ratio	4,2%	4,1%	2,9%	3,9%

Source: consolidated non-audited report of the Company on 30th of September 2017 and on 30th of September 2016 based on IFRS accounting rules, as well as the non-audited data from the Company's management information system

- The trends and industrial climate, regarding the Companys relevant markets were rather favourable in Q3 2017. On the most significant **Hungarian market** the building industry growth continued according to the statistics, also the market was positively affected by the introduced EU funded, energy efficiency tenders (KEHOP) and the state subsidised home building schemes. On the private home market the buyers increased their purchasing activity; the number of the building permits were also shows an increasing tendency. According to the feedback of the industrial market players in **Romania** the demand was diverse in the 3rd quarter of 2017. The new home and office building activities showed further increase, while in the renovation sector the changes in the post-insulation market and the lack of skilled labour force resulted in delays in the running projects. In **Serbia** the industrial output grown, the introduced reform steps were positively affected the investments as well. A slight improvement in the GDP is forecasted in **Ukraine**, the construction industrial confidentiality index has also improved. The output in the construction industry has widened in **Croatia** and the volume of the issued building permits also increased. The market players still assess the market environment as positive in **Slovakia**.

- The total revenue of the Company was 26 738 thousand EUR in the Q3 2017, 10% higher than in the base period in 2016, while on accumulated level the sales was 68 522 thousand EUR versus 62 122 thousand EUR realised in the base period.
- The company has achieved good performance in all main product groups in Q3 2017. The mainly to the building renovation markets related **Thermal insulation systems and its elements** product group reached the biggest, 47% share among the sales. The turnover here was increased by 15% in Q3 2017 on base term, where the driven factor was the EPS generated gain in the revenues. The sales were increased by 23% in the **Dry construction products** and by 9% in the **Heat, sound and water insulation materials** segments in the Q3 2017. The strategically focused **Roofing foils and accessories** sales went up by 6% on base term, while the **Building industry accessories** sales gained by 8% after a sortiment tightening process. Sales decreased by 32% in the **Bituminous roof covering and shingle coverings** product group, while the non-strategic **Production and other packaging materials** gained a 7% plus in Q3 2017 compared to the base period.
- On its main – **Hungarian** - market the company has presented an outstanding achievement as sales were increased by 18%. The revenues peaked by 26% in **Poland** and both by 12%-12% in **Slovakia** and **Romania** and by 27% in the countries classified as "**Others**". On the still very relevant **Export** markets sales of the Company were up by 3% while the growth was 2% in **Serbia.** In **Ukraine** and **Croatia** the base period was underperformed by (-6%) and by (-5%) in Q3 2017.
- The gross trade margin improved, but with lower pace than the revenue grown in Q3 2017, due to larger proportion of EPS (Expanded Polystyrene) sales with lower margin. The trade margins were effectively increased on the Hungarian, Polish, Serbian and Slovakian markets while on the Ukrainian, Croatian and Romanian markets the marge decreased in value terms too.
- The EPS production output in Subotica and the fiberglass mesh production in Kál plants increased significantly in Q3. Smaller scale increase in output was reported in case the foam sheet- (Kál plant) and the EPS productions in Sfântu Gheorghe. The fiberglass mesh production output in Subotica although met the planned figures, but the slower catch up of the production resulted in higher unit costs of the raw materials, labour and wastes resulting in a negative effect in the Company's profitability.
- The production related raw material-, energy-, maintenance costs increased while the travelling-, 3rd party delivery and marketing costs decreased in the Q3 2017 period compared to the base period.
- Considering the change in the self-manufactured inventories as well, the Company's costs of materials and services has increased in the same extent (10%) as the realised turnover in the Q3 2017, while the accumulated increase in costs was 11% along with the 10% increase in sales.
- Mainly due to the expanded production in Serbia the personnel expenditures of the Company has increased by 13% in the third quarter, while by 20% on accumulated term compared to the base. The Company had 917 employees at the end of September 2017 opposed to the staff level of 818 people of the base period. 356 people were employed at the new production unit in Subotica at the end of September 2017, from which 120 people were hired during 2017.
- The investment in the new product lines in Serbia resulted in an increase in the amount of depreciation, while the level of the other operating revenues and expenses improved in Q3 2017 compared to the base period of 2016. Despite of the increase of revenue the reserve for doubtful debtors has decreased and one-off, fixed assets related revenues improved further the other incomes level in Q3 2017.
- As a results of the above mentioned the EBITDA was gained by 13% to 2.003 thousand euros in the Q3 (7,5 % EBITDA ratio) compared to 1 779 thousand euros with 7,3% EBITDA ratio in the base period. Taken into account the depreciation too the EBIT resulted in 3 023 thousand euros in the first nine months in 2017 while 3 140 thousand EUR in the base period.
- The interest income has slightly decreased in the Q3 2017 compared to base period, while as a result of a larger amount of credits lines and loans the interest expenses increased by rough 50 thousand euro.
- Mainly due to the weakening tendencies of the Hungarian Forint and the Ukrainian Hryvnia in the last quarter the Company has booked 194 thousand euros loss among other financial results in Q3 2017, was amounted to 153 thousand euros loss in the base period. The accumulated expenditure of the financial results was 747 thousand euros loss in 2017, which contains 28 thousand euros unrealized exchange gain.

- Considering the financial results as well, the Company has generated 1 128 thousand euros profit after tax in the Q3 2017 compared to the 985 thousand euros profit of the base period. While the cumulated profit after tax was 2 002 thousand euros compared to the 2 446 thousand euros profit of the base period.
- The inventory level on 30th of September 2017 was 19 448 thousand euros, 533 thousand euros higher compared to the closing data of the base period. The higher level of the inventory derives from the growing output of self-manufactured fiberglass mesh products.
- As result of the excellent August and September sales performance the trade accounts receivables were increased by 1 370 thousand euros, 9% higher by end of Q3 2017 than at the end of the base period.
- The Company counts on the positive upward trends on its main markets for the last quarter as well. The margin surplus driven by expected higher sales, the growing production output level and the improving effectiveness might guarantee to overdeliver the Company's sales target in 2017 and to achieve the operational profit target of the business plan for 2017.

2. Presentation of the external economic and industrial environment

The external economic and industrial environment has a significant effect on the production and sale of the isolation and other construction materials which is the main activity of the Masterplast. While the sale of the constructional and accessories product is mainly in relation with the new buildings market, the isolation related materials mostly depends on the reconstruction market.

The trends and industrial climate, regarding the Company's relevant markets were rather favourable in Q3 2017.

On the most relevant **Hungarian** market industrial growth had been reported by the statistics, mainly due to the introduced EU funded energy efficiency tenders (KEHOP) and the state subsidised home building schemes (CSOK) had been launched in the last year. The construction industry players are mainly focusing on home buildings projects in the capital and in the larger cities of Hungary. Increasing demand has been observed in the private sector, and the number of issued building permits rose further. The "Home warmth" program and the loan program which supporting the energy efficiency and renewable energy use of residential buildings has continued. Due to these economic measures market expansion can continue in the coming quarters, and the company count with increasing sales and income for the future in its largest market.

The feedbacks of the building industry participants showed a mixed picture about the **Romanian** market in the third quarter of 2017. The construction industrial output has shrunk by 8 % comparing to base period – mainly due to the decreasing, state related investments – while the issued building permits showed an increasing tendency. The post insulation market has slightly changed, where the rock wool gained more intension and the hectic fluctuation of the EPS raw material price, paralleled with the sales tactics of the key producers have heavily influenced the market in Q3. The building contractors faced a delay in the projects completions due to extreme lack of labour force and increasing wages.

In **Serbia** the GDP showed a slight growth, the state debt decreased, the unemployment rate has improved, the wages increased. The industrial growth was supported by the decreasing prime lending rate and the introduced reforms had a positive impact on the investments. The building and construction sector has shown a growth on base period and the issued number of the building permits soared by 60% compared to basis.

In **Ukraine** the customer confidence index in the building and construction industry has increased In Q3 2017 compared to the base period. While the GDP declined by 7% compared to the base in 2017, a slight increase was envisaged for the upcoming quarter.

The overall economic indicators have improved in **Croatia** in Q3 2017. The industrial output increased and the retail sector has expanded further. The output of the building and construction industry and the issued building permit number has increased compared to the base period. However, the lack of skilled labour force and the companies' poor financial condition might have a negative effect to the market for the upcoming quarters.

The building industry market players reported rather positive trends about the **Slovakian market** environment, which might continue for the foreseeable future too.

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

Quarterly change of building permits from Q1 2016 to Q2 2017:

	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Q1 2017	Q2 2017
Bulgaria	-5,1	17,0	-0,3	7,3	8,0	6,8
Croatia	3,3	23,0	15,5	-5,4	19,0	-3,0
Hungary	56,3	53,3	-10,2	26,1	16,3	-15,9
Austria	3,9	-0,4	-4,5	-2,3	5,3	3,2
Poland	-2,4	9,2	3,6	8,2	3,4	4,2
Romania	1,4	-1,8	-1,4	2,2	1,4	3,0
Slovakia	12,2	1,7	12,7	31,8	-37,5	14,6
Serbia	-0,2	-8,6	43,4	-7,2	-10,4	19,7

Source: EUROSTAT: Building permits - quarterly data

3. Sales by main product groups

Sales by main product groups (in 1000 EUR)	Q3 2017	Q3 2016	Change %	2017 YTD	2016 YTD	Change %
	(A)	(B)	(A/B-1)	(A)	(B)	(A/B-1)
Thermal insulation systems and its elements	12 538	10 936	15%	31 336	27 926	12%
Heat, sound and water insulation materials	4 313	3 969	9%	11 860	10 377	14%
Roofing foils and accessories	4 434	4 185	6%	10 261	9 834	4%
Dry construction and accessories profile products	2 536	2 060	23%	7 266	5 950	22%
Building industry accessories	840	781	8%	2 249	2 218	1%
Bituminous roof covering and shingle coverings	722	1 056	-32%	1 802	2 369	-24%
Production and other packaging materials	1 353	1 262	7%	3 749	3 447	9%
Total sales revenue	**26 738**	**24 248**	**10%**	**68 522**	**62 122**	**10%**
Contribution of product groups in percentage to the total sales revenue						
Thermal insulation systems and its elements	47%	45%		46%	45%	
Heat, sound and water insulation materials	16%	16%		17%	17%	
Roofing foils and accessories	17%	17%		15%	16%	
Dry construction and accessories profile products	9%	8%		11%	10%	
Building industry accessories	3%	3%		3%	4%	
Bituminous roof covering and shingle coverings	3%	4%		3%	4%	
Production and other packaging materials	5%	5%		5%	6%	
Total sales revenue	**100%**	**100%**		**100%**	**100%**	

Source: consolidated non-audited report of the Company on 30th of September 2017 and on 30th of September 2016 based on IFRS accounting rules, as well as the non-audited data from the Company's management information system

The net turnover in Q3 2017 was 26 738 thousand EUR which represents a 10% expansion compared to the base period.

The mainly building-renovation related "**thermal insulation systems and its elements**" reached the largest share (47%) comparing to the total the sales, where the turnover increased by 15% in Q3 2017 on base term. The sales volume increased in almost all product group elements but mainly was due to the intense EPS and fiberglass mesh sales growth. The EPS sales grew in Hungary the biggest, but the company was also able to increase its sales in Romania. The Group increased its fiberglass mesh sales by 12% in the Q3 2017 mainly due to the outstanding sales performance on the export markets, but the turnover grew on the Polish, Slovakian, Hungarian, Romanian, Macedonian markets too. The company's sales decreased in Ukraine compared to the strong base. It should be noted, that the company on the European Union markets supplies fiberglass mesh products made by own production exclusively.

The revenue in the second most important **heat, sound and water insulation materials** product group grew by 9% in Q3 2017 on base term. Relevant increases were reported on the Hungarian, Romanian and Slovakian markets, but excluding Croatia, Macedonia and Russia in all the other markets has reported gain on base term.

The strategic **roofing foils and accessories** product group reached a 6% higher turnover in Q3 2017 on base term. Sales are doubled in Slovakia, there were good performances in the other countries, but the turnover decreased in Poland comparing data to the base period.

In the field of the **dry construction and accessories** products the sales were up by 23% in Q3 compared to the base period in 2016. The plasterboard related systems showed a significant increase on the Hungarian-, Slovakian-, and Croatian markets while a slight decline in Macedonia, Romania and Ukraine was experienced in Q3 2017.

On the market of **building industry accessories** the Company reached 8% sales increase in Q3 2017 on base term. Although the turnover has declined in Serbia and Romania but it was compensated by sales increase on the Hungarian and export markets.

The Company faced a further sales decline (-32%) in the **bituminous roof covering and shingle coverings** in Q3 2017 comparing to the base. Only the Ukrainian market showed some growth but mainly on the Hungarian and Romanian markets the sales of the Group were deteriorated on base term.

The sales in the non-strategic production: **other packaging materials** increased by 7% in Q3 2017 on base term.

4. Sales by countries

Sales by countries (in 1000 EUR)	Q3 2017	Q3 2016	Change %	2017 YTD	2016 YTD	Change %
	(A)	(B)	(A/B-1)	(A)	(B)	(A/B-1)
Hungary	8 172	6 922	18%	22 187	17 770	25%
Export	3 121	3 037	3%	9 316	9 378	-1%
Romania	4 373	3 919	12%	10 302	9 727	6%
Serbia	2 844	2 796	2%	6 925	6 956	0%
Ukraine	2 457	2 607	-6%	5 320	5 640	-6%
Croatia	1 041	1 101	-5%	3 106	3 224	-4%
Poland	1 761	1 393	26%	4 105	3 273	25%
Slovakia	1 252	1 120	12%	3 241	2 708	20%
Other	1 715	1 352	27%	4 021	3 448	17%
Total sales revenue	**26 738**	**24 248**	**10%**	**68 522**	**62 122**	**10%**
Contribution of countries in percentage to the total sales revenue						
Hungary	31%	29%		32%	29%	
Export	12%	13%		14%	15%	
Romania	16%	16%		15%	16%	
Serbia	11%	12%		10%	11%	
Ukraine	9%	11%		8%	9%	
Croatia	4%	5%		5%	5%	
Poland	7%	6%		6%	5%	
Slovakia	5%	5%		5%	4%	
Other	6%	6%		6%	6%	
Total sales revenue	**100%**	**100%**		**100%**	**100%**	

Source: consolidated non-audited report of the Company on 30th of September 2017 and on 30th of September 2016 based on IFRS accounting rules, as well as the non-audited data from the Company's management information system

The breakdown of the sales by countries shows the revenue realized in countries where Masterplast has its own subsidiary, regardless of which subsidiary has sold in its country. For countries where there is no subsidiaries of the Group, sales are reported on Exports line, while in the Other line low-volume countries with subsidiaries accumulated sales are reported.

On the most enhanced **Hungarian market** the overall turnover has grown by 18% in Q3 2017. Almost in all product groups increased the sales, but the good achievements of the Company was mainly attributed to the excellent sales of the Thermal insulation systems and its elements-, and the EPS product groups. The second biggest growth was achieved in the Heat, sound and water insulation materials but the Dry construction products also reached a significant 21% rise in sales compared to base period. The sales increase of the Roofing foils and accessories was due to the active acquisition of new partners parallelly with offering personalized solutions to the main customers. The revenue decline in the Bituminous roof covering and shingle coverings products in Q3 2017 was mainly due to the DIY buyers sales decrease, while the sortiment-cleansing affected Building industry accessories group relevantly increased its sales by 31% compared to the base period.

The company reached a 3% growth on the **export markets** compared to the base period. In the fiberglass segment the Company was able to increase its sales by an intensified focus on the system distributor partners selling the own produced fiberglass mesh. The sales were expanded among the strategic Roofing foils and accessories product group mainly due to an introduction of an innovative diffusion roofing foil, which positively contributed to sales growth. While the turnover increased in the Heat, sound and water insulation materials also in the Dry construction products and accessories profile product groups, the sales of Bituminous roof covering and shingle coverings has declined. Outstanding growth was realized in Italy, Greece, Switzerland and Spain, while substantially declines were suffered on the Belgian, Belorussian and Canadian markets in the Q3.

The Company has reached a 12% sales growth in the third largest **Romanian market** in Q3 2017 on the base term. Among the Thermal insulation systems and its elements the EPS sheets contributed the most to the sales as the sold quantity has almost doubled compared to the base, over and above the strategic fiberglass mesh sales also grew significantly. The revenue expanded in the heat, sound and water insulation materials product group – especially in glass and rock wool products – and in the roofing foils and accessories. However, the company faced a sales decline in the dry construction and in the bituminous roof covering and shingle coverings products group due to the contracting market. Due to the fierce market competition the sales decreased in the building industry accessories and the turnover declined in the Production and other packaging materials segment in Q3 2017 compared to the base.

The Company presented a 2% sales increase in **Serbia** in Q3 2017 compared to the base period. The most relevant growth was reported in the thermal insulation systems and its elements product group, where the EPS sales increased significantly. In case the other sales driven products - the fiberglass mesh – the Company faced a slight sales decrease due to a sudden decline on the market triggered an overall price increase. The sales performance in the other product groups were rather ambivalent, increasing sales were achieved in the Dry construction products-, Roofing foils and accessories- product groups while decreased volumes in the Heat, sound and water insulation materials-, Bituminous roof covering and shingle coverings-, and Building industry accessories- product groups. In case the Bituminous roof covering and shingle coverings product group the decreasing demand characterised the market, even the sale off campaigns were non-effective in Q3 2017.

While the construction and building industry production had been expanding in **Ukraine** the Company decreased its sales by 6% compared to the very strong base term. The sales decreased in the most significant Thermal insulation systems and its elements segment mainly the purchased fiberglass products faced with a decline compared to the base period. As in the second strongest, The Roofing foils and accessories group the sales were stagnated, the smaller scale Heat, sound and water insulation materials-, Building industry accessories-, Bituminous roof covering and shingle coverings product groups closed with an increase while the Dry construction products sales deteriorated.

On the **Croatian market** the Company has underachieved its sales by 5% in the Q3 2017 compared to the base period. The sales decrease in Thermal insulation systems and its elements was mainly due to the delayed EU funded projects for insulation renovations. The fierce price competition on the EPS market has negatively affected the sales of the other related products too. The sales increased in the Dry construction products-, and Building industry accessories segments compared to the base period while the sales of the Heat, sound and water insulation materials and Roofing foils and accessories are slightly decreased.

The company's turnover grew by 26 % on the **Polish market** in Q3 2017 compared to the base period. An outstanding growth was reported in the Thermal insulation systems and its elements, particularly due to the driven product, the fiberglass mesh sales. Except from the Roofing foils and accessories product group in all other product groups were sales growth reported in Q3 2017 on base term.

The company's sales were by 12% up in **Slovakian market** in Q3 2017 compared to the base period. Except from the Bituminous roof covering and shingle coverings the company grew its sales in all the other product groups. It should be stressed that the turnovers in the Roofing foils and accessories and the Dry construction products are both doubled, while the turnover generated from the Heat, sound and water insulation materials and the Thermal insulation systems and its elements sales are also increased. The number of the buyers has significantly grown in the 3 main strategic product categories -as fiberglass mesh, Roofing foils and Dry construction profiles - and the Company was able to keep the most important business partners as well.

The **Other countries** sales grew by 27% compared to the base period, where the company has realised sales increase on all of the smaller markets on base term.

Overall in the favourable industrial environment the Company had been able to increase the sales by 10% in Q3 2017 compared to base period. Outstanding sales performance were reached on the Hungarian, Slovakian, Romanian markets while in all relevant product groups an sales increase were delivered compared to the base period. The largest the sales increase were in the Dry construction products, the EPS along with the Thermal insulation systems and its elements, and Heat, sound and water insulation materials.

5. Profit and loss account

The exhibit below shows the consolidated profit and loss account of the company in thousand EUR.

Profit and loss account (in 1000 EUR)	Q3 2017	Q3 2016	Change	Index	2017 YTD	2016 YTD	Change	Index
	(A)	(B)	A-B	(A/B-1)	(A)	(B)	A-B	(A/B-1)
Sales revenues	26 738	24 248	2 490	10%	68 522	62 122	6 400	10%
Cost of materials and services	-21 829	-19 949	-1 879	9%	-56 544	-51 819	-4 725	9%
Payroll costs and contributions	-2 498	-2 209	-289	13%	-7 416	-6 180	-1 236	20%
Depreciation	-427	-388	-39	10%	-1 224	-1 097	-127	12%
Change in self-manufactured inventories	-402	-166	-236	142%	-473	404	-877	-217%
Other operating revenues and expenses	-7	-145	138	-95%	158	-290	448	-154%
EBITDA	**2 003**	**1 779**	**224**	**13%**	**4 247**	**4 237**	**10**	**0%**
EBIDTA ratio	*7,5%*	*7,3%*			*6,2%*	*6,8%*		
PROFIT / LOSS OF BUSINESS ACTIVITY (EBIT)	**1 576**	**1 391**	**185**	**13%**	**3 023**	**3 140**	**-117**	**-4%**
Interest revenues	18	38	-20	-53%	93	94	-1	-1%
Interest expenses	-131	-144	13	-9%	-421	-372	-49	13%
Other financial revenues and expenses	-194	-153	-41	27%	-419	-163	-256	157%
FINANCIAL PROFIT/LOSS	-307	-259	-48	19%	**-747**	**-441**	**-306**	**69%**
Profit/loss from associations	-3	3	-6	-200%	-3	9	-12	-133%
Profit/loss before income tax	**1 266**	**1 135**	**131**	**12%**	**2 273**	**2 708**	**-435**	**-16%**
Taxes	-138	-150	12	-8%	-271	-262	-9	3%
Profit/loss after taxation	**1 128**	**985**	**143**	**15%**	**2 002**	**2 446**	**-444**	**-18%**
Profit attributable to the owners of the parent	*1 084*	*971*	*113*	*12%*	*1 915*	*2 398*	*-483*	*-20%*
Profit attributable to the minority	*44*	*14*	*30*	*214%*	*87*	*48*	*39*	*81%*
Profit/loss per stock (EUR)	*0,08*	*0,07*			*0,14*	*0,17*		

Source: consolidated non-audited report of the Company on 30th of September 2017 and on 30th of September 2016 based on IFRS accounting rules

The total revenue of the Company was 26 738 thousand EUR in the Q3 2017, by 10 % higher than in the base period in 2016, while on accumulated level the sales was 68 522 thousand EUR versus 62 122 thousand EUR realised in the base period.

The Company's gross trading margin had improved in the Q3 2017 compared to the base period, however the increasing share of the low-margin sold EPS in the sales structure resulted in a lower scale margin expansion than the turnover gained. The trade margins were effectively increased on the Hungarian, Polish, Serbian and Slovakian markets while on the Ukrainian, Croatian and Romanian markets they had decreased in value too. The EPS production output in Subotica and the fiberglass mesh production in Kál plants increased significantly in Q3 2017. Smaller scale increase in output was reported in case the foam sheet-, (Kál plant) and the EPS productions in

Sfântu Gheorghe. The fiberglass mesh production output in Subotica was met the planned figures, although the slower catch up of the production resulted in higher unit costs of the raw materials, labour and wastes than preliminary were laid down and those factors negatively affected the Company's quarterly profitability. Due to the above mentioned, the production related raw material-, energy-, maintenance costs increased while the travelling-, 3rd party delivery and marketing costs decreased in the Q3 2017 comparing to the base period. Considering the change in the self-manufactured inventories as well, the Company's costs of materials and services has increased in the same extent (10%) as the realised turnover in the Q3 2017 while the accumulated increase in costs was 11% along with the 10% increase in sales.

Mainly due to the expanded production in Serbia the personnel expenditures of the Company has increased by 13% in the third quarter, while by 20% on accumulated term compared to the base. The Company had 917 employees at the end of September 2017 opposed to the staff level of 818 people of the base period. 356 people were employed at the new production unit in Subotica at the end of September 2017, from which 120 people were hired during 2017.

The investment in the new product lines in Serbia resulted in an increase in the amount of depreciation, while the level of the other operating revenues and expenses improved in Q3 2017 compared to the base period of 2016. Despite of the increase of revenue the reserve for doubtful debtors has decreased and one-off, fixed assets related revenues improved further the other incomes level in Q3 2017.

As a results of the above mentioned the EBITDA was gained by 13% to 2 003 thousand euros in the Q3 (7,5 % EBITDA ratio) compared to 1 779 thousand euros with 7,3% EBITDA ratio in the base period. Taken into account the depreciation too the EBIT resulted in 3 023 thousand euros in the first nine months in 2017 while 3 140 thousand EUR in the base period.

The result from interests moderately deteriorated in the Q3 2017 on base term, while the accumulated interest payment has increased by 50 thousand EUR due to the higher applied credit lines.

The other and financial related incomes and expenditures mainly represent the exchange related profits/losses. The Company mainly realises its purchases in EUR and USD terms, the sales are being generated in local currencies therefor the fluctuation of these currencies can have a remarkable effect on the Company's financial outcome. Since most of the local currencies are fixed to the EUR, the EUR/USD rate moves also influences – in case USD term purchases – the profit/loss from exchange rate. The Company had concluded purchase related EUR/USD and HUF/USD based hedging deals, the results from closure and evaluation of this deals are also reflected among other financial profit/loss. The Hungarian entity Masterplast Kft. carries EUR based working capital loans while the Serbian subsidiary holds EUR base investment loan as well.

The following table shows the exchanges of major currencies for the Group in 2016 and 2017:

Closing exchange rates	31-12-2015	30-06-2016	30-09-2016	31-12-2016	30-06-2017	30-09-2017	Index	Index	Index	Index
	A	B	C	D	E	F	C/A	C/B	F/D	F/E
EUR/USD	1,09	1,11	1,12	1,06	1,14	1,14	102,40%	101,80%	107,68%	100,00%
EUR/HUF	313,12	316,16	309,15	311,02	308,87	311,23	98,73%	100,97%	100,07%	100,76%
EUR/RON	4,52	4,52	4,45	4,54	4,55	4,60	98,45%	100,00%	101,30%	100,99%
EUR/RSD	121,63	123,31	123,29	123,47	120,85	119,37	101,36%	101,38%	96,68%	98,77%
EUR/UAH	26,22	27,56	29,08	28,42	29,79	31,24	110,91%	105,11%	109,91%	104,87%
USD/HUF	286,63	284,29	276,35	293,69	270,87	263,75	96,41%	99,18%	89,81%	97,37%
USD/RON	4,15	4,06	3,98	4,30	3,99	3,90	95,90%	97,83%	90,64%	97,65%
USD/RSD	111,25	111,07	109,90	117,14	105,65	101,33	98,79%	99,84%	86,50%	95,91%
USD/UAH	24,00	24,85	25,91	27,19	26,10	26,52	107,96%	103,54%	97,54%	101,62%
USD/RUB	72,88	64,26	63,16	60,66	59,09	58,02	86,66%	88,17%	95,64%	98,19%

Source: Hungarian National Bank rates

Mainly as a result of the weakening rate of the HUF and Ukraine Hryvnia in Q3 the Company has suffered 194 thousand EUR losses, as other financial loss, compared to 153 thousand EUR loss in the base period. The accumulated other financial expenditures amounted to 747 thousand EUR loss, containing a non-realised exchange gain of 28 thousand EUR.

Considering the financial results as well, the Company has generated 1 128 thousand euros profit after tax in the Q3 2017 compared to the 985 thousand euros profit of the base period. While the cumulated profit after tax was 2 002 thousand euros compared to the 2 446 thousand euros profit of the base period.

In the further improving industrial environment the Company increased its overall sales by 10% in Q3 2017 mainly due to the flourishing sales on the Hungarian, Polish, Romanian and Slovakian markets. The gross trade margin also improved, however the higher share of the low margin EPS in the sales structure resulted in a lower scale margin expansion than the turnover gained. The production output levels were broadened in cases the EPS (Subotica), fiberglass (Kál), foam (Kál), EPS (Sfântu Gheorghe). The fiberglass mesh production output in Subotica was met the plans, although the slower catch up of the production resulted in a higher unit costs of the raw materials, labour and wastes than preliminary were laid down; and these are negatively affected the Company's profitability. The increase in personnel expenditures corresponds to the increased labour force at the production lines, while the other expenditures have decreased. Mainly due to margin surplus stemming from the growing revenues the Company was able to increase its EBITDA by 13% in the Q3, while cumulative closed over the base period, making up for the lag generated in the H1 period. The increase of loans resulted in a higher interest expenses and the unfavourable exchange rate tendency had a negative effects on the financial results, so the cumulated profit after tax was still below the base period's result.

The further improving market environment, the expected extra margin driven by the increase in the revenues together with the growing outputs of the own production and the improving effectiveness might guarantee to overdeliver the Company's sales target and to achieve the operational profit target of the business plan for 2017. Although, the hectic EUR/USD, EUR/HUF rate fluctuations can massively affect the operating and financial incomes as well.

6. Balance sheet

Due to the strong seasonal impact the Company shows its Balance sheet in comparison with a year before base. Another exhibit will be attached to show a comparison to the year end data.

Balance Sheet (in 1000 EUR)	30-09-2017	30-09-2016	Change	Index
	(A)	(B)	A-B	(A/B-1)
FIXED ASSETS				
Land, buildings and equipment	28 987	24 123	4 864	20%
Intangible assets	43	59	-16	-27%
Shares in related companies	32	38	-6	-16%
Deferred tax assets	408	425	-17	-4%
Total fixed assets	**29 470**	**24 645**	**4 825**	**20%**
CURRENT ASSETS				
Inventories	19 448	18 915	533	3%
Trade accounts receivable	16 666	15 296	1 370	9%
Tax receivables	2 244	2 149	95	4%
Other financial receivables	7	0	7	0%
Other current assets	2 387	3 287	-900	-27%
Liquid assets	2 348	4 257	-1 909	-45%
Total current assets	**43 100**	**43 904**	**-804**	**-2%**
TOTAL ASSETS	**72 570**	**68 547**	**4 023**	**6%**
CAPITAL AND RESERVES				
Subscribed capital	5 226	5 226	0	0%
Reserves	19 209	17 082	2 127	12%
Repurchased shares	-18	-14	-4	29%
Parent share of interests	1 914	2 398	-484	-20%
Equity attributable to the owners of the parent	**26 331**	**24 692**	**1 639**	**7%**
Minority interests	525	312	213	68%
Total capital and reserves	**26 856**	**25 004**	**1 852**	**7%**
LONG-TERM LIABILITIES				
Long- term loans	6 499	6 335	164	3%
Deferred tax liabilities	297	317	-20	-6%
Deferred income	1 862	2 169	-307	-14%
Other long-term liabilities	2 442	2 853	-411	-14%
Total long-term liabilities	**11 100**	**11 674**	**-574**	**-5%**
SHORT-TERM LIABILITIES				
Short-term loans	14 411	13 123	1 288	10%
Trade accounts payable	15 783	14 865	918	6%
Short-term leasing liabilities	55	63	-8	-13%
Other financial liabilities	133	8	125	1563%
Tax liabilities	1 860	967	893	92%
Short-term deferred income	302	163	139	85%
Provisions	151	155	-4	-3%
Other short-term liabilities	1 919	2 525	-606	-24%
Total short-term liabilities	**34 614**	**31 869**	**2 745**	**9%**
TOTAL LIABILITIES	**45 714**	**43 543**	**2 171**	**5%**
TOTAL CAPITAL AND LIABILITIES	**72 570**	**68 547**	**4 023**	**6%**

Source: consolidated non-audited report of the Company on 30th of September 2017 and on 30th of September 2016 based on IFRS accounting rules

The total assets of the Company was 72 570 thousand EUR on 30th of September 2017, which was by 4 023 thousand EUR higher than base period asset volume.

The total fixed assets amounted to 29 470 thousand EUR at the end of September 2017, by 4 825 thousand EUR higher than base period's number. The Company has successfully completed the third (the last) phase of the fiberglass mesh production line investment in Serbia. The Company spent 5 011 thousand EUR capital expenditure on new and assets replacement in 2017.

The inventory level of the Company at the end of September 2017 was 19 448 thousand EUR, which is by 533 thousand EUR higher than was reported at the base period. The higher level of the inventory derives from the growing output of self-manufactured fiberglass mesh products.

Due to the outstanding sales performance in August and September the trade receivables has increased by 1 370 thousand EUR (+9%) by end of September 2017, comparing to the base period.

Due to the higher inventory and trade account receivables level, the trade accounts payables (918 k EUR) and the short-term credit lines (1 288 k EUR) of the Company have both increased by the end of September 2017. The long-term loans overpassed the base period's level by 164 thousand EUR at 30 of September 2017.

The cash and equivalents stand at 2 348 thousand EUR at 30th of September 2017 which are below by 1 909 thousand EUR than the level of the base period at 30th of September 2016.

7. Cash-flow, bank information

Cash Flow (in 1000 EUR)	30-09-2017	30-09-2016	Change	Index
	(A)	(B)	A-B	(A/B-1)
Operating Activities				
PBT	2 272	2 708	-436	-16%
Depreciation and Amortisation	1 224	1 097	127	12%
Bed debt provision	136	80	56	70%
Shortage and scrap of stocks	43	75	-32	-43%
Provisions	83	-48	131	-273%
Profit on fixed asset sale	-264	-21	-243	1157%
Interest expense	421	372	49	13%
Interest revenue	-93	-94	1	-1%
Profit/loss from associations	3	-9	12	-133%
Unrealized foreign exchange gain (loss)	-28	681	-709	-104%
Changes in Working Capital:				
Change in Accounts Receivable	-6 174	-5 959	-215	4%
Change in Inventory	-829	-1 416	587	-41%
Change in Other Assets	-1 211	-1 348	137	-10%
Change in Accounts Payable	4 927	5 866	-939	-16%
Change in Short-term liabilities	1 278	-135	1 413	-1 047%
Taxation	-13	-85	72	-85%
Net Cash from Operations	**1 775**	**1 764**	**11**	**1%**
Investing Activities				
CAPEX	-5 717	-4 590	-1 127	25%
Sale of fixed assets	458	282	176	62%
Financial revenues	93	94	-1	-1%
Net Cash from Investing activities	**-5 166**	**-4 214**	**-952**	**23%**
Financing Activities				
Income from issue of shares	0	0	0	0%
Borrowing	7 025	9 595	-2 570	-27%
Loan repayments	-3 204	-5 976	2 772	-46%
Payment of dividends	0	-980	980	-100%
Interest expense	-421	-372	-49	13%
Net Cash from Financing activities	**3 400**	**2 267**	**1 133**	**50%**
Net Cash flow of the period	440	-184	624	-339%
Cash at beginning of period	2 442	4 724	-2 282	-48%
Effect of exchange rate changes	-534	-283	-251	89%
Cash at end of period	**2 348**	**4 257**	**-1 909**	**-45%**

Source: consolidated non-audited report of the Company on 30th of September 2017 and on 30th of September 2016 based on IFRS accounting rules

The net cash flow from operation was 1 775 thousand EUR at the end of the Q3 2017 while was 1 764 thousand EUR at the end of the base period.

The cash flow from investing activities was -5 166K EUR in 2017 and -4 214 K EUR in the base period, where the higher CAPEX in 2017 explains the difference between the periods.

The net cash flow from financial related activities amounted to 3 400 K EUR in 2017 compared to the 2267 K EUR in the base period, where the deferred dividend payment accounts for the differences.

All in all the cash and equivalents was 2 348 thousand EUR at 30th of September 2017 which are below by 1 909 thousand EUR than the level of the base period at 30th of September 2016.

Loans and bank related information:

All the members of the Group met with the contracted working capital loan requirements and obligations at the end of September 2017.

The settlement of the last phase of the fiberglass mesh production investment was completed and the non-refundable EUR 700 thousand subsidy in relation with the 3rd investment phase has been reimbursed.

In a frame of bank tender the financing of the Hungarian subsidiaries had been revived. The newly negotiated frame contracts providing further working capital and L/C limit increase opportunities, ensuring the financial background to further development and expansion of the Company.

Investigations against Masterplast

On 21st of October 2015 the National Tax and Customs Administration (NAV) started an investigation against Masterplast Kft which is a subsidiary of Masterplast Nyrt in hundred percent. According to the conclusion of the authorities the supposed misuse was committed deceived the leaders of Masterplast without the knowledge, consent or permission of them. Nevertheless the Company may be liable – with strict liability – for the assumed wrongful Value Added Tax revindication (226 763 948-HUF) and the possible penalties. Concerning the investigation the sequestration of the fixed assets of Masterplast Kft in the amount of 808 137 000-HUF was dissolved on 20th of January 2016. On 6th of October 2017 the accusation against Gábor Szabó was modified from perpetrator to accomplice and the amount concerned with the supposed misuse was reduced from 269 379 000-HUF to 226 763 948-HUF. In October 2017 another employee of the Company was questioned as accomplice, and on 20th of October the investigation stage of the case ended. Masterplast consulted with its auditor and financing banks and on the grounds of the consultations – in consideration of the uncertain outcome of the case – there is no obligation for provisioning, in addition the banks reinforced the credit limits. Masterplast will publish any necessary information about the case in accordance with the stock exchange regulations and other rules of law in the appropriate places. The Company is confident that the case will be terminated as soon as possible.

An investigation has been extended to the MASTERPLAST Romania Srl. It was launched by the Romanian tax authority to an assumed tax claim in relation with anti dumping laws on imported products concerning the operations of some of the suppliers of the Romanian subsidy of the Company. For the upcoming periods of the procedure – making with the options of the tax laws – for the assurance of any enforcement, a 2nd rank mortgage and disposal and debit restrictions had been registered in the amount of 10.118.411 RON (cca 703 million HUF) on the properties owned by the MASTERPLAST Romania Srl. This procedure has no influence on the operation and business activities of the MASTERPLAST Romania Srl. The Company has appealed against the 2nd rank mortgage, which was accepted by the court of first instance. As the result of the completed tax investigation, as the first degree resolution, the Romanian tax authority determined a VAT liability in the amount of 1 268 974 RON (cca 85 million HUF) and additionally a 391 463 RON as default interest for the inspected period from 01.01.2014 to 31.08.2016. The Company represented a bank guarantee for the tax liabilities and launched a legal remedy process against the determination.

8. Change in equity (in EUR):

	Subscribed capital	Shares	Capital reserves	Accumulated profit reserves	Conversation reserves	Total reserves	Parent company's share of profit	Equity per shareholders in parent company	Share of external owners	Shareholders' equity
1 January 2016	5 226 391	-30 043	6 655 559	16 815 687	-7 439 738	16 031 508	2 458 690	23 686 546	199 895	23 886 441
Net profit						0	2 314 595	2 314 595	7 857	2 322 452
Other comprehensive income					-247 102	-247 102		-247 102	111 696	-135 406
Transfer of previous year's net profit				2 458 690		2 458 690	-2 458 690	0		0
Repurchased shares		12 350						12 350		12 350
Change in the share of external owners				0	0	0		0	0	0
Paid dividends				-1 103 185		-1 103 185		-1 103 185		-1 103 185
Ownership contribution				-112 082		-112 082		-112 082		-112 082
31 December 2016	5 226 391	-17 693	6 655 559	18 059 110	-7 686 840	17 027 829	2 314 595	24 551 122	319 448	24 870 570
1 January 2017	5 226 391	-17 693	6 655 559	18 059 110	-7 686 840	17 027 829	2 314 595	24 551 122	319 448	24 870 570
Net profit						0	1 914 066	1 914 066	87 242	2 001 308
Other comprehensive income					-96 526	-96 526		-96 526	118 137	21 611
Transfer of previous year's net profit				2 314 595		2 314 595	-2 314 595	0		0
Repurchased shares		12						12		12
Change in the share of external owners				0	0	0		0	0	0
Paid dividends				0		0		0		0
Ownership contribution				-36 615		-36 615		-36 615		-36 615
30 September 2017	5 226 391	-17 681	6 655 559	20 337 090	-7 783 366	19 209 283	1 914 066	26 332 059	524 827	26 856 886

Source: consolidated non-audited report of the Company on 30th of September 2017 and audited report on 31th of December 2016 based on IFRS accounting rules

9. Contingent liabilities

Company	Type of guarantee	Covert amount by guarantee	Currency	Amount in EUR	Currency
Masterplast Romania	Bank guarantee	1 268 974	RON	275 918	EUR
Masterplast Romania	Bank guarantee	391 463	RON	85 117	EUR
Masterplast Kft.	Custom	150 000 000	HUF	481 959	EUR
Masterfoam Kft.	Custom	10 000 000	HUF	32 131	EUR
Masterplast YU D.o.o.	Bank guarantee	1 300 000	EUR	1 300 000	EUR
Total:				**2 175 124**	**EUR**

Source: consolidated non-audited report of the Company on 30th of September 2017 based on IFRS accounting rules, as well as the non-audited data from the Company's management information system

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

The Company presented a bank guarantee covering the liabilities were determined by the Romanian tax authority in the amount of 1 268 974 RON and 391 463 RON as default interest. The Company launched a legal remedy process against the decision.

Taking the potential outcome of the case into consideration – also based on agreement with the Company's legal advisor– the liability is presented as a contingent liability of the Company.

10. Presentation of the manufacturing capacity

The output of the Company's EPS production plant in Subotica was 23% above the base period in the Q3 2017 and 7,5% above the plans, so the growth had been continued since the beginning of the year. The accumulated increase of production output was 24% on base term, which is above 14% of the plans.

The output of the corner bead profiles production has increased compared to the base period and to the plan as well in the Q3 2017, the shortfall to the plans regarding the first half of the year was successfully caught up.

The works in Subotica, related to the 3rd phase of the fiberglass production were terminated in accordance with the plans and the production had been launched in the Q3 in the new plant. The total output of the quarter slightly exceeded the plan, so the half-year lag was largely managed until the end of quarter.

In the foam sheet factory (centered in Kál) of the Group the level of the output was in correspondence with the plan, exceeded the level of the base period by 1%. The most relevant increase was supported by the domestic, typically the packing market's good achievements, while the export sales are still lag behind the plans. The accumulated output level showed a slight increase compared to the base period, while met with the planned data.

In the Q3 in Kál the fiberglass production also been grown in a minor extent compared to the base period and was achieved over the plan, made the Company able to catch up, so the overall gap (in the Q1-Q3 period) of total output was decreased to 3% related to the plans.

The EPS production at the Sfântu Gheorghe plant was over the base Q3 period, but was slightly under the planned volumes, lagging behind with 5% to the plans at the end of Q3 YTD.

11. Changes of the full time employees (headcount)

	30-09-2016	31-12-2016	30-09-2017
Company employees	47	48	49
Group level employees	818	800	917

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

12. Significant events between the semi-annual report and the end of this quarter's reporting

In addition to the published information, no significant events occurred.

13. Balance sheet compared with 31 December 2016 status

Balance Sheet (in 1000 EUR)	30-09-2017	31-12-2016	Change	Index
	(A)	(B)	A-B	(A/B-1)
FIXED ASSETS				
Land, buildings and equipment	28 987	24 379	4 608	19%
Intangible assets	43	154	-111	-72%
Shares in related companies	32	35	-3	-9%
Deferred tax assets	408	353	55	16%
Total fixed assets	**29 470**	**24 921**	**4 549**	**18%**
CURRENT ASSETS				
Inventories	19 448	18 689	759	4%
Trade accounts receivable	16 666	10 602	6 064	57%
Tax receivables	2 244	1 171	1 073	92%
Other financial receivables	7	4	3	75%
Other current assets	2 387	2 252	135	6%
Liquid assets	2 348	2 442	-94	-4%
Total current assets	**43 100**	**35 160**	**7 940**	**23%**
TOTAL ASSETS	**72 570**	**60 081**	**12 489**	**21%**
CAPITAL AND RESERVES				
Subscribed capital	5 226	5 226	0	0%
Reserves	19 209	17 028	2 181	13%
Repurchased shares	-18	-18	0	0%
Parent share of interests	1 914	2 315	-401	-17%
Equity attributable to the owners of the parent	**26 331**	24 551	1 780	7%
Minority interests	525	319	206	65%
Total capital and reserves	**26 856**	**24 870**	**1 986**	**8%**
LONG-TERM LIABILITIES				
Long- term loans	6 499	5 244	1 255	24%
Deferred tax liabilities	297	277	20	7%
Deferred income	1 862	1 983	-121	-6%
Other long-term liabilities	2 442	2 006	436	22%
Total long-term liabilities	**11 100**	**9 510**	**1 590**	**17%**
SHORT-TERM LIABILITIES				
Short-term loans	14 411	11 844	2 567	22%
Trade accounts payable	15 783	10 857	4 926	45%
Short-term leasing liabilities	55	142	-87	-61%
Other financial liabilities	133	24	109	454%
Tax liabilities	1 860	515	1 345	261%
Short-term deferred income	302	302	0	0%
Provisions	151	68	83	122%
Other short-term liabilities	1 919	1 948	-29	-1%
Total short-term liabilities	**34 614**	**25 701**	**8 914**	**35%**
TOTAL LIABILITIES	**45 714**	**35 211**	**10 504**	**30%**
TOTAL CAPITAL AND LIABILITIES	**72 570**	**60 081**	**12 489**	**21%**

Source: consolidated non-audited report of the Company on 30th of September 2017 and audited report on 31th of December 2016 based on IFRS accounting rules

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 manufacturing
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%	Foil manufacturing
Masterplast Kft.	Hungary	10 000 000	HUF	100%	100%	Wholesale of building materials
Masterplast D.O.O.	Macedonia	973 255	MKD	10%	10%	Wholesale of building materials
OOO Masterplast RUS	Russia	1 000 000	RUB	100%	100%	Wholesale of building materials
Green MP Invest	Ukraine	33 223 500	UAH	100%	100%	Property 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 manufacturing
Masterplast International Kft.	Hungary	3 000 000	HUF	100%	100%	Wholesale of building materials
Indirect relations:						
Masterplast D.O.O.	Macedonia	973 255	MKD	80%	80%	Wholesale of building materials
Affiliated company of the Group:						
Masterprofil Kft.	Hungary	3 000 000	HUF	20%	20%	Profile manufacturing

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

In accordance with the previous disclosure, the Company sold its 99,88% stake in Masterplast Bulgaria Ltd, on 20 February 2017.

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	30-04-2018	approximately 9 and half years	4 767 076
Ács Balázs	Vice Chairman of the Board	03-04-2008	30-04-2018	approximately 9 and half years	4 096 278
Kazár András	Board member	24-04-2013	30-04-2018	approximately 4 and half years	-
Dr. Martin-Hajdu György	Board member	01-05-2014	30-04-2018	approximately 3 and half years	-
Dirk Theuns	Board member	01-05-2014	30-04-2018	approximately 3 and half years	-

The data of the Company's top management are shown in the table below on 30 September 2017:

Name	Post	Beginning of the current top management position	Completion of current top management position	Stockholding (pcs)
Piry László	CEO	01-01-2017	indefinite duration	-
Csokló Gábor	Production and Technical Director	01-01-2010	indefinite duration	41 587
Nádasi Róbert	CFO	02-08-2010.	indefinite duration	33 864
Bunford Tivadar[1]	Southern European Region Director	26-02-2015	indefinite duration	451 987[2]
Jancsó Illés	Business Development Manager	26-02-2015	indefinite duration	-

[1] As the manager of Masterplast YU D.o.o. takes part in the Group's operational management
[2] Owned directly and indirectly

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	4 767 076	34,69
Ács Balázs	no	4 096 278	29,81
OTP Alapkezelő Zrt.	no	915 545	6,66
Total		**9 778 899**	**71,16**

* Dávid Tibor's number of shares has changed to 4 767 076 pieces and the share of the shares has turned to 34,69% on February 6, 2017.

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

	30-09-2017
Issuing ownership	12 030
Affiliated companies ownership	0
Total	**12 030**

18. Publications issued by the Company in the reference period:

Publication date	Subject
02.01.2017.	Share capital, voting rights
01.02.2017	Share capital, voting rights
06.02.2017.	Disclosure of Ownership
21.02.2017.	Transactions in Investments
22.02.2017.	Publication of Q1-Q4 2016 results
01.03.2017.	Share capital, voting rights
17.03.2017.	Information on the registration of share transfer in the company register
27.03.2017.	Invitation for the Annual General Meeting
27.03.2017.	Remuneration Statement
03.04.2017.	Information on the transfer of treasury shares to Employee Shared Ownership Program
03.04.2017.	Share capital, voting rights
07.04.2017.	General Meeting Proposals
28.04.2017.	Generel Meeting Resolutions
28.04.2017.	CG Declarations
28.04.2017.	Annual Report of year
28.04.2017.	Summary Report
02.05.2017.	Share capital, voting rights
12.05.2017.	Information on share transfer
15.05.2017.	Interim Management Statement
23.05.2017.	Information on the VAT payment obligation of MASTERPLAST ROMANIA S.R.L.
01.06.2017.	Share capital, voting rights
27.06.2017.	Information on the registration of changes to the company's register corresponding to the resolutions of the Annual General Meeting
27.06.2017.	Articles of Associations
03.07.2017.	Share capital, voting rights
01.08.2017.	Share capital, voting rights
16.08.2017.	Publication of 2018 Q1-Q2 results
01.09.2017.	Share capital, voting rights
15.09.2017.	Information about Dividend Payment of the year 2016.
20.09.2017.	Information about the change of personally responsible auditor
21.09.2017.	Information on the re-transfer of treasury shares under the terms of Employee Shared Ownership Program
02.10.2017.	Share capital, voting rights
04.10.2017.	Shareholder Structure
06.10.2017.	Information on the closure of the development of the Subotica factory and the earning of a supporting grant
18.10.2017.	Information about publishing language
18.10.2017.	Corpoate action timetable
02.11.2017.	Share capital, voting rights
03.11.2017.	Information about the registration of the change of personally responsible auditor in the company register

DECLARATION

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

Sárszentmihály, 15th of November 2017.

Tibor Dávid
Chairman of the Board

MASTERPLAST
GROUP INTERNATIONAL
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