



MASTERPLAST PLC.
INTERIM MANAGEMENT REPORT

26 October 2023

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Interim management report
2023

Third quarter

Consolidated, non-audited

According to International Financial and Reporting Standards (IFRS)

26 October 2023

The main activity areas of Masterplast (later: "Group", "Masterplast", "Company"), founded in 1997, are production and sales of building insulation materials and systems in construction industry, complemented by the production and sale of healthcare textile and hygiene products. The international Group, which headquarter is based in Hungary, has its own active subsidiary companies in 10 European countries, where 8 different production plant units are operated. The Group represents itself with its construction industry products on thermal insulation system, heat, sound and water insulation, roofing and on dry construction market, furthermore the Company participates with hygiene products on healthcare market. The international and domestic manufacturing bases ensure competitiveness to deliver the products of the Group to the European markets and markets outside Europe, via its subsidiaries and partners. The aspects of sustainability, energy efficiency and environment protection are considered by Masterplast as high importance in the internal processes, as in production and innovation.

1. SUMMARY

The decline in the construction market continued in the third quarter, as a result of the lower demand the Company's revenue decreased by 30% compared to the base period. Weakening demand intensified competition, narrowed margins, the lower production capacities resulted in an increased unitcost and a slower (end-of-quarter) run-out of high-priced stocks. Adapting to the changed market conditions, the Company focused on reducing operating costs, optimizing production capacities and inventory levels, and on efficient energy cost management. The measures implemented have already significantly reduced operating losses and their impact will increase in the next quarter. As a result of all, the Company's EBITDA loss was EUR -439 thousand in the third quarter (-1.1% EBITDA ratio, cumulative -2,932 thousand euros, -2.6% EBITDA ratio) -2 493 thousand, -3,3% EBITDA margin), and is expected to close the fourth quarter with a positive EBITDA result. Favorable exchange rate effects for the Group improved the result, so the Company closed the third quarter with a loss after tax of EUR 598 thousand, and the loss after tax for the first nine months of the year was EUR 9 908 thousand. Due to the delay in building energy renovation programs, a wait-and-see attitude is common in the market, and low demand is expected at least until the start of these programs. However, the implemented efficiency measures, strict cost management and the run-out of raw materials purchased at high prices are already predicting positive EBITDA results from the fourth quarter. The last quarter's earnings will not expected to offset losses of recent quarters, the Company will not reach the profit stated in its previously published annual forecast. The Company will revise its 2023 forecast based on year-end data if it was necessary.

With the measures on the table to meet the EU energy policy objectives (REPowerEU plan; "Fit for 55%" package of measures), the Company's medium-term business outlook in the insulation market remains positive. According to the Company's updated medium-term profit forecast, Masterplast could return to its original growth path from 2024, and annual profit after tax could exceed EUR 30 million by 2026. Relying on these factors, the Company – with intention to maintain its current production capacities - continues to implement the intensive investment strategy that lays the foundation for the growth path, including the elements of stone and glass wool production projects launched together with co-investors.

Data in 1000 EUR	Q3 2023	Q3 2022	2023 YTD	2022 YTD
Sales revenues	38 301	55 029	113 715	164 136
EBITDA	-439	5 729	-2 932	19 363
EBITDA ratio	-1,1%	10,4%	-2,6%	11,8%
Profit/loss after taxation	-598	5 554	-9 908	17 031
Net income ratio	-1,6%	10,1%	-8,7%	10,4%

Source: consolidated non-audited report of the Group on 30th of September 2023 and non-audited report on 30th of September 2022 based on IFRS accounting rules, as well as the non-audited data from the Group's management information system

- Recent events - Russian-Ukrainian war, epidemic measures, energy crisis - resulted in high inflation and rising interest rates worldwide. All of this led to a narrowing of construction industry demand at the European level as of the last quarter of last year, both in the new construction market and in the renovation segment. The wait-and-see attitude is common on the market driven by the expiration of subsidized building renovation programs and the delay in the start of new programs. The supply chain difficulties typical of previous periods no longer exist, the supply of goods is not interrupted. As a result of sharp competition developed in the construction industry, prices have fallen significantly.
- In response to the changed circumstances, the Company's management developed an action plan for three areas. The decision-making and operational structure of the management was transformed. Effective headcount optimization reduced the Group's workforce by around 250 people and as part of further cost reduction plans, the defined goal is to achieve annual savings of EUR 2 million.
- The Group's sales revenue was EUR 38 301 thousand in Q3 2023, 30% lower than the base period.
- The revenue of the thermal insulation systems product group - representing the largest share (56%) and which mainly includes self-manufactured products - decreased by 25%, while that of roofing foils and accessories, also self-manufactured, increased by 1%. Sales decreased in the Company's other product groups: dry construction system product group by 29%, heat, sound and water insulation materials by 38%, building industry accessories by 26% and industrial applications product group by 70% compared to last year's third quarter base.
- The Company's turnover increased in Poland (21%), Croatia (8%) and, despite the war situation, also in Ukraine (2%). In the most important Hungarian market, sales were 45% below the base level, which represents a significantly larger decline compared to the Company's other markets. Sales decreased in the Export market by 26%, by 23% in Romania, by 47% in Germany, by 4% in Italy, by 16% in Serbia, by 23% in Slovakia and by 26% in North Macedonia.
- The margin was significantly below the value under the base period, due to lower sales revenue and lower utilisation of production capacities, as well as the impact of raw materials purchased at higher prices. Stocks of higher-priced raw materials ran out in the quarter under review, which predicts an improvement in margins in the coming periods.
- In line with demand trends, production outputs at Serbia's EPS fiberglass mesh production plants decreased compared to a year earlier. Due to the lower capacity utilization, the Company reduced the number of employees by approximately 210 people in its production facilities in Serbia. The output of the fleece production unit in Aschersleben also decreased compared to last year's base, where production has been suspended for shorter period due to reduced demand. At this plant, the German state provides partial wage compensation to the Company (Kurzarbeit) in order to compensate for lost incomes. The output of diffusion roofing foil production in Sárszentmihály decreased, and it still generated loss. Due to low demand, only a small series of production took place in of healthcare finished products in the central site. In the Group's plant in Kál, the implementation of the equipment of the new EPS production line has been completed, but due to the drop in market demand, production in this plant is currently set to a single-shift work schedule. The XPS investment in Subotica and the new EPS investment in Italy have also been completed, where production can start in the last quarter, in preparation for serving the market needs that are expected to pick up next year.
- The mineral wool projects treated as priority are progressing according to plan. The glass wool factory investment in Szerencs will be implemented in strategic cooperation with Selena FM S.A., with a 50%-50% share, and the Halmajugra rock wool factory investment also will be implemented jointly with a professional co-investor, Market Építő Zrt. The start-up of the factories is expected in the first half of 2025.
- The cost of materials and services – including the change in the self-manufactured inventories as well – were 25% below the base level in the first quarter.
- Despite the wage increases and thanks to headcount optimization measures, the Company's personnel expenses decreased by 15% in the third quarter of 2023 compared to the base period. At the end of September 2023, the Group employed 1 170 people, compared to its 1 536 employees at the end of the base period.

- In terms of other operating results, the Company recorded a loss of EUR 96 thousand compared to the profit of EUR 1 198 thousand in the last year.
- The Group's EBITDA in Q3 2023 was a loss of EUR 439 thousand (-1,1% EBITDA ratio) compared to EUR 5 729 thousand (10,4% EBITDA ratio) in the base period. Considering the first nine months of the year, the Group's EBITDA was a loss of EUR 2 932 thousand (-2.6% EBITDA) compared to a profit of EUR 19 363 thousand (11.8% EBITDA share) in the base period.
- Taking depreciation into account, the result of earnings before interest and taxes (EBIT) was a loss of EUR 2 065 thousand, compared to the base profit of EUR 4 358 thousand. The EBIT in the first three quarters of the year was a cumulative loss of EUR 7 596 thousand, compared to the profit of EUR 15 312 thousand in same period of last year.
- The Company's interest expenses increased moderately, and as a result of favorable exchange rate effects for the Group - weakening HUF foreign exchange rate - the unrealized exchange rate result from the revaluation of foreign currency-based receivables and liabilities was also accounted for in the third quarter of 2023. The Company has mostly HUF-based bonds with favorable fixed interest rates (~2,15%) and euro-based loans with variable interest rates (~2,85%), so the deteriorating interest rate environment has a moderate impact.
- As a result of all these effects, the Company's net profit in Q3 2023 was a loss of EUR 598 thousand, compared to a profit of EUR 5 554 thousand a year earlier. For the first nine months of the year, the Group's profit after tax was a loss of EUR 9 908 thousand compared to a profit of EUR 17 031 thousand in the base period.
- Due to the ongoing new CAPEX projects, the value of fixed assets at the end of September 2023 was EUR 132 734 thousand, EUR 33 164 thousand higher than at the end of the base period.
- The value of inventory was EUR 40 059 thousand at the end of September 2023, is 33% lower than the closing value of December 31, 2022, besides compared to the high base at the end of the third quarter, it decreased by EUR 27 489 thousand, by 41%, as a result of the measures introduced to optimise inventory levels. The Company will continue to operate at lower inventory levels in the coming quarters.
- The Company's accounts receivable closed at EUR 20 919 thousand at the end of September 2023, which is 25% and EUR 6 859 thousand lower compared to base period, with declined 30% revenue.
- The Group's cash balance was EUR 22 613 thousand at the end of September 2023, which is EUR 7 291 thousand higher than the balance at the end of the base period.

2. Business Prospects

Due to the unfavourable interest rate and inflation environment and to the wait-and-see attitude, the downturn is larger than expected both in the housing market and in the renovation segment, not only in Hungary but also internationally. The European Council and Parliament have agreed on a significant reduction of the energy efficiency targets for 2030, which all Member States will have to meet by renewing their buildings at a certain pace (REPowerEU plan; "Fit for 55%" package of measures). This will entail changes in the regulations and the launch of renovation programmes in the Member States, which will lead to a significant increase in demand for insulation in the medium term, but in the short term, due to the wait-and-see attitude of the market, no significant recovery in demand is expected.

In response to the subdued market conditions, the Company's focus has shifted to optimising operations, production and inventory levels, as well as conscious energy management. The Company has restructured its management operations more efficient, reviewed its processes and launched significant headcount optimization and cost reduction program both in the field of production and operations. The measures taken have already resulted in improvement in EBITDA levels from the second quarter. Continued cost management in line with the level of sales and the run-out of raw materials previously purchased at higher prices are already projecting positive EBITDA production from the last quarter of the year. However, the last quarter's earnings will not be expected to offset losses in recent quarters, the Company will not reach the profit stated in its previously published annual forecast. The Company will revise its 2023 forecast based on year-end data if it was necessary.

Based on the medium-term business prospects strengthened in the thermal insulation industrial market, the Company strives to maintain its current production capacities, strengthen its market positions, and continues to implement its investment strategy to support its growth path.

In recent years, the Group has made significant investments in production development. The Group has significantly increased its capacity in the production of fiberglass mesh and diffusion roofing foils, which enables it to serve the premium market with the highest quality standards. With three additional plants - one XPS and two EPS plants - to be launched in 2023, the Group's production capacity for thermal insulation materials has also been increased by orders of magnitude, opening up the possibility of further expansion in Western European markets. The completion of the fibre insulation material manufacturing projects launched from the source of the HUF 9.22 billion of stock market capital increase in October 2022 includes the potential to take a big step forward. The Company is working together with Market Építő Zrt. on the construction of a stone wool factory with an annual capacity of 35 000 tons in Halmajugra. To carry out the joint work, the Company acquired a 50% stake in MIP Zrt. on 9 June 2023, of which MARKET Építő Zrt. is the shareholder of MIP Zrt. with 50% ownership is Market Építő Zrt. For the production of glass wool, the Company had previously acquired PIMCO Ltd., a 4.3-hectare industrial area prepared for factory construction and an advanced glass wool manufacturing investment project are available, for the implementation of which a nonrefundable state subsidy of HUF 5,645 billion is provided by Hungarian Investment Promotion Agency. In June, the Company entered into a strategic cooperation with the Polish Selena FM S.A. Under the cooperation, the companies decided to continue the glass wool plant investment in Szerencs jointly with a 50-50% ownership. One of the main raw materials for the product is waste glass, which will be recycled during production according to the principles of circular economy. Both fibre insulation material plants will be equipped with environmentally friendly, modern electric furnace and production technology, which will be partially powered by renewable energy sources.

The company's vision is that by the second half of the decade, Masterplast will be the only insulation materials manufacturer in the Central and Eastern European region with significant manufacturing and market positions in both plastics and mineral insulation materials.

Masterplast's prospects are further strengthened by the module house business, which is receiving increasing attention. Masterplast Modulhouse – following the previous successful office building projects – has now started its first residential building construction project. The future of this technology is also promising from an environmental point of view, as manufacturing buildings under factory conditions eliminates on-site waste.

3. Presentation of the external economic and industrial environment

The external economic and industrial environment has a significant effect on the production and sale of the insulation and other construction materials, which are the main activities of the Masterplast. While the sale of the constructional and accessories products is mainly in relation with the new buildings market, the insulation related materials (primarily the heat insulation) depend on both the new building and home renovation markets.

Recent events - Russian-Ukrainian war, epidemic measures, energy crisis - resulted in high inflation and rising interest rates worldwide. All of this led to a narrowing of construction industry demand at the European level as of the last quarter of last year, both in the new construction market and in the renovation segment. The wait-and-see attitude is common on the market driven by the expiration of subsidized building renovation programs and the delay in the start of new programs. The supply chain difficulties typical of previous periods no longer exist, the supply of goods is not interrupted. As a result of sharp competition developed in the construction industry, prices have fallen significantly.

According to available statistical data, in Hungary, which has the most significant market of the Group, construction production fell by 4.7% in the first eight months of the year, and based on the situation at the end of August, the volume of contracts for the construction of buildings was 4% higher than a year ago, but the increase is mostly due to industrial buildings. Compared to last year's base period, which was boosted by home renovation subsidies, there was a slowdown in public investment, as well as a sharp slowdown in private investment in property development and

residential work. In addition to the loss of demand, the significant fall in sales prices further erode market participants' revenues. According to the assessment of the National Union of Building Contractors (ÉVOSZ), based on a survey of 150 building materials trading enterprises, the construction industry is being forced to take serious decisions, such as laying off skilled workers, closing shifts or even closing factories. Almost all actors expect something from the state: the residents are looking forward to new subsidies, projected in family housing and energy investments, while entrepreneurs are waiting a reduction in the bank base rate and investment incentive tenders. The state has already announced that if the funds expected from the EU for Hungary arrive, it will make a large-scale, complex renovation subsidy program available to everyone. It would be a big relief for the industry if the renovation programmes were launched.

In Romania, experts forecast GDP growth of around 2.5% and a decrease in the inflation rate to 7.1% in 2023. According to construction statistics for the first half of the year, construction production increased by 12%, which was realized mostly among industrial facilities, while the volume of construction work in residential and non-residential buildings decreased by 4.6%. Price competition has developed in the market relevant to the company's products, and the lack of skilled labour is also a major challenge for construction companies.

According to estimates for the third quarter, Poland's economic performance decreased compared to the previous year, but from the next quarter onwards, the picture outlined by experts is more favorable. The construction industry was slightly stimulated in the quarter by the government's fixed-rate home loan subsidy.

The German economy is estimated to be stagnating and the construction industry is lagging behind in terms of housing construction. The German chancellor announced a 14-point crisis plan to address the country's housing shortage, which includes, among other things, tax breaks related to construction and support for families building or buying homes.

The number of building permits and construction production have recently increased in Serbia. Serbia has decided to amend the Law on Planning and Construction. The Planning and Construction Act, which will enter into force in August of this year, brings modern solutions in the field of sustainable and energy-efficient construction and the digitization of the construction industry. In addition, they speed up building permit issuance procedures and make the permit issuance process more transparent in order to protect citizens and builders.

Construction industry players are also facing fierce competition in Slovakia, where the lack of skilled labour is also a problem. However, private sector orders are increasing and a renovation incentive programme is also on the horizon in Slovakia. The new building law, which will come into force from 2024, could help the sector, significantly by easing administrative burdens around permits.

Despite the ongoing war in Ukraine, GDP is on an increasing trend (estimated at +2%), with economic activities continuing in combat-free zones. In the first half of 2023, 61% more apartments were handed over than in the first half of 2022. Based on estimation, the number of buildings destroyed during the war is in the hundreds of thousands. Within the framework of a state program, a significant amount was allocated for new constructions and reconstructions. It is a difficulty that there is a shortage of skilled labour in the construction industry, as many of them are on the front lines protecting the territories of Ukraine.

4. Sales by main product groups

Sales by main product groups:

Data in 1000 EUR	Q3 2023	Q3 2022	Index	2023 YTD	2022 YTD	Index
	(A)	(B)	(A/B-1)	(A)	(B)	(A/B-1)
Thermal insulation system	21 121	28 031	-25%	62 365	84 838	-26%
Roofing foils and accessories	6 969	6 904	1%	19 166	21 060	-9%
Dry construction system	2 761	3 903	-29%	9 398	14 913	-37%
Heat, sound and water insulation materials	3 553	5 722	-38%	10 154	15 906	-36%
Building industry accessories	1 254	1 700	-26%	3 658	4 717	-22%
Industrial applications	2 643	8 770	-70%	8 974	22 702	-60%
Total sales revenue	38 301	55 030	-30%	113 715	164 136	-31%
Contribution of product groups in percentage to the total sales revenue						
Thermal insulation system	56%	50%	-	55%	51%	-
Roofing foils and accessories	18%	14%	-	17%	13%	-
Dry construction system	7%	7%	-	8%	9%	-
Heat, sound and water insulation materials	9%	10%	-	9%	10%	-
Building industry accessories	3%	3%	-	3%	3%	-
Industrial applications	7%	16%	-	8%	14%	-
Total sales revenue	100%	100%	-	100%	100%	-

Source: consolidated non-audited report of the Group on 30th of September 2023 and non-audited report on 30th of September 2022 based on IFRS accounting rules, as well as the non-audited data from the Group's management information system

Group sales revenue in Q3 2023 was EUR 38 301 thousand, which is -30% lower than in the base period. As a result of the recession in the industry.

Mainly due to the wait-and-see attitude of the renovation market, sales revenue of the thermal insulation system product group – representing the largest share (56%) and mainly includes self-manufactured products, fell by 25%. Within this product group, sales of adhesives and own-produced fiberglass mesh products were decreased slightly, while sales of other products were significantly down on a year earlier. Regarding regional data, sales of the product group increased in Poand, while sales in the other target countries decreased in the third quarter compared to the base.

Sales of roofing foils and accessories closed Q3 2023 at 1% above same period in 2022. In terms of markets, sales of roofing foils increased significantly in Poland, Serbia, Ukraine and in North-Macedonia, while in Croatia and in Germany it stagnated.

Third quarter sales of the dry construction systems product group fell 29% compared to the 2022 base. Drywall and drywall profile sales were both down year-on-year. Exept Italy, sales in all markets resulted in a decline across the product group.

Third quarter sales of the heat, sound and water insulation materials product group were 38% below the last year's base turnover. Within the product group, sales of mineral wool and foam foil all declined, waterproofing materials' stagnated compared to the base period. By market, sales increased in Serbia, while sales in the other countries decreased in the third quarter compared to the base.

In Q3 2023, sales of building industry accessories products were 26% below last year's base level. The Ukrainian markets saw an increase in sales, Polish and North- Macedonian markets stagnated, while sales in the other markets showed a decline in the product group.

In the industrial applications product group, sales closed 70% below the base level in Q3 2023. Sales of healthcare products, packaging products and non-strategic raw material trade all fell significantly

5. 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	Q3 2023	Q3 2022	Index	2023 YTD	2022 YTD	Index
	(A)	(B)	(A/B-1)	(A)	(B)	(A/B-1)
Hungary	13 973	25 529	-45%	42 020	73 632	-43%
Export	3 791	5 109	-26%	12 295	14 933	-18%
Romania	3 769	4 911	-23%	10 470	13 774	-24%
Poland	3 475	2 874	21%	11 080	10 530	5%
Serbia	2 899	3 471	-16%	7 798	10 811	-28%
Germany	2 444	4 632	-47%	7 750	12 370	-37%
Ukraine	2 860	2 814	2%	6 362	5 353	19%
Italy	1 756	1 821	-4%	5 998	10 930	-45%
Slovakia	1 693	2 197	-23%	4 697	6 829	-31%
Croatia	1 277	1 179	8%	4 142	3 452	20%
North-Macedonia	364	493	-26%	1 103	1 522	-28%
Total sales revenue	38 301	55 030	-30%	113 715	164 136	-31%
Contribution of countries in percentage to the total sales revenue						
Hungary	37%	48%		36%	45%	
Export	10%	9%	-	11%	9%	-
Romania	10%	9%	-	9%	8%	-
Poland	9%	5%	-	10%	6%	-
Serbia	8%	6%	-	7%	7%	-
Germany	6%	8%	-	7%	8%	-
Ukraine	7%	5%	-	6%	3%	-
Italy	5%	3%	-	5%	7%	-
Slovakia	4%	4%	-	4%	4%	-
Croatia	3%	2%	-	4%	2%	-
North-Macedonia	1%	1%	-	1%	1%	-
Total sales revenue	100%	100%	-	100%	100%	-

Source: consolidated non-audited report of the Group on 30th of September 2023 and non-audited report on 30th of September 2022 based on IFRS accounting rules, as well as the non-audited data from the Group's management information system

In the Group's largest Hungarian market, sales decreased by 45% overall in Q3 2023 compared to base. Sales declined across all product groups. In the Hungarian market, high interest rates are not favourable for renovation and construction works, and instead of the home renovation subsidy, which ended at the end of last year, no new ones have been launched yet. The decline in turnover therefore reflects the wait-and-see behaviour of market demand, and the lag was further reinforced by the fall in prices.

Sales in export markets decreased by 26% in Q3 2023 compared to the same period last year. Sales of foofing foils increased, all other product groups were affected by downturn. In many export countries, third-quarter sales declined compared to the base quarter, while the Company achieved strong growth in several other markets, such as the Czech Republic, Turkey and Slovenia.

Sales in the Polish market increased by 21% in Q3 2023. Thermal insulation systems, as well as sales of roofing foils and accessories also performed well. Sales revenue of building industry accessories stagnated, while sales of dry construction and heat, sound and water insulation materials product groups declined.

Sales in the Romanian market closed 23% lower in Q3 2023 compared to the base period, with a similar decline by product group.

Serbia's revenue declined by 16% compared to base in Q3 2023. Sales revenue from roofing foils and accessories, heat, sound and water insulation materials also increased significantly. At the same time, sales on the Serbian market in the other product groups decreased in the third quarter.

Sales on the German market decreased by 47% in the third quarter compared to the corresponding period last year. Sales revenue for the roofing foils stagnated. sales of dry constructions systems product group, sales of heat, sound and water insulation materials, as well as sales of medical raw materials all showed significant decreases.

In Ukraine, despite the war situation, third-quarter sales increased by 2% compared to that 2022 base. Given that sales activity in war-torn regions is still limited, the good sales result is mainly due to its performance in the western territories. Sales decreased in the product groups heat, sound and water insulation materials, thermal insulation systems and dry construction systems compared to a year earlier, while sales of roof foils and building industry accessories increased.

In Italy, sales fell by 4% compared to the third quarter of last year. In Italy, the majority of buildings are uninsulated, therefore new renovation programs is likely to be launched in the near future to meet the energy targets. The thermal insulation system product group accounts for the majority of sales on the Italian market.

Sales in the Slovak market fell by 23% compared to base in the third quarter of 2023. Sales revenue of the product groups both showed a decrease in the quarter under review compared to a year earlier.

Sales in the Croatian market increased by 8% in Q3 2023 compared to the same period last year. Through sales of roofing foils and healthcare products in the industrial applications product groups, the Company achieved strong growth in the Croatian market in the quarter under review, the turnover of the other product groups was below the base level.

In North Macedonia, which has the smallest share of sales, sales decreased by 26% compared to baseline. Sales revenue for the roofing foils and accessoriesproduct group increased significantly, while sales for industrial applications stagnated. In all other product groups, sales decreased relative to baseline.

In summary, the Company's revenue decreased by 30% compared to base in the third quarter. As a result of the industry recession, sales fell both in the thermal insulation materials product groups linked to the renovation market and in the product group also related to the market for new construction. Sales revenue in the industrial applications product group was also below base level. In terms of territorial distribution, sales increased in the Polish and Croatian markets, sales on the Ukrainian market stagnated, while turnover decreased in other countries, including exports, in the quarter under review.

6. Profit and loss account

The exhibit below shows the consolidated profit and loss statement of the Masterplast PLC. in total cost form, in thousand EUR.

Data in 1000 EUR	Q3 2023	Q3 2022	Change	Index	2023 YTD	2022 YTD	Change	Index
	(A)	(B)	A-B	(A/B-1)	(A)	(B)	A-B	(A/B-1)
Sales revenues	38 301	55 029	-16 728	-30%	113 715	164 136	-50 421	-31%
Cost of materials and services	-31 317	-45 173	13 856	-31%	-93 971	-134 392	40 421	-30%
Payroll costs and contributions	-5 799	-6 852	1 053	-15%	-18 513	-20 540	2 027	-10%
Depreciation	-1 626	-1 371	-255	19%	-4 664	-4 051	-613	15%
Change in self-manufactured inventories	-1 528	1 527	-3 055	-200%	-4 266	8 332	-12 598	-151%
Other operating revenues and expenses	-96	1 198	-1 294	-108%	103	1 827	-1 724	-94%
EBITDA	-439	5 729	-6 168	-108%	-2 932	19 363	-22 295	-115%
<i>EBITDA ratio</i>	<i>-1,1%</i>	<i>10,4%</i>			<i>2,6%</i>	<i>11,8%</i>		
PROFIT / LOSS OF BUSINESS ACTIVITY (EBIT)	-2 065	4 358	-6 423	-147%	-7 596	15 312	-22 908	-150%
Interest revenues	284	166	118	71%	745	428	317	74%
Interest expenses	-887	-652	-235	36%	-2 527	-1 714	-813	47%
Other financial revenues and expenses	1 732	2 310	-578	-25%	-1 243	5 020	-6 263	-125%
FINANCIAL PROFIT/LOSS	1 129	1 824	-695	-38%	-3 025	3 734	-6 759	-181%
Profit/loss from associations	0	86	-86	-100%	18	207	-189	-91%
Profit/loss before income tax	-936	6 268	-7 204	-115%	-10 603	19 253	-29 856	-155%
Taxes	338	-714	1 052	-147%	695	-2 222	2 917	-131%
Profit/loss after taxation	-598	5 554	-6 152	-111%	-9 908	17 031	-26 939	-158%
<i>Profit attributable to the owners of the parent</i>	<i>-679</i>	<i>5 570</i>	<i>-6 249</i>	<i>-112%</i>	<i>-10 074</i>	<i>17 077</i>	<i>-27 151</i>	<i>-159%</i>
<i>Profit attributable to the minority</i>	<i>81</i>	<i>-15</i>	<i>96</i>	<i>-640%</i>	<i>166</i>	<i>-46</i>	<i>212</i>	<i>-461%</i>
<i>Earnings per share (EPS) (EUR)</i>	<i>-0,04</i>	<i>0,57</i>			<i>-0,61</i>	<i>0,80</i>		
<i>Diluted earnings per share (diluted EPS) (EUR)</i>	<i>-0,04</i>	<i>0,57</i>			<i>-0,61</i>	<i>0,80</i>		

Source: consolidated non-audited report of the Group on 30th of September 2023 and non-audited report on 30th of September 2022 based on IFRS accounting rules.

The Group's sales revenue was EUR 38 300 thousand in Q3 2023, 30% lower than the base period.

The margin was significantly below the value under the base period, due to lower sales revenue and lower utilisation of production capacities, as well as the impact of raw materials purchased at higher prices. Stocks of higher-priced raw materials ran out in the quarter under review, which predicts an improvement in margins in the coming periods.

In line with demand trends, production outputs at Serbia's EPS fiberglass mesh production plants decreased compared to a year earlier. Due to the lower capacity utilization, the Company reduced the number of employees by approximately 210 people in its production facilities in Serbia. The output of the fleece production unit in Aschersleben also decreased compared to last year's base, where production has been suspended for shorter period due to reduced demand. At this plant, the German state provides partial wage compensation to the Company (Kurzarbeit) in order to compensate for lost incomes. The output of diffusion roofing foil production in Sárszentmihály decreased, and it still generated loss. Due to low demand, only a small series of production took place in of healthcare finished products in the central site. In the Group's plant in Kál, the implementation of the equipment of the new EPS production line has been completed, but due to the drop in market demand, production in this plant is currently set to a single-shift work schedule. The XPS investment in Subotica and the new EPS investment in Italy have also been completed, where production can start in the last quarter, in preparation for serving the market needs that are expected to pick up next year.

The cost of materials and services – including the change in the self-manufactured inventories as well – were 25% below the base level in the third quarter. Raw material costs and other material costs, (energy and fuel) decreased in line with the decline in sales, while the costs of services was slightly above the level in Q3 compared to the base period.

Despite the wage increases and thanks to headcount optimization measures, the Company's personnel expenses decreased by 15% in the third quarter of 2023 compared to the base period. At the end of September 2023, the Group employed 1 170 people, compared to its 1 536 employees at the end of the base period. In both production and other operational areas, the Company reviewed its processes and started employee optimization, the impacts of which were already visible from the second quarter.

The amount of depreciation increased by 19% compared to base period amount. The subsidies related to CAPEX investments on Hungarian and Serbian sites was accounted proportionally in the financial figures based on depreciation figures.

In terms of other operating results, the Company recorded a loss of EUR 96 thousand compared to the profit of EUR 1 198 thousand in the last year.

The Group's EBITDA in Q3 2023 was a loss of EUR 439 thousand (-1,1% EBITDA ratio) compared to EUR 5 729 thousand (10,4% EBITDA ratio) in the base period. Considering the first nine months of the year, the Group's EBITDA was a loss of EUR 2 932 thousand (-2.6% EBITDA) compared to a profit of EUR 19 363 thousand (11.8% EBITDA share) in the base period. Taking depreciation into account, the result of earnings before interest and taxes (EBIT) was a loss of EUR 2 065 thousand, compared to the base profit of EUR 4 359 thousand. The EBIT in the first three quarters of the year was a cumulative loss of EUR 7 596 thousand, compared to the profit of EUR 15 312 thousand in same period of last year.

The Company's interest expenses increased moderately, and as a result of favorable exchange rate effects for the Group - weakening HUF foreign exchange rate - the unrealized exchange rate profit resulting from the revaluation of foreign currency-based receivables and liabilities was also accounted for in the third quarter of 2023. The Company has mostly HUF-based bonds with favorable fixed interest rates (~2,15%) and euro-based loans with variable interest rates (~2,85%), so the deteriorating interest rate environment has a moderate impact.

The other financial related incomes and expenditures mainly represent the exchange rate related profits/losses. As the Company mainly realizes its purchases in EUR and USD and the sales are being generated in local currencies therefor the fluctuation of these currencies can have a remarkable effect on the Group's results. Since most of the local currencies are linked to the EUR, the EUR/USD rate moves also influence – in case USD purchases – the exchange rate results. At the end of the period, the company had EUR/HUF futures transactions.

The following table shows the exchanges of major currencies for the Group in 2023, 2022 and 2021:

Closing exchange rates	31-12-2021	31-06-2022	30-09-2022	31-12-2022	30-06-2023	30-09-2023	Index	Index	Index	Index	Index
	A	B	C	D	E	F	C/A	F/D	C/B	F/E	F/C
EUR/USD	1,13	1,04	0,98	1,07	1,08	1,06	86,79%	99,59%	94,18%	97,89%	107,90%
EUR/HUF	369,00	396,75	421,41	400,25	371,13	391,25	114,20%	97,75%	106,22%	105,42%	92,84%
EUR/RON	4,95	4,95	4,95	4,95	4,96	4,97	100,02%	100,55%	100,07%	100,23%	100,52%
EUR/RSD	117,58	117,41	117,32	117,32	117,23	117,20	99,78%	99,90%	99,93%	99,97%	99,90%
EUR/UAH	30,92	30,78	35,56	38,95	40,00	38,55	115,00%	98,98%	115,54%	96,38%	108,42%
USD/HUF	325,71	379,99	428,57	375,68	342,40	368,76	131,58%	98,16%	112,78%	107,70%	86,04%
USD/RON	4,37	4,74	5,05	4,63	4,58	4,69	115,47%	101,12%	106,42%	102,43%	92,86%
USD/RSD	103,93	112,26	119,55	110,15	107,82	110,75	115,04%	100,55%	106,49%	102,72%	92,64%
USD/UAH	27,28	29,25	36,57	36,57	36,57	36,57	134,06%	100,00%	125,00%	100,00%	100,00%

Source: Hungarian National Bank rates

As a result of favourable exchange rate movements for the Company - weakening HUF foreign exchange rate -, the unrealized exchange rate result resulting from the revaluation of foreign currency-based receivables and liabilities amounted to a profit of EUR 1 732 thousand, compared to a profit of EUR 2 310 thousand in the base period.

As a result of all these effects, the Company's net profit in Q3 2023 was a loss of EUR 598 thousand, compared to a profit of EUR 5 554 thousand a year earlier. For the first nine months of the year, the Group's profit after tax was a loss of EUR 9 908 thousand compared to a profit of EUR 17 031 thousand in the base period.

In summary, in a recessionary environment, the company's revenue decreased by 30% compared to base in the third quarter. In addition to the effect of the stock of raw materials purchased at previously higher prices, and tightening margins due to a competitive market had a negative impact on the Company's quarterly results, but the measures implemented reduced the EBITDA loss compared to the previous quarter. Group EBITDA in Q3 2023 was a loss of EUR 439 thousand (-1,1% EBITDA margin) against a profit of EUR 5 729 thousand (EBITDA margin of 10,4%) in the base period. The exchange rate movements improved quarterly earnings, thus, the Company closed the third quarter with a loss-after-tax of EUR 598 thousand.

7. Other comprehensive income

Data in 1000 EUR	30-09-2023	30-09-2022
Profit for the year	-9 909	17 031
Foreign exchange result on translation*	1 699	-3 627
Comprehensive income related to a CCIRS transaction*	1 578	-275
Parent company's share of the change in the value of associates*	-1 258	-142
Other comprehensive income	2 018	-4 044
Comprehensive income	-7 890	12 987

Source: consolidated non-audited report of the Group on 30th of September 2023 and non-audited report on 30th of September 2022 based on IFRS accounting rules

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

8. Balance sheet

Due to the strong seasonal impact of the Group's business during the year, the Company presents and analyses its balance sheet as at 30th September 2023 comparing to the balance sheet data of the same date of the previous year. A separate table shows the comparison with year-end volumes.

Data in 1000 EUR	30-09-2023	30-09-2022	Change	Index
	(A)	(B)	A-B	(A/B-1)
FIXED ASSETS				
Land, buildings and equipment	125 067	96 292	28 775	30%
Intangible assets	626	799	-173	-22%
Shares in related companies	6 645	1 873	4 772	255%
Deferred tax assets	396	606	-210	-35%
Total fixed assets	132 734	99 570	33 164	33%
CURRENT ASSETS				
Inventories	40 059	67 548	-27 489	-41%
Trade accounts receivable	20 919	27 778	-6 859	-25%
Tax receivables	2 716	2 655	61	2%
Other financial receivables	7	13	-6	-46%
Other current assets	6 861	3 425	3 436	100%
Liquid assets	22 613	15 322	7 291	48%
Total current assets	93 175	116 741	-23 566	-20%
TOTAL ASSETS	225 909	216 311	9 598	4%
CAPITAL AND RESERVES				
Subscribed capital	6 049	5 504	545	10%
Reserves	77 791	39 308	38 483	98%
Repurchased shares	-1 682	-1 735	53	-3%
Parent share of interests	-10 074	17 077	-27 151	-159%
Equity attributable to the owners of the parent	72 084	60 154	11 930	20%
Minority interests	607	592	15	3%
Total capital and reserves	72 691	60 746	11 945	20%
LONG-TERM LIABILITIES				
Long-term loans	14 581	15 283	-702	-5%
Liabilities from issued bonds	49 791	49 774	17	0%
Deferred tax liabilities	724	489	235	48%
Deferred income	32 720	30 341	2 379	8%
Other long-term liabilities	1 219	565	654	116%
Total long-term liabilities	99 035	96 452	2 583	3%
SHORT-TERM LIABILITIES				
Short-term loans	21 534	17 287	4 247	25%
Liabilities from issued bonds (short-term)	3 831	0	3 831	0%
Trade accounts payable	16 792	20 533	-3 741	-18%
Short-term leasing liabilities	2	98	-96	-98%
Other financial liabilities	3 696	6 492	-2 796	-43%
Tax liabilities	491	4 680	-4 189	-90%
Short-term deferred income	1 849	2 785	-936	-34%
Provisions	641	720	-79	-11%
Other short-term liabilities	5 347	6 518	-1 171	-18%
Total short-term liabilities	54 183	59 113	-4 930	-8%
TOTAL LIABILITIES	153 218	155 565	-2 347	-2%
TOTAL CAPITAL AND LIABILITIES	225 909	216 311	9 598	4%

Source: consolidated non-audited report of the Group on 30th of September 2023 and non-audited report on 30th of September 2022 based on IFRS accounting rules

On 30th September 2023, the Group's assets amounted to EUR 225 909 thousand, EUR 9 598 thousand higher than at the end of the base period.

Due to the ongoing new CAPEX projects, the value of fixed assets at the end of September 2023 was EUR 132 734 thousand, EUR 33 164 thousand higher than at the end of the base period.

The value of inventory was EUR 40 059 thousand at the end of September 2023, is 33% lower than the closing value of December 31, 2022, besides compared to the high base at the end of the third quarter, it decreased by EUR 27 489 thousand, by 41%, as a result of the measures introduced to optimise inventory levels. The Company will continue to operate at lower inventory levels in the coming quarters.

The Company's accounts receivable closed at EUR 20 919 thousand at the end of September 2023, which is 25% and EUR 6 859 thousand lower compared to base period, with declined 30% revenue.

The Group's cash balance was EUR 22 613 thousand at the end of September 2023, which is EUR 7 291 thousand higher than the balance at the end of the base period.

Group's bond liabilities in the balance sheet remained unchanged in nominal terms. The total amount of loans increased by EUR 3 554 thousand.

The Group's accounts payable closed at EUR 16 792 thousand, compared to EUR 20 533 thousand at the end of the third quarter of last year. Amount of deferred income– includes grants related to investments not yet recognised in profit or loss increased by a total of EUR 1,5 million.

9. Cash-flow, bank information

Data in 1000 EUR	30-09-2023	30-09-2022	Change	Index
	(A)	(B)	A-B	(A/B-1)
Operating Activities				
PBT	-10 604	19 253	-29 857	-155%
Depreciation and Amortisation	4 664	4 051	614	15%
Bad debt provision	1 194	418	776	186%
Shortage and scrap of stocks	153	457	-304	-66%
Provisions	58	153	-95	-62%
Profit on fixed asset sale	-10	-1 236	1 227	-99%
Interest expense	2 527	1 714	813	47%
Interest revenue	-745	-428	-317	74%
Profit/loss from associations	-18	-207	189	-91%
Unrealized foreign exchange gain (loss)	4 539	-5 098	9 637	-189%
Changes in Working Capital				
Change in Accounts Receivable	-3 614	-7 186	3 572	-50%
Change in Inventory	18 693	-20 914	39 607	-189%
Change in Other Assets	3 496	-1 403	4 899	-349%
Change in Accounts Payable	259	3 743	-3 484	-93%
Change in Short-term liabilities	2 812	-10 995	13 808	-126%
Taxation	-1 351	-1 560	209	-13%
Net Cash from Operations	22 055	-19 239	41 294	-215%
Investing Activities				
CAPEX	-16 455	-6 537	-9 918	152%
Sale of fixed assets	349	1 397	-1 048	-75%
Subsidiaries share purchase	-8 409	-1 352	-7 057	522%
Interest received	745	428	317	74%
Net Cash from Investing activities	-23 770	-6 065	-17 705	292%
Financing Activities				
Redeemed treasury shares	112	-1 130	112	0%
Borrowing	5 199	23 100	-17 901	-77%
Loan repayments	-983	-758	-225	30%
Dividends paid	0	-45	45	-100%
Interest paid	-2 527	-1 714	-813	47%
Net Cash from Financing activities	1 801	19 453	-17 652	-91%
Net Cash flow of the period	86	-5 851	5 937	-101%
Cash at beginning of period	25 882	15 382	10 500	68%
Effect of exchange rate changes	-3 355	5 791	-9 146	-158%
Cash at end of period	22 613	15 322	7 291	48%

Source: consolidated non-audited report of the Group on 30th of September 2023 and non-audited report on 30th of September 2022 based on IFRS accounting rules

The net cash flow from operation was EUR 22 005 thousand at the end of September 2023, compared to the EUR - 19 239 thousand value of end of the base period.

The cash flow from investing activities was EUR - ja -23 770 thousand at end of June 2023 compared to EUR -6 065 thousand in base period.

The net cash flow from financial related activities amounted to EUR 1 801 thousand versus the EUR 19 453 thousand of the base year.

All in all, the cash and equivalents of the Company was EUR 22 613 thousand at the end of September 2023 which was higher by EUR 7 291 thousand than the EUR 15 322 thousand level of the previous period end.

Investigations against Masterplast:

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

An investigation has been extended to the MASTERPLAST Romania Srl. which was launched by the Romanian tax authority to an assumed tax claim in relation with anti-dumping laws on imported products concerning the operations of some of the suppliers of the Romanian subsidiary of the Company, and the investigative authority suspected MASTERPLAST Romania S.R.L. and two executive officials of it. For the upcoming periods of the procedure, as a security for possible future enforcement up to the amount of EUR 2 000 430 (RON 9 951 341), ordered the seizure and banned the alienation of Romanian properties owned by MASTERPLAST Romania S.R.L.

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

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

As the result of the completed tax investigation, the Romanian tax authority determined a VAT liability in the amount of EUR 250 483 (RON 1 246 053) and additionally EUR 79 733 (RON 396 638) as default interest for the inspected period from 01-01-2014 to 31-08-2016. The Company represented a bank guarantee for the tax liabilities.

As part of the transfer price investigation launched at the Romanian subsidiary of the Company, the Romanian Tax Authorities identified a tax deficit of EUR 468 390 (RON 2 318 107) for the financial years 2014-2018. The Company has appealed because of the finding with the assistance of experts thus the proceedings are still ongoing. In order to avoid possible future tax fines, the Company has paid the full amount to the tax authorities in year 2020, which was presented in the profit and loss account as "Other operating income (expenses)".

10. Change in equity

Data in 1000 EUR	Subscribed capital	Shares	Capital reserves	Accumulated profit reserves	Conversation reserves	Total reserves	Parent company's share of profit	Equity per shareholders in parent company	Share of external owners	Shareholders' equity
01-01-2022	5 504	-2 252	8 063	34 351	-13 808	28 606	15 861	47 719	646	48 365
Profit for the year	0	0	0	0	0	0	17 077	17 077	-46	17 031
Comprehensive income related to a CCIRS transaction	0	0	0	0	-275	-275	0	-275	0	-275
Dividends to minority shareholders	0	0	0	0	0	0	0	0	-45	-45
MRP share based payments	0	240	0	0	0	0	0	240	0	240
Other comprehensive income	0	0	0	0	-3 806	-3 806	0	-3 806	37	-3 769
Prior year's profit or loss reclassified	0	0	0	15 861	0	15 861	-15 861	0	0	0
Redeemed treasury shares	0	277	0	-1 013	0	-1 013	0	-736	0	-736
Other	0	0	0	-65	0	-65	0	-65	0	-65
30-09-2022	5 504	-1 735	8 063	49 134	-17 889	39 308	17 077	60 154	592	60 746
01-01-2023	6 049	-1 951	29 368	47 040	-16 285	60 123	15 691	79 912	689	80 601
Profit for the year	0	0	0	0	0	0	-10 074	-10 074	166	-9 909
Comprehensive income related to a CCIRS transaction	0	0	0	0	1 578	1 578	0	1 578	0	1 578
MRP share based payments	0	158	0	-289	0	-289	0	-131	0	-131
Other comprehensive income	0	0	0	0	688	688	0	688	-248	441
Prior year's profit or loss reclassified	0	0	0	15 691	0	15 691	-15 691	0	0	0
Redeemed treasury shares	0	112	0	0	0	0	0	112	0	112
30-09-2023	6 049	-1 682	29 368	62 443	-14 019	77 791	-10 074	72 084	607	72 691

Source: consolidated non-audited report of the Group on 30th of September 2023 and non-audited report on 30th of September 2022 based on IFRS accounting rules.

11. Contingent liabilities

Company	Type of guarantee	Covert amount by guarantee	Currency	Amount in EUR	Currency
Masterplast Romania	Bank guarantee	1 246 053	RON	250 483	EUR
Masterplast Romania	Bank guarantee	396 638	RON	79 733	EUR
Masterfoam Kft.	Tender guarantee	251 003 670	HUF	641 543	EUR
Masterplast Proizvodnja DOO Subotica	Bill of exchange	2 524 795 725	HUF	6 453 152	EUR
Masterplast YU D.o.o.	Bank guarantee	10 000 000	RSD	85 325	EUR
Total:				7 510 235	EUR

Source: consolidated non-audited report of the Group on 30th of September 2023 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.

12. Presentation of the manufacturing capacity

In the Group's EPS factory in Subotica, the output of finished products was significantly lower in the third quarter compared to a year earlier, but exceeded the previous Q2 period. In the production area of the most labor-intensive fiberglass mesh, there was also a significant decline compared to the same period last year. The labour optimization communicated in the first quarter was implemented, and at the same time, the inventory level optimization is also at an appropriate level in proportion to time. The XPS investment was completed at the same site, where the trial production phase was completed, in the fourth quarter the company will appear on the market with its own manufactured product.

In Sárszentmihály, the output of the fleece production equipment at the central site decreased in this period compared to last year, and related stock level decreased. In the case of health products, due to low demand, only small series productions were carried out.

The output of the fleece production unit in Aschersleben also decreased compared to last year's base, where production has been suspended for shorter period driven by the reduced demand. At this plant, the German state provides partial wage compensation (Kurzarbeit) to the Company to compensate for lower income.

The Group's new EPS production line in Kál operates in a single-shift work schedule in line with market demand. The new EPS investment in Italy has also been completed, where production can also start in the last quarter, in preparation for serving the market needs that are expected to pick up next year.

The implementation of the investments that are running in parallel and produce priority treated mineral wool is in progress and progressing according to plan. Both the 35 000 ton annual capacity stone wool factory planned in Halmajugra together with Market Építő Zrt, and the 19 000 ton capacity glass wool factory planned in Szerencs - with the involvement of professional co-investor Selena FM S.A. - are expected to start in the first half of 2025.

13. Changes of the full time employees (headcount)

	30-09-2023	31-12-2022	30-09-2022
Company employees	65	79	72
Group level employees	1 170	1 499	1 536

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

14. Significant events between the quarter-end and the publication of this report

From 2nd October 2023, Group Management members will be added to the management structure of the MASTERPLAST Group for an indefinite period. The appointed Group Management members are: Tivadar Bunford, Illés Jancsó, Flórián László Lukács and László Pécsi.

15. Balance sheet compared with 31 December 2022 status

Data in EUR	30-09-2023	31-12-2022	Change	Index
	(A)	(B)	A-B	(A/B-1)
FIXED ASSETS				
Land, buildings and equipment	125 067	109 530	15 537	14%
Intangible assets	626	197	429	218%
Shares in related companies	6 645	2 084	4 561	219%
Deferred tax assets	396	396	0	0%
Other long-term financial assets	0	125	-125	-100%
Total fixed assets	132 734	112 332	20 402	18%
CURRENT ASSETS				
Inventories	40 059	59 939	-19 880	-33%
Trade accounts receivable	20 919	17 465	3 454	20%
Tax receivables	2 716	2 325	391	17%
Other financial receivables	7	275	-268	-97%
Other current assets	6 861	10 356	-3 495	-34%
Liquid assets	22 613	25 882	-3 269	-13%
Total current assets	93 175	116 242	-23 067	-20%
TOTAL ASSETS	225 909	228 574	-2 665	-1%
CAPITAL AND RESERVES				
Subscribed capital	6 049	6 049	0	0%
Reserves	77 791	60 123	17 668	29%
Repurchased shares	-1 682	-1 951	269	-14%
Parent share of interests	-10 074	15 691	-25 765	-164%
Equity attributable to the owners of the parent	72 084	79 912	-7 828	-10%
Minority interests	607	689	-82	-12%
Total capital and reserves	72 691	80 601	-7 910	-10%
LONG-TERM LIABILITIES				
Long-term loans	14 581	14 680	-99	-1%
Liabilities from issued bonds	49 791	48 664	1 127	2%
Deferred tax liabilities	724	752	-28	-4%
Deferred income	32 720	30 159	2 561	8%
Other long-term liabilities	1 219	387	832	215%
Total long-term liabilities	99 035	94 642	4 393	5%
SHORT-TERM LIABILITIES				
Short-term loans	21 534	17 218	4 316	25%
Liabilities from issued bonds (short-term)	3 831	3 744	87	2%
Trade accounts payable	16 792	16 533	259	2%
Short-term leasing liabilities	2	250	-248	-99%
Other financial liabilities	3 696	5 566	-1 870	-34%
Tax liabilities	491	1 613	-1 122	-70%
Short-term deferred income	1 849	2 785	-936	-34%
Provisions	641	583	58	10%
Other short-term liabilities	5 347	5 040	307	6%
Total short-term liabilities	54 183	53 332	851	2%
TOTAL LIABILITIES	153 218	147 974	5 244	4%
TOTAL CAPITAL AND LIABILITIES	225 909	228 574	-2 665	-1%

Source: consolidated non-audited report of the Group on 30th of September 2023 and audited report on 31th of December 2022 based on IFRS accounting rules

16. Consolidated companies

Company	Place of business registration	Equity capital	Foreign currency	Ownership	Voting rate	Activity
Masterplast Romania S.R.L.	Romania	36 000	RON	100%	100%	Wholesale of building materials
Masterplast YU D.o.o.	Serbia	192 557 060	RSD	100%	100%	Wholesale of building materials, EPS and fiberglass production
Master Plast s.r.o.	Slovakia	26 555	EUR	100%	100%	Wholesale of building materials
Masterplast d.o.o.	Croatia	20 000	HRK	100%	100%	Wholesale of building materials
MasterPlast TOV	Ukraine	27 000	UAH	80%	80%	Wholesale of building materials
Masterplast Sp zoo	Poland	200 000	PLN	80,04%	80,04%	Wholesale of building materials
MasterFoam Kft.	Hungary	3 000 000	HUF	100%	100%	Foam sheet production
Masterplast Medical Kft.	Hungary	10 000 000	HUF	100%	100%	Wholesale of building materials Production of medical raw materials and finished products
Masterplast D.O.O. (3)	North Macedonia	973 255	MKD	100%	100%	Wholesale of building materials
Green MP Invest	Ukraine	33 223 500	UAH	100%	100%	Asset management
Masterplast Hungária Kft.	Hungary	230 000 000	HUF	100%	100%	Wholesale of building materials
Masterplast Modulhouse Kft.	Hungary	300 000 000	HUF	100%	100%	Construction of residential and non-residential buildings
Masterplast International Kft.	Hungary	3 000 000	HUF	100%	100%	Wholesale of building materials
Masterplast Nonwoven GmbH	Germany	25 000	EUR	100%	100%	Fleece and multilayer membrane production
Fidelis Bau Kft.	Hungary	3 000 000	HUF	100%	100%	Thermobeton production
Masterplast Italia Srl. (6)	Italy	200 000	EUR	95,5%	95,5%	Wholesale of building materials
MASTERWOOL MW-1 d.o.o.(2)	Serbia	293 900 000	RSD	100%	100%	Rockwool production
PIMCO Kft. (5)	Hungary	153 000 000	HUF	100%	100%	Glasswool production
Indirect relations:						
Masterplast Proizvodnja D.o.o.	Serbia	600 000	RSD	100%	100%	XPS production
Affiliated company of the Group (4):						
Masterprofil Kft.	Hungary	3 000 000	HUF	20%	20%	Profile production
T-CELL Plasztik Kft.(1)	Hungary	104 000 000	HUF	24%	24%	EPS production
MIP Zrt. (7)	Hungary	810 000 000	HUF	50%	50%	Stonewool production

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

(1) On 14 September 2022, Masterplast Plc got a call option for the remaining share, which will enable it to become 100% owner of T-CELL Ltd. The call option is valid for a period of 3 years from the publication of the annual audited accounts of T-CELL Kft. for 2022, but no later than 31 May 2023

(2) In order to launch rock wool production activities, MASTERWOOL MW-1 d.o.o. was established in Serbia in 2022 with 51% ownership of the Company and 50% voting rights. Investment activities and operations have not yet taken place within the framework of this economic organization. On March 21 2023, MASTERPLAST Plc. signed a share transfer agreement for the purchase of 49% of the registered capital of MASTERWOOL MW-1 d.o.o. As a result of the share transfer, MASTERPLAST Plc. became the sole member of MASTERWOOL MW-1 d.o.o. with a 100% share.

(3) With the acquisition of the 10% stake in Masterplast D.O.O. previously held by an external shareholder, the Company's consolidated ownership changed from 90% to 100% from 22nd December 2022.

(4) As a result of the transfer of shares, MASTERPLAST Plc. no longer has a share in Master Modul Kft., the planned activity in Master Modul Kft. will be implemented by MASTERPLAST Modulhouse Kft.

(5) On 18 January 2023, the Company entered into a purchase agreement for the purchase of a 100% share in PIMCO Kft., which has a glass wool manufacturing investment project. On 24 July 2023, the Company and Selena FM S.A. entered into a conditional investment agreement on cooperation in PIMCO Kft. According to the agreement, the acquisition of quota by Selena FM S.A. is, in particular, subject to the condition precedent

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of approval (or a finding that such approval is not required) of the Hungarian Competition Authority and the convertible loan granted by Selena FM S.A to PIMCO Kft., which becomes the share capital of PIMCO Kft later. In case of fulfilling the conditions, the share capital of PIMCO Kft. will be increased, as a result of which Selena FM S.A. will acquire a 50% of the shares and voting in PIMCO Kft. The contribution of Selena FM S.A. to PIMCO Kft. in the transaction will be a maximum of EUR 10 million.

(6) On March 16, 2023, the Company entered into a share transfer agreement for the purchase of shares in MASTERPLAST Italia S.r.l., representing 44.5% of the registered capital of MASTERPLAST Italia S.r.l. with a nominal value of EUR 89 thousand. As a result of the share transfer, MASTERPLAST Plc. becomes a 95.5% shareholder of MASTERPLAST Italia S.r.l.

(7) Based on the strategic cooperation agreement concluded in December 2022, the Company acquired a 50% share in MIP Alapanyaggyártó Zártkörűen Működő Reszvénytársaság (MIP Zrt.) on June 9, 2023, as a result of which MASTERPLAST Nyrt. owns 50% of MIP Zrt. , the shareholder of MIP Zrt. with an additional 50% ownership share is MARKET Építő Zrt.

The consolidation of the affiliate companies 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.

17. 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	30-04-2024	approximately 15,5 years	4 548 057 ordinary shares
Ács Balázs	Vice Chairman of the Board	03-04-2008	30-04-2024	approximately 15,5 years	3 877 259 ordinary shares
Dirk Theuns	Board member	01-05-2014	30-04-2024	approximately 9,5 years	-
Dezse Margaret	Board member	01-05-2020	30-04-2024	approximately 3,5 years	1 300 ordinary shares
Fazekas Bálint	Board member	01-05-2022	30-04-2024	approximately 1,5 year	1 145 ordinary shares

The data of the Company's top management are shown in the table below on 30th September 2023:

Name	Post	Beginning of the current top management position	Completion of current top management position	Stockholding (pcs)
Tibor Dávid	CEO	27-04-2023	indefinite duration	4 548 057
Ács Balázs	Deputy CEO	27-04-2023	indefinite duration	3 877 259
Nádasi Róbert	Deputy CEO	27-04-2023	indefinite duration	129 034

18. 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 (1)	no	4 548 057	26,99%
Ács Balázs (1)	no	3 877 259	23,01%
Total		8 425 316	50,00%

(1) The founding owners own 50% + 1pcs (8 425 316) of the shares issued by Masterplast Nyrt., maintaining majority ownership and voting rights for founding owners.

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

	30-09-2023
Issuing ownership	0
MRP organisation	251 587
Affiliated companies ownership	0
Total	251 587

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

Publication date	Object
02.01.2023.	Voting rights, registered capital
06.01.2023.	Updated forecast of 2022 results
18.01.2023.	Information on the purchase of a project company for the development of glass wool production
31.01.2023.	Information on the strategic cooperation agreement between MASTERPLAST Nyrt. and KÉSZ Holding Zrt.
01.02.2023.	Voting rights, registered capital
15.02.2023.	Information on the transfer of shares
23.02.2023.	Interim management report
01.03.2023.	Voting rights, registered capital
16.03.2023.	Information on the acquisition of a stake in the Italian subsidiary
21.03.2023.	Information on the acquisition of a stake in the Serbian subsidiary
27.03.2023.	GM – Invitation
27.03.2023.	Information about investor forum
27.03.2023.	Changing of corporate action timetable
27.03.2023.	Corporate Action Timetable
03.04.2023.	Voting rights, registered capital
06.04.2023.	GM – Proposals
27.04.2023.	GM - Resolutions
27.04.2023.	Presentation of the 27 April 2023 investor forum
27.04.2023.	Annual Report
27.04.2023.	CG Declaration
27.04.2023.	Remuneration Report
27.04.2023.	Remuneration Policy
27.04.2023.	ESG Report
27.04.2023.	Information on changes to the management structure
02.05.2023.	Voting rights, registered capital
11.05.2023.	Publication of Q1 2023 results, interim management report
19.05.2023.	Information on the registration of changes to the company's register according to the resolutions of the AGM
19.05.2023.	Articles of Associations
22.05.2023.	Information on the acquisition and transfer of treasury shares
24.05.2023.	Information on the transaction of person discharging managerial responsibilities
24.05.2023.	Information on share purchasing by MASTERPLAST Employee Stock Ownership Program Organization
25.05.2023.	Information on share purchasing by MASTERPLAST Employee Stock Ownership Program Organization
26.05.2023.	Information on share purchasing by MASTERPLAST Employee Stock Ownership Program Organization
30.05.2023.	Information on share purchasing by MASTERPLAST Employee Stock Ownership Program Organization
31.05.2023.	Information on share purchasing by MASTERPLAST Employee Stock Ownership Program Organization
01.06.2023.	Voting rights, registered capital
01.06.2023.	Information on share purchasing by MASTERPLAST Employee Stock Ownership Program Organization
02.06.2023.	Information on share purchasing by MASTERPLAST Employee Stock Ownership Program Organization
05.06.2023.	Information on share purchasing by MASTERPLAST Employee Stock Ownership Program Organization
06.06.2023.	Information on share purchasing by MASTERPLAST Employee Stock Ownership Program Organization
07.06.2023.	Information on share purchasing by MASTERPLAST Employee Stock Ownership Program Organization
08.06.2023.	Information on share purchasing by MASTERPLAST Employee Stock Ownership Program Organization
09.06.2023.	Information on share purchasing by MASTERPLAST Employee Stock Ownership Program Organization
09.06.2023.	Information on the joint venture of MASTERPLAST Nyrt. and MARKET Építő Zrt.
12.06.2023.	Information on share purchasing by MASTERPLAST Employee Stock Ownership Program Organization
13.06.2023.	Information on share purchasing by MASTERPLAST Employee Stock Ownership Program Organization
14.06.2023.	Information about credit rating
14.06.2023.	Information on share purchasing by MASTERPLAST Employee Stock Ownership Program Organization
15.06.2023.	Information on share purchasing by MASTERPLAST Employee Stock Ownership Program Organization
16.06.2023.	Information on share purchasing by MASTERPLAST Employee Stock Ownership Program Organization
19.06.2023.	Information on share purchasing by MASTERPLAST Employee Stock Ownership Program Organization

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20.06.2023.	Information on share purchasing by MASTERPLAST Employee Stock Ownership Program Organization
21.06.2023.	Information on share purchasing by MASTERPLAST Employee Stock Ownership Program Organization
22.06.2023.	Information on share purchasing by MASTERPLAST Employee Stock Ownership Program Organization
23.06.2023.	Information on share purchasing by MASTERPLAST Employee Stock Ownership Program Organization
26.06.2023.	Information on share purchasing by MASTERPLAST Employee Stock Ownership Program Organization
27.06.2023.	Information on share purchasing by MASTERPLAST Employee Stock Ownership Program Organization
28.06.2023.	Information on share purchasing by MASTERPLAST Employee Stock Ownership Program Organization
29.06.2023.	Information on the strategic cooperation with Selena FM S.A.
29.06.2023.	Information on share purchasing by MASTERPLAST Employee Stock Ownership Program Organization
03.07.2023.	Voting rights, registered capital
24.07.2023.	Information on the signing of the investment agreement with Selena FM S.A.
27.07.2023.	Half-yearly Report
01.08.2023.	Voting rights, registered capital
01.09.2023.	Voting rights, registered capital
02.10.2023.	Voting rights, registered capital
02.10.2023.	Information on changes to the management structure

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, 26 October 2023



Tibor Dávid
Chairman of the Board

MASTERPLAST

