



MASTERPLAST PLC.
INTERIM MANAGEMENT REPORT

29 February 2024

MASTERPLAST PLC.
Interim management report
2023

Consolidated, non-audited
According to International Financial and Reporting Standards (IFRS)
29 February 2024

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 market, and demand, did not change significantly in the last quarter, so overall, 2023 was a significant downturn for the construction industry. Revenues in the last quarter has decreased by 16% compared to the base, but despite the negative environment, the operating business closed with the positive EBITDA forecasted earlier. This was not caused by the changes in the market, but as a consequence of the positive impact of the countermeasures and actions started at the beginning of the financial year. Stocks previously purchased at higher prices have been consumed, the staff and stock levels have been optimized and the production sites made profit in the last quarter. The management and corporate governance structure has been restructured and these effects have resulted in an overall positive turnaround. In line with the Company's conservative inventory policy, management considered it necessary to record an inventory impairment of EUR 3 845 thousand at year-end. As a result, the Company's EBITDA for the last quarter was a profit of EUR 676 thousand from normal business activities and including the year-end inventory write-down a loss of EUR 3 169 thousand. The result of financial operations showed a further loss in the last quarter due to unfavorable exchange rate movements for the Group. The Company's accumulated profit after tax for the year is a loss of EUR 15 544 thousand.

The Company expects a moderate construction environment in 2024. The restructured, more efficient organization should result a sustainable year of positive operating results, where the appearance of any market stimulus support programmes could further enhance the Company's profit-generating capacity. The Company's high cash position and successfully extended credit facilities will also ensure stable operations and growth on the financing side and enable a turnaround in profitability.

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. 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. The forecasts estimate a positive turnaround in the construction sector for 2025, so the timing of the new investments seems proper.

Data in 1000 EUR	2023 Q4	2023 Q4 Without inventory write off *	2022 Q4		2023 YTD	2023 YTD Without inventory write off *	2022 YTD
Sales revenues	31 476	31 476	37 644		145 191	145 191	201 780
EBITDA	-3 169	676	1 230		-6 101	-2 256	20 593
EBITDA ratio	-10,1%	2,1%	3,3%		-4,2%	-1,6%	10,2%
Profit/loss after taxation	-5 636	-1 791	-1 331		-15 544	-11 699	15 700
Net income ratio	-17,9%	-5,7%	-3,5%		-10,7%	-8,1%	7,8%

* At the year end, the Company recognised an inventory impairment of EUR 3 845 thousand, in order to distinguish the results of ordinary business operations, the Company presents also the results without this "one-off" item.

Source: consolidated non-audited report of the Group on 31st of December 2023 and audited report on 31st of December 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 due to the cost reduction plans, the Company reached an annual savings of EUR 2 million.
- The Group's sales revenue was EUR 31 476 thousand in Q4 2023, 16% lower than the base period.
- The revenue of the thermal insulation systems product group - representing the largest share (51%) and which mainly includes self-manufactured products - decreased by 26%, while roofing foils and accessories, also self-manufactured, increased by 7%. The sales decreased in the Company's other product groups: dry construction system product group by 24%, heat, sound and water insulation materials by 12%, building industry accessories by 21%. The industrial applications product group increased by 23% compared to last year's fourth base.
- The Company's turnover increased in Slovakia (5%) and Croatia (16%). Turnover was slightly below base in war-torn Ukraine (-2%), Serbia (-3%) and Northern Macedonia (-5%). In the largest Hungarian market, turnover closed the quarter 24% lower than a year earlier, and also fell in the export (-10%), Romanian (-12%), Polish and German (-7%) markets.
- The margin was below the base period due to lower turnover and sales prices. With higher priced raw material stocks running out in the previous quarter, the margin rate on turnover improved significantly compared to the average for the year.
- In line with demand trends, production outputs at Serbia's EPS fiberglass mesh production plants decreased compared to a year earlier, but rose compared to the previous quarter. 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. The output of diffusion roofing foil production in Sárszentmihály increased in the quarter, in line with the rising sales performance of roofing-foils. Due to low demand, still a small series of production took place in of healthcare finished products in the central site. In the Group's plant in Kál due to the lower market demand production is currently set to a single-shift work schedule. The trial production period has been completed at the Company's newest XPS factory in Szabadka and the new EPS factory in Italy also, where production for market will start in the first quarter of 2024, in line with the demand.
- The glass wool factory investment in Szerencs implemented in strategic cooperation with Selena FM S.A. with a 50%-50% share is on track to start production in the first half of 2025 as per planned. Plans are also being finalised for the Halmajugra rockwool plant, also will be implemented jointly with a professional co-investor, Market Építő Zrt. The start-up of the factory is expected in the second half of 2025.
- The cost of materials and services – including the change in the self-manufactured inventories as well – were 21% below the base level in the fourth quarter, so more than the decrease in sales (-16%). The cost of raw materials, other materials (e.g. energy) and services all decreased.
- Despite the wage increases and thanks to headcount optimization measures, the Company's personnel expenses decreased by 10% in the fourth quarter of 2023 compared to the base period. At the end of December 2023, the Group employed 1 138 people, compared to its 1 499 employees at the end of the base period.
- In terms of other operating results, the Company recorded a loss of EUR 3 794 thousand compared to the profit of EUR 1 697 thousand in the last year, largely due to inventory write-downs at year-end.
- The Group's operating EBITDA in Q4 2023 was a profit of EUR 676 thousand (2.1% EBITDA margin) from normal business activities, and a loss of EUR -3 169, including inventory write-downs booked as a specific item, compared to a profit of EUR 1 230 thousand (3.3% EBITDA margin) in the base period. For the year as a whole, the Group's

EBITDA was a loss of EUR 6 101 thousand (-4.2% EBITDA margin) compared to a profit of EUR 20 593 thousand (10.2% EBITDA margin) for the reference period

- Taking into account depreciation, the operating result (EBIT) for the fourth quarter was a loss of EUR 4 932 thousand, compared to a loss of EUR 183 thousand in the base period. For the full year, the cumulative operating result was a loss of EUR 12 529 thousand, compared to a profit of EUR 15 130 thousand last year.
- The Company's interest expenses decreased slightly, while a loss was recorded in the other financial operations line as a result of the unfavourable exchange rate effects for the Group - a strengthening forint. The Company has a large part of favourable fixed rate forint bonds (~2.15%) and floating rate (~2.85%) euro-based loans.
- As a result, the Company's profit after tax in Q4 2023 was a loss of EUR 5 635 thousand, compared to a profit of EUR 1 331 thousand a year earlier. For the full year, the Group's profit after tax was a loss of EUR 15 544 thousand compared to a profit of EUR 15 700 thousand in the base period.
- Due to the ongoing new CAPEX projects, the value of fixed assets at the end of December 2023 was EUR 138 425 thousand, EUR 26 093 thousand higher than at the end of the base period.
- The value of inventory was EUR 33 995 thousand at the end of December 2023, is 43% lower than the closing value of December 31, 2022, 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 12 866 thousand at the end of December 2023, which is 26% and EUR 4 599 thousand lower compared to base period, with declined 16% revenue.
- The Group's cash balance was EUR 17 850 thousand at the end of December 2023, which is EUR 8 032 thousand lower than the balance at the end of the base period.
- The Company's credit lines have been extended until the beginning of 2024. These, together with the available cash, ensure the Company's stable operations and growth.
- In the case related to the import of products subject to anti-dumping measures, which had been raised against the suppliers of the Romanian company and has been extended also to MASTERPLAST Romania S.R.L. and its executives in 2019, the competent Romanian court terminated the investigation in February 2024 without any indictment. Accordingly, the EUR 2 000 430 (RON 9 951 341) seizure and disposal ban on Romanian properties will also be lifted. The proceedings against MASTERPLAST Romania S.R.L. and its senior management have been found to be unfounded.

2. Business Prospects

At the end of 2023, inflation forecasts across Europe showed a significant improvement, coinciding with a sharp cut of the central banks base rates, which are expected to continue in 2024. The improvement in the interest rate environment could have a stimulating effect on building investments, the previously frozen projects can be restarted. The market recovery is expected to be slow, and the Company expects a subdued construction environment still in 2024. Production capacity at its production units has been optimised accordingly. The estimated effective headcount and number of shifts can be increased and the factories are flexible to any faster recovery in the market and higher customer demand. Even with its conservative calculations, the Company expects a positive result for 2024 at its main production units.

The Company does not expect significant building energy subsidies in its profit expectations for 2024. The construction industry is adopting a wait-and-see attitude in both the residential construction and renovation segments, 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 achieve by a certain pace of renewal of their buildings (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, and therefore, due to the wait-and-see attitude of the market, no significant recovery in demand is expected until these are taken in place. Should any support programme be launched during 2024, it would have a significant positive impact on the Company's profit level.

In the subdued market conditions of 2023, the focus of the Company has shifted to optimising operations, production and inventory levels, as well as conscious energy management. The Company has restructured and made its management operations more efficient, reviewed its processes and embarked on a significant headcount optimisation and cost reduction programme in both manufacturing and operations. The measures taken at the manufacturing units (material tests and changes, scrap percentage reduction, more stable output) have already been visible by the last quarter and have been included in the 2024 figures. Distribution units have started 2024 with a focus on strategic products produced in-house. Slow moving, loss-making products were phased out during 2023. Reduced sales staff and distribution points will help to continue to serve customers smoothly and flexibly. The roll-out of the B2B system to more and more units could play a major role in this.

In recent years, the Group has made significant investments in production development. The Group has significantly increased its capacity in the production of glass fibre and diffusion roofing membranes, which enables to serve the premium market with the highest quality standards. The new EPS and XPS plants, which started the production in 2023, will contribute significantly to increase the capacity in 2024, and will also allow further penetration of Western European markets.

The potential for further upgrading in the medium term is the start of production of the ongoing joint venture projects. The construction and installation of the glass wool factory in Szerencs on 4.3 hectares, with a non-refundable HIPA grant of HUF 5.645 billion, is progressing according to plan. The project - funded with 50-50% equity investment of Selena FM S.A. of Poland and Pimco Kft, a company owned by the Company - is expected to start production in the first half of 2025. One of the main raw materials for the product is waste glass, which will be recycled in the production process according to the principles of the circular economy. The Company is also working with Market Construction Zrt. to build an annual 35,000 tonne capacity rock wool plant in Halmajugra. To carry out this joint work, the Company acquired a 50% stake in MIP Zrt. on 9 June 2023, with Market Építő Zrt. as an additional 50% shareholder. Production is expected to start in the second half of 2025. Both glass wool and rock wool production plants will be equipped with environmentally friendly, modern electric furnace production technology, partly powered by renewable energy sources.

For Masterplast, as a long-established producer of building materials and insulating materials in the Ukrainian market, there is also great business potential in the reconstruction of Ukraine, which, subject to a possible ceasefire, will also be exploitable in the medium and long term.

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 increasing attention for the modular housing business. Masterplast Modulhouse Kft. has now started its first residential project, following previous successful office building projects. The future of the technology is also promising from an environmental point of view, as the production of the buildings in factory conditions eliminates waste on site. The future ramp-up of modular construction could be based on the completion of a prototype house in 2024, which could be built in Szentendre with significant government grant.

The Company's healthcare segment is also ready for a significant expansion in terms of capacity, with the potential to generate additional revenue and profit above expectations.

3. Presentation of the external economic and industrial environment

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

The persistently unfavourable macroeconomic environment (high inflation and interest rates worldwide), which has persisted as a result of recent events such as the Russian-Ukrainian war, the epidemic measures and the energy crisis, showed some signs of improvement towards the end of the year under review, but in the construction demand, which has also been felt at European level, has still not brought any significant recovery either in the new construction market or in the renovation segment. The market has been characterised by a wait-and-see attitude due to the earlier expiry of building renovation subsidy programmes and the delay in launching new programmes. There are no procurement difficulties and price transparency is good. This has resulted in a highly competitive construction industry where prices have fallen significantly.

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 was 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 residentials 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 in 2023, construction output in the residential and non-residential segments of the construction sector decreased, as well as the number of building permits issued. The decline in real estate activity has been largely driven by the increase in bank interest rates and the contraction of financing opportunities. In this market also construction firms have typically tried to adapt to the situation by making redundancies, while in other cases it is the labour shortage that has made the situation difficult for market players. The larger companies focused on public investment, this sector remained the most stable in the year under review.

In Poland, economic output is estimated to have increased marginally in the fourth quarter compared with the previous year. In construction, data on production and housing starts show a decline. The introduction by the government of a fixed-rate housing loan subsidy has started, which has significantly boosted demand, but has not been accompanied by an increase in the number of housing projects, which has led to a rise in new house prices.

The German economy is estimated to have declined by 0,3% on both an annual and quarterly basis, with the construction sector lagging significantly behind in terms of housing starts. The price correction (decline) continued even in the fourth quarter. The German chancellor earlier 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 output in Serbia have been on the rise recently. Serbia has decided to amend the Law on Planning and Construction. The Law on Planning and Construction, which has entered into force in August this year, will bring modern solutions for sustainable and energy-efficient construction and the digitalisation

of the construction industry. It will also speed up the procedures for issuing building permits and make the process of issuing permits more transparent in order to protect citizens and builders.

In Slovakia, too, the construction sector is facing fierce competition, with a shortage of skilled labour. However, private sector orders are increasing and a renovation incentive programme was launched in the fourth quarter, which should boost the market from the coming quarters. The sector could also be helped by the new construction law, which will come into force from 2024 and will significantly reduce the administrative burden around permitting processes.

In Ukraine, despite the war in the country, GDP is on an upward trend (estimated at +5%) and economic activity is continuing in the non-combat zones. In 2023, the real estate market showed a boom in all segments. After a two-thirds downturn since the start of the full-scale Russian invasion, Ukrainians have returned to the idea of buying their own property. The interest in buying a home in Ukraine has reached 70% of pre-war levels. A state programme has earmarked significant funds for new construction and reconstruction, the government's eOselya programme includes loans for households, and the eRebuild programme, launched in May 2023, has already received more than 62 thousand applications for financial assistance for damaged properties by mid-December 2023, of which 26,5 thousand applicants have received payments for home repairs so far. The shortage of skilled workers in the construction sector is a challenge, as many are on the front line defending Ukraine's territories.

4. Sales by main product groups

Sales by main product groups:

Data in 1000 EUR	Q4 2023	Q4 2022	Index	2023 YTD	2022 YTD	Index
	(A)	(B)	(A/B-1)	(A)	(B)	(A/B-1)
Thermal insulation system	16 051	21 787	-26%	78 416	106 626	-26%
Roofing foils and accessories	5 585	5 233	7%	24 750	26 293	-6%
Dry construction system	2 515	3 319	-24%	11 913	18 232	-35%
Heat, sound and water insulation materials	2 904	3 308	-12%	13 058	19 214	-32%
Building industry accessories	941	1 184	-21%	4 600	5 900	-22%
Industrial applications	3 448	2 813	23%	12 422	25 515	-51%
Total sales revenue	31 444	37 644	-16%	145 159	201 780	-28%
Contribution of product groups in percentage to the total sales revenue						
Thermal insulation system	51%	57%	-	54%	52%	-
Roofing foils and accessories	18%	15%	-	17%	13%	-
Dry construction system	8%	9%	-	8%	9%	-
Heat, sound and water insulation materials	9%	9%	-	9%	10%	-
Building industry accessories	3%	3%	-	3%	3%	-
Industrial applications	11%	7%	-	9%	13%	-
Total sales revenue	100%	100%	-	100%	100%	-

Source: consolidated non-audited report of the Group on 31st of December 2023 and audited report on 31st of December 2022 based on IFRS accounting rules, as well as the non-audited data from the Group's management information system

The Group's sales revenue in Q4 2023 was EUR 31 476 thousand, which is -16% lower than in the base period.

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 (51%) and mainly includes self-manufactured products, fell by 26%. Sales of adhesives were slightly down on a year earlier, while sales of other products were significantly lower. Looking at regional data, sales of the product group increased in the Slovakian market, while sales in the other target countries decreased in the fourth quarter compared to the base.

Sales of roof foils accessories increased by 7% in Q4 2023 compared to the same period in 2022. By market, roofing foil sales increased significantly, with the exception of the Croatian, Hungarian and Italian markets, where sales decreased, while sales in the Polish market stagnated.

The dry construction systems product group's fourth quarter sales were down 24% compared to the 2022 base. Drywall sales and drywall profile sales were both down compared to the same period last year. Sales in all markets except Slovakia resulted in a decline across the product group.

Heat, sound and water insulation materials product group in the fourth quarter were 12% below the fourth quarter a year earlier. Within the product group, sales of waterproofing materials, mineral wool and foam products also declined compared to the base. By market, sales increased in Serbia and Croatia, while sales in the other countries decreased in the fourth quarter compared to the base.

In Q4 2023, sales of sales of building industry accessories products were 20% below their base level. Sales in the Ukrainian and export markets increased, while the other markets showed a decline in the product group.

In the industrial applications product group, sales grew by 23% in Q4 2023. Sales of health care products increased while and non-strategic commodities sales closed the last quarter above the base.

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	Q4 2023	Q4 2022	Index	2023 YTD	2022 YTD	Index
	(A)	(B)	(A/B-1)	(A)	(B)	(A/B-1)
Hungary	12 083	15 969	-24%	54 104	89 601	-40%
Export	3 190	3 528	-10%	15 484	18 462	-16%
Romania	2 739	3 109	-12%	13 209	16 883	-22%
Poland	2 467	2 966	-17%	13 547	13 495	0%
Serbia	2 455	2 540	-3%	10 253	13 351	-23%
Ukraine	2 053	2 104	-2%	8 415	7 458	13%
Germany	1 870	2 009	-7%	9 621	14 379	-33%
Italy	1 627	2 651	-39%	7 625	13 580	-44%
Slovakia	1 333	1 272	5%	6 030	8 101	-26%
Croatia	1 325	1 146	16%	5 466	4 598	19%
North Macedonia	334	350	-5%	1 437	1 872	-23%
Total sales revenue	31 476	37 644	-16%	145 191	201 780	-28%
Contribution of countries in percentage to the total sales revenue						
Hungary	38%	43%	-	37%	44%	-
Export	10%	9%	-	11%	9%	-
Romania	9%	8%	-	9%	8%	-
Poland	8%	8%	-	9%	7%	-
Serbia	8%	7%	-	7%	7%	-
Ukraine	7%	6%	-	6%	4%	-
Germany	6%	5%	-	7%	7%	-
Italy	5%	7%	-	5%	7%	-
Slovakia	4%	3%	-	4%	4%	-
Croatia	4%	3%	-	4%	2%	-
North Macedonia	1%	1%	-	1%	1%	-
Total sales revenue	100%	100%	-	100%	100%	-

Source: consolidated non-audited report of the Group on 31st of December 2023 and audited report on 31st of December 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, total revenue decreased by 25% in Q4 2023 compared to the base. All product groups experienced a decline in sales. 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. It can be said that the effect of the market's wait-and-see attitude on sales results is more robust in the Hungarian market, and the much lower level of prices is also significantly affecting year-on-year performance.

In export markets, turnover fell by 10% in Q4 2023 compared to the same period of the previous year. Sales of self-produced roofing foils and accessories as well as building industry accessories increased, while sales of other product groups were down year-on-year. By destination, the Company performed particularly well in the quarter in the Austrian, French and Greek markets, while there were some markets where sales declined significantly (e.g. the UK and Belgium).

Sales in the Romanian market closed at a 12% lower level in Q4 2023 compared to the base period. Roofing foils saw a slight increase in sales, while the other product groups showed a decline in the Romanian market in the last quarter compared to the base year of the previous year.

In the Polish market, turnover decreased by 17% in Q4 2023. The turnover of roofing foils stagnated, while the turnover of other product groups decreased.

Serbia's turnover in Q4 2023 decreased by 3% compared to the base. There was also a significant increase in sales of roofing foils and accessories, and of Heat, sound and water insulation materials. At the same time, sales in other product groups on the Serbian market declined in the fourth quarter.

In the German market, turnover fell by 7% in the fourth quarter compared to the same period last year. Sales of the roofing foils product group increased, while sales of the dry construction product group, and of heat, sound and water insulation materials, as well as sales of healthcare materials, all showed significant declines.

Fourth quarter sales were down 2% compared to the 2022 base in a war-torn Ukraine. Considering that sales activity in war-affected regions is still limited today, the sales performance is mainly due to the performance in the Western regions. Sales declined in the product groups heat, sound and water insulation materials, thermal insulation systems and dry construction materials compared to a year ago, while sales of roofing foils increased.

In Italy, sales fell by 39% compared to the fourth quarter of last year, mainly due to sales of the thermal insulation systems product group.

In Q4 2023, sales in the Slovak market increased by 5% compared to the base. Sales of the product groups thermal Insulation systems, roofing foils and accessories and dry construction systems increased significantly compared to the base year 2022, while sales of the other product groups decreased.

Sales in the Croatian market increased by 16% in Q4 2023 compared to the same period of the previous year. The Company achieved strong growth in the Croatian market in the quarter under review in the product groups of heat, sound and water insulation materials, as well as in the product group of industrial applications through the sale of healthcare products. Sales in the other product groups were below the base level.

In Northern Macedonia, which has the lowest share of turnover, turnover fell by 5% compared to the base. Sales in the roofing foils product group increased significantly, while sales in all other product groups decreased compared to the base.

In summary, in the fourth quarter, the Company's revenue decreased by 16% compared to the base period. As a result of the industry recession, sales continued to decline in both the insulation materials product groups related to the renovation market and the new construction market except for the self-manufactured roofing foils product group, which lifted. Sales in the industrial applications product group increased compared to the base period. In terms of markets, sales increased in the Slovak and Croatian markets, while sales in the Ukrainian and Serbian markets increased slightly and sales in the other countries, including the export area, decreased significantly 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	Q4 2023	Q4 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	31 476	37 644	-6 168	-16%	145 191	201 780	-56 589	-28%
Cost of materials and services	-24 291	-36 573	12 282	-34%	-118 262	-170 965	52 703	-31%
Payroll costs and contributions	-5 783	-6 437	654	-10%	-24 296	-26 977	2 681	-10%
Depreciation	-1 763	-1 412	-351	25%	-6 427	-5 463	-964	18%
Change in self-manufactured inventories	-777	4 899	-5 676	-116%	-5 043	13 231	-18 274	-138%
Other operating revenues and expenses	-3 794	1 697	-5 491	-324%	-3 691	3 524	-7 215	-205%
EBITDA	-3 169	1 230	-4 399	-358%	-6 101	20 593	-26 694	-130%
<i>EBIDTA ratio</i>	<i>-10,1%</i>	<i>3,3%</i>			<i>4,2%</i>	<i>10,2%</i>		
PROFIT / LOSS OF BUSINESS ACTIVITY (EBIT)	-4 932	-182	-4 750	2610%	-12 528	15 130	-27 658	-183%
Interest revenues	517	630	-113	-18%	1 262	1 058	204	19%
Interest expenses	-756	-797	41	-5%	-3 283	-2 511	-772	31%
Other financial revenues and expenses	-1 222	-1 083	-139	13%	-2 465	3 937	-6 402	-163%
FINANCIAL PROFIT/LOSS	-1 461	-1 250	-211	17%	-4 486	2 484	-6 970	-281%
Profit/loss from associations	443	118	325	275%	461	325	136	42%
Profit/loss before income tax	-5 950	-1 314	-4 636	353%	-16 553	17 939	-34 492	-192%
Taxes	314	-17	331	-1947%	1 009	-2 238	3 247	-145%
Profit/loss after taxation	-5 636	-1 331	-4 305	323%	-15 544	15 701	-31 244	-199%
					<i>-10,7%</i>	<i>7,8%</i>		
<i>Profit attributable to the owners of the parent</i>	<i>-5 672</i>	<i>-1 385</i>	<i>-4 287</i>	<i>310%</i>	<i>-15 746</i>	<i>15 692</i>	<i>-31 438</i>	<i>-200%</i>
<i>Profit attributable to the minority</i>	<i>36</i>	<i>55</i>	<i>-19</i>	<i>-35%</i>	<i>202</i>	<i>9</i>	<i>193</i>	<i>2144%</i>
<i>Earnings per share (EPS) (EUR)</i>	<i>-0,28</i>	<i>-0,03</i>			<i>-0,88</i>	<i>1,05</i>	<i>-0,28</i>	
<i>Diluted earnings per share (diluted EPS) (EUR)</i>	<i>-0,27</i>	<i>-0,03</i>			<i>-0,87</i>	<i>1,05</i>	<i>-0,27</i>	

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

The Group's sales revenue was EUR 31 476 thousand in Q4 2023, 16% lower than the base period.

The margin was below the base period due to lower turnover and sales prices. With higher priced raw material stocks running out in the previous quarter, the margin rate on turnover improved significantly compared to the average for the year.

In line with demand trends, production outputs at Serbia's EPS fiberglass mesh production plants decreased compared to a year earlier, but rose compared to the previous quarter. 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. The output of diffusion roofing foil production in Sárszentmihály increased in the quarter, in line with the rising sales performance of roofing-foils. Due to low demand, still a small series of production took place in of healthcare finished products in the central site. In the Group's plant in Kál due to the lower market demand production is currently set to a single-shift work schedule. The trial production period has been completed at the Company's newest XPS factory in Szabadka and the new EPS factory in Italy also, where production for market will start in the first quarter of 2024, in line with the demand.

The cost of materials and services – including the change in the self-manufactured inventories as well – were 21% below the base level in the fourth quarter, so more than the decrease in sales (-16%). The cost of raw materials, other materials (e.g. energy) and services all decreased.

Despite the wage increases and thanks to headcount optimization measures, the Company's personnel expenses decreased by 10% in the fourth quarter of 2023 compared to the base period. At the end of December 2023, the Group employed 1 138 people, compared to its 1 499 employees at the end of the base period.

The amount of depreciation increased by 25% 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 3 794 thousand compared to the profit of EUR 1 697 thousand in the last year, largely due to inventory write-downs at year-end.

The Group's operating EBITDA in Q4 2023 was a profit of EUR 676 thousand (2,1% EBITDA margin) from normal business activities, and a loss of EUR -3 169, including inventory write-downs, compared to a profit of EUR 1 230 thousand (3,3% EBITDA margin) in the base period. For the full year, the Group's EBITDA was a loss of EUR 6 101 thousand (-4,2% EBITDA margin) compared to a profit of EUR 20 593 thousand (10,2% EBITDA margin) for the reference period.

Company's interest expenses and interest income also decreased slightly in the quarter. Interest income was a loss of EUR 72 thousand compared to the base. The Company has mostly HUF-based bonds with favorable fixed interest rates (~2,15%) and euro-based loans with variable interest rates (~2,85%).

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	30-09-2022	31-12-2022	30-09-2023	31-12-2023	Index	Index	Index	Index
	A	B	C	D	E	C/A	C/B	E/C	E/D
EUR/USD	1,13	0,98	1,07	1,06	1,10	94,04%	108,35%	103,71%	104,14%
EUR/HUF	369,00	421,41	400,25	391,25	382,78	108,47%	94,98%	95,64%	97,84%
EUR/RON	4,95	4,95	4,95	4,97	4,97	99,99%	99,97%	100,55%	100,00%
EUR/RSD	117,58	117,32	117,32	117,20	117,17	99,78%	100,00%	99,87%	99,98%
EUR/UAH	30,92	35,56	38,95	38,55	42,21	125,96%	109,53%	108,36%	109,48%
USD/HUF	325,71	428,57	375,68	368,76	346,44	115,34%	87,66%	92,22%	93,95%
USD/RON	4,37	5,05	4,63	4,69	4,50	106,04%	91,83%	97,01%	95,93%
USD/RSD	103,93	119,55	110,15	110,75	105,87	105,99%	92,14%	96,11%	95,59%
USD/UAH	27,28	36,57	36,57	36,57	37,98	134,06%	100,00%	103,87%	103,87%

Source: Hungarian National Bank rates

As a result of favourable exchange rate movements for the Company - weakening HUF foreign exchange rate -, the unrealized and realized exchange rate result in connection with foreign currency-based receivables and liabilities amounted to a loss of EUR 1 222 thousand, compared to a loss of EUR 1 083 thousand in the base period.

As a result, the Company's profit after tax in Q4 2023 was a loss of EUR 5 635 thousand, compared to a profit of EUR 1 331 thousand a year earlier. For the full year, the Group's profit after tax was a loss of EUR 15 544 thousand compared to a profit of EUR 15 700 thousand in the base period.

7. Other comprehensive income

Data in 1000 EUR	2023	2022
Profit for the year	-15 544	16 070
Foreign exchange result on translation*	801	-316
Comprehensive income related to a CCIRS transaction*	1 864	-1 639
Parent company's share of the change in the value of associates*	766	-4
Other comprehensive income	3 431	-1 960
Comprehensive income	-12 112	14 111

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

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

8. Balance sheet

Data in 1000 EUR	31-12-2023	31-12-2022	Change	Index
	(A)	(B)	A-B	(A/B-1)
FIXED ASSETS				
Land, buildings and equipment	119 535	109 530	10 005	9%
Intangible assets	2 271	197	2 074	1053%
Shares in related companies	14 624	2 084	12 540	602%
Deferred tax assets	1 995	396	1 599	404%
Other long-term financial assets	0	125	-125	-100%
Total fixed assets	138 425	112 332	26 093	23%
CURRENT ASSETS				
Inventories	33 995	59 939	-25 944	-43%
Trade accounts receivable	12 866	17 465	-4 599	-26%
Tax receivables	3 129	2 325	804	35%
Other financial receivables	55	275	-220	-80%
Other current assets	2 089	10 356	-8 267	-80%
Liquid assets	17 850	25 882	-8 032	-31%
Total current assets	69 984	116 242	-46 258	-40%
TOTAL ASSETS	208 409	228 574	-20 165	-9%
CAPITAL AND RESERVES				
Subscribed capital	6 049	6 049	0	0%
Reserves	79 212	60 123	19 089	32%
Repurchased shares	-2 198	-1 951	-247	13%
Parent share of interests	-15 746	15 691	-31 437	-200%
Equity attributable to the owners of the parent	67 317	79 912	-12 595	-16%
Minority interests	629	689	-60	-9%
Total capital and reserves	67 946	80 601	-12 655	-16%
LONG-TERM LIABILITIES				
Long-term loans	12 209	14 680	-2 471	-17%
Liabilities from issued bonds	43 072	48 664	-5 592	-11%
Deferred tax liabilities	736	752	-16	-2%
Deferred income	31 390	30 159	1 231	4%
Other long-term liabilities	822	387	435	112%
Total long-term liabilities	88 229	94 642	-6 413	-7%
SHORT-TERM LIABILITIES				
Short-term loans	17 772	17 218	554	3%
Liabilities from issued bonds (short-term)	7 820	3 744	4 076	109%
Trade accounts payable	13 817	16 533	-2 716	-16%
Short-term leasing liabilities	285	250	35	14%
Other financial liabilities	2 478	5 566	-3 088	-55%
Tax liabilities	941	1 614	-673	-42%
Short-term deferred income	2 370	2 785	-415	-15%
Provisions	616	583	33	6%
Other short-term liabilities	6 135	5 038	1 097	22%
Total short-term liabilities	52 234	53 331	-1 097	-2%
TOTAL LIABILITIES	140 463	147 973	-7 510	-5%
TOTAL CAPITAL AND LIABILITIES	208 409	228 574	-20 165	-9%

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

On 31th December 2023, the Group's assets amounted to EUR 208 409 thousand, EUR 20 166 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 December 2023 was EUR 138 425 thousand, EUR 26 093 thousand higher than at the end of the base period.

The value of inventory was EUR 33 995 thousand at the end of December 2023, is 43% lower than the closing value of December 31, 2022, as a result of the measures introduced to optimise inventory levels. The Company will continue to operate at lower inventory levels in the coming periods.

The Company's accounts receivable closed at EUR 12 866 thousand at the end of December 2023, which is 26% and EUR 4 599 thousand lower compared to base period, with declined 16% revenue.

The Group's cash balance was EUR 17 850 thousand at the end of December 2023, which is EUR 8 032 thousand lower than the balance at the end of the base period.

The Group's bond liabilities on the balance sheet decreased, in line with the HUF 1,5 billion repayment due in the last quarter. The Company's loan portfolio was down by around EUR 2 million compared to a year ago.

The Group's accounts payable closed at EUR 13 817 thousand, compared to EUR 16 533 thousand at the end of the fourth 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 816 thousand.

9. Cash-flow, bank information

Data in 1000 EUR	31-12-2023	31-12-2022	Change	Index
	(A)	(B)	A-B	(A/B-1)
Operating Activities				
PBT	-16 553	17 938	-34 491	-192%
Depreciation and Amortisation	6 427	5 463	964	18%
Bad debt provision	4 802	-2 934	7 736	-264%
Shortage and scrap of stocks	692	1 011	-319	-32%
Provisions	33	16	17	106%
Profit on fixed asset sale	-18	-1 321	1 303	-99%
Interest expense	3 283	2 511	772	31%
Interest revenue	-1 262	-1 058	-204	19%
Profit/loss from associations	-461	-325	-136	42%
Unrealized foreign exchange gain (loss)	3 214	-2 614	5 828	-223%
Changes in Working Capital				
Change in Accounts Receivable	4 472	3 526	946	27%
Change in Inventory	20 578	-10 907	31 485	-289%
Change in Other Assets	7 807	-8 391	16 198	-193%
Change in Accounts Payable	-2 717	-256	-2 461	961%
Change in Short-term liabilities	-1 462	-6 528	5 066	-78%
Taxation	0	-2 770	2 770	-100%
Net Cash from Operations	28 835	-6 639	35 474	-534%
Investing Activities				
CAPEX	-16 416	-27 310	10 894	-40%
Sale of fixed assets	914	1 361	-447	-33%
Subsidiaries share purchase	-8 429	-2 521	-5 908	234%
Interest received	1 262	1 058	204	19%
Net Cash from Investing activities	-22 669	-27 412	4 743	-17%
Financing Activities	0	0	0	0%
Proceeds from issue of shares	0	21 850	-21 850	-100%
Redeemed treasury shares	-408	-1 120	712	-64%
Borrowing	0	22 983	-22 983	-100%
Loan repayments	-1 918	-1 300	-618	48%
Issued bond	-3 919	0	-3 919	0%
Government grant	0	3 546	-3 546	-100%
Dividends paid	0	-2 164	2 164	-100%
Interest paid	-3 283	-2 511	-772	31%
Net Cash from Financing activities	-9 528	41 284	-50 812	-123%
Net Cash flow of the period	-3 362	7 233	-10 595	-146%
Cash at beginning of period	25 882	15 382	10 500	68%
Effect of exchange rate changes	-4 670	3 267	-7 937	-243%
Cash at end of period	17 850	25 882	-8 032	-31%

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

The net cash flow from operation was EUR 28 835 thousand at the end of December 2023, compared to the EUR - 6 639 thousand value of end of the base period.

The cash flow from investing activities was EUR -22 629 thousand at end of December 2023 compared to EUR -27 412 thousand in base period.

The net cash flow from financial related activities amounted to EUR -9 528 thousand versus the EUR 41 284 thousand of the base year.

All in all, the cash and equivalents of the Company was EUR 17 850 thousand at the end of December 2023 which was lower by EUR 8 302 thousand than the EUR 25 882 thousand level of the previous period end.

Investigations against Masterplast:

Among the tax investigations related to the Romanian subsidiary, which were opened several years ago, the investigation concerning the presumed tax debt related to the import of products subject to anti-dumping measures concerning the suppliers of the subsidiary terminated the investigation in February 2024 without any indictment.

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) in 2019 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)". The Group is of the opinion that the proceedings are not expected to have a material impact on the financial position or performance of the Company.

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	-13 809	28 606	15 861	47 718	646	48 364
Profit for the year	0	0	0	0	0	0	15 691	15 691	9	15 700
Capital increase, share issue	545	0	21 305	0	0	21 305	0	21 850	0	21 850
Comprehensive income related to a CCIRS transaction	0	0	0	0	-173	-173	0	-173	0	-173
Dividends to minority shareholders	0	0	0	0	0	0	0	0	-45	-45
MRP share based payments	0	-6	0	-1 053	0	-1 053	0	-1 060	0	-1 060
Other comprehensive income	0	0	0	0	-2 233	-2 233	0	-2 233	79	-2 154
Prior year's profit or loss reclassified	0	0	0	15 861	0	15 861	-15 861	0	0	0
Redeemed treasury shares	0	308	0	0	0	0	0	308	0	308
Dividends paid	0	0	0	-2 119	0	-2 119	0	-2 119	0	-2 119
Other	0	0	0	0	-72	-72	0	-72	0	-72
31-12-2022	6 049	-1 951	29 368	47 040	-16 285	60 123	15 691	79 912	689	80 601
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	-15 746	-15 746	202	-15 544
Comprehensive income related to a CCIRS transaction	0	0	0	0	1 864	1 864	0	1 864	0	1 864
MRP share based payments	0	161	0	-295	0	-295	0	-134	0	-134
Other comprehensive income	0	0	0	0	1 830	1 830	0	1 830	-262	1 567
Prior year's profit or loss reclassified	0	0	0	15 691	0	15 691	-15 691	0	0	0
Redeemed treasury shares	0	-408	0	0	0	0	0	-408	0	-408
31-12-2023	6 049	-2 198	29 368	62 436	-12 592	79 212	-15 746	67 318	629	67 947

Source: consolidated non-audited report of the Group on 31st of December 2023 and audited report on 31st of December 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	655 739	EUR
Masterplast Proizvodnja DOO Subotica	Bill of exchange	2 524 795 725	HUF	6 595 945	EUR
Masterplast YU D.o.o.	Bank guarantee	10 000 000	RSD	85 343	EUR
Total:				7 667 243	EUR

Source: consolidated non-audited report of the Group on 31st of December 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. The case was closed without indictment in February 2024, accordingly and the bank guarantee will be terminated also.

12. Presentation of the manufacturing capacity

The Group's EPS plant in Subotica continued to report lower finished product output in the fourth quarter compared to a year earlier. The production volume of the most labour-intensive glass fibre mesh production was in line with the annual trend regarding the production output, below the base year level. Thanks to the optimisation of the headcount and inventories starting in the first quarter, the production unit operated profitably in the last quarter. At the same site, the new XPS plant started production of finished products.

At the central site in Sárszentmihály, emissions from the fleece production plant increased in this period compared to last year. For health care products, the production of small series continued.

Output at the fleece production unit in Aschersleben, Germany, was down compared to last year's base, where production was also suspended for shorter periods due to a drop in demand. Here the German government provided the Company with partial wage compensation to offset the loss of revenue (Kurzarbeit).

The Group's new EPS production line in Kalon operates on a one-shift basis to meet market demand. The new EPS investment in Italy has also been completed, and the company is prepared to meet the potential increase in market demand from next year.

The investment in the Szerencs glass wool plant, which is part of a strategic partnership with Selena FM S.A., with a 50%-50% capital contribution, will start production in the first half of 2025 as it was scheduled. Plans are also being finalised for the Halmajugra rock wool plant, also with professional co-investor Market Építő Zrt., where production is expected to start in the second half of 2025.

13. Changes of the full time employees (headcount)

	31-12-2023	31-12-2022
Company employees	61	79
Group level employees	1 138	1 499

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

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

In the case related to the imports of products subject to anti-dumping affecting the suppliers of the Company's Romanian subsidiary, extended to MASTERPLAST Romania S.R.L. and its executives, the Prosecutor's Office of Court of Appeal of Bihor County and Oradea has terminated the investigation without any indictment, in the absence of evidence that an offence has been committed, non-legally binding - and has ordered the release of the lock on assets applied as an insurance measure. Accordingly, the attachment and the prohibition of alienation of the Romanian properties owned by MASTERPLAST Romania S.R.L. will be lifted for a total amount of EUR 2 000 430 (RON 9 951 341) as a guarantee of possible future enforcement. In the light of the above, the proceedings against MASTERPLAST Romania S.R.L. and its senior management are now confirmed to be unfounded.

Scope Ratings GmbH has carried out a periodic review of the Company's corporate bond issued in the framework of Growth Bond Program, and the results were announced on 28 February 2024. Scope Ratings GmbH changed the

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Company's rating from B+/under review for a possible downgrade to B/Negative. The senior unsecured debt rating was changed from B+/under review for a possible downgrade to B.

The Company's Board of Directors unanimously decided on 28 February 2024 to establish a branch office at the property located at 3350 Kál, Jászapáti úti ipartelep 1., which is the sole property of the Company.

15. Consolidated companies

Company	Place of business registration	Equity capital	Foreign currency	Ownership	Voting rate	Activity
Masterplast Romania S.R.L.	Romania	36 000	RON	100%	100%	Wholesale of building materials
Masterplast YU D.o.o.	Serbia	192 557 060	RSD	100%	100%	Wholesale of building materials, EPS and fiberglass production
Master Plast s.r.o.	Slovakia	26 555	EUR	100%	100%	Wholesale of building materials
Masterplast d.o.o.	Croatia	20 000	HRK	100%	100%	Wholesale of building materials
MasterPlast TOV	Ukraine	27 000	UAH	80%	80%	Wholesale of building materials
Masterplast Sp zoo	Poland	200 000	PLN	80,04%	80,04%	Wholesale of building materials
MasterFoam Kft.	Hungary	3 000 000	HUF	100%	100%	Foam sheet production
Masterplast Medical Kft.	Hungary	10 000 000	HUF	100%	100%	Wholesale of building materials Production of medical raw materials and finished products
Masterplast D.O.O. (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	98,7%	98,7%	Wholesale of building materials
MASTERWOOL MW-1 d.o.o.(2)	Serbia	293 900 000	RSD	100%	100%	Rockwool 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
PIMCO Kft. (5)	Hungary	3 627 942 000	HUF	50%	50%	Glasswool 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.

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(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 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. The share capital of PIMCO Kft. was increased on 6 November 2023, on the basis of which the ownership and voting rights of MASTERPLAST Nyrt. and Selena FM S.A. are 50-50%. With the increase of the share capital, the share capital of PIMCO Kft. will increase to HUF 3 627 942 thousand.

(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. As a result of the share transfer, MASTERPLAST Plc became a 95.5% shareholder of MASTERPLAST Italia S.r.l. As part of a share transfer signed on 28 November another member of Masterplast Italia S.r.l., disposed of an ordinary share of EUR 6 400 of his EUR 9 000 nominal value to Masterplast NYrt.

(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.

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

The members of the Board:

Name	Post	Commencement of mandate (beginning of membership in the Board)	Completion of mandate	Time spent in Board /as Board members	Stockholding (pcs)
Tibor Dávid	Chairman of the Board	03-04-2008	30-04-2024	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 31st December 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
Jancsó Illés	Member of Group Management	02-10-2023	indefinite duration	44 909
Bunford Tivadar	Member of Group Management	02-10-2023	indefinite duration	451 690
Lukács Flórián László	Member of Group Management	02-10-2023	indefinite duration	2 520

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Pécsi László	Member of Group Management	02-10-2023	indefinite duration	20 132
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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.

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

	31-12-2023
Issuing ownership	0
MRP organisation	251 587
Affiliated companies ownership	0
Total	251 587

18. 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

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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
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
26.10.2023.	Interim management statement
02.11.2023.	Voting rights, registered capital
06.11.2023.	Information on the share capital increase of PIMCO Kft.
16.11.2023.	Information about credit rating
01.12.2023.	Voting rights, registered capital
05.12.2023.	Information on the Deputy CEO's share transactions
21.12.2023.	Corporate Action Timetable
22.12.2023.	Information on the termination of the investigation against MASTERPLAST Romania S.R.L.
29.12.2023.	Updated forecast of 2023 results
02.01.2024.	Voting rights, registered capital
22.01.2024.	Information on changes to the management structure
01.02.2024.	Voting rights, registered capital
22.02.2024.	Information on the legally binding termination of the investigation against MASTERPLAST Romania S.R.L.
28.02.2024.	Information on the establishment of a branch office
28.02.2024.	Information about credit rating

DECLARATION

MASTERPLAST Nyrt. (H-8143 Sárszentmihály, Árpád u. 1/A.) declares that the Publication of Q1-Q4 2023 results provides a true and fair view of the financial position of MASTERPLAST Nyrt., comprises the subsidiaries included in the consolidation.

Sárszentmihály, 29 February 2024



Tibor Dávid
Chairman of the Board

MASTERPLAST

