

MASTERPLAST GROUP

FINANCIAL AND SUSTAINABILITY REPORT

EXTRACT

2024

MASTERPLAST



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Message from the president to shareholders

Dear Shareholders and Investors!

The year 2024 brought another challenging year for the construction industry. Although the external environment required significant adjustments throughout the year - due to a high interest rate environment, cautious consumer behaviour and a market characterised by a wait-and-see attitude - our company remained committed to its core development strategy. We are convinced that the medium- and long-term trends continue to favour our business: the energy modernisation of buildings is inevitable and, as the region's leading manufacturer of construction and thermal insulation materials, MASTERPLAST is well placed to be one of the winners in the upcoming wave of building renovation in Europe. The market will accelerate again - and we are ready to seize the opportunities.

Compared to 2023, our company's performance showed a significant improvement. Although we did not close the whole of 2024 with a profit, we operated with positive EBITDA for most of the year and managed to overcome a significant disadvantage. Even in a very tight market, we were able to identify and exploit growth opportunities. A particular achievement was the successful launch of our Certified Energy Savings (HEM – hitelesített energiamegtakarítás) market, which contributed to a substantial increase in domestic sales. MASTERPLAST has now become a dominant player in the HEM-based residential attic insulation programme, with glass wool insulation as a key product - which we will be able to supply to the market from our own factory in Szerencs from the second half of 2025. An important success is that we were the first on the Hungarian market to launch our Hungarocell Renovation Programme, a discounted façade insulation programme based on certified energy savings, whose popularity is expected to grow further in the coming year following the tightening of the EEOS regulation.

At the same time, we have not lost sight of our long-term goals and value-based operations. Sustainability has become not only a value issue, but also a clear business advantage, which is why we have taken our sustainability reporting to a new level in 2024, now in its fourth year, and this year for the first time it has been prepared in accordance with the EU CSRD (Corporate Sustainability Reporting Directive) and the Hungarian Accounting Act, in line with the ESRS (European Sustainability Reporting Standards). We are committed to working to reduce the environmental footprint of our operations - be it through our use of renewable energy, our zero waste manufacturing efforts or our circular economy model. Our products are now independently certified as contributing to sustainable construction, strengthening our market position in the conscious customer and investor segments. And our modular building components business provides a competitive answer in low-impact, sustainable building technology, meeting the recycling requirements of circular economy.

By 2025, we can expect a slow, gradual recovery in the construction industry in both Hungary and Europe, supported by a turnaround in new home construction and the resumption of subsidised renovation programmes such as the simplified Home Renovation Programme and the Rural Renewal Programme. The expected interest rate cuts by the European Central Bank and strong German recovery efforts could provide a new impetus to the euro area construction economy. In the longer term, EU energy policy targets will ensure stable and growing demand for insulation products. The future reconstruction of Ukraine offers an outstanding opportunity for MASTERPLAST, which with 20 years of presence and stable operations is well positioned to take advantage of a market with significant potential.

Despite all the difficulties of the period behind us, we believe we are moving in the right direction. The successful construction of the glass wool plant, the uptake of our own-manufactured products and our cost-efficiency measures will all contribute to reinforcing the improving trend in 2025 and to delivering breakthrough earnings improvements by 2026. Our goal is clear: to build a more efficient, more competitive and even more value-creating MASTERPLAST.

Thank you for your trust and confidence in our work. Thank you also to my colleagues for their dedication to standing up for MASTERPLAST and taking it forward in all circumstances. The future is now taking shape - and we are ready to seize its opportunities, so join us!

Dávid Tibor
Chairman of the Board of Directors, CEO



Financial report

ABOUT THE MASTERPLAST GROUP

Founded in 1997, the MASTERPLAST Group is the largest Hungarian-owned building materials manufacturer in the Central European region. It has direct market presence in 10 European countries through its subsidiaries and is present in most European countries through its export partners. It has a dominant position in the market for façade insulation, high roof insulation and dry construction systems.

It ensures its product backbone mainly through production at its ISO and TÜV certified production sites in Hungary, Serbia and Germany and through strategic manufacturing partnerships. MASTERPLAST's strategic goal is to rapidly develop the modular business division to success. In view of the growing demand for fibre insulation materials, the company's focus in 2023 was on establishing rock wool and glass wool thermal insulation material plants in Hungary and Central and Eastern Europe to supply the needs of the market.

MASTERPLAST provides competitive business services to its partners through a well-established customer-oriented sales system, continuous quality control of manufactured and distributed products, a stable product supply background and flexible logistics solutions.

MASTERPLAST places a high priority on sustainability, energy efficiency and environmental protection, both in its internal processes and in the manufacture and development of its products.

As of 31 December 2024, the Company had the following ownership at the subsidiaries:

Company name	Place of registration	Ownership share	Voting right
Masterplast Hungária Kft.	Hungary	100%	100%
Masterplast International Kft.	Hungary	100%	100%
Masterplast Medical Kft.	Hungary	100%	100%
Masterplast Modulhouse Kft.	Hungary	100%	100%
MasterFoam Kft.	Hungary	100%	100%
Masterplast YU D.o.o.	Serbia	100%	100%
Masterplast Sp zoo	Poland	80.04%	80.04%
Master Plast S.r.o.	Slovakia	100%	100%
Masterplast Romania S.R.L.	Romania	100%	100%
MasterPlast TOV	Ukraine	80%	80%
Masterplast d.o.o.	Croatia	100%	100%
Masterplast D.O.O.	North Macedonia	100%	100%
MP Green Invest	Ukraine	100%	100%
Masterplast Nonwoven GmbH	Germany	100%	100%
Fidelis Bau Kft.	Hungary	100%	100%
Masterplast Proizvodnja D.o.o.	Serbia	100%	100%
Masterplast Italia Srl.	Italy	100%	100%
MASTERWOOL MW-1 d.o.o.	Serbia	100%	100%
The Group's affiliated undertaking:			
MasterProfil Kft.	Hungary	20%	20%
T-CELL Kft.	Hungary	24%	24%
MIP Zrt.	Hungary	50%	50%
PIMCO Kft.	Hungary	50%	50%

Source: data from the Company's management information system



The executive body of the Company is the 5-member Board of Directors. The Board of Directors and the Audit Committee, composed of its independent members, as a body implementing a unified management system, perform the statutory duties of the Board of Directors and the Supervisory Board in a unified manner. The Board of Directors shall have the power to decide on all matters which do not fall within the exclusive competence of the General Meeting of Shareholders or which are referred to the Board of Directors by law or by the Articles of Association.

Introduction of the Board of Directors:

Name	Position	Start of Board membership	End of assignment	Board of Directors time spent as a member	Share ownership (number)
Dávid Tibor	President of the Board of Directors	2008.04.03	2026.06.30	Approximately 17 years	4 548 057
Balázs Ács	Vice-President of the Board of Directors	2008.04.03	2026.06.30	Approximately 17 years	3 877 259
Dirk Theuns	Member of the Board of Directors	2014.05.01	2026.06.30	Approximately 11 years	-
Margaret Dezse	Member of the Board of Directors	2020.05.01	2026.06.30	Approximately 5 years	1 300
Bálint Fazekas	Member of the Board of Directors	2022.05.01	2025.04.30	Approximately 3 years	1 145

Members of the Audit Committee:

Name	Position	Independence	Gender
Margaret Elizabeth Dezse	Chairman of the Audit Committee	Independent	Female
Dirk Theuns	Member of the Audit Committee	Independent	Male
Bálint Fazekas	Member of the Audit Committee	Independent	Male

3 members of the 5-member Board of Directors (60%) are independent, 2 members (40%) are non-independent.

Independence

Guidelines on the presence of independent members on the Boards of Directors of companies listed on the Hungarian stock exchange are set out in the Recommendations on Corporate Governance of the Budapest Stock Exchange (BSE). Although these recommendations are not binding, listed companies are required to declare the extent to which they comply with them, on the basis of the„comply or explain” principle. According to point 2.1.4 of the BSE Recommendations on Corporate Governance,„The Board of Directors/Supervisory Board shall include an appropriate number of independent members” and point 2.1.7,„The company shall determine the criteria for the independence of the members of the Board of Directors/Supervisory Board in accordance with the Recommendations.” The purpose of these Recommendations is to ensure the independence and effective functioning of corporate governance bodies, thereby promoting transparency and enhancing investor confidence.

Independent members have no financial or business interest in the group and are therefore able to make objective decisions. Non-independent members are also involved in day-to-day management and are directly involved in the operations through their ownership.

Further details can be found in the „Corporate Governance Report” of MASTERPLAST 2024, prepared and published on 25 April 2024 in accordance with the Corporate Governance Recommendations of the Budapest Stock Exchange. The Board of Directors has 1 female member, with a 20% female representation.

Chair of the highest level governing body:

Dávid Tibor is the President of the Board of Directors, who is also the CEO of MASTERPLAST Plc.



Dávid Tibor
President of the Board of Directors



Balázs Ács
Vice-President of the Board of Directors



Margaret Dezse
Member of the Board of Directors



Dirk Theuns
Member of the Board of Directors



Bálint Fazekas
Member of the Board of Directors

Summary

The construction market remained characterised by cautious consumer behaviour and a wait-and-see attitude across Europe in 2024. MASTERPLAST's revenue (€136 million) declined by 6.2% compared to the 2023 base due to the persistently weak industry environment, despite the successful entry into the market for Certified Energy Savings (HEM), which generated significant additional sales. However, thanks to efficiency measures, the Group's profitability improved significantly and in 2024 the Group was already operating at a predominantly positive EBITDA level. In the base year, the Company recognised a significant inventory write-down, which was not necessary in the year under review. As a result, the Company's EBITDA result was EUR 2.2 million, EUR 8.4 million higher than in the base year. Due to the low capacity utilisation of the factories, the Company's profit after tax, including depreciation and amortisation and the financial result, was still a loss. The after-tax loss of EUR -4.6 million in 2024 represents an improvement of around EUR 11 million compared to the loss of EUR -15.6 million last year. The Company's medium and long-term outlook remains positive. EU energy targets guarantee significant market potential in both the renovation and new construction segments. Both the Hungarian and the European markets are already showing signs of a steadily strengthening construction sector in the coming periods.

- Due to persistently high interest rates and the fact that EU renovation programs are still only in their formative stages, the European construction sector remained subdued in 2024, with widespread postponement of projects across both new construction and renovation segments. The Hungarian home renovation programme launched during the year has not yet had a stimulating effect on the market.
- The Group's total consolidated revenue for 2024 amounted to EUR 136 137 thousand, representing a 6.2% decrease compared to the base pe-

riod. Revenue from the thermal insulation systems product group—comprising 51% of total sales and largely consisting of own-manufactured products—fell by 12% year-on-year. Sales in the heat, sound, and water insulation materials product group increased by 19%, supported by slab insulation campaigns and the recent introduction of own-manufactured XPS products. Revenue declined in the roofing foils and accessories (-3%), dry construction systems (-26%), and building industry accessories (-14%) product groups. The industrial applications product group showed a 16% increase in revenue thanks to the sale of Certified Energy Savings (HEMs), despite an overall 51% decline compared to the base period in traditional product lines within this segment.

- Revenue declined in most markets, including Hungary—our largest market—where sales fell by 8%. Only Serbia (+10%), Germany, and North Macedonia recorded year-on-year growth.
- In 2024, the Group's production capacities operated more cost-effectively under a reorganized structure tailored to current demand conditions. The Serbian fiberglass plant achieved profitability in contrast to the prior year. Output at the Serbian fiberglass and German nonwoven fabric facilities increased compared to 2023, while the Sárszentmihály plant (producing fleece and roofing foil) maintained production levels close to the previous year. EPS manufacturing units operated with low capacity utilization. Meanwhile, production was successfully launched at the new XPS plant in Subotica, which is now serving Group needs with increasing output.
- Taking into account the change in own-manufactured inventory, the Company's total material costs and contracted service expenses decreased by 13% year-on-year.

- Personnel expenses increased by approximately 13% compared to the base period, while the number of employees remained largely unchanged due to the headcount optimization already reflected in the 2023 base. At the end of December 2024, the Group employed 1 150 people, compared to 1 138 at the end of the base period.
- Under other operating results, the Company recognized a profit of EUR 1 173 thousand in 2024, compared to a loss of EUR 3 677 thousand in the previous year. In 2023, significant inventory impairment was recorded, which was not necessary in the reporting period.
- Depreciation and amortization expenses increased by 17%, primarily due to the new EPS plant in Italy and the XPS plant in Serbia.
- As a result, the Company achieved EBITDA of EUR 2 205 thousand in 2024 (representing an EBITDA margin of 1.6%), compared to an EBITDA loss of EUR 6 128 thousand (-4.2% margin) in the base year. The operating result for 2024 was a loss of EUR 5 318 thousand, significantly improved compared to the prior year's loss of EUR 12 549 thousand.
- Interest income declined, while interest expenses remained at the level of the previous year. Due to favorable exchange rate effects, other financial income totaled EUR 2 510 thousand, compared to a loss of EUR 2 503 thousand in the base period.
- The Group's net loss for 2024 amounted to EUR 4 641 thousand, compared to a net loss of EUR 15 610 thousand in the previous year.
- The value of non-current assets as of 31 December 2024 was EUR 132 629 thousand, EUR 5 744 thousand lower than at the end of the base

- period. Ongoing mineral wool investments contributed to an approximately EUR 1 million increase in investments in associated companies. The value of property, plant and equipment decreased mainly due to current-year depreciation and the reclassification of certain properties as held for sale.
- Inventory at the end of 2024 stood at EUR 40 018 thousand, representing a 17% increase over the closing balance as of 31 December 2023. The inventory value also includes Certified Energy Savings (HEM) assets available at year-end. • As of 31 December 2024, trade receivables amounted to EUR 11 201 thousand, reflecting a 13% decrease (EUR 1 657 thousand) compared to the prior year, in line with a 6% decline in sales performance.
- The Group's cash balance at the end of 2024 was EUR 4 370 thousand, EUR 13 840 thousand lower than at the end of the base period.
- During 2024, the Company increased its working capital loan portfolio by HUF 3 billion and successfully fulfilled its bond repayment obligation due by year-end.

Presentation of the external economic and industrial environment

The production and sales of insulation and other building materials, which are MASTERPLAST's core business, are significantly influenced by the external economic and industrial environment. The turnover of building materials and ancillary products is mainly linked to the new buildings market, while the turnover of insulation materials (mainly thermal insulation) is linked to both the new build and the renovation markets.

Although the persistently unfavourable macroeconomic environment (high inflation and interest rates worldwide) resulting from recent events such as the Russian-Ukrainian war, the epidemic measures and the energy crisis has started to improve, it has not yet brought a significant recovery in the new construction market or in the renovation segment, which has also seen a contraction in demand at European level. The early expiry of building renovation subsidy programmes and the delay in launching new programmes meant that the market was in a state of “wait-and-see” in 2024. There are no procurement difficulties and supply availability is good. All this has led to a highly competitive construction industry, where prices have fallen significantly.

In several European countries, new economic policies, housing stimulus measures and interest rate stabilisation are not expected until 2025. With the adoption of the EU's Energy Performance of Buildings Directive, the prospect of energy efficiency renovation programmes in Europe is on the horizon, which means a recovery in the renovation market in the short term. The focus within retrofitting will be on energy efficiency.

In Hungary, the most important country in terms of markets, the construction sector underperformed in 2023. There was also a more moderate decline in the number of new contracts and building permits issued. In the Hungarian market, a home renovation programme aimed at energy

modernisation was launched at the beginning of the second half of the year, but the time-consuming application process meant that demand was below expectations, and a ramp-up is expected in 2025 following further simplification of the programme. Demand in 2024 has been dampened by the 2025 launch of the Rural Home Renovation Programme, which may stimulate greater demand by expanding the user base.

In Romania, the construction sector as a whole was in general decline in 2024. The decline was driven by high inflation, rising interest rates, sector labour shortages and rising construction costs. Although the number of building permits issued for residential buildings increased compared to the base year, according to the National Institute of Statistics, the volume of construction work decreased in the first nine months of the year.

Poland's economic performance for the year as a whole improved compared to the previous year. However, construction performance declined, driven by rising construction costs and weakness in the housing sector.

The German economy is estimated to have contracted by 0.2%, with industrial production falling and demand weak. The construction sector also faced significant challenges in 2024, with new housing starts falling dramatically compared to planned levels. Increased credit costs due to rising interest rates also dampened investment appetite and contracting activity. The German economy seems to be slowly emerging from recession, but construction remains one of the most difficult sectors.

In Slovakia, the GDP growth forecast for the full year was projected to show a contraction in construction in 2024. Demand has declined, and the value of construction output has fallen, as has the number of new construction starts. Although the sector showed a marked upturn in the

last month of the year, the recovery in consumption, falling inflation and a resumption of investment next year as EU funds flow in, are forecast to continue.

In 2024, Ukraine's construction industry showed significant growth, with the volume of completed construction work up by almost a quarter compared to the previous year, when the segment had partially stabilised from the war-induced downturn. The value of construction work also increased for engineering works and for residential and non-residential buildings. As a result of the war, many infrastructure projects had to be rescheduled or suspended. However, reconstruction efforts generated new contracts. especially in the transport infrastructure and energy

sectors. Foreign investment and international aid also contributed to the conclusion of new contracts. Overall, the Ukrainian real estate market in 2024 showed significant regional variations, with growth in the western regions and a decline in the eastern regions due to the proximity and direct impact of the war conflict. Government programmes and foreign investment could help stabilise and grow the market in the future.

The table below summarises the year-on-year evolution of GDP growth, construction output and the number of housing permits issued by country, based on EUROSTAT statistics.

Country	GDP growth (current prices) %		Change in construction emissions (compared to previous year) %		Change in the number of building permits issued (compared to previous year) %	
	2023	2024	2023	2024	2023	2024
Germany	-0.3	-0.2	-1.1	-3.1	-31.1	-19.5
Croatia	3.3	3.8	5.2	14.9	-	8.8
Italy	0.7	0.7	6.9	5	-7.7	
Hungary	-0.9	0.5	-5.3	-0.3	-39.8	-3.2
Poland	0.1	2.9	5.2	-7.7	-19.4	21.6
Romania	2.4	0.9	16.2	-5.8	-24.8	2.2
Slovakia	1.4	2	0.5	-5.4	-3.9	-24.6
North Macedonia	2.1	2.8	-1.8	19.5	12.6	6.1
Serbia	3.8	3.9	12.7	6	-1.2	
EU (27 Member States)	0.4	1	1.3	-1.3	-19.6	

Source: EUROSTAT: Building permits - annual data [sts_cobp_a__custom_10518203]; Production in construction - annual data Production in construction - annual data [sts_copr_a__custom_10518416; Real GDP growth rate - volume [tec00115__custom_10526288]

Overview of sale by product groups

Turnover by main product groups (thousands of euros)	2024	2023	Change %
	(A)	(B)	(A/B-1)
Thermal insulation system	69 360	78 416	-12%
Roof foils and roof elements	24 107	24 765	-3%
Dry construction system	8 756	11 913	-27%
Thermal, sound and water insulation materials	15 512	13 057	19%
Construction industry accessories	3 971	4 598	-14%
Industrial applications	14 431	12 455	16%
Net sales (thousand euros)	136 137	145 204	-6%

Percentage contribution of main product groups to total turnover		
Thermal insulation system	51%	54%
Roof sheeting and roof elements	18%	17%
Dry architecture system	6%	8%
Thermal, sound and water insulation materials	11%	9%
Construction ancillary products	3%	3%
Industrial applications	11%	9%
Net turnover	100%	100%

Source: audited data from the Company’s management information system

The façade thermal insulation systems product group continued to account for the largest share of Group sales (51%), with sales 12% lower than in the previous year. Within the product group, sales of own-produced EPS products and glass fabric fell significantly, but sales of the ancillary products of the article group (adhesives, profiles) also declined by a similar extent. Based on regional data, sales of the product group increased in Serbia and Northern Macedonia, while sales decreased in the Company’s other markets.

Sales of roof foils and roof elements decreased slightly by 3% compared to the 2023 base, where in-house production capacity allowed access to new markets/partners, cushioning the impact of the industry recession in this product area. Looking at markets, sales increased in the Polish, Hungarian and Northern Macedonian regions, while sales declined in the other markets.

The Group’s turnover in dry construction systems decreased by 27% in the year under review compared to the 2023 base. Sales of both plasterboard profiles and sheets decreased. In terms of markets, the Group’s sales decreased in all areas except Ukraine.

In the thermal, sound and waterproofing materials product group, the Group achieved 19% higher sales compared to 2023, with the recently launched in-house produced XPS product achieving sales growth and the related glass and rock wool sales also growing significantly. In terms of markets, the Group’s turnover decreased in Slovakia, Romania and Poland, while in the rest of the world it stagnated or increased.

The Group’s turnover in the building accessories market decreased by 14% in 2024 compared to the base. In all of the Group’s markets, turnover was down on a year earlier.

In the industrial applications product group, sales grew by 16% compared to the 2023 base. Sales of Whole Food Products, Flies and Multilayer Membrane products also grew, but this is also where the resale of the Certified Energy Savings (HEMs) generated for energy renovations with MASTERPLAST’s contribution, which will be the first for the Group in 2024, will be recognised.

Evolution of turnover by country

The breakdown of sales by country shows the sales generated in the countries where MASTERPLAST has its own subsidiary, regardless of which subsidiary sold in the country. Sales in countries without a subsidiary are reported as exports.

In the Group's largest Hungarian market, revenue will decline by 8% in 2024 compared to the base year. The market was characterised by a wait-and-see attitude for new and revised renovation programmes, mostly from 2025, but it is important to note that so-called HEM sales also contributed significantly to the Group's annual turnover in Hungary.

In the Export areas, turnover fell by 6% year-on-year. Sales declined in the product group of roofing membranes and roofing elements with own production capacity, while other products also experienced stagnation or declines. MASTERPLAST was able to increase its sales in certain countries, including the Czech Republic, Turkey, Austria and Bulgaria, but in several others sales were down compared to a year ago, e.g. in France and Greece.

In the Polish market, the Group achieved a more modest 3% decline in turnover compared to a strong base in 2023. Sales increased due to sales of self-produced roofing membrane products in the roofing membrane and roofing elements product group, while sales in the other product groups decreased compared to last year.

In the Group's Romanian market, turnover decreased by 8%. The revenue of the glass fabric products manufactured in-house increased slightly, allowing the façade insulation systems product group to close close close to the base level. The turnover of the other product groups decreased in 2024 compared to the previous year.

Turnover by country (thousands of euros)	2024	2023	Change %
	(A)	(B)	(A/B-1)
Hungary	49 950	54 094	-8%
Export	14 514	15 484	-6%
Poland	13 139	13 547	-3%
Romania	12 209	13 209	-8%
Serbia	11 265	10 253	10%
Germany	9 803	9 644	2%
Ukraine	7 641	8 415	-9%
Italy	7 063	7 625	-7%
Slovakia	5 133	6 030	-15%
Croatia	3 948	5 466	-28%
North Macedonia	1 473	1 437	3%
Net turnover	136 137	145 204	-6%

Percentage contribution of countries to total turnover		
Hungary	37%	37%
Export	11%	11%
Poland	10%	9%
Romania	9%	9%
Serbia	8%	7%
Germany	7%	7%
Ukraine	6%	6%
Italy	5%	5%
Slovakia	4%	4%
Croatia	3%	4%
North Macedonia	1%	1%
Net turnover	100%	100%

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

In Serbia, Group sales increased by 10% in 2024 compared to the base year. Sales of thermal, acoustic and water insulation materials, including XPS products already manufactured in-house, increased the most, but EPS products, also manufactured in-house, which are part of the façade thermal insulation system product group, also achieved a significant increase in sales compared to 2023.

In the German market, sales grew by 2% in 2024 compared to last year, with sales of proprietary sanitary ware and frieze products performing well, while sales of roofing and facade products declined slightly.

In Ukraine, traffic in the war situation is down 9% compared to the 2023 base year, also in war conditions. In particular, sales in the façade insulation product group and the roof foils and roof elements product group decreased compared to the base year.

In Italy, sales were down 7% compared to last year, with the façade insulation systems product group accounting for the majority of sales. Within this, sales of glass fabrics declined significantly, while sales of EPS products manufactured in-house and of frieze products for industrial applications increased compared to the base.

In Slovakia, there was a 15% drop in turnover. For all product groups, turnover in 2024 is down compared to the previous year.

In Croatia, Group turnover fell by 28% compared to 2023. The façade insulation system product group and roof foils and roofing elements saw the largest declines.

Northern Macedonia, with the smallest share of traffic, will see a 3% increase in traffic in 2024 compared to the base. In this market, sales in the façade insulation systems product group grew the most, but roof foils and roof elements also expanded, while the other product groups experienced a decline.

Financial analysis

The following table shows MASTERPLAST’s consolidated audited income statement in thousands of euros in accordance with the format of the statement of comprehensive income.

Income statement (thousands of euros)	31 December 2024.	31 December 2023.	Change	Change %
	(A)	(B)	(A-B)	(A/B-1)
Sales revenue	136 137	145 204	-9 066	-6%
Materials and services used	-112 965	-121 437	8 473	-7%
Payments to personnel	-27 509	-24 350	-3 158	13%
Depreciation, amortisation and impairment	-7 524	-6 421	-1 103	17%
Movements in self-produced inventories	5 368	-1 867	7 235	-387%
Other operating income (expenses)	1 173	-3 677	4 850	-132%
OPERATING PROFIT (OR LOSS)	-5 318	-12 549	7 231	-58%
Interest received	771	1 263	-492	-39%
Interest paid	-3 238	-3 290	52	-2%
Other financial (expense) income	2 510	-2 503	5 013	-200%
Financial result	43	-4 529	4 573	-101%
PROFIT FOR THE YEAR	-4 641	-15 610	10 970	-70%
EBITDA	2 205	-6 128		
EBITDA ratio	1,6%	-4,2%		
Profit (or loss) attributable to owners of the parent	-4 825	-15 811		
Non-controlling interests	185	201		
Earnings per share (EPS) (EUR)	-0,29	-0,95		
Diluted earnings per share (diluted EPS) (EUR)	-0,29	-0,95		

the Company's consolidated, audited financial statements prepared in accordance with IFRS

Financial report about the MASTERPLAST group

In an organisation restructured to meet demand, the in-house production capacity was overall more cost-efficient in 2024, with the glass fabric factory in Serbia producing profitably, unlike in 2023. The output of the Serbian glass fabric and German nonwoven textile mills increased compared to 2023 volumes, while the output of the Sárszentmihály production unit for fleece and roofing foil was at the same level as in the base year. The EPS plants operated at low capacity utilisation. The new XPS plant in Subotica (Szabadka) has successfully started production and is supplying the Group's needs with increasing output.

Taking into account the change in inventories of own-produced inventories, the Company's overall cost of materials and services decreased by 13% compared to the change in revenue, which is higher than the change in the base. The Groups raw materials and fuel costs decreased, while energy costs and purchased services increased compared to the base.

Group depreciation and amortisation increased by 17%, mainly due to the new Italian EPS and Serbian XPS plants

Other income/expenses from financial operations mainly include exchange rate gains and losses. The Group purchases the majority of its products in Euros and US Dollars, which are sold in local currencies, and therefore foreign currency movements affect the Group's results. The currencies of the majority of countries are pegged to the euro, so movements in EUR/USD affect the exchange rate results for dollar-based purchases. As a result of the more favourable exchange rate effects, a gain of EUR 2 510 thousand was recorded in the other result of financial operations, compared with a loss of EUR 2 503 thousand in the base year.

As a result, the Group's profit after tax in 2024 was a loss of EUR 4 641 thousand, compared to a loss of EUR 15 610 thousand in the base period.

+136 137 kEUR
sales revenue

+2 205 kEUR
positive EBITDA

-13%
reduction in material and service expenses



Presentation of assets and liabilities

The value of non-current assets at the end of December 2024 stood at EUR 132 629 thousand, EUR 5 744 thousand lower than the balance at the end of the reference period. The value of the investments in associated companies increased by about EUR 1 million each due to the value of the ongoing investments in mineral wool. The value of tangible fixed assets decreased largely due to the magnitude of depreciation in the year under review and the reclassification of properties held for sale. Properties in Romania and owned by the Plc, reclassified for sale, are shown in a separate line in the balance sheet, with a value of EUR 3.1 million at 31 December 2024.

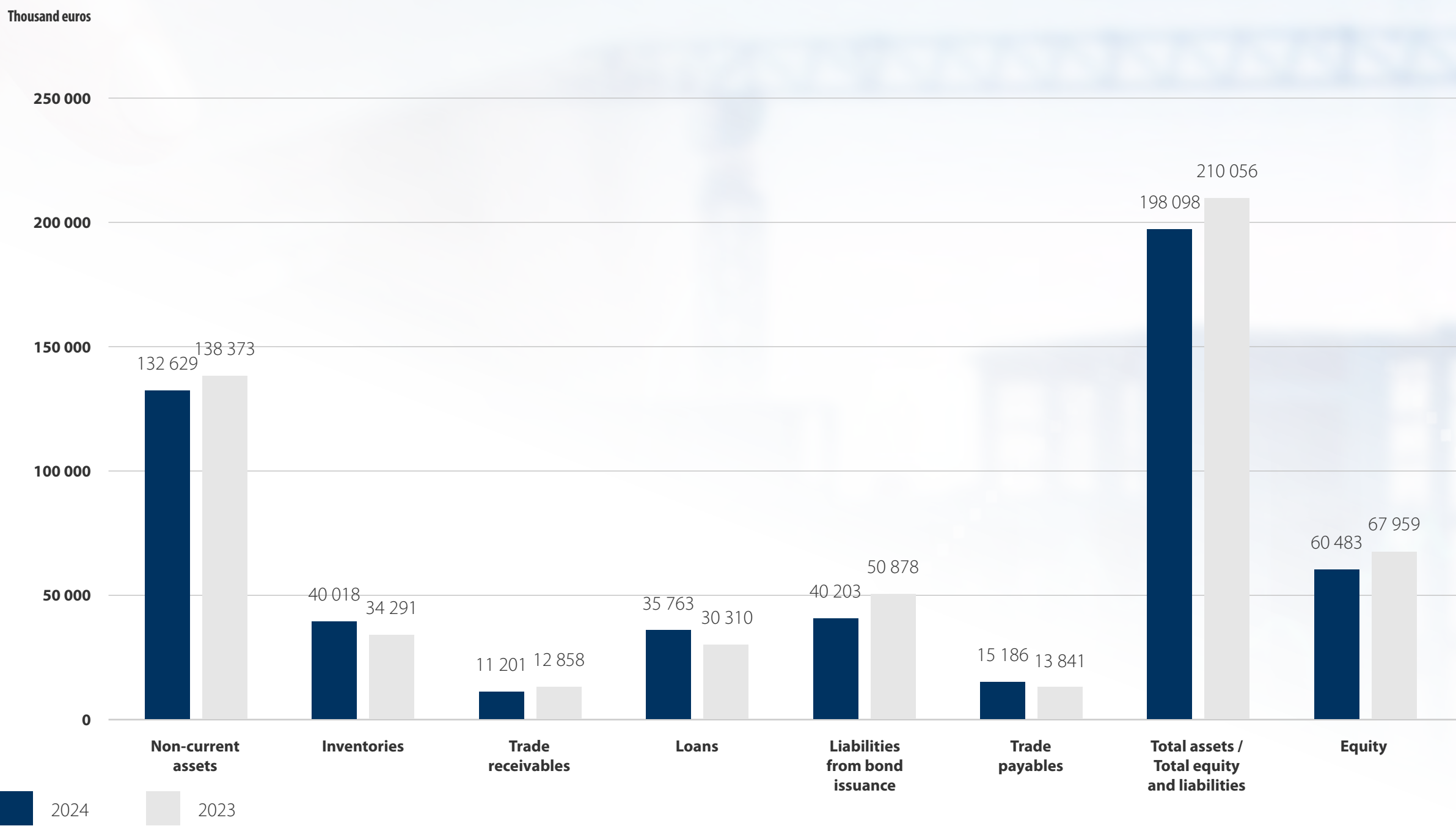
The value of inventories at the end of December 2024 was EUR 40 018 thousand, 17% higher than the closing value at 31 December 2023. The stock value includes the value of the Certified Energy Savings (HEM) available at the end of the year.

The Company's trade receivables (accounts receivable) closed at the end of December 2024 at a level 13% lower than the base period (EUR 11 201 thousand), i.e. EUR 1 657 thousand lower than the base period (6% lower). Cash and cash equivalents stood at EUR 4 370 thousand at the end of December 2024, EUR 13 840 thousand lower than at the end of the base period.

The Group's bond liability on the balance sheet decreased, in line with the repayment of the HUF 3 billion due in the last quarter of the year. The Company's loan portfolio amounted to EUR 35 763 thousand, up 18% compared to a year ago, driven by a new working capital loan.

The Group's trade payables closed at EUR 15 186 thousand, compared to EUR 13 841 thousand at the end of last year.

The value of deferred income, which includes grants related to investments not yet recognised in profit or loss increased by EUR 381 thousand.



the Company's consolidated, audited financial statements prepared in accordance with IFRS

Consolidated cash flow statement of the company

Cash-flow items (EUR)	2024	2023
Operating activities		
Profit/-loss before tax	-5 357 816	-16 618 785
Depreciation, amortisation and impairment of tangible assets	7 523 762	6 421 052
Impairment loss	-212 629	5 064 354
Inventory shortage, scrapped inventories	626 730	428 539
Provisions made	126 884	65 684
Gains on the disposal of tangible and intangible assets	-98 025	-17 576
Interest paid	3 238 471	3 290 120
Interest received	-771 382	-1 263 262
Profit from associates	82 442	-459 701
Unrealised foreign exchange (gain) loss	-7 106 870	3 402 807
Working capital changes		
Changes in trade receivables	1 621 552	4 216 741
Changes in stocks	-9 225 962	20 544 473
Changes in other current assets	-434 859	6 757 294
Changes in trade payables	1 345 312	-2 692 668
Changes in other liabilities	-652 861	-6 314 846
Income tax paid	-327 905	-2 152 793
Net cash flow from operations	-9 623 156	20 671 433
Investing activities		
Purchase of tangible and intangible fixed assets	-2 781 732	-16 209 714
Proceeds from the sale of tangible and intangible assets	111 262	913 981
Acquisition of subsidiary shares	-2 055 006	-8 429 263
Interest received	771 382	1 263 262
Net cash flow from investing activities	-3 954 094	-22 461 734
Financing activities		
Capital increase, issuance of shares	0	0
Purchased treasury shares	-81 636	-119 708
Loans taken	6 257 390	329 631
Loans repaid	-805 212	-1 917 733
Bond repaid	-7 257 965	0
Subsidies received	1 175 814	2 536 415
Dividends paid	-99 800	-97 639
Interest paid	-3 238 472	-3 290 120
Net cash flow from financing activities	-4 049 881	-2 559 154
Increase (decrease) in cash and cash equivalents	-17 627 131	-4 349 455
Cash and cash equivalents at the beginning of the year	18 210 153	25 882 135
Net foreign exchange translation gain or loss	3 787 112	-3 322 527
Cash and cash equivalents at the end of the year	4 370 134	18 210 153

Presentation of the company's balance sheet and supporting tables

Balance sheet (thousand of EUR)	31 December 2024.	31 December 2023.
Non-current assets		
Property, plant and equipment	110 864 755	119 199 572
Intangible assets	2 248 444	2 272 393
Investment in associates	15 650 964	14 654 698
Deferred tax assets	3 864 929	2 246 229
Other long-term financial assets	0	0
Non-current assets	132 629 092	138 372 892
Current assets		
Inventories	40 017 888	34 291 470
Trade receivables	11 201 307	12 858 487
Taxes receivable	2 294 756	2 787 508
Other current financial assets	0	54 716
Other current assets	4 463 567	3 481 240
Cash and cash equivalents	4 370 134	18 210 153
Assets held for sale	3 121 070	0
Current assets	65 468 722	71 683 574
Total assets	198 097 814	210 056 466
Equity		
Share capital	6 049 289	6 049 289
Reserves	60 671 671	79 128 842
Redeemed treasury shares	-2 117 289	-2 035 653
Parent company's share of the profit or loss	-4 825 348	-15 810 988
Equity attributable to parent company's shareholders	59 778 323	67 331 490
Equity	705 109	627 361
Total equity	60 483 432	67 958 851
Long-term liabilities		
Long-term loans	15 919 945	12 008 428
Liabilities from issued bonds	32 893 571	43 054 735
Deferred tax assets	1 454 881	990 485
Deferred income	32 108 972	31 761 195
Other long-term liabilities	959 711	722 730
Long-term liabilities	83 337 080	88 537 573
Current liabilities		
Short-term loans	19 842 647	18 301 987
Short-term liabilities from issued bonds	7 309 188	7 817 635
Trade payables	15 185 952	13 840 640
Short-term financial leasing liabilities	275 941	280 898
Other current financial liabilities	2 118 601	2 492 874
Taxes payable	2 178 830	679 785
Current part of deferred income	2 067 474	2 033 468
Provisions	775 489	648 605
Other current liabilities	4 523 180	7 464 150
Current liabilities	54 277 302	53 560 042
Total liabilities	137 614 382	142 097 615
Equity and liabilities	198 097 814	210 056 466

Intangible assets, property, plant and equipment and work in progress

2024	Intangible goods	Properties	Machinery, Equipment	Investment in progress	Material Tools	Total
Cost, opening (EUR)	3 041 827	50 979 137	78 233 983	18 244 781	147 457 901	150 499 728
Increase	718 963	514 432	13 199 925	2 873 850	16 588 207	17 307 170
Decrease	-87 175	-177 024	-546 882	-13 714 357	-14 438 263	-14 525 438
Reclassification	0	-3 703 527		-427 955	-4 131 482	-4 131 482
Translation gain or loss	-138 670	-691 025	-388 404	-121 250	-1 200 679	-1 339 349
Cost, closing (EUR)	3 534 945	46 921 993	90 498 622	6 855 069	144 275 684	147 810 629
Accumulated depreciation and impairment, opening (EUR)	769 434	7 612 353	20 634 130	11 846	28 258 329	29 027 763
Increase	579 654	1 401 355	5 542 753	0	6 944 108	7 523 762
Decrease	-25 239	-108 086	-357 507	0	-465 593	-490 832
Reclassification	0	-1 010 412	0	0	-1 010 412	-1 010 412
Translation gain or loss	-37 348	-168 731	-146 309	-463	-315 503	-352 851
Closing accumulated depreciation and impairment (EUR)	1 286 501	7 726 479	25 673 067	11 383	33 410 929	34 697 430
Opening net book value (EUR)	2 272 393	43 366 784	57 599 853	18 232 935	119 199 572	121 471 965
Closing net book value (EUR)	2 248 444	39 195 514	64 825 555	6 843 686	110 864 755	113 113 199

2023	Intangible goods	Properties	Machinery, Equipment	Investment in progress	Material Tools	Total
Cost, opening (EUR)	809 369	37 513 208	67 568 860	27 964 849	133 046 917	133 856 286
Increase	2 232 246	13 053 786	12 450 626	13 977 468	39 481 880	41 714 126
Decrease	-22 506	0	-1 930 396	-23 845 065	-25 775 461	-25 797 967
Reclassification	0	0	0	0	0	0
Translation gain or loss	22 718	412 143	144 893	147 529	704 565	727 283
Cost, closing (EUR)	3 041 827	50 979 137	78 233 983	18 244 781	147 457 901	150 499 728
Accumulated depreciation and impairment, opening (EUR)	612 537	6 610 912	16 892 852	12 836	23 516 600	24 129 137
Increase	159 172	895 980	5 365 900	0	6 261 880	6 421 052
Decrease	-22 506	0	-1 693 649	0	-1 693 649	-1 716 155
Reclassification	0	0	0	0	0	0
Translation gain or loss	20 231	105 461	69 027	-990	173 498	193 729
Closing accumulated depreciation and impairment (EUR)	769 434	7 612 353	20 634 130	11 846	28 258 329	29 027 763
Opening net book value (EUR)	196 832	30 902 296	50 676 008	27 952 013	109 530 317	109 727 149
Closing net book value (EUR)	2 272 393	43 366 784	57 599 853	18 232 935	119 199 572	121 471 965

The MASTERPLAST Group has no intangible assets with indefinite useful lives.

No financing costs were capitalised as an increase in gross value during 2024 and 2023.

Investments in associates

Masterprofil Kft. On November 30, 2013, Masterplast Nyrt. reduced its ownership interest in Masterprofil Kft. from 95% to 20%. As a result, the company, which had previously been included in the consolidation as a subsidiary, became an associated company of the Group.

T-CELL Plasztik Kft. On June 3, 2019, the Company acquired a 24% ownership interest in T-CELL Plasztik Korlátolt Felelősségű Társaság. The purchase price of the acquired shareholding was HUF 99,840 thousand (EUR 273,437), which was fully paid. The main activity of T-CELL Plasztik Kft. is polystyrene production, carried out in two plants located in Hungary – in Hajdúszoboszló and Zalaegerszeg.

MIP Zrt. Based on a strategic cooperation agreement concluded in December 2022, the Company acquired a 50% ownership interest in MIP Alapanyaggyártó Zártkörűen Működő Részvénytársaság (MIP Zrt.) on June 9, 2023. As a result, MASTERPLAST Nyrt. holds a 50% share in MIP Zrt., while the remaining 50% ownership is held by MARKET Építő Zrt.

PIMCO Kft. On January 18, 2023, the Company entered into a purchase agreement for the acquisition of 100% of the business share in PIMCO Kft., which holds a glass wool production investment project. On June 28, 2023, the Company and Selena FM S.A. jointly decided, through a notarized deed, to implement the glass wool production investment within the framework of a strategic cooperation. On November 6, 2023, the registered capital of PIMCO Kft. was increased, resulting in MASTERPLAST Nyrt. and Selena FM S.A. each holding a 50% ownership interest and voting right. With this capital increase, the registered capital of PIMCO Kft. rose from HUF 153,000 thousand to HUF 3,627,942 thousand. In 2024, the Company executed further capital increases in three steps, totaling HUF 842,737,500. The associated companies are consolidated using the equity method, with the share of profit or loss recognized in the income statement.

The consolidation of Associates is based on the equity method of accounting against profit or loss.

Share from the profits of associates	2024
Opening	14 654 698
Share from the profit of associates	-82 442
Increase	2 055 006
Decrease	0
Other comprehensive income	-976 298
Closing* (EUR)	15 650 964

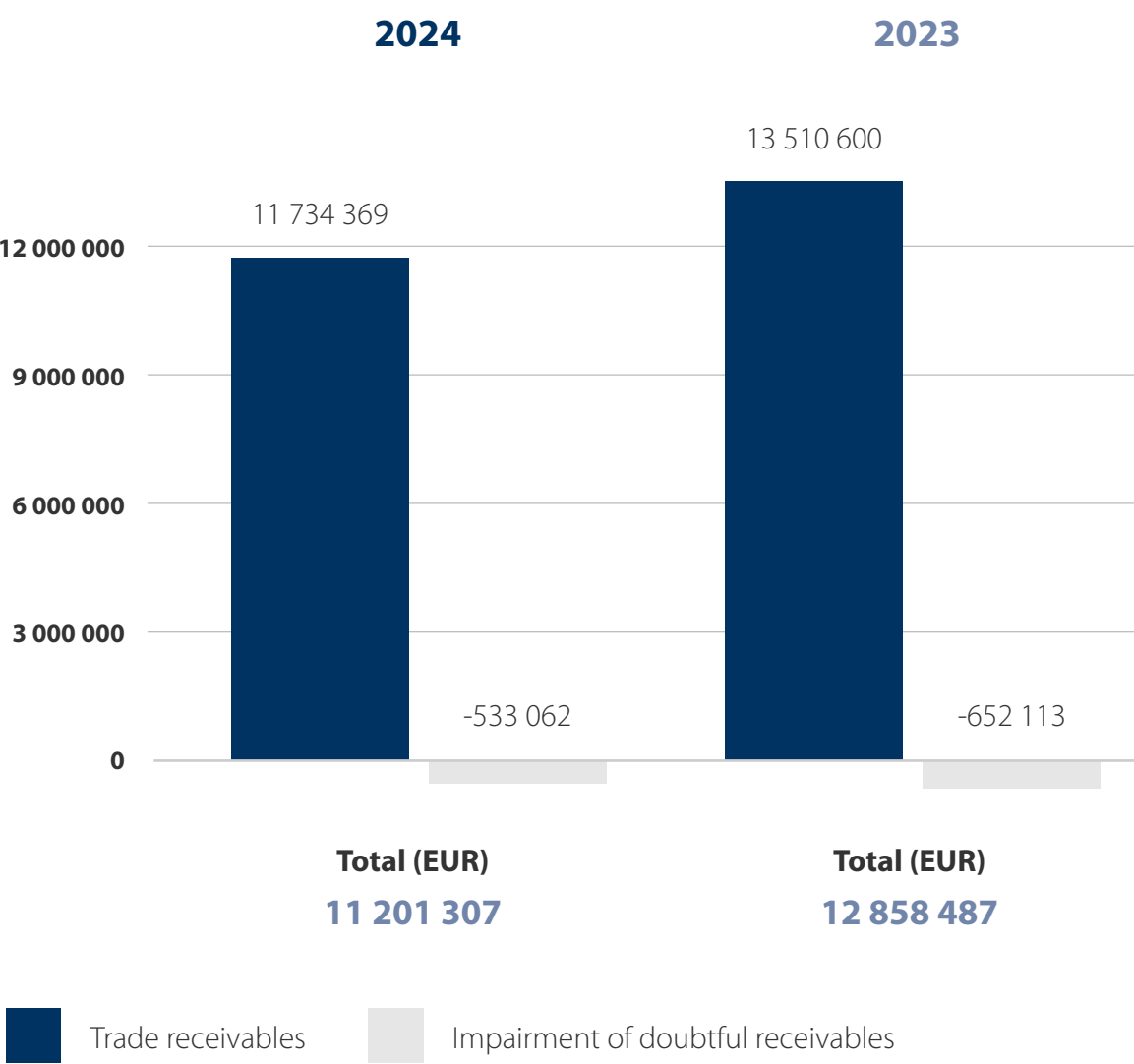
*Excludes profit or loss from discounted operations

Share from the profits of associates	2023
Opening	2 084 481
Share from the profit of associates	459 701
Increase	13 317 210
Decrease	-1 300 615
Other comprehensive income	93 921
Closing* (EUR)	14 654 698

*Excludes profit or loss from discounted operations



Trade receivables (customers)

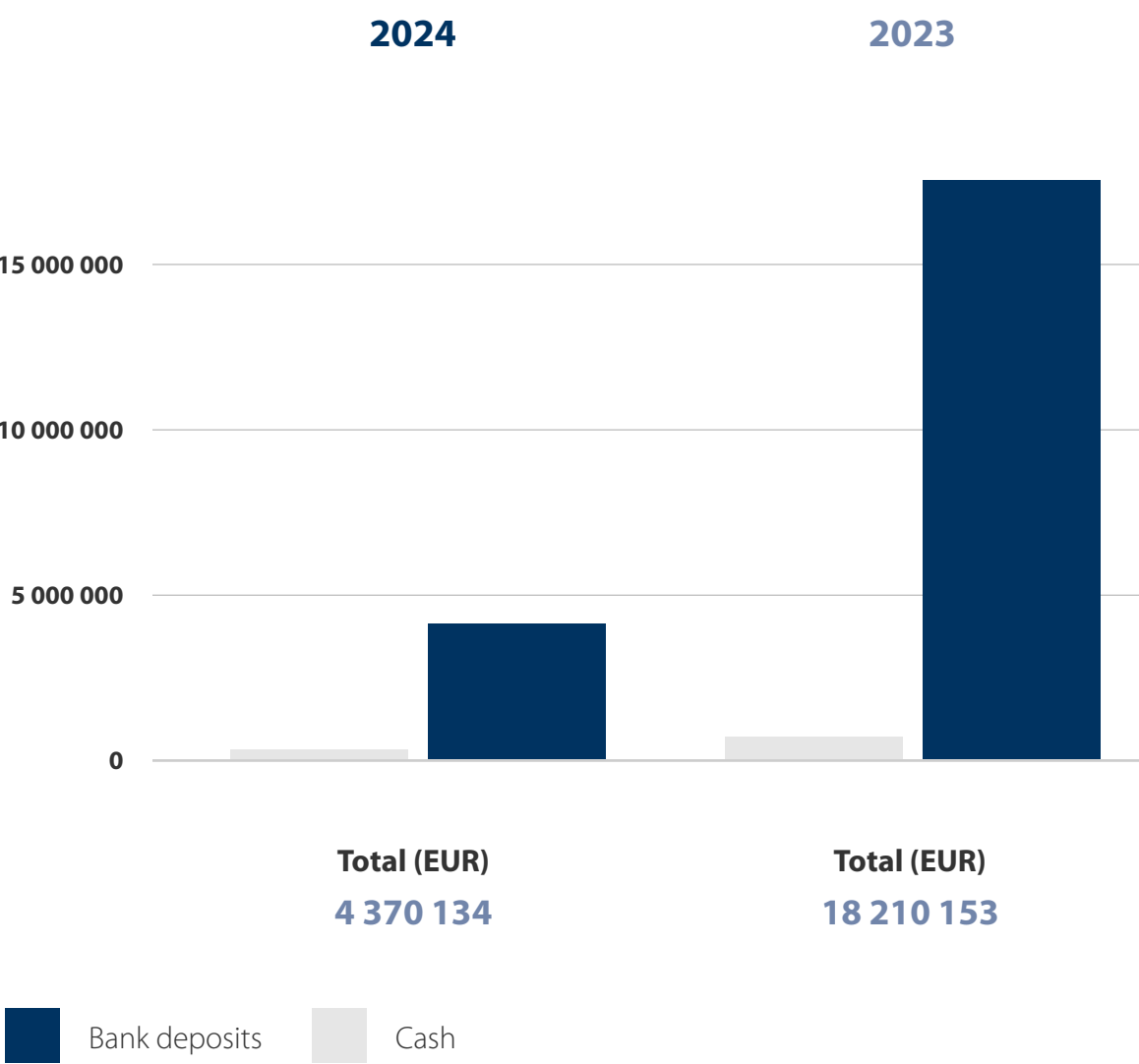


The average payment period for trade receivables is 47 days (in 2023: 42 days).
There is no significant concentration of trade receivables.

Other current assets

Other current assets	2024	2023
Advances paid	545 957	727 883
Bills of exchange and cheques receivable	164 622	194 533
Other recivables	2 009 786	1 949 061
Bonus from suppliers	323 058	428 591
Impairment on other receivables	-245 217	-270 448
Accrued income	14 509	110 494
Prepaid expense	431 607	341 126
Provided loans	1 219 245	0
Total (EUR)	4 463 567	3 481 240

Cash and cash equivalents



The Group has no illiquid funds at 31 December 2024
and 31 December 2023.



Long and short-term loans

Breakdown of short-term and long-term loans from banks 2024

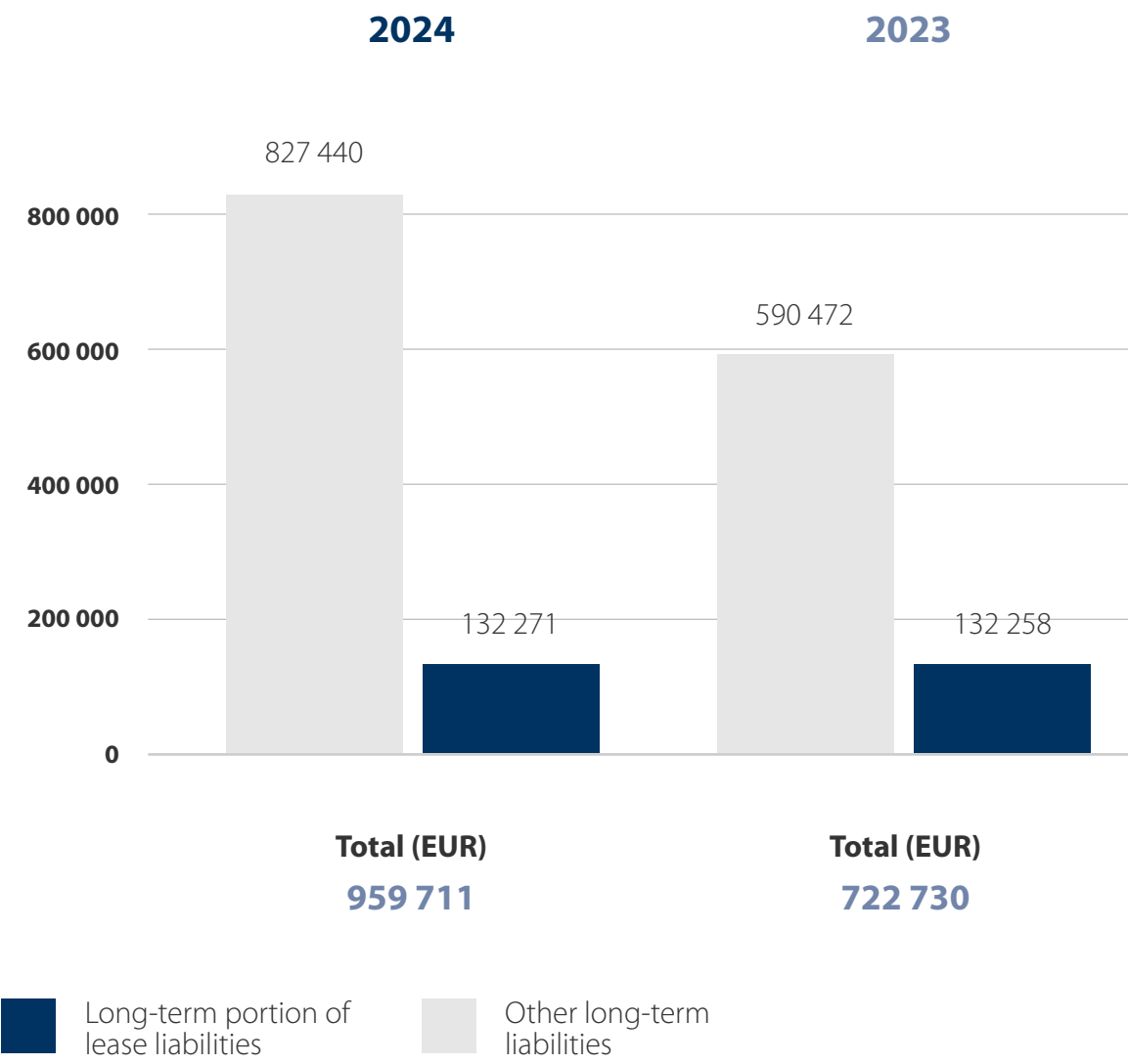
Company name	Loan ID	Loand type	Currency of disbursement	Interest %	Period of interest settlement	Amount of outstanding loand debt EUR	Repayment Amount of repayment falling due within 1 year	Amount of repayment falling due within 2-5 years	Amount of repayment falling due beyond 5 years	Collaterals
MASTERPLAST YU D.o.o.	00-421-1700025.1	investment loan	RSD	2W REPO + 3,33%	Monthly	331 535	331 535	0	0	bill of exchange + mortgage + MP NYRT guarantor
MASTERPLAST YU D.o.o.	00-421-0611706.8	investment loan	EUR	3M EURIBOR + 2,10%	Monthly	1 794 779	538 434	1 256 345	0	bill of exchange + mortgage + MP NYRT guarantor
MASTERPLAST YU D.o.o.	00-422-0013391	working capital loan	RSD	3M EURIBOR +2,70%	Monthly	1 000 000	1 000 000	0	0	bill of exchange + mortgage + MP NYRT guarantor
MASTERPLAST YU D.o.o.	00-422-0004844	working capital loan	RSD	3M EURIBOR + 2,70%	Monthly	1 000 000	1 000 000	0	0	bill of exchange + mortgage + MP NYRT guarantor
MASTERPLAST YU D.o.o.	00-429-0300071.0	working capital loan	RSD	3M EURIBOR + 2,70%	Monthly	1 600 000	1 600 000	0	0	bill of exchange + mortgage + MP NYRT guarantor
MASTERPLAST Italia Srl	994205096 MPS SACE	investment loan	EUR	6 M EURIBOR + 1,6	Quarterly	1 050 000	200 000	800 000	50 000	bill of exchange + mortgage + MP NYRT guarantor
MASTERPLAST International Kft	TCF-R-80/2022	working capital loan	EUR	1,85% p.a.	Monthly	8 832 667	2 333 067	6 499 600	0	bill of exchange + mortgage + MP NYRT guarantor
MASTERPLAST International Kft	R-9/2021	working capital loan	EUR	3M EURIBOR + 1,2%	Monthly	10 000 000	10 000 000	0		bill of exchange + mortgage + MP NYRT guarantor
MASTERPLAST International Kft	EHIT/114590/2024/485938/001	working capital loan	EUR	3 m BUBOR + 2,5%	Monthly	7 314 000	0	7 314 000	0	bill of exchange + mortgage + MP NYRT guarantor
Total investment and working capital loans						32 922 980	17 003 035	15 869 945	50 000	
MASTERPLAST Romania S.R.L.	56 (OVD)	overdraft	RON	ROBOR 1M + 1%	Monthly	2 163 662	2 163 662	0	0	mortgage
MASTERPLAST S.r.o.	-	overdraft	EUR	2,4% p.a. + 1M EURIBOR	Monthly	675 950	675 950	0	0	mortgage
Total current account loans						2 839 612	2 839 612	0	0	
Total loans (EUR)						35 762 592	19 842 647	15 869 945	50 000	

Breakdown of short-term and long-term loans from banks 2023

Company name	Loan ID	Loand type	Currency of disbursement	Interest %	Period of interest settlement	Amount of outstanding loand debt EUR	Repayment Amount of repayment falling due within 1 year	Amount of repayment falling due within 2-5 years	Amount of repayment falling due beyond 5 years	Collaterals
MASTERPLAST YU D.o.o.	00-421-1700025.1	investment loan	RSD	2W REPO + 3,33%	havi	898 049	567 866	330 183	0	bill of exchange + mortgage + MP NYRT guarantor
MASTERPLAST YU D.o.o.	00-421-0611706.8	investment loan	EUR	3M EURIBOR + 2,10%	havi	2 333 212	538 434	1 794 779	0	bill of exchange + mortgage + MP NYRT guarantor
MASTERPLAST YU D.o.o.	00-422-0013391	working capital loan	RSD	3M EURIBOR +2,70%	havi	1 000 000	1 000 000	0	0	bill of exchange + mortgage + MP NYRT guarantor
MASTERPLAST YU D.o.o.	00-422-0004844	working capital loan	RSD	3M EURIBOR + 2,70%	havi	400 000	400 000	0	0	bill of exchange + mortgage + MP NYRT guarantor
MASTERPLAST YU D.o.o.	00-429-0300071.0	working capital loan	RSD	3M EURIBOR + 2,70%	havi	1 700 000	1 700 000	0	0	bill of exchange + mortgage + MP NYRT guarantor
MASTERPLAST Italia Srl	994205096 MPS SACE	investment loan	EUR	6 M EURIBOR + 1,6	Negyedéves	1 250 000	200 000	800 000	250 000	bill of exchange + mortgage + MP NYRT guarantor
MASTERPLAST International Kft	TCF-R-80/2022	working capital loan	EUR	1,85% p.a.	havi	9 999 500	1 166 034	8 833 466	0	bill of exchange + mortgage + MP NYRT guarantor
MASTERPLAST International Kft	R-9/2021	working capital loan	EUR	3M EURIBOR + 1,2%	havi	10 000 000	10 000 000			bill of exchange + mortgage + MP NYRT guarantor
Total investment and working capital loans						27 580 762	15 572 334	11 758 428	250 000	
MASTERPLAST Romania S.R.L.	56 (OVD)	overdraft	RON	ROBOR 1M + 1%	havi	2 400 022	2 400 022	0	0	mortgage
MASTERPLAST S.r.o.	-	overdraft	EUR	2,4% p.a. + 1M EURIBOR	havi	329 631	329 631	0	0	mortgage
Total current account loans						2 729 653	2 729 653	0	0	
Total loans (EUR)						30 310 415	18 301 987	11 758 428	250 000	

Secured loans have been used for specific investment projects secured by the assets financed.

Other long-term liabilities



Provisions

2024	Opening value	Conversion difference	Current year Training	Current year Usage	Current year Release	Closing value
For unused holidays	372 129	-2 770	99 756	40 671	31 877	396 567
For retirement	117 497	159	38 429	17 683	0	138 402
For jubilee benefit	51 398	70	5 214	7 463	0	49 219
For warranty obligations	40 216	0	8 575	0	0	48 791
For outcomes of labor litigation	0	0	48 760	0	0	48 760
For bonuses	19 599	2	51 220	0	24 649	46 172
For other	47 766	-920	33 520	32 788	0	47 578
Total (EUR)	648 605	-3 459	285 474	98 605	55 675	775 489

2023	Opening value	Conversion difference	Current year Training	Current year Usage	Current year Release	Closing value
Unused leave	268 740	616	154 952	36 696	15 482	372 130
Bonus	35 848	-175	79 352	42 220	53 207	19 598
Commission	51 495	1 223	28 344	47 671	0	33 391
Guarantee obligation	67 800	0	0	0	27 584	40 216
Other	159 038	196	44 319	20 283	0	183 270
Total (EUR)	582 921	1 860	306 967	146 870	96 273	648 605

Trade payables

The maturity structure of trade payables is as follows:

Creditors	2024	2023
Not yet due	12 150 620	12 185 173
Due over 0-60 days	2 890 629	908 593
Due over 61-90 days	57 144	5 473
Due over 91-180 days	6 062	79 270
Due over 180 days	81 497	662 131
Total (EUR)	15 185 952	13 840 640

Other current liabilities

Other current liabilities	2024	2023
Advances receives	193 138	53 669
Liabilities to employees	1 332 092	1 168 192
Other current liabilities	1 004 379	1 431 659
Joint venture liability	0	2 201 624
Tender advance	129 746	375 673
Bonus to customers	1 080 334	1 290 708
Insurance	1 284	0
Accrued insterest expense	248 728	412 492
Deferred income	8 121	40 577
Accrued expenses	525 357	489 557
Total (EUR)	4 523 180	7 464 150

Profit and loss account and supporting tables

Materials and services used

Cost of Materials and Services	2024	2023
Cost of materials	64 121 568	65 746 988
Const of services	14 799 519	8 800 089
Cost of goods sold	34 091 354	46 944 382
Obtained sconto	-47 842	-49 155
Received bonus	0	-5 153
Total (EUR)	112 964 599	121 437 150

Payments to personnel

Payroll costs	2024	2023
Other payments to personnel	22 335 503	19 991 937
Payroll taxes and social security contribution	1 688 943	1 676 026
Total	3 484 250	2 682 324
Total (EUR)	27 508 696	24 350 287

Other income, other expenditure

Other income and expenses	2024	2023
Result of fixed assets sales	98 025	17 576
Inventory shortage, scrapped	-626 730	-428 539
Impairment reversed/(charged)	321 243	-4 866 844
Taxes, duties	-365 148	-530 082
Credit loss	-108 614	-197 510
Income from tenders (release of deferred income)	2 097 086	1 938 334
Provisions reversed/(charged)	-58 256	-29 944
Default interest paid	-15 863	-992
Other	-168 357	421 261
Total (EUR)	1 173 386	-3 676 740

Taxes

The tax asset and tax payables are as follows:

Taxes receivable and taxes payable	2024	2023
Taxes receivable	2 294 756	2 787 508
Tax payables	-2 178 830	-679 785
Net tax receivable (EUR)	115 926	2 107 723

The income tax for the years ending 31 December 2024 and 2023 consists of the following elements:

Income tax expense	2024	2023
Income tax expense for the current year	597 600	378 574
Deferred income tax expense	-1 314 728	-1 387 055
Income tax expense (EUR)	-717 128	-1 008 481

The Group's average tax rate over the last two years has been as follows:

Average tax rate	2024	2023
Average tax rate	13.9%	13.9%

Segments

- Taking into account the Group's operations, the Group presents its manufacturing and commercial sales activities as business segments.
- The Group's activities are divided into two segments: manufacturing and sales.
- The Manufacturing segment transfers glass fabrics, roofing membranes, plasterboard profiles, mesh edge protectors, EPS, XPS, sanitary textiles to the Sales segment.
- Internal transfer prices are based on current (purchase) market prices. The results also include the results of fully consolidated subsidiaries belonging to the segment.

2024	Sales	Production	Unallocated costs	Filtering between segments	Consolidated
Sales revenue from third parties	127 389 106	8 491 374	256 966	0	136 137 445
Inter-segment sales revenues	30 269 708	61 443 318	3 199 999	-94 913 025	0
Materials and services used	-145 009 548	-60 990 011	-1 878 065	94 913 025	-112 964 599
Payments to personnel	-8 718 427	-15 995 073	-2 795 196	0	-27 508 696
Depreciation and amortisation	-1 046 054	-5 910 272	-567 436	0	-7 523 762
Changes in self-produced inventories	2 488 396	2 879 331	0	0	5 367 727
Other operating income (expenses)	-113 171	1 681 622	-395 065	0	1 173 386
EBITDA	6 306 063	-2 489 439	-1 611 360	0	2 205 264
EBITDA %	5.00%	-4.10%	-46.60%		1.60%
Operating profit/loss	5 260 009	-8 399 711	-2 178 796	0	-5 318 499
EBIT %	4.10%	-13.70%	-63.00%		-3.90%
Interest income	3 084 208	19 514	-2 332 340	0	771 382
Interest expenses	-2 315 307	-3 145 737	2 222 574	0	-3 238 471
Other income (expenses) of financial transactions	-227 783	569 548	2 168 449	0	2 510 214
Financial profit/loss	541 118	-2 556 675	2 058 682	0	43 125
Share of the profit of associates	0	0	-82 442		-82 442
Profit/loss before tax	5 801 127	-10 956 386	-202 556	0	-5 357 816
Income tax	-358 652	1 184 609	-108 829		717 128
Profit/loss for the year (EUR)	5 442 475	-9 771 777	-311 386	0	-4 640 688
Assets					
Tangible fixed assets	7 539 578	94 561 216	8 763 961		110 864 755
Inventories	28 233 599	11 765 796	18 493		40 017 889
Trade Debtors	10 438 521	520 361	242 425		11 201 307
Liaibilities					
Long-term loans	13 813 600	2 106 345	0		15 919 945
Deferred income	0	33 449 254	727 192		34 176 446
Short-term loans/overdrafts	9 894 420	7 069 280	2 878 947		19 842 647
Trade Creditors	13 677 937	1 356 880	151 136		15 185 952

2023	Sales	Production	Unallocated costs	Filtering between segments	Consolidated
Sales revenue from third parties	144 291 545	0	912 009	0	145 203 554
Inter-segment sales revenues	0	76 429 983	2 135 039	-78 565 022	0
Materials and services used	-127 134 897	-71 125 620	-1 741 655	78 565 022	-121 437 150
Payments to personnel	-8 517 921	-13 114 303	-2 718 063	0	-24 350 287
Depreciation and amortisation	-1 124 669	-4 688 063	-608 320	0	-6 421 052
Changes in self-produced inventories	467 800	-3 281 471	946 301	0	-1 867 370
Other operating income (expenses)	-711 466	-2 152 226	-813 048	0	-3 676 740
EBITDA	8 395 061	-13 243 637	-1 279 417	0	-6 127 993
EBITDA %	5.80%	-17.30%	-42.00%		-4.20%
Operating profit/loss	7 270 392	-17 931 700	-1 887 737	0	-12 549 045
EBIT %	5.00%	-23.50%	-62.00%		-8.60%
Interest income	-1 980 246	17 967	3 225 541	0	1 263 262
Interest expenses	2 981 042	-3 273 144	-2 998 018	0	-3 290 120
Other income (expenses) of financial transactions	55 263	-303 653	-2 254 193	0	-2 502 583
Financial profit/loss	1 056 059	-3 558 830	-2 026 670	0	-4 529 441
Share of the profit of associates	0	0	459 701	0	459 701
Profit/loss before tax	8 326 451	-21 490 530	-3 454 706	0	-16 618 785
Income tax	-757 950	1 547 901	218 530	0	1 008 481
Profit/loss for the year (EUR)	7 568 501	-19 942 629	-3 236 176	0	-15 610 304
Assets					
Tangible fixed assets	10 625 144	98 168 563	10 405 865	0	119 199 572
Inventories	21 714 642	11 416 752	1 160 076	0	34 291 470
Trade Debtors	12 445 991	208 990	203 506	0	12 858 487
Liaibilities					
Long-term loans	8 832 767	3 175 661	0	0	12 008 428
Deferred income	0	33 571 794	222 869	0	33 794 663
Short-term loans/overdrafts	13 707 072	4 594 915	0	0	18 301 987
Trade Creditors	11 294 970	2 255 764	289 906	0	13 840 640

Events after the balance sheet date

In 2025, the Company increased the capital of the following subsidiaries to maintain liquidity:

Name of subsidiary	Place of registration	Date	Currency	Total
Masterplast Medical Kft.	Hungary	2025.04.01	EUR	4 060 000
Masterplast Modulhouse Kft.	Hungary	2025.04.01	HUF	920 000 000
MasterFoam Kft.	Hungary	2025.04.01	HUF	80 000 000
Masterplast YU D.o.o.	Serbia	2025.04.01	EUR	10 000 000
Masterplast Italia Srl.	Italy	2025.02.17	EUR	1 362 940

To establish the final future ownership and financing structure of MIP Zrt., MASTERPLAST Plc. and Market Építő Zrt. signed an agreement on 14 January 2025. According to the agreement, the parties have agreed on the mutual possibility and conditions for the involvement of a new investor with a strong financial background and professional experience, in addition to the purchase of the other party's stake.

On 28 February 2025, the Board of Directors of the Company decided to increase the share capital of the Company by issuing new ordinary shares in a private placement against cash contribution, as follows: the share capital increase amounts to HUF 240,000,000, in connection with which 2,400,000 new ordinary shares of dematerialised registered value of HUF 100 each and of HUF 2,500 each were issued. On this basis, the total share capital increased amounts to HUF 1 925 063 100, consisting of 19 250

631 registered ordinary shares with a nominal value of HUF 100 each, representing rights of the same content and amount. The issue value of the ordinary shares concerned by the capital increase is HUF 2 500 per share, totalling HUF 6 000 000 000. The part of the issue value per share in excess of the nominal value, totalling HUF 5 760 000 000, will increase the Company's capital reserve. Based on the declaration of the Undertaking and the decision of the Board of Directors to increase the share capital, the MFB Vállalati Beruházási és Tranzakciós Magántőkealap became eligible to receive 2 400 000 new ordinary shares of dematerialised registered shares, the cash contribution corresponding to their total issue value, totalling HUF 6 000 000 000, was made in due time, in view of which the share capital increase was completed on 4 March 2025. Budapest Stock Exchange Plc. admitted its 2,400,000 dematerialised registered ordinary shares with a nominal value of HUF 100 each and a total nominal value of HUF 240,000,000 to trading on the stock exchange on 11 April 2025, and the volume of the securities admitted to trading thus increased from 16,850,631 to 19,250,631 shares.

Based on the above and the share register notifications, the shareholders of the Company holding more than 5% of the shares on 11 April 2025 are:

Name	Depository (yes/no)	Quantity (pieces)	Participation (%)
Dávid Tibor	not	4 548 057	23.62%
Balázs Ács	not	3 877 259	20.14%
MFB Vállalati Beruházási és Tranzakciós Magántőkealap legally represented: Focus Ventures Befektetési Alapkezelő Zártkörűen Működő Részvénytársaság.	not	3 131 707	16.27%
Total		11 557 023	60.03%

According to the Government Decision 1058/2025 (III.13.) published in the Hungarian Gazette, a strategic cooperation agreement will be concluded in the near future between the Government of Hungary and MASTERPLAST Plc., aiming at strengthening and developing the Company's presence in Hungary in the long term. The priority areas of cooperation will be production development, promotion of innovation and research and development, and support for the dual training system. Under the strategic cooperation agreement under preparation, the Company is committed to expanding its investments in Hungary, while the Government is ready to support MASTERPLAST's export activities and the training of its employees. The cooperation would also include the integration of Hungarian suppliers, support for local communities and the international promotion of Hungary as an investment destination.

On 24 March 2025, Bálint Fazekas, member of the Board of Directors and the Audit Committee, announced to the Company that he will resign from his position as a member of the Board of Directors and the Audit Committee due to other commitments requiring his time, effective 30 April 2025. The Company will elect a new Board member and Audit Committee member at its Annual General Meeting.



Outlook and strategy

MASTERPLAST Group's strategy is based on sustainability and innovation, taking into account global construction trends and environmental and economic challenges. The Company aims to be a leader in the construction materials market, particularly in sustainable, energy-efficient solutions, while continuously expanding its international presence and production capacity.

The main objective of the European Union's Energy Performance of Buildings Directive (EPBD) is to significantly reduce the energy consumption of buildings through energy efficiency measures and to achieve the EU's climate neutrality target for 2050. It requires Member States to draw up national plans for progressively improving the energy efficiency of the building stock, including increasing the renovation rate and developing long-term strategies. This will entail regulatory changes in Member States and the launch of renovation programmes across Europe, which will lead to a significant increase in demand for insulation from industry in the medium to 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.

In Hungary, the Company's largest market, the impact of the new home renovation programme is expected to be felt in the market from the beginning of 2025. For the benefit of the applicants, a simplified programme with very favourable conditions will be available for the energy modernisation of family houses built before 2007. In addition, the government's support for the construction industry and the housing market in 10 out of the 21 points of its New Economic Policy Action Plan will significantly

improve the prospects for the construction industry in Hungary. Among these, the Rural Home Renovation Programme, which will be launched in 2025 and will help a wider range of people living in settlements with fewer than 5,000 inhabitants to improve their housing conditions, not only in relation to energy-related works, could improve demand in the construction sector.

There is a business potential for the Company to enter the market for Certified Energy Savings (HEMs). HEM is a limited marketable asset that can be generated through various energy efficiency measures by accredited organisations. These HEMs can be resold to organisations committed to energy savings under the so-called EEOS scheme (Energy Efficiency Obligation Scheme). In this context, MASTERPLAST launched its Hungarocell Renovation Programme in September 2024, the first programme in Hungary to generate HEMs related to the thermal insulation of the façade of family houses. In addition, through its partners, the Company has also been involved in attic renovation programmes based on similar principles. The business generated from HEMs will continue to strengthen the Company's performance in the first half of 2025.

In parallel with the European Central Bank's action to cut interest rates, developments in European markets have been slow to take off. Positive changes in the Company's export market framework agreements are already noticeable, which are mostly favourable for the own-produced product lines. For MASTERPLAST, as a long-standing player in the Ukrainian market, there is also great business potential in the reconstruction of Ukraine. Current changes in international politics have created a realistic chance for a ceasefire agreement. Accordingly, it forecasts a strengthening of the upward trend from 2025 and a stronger market recovery and breakthrough earnings improvement in 2026.

In 2024, the Company's focus remained on optimising operations, production and inventory levels, as well as conscious energy management. The Company 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 vision of the Company is set out below:

“As a leading environmentally conscious European manufacturer, we contribute to energy efficient buildings”

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 it to serve the premium market with the highest quality standards. It has also expanded its insulation capacity in recent years with two new EPS and one XPS plant.

The Company's goal is to maintain a dynamic growth rate, with the European Union countries and Serbia as the geographic focus. The Company plans to grow its turnover and profit in the construction, modular architecture and industrial sales markets.

The MASTERPLAST Group's distributor subsidiaries serve building materials dealers, purchasing companies and DIY chains. The structure of the building materials trading sector varies from country to country, and therefore each market requires a specific sales policy to ensure the highest market share and profitability. Markets without a subsidiary are served through export departments, which the Company presents as export sales. The aim is to have strong local strategic partners representing MASTERPLAST's products in the respective market. The development of export activities will ensure the strengthening of the market position of glass fabrics and roofing membranes and the increase of the market share in these segments in the countries of the European Union. A broad product range and a developing manufacturing base will ensure increasing competitiveness. The main value propositions for partners are security of supply, stable quality, product certifications and value for money.

Within the construction sector, the insulation industry is the main focus of the Company's development. MASTERPLAST's product portfolio, using its insulation materials, enables energy-efficient thermal insulation of institutional and residential buildings, thus actively contributing to the reduction of energy consumption in the building stock announced by the European Union.

The ongoing fibre insulation joint venture investment projects in the fibre insulation joint venture plant offer the potential for further upgrading in the medium term. In Szerencs, the construction of a glass wool factory on 4.3 hectares with a HUF 5.645 billion non-refundable HIPA grant, involving 50% of the Polish company Selena FM S.A., is progressing according to plan. Trial production is scheduled to start from the second quarter of 2025 and commercial production from the third quarter of 2025. One of the main raw materials for the product is waste glass, which will be recycled during pro-

duction according to the principles of circular economy. For the investment in the rock wool plant in Halmajugra, the planning phase has already been completed. In order to establish the final ownership and financing structure, MASTERPLAST and Market Építő Zrt. have signed an agreement on the mutual possibility and conditions for the involvement of a new investor with a strong financial background and professional experience, in addition to the purchase of the other party's share.

The role of recyclability is also becoming more important for the insulation industry. The Company currently collects and recycles its insulation material (EPS and XPS) cuttings in Hungary under the Hungarocell Green Programme. In the future, the Company plans to develop insulation systems to expand its green product portfolio, which will allow for the long-term degradation, collection and recycling of insulation materials. The Group also intends to further develop its manufacturing and sales capabilities to

meet the growing future energy expectations of the market and regulators. The Company is also reorganising its manufacturing and business processes, with a focus on reducing waste and emissions, reducing specific energy consumption and increasing the use of renewable energy sources. Automation and robotisation will become an important aspect of future investments and developments in production and sales. Effective use of a broad base of multi-legged supplier relationships will ensure that growing manufacturing and sales needs are smoothly met.

The Company's sustainability and environmental objectives are served by the construction projects of the modular building components business, where the construction of buildings under factory conditions limits the generation of waste on site. The rise of modular construction is fuelled by a shortage of skilled workers, rising labour costs and the need for predictability. The client side is also increasingly open to non-traditional building

solutions, with the functional utility, sustainability and recyclability of the building, rather than the type of building materials and method of construction, being the key factors for the next generation. Modular construction involves the industrial production of building units with a high level of internal finish. The benefits of modular construction are mainly seen in high-volume production, where the use of prototypes and solutions reduces unit design costs, optimises production processes through factory production and improves procurement through the use of typified materials. The Company's aim is to become a major player in this rapidly developing market as a preferred partner for general contractors of modular architecture in Hungary.

The Company is continuously reviewing its portfolio of products suitable for industrial production. Emphasis is placed on leveraging its manufacturing expertise to develop and manufacture products for other industries. The

non-woven textile products of the Aschersleben mill, which was acquired by the **Group**, and the Sárszentmihály mill are suitable for the filtration, furniture, clothing, packaging and agro-industry. Glass fabric can be used to make composite materials, fabrics to reinforce plastic products can be used in the automotive and marine industries, and composite materials for the construction industry can be used in facade cladding systems and building panels.

In its digitalisation and online strategy, the Company is focusing on supporting web-based sales and is also planning to transform and digitalise its business processes to enable faster, more efficient and less human-intensive work. MASTERPLAST has recognised the opportunities offered by digitalisation and is actively working to improve its manufacturing processes. The Company's goal is to optimise its operations and increase its competitiveness by using the latest technologies.

Ethical standards

The Group pays particular attention to respect for human rights, the fight against corruption and the prevention of bribery. The Group applies a Code of Ethics, which covers:

- In relation to customers, among other things, to protect information, regulate fair business practices, manage conflicts of interest, regulate business gifts, entertainment and hospitality, and prohibit bribery and corruption.
- In relation to employees of the Group and its subsidiaries, communication, relations with managers, non-discrimination, expectations during work, protection of values, and health and safety at work.
- In relation to the Company's shareholders, inter alia, the prohibition of insider trading, the management of confidential and proprietary information belonging to the Group, the protection of corporate property, assets and intellectual property.
- Public engagement, the prohibition of child and forced labour, social responsibility and environmental awareness in relation to the Group and society.

The Code of Ethics regulates personal liability in relation to the above. It sets out additional expectations of managers and the obligation to report breaches of the Code, as well as sanctions for ethical misconduct and violations of the law. The Code also sets out how compliance with the rules will be monitored.

In addition to the above, the Group has an internal audit system. The internal auditor pays particular attention to the respect of human rights, the fight against corruption and the prevention of bribery. The internal auditor reports on his work to the Audit Committee, which is independent of management.

In order to ensure lawful operations, the MASTERPLAST Group operates an internal whistleblowing system based on Directive (EU) 2019/1937 of the European Parliament and of the Council on the protection of persons reporting violations of EU law and on complaints, Act XXV of 2023 on complaints, whistleblowing in the public interest and rules relating to the reporting of abuse (hereinafter referred to as the „Whistleblower Act“) and the MASTERPLAST Group's policy on the operation of whistleblowing. The purpose of the Abuse Reporting System is to investigate reported information regarding unlawful or suspected unlawful acts or omissions or other abuses in accordance with the requirements of the applicable legislation.

The Group's expectations of its suppliers are set out in the Supplier Code of Conduct and Ethics, which is available on the [Company's website](#).

Social responsibility

MASTERPLAST is committed to operating responsibly, with care and concern for the environment and those around us as an integral part of our approach. The Company's CSR activities are an integral part of its operations, contributing to increasing employee engagement and the practical expression of the Company's values.

- The Company carries out CSR activities throughout the entire operational area of its subsidiaries.
- The Company's CSR activities are based on the achievement of results, which are used to finance its programmes proportionately.
- MASTERPLAST's Corporate Social Responsibility programme is implemented in a transparent and prudent manner, according to strict Ethical standards.

The donation strategy is based on professional, strategic and ethical guidelines for the Company's support activities, with the aim of ensuring that the Company's CSR activities create value for society as a whole and for the Group.

MASTERPLAST PLC. became a member of the BCSDH - Business Council for Sustainable Development in Hungary in 2022. The BCSDH is a community of companies committed to sustainable development, working together to accelerate the transformation of systems needed for a climate-neutral, nature-positive and more equitable future. MASTERPLAST agrees with the BCSDH's Corporate Responsibility Guidelines and applies them in its daily work. Thus, these principles also apply to its CSR activities.

MASTERPLAST Group's CSR activities are closely linked to the Company's business activities and values and reflect the Company's commitment to social responsibility and sustainability. As a matter of principle, MASTERPLAST's donation policy focuses on social benefit and reflecting the Com-

pany's values. The Company, in its support activities, places a strong focus on supporting the people in its immediate environment, local communities and strives to build long-term partnerships.

On this basis, CSR activities are organised around the following areas of support:



Child welfare and child health

the Society's giving practices focus on programmes that support children's wellbeing and health, and help children to lead fulfilling lives. In addition, children's environmental and health awareness and education are also important to MASTERPLAST, and are reflected as an aspect of its activities in other areas of support.



Environment and environmental awareness

through its core activities, the Company is closely linked to achieving climate protection goals and creating a sustainable future by reducing the energy consumption and carbon footprint of buildings. MASTERPLAST places a high priority on translating sustainable thinking into construction practice, and invests resources in its investment and business operating practices to advance a circular management culture and promote sustainable operations.



Local value creation

the Group attaches great importance to improving the life chances and well-being of its employees and their families through its local value creation activities. The local support programmes are based on the principles of social utility and the expression of value, where reaching the widest possible local social beneficiaries is an important aspect.



Sport and Health

the Society pays particular attention to the promotion of sport and healthy lifestyles, which is often reflected in the activities of child welfare programmes and local value creation programmes. The Company supports its employees through individual sporting activities, local communities by supporting group physical activity and sport projects, and amateur and competitive sports organisations with national activities.



Professional programmes

promoting the sustainability of the construction industry is a priority for MASTERPLAST, and an important element of this is to improve the attitude of the construction profession by participating in education, shaping professional opinion and launching design competition projects.



Activities and Programmes

the Group considers it of the utmost importance not only to participate as an employer in the economic and social life of its immediate environment, but also to support the work of foundations and associations that take on a social role.



MASTERPLAST’s key CSR activities:

The MASTERPLAST Group has been a supporter of the Hungarian Children’s Rescue Foundation since 2015. This support is provided through donations of funds for targeted equipment purchases, marketing and professional support, and the launch of joint educational projects. Every year, thousands of parents receive first aid training through this cooperation and the financial support enables the renewal of the Foundation’s equipment and infrastructure investments.

Since 2013, the company has been an active supporter of the KÉPES programme, which was established by the Municipality of Székesfehérvár in cooperation with local companies to support local community projects, primarily for the implementation of local kindergarten and school renovation and development projects.

The Company took over its headquarters in Sárszentmihály in 2002 and has been an active participant and supporter of the local community ever since. It has been a major sponsor and professional partner in the

development of the village, including the construction of the new playground, the renovation of the kindergarten and the medical clinic.

MASTERPLAST was the first company in the Hungarian construction industry to launch a circular economy model. This is a very important milestone, which aims at recycling the insulation materials produced by the Company and in practice provides an environmentally conscious alternative choice for users. The programme will help to recycle around 10,000 cubic metres of polystyrene per year and demonstrates in practice the Company’s commitment to the environment and sustainable construction.

Developing Green Thinking. The Company supports the development of environmental thinking through a number of small projects, including tree planting, syringe removal, sewer cleaning, selective waste collection and the reduction of single-use plastics.

The Company supports the health of its employees by providing in-house sporting opportunities and by sponsoring joint sporting activities, such as running race entry opportunities and supporting staff football teams.

Since its establishment, MASTERPLAST Group has been a major sponsor of the National Minifootball Association, making amateur sporting opportunities available to a wider range of social beneficiaries.

MASTERPLAST also supports competitive sports, nationally by supporting the BOM - Foundation for Hungarian Sport, which supports young Hungarian sport talents and future Olympians, and regionally by sponsoring the HYDRO FEHÉRVÁR AV19 ice hockey club

MASTERPLAST’s CSR activities in its subsidiaries are also constantly evolving. In Subotica, the regional headquarters of the Company, as the largest employer of the company, is a very active player in the local community. MASTERPLAST’s Serbian subsidiary also supports a number of NGOs, cultural and educational programmes, amateur and competitive sports associations, contributes to the purchase of equipment for the hospital in Subotica and works closely with the Technical College of Subotica. Many students from the higher education institutions spend their internships in the Company and then start their careers at Masterplast.

Supporting the training of young construction professionals and promoting quality education is a priority for the Company. Within this framework, the Company started to form a strategic cooperation with the Székesfehérvár Vocational Training Centre - Jáky József Technical School in 2024. As a first step of the cooperation, a new digital classroom has been developed with the support of MASTERPLAST, where students can acquire modern skills in BIM design and 3D node printing technology, which meet today’s requirements and support them on their path to becoming successful professionals.

The MASTERPLAST Group’s corporate social responsibility programs have a positive impact on the lives of the community, the Company’s employees and the Company’s business reputation. Through the many different sustainability and employer awards won over the years, external organisations have also provided feedback on the usefulness of the Company’s programmes, which is confirmed by feedback from employees, partners and ordinary people.

Sustainability report

General information

About the report

For years, MASTERPLAST has been committed to a more sustainable future, where environmental responsibility, social impact and good corporate governance are a priority. Sustainability reporting started in 2021 on a voluntary basis (without yet applying a standard) and was completed in 2022-2023 according to the GRI (Global Reporting Initiative) standard. The 2024 Sustainability Report was prepared in accordance with the European **Sustainability Reporting Standards** (ESRS), taking into account the requirements of the **Corporate Sustainability Reporting Directive** (CSRD) and the Hungarian Accounting Act. This report is part of the MASTERPLAST Annual Report 2024 and provides information for the financial year 1 January - 31 December 2024. The disclosed information relates to the operations of MASTERPLAST Plc in Hungary and abroad, as well as to the subsidiaries included in the scope of consolidation. The scope of the sustainability report also includes, in addition to the scope of consolidation, T-CELL Plasztik Kft. and MASTERPROFIL Gyártó és Kereskedelmi Kft. The financial data are prepared in accordance with IFRS and the sustainability data in accordance with ESRS standards, so the report provides a comprehensive picture of the company’s environmental, social and governance (ESG) performance.

Governance

MASTERPLAST’s main governing body is the General Meeting of Shareholders, while the **Board of Directors** is a five-member executive body re-

sponsible for approving the company’s strategy and monitoring its operations. The CEO, who is also the Chairman of the Board of Directors (Dávid Tibor), manages the day-to-day operations and builds the management team. The Board of Directors is composed of 60% independent (3 members), 40% non-independent (2 members) and 20% women (1 member). The independent members have no financial or business interest in the group, ensuring objective decision-making, while the non-independent members are involved in the day-to-day management of the company. The company operates in accordance with the Budapest Stock Exchange’s Corporate Governance Recommendations (“comply or explain” principle) and publishes a **Corporate Governance Report** accordingly. The Board of Directors meets quarterly to review financial results and progress on strategic projects, including sustainability goals. The Board updates the medium-term strategy annually and monitors its implementation.

The company has a three-member **Audit Committee** composed of independent members of the Board of Directors. The Audit Committee oversees the internal audit, monitors the financial reporting processes and monitors the internal control of the sustainability reporting data. All Audit Committee members are independent; 33% of the Committee is female. In 2023, an interdisciplinary **Green Committee** was created at the initiative of the CEO to support the integration of ESG (environmental, social, governance) aspects. The Green Committee helps management to set and monitor ESG targets, coordinates sustainability projects, manages ESG risks and ensures that the corporate strategy is aligned with sustainability objectives. The committee is composed of senior company executives (chaired by the CEO) and its responsibilities are set out in a charter. It meets regularly to assess ESG performance, monitor industry trends, recommend strategic changes where necessary and liaise with company departments and external consultants to improve reporting.

Sustainability targets are jointly set by the Board and management and assessed quarterly at Board meetings and Green Committee meetings. In 2024, no ESG incentives or climate targets are yet included in senior management remuneration. However, the company aims to progressively integrate sustainability and climate performance indicators, in particular energy efficiency, GHG emission reductions and sustainable investments, into the executive remuneration system. Preparatory work has started in 2024, with the support of the Green Committee, to include ESG performance as a future criterion for executive remuneration.

More details: <https://www.masterplastgroup.com/en/green-committee/>

Charter: https://www.masterplastgroup.com/wp-content/uploads/2024/06/zold-bizottsag-alapito-okirat_eng_signed.pdf



Strategy

Sustainability is an integral part of MASTERPLAST’s corporate strategy. The company aims to develop specific action plans for all relevant environmental, social and governance impacts, risks and opportunities (IROs). These measures are aligned by the Green Committee with the business model and long-term strategy, ensuring that ESG considerations are not isolated but integrated into the company’s decision-making. As a sign of the integration of sustainability considerations, MASTERPLAST has also joined the **BCSDH** (Business Council for Sustainable Development in Hungary) in 2022, committing to promote the corporate transformation needed for a climate-neutral, nature-positive and just future.

In strategic planning, the company takes into account feedback from stakeholders and changes in the regulatory environment. The annual Sustainability Report, including relevant issues and stakeholder views, is jointly approved by the Green Committee, the Executive Committee and the Chairman of the Board. The sustainability aspects reflected in the strategy respond to current challenges in the short term (e.g. through immediate energy saving investments), prepare for expected market and regulatory changes in the medium term and aim at achieving climate neutrality and the transition to a circular economy in the long term. In this way, they ensure **the resilience of** the business model, i.e. that the company can adapt to changing circumstances and requirements. For example, the company gives preference to suppliers and partners that offer **recycled or low-emission raw materials**, thus supporting its sustainability efforts through its value chain. MASTERPLAST continuously monitors sustainability trends and legislative changes and updates its sustainability strategy annually.

Double Materiality

The 2024 report was preceded by a comprehensive **Double Materiality Assessment (DMA)**, for the first time in the Group’s history. The aim of the DMA was to identify the material impacts of MASTERPLAST’s operations on the environment and society, and the sustainability risks and opportunities that affect the company’s financial performance. The results of the analysis carried out in 2024 will form the basis of the report and the company plans to update it annually, with increasing stakeholder involvement.

During the DMA process, MASTERPLAST first collected all potentially relevant sustainability topics, taking into account ESRS themes, industry trends and company experiences. This long list was then assessed according to a number of criteria, such as: whether the topic is linked to the company’s business model; whether it affects competitiveness; whether it is a priority in regulation; and how important it is to the company’s stakeholders (investors, suppliers, customers, employees, etc.). All topics that were found to be relevant in at least one respect were shortlisted and irrelevant topics were excluded.

Each of the shortlisted sustainability issues was then scored along two dimensions: **impact materiality** and **financial materiality**. In terms of impact, the extent of potential or actual impacts, likelihood of occurrence, geographical and value chain coverage, irreversibility, severity - both negative and positive. For human rights impacts, severity was given greater weight than likelihood, in line with ESRS guidance. From a financial perspective, the type of risks and opportunities, time horizon (short, medium, long), magnitude and likelihood of occurrence were assessed. MASTERPLAST defined internal criteria and thresholds: a topic was con-

sidered material if it scored high (3 or 4 out of 4) on any dimension. The results of the scoring were discussed in management workshops and the final essential list of topics was approved by consensus.

In preparing the DMA, the company involved a number of internal and external stakeholders. Anonymous online questionnaires and interviews were conducted with employees in Hungary and abroad, representatives of the Budapest Stock Exchange, investors, suppliers of raw materials and services, customers, business partners and financial institutions. As a result, feedback was gathered on a wide range of sustainability issues, which helped to prioritise the most important topics for . MASTERPLAST will seek to engage more stakeholders and conduct more in-depth analysis in the future as sustainability challenges evolve.

Key topics



Environmentally relevant topics

- EESRS E1 Climate change - Mitigation of climate change
- ESRS E1 Climate change - Adaptation to climate change
- ESRS E1 Climate Change - Energy
- ESRS E5 Circular economy - Resource outputs linked to products and services
- Sustainable products (company-specific relevant topic, not covered by ESRS standard)



Socially relevant topic

- ESRS S1 Own workforce - Health and safety



Relevant topics on corporate governance

- ESRS G1 Business Conduct - Corporate Culture
- ESRS G1 Business Conduct - Managing relationships with suppliers

As a result of the double materiality assessment, the report presents the identified **material sustainability impacts, risks, and opportunities** in a summary table, indicating their nature (actual or potential, positive or negative), their classification (risk or opportunity), their time horizon (short, <1 year; medium, 1-5 years; long, >5 years) and which part of the company's value chain they affect (own operations, upstream - suppliers, downstream - customers). A brief summary of the most important ones is presented below.



Mitigating climate change

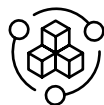
MASTERPLAST has a positive impact on climate change through its core business of manufacturing thermal insulation materials for the construction industry. The widespread use of its products contributes to reducing energy consumption and GHG emissions in buildings, thus mitigating global warming in the long term. This is a **real positive impact**, mainly on the downstream (customer) side, even in the short term. At the same time, **energy use** is necessary for production and operation, so the associated purchases (e.g. electricity) have a **negative environmental impact** for the company - a source of Scope 2 GHG emissions (indirect emissions) on the upstream side. The company seeks to mitigate this impact through investments in energy efficiency and the use of renewable energy (see later).



Adapting to climate change

The sustainability analysis identified the **potential for** climate change to increase demand for energy efficient building materials, including professional insulation. This is a **current opportunity for MASTERPLAST** in the medium term: regulations and market trends are pushing for more ener-

gy efficiency in buildings, which could expand the market for the company's products. However, climate change also poses risks: for example, extreme temperature rises could reduce the efficiency of solar panels, which could have a negative long-term impact on the company's own installed solar systems. Another risk is the **volatility of energy prices**: unpredictable energy costs make it difficult to plan operating costs, which is a significant financial risk in the short to medium term.



Resource management and circular economy

The company pays particular attention to optimising the use of materials and reducing waste. **Waste recycling** was identified in the sustainability analysis as a real positive impact: recycling of materials already used reduces primary raw material consumption and waste, thus contributing to the circular economy. This impact occurs within the company's **own operations** in the medium term. A significant **opportunity** in this area is that recycling can reduce the company's dependence on suppliers and the availability of natural resources - i.e. reduce the vulnerability of the supply chain. This is an opportunity that MASTERPLAST is already seeking to exploit in the short term. A good example of this is the **Hungarocell Green Programme**, in which the company **collects** the clean polystyrene cuttings waste from façade insulation through its partners, transports it free of charge and produces new insulation material - Thermobeton. This innovative circular solution reduces the need for raw materials and waste disposal. Hungarocell's Green Programme meets the requirements of the ISO 14001:2015 environmental management standard, as certified by the certification company INTERCERT.



Own workforce - Health and safety

The wellbeing and safety of employees is one of MASTERPLAST's core values. The company aims to **create safe working conditions** and to protect health, in compliance with the law, thus avoiding accidents at work. This is a real positive impact that is continuously (even in the short term) reflected in the company's own activities, by making workers feel safe. At the same time, the analysis has highlighted a current risk: in the event of a serious accident at work, the authorities may launch an investigation or impose a fine, which could have a negative impact on the company's reputation. For this reason, MASTERPLAST is continuously improving its occupational safety and health measures (see later in the Society chapter).



Corporate culture and business ethics

MASTERPLAST is committed to responsible, **transparent and ethical corporate governance**. It operates to high Ethical standards, complies with the law and applies these values in its day-to-day operations. The management aims to ensure that fair business practices and transparency are embedded at all levels - in relations between employees as well as with customers, owners and suppliers. This solid corporate culture has a real positive impact by building trust and long-term business stability. In its relationships with suppliers, MASTERPLAST strives to build **long-term, mutually beneficial partnerships**, with regular feedback and adherence to the highest Ethical standards. It pays particular attention to ensuring that its suppliers also meet sustainability, environmental and human rights standards. However, in the supply chain, **there is a risk that** the loss or replacement of a key supplier could lead to additional costs for the company. The company manages this risk by diversifying its supplier base and maintaining close partnerships.

Environment

Climate change

Climate change is directly affecting the construction industry: extreme weather, volatile energy prices and tightening climate regulations are all challenges. The energy consumption of buildings and the production of building materials are major contributors to greenhouse gas emissions and the industry has a key role to play in meeting climate targets. MASTERPLAST strives to meet sustainability considerations alongside economic and technical requirements in product development to provide competitive, **climate-friendly building solutions** to meet changing needs.

Climate strategy and transition plan: MASTERPLAST is committed to global climate goals. It plans its investments in line with the objectives of the **Paris Agreement**, aiming to keep global warming below 1.5°C. The company's long-term ambition is to progressively shift its operations towards **climate neutrality**, in line with the EU's net-zero emissions target for 2050. To this end, a detailed MASTERPLAST Group **transition plan** will be adopted in 2025, setting out the decarbonisation targets and the steps needed to achieve them. In the planning process, the company will take into account the **EU Climate Roadmap** (2021/1119) climate neutrality targets and the **EU Green Deal** decarbonisation pathway to ensure that its corporate targets are in line with these. Once the transition plan has been adopted, it will be integrated into MASTERPLAST's overall business strategy and financial planning, ensuring that sustainability considerations are part of everyday operations. The Green Committee will approve the plan and the results of its implementation will be published annually.

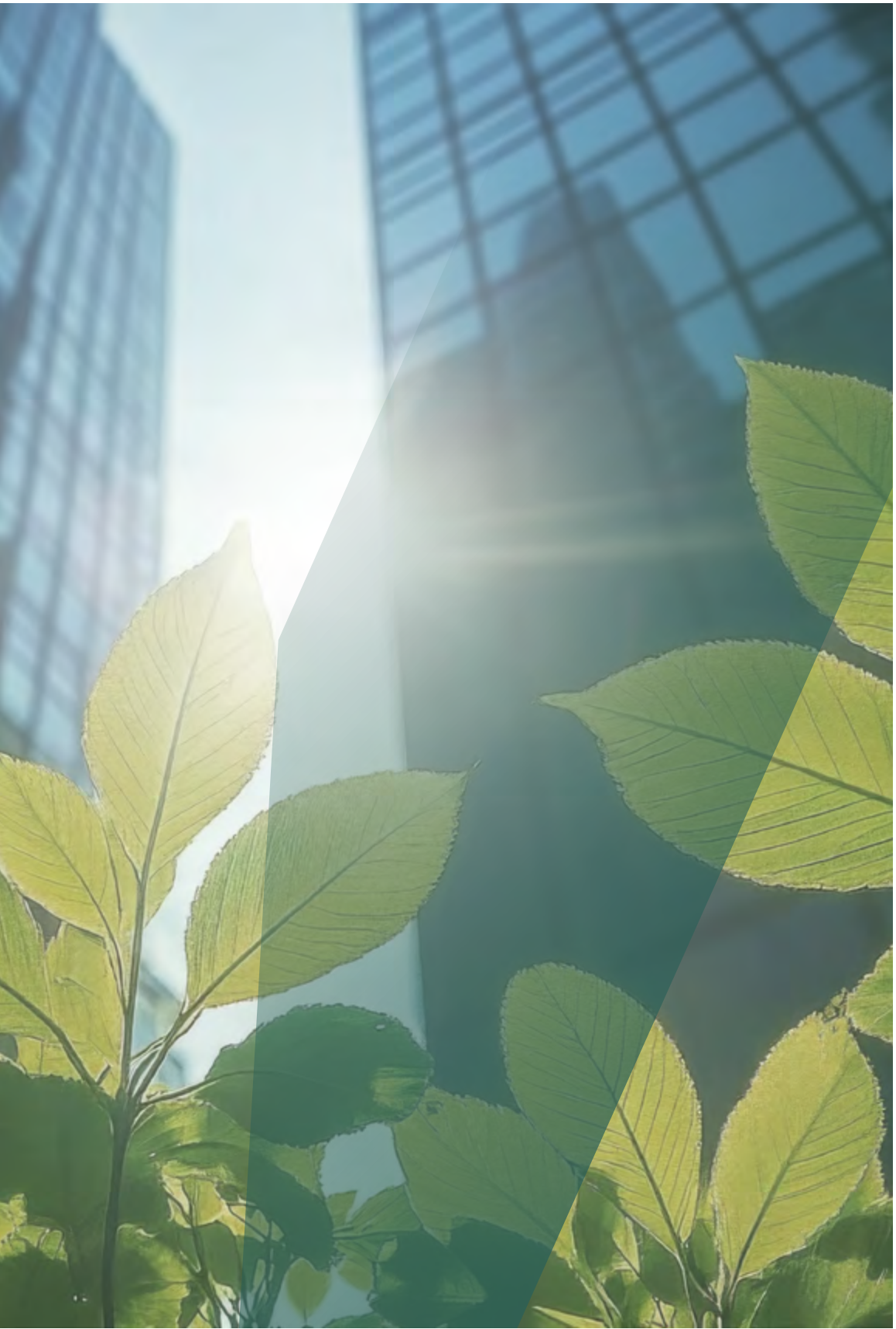
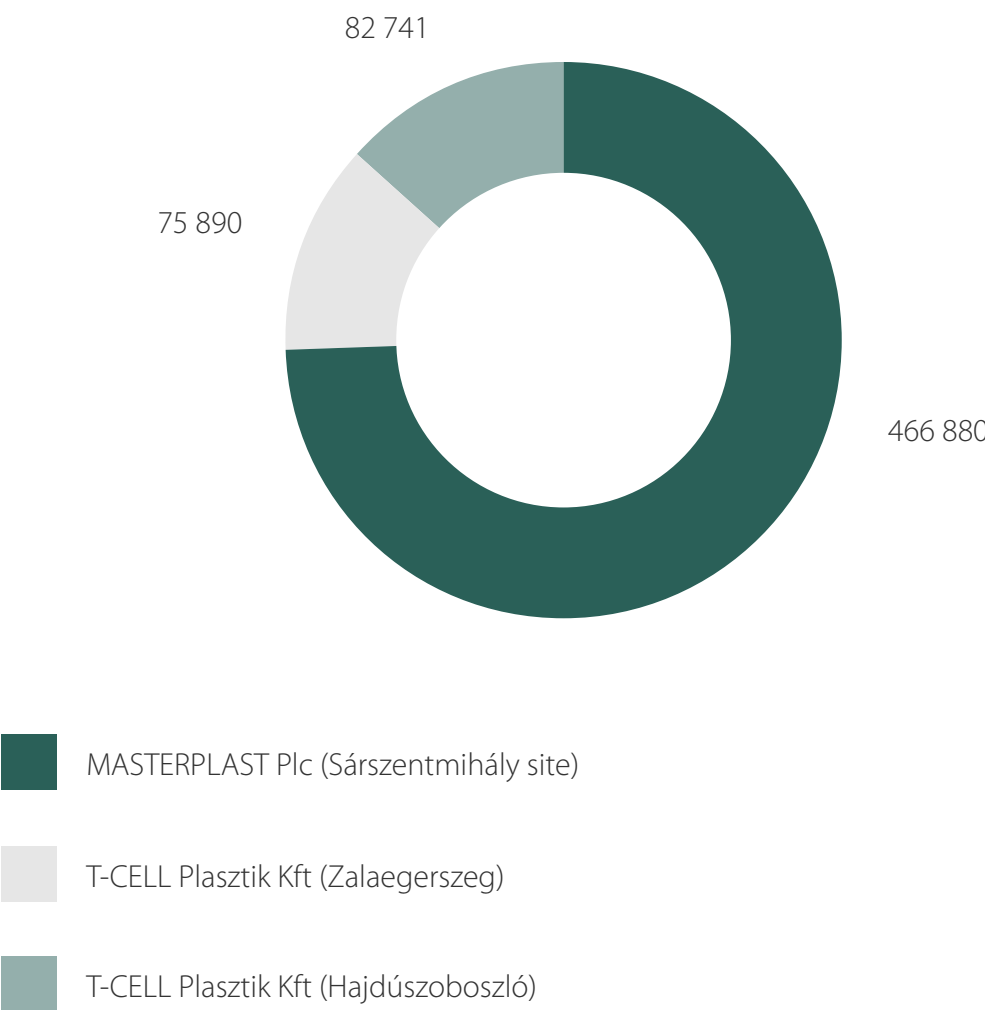
MASTERPLAST has already taken steps to reduce its GHG emissions be-

fore the adoption of the transition plan. It has set 2024 **as its base year**, with total (Scope 1+2+3) emissions of **141 696.2 tonnes of CO₂e**. The Group plans to reduce emissions mainly **by increasing energy efficiency in its technology, using renewable energy sources and purchasing green electricity**. It expects to reduce indirect (Scope 3) emissions mainly through decarbonisation of the supply chain and supplier transport, with a particular focus on maritime transport.

GHG mitigation measures and investments: MASTERPLAST's **short and medium-term** investment plans include further insulation of its buildings, installation of energy efficient heating and cooling systems, which is low risk as the technology is available and a significant part of its buildings is already insulated to modern standards. Another key step is to improve the energy efficiency of production technology (e.g. more efficient heating, cooling, compressed air systems), which is also a low-risk investment given the available technologies. The Group has already installed **small solar power plants** of varying capacities at several of its sites - Sárszentmihály, Zalaegerszeg, Hajdúszoboszló - which produce a significant amount of green electricity annually. For example, a solar power plant with a capacity of 0.5 MWh was installed in Sárszentmihály in spring 2024, and there are plans to expand it with a further 0.228 MWh capacity and a 400 kW capacity 800 kWh energy storage. This development will increase the share of renewable energy in the company's energy supply and will allow better timing of production and consumption. In addition, MASTERPLAST will reduce energy consumption and waste generation by introducing an innovative production line, thus improving the cost efficiency of production and environmental impact.

Renewable energy sources

Electricity produced by solar panels (kWh)



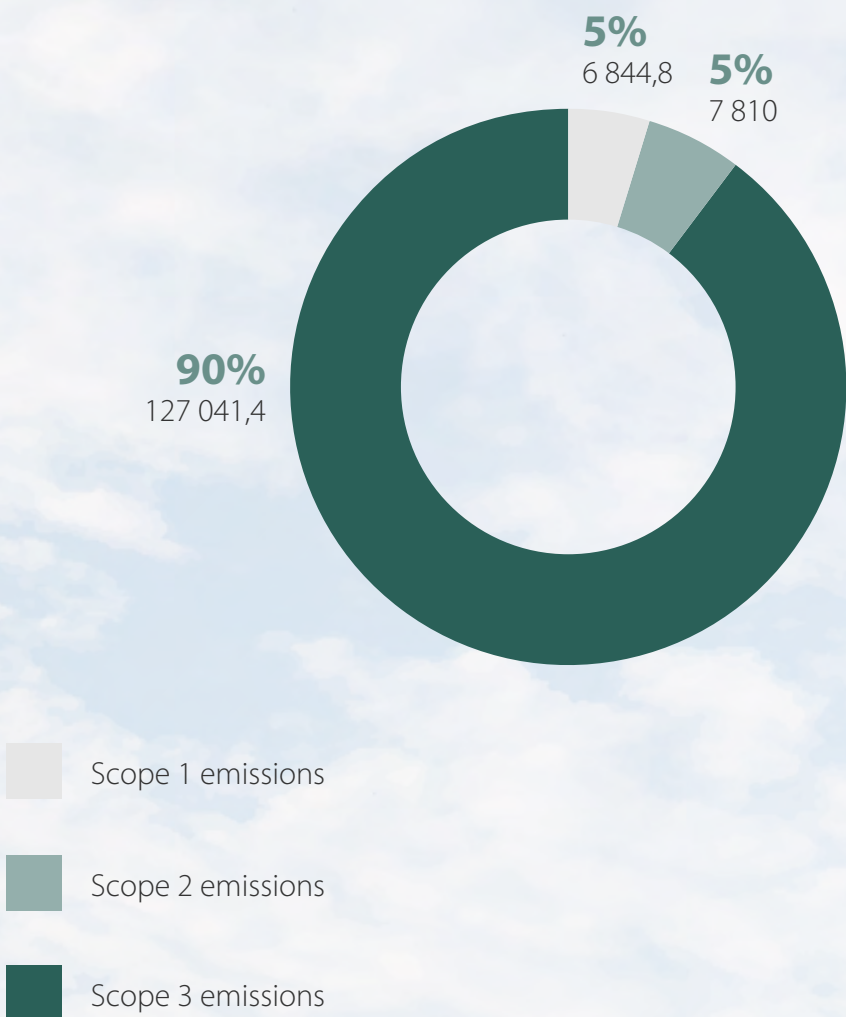
- In the medium and long term, the company also expects **to introduce new technologies and to switch to electricity**: it plans to replace some fossil fuel technologies **with electricity**, although this is a medium risk because, for example, electric alternatives to industrial steam generation are not yet fully deployed. There are also plans to gradually replace transport with electric vehicles (use of electric cars in own fleet), which is also medium risk as it depends on the electrification of the road freight and shipping sectors. In order to **decarbonise the supply chain**, MASTERPLAST is increasing the sourcing of lower carbon footprint or recycled raw materials; for example, it is paying particular attention to the energy efficiency of polystyrene granules and fibreglass production by suppliers. In the longer term, **other GHG reduction solutions** (e.g. improving energy storage, improving electricity grid infrastructure) may be considered - although some of these are still developing technologies. In addition, MASTERPLAST is exploring **GHG abatement projects** (e.g. afforestation, soil management) to offset residual emissions, which are generally low risk and affordable. It is important to note that MASTERPLAST does not engage in any activities related to coal, oil or natural gas extraction and does not plan to undertake such investments, and is therefore not one of the companies that would be excluded from green financing because of its,brown’ activities.
- **Measuring energy consumption and emissions**: in 2023, MASTERPLAST will have developed a group-wide carbon footprint report for Scope 1 and 2 emissions, and in 2024, with the involvement of an external energy auditor, it will have measured Scope 3 emissions. Greenhouse gas (GHG) calculations are based on the **GHG Protocol** and ISO 14064-1:2018, with three scopes (Scope 1, 2, 3).
- **Scope 1 (direct emissions)**: emissions from sources owned or controlled by the company, including natural gas consumption at the plant, emissions from manufacturing processes and fuel consumption by company vehicles. Calculated on the basis of IPCC factors (MASTERPLAST is only partially covered by the regulated emissions trading scheme.)
- **Scope 2 (indirect energy use)**: emissions from the use of purchased electricity. In the case of MASTERPLAST, this is essentially the CO₂ footprint of electricity consumption, as it does not purchase district heat and steam. For the calculation, emissions are determined on the basis of national electricity mix data (both local and market based).
- **Scope 3 (other indirect emissions)**: emissions from the entire value chain, mainly emissions from the supply chain, purchased raw materials and services, logistics and waste management, and emissions linked to customers and end-of-life of products. To a lesser extent, emissions from business travel, employee commuting and leased assets are also included.

Gross Scope 1, 2, 3 and total GHG emissions

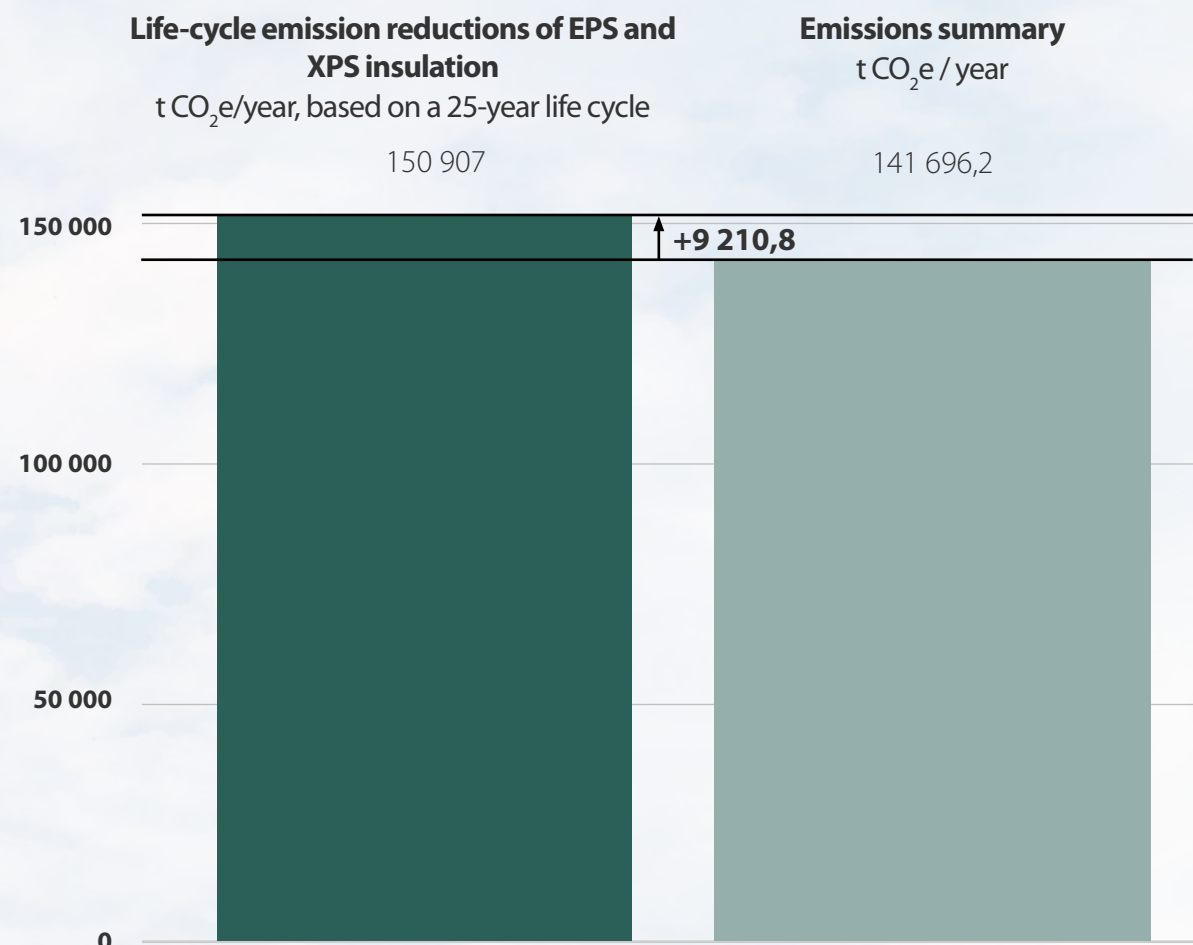
Type of emission	Emissions (t CO ₂ e/year)	%
Circular 1 gross GHG emissions (tonnes of carbon dioxide equivalent)	6 844.8	4.8%
Circular 2 GHG emissions		5.5%
Scope 2 gross GHG emissions on a local basis (tonnes of carbon dioxide equivalent)	7 810.0	
Scope 2 market-based GHG emissions (tonnes of carbon dioxide equivalent)	7 810.0	
Significant GHG emissions in scope 3	127 041.4	89.7%
Upstream (incoming) activities Scope 3 emissions Incoming and production stage:		
1. Goods and services purchased by the company	108 614.0	85.49%
2. Capital goods (tangible fixed assets)	605.4	0.48%
3. Fuel and energy related activities (non-Scope 1 and 2 uses)	647.8	0.51%
4. Inbound deliveries and distributions (fuels not covered by Scope 1 and 2)	2 834.1	2.23%
5. Waste generated during operations	757.6	0.60%
6. Business trips (not in company vehicles)	63.3	0.05%
7. Employee commuting (non-company vehicles)	883.4	0.70%
8. Leased assets used in operations	27.1	0.02%
Downstream (outgoing) activities Scope 3 emissions Output, use and end-of-life stages:		
9. Outbound deliveries and distribution	512.9	0.40%
10. Processing of products sold	123.9	0.10%
11. Use of sold products (end of life)	-	-
12. End-of-life treatment or disposal of products sold	11 971.9	9.42%
13. Leased assets	-	-
14. Franchise	-	-
15. Investments/investments	-	-

- For the year 2024, the total GHG emissions of MASTERPLAST (Scope 1+2+3) were about 141 696.2 tCO₂e. This includes:
- Scope 1:** ~6 844.84 tCO₂e (approx. 4.8%) - this is mainly emissions from natural gas used in production and from the combustion of fuel in the vehicle fleet.
- Scope 2:** ~7 810.01 tCO₂e (approx. 5.5%) - emissions from purchased electricity (both local and market based 7 810 t).
- Scope 3:** ~127,041.4 tCO₂e (approx. 89.7%) - the largest share, indicating that indirect emissions from the supply chain and product use dominate. Within this, the most significant item is **Category 1: Purchased goods and services** ~108,614 tCO₂e, accounting for ~85.5% of total Scope 3 emissions. Other notable categories include upstream **transport and distribution** (~2,834 t, ~2.2%), upstream production of fuels and energy (~648 t, 0.5%), production waste (~758 t, 0.6%), employee commuting (~883 t, 0.7%), business travel (~63 t, <0.1%), etc. **Downstream** (outgoing) emissions, such as emissions related to the use and end-of-life management of products, are also examined in the company's report, but the main emission driver remains the production of raw materials. However, it is important to underline that MASTERPLAST's products result in **emission savings** during their use: well-insulated buildings require less energy, which translates into GHG reductions at societal level (this positive impact is not described in the emissions data above, but in the materiality analysis).

Summary of emmissions, tCO₂e/year



The use of EPS and XPS thermal insulation materials sold by the MASTERPLAST Group results in significant thermal energy savings for users, leading to significant GHG emission reductions.



This effect is not included in the Scope 1-2-3 inventory. The output by products sold in 2024 has been taken into account. In 2030, the volume of products produced and the volume of products sold can be considered the same. EPS and XPS insulation materials have a life expectancy of 25 years.

The use of EPS and XPS insulation materials sold by the MASTERPLAST Group results in significant GHG emission reductions.

With respect to the fact that the total life cycle emission reductions of the EPS and XPS thermal insulation materials produced by the Company in 2024 exceed the total GHG emissions of the Group in the period under review (Scope 1, 2 and 3), it can be concluded that MASTERPLAST's operations can be considered as net carbon neutral in relation to the whole value chain.

MASTERPLAST recognises that a large part of its carbon footprint comes from the production and supply of raw materials, and therefore works with its partners to **reduce emissions from suppliers**, prioritising more environmentally friendly raw materials and, as mentioned above, running recycling programmes. In addition, in 2024, it has committed to increase the share of electricity purchased from renewable sources, i.e. **green electricity**, in the Group's energy consumption by **10%**. From 2020 onwards, the company will continue to install sub-meters at its sites with high energy consumption to collect and analyse detailed data on consumption patterns in order to introduce targeted energy efficiency measures.

Energy Efficiency Programmes: in September 2024, MASTERPLAST launched the Hungarocell Renovation Programme in Hungary, the first **programme** to offer financial incentives in exchange for energy savings related to the thermal insulation of the façade of a family house. Under the Energy Efficiency Obligation Scheme (EEO), the programme offers customers a 50% discount on Hungarocell insulation materials if they use the purchased material to renovate the insulation of their home. The energy savings achieved through the renovations are verified by auditing organisations and the resulting **Certified Energy Savings (HEM)** can be sold to energy traders as an asset. This programme both encourages the public to renovate energy efficiently and increases demand for MASTERPLAST products, while contributing to reducing the country's carbon emissions.

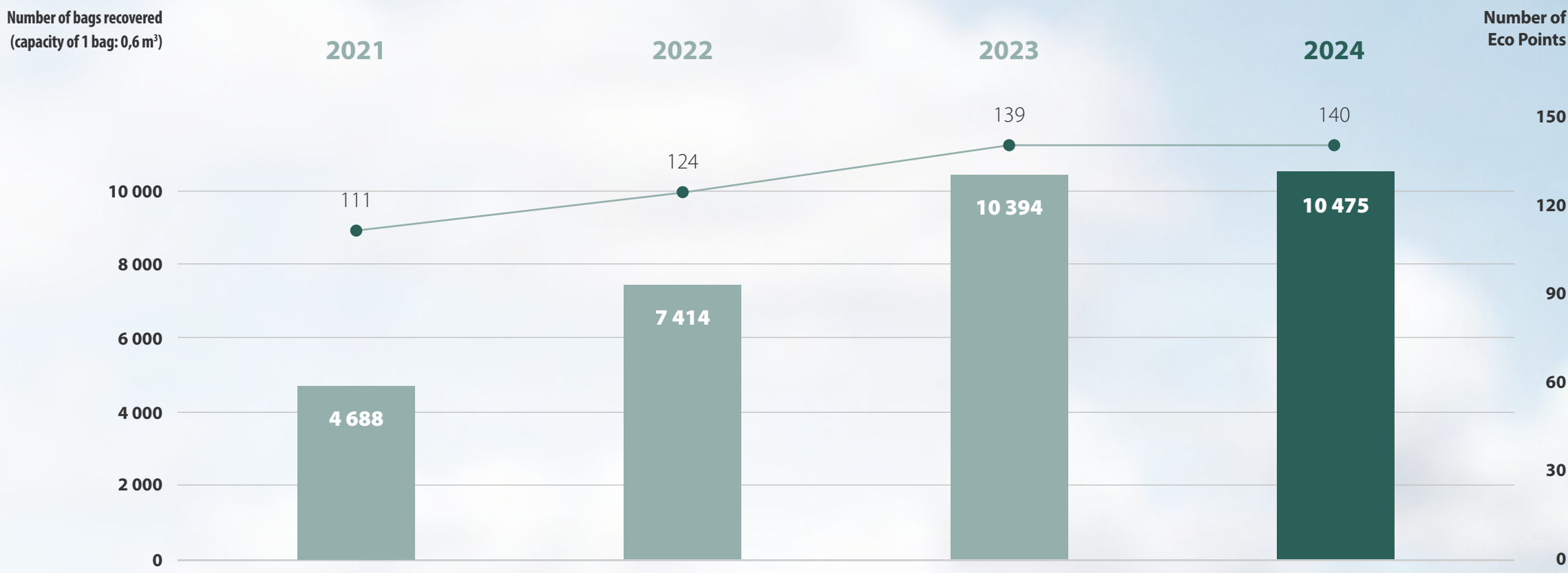
Future plans: MASTERPLAST will continue to invest in sustainability and explore new opportunities in the coming years. It will consider further **green investments**, such as installing additional renewable energy sources at its production sites or introducing new production technologies to further reduce emissions. These initiatives will be reflected in future CapEx and will support the company's decarbonisation goals in the longer term.

The company will keep a close eye on available public and EU funding and technological innovations (e.g. hydrogen, energy storage) to achieve its climate goals in the most cost-effective and efficient way.

Circular economy - Resource outflow

The principles of the circular economy are becoming increasingly important in the way MASTERPLAST operates. The company is integrating this approach into product development and manufacturing, with the aim of increasing the use of **recycled materials** in its products and minimising production waste. The **Hungarocell Green Programme**, which is at the heart of the sustainability strategy, continued in 2024. Under this programme, clean polystyrene waste from insulation work is collected and recycled by MASTERPLAST - the resulting Thermobeton insulation material meets the highest quality and environmental standards. In 2024, efforts also focused on further developing the program, with the aim of expanding the network of **Eco-Points** (collection points) and significantly increasing the volume of collected waste. MASTERPLAST is also exploring new uses for recycled materials - for example, there are plans to use the collected polystyrene waste in its own **XPS (extruded polystyrene) production**, thereby reducing the use of primary raw materials.

Evolution of MASTERPLAST Eco Points and bags collected between 2021-2024



The company has continued to reduce **production waste** in 2024 by optimising its manufacturing processes. Part of the scrap generated during production is recycled back into production where possible or reused with suitable partner companies. MASTERPLAST’s aim is to implement the „waste to raw material” principle, so that as little as possible of the production residues end up in landfills. As part of this, it is also exploring alternative waste recovery options, such as use as raw materials in other industries.

Share of recycled materials in manufacturing in 2024

Sites concerned within the MASTERPLAST Group	Share (%)
MASTERPLAST Medical Kft.	2.20
MASTERFOAM Gyártó és Ker. Kft.	100.00
Fidelis BAU Kft.	100.00
MASTERPLAST YU D.o.o	100.00
MASTERPLAST Nonwoven GmbH	63.50
MASTERPLAST Italia Srl.	~ 5.00
T-CELL Plasztik Kft. (Zalaegerszeg)	11.00
T-CELL Plasztik Kft. (Hajdúszoboszló)	9.00

MASTERPLAST – ISO Certificates

Certified sites within the MASTERPLAST Group	ISO 9001:2015	ISO 14001:2015	ISO 45001:2018	ISO 50001:2018
MASTERPLAST Nyrt.	yes	yes	yes	yes
MASTERPLAST Hungária Kft.	yes	yes	yes	yes
MASTERPLAST International Kft.	yes	yes	yes	yes
MASTERPLAST Medical Kft.	yes	yes	yes	yes
MASTERPLAST Modulhouse Kft.	yes	yes	yes	yes
MASTERFOAM Gyártó és Ker. Kft.	yes	yes	not	yes
MASTERPROFIL Gyártó és Kereskedelmi Kft.	not	not	not	yes
Fidelis BAU Kft.	not	not	not	not
MASTERPLAST YU D.o.o	yes	yes	not	not
MASTERPLAST d.o.o.	N/A	N/A	N/A	N/A
MASTERPLAST Proizvodnja D.o.o.	not	not	not	not
MASTERPLAST D.O.O.	not	not	not	not
MASTERPLAST Sp. z o.o.	N/A	N/A	N/A	N/A
MASTER PLAST s.r.o	not	not	not	not
MASTERPLAST Nonwoven GmbH	N/A	N/A	N/A	N/A
MASTERPLAST ROMANIA S.R.L	not	not	not	not
MASTERPLAST TOV.	not	not	not	not
MASTERPLAST Italia Srl.	not	not	not	not
T-CELL Plasztik Kft. (Zalaegerszeg)	N/A	N/A	N/A	N/A
T-CELL Plasztik Kft. (Hajdúszoboszló)	not	not	not	yes

The circular approach not only brings environmental benefits, but also business benefits for the company. Using recycled materials reduces the need to source expensive primary raw materials, thus reducing supply chain risk and dependence on suppliers. In addition, by reducing the amount of waste, the company can comply with tightening waste management regulations and fees, which can also result in cost savings. In 2024, MASTERPLAST complied with the relevant waste management legislation and ended the year without any significant fines or environmental impact fees.



Sustainable products

MASTERPLAST’s product portfolio includes many elements that contribute to sustainability goals. **Its main products**, such as façade insulation systems (EPS and XPS boards, plaster systems), roofing membranes, building insulation materials, all contribute to the energy efficiency of buildings. They can significantly reduce the heating and cooling energy demand of buildings, thus **reducing greenhouse gas emissions** and the cost of energy use during occupation. From a sustainable building perspective, MASTERPLAST products play an important role in supporting the **energy-efficient renovation** wave, which is also part of the EU climate strategy.

The company is continuously engaged in **R&D activities** to improve its products. A particular focus is to increase the **recycled content** of products and reduce their carbon footprint. For example, in 2024, EPS insulation boards made partly from recycled polystyrene were produced on an experimental basis with unchanged quality parameters.

It is important to underline that MASTERPLAST products provide **sustainable solutions** not only from an environmental but also **from a social point of view**. Energy-efficient buildings not only result in fewer emissions but also **reduce the overheads for occupants**, helping to reduce energy poverty. The company’s products also help to improve the comfort and value of buildings, which is a long-term economic sustainability issue. MASTERPLAST’s customers, whether they are residential consumers or contractors, can rely on the company to continuously develop its products with sustainability in mind.

In the future, MASTERPLAST also plans to introduce Life Cycle Assessment

(LCA) and communication of the **environmental performance of its products**. This means, for example, that it will have **EPDs** (Environmental Product Declarations) for its main products, which will transparently demonstrate their full life-cycle environmental impact. This can increase the market value of the products to conscious buyers and make it easier for project partners (e.g. investors seeking green building certification) to demonstrate sustainability criteria.

Name of Key Performance Indicator (KPI)	Result achieved in 2024	Aiming for
Products with EPD	<p>Preparatory work for 3 Environmental Product Declarations (EPD)</p> <p>More details¹:</p> <p>Grey EPS (expanded polystyrene) thermal insulation sheet https://www.environdec.com/library/epd20110</p> <p>White EPS (expanded polystyrene) thermal insulation sheet https://www.environdec.com/library/epd10011</p> <p>XPS (extruded polystyrene) thermal insulation product https://www.environdec.com/library/epd20112</p>	By 2030, the Company should have an environmental product declaration for all insulation materials within its own production.

¹ The EPDs were published in 2025, the year this sustainability report was prepared.





EU Taxonomy

The EU Taxonomy is the European Union's Regulation 2020/852, which establishes a uniform classification system for defining environmentally sustainable economic activities. Article 8 of the Regulation requires non-financial businesses to disclose the proportion of their turnover, capital expenditure (CapEx) and operating expenditure (OpEx) that is derived from or directed towards activities that contribute to the environmental objectives of the Taxonomy. MASTERPLAST has prepared its Taxonomy Report 2024 accordingly, which is published as part of the Sustainability Report.

In compiling the report, the company **has identified economic activities** that are potentially covered by the Taxonomy. In doing so, MASTERPLAST examined which of its activities could be 'aligned' (i.e. meet the technical criteria of the Taxonomy) on the basis of its own TEÁOR/NACE codes and the contribution of each activity to its turnover. The analysis found that the company's activities include the **production of thermal insulation materials**, including **EPS (expanded polystyrene)** and **XPS (extruded polystyrene)** products. This activity falls under the category, 3.5 - 'Manufacture of energy efficiency equipment for buildings' in the Annex to the Taxonomy Regulation, which contributes to the mitigation of climate change (through the improvement of energy efficiency in buildings).

MASTERPLAST has therefore included EPS and XPS production **as a taxonomically relevant, adaptable activity** in the report. All other activities (e.g. trade, other building materials production, production of sanitary products) did not meet the strict technical criteria in 2024 and were therefore not included in the sustainable economic activities.

The report shows how much of **the consolidated turnover, capital ex-**

penditure (CapEx) and operating expenditure (OpEx) is considered sustainable according to Taxonomy. In 2024, MASTERPLAST's consolidated net turnover was €136.14 million, of which approximately **15% (≈€20.3 million) met** Taxonomy requirements. This amount is entirely derived from the sale of EPS and XPS insulation materials produced in-house. Broken down **by product range**, the EPS product range contributed ≈€16.6 million and XPS products ≈€3.7 million. Revenues from other product lines did not meet the technical criteria of Taxonomy in 2024 and were therefore not calculated as sustainable in the indicators.

Of the 2024 capital expenditure (CapEx), **€416 thousand** worth of investment was deemed Taxonomy-compatible, which is around 15% of the total annual CapEx. The majority of this was related to the development of XPS production, with investments of ≈€369k (mainly capacity expansion of the XPS plant in Serbia), while sustainability investments related to EPS production amounted to ≈€47k. The relatively smaller amount spent on EPS production lines is due to the fact that new investments in 2024 were mainly focused on XPS production - there were no significant new capacity additions in the EPS plant this year. All of the 'alignment' investments identified were aimed at increasing the energy efficiency contribution of products or reducing the environmental footprint of manufacturing.

Of the relevant operating costs (OpEx) as defined by Taxonomy, **€80 thousand** were directly related to the sustainable production of EPS/XPS products in 2024. This amount includes, for example, maintenance costs related to these activities, operational expenditure to improve energy efficiency and R&D and training expenditure to improve the environmental performance of EPS/XPS. The OpEx ratio was calculated by multiplying the operating costs at subsidiary level by the sustainable share of the turnover of the respective subsidiaries according to Taxonomy and then aggregating these at group level.

On this basis, MASTERPLAST spent approximately **a quarter of** its operating budget in 2024 on activities that contribute to the Taxonomy targets (such as making production equipment more efficient or reducing waste in the plants). This ratio indicates that sustainability is already a significant part of the company's operations.

In summary, a non-negligible part of MASTERPLAST's financial performance in 2024 is already in line with the EU Taxonomy criteria. The sales revenue from EPS and XPS production, as well as the related investments and operating expenses, meet the technical standards, i.e. **they contribute significantly to** climate change mitigation, do not cause significant harm to other environmental objectives (adhering to the „Do No Significant Harm" principle), and the company also complies with **minimum social safeguards**. The fulfilment of these three conditions is essential to ensure that the indicators presented in the report are credible and can be published in a manner verified by the auditor.

Looking ahead, MASTERPLAST plans to **expand its sustainable activities** where possible. Its strategy includes the development of new product lines or the „greening" of existing ones in order to further increase the sustainable turnover share of its Taxonomy. It will also keep under review changes in Taxonomy requirements and the inclusion of possible new environmental objectives (e.g. water conservation, circular economy, decontamination, biodiversity). MASTERPLAST is ready to evaluate its activities in these areas and publish relevant indicators as required by EU legislation. This will ensure that the company's sustainability performance can be transparently presented to investors and other stakeholders.

Turnover

Essential contribution criteria										DNSH criteria (Compliance with the principle of no significant harm)									
Economic activities (1)	Code(s) (2)	Absolute amount of turnover (3)	Share of turnover (4)	Climate change mitigation (5)*	Adapting to climate change (6)	Water and marine resources (7)	Pollution (8)	Circular economy (9)	Biodiversity and ecosystems (10)	Climate change mitigation (11)	Adapting to climate change (12)	Water and marine resources (13)	Pollution (14)	Circular economy (15)	Biodiversity and ecosystems (16)	Minimum safeguards (17)	Taxonomy-adjusted share of turnover Year N (18)**	Category (supporting activity or) (20)	Category (migration activity) (21)
Text from		EUR	%	%	%	%	%	%	%	I/N	I/N	I/N	I/N	I/N	I/N	I/N	%	T	Á
A. TAXONOMY-ADAPTED ACTIVITIES			15%																
A.1. Turnover from environmentally sustainable (taxonomy-adapted) activities																			
3.5. Manufacture of energy efficiency equipment for buildings		20 267 629	15%	100%	0%	0%	0%	0%	0%	-	I	I	I	I	I	I	15%	T	
Turnover from environmentally sustainab- le (taxonomy-adapted) activities (A.1)		20 267 629.00	15%	15%	0%	0%	0%	0%	0%	-	I	I	I	I	I	I	15%	15%	0%
A.2 Turnover from taxonomically adaptable but environmentally unsustainable (non-taxonomically adaptable activities) activities																			
Turnover from taxonomically adaptable but environmentally unsustainable activities (non-taxonomically adaptable activities) (A.2)		0	0%																
Total (A.1+A.2)		20 267 629.00	15%																
B. NON-TAXONOMIC ACTIVITIES																			
Turnover from activities not related to taxonomy		115 869 816.00	85%																
Total (A+B)		136 137 445.00	100%																

CapEx

Essential contribution criteria										DNSH criteria (Compliance with the principle of no significant harm)									
Economic activities (1)	Code(s) (2)	Absolute amount of turnover (3)	CapEx ratio (4)	Climate change mitigation (5)*	Adapting to climate change (6)	Water and marine resources (7)	Pollution (8)	Circular economy (9)	Biodiversity and ecosystems (10)	Climate change mitigation (11)	Adapting to climate change (12)	Water and marine resources (13)	Pollution (14)	Circular economy (15)	Biodiversity and ecosystems (16)	Minimum safeguards (17)	Taxonomy-adjusted share of CapEx Year N (18)**	Category (supporting activity or) (20)	Category (migration activity) (21)
Text from		EUR	%	%	%	%	%	%	%	I/N	I/N	I/N	I/N	I/N	I/N	I/N	%	T	Á
A. TAXONOMY-ADAPTED ACTIVITIES			15%																
A.1. CapEx of environmentally sustainable (taxonomy-adapted) activities																			
3.5. Manufacture of energy efficiency equipment for buildings		416 483.00	15%	100%	0%	0%	0%	0%	0%	-	I	I	I	I	I	I	15%	T	
CapEx of environmentally sustainable (taxonomy-adapted) activities (A.1)		416 483.00	15%	15%	0%	0%	0%	0%	0%	-	I	I	I	I	I	I	15%	15%	0%
A.2 Taxonomy-adapted but environmentally unsustainable activities (non-taxonomy-adapted activities) CapEx-e																			
CapEx of taxonomically-adapted but environmentally unsustainable (non-taxonomically-adapted activities) activities (A.2)		0	0%																
Total (A.1+A.2)		416 483.00	15%																
B. NON-TAXONOMIC ACTIVITIES																			
CapEx of activities of activities that are not taxonomy-adjustable		2 365 249.00	85%																
Total (A+B)		2 781 732.00	100%																

OpEx

Essential contribution criteria										DNSH criteria (Compliance with the principle of no significant harm)									
Economic activities (1)	Code(s) (2)	Absolute amount of turnover (3)	OpEx ratio (4)	Climate change mitigation (5)*	Adapting to climate change (6)	Water and marine resources (7)	Pollution (8)	Circular economy (9)	Biodiversity and ecosystems (10)	Climate change mitigation (11)	Adapting to climate change (12)	Water and marine resources (13)	Pollution (14)	Circular economy (15)	Biodiversity and ecosystems (16)	Minimum safeguards (17)	Taxonomy-adjusted share of OpEx Year N (18)**	Category (supporting activity or) (20)	Category (migration activity) (21)
Text from		EUR	%	%	%	%	%	%	%	I/N	I/N	I/N	I/N	I/N	I/N	I/N	%	T	Á
A. TAXONOMY-ADAPTED ACTIVITIES			6%																
A.1. Environmentally sustainable (taxonomy-adapted) activities OpEx-e																			
3.5. Manufacture of energy efficiency equipment for buildings		80 472.00	6%	100%	0%	0%	0%	0%	0%	-	I	I	I	I	I	I	6%	T	
OpEx of environmentally sustainable (taxonomy-adapted) activities (A.1)		80 472.00	6%	6%	0%	0%	0%	0%	0%	-	I	I	I	I	I	I	6%	6%	0%
A.2 Taxonomically compatible but environmentally unsustainable (non-taxonomically compatible) activities OpEx-e																			
OpEx of taxonomically compatible but environmentally unsustainable (non-taxonomically compatible activities) activities (A.2)		0	0%																
Total (A.1+A.2)		80 472.00	15%																
B. NON-TAXONOMIC ACTIVITIES																			
Activities OpEx of activities not adapted to taxonomy		1 202 3590.00	94%																
Total (A+B)		1 282 831.00	100%																

Society

Own workforce

As a regional company in Central Europe, MASTERPLAST is present in **10 countries** and employs more than **1200 people**. Its employees are the company's most valuable asset, and management pays particular attention to occupational safety, creating a safe working environment and maintaining a corporate culture that fosters open, regular dialogue. MASTERPLAST believes that transparent communication and employee involvement in the life of the company are the foundation of an engaged, strong community. Ongoing consultation with employees - for example through annual satisfaction surveys, internal forums and feedback channels - helps the company understand employee needs and respond to any issues.

Name of countries	MASTERPLAST Group consolidation scope			MASTERPLAST Group capital consolidation scope ²		
	Total	Women	Men	Total	Woman	Men
NORTH MACEDONIA	5	0	5	5	0	5
CROATIA	8	6	2	8	6	2
POLAND	19	4	15	19	4	15
HUNGARY	306	75	231	364	84	280
GERMANY	43	4	39	43	4	39
ITALY	7	1	6	7	1	6
ROMANIA	38	10	28	38	10	28
SERBIA	706	260	446	706	260	446
SLOVAKIA	8	2	6	8	2	6
UKRAINE	64	23	41	64	23	41
Total	1204	385	819	1262	394	868

² In addition to the financial scope of consolidation, the scope of consolidation also includes the data of T-CELL Plasztk Kft. and MASTERPROFIL Gyártó és Kereskedelmi Kft.

In the Society chapter of the report, **health and safety at work** is a key focus within the **own workforce** theme, as a major impact, risk and opportunity. The most direct impact of MASTERPLAST's operations is on physical workers in its own manufacturing plants, as they are the ones who may be exposed to potential hazards in their daily activities. The vast majority of the company's employees have direct, permanent, full-time contracts.

An important result is that MASTERPLAST **has not identified** any systemic or widespread negative labour practices, such as child labour or forced labour, either **in Hungary or at its foreign sites**. The company of course complies with international conventions and legislation pro-

hibiting such activities and requires its suppliers to do the same (see Supplier Code in the Corporate Governance section).

Health and safety

The positive effects of MASTERPLAST include its strong emphasis on **providing a safe working environment** and prevention. The company has developed a system of **safety training**, whereby all employees receive regular training to ensure compliance with safety rules. There is compulsory induction training for new entrants, and recurring annual training on topics such as recognising hazards, the correct use of protective equipment and procedures to follow in the event of an accident. The company provides all its employees with appropriate **personal protective equipment** (e.g. safety glasses, helmets, gloves, visibility vests etc.) and requires them to wear them in accordance with the regulations. Regular **internal inspections** are carried out: in 2024, a total of 76 health and safety inspections and audits were carried out at the sites to ensure compliance and identify any shortcomings. In order to reduce the risks identified, 63 improvement measures were introduced at Group level during the same year. In addition, 3 social consultations (employee meetings) were held on health and safety issues, involving employees in the development of the measures.

MASTERPLAST's goal is to **achieve zero fatal or serious workplace accidents** every year and to continuously reduce the frequency of workplace accidents. Unfortunately, in 2024, there were a total of 5 workplace accidents classified as serious at the company's sites (although there were still no fatal accidents), and the company has set a specific target: an average of **no more than 2 serious accidents** per year between 2025 and 2030, ideally zero. To achieve this, further prevention programmes will be launched, and employee involvement in safety and awareness-raising will be increased.





MASTERPLAST has planned to implement **ISO 45001** Occupational Health and Safety Management System (MEBIR) at all its manufacturing sites by 2030. Currently, the largest plant in Hungary (Sárszentmihály) has a certified ISO 45001 system, which is regularly audited and renewed. The aim is for the other production units of the group to obtain certification, ensuring standardised hazard identification, risk assessment and risk reduction at all sites.

The involvement of workers in OSH objectives is still informal. At present, the definition and assessment of occupational safety objectives is mainly done at management and expert level, without formal worker consultation. However, the company considers it important to take into account the experiences and suggestions of employees - through the internal reporting system and discussions with line managers, employees can report hazards or ideas for improving OHS. MASTERPLAST plans to establish **OHS committees** or more formal forums for employee representation in this area in the future, in line with international good practice.

Occupational accidents and health data 2024: During the reporting period, as in previous years, **there were no fatal accidents** and no occupational diseases were registered AT MASTERPLAST. In 2024, there were a total of **31 occupational accidents**, a significant decrease of 7 cases compared to 38 accidents in 2023. Of these, 5 were classified as serious (incapacitating for at least 3 days), but none were life-threatening or causing permanent impairment. In the year under review, the OSH authority imposed one fine on the company for an administrative deficiency. **Number of working days lost:** a total of 1,030 working days were lost in 2024 due to accidents and related injuries. This figure shows a proportionate improvement compared to the previous year, due to a decrease in the number of accidents and the less severe nature of the injuries. The most common types of accidents were **surface cut injuries and hand injuries** (e.g. cutting the hand with a knife).

(Page 108: Table - Data on workplace accidents in 2024 at company group level. The table shows the number of accidents by subsidiary, the number of fatal accidents (all 0), the number of occupational illnesses (0), and the number of working days lost due to accidents. For example, in 2024 there were 4 accidents at the factory in Subotica (Szabadka), no fatalities, 62 lost working days; 1 accident at the subsidiary in Germany, 32 lost working days; 0 accidents at other sites.)

The accident statistics show that most accidents occur in the larger manufacturing bases, while there were no accidents at work in 2024 in the commercial and administrative units (e.g. subsidiaries in Romania, Slovakia, Poland). MASTERPLAST does its utmost to avoid accidents and is proud to have closed the past years **without any fatal accidents**. The results achieved in the field of worker safety, such as the reduction in the number of accidents, show that increased attention and preventive measures are paying off. The company continues to pursue **its training and development programmes:** in 2024, a number of training sessions were held not only on occupational safety, but also in areas such as ethical behaviour, corporate values, leadership, collaboration, agile working methods, digital competencies and ESG skills. These programmes contribute to the continuous development of employees and ensure that the company has a strong, prepared team to face the challenges of the future.

Corporate governance

Corporate culture

MASTERPLAST’s corporate governance practices are based on the **highest Ethical standards**. The company’s **Code of Ethics** sets out in detail the expected behaviour of employees and the prohibited actions. It places particular emphasis on the prevention of corruption, bribery and conflicts of interest: it promotes **zero tolerance** of all forms of bribery, prohibits the acceptance of unjustified gifts and business favours, and sets Ethical standards for internal and external business communications. The Code is updated from time to time to reflect the latest requirements and all employees are required to familiarise themselves with it and comply with it. MASTERPLAST is committed to international principles such as the ten principles of the **United Nations Global Compact**, and operates in a way that protects human rights, fair labour standards, the environment and the fight against corruption. As a result, in 2024, no cases of corruption or bribery were detected and no fines were imposed on the company in such cases. Management attaches importance to **compliance with legislation** in all areas: the report points out that MASTERPLAST also complies with data protection and competition law, for example, and that no risky behaviour was observed in these areas. The commitment to ethical conduct is reinforced by the company’s internal control system and the oversight of the Audit Committee to ensure that any potential abuses are detected early and remedied. The company also has an **internal whistleblowing channel** through which ethical or compliance concerns can be reported in confidence.

Supplier relations

It also applies sustainability and ethical considerations in its relations with MASTERPLAST suppliers. The company has developed a **Supplier Code of Conduct and Ethics**, which sets out the expectations that its partners must meet. The code requires respect for workers’ rights (no child labour, no forced labour, safe and healthy working conditions, fair wages and working hours), environmental standards (responsible waste management, emission reduction) and business ethics (no corruption, fair competition). MASTERPLAST requires suppliers to adopt these principles in a supplier declaration and to cooperate with them in their compliance.

The MASTERPLAST Group places a high priority on conducting business in an ethical, socially responsible and environmentally sustainable manner. It is committed to fair business conduct in its relationships with its suppliers. It strives for effective collaborations, long-term relationships and optimised processes in its sourcing to create a sustainable and responsible supply chain for the Company.

The **MASTERPLAST Group Supplier Code of Conduct and Ethics** sets out the principles and expectations that the Group has of its suppliers to ensure ethical, socially responsible and environmentally sustainable business operations. The document, currently available online in 6 languages on the website (<https://www.masterplastgroup.com/en/corporate-governance/>) covers social and environmental standards, corporate governance requirements, legal compliance and ethical business practices. The company aims to ensure that its suppliers contribute to sustainable and responsible business operations by adhering to the Code's standards.

MASTERPLAST reserves the right to verify that the Suppliers' Code of Conduct and Ethics is respected by using the following methods:

- supplier self-declaration,
- third party notification,
- submission of certificates and
- carrying out on-the-spot checks.

The Supplier Code of Conduct and Ethics is an integral part of the contracts between the MASTERPLAST Group and its suppliers.

In terms of supplier relationships, MASTERPLAST seeks long-term partnerships: for strategic raw materials, it works with several suppliers to create competition and reduce dependence on a single source. In 2024, the company has explored with several key suppliers how to reduce the carbon footprint of certain raw materials (e.g. polystyrene beads, plastic films) - dialogues that could lead to concrete projects in the future.

Overall, MASTERPLAST has built a comprehensive framework for **corporate governance**. At top management level, sustainability is ensured (Green Committee, Audit Committee), at corporate culture level there is a strong ethical commitment (Code of Ethics, zero tolerance for corruption) and at supply chain level tools have been put in place (supplier code, audits, questionnaires) to ensure that MASTERPLAST's partners also comply with the expected standards. Through this complex approach, the company is not only becoming more sustainable and resilient in its own operations, but is also working **with its value chain** to achieve sustainability goals. This holistic approach ensures that MASTERPLAST will continue to meet environmental and social expectations in the long term, while delivering stable and growing business performance.





Imprint

MASTERPLAST Plc.

Registered office: Hungary, 8143 Sárszentmihály, Árpád utca 1/A

<https://www.masterplastgroup.com/en/>

www.masterplastfenntarthatosag.hu

The full report is available here

