

MASTERPLAST PLC. ANNUAL REPORT 2025

8 April 2026



MASTERPLAST

MESSAGE FROM THE PRESIDENT TO SHAREHOLDERS

Dear Shareholders and Investors,

The year 2025 marked a period of stabilization and a turnaround in performance for Masterplast. The construction market remained challenging across Europe; however, as a result of market adaptation and our strategic decisions, the Company's operations have clearly shifted onto a more favorable trajectory. In the final quarter of the year, the Group achieved the highest quarterly revenue in its history, demonstrating that the recovery in demand, combined with our established business model, enables us to respond effectively to emerging market opportunities.

One of the most important achievements of 2025 was the turnaround in operating performance. Adjusted EBITDA exceeded EUR 12 million on an annual basis, representing a significant improvement compared to previous years and confirming that the Company's core business has regained its ability to generate sustainable earnings. Strategic rationalization measures implemented during the year – including the closure of the EPS production facility in Italy and the discontinuation of the mineral wool investment – resulted in short-term accounting losses, but are expected to lead to a more stable, efficient and predictable operating structure over the longer term.

The recovery in demand was primarily driven by the strengthening of energy efficiency investments. Masterplast has established a leading position in the Certified Energy Savings (HEM) market, while product sales linked to residential energy efficiency programmes generated significant growth. The Hungarian market delivered particularly strong performance, reflecting the success of our innovative renovation programmes and EKR-based schemes.

Among our strategic developments, the ramp-up of the glass wool plant in Szerencs is of particular importance, supporting regional market supply and increasing the share of higher value-added products within our portfolio. We are also evaluating further development opportunities at the facility to ensure that we can serve the growing demand for insulation materials even more efficiently in the coming years.

Sustainability continues to play an increasingly central role in our operations. The growing demand for energy-efficient products, combined with European climate policy objectives, confirms that Masterplast's business model remains both relevant and value-creating in the long term. Our products directly contribute to reducing energy consumption in buildings, thereby lowering carbon emissions and supporting the more sustainable operation of the building stock.

Sustainability is not only reflected in our products, but is embedded across our operations. Improving production efficiency, reducing energy consumption, increasing the share of recyclable materials and applying circular economy principles are all integral elements of the Company's long-term strategy. In 2025, the Group's sustainability reporting was prepared in accordance with the European Union's CSRD Directive and ESRS standards, ensuring transparent and comparable disclosure.

We remain confident regarding our business outlook. The operating environment in the period ahead will increasingly be shaped by global geopolitical tensions, energy price volatility and supply chain uncertainties. In this context, energy efficiency and building renovation are becoming not only long-term environmental priorities but also economic and energy security imperatives. The tightening of European building energy regulations, programmes aimed at increasing renovation rates, and the gradual normalization of financing conditions are together creating a market environment that supports stable long-term demand for insulation materials.

Strengthening structural demand, combined with our optimized manufacturing operations, provides a solid foundation for Masterplast to further improve its earnings-generating capability and financial position in the years ahead.

Masterplast's strategy continues to be focused on creating value as a leading insulation materials manufacturer in the region, supported by proprietary production capacities, innovative solutions and strong partnerships. Investments made in recent years, together with the structural rationalization implemented, provide a robust platform on which future growth can be built with confidence.

I would like to thank our shareholders and investors for their continued trust, as well as our employees for their dedication, which enables us to move forward even in a challenging economic environment. I am confident that Masterplast will emerge as an even more competitive, stronger and more sustainable company in the years to come.

A handwritten signature in blue ink, appearing to read "Tibor Dávid". The signature is stylized and fluid.

Tibor Dávid
Chairman and Chief Executive Officer

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INTRODUCTION OF MASTERPLAST GROUP

The MASTERPLAST Group, founded in 1997, is the largest Hungarian-owned manufacturer of building materials in the Central European region. Through its subsidiaries, it ensures a direct market presence in 10 European countries and, through its export partners, is present in the majority of European countries. It holds a leading position in the market for thermal insulation systems, pitched roof insulation and dry construction system components.

Its product base is primarily secured through production at its manufacturing facilities in Hungary, Serbia and Germany, which are certified in accordance with ISO and TÜV standards, as well as through strategic manufacturing partnerships. In response to the growing demand for insulation materials, the Company has focused on establishing mineral wool insulation manufacturing facilities to serve the Hungarian and Central and Eastern European markets, as a result of which its production portfolio was expanded in 2025 with a glass wool unit as an associate. In 2021, the Company established its modular construction division, the rapid market ramp-up of which forms part of its strategic objectives.

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

MASTERPLAST attaches particular importance to sustainability, energy efficiency and environmental protection, both in its internal processes and in the manufacturing and development of its products

As of 31 December 2025, the Company had the following ownership at the subsidiaries.

Company	Place of registration	Ownership	Voting right
Masterplast Hungária Kft.	Hungary	100%	100%
Masterplast International Kft.	Hungary	100%	100%
Masterplast Membrane Kft.	Hungary	100%	100%
Masterplast Modulhouse Kft.	Hungary	100%	100%
Masterplast Insulation 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%
<i>The Group's affiliated undertaking:</i>			
Masterprofil Kft.	Hungary	20%	20%
T-CELL Plasztk Kft.	Hungary	24%	24%
MIP Zrt.	Hungary	49,39%	49,39%
PIMCO Kft.	Hungary	50%	50%

Source: data from the Company's management information system

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The construction market in 2025 was characterised by weak industrial conditions; however, a slow and gradual recovery was observed from the second half of the year. As a result of the exceptionally strong performance **in the final quarter, MASTERPLAST's revenue exceeded EUR 171 million, representing the third-highest annual revenue in the Company's history. The performance was materially supported by the significant increase in the sale of Certified Energy Savings (HEM) and related products, whilst production capacities operated with improving efficiency and at lower cost levels. During the reporting period, the previously anticipated turnaround in profitability was achieved, as a result of which the Company's operating-level income-generating capacity improved significantly, and, following the recognition of one-off items, EBIT amounted to a profit of EUR 1,568 thousand. The Company's financial position also strengthened, and it fulfilled its bond and loan repayments due at year-end.**

The Company reviewed and realigned its manufacturing strategy, as a result of which a decision was made to close the Italian EPS production unit and to discontinue the rock wool investment. In connection with these measures, a total of EUR 2.6 million in impairment and provisions, EUR 1.3 million in financial expenses, and approximately EUR 7 million in losses from associates were recognised. These are one-off items that affected **the profit for the year, but had no impact on the Company's liquidity position.**

The decisions taken serve the deliberate rationalisation of the production portfolio, with a focus on technologies and sites that ensure more stable income generation and more predictable returns. In this context, the Company is working on the restart and ramp-up of the EPS plant in Kál, as well as – within the framework of a joint project with Selena FM S.A. – preparing further development opportunities for the already operational glass wool production.

European building energy efficiency objectives, together with the regulatory environment promoting the reduction of energy consumption and the increase of renovation rates, provide a stable demand base for thermal insulation materials. The strengthened and more cost-efficient operating structure – with capacities aligned to demand and a competitive product portfolio – provides a solid foundation for the Company to maintain its improving profitability trajectory.

SUMMARY

- In 2025, the construction market was still characterised by weak industrial conditions; however, a gradual recovery began in the second half of the year, driven by an improving monetary environment and energy efficiency incentives.
- • The Group's total annual revenue in 2025 amounted to EUR 171,151 thousand, representing a 26% increase compared to the base period. The thermal insulation systems product group, which represents the largest share (39%) and primarily comprises in-house manufactured products, recorded a 3% decrease in revenue compared to the previous year. Revenue in the heat, sound and water insulation materials product group increased by 104%, with its share of total revenue rising to 19%. Revenue from the roofing foils and accessories product group increased by 13%, while the dry construction systems (-3%) and building industry accessories (+1%) product groups remained broadly unchanged. Revenue in the industrial applications product group increased by 126% compared to the base period, with its share of total revenue rising to 19%, primarily due to the sale of Certified Energy Savings (HEM).
- • Revenue increased in the majority of markets, including the largest Hungarian market, where revenue grew by 78%. Revenue also increased in Poland (11%) and Ukraine (6%) compared to the base period, while decreases were recorded in export sales (-5%), Romania (-6%), Germany (-7%), Italy (-35%), Slovakia (-17%), Croatia (-6%) and North Macedonia (-10%). Revenue in Serbia remained broadly stable.
- • Compared to the previous year, capacity utilisation increased at the EPS and XPS plants in Serbia. Output at the other production units fell short of the previous year's level; however, the organisation, adapted to demand conditions, operated more cost-efficiently overall. The ramp-up of the XPS production unit, together with the improvement in its profitability, was continuous throughout the year.
- • Taking into account changes in inventories of own production, the Company's costs of materials and services increased by 24% compared to the base period, which was a lower increase than the change in revenue.
- • The Company's personnel expenses decreased by approximately 2% compared to the base period. The average headcount in 2025 was 1,082, compared to 1,239 in the base year.

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- • Under other operating income/(expenses), the Company recognised a loss of EUR 1,585 thousand, compared to a profit of EUR 1,173 thousand in the previous year. In connection with the closure of the Italian EPS production unit, the Company recognised provisions of approximately EUR 2.6 million for expected losses and impairment.
- • The Group's depreciation and amortisation expense closed at a level broadly in line with 2024.
- • As a result of the above, the Company's EBITDA amounted to a profit of EUR 9,157 thousand (5.4% EBITDA margin) in 2025, compared to a profit of EUR 2,205 thousand (1.6% EBITDA margin) in the base period, while operating profit amounted to EUR 1,568 thousand in 2025, compared to a loss of EUR 5,318 thousand in the base period.
- • The Company's interest income decreased, while interest expenses remained broadly in line with the base level. The net interest result amounted to a loss of EUR 2,709 thousand, which was EUR 242 thousand higher than the loss of EUR 2,467 thousand recorded in the previous year.
- • Due to the impairment of the loan granted to MIP Alapanyaggyártó Zrt. following the discontinuation of the rock wool investment, as well as unfavourable exchange rate movements, other financial income and expenses amounted to an overall loss of EUR 3,453 thousand, compared to a profit of EUR 2,510 thousand in the base period.
- • The result from associates amounted to a loss of EUR 8,893 thousand in the reporting year, primarily related to the ramp-up phase of glass wool production and the discontinuation of the rock wool investment. In connection with the latter, as a result of a 100% impairment and the recognition of necessary provisions, approximately EUR 7 million of loss was recognised as a one-off item in MASTERPLAST's consolidated results.
- • The Group's profit for the year in 2025 amounted to a loss of EUR 14,858 thousand, compared to a loss of EUR 4,641 thousand in the base period. However, profit adjusted for one-off items already showed a profit, compared to the loss in the base period.
- • The value of non-current assets amounted to EUR 112,342 thousand at the end of 2025, which is EUR 20,287 thousand lower than a year earlier. The decrease in tangible assets was mainly attributable to the impairment recognised for the Italian factory, the reclassification of underutilised machinery in the healthcare division as assets held for sale, as well as impairment of investments in associates in connection with the decision to discontinue the rock wool investment.
- • Inventories amounted to EUR 39,712 thousand as at 31 December 2025, representing a 1% decrease compared to the closing balance a year earlier.
- • Trade receivables amounted to EUR 19,618 thousand at the end of the reporting year, representing a 75% increase compared to the base period, in line with the exceptionally strong revenue performance in the final quarter.
- • The Group's cash and cash equivalents amounted to EUR 10,637 thousand at the end of 2025, which is EUR 6.3 million higher than the closing balance at the end of the base period.
- • During 2025, the Company successfully fulfilled its bond repayment obligations, and liabilities related to bonds decreased by EUR 5,192 thousand in the statement of financial position.

PRESENTATION OF THE EXTERNAL ECONOMIC AND INDUSTRIAL ENVIRONMENT

The production and sale of insulation and other building materials, which constitute MASTERPLAST'S core business, are significantly influenced by developments in the external economic and industrial environment. Sales of building materials and ancillary products are primarily linked to the new-build market, whilst sales of insulation materials (primarily thermal insulation) are linked to both the new-build and renovation markets.

The effects of the unfavourable macroeconomic environment of previous years were still being felt, but a gradual stabilisation began in 2025, particularly in the second half of the year, whilst supply chains remained stable and market competition remained strong.

The European construction market as a whole had not yet shown a general upturn, but signs of improvement became increasingly evident during 2025. The easing of monetary conditions, particularly the fall in interest rates, gradually improved investment conditions, whilst EU energy efficiency regulations and renovation programmes provide a stable demand backdrop for the construction industry in the medium to long term. The role of the renovation segment has become particularly important, and it could be one of the key growth drivers for the market in the coming period.

In Hungary – the Company's most important market – demand remained subdued in the first half of 2025, but began to pick up in the second half due to housing and energy efficiency incentive programmes. Home renovation programmes and housing subsidies (KEHOP Plus Home Renovation Programme, Rural Home Renovation Programme, Home Start Programme, Housing Capital Programme), but above all the market for certified energy savings (HEM) linked to the Energy Efficiency Obligation Scheme (EEOS), became an increasingly strong driver of demand, particularly in the field of energy efficiency renovations.

A similar trend was observed in several countries across the region: subdued demand in the first half of the year, followed by a gradual upturn. In Poland, Romania and Slovakia, an improvement in the market environment became apparent during the year, whilst construction activity across the Central European region as a whole strengthened in the second half of the year. The German economy continued to perform weakly in 2025, with the construction sector particularly burdened by high financing costs and low investment activity; however, signs of stabilisation began to emerge in the second half of the year. In Ukraine, construction activity remained heavily dependent on the war situation, although reconstruction projects and international aid generated demand in certain segments.

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 output (compared with previous year) %		Change in the number of building permits issued (compared to previous year) %	
	2024	2025	2024	2025	2024	2025
Germany	-0.5	0.2	-3.2	-1.7	-19.4	12.2
Croatia	3.8	3.2	13.6	8.0	8.8	6.7
Italy	0.8	0.5	3.9	4.8	-0.1	:
Hungary	0.6	0.4	-1.4	2.6	-3.2	34.6
Poland	3.0	3.6	-7.7	-	21.6	-9.1
Romania	0.9	0.7	-5.8	8.0	2.2	11.4
Slovakia	1.9	0.8	-5.4	7.0	-24.6	0.7
North Macedonia	3.0	3.5	19.5	17.6	6.1	1.6
Serbia	3.9	:	3.4	-5.5	-1.0	:
EU (27 Member States)	1.1	1.5	-1.5	0.5	0.1	:

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 SALES BY PRODUCT GROUP

Sales by main product groups (thousands of EUR)	2025	2024	Change %
	(A)	(B)	(A/B-1)
Thermal insulation system	67,007	69,360	-3%
Roofing foils and accessories	27,326	24,107	13%
Dry construction system	8,462	8,756	-3%
Heat, sound and water insulation materials	31,686	15,512	104%
Building industry accessories	3,996	3,971	1%
Industrial applications	32,674	14,431	126%
Net revenue	171,151	136,137	26%

Contribution of product groups in percentage to the total sales revenue		
Thermal insulation system	39%	51%
Roofing foils and accessories	16%	18%
Dry construction system	5%	6%
Heat, sound and water insulation materials	19%	11%
Building industry accessories	2%	3%
Industrial applications	19%	11%
Net revenue	100%	100%

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

The Group's revenue increased by 26% in 2025 to EUR 171 151 thousand.

Breaking down the **Group's** revenue, the Thermal insulation system product group continued to account for the largest share (39%), where turnover was 3% lower than in the previous year. Within this product group, turnover of in-house manufactured EPS products increased, whilst that of complementary products in the glass fibre product group (adhesives, profiles) decreased slightly. The largest product group in the Hungarian market performed at the base level, whilst revenue increased in Serbia, Ukraine and Poland, and decreased in other markets compared to the previous year.

Sales of roofing foils and accessories increased by 13% compared to the 2024 base, mainly due to sales of in-house manufactured membranes. Looking at the markets, revenue grew strongly in the Hungarian market, but also increased in other regions with the exception of the Croatian, Romanian and Serbian markets.

In the dry construction systems segment, the **Group's** turnover fell by 3% in the current year compared to the 2024 base. Revenue from plasterboard profiles decreased, whilst revenue from sheets rose slightly. Looking at the markets, turnover for this product group fell or stagnated in all regions except Ukraine and Croatia.

In the heat, sound and water insulation materials product group, the **Group** doubled its revenue compared to 2024. Revenue from Masterplast's own-brand XPS products also rose significantly, whilst glass wool sales were more than five times higher than a year earlier. Glass wool sales in the current year were further supported by the new glass wool produced in Szerencs – in partnership with Selena FM S.A. – and the **Group** is increasingly able to supply this product. In terms of markets, the Hungarian and Polish markets performed exceptionally well, but turnover for this product group also grew in the Serbian, Croatian and export markets.

In the market for building industry accessories, the **Group's** turnover remained close to the base level. Outside the Hungarian and Slovakian territories, turnover in **the Group's** other markets fell short of the previous year's figures.

Turnover in the industrial applications product group more than doubled. Within this product group, turnover from in-house manufactured healthcare raw materials declined, whilst revenue from other raw material trading improved compared to the previous year's base. This section also includes the statement regarding the sale of

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restricted marketable property rights (so-called HEM) related to energy efficiency renovations carried out with the contribution of MASTERPLAST, which generated significant revenue for the product group.

TURNOVER BY COUNTRY

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

Revenue by country (thousand euros)	2025	2024	Change %
	(A)	(B)	(A/B-1)
Hungary	88,851	49,950	78%
Poland	14,639	13,139	11%
Exports	13,836	14,514	-5%
Romania	11,416	12,209	-6%
Serbia	11,262	11,264	0%
Germany	9,148	9,803	-7%
Ukraine	8,117	7,641	6%
Italy	4,590	7,063	-35%
Slovakia	4,253	5,133	-17%
Croatia	3,708	3,948	-6%
North Macedonia	1,331	1,473	-10%
Net revenue	171,151	136,137	26%

Contribution of countries in percentage to the total sales revenue		
Hungary	51%	36%
Poland	9%	10%
Exports	8%	11%
Serbia	7%	9%
Romania	7%	8%
Germany	5%	7%
Ukraine	5%	6%
Italy	3%	5%
Slovakia	2%	4%
Croatia	2%	3%
North Macedonia	1%	1%
Net revenue	100%	100%

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

In the Group's largest Hungarian market, total revenue increased by 78% in 2025 compared to the base year. Sales for every product group exceeded the base year in the current year, but sales of HEM and products linked to HEM programmes played a decisive role in the significant growth. In the final quarter, the Company relaunched its national facade insulation subsidy programme on more favourable terms, whilst MASTERPLAST participated in the loft insulation programme, which is also available on the market, in collaboration with its insulation partners. As a result of the certified energy savings associated with these programmes, a right with limited marketability arises, known as Certified Energy Savings (HEM). HEM certified directly or indirectly by Masterplast's partners is sold within the framework of the EKR system to parties entitled to purchase HEM. These sales also contributed significantly to the increase in turnover achieved on the Hungarian market.

On the Polish market, the Group achieved an 11% increase in turnover compared to the 2024 baseline, and it became **MASTERPLAST'S** second-largest market. Revenue increased in the roofing membrane and roofing components product group thanks to sales of in-house manufactured roofing membrane products, and in the

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Thermal insulation system due to glass fibre sales, whilst revenue in the other product groups decreased compared to last year.

Revenue in the export sector fell by 5% year-on-year. Turnover fell in the facade thermal insulation product group, which is produced in-house, whilst revenue increased for XPS and roofing membrane products, which are also manufactured in-house. MASTERPLAST was able to significantly increase its revenue in certain countries, including France, Spain and Bosnia and Herzegovina.

Revenue in the **Group's** Romanian market fell by 6%. Revenue for most product groups decreased in 2025 compared with the previous year.

In Serbia, the **Group's** sales in 2025 remained at the base level. The Group's own-manufactured EPS and XPS products performed well in the region, whilst sales of other products mostly declined.

In the German market, sales fell by 7% in 2025 compared to the previous year, with sales of in-house manufactured healthcare raw materials, roofing membranes and façade products all showing a decline.

In Ukraine, which remains in a state of war, revenue increased by 6% compared to the 2024 baseline. With the exception of the heat, sound and water insulation materials and construction accessories product groups, **MASTERPLAST'S** revenue in Ukraine increased across all other product categories.

In the **Group's** markets where it holds a 3% or smaller market share – Italy, Slovakia, Croatia and North Macedonia – turnover also fell compared to 2024.

FINANCIAL ANALYSIS

The following table shows Masterplast's consolidated audited profit or loss statement according to the total cost type profit or loss statement in EUR thousand.

Profit or loss statement (thousands of EUR)	31 December 2025	31 December 2024	Change	Change %
	(A)	(B)	(A-B)	(A/B-1)
Sales revenue	171,151	136,137	35,013	26%
Materials and services used	-132,605	-112,965	-19,640	17%
Personnel expenses	-26,992	-27,509	517	-2
Depreciation and amortisation and impairment	-7,589	-7,524	-65	1
Change in inventories of own production	-812	5,368	-6,180	-115%
Other operating income (expenses)	-1,585	1,173	-2,758	-235
OPERATING PROFIT	1,568	-5,318	6,886	-129%
Interest income	472	771	-300	-39%
Interest expense	-3,180	-3,238	58	-2%
Other income (and expenses) from financial transactions	-3,453	2,510	-5,963	-238%
Financial result	-6,161	43	-6,204	-14,387%
Profit for the year	-14,858	-4,641	-10,217	220%
EBITDA	9,157	2,205		
EBITDA margin	5,4%	1,6%		
Earnings per share (EPS) (EUR)	-0,81	-0,29		
Diluted earnings per share (diluted EPS) (EUR)	-0,80	-0,29		

Source: consolidated audited report of the Company based on IFRS accounting rules

GROUP RESULTS

The Group's total annual turnover for 2025 was EUR 171,151 which was 26% higher than the figure for the base period.

Compared with the previous year, capacity utilisation increased at the EPS and XPS plants in Serbia. Output at the other production units fell short of the previous year's level, but the organisation, which had been adapted to demand conditions, operated more cost-effectively overall. The ramp-up of the XPS production unit and the corresponding improvement in its profitability were continuous throughout the year.

Taking into account changes in the level of self-produced inventories, the Company's costs of materials and services used increased by 24% compared with the base period, which was a smaller increase than the change in Revenue. The **Group's** raw material costs decreased, energy costs remained roughly at the base period level, whilst the value of services used increased compared to the base period.

The Company's personnel expenses decreased by approximately 2% compared to the base period. The average headcount in 2025 was 1,082 compared to the average headcount of 1,239 in the base year.

The **Group's** depreciation and amortisation expense closed at a level virtually identical to that of 2024.

The Company recorded a loss of EUR 1,585,000 under 'Other operating results', compared with a profit of EUR 1,173 000 in the same period last year. The Company reviewed and realigned its manufacturing strategy, deciding to close its Italian EPS production unit. The Company has set aside a total provision of EUR 2,6 million for the expected losses associated with the liquidation of the production unit, which loss was recognised under other operating results in the Profit for the year section of the profit and loss account.

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As a result of all this, the Company's EBITDA in 2025 was a profit of EUR 9,157,000 (5.4% EBITDA margin) in 2025, compared with a profit of EUR 2,205,000 (1.6% EBITDA margin) in the base period, whilst the profit from operating activities was EUR 1,568,000 in 2025, compared with a loss of EUR 5,318,000 in the base period.

The Company's interest income fell, whilst interest expenses remained close to the base level. The net interest result showed a total loss of EUR 2 709 000, which was EUR 242,000 higher than the loss of EUR 2,467,000 recorded a year earlier.

During a review of the Group's manufacturing strategy, it was also decided to halt the rock wool investment. In connection with the write-off of the borrowing granted to MIP Alapanyaggyártó Zrt., the Company recognised a financial loss of EUR 1,3 million under 'Other income/expenses from financial operations'. Other income/expenses from financial operations also include foreign exchange gains and losses. The Group procures the majority of its products in euros and US dollars, which it sells in local foreign currency; therefore, movements in exchange rates affect the Group's results. The currencies of most countries are pegged to the euro, so movements in the EUR/USD exchange rate affect foreign exchange gains and losses in the case of dollar-denominated purchases. Due to unfavourable exchange rate effects, a loss of EUR 2,156 was recognised in other financial income and expenses, compared with a profit of EUR 2,510 thousand in the base period.

The result from associates amounted to a loss of EUR 8,893 thousand in the current year, driven to a lesser extent by the results of glass wool production, which is in its start-up phase. The majority of this loss is attributable to impairment losses and provisions relating to MIP Alapanyaggyártó Zrt., resulting from the decision to halt the rock wool investment, of which a loss of EUR 7 million was recognised in MASTERPLAST's consolidated Statement of profit or loss under the line item 'Share of profit of associates'.

As a result of all this, the Group's profit for the year 2025 was a loss of EUR 14,858,000, compared with a loss of EUR 4,641,000 in the base period.

THE COMPANY'S FINANCIAL POSITION

The Group's total assets stood at EUR 196,324 thousand at the end of December 2025, which was EUR 1,773 thousand lower than the figures for the base period.

The value of non-current assets stood at EUR 112,342 thousand at the end of 2025, which is EUR 20,287 thousand lower than the figure for the previous year. The decrease of nearly EUR 12 million in the inventory of tangible assets was primarily due to the write-down recognised in connection with the decision to close the Italian factory, as well as the reclassification of underutilised machinery in the healthcare division as Assets held for sale, in addition to amortisation for the year. Under the line item 'Investments in associates', the recognition of losses relating to MIP Zrt. resulted in a decrease of approximately EUR 6 million, in connection with the decision to halt the rock wool investment.

The value of inventories as at 31 December 2025 was EUR 39,712 thousand, which is 1% lower than the closing balance a year earlier. The Company continues to strive to maintain inventories that effectively align with demand conditions, whilst remaining prepared with adequate inventories to meet expected demand.

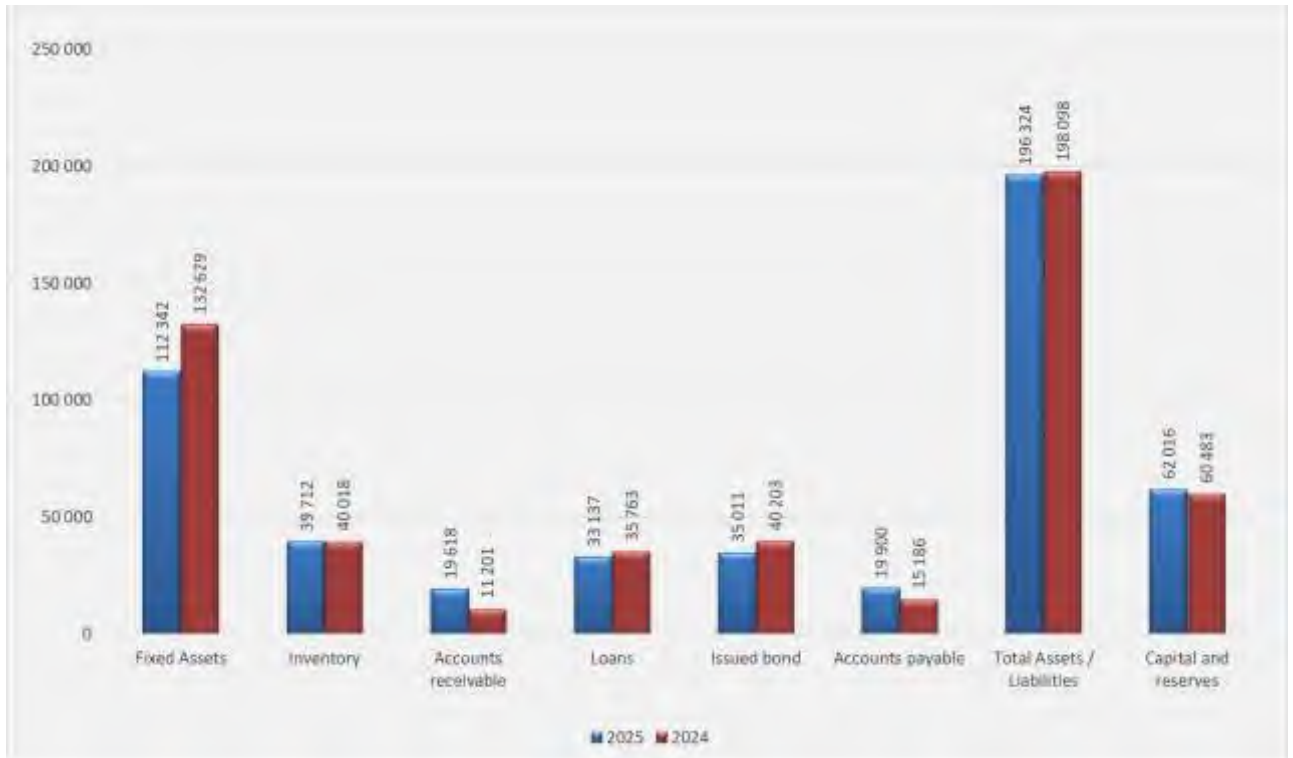
Trade receivables stood at EUR 19,618 thousand at the end of the reporting year, which is 75% higher than the base figure. The increase is largely attributable to the exceptional growth in revenue in the final quarter.

The value of other current assets rose by EUR 2,489,000 compared to the closing balance a year ago, with borrowings to associates increasing to a greater extent.

The Group's cash and cash equivalents stood at EUR 10,637 thousand at the end of 2025, which is EUR 6,3 million higher than the balance at the end of the base period.

The Group's liabilities from bond issues decreased by EUR 5,192 thousand on the Statement of financial position. The Company successfully met the repayment due in the current year from its own resources. The Company's loan portfolio stood at EUR 33 137 thousand, which was 8% lower than the figure from a year earlier.

The Group's trade payables stood at EUR 19,900 thousand, compared to the previous year's figure of EUR 15,186 thousand. Deferred income, which includes grants related to investments that have not yet been recognised in profit or loss, decreased by EUR 6,084 thousand. The Company released deferred income relating to medical equipment.



Source: consolidated audited report of the Company based on IFRS accounting rules

Members of the Board of Directors on 31 December 2025

Tibor Dávid – Chairman
 Ács Balázs – Vice Chairman
 Dezse Margaret – Independent member
 Dirk Theuns – Independent members
 Tóth József – Independent member

Audit committee:

Dezse Margaret
 Dirk Theuns
 Tóth József

STATEMENT

MASTERPLAST Public Limited Company (8143 Sárszentmihály, Árpád u. 1/A; hereinafter: “Company”) hereby states that the parent company’s annual report and the joint (consolidated) annual report prepared based on the applicable accounting requirements, according to the Company’s best knowledge, give a true and fair view of the assets, liabilities, financial situation and profit and loss of the issuer and its consolidated enterprises; furthermore, the parent company’s management report and the joint (consolidated) management report give a fair view of the situation, development and performance of the issuer and its consolidated enterprises, while presenting the main risks and uncertainty factors.

Sárszentmihály, 8 April 2026

A handwritten signature in blue ink, appearing to read "Tibor Dávid".

Tibor Dávid

CEO

the Chairman of the Board of Director

MASTERPLAST PLC.
CONSOLIDATED ANNUAL FINANCIAL STATEMENTS
for the year ended 31 December 2025
in accordance with International Financial Reporting Standards (IFRS)
(as adopted by the EU)

Sárszentmihály, 8 April 2026

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1. Consolidated statement of financial position

Statement of financial position	Note	31 December 2025	31 December 2024
Non-current assets			
Property, plant and equipment	9,32	99,117,375	110,864,755
Intangible assets	9,32	1,327,100	2,248,444
Investments in associates	11,32	8,676,909	15,650,964
Deferred tax assets	28	3,220,857	3,864,929
Other long-term financial assets	-	0	0
Non-current assets		112,342,241	132,629,092
Current assets			
Inventories	12	39,711,979	40,017,888
Trade receivables	13	19,618,033	11,201,307
Tax receivables	28	2,461,125	2,294,756
Other financial receivables	-	0	0
Other current assets	14	6,952,637	4,463,567
Cash and cash equivalents	15	10,636,664	4,370,134
Assets held for sale	16	4,601,699	3,121,070
Current assets		83,982,137	65,468,722
TOTAL ASSETS		196,324,378	198,097,814
Equity			
Share capital	4,34	6,651,971	6,049,289
Reserves	4,34	71,950,430	60,671,671
Treasury shares	4	-2,296,754	-2,117,289
Share of profit of parent company	2,4	-15,001,508	-4,825,348
Equity attributable to parent company shareholders		61,304,139	59,778,323
Non-controlling interest	36	712,038	705,109
Equity		62,016,177	60,483,432
Non-current liabilities			
Long-term loans	17	14,947,224	15,919,945
Liabilities arising from bond issues	18	27,227,111	32,893,571
Deferred tax liability	28	1,476,528	1,454,881
Deferred income	19	26,428,266	32,108,972
Other non-current liabilities	10,20	723,130	959,711
Non-current liabilities		70,802,259	83,337,080
Current liabilities			
Short-term loans	17	18,189,930	19,842,647
Short-term portion of liabilities arising from bond issues	18	7,784,087	7,309,188
Trade payables	22	19,900,139	15,185,952
Current lease liabilities	10	276,617	275,941
Other financial liabilities	18	803,013	2,118,601
Tax liability	28	6,470,358	2,178,830
Current portion of deferred income	19	1,664,019	2,067,474
Provisions	21	1,040,873	775,489
Other current liabilities	23	7,376,906	4,523,180
Current liabilities		63,505,942	54,277,302
TOTAL LIABILITIES		134,308,201	137,614,382
TOTAL ASSETS		196,324,378	198,097,814

The attached notes form part of the consolidated annual financial statements.

2. Consolidated statement of profit or loss

Statement of profit or loss	Note	2025	2024
Revenue from sales	31	171,150,926	136 137 445
Cost of materials and services	24	-132,604,646	-112,964,599
Personnel expenses	25	-26,992,077	-27,508,696
Depreciation, amortisation and impairment	9	-7,589,107	-7,523,762
Change in inventories of own production	-	-812,455	5,367,727
Other operating income (expenses)	26	-1,584,985	1,173,386
PROFIT FROM OPERATIONS		1,567,656	-5,318,499
Interest income	-	471,678	771,382
Interest expense	-	-3,180,367	-3,238,471
Other income (expenses) from financial transactions	27	-3,452,542	2,510,214
Financial result		-6,161,231	43,125
Share of profit of associates	11	- 8,893,430	-82,442
Profit before tax		-13,487,005	-5,357,816
Income tax	28	-1,371,082	717,128
Profit for the year		-14,858,087	-4,640,688
Share of parent company shareholders	4	-15,001,508	-4,825,348
Non-controlling interest	36	143,421	184,660
Earnings per share (EPS)	29	-0.81	-0.29
Diluted earnings per share (diluted EPS)	29	-0.80	-0.29

3. Consolidated statement of other comprehensive income

Components of comprehensive income	2025	2024
Profit for the year	-14,858,087	-4,640,688
Exchange rate difference*	426,372	-1,872,875
Comprehensive income relating to CCIRS transactions**	223,373	195,878
Parent company's share of changes in the value of Associates *	1,002,658	-976,298
Other comprehensive income	1,652,404	-2,653,295
Comprehensive income	-13,205,683	-7,293,983
Share of parent company shareholders	-13,331,206	-7,471,531
Non-controlling interest	125,523	177,548

* In subsequent periods, the amount relating to the parent company is not recognised in the statement of profit or loss; it is transferred to the Subsidiaries.

**In subsequent periods, the amount relating to the parent company is not recognised in the statement of profit or loss

4. Consolidated statement of Changes in Equity

Equity components	Note	Note Equity	Equity shares	Capital re-serve	Retained Reserves	Currency Reserves	Reserves Total	Parent company share of profit	Equity attributable to parent company shareholders	External shareholders' share	Equity Total
1 January 2024	-	6,049,289	-2,035,653	29,367,867	62,682,010	-12,921,035	79,128,842	-15,810,988	67,331,490	627,361	67,958,851
Profit for the year	3	0	0	0	0	0	0	-4,825,348	-4,825,348	184,660	-4,640,688
Total income related to CCIRS transactions	18	0	0	0	0	195,878	195,878	0	195,878	0	195,878
Dividends to minority shareholders	36	0	0	0	0	0	0	0	0	-99,800	-99,800
Change due to MRP share-based payment	41	0	0	0	0	0	0	0	0	0	0
Other comprehensive income	3	0	0	0	0	-2,842,061	-2,842,061	0	-2,842,061	-7,112	-2,849,173
Transfer of prior year's profit for the year after tax	4	0	0	0	-15,810,988	0	-15,810,988	15,810,988	0	0	0
Treasury shares*	-	0	-81,636	0	0	0	0	0	-81,636	0	-81,636
31 December 2024	-	6,049,289	-2,117,289	29,367,867	46,871,022	-15,567,218	60,671,671	-4,825,348	59,778,323	705,109	60,483,432
1 January 2025	-	6,049,289	-2,117,289	29,367,867	46,871,022	-15,567,218	60,671,671	-4,825,348	59,778,323	705,109	60,483,432
Profit for the year	3	0	0	0	0	0	0	-15,001,508	-15,001,508	143,421	-14,858,087
Capital increase	34	602,682	0	14,433,805	0	0	14,433,805	0	15,036,487	0	15,036,487
Total income relating to CCIRS transactions	18	0	0	0	0	223,373	223,373	0	223,373	0	223,373
Dividends to minority shareholders	36	0	0	0	0	0	0	0	0	-118,594	-118,594
Change due to MRP share-based payment	41	0	0	0	0	0	0	0	0	0	0
Other comprehensive income	3	0	0	0	0	1,446,928	1,446,928	0	1,446,928	-17,898	1,429,030
Carry-forward of prior year's profit for the year after tax	4	0	0	0	-4,825,348	0	-4,825,348	4,825,348	0	0	0
Treasury shares*	-	0	-179,465	0	0	0	0	0	-179,465	0	-179,465
31 December 2025	-	6,651,971	-2,296,754	43,801,672	42,045,674	-13,896,916	71,950,430	-15,001,508	61,304,139	712,038	62,016,177

* The total number of Treasury shares held by the Company as at 31 December 2025 was 310,151, with a value of EUR 2,296,754, as at 31 December 2024, the total number of Treasury shares held was 290,151, with a value of EUR 2,117,289.

5. Consolidated statement of cash flows

Cash flow items	2025	2024
OPERATING ACTIVITIES		
Profit before tax	-13,487,005	-5,357,816
Depreciation and amortisation and impairment loss of tangible assets	7,589,107	7,523,762
Impairment losses recognised (and reversal of impairment losses)	2,943,140	-212,629
Shortages and write-offs of inventories	127,833	626,730
Provisioning (release) of provisions	265,384	126,884
(Gain) on the sale of tangible and intangible assets	-70,037	-98,025
Interest expense	3,180,367	3,238,471
Interest income	-471,678	-771,382
(Profit) loss from Associates	7,993,760	82,442
Unrealised foreign exchange gains/losses	3,553,292	-7,106,870
Changes in working capital		
Change in trade receivables	-8,962,095	1,621,552
Change in inventories	319,016	-9,225,962
Change in other current assets	-2,655,439	-434,859
Change in trade payables	4,714,187	1,345,312
Change in other liabilities	2,065,845	-652,861
Income tax paid	-222,975	-327,905
Net cash flow from operating activities	6,882,702	-9,623,156
INVESTING ACTIVITIES		
Acquisition of property, plant and equipment and intangible assets	-2,025,364	-2,781,732
Income from the sale of tangible and intangible assets	123,962	111,262
Purchase of shares in subsidiaries	0	-2,055,006
Interest received	471,678	771,382
Net cash flow from investing activities	-1,429,724	-3,954,094
FINANCIAL ACTIVITIES		
Proceeds from capital increase and share issue	15,036,487	0
Treasury shares	-179,465	-81,636
Loans taken out	188,175	6,257,390
Loan repayments	-2,813,612	-805,212
Bond repayments	-7,799,446	-7,257,965
Subsidies received	0	1,175,814
Dividends paid	-118,594	-99,800
Interest paid	-3,180,370	-3,238,472
Net cash flow from financing activities	1,133,175	-4,049,881
Increase (decrease) in cash and cash equivalents	6,586,153	-17,627,131
Cash and cash equivalents at the beginning of the year	4,370,134	18,210,153
Exchange rate differences on cash and cash equivalents	-319,623	3,787,112
Cash and cash equivalents at year-end	10,636,664	4,370,134

6. General information

The parent company of the Masterplast Group, which is required to prepare consolidated financial statements, is Masterplast Public Limited Company (company registration number: 07-10-001342, tax number: 13805300-4-07).

The parent company's registered office is located at 1/a Árpád Street, 8143 Sárszentmihály, Hungary. The address of its website, where detailed information is available, is www.masterplastgroup.com.

Main activity: Asset management (holding company) activities, which encompass the building materials manufacturing and wholesale operations of its subsidiaries.

Masterplast Public Limited Company ("Masterplast Plc." or "the Company"), together with its subsidiaries and associated companies, forms the Masterplast Group (the "Group" or "Masterplast"). The Company was established on 29 September 2006 through the beneficiary conversion of its legal predecessor, Masterplast Műanyagipari és Kereskedelmi Korlátolt Felelősségű Társaság. The predecessor company commenced operations in 1997 as a Hungarian-owned limited liability company. On 20 April 2011, it was converted into a public limited company, and its registration with the Companies Registry was completed. On 29 November 2011, the shares were technically listed on the Budapest Stock Exchange.

The Company's financial (financial) year covers the period from 1 January to 31 December.

The average headcount of the Group's employees in 2025 was 1,082 (2024: 1,239).

At Group level, the audit fee for 2025 was EUR 244,025 (2024: EUR 229,341).

Within the Group, the Serbian company Forvis Mazars provided transfer pricing documentation services in the amount of EUR 5,500 with the approval of the Audit Committee.

Share information:

The parent company's share capital: HUF 1,925,063,100 (2024: HUF 1,685,063,100). In the annual report, the parent company's share capital is stated in euros at its original cost, amounting to EUR 6,651,971 (2024: EUR 6,049,289).

Breakdown of share capital by shares:

19,250,631 registered ordinary shares with a nominal value of HUF 100 each (2024: 16,850,631 registered ordinary shares with a nominal value of HUF 100 each).

Type of shares: registered, dematerialised

ISIN codes of the shares: HU0000093943

The ownership structure is as follows:

Owner's name	2025	2024
Tibor Dávid Bizalmi Vagyonkezelő Korlátolt Felelősségi Társaság (1)	HUF 454,805,700	HUF 0
Tibor Dávid (1)	HUF 0	HUF 454,805,700
Ács Balázs	HUF 387,725,900	HUF 387,725,900
MFB Corporate Investment and Transaction Private Equity Fund (2)	HUF 313,170,700	
Bunford Tivadar	HUF 42,169,000	HUF 42,169,000
Nádasi Róbert	HUF 12,903,400	HUF 12,903,400
Jancsó Illés	HUF 3,490,900	HUF 4,490,900
Pécsi László	HUF 2,013,200	HUF 2,013,200
László Flórián Lukács	HUF 252,000	HUF 252,000
Several minority shareholders	HUF 677,517,200	HUF 751,687,900
Shares repurchased	HUF 31,015,100	HUF 29,015,100
Total:	HUF 1,925,063,100	HUF 1,685,063,100
	(EUR 6,651,971)	(EUR 6,049,289)

- (1) According to the announcement made on 29 December 2025 by Tibor Dávid, Chairman of the Board of Directors and Chief Executive Officer, in order to restructure and consolidate his private assets in the long term, as sole settlor, for the purpose of trust management, to Tibor Dávid Tibor Dávid Bizalmi Vagyonkezelő Korlátolt Felelősségi Társaság, a trust management company established by him, managed by him as sole director and wholly owned by him. Based on the above, in all respects of the beneficial ownership position as defined in Section 3(38) of Act LIII of 2017 on the Prevention and Combating of Money Laundering and Terrorist Financing, Tibor Dávid remains the settlor, beneficiary and sole owner of the trust management company; the identity of the beneficial, ultimate and controlling owner of the Shares shall not change as a result of the establishment of the trust structure.
- (2) On 28 February 2025, the Company's Board of Directors resolved to increase the Company's share capital through a private placement of new ordinary shares in return for a cash contribution, as follows: The amount of the share capital increase is HUF 240,000,000, in connection with which 2,400,000 new registered ordinary shares, each with a nominal value of HUF 100 and an issue price of HUF 2,500, were issued in dematerialised form. Consequently, the total increased share capital amounts to HUF 1,925,063,100, comprising 19,250,631 registered ordinary shares, each with a nominal value of HUF 100, embodying rights of identical content and scope. The issue price of the ordinary shares affected by the share capital increase is HUF 2,500 per share, totalling HUF 6,000,000,000. The portion of the issue price per share in excess of the nominal value – totalling HUF 5,760,000,000 – increases the Company's capital reserve. Pursuant to the undertaking and the Board of Directors' resolution on the share capital increase, the MFB Corporate Investment and Transaction Private Equity Fund became entitled to receive 2,400,000 new registered, dematerialised ordinary shares, and has made a cash contribution totalling HUF 6,000,000,000, corresponding to the total issue value of the shares, within the specified deadline; in view of this, the share capital increase took effect on 4 March 2025. Budapest Stock Exchange Plc. admitted 2,400,000 dematerialised registered ordinary shares, each with a nominal value of 100 forints and a total nominal value of 240,000,000 forints, to trading on the stock exchange on, thereby increasing the number of listed securities from 16,850,631 to 19,250,631.

The voting ratios are as follows:

Name of owner	2025	2024	-
Tibor Dávid Bizalmi Vagyonkezelő Korlátolt Felelősségi Társaság	4,548,057	0	votes
Tibor Dávid	0	4,548,057	votes
Ács Balázs	3,877,259	3,877,259	votes
MFB Corporate Investment and Transaction Private Equity Fund	3,131,707		votes
Bunford Tivadar	421,690	421,690	votes
Nádasi Róbert	129,034	129,034	votes
Jancsó Illés	34,909	44,909	votes
Pécsi László	20,132	20,132	vote
Lukács Flórián László	2,520	2,520	votes
Several minority shareholders	6,775,172	7,516,879	votes
Total	18,940,480	16,560,480	votes

The Company's executive body is the five-member Board of Directors. The Board of Directors, together with the Audit Committee formed from its independent members, acts as a body implementing a unified management system, and jointly performs the duties of the Board of Directors and the Supervisory Board as defined by law. The Board of Directors is responsible for deciding on all matters that do not fall within the exclusive competence of the General Meeting, or which legislation and the Articles of Association assign to the Board of Directors. Members of the Board of Directors:

Tibor Dávid – Chairman
 Ács Balázs – Vice-Chair
 Dezse Margaret – independent member
 Dirk Theuns – independent member
 Tóth József – independent member

Name	Position	Start of Board of Directors membership	End of term	Board Time served as a member	Shareholding (shares)
Tibor Dávid	Chairman of the Board of Directors	3 April 2008	30 June 2026	approximately 18 years	-
Ács Balázs	Vice-Chairman of the Board of Directors	3 April 2008	30 June 2026	approximately 18 years	3,877,259
Dirk Theuns	Member of the Board of Directors	1 May 2014	30 June 2026	approximately 12 years	-
Dezse Margaret	Member of the Board of Directors	1 May 2020	30 June 2026	approximately 6 years	1,300
Tóth József	Member of the Board of Directors	1 May 2025	30 June 2026	approximately 1 year	-

Members of the Audit Committee:

Dezse Margaret
 Dirk Theuns
 Tóth József

The Group’s activities:

Masterplast is one of Central and Eastern Europe’s leading multinational groups specialising in the manufacture and sale of insulation materials and other construction products. The Group offers a comprehensive service package based on tight control over production, as well as the ability to serve thousands of commercial partners with short lead times, precision and, where necessary, even small batch sizes, using its own logistics infrastructure. The Group’s product range includes both high-quality, premium-category products and lower-quality, cheaper products in the so-called ‘hobby’ category. Its services are primarily aimed at small and medium-sized building materials retailers. In 2024, the Group launched the sale of HEM (Certified Energy Savings), thanks to several concurrent programmes.

The Group’s two main activities are:

- the sale of insulation materials and other construction and healthcare products, and
- the manufacture of insulation materials and other construction and healthcare products.

Sales of insulation materials and other construction products, healthcare textiles:

The Group has been involved in the sale of building materials since its foundation, whilst the introduction of healthcare textiles into the portfolio is linked to the global outbreak of the COVID-19 pandemic. The Group’s subsidiaries – primarily the manufacturing, supply and sales companies – also trade with one another in accordance with the rules set by the head office and the internal accounting system.

Insulation materials and other construction products, healthcare textiles manufacturing:

The group manufactures a significant proportion of the products it distributes in its own factories and through contract manufacturing arrangements.

The main objective of in-house production is to manufacture products that

- are of strategic importance within the product portfolio, or
- cannot be procured from other sources in a consistent, reliable quality and quantity, or
- can be produced on terms more favourable than those available on the market using the resources available to the Group.

Products sold:

The Group sells insulation materials and other construction products through its subsidiaries in Central and Eastern Europe, and across Europe through its export activities; it offers energy-saving and cost-effective solutions in the fields of thermal, acoustic and water insulation, as well as roofing and dry construction.

Within the Group's sales, the proportion of products from non-proprietary (typically developed market) manufacturers is steadily declining.

The Group offers products and solutions in the following six main product groups:

- facade thermal insulation system
- Roofing membranes and roof components
- Dry construction systems
- thermal, acoustic and waterproofing materials
- construction accessories
- industrial applications

7. Accounting policies

7.1. Basis of preparation

The Masterplast Group's consolidated annual financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union. All IFRS rules issued by the International Accounting Standards Board (IASB) that were in force at the time of preparing the Consolidated annual financial statements and are relevant to the Masterplast Group have been adopted by the EU. Thus, the Consolidated annual financial statements are in accordance with the IFRS principles issued by the IASB and also comply with the provisions of the Hungarian Accounting Act relating to consolidated financial statements, the latter of which refers to the IFRS rules adopted by the EU.

7.2. Changes in accounting policies

New and amended standards and interpretations applied in the current year

The Company which provides guidance on determining when a currency is considered non-convertible and prescribes how to determine the estimated spot exchange rate in cases where a market exchange rate is not available.

New and amended standards and interpretations published by the IASB and adopted by the EU, effective from the current reporting period:

- Measurement of currency convertibility

The Company assesses convertibility in accordance with the amendments to IAS 21, based on the following criteria:

- whether there is an accessible market of sufficient size for converting the currency into another currency,
- whether there are any legal, administrative or economic restrictions that prevent or significantly delay conversion,
- whether economic operators are actually able to convert cash flows denominated in the foreign currency in question into another foreign currency within a reasonable period of time.

If, based on the above criteria, the currency is not convertible, the Company translates transactions or balance sheet items using an estimated exchange rate rather than a market rate.

- Determination of the estimated exchange rate

In the case of non-convertible currencies, the Company determines the estimated exchange rate by taking the following factors into account:

- differences between the official exchange rate and actual transaction rates,
- Exchange rate information from parallel or alternative markets (where relevant and reliable),
- Observable exchange rates from related economic events or transactions,
- indirect exchange rates via other foreign currencies,
- objective data consistent with economic realities.

The Company documents the methodology for determining the estimated exchange rate and reviews it at least annually, or in the event of significant changes in circumstances.

- Disclosures

The Company presents, in accordance with IFRS disclosure requirements:

- which foreign currencies are classified as non-convertible,
- the methodology for determining the estimated exchange rate,
- the significant estimates and assumptions used,
- the effect of non-convertibility on the financial statements.

- Impact on the financial statements

The application of the amendment does not change the consolidation principles for foreign operations, but may affect:

- the translation amounts of revenue and expenses,
- the revaluation result of monetary items,
- the revaluation differences of foreign operations (OCI).

The Company continuously monitors changes in the economic and regulatory environment that may affect currency convertibility.

New and amended standards and interpretations issued by the IASB and adopted by the EU but not yet effective:

IFRSs adopted by the EU differ from the regulations adopted by the International Accounting Standards Board (IASB) in respect of the following new standards, amendments to existing standards and new interpretations as at the date of disclosures for the financial statements:

- Amendments to IFRS 9 relating to the classification and measurement of financial instruments come into effect on 1 January 2026, affecting three areas:
 - Derecognition of financial liabilities

The Company derecognises financial liabilities when settlement has been completed definitively via an electronic payment system and the Company has no further payment obligation. The date of electronic settlement is determined based on the characteristics of the payment system.

- Classification of financial assets

In accordance with the amendments, the Company analyses in detail whether the contractual cash flows of the financial assets meet the 'simply principal and interest' (SPPI) criterion.

In the analysis, we take into account:

- contractual terms that alter the timing or amount of cash flows,
- non-recourse and
- contractually-linked structures.

We document the results of the SPPI measurement and review them annually.

- Disclosures

The Company provides expanded disclosures in accordance with the amendments to IFRS 7 regarding:

- Equity instruments measured at fair value through Other comprehensive income,
- contractual terms that alter the timing or amount of cash flows,

- changes in classification and measurement, and their impact on the financial statements.

The Company may, at its discretion, elect to apply the amendments early, particularly in the case of instruments with ESG characteristics.

- Amendments to IFRS 9 and IFRS 7: Contracts for renewable energy

Effective date: 1 January 2026

The Company takes into account the new rules for the treatment of contracts relating to electricity generated from weather-dependent renewable energy sources (e.g. wind, solar).

- **“Own use” exemption**

The Company assesses, based on the interpretation set out in the amendments, whether contracts relating to renewable energy meet the “own use” exception. If not, the contract must be treated as a derivative financial instrument and recognised at fair value.

- Hedge accounting

The Company may apply hedge accounting to contracts for the purchase of physical Renewable energy, provided that:

- the designated hedging transaction is documented,
- the hedging relationship is effective, and
- the volume of the contract is weather-dependent.

- Disclosures

The Company provides detailed disclosures on the impact of contracts on financial performance and cash flow, with particular emphasis on:

- volatility in volume,
- the effect of hedge accounting,
- the presentation of fair value measurement.

Expected changes in accounting policies (new standards effective from 2027)

- IFRS 18 – Presentation and Disclosures for Financial Statements

IFRS 18 comes into effect on 1 January 2027 and replaces the provisions of the current IAS 1. The Company will apply the standard from the date of mandatory application.

The accounting policies and financial statements will be affected by the following significant changes:

- 1.1. New mandatory subtotals in the Statement of profit or loss

IFRS 18 requires that the Statement of profit or loss include mandatory sub-totals defined in a uniform manner. These are, in particular:

- profit or loss from operating activities,
- profit from investing activities,
- profit from financing activities.

The Company is restructuring the Statement of profit or loss accordingly.

- 1.2. Disclosures of performance indicators used by management

Where the Company uses non-statutory performance measures determined by management (e.g. adjusted profit, adjusted EBITDA, profit from core operations), the following will be required under IFRS 18:

- clearly define the measures,
- Presentation of the method of calculation,
- to ensure reconciliation with the nearest IFRS profit line,
- justification of the use of the metrics.

The Company is reviewing the use and disclosures of these indicators to ensure compliance with the new requirements.

- 1.3. New principles for the classification of information to be presented

IFRS 18 provides detailed rules on how, in financial statements:

- items should be aggregated or presented separately,
- Measure materiality,
- organise the arrangement of lines and sub-groups logically,
- avoid unnecessary detail or the concealment of information.

The Company is reviewing the structure of the Statement of financial position, the Statement of profit or loss and the related notes accordingly.

- IFRS 19 – Subsidiaries not subject to public accountability

IFRS 19 is effective from 1 January 2027. It allows certain Subsidiaries not subject to public accountability to apply reduced disclosures.

- Assessment of the standard's applicability

The Company will measure which subsidiaries fall within the scope of IFRS 19. Subsidiaries that do not qualify as publicly accountable entities will be eligible for reduced disclosures.

- Changes to disclosures

Under IFRS 19:

- Subsidiaries will continue to apply all IFRS measurement, presentation and recognition requirements,
- however, the volume and level of detail of disclosures under IFRS 19 will be significantly reduced.

The Company is amending its subsidiary reporting processes accordingly.

The changes to the aforementioned standards and amendments in 2026 are not expected to have a significant impact on the Group's consolidated results, financial position and financial statements. The changes coming into effect on 1 January 2027 require a deliberate professional preparation process.

Standards and interpretations issued by the IASB but not yet adopted by the EU: -

7.3. Consolidated annual financial statements

7.3.1 Consolidation of subsidiaries

The consolidated annual financial statements cover Masterplast Plc. and the subsidiaries under its control. Control generally exists when the Group is exposed to variable returns from its investment, has rights in relation to those returns, and is able to influence those returns through its control of the investee. Control exists when the investor's existing rights enable it to influence the significant activities of the investee. Significant activities are those that determine the returns of the investee.

The members of the Masterplast Group prepare the separate annual financial statements, which form the basis of the consolidated financial statements, in accordance with the provisions of the accounting laws applicable in the countries where they are based. Certain provisions of these laws differ from those set out in International Financial Reporting Standards (IFRS), which are adjusted during the Consolidation process.

The consolidated financial statements comprise the items of the annual financial statements of Masterplast Plc. and its subsidiaries after the elimination of intra-group balances (including interim profit).

All of the Company's subsidiaries have been included in the Consolidation; the results of subsidiaries acquired or sold during the year are included from the date of acquisition or until the date of sale.

The consolidated annual financial statements have been prepared in accordance with the measurement and presentation principles of IFRS, as adopted by the EU.

The consolidated annual financial statements have been prepared using the historical cost approach.

The subsidiaries included in the consolidation are as follows:

Name of subsidiary	Place of incorporation Place	Main activity	Tax number	Ownership share %		Voting share (%)	
				2025	2024	2025	2024
Masterplast Hungária Ltd.	Hungary	Building materials wholesale	25562675-2-07	100%	100%	100%	100%
Masterplast International Ltd.	Hungary	Building materials wholesaler	25563243-2-07	100%	100%	100%	100%
Masterplast Membrane Ltd. (1)	Hungary	Manufacture of fleece and multi-layer membranes Manufacture of finished healthcare products	14025477-4-07	100%	100%	100%	100%
Masterplast Modulhouse Ltd.	Hungary	Construction of residential and non-residential buildings	25562709-2-07	100%	100%	100%	100%
Masterplast Insulation Ltd. (2)	Hungary	EPS manufacturing	13297590-4-07	100%	100%	100%	100%
Masterplast YU D.o.o.	Serbia	Building materials wholesale Manufacture of EPS and glass fibre	100838195	100%	100%	100%	100%
Masterplast Sp. z o.o.	Poland	Building materials wholesale	PL7772708671	80.04 %	80.04 %	80.04 %	80.04 %
Master Plast S.r.o.	Slovakia	Building materials wholesale	SK2020213030	100%	100%	100%	100%
Masterplast Romania S.R.L.	Romania	Building materials wholesale	R13718003	100%	100%	100%	100%
MasterPlast TOV	Ukraine	Building materials wholesale Manufacture of mesh edge protection	33438138	80%	80%	80%	80%
Masterplast d.o.o.	Croatia	Building materials wholesale	4012002113867	100%	100%	100%	100%
Masterplast Dooel Kicevo	North Macedonia	Building materials wholesale	4012002113867	100%	100%	100%	100%
MP Green Invest	Ukraine	Not currently operating	38243479	100%	100%	100%	100%
Masterplast Nonwoven GmbH	Germany	Production of fleece and multi-layer membranes	DE815873693	100%	100%	100%	100%
Fidelis Bau Ltd.	Hungary	Thermobeton manufacturing	12790818-2-07	100%	100%	100%	100%
Masterplast Proizvodnja D.o.o.	Serbia	XPS production	112172219	100%	100%	100%	100%
Masterplast Italia Srl.	Italy	EPS production	IT02970280356	100%	100%	100%	100%
MASTERWOOL MW-1 d.o.o (3)	Serbia	Rock wool manufacturing	112807408	0%	100%	0%	100%

(1) Masterplast Medical Ltd. has changed its name; from 1 January 2026, the Subsidiary will be known as Masterplast Membrane Ltd.

(2) The company name of Masterfoam Manufacturing and Trading Limited Liability Company was changed to MASTERPLAST Insulation Limited Liability Company with effect from 4 July 2025.

(3) On 26 June 2025, the Company's Board of Directors decided on the merger of Masterwool MW-1 d.o.o. into Masterplast YU d.o.o. The merger process was completed in accordance with applicable Serbian legislation and relevant accounting and corporate regulations, and the merger was registered by the Serbian Business Registry Agency (ARP) in the Serbian Business Register in November 2025.

In the case of indirect ownership, the Group presents the calculated ownership percentages taken into account for consolidation in the table.

The share of equity and profit attributable to non-controlling interest is shown on separate lines in the Statement of financial position and Statement of profit or loss. In the case of business combinations, the non-controlling interest is measured either at fair value or at the amount attributable to non-controlling interests of the fair value of the net assets of the acquired entity. Following the acquisition, the non-controlling interest is the amount originally recognised, adjusted by the amount attributable to non-controlling interests of changes in the equity of the acquiree. Non-controlling interests are also allocated a share of total comprehensive income for the period even if this results in a negative balance for their interest.

Changes in the Group's interests in Subsidiaries that do not result in a loss of control are accounted for as equity transactions. The Group's and the non-controlling interests are adjusted to reflect changes in their interests in Subsidiaries. The amount adjusting the non-controlling interests, as well as the difference between the consideration received and paid, is recognised in equity as the value attributable to the Company's owners.

7.3.2 Consolidation of associates

An associate is an entity over whose financial and operating policies the Group is able to exercise significant influence, but which is neither a Subsidiary nor a jointly controlled entity. The Group's investments in associates are reported using the equity method. Under the equity method, the investment in associates is stated in the statement of financial position at cost, increased by the Group's share of changes in the associate's net assets since acquisition. Goodwill relating to an associate forms part of the carrying amount of the investment and is not amortised. The statement of profit or loss includes the Group's share of the associate's profit or loss arising from its operations. Where there is a change in the associate's Equity, the Group also recognises its share of that change and, where applicable, presents it as a change in Equity. Gains or losses arising from transactions between the Group and the Associate are eliminated to the extent of the Group's ownership interest in the Associate.

The Group's associates:

Name of associate	Place of incorporation	Main activity	Tax number	Ownership share (%)		Voting share (%)	
				2025	2024	2025	2024
MasterProfil Ltd.	Hungary	Profile manufacturing	13874656-4-07	20%	20%	20%	20%
T-CELL Ltd.	Hungary	EPS manufacturing	24648378-2-09	24%	24%	24%	24%
MIP Ltd. (1)	Hungary	Rock wool manufacturing	32027561-2-43	49.39%	50%	49.39%	50%
PIMCO Ltd.	Hungary	Glass wool manufacturing	23355466-2-05	50%	50%	50%	50%

(1) On 27 February 2025, as a result of a unilateral increase in share capital by Market Építő Zrt., Masterplast's ownership stake was adjusted to 49.39%.

7.4. Foreign exchange transactions

In view of the nature and circumstances of the underlying economic events, the parent company's functional currency is the Hungarian forint (HUF), whilst the Group's reporting currency is the euro (EUR).

The choice of the euro for the consolidated financial statements was influenced by the Group's extensive international economic relations and the range of users of the financial statements, as the use of the euro facilitates the international interpretation of the Consolidated annual financial statements.

In the financial statements of the Group's members, figures are presented in the currency of the company's primary operating environment ('functional currency'), as follows:

Name of subsidiary	Country	2025	2024
Masterplast Plc.	Hungary	HUF	HUF
Masterplast Hungária Ltd.	Hungary	HUF	HUF
Masterplast International Ltd.	Hungary	EUR	EUR
Masterplast Membrane Ltd.	Hungary	EUR	EUR
Masterplast Modulhouse Ltd.	Hungary	HUF	HUF
Masterplast Insulation Ltd.	Hungary	HUF	HUF
Masterplast YU D.o.o.	Serbia	RSD	RSD
Masterplast Sp. z o.o.	Poland	PLN	PLN
Master Plast S.r.o.	Slovakia	EUR	EUR
Masterplast Romania S.R.L.	Romania	RON	RON
MasterPlast TOV	Ukraine	UAH	UAH
Masterplast d.o.o.	Croatia	EUR	EUR
Masterplast Doool Kicevo	North Macedonia	MKD	MKD
MP Green Invest	Ukraine	UAH	UAH
Masterplast Nonwoven GmbH	Germany	EUR	EUR
Fidelis Bau Ltd.	Hungary	HUF	HUF
Masterplast Proizvodnja D.o.o.	Serbia	RSD	RSD
Masterplast Italia Srl.	Italy	EUR	EUR
MASTERWOOL MW-1 d.o.o.	Serbia	RSD	RSD

Foreign exchange transactions are translated into the functional currency at the exchange rate prevailing on the transaction date. Foreign exchange gains and losses arising from the settlement of such transactions and from the year-end revaluation of financial assets and liabilities denominated in foreign currencies are recognised in the statement of profit or loss (financial result).

The statements of profit or loss and statement of financial position of those Group subsidiaries that have a functional currency different from the reporting currency are translated into the reporting currency as follows:

- assets and liabilities are translated at the closing exchange rate prevailing on the balance sheet date;
- items in the statement of profit or loss are translated at the monthly average exchange rate;
- any exchange differences arising from exchange rate fluctuations are recognised in the consolidated statement of other comprehensive income (as cumulative translation differences).

None of the Group's member companies operates in a hyperinflationary economic environment.

7.5. Intangible assets

The Group measures intangible assets at cost upon acquisition. Intangible assets are recognised if it is probable that future economic benefits associated with the asset will flow to the Group and the cost of the asset can be measured reliably. Intangible assets are carried at cost, less accumulated amortisation and any accumulated impairment losses. Amortisation of intangible assets is calculated using the straight-line method, based on the best estimate of the useful life. The amortisation period and method are reviewed annually at the end of the financial year. The annual rate of amortisation ranges from 10% to 33%, which the Group calculates on a straight-line basis.

7.6. Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Upon disposal or other reduction in the portfolio, the gross value of the assets, their accumulated depreciation and accumulated impairment, if any, are written off from the books, and the resulting gain or loss is recognised in the statement of Income. Costs incurred after commissioning, such as maintenance or repairs, are recognised in the profit and loss account as they are incurred.

The Group does not recognise depreciation and amortisation on land.

Depreciation and amortisation are calculated using the straight-line method on a component basis, taking into account the useful life.

The depreciation rates applied are as follows:

Property	2% - 8%
Machinery and equipment	6% - 33%

Depreciation of the capitalised value of refurbishments carried out on leased equipment is calculated based on the shorter of the expected useful life and the lease term.

Useful lives and depreciation and amortisation methods are reviewed at least annually to ensure that they appropriately reflect the actual economic benefits provided by the asset.

The residual values of significant assets are determined on the basis of an assessment and estimate by the Group's technical director; residual values are reviewed annually.

7.7. Impairment loss of assets

The Group reviews the carrying amounts of assets subject to depreciation and amortisation whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of the asset's fair value less costs to sell and its value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels at which distinct cash flows can be identified (cash-generating units). When performing the reversal of an impairment loss, the carrying amount of the asset (cash-generating unit) is increased to its recoverable amount, provided that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. The Group defines individual, independently operating Subsidiaries as the smallest cash-generating units.

7.8. Inventories

In the statement of financial position, the Group presents inventories at cost, or at their carrying amount, which is the purchase price less any recognised impairment losses and plus any reversal of impairment losses.

For purchased inventories (materials, goods), the cost is determined using the average cost method calculated on the basis of purchase prices for the period (calculated quarterly).

For self-produced inventories, the production cost is the production cost determined using the periodic (quarterly) average price method, which includes the cost of materials, direct labour costs and a proportionate share of manufacturing overheads.

Energy savings certificates (HEM – Certified Energy Savings) that have been generated but not yet sold as at the reporting date are recognised as inventories. Given the exchange-type nature of HEM transactions, consideration received from households in the form of HEM rights qualifies as non-cash consideration. Accordingly, in accordance with IFRS 15.66, such consideration is measured at fair value and recognised in the statement of financial position. The fair value is determined by reference to contracts already concluded and to publicly available market data on the CEEGEX exchange.

Inventories are presented at the lower of cost and net realisable value. Net realisable value is determined as the difference between the estimated selling price in the ordinary course of business and (for self-produced inventories) the costs expected to be incurred until completion, as well as the estimated selling costs.

7.9. Investments and other financial assets

7.9.1 Classification of financial assets

In accordance with the requirements of IFRS 9, the Company recognises a financial asset in its statement of financial position when, and only when, its contractual terms become applicable to it. Under IFRS 9, upon initial recognition, the Company classifies financial assets into the following three categories depending on the measurement method used in the future:

- Financial assets measured at amortised cost
- Financial assets measured at fair value through profit or loss
- Financial assets measured at fair value through other comprehensive income.

The initial classification of financial assets into these three categories at the time of recognition is based on the characteristics of the cash flows arising from the contract underlying the financial asset and the Company's business model for managing financial assets. The Company's business model for managing financial assets relates to how the Company intends to obtain the cash flows arising from the financial asset in question. Specifically, whether it intends to collect only the cash flows (principal, interest) arising from the contractual terms of the financial asset, or whether it intends to obtain the cash flows associated with the financial asset through the subsequent sale of the asset, or possibly through a combination of these two options.

The Company measures the financial asset at amortised cost if both of the following conditions are met:

- the Company holds the financial asset for the purpose of collecting the contractual cash flows of the financial asset
- The contractual terms of the financial asset give rise to cash flows at specified dates that consist solely of payments of principal and interest on the outstanding principal amount.

In the Company's judgement, the impact of expected impairment on assets subject to IFRS 9 is not significant. The Company measures the financial asset at fair value through other comprehensive income if both of the following conditions are met:

- the Company holds the financial asset for the purpose of collecting the contractual cash flows of the financial asset or, if a favourable opportunity arises, selling the financial asset
- The contractual terms of the financial asset give rise to cash flows at specified dates that consist solely of payments of principal and interest on the outstanding principal

The Company measures the financial asset at fair value through profit or loss, unless it is measured at amortised cost or at fair value through other comprehensive income, based on compliance with the requirements listed above. However, on initial recognition, an entity may irrevocably elect to present subsequent changes in the fair value of certain equity instruments, which would otherwise be measured at fair value through profit or loss, in other comprehensive income.

7.9.2 Measurement of financial assets

On initial recognition, the Company measures financial assets – with the exception of trade receivables that do not contain a significant financing component – at fair value, with the fair value increased or decreased – where the financial asset is not measured at fair value through profit or loss – by transaction costs directly attributable to the acquisition of the financial asset.

The Company measures trade receivables that do not contain a significant financing component at their transaction price as determined in accordance with IFRS 15 upon initial recognition.

7.9.3 Impairment loss of financial assets

The Company initially recognises interest-bearing loans and borrowings at fair value, net of discounts and eligible transaction costs. Following initial recognition, interest-bearing loans and borrowings are carried at amortised cost using the effective interest method. Amortised cost includes origination costs, any interest rate discounts and fees related to early repayment. The Company recognises any gain or loss arising from foreign currency revaluation, which may arise when the liability is derecognised or written off, in profit or loss.

The Company recognises an impairment loss for expected credit losses on financial assets measured at amortised cost and on financial assets measured at fair value through other comprehensive income. At each reporting date, the Company measures whether the credit risk of a given financial asset has increased significantly since initial recognition and, depending on this, recognises an impairment loss equal to the expected credit loss – calculated over 12 months or over the asset's useful life.

7.9.4 Specific borrowings

The Company classifies specific borrowings under either 'other non-current financial assets' or 'other current assets', depending on their maturity. Upon initial recognition, the Company recognises them at fair value less loan origination costs, and subsequently at amortised cost using the effective interest rate method. The amortised cost includes the disbursement costs, any discounts and the value of the settlement fee. The Company recognises any impairment losses, write-downs and exchange rate differences arising on these borrowings against profit or loss. The Company previously measured these loans at amortised cost in accordance with IAS 39; therefore, the transition to IFRS 9 on 1 January 2018 did not result in a significant change in the carrying amount of these loans.

The Company assessed these borrowings using tests based on its business model and cash flows arising from contractual terms; as a result, these borrowings are carried at amortised cost.

7.9.5 Trade receivables

Trade receivables represent the Company's receivables arising unconditionally from the provision of services or the sale of goods recognised in accordance with IFRS 15, and for which payment is due solely as a result of the passage of time. The Company's trade receivables do not contain a significant financing component. Trade receivables that do not contain a significant financing component are initially recognised by the Company at the transaction price determined in accordance with IFRS 15; subsequently, the Company presents them at amortised cost, using the effective interest rate method and deducting any impairment loss.

Impairment loss on trade receivables is recognised if, during the balance sheet measurement, the Company determines that the credit risk associated with the trade receivables has increased significantly, as there is objective evidence that the Company will not be able to collect all amounts due under the underlying agreement. Significant financial difficulties on the part of the debtor, the likelihood of the debtor's bankruptcy or financial restructuring, late payment or non-payment, as well as previous recoveries, may be regarded as indications that the trade receivables may have suffered an impairment loss. Depending on the increase in credit risk, the Company recognises an impairment loss equal to the expected credit loss – calculated over 12 months or over the lifetime of the loan.

The Group applies the simplified impairment loss calculation approach in accordance with IFRS 9 B5.5.35.

7.9.6 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and bank deposits. Cash equivalents are short-term, highly liquid investments with a maturity of no more than three months from the date of acquisition, which carry minimal risk of changes in value and are readily convertible into cash.

7.9.7 Investments

The measurement of investments does not affect other comprehensive income; it is recognised in profit or loss.

7.9.8 Derivative financial instruments

The Group uses derivative financial instruments, such as forward foreign exchange contracts or interest rate swaps, to manage risks arising from changes in interest rates and Exchange rates. These derivative financial instruments are recognised at fair value on the date of the contract and are revalued in subsequent periods. Derivative transactions are recognised as financial assets if their fair value is positive, and as financial liabilities if their fair value is negative. Income and expenses arising from changes in the fair value of derivative contracts that do not qualify as hedging transactions are recognised in the profit for the year, under income or expenses from financial transactions. When determining the year-end fair value of derivative financial instruments, the Group's counterparty prepares a calculation based on daily exchange rates and the contractual terms, thereby determining the fair value of the transactions.

7.10. Treasury shares

Treasury shares are accounted for as an item reducing Equity.

7.11. Share capital and Reserves

Share capital and retained earnings are stated at their original cost in the annual accounts. Any resulting exchange rate differences are recognised within Equity in the translation reserve.

The value of reserves shown in the consolidated annual financial statements is not the same as the amount of reserves available for distribution to owners. The dividend rate is determined on the basis of Masterplast Plc.'s separate annual accounts prepared in accordance with IFRS.

7.12. Translation reserve

The translation reserve comprises translation differences arising from the consolidation of companies where the functional currency differs from the Group's reporting currency (euro). Exchange differences arising in respect of monetary assets that, in substance, form part of the Group's investment in its foreign subsidiaries are recognised as a component of Equity in the consolidated annual financial statements until the investment is disposed of.

When the related assets are derecognised, the accumulated translation reserve is recognised as income or an expense (in the statement of profit or loss) in the same period as the gain or loss arising from the disposal of the assets.

7.13. Financial liabilities

In accordance with the requirements of IFRS 9, the Group carries all financial liabilities at amortised cost, except for the following:

- Financial liabilities measured at fair value through profit or loss. These liabilities, including derivative instruments classified as liabilities, must subsequently be measured at fair value
- Financial liabilities arising when the transfer of a financial asset does not meet the derecognition criteria, or when the continuing involvement approach applies.
- financial guarantee contracts. Following initial recognition, such a contract shall be measured at the higher of
 - the amount of the loss recognised
 - The amount initially recognised, less the cumulative amount of income, where applicable

- Commitments to extend credit at interest rates below market rates. Such commitments shall subsequently be measured at the higher of:
 - the amount of the recognised loss
 - The amount initially recognised, less the cumulative amount of income where applicable
- Contingent consideration recognised by the acquirer in a business combination within the scope of IFRS 3 Business Combinations. Such contingent consideration shall subsequently be measured at fair value, with changes recognised in profit or loss.

The Group may also irrevocably designate a financial liability as measured at fair value through profit or loss on initial recognition if this results in more relevant information due to any of the following:

- it eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise have arisen because the assets or liabilities are measured, or the gains or losses on them are recognized, on different bases
- the management and performance evaluation of a group of financial liabilities or a group of financial assets and financial liabilities is carried out on a fair value basis, in accordance with a documented risk management or investment strategy, and information regarding the group is provided on this basis within the entity by the entity's key management personnel.

7.14. Trade payables and other liabilities

The Group recognises trade payables and other liabilities (including accruals) at fair value on initial recognition and subsequently at amortised cost using the effective interest method. The carrying amount of trade payables and other liabilities approximates, and thus represents, their fair value due to their short-term nature.

7.15. Provisions

Provisions are recognised if the Group has an obligation arising from a past event – whether statutory or contractual – and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

The Group recognises provisions for, amongst other things:

- fines and penalty interest in all cases where these are legally enforceable or represent payment obligations to the authorities.
- expected costs relating to redundant employees in all cases where the relevant decision was made prior to the Reporting date and communicated to those affected.
- in respect of litigation, for cases where claims brought by third parties are already at the stage of ongoing court proceedings, and where sufficient information is available to make a reliable estimate that a payment obligation is likely to arise.

7.16. Employee benefits

The Company applies IAS 19 to the accounting for employee benefits. Employee benefits are all forms of consideration given by the Company in exchange for service rendered by employees, including not only cash payments but also benefits in kind.

Classification of employee benefits:

- Short-term employee benefits: employee benefits (other than termination benefits) that become fully due within twelve months of the end of the period in which the employee performed the related work.
- Post-employment benefits: employee benefits (other than termination benefits) provided under formal or informal agreements that become payable after the end of employment.
- Severance payments: employee benefits that may become payable as a result of the company's decision to terminate an employee's employment prior to the normal retirement date, or as a result of the employee's decision to accept voluntary redundancy in exchange for such benefits.

The Group does not maintain its own separate pension scheme and, therefore, is not liable for any further contribution payments, either legally or through litigation, in the event that the assets of these funds do not provide sufficient cover for the benefits due to employees based on their past or current length of service.

Masterplast Plc. established the MASTERPLAST Employee Shareholding Scheme Organisation on 14 December 2016.

Masterplast Plc. (the Founder) established the MRP organisation to effectively administer incentive-based remuneration linked to Masterplast's business objectives for the company's executives (Participants).

In accordance with IFRS 2, the Company accounts for the MRP organisation as a 100% extension of itself in its books, as it determines the operation of the MRP organisation through its remuneration policy.

As the benefit constitutes a share-based payment settled in an equity instrument, its measurement and recognition are carried out in accordance with the requirements of IFRS 2.

7.17. Profit from operating activities

Profit from operations comprises revenue less operating costs and other income (expenses).

7.18. Leases

Determining whether an agreement is a Lease or contains a Lease at the inception of the agreement depends on whether the agreement relates to the use of a specific asset or the Right-of-use asset. The classification may only be changed in the following cases:

- a) there is a change in the terms of the contract, other than a renewal or extension of the agreement;
- b) the agreement is renewed or extended, unless such renewal or extension was already provided for in the original agreement;
- c) there is a change in the determination that the fulfilment of the agreement depends on a specific asset;
or
- d) there is a significant change in the asset.

If the substance of the agreement is reassessed, Lease accounting begins or ceases at the time of the reassessment in cases (a), (c) or (d), or at the time of renewal or extension in case (b).

Appendix A to IFRS 16 specifies the 'lease payments' that must be included in the measurement of the lease. The lease payments specified in Appendix A do not include variable lease payments that are not dependent on an index or interest rate (for example, payments that depend on a percentage of revenue derived from the use of the asset). Such variable payments shall be recognised in profit or loss in the period in which the event or circumstance giving rise to the payments occurs.

In a sale and leaseback transaction, the seller-lessee transfers the asset to the buyer-lessor or leases it back from the buyer-lessor. In the case of a transfer of an asset by the seller-lessee, provided that it meets the requirements of IFRS 15 Revenue from Contracts with Customers, IFRS 16.100 (a) requires the seller-lessee to measure the right-of-use asset in proportion to the previous carrying amount of the asset, based on the use retained by the seller-lessee. Accordingly, the seller-lessee recognises as profit or loss only the amount relating to the rights transferred to the buyer-lessor.

The Group as a lessee:

The Group first applied the IFRS 16 Leases accounting standard in the financial year beginning 1 January 2019.

Upon entering into a contract, the Group assesses whether the contract is a Lease or contains a Lease component. In other words, whether the contract grants the right to use and exercise control over an identified asset in return for consideration over a specified period. The Group applies a uniform recognition and measurement approach to all leases, except for leases of short-term and low-value assets. The Group presents lease payments payable as a lease liability and the value of the use of the underlying asset as a right-of-use asset.

The Group recognises the right-of-use asset in its accounts at the commencement date of the Lease (i.e. the date on which the underlying asset is ready for use). Right-of-use assets are recognised at cost, less accumulated depreciation and any recognised impairment losses, and adjusted for changes arising from the revaluation of the

lease liability. The cost of a right-of-use asset comprises the value of the lease liability recognised, direct costs incurred at inception, and lease payments made at or before the inception date, net of any lease incentives received. Depreciation and amortisation on right-of-use assets are calculated on a straight-line basis over the Lease term.

The cost of the lease liability is the present value, calculated as at the commencement date of the lease, of the lease payments payable over the term of the lease. The lease payments comprise fixed lease payments (including substantially fixed lease payments) net of lease incentives received, variable lease payments dependent on an index or interest rate, and amounts expected to be paid under residual value guarantees. Lease payments include the exercise price of a purchase option, if it is reasonably probable that the option will be exercised, and fees payable on termination of the lease, if the lease term has been determined taking into account the exercise of a termination option. Variable lease payments that are not dependent on an index or interest rate are recognised in the period (unless they relate to the production of Inventories) in which the event giving rise to the payment occurred or the condition was met

When calculating the present value of the lease liability, the Group uses the incremental interest rate prevailing on the lease commencement date, as the interest rate embedded in the lease cannot be readily determined. After the lease commencement date, the liability is increased by the interest recognised, whilst the lease payments made reduce it. In addition, the lease liability is remeasured in the event of a change if the lease term or the lease payment changes (e.g. the amount of future lease payments changes due to a change in an index or an interest rate), or if the assessment of the exercise of the option to purchase the underlying asset changes.

The Group's lease liabilities are presented under non-current liabilities and Current liabilities, depending on their maturity.

The Group applies the short-term leases exemption to all its leases, regardless of the category of right-of-use asset to which the underlying asset belongs (leases with a term of 12 months or less from the commencement date of the lease and which do not contain a purchase option).

The Group also applies the low-value asset exemption to its low-value leased assets. Short-term leases and low-value leases are recognised as an expense on a straight-line basis over the lease term.

Appendix A to IFRS 16 defines the 'lease payments' that must be included in the measurement of a lease. The lease payments specified in Appendix A do not include variable lease payments that are not dependent on an index or interest rate (for example, payments that depend on a percentage of revenue generated from the use of the asset). Such variable payments shall be recognised in profit or loss in the period in which the event or circumstance giving rise to the payments occurs.

In a sale and leaseback transaction, the seller-lessee transfers the asset to the buyer-lessor or leases it back from the buyer-lessor. In the case of a transfer of an asset by the seller-lessee, provided that it meets the requirements of IFRS 15 Revenue from Contracts with Customers, IFRS 16.100 (a) requires that the seller-lessee assess the Right-of-use asset in proportion to the previous carrying amount of the asset, based on the use retained by the seller-lessee. Accordingly, the seller-lessee recognises as a gain or loss only the amount relating to the rights transferred to the buyer-lessor.

7.19. Dividend

Dividends payable to the Company's shareholders are recognised as a liability against equity in the period in which the owners approve the dividends.

7.20. Government grants

Government grants are recognised at fair value when it is reasonably certain that the Group will receive the grant and that all related conditions will be met. The Group recognises government grants relating to expenses in the periods in which the costs they are intended to compensate are incurred.

Government grants relating to an asset are recognised as deferred income and released to profit or loss on a straight-line basis over the useful life of the asset.

7.21. Recognition of revenue

The Group recognises revenue to the extent that it is probable that the economic benefits will flow to the Group and the amount of revenue can be reliably determined. Revenue is measured at the fair value of the consideration received, in which specific discounts, rebates and taxes and duties on sales are recognised as revenue-reducing items.

Revenue is recognised, net of sales-related taxes and discounts, when the goods are transferred or the service is rendered, and the risks and rewards are transferred.

Revenue is recognised when all five conditions set out in IFRS 15, Sales and Revenue from Contracts with Customers, are met.

Interest income is recognised on a time-proportion basis, reflecting the effective yield of the related asset. Changes in the fair value of derivative instruments that do not meet the requirements for hedge accounting are recognised in profit or loss for the period in which the change occurred.

The Company recognized HEM revenues during 2025 in accordance with the requirements of IFRS 15 Revenue from Contracts with Customers. Due to the exchange nature of HEM transactions, invoices issued by Masterplast Hungária Kft. to retail private individuals were set off against the COGS at the consolidated level. Revenue includes only amounts arising from transactions with EKR obligated parties and other HEM customers, measured based on the fair value presented in Note 7.8 Inventories.

7.22. Research costs

The Group recognises research costs as an expense as they are incurred. Incurred research costs are disclosed in Note 38.

7.23. Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset form part of the cost of that asset. Other borrowing costs are recognised in the statement of profit or loss by the Group. Borrowing costs include interest and other financing costs paid by the Group in connection with loans. In accordance with IAS 23, borrowing costs relating to investments are not recognised in profit or loss but are capitalised in the cost of the investments.

The capitalisation period for borrowing costs extends until the asset is brought into use. Borrowing costs include interest and other costs related to financing, including the portion of exchange rate differences arising on foreign currency loans taken out to finance the investment that replaces interest expense. The capitalisable borrowing cost is the weighted average of the general borrowing costs for the period. The Group classifies an asset as a qualifying asset if it takes a significant amount of time (typically longer than six months) to bring it into use.

7.24. Income tax

Current year tax:

Corporation tax is payable to the competent tax authority. The basis for tax payment is the taxable profit of the company, adjusted for items that reduce or increase the tax base.

The category of other income taxes includes certain local taxes (business tax), which in Hungary are levied on companies' net profit calculated in a specific manner.

Deferred tax:

The Group recognises deferred tax liabilities using the balance sheet liability method on temporary differences between the carrying amounts of assets and liabilities in the Consolidated annual financial statements and the amounts recognised for corporate tax purposes. Deferred tax is not recognised where an asset or liability is initially recognised in the accounts as part of a non-acquisition transaction that affects neither the accounting nor the profit for the year. Deferred tax assets and liabilities are determined using the tax rates applicable to the taxable income of the years in which the difference arising from the temporary difference is expected to be

recovered. The amount of deferred tax liabilities and assets reflects the Group's estimate, as at the reporting date, of the manner in which tax assets and liabilities will be realised.

Deferred tax assets relating to deductible temporary differences, tax credits carried forward and negative tax bases are recognised in the statement of financial position only if it is probable that the Group will realise taxable profits in the course of its future operations against which the deferred tax asset can be utilised, except in the following cases:

- Where the deferred tax asset relating to a deductible temporary difference arises from the recognition of an asset or liability not arising from a business combination that, at the time of the transaction, affects neither the accounting profit nor the tax base; or
- In the case of deductible temporary differences relating to investments in subsidiaries, Associate enterprises and joint ventures, the deferred tax asset may only be recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and sufficient taxable profit will be available against which the temporary differences can be utilised.

The deferred tax liability is recognised for all taxable temporary differences, except in the following cases:

- Where the deferred tax liability arises from the recognition of Goodwill or an asset or liability arising from a transaction other than a business combination that, at the time of the transaction, affects neither accounting profit nor the tax base; or
- In the case of tax base timing differences relating to investments in subsidiaries, associates and joint ventures, where the timing of their reversal is within the Group's control and it is probable that the timing differences will not reverse in the foreseeable future.

At each reporting date for the statement of financial position, the Group assesses deferred tax assets not recognised in the statement of financial position, as well as the carrying amount of recognised tax assets. It recognises as deferred tax assets that portion of previously unrecognised claims which is expected to be recovered as a reduction in future income tax. Conversely, the Group reduces its deferred tax assets by the amount for which it is unlikely that taxable profit will be available to cover the recovery of that amount.

Current and deferred tax are recognised directly against Equity where they relate to items that were also recognised against Equity in the same or a different period, including adjustments to the opening balance of Reserves arising from retrospective changes in accounting policies.

7.25. Calculation of earnings per share

In calculating basic earnings per share, the profit for the period attributable to the holders of ordinary shares is divided by the weighted average number of ordinary shares in issue during the period.

The calculation of diluted earnings per share is consistent with the calculation of basic earnings per share, whilst taking into account the effect of all dilutive potential ordinary shares outstanding during the period:

- We add to the profit for the period attributable to ordinary shareholders the after-tax amount of dividends and interest recognised in relation to dilutive potential ordinary shares during the period, and adjusted for any other changes in income or expenses that would have resulted from the conversion of the dilutive potential ordinary shares
- The weighted average number of ordinary shares in issue is increased by the weighted average number of additional ordinary shares that would have been in issue had all dilutive potential ordinary shares been converted
- Diluted earnings per share are calculated by taking into account the weighted average number of share options causing dilution (if any), in addition to ordinary shares.

7.26. Contingent liabilities

Contingent liabilities are not included in the statement of financial position and income statement forming part of the Consolidated annual financial statements, unless they were acquired in business combinations. These are presented in the Notes to the financial statements, unless the probability of an outflow of resources embodying

economic benefits is remote or minimal. Contingent assets are not included in the statement of financial position and income statement forming part of the Consolidated annual financial statements, but where an inflow of economic benefits is probable, they are presented in the Notes to the financial statements.

7.27. Related parties

IAS 24 requires that an entity's financial statements include disclosures necessary to draw attention to the possibility that the existence of Related parties, transactions with them, and outstanding balances with them may have affected the entity's financial position and results.

7.28. Segment reporting

From a business perspective, the Group can be divided into two main segments: Sales and Manufacturing. The Group prepares segment information for management based on this breakdown by business segment. Management is responsible for allocating business resources to the segments and for holding them accountable for their performance.

7.29. Statement of cash flows

The purpose of the statement of cash flows is to provide information, as part of the financial statements, to support investors' business decisions regarding the entity's ability to generate cash and cash equivalents, and how the entity has used these.

According to IAS 7 Statement of Cash Flows, the term 'cash' includes cash on hand and demand deposits, whilst 'cash equivalents' are defined as short-term, highly liquid investments that are readily convertible into a known amount of cash and are subject to an insignificant risk of changes in value.

The statement of cash flows details cash movements for the period, broken down by operating, investments and financing activities. The Company prepares its Statement of cash flows using the indirect method.

8. Critical accounting assumptions and estimates

Management makes estimates and assumptions regarding the future. Accounting estimates rarely match actual results. The Group continuously reviews estimates and decisions based on past experience and other factors, including expectations regarding future events that are considered reasonable under the circumstances. The following summarises the estimates and assumptions for which there is a significant risk of resulting in a material difference in the value of assets and liabilities.

8.1. Realisation of sufficient taxable profit against which the deferred tax asset can be utilised

A deferred tax asset may only be recognised if it is probable that the Group will realise taxable profits in the course of its future operations against which the deferred tax asset can be utilised. Significant assumptions are required on the part of management regarding the timing and amount of future taxable profits, in light of the tax planning strategy, against which the deferred tax asset can be utilised.

8.2. Impairment loss of receivables

The Group determines the impairment loss for doubtful trade receivables based on the estimated extent of loss arising from customers' non-payment or insolvency. In doing so, it takes into account the age of the trade receivables, receivables subject to litigation, and customers' willingness to pay based on past experience. The Group reviews these items individually at the end of each year and adjusts the carrying amount in the books to reflect the expected recoverable amount by recognising the necessary impairment loss.

8.3. Definition of cash-generating units

The Group defines individual, independently operating Subsidiaries as the smallest cash-generating units. This is explained by the fact that the core business of most of them is wholesale trade, and as they operate in various countries, a comprehensive review of their performance makes the information easier to compare and allows market sensitivity and changes in demand to be better identified. It is within this structure that the Group prepares its analyses, on the basis of which it makes its strategic decisions. As the identification of cash-generating units in this manner is largely based on estimates, the actual extent of impairment loss may differ significantly from the value derived from the estimates.

8.4. Provisions

The creation of provisions generally requires a high degree of subjective judgement, particularly in the case of legal disputes. If the occurrence of an event with an adverse effect is measured as the result of a past event, and if the probability of its occurrence is greater than fifty per cent, the Group creates a provision for the full amount of the liability.

8.5. Determination of impairment loss for property, plant and equipment

The impairment calculation is based on the recoverable amount of the cash-generating units, i.e. their fair value less costs to sell, or their value in use.

In the case of the Ukrainian investment, the fair value less costs to sell involves significant estimates regarding selling prices due to the current political situation.

The value in use is determined on the basis of discounted expected cash flows. The most important variables in determining cash flows are the discount rates, The residual value, the length of the period taken into account in the cash flows, and the estimates and assumptions made to determine the amounts of incoming and outgoing cash flows, including forecasts regarding product prices, operating costs, the future product mix, and future demand. As these cash flows reflect management's forward-looking estimates for each individual non-current asset, these estimates are subject to increased uncertainty due to the economic downturn currently affecting the Central and Eastern European region, where the Group operates.

8.6. CCIRS

Based on hedge effectiveness, the Company applies hedge accounting in accordance with IFRS 9 for the CCIRS transaction. The Company recognises the effects arising from changes in the transaction's exchange rates directly in profit or loss, whilst changes arising from yield curves are recognised in other comprehensive income.

The Company entered into the CCIRS transaction for cash-flow hedging purposes with the aim of mitigating its exposure to changes in the EUR/HUF exchange rate and achieving a more favourable interest rate than the market rate.

9. Intangible assets, property, plant and equipment, and construction in progress

2025	Intangible assets	Property	Machinery, equipment	Construction in progress	Tangible assets	Total
Opening gross value	3,534,945	46,921,993	90,498,622	6,855,069	144,275,684	147,810,629
Increase	281,130	234,213	4,702,264	1,744,234	6,680,711	6,961,841
Decrease	-23,543	0	-834,389	-4,936,477	-5,770,865	-5,794,408
Reclassification	-58,139	238,077	-7,313,283	56,542	-7,018,664	-7,076,803
Exchange rate difference	115,474	571,396	167,302	62,844	801,542	917,016
Closing gross value	3,849,867	47,965,679	87,220,516	3,782,213	138,968,408	142,818,275
Opening accumulated depreciation and impairment loss	1,286,501	7,726,479	25,673,067	11,383	33,410,929	34,697,430
Increase	1,203,859	1,257,988	7,042,957	0	8,300,945	9,504,804
Decrease	-6,836	0	-471,417	0	-471,417	-478,253
Reclassification	0	0	-1,598,109	0	-1,598,109	-1,598,109
Exchange rate difference	39,243	150,172	59,866	-1,354	208,684	247,927
Closing accumulated depreciation and impairment loss	2,522,768	9,134,639	30,706,364	10,029	39,851,032	42,373,800
Opening net value	2,248,444	39,195,514	64,825,555	6,843,686	110,864,755	113,113,199
Closing net value	1,327,100	38,831,040	56,514,152	3,772,184	99,117,375	100,444,475
2024	Intangible assets	Property	Machinery, equipment	Construction in progress	Tangible assets	Total
Opening gross value	3,041,827	50,979,137	78,233,983	18,244,781	147,457,901	150,499,728
Growth	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
Exchange rate difference	-138,670	-691,025	-388,404	-121,250	-1,200,679	-1,339,349
Closing gross value	3,534,945	46,921,993	90,498,622	6,855,069	144,275,684	147,810,629
Opening accumulated depreciation and impairment loss	769,434	7,612,353	20,634,130	11,846	28,258,329	29,027,763
Growth	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
Exchange rate difference	-37,348	-168,731	-146,309	-463	-315,503	-352,851
Closing accumulated depreciation and impairment loss	1,286,501	7,726,479	25,673,067	11,383	33,410,929	34,697,430
Opening net value	2,272,393	43,366,784	57,599,853	18,232,935	119,199,572	121,471,965
Closing net value	2,248,444	39,195,514	64,825,555	6,843,686	110,864,755	113,113,199

The Masterplast Group has no assets with an indefinite useful life among its intangible assets. No finance costs were capitalised in 2025 and 2024 as a result of the increase in gross value.

As collateral for part of the loans, the properties of MASTERPLAST Membrane Ltd. were pledged by MASTERPLAST Plc., the aggregate carrying amount of which is:

Closing balance of assets	2025	2024
Carrying amount of properties	15,023,867	15,000,598

In the first quarter of the 2016 financial year, the Company decided to halt its investment in Ukraine and to sell the assets and machinery previously acquired. Due to the determination of market prices, the Company reassessed the fair value of the assets. In the 2020 financial year, the Company recognised a 100% impairment loss on assets other than property (excluding Cash and cash equivalents), which it did not adjust in 2025 following 2024. In 2022, the Company evacuated its inventories from the war zones, using the property as a warehouse for this purpose. The market value of the property, based on the valuation updated in 2025, is UAH 15 million; however, the Company did not adjust the property's carrying amount compared to the previous year and set it at UAH 12 million. In the Company's opinion, the difference between the cost and the carrying amount is not material; the amount has been recognised as an impairment loss.

The Company is currently examining the possibilities for letting the property purchased for the investment; it has not classified the property as a non-current asset held for sale, as its sale is not part of the Company's plans.

The carrying amount of the investment in Ukraine as at 31 December 2025 was UAH 12 million (EUR 242,000), broken down as follows:

Asset group	Value of investment UAH	Value of investment EUR
Property	12,000,000	240,691
Machinery and equipment	0	0
Other	82,316	1,651
Total	12,082,316	242,342

The carrying amount of the investment in Ukraine as at 31 December 2024 was 12 million UAH (274,000 EUR), broken down as follows:

Asset group	Value of investment UAH	Value of investment EUR
Property	12,000,000	273,183
Machinery and equipment	0	0
Other	34,272	781
Total	12,034,272	273,964

Value in use: Cash flow-based return calculation – FCFF model

Due to the suspension of the investment, the Company does not consider a cash flow-based return calculation to be justified.

Fair value less costs to sell:

Based on the fair value hierarchy, the measurement is classified as Level 2.

To measure the assets presented above, the Company, with the assistance of an external expert, determined the market value of the assets net of selling costs and the resulting impairment loss based on comparative prices, as shown in the tables below.

The Company has recognised an impairment loss of UAH 7,726,432 (EUR 154,974) on its Ukrainian investment in the Statement of financial position at the end of the 2025 financial year, broken down as follows:

In UAH:

Asset group	Asset value	Estimated market value	Impairment	Average depreciation %
Properties	12,326,964	15,033,440	326,964	2.7%
Machinery and equipment	4,242,517	0	4,242,517	100.0%
Other	3,239,267	82,316	3,156,951	97.5%
Total	19,808,748	15,115,756	7,726,432	39.0%

In EUR:

Asset group	Asset value	Estimated market value	Impairment	Average depreciation %
Properties	247,249	301,534	6,558	2.7%
Machinery and equipment	85,095	0	85,095	100.0%
Other	64,972	1,651	63,321	97.5%
Total	397,316	303,185	154,974	39.0%

Data on the Ukrainian investment in the 2024 financial statements:

The Company recognises an impairment loss of UAH 7,886,863 (EUR 179,546) on the Ukrainian investment in the Statement of financial position at the end of the 2024 financial year, broken down as follows:

In UAH:

Asset group	Asset value	Estimated market value	Impairment	Average depreciation %
Property	12,326,964	13,207,753	326,964	2.7%
Machinery and equipment	4,221,288	0	4,221,288	100.0%
Other	3,372,883	34,272	3,338,611	99.0%
Total	19,921,135	13,242,025	7,886,863	39.6%

In EUR:

Asset group	Asset value	Estimated market value	Impairment	Average depreciation %
Property	280,626	300,678	7,443	2.7%
Machinery and equipment	96,099	0	96,099	100.0%
Other	76,785	780	76,004	99.0%
Total	453,510	301,458	179,546	39.6%

At the end of 2025, the Company decided to close its manufacturing facility in Italy. Accordingly, it reassessed the asset positions recorded in the Italian books and recognized the necessary impairment losses, as presented in the table below.

Asset category	Net carrying amount	Impairment recognized	Carrying amount
Property, plant and equipment and intangible assets	2,718,415	-1,915,697	802,718
Trade receivables	161,327	-57,646	103,681
Inventories	97,086	-29,126	67,960
Industry 4.0 grant	353,156	-353,156	-
Total	3,329,984	-2,355,625	974,359

In addition to the impairment losses, the Company recognized a provision of EUR 240 thousand in connection with the closure of the Italian factory, including the dismantling and relocation of machinery. Masterplast Italia S.r.l. will not carry out manufacturing activities in 2026; however, it will continue to operate as an active trading entity.

10. Assets acquired under leases

Property, plant and equipment include assets acquired by the Group under Lease agreements.

The Group has taken over various tangible assets under Lease, the values of which are as follows:

Values of leased assets	2025	2024
Gross value	1,845,947	2,798,175
Accumulated depreciation	691,807	1,130,802
Net value	1,154,140	1,667,373

The table below shows the value and movement of lease liabilities for the year ending 31 December 2025:

Lease movement table	2025
1 January 2025	1,103,381
Increase	149,091
Interest recognised	-48,365
Payments	-344,489
Revaluation of lease liabilities	11,084
As at 31 December 2025	870,703
Current lease liabilities	276,617
Long-term lease liabilities	594,086

The table below shows the value and movement of lease liabilities for the year ending 31 December 2024:

Lease movement table	2024
As at 1 January 2024	871,370
Increase	580,922
Interest recognised	-67,926
Payments	-264,267
Revaluation of lease liabilities	-16,718
31 December 2024	1,103,381
Current lease liabilities	275,941
Long-term lease liabilities	827,440

Payment obligations relating to assets acquired under leases are as follows:

Lease liability	2025	2024
Due within one year	276,617	275,941
Due within 2–5 years	594,086	827,440
Net value	870,703	1,103,381

The present value of the minimum lease payments is as follows:

Minimum lease payments	2025	2024
Lease payments due within 1 year	313,293	328,068
Lease repayments due within 2–5 years	625,299	897,554
Minimum lease payments	938,593	1,225,622
Financing costs	-67,889	-122,241
Net value	870,703	1,103,381

The Group has no option to renew its leases; at the end of the term, the leased asset becomes the property of the lessee.

11. Investments in associates

Associates are consolidated using the equity measurement method, with the share of profit or loss recognised in the income statement.

Share of profit of associates	2025
Opening	15,650,964
Share of profit of associates	-7,976,713
Increase	0
Decrease	0
Total income	1,002,658
Closing*	8,676,909

*Excludes profit from discontinued operations.

Share of profit of associates	2024
Opening	14,654,698
Share of profit of associates	-82,442
Increase	2,055,006
Decrease	0
Total income	-976,298
Closing*	15,650,964

*Excludes profit from discontinued operations.

MASTERPLAST PUBLIC LIMITED COMPANY

Masterprofil Ltd.

On 30 November 2013, Masterplast Plc reduced its stake in Masterprofil Ltd. from 95% to 20%, with the result that the company, which had previously been included in the Consolidation as a subsidiary, became an associate of the Group.

Masterprofil Ltd.	31 December 2025	31 December 2024
Non-current assets	1,031,121	1,097,385
Current assets	1,192,574	1,261,687
Non-current liabilities	0	0
Current liabilities	2,172,314	1,555,187
Net asset value	51,380	803,884
The Company's ownership share	20%	20%
Value of assets attributable to the Company	10,276	160,777
Revenue from sales	2,239,056	2320903
Operating profit	-173,596	-77,224
Profit attributable to the Company based on ownership share	-31,717	-35,511

T-Cell Plasztik Ltd.

On 3 June 2019, the Company acquired a 24% shareholding in T-CELL Plasztik Limited Liability Company. The purchase price of the acquired stake was HUF 99,840,000 (EUR 273,437), which has been paid in full. The main activity of T-CELL Plasztik Ltd. is the manufacture of polystyrene at its two plants in Hungary – in Hajdúszoboszló and Zalaegerszeg.

T-CELL Plasztik Ltd.	31 December 2025	31 December 2024
Non-current assets	3,326,414	8,217,330
Current assets	2,032,154	935,747
Non-current liabilities	78,752	1,277,865
Current liabilities	3,375,086	5,141,440
Net asset value	1,904,730	2,733,773
The Company's ownership share	24%	24%
Value of assets attributable to the Company	457,135	656,105
Revenue from sales	10,184,616	554,037
Operating profit	-91,567	14,253
Profit attributable to the Company based on ownership share	-44,715	-142,769

MIP Zrt.

Pursuant to the strategic cooperation agreement concluded in December 2022, on 9 June 2023 the Company acquired a 50% stake in MIP Alapanyaggyártó Zártkörűen Működő Részvénytársaság (MIP Zrt.), as a result of which, by the beginning of 2025, Masterplast Plc. held a 50% stake in MIP Zrt., whilst MARKET Építő Zrt. held the remaining 50% stake in MIP Zrt. On 27 February 2025, as a result of a unilateral increase in share capital by Market Építő Zrt., Masterplast's ownership stake was adjusted to 49.39%.

The Company's proportionate share of MIP Zrt.'s profit for the year 2025 would amount to EUR 8,999,230. This profit includes the full consolidation results relating to the discontinuation of the rock wool project. However, the Company's loss calculated on the basis of its ownership interest is distorted by the financing agreement

between the two owners of MIP Zrt., and so it recognised a loss of EUR 8,392,203 in its accounts for 2025, reducing the value of its ownership interest and Other receivables to zero.

MIP Zrt.	31 December 2025	31 December 2024
Non-current assets	2,024	14,701,611
Current assets	171,409	496,829
Non-current liabilities	0	0
Current liabilities	5,270,368	3,100,337
Net asset value	-5,096,936	12,098,103
The Company's ownership share	49%	50
Value of assets attributable to the Company	-2,517,377	6,049,052
Revenue from sales	0	0
Operating profit	-17,454,943	-426,946
Profit attributable to the Company based on ownership share	-8,392,203	-140,646

PIMCO Ltd.

On 18 January 2023, the Company entered into a sale and purchase agreement to acquire 100% of the shares in PIMCO Ltd., which has a glass wool manufacturing investment project. On 28 June 2023, the Company and Selena FM S.A. decided, in a joint agreement, to proceed with the glass wool manufacturing investment as part of a strategic cooperation. On 6 November 2023, the share capital of PIMCO Ltd. was increased, following which the ownership share and voting rights of Masterplast Plc. and Selena FM S.A. are both 50-50%. With the share capital increase, PIMCO Ltd.'s share capital rose from HUF 153,000,000 to HUF 3,627,942,000. In 2024, the Company carried out a further capital increase in three stages, totalling HUF 842,737,500.

Pimco Ltd.	31 December 2025	31 December 2024
Non-current assets	52,178,563	49,943,015
Current assets	4,754,211	5,591,702
Non-current liabilities	20,663,970	14,699,245
Current liabilities	6,164,543	16,546,689
Net asset value	30,104,261	24,288,783
The Company's ownership share	50%	50%
Value of assets attributable to the Company	15,052,130	12,144,392
Revenue from sales	2,960,898	0
Operating profit	-4,160,296	-203,518
Profit attributable to the Company based on ownership share	-1,842,780	-50,467

12. Inventories

Type of inventory	2025			2024		
	Cost value	Recognised Impairment loss	Carrying amount	Cost cost	Recognised Impairment loss	Carrying amount
Finished goods	5,027,129	0	5,027,129	4,450,474	0	4,450,474
Work in progress and semi-finished products	4,387,295	0	4,387,295	4,010,596	0	4,010,596
Raw materials, consumables and fuel	9,303,493	0	9,303,493	10,605,189	0	10,605,189
Commercial goods	23,763,638	-2,769,575	20,994,063	23,853,604	-2,901,975	20,951,629
Total	42,481,555	-2,769,575	39,711,980	42,919,864	-2,901,975	40,017,889

In 2025, the impairment losses and reversals of impairment recognised on our inventories were as follows:

Impairment loss for inventories 2025	EUR
Opening	2,901,975
Exchange rate difference	-8,058
Impairment loss recognised	248,301
Reversal of impairment	-372,643
Closing	2,769,575

In 2024, the impairment loss and reversal of impairment recognised on our inventories were as follows:

Impairment loss for inventories 2024	EUR
Opening	3,826,629
Exchange rate difference	3,701
Impairment loss recognised	299,753
Reversal of impairment	-1,228,109
Closing	2,901,975

In 2025, based on reviews and measurements carried out at the Company's subsidiary, the amount of impairment loss recognised decreased by EUR 51,000 compared with the previous year.

Cost of goods sold (goods and own-produced inventories):

Cost of sales	2025	2024
Cost of sales	125,307,586	110,713,826

Part of the collateral for the bank loans is represented by the closing balances of the inventories and trade receivables of Masterplast Membrane Ltd., Masterplast Hungária Ltd., Masterplast International Ltd. and Masterplast Insulation Ltd., the value of which is:

Closing balance of inventories	2025	2024
Closing balance of inventories and assets	29,479,150	23,113,117

HEM (Certified Energy Savings) generated but not yet sold at the end of the reporting period are also recognized as inventories. Given the exchange nature of HEM transactions, payments made by households using HEM rights are considered non-cash consideration; therefore, in accordance with IFRS 15 Revenue from Contracts with Customers paragraph 66, they are measured at fair value and presented in the statement of financial position. Fair value is determined based on, among others, concluded contracts as well as publicly available data from the CEEGEX Hungarian Gas Exchange. At the end of 2025, the Company recognized HEM inventories of 39 thousand GJ with a value of EUR 1,432,480 (prior year: 69 thousand GJ, EUR 2,194,092).

Type of inventory	2025				2024			
	Cost value	Recognised Impairment loss	Carrying amount	Cost cost	Recognised Impairment loss	Carrying amount	Cost value	Recognised Impairment loss
HEM inventory	39,073	1,432,480	0	1,432,480	69,727	2,194,092	0	2,194,092

13. Trade receivables

Trade receivables	2025	2024
Trade receivables	20,292,080	11,734,369
Impairment loss on trade receivables	-674,047	-533,062
Total	19,618,033	11,201,307

The average payment term for trade receivables is 43 days (in 2024: 47 days).
There is no significant concentration in trade receivables.

In 2025, the impairment losses and reversals of impairment recognised on trade receivables were as follows:

Impairment loss on trade receivables	Opening Impairment loss	Reconciliation difference	Recognised Impairment loss	Reversed Impairment loss	Closing Impairment loss
Impairment loss for trade receivables	533,062	-5,076	547,757	-401,696	674,047
Total	533,062	-5,076	547,757	-401,696	674,047

In 2024, the impairment losses and reversals of impairment recognised on trade receivables were as follows:

Impairment loss on trade receivables	Opening Impairment loss	Translation difference	Recognised Impairment loss	Reversed Impairment loss	Closing Impairment loss
Trade receivables impairment loss	652,113	-5,643	172,658	-286,067	533,062
Total	652,113	-5,643	172,658	-286,067	533,062

The maturity structure of trade receivables is as follows:

Ageing of trade receivables	2025			2024		
	Cost value	Recorded Impairment loss	Carrying amount	Cost value	Recognised Impairment loss	Carrying amount
Not due	15,385,263	989	15,384,274	7,143,714		7,143,714
Due within 0–60 days	3,920,129	1,977	3,918,152	2,702,144		2,702,144
Due within 61–90 days	248,719	989	247,730	319,129		319,129
Due within 91–180 days	122,285	87,202	35,083	630,535	53,172	577,363
Due within 181–360 days	39,428	27,642	11,785	459,182	22,890	436,291
Over 360 days past due	576,256	555,247	21,009	479,666	457,000	22,667
Total	20,292,080	674,047	19,618,033	11,734,369	533,062	11,201,307

14. Other current assets

Other current assets	2025	2024
Advances paid	1,079,910	545,957
Bills of exchange and cheques	121,115	164,622
Other receivables	1,174,768	2,009,786
Supplier bonus	105,996	323,058
Impairment loss recognised on other receivables	-591,290	-245,217
Deferred income	86,194	14,509
Accrued expenses and deferred charges	325,938	431,607
Borrowings granted	0	1,219,245
Total	6,952,637	4,463,567

15. Cash and cash equivalents

Cash and cash equivalents	2025	2024
Cash	264,179	279,454
Bank deposits	10,372,485	4,090,680
Total	10,636,664	4,370,134

The Group had no illiquid cash and cash equivalents as at 31 December 2025 and 31 December 2024.

16. Assets held for sale

As at 31 December 2025, the Group recognised property, plant and equipment reclassified as assets held for sale in the amount of EUR 4,601,699. The carrying amount of the assets is equal to their fair value less costs to sell; therefore, no gain or loss was recognised on reclassification. The assets meet the criteria set out in IFRS 5 required for reclassification:

- management is committed to the plan to sell
- the property, equipment is available for immediate sale
- there is an active programme to find a buyer for trade receivables
- the sale is likely to take place within 12 months of the reclassification
- the asset is being actively marketed at a selling price that is reasonable in relation to its fair value
- based on the actions required to complete the disposal plan, it is unlikely that the plan will be significantly amended or withdrawn.

As at 31 December 2025, the Group holds the following properties among its assets held for sale:

Owner	Country	Town	Street, house number	Cadastral number	Asset type	Area (m ²)
Masterplast Romania S.R.L.	Romania	Bucharest	Drumul Tarla No. 17	CF 50976-50978	plot + production hall	Land: 24,998
Masterplast Romania S.R.L.	Romania	Sfântu Gheorghe	Ceferistilor 21	CF 77,78, 23640, 26675, 30908, 31203, 31212	land + production hall	Land: 31,810
Masterplast Plc.	Hungary	Balatonalmádi	Balatonfüredi út 7.	2643	land + building	Land: 979 Building: 271
Masterplast Plc.	Hungary	Balatonvilágos	124 Zrínyi Road	1349	Plot	Plot: 1,055
Masterplast Plc.	Hungary	Székesfehérvár	Kovácsnai Street	18318	plot	Plot: 800
Masterplast Plc.	Hungary	Székesfehérvár	Kovácsnai Street	18317	plot	Plot: 800
Masterplast Membrane Plc.	n/a	n/a	n/a	n/a	production equipment	n/a

The properties and equipment are free from litigation and encumbrances; there are no obstacles to the planned sale within one year. The properties fall within the sales segment.

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17. Long-term loans and short-term loans

Breakdown of short-term and long-term loans taken out from banks 2025

Name of subsidiary	Loan ID	Loan type	Disbursement Currency	Interest %	Interest calculation period	Outstanding outstanding amount EUR	Repayment Amount due	Repayment due within 2–5 years due Amount	Repayment due in over 5 years due Amount	Collateral
Masterplast YU D.o.o.	00-421-1700025.1	Investment loan	RSD	2W REPO + 3.33%	monthly	0	0	0	0	bill of exchange + mortgage + MP PLC. guarantor
Masterplast YU D.o.o.	00-421-0611706.8	Investment loan	EUR	3M EURIBOR + 2.10%	monthly	1,256,345	538,434	717,911	0	bill of exchange + mortgage + MP PLC. guarantor
Masterplast YU D.o.o.	00-421-0640236.6	Current assets loan	RSD	5.25% p.a.	monthly	2,557,903	930,124	1,627,779	0	bill of exchange + mortgage + MP PLC. guarantor
Masterplast YU D.o.o.	00-422-0006845.3	Current assets loan	RSD	3M EURIBOR + 2.70%	monthly	1,000,000	1,000,000	0	0	bill of exchange + mortgage + MP PLC. guarantor
Masterplast YU D.o.o.	00-422-0006846.1	Current assets loan	RSD	3M EURIBOR + 2.70%	monthly	1,000,000	1,000,000	0	0	bill of exchange + mortgage + MP PLC. guarantor
Masterplast YU D.o.o.	00-429-0300289.6	Current assets loan	RSD	3M EURIBOR + 2.70%	monthly	100,000	100,000	0	0	bill of exchange + mortgage + MP PLC. guarantor
Masterplast Italia Srl.	994205096 MPS SACE	Investment loan	EUR	6-month EURIBOR + 1.6%	quarterly	850,000	200,000	650,000	0	
Masterplast International Ltd.	TCF-R-80/2022	Current assets loan	EUR	1.85% p.a.	monthly	6,499,600	2,333,067	4,166,533	0	mortgage + debt collection + guarantee
Masterplast International Ltd.	R-9/2021	Current assets loan	EUR	1M EURIBOR + 1.2%	monthly	10,000,000	10,000,000	0	0	mortgage + debt collection + guarantee
Masterplast International Ltd.	EHIT/114590/2024/485938/001	Current assets loan	HUF	3-month BUBOR + 2.5%	monthly	7,785,000	0	7,785,000	0	mortgage
Total capital and current asset loans						31,048,848	16,101,624	14,947,224	0	
Masterplast Romania S.R.L.	56 (OVD)	overdraft facility	RON	ROBOR 1M + 1%	monthly	2,088,306	2,088,306	0	0	mortgage
Masterplast s.r.o.	-	Overdraft facility	EUR	2,4% p.a. + 1M EURIBOR	monthly	0	0	0	0	mortgage
Total current account loans						2,088,306	2,088,306	0	0	
Total loans						33,137,154	18,189,930	14,947,224	0	

Notes to the Consolidated annual financial statements 2025

FOR THE YEAR ENDED 31 DECEMBER 2025 (all amounts in EUR, unless otherwise stated)



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The secured loans were taken out for specific investment projects, for which the financed assets serve as collateral.

Breakdown of short-term and long-term loans taken out from the bank 2024

Name of subsidiary	Loan ID	Loan type	Disbursement Currency	Interest %	Interest calculation period	Outstanding outstanding amount EUR	Repayment Amount due	Repayment due within 2–5 years Amount	Repayment due in over 5 years due Amount	Collateral
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 PLC. 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 PLC. guarantor
Masterplast YU D.o.o.	00-422-0013391	Current assets loan	RSD	3M EURIBOR +2.70%	monthly	1,000,000	1,000,000	0	0	bill of exchange + mortgage + MP PLC. guarantor
Masterplast YU D.o.o.	00-422-0004844	Current assets loan	RSD	3M EURIBOR + 2.70%	monthly	1,000,000	1,000,000	0	0	bill of exchange + mortgage + MP PLC. guarantor
Masterplast YU D.o.o.	00-429-0300071.0	Current assets loan	RSD	3M EURIBOR + 2.70%	monthly	1,600,000	1,600,000	0	0	bill of exchange + mortgage + MP PLC. 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 PLC. guarantor
Masterplast International Ltd.	TCF-R-80/2022	Current assets loan	EUR	1.85% p.a.	monthly	8,832,667	2,333,067	6,499,600	0	bill of exchange + mortgage + MP PLC. guarantor
Masterplast International Ltd.	R-9/2021	Current assets loan	EUR	3M EURIBOR + 1.2%	monthly	10,000,000	10,000,000	0	0	bill of exchange + mortgage + MP PLC. guarantor
Masterplast International Ltd.	EHIT/114590/2024/485938/001	Current assets loan	EUR	3-month BUBOR + 2.5%	monthly	7,314,000	0	7,314,000	0	bills of exchange + mortgages + MP PLC. guarantees
Total investment and current asset loans						32,922,980	17,003,035	15,869,945	50,000	
Masterplast Romania S.R.L.	56 (OVD)	overdraft facility	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						35,762,592	19,842,647	15,869,945	50,000	

The secured loans were taken out for specific investment projects, for which the financed assets serve as collateral.

The attached notes form part of the consolidated annual financial statements.

18. Liabilities from bond issues and CCIRS hedging transactions

18.1. Liabilities arising from bond issues

The Group participated in the growth bond programme announced by the MNB in 2019, 2020 and 2021, Masterplast Plc. issued bonds with a nominal value of HUF 6 – 6 – 9 billion (EUR 52.4 million at the balance sheet date of 31 December 2022). It used the funds raised from the 2019 issue to restructure its financing, thereby securing long-term, low-interest (1.08% on a euro basis) funding for further growth. It disbursed the proceeds from the bonds issued in forint as euro-denominated parent company loans to its subsidiaries, all of which the companies used to refinance their existing loans. As a result, the total amount of short-term and long-term loans decreased, whilst the Group's liabilities relating to bonds in the Statement of financial position increased by an amount equal to the extent of this decrease. To manage exchange rate effects arising from transactions recorded in foreign currencies, and in order to optimise interest expense, the Company entered into a CCIRS hedging transaction in December 2019, as a result of which interest expense calculated on the basis of the Company's current financing structure will decrease in the coming years.

The Group will use the proceeds from the Bonds issued in 2020 and 2021 in their entirety to finance its ongoing and future investments.

All three of the Company's bonds are presented in the financial statements at amortised cost (the difference between the nominal value and the amortised cost is immaterial).

Bond name	MASTERPLAST 2026/I HUF	MASTERPLAST 2027/I HUF	MASTERPLAST 2031/I HUF
Date of issue	06/12/2019	21 December 2020	25 August 2021
Maturity date	6 December 2026	21 December 2027	25 August 2031
Issue date	18 February 2020	19 February 2021	1 October 2021
Face value (HUF)	50,000,000	50,000,000	50,000,000
Covenant	-	-	net debt/EBITDA < 3.5
Number of shares issued	120	120	180
Maturity (years)	7	7	10
Type of interest	fixed	fixed	fixed
Interest rate	2.00%	2.10%	2.90%
Interest payment date	Annually, on 6 December	Annually, on 21 December	Annually, on 25 August
Principal repayment	Equal instalments over 4–7 years Amortised in equal	Equal instalments over 4–7 years amortised in instalments	Amortised at 4x12.5% over 6– 9 years, 50% in the 10th year

MASTERPLAST 2026/I HUF	HUF		EUR	
	2025	2024	2025	2024
Total nominal value of bonds issued	6,000,000,000	6,000,000,000	15,568,241	14,630,935
Amortised cost	5,997,361,996	5,999,797,077	15,561,396	14,630,440
Fair value	1,436,592,884	2,814,842,940	3,727,537	6,863,964
Outstanding liability	1,500,000,000	3,000,000,000	3,892,060	7,315,467
Outstanding liability at amortised cost	1,499,932,360	2,999,797,077	3,891,885	7,314,973

MASTERPLAST 2027/I HUF	HUF		EUR	
	2025	2024	2025	2024
Total nominal value of bonds issued	6,000,000,000	6,000,000,000	15,568,241	14,630,935
Amortised cost	5,991,676,845	5,987,515,268	15,546,645	14,600,491
Fair value	2,808,365,517	4,124,087,898	7,286,885	10,056,543
Outstanding liability	3,000,000,000	4,500,000,000	7,784,120	10,973,201
Outstanding liability at amortised cost	2,991,676,844	4,487,515,268	7,762,524	10,942,757

MASTERPLAST 2031/I HUF	HUF		EUR	
	2025	2024	2025	2024
Total nominal value of bonds issued	9,000,000,000	9,000,000,000	23,352,361	21,946,402
Amortised cost	9,001,706,341	9,002,007,460	23,356,789	21,951,297
Fair value	8,548,175,149	8,420,397,860	22,180,008	20,533,049
Outstanding liability	9,000,000,000	9,000,000,000	23,352,361	21,946,402
Outstanding liability at amortised cost	9,001,706,350	9,002,007,460	23,356,789	21,951,297

Due to the net debt/EBITDA ratio, the Group did not meet the covenant condition relating to the 2031/I HUF bond as at 31 December 2025. The current assets loan disbursed on 5 December 2024 was arranged with the written consent of all bondholders.

18.2. CCIRS hedging transaction

The primary objective of the 2019 bond issue was to restructure the Group's financing structure. As a result, the Company converted the entire amount of forint-denominated funds raised from the bond issue (HUF 6 billion) into euros, and then lent this to its Subsidiaries, where it was used to refinance their euro-denominated loan liabilities. Masterplast Plc. maintains its accounts in forint; therefore, it entered into the CCIRS transaction to mitigate its exposure to EUR/HUF exchange rate fluctuations and to secure interest rates more favourable than those available on the market.

The transaction consists of a foreign currency swap and an interest rate swap, which are inextricably linked to the bond issue and provide 1:1 collateral for the full principal and interest payments.

The cash flows of the CCIRS transaction and the bond are aligned in terms of timing and amount ; consequently, any change in the value of the underlying product is fully offset by the hedging transaction (in terms of both Exchange rate and Interest).

The Company entered into the CCIRS transaction with Raiffeisen Bank. The Bank's credit rating does not affect credit risk. The measurement of the transaction is performed by Raiffeisen Bank Zrt. based on market data, which takes place at least once a month, on the last day of the month.

Based on the above, the Company assessed the hedge effectiveness of the CCIRS transaction and deemed it to be 100% effective; therefore, it applies hedge accounting in accordance with IFRS 9. The Company recognises the effects arising from changes in exchange rates on the transaction directly in profit or loss, whilst changes arising from yield curves are recognised in other comprehensive income.

The Company's portfolio balance relating to CCIRS transactions as at 31 December 2025 was a loss of HUF 298,616,174 (EUR 774,822). Of this, the gain recognised in the Statement of profit or loss for the current year was HUF 484,112,443 (EUR 1,256,130), whilst the impact recognised in the Statement of profit or loss for 2024 was a loss of HUF 3,844,342 (EUR 9,374). The total amount recognised in total comprehensive income is a loss of HUF 40,496,096 (EUR 105,076).

The details of the transaction are as follows:

CCIRS transaction	MASTERPLAST 2026/I HUF	
	2025	2024
Trade date	16 December 2019	
Maturity date	7 December 2026	
Place of execution	OTC	
Party paying fixed interest	Raiffeisen Bank Zrt.	
Amount	HUF 1,505,700,450	HUF 3,011,400,900
Fixed interest rate	1.9264% p.a.	
Amount of interest due	HUF 28,926,345	HUF 58,318,208
Party paying the fixed interest	Masterplast Plc.	
Amount	EUR 4,576,597	EUR 9,153,194
Fixed interest rate	1.08% p.a.	
Amount of interest due	EUR 49,976	EUR 100,777

19. Deferred income

Deferred income includes the proportionate share of grant amounts awarded through a tender process, which function as non-repayable grants provided that the agreed conditions are met.

Grant reference number	Name of grant	Company Recipient Name	2025	2024
SZVP-2003-6-03-08-1	Networking at "Master" level	Masterplast Plc. Masterplast Membrane Ltd.	23,827	23,863
GVOP-1.1.2-2004-11-0003/5.0	Central and Eastern European regional corporate headquarters: "Master" training; the MASTER3AS centre – Product, Service, Training at "Master" level	Masterplast Plc. Masterplast Membrane Ltd.	183,019	177 346
HIPA/GYAR-2022-0294	Factory Rescue Programme	Masterplast Plc.	560,681	525,982
GOP-1.3.3.09-2010-0013	"Development of new types of construction and packaging industry components at MASTER-FOAM Ltd. to strengthen its supplier status"	Masterplast Insulation Ltd.	6,564	6,169
NGM/34052-6/2017	Large Enterprise Investment Support	Masterplast Insulation Ltd.	360,480	367,037
State aid	Glass fibre fabric factory	Masterplast YU D.o.o.	3,290,891	3,638,433
GINOP-2.1.1-15-2016-00767	Development of a new wind and airtight diffusion roofing membrane product with favourable properties at Masterplast Ltd.	Masterplast Membrane Ltd.	9,011	9 011
GOP-1.3.1-11/A-2011-0084	Energy efficiency upgrades for high-rise buildings and the associated improvement of fire safety compliance at MASTERPLAST Ltd.	Masterplast Membrane Ltd.	24,500	25,597
PM/15207-9/2020	Production of products relevant to COVID-19 – Research and development	Masterplast Membrane Ltd.	15,544,940	16,483,964
PM/2093-10/2021	Establishment of production capacity for finished personal protective equipment for the healthcare sector in Sárszentmihály	Masterplast Membrane Ltd.	297,217	4,654,611
HIPA VNT2020-1-0634	Support to enhance competitiveness	Masterplast Membrane Ltd.	548,651	592,922
PM/326-9/2020	Implementation of efficient diffusion roofing membrane production	Masterplast Membrane Ltd.	290,612	314 301
NTP2020-000356/2	Establishment of new production capacity to ensure production capacity and secure supply to markets	Masterplast Proizvodnja D.o.o.	6,384,845	6 689 634
ID IPER 322209 IPER ID 344393 IPER ID 333554 ID IPER 344391 ID IPER 333526	Industry 4.0	Masterplast Italia Srl.	567 042	667 577
Total:			28,092,281	34,176,446
Short-term section:			1,664,019	2,067,474
Long-term portion:			26,428,262	32,108,972

Contingent liabilities and commitments relating to deferred income are presented in Note 39.

20. Other non-current liabilities

Other non-current liabilities	2025	2024
Long-term portion of lease liabilities (see Note 11)	594,086	827,440
Other non-current liabilities	0	132,271
Total	723,130	959,711

21. Provisions

2025	Opening	Exchange difference	Provisions provision	Current year Use	Current year Release	Closing balance
Unused leave	396,567	2,081	110,543	45,953	38,792	424,446
Closure of Italian factory	0	0	240,732	0	0	240,732
Retirement	138,402	-315	20,713	29,750	0	129,050
Anniversary bonus	49,219	-112	10,311	5,462	0	53,956
Expected outcome of labour dispute	48,760	0	3,140	2,234	0	49,666
Warranty liability	48,791	0	0	0	2,368	46,423
Bonus	46,172	-927	0	0	0	45,246
Other	47,578	1,387	72,932	70,542	0	51,354
Total	775,489	2,114	458,371	153,941	41,160	1,040,873

2024	Opening	Exchange difference	Current year provision	Current year Use	Current year Release	Closing balance
Unused leave	372,129	-2,770	99,756	40,671	31,877	396,567
Retirement	117,497	159	38,429	17,683	0	138,402
Anniversary bonus	51,398	70	5,214	7,463	0	49,219
Warranty liability	40,216	0	8,575	0	0	48,791
Expected outcome of labour dispute	0	0	48,760	0	0	48,760
Bonus	19,599	2	51,220	0	24,649	46,172
Other	47,766	-920	33,520	32,788	0	47,578
Total	648,605	-3,459	285,474	98,605	55,675	775,489

22. Trade payables

The maturity profile of trade payables is as follows:

Trade payables	2025	2024
Not due	18,451,043	12,150,620
Due within 0–60 days	1,332,833	2,890,629
Due within 61–90 days	29,237	57,144
Due within 91–180 days	1,620	6,062
Over 180 days past due	85,407	81,497
Total	19,900,139	15,185,952

23. Other current liabilities

Other current liabilities	2025	2023
Advances received	1,354,604	193,138
Liabilities to employees	1,589,598	1,332,092
Other current liabilities	1,277,684	1,004,379
Liabilities relating to joint ventures	0	0
Advance payment for tender	138,058	129,746
Bonus payable to trade receivables	1,814,846	1,080,334
Insurance	0	1,284
Accrued interest expense	430,733	248,728
Accrued income	215,228	8,121
Accrued expenses	556,155	525,357
Total	7,376,906	4,523,180

24. Cost of materials and services

Cost of materials and services	2025	2024
Cost of materials	57,520,107	64,121,568
Services used	22,245,263	14,799,519
Purchase value of goods sold	52,877,939	34,091,354
Discounts received in connection with financial settlements	-38,663	-47,842
Discounts received retrospectively	0	0
Total	132,604,646	112,964,599

25. Personnel expenses

Personnel expenses	2025	2024
Wage costs	22,094,339	22,335,503
Other personnel-related payments	1,454,225	1,688,943
Payroll contributions	3,443,513	3,484,250
Total	26,992,077	27,508,696

26. Net income from other income and expenses

Other income and expenses	2025	2024
Profit on the sale of tangible assets	70,037	98,025
Stock shortages, scrap	-127,833	-626,730
Reversal of impairment written back (and recognised) on inventories, trade receivables, property, plant and equipment, and other receivables	-6,920,337	321,243
Taxes and duties	-460,987	-365,148
Loan losses	-9,592	-108,614
Grant income (release of deferred income)	6,171,668	2,097,086
Provisions	-2,789	-58,256
Late payment interest paid	-31,000	-15,863
Other	0	-168,357
Total	-1,584,985	1,173,386

27. Finance income and expense

Other financial transactions	2025	2024
Exchange rate gain (loss)	-2,378,389	2,402,713
Recognised gains (losses) on derivative transactions and fair value adjustments	-1,074,153	107,501
Total	-3,452,542	2,510,214

The Group held the following open derivative contracts (at the strike price) at the end of 2025 and 2024.

Description	Maturity / settlement Date	Currency	Value	Fair value 2025	Fair value 2024
EUR/HUF foreign currency swap at an exchange rate of 410.09 (at the strike rate: 329 HUF/EUR exchange rate)	16 December 2026	HUF/EUR	HUF 3 011 400 900 / EUR 9 153 194	0	-2,118,600
EUR/HUF foreign currency swap at an exchange rate of 385.40 (at the fixing rate: 329 HUF/EUR exchange rate)	16 December 2026	HUF/EUR	HUF 1 505 700 450 / EUR 4 576 597	-774,822	0
Forward purchase of US dollars for euros at an exchange rate of 1.1735 EUR/USD (at an exchange rate of 1.1704 EUR/USD)	25 February 2026	EUR	2,135,949	-10,636	0
Forward purchase of US dollars for euros at an exchange rate of 1.1735 EUR/USD (at an exchange rate of 1.691 EUR/USD)	30 January 2026	EUR	1,539,646	-7,618	0
Forward purchase of US dollars for euros at an exchange rate of 1.1735 EUR/USD (at an exchange rate of 1.1623 EUR/USD)	17 February 2026	EUR	860,363	-9,935	0
Total				-803,013	-2,118,600
Of which other financial receivables				0	0
Of which other financial (liabilities)				-803,013	-2,118,600

The measurement of derivative transactions in 2025 and 2024 was carried out by the Group's counterparty, taking into account current market conditions prevailing on the balance sheet date.

Fair value hierarchy	2025		2024	
	Level 2	Fair value Total	Level 2	Fair value Total
Financial assets				
Foreign currency derivatives	0	0	0	0
Total	0	0	0	0
Financial liabilities				
Foreign currency derivative transactions	803,013	803,013	2,118,600	2,118,600
Total	803 013	803,013	2,118,600	2,118,600

The Group's financial instruments at carrying amount and fair value at the end of 2025 and 2024 are as follows:

Fair measurement	Carrying amount		Fair value	
	31 December 2025	31 December 2024	31 December 2025	31 December 2024
Trade receivables	19,618,033	11,201,307	19,618,033	11,201,307
Tax receivable	2,461,125	2,294,756	2,461,125	2,294,756
Other financial receivables	0	0	0	0
Cash and cash equivalents	10,636,664	4,370,134	10,636,664	4,370,134
Total	32,715,822	17,866,197	32,715,822	17,866,197
Long-term loans	14,947,224	15,919,945	14,947,224	15,919,945
Liabilities arising from bond issues	27,227,111	32,893,571	25,823,451	30,144,368
Short-term portion of liabilities from bond issues	7,784,087	7,309,188	7,370,980	7,309,188
Other non-current liabilities	723,130	959,711	723,130	959,711
Tax liabilities	6,470,358	2,178,830	6,470,358	2,178,830
Short-term loans	18,189,930	19,842,647	18,189,930	19,842,647
Trade payables	19,900,139	15,185,952	19,900,139	15,185,952
Current liabilities for short-term leases	276,617	275,941	276,617	275,941
Other financial liabilities	803,013	2,118,601	803,013	2,118,601
Total	96,321,609	96,684,386	94,504,841	93,935,183

Current receivables and liabilities are instruments with a maturity of less than one year, which are expected to be realised quickly in the short term; therefore, their carrying amount approximates their fair value.

The Group's short-term loans are linked to a reference interest rate; therefore, in addition to their short-term realisation, any changes in interest rates are also reflected in the carrying amount.

The expected credit losses on financial assets are based on assumptions, taking into account the extent of losses and the risk of default. To determine the extent of impairment losses, the Group always uses its own estimates and assumptions, and relies on historical data and future estimates.

The majority of the Group's long-term loans are also variable-rate loans, and therefore interest rate changes are continuously monitored in line with market movements. Taking into account the Group's industry and risk profile, the Group considers that the risk classification does not change during the term of the loans, and thus the effective interest rate is reflected through changes in the reference interest rate. On this basis, the Group has presented its long-term loans such that their carrying amount is equal to their fair value.

Under other long-term liabilities, the Group recognises lease liabilities, which have the same terms as long-term loans (variable reference interest rate). Thus, the carrying amount of other long-term liabilities is equal to fair value.

Undiscounted cash flow 2025	Payable within 1 year	Payable within 2–5 years	Payable after 5 years
Total loan portfolio	18,189,930	14,947,224	0
Interest on total loan portfolio	1,591,575	2,849,454	0
Undiscounted cash flow	19,781,505	17,796,678	0

Undiscounted cash flow 2024	Payable within 1 year	Payable within 2–5 years	Payable after 5 years
Total loan portfolio	19,842,647	15,869,945	50,000
Interest on total loan portfolio	1,758,637	2,918,421	2,081
Undiscounted cash flow	21,601,284	18,788,366	52,081

28. Taxes

Tax receivables and tax liabilities are as follows:

Tax receivables and tax liabilities	2025	2024
Tax receivables	2,461,125	2,294,756
Tax liability	-6,470,358	-2,178,830
Total	-4,009,233	115,926

Income tax for the years ending 31 December 2025 and 2024 comprises the following items:

Income tax	2025	2024
Income tax for the current year	727,903	597,600
Deferred income tax	643,179	-1,314,728
Total	1,371,082	-717,128

The Group is subject to regular audits by the tax authorities. As the application of tax laws and regulations relating to individual transactions is open to interpretation, the amounts reported in the Statement may change in the future in light of the tax authorities' final decision.

Under the Global Minimum Tax Act, group members of a multinational group or a large domestic group resident in a low-tax jurisdiction may be subject to an additional tax liability on their excess profits, provided that the group's revenue, as reported in its consolidated financial statements, exceeds the threshold of EUR 750 million in at least two of the past four years. Under the legislation, countries are classified as having a low tax burden where the effective tax rate of the group member resident there is less than 15 per cent. The consolidated revenue of the Company (or the Group) did not exceed the EUR 750 million threshold in any of the relevant periods; therefore, the Global Minimum Tax rules are not applicable.

The Group's average tax rate over the past two years was as follows:

Average tax rate	2025	2024
Average tax rate	13.9%	13.9%

The year-end balance of deferred tax comprises the following items:

Year-end balance of deferred tax	2025	2024
Tangible assets	-1,397,881	-1,362,048
Inventories	2,442	3,763
Impairment losses – equity interest	-55,941	-40,261
Provisions	175,627	117,486
Receivables	104,476	87,847
Accrued losses	2,824,080	3,523,791
Deferred tax adjustments due to consolidation	91,526	132,041
Other	0	-52,573
Net deferred tax liability at year-end	1,744,329	2,410,047
Of which deferred tax assets	2,135,879	2,439,046
Of which deferred tax liability	-391,550	-28,999

Presentation of the difference between the Group's tax liability calculated using the average tax rate and the actual tax liability:

Reconciliation of the difference between the calculated and actual tax liability	2025	2024
Profit before tax as per the consolidated statement of profit or loss	-13,487,005	-5,357,816
Current average tax rate – by country of head office	9.0%	9.0
Tax liability calculated based on the current tax rate by country of head office	-1,213,830	-482,203
Impact of different tax rates – by country of head office	-658,429	-261,566
Current average tax rate	13.9	13.9
Tax liability calculated based on the current tax rate	-1,872,259	-743,769
Non-reversible differences	2,794,760	1,697,901
Effect of different tax rates	-234,504	-158,589
Local business tax, reclassification of innovation levy	0	0
Write-off of deferred tax assets recognised in previous years	0	0
Revaluation of deferred tax assets and liabilities	-16,626	15,117
Utilisation of accumulated losses	699,711	-1,527,787
Other	0	0
Total discrepancies	3,243,341	26,641
Total actual corporation tax expense	1,371,082	-717,128
Effective tax rate	-10.2%	13.4%

The amount of deferred losses not taken into account in the calculation of deferred tax and their usability are as follows:

Company name	Currency	2025		
		Losses from previous years	Recognised in deferred tax	Not recognised in deferred tax
Masterplast Plc.	HUF	-161,001,593	-161,001,593	0
Masterplast Membrane Ltd.	HUF	-8,636,981,705	-4,298,395,586	-4,338,586,119
Masterplast Modulhouse Ltd.	HUF	-1,570,338,511	-1,570,338,511	0
Masterplast International Ltd.	HUF	-550,537,947	-550,537,947	0
Masterplast Insulation Ltd.	HUF	-826,948,308	-826,948,308	0
Masterplast Romania S.R.L.	RON	-3,195,124	-3,195,124	0
Masterplast YU D.o.o.	RSD	0	0	0
Masterplast Nonwoven	EUR	-6,384,808	-2,855,496	-3,529,312
Masterplast Production	RSD	-87,895,980	-87,895,980	0

29. Earnings per share

EPS	2025	2024
Profit distributable to shareholders	-15,001,508	-4,825,348
Weighted average number of shares in circulation during the year (shares)	18,448,565	16,577,520
Earnings per share	-0.81	-0.29

Diluted earnings per share	2025	2024
Profit attributable to shareholders	-15,001,508	-4,825,348
Weighted average number of shares in circulation during the year (shares)	18,750,905	16,577,520
Diluted earnings per share	-0.80	-0.29

Unlike in 2024, in 2025 earnings per share are presented separately in the diluted figures due to the partial fulfilment of the conditions of the relevant MRP programme.

On 4 March 2025, the Company carried out a private capital increase, during which 2,400,000 dematerialised registered ordinary shares, each with a nominal value of HUF 100 and a total nominal value of HUF 240,000,000, were issued. These shares were also taken into account when calculating earnings per share (EPS) in 2025.

30. Segments

Taking into account the Group's operations, the Group presents its manufacturing and commercial sales activities as its business segments.

The Group divides its activities into two segments: Manufacturing and Sales.

The Manufacturing segment supplies glass fibre, roofing membrane, plasterboard profiles, mesh edge protectors, isofoam, EPS, XPS and healthcare textiles to the Sales segment.

Internal transfer prices are based on current (purchase) market prices. The results also include the results of the fully consolidated subsidiaries belonging to the respective segment.

2025	Sales	Manufacturing	Unallocated costs	Inter-segment eliminations	Consolidated
External revenue	164,199,203	6,723,307	228,416	0	171,150,926
Inter-segment revenue	36,126,214	62,987,887	6,221,231	-105,335,333	0
Cost of materials and services	-179,039,861	-57,613,404	-1,286,713	105,335,333	-132,604,646
Personnel expenses	-9,084,990	-15,083,338	-2,823,748	0	-26,992,077
Depreciation and amortisation	-910,425	-6,103,839	-574,843	0	-7,589,107
Change in inventories of own production	-2,006,487	620,306	573,727	0	-812,455
Other operating income (expenses)	-352,357	-437,759	-794,868	0	-1,584,985
	164,199,203	6,723,307	228,416	0	171,150,926
EBITDA	9,841,720	-2,803,002	2,118,044	0	9,156,763
EBITDA %	6.0%	-4.5%	32.8%		5.4%
OPERATING PROFIT	8,931,295	-8,906,841	1,543,201	0	1,567,656
RESULT FROM OPERATING ACTIVITIES %	5.4%	-14.1%	23.9%		0.9%
Interest income	1,820,549	14,674	-1,363,545	0	471,678
Interest expense	-1,748,505	-2,527,350	1,095,488	0	-3,180,367
Other income (expenses) from financial operations	-356,825	-711,176	-2,384,540	0	-3,452,542
Financial result	-284,782	-3,223,852	-2,652,598	0	-6,161,231
Share of profit of associates	0	-8,893,430	0	0	-8,893,430
Profit before tax	8,646,514	-21,024,122	-1,109,397	0	-13,487,005
Income tax	-833,335	-386,287	-151,459		-1,371,082
Profit for the year	7,813,178	-21,410,409	-1,260,856	0	-14,858,087
ASSETS					
Tangible assets	7,158,851	82,707,210	9,251,315		99,117,375
Inventories	27,372,920	11,718,700	620,359		39,711,979
Trade receivables	19,047,875	284,264	285,894		19,618,033
LIABILITIES					
Long-term loans	11,951,533	2,995,690	0		14,947,224
Deferred income	0	27,324,757	767,528		28,092,285
Short-term loans/OVD	807,852	4,795,523	12,586,556		18,189,930
Trade payables	17,476,823	2,001,784	421,532		19,900,139

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2024	Sales	Production	Unallocated costs	Inter-segment eliminations	Consolidated
External revenue	127,389,106	8,491,374	256,966	0	136,137,445
Inter-segment revenue	30,269,708	61,443,318	3,199,999	-94,913,025	0
Cost of materials and services	-145,009,548	-60,990,011	-1,878,065	94,913,025	-112,964,599
Personnel expenses	-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
Change in own-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 %	5.0%	-4.1%	-46.6%		1.6%
OPERATING PROFIT	5,260,009	-8,399,711	-2,178,796	0	-5,318,499
RESULT FROM OPERATING ACTIVITIES %	4.1%	-13.7%	-63.0%		-3.9%
Interest income	3,084,208	19,514	-2,332,340	0	771,382
Interest expense	-2,315,307	-3,145,737	2,222,574	0	-3,238,471
Other income (expenses) from financial operations	-227,783	569,548	2,168,449	0	2,510,214
Financial result	541,118	-2,556,675	2,058,682	0	43,125
Share of profit of associates	0	0	-82,442		-82,442
Profit 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 for the year	5,442,475	-9,771,777	-311,386	0	-4,640,688
ASSETS					
Tangible 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 receivables	10,438,521	520,361	242,425		11,201,307
LIABILITIES					
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/OVD	9,894,420	7,069,280	2,878,947		19,842,647
Trade payables	13,677,937	1,356,880	151,136		15,185,952

31. Revenue by country (in thousands of euros):

Revenue by country	2025	2024
Hungary	88,851	49,950
Poland	14,639	13,139
Exports	13,836	14,514
Romania	11,416	12,209
Serbia	11,262	11,264
Germany	9,148	9,803
Ukraine	8,117	7,641
Italy	4,590	7,063
Slovakia	4,253	5,133
Croatia	3,708	3,948
North Macedonia	1,331	1,473
Total	171 151	136 137

The breakdown of revenue by country shows revenue realised in those countries where Masterplast has its own subsidiary, regardless of which subsidiary made the sales in that country. Sales in countries where there is no subsidiary are reported as Exports.

32. Non-current assets by country (in thousands of euros):

2025	Total	Property, machinery, equipment	Intangible assets	Investments in in	Financial assets
Hungary	55,811	45,978	1,156	8,677	0
Germany	8,852	8,820	32	0	0
Romania	924	895	29	0	0
Serbia	40,722	40,691	31	0	0
Croatia	353	315	38	0	0
Ukraine	637	620	17	0	0
Slovakia	306	288	18	0	0
Poland	457	451	6	0	0
North Macedonia	303	303	0	0	0
Italy	756	756	0	0	0
Total	109,121	99 117	1,327	8,677	0

2024	Total	Properties, machinery, equipment	Intangible assets	Investments in in	Financial assets
Hungary	70,684	53,663	1,370	15,651	0
Germany	9,347	9,320	27	0	0
Romania	689	635	54	0	0
Serbia	42,807	42,771	36	0	0
Croatia	358	318	40	0	0
Ukraine	610	604	6	0	0
Slovakia	347	347	0	0	0
Poland	429	429	0	0	0
North Macedonia	274	273	1	0	0
Italy	3,219	2,505	714	0	0
Total	128,764	110,865	2,248	15,651	0

33. Transactions with related parties

Transactions with related parties are conducted on an arm's length basis. The price applied in transactions between related parties corresponds to the normal market price in accordance with the principles laid down in legislation; furthermore, pricing complies with the OECD Guidelines, which form the professional basis for the provisions of the aforementioned legislation and the regulation on documentation rules, and specifically with the 'arm's length' principle applied in this case.

Use of services from related parties

Tibor Dávid is the 100% owner of Essence Invest Ltd., and together with Ács Balázs, they own PrimolInvest Ltd. (formerly Fóliatex Ltd. prior to the name change) Ács Balázs wholly owns AMZSAB Ltd., Budai út 8. Ltd. and Firmum Capital Zrt. Tibor Dávid is the president of the National Mini-Football Association. The Group's trade receivables with these related parties were EUR 0 in both 2025 and 2024. Sports sponsorship payments of EUR 103,788 were made to the National Mini-Football Association in 2025 and EUR 73,155 in 2024.

The Group's senior executives perform their duties under an employment contract. The total amount of short-term benefits paid to them in 2025 was EUR 1,913,010; in 2024, EUR 1,589,792 was paid under this heading. No borrowings were granted to senior executives in 2025 or 2024.

The total amount of honoraria paid to members of the Board of Directors in 2025 was EUR 21,111, and the amount paid in 2024 was EUR 24,248.

34. Capital increase

On 28 February 2025, the Company's Board of Directors resolved to increase the Company's share capital. The amount of the share capital increase was HUF 240,000,000, in connection with which 2,400,000 new registered, dematerialised ordinary shares were issued, each with a nominal value of HUF 100 and an issue price of HUF 2,500. Consequently, the total increased share capital amounted to HUF 1,925,063,100, comprising 19,250,631 ordinary shares with a nominal value of HUF 100 each. The issue price of the ordinary shares affected by the share capital increase is HUF 2,500 per share, totalling HUF 6,000,000,000. The portion of the issue price per share in excess of the nominal value – totalling HUF 5,760,000,000 – increases the Company's capital reserve. The MFB Corporate Investment and Transaction Private Equity Fund acquired the shares and made the cash contribution by the deadline; accordingly, the share capital increase took effect on 4 March 2025.

35. Changes in shareholdings in subsidiaries

35.1. Decrease in shareholdings in subsidiaries in 2025:

MASTERWOOL MW-1 d.o.o.

On 26 June 2025, the Company's Board of Directors decided on the merger of Masterwool MW-1 d.o.o. into Masterplast YU d.o.o. The merger process was completed in accordance with applicable Serbian legislation and relevant accounting and corporate regulations, and the merger was registered by the Serbian Agency for the Registration of Companies (ARP) in the Serbian Commercial Register in November 2025.

MIP Zrt.

On 27 February 2025, as a result of a unilateral increase in share capital by Market Építő Zrt., Masterplast's ownership stake was adjusted to 49.39%.

35.2. Decrease in shareholdings in subsidiaries in 2024:

None

35.3. Increase in shareholdings in subsidiaries in 2025:

Masterplast Proizvodnja D.o.o

On 29 August 2025, Masterplast Plc. acquired a 1% stake in the XPS manufacturing subsidiary Masterplast Proizvodnja D.o.o., thereby reducing Masterplast Membrane Ltd.'s 100% ownership stake to 99%.

35.4. Increase in shareholdings in subsidiaries in 2024:

Masterplast Italia Srl.

Following the Company's acquisition of the 1.3% stake in MASTERPLAST Italia Srl. held by external owners, the Company's consolidated ownership interest changed to 100% with effect from 10 July 2024.

36. Non-controlling interest of external (minority) owners

Non-controlling interest	Percentage of share		Total share	
	2025	2024	2025	2024
Masterplast Sp. z o.o.	19.96%	19.96%	507,257	476,192
MasterPlast TOV	20.00%	20.00%	203,781	228,916
Total	-	-	712,038	705,109

37. Risk management

37.1. Financial risk management

Total credit risk

The Group supplies products or provides services to a large number of customers. Taking into account the volume of contracts and the creditworthiness of customers, there is no significant credit risk. In accordance with the Group's international credit management policy, the control process operated at Subsidiaries ensures that sales are made only to customers with an adequate financial background, thereby reducing the Group's credit risk.

The maximum potential amount affected by credit risk is the carrying amount of financial assets, including transactions recognised in the Statement of financial position that have incurred impairment losses.

Interest rate risk

The Group's management does not consider the interest rate risk arising from variable-rate loans to be a significant risk factor, as the changes in interest rates resulting from banking measures taken in response to the financial crisis do not represent a magnitude that could not be absorbed from the profits of our business activities.

Sensitivity analysis of interest rate changes and their impact on Profit before tax:

Interest rate risk	2025	2024
In the event of a 1 percentage point increase in interest rates		
Profit from financial activities	-6,161,231	43,125
Increase in interest	-331,372	-357,626
Adjusted financial result	-6,492,603	-314,501
Profit before tax	-13,487,005	-
Increase in interest	-331,372	-357,626
Adjusted profit before tax	-13,818,377	5,715,442
In the event of a 1% decrease in interest rates		
Profit from financial activities	-6,161,231	43,125
Decrease in interest	331,372	357,626
Adjusted financial result	-5,829,859	400,751
Profit before tax	-13,487,005	-5,357,816
Decrease in interest	331,372	357,626
Adjusted profit before tax	-13,155,633	-5,000,190

Sensitivity analysis of exposure to EUR/HUF and EUR/RSD exchange rate movements relating to loans and their impact on Profit before tax (exchange rate risk is calculated based on the EUR loan portfolio):

Exchange rate risk	2025	2024
In the event of a 3% appreciation in the EUR/HUF, EUR/RSD and EUR/RON exchange rates		
Profit from financial activities	-6,161,231	43,125
Impact of exchange rate appreciation	240,077	236,699
Adjusted financial result	-5,921,154	279,824
Profit before tax	-	-
Effect of exchange rate appreciation	13,487,005	5,357,816
Adjusted profit before tax	13,246,928	5,121,117
In the event of a 3% depreciation in the EUR/HUF, EUR/RSD and EUR/RON exchange rates		
Profit from financial activities	-6,161,231	43,125
Impact of exchange rate depreciation	-240,077	-236,699
Adjusted financial result	-6,401,308	-193,574
Profit before tax	-	-
Effect of exchange rate depreciation	-13,487,005	-5,357,816
Adjusted profit before tax	-13,727,082	5,594,515

37.2. Liquidity risk

The Group's liquidity policy stipulates that sufficient cash and cash equivalents must be ensured to implement the Financial Strategy.

As at 31 December 2025, the Group had a credit facility of EUR 52.7 million, and as at 31 December 2024, EUR 50.1 million, which includes short- and long-term credit facilities, as well as letter of credit and guarantee facilities. In addition to the credit facilities, the bonds issued under the Growth Bond Programme with a nominal value of HUF 21 billion (EUR 35 million at the balance sheet value as at 31 December 2025) provide greater flexibility for the Group's operations, as the short-term,31) provide greater flexibility for the Group's operations, as the Company has replaced short-term investment loans and those taken out at high financing costs with long-term financing at favourable interest rates, whilst also providing a source of funding for the Group's investments.

The available credit facilities ensure adequate solvency and financial stability for the realisation of the Group's strategic objectives.

The following table sets out the Group's financial liabilities by maturity as at 31 December 2025 and 2024, based on the undiscounted value of contractual payments.

Loans provided by Raiffeisen Bank are assessed at Group level, which includes the risk associated with the performance-related measurements of subsidiaries. To finance their operations independently, subsidiaries also take out investment and current asset loans from their domestic banks.

2025	Due within 1 year due	Due within 2–5 years due	Over 5 years due	Total
Finance lease liabilities*	313,293	625,299	0	938,592
Bank loans*	19,781,505	17,796,678	0	37,578,183
Liabilities from bond issues	7,784,087	15,548,717	11,678,394	35,011,198
Trade payables and other liabilities	35,591,289	0	0	35,591,289
Total	63,470,174	33,970,694	11,678,394	109,119,262

2024	Within 1 year due	within 2–5 years due	Over 5 years due	Total
Finance lease liabilities*	328,068	897,554	0	1,225,622
Bank loans*	21,601,284	18,788,366	52,081	40,441,731
Liabilities from bond issues	7,309,188	24,127,067	8,766,504	40,202,759
Trade payables and other liabilities	24,782,052	0	0	24,782,052
Total	54,020,592	43,812,987	8,818,585	106,652,164

*includes financing costs

Failure to meet covenants also poses a risk to the Group's existing loans and the extension of its credit facilities.

The table below shows the required levels of Group-level bank covenants and the status of their compliance.

Name and calculation of indicator	Required	Compliance	Required	Achieved
	2025		2024	
Net debt/EBITDA	< 3.5	6.39	< 3.5	14.80

The Group did not meet the net debt/EBITDA ratio as at either 31 December 2024 or 31 December 2025, which solely prohibits the assumption of further financial liabilities.

As shown in the loan table in point 16, the overdraft facilities granted by RSD have been extended; in the case of the other banks, a bank waiver or a long-term letter of intent is available regarding the waiver of covenants.

The following table shows the development of covenants relating to bonds.

Name and calculation of indicator	Required	Met	Required	Met
	2025		2024	
Net debt/EBITDA	< 3.5	6.39	< 3.5	14.80

Covenant terms:

The Group did not meet the covenant conditions relating to the 2031/I HUF bond as at 31 December 2025 or 31 December 2024. As there is no potential or actual claim for non-compliance against the Company, the rate calculated in this way merely prohibits the assumption of new financial liabilities and does not constitute a maintenance financial covenant.

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Covenants on short-term and long-term loans taken out from banks 2025

Company name	Loan ID	Maturity	Covenants	Comments
Masterplast YU D.o.o.	00-421-0611706.8	20 April 2028	1. The ratio of bank loans to EBITDA may not exceed 3.5 2. The ratio of bank loans to Revenue may not exceed 25%	Covenants met in 2025
Masterplast YU D.o.o.	00-421-0640236.6	18/09/2028	None	Extended until 6 February 2027
Masterplast YU D.o.o.	00-422-0006845.3	6 February 2026	None	Extended until 6 February 2027
Masterplast YU D.o.o.	00-422-0006846.1	06/02/2026	None	Extended until 6 February 2027
Masterplast YU D.o.o.	00-429-0300289.6	-	None	-
Masterplast Italia S.R.L.	994205096 MPS SACE	31 March 2030	None	-
Masterplast International Ltd.	TCF-R-80/2022	16 June 2027	1. At least 50% of the exported goods must be of Hungarian origin 2. The total amount of borrowings must not exceed 85% of net export Revenue	Covenants met in 2025
Masterplast International Ltd.	R-9/2021	15 December 2026	None	-
Masterplast International Ltd.	EHIT/114590/2024/485938/001	16 June 2027	1. Net working capital for each calendar quarter must not be less the outstanding balance of current assets and current account credit facilities (calculated on the basis of consolidated data).	Covenants met in 2025
Masterplast Romania	56 (OVD)	-	none	-
Masterplast s.r.o.	-	-	1. The liquidity ratio shall not fall below 140% 2. The equity ratio shall not fall below 40% 3. Cash flow shall not fall below EUR 150,000 as at 30 June and EUR 300,000 as at 31 December	No loan outstanding as at 31 December 2025

The financial covenant specified by the bond and loan underwriters is the ratio of consolidated net debt to consolidated EBITDA, which must not exceed 3.5 times.

Name and calculation of the indicator	Required	Achieved	Required	Achieved
	2025		2024	
Net debt/EBITDA	< 3.5	6.39	< 3.5	14.80

Due to the net debt/EBITDA ratio, the Group did not meet the condition attached to the 2031/I HUF bond as at 31 December 2025. The 2025 working capital loan was taken out with the written consent of all bondholders.

37.3. Geographical risk

The subsidiaries comprising the Group are predominantly located in Central Europe, but there is also a subsidiary in Ukraine. However, this relative dispersion does not pose a significant risk, as the Group has established territorial groups (regions) to ensure and enhance control over the operations of its Subsidiaries, entrusting their management and supervision to specialised regional management.

37.4. Country risk

The Group's activities and performance are exposed to developments in the political, macroeconomic and public finance situations of Central, South-Eastern and Eastern European countries. Any changes in the political and macroeconomic environment may have a negative impact on the Group's activities and its ability to generate profits. Impairment losses on assets related to the political uncertainty in Ukraine are described in Note 10.

37.5. Foreign exchange risk

Masterplast procures the majority of its products on a USD and euro basis and its subsidiaries sell them in the local foreign currencies of their respective countries, which results in foreign currency exposure for the Group. As the foreign currencies of the majority of the Group's country portfolio (excluding Ukraine) are pegged to the euro, the exchange rate impact on trading activities is influenced by movements of local foreign currencies against the euro, as well as by EUR/USD movements in the case of products procured in USD.

Masterplast manages exchange rate risk centrally at Group level and, under the coordination of the parent company's financial director, at Subsidiary level. The optimal hedging strategy is determined as part of the annual financial planning process and implemented by the Group following approval. Open positions in hedging transactions at year-end and their fair value, as well as the fair value of other financial instruments, are presented in Note 27.

The Hungarian entities have loans for current assets denominated in euros, and the Serbian Subsidiary has a euro-denominated investment loan.

37.6. Tax risk

The Group continuously monitors and tracks changes in the evolving regulatory framework, and should any regulatory change affecting the Group come into force, it immediately takes the appropriate measures and establishes or amends its procedures; consequently, there are no significant tax risks identified by management of which the management would be aware.

37.7. Management of capital risks

- **Dividend policy:** Should the Group be unable to identify investment and acquisition targets necessary for its growth, it may pay dividends to shareholders whilst ensuring adequate profitability and working capital. The dividend rate shall not exceed 50% of the profit for the year.
- **Capital increase:** Masterplast raised capital in 2018, 2022 and 2025, and may secure further funding in the form of capital increases in the future to implement its strategic plans. With the exception of specific cases, the Group does not plan to raise capital through shareholder contributions in its Subsidiaries; it finances increases in Equity from the profits of previous years.
- **Optimal capital structure:** Following the capital increases carried out in 2012, 2022 and 2025, the Group's equity-to-debt ratio has improved significantly; it intends to maintain this ratio in the future to mitigate liquidity risk – given the unpredictability of financial markets.
- **Ensuring operational viability:** To ensure its effective financial viability, the Group continuously seeks to extend and prolong the payment deadlines for contracts and transactions with its suppliers, thereby aiming to offset trade receivables delays.

38. Research and experimental development activities

Development of costs incurred: none incurred in the current year.

Research and development costs	2025	2024
Research and development costs	0	0

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39. Contingent liabilities and commitments

Ongoing grant applications not yet expired and the associated liabilities – 2025

Grant Identification number	Name of grant	Beneficiary recipient Name	Amount	Settlement Method	Source of grant	Amount amount	Facility completed	Commitments	End of End of maintenance
GINOP-2.1.1-15-2016-00767	Development of a new wind and airtight diffusion roofing membrane at Masterplast Ltd.	Masterplast Membrane Ltd.	142,574	18 April 2017 12 September 2018 21 August 2019	From the European Union's European Regional Development Fund and the central budget of the Republic of Hungary.	142,574	Yes	Revenue from the process/product developed under the project must be generated in the two consecutive financial years following the completion of development, by 31 December 2020 at the latest. The rate of the grant is 30.8%.	31 December 2024
PM/326-9/2020	Implementation of the production of high-efficiency diffusion roofing membrane	Masterplast Membrane Ltd.	399 302	30 December 2020	100% domestic funding	399 302	Yes	Commitment to maintaining staff numbers (71.22 employees) and covering wage cost increases for the years 2021–2026	31 December 2026
PM/15207-9/2020	Manufacture of products relevant to COVID-19	Masterplast Membrane Ltd.	18,995,635	29 December 2020	100% domestic funding	18,995,635	Yes	Maintaining staffing levels (78.3 staff) and sustaining the established capacities.	31 December 2024
PM/15207-9/2020	Production of products relevant to COVID-19 – Research and development	Masterplast Membrane Ltd.	476,955	29 December 2020	100% domestic funding	476,955	Yes	Maintaining staffing levels (78.3 staff) and sustaining the established capacities.	31 December 2025
PM/2093-10/2021	Establishment of production capacity for finished personal protective equipment for the healthcare sector in Sárszentmihály	Masterplast Membrane Ltd.	5,377,900	21 April 2021	100% domestic funding	5,377,900	Yes	Maintaining staffing levels (80.5 staff) and sustaining the established capacities.	31 December 2025
NGM/34052-6/2017	Implementation of a significant business development project at Masterfoam Ltd.	Masterplast Insulation Ltd.	651 281	30 April 2018 31 October 2018	100% domestic funding	651 281	Yes	Creation of a total of 21 new jobs in the 2019 and 2020 financial years, as well as a commitment to increase wage costs compared to the base period (2016).	31 October 2024
KK-H-02/2017-I-7-0005	Production development	Masterplast YU D.o.o.	2,479,323	2018	Hungarian State via the Prosperitati Foundation	2,479,323	Yes	Maintenance of economic activity for 7 years, 105 new employees on permanent contracts, whose average earnings are 75% of the average earnings determined for the economic sector in which the registered office is located. Contracts must be concluded with 10 new suppliers.	31 December 2024
SZ-H-04/2019-III-1-0002	Production development	Masterplast YU D.o.o.	3,000,000	2021	Hungarian State via the Prosperitati Foundation	3,000,000	is	Maintenance of economic activity for 5 years from the date of completion of the investment	30 June 2027
NTP2020-000356/2	Creation of new production capacity to ensure production capacity and secure supply to markets	Beneficiary: Masterplast Membrane Ltd. Consortium Member: Masterplast Proizvodnja D.o.o.	6,551,105	I Advance payment: 18 January 2022 Acceptance of interim statement I: 16 May 2023 Second interim statement: submitted, awaiting rectification of deficiencies	Ministry of Foreign Affairs and Trade Funding body: HEPA Export Development Agency Ltd.	6,551,105	In progress	You are required to retain the assets acquired under the grant for a period of 5 years from the date of approval of the final report + 30% of the grant must be paid as dividends during this retention period	26 November 2030
HIPA/GYAR-2022-0294	Factory Rescue Programme	MASTERPLAST Plc.	746,238	2023: 143,800,000 2024: 71,900,000 2025: 71,900,000	100% domestic funding	746,238	In progress	Maintaining 90% of the average statistical headcount for 2022 as the baseline headcount for a period of one year following the completion of the investment.	31 December 2027
ID IPER 322209 ID IPER 344393 ID IPER 333554 ID IPER 344391 ID IPER 333526	Industry 4.0	Masterplast Italia S.R.L.	763,420	From 1 January 2024, continuous monthly draw-down proportional to depreciation and amortisation (2024: EUR 95,994.85)	EU funds (mainly NRPP-NGEU)	763,420	Yes	Maintenance of assets until 31 December 2026.	2026+6-year depreciation period for tax assessment = 31/12/2032
GINOP-2.1.1-15-2016-00767	Development of a new wind and airtight diffusion roofing membrane at Masterplast Ltd.	Masterplast Membrane Ltd.	142 574	18 April 2017 12 September 2018 21 August 2019	From the European Union's European Regional Development Fund and the central budget of the Republic of Hungary.	142,574	Yes	Revenue from the process/product developed under the project must be generated in the two consecutive financial years following the completion of development, by 31 December 2020 at the latest. The rate of the grant is 30.8%.	31 December 2024

In the case of grants received from the GVOP, the above amounts must be repaid at twice the central bank base rate if the terms of the contract are not met. The terms of the contract were met in the current year and, in the management's opinion, will continue to be met in the future.

MASTERPLAST PUBLIC LIMITED COMPANY

Ongoing grant applications that have not yet expired, and the associated obligations – 2024

Grant Reference number	Name of grant	Beneficiary recipient Name	Amount	Settlement Method	Source of grant	Amount amount	Facility completed	Commitments	End of maintenance
GINOP-2.1.1-15-2016-00767	Development of a new wind and airtight diffusion roofing membrane at Masterplast Ltd.	Masterplast Membrane Ltd	133,990	18 April 2017 12 September 2018 21 August 2019	From the European Union's European Regional Development Fund and the central budget of the Republic of Hungary.	133,990	Yes	Revenue from the process/product developed under the project must be generated in the two consecutive financial years following the completion of development, by 31 December 2020 at the latest. The rate of the grant is 30.8%.	31 December 2024
PM/326-9/2020	Implementation of the production of high-efficiency diffusion roofing membrane	Masterplast Membrane Ltd.	375 261	30 December 2020	100% domestic funding	375 261	Yes	Commitment to maintaining staff numbers (71.22 employees) and covering wage cost increases for the years 2021–2026	31 December 2026
PM/15207-9/2020	Manufacture of products relevant to COVID-19	Masterplast Membrane Ltd.	17,851,979	29 December 2020	100% domestic funding	17,851,979	Available	Maintaining staffing levels (78.3 FTE) and sustaining the established capacities.	31 December 2024
PM/15207-9/2020	Production of products relevant to COVID-19 – Research and development	Masterplast Membrane Ltd	448,239	29 December 2020	100% domestic funding	448,239	Yes	Maintaining staffing levels (78.3 staff) and sustaining the established capacities.	31 December 2025
PM/2093-10/2021	Establishment of manufacturing capacity for finished personal protective equipment for the healthcare sector in Sárszentmihály	Masterplast Membrane Ltd.	5,054,117	21 April 2021	100% domestic funding	5,054,117	Yes	Maintaining staffing levels (80.5 staff) and sustaining the established capacities.	31 December 2025
NGM/34052-6/2017	Implementation of a significant corporate development project at Masterfoam Ltd.	Masterplast Insulation Ltd.	612,070	30 April 2018 31 October 2018	100% domestic funding	612,070	Yes	Creation of a total of 21 new jobs in the 2019 and 2020 financial years, as well as a commitment to increase wage costs compared to the base period (2016).	31 October 2024
05 No. 401-5329/2015-1	Production development	Masterplast YU D.o.o.	2,000,000	2015 2016 2017	Serbian State	2,000,000	Yes	Staff retention (205 people) For the financial years 2018–2022	28 February 2023
KK-H-02/2017-I-7-0005	Production development	Masterplast YU D.o.o.	2,484,983	2018	Hungarian State via the Prosperitati Foundation	2,484,983	Yes	Maintenance of economic activity for 7 years, 105 new employees on indefinite contracts, whose average earnings are 75% of the average earnings determined for the economic sector in which the registered office is located. Contracts must be concluded with 10 new suppliers.	31 December 2024
SZ-H-04/2019-III-1-0002	Production development	Masterplast YU D.o.o.	3,000,000	2021	Hungarian State via the Prosperitati Foundation	3,000,000	is	Maintenance of economic activity for 5 years from the date of completion of the investment	30 June 2027
NTP2020-000356/2	Creation of new production capacity to ensure production capacity and secure supply to markets	Beneficiary: Masterplast Membrane Ltd. Consortium Member: Masterplast Proizvodnja D.o.o	6 156 687	I Advance payment: 18 January 2022 Acceptance of interim statement I: 16 May 2023 Second interim statement: submitted, awaiting rectification of deficiencies	Ministry of Foreign Affairs and Trade Funding body: HEPA Export Development Agency Ltd.	6,156,687	In progress	The assets acquired under the grant must be retained for 5 years from the date of approval of the final report + 30% of the grant must be paid as dividends during the retention period	
HIPA/GYAR-2022-0294	Factory Rescue Programme	MASTERPLAST Plc.	701 309	2023: 143,800,000 2024: 71,900,000 2025: 71,900,000	100% domestic funding	701,309	In progress	Maintaining 90% of the average statistical headcount for 2022 as the baseline headcount for a period of one year following the completion of the investment.	
ID IPER 322209 ID IPER 344393 ID IPER 333554 ID IPER 344391 ID IPER 333526	Industry 4.0	Masterplast Italia S.R.L.	763,420	From 1 January 2024, continuous monthly draw-down proportional to depreciation and amortisation (2024: EUR 95,994.85)	EU funds (mainly NRPP-NGEU)	763,420	Yes	Maintenance of assets until 31 December 2026.	2026+6-year depreciation period for tax assessment = 31/12/2032

In the case of grants received from the GVOP, the above amounts must be repaid at twice the central bank base rate if the terms of the contract are not met. The terms of the contract were met in the current year and, in the management's opinion, will continue to be met in the future.

Off-balance sheet items and bank guarantees

The Group's members have entered into a framework agreement for bank guarantees. The bank guarantees utilised relate to various tenders and counter-guarantees provided to Subsidiaries. The breakdown of outstanding bank guarantees is as follows:

Name of subsidiary	Type of guarantee	2025	2024
Masterplast Insulation Ltd.	Tender guarantee	0	306,035
Masterplast Romania S.R.L.	Bank guarantee	0	250,508
Masterplast Romania S.R.L.	Bank guarantee	0	79,741
Masterplast YU D.o.o.	Bank guarantee	85,265	85,459
Masterplast YU D.o.o.	Bank guarantee	213,161	213,648
Masterplast International Ltd.	Bank guarantee	4 175 553	4 702 968
Masterplast International Ltd.	Bank guarantee	5 000 000	5 000 000
Masterplast Proizvodnja DOO Subotica	Bill of exchange	3,275,552	2,712,570
Total		12,749,531	13,350,929

40. Litigation and non-litigation proceedings brought against the Group

As part of a transfer pricing investigation initiated by the Romanian tax authority in 2020 at the Company's Romanian Subsidiary, a tax shortfall of EUR 454,665 (RON 2,318,107) was established for the financial years 2014–2018. The Company has appealed against the assessment with the assistance of experts, and the proceedings are currently ongoing. In order to avoid any potential future tax penalties, the Company paid the full amount to the tax authority in 2020. In the Group's view, the proceedings are not expected to have a significant impact on the Company's financial position or financial result.

An investigation by the Székesfehérvár Police Headquarters is ongoing in connection with an accident at work that occurred at Masterplast Membrane Ltd. in 2024. The injured employee's condition has improved significantly in the period following the accident, and the Company is confident that this will continue.

During the 2025 financial year, there were seven legal and non-legal proceedings pending against the Company and its Subsidiaries, with a total value of approximately EUR 677,000.

In the Group's view, the above proceedings are not expected to have a material impact on the Group's financial position or financial result.

Litigation and non-litigation proceedings initiated by the Group:

The Company and its Subsidiaries have approximately 84 legal proceedings initiated by the Group currently in progress, with a total value of approximately EUR 693,000.

The Group has made adequate Reserves for the above cases; therefore, in its view, the above proceedings are not expected to have a material adverse effect on the Group's financial position or results. A successful resolution of these cases could have a positive impact on the Group's results.

41. Presentation of the Masterplast Employee Share Ownership Scheme Organisation

Masterplast Plc. established the MASTERPLAST Employee Share Ownership Programme Organisation on 14 December 2016. The registered office of the MRP Organisation is: 1062 Budapest, Andrássy út 100. Masterplast Plc. (the Founder) established the MRP Organisation to effectively administer incentive-based remuneration linked to Masterplast's business objectives for the company's executives (Participants). In accordance with IFRS 2, the Company accounts for the MRP organisation as a 100% extension of itself in its books, as it determines the operation of the MRP organisation through its remuneration policy.

As the benefit constitutes a share-based payment settled in an equity instrument, its measurement and recognition are carried out in accordance with the provisions of IFRS 2. The benefit is not subject to any service condition.

In connection with the MRP Participants' 2024/2025 programme, the employees of Masterplast Plc. and its wholly-owned subsidiaries Masterplast Membrane Ltd., Masterplast Hungária Ltd. and Masterplast International Ltd., Masterplast Modulhouse Ltd. and Masterplast Insulation Ltd., who are covered by the scope of the company's Remuneration Policies. Masterplast included among the Participants those executives of the aforementioned companies who had the greatest influence on the achievement of the corporate business objectives set out in the Remuneration Policies.

The Participants acquired a shareholding in the MRP organisation in exchange for Masterplast shares and financial assets contributed by the Founder as a non-monetary capital contribution.

The Company launched the 2024/2025 programme relating to the year 2025 on 25 April 2024. The revenue and profitability indicators set out in the remuneration policy were partially met, as a result of which there will be an MRP-based payment at Masterplast Hungária Ltd. in 2026. The related expense is included in the Statement of profit or loss of Masterplast Hungária Ltd. and thus of the Company in 2025.

Name of prescribed indicators	Required	Actual	Fulfilment %
Group consolidated 2025 EBIT target	7,066,000	1,567,656	-77.8%
Group consolidated profit for the year 2025 target	2,088,000	-14,858,087	-811.6%
Masterplast Hungária Ltd. 2025 EBIT target	3,282,000	6 245 288	190%
Masterplast International Ltd. Export PC 2025 EBIT target	2,334,000	1,112,793	-52%
Masterplast Membrane Ltd. 2025 EBIT target	-1,012,000	-2,424,944	-
Masterplast Modulhouse Ltd. 2025 EBIT target	-200,000	-1 151 173	-

As the Company and the MRP organisation launch two-year programmes, the 2025/2026 remuneration programme was launched in 2025. The vesting period is the second year following the launch of the programme, i.e. 2026, so the launch of this programme has no impact on the 2025 consolidated financial statements. (There is no loyalty condition attached to the benefit.)

The Company launched the 2023/2024 programme relating to the year 2024 on 6 April 2023; however, due to the failure to meet the revenue and profitability targets set out in the remuneration policy, no MRP payment will be made in relation to the financial year. Accordingly, the Company did not recognise any expenses relating to MRP remuneration in the Statement of profit or loss for the 2024 financial year.

Name of prescribed indicators	Required	Actual	Fulfilment %
Group consolidated 2024 EBIT target	8,051,000	-5,318,499	-166%
Group consolidated profit for the year 2024 target	4,609,000	-4,640,688	-201%
Masterplast Hungária Ltd. 2024 EBIT target	2,789,000	1,788,192	-36%
Masterplast International Ltd. Export PC 2024 EBIT target	1,406,000	1,373,722	-2%
Masterplast Membrane Ltd. 2024 EBIT target	0	-3,337,804	0%
Masterplast Modulhouse Ltd. 2024 EBIT target	0	-1,338,601	0%
Master Plast S.r.o. (Slovakia) 2024 EBIT target	411,000	-29,169	-107%

As the Company and the MRP organisation launch two-year programmes, the 2024/2025 remuneration programme was launched in 2024 with 140,000 shares. The vesting period is the second year following the launch of the programme, i.e. 2025, so the launch of this programme had no impact on the 2024 consolidated financial statements.

42. Events after the reporting period

Following a review of the insulation materials portfolio, the Company's Board of Directors decided that the strategic focus will henceforth be on glass wool production in Szerencs, its technological development and capacity expansion. As a result of global market conditions in 2025, the resulting more conservative investment sentiment, and changes in the business environment, the key conditions for implementing the joint rock wool plant investment with Market

Építő Zrt. have become less favourable. Based on preliminary consultations between the owners of MIP Zrt., the Board of Directors approved the owners' decision to withdraw from the rock wool factory project.

Furthermore, Masterplast reviewed the status of the Group's EPS production and decided to cease EPS production at Masterplast Italia Srl. The strategic presence in the Italian target market will be maintained and commercial activities will continue; the Company is exploring options for utilising the decommissioned machinery. To boost sales in Hungary, Masterplast is focusing on ramping up production at the Kál EPS plant, which is set to restart in spring 2026.

In 2026, the Company carried out a capital increase at the following Subsidiaries to maintain liquidity:

Name of subsidiary	Place of registration	Date	Currency	Amount
Masterplast Membrane Ltd.	Hungary	26 March 2026	EUR	4,500,000
Masterplast Modulhouse Ltd.	Hungary	26 March 2026	HUF	550,000,000

The Company assessed developments in the international geopolitical situation following the reporting date, with particular regard to the conflicts in the Middle East and their economic impact. As a result of global developments, increased volatility can be observed in energy prices, as well as in certain raw materials and transport costs, which may indirectly affect industrial production costs and the investment environment.

Conflicts in the Middle East also affect international logistics routes, particularly in the area of maritime transport, which may result in longer delivery times and, in some cases, increased transport costs for purchases from the Far East. The Company's procurement structure relies partly on Far Eastern sources; however, the diversification of its supplier base and the increased proportion of regional and European procurement opportunities mitigate the risks arising from this.

To manage the above risks, the Company continuously monitors the operation of the supply chain and, where necessary, adapts flexibly to changing circumstances, including by engaging alternative sourcing channels and optimising inventory management practices. As a result, supply security had not suffered any significant disruption as at the reporting date.

However, uncertainty in the macroeconomic environment may affect demand conditions and the pace of investment activity, which the Company has taken into account in its business planning. Nevertheless, structural demand for energy efficiency investments continues to provide a stable demand base for the Company's products.

The Company has conducted measurement of the potential consequences of the current armed conflicts and their economic impacts on its operations and financial position. Based on this measurement, the above risks are manageable and do not jeopardise the continuity of the Company's operations. Accordingly, in the management's opinion, the going concern principle applies for a period of at least 12 months following the reporting date for the Statement of financial position.

43. Statements regarding the future

The Annual Report also contains forward-looking statements. These statements are based on current plans, estimates and forecasts; therefore, it would be inappropriate to place undue reliance on them. Forward-looking statements involve risks and uncertainties. The Company draws attention to the fact that there are a number of important factors which could cause actual results to differ materially from those set out in the forward-looking statements.

Estimates and assumptions are reviewed on a regular basis. Changes to accounting estimates are recognised in the period in which the estimate is revised if the change affects only the current year, or in the period of the change and subsequent periods if the change affects both the current and subsequent years.

44. Assumption of responsibility

In accordance with the applicable accounting standards, the Consolidated annual financial statements, prepared to the best of the Company's knowledge, give a true and fair view of the assets, liabilities, financial position and results,

and the Management Report gives a true and fair view of the position, development and performance of Masterplast Plc. and its subsidiaries in the Consolidation, describing the principal risks and uncertainties.

45. Approval of the consolidated annual financial statements

The consolidated annual financial statements of Masterplast Plc. for the year ended 31 December 2025 were approved by the Board of Directors in its resolution of 8 April 2026, and their publication was authorised. The General Meeting is entitled to amend the consolidated annual financial statements.

MASTERPLAST PLC.

CONSOLIDATED MANAGEMENT AND BUSINESS REPORT

Business year: 01/JAN/2025 – 31/DEC/2025

Sárszentmihály, 8 April 2026

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INTRODUCTION

The business report contains an analysis of the **Group's** results, as well as all additional information necessary for assessing its operations, including, amongst other things, the expected direction of development together with the risks involved, a presentation of the management, Research and development activities, and corporate social responsibility.

OWNERSHIP

A company established by private individuals, which was set up by its private owners for commercial purposes in 1997.

Breakdown of share capital by share class:

- 19,250,631 registered ordinary shares with a nominal value of HUF 100 each .

Form of shares: dematerialised shares.

ISIN code: HU0000093943

Name of owner	2025	2024
Tibor Dávid Bizalmi Vagyonkezelő Korlátolt Felelősségi Társaság (1)	HUF 454,805,700	HUF 0
Tibor Dávid (1)	HUF 0	HUF 454,805,700
Ács Balázs	HUF 387,725,900	HUF 387,725,900
MFB Corporate Investment and Transaction Private Equity Fund (2) (3)	HUF 313,170,700	
Bunford Tivadar	HUF 42,169,000	HUF 42,169,000
Nádasi Róbert	HUF 12,903,400	HUF 12,903,400
Jancsó Illés	HUF 3,490,900	HUF 4,490,900
Pécsi László	HUF 2,013,200	HUF 2,013,200
Lukács Flórián László	HUF 252,000	HUF 252,000
Several minority shareholders	HUF 677,517,200	HUF 751,687,900
Shares repurchased	HUF 31,015,100	HUF 29,015,100
Total:	HUF 1,925,063,100	HUF 1,685,063,100
	(EUR 6,651,971)	(EUR 6,049,289)

Source: data from the Company's management information system

- (1) According to the announcement made on 29 December 2025 by Tibor Dávid, Chairman of the Board of Directors and Chief Executive Officer, in order to restructure and consolidate his private assets in the long term, as sole settlor, for the purpose of trust management, to Tibor Dávid Bizalmi Vagyonkezelő Korlátolt Felelősségi Társaság, a trust management company established by him, managed by him as sole director and wholly owned by him. Based on the above, in all respects of the beneficial ownership position as defined in Section 3(38) of Act LIII of 2017 on the Prevention and Combating of Money Laundering and Terrorist Financing, Tibor Dávid remains the settlor, beneficiary and sole owner of the trust management company; the identity of the beneficial, ultimate and controlling owner of the Shares shall not change as a result of the establishment of the trust structure.
- (2) On 28 February 2025, the Company's Board of Directors resolved to increase the Company's share capital through a private placement of new ordinary shares in return for a cash contribution, as follows: The amount of the share capital increase is HUF 240,000,000, in connection with which 2,400,000 new registered ordinary shares, each with a nominal value of HUF 100 and an issue price of HUF 2,500, were issued in dematerialised form.
- (3) Held a stake of less than 5%

At the beginning of 2011, the Company decided on the concept of raising capital on the capital markets to facilitate its listing on the stock exchange and the implementation of the **Group's** medium-term plans, as well as on its transformation into a public limited company.

Accordingly, on 20 April 2011, the registration of the conversion into a public limited company took place, followed by the technical listing on the Budapest Stock Exchange on 29 November 2011. In 2012, the Company raised €6.1 million in capital through two share issues, which broadened its ownership structure. In October 2022, it raised a

further €22.4 million through the public offering of ordinary shares. Following the issue of new dematerialised ordinary shares in 2025, registered in the name of , a further capital increase took place on 4 March.

VOTING RIGHTS AND VOTING

Each holder of ordinary shares is entitled to one vote. Only shareholders registered in the share register prior to the General Meeting are entitled to participate in the General Meeting with voting rights.

The General Meeting adopts its resolutions by a simple majority, except where the Companies Act requires a majority of at least three-quarters of the votes cast.

If the General Meeting resolves to amend a decision taken by the Board of Directors on a particular matter, the resolution amending the original decision shall only be valid if the shareholders present approve it.

DETAILS OF TREASURY SHARES

As at the reporting date, the Group held 310,151 repurchased dematerialised Treasury shares.

BOARD OF DIRECTORS

With the exception of matters falling within the remit of the General Meeting, the Board of Directors is the Company's ultimate decision-making body. It carries out its activities in accordance with the Company's Articles of Association, the resolutions of the General Meeting and the legislation in force at any given time.

Its powers and duties are set out in the current Rules of Procedure of the Board of Directors. Pursuant to the Articles of Association, the Board of Directors consists of five members, who are elected by the Annual General Meeting. The Chairman and Vice-Chairman of the Board of Directors are elected by the Board of Directors for a term corresponding to that of the Board of Directors.

The Board of Directors does not participate in the day-to-day operations of Masterplast Plc. The management of Masterplast Plc.'s operational activities is carried out by the Chief Executive Officer, who is employed by the company and elected by the Board of Directors.

The primary objective of the Board of Directors is to adopt the Group's strategy and to exercise control over its operational activities.

As at 31 December 2025, the members of the Board of Directors were:

- Tibor Dávid – Chairman
- Ács Balázs – Vice-Chairman
- Dezse Margaret – independent member
- Dirk Theuns – independent member
- Tóth József – independent member

AUDIT COMMITTEE

The General Meeting has established a three-member Audit Committee from among the independent members of the Board of Directors to perform the duties specified in the Companies Act and the Capital Markets Act. The Audit Committee elects its chairperson from among its members and passes its resolutions by a simple majority. The powers of the Audit Committee are defined in the Articles of Association of Masterplast Plc. The Audit Committee's responsibilities include, amongst other things, the professional supervision and control of the Internal Audit function, the definition of professional requirements for the Auditor, and the monitoring of the Auditor's activities. Its powers and duties are set out in the current Rules of Procedure of the Audit Committee.

Members of the Audit Committee:

- Dezse Margaret
- Dirk Theuns
- Tóth József

The Audit Committee's remit includes:

The detailed tasks and powers of the Audit Committee are set out in Act V of 2013 of the Civil Code, Act CXX of 2001 on the Capital Market, the Company's Articles of Association and the Rules of Procedure of the Audit Committee.

- a) It monitors the statutory audit of the annual and consolidated financial statements in accordance with the Accounting Act, activities aimed at providing assurance regarding the Sustainability report and the consolidated sustainability report – in particular their implementation – in accordance with the relevant legislation and the findings of the authority responsible for the public oversight of auditors,
- b) reviews and monitors the independence of the auditor and the audit firm personally responsible, including the independence of the auditor or audit firm appointed to provide assurance on the Sustainability report, in accordance with the relevant legislation,
- c) informs the Company's supreme body of the results of statutory audit activities and activities aimed at providing assurance on the Sustainability report, demonstrates how these activities have contributed to the integrity of the financial and sustainability reporting, and explains the role played by the Audit Committee in the reporting process.
- d) monitors the work of the internal auditor, who reports to the Audit Committee and receives instructions and mandates from the Audit Committee,
- e) consults with the Company's management regarding any decision or commitment that comes to its attention which is not included in the Company's business plan and has a value of between EUR 1 million and EUR 2 million.

RULES GOVERNING THE APPOINTMENT AND REMOVAL OF SENIOR EXECUTIVES AND AMENDMENTS TO THE ARTICLES OF ASSOCIATION

The Board of Directors of Masterplast Public Limited Company (registered office: 8143 Sárszentmihály, Árpád u. 1/A.; registered with the Company Registry of the Székesfehérvár Regional Court, company registration number: 07-10-001342; hereinafter: "Company") – hereinafter: "Board of Directors" – is the executive body of the Company. The Board of Directors consists of five members. The members of the Board of Directors are elected by the General Meeting. The members of the Board of Directors perform their duties under a contract of mandate, in accordance with an agreement concluded with the Company. The Board of Directors acts as a body and may distribute its tasks amongst its members on a permanent basis or on the basis of ad hoc decisions.

The Board of Directors, as the body implementing a unified management system, performs the duties of the Board of Directors and the supervisory board as defined in the Civil Code in a unified manner. The majority of the members of the Board of Directors must be independent persons. The members of the Board of Directors are classified as Senior executives.

The Chairman and Vice Chairman of the Board of Directors shall be elected by the Board of Directors for a term corresponding to that of the Board of Directors.

A person may only be a member of the Board of Directors if they meet the conditions set out in the applicable legislation and the Articles of Association, have been elected by the General Meeting, and have accepted this appointment by means of a written declaration.

Members of the Board of Directors shall perform the management of the Company with the care generally expected of persons holding such office, giving priority to the interests of the Company.

Membership of the Board of Directors shall cease upon the expiry of the term of office, upon recall by the Company's General Meeting, upon resignation, upon the occurrence of a ground for disqualification specified by law, or upon the death of the member.

Should a member of the Board of Directors become aware of any reason on the basis of which they are no longer able to fulfil their mandate (for example, the occurrence of a statutory ground for disqualification or a conflict of interest, or a lack of time due to other commitments), they shall be obliged to inform the Chairman of the Board of Directors without delay and to submit their resignation.

The General Meeting is the supreme body of the company, comprising all shareholders. Unless otherwise provided for in the Civil Code or these Articles of Association, the General Meeting has exclusive authority to decide – unless otherwise provided for by law – on the adoption and amendment of the Articles of Association.

The Board of Directors shall have the power to amend the Company’s name, registered office, place of business, branch office, and scope of activities (with the exception of the principal activity) and, in connection therewith, to amend the Articles of Association.

POWERS OF SENIOR EXECUTIVES

The Board of Directors is responsible for deciding on all matters which do not fall within the exclusive competence of the General Meeting, or which are assigned to the Board of Directors by law, the Articles of Association and the Board of Directors’ Rules of Procedure, and in particular: decisions on the acquisition of Treasury shares pursuant to the authorisation of the General Meeting, on capital increases, on the issue of bonds where the conditions laid down by law and in the Articles of Association are met, and decisions on the transfer and encumbrance of the Company’s Treasury shares.

GENERAL MEETING

The supreme body of the Company is the General Meeting, which consists of all shareholders. The powers of the Annual General Meeting include, amongst other things, the adoption of the annual financial statements and decisions regarding the appropriation of the profit for the year after tax, the election and removal of members of the Board of Directors and the Audit Committee, the appointment and dismissal of the auditor and the determination of the auditor’s remuneration, the amendment of the Articles of Association, and any decision that has a material impact on the Company’s share capital and which is assigned to the exclusive competence of the General Meeting by law or the Articles of Association.

MASTERPLAST GROUP’S ACTIVITIES AND BUSINESS MODEL, SUBSIDIARIES

Founded in 1997, the MASTERPLAST Group is the largest Hungarian-owned building materials manufacturer in the Central European region. Through its subsidiaries, it maintains a direct market presence in 10 European countries and, via its export partners, is present in the majority of European countries. It holds a leading position in the market for facade insulation, pitched roof insulation and dry construction system components.

Its product portfolio is primarily secured through production at its ISO- and TÜV-certified manufacturing facilities in Hungary, Serbia and Germany, as well as through strategic manufacturing partnerships. In view of the growing demand for insulation materials, the Company has focused on establishing fibre insulation material factories to meet the needs of the Hungarian and Central and Eastern, resulting in the addition of a glass wool unit as an Associate company to its manufacturing portfolio in 2025. In 2021, the company established its modular construction division, the rapid market launch of which is among its strategic objectives.

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



Sárszentmihály site

Presentation of the activities of companies belonging to the MASTERPLAST Group:

Company name	Place of registration	Activity
Masterplast Hungária Ltd.	Hungary	Wholesale of building materials
Masterplast International Ltd.	Hungary	Wholesale of building materials
Masterplast Membrane Ltd.	Hungary	Manufacture of fleece and multi-layer membranes Manufacture of finished healthcare products
Masterplast Modulhouse Ltd.	Hungary	Construction of residential and non-residential buildings
Masterplast Insulation Ltd.	Hungary	EPS production
Masterplast YU D.o.o.	Serbia	Building materials wholesale EPS and glass fibre manufacturing
Masterplast Sp. z o.o.	Poland	Wholesale of building materials
Master Plast S.r.o.	Slovakia	Wholesale of building materials
Masterplast Romania S.R.L.	Romania	Wholesale of building materials
MasterPlast TOV	Ukraine	Wholesale of building materials Manufacture of mesh edge protection
Masterplast d.o.o.	Croatia	Wholesale of building materials
Masterplast Dooel Kicevo	North Macedonia	Wholesale of building materials
MP Green Invest	Ukraine	Asset management
Masterplast Nonwoven GmbH	Germany	Production of fleece and multi-layer membranes
Fidelis Bau Ltd.	Hungary	Thermobeton production
Masterplast Proizvodnja D.o.o.	Serbia	XPS production
Masterplast Italia Srl.	Italy	EPS production
MASTERWOOL MW-1 d.o.o.	Serbia	Not currently operating
<i>An associate of the Group:</i>		
MasterProfil Ltd.	Hungary	Profile manufacturing
T-CELL Ltd.	Hungary	EPS manufacturing
MIP Ltd.	Hungary	Rock wool manufacturing
PIMCO Ltd.	Hungary	Glass wool production

Source: data from the Company's management information system

IMPACT OF MACROECONOMIC TRENDS ON THE GROUP'S OPERATIONS

The production and sale of insulation and other building materials, which constitute **MASTERPLAST'S** core business, are significantly influenced by developments in the external economic and industrial environment. Sales of building materials and ancillary products are primarily linked to the new-build market, whilst sales of insulation materials (primarily thermal insulation) are linked to both the new-build and renovation markets.

The effects of the unfavourable macroeconomic environment of previous years were still being felt, but a gradual stabilisation began in 2025, particularly in the second half of the year, whilst supply chains remained stable and market competition remained strong.

The European construction market as a whole had not yet shown a general upturn, but signs of improvement became increasingly evident during 2025. The easing of monetary conditions, particularly the fall in interest rates, gradually improved investment conditions, whilst EU energy efficiency regulations and renovation programmes provide a stable demand backdrop for the construction industry in the medium to long term. The role of the renovation segment has become particularly important, and it could be one of the key growth drivers for the market in the coming period.

In Hungary – the Company's most important market – demand remained subdued in the first half of 2025, but began to pick up in the second half due to housing and energy efficiency incentive programmes. Home renovation programmes and housing subsidies (KEHOP Plus Home Renovation Programme, Rural Home Renovation Programme, Home Start Programme, Housing Capital Programme), but above all the market for certified energy savings (HEM) linked to the Energy Efficiency Obligation Scheme (EEOS), became an increasingly strong driver of demand, particularly in the field of energy efficiency renovations.

A similar trend was observed in several countries across the region: subdued demand in the first half of the year, followed by a gradual upturn. In Poland, Romania and Slovakia, an improvement in the market environment became apparent during the year, whilst construction activity across the Central European region as a whole strengthened in the second half of the year. The German economy continued to perform weakly in 2025, with the construction sector particularly burdened by high financing costs and low investment activity; however, signs of stabilisation began to emerge in the second half of the year. In Ukraine, construction activity remained heavily dependent on the war situation, although reconstruction projects and international aid generated demand in certain segments.

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

Country	GDP growth (at current prices) %		Change in construction output (compared to the previous year) %		Change in the number of building permits issued (compared to the previous year) %	
	2024	2025	2024	2025	2024	2025
Germany	-0.5	0.2	-3.2	-1.7	-19.4	12.2
Croatia	3.8	3.2	13.6	8.0	8.8	6.7
Italy	0.8	0.5	3.9	4.8	-0.1	:
Hungary	0.6	0.4	-1.4	2.6	-3.2	34.6
Poland	3.0	3.6	-7.7	-	21.6	-9.1
Romania	0.9	0.7	-5.8	8.0	2.2	11.4
Slovakia	1.9	0.8	-5.4	7.0	-24.6	0.7
North Macedonia	3.0	3.5	19.5	17.6	6.1	1.6
Serbia	3.9	:	3.4	-5.5	-1.0	:
EU (27 Member States)	1.1	1.5	-1.5	0.5	0.1	:

Source: EUROSTAT: Building permits - annual data [sts_cobp_a_custom_15768074]; Production in construction - annual data [sts_copr_a_custom_15767899]; Real GDP growth rate - volume [tec00115_custom_15767522]

TRENDS IN OUTPUT BY ACTIVITY

TURNOVER PRESENTATION BY PRODUCT GROUP

Revenue by main product group (thousand euros)	2025	2024	Change %
	(A)	(B)	(A/B-1)
Thermal insulation system	67,007	69,360	-3%
Roofing foils and accessories	27,326	24,107	13%
Dry construction system	8,462	8,756	-3%
Heat, sound and water insulation materials	31,686	15,512	104%
Building industry accessories	3,996	3,971	1%
Industrial applications	32,674	14,431	126%
Net revenue	171,151	136,137	26%

Percentage contribution of main product groups to total turnover		
Thermal insulation system	39%	51%
Roofing foils and accessories	16%	18%
Dry construction system	5%	6%
Heat, sound and water insulation materials	19%	11%
Building industry accessories	2%	3%
Industrial applications	19%	11%
Net revenue	100%	100%

Source: data from the Group's management information system

The Group's revenue increased by 26% in 2025 to EUR 171,151 thousand.

Breaking down the **Group's** revenue, the Thermal insulation system product group continued to account for the largest share (39%), where turnover was 3% lower than in the previous year. Within this product group, turnover of in-house manufactured EPS products increased, whilst that of complementary products in the glass fibre product group (adhesives, profiles) decreased slightly. The largest product group in the Hungarian market performed at the base level, whilst revenue increased in Serbia, Ukraine and Poland, and decreased in other markets compared to the previous year.

Sales of roofing foils and accessories increased by 13% compared to the 2024 base, mainly due to sales of in-house manufactured membranes. Looking at the markets, revenue grew strongly in the Hungarian market, but also increased in other regions with the exception of the Croatian, Romanian and Serbian markets.

In the dry construction systems segment, the **Group's** turnover fell by 3% in the current year compared to the 2024 base. Revenue from plasterboard profiles decreased, whilst revenue from sheets rose slightly. Looking at the markets, turnover for this product group fell or stagnated in all regions except Ukraine and Croatia.

In the heat, sound and water insulation materials product group, the **Group** doubled its revenue compared to 2024. Revenue from Masterplast's own-brand XPS products also rose significantly, whilst glass wool sales were more than five times higher than a year earlier. Glass wool sales in the current year were further supported by the new glass wool produced in Szerencs – in partnership with Selena FM S.A. – and the **Group** is increasingly able to supply this product. In terms of markets, the Hungarian and Polish markets performed exceptionally well, but turnover for this product group also grew in the Serbian, Croatian and export markets.

In the market for building industry accessories, the **Group's** turnover remained close to the base level. Outside the Hungarian and Slovakian territories, turnover in the **Group's** other markets fell short of the previous year's figures.

Turnover in the industrial applications product group more than doubled. Within this product group, turnover from in-house manufactured healthcare raw materials declined, whilst revenue from other raw material trading improved

compared to the previous year's base. This section also includes the statement regarding the sale of restricted marketable property rights (so-called HEM) related to energy efficiency renovations carried out with the contribution of MASTERPLAST, which generated significant revenue for the product group.



Subotica – EPS plant

REVENUE BY COUNTRY

The breakdown of revenue by country shows revenue realised in those countries where MASTERPLAST has its own subsidiary, regardless of which subsidiary made the sales in that country. Sales in countries where there is no subsidiary are reported as Exports.

Revenue by country (thousand euros)	2025	2024	Change %
	(A)	(B)	(A/B-1)
Hungary	88,851	49,950	78%
Poland	14,639	13,139	11%
Exports	13,836	14,514	-5%
Romania	11,416	12,209	-6%
Serbia	11,262	11,264	0%
Germany	9,148	9,803	-7%
Ukraine	8,117	7,641	6%
Italy	4,590	7,063	-35%
Slovakia	4,253	5,133	-17%
Croatia	3,708	3,948	-6%
North Macedonia	1,331	1,473	-10%
Net revenue	171,151	136,137	26%

Percentage contribution of countries to total turnover		
Hungary	51%	36%
Poland	9%	10%
Exports	8%	11%
Serbia	7%	9%
Romania	7%	8%
Germany	5%	7%
Ukraine	5%	6%
Italy	3%	5%
Slovakia	2%	4%
Croatia	2%	3%
North Macedonia	1%	1%
Net revenue	100%	100%

Source: data from the Group's management information system

In the Group's largest Hungarian market, total revenue increased by 78% in 2025 compared to the base year. Sales for every product group exceeded the base year in the current year, but sales of HEM and products linked to HEM programmes played a decisive role in the significant growth. In the final quarter, the Company relaunched its national facade insulation subsidy programme on more favourable terms, whilst MASTERPLAST participated in the loft insulation programme, which is also available on the market, in collaboration with its insulation partners. As a result of the certified energy savings associated with these programmes, a right with limited marketability arises, known as Certified Energy Savings (HEM). HEM certified directly or indirectly by Masterplast's partners is sold within the framework of the EKR system to parties entitled to purchase HEM. These sales also contributed significantly to the increase in turnover achieved on the Hungarian market.

On the Polish market, the Group achieved an 11% increase in turnover compared to the 2024 baseline, and it became **MASTERPLAST'S** second-largest market. Revenue increased in the roofing membrane and roofing components product group thanks to sales of in-house manufactured roofing membrane products, and in the Thermal insulation system due to glass fibre sales, whilst revenue in the other product groups decreased compared to last year.

Revenue in the export sector fell by 5% year-on-year. Turnover fell in the facade thermal insulation product group, which is produced in-house, whilst revenue increased for XPS and roofing membrane products, which are also manufactured in-house. **MASTERPLAST** was able to significantly increase its revenue in certain countries, including France, Spain and Bosnia and Herzegovina.

Revenue in the **Group's** Romanian market fell by 6%. Revenue for most product groups decreased in 2025 compared with the previous year.

In Serbia, the **Group's** sales in 2025 remained at the base level. The Group's own-manufactured EPS and XPS products performed well in the region, whilst sales of other products mostly declined.

In the German market, sales fell by 7% in 2025 compared to the previous year, with sales of in-house manufactured healthcare raw materials, roofing membranes and façade products all showing a decline.

In Ukraine, which remains in a state of war, revenue increased by 6% compared to the 2024 baseline. With the exception of the heat, sound and water insulation materials and construction accessories product groups, **MASTERPLAST'S** revenue in Ukraine increased across all other product categories.

In the **Group's** markets where it holds a 3% or smaller market share – Italy, Slovakia, Croatia and North Macedonia – turnover also fell compared to 2024.



Subotica – XPS plant

DEVELOPMENT OF MASTERPLAST'S CONSOLIDATED RESULTS

The following table presents **MASTERPLAST'S** consolidated, audited income statement in the full-cost format, in thousands of euros.

Statement of profit or loss (thousands of euros)	31 December 2025	31 December 2024	Change	Change %
	(A)	(B)	(A-B)	(A/B-1)
Sales revenue	171,151	136,137	35,013	26%
Materials and services used	-132,605	-112,965	-19,640	17%
Personnel expenses	-26,992	-27,509	517	-2
Depreciation and amortisation and impairment	-7,589	-7,524	-65	1
Change in inventories of own production	-812	5,368	-6,180	-115%
Other operating income (expenses)	-1,585	1,173	-2,758	-235
OPERATING PROFIT	1,568	-5,318	6,886	-129%
Interest income	472	771	-300	-39%
Interest expense	-3,180	-3,238	58	-2%
Other income (and expenses) from financial transactions	-3,453	2,510	-5,963	-238%
Financial result	-6,161	43	-6,204	-14,387%
Share of profit of associates	-8,893	-82	-8,811	10,687
Profit before tax	-13,487	-5,358	-8,129	152%
Income tax	-1,371	717	-2,088	-291%
Profit for the year	-14,858	-4,641	-10,217	220%
EBITDA	9,157	2,205		
EBITDA margin	5,4%	1,6%		
Earnings per share (EPS) (EUR)	-0,81	-0,29		
Diluted earnings per share (diluted EPS) (EUR)	-0,80	-0,29		

Source: the Group's IFRS-compliant, consolidated, audited financial statements as at 31 December 2025 and 31 December 2024

The Group's total annual turnover for 2025 was EUR 171,151 which was 26% higher than the figure for the base period.

Compared with the previous year, capacity utilisation increased at the EPS and XPS plants in Serbia. Output at the other production units fell short of the previous year's level, but the organisation, which had been adapted to demand conditions, operated more cost-effectively overall. The ramp-up of the XPS production unit and the corresponding improvement in its profitability were continuous throughout the year.

Taking into account changes in the level of self-produced inventories, the Company's costs of materials and services used increased by 24% compared with the base period, which was a smaller increase than the change in Revenue. The Group's raw material costs decreased, energy costs remained roughly at the base period level, whilst the value of services used increased compared to the base period.

The Company's personnel expenses decreased by approximately 2% compared to the base period. The average headcount in 2025 was 1,082 compared to the average headcount of 1,239 in the base year.

The Group's depreciation and amortisation expense closed at a level virtually identical to that of 2024.

The Company recorded a loss of EUR 1,585,000 under 'Other operating results', compared with a profit of EUR 1,173 000 in the same period last year. The Company reviewed and realigned its manufacturing strategy, deciding to close its Italian EPS production unit. The Company has set aside a total provision of EUR 2,6 million for the expected losses associated with the liquidation of the production unit, which loss was recognised under other operating results in the Profit for the year section of the profit and loss account.

As a result of all this, the Company's EBITDA in 2025 was a profit of EUR 9,157,000 (5,4% EBITDA margin) in 2025, compared with a profit of EUR 2,205,000 (1.6% EBITDA margin) in the base period, whilst the profit from operating activities was EUR 1,568,000 in 2025, compared with a loss of EUR 5,318,000 in the base period.

The Company's interest income fell, whilst interest expenses remained close to the base level. The net interest result showed a total loss of EUR 2 709 000, which was EUR 242,000 higher than the loss of EUR 2,467,000 recorded a year earlier.

During a review of the Group's manufacturing strategy, it was also decided to halt the rock wool investment. In connection with the write-off of the borrowing granted to MIP Alapanyaggyártó Zrt., the Company recognised a financial loss of EUR 1,3 million under 'Other income/expenses from financial operations'. Other income/expenses from financial operations also include foreign exchange gains and losses. The Group procures the majority of its products in euros and US dollars, which it sells in local foreign currency; therefore, movements in exchange rates affect the **Group's** results. The currencies of most countries are pegged to the euro, so movements in the EUR/USD exchange rate affect foreign exchange gains and losses in the case of dollar-denominated purchases. Due to unfavourable exchange rate effects, a loss of EUR 2,156 was recognised in other financial income and expenses, compared with a profit of EUR 2,510 thousand in the base period.

The result from associates amounted to a loss of EUR 8,893 thousand in the current year, driven to a lesser extent by the results of glass wool production, which is in its start-up phase. The majority of this loss is attributable to impairment losses and provisions relating to MIP Alapanyaggyártó Zrt., resulting from the decision to halt the rock wool investment, of which a loss of EUR 7 million was recognised in **MASTERPLAST's** consolidated Statement of profit or loss under the line item 'Share of profit of associates'.

As a result of all this, the **Group's** profit for the year 2025 was a loss of EUR 14,858,000, compared with a loss of EUR 4,641,000 in the base period.



Sárszentmihály site

PRESENTATION OF THE **GROUP'S** FINANCIAL POSITION

Balance sheet item (EUR thousand)	31 December 2025	31 December 2024	Change	Change %
	(A)	(B)	(A-B)	(A/B-1)
Non-current assets				
Tangible assets	99,117	110,865	-11,747	-11%
Intangible assets	1,327	2,248	-921	-41%
Investments in associates	8,677	15,651	-6,974	-45%
Deferred tax assets	3,221	3,864,929	-644	-17%
Non-current assets	112,342	132,629	-20,287	-15%
Current assets				
Inventories	39,712	40,018	-306	-1%
Trade receivables	19,618	11,201	8,417	75%
Tax receivables	2,461	2,295	166	7%
Other current assets	6,953	4,464	2,489	56%
Cash and cash equivalents	10,637	4,370	6,267	143%
Assets held for sale	4,602	3,121	1,481	47%
Current assets	83,982	65,469	18,513	28%
TOTAL ASSETS	196,324	198,098	-1,773	-1%
Equity				
Share capital	6,652	6,049	603	10%
Reserves	71,950	60,672	11,279	19%
Treasury shares	-2,297	-2,117	-179	8%
Share of profit of parent company	-15,002	-4,825	-10,176	211%
Equity attributable to parent company shareholders	61,304	59,778	1,526	3
Non-controlling interest	712	705	7	1%
Equity	62,016	60,483	1,533	3%
Non-current liabilities				
Long-term loans	14,947	15,920	-973	-6%
Liabilities from bond issues	27,227	32,894	-5,666	-17%
Deferred tax liability	1,477	1,455	22	1%
Deferred income	26,428	32,109	-5,681	-18%
Other non-current liabilities	723	960	-237	-25%
Non-current liabilities	70,802	83,337	-12,535	-15%
Current liabilities				
Short-term loans	18,190	19,843	-1,653	-8%
Short-term portion of liabilities from bond issues	7,784	7,309	475	6%
Trade payables	19,900	15,186	4,714	31%
Short-term finance lease liabilities	277	276	1	0
Other financial liabilities	803	2,119	-1,316	-62%
Tax liability	6,470	2,179	4,292	197%
Current portion of deferred income	1,664	2,067	-403	-20%
Provisions	1,041	775	265	34%
Other current liabilities	7,377	4,523	2,854	63%
Current liabilities	63,506	54,277	9,229	17%
TOTAL LIABILITIES	134,308	137,614	-3,306	-2%
TOTAL ASSETS	196,324	198,098	-1,773	-1%

Source: the Group's IFRS-compliant, consolidated, audited financial statements as at 31 December 2025 and 31 December 2024

The Group's total assets stood at EUR 196,324 thousand at the end of December 2025, which was EUR 1,773 thousand lower than the figures for the base period.

The value of non-current assets stood at EUR 112,342 thousand at the end of 2025, which is EUR 20,287 thousand lower than the figure for the previous year. The decrease of nearly EUR 12 million in the inventory of tangible assets was primarily due to the write-down recognised in connection with the decision to close the Italian factory, as well as the reclassification of underutilised machinery in the healthcare division as Assets held for sale, in addition to amortisation for the year. Under the line item 'Investments in associates', the recognition of losses relating to MIP Zrt. resulted in a decrease of approximately EUR 6 million, in connection with the decision to halt the rock wool investment.

The value of inventories as at 31 December 2025 was EUR 39,712 thousand, which is 1% lower than the closing balance a year earlier. The Company continues to strive to maintain inventories that effectively align with demand conditions, whilst remaining prepared with adequate inventories to meet expected demand.

Trade receivables stood at EUR 19,618 thousand at the end of the reporting year, which is 75% higher than the base figure. The increase is largely attributable to the exceptional growth in revenue in the final quarter.

The value of other current assets rose by EUR 2,489,000 compared to the closing balance a year ago, with borrowings to associates increasing to a greater extent.

The Group's cash and cash equivalents stood at EUR 10,637 thousand at the end of 2025, which is EUR 6,3 million higher than the balance at the end of the base period.

The Group's liabilities from bond issues decreased by EUR 5,192 thousand on the Statement of financial position. The Company successfully met the repayment due in the current year from its own resources. The Company's loan portfolio stood at EUR 33 137 thousand, which was 8% lower than the figure from a year earlier.

The Group's trade payables stood at EUR 19,900 thousand, compared to the previous year's figure of EUR 15,186 thousand. Deferred income, which includes grants related to investments that have not yet been recognised in profit or loss, decreased by EUR 6,084 thousand. The Company released deferred income relating to medical equipment reclassified as assets held for sale.

FINANCIAL AND OTHER OPERATING INDICATORS

Financial and other operating indicators		2025	2024
Current ratio		1,32	1,21
Interest coverage ratio		2,9	0,7
Inventory turnover	days	41	30
Supplier rotation rate	day	54	48
Inventory turnover rate	day	82	106
EBITDA ratio	%	5,4	1,6
Debt ratio	%	68	69

Source: data from the Group's management information system

RESEARCH AND DEVELOPMENT ACTIVITIES

MASTERPLAST'S innovation work comprises the entirety of technical, organisational, managerial and commercial operations aimed at improving the efficiency and profitability of its economic activities, resulting in the creation of new or significantly modified products and the launch of new products onto the market. At Masterplast, this activity focuses primarily on experimental development (including technology), which aims to design and manufacture new products, processes and services, but also includes the production of prototypes not intended for sale, as well as the testing of alternative raw materials, which do not, however, result in a new product.

In 2025, **MASTERPLAST'S** development activities at its Serbian manufacturing sites focused primarily on strengthening digitalisation, automation and robotisation. The aim was to further increase the efficiency of manufacturing and logistics processes and to strengthen data-driven operations. During the year, the digitisation and automation of several manufacturing and management processes were implemented, which increased the transparency and stability of production processes and contributed to more efficient resource utilisation. The

technological developments introduced reduced operational risks and further improved productivity. In the glass fabric business, work began on developing a concept for fabrics intended for industrial use, which could lay the foundations for new market opportunities in the longer term.

In the field of XPS production, the available output capacity has nearly doubled, largely thanks to in-house technological developments and production optimisation measures. The production line is now capable of manufacturing the entire product portfolio, whilst production stability and product quality consistency have also improved significantly. By obtaining the necessary product certifications, the company has further strengthened its market presence and long-term competitiveness.

During the reporting period, **MASTERPLAST'S** nonwoven division carried out targeted production development activities to diversify raw material sourcing and improve cost efficiency. As part of this, it tested the processability of polypropylene (PP) raw materials from alternative sources, as well as compounds of varying compositions, under operational conditions. During the tests, different production parameters and formulations with varying additive contents were trialled in order to optimise production costs whilst maintaining product quality.

In 2025, the Modular construction division focused on the targeted fine-tuning of the construction system. As part of the development work, technical refinements and modifications were implemented in material usage, as well as in technological and joint solutions, which contributed to improving manufacturing efficiency, simplifying the range of building components and reducing material costs. In parallel, significant development capacity was allocated to the drafting of technical instructions and production-supporting product drawings. As the next step in system development, the design of the V04 frame system has commenced, which enables the construction of residential buildings up to 9 storeys high. The basic module is being expanded with new elements providing additional functions, such as balconies, canopies, central corridors and accessible flat roof elements. As a result of this development, by the second half of 2026, the expansion of the building component range will significantly broaden the scope of application of the technology, creating new market opportunities. In the detached house segment, a new, faster and more cost-effective foundation method with a lower environmental impact has been developed, and its application is expected in projects starting in 2026.

ENVIRONMENTAL PROTECTION

The **MASTERPLAST Group** sets out the details of its environmental protection activities in corporate regulations. The aim is to define the rules, practices, procedures and areas of responsibility necessary to implement the environmental policy, to ensure measures aimed at reducing environmental impacts, and to regulate the operation of these processes. These processes are coordinated by the environmental engineer within **MASTERPLAST'S** central Asset Management and Operations Department.

The **MASTERPLAST Group** conducts its sustainability report in accordance with the Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS), within the framework of which it identifies and manages environmental impacts, risks and opportunities (IROs), taking into account the entire value chain.

The Group's key objective is to gradually increase the proportion of renewable energy sources and reduce its environmental impact in the interests of energy efficiency and sustainability. As part of this, it operates solar panel systems at several sites and continuously develops its energy efficiency measures.

The Group operates its Environment Management System in accordance with the ISO 14001:2015 standard. As part of this, it regularly assesses and records environmental factors and impacts. The operation of the system is governed by the Integrated Management Manual. Key areas: water quality protection, air quality protection, waste management, chemical management, noise and vibration control, soil protection and emergency response.

In 2025, the **MASTERPLAST Group** further strengthened its environmental data collection and reporting processes, under which environmental data is collected via a unified, software-supported system, thereby increasing transparency and data quality.

Environmental considerations form an integral part of operational and strategic decision-making, including the upstream and downstream stages of the value chain.

ENERGY CONSUMPTION

The MASTERPLAST Group is committed to improving energy efficiency and reducing greenhouse gas emissions. To this end, it operates an energy management system in accordance with the ISO 50001 standard, which ensures the continuous improvement of energy performance.

To reduce the Group's energy consumption, it continuously improves its manufacturing processes, optimises its energy use and increases the proportion of renewable energy sources. Energy efficiency measures contribute to reducing operating costs and mitigating CO₂ emissions.

Energy consumption mainly takes the form of electricity during manufacturing processes, whilst fuel is also consumed in connection with logistics and commercial activities. Energy is procured at group level and through the markets of individual countries.

The insulation materials manufactured by MASTERPLAST contribute significantly to reducing energy consumption and CO₂ emissions in the building stock. With appropriate thermal insulation, energy savings of up to 60% can be achieved, which determines demand for the products in the long term.

WASTE MANAGEMENT

The MASTERPLAST Group conducts its waste management activities in accordance with the principles of the Circular economy, supported by operations compliant with ISO 14001 and ISO 50001 standards, as well as internal regulations.

The Group pays particular attention to optimising material usage, preventing waste generation and increasing the recycling rate. Approximately 95% of the waste generated during manufacturing processes is recoverable or recyclable. In the 2025 financial year, the Group further increased its use of recycled materials: during XPS production, nearly 2 million kg of internal and approximately 1 million kg of external recycled material were incorporated into the products.

The transparency and efficiency of waste management processes are supported by a digital recording system, which enables the accurate tracking of waste generated and recycling rates.

MASTERPLAST Hungarocell's Green Programme was further expanded in 2025 and now also covers glass wool products. Under the programme, clean polystyrene waste generated is collected and recycled, and used as a raw material for Thermobeton, reducing the demand for primary raw materials and the environmental impact.

The Group implements selective waste collection at its sites and endeavours to ensure that waste is managed at the nearest possible licensed facilities. It regularly monitors the activities of its waste management partners.

To raise environmental awareness among employees, the Group organises regular training sessions and internal communication campaigns. Environmental training is mandatory for all employees and is reinforced through annual refresher courses.

MASTERPLAST'S sustainability goals are in line with the requirements of the EU Taxonomy Regulation, with particular regard to the principles of the Circular economy and the avoidance of significant harm.

OUTLOOK AND STRATEGY

As part of the 'Fit for 55' climate policy package, the European Union has revised and strengthened the Energy Performance of Buildings Directive (EPBD), which aims to accelerate the decarbonisation of the building stock and achieve a substantial reduction in energy consumption. The directive supports the achievement of the climate neutrality target set for 2050 and obliges Member States to draw up national renovation plans, increase the renovation rate and gradually modernise the building stock. The tightening regulatory and financing environment creates secure demand for energy efficiency investments in the medium and long term, providing structural demand support for the insulation industry.

In addition to the regulatory environment, global economic conditions have also become increasingly decisive. Geopolitical tensions, volatility in energy prices and uncertainty in supply chains have a direct impact on industrial production costs and investment decisions. At the same time, these factors also reinforce the economic rationale

for energy efficiency investments, which supports sustained demand for insulation materials in the longer term. MASTERPLAST structures its operations in such a way that it can ensure security of supply and stable operations even in a changing global environment.

The practical implementation of the above processes is clearly observable in Hungary – the Company’s largest market. In recent times, several housing construction programmes have been launched, which may stimulate the market by improving access to finance. Under the Otthon Start Programme, a state-subsidised mortgage loan of up to HUF 50 million, with a fixed interest rate of 3% and a term of up to 25 years, is available for the purchase or construction of a first home or family house, which may improve access to finance for a wider audience. In addition, the Housing Capital Programme, with a budget of HUF 300 billion, encourages new housing developments through equity financing; according to market expectations regarding the programme, this could support the construction of more than 30 000 new homes over five years, with the first handover dates likely to appear from the second half of 2026. On the renovation side, the KEHOP Plus Home Renovation Programme remains a relevant factor supporting demand; the scheme may also include a support component for residential energy efficiency upgrades (details vary by programme), which could create a favourable environment for the thermal insulation market through renovation activity.

MASTERPLAST’S innovative modular construction business, based on factory prefabrication, fits perfectly with the aforementioned programmes aimed at promoting affordable housing. The technology ensures minimal labour requirements, standardised quality and rapid construction, whilst minimising environmental impact. The development of the modular building component manufacturing business is at an advanced stage, and the first family homes built using modular technology have already been handed over.

The EKR/HEM (Energy Efficiency Obligation Scheme (EEOS)) market continues to offer significant sales opportunities for the Company. Changes in the regulatory environment, particularly the rise in savings obligations and the growing focus on residential customers, are increasing the size of the market. The innovative insulation programme launched by the Company (Hungarocell Renovation Programme) provides a framework for exploiting opportunities in the HEM market, under which the materials for the complete facade thermal insulation system are provided free of charge to residential customers, financed from the value of the HEMs. The programme can be combined with the free loft insulation programme, which already operates on a similar principle and whose core product is Glass wool. These programmes provide significant additional revenue and predictable demand, whilst contributing to higher utilisation of production capacity and improved profitability of the core business.

In the European renovation and housing construction markets, the availability of REPowerEU funds and the gradual normalisation of the financing environment point to a more favourable outlook; however, the pace of market recovery remains sensitive to developments in the macroeconomic environment.

The Company’s existing presence in the Ukrainian construction industry could hold significant long-term potential, particularly in the event of a stabilising geopolitical environment.

MASTERPLAST has made significant investments in production development in recent years. The expansion of production capacity for glass fibre and roofing membrane enables the Company to serve the market for premium-category products. The combined production capacities for EPS, XPS and the now operational glass wool ensure that the Company can establish a leading position as a manufacturer in both the plastic and mineral insulation sectors.

The optimisation of the production portfolio and the structural strengthening of the demand side create a stable foundation for operations in the coming years. Sustainable medium- and long-term demand for thermal insulation materials, consciously enforced financial discipline and a return-oriented investment approach collectively support the further strengthening of earnings capacity and the continued improvement of financial stability.

The **MASTERPLAST Group’s** distribution model continues to be tailored to the specific characteristics of local markets. Subsidiaries serve building materials traders, procurement companies and DIY store chains, whilst markets without subsidiaries are served through export departments, which the Company reports as Export sales. The aim is to establish a strong presence in each market based on local partners, ensuring an increase in market share and profitability. Competitiveness is underpinned by security of supply, consistent quality, certified products and a favourable price-performance ratio.

Within the construction industry, the insulation sector is the main focus of the Company’s development. With its product portfolio and the use of its insulation materials, MASTERPLAST enables energy-efficient thermal insulation

of institutional and residential buildings, thereby actively contributing to the reduction in energy consumption in the building stock as announced by the European Union.

Sustainability and environmental considerations are becoming increasingly important in all areas of our operations. The Company currently operates the Hungarocell Green Programme, under which it collects and recycles production waste from insulation materials. The aim for the future is to develop systems that enable the collection and recycling of insulation materials throughout their entire life cycle.

Automation, digitalisation and efficiency improvements are playing an increasingly significant role in the development of manufacturing and business processes. The aim is to optimise operations, reduce energy consumption and minimise environmental impact, whilst the Company adapts to regulatory and market expectations.

In the insulation industry, the role of recyclability and circular economy practices is becoming increasingly prominent. In Hungary, the Company currently collects and recycles the cutting waste from the insulation materials (EPS and XPS) it distributes as part of the Hungarocell Green Programme. In the future, the aim is to develop insulation systems that allow for the breakdown, collection and recycling of materials throughout their entire life cycle, thereby offering sustainable solutions in the long term.

In line with sustainability considerations, the Company is continuously improving its manufacturing and operational processes. Within this framework, reducing specific energy consumption, minimising harmful emissions and increasing the use of renewable energy sources play a key role. Improvements in operational efficiency are also supported by the strengthening of automation and robotisation, whilst a diversified supplier structure ensures the stable fulfilment of growing production and sales demands.

The Company's sustainability and environmental objectives are served by the construction projects of the modular building components manufacturing division, where the fabrication of buildings under factory conditions limits on-site waste generation. The rise of modular construction is also supported by a shortage of suitable specialists, rising labour costs and the need for predictability.

The Company is also continuously exploring opportunities to expand its product portfolio suitable for industrial manufacturing. Non-woven textile products – produced at the Aschersleben and Sárszentmihály manufacturing units – can be used in a number of industries, including filtration, the furniture and clothing industries, the packaging industry, and agriculture. The use of glass fabric enables further industrial applications, including in the form of composite materials in the automotive and marine industries, as well as in cladding and structural systems for the construction industry.

Digitalisation and the development of online operations also play a key role in the Company's strategy. Supporting web-based sales and the digitalisation of business processes contributes to faster, more efficient operations requiring less manual intervention. MASTERPLAST aims to increase its operational efficiency and competitiveness by applying state-of-the-art technologies.

RISK MANAGEMENT PRESENTATION

Total credit risk

The Group supplies products or provides services to a large number of customers. Taking into account contract volumes and the creditworthiness of customers, there is no significant credit risk. In accordance with the **Group's** international credit management policy, the control process operated at subsidiaries ensures that sales are made only to customers with an adequate financial background, thereby reducing the **Group's** credit risk.

The maximum potential amount affected by credit risk is the carrying amount of financial assets, including transactions recognised in the Statement of financial position that have incurred impairment loss.

Interest rate risk

The Group's management does not consider the interest rate risk arising from variable-rate loans to be a significant risk factor, as the changes in interest rates resulting from banking measures taken in the wake of the financial crisis do not represent a magnitude that could not be managed from the profits of our business activities.

Liquidity risk

The **Group's** liquidity policy stipulates that sufficient cash and cash equivalents, as well as available credit facilities, must be ensured to implement the Financial Strategy.

As at 31 December 2025, the Group had a credit facility of EUR 52.7 million, and as at 31 December 2024, EUR 50.1 million, which includes short- and long-term credit facilities, as well as letter of credit and guarantee facilities. In addition to the credit facilities, the bonds issued under the Growth Bond Programme with a face value of HUF 21 billion (EUR 35 million at 31 December 2025 at the balance sheet value of EUR 35 million) provide greater flexibility for the Group's operations, as the Company has replaced short-term investment loans and those taken out at high financing costs with long-term financing at favourable interest rates, and also provide funding for the realisation of the **Group's** strategic objectives.

Geographical risk

The subsidiaries comprising the Group are mainly located in Central Europe, but it also has subsidiaries in Ukraine. However, this relative dispersion does not pose a significant risk, as the **Group** has established regional groups to ensure and enhance control over the operations of its Subsidiaries, entrusting their management and supervision to specialised regional management.

Country risk

The Group's activities and performance are exposed to developments in the political, macroeconomic and public finance situations of Central and Eastern, South-Eastern and Eastern European countries. Any changes in the political and macroeconomic environment may have a negative impact on the **Group's** activities and its ability to generate profits.

Foreign exchange risk

MASTERPLAST procures its products mainly in USD and EUR and sells them in the foreign currencies of its Subsidiaries' respective countries, which results in currency exposure for the **Group**. As the foreign currencies of the majority of the **Group's** country portfolio (with the exception of Ukraine) are pegged to the euro, movements in local foreign currencies against the euro, as well as the EUR/USD exchange rate in the case of products procured in USD, influence the exchange rate impact on trading activities.

MASTERPLAST manages exchange rate risk centrally at Group level and, under the coordination of the parent company's financial director, at Subsidiary level. The optimal hedging strategy is determined as part of the annual financial planning process and implemented by the **Group** following approval.

The Hungarian entities have loans for current assets denominated in euros, whilst the Serbian Subsidiary has a euro-denominated investment loan.

Tax risk

The **Group** continuously monitors and tracks changes in the evolving regulatory framework, and should any regulatory change affecting the Group come into force, it immediately takes the appropriate measures and establishes or amends its procedures; consequently, there are no significant tax risks identified by management of which the management would be aware.

Capital risk management

- Dividend policy

If the **Group** is unable to identify suitable investment and acquisition targets for its growth, it may pay dividends to shareholders, provided that adequate profitability and working capital are maintained. The dividend may amount to a maximum of 50% of the profit for the year.

- Capital increase

MASTERPLAST raised capital in 2018, 2022 and 2025, and may also secure funding in the future in the form of a capital increase to implement its subsequent strategic plans. With the exception of specific cases, the Group does not plan to raise capital through shareholder contributions in its Subsidiaries; it finances increases in Equity from the profits of previous years.

- Optimal capital structure

Following the capital increases carried out in 2012, 2022 and 2025, the Group's equity-to-debt ratio has improved significantly, a position it intends to maintain in the future to mitigate liquidity risk – given the unpredictability of financial markets.

- Ensuring operational viability

To ensure its effective financial viability, the Group continuously strives to extend and prolong the payment deadlines for contracts and transactions with its suppliers, thereby seeking to offset trade receivables.

ETHICAL STANDARDS

The Group pays particular attention to respecting human rights, combating corruption and preventing bribery. The Group applies a Code of Ethics, the scope of which covers the following:

- In relation to clients, including, amongst other things, the protection of information, the regulation of fair business practices, the management of conflicts of interest, the regulation of business gifts, entertainment and hospitality, and the prohibition of bribery and corruption.
- In relation to employees of the Group and its Subsidiaries: communication, relations with managers, the prohibition of discrimination, expectations regarding work performance, the protection of values, and occupational health and safety issues, as well as health protection.
- In relation to the Company's shareholders, covering, amongst other things, the prohibition of insider trading, the handling of confidential and protected information owned by the Group, and the protection of corporate property, assets and intellectual property.
- In relation to the Group and society: engagement in public life, the prohibition of child and forced labour, social responsibility and environmental awareness.

The Code of Ethics sets out personal responsibilities in relation to the above. It regulates additional expectations regarding managers and the obligation to report breaches of the Code, as well as the sanctions for ethical misconduct and legal violations. The Code also sets out the procedures for control of compliance with the rules.

In addition to the above, the Group operates an internal audit system. The internal auditor gives particular attention to the respect for human rights and the emergence of risks related to the fight against corruption and the prevention of bribery. The internal auditor reports on their work to the Audit Committee, which is independent of management.

To ensure lawful operations, the MASTERPLAST Group operates an internal whistleblowing system in accordance with Directive (EU) 2019/1937 of the European Parliament and of the Council on the protection of persons reporting breaches of Union law and on complaints, Act XXV of 2023 on complaints, reports in the public interest and rules relating to the reporting of misconduct (hereinafter: the Complaints Act), and the MASTERPLAST Group's regulations on the operation of the whistleblowing system. The purpose of the whistleblowing system is to investigate reported information relating to unlawful or suspected unlawful acts or omissions, or other misconduct, in accordance with the requirements set out in the relevant legislation. There were no reports made via the whistleblowing system in the 2025 financial year.

The Group's expectations of suppliers are set out in the Supplier Code of Conduct and Ethics, which is available on the Company's website: <https://www.masterplastgroup.com/vallalatranyitas/>, and which contains ethical and compliance requirements extending to the supplier value chain.

WORKFORCE MANAGEMENT

According to the **Group's** philosophy, a business can only be successful if its ability to change and adapt accelerates and its agility increases. Expanding the management team with international experience and developing the organisation's ability to integrate are therefore key to achieving the Company's strategic goals. Further key human resource management priorities include identifying the potential within employees, recognising, retaining and continuously motivating talented staff who are of particular importance to the company, including the further development of their skills and competencies. Ensuring a continuous influx of young talent is essential to the organisation's competitiveness.

The aim is to increase the concentration of talent in key positions and to employ the most capable, talented, motivated and high-performing staff for the roles in question. To broaden the employee base, the Company intends to expand its cooperation with secondary and higher education institutions, building on work placements and internship programmes.

The Company's aim is to create a workplace that is as attractive and flexible as possible, and to strengthen its employer brand, enhancing its ability to attract and retain staff. It pays particular attention to creating and maintaining an attractive work schedule and working environment, as well as to staff development.

The key to the success of the corporate strategy lies in its widespread communication, understanding and representation, which fosters employee commitment.

Sustainability-related topics and events are consciously incorporated into its programmes and HR initiatives.

EQUAL OPPORTUNITIES POLICY

In accordance with the equal opportunities policy set out in **MASTERPLAST'S** Code of Ethics, the company pays particular attention to the cultural and social environments, which vary from country to country, as well as to the diversity of its workforce. It places great emphasis on non-discrimination, as well as on ensuring equal opportunities and equal treatment.

RESPECT FOR HUMAN RIGHTS

Respect for human rights is a core value of the **MASTERPLAST** Group, which permeates all our operations, whether in manufacturing, product development, sales or activities involving our stakeholders – our employees, investors, suppliers, customers, etc.

We support and strive to embed the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises throughout our business activities, and we encourage our partners and suppliers to do the same when working with the **MASTERPLAST** Group. Our approach to human rights forms an integral part of the Group's Code of Ethics and Code of Conduct and Ethics for Suppliers.

Human rights considerations are also applied throughout the **Group's** entire value chain.

<https://www.masterplastgroup.com/emberi-jogi-politika>

SITE PRESENTATION

The Masterplast Group, led by Masterplast Plc., has sites in 10 countries, operating its own production facilities in 5 of these. The properties of the group companies cover a total area of more than 540,000 m². The sites comprise nearly 7,000 m² of office space, approximately 51,000 m² of production halls, nearly 82,000 m² of warehouse space, and nearly 189,000 m² of paved and asphalted outdoor storage, parking and access areas.

The maintenance of the buildings, utilities and outdoor areas at the sites, as well as the upkeep and improvement of their technical standards, is continuously ensured, thereby supporting efficient, safe and reliable operations.

The Hungarian companies – including Masterplast Hungária Ltd., Masterplast International Ltd., Masterplast Membrane Ltd. and Masterplast Modulhouse Ltd. – operate in accordance with the ISO 9001:2015 quality

management standard, ISO 14001:2015 environmental management, ISO 50001 energy management and ISO 45001 occupational health and safety management systems issued by the International Organization for Standardization.

All certifications were successfully renewed during 2025, reaffirming the group's commitment to regulated, sustainable and safe operations. The maintenance of the ISO 50001 energy management system was also successfully audited at Masterplast Insulation Ltd. and Masterprofil Ltd., supporting the energy-efficient and controlled operation of the production units.

MANAGEMENT AND ORGANISATIONAL MEASURES AT AFTER THE REPORTING DATE FOR THE STATEMENT OF FINANCIAL POSITION

Changes affecting the Company's organisation after the reporting period are described in the section 'Events after the reporting period'.

CORPORATE SOCIAL RESPONSIBILITY

The MASTERPLAST Group is committed to responsible corporate governance and sustainable operations. Corporate social responsibility is an integral part of the company's operations, defining the creation of social and environmental value as an important objective alongside economic performance. Its CSR activities contribute to the development of local communities, strengthen employee commitment and support the company's long-term value-based operations.

MASTERPLAST carries out its CSR activities across the entire group's operational area. The programmes are funded from the company's profits, and grants are awarded in accordance with transparent, ethical principles. The company's aim is for its social engagement to create genuine value for both the communities and the company's operations. Masterplast Plc. joined the BCSDH – Hungarian Business Council for Sustainable Development in 2022, a community of companies committed to sustainable development that works to promote climate-neutral, nature-positive and socially just economic operations. Masterplast endorses the BCSDH's principles of responsible corporate governance and applies them in its day-to-day operations.

MASTERPLAST'S corporate social responsibility strategy is organised around five key areas, including child welfare and education, environmental protection and sustainable thinking, support for local communities, promotion of sport and a healthy lifestyle, and the implementation of professional and educational programmes. Initiatives that support children's development, health and education play a key role in the company's sponsorship activities, and an important objective is to shape the environmental and health awareness of younger generations and to promote quality education, with a particular focus on supporting the next generation of construction professionals. In the field of environmental protection, Masterplast contributes to climate protection goals in connection with its core business, supports the spread of Circular economy solutions, and strives to increase resource efficiency and reduce its environmental impact in its own operations. In supporting local communities, the company aims to improve the quality of life for residents, develop community infrastructure and strengthen social cohesion. To promote sport and a healthy lifestyle, the company provides sporting opportunities for its employees and supports local and national sporting activities. Within the framework of professional and educational programmes, a key objective is to promote the sustainable development of the construction industry, shape professional attitudes and strengthen knowledge sharing.

The Group considers it of paramount importance not only to participate in the economic and social life of its immediate community as an employer, but also to support the work of foundations and associations that have taken on a social role. As part of this, MASTERPLAST collaborates with the Lámpás '92 Foundation, which provides housing and development programmes for people with disabilities. The company supports the foundation's residential home development programme, primarily by providing the building materials required for energy efficiency upgrades, thereby contributing to sustainable operations. For this support, the company received the LAURUS Award in 2025.

Since 2013, MASTERPLAST has been an active supporter of the KÉPES programme in Székesfehérvár, which implements community development projects through cooperation between the local council and companies in the region, primarily through the renovation of educational institutions. The company has been operating from its headquarters in Sárszentmihály since 2002 and has been an active supporter of the town's community life ever

since, contributing, among other things, to the development of community infrastructure, the creation of a playground, and the renovation of the nursery and the doctor's surgery.

MASTERPLAST has played a pioneering role in the Hungarian construction industry in developing a circular economy model, which aims to recycle thermal insulation materials and reintroduce materials generated during production back into the process. . also supports the spread of an environmentally conscious mindset through numerous smaller initiatives, including tree-planting programmes, nature conservation campaigns, the implementation of selective waste collection projects, and the reduction of single-use plastics.

MASTERPLAST also supports the health and wellbeing of its employees, providing opportunities for sport, supporting community sports programmes and participation in various sporting events. The company has long supported the expansion of amateur sporting opportunities in collaboration with the National Mini-Football Association, and contributes to the development of young sporting talent through its support of BOM – The Foundation for Hungarian Sport; furthermore, at a regional level, it is a sponsor of the Hydro Fehérvár AV19 ice hockey club.

For several years, MASTERPLAST has supported the work of the Hungarian Children's Rescue Foundation, contributing to the purchase of specialised equipment and educational programmes through financial support and partnership campaigns, as well as participating in the development of child rescue infrastructure.

The MASTERPLAST Group's corporate social responsibility activities are also reflected in the operations of its subsidiaries, which support civil, educational, sporting and community initiatives tailored to the needs of local communities. The company also places particular emphasis on educational and professional partnerships; as part of this, it has launched a collaboration with the Jáky József Technical College at the Székesfehérvár Vocational Training Centre, where a modern digital classroom has been established with the company's support, contributing to the acquisition of up-to-date professional knowledge. The Serbian subsidiary in Subotica is also an active participant in local community life, supporting civil society and sports programmes, as well as collaborating with the local higher education institution.

The MASTERPLAST Group's corporate social responsibility programmes have a positive impact on community life, employees and the company's reputation. The sustainability and employer awards received, as well as the feedback, all confirm the social value of these programmes.

RESPONSIBLE CORPORATE GOVERNANCE

The Consolidated annual financial statements, prepared in accordance with the applicable accounting standards, present a true and fair view of the assets, liabilities, financial position and results, whilst the Annual Report provides a reliable picture of the position, development and performance of Masterplast Plc. and its subsidiaries involved in the Consolidation, setting out the main risks and uncertainties.

The Group makes every effort to operate in accordance with legal and regulatory requirements, whilst upholding the principles of ethical business conduct. Accordingly, the Group pays particular attention to the BSE's recommendations on responsible corporate governance in its day-to-day operations and regulatory compliance.

The regulations are available on the website https://www.masterplastgroup.com/document_folder/tarsasagiranyitasi-dokumentumok/.

CORPORATE GOVERNANCE STATEMENT

The shares of Masterplast Plc. are traded on the Budapest Stock Exchange (BÉT); accordingly, the Company adheres to the corporate governance principles established in Hungary and the relevant mandatory legal requirements.

Masterplast Plc. manages the MASTERPLAST Group. The Group consists of the parent company, Masterplast Plc., as well as 17 companies within the scope of Consolidation, four Associate companies and one indirectly related company. The Company places great emphasis on the implementation of responsible corporate governance recommendations and guidelines, taking into account the organisation and specific characteristics of the group formed by the Company and its Subsidiaries. The Company's management continuously develops its operational and Control practices under the guidance of the Board of Directors.

Masterplast Plc.'s corporate governance practices are in line with the requirements of the Budapest Stock Exchange and current capital market regulations. Furthermore, the Company regularly reviews the principles it applies to ensure it complies with the continuously evolving best international practices in this area.

MASTERPLAST considers the aspects of sustainability, energy efficiency and environmental protection to be of paramount importance, both in its internal processes and in the manufacture and development of its products.

The governing bodies of Masterplast Plc are: the General Meeting, the Board of Directors, the Audit Committee, Group Management, the Chief Executive Officer and Deputy Chief Executive Officers.

The General Meeting is the Company's supreme body, comprising all shareholders. As the Company's supreme decision-making body, the General Meeting enables shareholders to make decisions on matters of particular importance relating to the Company's operations, to determine corporate governance measures, and to exercise their Control rights. The rules governing the convening and conduct of the General Meeting, the rights and obligations of shareholders, and the manner in which shareholders' rights are exercised are set out in detail in the Company's Articles of Association, which are available on the Company's website and that of the Budapest Stock Exchange.

The Company's executive body is the five-member Board of Directors. The Board of Directors acts as a body; its responsibilities include decisions relating to the management of the legal entity, and its powers encompass the resolution of all matters not falling within the exclusive competence of the General Meeting, or which legislation and the Articles of Association assign to the Board of Directors. The rules governing the operation of the Board of Directors, as well as its duties and powers, are set out in detail in Article VIII of the Company's Articles of Association and in the Board of Directors' Rules of Procedure, which are available on the Company's website. The Company's Board of Directors continuously monitors the Company's operations and receives regular updates on the Company's operations from management and the Chief Executive Officer. The independent members of the Board of Directors do not participate in the day-to-day operations of the Company. The Chairman and Vice-Chairman of the Board of Directors of Masterplast Plc. are elected by the Board of Directors for a term of office corresponding to that of the members of the Board of Directors.

The management of the Company's operational activities is carried out by the Chief Executive Officer, who is employed by the Company and elected by the Board of Directors. The Board of Directors exercises employer's rights over the Chief Executive Officer. The Chief Executive Officer exercises employer's rights over the Company's employees; the Board of Directors exercises employer's rights over the Chairman and Vice-Chairman of the Board of Directors, with the exception of their election and dismissal.

Members of the Company's Board of Directors until 30 April 2025:

Tibor Dávid, Chairman (non-independent)
 Ács Balázs, Vice-Chairman (non-independent)
 Dirk Theuns (independent)
 Dezsé Margaret (independent)
 Fazekas Bálint (independent)

Members of the Company's Board of Directors from 1 May 2025:

Tibor Dávid, Chairman (non-independent)
 Ács Balázs, Vice-Chairman (non-independent)
 Dirk Theuns (independent)
 Dezsé Margaret (independent)
 Tóth József (independent)

The Company has a three-member Audit Committee, whose members are elected by the General Meeting from among the independent members of the Board of Directors for a term of office identical to that of their membership of the Board of Directors. The Audit Committee elects its chair from among its members and passes its resolutions by a simple majority. In 2025, Dezsé Margaret held this position.

Members of the Audit Committee until 30 April 2025:

Dezsé Margaret, Chair (independent)
 Dirk Theuns (independent)
 Fazekas Bálint (independent)

Members of the Audit Committee from 1 May 2025:

Dezse Margaret, Chair (independent)

Dirk Theuns (independent)

Tóth József (independent)

The presentation of the members of the Board of Directors and the Audit Committee is available on the Company's website.

The management of the [MASTERPLAST Group](#) – within the framework of the Articles of Association, the resolutions of the General Meeting and the Board of Directors, and the Organisational and Operational Regulations of Masterplast Plc. – is carried out by the Group Management (hereinafter: “management”). The division of tasks and responsibilities among the members of the management in relation to specific areas of corporate governance is set out in the Organisational and Operational Regulations of Masterplast Plc. The professional backgrounds and presentations of the members of the management can be viewed on the Company's website.

Members of the Group management in 2025:

Tibor Dávid, Chairman and Chief Executive Officer

Ács Balázs, Vice-Chairman and Deputy Chief Executive Officer

Nádas Róbert, Deputy Chief Executive Officer

Pécsi László, Member of Group Management

Jancsó Illés, Deputy Chief Executive Officer

Bunford Tivadar, Member of Group Management

Lukács Flórián László, Deputy Chief Executive Officer

In all matters not assigned by law or the Articles of Association to the exclusive competence of the General Meeting or the Board of Directors, the right to decide rests with the management.

The Chief Executive Officer directs and supervises the Company's day-to-day operations and organisational structure, as well as the provision of the conditions necessary for the Company's activities, within the framework defined by legislation and the resolutions of the General Meeting and the Board of Directors. The Chief Executive Officer exercises the employer's rights over the Company's employees. His professional career and Presentation can be viewed on the Company's website.

In 2025, the Board of Directors held 5 meetings with 100% attendance. Attendance was either in person or via electronic means of communication.

The Company does not have a Supervisory Board.

The Audit Committee held four meetings in 2025 with 100% attendance. Attendance was either in person or via electronic means of communication.

The Board of Directors operates as a body and makes decisions. Upon the Company's listing on the stock exchange, it laid down its own operating procedures in its rules of procedure, which were last updated in April 2023 to maintain best practice.

The rules of procedure set out:

- the duties and powers of the Board of Directors,
- the rules applicable to members of the Board of Directors,
- the main duties of the Chair and Deputy Chair of the Board of Directors,
- the procedure and preparation of Board meetings, the decision-making system, the control of the implementation of decisions, and the rules on conflicts of interest.

In order to enhance its operational efficiency, taking into account the Company's size, structure and efficiency, as well as the professional soundness of decisions, the Board of Directors does not operate committees; the relevant functions are performed by the members of the Board of Directors without a formal body.

In 2025, the Board of Directors did not take any decision contrary to the recommendation of the Audit Committee.

The Audit Committee performed its duties and exercised its powers in accordance with Act V of 2013 of the Civil Code, Act CXX of 2001 on the Capital Market, the Company's Articles of Association, and the Audit Committee's Rules of Procedure. The Audit Committee's Rules of Procedure are available on the Company's website.

The Audit Committee is responsible for assisting the Board of Directors in the control of the financial reporting system, the selection of the auditor and cooperation with the auditor.

In 2025, the members of the Audit Committee did not receive any remuneration in addition to their Board of Directors' honoraria, with the exception of the Chair of the Audit Committee.

The members of the Board of Directors and the Audit Committee possess the expertise, background and experience necessary to perform their duties. The members' presentation is available on the Company's website.

The internal audit function was established at the Company in 2008. Its purpose is to assess the various risks inherent in current and future business activities and to monitor action plans addressing identified shortcomings.

The main task of the internal audit function is to monitor the lawful, efficient and reliable operation of the parent company and all subsidiaries, and to continuously review and measure internal control systems. Through its recommendations, the internal audit function supports the timely rectification and prevention of shortcomings, irregularities, errors and inappropriate measures.

At the Company, the internal control function is performed by Katalin Csemák, the internal auditor. She reports the results of her audits to the Audit Committee and to the Company's management.

Controls are carried out in accordance with the internal audit plan set for the given year, with the agreement of the Chief Executive Officer, which is approved by the Audit Committee.

The audit of the 2025 financial and Sustainability reports is carried out by the Company's auditor, FORVIS MAZARS Limited Liability Company (1139 Budapest, Fiastyúk utca 4-8, 2nd floor, Company registration number: 01-09-078412, Chamber of Auditors registration number: 000220, Chamber of Auditors registration number of the responsible auditor: 007145).

Masterplast Plc. pays particular attention to defining the disclosure rules relating to its stock market presence, thereby ensuring compliance with applicable legislation, meeting the public's expectations regarding information, and adhering to the principle of transparency. The disclosure rules and the operation of the system are set out in internal regulations.

As the issuer of shares listed on the Budapest Stock Exchange, a regulated market, the Company is classified as an issuer of public interest. The Company's exact contact details (postal address, telephone number, fax number, email address) are published on the Company's website (www.masterplastgroup.com).

The Company acts in accordance with applicable legislation and stock exchange rules when making disclosures. The Company is obliged to disclose regulated information. Regulated information: information falling within the scope of regular and extraordinary disclosures, information relating to the acquisition of influence, and inside information.

As an issuer listed in the Premium category of the Budapest Stock Exchange, the Company makes its disclosures in both Hungarian and English.

The Company regularly informs the public of key data regarding its financial and income position and operations. Concurrently with Disclosures, the Company is obliged to inform the Supervisory Authority and ensures that each piece of information remains publicly accessible for at least ten years.

The official channels for communicating with shareholders are regular disclosures: the annual report, the half-yearly report and quarterly results, as well as extraordinary disclosures. In addition, shareholders receive information on business operations, results and strategy at the Annual General Meeting and the Annual Investor Meeting. The Company always takes particular care to provide the capital markets with comprehensive information in accordance with best practice.

Communication channels used for the publication of public announcements:

- a) the BSE website via the KIBINFO client system (www.bet.hu),
- b) the information storage system operated by the Supervisory Authority (www.kozzetetelek.mnb.hu),
- c) the Company's website (www.masterplastgroup.com).

In order to strengthen the position of shareholders and ensure that corporate and investment decisions serve the long-term stability of companies (Directive 2017/828/EU of the European Parliament and of the Council of 17 May 2017 (SRD 2)), KELER Zrt. launched its new system (the so-called CAPS system) on 3 September 2020, under which the Company is required to record specified corporate events.

Masterplast Plc. is committed to the fair trading of securities traded on public markets. To ensure this, the Company has drawn up its guidelines on insider trading in the form of internal regulations and regularly provides training on these to its employees and relevant parties.

Those concerned are required, whilst in possession of inside information, not to acquire or dispose of the Company's shares or other financial assets, either directly or indirectly, for their own benefit or that of a third party; not to withdraw or amend any order relating to the aforementioned financial assets; not to issue any instructions or orders to that effect, not to induce a third party to do so, and not to advise on or accept decisions relating to the aforementioned financial assets; not to disclose inside information unless they have written authorisation to do so; even cautious when sharing inside information even amongst the Company's employees; pass on information only with authorisation and to the extent necessary for the performance of their duties; and protect inside information from being disclosed accidentally.

The General Meeting is the Company's supreme body, comprising all shareholders.

The General Meeting, which exercises the highest control over the Company's operations, is organised in accordance with a schedule drawn up for this purpose, with strict adherence to deadlines, ensuring that all necessary information is available in good time for decisions to be taken. The Board of Directors formulates its position on each item on the agenda, thereby helping to provide a sound basis for shareholders' decisions.

The Company publishes the proposals and draft resolutions on the agenda of the General Meeting on its website (www.masterplastgroup.com) and on the additional notice platforms specified in Article 14.1 of the Articles of Association (www.bet.hu; www.kozzetetelek.mnb.hu) no later than 21 days prior to the General Meeting.

In all other respects, the provisions of Chapter VII of the Company's Articles of Association shall apply to the General Meeting. The rules relating to the convening and conduct of the General Meeting, the rights and obligations of shareholders, and the manner in which shareholders' rights are exercised are set out in detail in the Company's Articles of Association, which can be viewed on the Company's website and on the website of the Budapest Stock Exchange.

PRESENTATION OF THE MASTERPLAST EMPLOYEE SHARE OWNERSHIP PROGRAMME ORGANISATION

Masterplast Plc. established the MASTERPLAST Employee Share Ownership Programme Organisation on 14 December 2016. The registered office of the MRP organisation is: 1013 Budapest, Pauler utca 11.

Masterplast Plc. (the Founder) established the MRP organisation to effectively administer incentive-based remuneration linked to **MASTERPLAST'S** business objectives for the Company's executives (Participants).

In connection with the 2024/2025 programme, the Participants of the MRP are the employees of Masterplast Plc. and its wholly-owned subsidiaries Masterplast Membrane Ltd., Masterplast Hungária Ltd., Masterplast International Ltd., Masterplast Modul-house Kft and Masterplast Insulation Kft, who are covered by the company's Remuneration Policies. Masterplast included among the Participants those executives of the aforementioned companies who had the greatest influence on the achievement of the corporate business objectives set out in the Remuneration Policies.

EVENTS AFTER THE REPORTING PERIOD

In 2026, the Company carried out a capital increase at the following Subsidiaries in order to maintain liquidity

Name of subsidiary	Place of incorporation	Date	Currency	Amount
Masterplast Membrane Ltd.	Hungary	26 March 2026	EUR	4,500,000
Masterplast Modulhouse Ltd.	Hungary	26 March 2026	HUF	550,000,000

Following a review of the insulation materials portfolio, the Company’s Board of Directors has decided that the strategic focus will henceforth be on glass wool production in Szerencs, its technological development and capacity expansion. As a result of global market conditions in 2025, the resulting more conservative investment sentiment, and changes in the business environment, the key conditions for implementing the joint rock wool plant investment with Market Építő Zrt. have become less favourable. Based on preliminary consultations between the owners of MIP Zrt., the Board of Directors approved the owners’ decision to withdraw from the rock wool factory project.

MASTERPLAST also reviewed the status of the Group’s EPS production and decided to cease EPS production at Masterplast Italia Srl. The strategic presence in the Italian target market will be maintained and commercial activities will continue; the Company is exploring options for utilising the decommissioned machinery. To boost sales in Hungary, Masterplast is focusing on ramping up production at the Káli EPS plant, which is set to restart in spring 2026.

STATEMENTS REGARDING THE COMING YEAR

The Annual Report also contains forward-looking statements. These statements are based on current plans, estimates and forecasts; therefore, it would be inappropriate to place undue reliance on them. Forward-looking statements involve risks and uncertainties. The Group draws attention to the fact that there are a number of important factors which could cause actual results to differ materially from those set out in the forward-looking statements.

CONSOLIDATED SUSTAINABILITY REPORT

The consolidated sustainability report, which can also be used as a standalone document, begins on the following page.

MASTERPLAST Plc

CONSOLIDATED SUSTAINABILITY REPORT

In accordance with the Corporate Sustainability Reporting Directive (CSRD) and the Hungarian Accounting Act (Act C of 2000 on Accounting), this consolidated sustainability report has been prepared in accordance with the European Sustainability Reporting Standard (ESRS) adopted pursuant to Directive 2013/34/EU

1 January 2025 – 31 December 2025

2 April 2026

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Introduction

The **MASTERPLAST Group** has been committed to working towards a more sustainable future for many years, in which environmental responsibility, social impact and responsible corporate governance all play a key role. It began its sustainability reporting on a voluntary basis without using any standards in the 2021 financial year, and subsequently informed its stakeholders about its sustainable operations for the 2022 and 2023 financial years using the international GRI (Global Reporting Initiative) standard. The first sustainability report of the Group in accordance with ESRS standards was completed in 2024. Further information: <https://www.masterplastfenntarthatosag.hu/>

This sustainability report, compiled in accordance with ESRS standards, is published as an integral part of the 2025 consolidated annual report of the **MASTERPLAST Plc**. Its purpose is to present the information and measures necessary to understand the impact of its operations on sustainability, i.e. environmental, social – including human rights – and corporate governance issues, as well as how sustainability issues influence the development, performance and position of the **MASTERPLAST Group**.

GENERAL INFORMATION

About the report

General basis for preparation of the sustainability statements *BP-1*

The **MASTERPLAST Group**, a large enterprise classified as a Public Interest Entity (PIE), has prepared its Sustainability Report in accordance with the Corporate Sustainability Reporting Directive (CSRD) and the Hungarian Accounting Act (Act C of 2000 on Accounting), in accordance with the European Sustainability Reporting Standards (ESRS), adopted pursuant to Directive 2013/34/EU and published in the Official Journal of the European Union (EU) in the form of a delegated regulation.

MASTERPLAST Plc. (Full name: MASTERPLAST Public Limited Company, Registered office: Hungary, 8143 Sárszentmihály, 1/A Árpád street, hereinafter: the Company) is the parent company of **the MASTERPLAST Group**, which prepares its consolidated financial statements in accordance with International Financial Reporting Standards (IFRS: International Financial Reporting Standards), in line with the accounting rules of the EU. The 2025 Sustainability Report has been prepared as part of the consolidated financial statements. The reporting period covers the period from 1 January 2025 to 31 December 2025, in line with the financial year.

The information published in this report relates to the domestic and international operations of **MASTERPLAST Plc** and the companies included in its full scope of consolidation. Furthermore, the scope of the sustainability report includes – in addition to the full consolidation scope – the active capital consolidation scope, comprising T-CELL Plasztik Ltd, Masterprofil Gyártó és Kereskedelmi Ltd and PIMCO Ltd. The latter entity has been newly included in the scope of the sustainability report compared to the 2024 sustainability report, as a company engaged in active operations that is not in the investment phase. The investment phase ended on 30 June 2025. **MASTERPLAST Plc** together with its full and active capital consolidation scope constitutes the **MASTERPLAST Group** (hereinafter: the Group).

MASTERPLAST Plc operates as a public limited company (plc), and its shares are listed on the Budapest Stock Exchange (BSE).

The areas where the **MASTERPLAST Group** operates are: Hungary, North Macedonia, Croatia, Poland, Germany, Italy, Romania, Serbia, Slovakia and Ukraine.

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The scope of subsidiaries included in the full consolidation remained largely unchanged from 2024 to 2025:

Subsidiary	Place of incorporation	Main activity	Tax number	Ownership share %		Voting share (%)	
				2024	2025	2024	2025
Masterplast Hungária Ltd	Hungary	Building materials wholesale	25562675-2-07	100%	100%	100%	100%
Masterplast International Ltd	Hungary	Building materials wholesale	25563243-2-07	100%	100%	100%	100%
Masterplast Membrane Ltd (formerly: Masterplast Medical Ltd)	Hungary	Manufacture of fleece and multi-layer membranes Manufacture of finished healthcare products	14025477-4-07	100%	100%	100%	100%
Masterplast Modulhouse Ltd	Hungary	Construction of residential and non-residential buildings	25562709-2-07	100%	100%	100%	100%
Masterplast Insulation Ltd (formerly: MasterFoam Ltd)	Hungary	EPS ¹ manufacturing	13297590-4-07	100%	100%	100%	100%
Masterplast YU D.o.o.	Serbia	Building materials wholesale Manufacture of EPS and glass fibre	100838195	100%	100%	100%	100%
Masterplast Sp. z o.o.	Poland	Building materials wholesale	PL7772708671	80.04%	80.04%	80.04%	80.04%
Master Plast S.r.o.	Slovakia	Building materials wholesale	SK2020213030	100%	100%	100%	100%
Masterplast Romania S.R.L.	Romania	Building materials wholesale	R13718003	100%	100%	100%	100%
MasterPlast TOV	Ukraine	Building materials wholesale Manufacture of mesh edge protection	33438138	80%	80%	80%	80%
Masterplast d.o.o.	Croatia	Building materials wholesale	4012002113867	100%	100%	100%	100%
Masterplast Doeel Kicevo (formerly: Masterplast D.O.O.)	North Macedonia	Building materials wholesale	4012002113867	100%	100%	100%	100%
MP Green Invest	Ukraine	Not currently operating	38243479	100%	100%	100%	100%
Masterplast Nonwoven GmbH	Germany	Production of fleece and multi-layer membranes	DE815873693	100%	100%	100%	100%
Fidelis BAU Ltd	Hungary	Thermobeton manufacturing	12790818-2-07	100%	100%	100%	100%
Masterplast Proizvodnja D.o.o.	Serbia	Manufacture of XPS ²	112172219	100%	100%	100%	100%
Masterplast Italia Srl.	Italy	EPS production	IT02970280356	100%	100%	100%	100%

The scope of active entities included in the sustainability report, consolidated using the equity method, expanded from 2024 to 2025 to include PIMCO Ltd.

Name of associated company	Place of incorporation	Main activity	Tax number	Ownership share (%)		Voting share (%)	
				2024	2025	2024	2025
Masterprofil Manufacturing and Trading Ltd	Hungary	Profile manufacturing	13874656-4-07	20%	20%	20%	20%
T-CELL Plasztik Ltd	Hungary	EPS manufacturing	24648378-2-09	24%	24%	24%	24%
PIMCO Ltd	Hungary	Glass wool manufacturing	23355466-2-05	50%	50%	50%	50%

¹ EPS: Expanded Polystyrene

² XPS: Extruded Polystyrene

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The data presented in the report was collected by the relevant entities and divisions of the **MASTERPLAST Group** with the aid of software. HR data has been collected using software for several years, but in 2025 the Company implemented the software-based collection of environmental data for the first time. As part of this, all relevant accounting data from all entities was collated on a single platform, which promoted transparency and continuous monitoring whilst reducing the potential for calculation errors. The Group deemed the implementation a success and intends to further develop the related control environment in the future to make the data collection process as reliable as possible.

The full content of the sustainability report, its double materiality analysis and material topics are published with the approval of the Green Committee of **MASTERPLAST Plc** as well as the Group's management and the Chairman of the Board of Directors.

The **MASTERPLAST Group** considers sustainability, energy efficiency, environmental protection and human rights to be of paramount importance throughout its entire value chain – that is, in the procurement of raw materials (upstream) as well as in the manufacture, development, distribution and sale of its products (downstream).

Value chain:

In its reporting and related data disclosure, the **Group** has based its approach on its own operations; however, in its double materiality analysis it has also examined the upstream and downstream stages of its entire value chain. In addition to the impacts, risks and opportunities relating to the Group, the report also addresses relevant factors identified in the upstream and downstream value chains. Where relevant, the metrics include indicators relating to both the upstream and downstream value chains as well as to the Group. The policies, objectives and measures of the Company primarily apply to the **MASTERPLAST Group**, but in certain cases may also affect the upstream and downstream sections of the value chain.

Details of the value chain are set out in the [‘Strategy’ chapter](#), whilst the individual thematic chapters ([Environment](#), [Society](#), [Corporate Governance](#)) outline the scope of application of the relevant policies, measures, metrics and objectives.

Omission of classified and sensitive information relating to intellectual property, know-how or the results of innovation: During the reporting period, the **Group** did not identify any data points relating to intellectual property, know-how or the results of innovation that it would not disclose. However, the disclosure of trade secrets is prohibited; therefore, the publication of information relating to current and expected significant financial implications associated with IROs (Impacts, Risks and Opportunities) is withheld, with the exception of the financial data included in the transition plan, which the Company has classified as public.

The **MASTERPLAST Group** avails itself of the exemption provided for in Article 19(3) and Article 29(3) of Directive 2013/34/EU.

Section 134(J) of the Accounting Act stipulates that the Group must prepare the consolidated management report in the electronic format (XHTML) specified in Article 3 of Commission Delegated Regulation (EU) 2019/815 (the ESEF Regulation), and to label it accordingly. As the Delegated Regulation on the ESEF Taxonomy has not yet been adopted, the company is not yet obliged to apply the label.

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Disclosures in relation to specific circumstances BP-2*Time horizons*

When preparing its sustainability report, the **MASTERPLAST Group** applies the time horizons defined in the ESRS standard calculated from the end of the reporting period, as follows:

Short term: less than 1 year

Medium term: between 1 and 5 years

Long term: more than 5 years

Value chain assessment

Not all necessary information regarding the upstream and downstream value chains for the 2025 financial year is available yet; therefore, the **MASTERPLAST Group** applies a value chain estimate for Scope 3 information. Steps have been taken since 2024 to address the gaps; the current methodology and progress are presented [in the relevant chapter entitled 'Climate change'](#); based on the figures presented in that chapter, the proportion of estimated data points has decreased, which the Group views as positive. In line with the guidelines of the Hungarian ESG Act (Act CVIII of 2023), **MASTERPLAST Plc** has carried out a risk analysis of its supply chain and the associated data collection, which it plans to gradually develop further, also with a view to disclosing Scope 3 data as accurately as possible. In the future, the development of the due diligence process will enable the publication of even more detailed and accurate value chain data.

The Company also applies estimates in relation to the number of EEOS (Energy Efficiency Obligation Scheme) projects implemented for [affected communities and end users](#), the first- and second-quarter [solar energy data](#) of T-CELL Plasztik Kft.'s Hajdúszoboszló site, as well as the [municipal waste data](#) of PIMCO Kft.

Sources of the estimate and uncertainty of the result

No significant measurement uncertainty was identified in relation to the quantitative indicators and monetary amounts disclosed in the report. The Company details the methodology of the estimates in the relevant sections.

Re-publications

This sustainability report is the second sustainability report of the **MASTERPLAST Group** prepared in accordance with the CSRD Directive. No restatements or corrections are made to the data and information published in the previous sustainability report.

Incorporation by reference

The Company does not use incorporation by reference; all material disclosures and data points are presented directly in this sustainability report.

In certain sections of the report the Group may refer to related documents to provide supplementary information; however, these do not constitute incorporation by reference under the ESRS.

Future obligations

The Group is making use of the option of phased implementation. The [chapter entitled 'ESRS Content Index'](#) contains a list of sustainability sub-themes for which data of sufficient quality is not yet available for disclosure during the reporting period. The Company aims to ensure that this information is available for the next reporting period, to the best of its knowledge and ability.

Details of the deferrals provided for by the Commission Delegated Regulation (Regulation (EU) 2025/1416 amending the ESRS) are summarised in the following document: [095eb35f-1d45-4d86-b878-0224c5f1c5e2_en](#).

Governance

The role of the administrative, management and supervisory bodies GOV-1

The management of **the MASTERPLAST Group** can be divided into **Strategic Management** and **Operational Management**. The central management of **the Group** is carried out by **MASTERPLAST Plc**. The Strategic Management level comprises the General Meeting, the Board of Directors, the Chairman, the Vice-Chairman, the Audit Committee and Internal Audit. Operational management comprises the professional and operational tasks performed by the Group's management, Central Management, Subsidiary Management, as well as the activities of forums and meetings related to operational management.

The **General Meeting** is the supreme body of **MASTERPLAST Plc**, comprising all shareholders. The General Meeting is responsible for deciding on the fundamental strategic matters of **MASTERPLAST Plc**, including the final approval of the annual report and, as part of this, the sustainability report. The sustainability report also sets out forward-looking objectives and measures. Matters falling within the exclusive competence of the General Meeting are defined by the Civil Code and the Articles of Association of **MASTERPLAST Plc**.

The **Board of Directors** is the executive body of **MASTERPLAST Plc**. Its powers and duties are set out in the current Rules of Procedure of the Board of Directors. In accordance with the Articles of Association, the Board of Directors consists of five members, who are elected by the Annual General Meeting for a fixed term³. The Chairman and Vice-Chairman of the Board of Directors are elected by the Board of Directors for a term corresponding to that of the Board's mandate. The Board of Directors does not participate in the day-to-day operations of **MASTERPLAST Plc**. The management of the operational activities of the Company is carried out by the Chief Executive Officer, who is employed by the Company and elected by the Board of Directors. The primary objective of the Board of Directors is to adopt the strategy of the Group and to oversee operational activities, including sustainability initiatives and targets.

Members of the Board of Directors as at 31 December 2025:

Name	Position	Independence	Gender
Dávid Tibor	Chairman of the Board	Not independent	Male
Balázs Ács	Vice-Chairman of the Board of Directors	Non-independent	Male
Dirk Theuns	Member of the Board of Directors	Independent	Male
Margaret Elizabeth Dezse	Member of the Board of Directors	Independent	Female
József Tóth	Member of the Board of Directors	Independent	Male

Three members (60%) of the five-member Board of Directors are independent, and two of them (40%) are not independent. On 30 April 2025, Bálint Fazekas (independent, male) stepped down from the Board of Directors, and his position was taken over by József Tóth (independent, male) from 1 May 2025. The Board of Directors currently has one female member, meaning that the proportion of women is 20%.

Independence

The **Corporate Governance Recommendations** of the Budapest Stock Exchange (BÉT) provide guidance on the presence of independent members on the Boards of Directors of companies listed on the Hungarian stock exchange. Although these recommendations are not binding, under the 'comply or explain' principle listed companies must declare the extent to which they comply with them. According to Section 2.1.4 of the Corporate Governance Recommendations of the BSE, 'An appropriate number of independent members shall sit on the Board of Directors/ Supervisory Board', and in accordance with Section 2.1.7, "The company shall determine the criteria for the independence of members of the Board of Directors/Supervisory Board in accordance with the provisions of the Recommendations." The purpose of these recommendations is to ensure the independence and

³ The Board of Directors' mandate runs from 1 May 2024 to 30 June 2026. The same applies to the Audit Committee.

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effective functioning of corporate governance bodies, thereby promoting transparency and strengthening investor confidence.

The **independent** members have no financial or business interests in the Group and are therefore capable of making objective decisions. The **non-independent** members are involved in the management on a day-to-day basis and, through their shareholdings, have a direct stake in the Group's operations.

Further details can be found in the "Corporate Governance Report" of the **MASTERPLAST Plc** prepared and published on 24 April 2025, in accordance with the Corporate Governance Recommendations of the Budapest Stock Exchange.

Chairman of the highest governing body:

Chairman of the Board of Directors is Dávid Tibor, who is also the Chief Executive Officer of **MASTERPLAST Plc**. The Chief Executive Officer appoints the company's senior management and is responsible for the development, smooth operation and continuous improvement of key strategic processes and systems.

As a body implementing a unified management system, the **Board of Directors** collectively performs the duties of the Management Board and the Supervisory Board as defined by law.

The Group has a three-member **Audit Committee** whose members are elected by the General Meeting from among the independent members of the Board of Directors for a term of office identical to that of their membership of the Board of Directors. The Audit Committee elects its Chair from among its members and passes its resolutions by a simple majority. The powers of the Audit Committee are defined in the Articles of Association of **MASTERPLAST Plc**. The responsibilities of the Audit Committee include, amongst other things, the professional supervision and oversight of the Internal Audit function, the setting of professional requirements for the Auditor, and the monitoring of its activities during both financial and sustainability audits. Its powers and duties are set out in the current Audit Committee Rules of Procedure. The Audit Committee operates as a non-executive body.

Members of the Audit Committee as at 31 December 2025:

Name	Position	Independence	Gender
Margaret Elizabeth Dezse	Chair of the Audit Committee	Independent	Female
Dirk Theuns	Member of the Audit Committee	Independent	Male
József Tóth	Member of the Audit Committee	Independent	Male

József Tóth also took over Bálint Fazekas's position on the Audit Committee with effect from 1 May 2025. Of the three members of the Audit Committee three are independent and one is a woman. The independence ratio is therefore 100%, whilst the proportion of women is 33.33%.

The members of the Group management are part of the **operational** management. During the 2025 financial year there was one change in Group management; Flórián László Lukács henceforth supports the operations of the Group as Deputy Chief Executive Officer. 100% of the members of the management of the Group are men, and their areas of responsibility are set out in their job descriptions.

Worker representation on governing bodies

The members of the management of the Group cover the individual entities of **the MASTERPLAST Group**, thereby ensuring unified strategic management. Employees of the individual entities are represented indirectly through the Group's management body, as the members of management act with knowledge of the operations and interests of the respective entities. This structure facilitates the integration of employee perspectives into group-level decision-making. Employees can share their views directly with management via a suggestion box.

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Professional experience of the members of the governing bodies

The highest governing body is the Board of Directors, of which Margaret Elizabeth Dezse, Dirk Theuns and József Tóth are the independent members. The members of the Audit Committee are elected by the General Meeting from among the independent members of the Board of Directors, and so these three together form the Audit Committee chaired by Margaret Elizabeth Dezse, who has extensive experience in corporate governance (in developing remuneration policies, supporting corporate values, codes of ethics and anti-corruption processes, and conducting independence and conflict of interest assessments), risk management, human resources management (building organisational structures whilst taking into account diversity, equal working conditions and remuneration structures), supply chain management, and also possesses specialist ESG expertise and certification designed for supervisory boards. Dirk Theuns is the European head of the IKO Group, one of the world's leading manufacturers of insulation materials. He supports the integration of Western European sustainability trends and standards into **the MASTERPLAST Group**. The third independent member of the Board of Directors is József Tóth, investment director of Focus Ventures Zrt (Private Limited Company) from 2024 and is currently its deputy CEO. He began his career at the Hungarian Development Bank and subsequently at MFB Invest and possesses extensive experience in venture capital investments and fund management, having held numerous senior positions in this field throughout his career. He strengthens the work of the Board of Directors with his thorough financial and strategic insight.

Professional information about the members of the Board of Directors and the management of the Group can be found on the website:

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

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

Expanding expertise in sustainability and ESG

MASTERPLAST closely monitors EU and domestic regulatory publications focusing on sustainability, the publication of corporate sustainability reports and supplier due diligence (CSRD, CSDDD⁴, the Hungarian ESG Act, provisions regarding sustainability reporting set out in the Accounting Act, and others). It educates its relevant staff and managers on this subject matter and also assists them in participating – as a member company – in events organised by the non-profit organisations BCSDH, Követ Association and ESG Club Hungary, thereby strengthening their knowledge through the presentations given there and the sharing of best practices. In addition to its existing memberships, it joined the Sustainability Section of the National Association of Building Contractors (ÉVOSZ) in 2025. A colleague participates in its work as a delegate in order to gather up-to-date professional information, share experiences, and actively contribute to industry dialogue and the shaping of sustainability initiatives. Further information: <https://evosz.hu/szervezet/szakmai-tagozatok/1103-fenntarthat%C3%B3s%C3%A1gi-tagozat>

In the framework of the management forum and – as outlined below – Green Committee meetings, the Group assists senior management and decision-makers in preparing for changing ESG expectations through focused knowledge-sharing, informative talks, presentations and briefings in an agile manner, thereby further strengthening the integration of sustainability considerations into decision-making. Its primary objective is to ensure that sustainability considerations become an integral part of corporate governance.

In 2025 representatives of the management forum of the Group were briefed on current developments, trends and details of compliance with regulatory requirements relating to ESG and sustainability during meetings of the Green Committee. To ensure continuous development, **MASTERPLAST** ensures that its managers and decision-makers regularly participate in external expert training courses and industry events which provide opportunities to deepen their knowledge on sustainability. Strategic and reporting issues related to key topics are discussed at Green Committee meetings where invited experts and guest speakers share their practical experiences.

⁴ Corporate Sustainability Due Diligence Directive, Directive (EU) 2024/1760 of the European Parliament and of the Council

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Sustainability in corporate governance

For the **MASTERPLAST Group** sustainability, human rights, energy efficiency and environmental protection are of paramount importance both in its internal processes and throughout the production, development and entire value chain of its products.

MASTERPLAST Plc became member of the BCSDH – Hungarian Business Council for Sustainable Development in 2022. BCSDH is a community of companies committed to sustainable development, working together to accelerate the transformation of the systems necessary for a climate-neutral, nature-positive and fairer future. The Company endorses and applies the responsible corporate governance guidelines of BCSDH. Further information on sustainable corporate governance principles: <https://www.masterplastgroup.com/a-fenntarhato-vallalatvezetes-iranyelvei/>

Green Committee

The Green Committee of the **Group** was established by the Chief Executive Officer in 2023 with the aim of supporting Group commitment to ESG, sustainable environmental policy, social responsibility and corporate governance strategy. The Green Committee assists the Chief Executive Officer in developing and integrating ESG-specific topics and issues, in achieving and monitoring set targets, and supports the development and updating of the sustainability strategy. The Committee also facilitates the coordination of ESG-based initiatives and the development and implementation of policies, and is responsible for monitoring sustainability impacts, risks and opportunities.

Members of the Green Committee

Dávid Tibor, Chair of the **MASTERPLAST** Green Committee and CEO of the Company
Balázs Ács, Deputy Chief Executive Officer
Róbert Nádasí, Deputy Chief Executive Officer
Illés Jancsó, Deputy Chief Executive Officer
Flórián László Lukács, Deputy Chief Executive Officer
László Pécsi, Member of Group Management
Tivadar Bunford, Member of Group Management

The [Articles of Association](#) of the Green Committee sets out the Committee's responsibilities including the coordination of sustainability projects and the oversight of related risks. The key responsibilities of the Committee include promoting sustainability policies and corporate social responsibility, as well as integrating ESG considerations into corporate strategy. To this end, its main task is to support the sustainability strategy of **MASTERPLAST**. It monitors and reviews ESG practices, targets and performance, and defines the sustainability reporting practice. The Committee monitors ESG trends and best practices, and liaises with organisational units and external consultants to ensure relevant ESG disclosures. In addition, it coordinates internal and external communications. It regularly reviews and, where necessary, amends the charter of the Green Committee— no amendment was made in the 2025 financial year. Further details: <https://www.masterplastgroup.com/zold-bizottsag>

Operational implementation is managed by the Chief Executive Officer, whilst tasks relating to ESG matters are coordinated by the Green Committee. The Chief Executive Officer ensures the flow of information between the Board of Directors, the Audit Committee and the Green Committee.

Setting and monitoring sustainability targets

The Board of Directors and management jointly set sustainability targets, taking into account the **Group** strategy and the market environment. Progress towards these targets is assessed at regular intervals, for example at quarterly Board meetings and Green Committee meetings, where performance indicators are reviewed and corrective measures are taken where necessary.

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The Audit Committee monitors the internal control and risk management systems of the Company, as well as the effectiveness of Internal Audit in relation to financial and sustainability reporting, without limiting its independence. Furthermore, it reviews the financial and sustainability reporting process, including the electronic reporting and the information identification process in accordance with sustainability reporting standards, and makes recommendations for action where necessary.

Sustainability governance is under continuous development, including a review of the operations of the Green Committee, the integration of ESG considerations into strategic planning, and the strengthening of management reporting and control mechanisms. Sustainability and ESG parameters are organically integrated into operations. The delegation of material topics identified in relation to sustainability and their oversight, as well as the setting of targets relating to material impacts, risks and opportunities, are carried out as follows:

Summary of responsibilities relating to corporate sustainability	
General Meeting	<p>The General Meeting is the final decision-maker regarding public reports.</p> <ul style="list-style-type: none"> - Approval of the Sustainability Report (and the ESG strategy contained therein)
Board of Directors and Chief Executive Officer	<p>The Board of Directors and the Chief Executive Officer perform supervisory and control functions; they have the power to approve certain technical matters and to submit reports.</p> <ul style="list-style-type: none"> - Approval of the dual materiality assessment and material ESG topics of the Group - Regular monitoring of ESG strategic objectives and progress - Providing a professional opinion on the Sustainability Report and the ESG strategy forming part of it, and submitting them to the General Meeting for approval
Audit Committee	<p>The Audit Committee strengthens the audit and compliance function, with particular regard to the reliability of reporting.</p> <ul style="list-style-type: none"> - Oversight of the audit and assurance processes relating to the Sustainability Report - Monitoring compliance with non-financial reporting requirements - Overseeing the ESG-related elements of the internal control system
Group management	<p>Management is responsible for practical implementation and results.</p> <ul style="list-style-type: none"> - Operational implementation of the ESG strategy - Ensuring the achievement of key performance indicators (KPIs) related to ESG objectives - Regular reporting on ESG performance to the Green Committee - Ensuring the necessary resources and organisational processes
Green Committee	<p>The Green Committee plays a professional preparatory and coordinating role.</p> <ul style="list-style-type: none"> - Identifying and assessing the economic, social, human rights and environmental impacts of the Group - Preparing the double materiality assessment and making recommendations on material ESG topics - Making proposals for the definition of ESG strategic commitments and metrics, and evaluating them - Professional preparation of the Sustainability Report and the ESG strategy forming part of it

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Control

The **MASTERPLAST Group** employs targeted controls and procedures to manage business and sustainability risks and opportunities, in accordance with the risk management policy. These procedures are integrated into the general risk management and internal control systems, ensuring that sustainability considerations are taken into account in decision-making processes. The effectiveness of these control mechanisms is further supported by regular ISO system audits, which are closely linked to several of the material ESG topics and metrics such as energy and occupational health and safety.

MASTERPLAST Group – ISO Certifications

ISO 9001:2015 Quality Management System	ISO 14001:2015 Environmental management system	ISO 45001:2018 Occupational health and safety management system	ISO 50001:2018 Energy management system	ISO 13485:2016 Quality management system for medical devices
Masterplast Plc (Sárszentmihály)	Masterplast Plc (Sárszentmihály)	Masterplast Plc (Sárszentmihály)	Masterplast Plc (Sárszentmihály)	Masterplast Membrane Ltd (Sárszentmihály)
Masterplast Hungária Ltd (Sárszentmihály)	Masterplast Hungária Ltd (Sárszentmihály)	Masterplast Hungária Ltd (Sárszentmihály)	Masterplast Hungária Ltd (Sárszentmihály)	
Masterplast International Ltd (Sárszentmihály)	Masterplast International Ltd (Sárszentmihály)	Masterplast International Ltd (Sárszentmihály)	Masterplast International Ltd (Sárszentmihály)	
Masterplast Membrane Ltd (Sárszentmihály)	Masterplast Membrane Ltd (Sárszentmihály)	Masterplast Membrane Ltd (Sárszentmihály)	Masterplast Membrane Ltd (Sárszentmihály)	
Masterplast Modulhouse Ltd (Sárszentmihály)	Masterplast Modulhouse Ltd (Sárszentmihály)	Masterplast Modulhouse Ltd (Sárszentmihály)	Masterplast Modulhouse Ltd (Sárszentmihály)	
Masterplast YU D.o.o. (Subotica)	Masterplast YU D.o.o. (Subotica)		Masterplast Insulation Ltd (Kál)	
Masterplast Nonwoven GmbH (Aschersleben)			Masterprofil Manufacturing and Trading Ltd (Kál)	
T-CELL Plasztik Ltd (Hajdúszoboszló, Zalaegerszeg)			Masterplast Nonwoven GmbH (Aschersleben)	
PIMCO Ltd (Szerencs)				

Information provided to and sustainability matters addressed by the undertaking’s administrative, management and supervisory bodies GOV-2

The Board of Directors is informed by the Chairman/Vice-Chairman – either through Board meetings or via email. As a listed company, everything is conducted publicly. Anything that affects the share price is always discussed at Board level and shared not only with the Board but also with the public. This is published [on the Budapest Stock Exchange website](#).

The KPIs and objectives included in the annual Sustainability Report are assessed annually by the Green Committee which makes recommendations for any strategic adjustments. In 2025 no such adjustments were made.

The Board of Directors approves the strategic plan for the entire Group in accordance with its rules of procedure. The medium-term strategy is updated annually, and its implementation is monitored at Board meetings. The Board of Directors meets four times a year, with no more than 150 days elapsing between meetings. The agenda for these meetings includes the financial results of the Group and the progress of strategic projects.

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The **Green Committee** oversees and reviews sustainability measures, ensuring that the strategy of the Group is aligned with sustainability expectations and legal requirements. The Green Committee meets as required, but no more than once every three months. To integrate ESG considerations, the management of **MASTERPLAST** and relevant organisational units hold regular consultations.

ESG considerations are organically integrated into the strategy and decision-making mechanisms of the Group, and sustainability considerations are taken into account in decision-making. **MASTERPLAST** treats compliance with EU regulations relating to sustainability as a priority.

The **Green Committee** has taken on a key role in overseeing the preparation of the double materiality assessment (DMA) prior to the reporting for the 2025 reporting period, and in initiating further actions and measures, as well as approving plans, in relation to the identified IROs listed in the DMA. The topics discussed are covered in [the chapter entitled 'Strategy'](#).

Remuneration and incentive schemes – Integration of sustainability-related performance in incentive schemes GOV-3

Remuneration policy and the role of ESG incentives

As a listed company, **MASTERPLAST** publishes information regarding remuneration publicly, both on its own websites and on the official website of the Budapest Stock Exchange. Currently, the remuneration system of the **Group** does not include ESG-based incentive mechanisms; executive compensation is linked to financial and business performance targets. There is no variable remuneration that depends directly on the achievement of sustainability or social objectives; consequently, indicators relating to the reduction of greenhouse gas (hereinafter: GHG) emissions, the improvement of energy efficiency or the promotion of sustainable operations are not currently included in the incentive scheme. However, **MASTERPLAST** regularly reviews the possibility of integrating ESG considerations into the incentive scheme, particularly with regard to environmental and social sustainability objectives. The possibility of introducing ESG-based incentives is reviewed annually, and the remuneration policy is amended where necessary. In 2025 the Remuneration Policy was not amended in line with ESG criteria. The current Remuneration Policy and Remuneration Report are available on the Group's website.

https://www.masterplastgroup.com/document_folder/javadalmazasi-nyilatkozatok-kozgyulesi-dokumentaciok-2025/

The evaluation process of the Board of Directors and integration of ESG indicators

The Board of Directors assesses its own performance annually, prior to the re-election of its members. During the assessment process, the Board reviews its collective and individual work over the previous 12 months based on factual data. The results play a role in determining the composition and responsibilities of the Board of Directors, as well as in the development of the executive incentive scheme. Currently the performance evaluation system does not include sustainability indicators or ESG-based incentives; there is no variable remuneration that is directly dependent on the achievement of environmental or social objectives. The incentive scheme consists exclusively of fixed remuneration components.

In 2025 **MASTERPLAST** reviewed the possibility of incorporating sustainability targets into the performance appraisal process. To this end, the following options were examined:

- Incorporating environmental and social indicators into future incentives.
- Introducing sustainability KPIs into the annual performance appraisal.

As a result of the review, the **Group** did not incorporate sustainability targets into the performance appraisal process in 2025. In the view of the Green Committee, the results and objectives achieved through business incentives currently provide adequate support for the progress of sustainability efforts. Furthermore, in connection with the introduction of these incentives, it has identified a potential risk of fraud, the scale of which

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could outweigh the resulting benefits. The Group reviews this matter annually and, where necessary, submits it to the Board of Directors.

Implementation of remuneration

The remuneration of the Board of Directors is approved by the General Meeting. The payment of the remuneration of the Chief Executive Officer arising from his employment is made on the basis of a resolution of the Board of Directors, whilst the remuneration and payment of other members of the Group's management is approved by him. The Board of Directors reviews the possibility of incorporating ESG considerations into remuneration on an annual basis and, where necessary, may amend the remuneration policy to ensure the appropriate integration of sustainability objectives.

Statement on due diligence GOV-4

The aim of due diligence is to identify the factors that influence, support or hinder the Company in achieving a sustainable operating model. During the screening the Company identifies, prevents and mitigates actual and potential negative impacts on the environment and people arising from its business activities, and documents the current management of these impacts and the opportunities for improvement inherent in the management process. The assessment covers the Company's own operations as well as elements related to the upstream and downstream value chains, insofar as these are relevant to the Company.

MASTERPLAST places particular emphasis on cooperation with stakeholders including local communities, suppliers and partners, in order to understand the potential risks and impacts arising from its operations. To maintain communication with stakeholders, it regularly holds employee forums, supplier visits and environmental awareness sessions. At the heart of the **Group** strategy is the aim of serving the interests of the communities and the environment through sustainable and responsible operations. Through the introduction of integrated policies and the Green Committee, ESG considerations have been given a prominent place in corporate governance practices and the business model, including efforts to minimise environmental impacts.

MASTERPLAST began reviewing its value chain through online and telephone consultations as early as 2022, and regulates the guidelines and reporting in its Supplier Code of Conduct and Ethics. In 2024 and 2025 it also engaged its suppliers via an anonymous online questionnaire as part of the double materiality analysis. Details of this can be found in the [chapter entitled 'Double Materiality'](#).

When evaluating the 2024 survey, findings regarding impacts, risks and opportunities could only be taken into account to a limited extent due to the low number of substantive responses received; for this reason, the Company identified the method, methodology and approach to engaging supply chain participants as an area for improvement. In 2025 the Group introduced targeted preparation in this area, during which it informed internal stakeholders in advance about the DMA process and its essence, provided opportunities for consultation to foster a deeper understanding, and conducted a survey among them during the preparatory phase – thus preventing employee overrepresentation among responses. This questionnaire covered the value chain level, financial and impact materiality, and the time horizon. The sustainability team consolidated the responses and used them to review the IROs identified in 2024, as well as to supplement them with new ones.

In addition, an external stakeholder survey was conducted, in which **MASTERPLAST** used an online questionnaire to assess the relevance of the list supplemented with the new IROs. The external questionnaire also included an open-ended response option. To encourage a higher response rate, the Company sent reminders. As a result, 31 relevant responses were received, comprising a diverse range of stakeholders. For certain IROs – given the timing of the audit process – the Company did not collect feedback from external stakeholders. However, it pledges to conduct surveys of external stakeholders on these matters during the preparation of the 2026 sustainability report, with particular regard to issues where results were close to limit value.

With regard to due diligence, during the period of preparing its sustainability report the Company fulfilled its first full-year sustainability-related due diligence obligation and report for 2024 under the Hungarian ESG Act, the results of which were reported in the so-called ESG report⁵ (a separate, non-public document and obligation). In connection with the preparation of the ESG report, the supply chain was screened using 12 different

⁵ Further details: <https://sztfh.hu/tevekenysegek/esg-hatosagi-tevekenyseg/esg-beszamololorol/>

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questionnaires available in Hungarian and English, published on the website of the Supervisory Authority for Regulated Activities (SZTFH). The regulatory environment provided an opportunity for multi-stage risk management within the framework of which the Company carried out a pre-assessment based on publicly available information and data taking ESG criteria into account. The 2025 ESG report is currently being prepared, and the ESG report for the 2027 financial year will be published for the first time in 2028, in accordance with the Hungarian ESG Act.

Milestones of the due diligence process

Key steps in the due diligence process	Relevant sections of the sustainability report
Integrating the review into governance, strategy and the business model	Governance Strategy
Involving relevant stakeholders in every key phase of the due diligence	Double materiality
Identifying and assessing adverse impacts	Strategy
Addressing the identified adverse impacts	Environmental protection Society Corporate governance
Monitoring and communicating the effectiveness of management measures	Environmental protection Society Corporate governance

Risk management and internal controls over sustainability reporting GOV-5

MASTERPLAST has established an internal control system to manage risks associated with the sustainability report and to ensure the accuracy and completeness of sustainability data. In identifying risks related to reporting, the Company primarily examined the accuracy and completeness of data, potential errors in data collection and reporting processes, and regulatory compliance.

Key elements of the risk management system:

- **Clarification of responsibilities and authorities:** a clear definition of roles and decision-making powers between the functions responsible for ESG reporting, management, audit and supervisory bodies. The division of responsibilities results in multi-layered controls based on the (at least) four-eyes principle.
- **Process description and documentation:** the process of sustainability data collection, verification and reporting is documented in detail, including the “MPG-SZ-VG-003 v 1.0 Procedure for the preparation of sustainability reports”.
- **Audit and review:** regular internal and ISO-based audits support the accuracy of metrics and the functioning of internal controls.
- **External consultant:** the involvement of an external expert ensures a full understanding of legal requirements and their full implementation throughout the sustainability reporting process.
- **Software support:** in 2025 the Company introduced additional software support for the data collection required for the sustainability report, which reduces the risk of calculation errors or omissions.

Based on experience, the Group regularly reviews and updates the “MPG-SZ-VG-003 v1.0 – Procedure for the preparation of the sustainability report”, incorporating the experience and lessons learnt during the reporting process year on year. The Green Committee evaluates the conclusions drawn and makes recommendations for necessary improvements.

Strategy

Strategy, business model and value chain *SBM-1*

MASTERPLAST is one of the leading manufacturers of thermal insulation materials and a key supplier to the construction industry in Central and Eastern Europe, specialising primarily in the development, manufacture and distribution of products related to thermal insulation systems. Business strategy focuses on promoting energy-efficient and sustainable construction by strengthening the region's insulation manufacturing capacity.

The **MASTERPLAST** construction product portfolio includes EPS and XPS thermal insulation boards, roofing membranes, glass fibre mesh, mineral wool insulation materials, edge protectors, plasterboard profiles, adhesives and complementary system components. In 2025 **MASTERPLAST** also began manufacturing its own glass wool through PIMCO Ltd. These solutions are primarily used for the facade, roof and interior insulation of residential and commercial buildings, helping to reduce the energy consumption of buildings. In addition, the Group has embarked on the development and manufacture of modular building components offering rapid construction times and cost-effective solutions. In this regard, further market opportunities in the B2B⁶ and B2C⁷ segments are currently being explored.

Revenue

The consolidated turnover of the **MASTERPLAST Group** for 2025 was €171.15 million, of which approximately €19 million represents a financial asset arising from certified energy savings. A detailed breakdown of the manufacturing and trading revenue is provided in Chapter 30, 'Segments' of the supplementary notes to the Company's Consolidated Annual Report.

The Company will not publish data on the breakdown of revenue by significant ESRS sectors or on other relevant sectors for the 2025 reporting period, as the ESRS sector standards have not yet been finalised and officially adopted; however, the Company will monitor legislative changes in the future and act accordingly.

The Group does not operate in the fossil fuel industry (coal, oil, gas), does not engage in economic activities related to fossil gas, and does not generate revenue from these sources. Furthermore, it is not involved in the manufacture of chemicals, the production of weapons, or the cultivation or production of tobacco, and therefore derives no revenue from these activities.

Workers

Data on employees can be found in the '[Society](#)' chapter under the sub-section '[Own workforce](#)'. The workforce of the Group is concentrated in a single geographical region: Europe.

Presentation of the **MASTERPLAST Group** value chain

The Company defines its own activities as manufacturing, trading, logistics and the operation of the Hungarocell Green Programme and the EEOS programmes. It defines the upstream value chain as comprising raw material and finished product suppliers from the EU+EFTA and from outside the EU. With regard to the downstream value chain, it refers to sales and product support activities within the EU and outside the EU (with Ukraine as a separate category within the latter). The value chain is illustrated in detail in the table below:

⁶ *Business to Business: sales to companies and the business sector*

⁷ *Business to Consumer: sales to end-consumers and private individuals*

Value chain stage	Value chain stage	Main activities / processes	Stakeholders
Upstream	1. Raw material procurement	Procurement and transport of raw materials (e.g. polypropylene)	Suppliers, logistics partners
Upstream	2. Production preparation	Preparation of materials, formulations, mixing, recycling (in-house activity: Hungarocell Green Programme)	Production sites, quality assurance
In-house operations	3. Production	Moulding, pressing, heat treatment, packaging	Production sites
In-house operations	4. Quality control	Product testing, EPD certificates ⁸ , compliance with ISO standards and regulations	Quality assurance department
In-house operations	5. Logistics / Transport	Warehousing, stock management, dispatch	Logistics partners, carriers
In-house operations	6. Sales / marketing	Business sales, customer relations	Sales team, dealers
Downstream	7. Resale, product use and support	Building insulation, improving energy efficiency (own activity: EEOS programme)	End-users, contractors
Downstream	8. End-of-life management	Recycling, waste management, demolition	Waste management companies, recyclers

The **MASTERPLAST** value chain is vertically integrated, ranging from raw material procurement through its own manufacturing capacities to a logistics and sales network spanning 10 countries, enabling rapid and flexible market service. Although raw materials are largely sourced externally, vertical integration still reduces supply chain risks, as the Group is less dependent on external partners thanks to its own production capacities and subsidiaries. This makes production processes more predictable and enables the company to respond more easily to changes in market demand. Furthermore, local manufacturing and the use of shorter transport routes contribute to a lower carbon footprint, as the environmental impact and fuel consumption associated with transport can also be reduced.

The provisions of the Supplier Code of Conduct and Ethics of **MASTERPLAST** ensure that the Group’s partners serving 40 countries meet sustainability, human rights and ethical standards. The Code includes provisions on the protection of workers’ rights, the provision of fair working conditions, and environmental requirements. The Group monitors the sustainability and ethical compliance of its supply chain through regular audits and works closely with its partners to continuously improve the quality of raw materials and ensure responsible procurement practices.

⁸ Environmental Product Declaration

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Manufacturing activities

The Group's main raw materials are polypropylene (PP), EPS, GPPS, glass fibre, polymer coatings, sand and cullet, whilst the main packaging materials are wood and film. The production capacity of **MASTERPLAST** is concentrated in nine subsidiaries, each with a distinct production profile. Manufacturing operations are organised across several entities, each specialising in different fields.

- **Production bases:** Masterplast Insulation Ltd, Masterprofil Gyártó és Kereskedelmi Ltd, Masterplast Membrane Ltd, Masterplast Nonwoven GmbH, Fidelis BAU Ltd, Masterplast YU D.o.o., T-CELL Plasztik Ltd, Masterplast Proizvodnja D.o.o., PIMCO Ltd.
- **The largest volumes of raw material processing** is carried out by the following entities: Masterplast YU D.o.o., Masterplast Membrane Ltd, T-CELL Plasztik Ltd, PIMCO Ltd.
- **Reuse and recycling:** Masterplast Membrane Ltd, Masterplast Nonwoven GmbH, Fidelis BAU Ltd, Masterplast YU D.o.o., T-CELL Plasztik Ltd, Masterplast Proizvodnja D.o.o. and PIMCO Ltd process significant quantities of recycled and reused raw materials at their sites.

Production sites:

Production site SÁRSZENTMIHÁLY – Hungary - MASTERPLAST (masterplastgroup.com)

Production site SZÉKESFEHÉRVÁR – Hungary - MASTERPLAST (masterplastgroup.com) (Moved to the Sárszentmihály site during 2025.)

Production site KÁL – Hungary - MASTERPLAST (masterplastgroup.com) (shut down in 2025 to restart in 2026.)

Production site ZALAEGERSZEG/HAJDÚSZOBOSZLÓ – Hungary – T-CELL (masterplastgroup.com)

Production site CSÓR – Hungary – MASTERPLAST (masterplastgroup.com)

Production site SZABADKA – Serbia - MASTERPLAST (masterplastgroup.com)

Production site ASCHERSLEBEN – Germany – MASTERPLAST (masterplastgroup.com)

Production site CALERNO – Italy - MASTERPLAST (masterplastgroup.com)

Production site SZERENCS – Hungary – PIMCO (<https://pimco.hu/>)

MASTERPLAST also uses petroleum derivatives in its manufacturing processes. Although the Group is constantly working on product development and various innovations, these materials cannot yet be replaced at the current level of technology. **MASTERPLAST** places emphasis on monitoring the type and quantity of materials used in production and gradually improving their quality in its day-to-day business operations; in doing so, it also tracks its dependence on natural resources and the indirect impacts of their exploitation.

Key markets and customer groups

The distribution subsidiaries of the **Group** serve building materials retailers, procurement companies and DIY store chains, paying particular attention to the specific expectations and conditions of the building materials retail sector varying from country to country. Markets without a subsidiary are served through export departments. The aim is for strong local strategic partners to represent **MASTERPLAST** products in the relevant region. For partners, value is primarily represented by security of supply, consistent quality, product certifications, and value for money. Our products and services comply with applicable legislation in all markets, and none are subject to a ban.

Assessment of the existing portfolio

ESG-related objectives are a key focus of strategic planning. The Board of Directors and senior management regularly review sustainability initiatives, and an internal Green Committee also supports the coordination of sustainability tasks and the development of strategy. As a result, sustainability considerations form an integral part of decision-making, and the company shapes its business model with long-term sustainability trends in mind.

The **Group** aims to play a leading role in the Central and Eastern European region in the field of energy-efficient, environmentally conscious and sustainable building material solutions. The business strategy of the Group is based on contributing to climate protection, operating in a resource-efficient manner and promoting sustainable construction practices. Within this framework, **MASTERPLAST** strives to develop products and solutions that

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support increased energy efficiency in buildings, reduced carbon dioxide emissions and a lower environmental impact from the construction industry.

For residential properties (detached houses, semi-detached houses, etc.), the following estimated energy savings can be achieved:

- Full external insulation: ~40%,
- Roof structure insulation: ~10%,
- Loft insulation: ~10%,
- Modernisation or replacement of the heating system: ~30%,
- Window replacement: ~10%.

Insulation – particularly in existing buildings – is key to energy efficiency, as creating a thermal envelope can lead to energy savings of up to 70%. In the case of a detached house, thermal envelope refers to the structural elements that separate the interior of the house from the outside world, the main role of which is to provide thermal insulation. This includes the walls, roof, windows, doors and floor which regulate the flow of heat, thereby helping to maintain the desired temperature inside the house. A well-designed thermal envelope reduces energy consumption by minimising heat loss in winter and preventing overheating in summer. Proper insulation makes the house more energy-efficient and improves the standard of living by making the interior more comfortable. A key component of the thermal envelope is the various insulation materials manufactured and distributed by **MASTERPLAST** which thus contribute significantly to reducing the emissions of the building stock responsible for the highest emission levels. The real energy efficiency and emission-reducing effects achievable with **MASTERPLAST** insulation materials and the existing demand for these provide a long-term foundation for demand for the products of the Company.

The insulation product portfolio fundamentally supports energy efficiency and decarbonisation targets; however, the energy and raw material requirements of the manufacturing process present challenges in terms of meeting emission reduction targets. There is growing demand in key markets for low-carbon footprint and circular solutions in line with the strategic objectives of the Company. At the same time, rising customer expectations necessitate further strengthening of product transparency, environmental reporting and certification requirements.

Key challenges include energy price volatility, changes in the regulatory environment, raw material supply risks, and meeting decarbonisation requirements within the constraints of manufacturing technology.

Critical solutions and projects include:

- implementing energy efficiency investments in manufacturing plants.
- exploring the introduction of low-emission technologies.
- increasing the proportion of recycled or alternative raw materials.
- strengthening sustainability requirements for suppliers.
- developing ESG data collection and reporting systems.

The Group is constantly seeking opportunities to further develop its business model in the light of sustainability challenges. Sustainable innovations play a key role in the long-term growth plans of the Group, enabling it not only to meet future regulatory requirements but also to forge a competitive advantage. The future direction of the strategy is determined by the sustainability transition: the Group is ready to adapt and, where necessary, transform its business model so that **MASTERPLAST** can be among the winners of the transition to climate neutrality and the circular economy.

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Strategic sustainability focus areas

The strategic focus areas summarised in this chapter set out the key sustainability priorities of the Group. The list is not exhaustive; specific policies, actions, objectives and metrics relating to the individual identified impacts, risks and opportunities (IROs) are presented in the topic-specific sub-chapters. The purpose of this chapter is to define and highlight the key strategic focus areas so that the Group can use its resources in a concentrated manner, avoiding excessive fragmentation.

CES (Verified Energy Savings)

Entering the Certified Energy Savings (CES) market represents a business opportunity for the Company. A CES is a right with limited marketability that can be generated through various energy efficiency measures by organisations accredited for this purpose. These CES can be resold to organisations obliged to achieve energy savings within the framework of the so-called EEOS system. In this context, **MASTERPLAST** launched the Hungarocell Renovation Programme in September 2024, the first programme of its kind in Hungary to generate CES in connection with the thermal insulation of family homes' facades. Furthermore, through its partners the Group has also joined loft renovation programmes operating on a similar principle.

Revenue generated from CES continued to bolster Group performance in 2025. **MASTERPLAST** not only continued the previously launched Hungarocell Renovation Programme but also expanded it, and the relevant raw materials are now available with 100% funding instead of 50% ([Hungarocell Renovation Programme \(HRP 2.0\)](#)). The combined annual primary energy savings from residential energy efficiency projects implemented in 2025 amounted to 606,065.44 GJ. The financial value of the savings – calculated on the basis of the mandatory minimum residential compensation unit price applicable in 2025 (11,705 HUF/GJ) – is 7,093,995,975 HUF. This result contributes significantly to the achievement of domestic energy efficiency targets, as well as to the reduction of end-user energy demand and greenhouse gas emissions. **The Group aims to ensure full compliance at all times with the constantly changing regulatory environment and expectations surrounding the EEOS-CES.**

Key products: EPS and XPS

The Group's key products including EPS and XPS thermal insulation boards, roofing membranes, glass fibre mesh, glass wool and other accessories are designed to modernise the energy efficiency of buildings. Thermal insulation plays a key role in reducing energy consumption and greenhouse gas emissions from building operations, so the **MASTERPLAST** products have a direct impact on achieving the EU's climate and energy targets. Development activities are increasingly focusing on the principles of the circular economy, particularly the recyclability of products, increasing the content of recycled materials, and reducing manufacturing waste.

To ensure transparent and credible verification of the sustainability characteristics of its products, the Group is expanding the scope of its Environmental Product Declarations (EPDs) year on year. By 2025, in addition to EPS and XPS products, fleece and glass fibre mesh products also have EPD declarations. **The strategic objective of the Group is to have a valid EPD for all its own-manufactured insulation products by 2030.**

Renewable energy

The **Group** is committed to decarbonising its manufacturing operations and improving energy efficiency. The integration of renewable energy sources (e.g. solar parks) has begun at several of its sites, as has the introduction of technological developments that reduce specific energy consumption and greenhouse gas emissions.

The Group plans to install further solar farms in Serbia and Hungary, partly subject to subsidies. **Plans include the construction of a 6,115 kWp solar power plant in Szerencs, whilst the Serbian subsidiaries are planning solar investments totalling 2.415 MWp in capacity over the coming years.**

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The circular economy

Optimising waste management is also part of environmental objectives. The Group has taken steps to integrate a circular approach into both product development and manufacturing processes. It pays particular attention to the recycling of manufacturing waste and the optimisation of material use. The aim is to use an increasing proportion of recycled or low-environmental-impact raw materials in the long term, whilst maintaining product performance and longevity. As part of the Hungarocell Green Programme, the Company collects and reuses clean polystyrene and (from 2025) glass wool offcuts generated during insulation works for its own operations. **The Group aimed to utilise 500 tonnes of collected offcuts in the production of its key product, XPS, by 31 December 2026 as part of its green innovation initiatives. This target was achieved by 31 December 2025, ahead of the original deadline.**

Occupational health and safety

The Group is committed to ensuring a high standard of health and safety at work. Based on its risk assessments, manufacturing operations have been identified as a high-risk area, whilst production sites as localised risk locations. Physical work takes place at these sites, necessitating enhanced health and safety measures. To this end, the Group provides mandatory personal protective equipment, conducts regular occupational safety trainings and job-specific trainings, and continuously improves safety protocols. **Its strategic objective is to reduce the number of serious workplace accidents to zero and the total number of workplace accidents to no more than two by 2030.**

Improving supplier due diligence

The Group is continuously improving its procurement practices with particular regard to sustainability considerations. Within the framework of the Hungarian ESG Act, the Company has already made the necessary preparations and taken the first steps. Among other things, the legislation requires the conduct of supplier risk assessments, sustainability due diligence on suppliers, and ensuring access to the complaints handling system. **The Group aims to further develop its practices year on year, and to publicly report on the results achieved to date by 2028 in accordance with regulatory requirements.**

Summary of the sustainability focus areas of MASTERPLAST

Product and service groups	Customer categories	Geographical areas	Engagement with stakeholders
In the manufacturing processes of its main product groups – particularly EPS and XPS products – the Company aims to improve energy efficiency, reduce greenhouse gas emissions and increase the proportion of recycled raw materials. To this end, a key objective is to develop solutions that support the energy efficiency of buildings and machinery, thereby contributing to emission reductions on the user side.	For customer segments – construction contractors, wholesale partners and DIY stores – the Group aims to support its customers in achieving their own sustainability goals through transparent product information, Environmental Product Declarations (EPDs) and life cycle assessment (LCA ⁹) data.	The geographical scope of the sustainability objectives covers all operating regions. However, HFP 2.0 and the Hungarocell Green Programme are specifically implemented in Hungary, taking into account the characteristics of domestic production facilities and the available support schemes.	In its relationships with stakeholders – in particular with suppliers, employees, local communities and professional organisations – the Company aims to strengthen responsible procurement practices, continuously improve occupational safety, and ensure transparent and regular dialogue.

Further, detailed objectives and activities can be found in the sub-sections covering topics relevant to the Company. ([Environment](#), [Society](#), [Corporate Governance](#))

⁹ Life Cycle Assessment

Interests and views of stakeholders *SBM-2***Stakeholders**

As a responsible company, it is essential for **MASTERPLAST Plc** to maintain contact, engage in dialogue and establish effective cooperation with its internal and external stakeholders.

The Company has identified as stakeholders those individuals and groups who are affected by or have an impact on its operations, or whose interests are or may be affected by the activities of the Group. The Company aims to establish active and mutual communication with its stakeholders. With regard to the 2025 double materiality analysis, the Company has defined its stakeholders as its employees in Hungary and abroad, staff at the Budapest Stock Exchange, investors, suppliers of raw materials and services, customers, other business partners, financial institutions (banks, insurers, fund managers, etc.), analysts, risk managers, authorities, supervisory bodies, professional associations, civil society organisations, foundations, associations, local authorities, consultants, media representatives, members of the local community, educational institutions (vocational schools, universities, etc.), and environmentalists. In addition to these, the targeted stakeholders were also given the opportunity to provide feedback via an anonymous response in the 'other' category.

The key stakeholders of the Group are employees, customers, suppliers and investors. Other key stakeholders include local communities and professional organisations.

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Stakeholder engagement

Methods of communication and cooperation with the key stakeholder groups of MASTERPLAST

Key stakeholders	Focus of cooperation	Methods of cooperation and communication
Employees	MASTERPLAST aims to create an open, supportive environment where challenges and opportunities can be discussed openly, areas for development can be identified, and innovative initiatives can be supported. The key to success is involving colleagues who think and develop in unity, in line with the Group’s values, whilst taking sustainability considerations into account.	<ul style="list-style-type: none"> - News and programme updates via email and a closed Facebook group (regular) - Communication emails on key topics, e.g. green newsletter (ongoing) - Employee forums (annual) - Management meetings on performance reviews and training opportunities (at least once a year) - Employee focus group surveys (at least every two years) - NEW, 2025: HR Master closed HR system, for colleagues in Hungary (regular)
Customers	The sales team works closely with the company’s customers on a daily basis to gain a deeper understanding of their needs, help them keep pace with market trends, and share with them the experience gained in nearly 40 countries. In addition, MASTERPLAST pays particular attention to identifying local characteristics and motivations so that it can offer personalised, effective solutions.	<ul style="list-style-type: none"> - Customer open days and training courses at MASTERPLAST (e.g. contractor trainings or trainings on the Hungarocell Renovation Programme for contracted partner building materials centres) - Industry conferences - Trade exhibitions - Key account manager relationships - B2B platform (in Hungary, Romania, Serbia, and to a lesser extent in Slovakia and Croatia, serving as the main communication channel – special offers are also published here, among other things)
Suppliers	MASTERPLAST strives to establish long-term, mutually beneficial partnerships with suppliers, based on continuous feedback and the highest standards of ethical conduct. In its collaborations, it places particular emphasis on sustainability, environmental protection and human rights considerations.	<ul style="list-style-type: none"> - Communication via email (regular) - Face-to-face communication, supplier and manufacturer visits (regular) - Direct consultations with supplier key account managers (regular) - Supplier forums, surveys, training sessions (annual) - Participation in international exhibitions
Investors, shareholders and financial market participants	The MASTERPLAST Group maintains continuous, active contact with investors and the capital markets. It works closely with all stakeholders – banks, bond investors and shareholders – to ensure the most efficient allocation of capital, as confirmed by rating agencies. It integrates its ESG approach and consideration of sustainability issues into its financial partnerships.	<ul style="list-style-type: none"> - Investor briefing forums (annual) - Consultations with analyst agencies (ongoing) - Annual General Meeting (annual) - Regular publications (ongoing) - Investor surveys (as required)
Local communities	Through active dialogue with the local communities where MASTERPLAST operates, the Group strives to become an integral part of its environment. Its aim is to better understand each other’s needs and opportunities, and to support communities in achieving their goals.	<ul style="list-style-type: none"> - Email, telephone and face-to-face meetings, liaising (ongoing) - Liaising with local authorities, organisations and local leaders (regularly)
Professional organisations	The aim of cooperation with domestic and international professional organisations is to promote industry development, knowledge sharing and innovation. When defining common goals, MASTERPLAST prioritises sustainability issues and actively participates in professional dialogue.	<ul style="list-style-type: none"> - Professional forums (regular) - Professional collaborations, development of joint programmes (ongoing) - Individual meetings (ongoing)

Involvement of employees

In the first quarter of 2025 **MASTERPLAST** launched the **HR Master** app, a modern platform that offers a simple, fast and efficient solution for reaching colleagues working in various fields who do not have access to a computer and/or email address, whilst also providing an opportunity for ongoing employee feedback. The app supports employee engagement and internal communication. The development and expansion of the application is currently underway to make communications between the employer and employees even more direct and personal.

In preparing this sustainability report, **MASTERPLAST** involved its stakeholders in two stages during the DMA process:

- in the first round, consultations were held with internal stakeholders during the DMA preparation phase – the considerations formulated here were directly incorporated into the IRO identification and assessment process carried out by the sustainability project team.
- External stakeholders were engaged via an anonymous online questionnaire, primarily for validation purposes. Respondents assessed the company's sustainability performance on a linear scale against the IROs identified for the 2024 reporting year, as well as those defined by internal stakeholders and the project team, and were also able to share their suggestions for improvement via open-ended questions. The survey received 31 external responses. The higher number of respondents in the previous year was largely linked to the workforce, resulting in a more one-sided perspective. Although this is lower than the 169 participants in 2024, in 2025 the feedback came from a wider range of relevant external stakeholder groups, filtering out the distorting effect of an excessive number of employee responses. The response rate for 2025 was 10%, with a significant proportion of responses coming from suppliers, customers and local community stakeholders.

The analysis of the results was carried out by the DMA project team and approved by the Green Committee, following a detailed examination of the quantitative and qualitative data. Based on the feedback, relevant opportunities for improvement were identified, taking into account the operations and strategy of the Group. The importance of sustainability topics was ranked based on the maximum scores. The **MASTERPLAST** objective for 2024 was to incorporate stakeholder feedback to support sustainable operations, as well as to increase the participation rate in future surveys so that decisions could be based on a broader, more representative range of opinions. Although the participation rate did not increase in 2025, the survey covered a much wider range of stakeholders, which the Company regards as an improvement. The results of the stakeholder surveys are incorporated into the DMA, as detailed in [the chapter entitled 'Double Materiality'](#).

Stakeholder interests in relation to strategy and business model

Stakeholder feedback plays a key role in shaping strategy and business model, supported by due diligence procedures and a materiality assessment. The Company's core values – continuous development, cooperation, immediate feedback and fact-based communication – ensure a high standard of stakeholder management, which colleagues have further strengthened despite the challenges of 2025. Part of the corporate culture is the 'Code of Cooperation', which defines operations, communication and teamwork based on mutual respect. The aim is to promote open, honest and constructive dialogue, enabling **MASTERPLAST** to integrate stakeholders' expectations into strategic decisions and the business model, ensuring sustainable operations and long-term success.

Based on feedback received from stakeholders, the **Group** did not amend its strategy during the reporting period and does not plan to make any changes in the near future, as no such need has arisen. Should any relevant factors or new circumstances arise in the future, the Group will always consider them and take the feedback into account responsibly when making decisions.

Information for administrative, management and supervisory bodies

The full content of the Sustainability Report, including its material topics – such as the views and interests of relevant stakeholders regarding the company’s sustainability impacts – is published with the approval of the Green Committee of **MASTERPLAST**, the Group’s management, and the Chairman of the Board of Directors.

Material impacts, risks and opportunities and their interaction with strategy and business model *SBM-3*

MASTERPLAST has set itself the goal of developing a concrete action plan for every material impact, risk and opportunity (IRO) relevant to sustainability, detailed in the chapters of this sustainability report. The Green Committee plays a key role in the development and implementation of these measures, ensuring that they are closely aligned with the business model and long-term strategy. The aim is for sustainability considerations not to be treated as a separate area, but to be organically integrated into operations and decision-making processes.

Material impacts, risks and opportunities

The following summary table sets out a brief description of the material impacts, risks and opportunities identified during the double materiality analysis, their actual, potential, positive or negative impact, their classification by risk and opportunity, the timeframe, and their relevance within the value chain (own activities, upstream and downstream).

ESRS standard	Topic	Description	Classification	Value chain	Timeframe
E1 Climate change	Climate change mitigation	Through our core business (the manufacture of high-quality insulation materials), we contribute to the long-term reduction of energy consumption and GHG emissions due to the widespread use of our products.	Actual positive impact	Downstream	Long-term
E1 Climate change	Climate change adaptation	Demand for professional insulation materials is growing as energy-efficient architecture becomes increasingly important.	Current opportunity	Own operations	Long-term
E1 Climate change	Climate change adaptation	The company manufactures and distributes insulation materials and related products, playing a direct role in facilitating adaptation to climate change.	Actual positive impact	Own operations	Short-term
E1 Climate change	Energy	Climate change: due to excessive temperature rises, solar panels already installed and those to be installed in the future will be subjected to excessive stress, resulting in reduced efficiency and output.	Potential negative impact	Own operations	Long-term
E1 Climate change	Energy	Purchasing energy from energy suppliers contributes to the company's Scope 2 emissions.	Actual negative impact	Upstream	Long-term
E1 Climate change	Energy	Introducing energy-efficient solutions into our manufacturing and commercial operations, thereby reducing energy consumption. Through investments in renewable energy, we promote the use of green energy and support the launch of EEOS projects. Thanks to effective energy management, the company's overall energy consumption is reduced. At our entities with higher energy consumption we have installed sub-meters in several stages to properly monitor our energy consumption, and we are also modernising our machinery.	Actual positive impact	Own operations	Short-term
E1 Climate change	Energy	Our customers consume less energy when they purchase suitable insulation materials and modernise their properties.	Actual positive impact	Downstream	Short-term
E1 Climate change	Energy	Our customers consume less energy when they purchase suitable insulation materials and modernise their properties. Thanks to the framework provided by the energy efficiency obligation scheme, this presents an excellent opportunity for the company to run energy efficiency projects (Hungarocell Renovation Programme, free loft insulation).	Current opportunity	Own operations	Long-term
E1 Climate change	Energy	Regulatory requirements and changes may increase the price of purchased energy.	Expected risk	Own operations	Long-term

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E1 Climate change	Energy	Unpredictable fluctuations in energy prices make it difficult for the company to plan its operating costs.	Expected risk	Own operations	Long-term
E2 Pollution	Microplastics	Production takes place in a controlled, closed system, but fine dust is generated during regrinding and recycling, which is critical in several respects.	Actual negative impact	Own operations	Long-term
E4 Biodiversity and ecosystems	Factors directly causing a decline in biodiversity	Deliveries received during the procurement of products and materials may introduce non-native pests, which can affect the local ecosystem.	Actual negative impact	Upstream	Long-term
E5 Resource use and the circular economy	Resource outflows related to products and services	Recycling (e.g. reprocessing of used materials or products, reducing resource consumption and waste volumes, promoting the circular economy)	Actual positive impact	Own operations	Medium-term
E5 Resource use and the circular economy	Resource outflows related to products and services	Recycling materials can reduce the demand for primary raw materials, thereby making the company less dependent on suppliers and the availability of natural resources.	Current opportunity	Own operations	Long-term
E5 Resource use and the circular economy	Waste	Further tightening of the regulatory environment for waste management could pose a potential risk to the company.	Expected risk	Own operations	Long-term
S1 Own workforce	Working conditions – Health and safety	Our aim is to create safe working conditions and protect the health of our employees, to comply with current legislation, and thereby prevent accidents.	Actual positive impact	Own operations	Long-term
S1 Own workforce	Working conditions – Health and safety	Accidents at work may occur during manufacturing activities, which could result in the company being fined or investigated by the authorities; this poses a significant risk to the company's reputation, as it may negatively affect its standing and also increase its operating costs.	Expected risk	Own operations	Long-term
S2 Workers in the value chain	Working conditions/ Secure employment	There is insufficient information available regarding the employment conditions of workers in the upstream value chain. This may have an actual negative impact on the secure employment of workers in the value chain, particularly if employment is unstable, unlawful or unfair.	Potential negative impact	Upstream	Long-term
S3 Affected communities	Communities' economic, social and cultural rights / Adequate housing	The energy-efficient construction products and solutions of Masterplast help to improve the sustainability and comfort of residential buildings. This indirectly supports communities' right to adequate housing, reduces energy consumption and utility costs, and improves quality of life. The positive social impact increases the appeal of the products, strengthens community acceptance, and can provide	Current opportunity	Own operations	Long-term

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		reputational and market advantages for the company.			
S3 Affected communities	Communities' economic, social and cultural rights / Adequate housing	Masterplast's energy-efficient construction products and solutions contribute to improving the sustainability and comfort of residential buildings. This indirectly supports communities' right to adequate housing, reduces energy consumption and utility costs, and improves quality of life. The positive social impact increases the appeal of the products, strengthens community acceptance, and can provide reputational and market advantages for the company.	Actual positive impact	Downstream	Long-term
S4 Consumers and end-users	Social inclusion of consumers and/or end-users / Access to products and services	The MASTERPLAST Hungarocell renovation programme and the free loft insulation scheme provide end-users with the opportunity to access energy-efficient solutions at a lower cost.	Actual positive impact	Downstream	Medium-term
G1 Business conduct	Corporate culture	Our Group is committed to responsible, transparent and effective corporate governance and fair business practices. We conduct our business in accordance with high ethical standards and in compliance with the law. As a responsible company, we do everything we can to ensure that fundamental ethical standards are systematically integrated into our daily work, into the relationships between colleagues, and into our relationships with customers, owners, suppliers and all other stakeholders. We are committed to operating ethically and transparently, and to competing with our rivals in a purposeful yet fair manner.	Actual positive impact	Own operations	Long-term
G1 Business conduct	Management of relationships with suppliers, including payment practices	We focus on building long-term, mutually beneficial partnerships with our suppliers. To foster strong partnerships, we provide continuous feedback whilst adhering to the highest ethical standards. We pay particular attention to sustainability, environmental and human rights issues in our supplier relationships.	Real positive impact	Own operations	Long-term

G1 Business conduct	Political engagement and lobbying	Our professional memberships provide opportunities for valuable partnerships, knowledge acquisition, knowledge sharing, exchange of experience, continuous development, learning and the sharing of best practices. Domestic and international professional organisations support industry continuity, knowledge sharing and continuous development. We set objectives in close cooperation with them.	Actual positive impact	Own operations	Long-term
Company-specific topic	Product quality and product sustainability	Gaining a competitive advantage through sustainable products. E.g.: We collect clean cutting waste through our partners, transport it free of charge, and use it to produce a new thermal insulation material, Thermobeton. The Hungarocell Green Programme complies with the MSZ EN ISO 14001:2015 standard of INTERCERT Minősítő és Tanúsító Kft.	Actual positive impact	Own operations	Medium-term

The impacts, risks and opportunities relevant to sustainability have a direct and indirect influence on the business model and strategy of the **MASTERPLAST Group**. A more detailed description of this can be found in [the 'Strategy' section of this document](#), as well as in the chapters on material topics.

The material sustainability impacts and risks of **MASTERPLAST** arise from various stages of the value chain. Environmental impacts arising from its own operations include energy consumption and GHG emissions, as well as the generation of production waste. On the upstream (supply) side, the environmental impact and availability of raw materials pose a risk, whilst on the downstream (sales) side, the energy savings achievable through the use of its products have a significant positive impact (for example, the thermal insulation materials manufactured by the Group reduce the energy requirement of buildings). Through close cooperation and sustainability requirements within its supplier network, the Group ensures that related activities are also in line with its environmental and social expectations.

The material sustainability impacts and risks arise over different time horizons. Certain risks may affect operations in the short term (within one year) – such as an immediate rise in energy costs – whilst other impacts become significant in the medium term (1–5 years) or long term (beyond 5 years). The **Group** strategy therefore responds to current challenges in the short term (e.g. through energy efficiency investments), prepares for anticipated market and regulatory changes in the medium term, and sets the goal of achieving climate neutrality and transitioning to a circular economy in the long term. The Group ensures the resilience of its business model by taking these time horizons into account.

The nature of the activities of the **Group** and its business relationships determine its exposure to sustainability impacts and the opportunities available to manage them. Its manufacturing processes are energy- and raw material-intensive; consequently, it places great emphasis on energy efficiency and waste reduction in its operations. At the same time, its products – particularly its thermal insulation solutions – enable its customers to reduce their energy consumption and carbon footprint, meaning that its business activities have a positive impact on the environment. It builds relationships with its suppliers and business partners in a way that supports its sustainability goals (for example, it gives preference to partners supplying recycled or lower-emission raw materials). In this way, **MASTERPLAST** contributes to achieving sustainability goals both through its internal processes and via its business network.

In 2025 clarifications were made to the previously defined IROs and new IROs were also identified, primarily as a result of deeper and broader stakeholder engagement. Through this expanded dialogue it was established that,

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in addition to the topics presented so far, the **Group** can have a positive impact on consumers and end-users – for example, through discounted refurbishment programmes, as well as through advocacy activities arising from its membership of professional organisations.

At the same time, further potential negative impacts have also been identified, in particular impacts on biodiversity and the risk of microplastic pollution.

The table above outlines the impacts associated with the material IRO topics on people and the environment, identified by **the MASTERPLAST Group**. The Company details the nature and classification of the IRO topics as well as the steps and objectives relating to specific measures in the chapters presenting the given material topics.

MASTERPLAST has assessed the material environmental, social and governance risks and opportunities that may affect the company's financial position, financial performance and cash flow. The **Group** has also assessed the expected financial impacts of these material risks and opportunities in the short, medium and long term, taking into account the Group's strategy, as well as related investment and divestment plans, financing sources and development directions. However, given that these impacts and their financial consequences involve business-sensitive information, the **Group** does not disclose detailed, quantified data regarding the effects on current or expected financial statements.

Resilience of the company's strategy and business model

The business model and strategy of **MASTERPLAST** has been designed to remain resilient to sustainability impacts and risks, where the opportunities outweigh the existing and anticipated risks. The Group thus seeks to capitalise on the opportunities arising in connection with sustainability (such as green technologies and new markets), thereby ensuring long-term value creation and stability.

Double materiality

Description of process to identify and assess material impacts, risks and opportunities IRO-1

The **MASTERPLAST Group** carried out its **double materiality assessment** (DMA) again in 2025 in preparation for compliance with the requirements of ESRS 2 IRO-1 and IRO-2.

This double materiality analysis is the second DMA of **MASTERPLAST** and forms the basis of its sustainability report for the 2025 financial year. The purpose of the DMA is to assess the Group's resilience in relation to sustainability issues, including impacts on environmental and social issues, as well as risks and opportunities affecting financial performance.

The **Group** prepares its analysis (or its reformulation and review) annually and strives to gradually expand the range of stakeholders involved, whilst adapting the depth of the analysis to the sustainability challenges of the given period. To this end, in 2025 the review—conducted with the involvement of internal stakeholders (subsidiaries and the Group's specialist divisions)—identified additional new IROs compared to 2024, and the company also expanded the scope of the external stakeholder survey. The main changes are as follows:

- The methodology of the questionnaire for representatives of subsidiaries has been modified compared to 2024; their involvement now took place not only across the thematic areas but also in line with the detailed IROs from the previous year, thereby significantly increasing the horizontal and vertical depth of the DMA assessment.
- Feedback from external stakeholders confirmed the priorities previously identified by the Group as material topics and also brought new perspectives to light.
- A methodology more sensitive than the materiality threshold was applied, which reinforces the selection of critically material topics. This chapter discusses the determination of the threshold in more detail below.

As part of the DMA, the Group consulted with numerous internal and external stakeholders, including employees, suppliers, customers, social players, investors and banks, to identify the material sustainability topics of **MASTERPLAST**.

Materiality assessment methodology

During the materiality assessment, the Company made no distinction between the entities involved; all relevant organisations were assessed with the same level of detail and against the same criteria. The scoring method and criteria for the materiality assessment were determined in accordance with the requirements of ESRS 1. The dual materiality analysis involves taking into account both impact materiality and financial materiality. The project team members identified the relevant IROs by involving a wide range of internal stakeholders and representing the interests of the subsidiaries. The managers responsible for the relevant business areas played a particularly important role, actively contributing to the process. The final results of the assessment were prepared by the members of the sustainability project team through a consensus decision, based on the arguments put forward during their assessment and the professional considerations already applied in 2024.

As a first step, the **MASTERPLAST Group** took the 2024 DMA as its basis, comprehensively mapping all potentially relevant sustainability topics that could impact the company's operations, its stakeholders and the regulatory environment. This process was carried out taking into account the requirements of the ESRS, industry trends and corporate experience. It then identified a long list and assessed each sustainability topic according to various relevance criteria to determine their actual significance for the Group. To this end, the following factors were taken into account:

- Is the topic in question linked to the Group's business model and operations?
- Does it affect competitiveness and market position?
- Is it given particular attention in the regulatory environment and compliance requirements?

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- To what extent is it relevant to its stakeholders – investors, suppliers, customers and employees? (As part of this process, consultations were held with numerous internal and external stakeholders, including employees, suppliers, customers, social players, investors and banks, to identify the material sustainability topics of **MASTERPLAST**.)

The Company subjected the topics that proved to be material in at least one respect to further detailed examination, and these were transferred to the shortlist. This step was taken in order to exclude the topics which, based on the analysis, are not of main priority for the Group.

During the 2025 review the Company based its preparations on the evidence (long list/short list) used and audited in 2024. During the 2025 review internal stakeholders received detailed information on the DMA, after which they were able to share detailed opinions on each of the potentially relevant IRO items. During the dual materiality analysis, the **Group** examined each selected topic along two dimensions:

Impact materiality

- It took into account the magnitude, scope, irreversibility and likelihood of impacts – from both positive and negative, as well as actual and potential perspectives.
- In accordance with the provisions of ESRS 1 (45), in the case of impacts affecting human rights, the severity of the incident takes precedence over the likelihood of occurrence. (Topics material in terms of impact are classified according to a threshold determined by the Group; that is, a topic is considered material in terms of impact if its impact materiality score is 2, 3 or 4.)

Financial materiality

- The Group assessed financial risks and opportunities using a structured methodology that takes into account their type, timing, magnitude and probability of occurrence.
- The classification of financially material issues is based on a threshold value determined by the Group (i.e., an issue is considered financially material if the risk or opportunity score exceeds 2.32).

The thresholds used in the materiality assessment are based on a relative comparison of the Impact Score and the Financial Score, i.e. they examine how individual issues are positioned within the distribution of the entire issue set. The thresholds for the “High” category were determined based on the upper quartile (75th percentile) (Impact Score > 2.00; Financial Score > 2.32), which ensures that those topics are classified as material which fall within the top 25% in terms of impact or risk. (A total of 92 sub-topics were assessed during the review, in relation to which the Company considered 100 IROs on the impact side and 49 on the financial side.) This approach is consistent with the ESRS expectation that materiality is not absolute but should be interpreted based on the relative significance of the themes.

The thresholds for the ‘High’ category were determined using the mean + standard deviation method (Impact Score > 2.41; Financial Score > 2.59), which identifies those topics that represent an extremely high value relative to the entire sample. These topics require particular attention in terms of the company’s strategic decision-making and risk management, as they may have a potentially significant impact on long-term sustainability and financial stability. The combined application of the two thresholds ensures that the company is able to identify and prioritise both significant and highly critical issues in accordance with materiality requirements.

If an topic is deemed material from an impact or financial perspective, it is treated as a material topic.

When identifying impacts, risks and opportunities, the **Group** pays particular attention to production sites and regions (e.g. non-EU countries) where environmental and human rights regulations may differ from those in the EU.

MASTERPLAST integrates sustainability risks – including environmental, social and governance factors – into its operations through the work of the Green Committee, thereby ensuring that sustainability risks are treated on a

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par with business risks. It also incorporates identified sustainability opportunities into its strategic and investment decisions, as well as into the preparatory work for these, through the operation of the Green Committee.

During the assessment process, the **MASTERPLAST Group** uses internal (e.g. energy consumption, emissions data, workplace safety statistics, HR data) and external (e.g. international benchmarks, industry analyses) data sources, expert approaches, and also involves external experts (e.g. energy auditors), whilst processing feedback from stakeholders as well.

The **Group** assesses what financial risks and opportunities its sustainability impacts and dependencies may entail. For example, the availability and price of raw materials, such as polymer materials, have a significant impact on its operations. Tighter environmental regulations and changes in energy efficiency requirements also influence its financial performance. The company integrates these factors into its risk management and strategic planning processes to proactively address emerging challenges and capitalise on opportunities. During the analysis, the Group records in detail the basis for assessing the contribution of risks and opportunities to financial impacts. However, it does not disclose the details of this in its external communications.

Stakeholder engagement

During the double materiality analysis, the company incorporated the views of external stakeholders into its decision-making. To this end, it conducted **an anonymous online survey** in which the suppliers, investors and customers of the **MASTERPLAST Group** assessed the significance of sustainability issues. The questionnaire included the IRO list deemed relevant by the company for the 2024 assessment, as well as the new IRO list identified during the review. The questionnaire also provided an opportunity to make textual comments and observations, and to identify further material sustainability topics. In this regard, two textual responses were received, but no quantifiable assessment on a scale of 1 to 4 was provided.

External stakeholder assessments are available only for the 2024 material topics. (In accordance with the methodology, these external stakeholder assessments were taken into account with a 20% weighting, given the limited expertise and insight.) As no quantified external stakeholder assessment was carried out for topics not material in 2024, the result of the internal assessment in the DMA assessment table is identical (100%) to the overall assessment result in this case.)

The internal assessment of sustainability issues and consultation on the topics was carried out with the involvement of staff and experts delegated by the Green Committee. The criteria used during the stakeholder assessment were as follows:

Impact materiality	Description	Low (1)	High (4)
Scale - Degree of impact	How significant is the impact?	Although noticeable, it has a minimal impact on the lives of those affected, which is barely or not at all perceptible.	The impact is extremely severe, seriously affecting basic living conditions or civil liberties (e.g. health, livelihood, education).
Scope - Scope of the impact	What is the extent of this impact? Scope: the extent of the impact (i.e. the number of people affected or the extent of environmental damage).	The impact is minimal in scope, affecting no more than one or two sites or locations. It affects end-users' locations (e.g. the end-user's home)	The impact is extensive, going beyond the level of sites and locations, and may even extend to a global level.
Irremediability – Remediability of the impact	If the impact is negative, to what extent is it irremediable?	The negative impact is fully remediable; those affected or the environment can be quickly and completely restored to their original state.	The negative impact is of such a magnitude that it cannot be fully remedied in any way, and the consequences will persist in the long term.

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Likelihood	If the impact is potential (negative or positive), what is the probability of it occurring?	An extremely rare or almost inconceivable event that can only occur under exceptional circumstances.	The occurrence of the effect is almost certain.
Financial materiality	Description	Low (1)	High (4)
Magnitude	To what extent does a given impact affect the company's financial operations? The basis for assessment is subjective, based on general consensus.	It does not affect the organisation's financial operations.	The impact is such that it could even jeopardise the financial stability of the company.
Likelihood	How likely is the risk or opportunity to occur?	The financial impact is extremely unlikely to occur and would only arise under extreme circumstances.	The financial impact is almost certain, as circumstances and market trends are already strongly pointing in this direction.

ESRS E3 Water and marine resources

During the dual materiality analysis conducted in 2025 the following sustainability topic did not meet the materiality threshold and is therefore not presented as a material topic in the report: ESRS E3 Water and marine resources.

Description of processes to identify and assess material water and marine resources-related impacts, risks and opportunities E3-IRO-1

The **MASTERPLAST Group** has reviewed its manufacturing activities and operational sites to identify water use impacts. The assessment examined water use intensity, site-specific water use data, as well as geographical location and potential exposure to water stress.

Consolidated water consumption in 2025 was 55,617 m³, of which PIMCO Ltd accounted for 11,119 m³. This figure is three times higher than the 16,227.5 m³ recorded in 2024, which corresponded to the annual water consumption of approximately 90 four-person households (180 m³ per household per year). Using the same calculation method, consumption in 2025 is equivalent to the annual water consumption of ~300 households, though this is still not an exceptional figure on an industrial scale. The Group monitors trends in water consumption on an annual basis, and should the level show sustained growth – not a one-off, incidental increase, but one that is noticeable at least in the medium term – it will review and adjust the materiality criteria during the annual DMA.

Water consumption data by site was available, but no location-specific factors were identified at any site that would have a significant impact on local water resources or communities.

Marine resources are not relevant to the operations of the **Group**, as the company has no connection to marine environments or their immediate ecosystems. Based on these factors, water-related environmental impacts, risks and opportunities were not identified as material.

During the current assessment, **MASTERPLAST** did not conduct direct consultations with affected communities, as its activities do not have a discernible impact on local water resources and do not affect communities' water supply or access to water.

Material topics

The material topics of the MASTERPLAST Group in 2024	The material topics of the MASTERPLAST Group in 2025
Environmental material topics	
ESRS E1 Climate Change – Climate change mitigation	ESRS E1 Climate Change – Climate change mitigation
ESRS E1 Climate Change – Climate change adaptation	ESRS E1 Climate Change – Climate change adaptation
ESRS E1 Climate Change - Energy	ESRS E1 Climate Change - Energy
-	ESRS E2 Pollution – Microplastics
-	ESRS E4 Biodiversity and Ecosystems – Factors directly causing biodiversity loss / Invasive alien species
ESRS E5 Circular Economy – Resource outflows related to products and services	ESRS E5 Circular economy - Resource outflows related to products and services
-	ESRS E5 Circular Economy – Waste
Social material topics	
ESRS S1 Own workforce – Health and safety	ESRS S1 Own workforce – Health and safety
-	ESRS S2 Workers in the value chain – Secure employment
-	ESRS S3 Affected communities – Adequate housing
-	ESRS S4 Consumers and end-users – Access to products and services
Corporate governance material topics	
ESRS G1 Business conduct – Corporate culture	ESRS G1 Business conduct – Corporate culture
-	ESRS G1 Business conduct – Political engagement and lobbying
ESRS G1 Business Conduct – Management of relationships with suppliers	ESRS G1 Business Conduct – Management of relationships with suppliers
Entity-specific material topic	
Sustainable products	Product quality and product sustainability

ENVIRONMENTAL PROTECTION

Climate change

*The tangible effects of climate change – extreme weather, fluctuating energy prices and stricter regulations – also affect the construction industry. The energy consumption of buildings and the production of building materials contribute significantly to greenhouse gas emissions, so the industry plays a key role in achieving emission reduction targets. When developing its products, the **MASTERPLAST Group** takes sustainability considerations into account whilst also meeting economic and technical requirements. Its aim is to offer solutions that remain competitive in the long term, adapting to the changing challenges of the construction industry.*

Integration of sustainability-related performance into incentive schemes E1 GOV-3

In 2024 climate-related considerations were not yet taken into account in the remuneration of members of the administrative, executive and supervisory bodies, nor were such criteria applied during their performance evaluations. There was no change in this area in 2025. (See also the [section on Governance](#).)

At the same time, an integral part of the company's sustainability operations is the Green Committee, established in 2023 on the initiative of the Chief Executive Officer, the primary objective of which is the strategic integration of environmental sustainability considerations into business operations and corporate governance. The committee supports senior management in achieving climate targets through regular reports.

With the professional support of the Green Committee, the Company reviewed the possibility of incorporating sustainability and climate-related performance indicators into the executive remuneration system, with particular regard to energy efficiency, GHG emission reduction and sustainable investment targets. Based on the 2025 review this has not yet been implemented; however, the Group continuously monitors the potential need for this on an annual basis.

Transition plan to reach climate neutrality by 2050 E1-1

The **MASTERPLAST Group** is committed to mitigating climate change, and its transition plan is aligned with the objectives of the Paris Agreement, in particular the goal of limiting global warming to 1.5 °C. Its aim is to gradually steer its operations towards climate neutrality, in line with the net-zero emissions target of the European Union for 2050. The **MASTERPLAST Group** will adopt its finalised transition plan together with this report. The company's GHG reduction targets have been set in line with the climate neutrality targets set out in Regulation (EU) 2021/1119 (the European Climate Regulation) and the decarbonisation pathway of the EU Green Deal. The transition plan will be integrated into the Group's overall business strategy and financial planning in the future. The plan sets out the company's decarbonisation targets and long-term sustainability strategy, which supports the development of the business model and is integrated into financial and operational planning processes as replacement investments following the end of the useful life recorded in the depreciation accounts.

MASTERPLAST is one of the leading manufacturers of thermal insulation materials and a key supplier to the construction industry in Central and Eastern Europe, specialising primarily in the development, manufacture and distribution of products related to thermal insulation systems. Reducing energy intensity therefore also serves long-term business interests. This transition plan has not undergone separate external certification (such as SBTi validation¹⁰), but mandatory auditing ensures the accuracy of the data.

The Group's transition plan is approved by the General Meeting as part of this Sustainability Report; management is responsible for operational implementation, whilst the Board of Directors is ultimately responsible for strategic direction. The company intends to report annually on the results achieved in the implementation of the transition plan, with monitoring supported by the Green Committee.

The Group is continuously exploring opportunities to further increase the alignment of its economic activities with the EU Taxonomy, and in this regard, it expects to see tangible results on the CAPEX side during the implementation of the transition plan. However, the activities currently identified as alignable with the Taxonomy (EPS and XPS production) are already considered 100% aligned. A detailed description is provided in [the chapter entitled 'EU Taxonomy'](#).

Categories of investments reducing GHG emissions (t CO₂e¹¹):

- Energy efficiency upgrades to buildings
- Improving the energy efficiency of processes
- Replacement or modification of processes
- Conversion to electricity
- Development of renewable energy utilisation
- Purchasing green electricity
- Fuel switching
- Decarbonisation of transport and distribution
- Material efficiency through product reuse
- Decarbonisation of the supply chain
- Other GHG emission reductions

¹⁰ Science Based Targets Initiative, see also: <https://sciencebasedtargets.org/>

¹¹ The full report covers GHGs in accordance with the GHG Protocol, thereby taking into account the seven main gas groups defined in the Kyoto Protocol:

1. Carbon dioxide (CO₂)
2. Methane (CH₄)
3. Nitrous oxide (N₂O)
4. Hydrofluorocarbons (HFCs)
5. Perfluorocarbons (PFCs)
6. Sulphur hexafluoride (SF₆)
7. Nitrogen trifluoride (NF₃)

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Typical investment types:

- Modernisation of insulation, heating and cooling systems
- Modernisation of heat generation, cooling, compressed air and drive systems
- Installation of new production lines
- Replacing natural gas with electric heating
- Installation of solar panels and heat pumps
- Amendment of electricity supply contracts
- Use of electric and green fuel cars and forklifts
- Use of electric and green fuel delivery vehicles
- Increasing recycling
- Procurement of raw materials with a lower carbon footprint
- Energy storage, etc.

The Group’s base year: 2025 (This year serves as a representative baseline, as the active operation of PIMCO Ltd is already established by then. Furthermore, no significant climate anomalies occurred in Hungary during this period, so the year does not differ significantly from the characteristics of the preceding periods.)

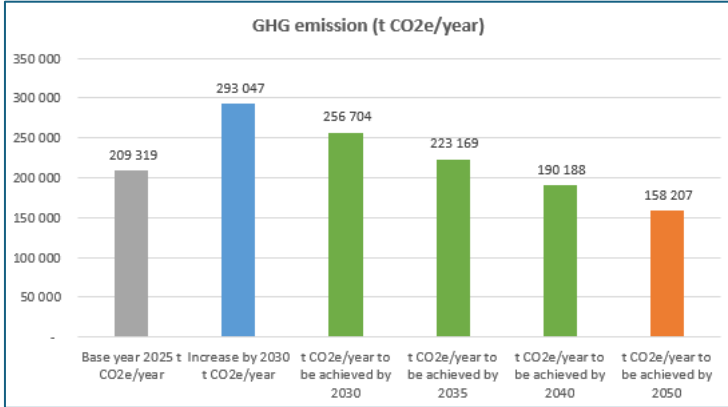
Baseline GHG emissions: 209,319.16 t CO2e/year

In connection with the expansion of the Group’s production capacity – based on forecasts for 2025 – greenhouse gas emissions could reach 293,047 tonnes (t CO₂e) annually by 2030. At the same time, the Company is already implementing active measures to reduce emissions by 2030, as a result of which total annual GHG emissions are expected to gradually decrease.

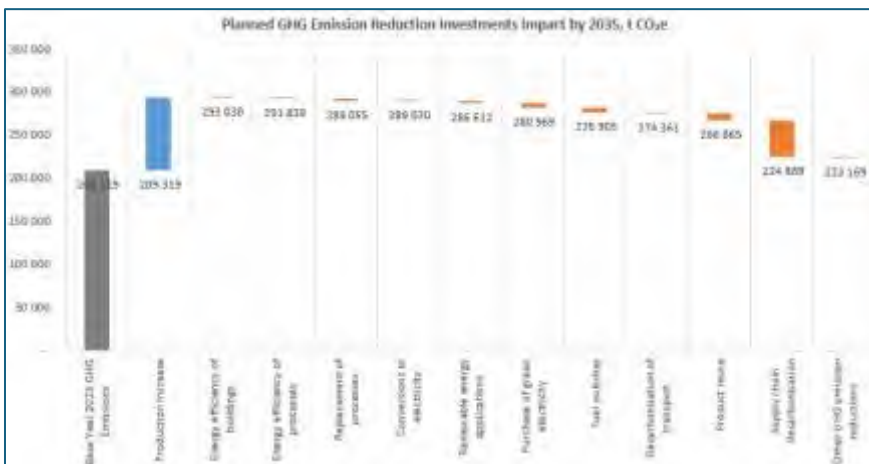
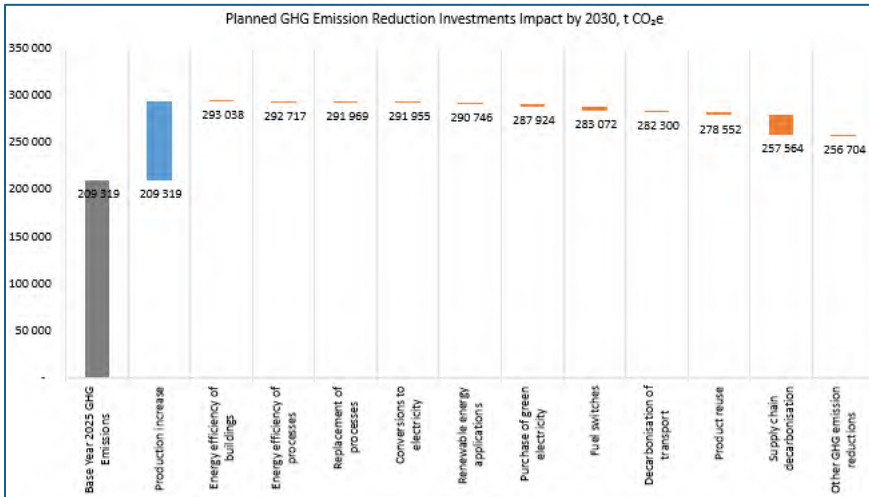
The table and diagram below summarise the projected GHG emissions for each period relative to the 2025 baseline (in line with the GHG inventory used in E1-6, on which the calculations are based):

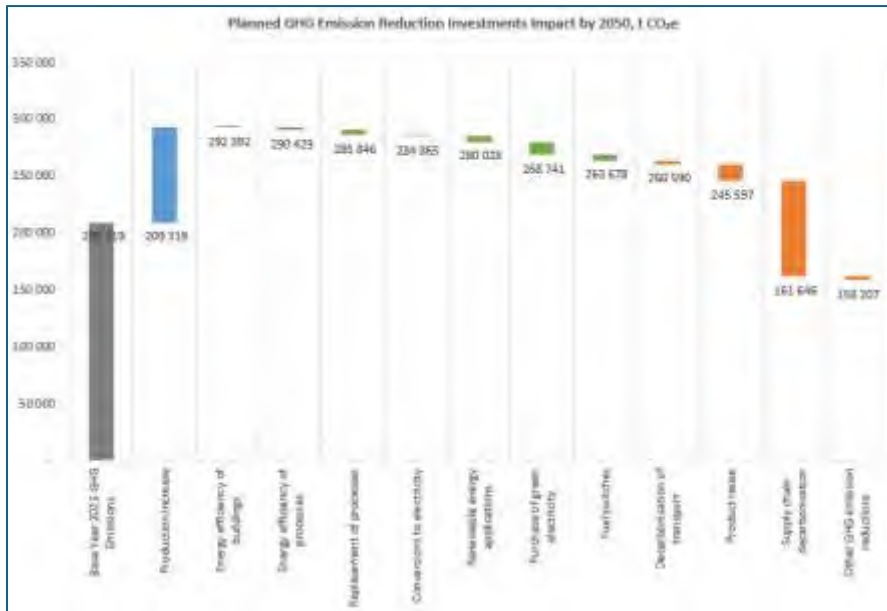
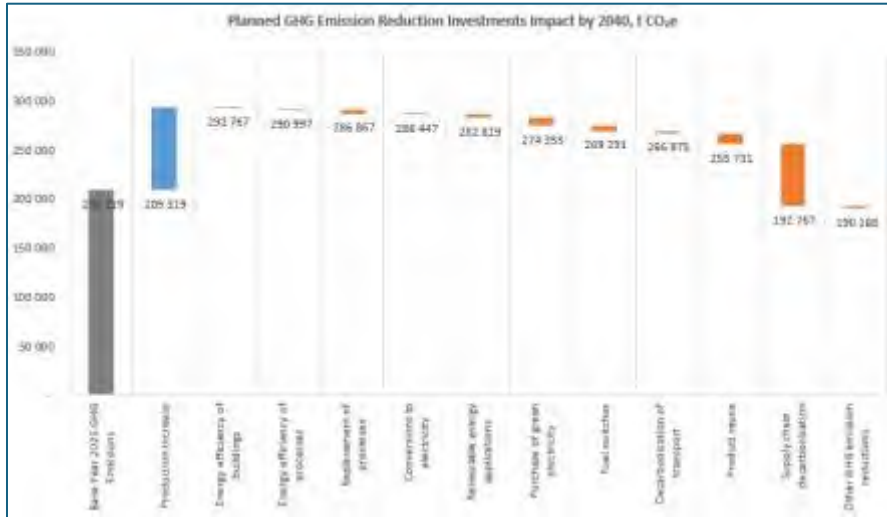
Planned GHG emission reduction investments	Projected GHG emissions						Comments
	Base year 2025 t CO ₂ e /year	Increase by 2030 t CO ₂ e /year	t CO ₂ e /year to be achieved by 2030	t CO ₂ e /year to be achieved by 2035	t CO ₂ e /year to be achieved by 2040	t CO ₂ e /year to be achieved by 2050	
	209,319	293,047	256,704	223,169	190,188	158,207	
% compared to the base	100%	140%	123%	107%	91%	76%	
Energy efficiency upgrades to buildings	468	655	645	638	374		Modernisation of thermal insulation, heating and cooling systems
Improving the energy efficiency of processes	1,403	1,964	1,643	771	194		Modernisation of heating, cooling, compressed air and drive systems
Replacement or modification of processes	3,273	4,582	3,834	1,800	452		Installation of new production lines
Conversions to electricity	701	982	968	956	562		Replacing natural gas with electric heating
Development of renewable energy applications	3,455	4,837	3,628	2,418	1,209		Installation of solar panels and heat pumps
Purchase of green electricity	8,062	11,286	8,465	5,643	2,822		Amendments to electricity contracts
Fuel switches	3,617	5,064	211	-	-		Use of electric and green fuel cars and forklift trucks
Decarbonisation of transport and distribution	5,514	7,720	6,948	6,176	5,404	4,632	Use of electric and green fuel delivery vehicles
Material efficiency in product reuse	26,772	37,481	33,733	29,985	26,236	22,488	Increasing recycling
Decarbonisation of the supply chain	149,914	209,879	188,892	167,904	146,916	125,928	Procurement of raw materials with a lower carbon footprint
Other GHG emission reductions	6,141	8,597	7,738	6,878	6,018	5,158	Energy storage, etc.
Total	209,319	293,047	256,704	223,169	190,188	158,207	

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The figures below illustrate the cumulative effects of the planned GHG emission reduction investments by 2030, 2035, 2040 and 2050:





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The table below summarises the planned GHG emission reductions for the periods 2030–35–40–50, broken down by Scope 1, 2 and 3, compared to the otherwise expected increase by 2030:

Planned GHG emission reduction investments	Summary of GHG emission reductions by period										
	Base year 2025 t CO ₂ e/year			Increase by 2030 t CO ₂ e/year	Reduction by 2030 t CO ₂ e/year	Reduction by 2035 t CO ₂ e/year	Reduction by 2040 t CO ₂ e/year	Reduction by 2050 t CO ₂ e/year	Scope 1 emission reductions	Scope 2 emission reductions	Scope 3 emission reductions
Periodic reductions	-	-	-	-	12.4%	23.8%	35.1%	46%	100%	100%	40%
Energy efficiency upgrades to buildings	468	0.2%	Scope 1	655	9	17	280	655	655	-	-
Improving the energy efficiency of processes	1,403	0.7%	Scope 1	1,964	321	1,192	1,770	1,964	1,964	-	-
Replacement or modification of processes	3,273	1.6%	Scope 1	4,582	748	2,782	4,130	4,582	4,582	-	-
Conversions to electricity	701	0.3%	Scope 1	982	14	25	420	982	982	-	-
Development of renewable energy applications	3,455	1.7%	Scope 2	4,837	1,209	2,418	3,628	4,837	-	4,837	-
Purchase of green electricity	8,062	3.9%	Scope 2	11,286	2,822	5,643	8,465	11,286	-	11,286	-
Fuel switches	3,617	1.7%	Scope 1	5,064	4,853	5,064	5,064	5,064	5,064	-	-
Decarbonisation of transport and distribution	5,514	2.6%	Scope 3	7,720	772	1,544	2,316	3,088	-	-	3,088
Material efficiency in product reuse	26,772	12.8%	Scope 3	37,481	3,748	7,496	11,244	14,992	-	-	14,992
Decarbonisation of the supply chain	149,914	71.6%	Scope 3	209,879	20,988	41,976	62,964	83,952	-	-	83,952
Other GHG emission reductions	6,141	2.9%	Scope 3	8,597	860	1,719	2,579	3,439	-	-	3,439
Total	209,319	100.0%	-	293,047	36,343	69,878	102,859	134,840	13,247	16,123	105,471

For the **MASTERPLAST Group** increasing technological energy efficiency, utilising renewable energy sources and purchasing green electricity are key to reducing its own emissions.

Among indirect emission reductions, it expects significant reductions primarily through the decarbonisation of the supply chain, product recycling and the decarbonisation of transport (mainly ships and lorries).

The table below summarises the expected emissions trends by scope up to 2050:

Summary of emissions	Base year 2025 t CO ₂ e/year	Increase by 2030 t CO ₂ e/year	Emissions to be achieved by 2030 t CO ₂ e/year	Emissions to be achieved by 2035 t CO ₂ e/year	Emissions to be achieved by 2040 t CO ₂ e/year	Emissions to be achieved by 2050 t CO ₂ e/year	Reduction by 2050
Scope 1 emissions	9,461	13,246	7,302	4,165	1,582	-	0%
Scope 2 emissions	11,517	16,123	12,092	8,062	4,031	-	0%
Scope 3 emissions	188,341	263,678	237,310	210,942	184,574	158,207	60%
Total emissions	209,319	293,047	256,704	223,169	190,188	158,207	54%

The Company aims to reduce its absolute greenhouse gas emissions (tCO₂e) to 54% (158,207 tonnes) by 2050 in Scope 1, 2 and 3, with 2025 (209,319 tonnes of CO₂/year) as the base year.

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The 2025 baseline GHG emissions of **MASTERPLAST** are as follows:

Energy and fuels	tCO2e/year
Natural gas	5,844
Petrol	143
Diesel	3,149
LPG	325
Electricity	11,517

Natural gas	tCO2e/year	Emission breakdown (%)
Buildings	1,168.88	20%
Technology	4,675.54	80%
Total	5,844.42	100%

Fuel	tCO2e/year	Emission breakdown (%)
Petrol	142.56	4%
Diesel	3 149.28	87%
LPG	325.11	9%
Total	3 616.96	100%

Buildings	tCO2e/year	Emission breakdown (%)
Energy efficiency upgrades	468	40%
Switches to electricity	701	60%

Processes - Technologies	tCO2e/year	Emission breakdown (%)
Improving energy efficiency	1,403	30%
Replacement or modification	3,273	70%

Electricity	tCO2e/year	Emission breakdown (%)
Renewable energy utilisation	3,455	30%
Purchase of green electricity	8,062	70%

Decarbonisation of transport and distribution	tCO2e/year
4. Inbound transport and distribution (fuels not covered by Scope 1 and 2)	3,094
6. Business travel (not using company vehicles)	47
7. Employee commuting (non-company vehicles)	1,016
9. Outbound deliveries and distribution	1,358
Total	5,514.50

Other GHG emission reductions	tCO2e/year
2. Fixed assets (tangible assets)	1,231
3. Fuel and energy-related activities (uses not covered by Scope 1 and 2)	2,944
5. Waste generated during operations	1,460
8. Leased assets during operations	233
11. Use of products sold (throughout their life cycle)	273
Total	6,140.90

Capital expenditure (CapEx)

The Company has determined the significant capital expenditure requirements necessary for the implementation of the transition plan through replacement investments following the expiry of the useful life recorded in the depreciation accounts, increased by the inflation rate estimated for the year 2050.

Planned GHG emission reduction investments	Estimated investment requirements			
	between 2025–30 EURO	between 2030–35 EURO	between 2035–40 EURO	between 2040–50 EURO
GHG emissions reduction (t CO ₂ e/year)	1,243,636,175	1,852,419,656	1,327,482,494	592,358,702
% compared to the baseline	1,355,214	1,111,685	38,379,107	54,602,353
Energy efficiency upgrades to buildings	194,477,703	528,962,396	350,426,156	117,618,668
Improving the energy efficiency of processes	453,781,307	1,234,245,591	817,661,031	274,443,559
Replacement or modification of processes	2,032,821	1,667,528	57,568,660	81,903,530
Conversions to electricity	343,053	343,053	343,053	686,105
Development of renewable energy utilisation	63,104,488	63,104,488	63,104,488	63,104,488
Purchase of green electricity	528,541,589	22,984,914	-	-
Fuel switches	*	*	*	*
Decarbonisation of transport and distribution	*	*	*	*
Material efficiency through product reuse	*	*	*	*
Decarbonisation of the supply chain	*	*	*	*
Other GHG emission reductions	*	*	*	*
Total	* Carried out by partners.			

2025 book values for ends of product life

Purchase value in EUR	Between 2025 and 2030	Between 2030 and 2035	Between 2035 and 2040	Between 2040 and 2050
Buildings, parts of buildings	3,080,032	2,416,708	79,956,472	105,004,525
Production machinery and equipment	589,326,373	1,533,224,337	973,405,989	301,586,328
Vehicles	480,492,353	19,986,882	-	-
Total	1,072,898,758	1,555,627,926	1,053,362,461	406,590,853

The table below shows the book values for 2025, adjusted for estimated inflation, and the periods when their product life ends. Over their useful lives existing buildings, production machinery, equipment and vehicles generate unavoidable emissions; however, this does not significantly jeopardise future emission reduction plans; the transition plan anticipates a temporary increase in emissions.

Purchase value at end of useful life in EUR	Between 2025 and 2030	2030–35	2035–40	2040–50	Total
Value adjusted for inflation (estimated)	10%	15%	20%	30%	-
Buildings, parts of buildings	3,388,035	2,779,214	95,947,767	136,505,883	238,620,898
Production machinery and equipment	648,259,010	1,763,207,988	1,168,087,187	392,062,227	3,971,616,412
Vehicles	528,541,589	22,984,914	-	-	551,526,502
Total	1,180,188,634	1,788,972,115	1,264,034,954	528,568,109	4,761,763,812

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Distribution of purchase value at end of useful life (%)	Between 2025 and 2030	2030–35	2035–40	2040–50
Buildings, parts of buildings	1.4%	1.2%	40.2%	57.2%
Production machinery and equipment	16.3%	44.4%	29.4%	9.9%
Vehicles	95.8%	4.2%	0.0%	0.0%

Book values adjusted for estimated inflation:

Buildings	By 2030	By 2035	By 2040	By 2050	Total	%
Energy efficiency upgrades	1,355,214	1,111,685	38,379,107	54,602,353	95,448,359	40%
Switches to electricity	2,032,821	1,667,528	57,568,660	81,903,530	143,172,539	60%

Processes - Technologies	By 2030	By 2035	By 2040	By 2050	Total	%
Improving energy efficiency	194,477,703	528,962,396	350,426,156	117,618,668	1,191,484,924	30%
Replacement or modification	453,781,307	1,234,245,591	817,661,031	274,443,559	2,780,131,488	70%

Timelines, risks, responsibilities and financing relating to the transition plan

In assessing long-term transition risks, the Group has taken climate policy objectives into account and identified the assets and business processes that require transformation to transition to a net-zero GHG emissions economy.

In addition, the company has identified transition events that may affect its operations and assets during the transition to a low-carbon economy. As part of this:

- It assessed the exposure of energy-related systems (heating, cooling, electricity consumption) to changes in energy demand and supply chains.
- It examined the risks associated with the procurement of raw materials and commodities, with particular regard to sustainability requirements in supply chains and the stability of raw material supplies.

The table below sets out the timelines, risks, responsibilities and financing for the planned investment types:

Planned GHG reduction investments and measures	Description	Timeframe Short-, medium- and long-term objectives	Identification of risks	Responsibility	CapEx and OpEx	Financing
Energy efficiency upgrades to buildings	Modernisation of heating, cooling, compressed air and drive systems	Short, medium and long term	Low risk The necessary technologies are available. Most of the buildings are modern, well-insulated, and have up-to-date mechanical systems.	Group management, Green Committee and ISO 50001 energy management officers	Capital expenditure budget for replacement after the end of useful life recorded in the depreciation register	Own funds, state aid or green loans
Improving the energy efficiency of processes	Modernisation of heating, cooling, compressed air and drive systems	Short, medium and long term	Low risk The necessary technologies are available. Major technological equipment will be modernised by 2040.	Group management, Green Committee and ISO 50001 energy management officers	Replacement investment budget following the expiry of the useful life as recorded in the depreciation register	Own funds, state aid or green loans
Replacement or modification of processes	Installation of new production lines	Medium and long term	Low risk The necessary technologies are available.	Group management, Green Committee and ISO 50001 energy management officers	Replacement investment budget following the expiry of the useful life recorded in the depreciation register	Own funds, state aid or green loans
Switching to electricity	Replacing natural gas with electric heating	Medium and long term	Medium risk Most of the industrial technologies required to replace natural gas are available. Increased efficiency in electricity consumption of steam generation technology is required for the transition.	Group management, Green Committee and ISO 50001 energy management officers	Replacement investment budget following the expiry of the useful life recorded in the depreciation register	Own funds, state aid or green loans
Development of renewable energy applications	Installation of solar panels and heat pumps	Short, medium and long term	Low risk The necessary technologies are available.	Group management, Green Committee and	CapEx budget	Own funds, government grants or green loans

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				ISO 50001 energy management officers		
Purchase of green electricity	Amendment of electricity contracts	Short, medium and long term	Low risk The necessary technologies are available.	Group management, Green Committee and ISO 50001 energy management officers	OpEx budget	Own resources
Fuel switching	Use of electric and green fuel cars and forklifts	Short, medium and long term	Low risk The necessary technologies are available. Depends on the extent of electrification and the uptake of green fuels in the transport sector, particularly the transition of cars and forklift trucks.	Group management, Green Committee and ISO 50001 energy management officers	Replacement investment budget following the accounting depreciation at the end of useful life	Own funds, state aid or leasing.
Decarbonisation of transport and distribution	Use of electric and green fuel transport vehicles	Short, medium and long term	Medium risk Depends on the extent of electrification and the uptake of green fuels in the transport sector, particularly the transition of shipping and heavy goods vehicles.	Upstream and downstream players	Carried out by external partners within the value chain	Not the responsibility of the group
Material efficiency in product reuse	Increasing recycling	Medium and long term	Low risk The necessary technologies are available. Depends on the companies involved and legal regulations after the end of the manufactured products' lifespan.	Downstream players	Performed by external partners within the value chain	Not the responsibility of the group
Decarbonisation of the supply chain	Procurement of raw materials with a lower carbon footprint	Medium and long term	Medium risk Depends on the transition of raw material manufacturers, particularly on changes in the production of polystyrene granules and glass fibre.	Upstream players	Carried out by external partners in the value chain	Not the responsibility of the group

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Other GHG emission reductions	Energy storage, etc.	Medium and long term	<p>Low risk</p> <p>Industrial technologies for reducing other GHG emissions are already available.</p> <p>In particular, there is a need to improve the efficiency of electricity storage technologies.</p>	<p>Upstream and downstream players</p> <p>Group management</p>	Carried out by external partners in the value chain	Not the responsibility of the group
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There is a low to medium transition risk associated with the **MASTERPLAST Group** achieving its GHG emission reduction targets due to the modification of energy-intensive assets.

The **Group** does not engage in coal, oil or natural gas-based economic activities, nor does it make significant investments related to such industries. Consequently, it is not among the companies excluded by the European Union from green financial instruments or benchmarks due to activities incompatible with the objectives of the Paris Agreement.

Material impacts, risks and opportunities and their interaction with strategy and business model E1 SBM-3

In 2025 **MASTERPLAST** conducted its double materiality analysis (DMA) once again, identifying the most significant physical and transition risks as well as their potential impacts on its operations and value chain. In addition, as part of the EU Taxonomy assessment the **Group** completed its climate risk analysis in 2025, which mandatorily includes a resilience assessment regarding physical risks. It also prepared its transition plan, which addressed transition risks.

The Company conducted the resilience assessment on its main product categories, namely its own-manufactured EPS and XPS – thereby primarily examining its manufacturing bases. In practice – in line with the scenarios used by competitors – RCP 4.5 and RCP 8.5 are typically applied, so these were examined in greater detail. These pathways describe future greenhouse gas concentrations (not emissions) and have been officially adopted by the IPCC (Intergovernmental Panel on Climate Change).

A brief description of the RCPs is as follows:

- RCP 2.6 is a very stringent pathway.
- The IPCC describes RCP 4.5 as an intermediate scenario.
- In RCP 6, emissions peak around 2080 and then decline.
- In RCP 8.5, emissions continue to rise throughout the 21st century.

In addition to the commonly used scenarios, it is important to be able to provide more detailed and accurate forecasts for our country – and specifically for individual plants – compared to the general scenarios; therefore, data from the ALADIN-Climate and RegCM models were also used for Hungarian production plants. What is consistent across both models:

- Significant warming is expected: Both models clearly indicate that warming in the Carpathian Basin will exceed the global average, and the number of heatwaves will increase dramatically.
- Deterioration in precipitation distribution: Although the annual total may vary, both models indicate an increased risk of extreme events (torrential rain, flash floods), whilst the likelihood of long, hot, dry periods (droughts) is also increasing.

The risks examined are illustrated in the following table:

	Temperature-related	Wind-related	Water-related	Surface-related
Chronic	Changing temperature (air, freshwater, saltwater)	Changing wind patterns	Changing precipitation patterns and types (rain, hail, snow/ice)	Coastal erosion
	Heat stress		Precipitation or hydrological changeability	Soil degradation
	Fluctuations in temperature		Acidification of oceans	Soil erosion
	Permafrost melting		Saltwater intrusion	Solifluction
			Rising sea levels	
			Water scarcity	
Acute	Heatwave	Cyclone, hurricane, typhoon	Drought	Avalanche
	Cold spells/frost	Storm (including snow, dust and sandstorm)	Intensive precipitation (rain, hail, snow/ice)	Landslide
	Uncontrolled wildfire	Tornado	Flood (coastal as well as caused by rivers, rainwater, groundwater)	Subsidence
			Sudden flood of glacier lakes	

The cells marked in green in the table above clearly correspond to the points examined during the climate risk analysis. The contents of the cells marked in red were not taken into account, as these risks are irrelevant due to the geographical location of the manufacturing plants. The cells marked in yellow were also not taken into account for the following reasons:

- **Cold spells/frost:** Long-term forecasts clearly indicate a rise in average temperatures, which significantly reduces the likelihood of cold spells occurring. At the same time, it can be observed in the weather of Hungary that the winter periods previously associated with severe cooling have been absent over the past 10 years, alongside which the amount of snowfall has also decreased significantly.
- **Uncontrolled wildfires:** Production facilities are located in built-up or artificial environments, generally within urban areas or industrial estates, where extensive vegetation is not typical; consequently, the likelihood of uncontrolled wildfires occurring is negligible.
- **Tornadoes:** In recent years this natural phenomenon has been observed with increasing frequency in Hungary as well; however, they always form outside populated areas, and their duration is so brief that they cause virtually no economic damage.
- **Land subsidence:** As with the description of vegetation fires, it can be said here too that the plants are located in a built-up/artificial environment, where the structures have been erected on soil that is either completely undisturbed or in a consolidated state. In all cases, construction is preceded by a geotechnical report to be prepared during the design phase, and the findings of this report are taken into account during the design of the structures. Soil subsidence is possible in these areas where the soil structure contains a high proportion of clay (certain types of clay are prone to swelling or increased

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water loss, which causes a corresponding change in their volume) or sand; however, in both cases, soil replacement was necessary prior to the construction of the buildings, which was documented in an expert report as required.

The data essentially indicate climatic risks in two categories:

- Changes in precipitation conditions
- Changes in temperature

The identified physical risks are typically low or moderate. On this basis, the Group considers that it possesses sufficient resilience to mitigate the risks taking into account its financial statements, and has identified the necessary management measures in the event that the risks materialise.

The **MASTERPLAST Group** planned to develop its resilience analysis by 2025, following three previously identified steps:

- application of a recognised climate change scenario (e.g. IEA Net Zero, NGFS) – **completed**,
- assessing the financial impacts of climate risks – **completed**,
- alignment with GHG reduction targets (ESRS E1-4) and related financial planning (E1-9) – **postponed**

As the entry into force of the E1-9 application requirement has been postponed, the Company will align itself with the relevant statutory deadlines when defining and disclosing objectives relating to financial planning.

Description of process to identify and assess material impacts, risks and opportunities E1 IRO-1

In assessing long-term transition risks, the **MASTERPLAST Group** has taken climate policy objectives into account and identified the assets and business processes that require transformation to facilitate the transition to a climate-neutral economy. Details of this can be found in the transition plan.

In addition, the Group has identified the physical risks that may affect its operations and assets during the transition to a low-carbon economy. As part of this:

- It has assessed the exposure of its activities to environmental impacts,
- And identified potential mitigation measures in its resilience analysis.

The assessment of transition events and physical risks is consistent with the critical assumptions in the financial statements of the **Group**, thereby supporting business planning, capital allocation and investment decisions. When identifying IROs, the Company took into account the expected impacts of changes in precipitation and temperature, particularly on energy prices.

Material impacts, risks and opportunities and their interaction with strategy and business model *IRO-1, SBM-3*

ESRS standard	Topic	Description	Classification	Value chain	Timeframe	Other information
E1 Climate change	Climate change mitigation	Through our core business (the manufacture of high-quality insulation materials) we contribute to the long-term reduction of energy consumption and GHG emissions due to the widespread use of our products.	Actual positive impact	Downstream	Long-term	The company's products, such as EPS, XPS and glass wool, directly contribute to improving the energy efficiency of buildings, thereby reducing greenhouse gas emissions. Furthermore, the widespread use of insulation materials supports sustainable construction, which has a significant positive impact on the environment and the achievement of climate protection targets.
E1 Climate Change	Climate change adaptation	The company manufactures and distributes insulation materials and related products, playing a direct role in enabling adaptation to climate change.	Actual positive impact	Own operations	Short term	Our core business plays a key role in promoting sustainable architecture as our products help minimise heat loss and improve energy efficiency. We continuously monitor and document the proportion of energy-efficient products sold within total revenue, thereby ensuring the fulfilment of our sustainability goals and the reduction of environmental impacts.
E1 Climate Change	Climate change adaptation	Demand for professional insulation materials is growing as energy-efficient architecture becomes increasingly important.	Current opportunity	Own operations	Long-term	The growth in demand for professional insulation materials directly supports the Group's core business and is therefore of significant magnitude. As the opportunity has a moderate to high probability of occurring and will materialise in the medium term, it is financially significant for the Group .
E1 Climate Change	Energy	Climate change: due to excessive temperature rises, solar panels already installed and those to be installed in the future will be subjected to excessive stress, resulting in a reduction in their efficiency and output.	Potential negative impact	Own operations	Long-term	To reduce overloads, the Group is investigating optimisation solutions for cooling systems to maintain the efficiency of energy management based on renewable energy sources.
E1 Climate change	Energy	Purchasing energy from energy traders contributes to the company's Scope 2 emissions.	Actual negative impact	Upstream	Long-term	The strategic objective of the Company is to reduce the proportion of external procurement by increasing internal energy generation, for example through the use of solar energy.

E1 Climate change	Energy	Introducing energy-efficient solutions into our manufacturing and commercial operations, thereby reducing energy consumption. Through investments in renewable energy we promote the use of green energy and support the launch of EEOS projects. Thanks to appropriate energy management, the company's total energy consumption is decreasing. At our entities with higher energy consumption we have installed sub-meters in several stages to monitor our energy consumption effectively, and we are also modernising our machinery.	Actual positive impact	Own operations	Short-term	Thanks to appropriate energy management, the Group's total specific energy consumption is decreasing. The Group has installed sub-meters in several stages at its entities with higher energy consumption to monitor their energy consumption effectively, and is also modernising its machinery.
E1 Climate change	Energy	Our customers consume less energy if they purchase suitable insulation materials and modernise their properties.	Actual positive impact	Downstream	Short-term	The insulation materials manufactured by the Group directly contribute to reducing customers' energy consumption, thereby supporting energy efficiency targets and climate change mitigation. Furthermore, these materials facilitate the modernisation of buildings, which has a significant positive impact on the spread of sustainable construction practices and lower operating costs.
E1 Climate Change	Energy	Our customers consume less energy when they purchase suitable insulation materials and modernise their properties. Thanks to the framework provided by the energy efficiency obligation scheme, this presents an excellent opportunity for the company to run energy efficiency projects (Hungarocell Renovation Programme, free loft insulation).	Current opportunity	Own operations	Long-term	The Group generated significant revenue from the sale of CES products in 2025, and we expect demand to grow further in the coming period. The subsidy scheme has a stimulating effect on the market, helping a wider range of residential and corporate customers to take advantage of energy efficiency renovations and modern insulation solutions.
E1 Climate Change	Energy	Regulatory requirements and changes may increase the price of purchased energy.	Expected risk	Own operations	Long-term	Changes in energy regulation and market price trends affect operating costs, which in the long term pose a financial risk to the Group.

E1 Climate change	Energy	Unpredictable fluctuations in energy prices make it difficult for the company to plan its operating costs.	Expected risk	Own operations	Long-term	The expiry of contracts with energy suppliers may lead to unpredictable changes in energy prices, which could directly affect the predictability of the Group's operating costs. This situation may have a significant financial impact, as the expected increase in energy supply costs could affect a substantial portion of the Group's revenue in the medium term; therefore, it can be identified as a material financial risk.
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Policies adopted to manage material sustainability matters E1-2, MDR-P

The Hungarian entities of **the MASTERPLAST Group** procure energy through group procurement tenders, whilst foreign subsidiaries procure the required quantities from energy traders in their respective countries. To optimise energy supply and consumption, the Group conducts ongoing internal analyses, and the aim of its energy policy is the continuous improvement of energy efficiency, taking into account sustainability and economic considerations.

Responsible management of natural resources and improving efficiency is of key importance to the Group. Although the **MASTERPLAST Group** does not have an explicit climate policy, it holds several ISO certifications, all of which contributing to climate change mitigation and adaptation. These ISO standards support the Group in a structured and documented manner in managing climate risks and opportunities, thereby enhancing the Company's resilience and long-term sustainability. The full scope and application of the ISO standards implemented within the Group are set out in the ['Governance' chapter](#).

The relationship between management systems of MASTERPLAST and climate change management:¹²

ISO standard	Climate change mitigation	Climate change adaptation
ISO 9001: 2015 Quality management	Reduces energy and raw material consumption through effective process management. Reduces waste generation and thus environmental impact through quality control.	Ensuring process flexibility to adapt to changing conditions caused by climate change. Maintains product quality and performance stability under extreme weather conditions.
ISO 14001: 2015 Environmental management	Setting and achieving environmental targets for reducing CO ₂ emissions. Reducing resource consumption, minimising waste and prioritising recycling.	Continuous assessment and management of environmental risks. Continuous preparedness to manage environmental impacts caused by extreme weather events.
ISO 50001: 2018 Energy Management	Continuous improvement of energy performance, measurement and optimisation of energy consumption. Supporting the integration of renewable energy sources.	Increasing the resilience of energy systems in the face of energy supply uncertainties. Adapting to changes in energy demand under extreme weather conditions.

¹² In addition, the Group has management systems certified to ISO 45001:2018 and ISO 13485:2016, which are not directly related to the topic of climate change.

Environmental Policy

The **MASTERPLAST Group** sets out the details of its environmental activities in its corporate regulations. The aim of this is to define the rules, practices, procedures and areas of responsibility essential for the implementation of the environmental policy, to set out a framework for these, to ensure the conditions for activities carried out to protect the environment, and to describe the process of measures taken to reduce environmental impacts. The processes are coordinated by the environmental engineer of the central Asset Management and Operations Department.

Actions and resources in relation to material sustainability matters E1-3, MDR-A

A key objective of **the MASTERPLAST Group** is to gradually transition to renewable energy sources in the interests of energy efficiency and sustainability. As part of this, small-scale solar power plants have been established in Sárszentmihály, Zalaegerszeg, Hajdúszoboszló and Kál. The facilities have different capacities at each site, and the projected annual output also varies. Thanks to these small power plants, **MASTERPLAST** is significantly reducing the environmental impact of its energy consumption and promoting operational efficiency. The Company is committed to sustainable projects of this kind, which contribute to environmental protection and the fight against climate change.

Implementation of renewable energy solutions

At sites with higher energy consumption, the Company has installed sub-meters in several phases in order to monitor energy consumption effectively and obtain clear information on current consumption levels, thereby managing it in a conscious manner. The first sub-meters were installed in 2020, followed by further installations in 2023 due to stricter regulations, which increased the number of sub-meters.

In the spring of 2024 a small power plant with a capacity of 0.5 MWh was commissioned in Sárszentmihály. Following the completion of the first installation project, the Group planned a further expansion of the capacity of the Sárszentmihály solar power plant, resulting in the installation of a 400.03 kWp solar panel unit connected to the medium-voltage grid.

In 2025 an energy efficiency investment was also implemented at the Kál site, involving the design, licensing and construction of a 33.79 kWp household-scale micro-power plant (HMKE). The system operates without feeding back into the grid; its aim is to increase the share of renewable energy and reduce the Group's own energy consumption.

The Group also plans to install a 6,115 kWp solar power plant in Szerencs in the coming years, primarily to increase the proportion of renewable self-consumption and reduce energy costs. In addition, the Serbian subsidiaries MASTERPLAST YU d.o.o. and MASTERPLAST Proizvodnja d.o.o. are planning a solar panel investment with a total capacity of 2,415 MWp in the coming period. The implementation of these developments is partly dependent on potential funding opportunities.

These developments will further increase the share of renewable energy in the Group's energy supply, whilst enabling more efficient timing between energy generation and consumption.

Renewable energy sources¹³

Company	Electricity generated by solar panels (kWh) ¹⁴		
	2024	2025	Change (%)
MASTERPLAST Plc (Sárszentmihály site)	466,880.00	559,889.00	+19.92%
T-CELL Plasztik Ltd (Zalaegerszeg)	75,890.00	69,350.00	-8.62%
T-CELL Plasztik Ltd (Hajdúszoboszló)	82,741.00	73,292.09	-11.42%
MASTERPLAST Insulation Ltd	-	718.52	-
MASTERPLAST Group total	625,511.00	703,249.61	+12.43%

Emissions avoided through the use of renewable energy sources

Company	Emissions avoided through solar panels (t CO2e) ¹⁵		
	2024	2025	Change (%)
MASTERPLAST Plc (Sárszentmihály site)	170.41	204.36	+19.92%
T-CELL Plasztik Ltd (Zalaegerszeg)	27.70	25.31	-8.62%
T-CELL Plasztik Ltd (Hajdúszoboszló)	30.20	26.75	-11.42%
MASTERPLAST Insulation Ltd	-	0.26	-
MASTERPLAST Group total	228.31	256.69	+12.43%

The Company reports on its aggregate GHG emissions and the calculation methodology in the remainder of this chapter, whilst the transition plan summarises the expected future impacts. The Company treats the current financial impacts as trade secrets.

The innovative production line is also worth noting, which not only optimises energy consumption but also reduces the environmental impact of the production process, thanks to lower waste generation and more efficient use of raw materials. This enables the Group to meet increasingly stringent energy efficiency and environmental regulatory requirements more effectively, whilst improving its production costs and enhancing its competitiveness in the long term.

A particularly significant investment is planned at the MASTERPLAST YU D.o.o site (Serbia) involving the replacement of weaving machines used to manufacture glass fabric, which is expected to entail a relevant financial outlay. The Company will provide details of this in the next reporting cycle.

¹³ The solar data for the first and second quarters of 2025 for T-Cell Plasztik Kft. are based on estimates, which were determined using meter readings. During this period, real-time tracking was not yet available, but it has since been developed and implemented. As a result, accurate real-time data will be available starting from the third quarter of 2025.

¹⁴ The annual energy output of solar panels is primarily influenced by weather and sunshine conditions. Furthermore, the solar panels installed in 2025 were only partially operational during the year, as part of the installation took place in the second half of the year.

¹⁵ The annual energy production of solar panels is primarily influenced by weather and sunshine conditions. Furthermore, the solar panels installed in 2025 were only partially operational during the year, as part of the installation took place in the second half of the year.

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Other GHG emission reductions

In September 2024 the **MASTERPLAST Group** launched the Hungarocell Renovation Programme in Hungary which, under the Energy Efficiency Obligation Scheme (EEOS), offering customers a 50% discount on Hungarocell thermal insulation materials in exchange for energy savings achieved through façade insulation. Not only did it continue this programme in 2025 but it also increased the discount from 50% to 100%. In addition, it joined a free loft insulation programme. The HFP (Hungarocell Renovation Programme) promotes increased energy efficiency and reduced carbon dioxide emissions through the thermal insulation of buildings. The energy savings achieved by users are verified and certified by auditing organisations, after which these so-called Certified Energy Savings (CES) become tradable as financial assets for energy traders. [Hungarocell Renovation Programme 2.1](#)

The combined annual primary energy savings from residential energy efficiency projects implemented in 2025 amounted to 606,065.44 GJ. The financial value of the savings – calculated on the basis of the mandatory minimum residential compensation unit price applicable in 2025 (HUF 11,705/GJ) – is HUF 7,093,995,975, which the Company intends to increase further.

The Company has not identified any actual negative climate change impacts that would justify further, supplementary protective measures in the interests of stakeholders. Although energy procurement – and the associated emissions – contribute to climate change, the Company is actively striving, through the measures outlined above, to increase the share of renewable energy sources and to implement energy efficiency projects, which together result in a positive impact.

Tracking effectiveness of policies and actions through targets E1-4, MDR-T

The Group aims to reduce its absolute greenhouse gas emissions (tCO₂e) to 54% (158,207 tonnes) by 2050 in Scope 1, 2 and 3, using 2025 (209,319 tonnes of CO₂ per year) as the base year.

In line with the expansion of the Group's production capacity – based on forecasts for 2025 – greenhouse gas emissions could reach 293,047 tonnes (t CO₂e) per annum by 2030. However, the Company is already implementing active measures to reduce emissions by 2030, as a result of which total annual GHG emissions are expected to gradually decrease.

To set these targets, it applies the methodology set out in the GHG Protocol, taking into account the selected scenario, data sources, and alignment with national, EU and international policy objectives. The targets and the boundaries of the greenhouse gas inventory were defined with the involvement of technical, financial and energy experts.

When setting the targets, the company took into account relevant environmental, social, technological, market and policy developments, and based on these, defined the decarbonisation measures.

Development of renewable energy utilisation

The objective of **the Group** is to reduce energy consumption and energy costs, as well as to minimise greenhouse gas emissions. It uses energy in various forms, primarily in the form of electricity during manufacturing processes, and as fuel in connection with commercial and logistics activities. The **MASTERPLAST Group** has completely overhauled its energy management and developed a long-term energy strategy covering all operations, which also includes comprehensive investments in renewable energy.

In relation to its use of renewable energy, **MASTERPLAST** has committed to increasing the proportion of green electricity to 10% by 31 December 2030. From 2024 to 2025 the **Group** achieved a 12.43% increase in solar power generation, and largely as a result of this, the total share of renewable energy rose from 13.50% to 15.58%. **The share of green electricity rose from 33.90% to 35.75%, representing an increase of 1.85 percentage points. The figure achieved is in line with the stated ambitions of the company.**

Transition plan

The objective of **the Group** is to reduce energy consumption and energy costs, as well as to minimise greenhouse gas emissions. It uses energy in various forms, primarily in the form of electricity during manufacturing processes, and as fuel in connection with commercial and logistics activities. The **MASTERPLAST Group** has completely overhauled its energy management and developed a long-term energy strategy covering all operations, which also includes comprehensive investments in renewable energy.

In 2023 the Company set a target to reduce carbon emissions and prepared a group-level, audited corporate carbon footprint report covering Scope 1 and Scope 2 for the 2023 reporting period. This laid the foundation for monitoring the emissions of **the entire Group** through measurement, with a view to defining specific commitments as soon as possible. For the years 2024 and 2025 the Group assessed its emissions not only at Scope 1 and Scope 2 levels but also at Scope 3 level with the assistance of an external energy auditor.

A further objective of the Group was to reduce its energy consumption and, consequently, its energy costs, whilst also reducing the volume of greenhouse gas emissions. To this end, during the reporting period for 2025 it drew up a comprehensive transition plan, which includes the planned schedule for reducing emissions right up to 2030. The details of the transition plan are set out earlier in this chapter.

The Company procures energy at group level from the relevant national grid. For its Hungarian entities, energy procurement is secured through a group procurement tender, whilst foreign subsidiaries procure the required quantities from energy traders in the relevant country.

As one of the tools for reducing emissions, the Group plans to implement a reforestation project as a nature-based solution.

Other GHG emission reduction actions

The regulation of CES in Hungary changed significantly in 2025. The current objective of the Group is to continuously monitor regulatory requirements, integrate them effectively, and adapt its operations to them in order to maintain long-term operations and increase effectiveness.

Energy E1-5

Within **the MASTERPLAST Group** the highest energy consumption is concentrated at the Subotica sites. Among the main energy sources, Masterplast YU D.o.o. is the largest consumer in terms of natural gas and electricity usage, followed by PIMCO Ltd, the energy consumption of which is also significant, accounting for nearly a quarter of total consumption.

The Group's total energy consumption in 2024 was 188,404,316 MJ. By comparison, it was 268,121,291.44 MJ in 2025 and – for the sake of better comparability – 206,361,960.90 MJ excluding PIMCO Ltd. This represents an increase of over 42% in absolute terms. The Group continuously monitors and optimises consumption levels at its higher-energy-consuming production units using sub-meters.

In the 2024 and 2025 reporting periods, fuel consumption consisted of three main categories:

Fuel type (litres)	2024	2025 – including PIMCO Ltd	2025 – excluding PIMCO Ltd
Petrol	44,222	63,686	57,282
Diesel	850,863	1,190,430	1,189,441
Automotive gas (LPG)	188,367	219,619	219,619
MASTERPLAST Group total	1,083,452	1,473,735	1,466,342

Fuel consumption shows a significant increase of overall 36.02% across all categories from 2024 to 2025. This change is partly attributable to the inclusion of PIMCO Ltd, which, as a newly included company, slightly increased

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the total volume of fuel consumption compared to the base year. The increase is largely attributable to the growth in business activity.

Energy consumption and composition	2024	2025 – including PIMCO Ltd	2025 – excluding PIMCO Ltd
1. Fuel consumption from coal and coal products (MWh)	0	0	0
2. Fuel consumption from crude oil and petroleum products (MWh)	0	0	0
3. Fuel consumption from natural gas (MWh)	23,126.90	28,832.60	21,351.85
4. Fuel consumption from other fossil sources (MWh) Fuel: Petrol: 566.8 MWh, Diesel: 12,737.6 MWh, Automotive LPG: 1,537.3 MWh	10,062.01	14,841.74	14,774.16
5. Consumption of electricity purchased from fossil fuel sources (MWh)	5,402.89	7,276.56	5,062.45
6. Total fossil fuel consumption (MWh) (calculated as the sum of lines 1–5)	38,591.79	50,950.90	41,188.45
Share of fossil fuels in total energy consumption (%)	69.90%	67%	70%
7. Consumption from nuclear sources (MWh)	9,154.47	12,911.26	8,982.62
Share of consumption from nuclear sources in total energy consumption (%)	16.60%	17%	15%
8. Fuel consumption from renewable sources, including biomass (including industrial and municipal waste of biological origin, biogas and renewable hydrogen) (MWh)	0	0	0
9. Consumption of electricity, heat, steam and cooling purchased or procured from renewable sources (MWh)	6,839.93	11,080.29	7,708.78
10. Consumption of self-generated renewable energy not used as fuel (MWh)	625.51	703.25	703.25
11. Total renewable energy consumption (MWh) (calculated as the sum of lines 8–10)	7,465.44	11,783.54	8,412.03
Share of renewable energy sources in total energy consumption (%)	13.50%	15.58%	14.36%
Total energy consumption (MWh) (calculated as the sum of rows 6, 7 and 11)	55,211.70	75,645.70	58,583.10

The breakdown of energy production was determined based on the table in Section 4.2 ‘Gross electricity production’ of the MEKH (Hungarian Energy and Public Utility Regulatory Authority) Methodological Information. The breakdown of the energy consumption of the company is summarised in the following table:

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2024	Electricity, kWh/year	Natural gas, m ³ /year	Petrol, litres/year	Diesel, litres/year	Automotive LPG, litres/year
Masterplast Plc	316,273	13,913	9,272	24,549	0
Masterplast Hungária Ltd	85,374	6,138	0	79,993	20,293
Masterplast International Ltd	444,331	20,870	213	7,471	27,313
Masterplast Membrane Ltd	3,897,784	0	3,303	7,458	3,595
Masterplast Modulhouse Ltd	64,957	0	1,842	3,544	0
Masterplast Insulation Ltd	227,679	143,236	781	1,057	0
Masterprofil Manufacturing and Trading Ltd	66,617	5,594	17	1,004	625
Fidelis BAU Ltd	10,614	0	0	599	0
Masterplast YU D.o.o.	7,036,492	1,360,659	523	445,219	91,356
Masterplast Proizvodnja D.o.o.	4,289,612	2,052	0	233	0
Masterplast Doel Kicevo	5,617	0	0	23,618	536
Masterplast d.o.o.	19,762	0	0	4,437	4,850
Masterplast Sp. z o.o.	18,929	4,153	7,447	20,022	10,405
Master Plast s.r.o	7,480	3,969	11	9,449	1,164
Masterplast Nonwoven GmbH	4,463,482	276,215	0	892	0
Masterplast Romania S.R.L.	87,580	9,033	0	94,524	16,021
Master Plast TOV	45,013	0	18,124	126,473	9,377
Masterplast Italia Srl.	56,495	29	0	0	0
T-CELL Plasztk Ltd (Zalaegerszeg)	90,672	160,848	0	311	2,422
T-CELL Plasztk Ltd (Hajdúszoboszló)	162,522	200,063	2,689	10	410
Total	21,397,285	2,206,772	44,222	850,863	188,367

2025	Electricity, kWh/year	Natural gas, m ³ /year	Petrol, litres/year	Diesel, litres/year	Automotive LPG, litres/year
Masterplast Plc	690,927	13,417	10,751	24,941	0
Masterplast Hungária Ltd	74,929	5,971	1,000	396,757	22,243.70
Masterplast International Ltd	67,665	2,052	0	6,820	26,300.70
Masterplast Membrane Ltd	3,589,975	18,751	3,864	3,936	3,966.80
Masterplast Modulhouse Ltd	21,879	838	1,801	4,208	0
Masterplast Insulation Ltd	23,890.52	8,747	15	1,350.73	588
Masterprofil Manufacturing and Trading Ltd	60,842	4,761	25.84	1,467.94	470.4
Fidelis BAU Ltd	-	0	12	0	0
Masterplast YU D.o.o.	7,375,163.00	1,405,195	533.88	486,581.82	86,573.2
Masterplast Proizvodnja D.o.o.	5,214,272	915	0	167.73	39.2
Masterplast Doel Kicevo	6,406.9	0	0	23,057	513.43
Masterplast d.o.o.	23,031	0	0	4,883.3	0
Masterplast Sp. z o.o.	17,149	6,149	13,876.05	14,025.08	2,098.86
Master Plast s.r.o	7,480	4,691	5,767	2,815	1,472
Masterplast Nonwoven GmbH	4,412,165.2	294,209.05	0	0	0
Masterplast Romania S.R.L.	89,143	6,505	0	86,378	15,879
Master Plast TOV	78,901.7	0	16,961.03	131,729.64	3,686
Masterplast Italia Srl.	321,425	0	0	0	53,393.23
T-CELL Plasztk Ltd (Zalaegerszeg)	223,286	198,737	0	323.06	1,350
T-CELL Plasztk Ltd (Hajdúszoboszló)	356,244.09	290,910	2,674.84	0	1,044.68
PIMCO Ltd	9,600,719	792,453	6,404.29	988.73	0
Total	32,255,493.41	3,054,301.05	63,685.93	1,190,430.03	219,619.20

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Absolute energy consumption showed an increase in 2025. One of the key factors behind this increase is that PIMCO Ltd was included as a new entity in the sustainability report, which naturally raised the total energy consumption. The increase beyond this is primarily attributable to the expansion of business activities and the growth in operational volume.

Gross Scope 1, 2 and 3 and total GHG emissions E1-6

Determination of gross GHG emissions (Scope 1, Scope 2 and Scope 3)

The **MASTERPLAST Group** determines its GHG emissions in accordance with the requirements of the GHG Protocol and the ISO 14064-1:2018 Greenhouse Gas Standard. The Group measures and analyses emissions across three main scopes (Scope 1, Scope 2, Scope 3).



Source: GHG Protocol

Scope 1 – Direct emissions

Direct emissions originate from sources owned and controlled by **MASTERPLAST Plc**. This includes on-site natural gas consumption, emissions generated during manufacturing processes, and fuel consumption by the company’s vehicle fleet. In the calculations, the emission factors for CO₂, CH₄ and N₂O are determined based on the Sixth Assessment Report of IPCC. The proportion of Scope 1 emissions arising from the regulated emissions trading scheme is reported separately.

Scope 2 – Emissions from indirect energy use

This category includes emissions resulting from the use of purchased electricity, district heating and steam. Energy consumption is determined using local and market-based emission factors, taking into account the emission factors for the electricity mix of the International Energy Agency (IEA) and the relevant country. The **MASTERPLAST Group** does not purchase district heating or steam from external suppliers.

Scope 3 – Other indirect emissions

The majority of the Group’s Scope 3 emissions arise from the supply chain, purchased raw materials and services, as well as emissions arising from waste management and logistics activities, and consists of greenhouse gases emitted by incoming and outgoing materials within the value chain associated with the companies’ goods production or services. Greenhouse gas emissions from business travel, employee commuting and leased assets are of a lesser magnitude.

Breakdown of the emissions of MASTERPLAST in 2025

Type of emissions	Emissions (t CO2e/year) 2024	%	Emissions (t CO2e/year) 2025	%
Scope 1 gross GHG emissions (tonnes of carbon dioxide equivalent)	6,844.80	4.8%	9,461.37	4.5%
GHG emissions in Scope 2		5.5%		5.5%
Scope 2, locally based gross GHG emissions (tonnes of carbon dioxide equivalent)	7,810.00		11,516.57	
Market-based GHG emissions under Scope 2 (tonnes of carbon dioxide equivalent)	7,810.00		11,516.57	
Significant GHG emissions under Scope 3	127,041.40	89.7%	188,341.22	90%
Upstream (inbound) activities: Scope 3 emissions Inbound and manufacturing stages:				
1. Goods and services purchased by the company	108,614.00	85.49%	149,913.92	79.60%
2. Capital assets (tangible assets)	605.40	0.48%	1,230.69	0.65%
3. Fuel and energy-related activities (uses not covered by Scope 1 and 2)	647.80	0.51%	2,944.45	1.56%
4. Inbound transport and distribution (fuels not covered by Scope 1 and 2)	2,834.10	2.23%	3,093.69	1.64%
5. Waste generated during operations	757.60	0.60%	1,460.49	0.78%
6. Business travel (not using company vehicles)	63.30	0.05%	46.96	0.02%
7. Employee commuting (non-company vehicles)	883.40	0.70%	1,016.21	0.54%
8. Assets leased during operations	27.10	0.02%	232.68	0.12%
Downstream (outgoing) activities Scope 3 emissions Outbound, consumption and end-of-life stages:				
9. Outbound transport and distribution	512.90	0.40%	1,357.63	0.72%
10. Processing of products sold	123.90	0.10%	272.58	0.14%
11. Use of products sold (throughout their life cycle)	-	-	-	-
12. Management or disposal of products sold at the end of their life cycle	11,971.90	9.42%	26,771.90	14.21%
13. Assets leased out	-	-	-	-
14. Franchise	-	-	-	-
15. Capital expenditure/Investments	-	-	-	-
Total GHG emissions				
Total emissions (location-based)	127,041.40	100%	209,319.16	100%
Total emissions (market-based)	127,041.40	100%	209,319.16	100%

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Emissions in 2025 show a 65% increase. A significant portion of this increase is attributable to the acquisition of PIMCO Ltd and the growth in overall business performance. The significant increase is also attributable to the fact that the Group has refined its methodology for calculating outgoing goods. It now includes not only emissions from the procurement of raw materials related to its own production, but also emissions associated with the raw materials used in the production of other sold products within Scope 3.1. In line with its transition plan, the Group aims to reduce its emissions along the defined milestones.

Scope 2 emissions from purchased energy can be calculated in two ways:

1. Location-based method – This method takes into account the average emission factors of the electricity grids supplying the electricity.
2. Market-based method – This method takes into account contractual agreements under which the organisation procures energy from specific sources, such as renewable energy.

The following types of market-based emission factors are available:

- Energy attribute certificates
- Contracts
- Supplier-specific emission factor
- Residual blending factor
- Regional emission factor
- National emission factor

For the Group, location and market-based Scope 2 emission values are identical, as there are no separate contracts for the purchase of renewable energy; consequently, the electricity procured originates exclusively from the average grid energy mix. Accordingly, the calculation of Scope 2 emissions is based on the average grid emission factor.

0% of total emissions fall under the EU ETS, which amounts to 0 t CO₂e.

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Scope 1 and 2 emissions broken down by company:

Company	Scope 1, tCO ₂ e/year			Scope 2, tCO ₂ e/year		
	2024	2025	Change (%)	2024	2025	Change (%)
Masterplast Plc	113.00	115.64	2.34%	115.44	47.83	-58.57%
Masterplast Hungária Ltd	253.71	1,096.18	332.06%	31.16	27.35	-12.23%
Masterplast International Ltd	101.63	60.89	-40.09%	162.18	24.70	-84.77%
Masterplast Membrane Ltd	32.45	60.70	87.06%	1,422.69	1,310.34	-7.90%
Masterplast Modulhouse Ltd	13.50	16.76	24.15%	23.71	7.99	-66.30%
Masterplast Insulation Ltd	277.76	21.16	-92.38%	83.10	8.46	-89.82%
Masterprofil Manufacturing and Trading Ltd	14.29	13.72	-3.99%	24.32	22.21	-8.68%
Fidelis BAU Ltd	1.58	0.03	-98.10%	3.87	0.00	-100.00%
Masterplast YU D.o.o.	3,909.61	4,127.29	5.57%	2,568.32	2,691.93	4.81%
Masterplast Proizvodnja D.o.o.	4.53	2.25	-50.33%	1,565.71	1,903.21	21.56%
Masterplast Doel Kicevo	63.27	61.76	-2.39%	2.05	2.34	14.15%
Masterplast d.o.o.	18.92	12.92	-31.71%	7.21	8.41	16.64%
Masterplast Sp. z o.o.	92.96	83.00	-10.71%	6.91	6.26	-9.41%
Master Plast S.r.o.	34.32	31.48	-8.28%	2.73	2.73	0.00%
Masterplast Nonwoven GmbH	529.22	542.58	2.52%	1,629.17	1,610.44	-1.15%
Masterplast Romania S.R.L.	291.01	264.43	-9.13%	31.97	32.54	1.78%
Masterplast TOV	389.04	391.91	0.74%	16.43	28.80	75.29%
Masterplast Italia Srl.	0.06	79.04	131633.33%	20.62	117.32	468.96%
T-CELL Plasztik Ltd (Zalaegerszeg)	315.73	343.99	8.95%	33.10	56.19	69.76%
T-CELL Plasztik Ltd (Hajdúszoboszló)	388.26	537.55	38.45%	59.32	103.28	74.1%
PIMCO Ltd	-	1,598.11	-	-	3,504.26	-
Total	6,844.84	9,461.37	38.23%	7,810.01	11,516.57	47.46%

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Scope 1 and 2 emissions broken down by operational and financial control ¹⁶

Entities under the operational and financial control of **MASTERPLAST Plc**:

Company	Scope 1, tCO2e/year		Scope 2, tCO2e/year	
	2024	2025	2024	2025
Masterplast Plc	113.00	115.64	115.44	47.83
Masterplast Hungária Ltd	253.71	1,096.18	31.16	27.35
Masterplast International Ltd	101.63	60.89	162.18	24.70
Masterplast Membrane Ltd	32.45	60.70	1,422.69	1,310.34
Masterplast Modulhouse Ltd	13.50	16.76	23.71	7.99
Masterplast Insulation Ltd	277.76	21.16	83.10	8.46
Fidelis BAU Ltd	1.58	0.03	3.87	0.00
Masterplast YU D.o.o	3,909.61	4,127.29	2,568.32	2,691.93
Masterplast Proizvodnja D.o.o	4.53	2.25	1,565.71	1,903.21
Masterplast Dooel Kicevo	63.27	61.76	2.05	2.34
Masterplast d.o.o.	18.92	12.92	7.21	8.41
Masterplast Sp zoo	92.96	83.00	6.91	6.26
Master Plast S.r.o	34.32	31.48	2.73	2.73
Masterplast Nonwoven GmbH	529.22	542.58	1,629.17	1,610.44
Masterplast Romania S.R.L.	291.01	264.43	31.97	32.54
Masterplast TOV	389.04	391.91	16.43	28.80
Masterplast Italia Srl.	0.06	79.04	20.62	117.32
Total	6,126.57	6,968.02	7,693.28	7,830.65

The group under the financial control of **MASTERPLAST Plc** is expanded to include the following entities:

Company	Scope 1, tCO2e/year		Scope 2, tCO2e/year	
	2024	2025	2024	2025
T-CELL Plasztik Ltd (Zalaegerszeg)	315.73	343.99	33.10	56.19
T-CELL Plasztik Ltd (Hajdúszoboszló)	388.26	537.55	59.32	103.28
Masterprofil Manufacturing and Trading Ltd	14.29	13.72	24.32	22.21
PIMCO Ltd	-	1,598.11	-	3,504.26
Total	718.28	2,493.37	116.73	3,685.94

¹⁶ The Group's entities, including its fully consolidated subsidiaries and entities included in equity consolidation, as well as the Group's associates, are described in the section entitled 'About the Report'.

Breakdown of Scope 3 emissions for 2025, by category

Scope 3 category	Calculation method
Upstream (inbound) activities Scope 3 emissions Inbound and manufacturing stages	
1. Goods and services purchased by the company	<p>Calculated based on the EPDs (Environmental Product Declarations) of products manufactured and distributed by the MASTERPLAST Group and the EPDs of materials found in the EPD International Portal database, in quantities of m³/year or t/year in accordance with the Group's 2025 production and procurement records. The calculations are based on the distribution according to production ratios.</p> <p>Materials in quantities exceeding 10 tonnes were taken into account in the calculation.</p>
2. Fixed assets (tangible assets)	<p>Calculated according to the GHG Protocol's cost-based method (\$), relating to the Group's capitalised investments in 2025.</p> <p>This represents an insignificant proportion of the Group's total emissions (0.48% in 2024, 0.65% in 2025).</p>
3. Fuel and energy-related activities (uses not covered by Scope 1 and 2)	<p>Calculated at group level based on the Scope 1–2 calculations of MASTERPLAST Plc.</p> <p>In the calculation, the gross emission factor for purchased electricity already includes upstream emissions; therefore, only the T&D (Transmission and Distribution) emission value of the energy network needs to be taken into account. The emission factor for natural gas does not include upstream emissions; in this case, both upstream and T&D emissions had to be taken into account.</p> <p>The MASTERPLAST Group does not purchase district heating or steam from external suppliers.</p> <p>This represents an insignificant proportion of the Group's total emissions (0.51% in 2024, 1.56% in 2025).</p>
4. Incoming deliveries and distribution (fuels not covered by Scope 1 and 2)	<p>Calculated based on the transport records database of the Group. For transport, the modes of ship, rail and 32–40 MT lorries were calculated separately. The database provides aggregated km/year data for the various modes of transport, which ensures the accuracy of the calculation.</p>
5. Waste generated during operations	<p>Calculated based on the environmental database of MASTERPLAST.</p> <p>The calculation takes into account the t/year quantities of waste intended for recycling and non-recycled waste within the classification of hazardous and non-hazardous waste.</p>
6. Business travel (not using company vehicles)	<p>Calculated based on data provided by the travel agency partners of MASTERPLAST.</p> <p>Air travel was included in the calculation because business trips by car were undertaken using company vehicles, which are included in Scope 1.</p> <p>This represents an insignificant proportion of the Group's total emissions (0.05% in 2024, 0.02% in 2025).</p>
7. Employee commuting (non-company vehicles)	<p>Calculated based on the HR database of the Group.</p> <p>In the calculation, commutes were grouped according to distances of less than 25 km, 25–50 km and 50–100 km. This contains some inaccuracy, but it is not significant in relation to the Group's total emissions (0.7% in 2024, 0.54% in 2025).</p>
8. Assets leased during operations	<p>Calculated based on the vehicle fleet of MASTERPLAST.</p> <p>This represents an insignificant proportion of the Group's total emissions (0.02% in 2024, 0.12% in 2025).</p>

Downstream (outbound) activities Scope 3 emissions Outbound, consumption and end-of-life stages:	
9. Outbound shipments and distribution	<p>Calculated based on the database of MASTERPLAST recording its transport operations. The database provides aggregated km/year data by transport type, ensuring the accuracy of the calculation.</p> <p>The majority of outbound shipments are carried out using the company's own vehicles, which are included in Scope 1 emissions.</p> <p>Only emissions based on the km/year data from external transport companies were taken into account in the calculation.</p> <p>This represents an insignificant proportion of the Group's total emissions (0.92% in 2024, 0.72% in 2025).</p>
10. Processing of products sold	<p>Calculated on the basis of the EPDs for products sold by the MASTERPLAST Group and the EPDs for materials listed in the EPD International Portal database, in tonnes per year in accordance with the Group's 2025 sales records.</p> <p>The use of products sold by the MASTERPLAST Group does not require significant energy consumption.</p> <p>This represents an insignificant proportion of the Group's total emissions (0.1% in 2024, 0.14% in 2025).</p>
11. Use of sold products (throughout their life cycle)	<p>In accordance with the relevant description in the GHG Protocol, this impact has not been included in the Scope 1-2-3 inventory but is presented in a separate calculation.</p> <p>The use of products sold by the MASTERPLAST Group (EPS and XPS thermal insulation materials, glass wool) results in significant thermal energy savings for users, which leads to a significant reduction in GHG emissions.</p> <p>The minimum service life of EPS and XPS thermal insulation materials is 25 years.</p>
12. Management or disposal of products at the end of their life cycle	<p>Calculated based on the EPDs of products sold by the MASTERPLAST Group and the EPDs of materials found in the EPD International Portal database, in quantities of t/year in accordance with the Group's 2025 sales records.</p> <p>Aggregated downstream data was available for calculating the waste generated during the end-of-life management of the sold roofing membrane product, which includes the C1, C2, C3 and C4 emission values.</p> <p>The calculation took into account the t/year quantities of waste intended for recycling and non-recycled waste. Based on industry forecasts, the recycling rate at the end of the product life cycle will reach or even exceed 50%.</p>
13. Assets leased out	Not relevant, as the MASTERPLAST Group has no leased assets
14. Franchising	Not relevant, as the MASTERPLAST Group has no franchise network
15. Capital expenditure/Investments	Not relevant, as the MASTERPLAST Group has no significant capital expenditure/investments

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The use of EPS and XPS thermal insulation materials sold by the **MASTERPLAST Group** results in significant thermal energy savings for users, which leads to significant avoided GHG emissions.

11. Use of products sold (throughout their life cycle)	2024	2025	2030
Emissions reductions from EPS and XPS thermal insulation over the entire life cycle in t CO2e/year, calculated over a 25-year life cycle	- 150,907	- 179,313	- 326,489

This impact has not been included in the Scope 1-2-3 inventory.

Emissions based on products sold in 2024 and 2025 have been taken into account.

In 2030, the quantities of products manufactured and sold are considered to be the same.

The expected lifespan of EPS and XPS thermal insulation materials is 25 years on average.

The use of EPS and XPS thermal insulation materials sold by the **MASTERPLAST Group** results in significant avoided GHG emissions.

Uncertainty in Scope 3 estimates

A significant proportion of the GHG emissions determined by the **MASTERPLAST Group** are based on the EPDs of the products manufactured ¹⁷ and procured by the Group, which contain specific emission factors relating to the manufacturing activities of the **Group** and have been calculated using the EPDs of materials found in the EPD International Portal database. The emission figures in the EPD documents are values verified and approved by an external auditor.

Employee commuting involves some estimation, but these emissions are small (0.7% in 2024, 0.54% in 2025) compared to total emissions. Employee commuting is divided into three groups: those commuting from within 25 km, those commuting from 25–50 km, and those commuting from more than 50 km away. These distance zones provide a sufficient estimate of average distances.

For products sold, the recycling rate at the end of their life cycle (after a minimum of 25 years) is projected to reach or even exceed 50% based on industry forecasts. The estimate is based on actual data from 2019 and forecasts for 2025. By 2025 the recycling rate is already 30%. Taking into account the sustainability objectives of the circular economy, this estimate can be considered realistic.

To determine emissions from capital assets, the **MASTERPLAST Group** applied an estimated breakdown of 60% steel and 40% glass for the main components of the solar panel system, which also includes the steel support structure of the solar panel system. This breakdown was estimated based on the design of the equipment.

Revenue from products distributed by the **MASTERPLAST Group** was allocated proportionally according to the defining characteristics of the product groups. GHG emissions from the distributed products were determined on this basis.

Overall, scope 3 emissions based on estimates and forecasts accounted for 21.06% in 2024 and 14.90% in 2025, which can be considered an improvement. The reason for this is that for Category 2 the Company used accurate accounting data, unlike in 2024. The end-of-life management or disposal of products sold falling under Scope 3 Category 12 can, by definition, only be based on estimates, as the products manufactured have a minimum lifespan of 25 years, meaning that for 2050 only projections can be made. Excluding the Scope 3 Category 12 emissions based on the forecast, the estimated proportion is just 0.69% compared to 12.61% in 2024.

¹⁷ See the section entitled ‘Sustainable products’.

GHG intensity

GHG intensity is calculated as the ratio of greenhouse gas emissions (expressed in metric tonnes of CO₂e) falling under Scope 1, 2 and 3 categories to the Group’s total revenue, projected in million euros. Emissions data are aggregated across all relevant operational areas in accordance with the GHG Protocol standards. Revenue data are derived from the Group’s financial statements.

GHG intensity has not increased at the same rate as energy intensity. This is due to the integration of renewable energy. The Company outlines its reduction plans in the transition plan, as described earlier in this chapter, which anticipates a temporary increase.

Intensity	2024	2025	Change (%)
Energy intensity			
Net turnover (million EUR)	143.53	171.10	19.21%
Total energy consumption (MWh)	55,211.70	75,645.70	37.01%
Energy intensity (MWh/million EUR)	384.68	442.11	14.93%
GHG intensity			
GHG emissions – location-based (tCO ₂ e)	141,696.20	209,319.16	47.72%
GHG emissions – market-based (tCO ₂ e)	141,696.20	209,319.16	47.72%
GHG emissions intensity – location-based (tCO ₂ e/million EUR)	987.26	1,223.37	23.92%
GHG emission intensity – market-based (tCO ₂ e/million EUR)	987.26	1,223.37	23.92%

GHG removals and carbon credits E1-7

The **MASTERPLAST Group** currently does not have any self-developed GHG removal or storage projects, nor does it purchase carbon credits to finance emissions reductions outside its value chain.

Internal carbon pricing E1-8

Internal carbon pricing (whether in the form of shadow pricing, a carbon fund or an internal emissions charge) is not relevant to the **MASTERPLAST Group**, as it does not fall within the scope of the ETS.

Expected financial effects from material physical and transition risks and potential climate-related opportunities E1-9

The **MASTERPLAST Group** has identified physical and transition risks during its analysis of climate risks and opportunities, which it has taken into account in its transition plan. During the current reporting period, no quantitative, strategic assessment of the financial impacts of these risks has been carried out. The Group had planned to carry out the related financial assessment in accordance with regulatory obligations for the 2026 financial year; however, it is making use of the deferral option granted in the meantime in order to produce data that is as accurate as possible and most useful in practice.

Pollution

Microplastics

In the manufacture of plastic-based insulation materials, managing environmental impacts is of paramount importance, particularly in the case of persistent pollutants that accumulate in the environment over the long term. The issue of microplastics has taken on global significance, as these particles persist in ecosystems for long periods and can potentially have a harmful effect on aquatic and terrestrial wildlife. The Group’s approach to managing environmental risks is guided by the principles of precaution and prevention, including the continuous minimisation of unintentional micro-particle formation resulting from mechanical processes.

Material impacts, risks and opportunities and their interaction with strategy and business model IRO-1, SBM-3

ESRS standard	Topic	Description	Classification	Value chain	Timeframe	Other information
E2 Pollution	Microplastics	Production takes place in a controlled, closed system, but fine dust is generated during regrinding and recycling, which is critical in several respects.	Actual negative impact	Own operations	Long-term	The formation of fine particles is a natural consequence of mechanical grinding and is not the result of intentional emissions. Grinding operations take place in a closed technological system, equipped with an integrated dust extractor and a high-efficiency filtration system. The separated dust fraction is recirculated back into the waste management process in a controlled manner, thereby minimising the risk of fugitive emissions and environmental impact.

Policies related to pollution: E2-1, MDR-P

The management of fine dust generated during manufacturing processes is simultaneously an environmental, occupational health and safety, and quality management issue. The list and locations of production units are included in [the ‘Strategy’ chapter](#). To identify IROs, the Company applied the consultation process outlined [in the ‘Double Materiality’ chapter](#).

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The Group does not have a specific policy on pollution, as its management systems cover the prevention and reduction of unintentional microplastic and fine particle emissions generated during operations. The environmental management system covers regrinding and recycling processes, material handling, maintenance activities and the management of filtration systems.

The link between the management systems of MASTERPLAST and microplastic pollution

ISO 9001:2015 Quality management system	ISO 14001:2015 Environmental management system	ISO 45001:2018 Occupational health and safety management system
<p>ISO 9001 primarily focuses on ensuring that an organisation is consistently able to produce products and services that meet customer and regulatory requirements, whilst continuously improving its processes.</p> <p>In the context of microplastic formation this means that standard operating procedures are drawn up for grinding, recycling and material handling processes, which specify the precise operation of closed systems, dust extractors, filter systems and recirculation.</p> <p>As part of quality control, processes are regularly reviewed, thereby minimising accidental fugitive micro-particle emissions.</p> <p>Measures established under ISO</p> <ul style="list-style-type: none"> - Development of quality management processes to reduce negative environmental impacts. 	<p>ISO 14001 requires the organisation to identify the environmental aspects of all activities, products and services, and to evaluate their significance.</p> <ul style="list-style-type: none"> - Fine particles/microplastics generated during grinding and recycling may be considered a significant factor from the Group's perspective. - Targeted control measures (closed systems, dust extraction, filtration, recycling) can be applied to these factors. <p>Measures established under ISO</p> <ul style="list-style-type: none"> - Waste minimisation and material reuse. 	<p>The primary objective of ISO 45001 is to protect the safety and health of workers and to identify and manage workplace risks.</p> <p>ISO 45001 plays a key role in relation to microplastic and fine particle emissions, as these particles also pose a risk of workplace exposure.</p> <ul style="list-style-type: none"> - ISO 45001 requires the assessment of workplace hazards and the evaluation of risks. - Inhalation of fine microparticles generated during regrinding and recycling can cause respiratory problems and irritation. - The standard ensures that these risks are properly identified and prioritised, and that in the event of an incident, action can be taken quickly, effectively and in a controlled manner.

At the operational level, the environmental engineer in the Asset Management and Operations Department is responsible for operating the management systems relating to the control of microplastic formation. Ultimate responsibility lies with the Board of Directors via the Operations Manager: environmental performance and related objectives are reviewed on an annual basis.

Senior management is responsible for ensuring the necessary resources are provided, approving technological developments and verifying compliance. In addition, those affected by the management systems are required to complete the relevant training programme, primarily those working in production and maintenance. Although plastic, as the raw material for insulating material production, cannot currently be completely replaced, the Group continuously strives to optimise and reduce the quantity of raw materials used. In addition, it pays particular attention to full compliance with the safety and waste management regulations in force at all times.

Pollution-related measures and targets E2-2, MDR-A, E2-3, MDR-T, E2-4, E2-5

Fine particles generated during regrinding:

- an environmental factor (activity-related element),
- associated with environmental impacts (air pollution, deposition on soil, potential entry into water).

The MASTERPLAST approach is based on the principles of prevention and precaution, under which minimising particle formation resulting from mechanical shredding and material recycling is the primary objective. Technological developments and maintenance are carried out in annual, incremental cycles, ensuring the

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continuous improvement of operational processes. The Group objective is to ensure that microplastic emissions remain below the legally permitted limit year on year in the long term. With regard to this limit, it relies on the mandatory European air quality directives¹⁸ which were adopted on the basis of scientific consensus.

In all areas of its operations, the Group pays particular attention to compliance with regulatory requirements and actively strives for the highest possible level of regulatory and internal compliance. In Hungary, PM particle emissions and compliance with air quality limit values (e.g. PM10 and PM2.5) are strictly regulated and monitored¹⁹. PM particles may be of natural origin (e.g. dust, pollen), but a significant proportion stems from industrial emissions. Current legislation does not treat microplastics as a separate legal category, but it does apply limit values and action requirements to emissions of fine particles (PM2.5). Hungarian law prescribes limit values for dust emissions, monitoring and action programmes based on EU air quality directives, which are supervised by the environmental authorities. In addition, the National Public Health Centre (NNK) and other specialist authorities may also be involved in monitoring workplace exposure and health risks.

To minimise pollution – in its own operations – the company applies the following measures, which serve to prevent pollution at source:

- grinding and material handling processes operate in a closed system,
- the use of multi-stage dust extraction and high-efficiency filtration systems is mandatory,
- the separated dust fraction is sent for controlled, segregated waste management,
- wet industrial cleaning is carried out,
- regular monitoring ensures the tracking of fugitive emissions.

The company applies a hierarchy of prevention: it focuses primarily on reducing generation, secondarily on technological separation, and thirdly on safe management.

Microplastic formation occurs primarily at grinding and material handling points. Although the system is closed, there is a risk of fine particle dispersion during maintenance, filter replacement or material transfer operations. Once released into the air, the particles may settle, end up on the ground, or, if not handled properly, enter the sewage system. Due to their persistent nature, microplastics can accumulate over the long term.

In operations, the formation of microplastics is not the result of intentional addition, but rather a consequence of mechanical grinding. In the case of the **Group**, the formation of microplastics is a natural by-product of technological processes, the risks of which can be managed in a regulated and controlled manner within the framework of a structured environmental management system. The majority of the resulting dust fraction is separated in industrial extraction and filtration systems and returned to the manufacturing process.

The separated fraction is treated separately, either through recycling or by transfer to a licensed waste management operator. In 2025 2,974,877 tonnes of plastic waste were recycled (shredded) at the sites.

The direct control of the **MASTERPLAST Group** does not extend to the product's use phase, and therefore does not cover any microplastic emissions that may be generated by the end-user, as these fall outside the Company's control and, according to the current scientific consensus, no effective substitute material is available. At the same time, through its product development programmes, the Group continuously strives to optimise material composition, thereby minimising future environmental risks and microplastic emissions.

The relevant industrial activities are subject to an environmental permit, under which the environmental authority requires the measurement and monitoring of air pollutant emissions, as well as the annual reporting of emission data by the group members concerned. This includes the measurement of dust emissions and the obligation to report data to the authority, but microplastics are not treated as a separate legal category. Data on emissions of fine particulate matter and airborne particulate matter are usually reported to the environmental

¹⁸Mainly: Directive 2008/50/EC, Annex II to Regulation (EC) No 166/2006

¹⁹ Decree No. 4/2011 (14 January) of the Ministry of Agriculture

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authority as part of the air quality emission declaration. Measurements are taken every five years and where justified, and the Company also submits an annual declaration.

During the audit, documents relating to regulatory compliance, official permits, internal environmental records and audit reports relating to ISO 14001 certificates were analysed.

With regard to point sources (air pollutant emissions), it can be established on the basis of the available emission measurement reports that all emissions remained below the limit values specified in the legislation. There were no instances of environmental limit values being exceeded or regulatory proceedings. The continuous measurement results provide a basis for any necessary detailed target setting and management intervention.

No occupational health and safety complaints or fines were received in 2025 in relation to fine and airborne dust, and no related occupational illnesses occurred. Detailed occupational health and safety information is contained in [the chapter entitled 'Health and Safety'](#).

The Company monitors developments in EU chemical regulations, particularly restrictions and reporting obligations relating to microplastics.

Dust generated and fractions separated in the filtration system – provided they are not classified as hazardous waste – must be managed in accordance with waste management legislation, and records and supplier documentation must be maintained. Compliance with this is monitored by the environmental authorities.

Biodiversity

The decline in biodiversity is a global challenge, as the deterioration of ecosystems affects the availability of natural resources and ecological balance in the long term. The **MASTERPLAST Group** identifies and manages direct and indirect environmental impacts in line with a value chain approach. Shipments arriving via the supply chain – for example, through packaging materials or wooden pallets – may introduce alien pests or invasive species which can threaten local ecosystems and native wildlife in the long term. The Group aims to minimise such risks and to support the long-term conservation of habitats and ecological balance.

Material impacts, risks and opportunities and their interaction with strategy and business model IRO-1, SBM-3

ESRS standard	Topic	Description	Classification	Value chain	Timeframe	Other information
E4 Biodiversity and ecosystems	Factors directly contributing to the decline in biodiversity	Deliveries received during the procurement of products and materials may introduce non-native pests, which can impact the local ecosystem.	Actual negative impact	Upstream	Long-term	The Group has reviewed the origin of shipments and the receiving process, and has examined possible ways to prevent future negative impacts.

The **MASTERPLAST Group** carries out its industrial activities at production sites located in industrial estates which are not classified as protected natural areas or areas of high biodiversity importance. A full list of production sites can be found [in the chapter entitled ‘Strategy’](#). Land use associated with operations is largely confined to built-up, paved industrial areas, for which the Company has obtained the relevant permits. The Group’s own operational areas do not affect any Natura 2000 sites or other areas under legal protection, nor their immediate vicinity. Accordingly, the Group has not identified any significant negative impacts involving direct habitat conversion or soil degradation (soil deterioration, desertification, soil sealing). Given the nature and geographical location of its activities, the direct occurrence of these environmental risks is not typical; however, the Company monitors relevant regulatory and environmental changes and reviews its assessment where necessary.

The Group has identified a dependency on the stable functioning of ecosystem services (e.g. environmental balance, a healthy environment for employees). However, based on the current assessment, the direct, quantifiable impact of physical and transitional risks related to biodiversity is not considered material; therefore, no detailed resilience assessment or scenario analysis was conducted during the 2025 financial year. If the identified impact does not stem from a one-off, isolated event but is of a persistent nature, the Group will reassess the financial materiality of the risks and consider conducting detailed analyses in the future. The Company plans to report on the results of such investigations and any measures taken in its forthcoming sustainability reports.

In the upstream section of the value chain, however, it has been identified that supplier shipments – particularly through packaging materials and wood-based pallets – may carry the risk of introducing alien pests or invasive species. In the long term, this may affect the state of local ecosystems. In 2025 an actual negative impact on biodiversity was identified at the Group’s site in Sárszentmihály. Rodents were introduced to the site via a supplier’s consignment; they proliferated and caused a local ecological imbalance. The incident can be assessed as an indirect impact linked to the upstream section of the value chain.

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Integration of biodiversity and ecosystem considerations into the strategy and business model E4-1

As a result of the aforementioned incident, the protection of biodiversity and ecosystems has become a material sustainability issue. One of the sites was affected; there was no direct damage to a protected area. Based on the 2025 incident, the following potential consequences and risks have been identified:

- potential disturbance to local wildlife,
- potential public health and environmental risks,
- operational disruption,
- reputational risk,
- damage to raw materials.

Based on the Group's assessment, its activities do not directly contribute to the drivers of land-use change, changes in freshwater use or changes in marine area use. Accordingly, the Company has not identified any relevant indicators that would measure a direct contribution to these impacts or justify their disclosure.

Policies relating to biodiversity and ecosystems E4-2, MDR-P

To date, the Group has not had a direct policy on the protection of biodiversity and ecosystems, as it did not consider this relevant within the scope of its own activities. In the future, however, the Group will consider introducing such a policy, particularly to identify risks arising in the value chain and to define intervention procedures. Furthermore, the ISO 14001 environmental management system ensures that prudent and environmentally responsible practices are always upheld during operations.

Measures related to biodiversity and ecosystems E4-3, MDR-A

The **MASTERPLAST Group** is not currently implementing any specific measures in the area of biodiversity, as no significant or direct connection with surrounding ecosystems has previously been identified; however, it is committed to introducing environmental monitoring on the basis of which specific objectives can be implemented in the future. The Company is currently examining possible measures and directions, as well as the potential scope of impact. The Company does not plan to apply a biodiversity offset mechanism, as it has not identified any significant direct habitat conversion that cannot be managed by other means.

However, the investigation into the sole isolated incident mentioned was carried out within the framework of internal environmental management and occupational health and safety procedures. The investigation covered:

- the origin of the shipment,
- the reception and inspection processes,
- any additional on-site monitoring,
- an immediate rodent eradication programme, and the localisation of the infested area.

Based on this incident, the supplier and logistics risk assessment process will be updated. No direct harm to the affected communities has been identified; however, due to the potential impact on the local environment, the matter requires close monitoring.

Biodiversity and Ecosystem Targets E4-4, MDR-T

The **MASTERPLAST Group** has not currently set any quantified targets in relation to the protection of biodiversity given that it has not previously identified this as a material area; however, it is committed to strengthening its preventive and control mechanisms based on the lessons learnt from the identified incident to ensure that similar cases do not occur in the future.

The Company pledges to consider the identification of potential focus areas and resilience related to biodiversity in its 2026 sustainability report, drawing on the latest DMA results. The Group is also exploring options for measures to support the conservation of swallows' natural habitats, both during thermal insulation works on residential buildings and at the Sárszentmihály site, supporting biodiversity conservation.

Circular economy

Resource outflows and waste associated with products

The Group pays particular attention to optimising material use, increasing the efficiency of waste management, and developing recycling. Product-related resource outflows include waste generated during production, emissions released during manufacturing processes, and the management of end-of-life demolition waste.

Material impacts, risks and opportunities and their interaction to strategy and the business model IRO-1, SBM-3

ESRS standard	Topic	Description	Classification	Value chain	Timeframe	Other information
E5 Resource use and the circular economy	Resource outflows associated with products and services	Recycling (e.g. reprocessing of used materials or products, reducing resource consumption and waste volumes, and promoting the circular economy)	Actual positive impact	Own operations	Medium term	The introduction and expansion of recycling practices directly contribute to reducing resource consumption and minimising waste generation, which has a positive environmental impact. Furthermore, such practices help the Company achieve its sustainability objectives by supporting the development of a circular economy, which enhances the Group's long-term competitiveness and meets increasingly stringent regulatory requirements.
E5 Resource use and the circular economy	Resource outflows associated with products and services	Recycling materials can reduce the demand for primary raw materials, thereby making the company less dependent on suppliers and the availability of natural resources.	Current opportunity	Own operations	Long-term	The use of recycled materials can reduce the costs associated with sourcing raw materials, whilst reducing dependence on suppliers. These measures contribute to improving the efficiency of manufacturing processes and reducing waste, which can have a positive impact on financial performance even in the short term.
E5 Resource use and the circular economy	Waste	Further tightening of the regulatory environment regarding waste management could pose a potential risk to the company.	Expected risk	Own operations	Long-term	The Group continuously monitors changes in the regulatory environment and strives to stay ahead of regulations through its own voluntary waste minimisation measures.

Policies relating to circular economy E5-1, MDR-P

The **MASTERPLAST Group** does not have specific regulations regarding the circular economy, as its ISO standards – with particular reference to ISO 14001:2015 and ISO 50001:2018 – already have a direct or indirect impact on the circular economy. Operating in accordance with the requirements of these standards also supports the **MASTERPLAST Group** in preventing, mitigating or, where necessary, taking corrective action against the actual and potential negative impacts caused by the Group. Furthermore, the standards assist in managing risks and exploiting opportunities.

The scope of the ISO systems is set out in the [‘Governance’ chapter](#). Processes related to the circular economy are coordinated by the environmental engineer in the central Asset Management and Operations Department of the **MASTERPLAST Group**. During operations, feedback received as part of the annual certification process is

continuously incorporated, whilst the development of management systems takes place step by step, based on the professional observations of external certification experts and colleagues working in the field.

The relationship between the MASTERPLAST Group’s management systems and the circular economy

ISO	ISO 9001:2015 Quality management system	ISO 14001:2015 Environmental management system	ISO 50001:2018 Energy management system
Description of the relationship between the circular economy and the ISO system	<p>Although it focuses primarily on quality management, it contributes to the implementation of circular economy principles through extending product lifespans, reducing material loss and optimising processes.</p> <p>It has an indirect impact by monitoring the incorporation of recycled materials and ensuring quality compliance.</p> <p>Measures established under ISO</p> <ul style="list-style-type: none"> - Extending product lifespan and minimising material loss. - Use of sustainable raw materials - Developing quality management processes to reduce negative environmental impacts. 	<p>The standard, which aims to reduce negative environmental impacts, is closely linked to the circular economy.</p> <p>Measures set out within the ISO framework</p> <ul style="list-style-type: none"> - Waste minimisation and reuse of materials. - Sustainable resource management and a life-cycle approach. - Integration of environmental considerations into the supply chain. 	<p>Increasing energy efficiency, using renewable energy sources and optimising energy consumption support the circular economy through the sustainable use of resources and the reduction of emissions.</p> <p>Measures established under ISO</p> <ul style="list-style-type: none"> - Introduction of technologies to improve energy efficiency. Reduction and optimisation of energy consumption in production processes. - Increasing the share of renewable energy sources. - Reducing CO₂ emissions by optimising energy use.

Measures related to the circular economy E5-2, MDR-A

In line with the principles of the circular economy, the **MASTERPLAST Group** implemented comprehensive measures in 2025 to ensure the proper management of identified IROs, namely to optimise material usage, improve the efficiency of waste management and develop recycling opportunities. These measures are ongoing, resulting in a year-on-year increase in the proportion of recycled materials.

The recycling process not only brings environmental benefits but also yields significant results in terms of cost reduction and efficiency improvement. The incorporation of materials recovered in this way reduces raw material procurement costs, as well as waste management and disposal fees. Furthermore, optimised material usage leads to more efficient manufacturing processes, reducing production losses. On-site processing of film waste also helps to reduce occupational safety risks by minimising hazardous material handling operations.

These measures contribute to improving sustainability indicators and strengthen the Group’s position in the field of green certifications and sustainable building classifications. The use of recycling solutions not only facilitates the practical implementation of circular economy principles but also creates new business opportunities in the long term in markets based on sustainable and recycled raw materials.

The Hungarocell Green Programme remained at the heart of the sustainability strategy in Hungary in 2025, and was not only continued but also extended to glass wool products. Through the Programme, the Company collects (in cooperation with its downstream value chain) the clean polystyrene cutting waste generated during thermal insulation work, recycles it, and uses it to produce Thermobeton thermal insulation material. This solution reduces the burden on landfills, contributes to reducing carbon emissions from buildings, and provides a sustainable alternative to the use of primary raw materials. In 2025 the number of Eco Points rose by 3.6%, whilst

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the number of bags taken back increased by 23.49% compared to the previous year. Eco Points accurately reflect resource expenditure, as recycling in 2025 did not entail any further, significant use of resources.

Trends in Eco Points of the MASTERPLAST Group and collected bags between 2021 and 2025

	2021	2022	2023	2024	2025
Number of Eco Points	111	124	139	140	145
Number of bags returned (capacity of 1 bag: 0.6 m ³)	4,688	7,414	10,394	10,475	12,936

95% of the waste generated during manufacturing processes can be recycled or reused, and the company continuously documents both the volume of this waste and the proportion of materials recycled. The volume of film scrap processed by the recycling system and the proportion of it reused can be accurately tracked during production planning, enabling optimised material flow and a more efficient use of resources. Digital records of waste generation, processing and recycling ensure transparency and the measurability of sustainability performance. In addition, the Company conducts analyses that facilitate the continuous improvement of waste management. The **Group's** commitment to sustainable operations is also evidenced by the ISO 14001 environmental management system and other sustainability certifications.

During XPS production in 2025 approximately 1,988,904 kg of internal recycled material (generated during the company's own production) was incorporated into the products. Of the external recycled material, which the company purchased in the form of regranulate from the upstream value chain, 962,503.6 kg was incorporated into manufactured products.

To optimise packaging materials, the company prepared for the introduction of the EEOS system in 2023 and, accordingly, submitted its first mandatory data report in 2024. During the review of packaging practices, the focus was on the conscious use of packaging materials which contributes to waste reduction and sustainable operations. The Company monitors developments in the regulatory environment relating to waste management and, thanks to the increasing proportion of recycled materials and the decreasing volume of waste, is becoming less and less exposed.

Circular economy and resource use targets E5-3, MDR-T

The Company aims to reduce material loss and specific energy consumption arising from production, increase the proportion of recycled raw materials and the use of renewable energy sources, and promote the principles of the circular economy both in its own operations and throughout the supply chain.

It planned to publish more specific targets relating to resource outflows from the 2025 financial year onwards. As part of its green innovation initiatives, the company plans to use 500 tonnes of recovered cutting waste in XPS production by 31 December 2026, which will contribute to waste reduction and a reduction in the use of primary resources. The current objective does not directly cover the promotion of circular product development, the increase in the proportion of circular material use, or the promotion of sustainable procurement practices. In 2025 the MASTERPLAST Group used 1,988,904 kg of recovered cutting waste in XPS production. In doing so, it exceeded the original target and is exploring opportunities for further improvement. The target is primarily linked to the 'prevention' level of the waste hierarchy.

The definition of the target is based on practical, operational experience and internal performance evaluation; it does not rely on a science-based methodology. Internal stakeholders were involved in defining the objective, with

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particular regard to staff from the central Asset Management and Operations Department of **MASTERPLAST** who possess the necessary professional insight and expertise to set well-founded and realistic targets.

MASTERPLAST defines its sustainability targets in a company-specific and practice-oriented manner, in line with international and EU policy guidelines, taking into account the broader context of sustainable development and local environmental conditions. When weighing up the targets, it applies the following methodologies and assumptions:

- **Scenario-based planning:** The Group develops its long-term sustainability strategy by taking into account future trends in climate change, the circular economy and waste reduction.
- **Data sources:** The Group's objectives have been defined on the basis of internal business analyses, feedback from stakeholders, reports by independent experts and the requirements of EU directives.
- **Policy alignment:** Its sustainability initiatives have been developed in line with the European Union's climate strategy, the objectives of the Green Deal and the EU's requirements regarding the circular economy.
- **Consideration of local conditions:** Environmental regulations applicable in the Group's areas of operation and the sustainability needs of local communities also play a role in defining the objectives.

Resource flows assessed against sustainability objectives:

Resource flow	MASTERPLAST's practice	Link to sustainability	Measurability / Traceability
Resource inflow	MASTERPLAST is using an increasing proportion of recycled plastics and secondary raw materials in the manufacture of insulation materials and roofing membranes.	This reduces the use of virgin raw materials, minimises environmental footprint and supports the circular economy.	Indicator: Proportion of recycled raw materials compared to total raw materials used (%) Measurement method: Analysis of supplier data and internal material usage reports
Production waste	Recycles insulation and film scraps generated during production into new products and optimises manufacturing processes to minimise waste.	Internal recycling reduces production losses, meaning less waste is sent to landfill or incinerated.	Indicator: Volume of production waste (tonnes/year) Measurement method: Regular monitoring of waste generated during manufacturing processes and analysis of internal reports
Product use phase	The insulation materials of MASTERPLAST contribute to improving the energy efficiency of buildings, thereby reducing energy requirements for heating and cooling.	Lower CO ₂ emissions can be achieved during the operation of buildings, ensuring more sustainable operation in the long term.	Indicator: Energy savings in buildings through the use of MASTERPLAST insulation materials (kWh/m ²) Measurement method: Data collection based on independent expert studies and customer feedback
End of useful life	MASTERPLAST Group products (e.g. thermal insulation systems) can be selectively collected and partially recycled after demolition, and the company is developing its take-back systems.	By reducing demolition waste and keeping materials in circulation, it mitigates the environmental impact of construction waste.	Indicator: Proportion of recycled construction waste from recovered materials (%) Measurement method: Analysis of the results of the company's own collection programmes

The results for 2025 are exemplary, as 23.16% of the raw materials used in production came from recycled sources (in the form of internal and external recycled materials) – compared to 18% in 2024, this represents an improvement of 5.16 percentage points in a single year. Excluding PIMCO Ltd this ratio is 21.23% in 2025. The Group aims to further increase this ratio in line with the EU's circular economy guidelines. The **MASTERPLAST Group** therefore plans to set specific circular economy targets – for example, regarding the proportion of recycled raw materials used – and will also develop the necessary action plans. Through these steps, the Group will further reduce the volume of materials sent to landfill and increase material efficiency, thereby contributing to the sustainable use of resources.

As part of its internal sustainability measures, the Group has commenced the preparatory work necessary to define further specific environmental commitments and targets, in conjunction with the ongoing development of Group-level data collection and processing.

The **Group's** sustainability objectives consist of legal obligations and voluntary commitments. It manages the collection of construction waste and the reduction of CO₂ emissions in accordance with legal requirements, whilst voluntarily committing to, for example, an increased use of recycled raw materials and the development of a sustainable supply chain.

Through the continuous development of the Hungarocell Green Programme, **MASTERPLAST** aims to expand the network of Eco Points and significantly increase the volume of collected offcuts, whilst exploring new applications

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and planning to use recycled material in its own XPS production. In 2025 the Group extended the Hungarocell Green Programme to include glass wool products.

As the Group has committed to communicating a quantitative target by 2025, it will be able to report on further measurable results from the next report onwards.

Resource outflows E5-5

In raw material procurement **MASTERPLAST** gives preference to suppliers who ensure stable quality and operate with low scrap rates. Non-conforming fleece and trilaminate materials generated during production are processed on the Group's own recycling line, converting them into 100% recyclable recycled granulate. This granulate is reintroduced into the production process at a rate of 0–40%, whilst any surplus is sold to partners who use recycled materials. To reduce the environmental impact of auxiliary materials, the Group uses water-based inks, which are reused after dilution. In packaging, the Company recycles half-rolls, reuses pallets and uses uncoated labels.

The product range includes 2- and 3-layer films, fleeces (in natural and coloured versions), as well as their UV-resistant and flame-retardant variants. The company fully recycles or reuses materials that are not of saleable quality. Recycled material produced during the manufacturing process is also fed back into the production line, whilst Linopore and polypropylene raw materials ensure the products' durability and reusability. Auxiliary materials, such as water-based dyes, UV and FR additives, minimise the environmental impact. Among the packaging materials paper tubes, pallets, strapping, films, labels and edge protectors all offer opportunities for recycling and reuse, meeting the requirements of ISO 9001, 14001, 13485 and 50001 standards.

Key products in the production process of Masterprofil Gyártó és Kereskedelmi Ltd are plasterboard profiles (UW/CW 50-75-100, CD 27/60 and UD 22-27) manufactured by cold-forming galvanised sheet metal of various thicknesses. These profiles are manufactured in accordance with the principles of durability, dismantlability and reusability, ensuring a long service life and easy installation. 100% of the technological waste and defective profiles generated during the manufacturing process are collected and recycled through external partners. The product packaging is made entirely from recyclable materials (wood, PP plastic strapping, steel strapping), thereby reducing the environmental impact.

The skirting board starter profiles are made from pre-cut aluminium (ALU) strips, available in various thicknesses and widths (50–250 mm). From a circular economy perspective, these products are also manufactured with durability and reusability in mind. Defective ALU profiles and production waste generated during manufacturing are 100% returned to the circular economy via external recycling partners. The profiles are also packaged sustainably, using only recyclable materials (wood, stretch film), optimising material usage and reducing the environmental footprint of production.

Proportion of recycled materials used in production in 2024 and 2025

Relevant sites within the MASTERPLAST Group	Proportion (%) 2024	Proportion (%) 2025
Masterplast Membrane Ltd	2.20	7.00
Masterplast Insulation Ltd	100.00	n.a.
Fidelis BAU Ltd	100.00	n.a.
Masterplast YU D.o.o	100.00	100.00
Masterplast Nonwoven GmbH	63.50	2.52
Masterplast Italia Srl.	~ 5.00	10.00
T-CELL Plasztik Ltd (Zalaegerszeg)	11.00	0.00
T-CELL Plasztik Ltd (Hajdúszoboszló)	9.00	9.00
PIMCO Ltd	-	7.5
Masterprofil Manufacturing and Trading Ltd	n.a.	0.00
Masterplast Proizvodnja D.o.o.	n.a.	100.00

Product groups and related quality certificates²⁰

2-layer films, fleeces (natural and coloured)	ISO 9001, 14001, 13485, 50001
2-layer films, fleeces (natural and coloured) materials of non-saleable quality	ISO 9001, 14001, 13485, 50001
3-layer films, trilaminates (natural, coloured, with UV and/or FR additives)	ISO 9001, 14001, 13485, 50001
3-layer films, trilaminates (natural, coloured, UV- and/or FR-modified materials of non-marketable quality)	ISO 9001, 14001, 13485, 50001
Linopore	ISO 9001, 14001, 13485, 50001
Recycled material	ISO 9001, 14001, 13485, 50001
Raw materials (polypropylene)	ISO 9001, 14001, 13485, 50001
Colourants (water-based)	ISO 9001, 14001, 13485, 50001
UV additives	ISO 9001, 14001, 13485, 50001
FR flame retardant additives	ISO 9001, 14001, 13485, 50001
Paper tubes	ISO 9001, 14001, 13485, 50001
Pallets	ISO 9001, 14001, 13485, 50001
Strapping	ISO 9001, 14001, 13485, 50001
Films (shrink and stretch, half-tube)	ISO 9001, 14001, 13485, 50001
Labels (paper, self-adhesive)	ISO 9001, 14001, 13485, 50001
Edge protectors	ISO 9001, 14001, 13485, 50001

The scope of the ISO certificates of the MASTERPLAST Group is set out in the ‘Governance’ section.

Expected service life of products marketed by the MASTERPLAST Group compared to the industry average for each product group

	Expected service life of product groups (industry average) ²¹	Expected service life of products manufactured by MASTERPLAST (compared to the industry average)
EPS	>50 years	>50 years*
XPS	>50 years	>50 years*
Glass fibre	>50 years	>50 years*
Roofing membrane	30 years (>25 years)	30 years (>25 years) *
Glass wool	> 50 years	> 50 years*

*When installed correctly, based on available data. In accordance with industry standards.

²⁰ The MASTERPLAST Hungarocell Green Programme is a circular economy model operating within a certified system in accordance with the MSZ EN ISO 14001:2015 standard of INTERCERT Minősítő és Tanúsító Ltd in the Hungarian construction industry. This solution has also been recognised with several sustainability awards granted by objective, external parties.

²¹ The industry-average expected service life was determined on the basis of the Environmental Product Declarations (EPDs) available for construction products, taking into account the reference values provided by individual manufacturers.

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The product is 100% recyclable in its pure form in the case of EPS, XPS and fleece. In the case of insulation materials, the concept of reparability is not logically applicable. Based on practical experience, packaging materials are 100% recyclable, whilst manufacturing by-products are approximately 95% recyclable. However, end-of-life management of products currently poses challenges, primarily due to cement and other construction material residues adhering to the products during the demolition process, which limit their material recovery potential.

The Company expects improvements in this area from technological advancements and progress in industry-wide solutions. Furthermore, the long service life of the products in itself contributes to the prevention of waste generation and the reduction of waste volumes.

Self-reported data on waste is available on a quarterly basis for the entire Group, broken down by waste categories (hazardous, recyclable, and disposal), and data collection is also carried out by waste type. In 2024 there were still entities for which data broken down by waste type was not available. As comprehensive and detailed data reporting is guaranteed from 2025, meaningful comparability between categories is possible from that year onwards. To ensure comprehensive data reporting based on a uniform methodology, 2025 is to be considered the base year for future trend analysis.

In 2025 the Group generated a total of 1,956,560 kg of waste, representing a 32.7% reduction compared to the 2,905,588 kg of waste generated in 2024²².

The volume of non-recycled waste in 2024 was 1,552,013 kg, representing 53% of the total waste generated. In 2025 1,216,524 kg of waste was not recycled, representing 62.2% of the total waste generated. Although the total amount of waste has essentially decreased, the recycling rate has fallen. Recycling is carried out by an external partner, without the direct involvement of the Group.

Among the main waste types, 111,818 kg of municipal waste was generated in 2024²³, accounting for nearly 4% of the total waste volume. In 2025 105,023 kg of municipal waste was generated, accounting for 5.4% of the total waste volume.

The total weight of **non-hazardous waste generated** in 2025 was 1,886,397 kg, with packaging paper (465,957 kg) and wood (591,754 kg) waste standing out. In addition, 390,367 kg of non-hazardous waste was classified under the 'Other non-hazardous waste' code. A significant proportion of this category can be attributed to manufacturing processes, as the edges of the material generated from cutting waste during the use of glass fibre cannot be recycled.

Other significant non-hazardous waste includes plastic packaging waste (147,629 kg²⁴), iron and steel waste (102,938 kg) and office paper waste (7,710 kg²⁵). In 2025 nearly 38% of non-hazardous waste (715,281 kg) was recycled in some form, which, however, represents a 10 percentage point decrease compared to the 48% recorded in 2024. In addition, 1,171,116 kg of non-hazardous waste was disposed of through various processes in 2025.

The total weight of **hazardous waste generated** was 70,163 kg, which accounted for less than 4% of the total waste generated, similar to the previous year. More than 35% of the hazardous waste was recycled (24,755 kg), whilst 64.72% was disposed of (45,408 kg). The recycling rate for hazardous waste in 2024 was nearly 25%, which also decreased. In 2025 of the recycled hazardous waste, 110 kg was prepared for recycling, whilst 24,645 kg was

²² No data is available for Masterplast Dooel Kicevo for the year 2024. From 2025 onwards, their data will also be included in the report.

²³ No data is available for Masterplast Italia Srl. and Masterplast Dooel Kicevo for the year 2024. From 2025 onwards, their data will also be included in the report. The municipal waste data of PIMCO Kft. is based on estimates derived from the weight of the containers, which result in the best available data.

²⁴ No data is available for 2024 regarding Masterplast Italia Srl. and Masterplast Dooel Kicevo. From 2025 onwards, their data will also be included in the report.

²⁵ No data is available for 2024 for Masterplast Italia Srl and Masterplast Nonwoven GmbH. From 2025 onwards, their data will also be included in the report.

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recycled in other ways. Of the disposed hazardous waste, 44,079 kg was disposed of by incineration and 1,329 kg by landfill.

The total volume of hazardous waste generated by the entire Group was 70,163 kg in 2025.

The total amount of radioactive waste generated by the entire Group was 0 kg in 2025.

The significant volume of waste disposed of/landfilled can be attributed to manufacturing processes, as it is not possible to recycle the edges of the material from the cutting waste generated during the use of glass fabric.

Waste generated by the organisation is transported by a contracted third party for all Group companies, and waste management is carried out in accordance with legal requirements. The recovery and disposal of waste always takes place off-site.

MASTERPLAST Group waste data ²⁶

Type and quantity of waste (kg)	2024	2025
A. Waste intended for recovery	1,353,575.24	740,036.00
- A.1. Hazardous waste	20,036.00	24,755.00
- A.1.1. Preparation for recycling	5,536.00	110
- A.1.2. Other recovery operations	14,500.00	24,645.00
- A.2. Non-hazardous waste	1,333,539.24	715,281.00
- A.2.1. Preparation for recycling	1,032,572.24	n.a.
- A.2.2. Other recovery operations	0.00	n.a.
B. Waste disposed of	1,552,013.00	1,216,524.00
- B.1. Hazardous waste	61,757.00	45,408.00
- B.1.1. Disposed of in landfill	6,599.00	1,329.00
- B.1.2. Disposed of by incineration	55,523.00	44,079.00
- B.2. Non-hazardous waste	1,448,477.00	1,171,116.00
- B.2.1. Disposed of in landfill	1,431,255.00	n.a.
- B.2.2. Disposed of by incineration	322.00	n.a.
Other		
Quantity of radioactive waste	0.00	0.00
Total quantity of non-recycled waste	1,552,013.00	1,216,524.00
Proportion of non-recycled waste relative to the total amount of waste generated	53.41%	62.2%

In the case of non-hazardous waste, sufficient information was not available in 2025 to confirm that it had been prepared for recycling or subjected to other recovery operations. The Group is not aware of any disposal methods other than those mentioned above.

There were no significant changes in 2025 compared to 2024 regarding major waste categories.

²⁶ The 2024 data were provided in accordance with the following methodology: Data were collected at the various sites of the MASTERPLAST Group; the measured data were provided by the data managers of the responsible departments based on the annual waste report, resulting in group-level data. The 2024 data on raw materials and finished products used in production, scrap and recycled quantities are derived from the following production units:

MASTERPLAST Plc, Masterplast Hungária Ltd, Masterplast International Ltd, Masterplast Membrane Ltd, Masterplast Modulhouse Ltd, Masterplast Insulation Gyártó és Ker. Ltd, Masterprofil Gyártó és Kereskedelmi Ltd, Fidelis BAU Ltd, Masterplast YU D.o.o. Masterplast d.o.o., Masterplast Proizvodnja D.o.o., Masterplast Doel Kicevo, Masterplast Sp. z o.o., Masterplast s.r.o., Masterplast Nonwoven GmbH, Masterplast Romania S.R.L., Masterplast Ukraine, Masterplast Italia Srl., T-Cell Plasztk Ltd Zalaegerszeg, T-Cell Plasztk Ltd Hajdúszoboszló. The 2025 data reporting was carried out using software, during which the data of all relevant entities were recorded.

Sustainable products ²⁷

The **MASTERPLAST Group** is committed to developing sustainable construction solutions, as these not only play a key role in reducing environmental impact but also offer more sustainable solutions for the long term to the users of our products.

Material impacts, risks and opportunities *IRO-1, SBM-3*

Topic	Description	Classification	Value chain	Timeframe	Other information
Product quality and sustainability	Gaining a competitive advantage through sustainable products. E.g.: We collect clean cutting waste through our partners, transport it free of charge, and use it to produce a new thermal insulation material, Thermobeton. The Hungarocell Green Programme complies with the MSZ EN ISO 14001:2015 standard of INTERCERT Minősítő és Tanúsító Kft.	Actual positive impact	Own operations	Medium term	The MASTERPLAST Group places particular emphasis on ensuring that its products meet the most stringent quality and sustainability requirements. The practices implemented under the Hungarocell Green Programme comply with the requirements of the MSZ EN ISO 14001:2015 standard, thereby ensuring environmentally friendly operations. In addition, the quality of the insulation materials manufactured by the MASTERPLAST Group is continuously monitored and certified to ensure they comply with energy efficiency and construction industry standards, thereby reinforcing sustainability considerations and customer confidence.

Policies relating to sustainable products *MDR-P*

ISO standards support professional operations relating to sustainable products. Systems compliant with ISO 9001:2015, ISO 14001:2015, ISO 45001:2018 and ISO 50001:2018 ensure the consistent and reliable quality of sustainable products. In addition, the **MASTERPLAST Group** applies a strict quality management system (ISO 13485:2016) for medical devices, whilst the Hungarocell Green Programme complies with the MSZ EN ISO 14001:2015 standard of INTERCERT Minősítő és Tanúsító Kft.

²⁷ This section has been identified as a company-specific material topic for which there is no corresponding ESRS standard element. The information and key performance indicators (KPIs) presented here have been defined and monitored at company level.

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The following products have an EPD declaration:

- EPS
- XPS
- glass fibre mesh
- fleece (Fleece, Bilaminate, Trilaminat) products.

EPDs ensure that environmental impacts are minimised during the manufacturing, use and waste management stages in the coming years. For each product range, the EPD and LCA documents certify that hazardous substances subject to notification under the REACH (Registration, Evaluation, Authorisation and Restriction of Chemicals, EC 1907/2006) are not used, and that a significant proportion of the recovered cutting waste generated during manufacturing processes is recyclable or suitable for energy recovery. The best practices employed and continuous environmental performance monitoring enable the effective achievement of sustainability goals, whilst the **MASTERPLAST Group** further strengthens its market position in the EU's eco-friendly building materials market.

It is worth noting that, in addition to all this, during the reporting period Masterplast Membrane Ltd was awarded the Hungarian Innovator Trademark which recognises its contribution to long-term sustainable and innovative Hungarian economic activity. This recognition is awarded to domestic companies that make a significant contribution to the development of the Hungarian economy through their outstanding innovation achievements, export performance and high productivity. The Thermomaster Facade Thermal Insulation System, meanwhile, holds the ÉVOSZ Premium Hungarian Building Material trademark.

Measures relating to sustainable products MDR-A

- In its 2023 ESG Report the Company informed its stakeholders of its plan to obtain Environmental Product Declarations (EPDs) for its strategic products. Following the commencement of preparatory work, it took active steps in 2024 to obtain the EPDs. During the preparation of this sustainability report, the registration of five EPDs for the Group was completed, thereby transparently verifying the environmental performance of the products. EPDs verify the environmental performance of products throughout their entire life cycle, whilst LCAs provide detailed data on the environmental impacts of the manufacturing, use and end-of-life stages. In 2024 the EPD documents were completed for the white and grey (graphite) EPS (expanded polystyrene) and XPS (extruded polystyrene) thermal insulation products of **MASTERPLAST**. In 2025 the Group obtained further EPD documents for glass fabric mesh products (LENO, KNITTING) and for fleece products (Fleece, Bilaminate and Trilaminat products).
- In 2024 the Company placed particular emphasis on ensuring that its products were included in the ÉMI (Non-profit Limited Company for Quality Control and Innovation in Building) Database of Key Construction Products in Hungary. Consequently, within the framework of the Home Renovation Programme, the presence of **MASTERPLAST Group** products reached a wider circle of renovators and also served as a guarantee of quality, as products had to meet the environmental certification criteria of ÉMI to be included in the database, thereby confirming their quality and environmentally friendly properties. All this increased the credibility and appeal of the **MASTERPLAST** products among conscious consumers. The commitment to sustainable products was also confirmed by the ÉMI Simplified Environmental Certification (EKM) awarded to numerous products²⁸. The aim of the certifications issued by ÉMI is to provide transparent and easily accessible information on the environmental impacts of construction products, thereby supporting users in selecting sustainable building materials and contributing to the spread of sustainable construction practices.
- The Group is exploring the possibilities of introducing products bearing a green logo (certification), taking into account the Hungarian GVH Green Marketing regulations and EU regulations. No specific measures were launched in 2025 beyond this.

²⁸ Further details: <https://www.termekinfo.emi.hu/epitesi/termekek?filter%5Bmanufacturerid%5D%5BisAnyOf%5D%5B0%5D=17&ps=50>

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Key performance indicators and targets in the field of sustainable products *MDR-M, MDR-T*

The **MASTERPLAST Group** focuses on the introduction of products that meet sustainability criteria, thereby supporting the promotion of responsible consumption alongside environmental indicators. EPD certificates ensure the publication of accurate environmental data in line with sustainability targets, which is essential for compliance and competitiveness in European markets.

Key Performance Indicator (KPI)	Result achieved in 2025	Target
Products with an EPD	Obtaining 5 Environmental Product Declarations (EPDs) <i>Further details:</i> Grey EPS (expanded polystyrene) thermal insulation sheet https://www.environdec.com/library/epd20110 White EPS (expanded polystyrene) thermal insulation sheet https://www.environdec.com/library/epd10011 XPS (extruded polystyrene) thermal insulation product https://www.environdec.com/library/epd20112 Glass fibre mesh (KNITTING) EPD-IES-0021549:001 Glass fibre mesh (KNITTING) EPD International Glass fibre mesh (LENO) EPD-IES-0021520:001 Glass fibre mesh (LENO) EPD International Bilaminate Process data set: Bilaminate (Masterplast Nyrt) (de) - Kiwa-Ecobility Experts Trilaminate Process data set: Trilaminate (Masterplast Nyrt) (de) - Kiwa-Ecobility Experts Fleece Process data set: Fleece (Masterplast Nyrt) (de) - Kiwa-Ecobility Experts	The aim is for the Company to hold an environmental product declaration for all insulation materials used in its own manufactured products by 2030.

The Group’s flagship products, EPS (expanded polystyrene) and XPS (extruded polystyrene) insulation materials, play a significant role in reducing energy consumption in buildings. These products deliver energy savings of up to 90% by reducing heating and cooling costs, thereby directly contributing to the reduction of CO₂ emissions.²⁹ Glass fibre meshes (LENO and KNITTING) contribute to the durability and energy efficiency of buildings by reinforcing facade insulation systems. Their use reduces heat loss from buildings, thereby lowering energy requirements for heating and cooling, which results in lower carbon dioxide emissions and cost savings. Fleece products (Bilaminate, Trilaminate, Fleece) minimise heat transfer through walls and structures, thereby reducing energy requirements for heating and cooling.

The associated Environmental Product Declarations (EPDs) and Life Cycle Assessments (LCAs) are in line with the **Group’s** sustainability and EU net-zero emission targets, the principles of the circular economy, and the sustainable fulfilment of market demand.

The environmental impacts of **MASTERPLAST** sustainable products are primarily linked to the energy requirements of the manufacturing processes, the types of materials used, and the life-cycle impacts arising from their use in the construction industry. According to the LCA documents, the greatest environmental impacts of the manufacturing process stem from energy consumption and the processing of raw materials. However, the products’ long service life, durability and recyclability provide long-term environmental benefits. The EPDs highlight that the products have a minimised environmental impact throughout their entire life cycle, whilst complying with the strictest European environmental regulations.

²⁹ Source: <https://galiandras.hu/hoszigeteles-vastagsagok>

Quantitative data and their explanation

EPS products have a thermal conductivity of 0.038 W/mK and a lifespan matching that of buildings, which can be up to 100 years.

Both white and grey (graphite) EPS products – such as EPS 30, EPS 70, EPS 80, EPS 80G and EPS 100N – contribute to improving the energy efficiency of buildings thanks to their excellent thermal insulation properties. During the manufacture of EPS products, the most significant environmental factor is the production of raw materials, which accounts for 42 per cent of the global warming potential (GWP). The EPD highlights that these products retain their technical properties for up to 100 years, whilst minimising carbon dioxide emissions from buildings. In the production of EPS, the **MASTERPLAST Group** strives to optimise energy consumption, recycle collected off-cuts and continuously reduce environmental emissions.

XPS products are mainly used for the thermal insulation of basements, cellar walls, plinths, and low- and medium-load floors. XPS boards have outstanding mechanical strength and water resistance, making them ideal for areas where the use of conventional EPS is not recommended. The global warming potential (GWP) of XPS products³⁰ is 6.51 kg CO₂ equivalent/m² during the manufacturing process.

Glass fibre mesh products are primarily used in external wall insulation systems to reinforce cement-based levelling and bedding layers, where they indirectly contribute to improving the energy efficiency of buildings and reducing heating and cooling requirements. A modern external thermal insulation system can reduce the heating energy demand of an average building by 44%³¹. Although they are not currently recyclable at the end of their life cycle, their 50-year design life supports the long-term structural durability of buildings and reduces greenhouse gas emissions during operation.

For the LENO type, the GWP value during production is 3,270 kg CO₂-equivalent per thousand kilograms, whilst for the KNITTING product it is significantly higher at 5,580 kg CO₂-equivalent per thousand kilograms, which is mainly due to the more material- and energy-intensive production process. For both products, the greatest environmental impact is linked to the production of raw glass fibre, whilst at the end of the life cycle, disposal contributes to a further, albeit smaller, GWP contribution.

Fleece, bilaminate and trilaminate products are polymer-based, functional building materials primarily used in roof and façade structures. Although they do not possess direct thermal insulation properties, they indirectly contribute to the energy efficiency of buildings and the reduction of energy consumption during operation by ensuring the functionality and durability of thermal insulation systems.

- Fleece products act as a separating, protective or levelling layer. Their role is to provide mechanical protection, ensure compatibility between layers, and, in certain cases, regulate vapour flow. They help maintain the physical integrity of the insulation, reducing performance degradation caused by damage or moisture.
- A bilaminate is a two-layer membrane that typically performs a waterproofing and/or vapour-retardant function. By controlling moisture ingress into the structure and providing protection against external precipitation, it contributes to the long-term stability of the layer system. The presence of moisture can significantly impair the thermal conductivity of insulation materials; therefore, proper moisture control has a direct impact on maintaining energy efficiency.
- Trilaminate is a three-layer, typically waterproof yet vapour-permeable membrane. The outer layers provide mechanical protection, whilst the intermediate functional layer ensures controlled vapour transmission. This design is particularly important in roof and façade systems, where keeping the thermal insulation dry is a fundamental requirement for optimal thermal performance.

³⁰ GWP: Global Warming Potential

³¹ Source: [How to stay warm and save energy: Insulation opportunities in European homes < BPIE - Buildings Performance Institute Europe](#)

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Based on EPD-based life cycle assessments, the most significant environmental impact for all three products is linked to the manufacturing stage, primarily due to the production of fossil-based polymer raw materials and energy consumption. The majority of the global warming potential (GWP) stems from this phase, whilst the end-of-life stage – typically energy recovery or landfill – accounts for a smaller proportion of the additional impact.

Environmental characteristics of products

The **MASTERPLAST Group** determines the environmental characteristics of its products in accordance with the ISO 14025:2006 and EN 15804:2012+A2:2019 standards. The EPDs and LCAs for glass fibre mesh, EPS and XPS products provide detailed information on emissions, energy consumption and waste management during the manufacturing processes. These documents ensure that the products comply with EU environmental requirements throughout their entire life cycle.

The quality management system ensures the environmental compliance of products at every stage of the manufacturing process. In the manufacture of ISO 13485-certified medical devices, the **MASTERPLAST Group** pays particular attention to minimising waste and reducing environmental impacts.

EPD and LCA documents help to facilitate the implementation of the circular economy within the **MASTERPLAST Group**. Life cycle assessments enable the optimisation of manufacturing processes, increased energy efficiency and reduced material consumption, whilst EPDs ensure the transparent presentation of products' environmental impacts. This data helps to increase recycling rates and the incorporation of secondary raw materials, thereby contributing to a more closed-loop material cycle and the spread of sustainable construction practices.

Modular construction solutions and sustainability

The **MASTERPLAST** modular building system is an outstanding example of sustainable product development, as it minimises the environmental impact of construction whilst offering energy-efficient and long-lasting solutions. The prefabricated modules reduce the labour and material required for on-site construction, thereby minimising the amount of construction waste and ecological footprint. Sustainability considerations permeate the entire manufacturing process: the modules are produced in an optimised environment, independent of weather conditions, which contributes to the efficient use of resources and the fulfilment of high-quality standards. Furthermore, the compact design, optimised for road transport, helps to reduce the carbon footprint of logistics processes. Further information:

<https://masterhouse.hu/>

EU Taxonomy

Disclosure under the EU Taxonomy refers to the information reporting requirements set out in Article 8 of Regulation (EU) 2020/852 of the European Parliament and of the Council (hereinafter: Taxonomy Regulation), and also encompasses the regulations set out in the delegated Commission Regulations governing the content and format requirements for such disclosures.³² The detailed rules on disclosure are set out in Delegated Regulation (EU) 2021/2178, more commonly known as the Disclosure Regulation (2021). With regard to the scope of disclosure relating to the EU Taxonomy, this covers the full consolidation scope of the **MASTERPLAST Group** and does not extend to other companies within the capital consolidation scope. Pursuant to Article 8 of the Taxonomy Regulation, non-financial undertakings must disclose information on the proportion of their revenue derived from products or services related to economic activities classified as environmentally sustainable under Articles 3 and 9; as well as the proportion of their capital expenditure and operating costs relating to assets or processes associated with environmentally sustainable economic activities as defined in Articles 3 and 9.

The purpose of the EU Taxonomy framework and its application by companies

The European Union Taxonomy Regulation (2020/852/EU) establishes a uniform classification system for identifying environmentally sustainable economic activities. Its aim is to promote sustainable investment and the green transition, and to increase the transparency of corporate activities by defining precise criteria for activities that make a significant environmental contribution. Accordingly, the **MASTERPLAST Group** analysed its own activities for the 2025 financial year and prepared its EU Taxonomy report as part of the sustainability report to be published in the financial statements following the process outlined below.

In determining the relevant activities, in accordance with the European Union regulation, those economic activities are considered environmentally sustainable which contribute significantly to the achievement of at least one specific environmental objective, whilst not causing significant harm to any of the remaining five environmental objectives. It is also a requirement that the Company meets minimum social safeguards.³³

Identification of taxonomy-aligned activities and the alignment process

To comply with the EU Taxonomy disclosure requirements the **MASTERPLAST Group** assessed its operations in several stages. In doing so, it carried out the following main analytical steps:

- Identification of activities (alignability assessment): The company identified its economic activities that potentially fall within the scope of the EU Taxonomy. The assessment focused on the manufacture of thermal insulation materials (3.5. Manufacture of energy efficiency equipment for buildings), as EPS (expanded polystyrene) and XPS (extruded polystyrene) products contribute significantly to improving the energy efficiency of buildings. These in-house product ranges were identified as economic activities relevant from a taxonomy perspective. The identification of activities relevant from a taxonomy perspective was based on the company's TEÁOR/NACE codes and the contribution of each activity to turnover. To examine the TEÁOR/NACE codes, the Company used the general ledger account numbers. As a result, the manufacture of EPS and XPS thermal insulation materials was identified as relevant from a taxonomy perspective, i.e. an economic activity that can be aligned with the taxonomy. The Company also examined solar panel installations from the perspective of adaptation to climate change (4.1).

³² (EU) 2021/2178 Commission Delegated Regulation – Disclosure Delegated Act; (EU) 2021/2139 Commission Delegated Regulation – Technical Assessment Criteria Regulation (Climate Delegated Act); 2023/2485 Commission Implementing Regulation – Technical Criteria Update Regulation, amending the previous Commission Delegated Regulation (EU) 2021/2139; (EU) 2023/2486 Commission Delegated Regulation – Environmental Policy Delegated Act

³³ Six environmental objectives set out in the EU Taxonomy: 1. climate change mitigation; 2. climate change adaptation; 3. sustainable use and protection of water and marine resources; 4. promoting the transition to a circular economy; 5. prevention and reduction of pollution; 6. protection and restoration of biodiversity and ecosystems.

However, sufficient data was not available for a comprehensive assessment of the SC and DNSH criteria – particularly regarding the recyclability and degradation of the panels – so this will be obtained next year.

- Assessment of alignment with the taxonomy: The **MASTERPLAST Group** compared the activities identified in this way with the technical screening criteria of the EU Taxonomy. The **Group** identified two economic activities aligned with the taxonomy: the manufacture of EPS and XPS thermal insulation materials. These activities contribute significantly to the EU Taxonomy's environmental objective of climate change mitigation. An assessment was carried out to determine whether the manufacture of EPS and XPS insulation materials meets the criteria for climate change mitigation. The Group assessed the technical parameters (e.g. thermal conductivity) and areas of application of the products to verify that they significantly reduce the energy demand of buildings.
 - Analysis of environmental contribution: It has been established that EPS/XPS production as an activity makes a significant contribution (Significant Contribution – SC) to climate change mitigation out of the six environmental objectives defined by the EU Taxonomy. It does not make a direct significant contribution to other environmental objectives (e.g. climate change adaptation, water and marine resources, the circular economy, pollution prevention, biodiversity); therefore, for the activities under review, the Company primarily applied the SC criteria in relation to climate mitigation.
 - Assessment of DNSH criteria: In accordance with the requirements of the Taxonomy³⁴, the Company assessed whether the listed activities cause significant adverse impacts on the achievement of other environmental objectives (Do No Significant Harm – DNSH principle). The assessment covered the environmental impacts of EPS/XPS production, including energy consumption, emissions, waste management and other potential impacts of the manufacturing processes. It was confirmed that, provided relevant environmental regulations are complied with, the production of insulation materials does not cause significant harm to the achievement of any other environmental objectives. For example, the technologies used in the production of EPS in Kál and EPS and XPS in Szabadka comply with EU regulations (e.g. the use of blowing agents with a lower environmental impact in the case of XPS), ensuring that the activity does not come at the expense of water, the circular use of raw materials, pollution prevention or biodiversity.
 - Assessment of Minimum Social Safeguards: The Group also examined compliance with minimum safeguards in line with the OECD Guidelines and the UN Guiding Principles on Business and Human Rights (Minimum Social Safeguards – MSS). As part of this, the policies and practices of the **MASTERPLAST Group** relating to labour rights, occupational health and safety, business ethics, taxation and anti-corruption measures were reviewed. Internal regulations and control mechanisms ensure that sustainability goals are achieved in a socially and governance-responsible manner, in line with the minimum requirements of the Taxonomy. The **Group** demonstrates responsible business conduct in accordance with international conventions on human rights. This is set out in its Human Rights Policy, Code of Ethics and Supplier Code of Conduct and Ethics.

Further details: <https://www.masterplastgroup.com/vallalatiranyitas/>

- Calculation of financial indicators: Finally, the **Group** has determined the proportion of revenue, capital expenditure and operating expenses compatible with the Taxonomy for the year 2025. The calculations

³⁴ The activity's compliance with the technical screening criteria was assessed on the basis of the relevant points in Annex I to Commission Regulation (EU) 2021/2139.

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were prepared in accordance with the methodology set out in the relevant EU regulations (2021/2178/EU). Accordingly, net revenue from EPS and XPS products has been separated within consolidated revenue, and capital expenditure (CapEx) and operating expenditure (OpEx) related to these activities and serving their sustainability have been identified. These indicators form the basis of the Taxonomy report in the financial statements.

MASTERPLAST prepared its report in accordance with the EU Taxonomy following strict internal processes and controls. The relevant data was collected by the company's financial and sustainability experts, who ensured its accuracy, comparability and auditability during the consolidation process. The compilation of the statements underwent internal audit, and the finalised report was approved by the company's management, guaranteeing compliance and credibility. It is important to note that the calculations and background data contained in the report were subject to external audit, thus ensuring the reliability of the information provided.

The analysis concluded that the identified eligible activities of the **MASTERPLAST Group** are fully aligned with the requirements of the EU Taxonomy. The manufacture of EPS and XPS insulation materials has been shown to make a significant contribution to the environmental objective of climate change mitigation, does not cause significant harm to any other environmental objective, and the Company's operations comply with the requirements for minimum social safeguards. This compliance forms the basis for the publication of the following financial indicators for 2025.

2025 financial indicators in accordance with the EU Taxonomy

The **MASTERPLAST Group** calculates and reports the ratio indicators in accordance with the Taxonomy Regulation in 2025 for the second time, based on its consolidated financial data. Below, we present the relevant revenue, capital expenditure (CapEx) and operating expenditure (OpEx) figures, both in aggregate and broken down by product range, for EPS and XPS manufacturing activities. These figures demonstrate the proportion of the Group's financial performance attributable to activities that are sustainable (aligned) from a Taxonomy perspective.

- Revenue: Of the consolidated net revenue for 2025, revenue aligned with the Taxonomy amounts to approximately €25 million, representing around 15% of total revenue. This amount derives entirely from the sale of the Group's own-manufactured EPS and XPS thermal insulation products. Broken down by product range, the EPS product family contributed ~€17.3 million, whilst XPS products accounted for ~€8.1 million of the 2025 revenue. These two product lines together constitute the Taxonomy-compliant revenue reported in the statement, as revenue from the Group's other products did not meet the technical criteria in 2025 and was therefore not taken into account for Taxonomy purposes.
- Capital expenditure (CapEx): During 2025 the **MASTERPLAST Group** made a total investment of approximately €188,000 that meets the EU Taxonomy criteria (this represents approximately 9% of total capital expenditure for the period under review). The majority of Taxonomy-compliant CapEx was related to the development of XPS production. Broken down by product range: investments related to XPS production amounted to approximately €173,000, whilst sustainability investments affecting EPS production reached around €15,000 in 2025. The lower investment amount allocated to EPS production lines can be explained by the fact that in this year new capacity expansions and technological developments were primarily aimed at XPS production. The aim of every identified aligned investment was to increase the energy efficiency contribution of the company's products or to reduce the environmental footprint of production.
- Operating expenditure (OpEx): Of the relevant operating costs recognised in 2025 as defined by the Taxonomy, approximately €79,000 can be directly attributed to the sustainable production of EPS and XPS products (representing 6.3% of the total OpEx category examined). These include, for example, maintenance costs associated with these production areas, operational expenditure aimed at improving energy efficiency, and research and development and training expenditure designed to further improve the environmental performance of EPS/XPS products. In the case of **the MASTERPLAST Group**, the individual subsidiaries'

MASTERPLAST PUBLIC LIMITED COMPANY

Taxonomy-aligned OpEx figures were calculated by dividing the annual subsidiary-level total operating costs (Total OpEx) by the companies' Taxonomy-aligned revenue. These figures were aggregated to determine the Group's Taxonomy-aligned operating costs. The OpEx indicator shows that in 2025, the company spent nearly a quarter of its operating budget on activities that contribute to the achievement of Taxonomy-based objectives (such as improving the efficiency of production equipment and reducing waste). By product group, OpEx expenditure is also linked to EPS and XPS production, but the report does not provide a further breakdown of these, as the majority of them are general operating costs relating to shared resources (e.g. energy consumption) that serve both product groups.

Based on the above financial indicators, a significant portion of the 2025 revenues, capital expenditure and operating expenses of **MASTERPLAST** is already in line with the requirements of the EU Taxonomy. EPS and XPS production, however, is already 100% taxonomy-compliant for companies within the financial consolidation scope of the **Group**. All aligned values presented in the report meet the conditions set out in the Regulation: for the relevant activities, a significant contribution to the climate objective has been demonstrated, the DNSH principle is fully applied (there is no material adverse impact on other environmental objectives), and operations meet the criteria for minimum social safeguards. Compliance with these criteria is essential to ensure that the reported financial indicators are presented in a verifiable and substantiated manner within the sustainability report.

Future prospects and opportunities for expansion

The strategic considerations of the **Group** include the further expansion and development of its classification under the EU Taxonomy in the future. The Company continuously monitors the expansion of the Taxonomy framework and the emergence of future criteria relating to new environmental objectives (e.g. circular economy, decontamination) or potential social objectives. Accordingly, we plan to incorporate further activities and assess the sustainability of new product innovations as soon as they comply with EU regulations.

In the future, **MASTERPLAST** aims to increase the proportion of revenue aligned with the taxonomy, for example by developing new products with a high recycled content or a lower carbon footprint. In addition, it is considering implementing further green investments (such as the installation of renewable energy sources at production sites or manufacturing technology developments to reduce emissions), which may result in a higher proportion of aligned items appearing in future CapEx figures. These efforts contribute to ensuring that **MASTERPLAST** meets sustainability expectations in the long term and further strengthens its market position among companies leading the green transition.

The Company's management is committed to ensuring that the sustainability report, and within it the EU Taxonomy report, always provides an up-to-date, accurate and comprehensive picture of the **Group's** environmental performance. The 2025 report is an important milestone in this regard and provides a solid foundation for future expanded reporting. The **MASTERPLAST Group** will continue to communicate the progress of its taxonomy compliance in a transparent manner, thereby strengthening trust among its partners, investors and society at large.

MASTERPLAST Group statement regarding activities related to nuclear energy and fossil fuels

Item	Activities related to nuclear energy	
1.	The company conducts, finances or has exposures to research, development, demonstration and practical implementation activities relating to innovative electricity generation facilities that produce energy from nuclear processes and in which a minimal amount of waste is generated in the nuclear fuel cycle.	NO
2.	The undertaking is engaged in the construction and safe operation of new nuclear facilities using the best available technologies, or in the safety-related modernisation of such facilities, or has exposures to such activities, with the aim of generating electricity or process heat, including district heating and energy production for industrial processes such as hydrogen production.	NO
3.	The undertaking is engaged in the construction and safe operation of existing nuclear facilities or the safety-related modernisation of such facilities, or holds exposures to such activities, the purpose of which is the generation of electricity or process heat using nuclear energy, including district heating and energy production for industrial processes, such as hydrogen production.	NO
Activities related to fossil fuels		
4.	The undertaking constructs or operates electricity generation facilities, finances such facilities, or holds exposures to such activities, which generate electricity through the use of fossil gas fuels.	NO
5.	The undertaking engages in, finances or holds exposures to the construction, conversion and operation of combined heat and power or cooling and power generation facilities utilising gaseous fossil fuels.	NO
6.	The undertaking constructs, converts or operates, or finances, or has exposures to such activities, relating to heat generation facilities that produce heating or cooling energy using gaseous fossil fuels.	NO

Revenue

Economic activities (1)	Code(s) (2)	Absolute amount of turnover (3)	Proportion of turnover (4)	Material contribution criteria						DNSH criteria (Compliance with the principle of avoiding significant harm)						Minimum safeguards (17)	Proportion of turnover aligned with taxonomy, year N-1 (18)**	Category (supporting activity) (20)	Category (transition activity) (21)
				Climate change mitigation (5)*	Climate change adaptation (6)	Water and marine resources (7)	Pollution (8)	Circular economy (9)	Biodiversity and ecosystems (10)	Climate change mitigation (11)	Adaptation to climate change (12)	Water and marine resources (13)	Pollution (14)	Circular economy (15)	Biodiversity and ecosystems (16)				
Text		EUR	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	S	T
A. ACTIVITIES CLASSIFIABLE UNDER TAXONOMY			17.13%																
A.1. Turnover from environmentally sustainable (taxonomy-aligned) activities																			
3.5. Manufacture of energy-efficient equipment for buildings		25,363,351.00	15 %	Y	N	N	N	N	N	-	Y	Y	Y	Y	Y	Y	15%	S	
Revenue from environmentally sustainable (taxonomy-compliant) activities (A.1)		25,363,351.00	15%	Y	N	N	N	N	N	-	Y	Y	Y	Y	Y	Y	15%	100%	0%
A.2 Revenue from activities that can be aligned with the taxonomy but are not environmentally sustainable (activities not aligned with the taxonomy)																			
Revenue from activities that can be aligned with the taxonomy but are not environmentally sustainable (activities not aligned with the taxonomy) (A.2)		0.00	0%																
Total (A.1+A.2)		25,363,351.00	15%																
B. ACTIVITIES NOT CLASSIFIABLE UNDER THE TAXONOMY																			
Revenue from activities not classified under the taxonomy		145,787,575.00	85%																
Total (A+B)		171,150,926.00	100%																

In 2024 sales of EPS and XPS products (in-house manufactured items) generated total revenue of EUR 20,267,629, accounting for 15% of total annual revenue.

In 2025 revenue of EUR 25,363,351 was generated from these two product groups, which also corresponded to 15% of total revenue. It can be said that the results for the two years are identical.

CapEx

Economic activities (1)	Code(s) (2)	Absolute amount of CapEx (3)	CapEx ratio (4)	Material contribution criteria							DNSH criteria (Compliance with the principle of avoiding significant harm)							Minimum safeguards (17)	Proportion aligned with the CapEx taxonomy N-1 years (18)**	Category (supporting activity) (20)	Category (transition activity) (21)
				Climate change mitigation	Climate change	Climate change (21)	Water and marine resources	Pollution (8)	Circular economy (9)	Biodiversity and	Climate change	Climate change (14)	Water and marine resources (14)	Pollution (14)	Circular economy (15)	Biodiversity and ecosystems (16)					
<i>Text</i>		EUR	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	S	T		
A. ACTIVITIES THAT CAN BE CLASSIFIED UNDER TAXONOMY				15%																	
A.1. CapEx for environmentally sustainable (taxonomy-aligned) activities																					
3.5. Manufacture of energy-efficient equipment for buildings		187,784.00	9%	Y	N	N	N	N	N	-	Y	Y	Y	Y	Y	Y	15%	S			
CapEx for environmentally sustainable (taxonomy-compliant) activities (A.1)		187,784.00	9%	Y	N	N	N	N	N	-	Y	Y	Y	Y	Y	Y	15%	100%	0%		
A.2 Activities that can be aligned with the taxonomy but are not environmentally sustainable (activities not aligned with the taxonomy) CapEx																					
CapEx for activities that can be aligned with the taxonomy but are not environmentally sustainable (activities not aligned with the taxonomy) (A.2)		0.00	0%																		
Total (A.1+A.2)		187,784.00	9%																		
B. ACTIVITIES NOT CLASSIFIABLE UNDER THE TAXONOMY																					
CapEx for activities not aligned with the taxonomy		1 837 580,00	91%																		
Total (A+B)		2 025 364,00	100%																		

In 2025 a total of EUR 187,784.00 in CAPEX was identified as eligible for alignment with the taxonomy, all of which fully met the alignment criteria. This amount represented 9% of total capital expenditure for the year.

In 2024 CAPEX amounting to EUR 416,483.00 was classified as eligible for alignment with the taxonomy and was also fully compliant, accounting for 15% of total annual CAPEX. Sustainable CAPEX showed a slight decrease in 2025.

OpEx

Economic activities (1)	Code(s) (2)	Absolute amount of OpEx (3)	OpEx ratio (4)	Material contribution criteria							DNSH criteria (Compliance with the principle of avoiding significant harm)							Minimum safeguards (17)	Proportion aligned with the OpEx taxonomy N-1 years (18)**	Category (supporting activity) (20)	Category (transition activity) (21)
				Climate change mitigation	Climate change	Climate change (21)	Water and marine resources	Pollution (8)	Circular economy (9)	Biodiversity and	Climate change	Climate change	Climate change (13)	Water and marine resources	Pollution (14)	Circular economy (15)	Biodiversity and ecosystems (16)				
Text		EUR	%	Y/N	Y/N	Y/N	Y/N	Yes/No	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	S	T		
A. ACTIVITIES THAT CAN BE CLASSIFIED UNDER TAXONOMY				6%																	
A.1. OpEx of environmentally sustainable (taxonomy-aligned) activities																					
3.5. Manufacture of energy-efficient equipment for buildings		78,743.00	6%	Y	N	N	N	N	N	-	Y	Y	Y	Y	Y	Y	6%	S			
Operating expenditure (OpEx) for environmentally sustainable (taxonomy-aligned) activities (A.1)		78,743.00	6%	Y	N	N	N	N	N	-	Y	Y	Y	Y	Y	Y	6%	100%	0%		
A.2 Activities that can be aligned with the taxonomy but are not environmentally sustainable (activities not aligned with the taxonomy) OpEx																					
Operating expenses (OpEx) of activities that can be aligned with the taxonomy but are not environmentally sustainable (non-taxonomy-aligned activities) (A.2)		0.00	0%																		
Total (A.1+A.2)		78,743.00	6%																		
B. ACTIVITIES NOT CLASSIFIABLE UNDER THE TAXONOMY																					
Operating expenditure for activities not aligned with the taxonomy		1,171,948.00	94%																		
Total (A+B)		1,250,692.00	100%																		

In 2024 a total of EUR 80,472 in OPEX was identified as items eligible for alignment with the taxonomy, all of which fully met the alignment criteria. This represented 6% of total OPEX.

In 2025 items amounting to EUR 78,743 met the criteria under the EU Taxonomy, also representing 6% of total OPEX. It can be said that the results for the two years are identical.

SOCIETY

Own workforce

As Central Europe's largest Hungarian-owned building materials manufacturing group, the **MASTERPLAST Group** operates in 10 countries and works with its nearly 1,300 employees³⁵ to ensure the successful operation of the company. Its employees represent the company's greatest asset, which is why it places particular emphasis on occupational health and safety and the creation of a safe working environment as part of corporate culture. The Group believes that open and regular dialogue with employees is essential for building a strong, committed community.

Strategy, business model and value chain SBM-2, SBM-3

It is relating to health and safety within the context of 'own workforce' where material impacts and risks have been identified. These are presented in detail [in the following sub-section](#).

A central element of the Group's business strategy is the promotion of energy-efficient and sustainable construction, with a particular focus on increasing the insulation material production capacity of the region. To achieve this goal, continuous expansion of production capacity is necessary, which entails increasing the workforce and modernising technology, with a particular focus on recycling (grinding) equipment. Although the objective is fundamentally focused on increasing efficiency and the application of environmentally friendly technologies, the technological transition and workforce expansion require continuous occupational safety measures and training. Although occupational safety measures have a direct positive impact on the workforce, any shortcomings or failures in these measures may pose a potential risk. The Company continuously manages and seeks to prevent these risks in accordance with the best available professional knowledge, but they do not warrant a change to the business model.

As a key stakeholder group, employees can share their suggestions and comments directly with management via a suggestion box, thereby contributing to the shaping of strategy and the incorporation of their own perspectives, with particular attention paid to occupational health and safety considerations. In addition, the Group has a Complaints Reporting System described in more detail later in this chapter.

Although [the 'Own Workforce' chapter](#) of this sustainability report covers all employees, the operations of the **MASTERPLAST Group** have the greatest impact on its own employees *working in manufacturing*, as they are directly affected by the working environment and occupational safety measures. **The Group's** own manual workforce is in a direct employment relationship with the company, typically with workers on permanent contracts and employed on a full-time basis.

No serious, systemic or widespread adverse impacts or risks relating to human rights, including the risk of child labour or forced labour, have been identified in the areas of operation of **MASTERPLAST** – covering both EU and non-EU countries.

The significant positive impacts of **the Group** on its own workforce relate primarily to ensuring a safe working environment, occupational health and safety measures, and training and development programmes. These activities particularly affect employees in manual roles. This is reflected in the system of occupational health and safety training, the provision of personal protective equipment, regular inspections, and measures aimed at first aid and prevention, all of which are designed to safeguard the health and safety of employees.

³⁵ The discrepancy compared to the financial report is due to the inclusion of the scope of capital consolidation, which the Company explains in detail below.

The Group's operations depend to a significant extent on the availability of a skilled and committed workforce, particularly in manufacturing areas; therefore, maintaining workplace safety and motivation is of key importance. Any accidents could pose financial and reputational risks.

MASTERPLAST is committed to climate-neutral operations, which includes achieving emission reduction targets. Planning and preparing for such transition processes currently do not result in any material negative impact on our own workforce, as they are expected to involve technological developments and energy efficiency investments. At the same time, the Group will monitor the potential effects of transition measures on the workforce.

The **Group** has not currently taken any specific measures to mitigate the negative labour market impacts arising from the transition to a climate-neutral economy, as the preparations for the transition and the steps taken so far have not affected employees' employment or job roles. Accordingly, there has been no need for retraining or redeployment. However, the Company is monitoring future regulatory and market changes and stands ready, if necessary, to introduce programmes that support employees' adaptation to the green transition.

The **Group** does not currently have a systematic assessment that links the material impacts, risks or opportunities on its own workforce to specific employee groups (e.g. age group, site, country). The identified impacts and measures currently relate primarily to the entire workforce, and within that, mainly to manual workers.

Overview of employees of the **MASTERPLAST Group**³⁶ SBM-1, S1-6

Number of female and male³⁷ employees by country as at 31 December 2024 and 2025

COUNTRIES	MASTERPLAST Group – scope of full consolidation								
	2024			2025			Change (%)		
	Total	Women	Men	Total	Women	Men	Total	Women	Men
NORTH MACEDONIA	5	0	5	6	0	6	20.00%	0.00%	20.00%
CROATIA	8	6	2	7	5	2	-12.50%	-16.67%	0.00%
POLAND	19	4	15	20	5	15	5.26%	25.00%	0.00%
HUNGARY	306	75	231	313	78	235	2.28%	4.00%	1.73%
GERMANY	43	4	39	41	5	36	-4.65%	25.00%	-7.69%
ITALY	7	1	6	5	2	3	-28.57%	100.00%	-50.00%
ROMANIA	38	10	28	34	7	27	-10.53%	-30.00%	-3.57%
SERBIA	706	260	446	659	223	436	-6.66%	-14.23%	-2.24%
SLOVAKIA	8	2	6	8	2	6	0.00%	0.00%	0.00%
UKRAINE	64	23	41	63	19	44	-1.56%	-17.39%	7.32%
Total	1204	385	819	1156	346	810	-3.99%	-10.13%	-1.10%

COUNTRIES	MASTERPLAST Group – scope of full + capital consolidation ³⁸								
	2024			2025			Change (%)		
	Total	Women	Men	Total	Women	Men	Total	Women	Men
NORTH MACEDONIA	5	0	5	6	0	6	20.00%	0.00%	20.00%
CROATIA	8	6	2	7	5	2	-12.50%	-16.67%	0.00%
POLAND	19	4	15	20	5	15	5.26%	25.00%	0.00%
HUNGARY	364	84	280	482	106	376	32.42%	26.19%	34.29%
GERMANY	43	4	39	41	5	36	-4.65%	25.00%	-7.69%
ITALY	7	1	6	5	2	3	-28.57%	100.00%	-50.00%
ROMANIA	38	10	28	34	7	27	-10.53%	-30.00%	-3.57%
SERBIA	706	260	446	659	223	436	-6.66%	-14.23%	-2.24%
SLOVAKIA	8	2	6	8	2	6	0.00%	0.00%	0.00%
UKRAINE	64	23	41	63	19	44	-1.56%	-17.39%	7.32%
Total	1262	394	868	1325	374	951	4.99%	-5.08%	9.56%

³⁶ The data is collected by Masterplast's HR department, reported in terms of headcount, and includes both active and inactive staff.

³⁷ Other category: not applicable

³⁸ The scope of capital consolidation includes, in addition to the scope of financial consolidation, the data of T-CELL Plasztik Ltd, Masterprofil Gyártó és Kereskedelmi Ltd. and PIMCO Ltd.

Number of female and male employees³⁹, broken down by type of employment contract and form of employment, as at 31 December 2024 and 2025

CATEGORY	MASTERPLAST Group – scope of full consolidation								
	2024			2025			Change (%)		
	Total	Women	Men	Total	Women	Men	Total	Women	Men
<i>By type of employment contract</i>									
- Number of permanent employees with indefinite contracts	1,204	385	819	938	294	644	-22.09%	-23.64%	-21.37%
- Number of fixed-term, temporary employees	0	0	0	218	52	166	n.a.	n.a.	n.a.
<i>By type of employment</i>									
- Number of full-time employees	1,180	371	809	1,133	333	800	-3.99%	-10.24%	-1.11%
- Number of part-time employees	24	14	10	23	13	10	-4.17%	-7.14%	0%
Total	1204	385	819	1156	346	810	-3.99%	-10.13%	-1.10%

CATEGORY	MASTERPLAST Group – scope of full + equity method consolidation ⁴⁰								
	2024			2025			Change (%)		
	Total	Women	Men	Total	Women	Men	Total	Women	Men
<i>By type of employment contract</i>									
- Number of permanent employees with indefinite contracts	1079	338	741	1,107	322	785	2.59%	-4.73%	5.94%
- Number of fixed-term, temporary employees	183	56	127	218	52	166	19.13%	-7.14%	30.71%
<i>By type of employment</i>									
- Number of full-time employees	1,233	378	855	1,298	359	939	5.27%	-5.03%	9.82%
- Number of part-time employees	29	16	13	27	15	12	-6.90%	-6.25%	-7.69%
Total	1262	394	868	1325	374	951	4.99%	-5.08%	9.56%

In 2025 the Group employed a total of 1,325 people, of whom 374 were women (28.2%) and 951 were men (71.8%). 36.4% of employees were employed in Hungary, whilst 63.6% were employed outside Hungary. 1,107 people, or 83.5% of employees, were employed on permanent contracts, whilst 218 people (16.5%) on fixed-term contracts.

Of its employees, 952 were manual workers and 373 were white-collar workers. In Hungary the number of manual workers was 295, and the number of white-collar workers was 187. There were 1,298 full-time employees, of whom 359 were women and 939 were men. 27 people were employed part-time, of whom 15 were women and 12 were men. There were no employees working on a non-contractual basis.

In 2025 a total of 418 new employees joined the group, whilst 411 employees left the company. The staff turnover rate, calculated on the basis of those leaving, was 31.02%.

During the reporting period new projects, capacity expansions and technological developments necessitated the recruitment of new staff; at the same time, the rapidly changing operating environment naturally also had an impact on the composition of the workforce. A specific, temporary surplus demand for labour justified the employment of fixed-term, temporary staff. It is important to note that staff turnover is partly a consequence of

³⁹ Other category: not applicable

⁴⁰ The scope of capital consolidation includes, in addition to the scope of financial consolidation, the data of T-CELL Plasztik Ltd, Masterprofil Gyártó és Kereskedelmi Ltd and PIMCO Ltd.

the Group's continuous adaptation to market, organisational and labour market challenges. Many of those who left did so due to internal transfers, external career opportunities or family reasons, which is a natural consequence of the operations of an active company engaged in diverse activities.

A key objective of **MASTERPLAST** is to increase stability and retain employees in the long term; to this end, it has also prioritised the development of internal training, motivational tools and leadership programmes.

Guidelines and policies relating to the Group's own workforce S1-1, MDR-P

The Organisational and Operational Regulations, the Human Rights Policy and the Code of Ethics serve as the key regulatory guidelines for the Group's policies concerning its entire workforce. Due to their content, these regulations apply exclusively to the Group's own operations and do not extend to other parts of the value chain. The **MASTERPLAST Group** regards the protection of human life and safety, equal treatment and the right to a healthy environment and mental health as core values; it respects these rights in its business decisions, in accordance with the UN Guiding Principles on Business and Human Rights. It pays particular attention to the cultural and social environments, which vary from country to country, as well as to the diversity of its workforce. It places great emphasis on non-discrimination and ensuring equal treatment. At an operational level, the HR department is responsible for implementing these policies, which are made available internally to all relevant employees. Knowledge of the Code of Ethics is refreshed and tested annually through mandatory training, thereby ensuring continuous awareness and compliance.

The Group has not identified any risks relating to human trafficking, forced labour or child labour, and therefore does not explicitly address these issues in its policies. However, it refers to these issues indirectly in its policies on the general protection of human rights. Complaints relating to human rights can be reported anonymously via the whistleblowing system.

<https://sites.google.com/view/mpishu>

In 2025 the Company did not identify any complaints relating to human rights impacts. Further information can be found later in this chapter and in the [chapter entitled 'Corporate Governance'](#).

Equal opportunities, diversity

The Human Rights Policy and Code of Ethics of **MASTERPLAST** stipulate the requirement for equal treatment, prohibit direct or indirect discrimination, and place particular emphasis on respecting cultural and social diversity. The whistleblowing channels provided for employees also offer the opportunity to report any form of harassment or discrimination anonymously.

The EU directive on gender quotas, formally known as the "Women on Boards Directive" (Directive (EU) 2022/2381), came into force in November 2022 and gives Member States and the companies concerned until 30 June 2026 to comply. The aim of the directive is to improve gender balance on the boards of listed companies. The Group is preparing to meet the requirements within the deadline.

Data processing

Since the entry into force of Regulation (EU) 2016/679 of the European Parliament and of the Council (GDPR), no complaints from data subjects, data theft, data loss or data breaches have occurred within the Group's sphere of influence. The privacy policy is publicly available on the website.

Health and safety

The Group holds an ISO 45001 certification, which is the internationally recognised standard for occupational health and safety management systems. This ensures that health and safety measures are continuously improved and that risks arising from work are minimised.

Further details regarding occupational health and safety can be found in the [chapter entitled 'Health and Safety'](#).

Engaging with own workforce and employee representation S1-2

The **MASTERPLAST Group** bases its cooperation with its workforce on open dialogue and continuous feedback; therefore, ongoing and open dialogue with employees is of paramount importance, and the Company ensures communication at multiple levels. For day-to-day employee relations and HR-related matters, responsibility lies primarily with the HR managers or managers performing HR-specific functions within each entity, whilst for management and strategic issues affecting the Group as a whole – such as employee forums – managers and the CEO ensure opportunities for direct dialogue. During performance reviews, the relevant managers are responsible for providing feedback, thereby ensuring continuous development and the involvement of employees in achieving shared goals.

The **MASTERPLAST Group** communicates with its employees on an ongoing basis – in person, via email, by telephone, and through a closed social media (Facebook) group – as well as at events. It also maintains contact with colleagues on maternity leave. By setting up a suggestion box, it collects ideas and suggestions from employees. At an operational level, maintaining contact with employees is primarily the responsibility of the HR department.

Employees are entitled to elect a representative or representatives from among themselves to represent their rights and interests relating to safe working practices that do not endanger health. Among the Group's member companies, those where the presence of an occupational safety representative is mandatory under statutory requirements have such representatives in place or are in the process of qualifying them.

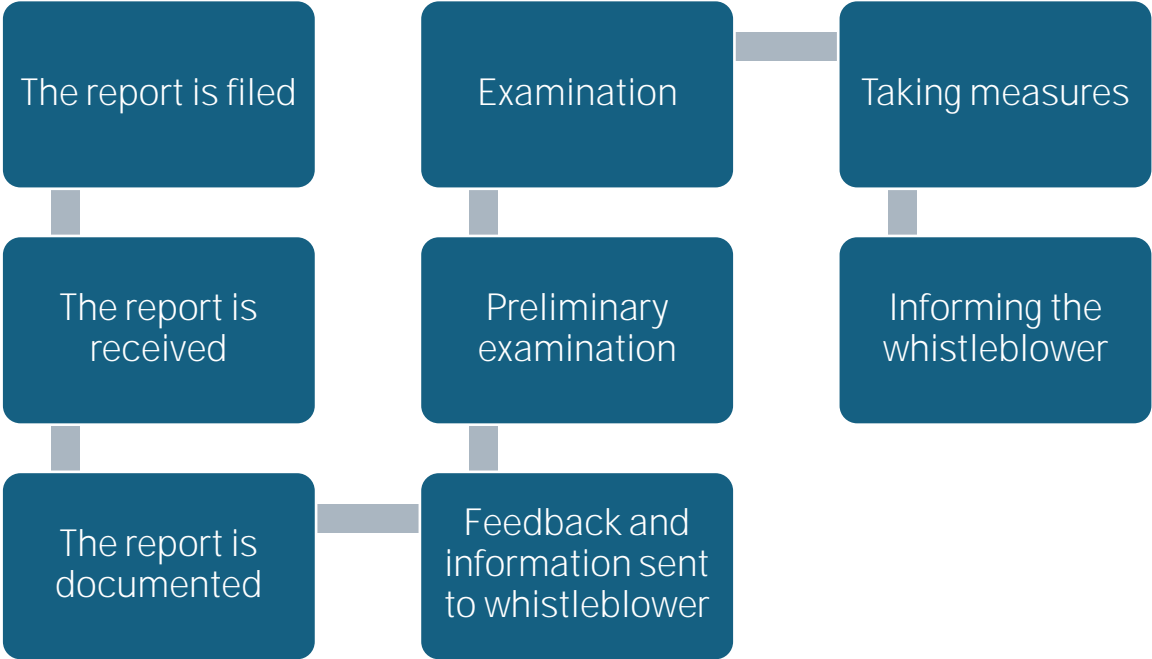
Whistleblowing system S1-3

The companies belonging to the **MASTERPLAST Group**, as employers, jointly operate the internal whistleblowing system established by the Company to ensure lawful operations, in accordance with Directive (EU) 2019/1937 of the European Parliament and of the Council on the protection of persons reporting breaches of Union law and on complaints, Act XXV of 2023 on complaints, reports in the public interest and rules relating to the reporting of misconduct, and the **MASTERPLAST Group's** Whistleblowing Policy. The purpose of the whistleblowing system is to investigate reported information concerning unlawful or suspected unlawful acts or omissions, or other misconduct, in accordance with the requirements set out in the relevant legislation. New entrants are informed of the options for lodging complaints. The monitoring and investigation of reports of misconduct, the determination of the results of investigations, and the taking of any further measures based on the report fall within the remit and powers of the Committee for the Investigation of Reports of Misconduct. Where possible, given the nature of the communication channel, the Committee maintains contact with the whistleblower via the whistleblowing system; in doing so, it may ask the whistleblower to supplement or clarify the report, to clarify the facts of the case, or to provide further information. In 2024 and 2025, no complaints relating to human rights impacts among the Group's own employees were identified. Further information can be found [in the 'Corporate Governance' section](#).

<https://sites.google.com/view/mpishu>

Should the **MASTERPLAST Group** become aware that its own activities have had a significant adverse impact on its employees, it will launch an internal investigation and, depending on the severity of the case, take remedial or preventive measures. The Company does not currently carry out regular assessments of the extent to which its employees are aware of or trust the available grievance mechanisms.

How the Whistleblowing Scheme works and the process for investigating reports



Measures affecting our own workforce

The **MASTERPLAST Group** is committed to ensuring that its operating practices have a positive impact on its own workforce and to avoiding or preventing any material negative impacts on employees. To this end, it implements various measures that help maintain a safe and fair working environment, support the well-being of employees, and contribute to the continuous development of the organisational culture. Through its training programmes, it focuses on developing occupational safety, accident prevention, ethical conduct, values, corporate culture, leadership and sales skills, manufacturing expertise, agile operations, collaboration, digital competencies and ESG knowledge, thereby ensuring the continuous development of its employees.

Based on the Double Materiality Analysis (DMA), health and safety is of particular significance among the impacts on our own workforce and involves material impacts, risks and opportunities (IROs). Accordingly, our company focuses primarily on mitigating health and safety risks and implements targeted measures in this area, a detailed description of which can be found [in the chapter entitled 'Health and Safety'](#).

Health and Safety

The **MASTERPLAST Group** is committed to creating a safe and healthy working environment. Its aim is to provide its employees with conditions that comply with occupational health and safety regulations and support long-term health maintenance. Through regular training, inspections and improvements, it strives to minimise workplace risks, whilst also encouraging its employees to adopt a safety-conscious mindset. Health and safety are an integral part of corporate culture, contributing to sustainable operations and the well-being of employees.

Material impacts, risks and opportunities and their interaction with strategy and business model IRO-1, SBM-3

ESRS standard	Topic	Description	Classification	Value chain	Timeframe	Other
S1 Own workforce	Working conditions – Health and safety	Our company’s aim is to create safe working conditions and protect the health of our employees, to comply with current legislation, and thereby prevent accidents.	Actual positive impact	Own operations	Long-term	Ensuring a safe working environment and preventing accidents directly influences the well-being and satisfaction of employees, which contributes to the continuity and efficiency of the company’s operations. Furthermore, compliance with legislation and the implementation of health and safety measures help to avoid fines and reputational risks that could adversely affect the company’s image and long-term sustainability.
S1 Own workforce	Working conditions – Health and safety	Workplace accidents may occur during manufacturing activities, which could result in the company being fined or investigated by the authorities; this poses a significant risk to the company’s reputation, as it may negatively affect its standing and also increase its operating costs.	Expected risk	Own operations	Long-term	In addition to the financial burden of potential fines and legal proceedings, the stock market impacts resulting from reputational damage are factors of non-negligible financial significance that may affect the Group’s competitiveness in the short term.

Health and safety policies MDR-P

The Organisational and Operational Regulations, the Human Rights Policy and the Code of Ethics serve as our guiding principles.

- <https://www.masterplastgroup.com/emberi-jogi-politika/>
- https://www.masterplastgroup.com/wp-content/uploads/2024/10/mpg_sz_hr_010_v-6-0-etikai-kodex_honlapra_alairas-nelkul.pdf

Human Rights Policy

The Human Rights Policy ensures the creation of a healthy and safe workplace in accordance with the guiding principles of the United Nations.

The **MASTERPLAST Group** is committed to maintaining and improving the physical and mental health of its employees. When establishing working conditions, it takes into account the fundamental requirements of human dignity, hygiene and a healthy environment. It ensures a clean, safe and healthy working environment.

It respects human rights, whether in relation to its employees, partners, stakeholders, or any interns or students who may join the company.

The **Group's** policies regarding its own workforce – in particular the Human Rights Policy and the Code of Ethics – expressly exclude all forms of human trafficking, forced labour, compulsory labour and child labour, both within the company's own operations and throughout the supply chain. The Group is committed to respecting human rights and conducts its operations in accordance with the UN Guiding Principles on Business and Human Rights.

Code of Ethics**Occupational Health and Safety**

All employees are required to take into account the safety and well-being of their colleagues in the course of their work. All employees are required to comply with and act in accordance with the applicable mandatory health and safety rules and procedures. Accidents, injuries and malfunctions of tools and equipment must be reported immediately in the manner specified in the regulations.

Health Protection

The Company's fundamental aim is to protect people as its highest value. In pursuing this aim, its objective is to safeguard both physical and mental health and to promote their development wherever possible. The details of this are set out in its Human Rights Policy.

Expectations during working hours

Employees are required to be available and fit for work during working hours, and to perform their duties with the utmost care and professional competence. The employer reserves the right to carry out random checks to ensure employees are fit for work.

The consumption of alcohol is prohibited in the workplace and at official events. An exception to this may be made for moderate alcohol consumption at company events authorised by the employer.

All employees are required to cooperate, support one another and share the information necessary for effective work.

Occupational health and Safety

Employees are required to comply with the applicable mandatory health and safety rules and procedures. Accidents, injuries and malfunctions of tools and equipment must be reported immediately in the manner specified in the regulations.

Health and safety measures S1-4, MDR-A

The substance of the Group's health and safety measures remained unchanged in 2025. Any changes were made on a case-by-case basis in nature and primarily involved fine-tuning and process improvements. The Group has not identified any actual negative impact, but is monitoring the development of anticipated risks with particular attention and managing them proactively. Given that safety is a fundamental human right, it takes precedence over all business priorities, and ensuring it must be a primary objective in all activities.

Occupational health and safety training, induction and assessment

The **MASTERPLAST Group** pays particular attention to ensuring that its employees possess the theoretical and practical knowledge necessary for safe and healthy working practices throughout their entire period of employment. A case-based occupational safety training may also extend to external partners. To ensure the effectiveness of the training, the training materials contain both theoretical and – depending on the nature of the role – practical elements, in line with the training topics set out in the Health and Safety Regulations. At the end of the training, employees take an exam to demonstrate the knowledge they have acquired.

The **MASTERPLAST Group** is committed to ensuring that its operations do not have any significant negative impact on its own workforce. The Company strives to ensure that workload, working hours, and procurement or sales practices do not have any negative impact, even indirectly, on the safety and well-being of its employees. The Group takes HR and occupational health and safety considerations into account before making decisions regarding material impacts.

Occupational health and safety management systems (e.g. ISO 45001), responsible procurement and sales practices, and data processing in compliance with the GDPR all serve this purpose. Should a conflict arise between business pressures and employee wellbeing, the company prioritises safety and health above all else.

Types of health and safety training:

- Pre-employment training
- On-the-job training and induction
- Annual health and safety and fire safety training
- Training required in the event of changes to the workplace or job role
- Training provided when new technologies are introduced
- Training provided when workplaces are refurbished or new work equipment is commissioned
- Special training in exceptional circumstances

Content of training and induction:

- Health and safety legislation, employees' rights and obligations
- Relevant provisions of the Health and Safety Regulations
- Identification and prevention of accident hazards
- Use of protective equipment and the consequences of failing to use it
- Technical, operational, handling and maintenance regulations
- Handling hazardous substances and minimising environmental impact
- Procedures and obligations to be followed in the event of an accident
- Traffic and route safety, health, fire safety and environmental protection regulations

Workplace safety representation

Employees are entitled to elect an occupational health and safety representative to protect their interests and safety, a person who participates in the development and monitoring of occupational health and safety measures. Among the Group's member companies, those where the presence of an occupational health and safety representative is mandatory under statutory requirements have such representatives in place or are in the process of qualifying them.

Occupational Health

The **MASTERPLAST Group** requires mandatory occupational health examinations for all employees, which must be carried out prior to employment and then annually thereafter. This ensures the maintenance of health in the workplace, compliance with legislation and the effective operation of prevention measures.

Managing hazardous situations

The **MASTERPLAST Group** places a high priority on the prevention, identification, professional management and rectification of hazardous situations. In the interests of the safety of our employees and partners, we must always act in accordance with the relevant regulations and guidelines.

- In the event of a fire alarm, staff must act in accordance with the Fire Alarm Plan, the Fire Safety Regulations, and the procedures outlined in regular fire safety training sessions.
- In the event of an accident, appropriate measures shall be taken in accordance with the protocol set out in the Health and Safety Regulations and the procedures outlined in health and safety training sessions.

The occupational health and safety and fire safety regulations apply to all work areas, employees, student workers and external contractors, as well as to the employees of subcontractors and partners visiting the Group's sites.

Development of protective equipment and health protection

MASTERPLAST places particular emphasis on protecting the safety and health of its employees; to this end, it continuously improves its occupational safety and health measures, which may, on a case-by-case basis, also extend to external partners:

- Provision of personal protective equipment: The Group provides all relevant employees with the necessary personal protective equipment, which is regularly reviewed and improved. In 2025 we provided 4,258 items of personal protective equipment for our staff and visitors.
- Increasing the number and training of first aiders: To improve workplace safety, the company is continuously increasing the number of staff trained as first aiders. In 2025 78 people across the group received first aid training.
- Development of health promotion programmes: To protect the long-term health of employees, the company carries out preventive health checks and provides mental health programmes.
- In 2025 one screening and mental health programme was in operation.

In 2025 the **MASTERPLAST Group** delivered 934 hours of training to its employees, attended by 1,371 people. Of this, occupational safety training accounted for 169 hours and involved 1,050 people. Given the high attendance figures, there were only 5 serious accidents in 2024 and 2025. Although the Group aims to further reduce the number of such accidents, it considers these figures to be fundamentally low relative to the total workforce. No serious deficiencies were identified during the annual certification of the management system.

Health and safety objectives S1-5, MDR-T

The annual target of **the Group** is to achieve zero fatal and serious workplace accidents, whilst continuously striving to reduce accidents resulting in lost time (LTI). Its objective is to reduce the number of serious workplace accidents across its entire operations from the 5 cases recorded in the base year of 2024 to an annual average of

no more than 2 cases between 2025 and 2030, by achieving a zero-accident level where possible and eliminating any negative reputational consequences that may arise from this.

Although the Code of Ethics sets out the current requirements for safe working practices and expects strict compliance with them, five serious accidents were again recorded in 2025. All of these accidents occurred in manual labour roles and accounted for 17.2% of all accidents. The majority of accidents are typically linked to machine operation or inattention. Although the **Group** fully complies with occupational health and safety regulations and requires employees to apply them consistently, completely eliminating risks arising from the human factor remains a challenge. Nevertheless, year on year, the Group pays particular attention to ensuring that occupational safety requirements are emphasised in training from the moment of joining, including the incorporation of lessons learnt from past accidents. In addition, it carries out regular inspections with particular focus on production units to continuously strengthen safe working practices. The target figure remained unchanged for the 2025 reporting year. The Group continues to strive for zero accidents, and within that, aims to reduce the number of serious accidents to a maximum of two per year during the period 2025–2030.

Currently, the setting and evaluation of the **Group's** objectives takes place primarily at management and expert level, drawing on their experience, without a dedicated process or formal consultation with employees or their representatives. At the same time, the company considers it important to take into account the experiences and feedback of employees in the field of occupational safety and health.

MASTERPLAST aims to implement the ISO 45001 standard at those manufacturing sites where this has not yet been done by 2030. The scope of existing ISO certificates is detailed in the table in [the 'Governance' section](#).

ISO 45001 51-14

The Group complies with occupational health and safety legislation and the requirements of the MSZ ISO 45001 Occupational Health and Safety Management System standard (MEBIR), ensures hazard management and risk reduction by defining objectives and responsibilities, and supports compliance with current regulations and the improvement of health and safety performance. The Company regularly renews its certification. This system ensures the protection of employees' health and safety as well as the continuous identification, assessment and reduction of risks in the working environment. A total of 368 employees work at the sites covered by MEBIR, accounting for 27.78% of the total workforce.

The proportion of employees audited through external and internal audits is 27.78% among the companies participating in the reporting. This exceeds the 2024 figure of 24.33% by 3.45 percentage points. The aim is for this proportion to rise to over 80% by 2030.

In 2025 a total of 26 accidents occurred. The Group recorded 31 accidents in 2024 and 38 in 2023. Of the 26, 5 were serious workplace accidents⁴¹. During the 2025 reporting period, the **MASTERPLAST Group** – just like in previous years – continued to record no fatal accidents, and the number of work-related illnesses also remained at zero. In 2025 the **Company** did not receive any health and safety fines. The most common types of workplace accidents were injuries resulting from the use of machinery and inattention. The decreasing number of accidents shows a positive trend towards the zero-accident target.

⁴¹ Pursuant to Act XCIII of 1993 on Occupational Safety and Health (Mvt.).

Workplace accidents								
Company	2024				2025			
	Number of working days lost	Number of illnesses	Number of fatal accidents	Number of workplace accidents	Number of working days lost	Number of illnesses	Number of fatal accidents	Number of workplace accidents
Masterplast Nonwoven GmbH	32	0	0	1	23	0	0	10
Masterplast d.o.o.	0	0	0	0	0	0	0	0
Masterplast Italia Srl.	0	0	0	0	0	0	0	0
Masterplast Sp. z o.o.	0	0	0	0	3	0	0	1
Masterplast Proizvodnja D.o.o.	62	0	0	4	11	0	0	1
Masterplast Romania S.R.L	0	0	0	0	0	0	0	0
Master Plast s.r.o	0	0	0	0	0	0	0	0
Masterplast Dooel Kicevo	0	0	0	0	0	0	0	0
Masterplast YU D.o.o	539	0	0	22	130	0	0	9
Fidelis BAU Ltd	128	0	0	1	0	0	0	0
Masterplast Insulation Ltd	0	0	0	0	0	0	0	0
Masterplast Hungária Ltd	32	0	0	1	52	0	0	1
Masterplast International Ltd	0	0	0	0	0	0	0	0
Masterplast Membrane Ltd	225	0	0	1	266	0	0	2
Masterplast Modulhouse Ltd	0	0	0	0	0	0	0	0
Masterplast Plc	12	0	0	1	0	0	0	0
MasterPlast TOV	n.a.	n.a.	n.a.	n.a.	0	0	0	0
Masterplast Group consolidation scope Total	1030	0	0	31	485	0	0	24
Masterprofil Manufacturing and Trading Ltd	0	0	0	0	21	0	0	1
T-CELL Plasztk Ltd	0	0	0	0	0	0	0	0
PIMCO Ltd	-	-	-	-	0	0	0	1
Masterplast Group capital consolidation group ⁴² Total	1030	0	0	31	506	0	0	26

⁴² The scope of capital consolidation includes, in addition to the scope of financial consolidation, the data of T-CELL Plasztk Kft., MASTERPROFIL Gyártó és Kereskedelmi Kft. and PIMCO Kft.

In 2024 the number of recorded workplace accidents was 31 which, relative to the year-end headcount of 1,262, equated to 2.46 accidents per 100 employees. In 2025 the number of workplace accidents fell to 26, which, based on the year-end headcount of 1,325, equated to 1.96 accidents per 100 employees. This equates to 10.38 workplace accidents per 1,000,000 working hours. It should also be noted that the number of working days lost due to workplace accidents fell significantly, by more than 50%, compared to the previous year.

Incidents, complaints and serious human rights impacts S1-17

During the reporting period, there were no serious human rights issues or incidents involving our own workforce that would have constituted a breach of the UN Guiding Principles or the OECD Guidelines for Multinational Enterprises. Accordingly, no fines, penalties or compensation were imposed, nor did any related financial liabilities arise.

During the 2025 reporting period the company received no official reports of cases involving discrimination or harassment, and no such cases were recorded.

The above data are derived from the records of the internal ethics reporting and complaints handling system of **MASTERPLAST**. The Group's aim is to ensure anonymity and to thoroughly investigate reports; however, no incidents occurred during 2025 that required intervention or sanctions.

Workers in the value chain

The working conditions and job security of those working within the value chain are central to sustainable business practices. Secure and lawful employment promotes the well-being of workers, reduces workplace risks and supports the social responsibility of the value chain as a whole. Uncertainties in the supply chain, as well as unstable or unfair forms of employment, can have a negative long-term impact on workers’ safety and the enforcement of their rights – though this is not always apparent.

Material impacts, risks, opportunities and their interaction with strategy and business model IRO-1, SBM-3

ESRS standard	Topic	Description	Classification	Value chain	Timeframe	Other information
S2 People working in the value chain	Working conditions / Secure employment	There is insufficient information available regarding the employment conditions of workers in the upstream value chain. This may have an actual negative impact on the secure employment of workers in the value chain, particularly if employment is unstable, unlawful or unfair.	Potential negative impact	Upstream	Long-term	The MASTERPLAST Group is taking active steps to collect relevant data and information from the value chain as widely as possible. It carries out these activities within the framework of the Hungarian ESG Act and in accordance with its provisions.

In the **Group’s** operations the transparency of employment conditions for workers in the upstream value chain linked to key strategic products is a critical social consideration; among them, manual workers are the most exposed to potential negative impacts. The Group primarily seeks to minimise the potential negative impacts to which it may contribute as a customer; however, it has limited insight into and influence over specific working conditions. To ensure appropriate management, it has introduced a risk assessment and management system in accordance with the Hungarian ESG Act, which it continued to actively operate in 2025. During the reporting period the Company did not identify any risks related to child labour or forced labour across its entire value chain. The assessment was carried out taking into account the available information, the nature of supplier relationships and geographical exposure, which the Company reviews on a regular basis.

Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities S2-4

The Group applies the following approach to managing risks:

- Firstly, at critical points in the value chain, primarily in raw material supply, it conducts data collection and supplier surveys to map working conditions. The Hungarian ESG Act provides an appropriate basis for this.
- Subsequently, additional requirements are set out in supplier contracts and in the Supplier Code of Conduct and Business Ethics, including lawful and fair employment and the provision of a safe working environment.
- In the event of an incident, it applies the measures specified in the risk management system.

A material shortcoming identified during the assessment is that there is insufficient data available on the employment conditions of employees at upstream suppliers. The data gap is systemic, the Company has not

identified any especially vulnerable social groups. When determining material topics, the Company did not consult directly with employees working in the supply chain. The assessment was carried out with the involvement of internal experts and based on available industry and regulatory information.

Policies relating to workers in the value chain: *S2-1, MDR-P, S2-5*

The Group is committed to continuously improving the transparency of the upstream value chain by reducing data gaps, thereby minimising potential negative social impacts. Through the continuous collection of data, the involvement of suppliers and regular monitoring, the Company aims to ensure that the employment conditions provided to workers in the supply chain comply with the current OECD requirements regarding ethical business conduct. The **Group's** guidelines on supplier relations are set out in **the Supplier Code of Conduct and Business Ethics**. Detailed information on the Supplier Code of Conduct and Business Ethics is contained in [the chapter entitled 'Business Conduct'](#)

Processes for engaging with value chain workers about impacts *S2-2, S2-3*

Workers in the value chain may at any time make use of the Company's whistleblowing system, the operation of which is set out in **the Whistleblowing Policy**. Detailed information regarding the whistleblowing system is contained in [the chapter entitled 'Own Workforce'](#).

Affected communities and end-users

Respecting and promoting the economic, social and cultural rights of the communities concerned, i.e. the end-users of the **MASTERPLAST Group**, is one of the key pillars of the Group’s corporate social responsibility activities. These rights include the right to adequate housing, which encompasses ensuring access to a safe, healthy, affordable and sustainable living environment. The activities of **MASTERPLAST** can contribute directly to the realisation of this right, as properly designed and installed insulation solutions can significantly reduce heating costs, thereby improving households’ financial flexibility and quality of life. Furthermore, through the available subsidy schemes, the products are in some cases accessible with a significant subsidy intensity of up to 100%, further strengthening the conditions for affordable housing.

Material impacts, risks, opportunities and their integration with business model and sustainability strategy IRO-1, SBM-3

ESRS standard	Topic	Description	Classification	Value chain	Timeframe	Other information
S3 Affected communities	Economic, social and cultural rights of communities / Adequate housing	MASTERPLAST’s energy-efficient construction products and solutions contribute to improving the sustainability and comfort of residential buildings. This indirectly supports communities’ right to adequate housing, reduces energy consumption and utility costs, and improves quality of life. The positive social impact increases the appeal of the products, strengthens community acceptance, and can provide reputational and market advantages for the company.	Actual positive impact	Downstream	Long-term	Through supported renovation programmes and continuous product development, the MASTERPLAST Group contributes to the widespread adoption of cost-effective, low-energy and sustainably operated homes.
S3 Affected communities	Economic, social and cultural rights of communities / Adequate housing	MASTERPLAST’s energy-efficient construction products and solutions contribute to improving the sustainability and comfort of residential buildings. This indirectly supports communities’ right to adequate housing, reduces energy consumption and utility costs, and improves quality of life. The positive social impact increases the appeal of the products, strengthens community acceptance, and can provide reputational and market advantages for the company.	Current opportunity	Own operations	Long-term	For the Group, social responsibility towards communities is not merely a social commitment, but one of the fundamental principles of its business operations, which also shapes its strategic decisions in the long term. The fundamental aim of its business strategy is the widest possible scale of production and distribution of

						insulation materials.
S4 Consumers and end-users	Social inclusion of consumers and/or end-users / Access to products and services	The MASTERPLAST Hungarocell renovation programme and the free loft insulation scheme provide end-users with the opportunity to access energy-efficient solutions at a lower cost.	Actual positive impact	Downstream	Medium term	The Group initially provided insulation materials to households with a 50% subsidy intensity, which has now increased to 100%. The Group generates a financial benefit from the resulting CES. As a result, beneficiaries are not only able to significantly reduce the initial costs of the investment, but also, through proper thermal insulation, operating and running costs are substantially reduced in the long term.

Due to overlaps between the identified IROs and the relief provided by the deferral of mandatory disclosure, the Company publishes the information in an aggregated form for topics S3 and S4 to avoid duplication.

The Company classifies as affected communities and end-users all retail customers whom it indirectly serves in its Central and Eastern European markets. Consequently, the affected communities and end-users include:

- the local population living in the Group’s areas of operation,
- the wider communities of households using the products,
- in particular, those social groups for whom the affordability of energy-efficient housing is of paramount importance.

The Group primarily influences these communities through its downstream value chain, as its products reach end-users via its sales partners.

Based on the results of the assessments, the Group has not identified any significant adverse impacts affecting localised or specific social groups that could be attributed to its activities. Its operations are typically situated in industrial environments where its activities do not cause any disturbance to the local population, and the Group fully complies with the environmental regulations in force at all times. At the same time, the identified positive impacts extend to all end-users served, with particular regard to the beneficiaries of the HFP (Hungarocell Renovation Programme) programme with 100% funding intensity, for whom the solutions provide direct, tangible benefits. Although the positive impacts are evident across all of the Group’s areas of operation, their intensity and social significance are felt most strongly in Hungary due to the Hungarian EEOS system.

HFP 2.0 was established in 2025 building on the experience of the previous Hungarocell Renovation Programme. The programme provides an opportunity for domestic households to implement full façade thermal insulation under a subsidised scheme. Whilst the Hungarocell 1.0 programme provided a 50% subsidy intensity – which was

already significant at the time – this has risen to 100% under the 2.0 scheme, meaning that the cost of materials is now fully subsidised. Households are only required to cover the labour costs associated with the installation.

Through this scheme, beneficiaries can achieve significant cost savings at the time of the investment, followed by further, long-term reductions in running costs during the operational phase. Properly installed thermal insulation thus contributes significantly not only to improving energy efficiency but also to strengthening the financial stability of households.

Policies relating to affected communities, consumers and end-users: S3-1, S4-1, MDR-P

The **MASTERPLAST Group** does not currently have a separate policy specifically focused on affected communities and end-users. However, its operations are governed by several management systems based on international standards (ISO 9001, ISO 14001, ISO 50001, ISO 45001), which indirectly help the Company to prevent or minimise any potential negative impacts arising from its operations on affected communities.

The Group's business activities focus on improving social living conditions, particularly through energy-efficient insulation solutions. The ethical standards set out in relation to society are laid down in the **Code of Ethics**. In addition, the Group has several internal policies – notably **the Product Recall Policy, the Complaints Handling Policy and the Corporate Principles** – which serve to protect the interests of end-users. These documents set out:

- respect for human rights,
- product safety and compliance requirements,
- compliance with legislation,
- ethical business conduct.

The Group's policies are consistent with internationally recognised human rights principles, in particular the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises.

In the future, the Group will consider developing a unified policy regarding affected communities and consumers, particularly in relation to HFP. However, the relevant principles and commitments are already set out in grant agreements and the relevant internal procedures.

Processes for engaging with affected communities, consumers and end-users about impacts S3-2, S4-2

The Group maintains contact with affected communities and consumers through multiple channels:

- via its customer service system,
- through commercial partners,
- through the administration of support programmes,
- through market research and feedback mechanisms.

Feedback from stakeholders is incorporated into product development and quality assurance processes. The effectiveness of engagement is assessed based on the feedback and complaints received and the effectiveness of their handling.

Processes aimed at remedying negative impacts S3-3, S4-3

The Group operates a multi-channel complaints handling system, the details of which are set out in [the chapter entitled 'Business Conduct'](#).

Complaints are treated confidentially, in full compliance with data protection rules. Anonymous reporting is also possible. The prohibition of retaliation is laid down in internal regulations.

Incoming cases are tracked using a structured system, and the analysis of recurring issues leads to improvement measures.

Measures relating to affected communities, consumers and end-users S3-4, S4-4, MDR-A

To reinforce positive social impacts, the Group actively participates in supported refurbishment programmes, strives to improve energy efficiency through continuous product development, and pays particular attention to ensuring product quality and regulatory compliance.

To prevent potential negative impacts the Group operates a rigorous quality control system, has a formalised product recall procedure in place, and regularly reviews and improves its compliance processes. In developing its operating practices the Group's fundamental aim is to ensure that its activities do not cause or exacerbate significant negative social impacts.

Social responsibility is thus not merely a matter of corporate social engagement, but one of the defining principles of the Group's business strategy. The strategic objective is to manufacture and make available insulation materials on as wide a scale as possible, thereby promoting the widespread adoption of cost-effective, low-energy homes.

The **MASTERPLAST Group** employs product safety and quality control processes to assess the impact on consumers and end-users. Feedback received during sales helps to understand this stakeholder group with sustainability in mind. Product certifications, as well as any complaints, responses to them, and subsequent feedback, provide further useful background information.

Objectives relating to affected communities, consumers and end-users: S3-5, S4-5, MDR-T

Performance is assessed based on the number of projects implemented within the EEOS framework, which approached ~12,000 in 2025. The estimate is based on the amount of money spent on the projects.

At present no separate, quantified targets have been set for consumers, end-users and affected communities; in these areas, the direction is currently set by the business strategy and the associated business objectives. However, the Group is exploring the possibility of setting specific and measurable targets for future use, which could support the monitoring and assessment of social impacts in a more structured manner.

CORPORATE GOVERNANCE

Material impacts, risks and opportunities and their interaction with strategy and business model *IRO-1, SBM-3*

ESRS standard	Topic	Description	Classification	Value chain	Timeframe	Other information Link to business model, sustainability strategy
G1 Business conduct	Corporate culture	Our Group is committed to responsible, transparent and effective corporate governance and fair business practices. We conduct our business in accordance with high ethical standards and in compliance with the law. As a responsible company, we do everything we can to ensure that fundamental ethical standards are fully integrated into our day-to-day work, into the relationships between colleagues, and into our relationships with customers, owners, suppliers and all other stakeholders. We are committed to operating ethically and transparently, and to competing with our rivals in a purposeful yet fair manner.	Actual positive impact	Own operations	Short-term	Responsible and transparent corporate governance as well as fair business practices ensure long-term trust from customers, suppliers and other stakeholders, which directly influences our company's business results. The application of high ethical standards reduces legal and reputational risks, ensuring sustainable growth and competitive operations.
G1 Business Conduct	Political engagement and lobbying	Our professional memberships provide opportunities for valuable partnerships, knowledge acquisition, knowledge sharing, exchange of experience, continuous development, learning and the sharing of best practices. Domestic and international professional organisations support industry continuity, knowledge sharing and continuous development. We set objectives in close cooperation with them.	Actual positive impact	Own operations	Long-term	The MASTERPLAST Group primarily conducts its lobbying activities through professional advocacy organisations. The company is a member of the National Association of Building Contractors (ÉVOSZ); representing the company, Dávid Tibor is Vice-President of ÉVOSZ and Chairman of the Domestic Building Materials Manufacturers' Section.
G1 Business Conduct	Management of relationships with suppliers, including payment practices	We focus on building long-term, mutually beneficial partnerships with our suppliers. To foster strong partnerships, we provide continuous feedback whilst adhering to the highest ethical standards. We pay particular attention to sustainability, environmental and human rights issues in our supplier relationships.	Actual positive impact	Own operations	Medium term	Addressing sustainability, environmental and human rights issues in the supply chain has a direct impact on the company's reputation and legal compliance. Furthermore, establishing ethical business practices and mutually beneficial partnerships promotes long-term stability and the smooth operation of the supply chain, which is essential for maintaining the company's competitiveness.

Business Conduct

*For the **MASTERPLAST Group** business conduct and corporate culture are fundamental pillars of sustainable growth and long-term success. The Company believes that responsible and ethical conduct not only entails compliance with legal and regulatory requirements but also serves to embody corporate values and social responsibility. The guidelines on business conduct and corporate culture apply at every level of day-to-day operations, and their aim is to contribute to the achievement of corporate objectives whilst respecting the interests of employees, partners and society.*

The role of the governing body of MASTERPLAST with regard to business conduct GOV-1

The Board of Directors, the governing body of **the MASTERPLAST Group**, is responsible for defining, communicating and enforcing the high ethical standards upheld by the organisation. The Board of Directors not only represents the organisation in dealings with third parties, but also assumes responsibility for the statements made and conduct of employees within the organisation. The Audit Committee and the Supervisory Board have no direct influence on business conduct, but they perform a supervisory function and set an example to underpin the expectations placed on employees. Ethical business conduct must, after all, be upheld in day-to-day operations by the Group's more than 1,300 employees.

The Company's Code of Ethics https://www.masterplastgroup.com/wp-content/uploads/2024/10/mpg_sz_hr_010_v-6-0-etikai-kodex_honlapra_alairas-nelkul.pdf is issued by the Group's Chief Executive Officer. All employees conducting business on behalf of the **MASTERPLAST Group** must confirm their compliance with the Code upon taking up their post, whenever the Code is amended, and by signing it once a year. The person designated at the relevant subsidiary of the Group, or the Human Resources department, is responsible for keeping a record of the declarations of compliance. Compliance checks relating to the Code of Ethics are carried out in accordance with the provisions of the internal audit policy. The Code of Ethics, issued in 2009, was reviewed in February 2024. Version 6.0 of the **MASTERPLAST** Code of Ethics includes significant updates and expansions. The new version places greater emphasis on anti-money laundering and counter-terrorism measures, data protection, and action against harassment and discrimination, whilst also introducing an anonymous ethics reporting system. It also takes into account the principles of the UN Global Compact, whilst further strengthening the Group's responsible and ethical business practices.

The members of the Board of Directors are committed to transparent business conduct and ethics, as well as to fostering a corporate culture free from corruption. Their careers, spanning several decades, underpin their professional expertise in business conduct. The Board of Directors includes experts with extensive experience in corporate law, risk management, ESG strategy and compliance. There is an overlap between the membership of the Audit Committee and the Board of Directors, meaning that the members' expertise in business conduct is consistent.

One member of the Board of Directors is an internationally recognised expert in compliance and corporate governance. Several members have a background in finance and law, with a particular focus on managing ethical risks.

Further information: <https://www.masterplastgroup.com/igazgatotnacs/>

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

During the Green Committee meetings in 2025, the Group's management continued to pay close attention to familiarising themselves with international and domestic regulations relating to sustainability, as well as preparing for compliance with these obligations.

The foundations of ethical business conduct and corporate culture:

1. Code of Ethics and corporate guidelines

The Code of Ethics defines fair business practices, prohibits corruption and conflicts of interest, sets out rules governing gifts, invitations and business relationships, and establishes ethical standards for internal and external communication. The provisions of the Code of Ethics are updated from time to time and are accepted by all employees.

2. Internal control system and risk management

To minimise risks, the company operates an internal control system:

Internal audit: Regular internal audits ensure the compliance of financial and operational processes.

Risk analysis: Continuous monitoring of critical points and the prevention of potential misconduct are key. Through all this, the Group also ensures compliance with the Hungarian ESG Act.

3. Corporate governance and management accountability

Independent Board: Objective decision-making is ensured through the participation of independent members on the Board.

Responsible executive decision-making: The leadership's exemplary conduct and transparent decision-making processes set an example in relation to the expected ethical standards.

4. Reporting channels and handling of misconduct

5. Anonymous whistleblowing system: ensures the protection of whistleblowers.

6. Sustainability and Corporate Social Responsibility (ESG)

To maintain the Group's long-term credibility and stability, it must operate with due regard to ESG (Environmental, Social, Governance) considerations:

Sustainable business practices: Integrating environmental and social responsibility objectives into the business strategy. (Details of this are set out in the '[Strategy](#)' chapter.)

Transparency and disclosure: Preparing regular ESG reports (Sustainability Report, ESG Report) that outline the Group's ethical and sustainability commitments.

Fair supply chain: Collaborating with partners who also adhere to ethical and sustainable principles.

The MASTERPLAST corporate culture and regulations governing business conduct: G1-1, MDR-P

The **Code of Ethics of the MASTERPLAST Group** sets standards for relationships with employees as well as with customers, suppliers, competitors, shareholders, external stakeholders, communities, governments and other business partners, defining the principles that ensure ethical and fair operations and business relationships. The Code does not cover every possible situation or circumstance, but provides guidance, highlighting key issues. As a general rule, the interests of the Group and its Partners must be taken into account in all cases; for matters not covered by the Code, the responsible manager should be consulted.

The provisions of this Code are binding and apply to all employees of **the MASTERPLAST Group**, as well as to those who have a business relationship with or work with any company within the **Group**.

Respect for human rights is a fundamental value. The details of this are set out in our **Human Rights Policy**. Further details: <https://www.masterplastgroup.com/emberi-jogi-politika/>

The guidelines governing the supplier relationships of the **Group** are set out in **the Supplier Code of Conduct and Business Ethics**. Details of this are presented [in the chapter entitled 'Supplier Relationships'](#).

The Chief Executive Officer is responsible for the compilation, promulgation and implementation of the ethical guidelines (Codes of Ethics), as well as for informing employees.

Those concerned are informed in writing of any changes to the codes. The revised, current codes are also available on our website: <https://www.masterplastgroup.com/vallalatiranyitas>

When updating the codes of ethics, the Company also supports the relevant parties with training where appropriate.

Although the policies were developed at management level, the **MASTERPLAST Group** also took into account insights derived from practical experience and internal feedback when drafting and reviewing the policies.

The **Group** recognises the ten principles of the UN Global Compact and supports and pledges to embed the OECD Guidelines for Multinational Enterprises across its entire business operations. By applying strict ethical and moral business standards, it actively supports these principles in the areas of human rights, labour standards, environmental protection and the fight against corruption.

The Company operates a whistleblowing system to ensure the effective identification and management of ethical risks. A detailed description of the system is provided in [the chapter entitled 'Own Workforce'](#) and in the remainder of this chapter, and all employees are briefed on how the system works upon joining the Company.

Apart from the whistleblowing channel required by law, the Company does not operate a separate, dedicated system for the prevention of corruption and bribery, given that it has not identified any areas of particular risk in this regard. In carrying out the related detection and control tasks, the work of the governing body is supported by the internal audit function, in addition to the reporting of misconduct.

Shaping and developing the corporate culture of the MASTERPLAST Group

Part of the corporate culture is the so-called '**Principles of Cooperation**', a code developed jointly with employees and management, which sets out how colleagues communicate with one another, how they operate the organisation and its systems, a code which supports teamwork based on mutual respect. The Company's aim is to ensure that communication is open, honest and constructive at all levels.

The cornerstone of the success of **MASTERPLAST** is a corporate culture that prioritises market focus, individual accountability and an entrepreneurial spirit. **MASTERPLAST** is a company built on the value creation of its employees and is committed to maintaining long-term working relationships and individual development. The Group is committed to responsible, transparent and effective corporate governance and fair business practices.

The Company's **Articles of Association** are publicly available and provide a detailed description of its operations.

The Articles of Association place great emphasis on the implementation of responsible corporate governance recommendations and guidelines, taking into account the structure and characteristics of the Group formed by the Company and its subsidiaries. Under the guidance of the Board of Directors, management continuously develops its operational and control practices, and the principles applied are regularly reviewed to ensure compliance with the constantly evolving best international practices in this area.

The corporate governance practices of the **MASTERPLAST Group** are in line with the requirements of the Budapest Stock Exchange and current capital market regulations. The Group pays particular attention to the BSE recommendations on responsible corporate governance in its day-to-day operations and regulations.

The Group's [Code of Ethics](#) also sets out expectations regarding managers (Section 1.5), namely that members of management, directors and managers are obliged to continuously monitor for any signs of unethical behaviour or actions contrary to the company's interests and values, and must report such incidents without delay. Employees who become aware of behaviour contrary to the provisions of the Code or other breaches of the rules are obliged to report this to their immediate superior, the internal auditor, or via the **MASTERPLAST Group Whistleblowing Portal**. (Section 1.7)

Incoming reports – whether submitted via the Code of Ethics or the Whistleblowing Portal – are investigated in accordance with the Whistleblowing Policy, and the protection of the rights of those involved is treated as a priority within the framework of an impartial procedure.

Whistleblowing Investigation Committee: The Whistleblowing Investigation Committee is responsible for monitoring and investigating reports of misconduct, determining the outcome of such investigations, and taking any further action deemed necessary based on the report. The Whistleblowing Investigation Committee is an organisational unit within **the MASTERPLAST Group** which, in the course of its proceedings, ensures the proper investigation of reports, careful follow-up, the protection of the whistleblower (and any third parties potentially involved in the report) and fair proceedings throughout the operation of the system. The committee consists of three members, who elect a chairperson from among themselves.

Compliance with the principles set out in the Code of Ethics and the operation of the system in accordance with these principles is monitored by the internal auditor. During an investigation, all employees are expected to be fully available and to cooperate. In the event of an ethical breach, the circumstances must be investigated and the perpetrator held accountable. Any employee who breaches the rules of the Code of Ethics will be subject to disciplinary proceedings. Depending on the severity of the breach, proceedings under labour law or criminal law must be initiated. In the event of a criminal offence, the Company will file a report with the police and may terminate the employment of the employee(s) concerned.

Reports regarding breaches of legislation or ethical standards, or the detection of significant risks, may be made anonymously via **the MASTERPLAST Group Whistleblowing Portal** (<https://sites.google.com/view/mpishu>). The whistleblower shall not suffer any disadvantage as a result of making a report, except in cases of bad faith. No reports of misconduct were received in 2025.

Training

To ensure compliance with ethical standards, the Company organises mandatory annual training on the content of the Code of Ethics. The aim of the training is to ensure that all relevant employees are familiar with and understand the principles of conduct expected by the Company, with particular regard to integrity, the management of conflicts of interest, and the prevention of corruption and other misconduct. Regular updates to the training ensure that changes in the regulatory environment or internal policies are incorporated into practice, and participation is tracked in a documented manner.

Political engagement and lobbying activities

G1-5

The **MASTERPLAST Group** does not engage in lobbying in the traditional sense either independently or in an organised form, and does not provide financial or non-financial support to political parties or political organisations. The **MASTERPLAST Group** primarily conducts its lobbying activities in Hungary through professional interest groups. Through these positions it actively participates in policy consultations on the construction industry and energy efficiency, with particular regard to the modernisation of building energy systems, the promotion of building renovations, and the development of the regulatory environment for energy efficiency.

The Company's professional advocacy activities are primarily carried out through its membership of domestic and international professional organisations, notably the Sustainability Section of the National Association of Building Contractors (ÉVOSZ) and the Domestic Building Materials Manufacturers' Section. The Company participates in the work of the Sustainability Section through a representative delegated by the Chief Executive Officer, with the aim of accessing up-to-date professional information, sharing relevant experiences, and actively contributing to industry dialogue and the shaping of sustainability initiatives.

Further information: <https://evosz.hu/szervezet/szakmai-tagozatok/1103-fenntarthat%C3%B3s%C3%A1gi-tagozat>

Other professional memberships (BCSDH, KÖVET Association, ESG Club Hungary) provide opportunities beyond the industry for valuable partnerships, knowledge sharing, exchange of experiences, and the identification and application of best practices. These organisations support cross-sector professional dialogue and continuous development. Within the framework of these collaborations the Company participates in defining common professional objectives, with particular regard to sustainability, environmental protection and quality assurance issues.

The EU Transparency Register is a system in which organisations that seek to influence EU decision-making are required (or advised) to register. The Group's role in professional organisations is not aimed at directly influencing legislative processes, and so it is not registered; the primary purpose of participating in industry dialogue is to gain an understanding of professional viewpoints, share industry information, and monitor changes in the regulatory environment, whilst facilitating the sharing of proposals in an organised and controlled manner. All such activities undertaken by the Company are conducted in accordance with the principles of integrity and transparency set out in the Code of Ethics.

Supplier relations

The **MASTERPLAST Group** integrates sustainability as a key element into its business model and strategy through its procurement decisions. The Company pays close attention to selecting energy-efficient and low-carbon production processes. Another important consideration is taking into account suppliers' ethical and social responsibility. The Company uses certifications and accreditations to ensure that its suppliers meet global sustainability standards. Taking into account suppliers' recycling and waste management practices helps to reduce environmental impacts. Through these measures, the **MASTERPLAST Group** ensures that procurement decisions are aligned with its sustainability objectives. The long-term sustainability of the business model contributes to the Company's competitiveness and success.

Management of supplier relationships G1-2

The **MASTERPLAST Group** has set out its policy on the prevention and management of late payments in its Organisational and Operational Regulations. During the reporting period, a separate receivables management policy is being prepared to provide detailed regulations.

The payment of supplier invoices is primarily governed by the terms set out in the contract, and the payment deadline stated on the invoice is binding.

The **MASTERPLAST Group** recognises that supply chains are globally fragile systems that may carry significant environmental and social risks. For this reason, the Company attaches particular importance to conducting its operations in an ethical, socially responsible and environmentally sustainable manner. Its aim is to exert a positive influence on its business environment and value chain through the establishment of long-term, stable partnerships. It is committed to ensuring that its relationships with suppliers are characterised by fair business conduct. In its procurement activities, it strives for effective collaboration, long-term relationships and optimised processes in order to establish a sustainable and responsible supply chain for the Group.

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

The **MASTERPLAST Group** reserves the right to verify compliance with the Supplier Code of Conduct and Ethics using the following methods:

- supplier self-declaration,
- third-party reporting,
- submission of certificates, and
- on-site inspections.

The [Supplier Code of Conduct and Ethics](#) forms an integral part of the contracts between the **MASTERPLAST Group** and its suppliers.

The **MASTERPLAST Group** reserves the right not to enter into a supply contract with parties found to be in breach of the Supplier Code of Conduct and Ethics, or to suspend such a contract until compliance with the Code is achieved. The **MASTERPLAST Group** is entitled to verify compliance through audits. Further information in Hungarian:

https://www.masterplastgroup.com/wp-content/uploads/2024/11/hu_mpg_sz_besz_002_v-1-0-beszallitoi-magatartasi-es-etikai-kodex-withou-sign.pdf

The **MASTERPLAST Group** focuses on establishing long-term, mutually beneficial partnerships with its suppliers. To foster strong partnerships, it provides feedback whilst adhering to the highest ethical standards. It pays particular attention to sustainability, environmental and human rights issues in its supplier relationships.

Communication between the MASTERPLAST Group and its suppliers

Method of communication	Frequency
Communication via email	Regularly
Face-to-face communication, visits to suppliers and manufacturers	Regularly
Direct consultations with supplier key account managers	Regularly
Supplier forums, surveys, training sessions	Annually, subject to business decisions
Participation in international trade fairs	Annually, subject to business decisions

Optimal supply chain

The **MASTERPLAST Group** is committed to shortening the supply chain. Fossil-based raw materials are sourced from the Middle East as well as from the countries where our production sites are located. In the case of non-fossil-based raw materials – glass fibre – the Far East also features as a supplier, currently representing the most advantageous procurement option.

Packaging materials, both fossil-based and non-fossil-based, are sourced from the countries where the sites are located via a short supply chain.

The Group has prepared its first ESG report in accordance with the Hungarian ESG Act and established a documented risk management system in relation to this. Although the first reports are not yet public, the disclosure requirement will come into force from 2028. We will provide comprehensive information on the details of this in our sustainability reports following 2028.

Payment Practices G1-6

Responsible and reliable business conduct is of paramount importance to the **MASTERPLAST Group**, which includes timely financial settlements with suppliers. The Group pays particular attention to ensuring that small and medium-sized enterprises (SMEs) are not disadvantaged by late payments.

In its contracts, the **MASTERPLAST Group** typically undertakes to pay its partners within 60–90 days.

For service providers:

- logistics 15–30 days,
- other services 8–30 days,
- for SMEs, 8–15 days is the typical payment term agreed in the contract.

75% of the **Group’s** payments to its partners were made within the agreed timeframes, in accordance with the general terms and conditions, during the period under review. The average number of payment days: 41

Payments are typically made on the due date or 1–2 days prior to it; however, delays of approximately 5–10 days have occurred. In the case of SMEs, the Group pays particular attention to ensuring that they are not disadvantaged. In such situations active consultation and communication support the prioritisation of payments. In the case of sole traders, payment deadlines are met precisely.

In 2025 no legal proceedings were initiated against the **MASTERPLAST Group** for late payment.

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The relationship between the ESRS standard and EU legislation

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⁴³ Regulation (EU) 2019/2088 of the European Parliament and of the Council

⁴⁴ Regulation (EU) No 575/2013 of the European Parliament and of the Council

⁴⁵ Regulation (EU) 2016/1011 of the European Parliament and of the Council

⁴⁶ Regulation (EU) 2021/1119 of the European Parliament and of the Council

ESRS E1-1 Transition plan to reach climate neutrality by 2050, Paragraph 14				Regulation (EU) 2021/1119, Article 2(1)	69	
ESRS E1-1 Undertakings excluded from the Paris-aligned Benchmarks, Paragraph 16(g)		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453, Table 1: Banking book – Climate transition risk: Credit quality of exposures by sector, emissions volume and remaining maturity	Delegated Regulation (EU) 2020/1818, Article 12(1)(d) to (g) and Article 12(2).		79	
ESRS E1-4 GHG emission reduction targets Paragraph 34	Indicator No 4 in Table 2 of Annex I	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453, Table 3: Banking book – Climate transition risk: Alignment metrics	Delegated Regulation (EU) 2020/1818, Article 6		87	
ESRS E1-5 Energy consumption from fossil sources, disaggregated by sources (only high climate impact sectors) Paragraph 38	Indicator No 5 in Table 1 and Indicator No 5 in Table 2 of Annex I					Not material
ESRS E1-5 Energy consumption and mix, paragraph 37	Indicator No. 5 in Table 1 of Annex I				89	
ESRS E1-5 Energy intensity in associated with activities in high climate impact sectors, paragraphs 40–43	Indicator No 6 in Table 1 of Annex I					Not material
ESRS E1-6 Gross Scope 1, 2 and 3, and total GHG emissions Paragraph 44	Indicators 1 and 2 in Table 1 of Annex I	Article 449a; Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453, Table 1: Banking book – Climate transition risk: Credit quality of exposures by sector, volume of emissions and remaining maturity	Delegated Regulation (EU) 2020/1818, Article 5(1), Article 6 and Article 8(1)		92	
ESRS E1-6	Indicator No 3 in Table 1 of Annex I	Regulation (EU) No 575/2013, Article 449a; Commission	Regulation (EU) 2020/1818, Article 8(1)		99	

Gross GHG emissions intensity Paragraphs 53–55		Implementing Regulation (EU) 2022/2453, Table 3: Banking book – Climate transition risk: Alignment metrics				
ESRS E1-7 GHG removals and carbon credits Paragraph 56				Regulation (EU) 2021/1119, Article 2(1)	99	
ESRS E1-9 Exposure of the benchmark portfolio to climate-related physical risks Paragraph 66			Delegated Regulation (EU) 2020/1818, Annex II, Delegated Regulation (EU) 2020/1816, Annex II			<i>Transitional exemption</i>
ESRS E1-9 Disaggregation of monetary amounts by acute and chronic physical risk, paragraph 66(a) ESRS E1-9 Location of significant assets at material physical risk, paragraph 66(c)		Regulation (EU) No 575/2013, Article 449a; Commission Implementing Regulation (EU) 2022/2453, recitals (46) and (47); Table 5: Banking book – Physical risks related to climate change: Exposure to physical risks.				<i>Transitional exemption</i>
ESRS E1-9. Breakdown of the carrying value of its real estate assets by energy efficiency class Paragraph 67(c)		Regulation (EU) No 575/2013, Article 449a; Commission Implementing Regulation (EU) 2022/2453, Recital 34; Table 2: Banking book – Climate transition risk: Loans secured by property – Energy efficiency of the collateral ()				<i>Transitional exemption</i>
ESRS E1-9 Degree of exposure of the portfolio to climate-related opportunities Paragraph 69			Delegated Regulation (EU) 2020/1818, Annex II			<i>Transitional exemption</i>
ESRS E2-4 Amount of each pollutant listed in Annex II to the European PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil, paragraph 28	Indicator No 8 in Table 1 of Annex I, Indicator No 2 in Table 2 of Annex I, Indicator No 1 in Table 2 of Annex I, Indicator No 3 in Table 2 of Annex I				103	
ESRS E3-1 Water and marine resources, paragraph 9	Indicator No 7 in Table 2 of Annex I					<i>Not material</i>

ESRS E3-1 Dedicated policy, paragraph 13	Indicator No 8 in Table 2 of Annex I					Not material
ESRS E3-1 Sustainable oceans and seas Paragraph 14	Indicator No 12 in Table 2 of Annex I					Not material
ESRS E3-4 Total water recycled and reused, paragraph 28(c)	Indicator No 6.2 in Table 2 of Annex I					Not material
ESRS E3-4 Total water consumption in m ³ per net revenue on own operations Paragraph 29	Indicator No 6.1 in Table 2 of Annex I					Not material
ESRS 2 – IRO 1 – E4, paragraph 16(a)(i)	Indicator No 7 in Table 1 of Annex I				104	
ESRS 2 – IRO 1 – E4, paragraph 16(b)	Indicator No 10 in Table 2 of Annex I				104	
ESRS 2 – IRO 1 – E4, paragraph 16(c)	Indicator No 14 in Table 2 of Annex I				104	
ESRS E4-2 Sustainable land /agricultural practices or policies Paragraph 24(b)	Indicator No 11 in Table 2 of Annex I					Not material
ESRS E4-2 Sustainable oceans/seas practices or policies Paragraph 24(c)	Indicator No 12 in Table 2 of Annex I					Not material
ESRS E4-2 Policies to address deforestation, paragraph 24(d)	Indicator No 15 in Table 2 of Annex I					Not material
ESRS E5-5 Non-recycled waste, paragraph 37(d)	Indicator No 13 in Table 2 of Annex I				113	
ESRS E5-5 Hazardous waste and radioactive waste, paragraph 39	Indicator No 9 in Table 1 of Annex I				113	
ESRS 2 – SBM3 – S1 Risk of incidents of forced labour, paragraph 14(f)	Indicator No. 13 in Table 3 of Annex I				129	
ESRS 2 – SBM3 – S1 Risk of incidents of child labour Paragraph 14(g)	Indicator No. 12 in Table 3 of Annex I				129	
ESRS S1-1 Human rights policy commitments, paragraph 20	Indicator No 9 in Table 3 and Indicator No 11 in Table 1 of Annex I				132	

ESRS S1-1 Due diligence policies on issues addressed by the fundamental International Labour Organisation Conventions Nos 1–8, paragraph 21			Delegated Regulation (EU) 2020/1816, Annex II		132	
ESRS S1-1 Processes and measures for preventing trafficking in human beings, paragraph 22	Indicator No 11 in Table 3 of Annex I				136	
ESRS S1-1 Workplace accident prevention policy or management system, paragraph 23	Indicator No. 1 in Table 3 of Annex I				44 / 136	
ESRS S1-3 Grievance/complaints handling mechanisms, paragraph 32(c)	Indicator No 5 in Table 3 of Annex I				133	
ESRS S1-14 Number of fatalities and number and rate of work-related accidents (paragraph 88(b) and (c))	Indicator No 2 in Table 3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		139	
ESRS S1-14 Number of days lost to injuries, accidents, fatalities or illness Point 88(e)	Indicator No 3 in Table 3 of Annex I				140	
ESRS S1-16 Unadjusted gender pay gap, point 97(a)	Indicator No. 12 in Table 1 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II			Not material
ESRS S1-16 Excessive CEO pay ratio, point 97(b)	Indicator No 8 in Table 3 of Annex I					Not material
ESRS S1-17 Incidents of discrimination, point 103(a)	Indicator No. 7 in Table 3 of Annex I					Not material
ESRS S1-17 Non-respect of UNGPs on Business and Human Rights and OECD Guidelines Paragraph 104(a)	Indicator No. 10 in Table 1 and Indicator No. 14 in Table 3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II, Delegated Regulation (EU) 2020/1818, Article 12(1)			Not material
ESRS 2 – SBM3 – S2 Significant risk of child labour or forced labour in the value chain, point 11(b)	Indicators 12 and 13 in Table 3 of Annex I					Transitional exemption
ESRS S2-1	Indicator No. 9 in Table 3 of Annex I					Transitional exemption

Human rights policy commitments Section 17	and Indicator No. 11 in Table 1 of Annex I					
ESRS S2-1 Policies relating to value chain workers Section 18	Indicators 11 and 4 in Table 3 of Annex I					Transitional exemption
ESRS S2-1 Non-respect of UNGP's on Business and Human Rights and OECD Guidelines Paragraph 19	Indicator No. 10 in Table 1 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II, Delegated Regulation (EU) 2020/1818, Article 12(1)			Transitional exemption
ESRS S2-1 Due diligence policies on issues addressed by the fundamental International Labour Organisation Conventions Nos 1–8, paragraph 19			Delegated Regulation (EU) 2020/1816, Annex II			Transitional exemption
ESRS S2-4 Human rights issues and incidents connected to its upstream and downstream value chain Paragraph 36	Indicator No 14 in Table 3 of Annex I					Transitional exemption
ESRS S3-1 Human rights policy commitments, paragraph 16	Indicator No 9 in Table 3 and Indicator No 11 in Table 1 of Annex I					Transitional exemption
ESRS S3-1 Non-respect of UNGP's on Business and Human Rights, ILO principles or OECD guidelines Section 17	Indicator No. 10 in Table 1 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II, Article 12(1) of Delegated Regulation (EU) 2020/1818			Transitional exemption
ESRS S3-4 Human rights issues and incidents, paragraph 36	Indicator No 14 in Table 3 of Annex I					Transitional exemption
ESRS S4-1 Policies related to consumers and end-users, paragraph 16	Indicator No 9 in Table 3 and Indicator No 11 in Table 1 of Annex I					Transitional exemption
ESRS S4-1 Non-respect of UNGP's on Business and Human Rights and OECD Guidelines Section 17	Indicator No. 10 in Table 1 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II, Delegated Regulation (EU) 2020/1818, Article 12(1)			Transitional exemption
ESRS S4-4 Human rights issues and incidents, paragraph 35	Indicator No 14 in Table 3 of Annex I					Transitional exemption
ESRS G1-1 United Nations Convention against	Indicator No 15 in Table 3 of Annex I				151	

Corruption, Article 10(b)						
ESRS G1-1 Protection of whistle-blowers Paragraph 10(d)	Indicator No. 6 in Table 3 of Annex I				133 / 150	
ESRS G1-4 Fines for violation of anti-corruption and anti-bribery laws, paragraph 24(a)	Indicator No. 17 in Table 3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II			<i>Not material</i>
ESRS G1-4 Standards of anti-corruption and anti-bribery, paragraph 24(b)	Indicator No. 16 in Table 3 of Annex I					<i>Not material</i>

MASTERPLAST Plc.
ANNUAL REPORT 2025
8 April 2026



MASTERPLAST

MASTERPLAST

PUBLIC LIMITED COMPANY

SEPARATE ANNUAL REPORT

for the financial year ended 31 December 2025
in accordance with International Financial Reporting Standards (IFRS)
(as adopted by the EU)

Sárszentmihály, 8 April 2026

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MASTERPLAST PUBLIC LIMITED COMPANY



ANNUAL REPORT 2025

FOR THE YEAR ENDED 31 DECEMBER 2025 (all amounts in thousands of HUF, unless otherwise stated)

**MASTERPLAST PUBLIC LIMITED COMPANY**

1. STATEMENT OF FINANCIAL POSITION

Statement Of Financial Position	Note	2025	2024
Non-Current Assets			
Property, plant and equipment	9	3,480,607	3,463,635
Intangible assets	9	227,989	248,759
Investments in subsidiaries	11	22,601,450	9,011,867
Investments in associates	12	3,344,077	6,418,302
Deferred tax assets	26	57,385	59,537
Other long-term financial assets	13	5,512,100	12,877,253
Non-Current Assets		35,223,608	32,079,353
Current Assets			
Trade Receivables	14	701,945	475,403
Tax receivables	26	191	32,662
Other Current Assets	15	2,365,695	563,537
Cash And Cash Equivalents	16	2,060,955	220,099
Other current financial assets		173,430	0
Current Assets		5,302,216	1,291,701
Assets Held For Sale	15	390,024	363,064
TOTAL ASSETS		40,915,848	33,734,118
Equity			
Share Capital		1,925,063	1,685,063
Reserves		16,176,716	13,171,962
Treasury Shares		-885,168	-868,279
Profit/(loss) for The Year		1,630,112	-2,829,163
Equity		18,846,723	11,159,583
Provisions			
Provisions		24,978	21,148
Provisions		24,978	21,148
Non-Current Liabilities			
Long-term Finance Lease Liabilities	10	18,493	40,338
Deferred Income	18	293,012	295,421
Liabilities from bond issues	17	10,493,316	13,489,320
Other non-current liabilities	19	0	2,915,135
Non-Current Liabilities		10,804,821	16,740,214
Current Liabilities			
Trade Payables	20	558,826	215,008
Current Finance Lease Liabilities	10	12,158	15,289
Current portion of deferred income	18	2,793	2,793
Other financial liabilities	17	298,616	868,817
Other Current Liabilities	21	10,366,933	4,711,266
Current Liabilities		11,239,326	5,813,173
TOTAL LIABILITIES		22,044,147	22,553,387
TOTAL ASSETS		40,915,848	33,734,118

MASTERPLAST PUBLIC LIMITED COMPANY

2. STATEMENT OF PROFIT OR LOSS

Statement Of Profit or Loss	Note	2025	2024
Revenue	28	2,517,015	1,356,969
Materials and services used	23	-578,312	-626,920
Employee benefits expense	24	-1,077,749	-1,069,489
Depreciation, amortisation and impairment	9	-228,287	-224,101
Dividend income	28	7,405,473	1,254,966
Other Operating Expenses	25	-168,469	-58,640
PROFIT FROM OPERATING ACTIVITIES		7,869,671	632,785
Interest Income	26	579,196	983,388
Interest Expense	26	-570,436	-843,900
Other income (expenses) from financial transactions	26	-2,804,794	-3,483,721
Financial Result		-2,796,034	-3,344,233
Share of profit/(loss) of associates	12	-3,420,958	-33,954
Profit /(Loss) Before Tax		1,652,679	-2,745,402
Income Tax	27	-22,567	-83,761
PROFIT/(LOSS) FOR THE YEAR		1,630,112	-2,829,163

3. STATEMENT OF OTHER COMPREHENSIVE INCOME

Statement Of Other Comprehensive Income	2025	2024
Profit /(Loss) Before Tax	1,630,112	-2,829,163
Comprehensive income related to CCIRS transaction*	86,088	80,327
Total Other Comprehensive Income:	86,088	80,327
Comprehensive income:	1,716,200	-2,748,836

*In subsequent periods, the amount relating to the Company will not be recognised in the Statement Of Profit Or Loss.

MASTERPLAST Plc.
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2025
(all amounts in thousands of forints, unless otherwise stated)

4. STATEMENT OF CHANGES IN EQUITY

STATEMENT OF CHANGES IN EQUITY	Share Capital	Treasury Shares	Capital reserve	Comprehensive income	Retained earnings	Total reserves	Profit For The Year	Total equity
1 January 2025	1,685,063	-868,279	11,106,827	-126,584	2,191,719	13,171,962	-2,829,163	11,159,583
Profit For The Year	0	0	0	0	0	0	1,630,112	1,630,112
Share capital increase	240,000	0	5,747,830	0	0	5,747,830	0	5,987,830
Other Comprehensive Income - CCIRS	0	0	0	86,088	0	86,088	0	86,088
Effect of disposal of shareholding (PIMCO)	0	0	0	0	0	0	0	0
Carry forward of previous year's result	0	0	0	0	-2,829,164	-2,829,164	2,829,164	0
Committed reserves	0	0	0	0	0	0	0	0
Treasury Shares	0	-49,016	0	0	0	0	0	-49,016
Dividend paid	0	0	0	0	0	0	0	0
Impact of MRP consolidation	0	0	0	0	0	0	0	0
MRP Remuneration (2023–2024)	0	0	0	0	0	0	0	0
MRP Remuneration (2024–2025)	0	32,127	0	0	0	0	0	32,127
31 December 2025	1,925,063	-885,168	16,854,657	-40,496	-637,445	16,176,716	1,630,112	18,846,723

*The total number of Treasury Shares repurchased and held by the Company as at 31 December 2025 was 310,151, with a value of HUF 31 015 eFt.

ANNUAL REPORT 2025

FOR THE YEAR ENDED 31 DECEMBER 2025 (all amounts in thousands of HUF, unless otherwise stated)

**MASTERPLAST PUBLIC LIMITED COMPANY**

STATEMENT OF CHANGES IN EQUITY	Share Capital	Treasury Shares	Capital reserve	Comprehensive income	Retained earnings	Total reserves	Profit For The Year	Total equity
1 January 2024	1,685,063	-779,206	11,106,827	-206,911	2,544,963	13,444,879	-327,383	14,023,353
Profit For The Year	0	0	0	0	0	0	-2,829,163	-2,829,163
Other Comprehensive Income - CCIRS	0	0	0	80,327	0	80,327	0	80,327
Carry-forward of previous year's profit	0	0	0	0	-324,988	-324,988	327,383	2,395
Committed reserves	0	0	0	0	-25,866	-25 8660	0	<u>-51,732</u>
Impact of MRP consolidation	0	0	0	0	-2,390	-2,390	0	-2,390
MRP Remuneration (2022–2023)	0	448,311	0	0	0	0	0	448,311
MRP Remuneration (2024–2025)	0	-537,384	0	0	0	0	0	-537,384
31 December 2024	1,685,063	-868,279	11,106,827	-126,584	2,191,719	13,171,962	-2,829,163	11,159,583

* As at 31 December 2024, the Company held a total of 290,151 Treasury Shares, with a nominal value of HUF 29,015,000.

MASTERPLAST Plc.
Notes To The Financial Statements
FOR THE YEAR ENDED 31 DECEMBER 2025
(all amounts in thousands of forints, unless otherwise stated)

5. STATEMENT OF CASH FLOWS

Cash flow	2025	2024
OPERATING ACTIVITIES		
Profit Before Tax	1,652,679	-2,745,402
Depreciation, amortisation and impairment of property, plant and equipment	228,287	125,823
Impairment losses / reversals recognised	2,506,443	4,264,215
Release (recognition) of provisions	5,643	11,991
(Loss) on the sale of tangible and intangible assets	58,019	153
(Loss) on the sale of equity interests	0	0
Interest Expense	570,436	843,900
Interest Income	-579,196	-983,388
(Profit) loss from associates	3,074,225	33,954
Unrealised foreign exchange (gain)/ loss	-233,036	-1,331,267
Changes in working capital:		
Change in Trade Receivables	-252,299	-162,237
Change in Other Current Assets	-1,822,346	1,984,860
Change in Trade Payables	343,538	103,923
Change in Other Liabilities	2,656,638	-3,055,872
MRP result	-16,890	-114,934
Income Tax paid	-20,415	-19,051
Net cash flow from operating activities	8,171,727	-1,043,333
INVESTING ACTIVITIES		
Acquisition of property, plant and equipment and intangible assets	-281,898	177,709
Purchase of shares	-17,207,262	-2,327,458
Gain on disposal of shareholding / associated company	1,392,681	0
Income from the sale of tangible and intangible assets	-2,423	-4,352
Interest received	579,196	983,388
Net cash flow from investing activities	(15,519,706)	-1,170,713
FINANCING ACTIVITIES		
Value of share issue	5,987,830	0
Loans taken out	2,098,915	6,719,055
Loan repayments	-5,035,894	0
Bond issue	86,088	80,327
Dividend Payment	0	0
Change in the portfolio of long-term borrowings	6,562,907	-4,435,768
Interest paid	-570,436	-843,900
Net cash flow from financing activities	9,129,410	1,519,714
Increase (decrease) in Cash And Cash Equivalents	1,781,431	-694,331
Cash And Cash Equivalents at the beginning of the year	220,099	912,694
Exchange rate differences on Cash And Cash Equivalents	59,425	1,736
Cash And Cash Equivalents at year-end	2,060,955	220,099

MASTERPLAST PUBLIC LIMITED COMPANY

6. COMPANY INFORMATION

The financial statements have been prepared by Masterplast Public Limited Company (Masterplast Plc., company registration number: 07-10-001342, tax number: 13805300-4-07).

The Company's registered office is located in Hungary at 8143 Sárszentmihály, Árpád u. 1/a. The address of its website, where detailed information is available, is www.masterplastgroup.com.

The Company's principal activity: asset management (holding) – TEAOR 6421'25.

Masterplast Public Limited Company ("Masterplast Plc." or "the Company"), together with its subsidiaries and associated companies, forms the Masterplast Group (the "Group" or "Masterplast"). The Company was established on 29 September 2006 through the beneficiary conversion of its legal predecessor, Masterplast Műanyagipari és Kereskedelmi Korlátolt Felelősségű Társaság. The legal predecessor commenced operations in 1997 as a Hungarian-owned limited liability company. On 20 April 2011, it was converted into a public limited company, and its registration with the Companies Court was completed. On 29 November 2011, the shares were technically listed on the Budapest Stock Exchange.

The Company's financial (business) year covers the period from 1 January to 31 December.

The average number of employees at the Company in 2025 was 70 (2024: 75)

The Company's audit fee for 2025, which also includes the audit of the consolidated financial statements: EUR 90,125 + VAT (2024: EUR 67,500 + VAT) The audit fee increased due to changes in the companies included in the scope of Consolidation.

Within the group, the Serbian firm Forvis Mazars provided transfer pricing documentation services in the amount of EUR 5,500, with the approval of the Audit Committee.

This report is the Company's separate IFRS financial statements. The Company also prepares consolidated financial statements as part of the Consolidation process, which are available at the following link: www.masterplastgroup.com

Presentation of Masterplast Plc.'s business

The core activity of Masterplast Plc. is asset management, alongside which it also engages in property development. Its investments consist of investments in Subsidiaries of the Masterplast Group; consequently, developments in the construction market can significantly influence the Company's profitability through the profitability and capital structure of the individual Subsidiaries.

Its property management activities relate to the Sárszentmihály and Kál sites. All the properties established at the two sites are wholly owned by Masterplast Plc., which utilises them through lease agreements. The vast majority of tenants are subsidiaries operating at the sites, with a smaller proportion being independent businesses not affiliated with the Group.

In addition to the above, the Company provides parent-company loans to its Subsidiaries and enters into group-level bank loans and procurement agreements. The Group's management and employees performing Group-level tasks are employed by Masterplast Plc.; consequently, Group-level functions also operate under the Company's supervision, meaning that the management of the Masterplast Group is also carried out through the Company.

Key factors influencing Masterplast Plc.'s results for 2025:

- The Company's revenues derive largely from lease payments and Interest Income related to the aforementioned activities, as well as from the value of services provided to its Subsidiaries.
- The Company's profitability in 2025 was significantly influenced by dividends of HUF 6,892 million received from its three Hungarian subsidiaries and HUF 513 million received from its foreign subsidiaries.
- The above transaction has no impact on the Masterplast Group's consolidated results.

MASTERPLAST PUBLIC LIMITED COMPANY

- During 2025, the Company introduced new cash-flow management within the group. As part of this, it settled the companies with low equity capital with the help of additional payments, and restructured the IC loan structure. On the other hand, it received dividends from certain subsidiaries. As a result, the composition and value of the shares and IC loans changed significantly compared to the previous year.

The Company performs measurement of its investments in subsidiaries every year. The majority of the Group's companies are profitable, generate positive cash flow, and, based on the measurement as at 31 December 2025, the assets of almost all companies (according to their own financial statements and IFRS) exceed the carrying amount of the investment recorded in Masterplast Plc. The Company will resolve the capital position of the loss-making Subsidiaries in 2026.

Share information:

Breakdown of share capital by share class in Hungarian forints: 19,250,631 registered ordinary shares with a nominal value of HUF 100 each (2024: 16,850,631 registered ordinary shares with a nominal value of HUF 100 each).

Type of shares: registered, dematerialised

ISIN codes of the shares: HU0000093943

The ownership structure is as follows:

Shareholders	2025	2024
Tibor Dávid	0 HUF	454,805,700 HUF
Tibor Dávid Bizalmi Vagyonkezelő Korlátolt Felelősségi Társaság (1)	454,805,700 HUF	0 HUF
Balázs Ács	387,725,900 HUF	HUF 387,725,900
MFB Corporate Investment and Transaction Private Equity Fund (2) (3)	313,170,700 HUF	*
Tivadar Bunford	HUF 42,169,000	HUF 42,169,000
Róbert Nádas	12,903,400 HUF	12,903,400 HUF
Illés Jancsó	3,490,900 HUF	4,490,900 HUF
László Pécsi	2,013,200 HUF	2,013,200 HUF
Lukács Flórián László	252,000 HUF	252,000 HUF
Several minority shareholders	HUF 677,517,200	751,687,900 HUF
Shares repurchased	HUF 31,015,100	HUF 29,015,100
Total	HUF 1,925,063,100	HUF 1,685,063,100

(1) According to the announcement made on 29 December 2025 by Tibor Dávid, Chairman of the Board of Directors and Chief Executive Officer, in order to restructure and consolidate his private assets in the long term, as sole settlor, for the purpose of trust management, to Tibor Dávid Bizalmi Vagyonkezelő Korlátolt Felelősségi Társaság (1), a trust management company established by him, managed by him as sole director and wholly owned by him. In light of the above, in all respects of the beneficial ownership position as defined in Section 3(38) of Act LIII of 2017 on the Prevention and Combating of Money Laundering and Terrorist Financing, Tibor Dávid remains the settlor, beneficiary and sole owner of the trust management company; the identity of the beneficial, ultimate and controlling owner of the Shares shall not change as a result of the establishment of the trust structure.

(2) On 28 February 2025, the Company's Board of Directors resolved to increase the Company's share capital through a private placement of new ordinary shares in return for a cash contribution, as follows: The amount of the share capital increase is HUF 240,000,000, in connection with which 2,400,000 new registered, dematerialised ordinary shares, each with a nominal value of HUF 100 and an issue price of HUF 2,500, were issued

(3) held a stake of less than 5%

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The voting ratios are as follows:

Shareholders	2025		2024		
Tibor Dávid (1)	0%	0.00%	4,548,057	27.0%	votes
Tibor Dávid Bizalmi Vagyonkezelő Korlátolt Felelősségi Társaság (1)	4,548,057	23.63%	0	0.0%	votes
Ács Balázs (1)	3,877,259	20.14%	3,877,259	23.0%	votes
MFB Corporate Investment and Transaction Private Equity Fund	3,131,707	16.27%		0.0%	votes
Bunford Tivadar	421,690	2.19%	421,690	2.5%	votes
Nádasi Róbert	129,034	0.67%	129,034	0.8%	votes
Jancsó Illés	34,909	0.18%	44,909	0.3%	votes
Pécsi László	20,132	0.10%	20,132	0.1%	votes
Lukács Flórián László	2,520	0.01%	2,520	0.0%	votes
Several minority shareholders	6,775,172	35.19%	7,516,879	44.6%	votes
Total	18,940,480		16,560,480		

*Excludes repurchased shares

(1) The founding shareholders (or their foundation) hold 43.77% + 1 share (8,425,316 shares) of the shares issued by Masterplast Plc.

The Company's executive body is the five-member Board of Directors. The Board of Directors, together with the Audit Committee formed from its independent members, acts as a body implementing a unified management system and jointly performs the duties of the Board Of Directors and the Supervisory Board as defined by law. The Board Of Directors is responsible for deciding on all matters that do not fall within the exclusive competence of the General Meeting, or which legislation and the Articles Of Association assign to the Board Of Directors

Members of the Board Of Directors:

Name	Position	Start of term (start of Board Of Directors)	End of term	Board of Directors /Time served as a member of the Board Of Directors	Shareholding
Tibor Dávid	Chairman of the Board of Directors	3 April 2008	30 June 2026	approximately 17.5 years	-
Ács Balázs	Vice-Chairman of the Board of Directors	3 April 2008	30 June 2026	approximately 17.5 years	3,877,259 ordinary shares
Dirk Theuns	Member of the Board of Directors	1 May 2014	30 June 2026	approximately 11.5 years	-
Dezse Margaret	Member of the Board of Directors	1 May 2020	30 June 2026	approximately 5.5 years	1,300 ordinary shares
Tóth József	Member of the Board of Directors	1 May 2025	30 June 2026	approximately 0.5 years	-

Members of the Audit Committee:

Dezse Margaret
Dirk Theuns
Tóth József

MASTERPLAST PUBLIC LIMITED COMPANY**The Company's activities:**

The Company's main activity is asset management; however, as its investments are in companies operating in the construction sector, its current and future prospects are determined by developments in the domestic and international construction industry.

7. ACCOUNTING POLICIES**7.1. Basis of preparation**

The annual report of Masterplast Plc. has been prepared in accordance with the International Financial Reporting Standards (IFRS) adopted by the European Union. All IFRS rules issued by the International Accounting Standards Board (IASB) that were in force at the time of preparing the Consolidated Annual Financial Statements and are relevant to Masterplast Plc. have been adopted by the EU. Thus, the Consolidated Annual Financial Statements are in accordance with the IFRS principles issued by the IASB and also comply with the provisions of the Hungarian Accounting Act relating to consolidated financial statements, the latter of which refers to the IFRS rules adopted by the EU.

7.2. Standards not yet effective and not applied early**New and amended standards and interpretations applied in the current year**

With the exception of the amended IFRS standards adopted by the Group/Company as of 1 January 2024 and described below, the accounting policies applied in the preparation of the annual financial statements are consistent with those applied in the previous year:

New and amended standards and interpretations issued by the IASB and adopted by the EU, effective from the current Reporting Period:

At the date of approval of these Financial Statements, the following standards issued by the IASB and adopted by the EU, as well as amendments to existing standards and interpretations, have been applied in the Financial Statements:

The Company, which provides guidance on determining when a currency is considered non-convertible and prescribes how to determine the estimated spot exchange rate in cases where a market exchange rate is not available.

1. Measurement of the convertibility of a currency

The Company assesses convertibility in accordance with the amendments to IAS 21, based on the following criteria:

- whether there is an accessible market of sufficient size for converting the currency into another currency,
- whether there are any legal, administrative or economic restrictions that prevent or significantly delay conversion,
- whether economic operators are actually able to convert cash flows denominated in the foreign currency in question into another foreign currency within a reasonable period of time.

If, based on the above criteria, the currency is not convertible, the Company translates transactions or balance sheet items using an estimated Exchange Rate rather than a market rate.

2. Determination of the estimated exchange rate

In the case of non-convertible currencies, the Company determines the estimated Exchange Rate by taking the following factors into account:

- differences between the official Exchange Rate and actual transaction rates,
- Exchange Rate information from parallel or alternative markets (where relevant and reliable),
- Observable Exchange Rates from Related Economic Events or Transactions,
- Indirect Exchange Rates via Other Foreign Currencies,
- objective data consistent with economic realities.

The Company documents the methodology for determining the estimated Exchange Rate and reviews it at least annually, or in the event of a significant change in circumstances.

MASTERPLAST PUBLIC LIMITED COMPANY**3. Disclosures**

The Company presents, in accordance with IFRS disclosure requirements:

- which Foreign Currencies are classified as non-convertible,
- the methodology used to determine the estimated Exchange Rate,
- the significant estimates and assumptions used,
- the effect of non-convertibility on the Financial Statements.

4. Impact on the Financial Statements

The application of the amendment does not change the principles of consolidation for foreign operations, but may affect:

- the translation amounts of revenue and expenses,
- the revaluation result of monetary items,
- the revaluation differences of foreign operations (OCI).

The Company continuously monitors changes in the economic and regulatory environment that may affect currency convertibility.

New and amended standards and interpretations issued by the IASB and adopted by the EU but not yet effective:

IFRSs adopted by the EU differ from the regulations adopted by the International Accounting Standards Board (IASB) in respect of the following new standards, amendments to existing standards and new interpretations as at the date of disclosures for the Financial Statements:

- Amendments to IFRS 9 relating to the classification and measurement of financial instruments come into effect on 1 January 2026, affecting three areas:
 - Derecognition of Financial Liabilities

The Company derecognises Financial Liabilities when settlement has been completed definitively via an electronic payment system and the Company has no further payment obligations. The date of electronic settlement is determined based on the characteristics of the payment system.

- Classification of Financial Assets

In accordance with the amendments, the Company analyses in detail whether the contractual cash flows of the Financial Assets meet the 'solely payments of principal and interest' (SPPI) criterion. In the analysis, we take into account:

- contractual terms that alter the timing or amount of cash flows,
- non-recourse and
- contractually-linked structures.

We document the results of the SPPI measurement and review them annually.

- Disclosures

The Company provides expanded disclosures in accordance with the amendments to IFRS 7 regarding:

- Equity instruments measured at fair value through Other Comprehensive Income,
- contractual terms that alter the timing or amount of cash flows,
- changes in classification and measurement, and their impact on the Financial Statements.

The Company may, at its discretion, elect to apply the amendments early, particularly in the case of instruments with ESG characteristics.

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- Amendments to IFRS 9 and IFRS 7: Contracts for renewable electricity

Effective date: 1 January 2026

The Company takes into account the new rules for the treatment of contracts relating to electricity generated from weather-dependent Renewable Energy sources (e.g. wind, solar).

3.1. 'Own use' exemption

The Company assesses, based on the interpretation set out in the amendments, whether contracts relating to Renewable Energy meet the 'own use' exception. If not, the contract must be treated as a derivative financial instrument and recognised at Fair Value.

3.2. Hedge accounting

The Company may apply hedge accounting to contracts aimed at the physical purchase of Renewable Energy, provided that:

- the designated hedging transaction is documented,
- the hedging relationship is effective, and
- the volume of the contract is weather-dependent.

3.3. Disclosures

The Company provides detailed disclosures on the impact of contracts on financial performance and cash flows, with particular emphasis on:

- volatility in volumes,
- the effect of hedge accounting,
- the presentation of fair value measurement.

Expected changes in accounting policies (new standards effective from 2027)

1. IFRS 18 – Presentation and Disclosures for Financial Statements

IFRS 18 comes into force on 1 January 2027 and replaces the provisions of the current IAS 1. The Company will apply the standard from the date of mandatory application.

The accounting policies and Financial Statements will be affected by the following significant changes:

1.1. New mandatory subtotals in the Statement Of Profit Or Loss

IFRS 18 requires that the Statement Of Profit Or Loss include mandatory subtotals defined in a uniform manner. These are, in particular, the following:

- profit from business activities,
- profit from investing activities,
- profit from financing activities.

The Company will restructure the Statement Of Profit Or Loss accordingly.

1.2. Disclosures of performance indicators used by management

Where the Company uses non-statutory performance measures determined by management (e.g. adjusted profit, adjusted EBITDA, profit from core operations), the following will be required under IFRS 18:

- clearly define the measures,
- Presentation of the method of calculation,
- to ensure reconciliation with the nearest IFRS profit line,
- justification of the use of the metrics.

The Company is reviewing the use and disclosures of these indicators to ensure compliance with the new requirements.

1.3. New principles for the classification of information to be presented

IFRS 18 provides detailed rules on how, in Financial Statements:

- items should be aggregated or presented separately,
- Measure materiality,
- organise the arrangement of lines and sub-groups logically,
- avoid unnecessary detail or the concealment of information.

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The Company is reviewing the structure of the Statement Of Financial Position, the Statement Of Profit Or Loss and the related notes accordingly.

2. IFRS 19 – Subsidiaries not subject to public accountability

IFRS 19 is effective from 1 January 2027. It allows certain subsidiaries not subject to public accountability to apply reduced disclosures.

2.1. Assessment of the standard's applicability

The Company will measure which subsidiaries fall within the scope of IFRS 19. Those subsidiaries that do not qualify as publicly accountable entities will be eligible for reduced disclosures.

2.2. Changes to disclosures

Under IFRS 19:

- Subsidiaries continue to apply all IFRS measurement, presentation and recognition requirements,
- however, the volume and level of detail of disclosures under IFRS 19 will be significantly reduced.

The Company is amending its subsidiary reporting processes accordingly.

The changes to the aforementioned standards and amendments in 2026 are not expected to have a significant impact on the Group's consolidated results, financial position and Financial Statements. The changes coming into effect on 1 January 2027 require a deliberate professional preparation process.

Standards and interpretations issued by the IASB but not yet adopted by the EU : No such standard existed at the end of 2025.

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7.3. Foreign currency transactions

Functional and presentation currency

The Company's annual financial statements are prepared in the currency of its primary operating environment (functional currency). In view of the nature and circumstances of the underlying economic events, the Company's functional currency is the Hungarian forint (HUF).

Transactions and balances

Foreign currency transactions are translated into the functional currency at the Exchange Rate of the National Bank of Hungary prevailing on the transaction date. Exchange gains and losses arising from the settlement of such transactions, as well as from the year-end revaluation of Financial Assets and Financial Liabilities denominated in Foreign Currencies, are recognised in the Statement Of Profit Or Loss (Financial Result).

7.4. Intangible assets

The Company measures intangible assets at cost upon acquisition. Intangible assets are recognised if it is probable that future economic benefits associated with the asset will flow to the Company and the cost of the asset can be measured reliably. Intangible assets are carried at cost, less accumulated amortisation and any accumulated impairment losses. Amortisation of intangible assets is calculated using the straight-line method, based on the best estimate of the useful life. The amortisation period and method are reviewed annually at the end of the financial year. The annual amortisation rate ranges from 10% to 33%, which the Company calculates on a straight-line basis.

7.5. Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment. Upon disposal or any other reduction in the asset base, the gross value of the assets, together with accumulated depreciation and accumulated impairment losses, if any, are written off from the books, and the resulting gain or loss is recognised in the Statement of profit or loss. Costs incurred after commissioning, such as maintenance or repairs, are charged to the profit and loss account as they are incurred.

- The Company does not recognise depreciation on land.
- Depreciation is calculated using the straight-line method with a component-based approach, taking into account the Useful Life. The depreciation rates applied are as follows:

Property	2% – 8%
Machinery and equipment	6% – 33%

- Depreciation of the capitalised value of refurbishments carried out on leased equipment is calculated based on the shorter of the expected useful life and the lease term. Useful lives and depreciation methods are reviewed at least annually to ensure they appropriately reflect the actual economic benefits provided by the asset.
- The Residual Values of significant assets are determined on the basis of an assessment and estimate by the Group's technical director; Residual Values are reviewed annually.

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7.6. Equity interests

7.6.1 Holdings in subsidiaries

As at the balance sheet date, the Company holds equity interests in the following companies:

Company name	Place of registration	Main activity	Date of acquisition	Ownership share (%)		Voting share (%)	
				2025	2024	2025	2024
Master Plast S.r.o.	Slovakia	Building materials wholesale	4 November 1999	100%	100%	100%	100%
Masterplast Insulation Ltd.	Hungary	EPS manufacturing and wholesale	29 June 2004	100%	100%	100%	100%
Masterplast d.o.o.	Croatia	Building materials wholesale	25 February 2002	100%	100%	100%	100%
Masterplast Membrane Ltd.(1)	Hungary	Building materials wholesale	30 September 2007	100%	100%	100%	100%
Masterplast Hungária Ltd.	Hungary	Building materials wholesale	17 May 2016	100%	100%	100%	100%
Masterplast International Ltd.	Hungary	Building materials wholesale	17 May 2016	100%	100%	100%	100%
Masterplast Modulhouse Ltd.	Hungary	Building materials wholesale	17 May 2016	100%	100%	100%	100%
Fidelis Bau Ltd.	Hungary	Manufacture of lightweight insulating concrete	1 July 2020	100%	100%	100%	100%
Masterplast Romania S.R.L.	Romania	Building materials wholesale	19 January 2001	100%	100%	100%	100%
Masterplast Sp. z o.o.	Poland	Building materials wholesale	06/06/2005	80.04%	80.04%	80.04%	80.04%
Masterplast Nonwoven GmbH	Germany	Roofing Membrane manufacturing	1 July 2020	100.00%	100%	100.00%	100%
Masterplast Italia SRL	Italy	Building materials wholesale	4 April 2022	100.00%	100%	100.00%	100%
MasterPlast TOV	Ukraine	Building materials wholesale	17 March 2005	80%	80%	80%	80%
Masterplast YU D.o.o.	Serbia	Wholesale of building materials, EPS manufacturing	19 March 2002	100%	100%	100%	100%
MP Green Invest	Ukraine	Asset management	8 June 2012	100%	100%	100%	100%
Masterplast Doool Kicevo	North Macedonia	Building materials wholesale	17 February 2002	100%	100%	100%	100%
Masterwool MW-1 d.o.o (2)	Serbia	Rock Wool manufacturing	27 January 2022	0%	100%	0%	100%
Masterplast Proizvodnja D.o.o	Serbia	XPS production	02/01/2021	100%	100%	100%	100%

(1) Masterplast Medical Ltd. has changed its name; from 1 January 2026, the Subsidiary will be known as Masterplast Membrane Ltd.

(2) On 26 June 2025, the Company's Board of Directors decided on the merger of Masterwool MW-1 d.o.o. into Masterplast YU d.o.o. The merger process was completed in accordance with applicable Serbian legislation and relevant accounting and corporate regulations, and the merger was registered in the Serbian Business Register by the Serbian Business Register Agency (ARP) in November 2025

Upon transition to IFRS, the initial measurement of equity interests is made at deemed cost in accordance with IFRS 1.D15. The Company has chosen the carrying amount under the previously applied accounting rules as the deemed cost.

7.6.2 Investments in associates

The Company holds the following investment in an Associate:

Company name	Place of registration	Main activity	Year of incorporation	Ownership share (%)		Voting share (%)	
				2025	2024	2025	2024
MasterProfil Ltd. (1)	Hungary	Profile manufacturing	26 April 2007	20%	20%	20%	20%
T-CELL Ltd. (2)	Hungary	Polystyrene manufacturing	03/06/2019	24%	24%	24%	24%
PIMCO Ltd. (3)	Hungary	Glass Wool manufacturing	10 May 2011	50%	50%	50%	50%
MIP Zrt. (4)	Hungary	Rock Wool manufacturing	7 July 2022	49.39%	50%	49.39%	50%

(1) Majority shareholder: Zsolt Császár 80%

(2) Majority shareholder: B.C.S Befektetési Ltd. MP Plc. acquired a 24% stake in the company on 3 June 2019.

(3) Co-owner: Selena FM S.A.

(4) Market Zrt. is a joint owner.

The Company values its interests in associates using the equity method at initial recognition and in subsequent measurements. The valuation of investments does not affect Other Comprehensive Income; it is recognised in profit or loss.

7.6.3 Impairment of equity investments

In the separate financial statements, equity interests in subsidiaries are presented at cost, which is the amount paid in cash or cash equivalents, or the Fair Value of other consideration paid. In the case of equity interests acquired in Foreign Currency, the cost is the equivalent calculated at the official exchange rate published by the National Bank of Hungary on the date of the transaction. Equity interests recorded in Foreign Currency are not revalued.

The Company reviews the investments shown under equity interests annually, taking into account the associated company's equity and future plans. If the associate was loss-making in the current period and the preceding year, or if the associate's Equity decreases by at least 50% in the current year (an indication of impairment), the Company performs an Impairment Test at the end of the current year in accordance with IAS 36.

The net recoverable amount of the investment is equal to the present value of the future cash flows expected to arise from it. If the recoverable amount is less than the carrying amount, an impairment loss must be recognised.

In subsequent years, if the loss arising from the previously recognised impairment no longer exists or has decreased, the impairment loss must be reversed to the recoverable amount, but not exceeding the investment's original cost. The reversal may only be made if there has been a change in the estimates used to determine the recoverable amount since the impairment loss was last recognised. The impairment loss and its reversal must be recognised in the Statement Of Profit Or Loss as an expense or financial income.

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7.7. Impairment of assets

The Company reviews the carrying amount of assets subject to depreciation or amortisation whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is the amount by which the carrying amount of the asset exceeds its recoverable amount. Recoverable amount is the higher of the Fair Value less costs to sell and the value in use of the asset. For the purpose of assessing impairment, assets are grouped at the lowest levels at which distinct cash flows can be identified (cash-generating units). When performing the reversal of impairment, the carrying amount of the asset (cash-generating unit) is increased to its recoverable amount, provided that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in previous years.

7.8. Financial Assets

7.8.1 Classification of Financial Assets

In accordance with the requirements of IFRS 9, the Company recognises a financial asset in its Statement Of Financial Position when, and only when, its contractual terms become applicable to it. Under IFRS 9, upon initial recognition, the Company classifies Financial Assets into the following three categories depending on the measurement method used in the future:

- (a) Financial Assets measured at amortised cost
- (b) Financial Assets measured at fair value through profit or loss
- (c) Financial Assets measured at Fair Value through Other Comprehensive Income.

The initial classification of Financial Assets into these three categories at the time of recognition is based on the characteristics of the cash flows arising from the contract underlying the Financial Asset and the Company's Business Model for managing Financial Assets. The Company's Business Model for managing Financial Assets relates to how the Company intends to obtain the cash flows arising from the Financial Asset in question. Specifically, whether it intends to collect only the cash flows (principal, interest) arising from the contractual terms of the financial asset, or whether it intends to obtain the cash flows associated with the financial asset through the subsequent sale of the asset, or possibly through a combination of these two options.

The Company measures the financial asset at amortised cost if both of the following conditions are met:

- (a) the Company holds the financial asset for the purpose of collecting the contractual cash flows of the financial asset
- (b) the contractual terms of the financial asset give rise to cash flows at specified dates that consist solely of payments of principal and interest on the principal amount outstanding.

The Company measures the financial asset at fair value through Other Comprehensive Income if both of the following conditions are met:

- (a) the Company holds the financial asset for the purpose of collecting the contractual cash flows of the financial asset or, if an opportunity arises, selling the financial asset
- (b) The contractual terms of the financial asset give rise to cash flows at specified dates that consist solely of payments of principal and interest on the outstanding principal

The Company measures the financial asset at fair value through profit or loss, unless it is measured at amortised cost or at fair value through Other Comprehensive Income, based on compliance with the requirements listed above.

MASTERPLAST PUBLIC LIMITED COMPANY*7.8.2 Measurement of financial assets*

On initial recognition, the Company measures Financial Assets – with the exception of Trade Receivables that do not contain a significant financing component – at Fair Value, with the fair value increased or decreased – where the financial asset is not measured at fair value through profit or loss – by transaction costs directly attributable to the acquisition of the financial asset.

The Company measures trade receivables that do not contain a significant financing component at their transaction price as determined in accordance with IFRS 15 upon initial recognition.

7.8.3 Impairment of Financial Assets

The Company recognises an impairment loss for expected credit losses on financial assets measured at amortised cost and on financial assets measured at fair value through Other Comprehensive Income. At each reporting date, the Company assesses whether the credit risk of a given financial asset has increased significantly since initial recognition and, depending on this, recognises an impairment equal to the expected credit loss – calculated over 12 months or over the asset's lifetime.

The Company has assessed the impact on profit or loss of the expected credit loss (ECL) identifiable under IFRS 9 and does not consider it to be material; therefore, no ECL has been recognised.

7.8.4 Borrowings granted

The Company classifies borrowings granted under 'other non-current financial assets' or 'other current assets' depending on their maturity. Upon initial recognition, the Company recognises them at fair value less loan origination costs, and subsequently at amortised cost taking into account the effective interest rate. The amortised cost includes the disbursement costs, any discounts and the value of the settlement fee. The Company recognises any impairment losses, write-downs and exchange rate differences arising on these borrowings against profit or loss. The Company previously measured these borrowings at amortised cost in accordance with IAS 39; therefore, the transition to IFRS 9 on 1 January 2018 did not result in a significant change in the carrying amount of these borrowings.

The Company measured the loans in question using tests based on the Business Model and cash flows arising from contractual terms; as a result, the Company classified the loans in question as financial assets carried at amortised cost under ''.

7.8.5 Trade Receivables

Trade Receivables represent the Company's receivables arising unconditionally from the provision of services or the sale of goods accounted for in accordance with IFRS 15, and for which payment is due solely as a result of the passage of time. The Company's trade receivables do not contain a significant financing component. Trade Receivables that do not contain a significant financing component are initially recognised by the Company at the transaction price determined in accordance with IFRS 15, and are subsequently presented at the Amortised Cost, using the effective interest rate method and net of any impairment losses.

Impairment of Trade Receivables is recognised if, during the balance sheet measurement, the Company determines that the Credit Risk associated with the Trade Receivables has increased significantly, as there is objective evidence that the Company will not be able to collect all amounts due under the underlying agreement. Significant financial difficulties on the part of the debtor, the likelihood of the debtor's bankruptcy or financial restructuring, late payment or non-payment, as well as previous recoveries, may be regarded as indications that the Trade Receivables may have suffered an impairment. Depending on the increase in Credit Risk, the Company recognises an impairment loss equal to the expected credit loss – calculated over 12 months or over the lifetime of the receivable.

MASTERPLAST PUBLIC LIMITED COMPANY*7.8.6 Derivative financial instruments*

The Company uses derivative financial instruments, such as forward foreign exchange contracts or interest rate swaps, to manage risks arising from changes in interest rates and Exchange Rates. These derivative financial instruments are recognised at fair value on the date of the contract and are revalued in subsequent periods. Derivative transactions are accounted for as financial assets if their fair value is positive, and as Financial Liabilities if their fair value is negative. Income and expenses arising from changes in the fair value of derivative contracts that do not qualify as hedging transactions are recognised in the profit for the year, under income or expenses from financial transactions. When determining the year-end fair value of derivative financial instruments, the Company's counterparty prepares a calculation based on daily Exchange Rate fluctuations and the contractual terms, thereby determining the fair value of the transactions.

The Company has a Foreign Currency and Interest Rate Swap Transaction (), which consists of a Foreign Currency Swap and an Interest Rate Swap, which is inextricably linked to the bond issue and provides 1:1 collateral for the full principal and interest payments.

The cash flows of the CCIRS transaction and the bond are aligned in terms of timing and amount; consequently, any change in the value of the underlying instrument is fully offset by the hedging transaction (in terms of both Exchange Rate and Interest).

Based on the above, the Company has assessed the CCIRS transaction as 100% effective and therefore applies hedge accounting in accordance with IFRS 9. The Company recognises the effects arising from changes in exchange rates directly in profit or loss, whilst changes arising from yield curves are recognised in Other Comprehensive Income.

7.8.7 Cash And Cash Equivalents

Cash And Cash Equivalents comprise cash on hand and bank deposits. Cash equivalents are short-term, highly liquid investments with maturities of no more than three months from the date of acquisition, which carry minimal risk of changes in value and are readily convertible into cash.

7.9. Share Capital and Reserves

Share capital, capital reserves, retained earnings and Treasury Shares are stated at their original cost in the annual accounts.

In accordance with paragraphs 33 and 34 of IAS 32, Treasury Shares are accounted for as an item reducing Equity (capital reserve). Gains and losses arising on disposal are accordingly recognised directly against the capital reserve. In accordance with the provisions of IAS 1, the Company discloses the amount of treasury shares repurchased separately in both the Statement of Financial Position and the Notes To The Financial Statements.

Dividends payable to the Company's shareholders are recognised as a liability against retained earnings in the period in which the shareholders approve the dividend.

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7.10. Financial Liabilities

In accordance with the requirements of IFRS 9, the Company presents all financial liabilities at amortised cost, except for the following:

- (a) Financial Liabilities measured at fair value through profit or loss. These liabilities, including derivative instruments classified as liabilities, must subsequently be measured at fair value;
- (b) Financial Liabilities arising when the transfer of a Financial Asset does not meet the derecognition criteria, or when the continuing involvement approach applies.
- (c) Financial guarantee contracts. Following initial recognition, such a contract shall be measured at the higher of
 - the amount of the recognised loss
 - The amount initially recognised, less the cumulative amount of income, where applicable
- (d) commitments to extend credit at interest rates below market rates. Such commitments shall subsequently be measured at the higher of:
 - the amount of the recognised loss
 - The amount initially recognised, less the cumulative amount of income where applicable
- (e) The contingent consideration recognised by the acquirer in a Business Combination within the scope of IFRS 3 Business Combinations. Such contingent consideration shall subsequently be measured at Fair Value, with changes recognised in profit or loss.

The Company may also irrevocably designate a financial liability as measured at fair value through profit or loss on initial recognition if this results in more relevant information for any of the following reasons:

- (a) it eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise have arisen because the measurement of assets or liabilities, or the recognition of gains or losses on them, is based on different principles
- (b) the management and measurement of a group of financial liabilities or a group of financial assets and financial liabilities is carried out on a fair value basis, in accordance with a documented risk management or investment strategy, and information regarding the group is provided on this basis within the entity by the entity's key management personnel.

7.11. Trade Payables and Other Liabilities

The Company recognises trade payables and other liabilities (including accruals) at fair value on recognition and presents them in subsequent periods at amortised cost using the effective interest method. The carrying amount of trade payables and other liabilities approximates, and thus represents, their fair value due to their short-term nature.

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7.12. Provisions

Provisions are recognised where the Company has an obligation arising from a past event – whether statutory or contractual – and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. The Company recognises provisions for, amongst other things:

- (a) fines and penalty interest in all cases where these are legally enforceable or represent payment obligations to the authorities.
- (b) expected costs relating to departing employees in all cases where the relevant decision was made prior to the Reporting Date and communicated to the parties concerned.
- (c) in respect of litigation, for cases where claims brought by third parties are already at the stage of ongoing court proceedings, and sufficient information is available to make a reliable estimate that a payment obligation is likely to arise.

7.13. Employee benefits

The Company applies IAS 19 for the accounting treatment of employee benefits. Employee benefits comprise all forms of consideration given by the Company in exchange for service rendered by employees, including not only cash payments but also benefits in kind.

Classification of employee benefits:

- Short-term employee benefits: employee benefits (other than termination benefits) that become fully due within twelve months of the end of the period in which the employee performed the related work.
- Post-employment benefits: employee benefits (other than termination benefits) provided under formal or informal agreements that become payable after the end of the employment relationship.
- Severance payments: employee benefits that may become payable as a result of the company's decision to terminate the employee's employment prior to the normal retirement date, or as a result of the employee's decision to accept voluntary redundancy in exchange for these benefits.
- Pension contributions are deducted from the employee's gross salary and paid into the state social security fund. The Company does not maintain its own separate pension scheme; therefore, should the assets of the social security fund subsequently fail to provide cover for the pension due to employees on the basis of their past or current period of service, the Company cannot be compelled to make further contribution payments, either by law or through legal proceedings.
- Masterplast Plc. established the MASTERPLAST Employee Share Ownership Scheme Organisation on 14 December 2016. Masterplast Plc. (the Founder) established the MRP organisation to effectively administer incentive-based remuneration linked to Masterplast's business objectives for the company's executives (Participants). In accordance with IFRS 2, the Company accounts for the MRP organisation as a 100% extension of itself in its books, as it determines the operation of the MRP organisation through its remuneration policy. As the benefit constitutes a share-based payment settled in an equity instrument, its measurement and recognition are carried out in accordance with the requirements of IFRS 2.

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7.14. Profit from operating activities

Profit from operations comprises revenue less operating costs and other income (expenses).

7.15. Leases

Determining whether an agreement is a Lease or contains a Lease at the inception of the agreement depends on whether the agreement relates to the use of a specific Right-Of-Use Asset or the right to use it. The classification may only be changed in the following cases:

- (a) there is a change in the terms of the contract, other than a renewal or extension of the agreement;
- (b) the agreement is renewed or extended, unless such renewal or extension was already provided for in the original agreement;
- (c) there is a change in the determination that the fulfilment of the agreement depends on a specific asset; or
- (d) there is a significant change in the asset.

Where the substance of the agreement is reassessed, Lease accounting begins or ceases at the time of the reassessment in cases (a), (c) or (d), or at the time of renewal or extension in case (b).

7.15.1 The Company as a lessee

The Company first applied the IFRS 16 Leases accounting standard in the financial year beginning 1 January 2019.

Upon entering into a contract, the Company assesses whether the contract is a Lease or contains a Lease component. That is, whether the contract grants the right to use and exercise control over an identified asset in return for consideration over a specified period. The Company applies a uniform recognition and measurement approach to all leases, except for leases of short-term and low-value assets. The Company presents lease payments payable as a lease liability and the value of the use of the underlying asset as a right-of-use asset.

The Company recognises the right-of-use asset in its accounts on the commencement date of the Lease (i.e. the date on which the underlying asset is ready for use). Right-of-use assets are recognised at cost, less accumulated depreciation and any recognised impairment losses, and adjusted for changes arising from the remeasurement of the lease liability. The cost of a right-of-use asset comprises the value of the lease liability recognised, direct costs incurred at inception, and lease payments made at or before the inception date, net of any lease incentives received. Depreciation on right-of-use assets is calculated on a straight-line basis over the lease term.

The cost of the lease liability is the present value, calculated as at the commencement date of the lease, of the lease payments payable over the term of the lease. The lease payments comprise fixed lease payments (including substantially fixed lease payments) net of lease incentives received, variable lease payments dependent on an index or interest rate, and amounts expected to be paid under Residual Value guarantees. Lease payments include the exercise price of a purchase option, if it is reasonably probable that the option will be exercised, and fees payable on termination of the lease, if the lease term has been determined taking into account the exercise of a termination option. Variable lease payments that are not dependent on an index or interest rate are recognised in the period (unless they relate to the production of Inventories) in which the event giving rise to the payment occurred or the condition was met.

When calculating the present value of the lease liability, the Company uses the incremental interest rate prevailing on the lease commencement date, as the interest rate embedded in the lease cannot be readily determined. After the lease commencement date, the liability is increased by the interest recognised, whilst the lease payments made reduce it. In addition, the lease liability is remeasured in the event of a change if the lease term or the lease payment changes (e.g. the amount of future lease payments changes due to a change in an index or an interest rate), or if the assessment of the exercise of the option to purchase the underlying asset changes.

The Company's lease liabilities are presented under Non-Current Liabilities and Current Liabilities, depending on their maturity.

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The Company applies the short-term leases exemption to all its leases, regardless of which category of right-of-use assets the underlying asset belongs to (those leases with a term of 12 months or less from the commencement date of the lease and which do not contain a purchase option).

The Company also applies the low-value asset exemption to its low-value leased assets. Short-term leases and low-value leases are recognised as an expense on a straight-line basis over the lease term.

7.15.2 The Company as a lessor

The Company also carries out rental activities that do not qualify as leases for its subsidiaries and external companies. The Company recognises leased assets under property, plant and equipment in the Statement Of Financial Position. The Company recognises revenue from rental activities under Revenue in the Statement Of Profit Or Loss.

7.16. Government grants

Government grants are recognised at Fair Value if it is reasonably certain that the Company will receive the grant and that all related conditions will be met. The Company recognises government grants relating to expenses in the periods in which the costs they are intended to compensate are incurred.

State aid relating to an asset is recognised as Deferred Income and released against profit or loss on a straight-line basis over the useful life of the asset.

7.17. Revenue

The Company recognises revenue to the extent that it is probable that the economic benefits will flow to the Company and the amount of revenue can be reliably measured. Revenue is measured at the fair value of the consideration received, including discounts, rebates and taxes and duties on sales.

Revenue is recognised, net of sales-related taxes and discounts, when the goods are transferred or the service is rendered, and the risks and rewards are transferred.

Revenue is recognised when all five conditions set out in IFRS 15, Trade Receivables, are met.

7.18. Income from dividends

Given that the Company's principal activity is asset management, it recognises dividends received from subsidiaries and associates as part of Operating Profit in the Statement Of Profit Or Loss. The Company recognises dividend income at its initial fair value in the Reporting Period in which it is approved by the shareholders.

7.19. Interest Income

Interest income is recognised on a time-proportion basis, reflecting the effective yield on the related asset. Changes in the Fair Value of derivative instruments that do not meet the requirements for hedge accounting are recognised in the profit or loss for the period in which the change occurred.

7.20. Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets form part of the cost of those assets. Other borrowing costs are recognised in the Statement Of Profit Or Loss by the Company. Borrowing costs include interest and other financing costs paid by the Company in connection with loans.

The capitalisation period for borrowing costs extends until the date the asset is brought into use. Borrowing costs comprise interest and other costs related to financing, including the portion of exchange rate differences arising on foreign currency loans taken out to finance the investment that replaces Interest Expenses. The capitalisable borrowing cost is the weighted average of the general borrowing costs for the period. The Company classifies an asset as a qualifying asset if it takes a significant amount of time (typically longer than 6 months) to bring it into use.

7.21. Income Tax

7.21.1 Current year tax

Corporation tax is payable to the competent tax authority. The basis for tax payment is the taxable profit of the company, adjusted by items that reduce or increase the tax base.

The category of other income taxes includes certain local taxes (business tax), which in Hungary are levied on the company's net profit calculated in a specific manner.

7.21.2 Deferred Tax

The Company recognises deferred tax liabilities using the balance sheet liability method, based on temporary differences between the carrying amounts of assets and liabilities in the annual financial statements and the amounts recognised for corporate tax purposes. Deferred tax is not recognised where an asset or liability is initially recognised in the accounts as part of a non-acquisition transaction that has no effect on either the accounting profit or the taxable profit. Deferred tax assets and liabilities are determined using the tax rates applicable to the taxable income of the years in which the difference arising from the temporary difference is expected to be recovered. The amount of deferred tax liabilities and assets reflects the Company's estimate, as at the Reporting Date, of how tax assets and liabilities will be realised. Deferred tax assets relating to deductible temporary differences, tax credits carried forward and negative tax bases are recognised in the Statement Of Financial Position only if it is probable that the Company will realise taxable profits in the course of its future operations against which the deferred tax asset can be utilised, except in the following cases:

- Where the deferred tax asset relating to a deductible temporary difference arises from the recognition of an asset or liability not arising from a Business Combination that, at the time of the transaction, affects neither the accounting profit nor the tax base; or
- In the case of deductible temporary differences relating to investments in subsidiaries, Associate enterprises and joint ventures, the deferred tax asset may only be recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and sufficient taxable profit will be available against which the temporary differences can be utilised.

The deferred tax liability is recognised for all taxable temporary differences, except in the following cases:

- Where the deferred tax liability arises from the recognition of Goodwill or an asset or liability arising from a transaction other than a Business Combination that, at the time of the transaction, affects neither accounting profit nor the tax base; or
- In the case of tax base time differences relating to investments in subsidiaries, associates and joint ventures, where the timing of their reversal is within the Company's control and it is probable that the time differences will not reverse in the foreseeable future.

At each Reporting Date for the Statement Of Financial Position, the Company assesses deferred tax assets not recognised in the Statement Of Financial Position, as well as the carrying amount of recognised tax assets. It recognises as an asset that portion of the claims not previously recognised in the Statement Of Financial Position which is expected to be recovered in the form of a reduction in future Income Tax. Conversely, the Company reduces its Deferred Tax Asset by the amount for which no taxable profit is expected to be available to cover the recovery of that amount.

Current and deferred tax are recognised directly against Equity where they relate to items that were also recognised against Equity in the same or a different period, including adjustments to the opening balance of Reserves arising from retrospective changes in Accounting Policies.

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7.22. Earnings per share

In calculating basic earnings per share, the profit for the period attributable to ordinary shareholders is divided by the weighted average number of ordinary shares in issue during the period, after deducting the average number of preference shares.

The calculation of diluted earnings per share is consistent with the calculation of basic earnings per share, whilst taking into account the effect of all dilutive potential ordinary shares outstanding during the period:

- we add to the profit for the period attributable to ordinary shareholders the after-tax amount of dividends and interest recognised in respect of the dilutive potential ordinary shares during the period, and adjust for any other changes in income or expenses that would have resulted from the conversion of the dilutive potential ordinary shares,
- the weighted average number of ordinary shares in issue is increased by the weighted average number of additional ordinary shares that would have been in issue assuming the conversion of all dilutive potential ordinary shares.

7.23. Contingent Liabilities

Contingent Liabilities are not included in the Statement Of Financial Position and Income Statement forming part of the annual financial statements, unless they were acquired in the course of Business Combinations. These are presented in the Notes To The Financial Statements, unless the probability of an outflow of resources embodying economic benefits is remote or minimal.

Contingent assets are not included in the Statement Of Financial Position or Statement Of Profit Or Loss forming part of the annual accounts, but where it is probable that economic benefits will flow to the entity, they are presented in the Notes To The Financial Statements.

7.24. Related Parties

IAS 24 requires that an entity's Financial Statements include the disclosures necessary to draw attention to the possibility that the existence of Related Parties, transactions with them, and outstanding balances with them may have affected the entity's financial position and results.

7.25. Segment Reporting

From a business perspective, the Company has one segment: asset management.

7.26. Statement Of Cash Flows

The purpose of the Statement Of Cash Flows is to provide information, as part of the Financial Statements, to support investors' business decisions regarding the entity's ability to generate cash and cash equivalents, and how the entity has used these. According to IAS 7 Statement Of Cash Flows, the term 'cash' includes cash on hand and demand deposits, whilst 'cash equivalents' are defined as short-term, highly liquid investments that are readily convertible into a known amount of cash and which are subject to an insignificant risk of changes in value. The Statement Of Cash Flows details cash movements for the period, broken down by operating, investment and financing activities. The Company prepares its Statement Of Cash Flows using the indirect method.

8.

Management makes estimates and assumptions regarding the future. Accounting Estimates rarely match actual results. The Company continually reviews estimates and decisions based on past experience and other factors, including expectations regarding future events that are considered reasonable under the circumstances. The following summarises those estimates and assumptions for which there is a significant risk of resulting in a material difference in the value of assets and liabilities.

8.1. Realisation of sufficient taxable profit against which the deferred tax asset can be utilised

A deferred tax asset may only be recognised if it is probable that the Company will realise taxable profits in the course of its future operations against which the deferred tax asset can be utilised. Significant assumptions are required on the part of management regarding the deferred tax assets that may be recognised, and the timing and amount of taxable profits expected to arise in the future in light of the tax planning strategy.

8.2. Impairment of Trade Receivables

Impairment on Trade Receivables is recognised when there is objective evidence that the Company will not be able to collect all amounts due under the underlying agreement. Significant financial difficulties of the debtor, the likelihood of the debtor's bankruptcy or financial restructuring, late payment or non-payment, as well as previous recoveries, are considered indications that the Trade Receivables may experience impairment.

8.3. Impairment of equity investments

In the separate financial statements, investments in subsidiaries are presented at cost, less any impairment loss. Cost is the amount paid in cash and cash equivalents, or the fair value of other consideration paid. In the case of equity interests acquired in Foreign Currency, the cost is the equivalent calculated at the official exchange rate published by the Hungarian National Bank on the date of the transaction. The Company does not perform measurement on equity interests recorded in Foreign Currency at the end of the year.

The Company reviews the investments classified as equity interests annually, taking into account the associated company's equity and future plans. If the associate was loss-making in the current period and the preceding year, or if the associate's Equity decreases by at least 50% in the current year (an indication of impairment), the Company performs an Impairment Test at the end of the current year in accordance with IAS 36.

The net recoverable amount of the investment is equal to the present value of the future cash flows expected to arise from it. If the recoverable amount is less than the carrying amount, an impairment loss must be recognised.

In subsequent years, if the loss arising from the previously recognised impairment no longer exists or has decreased, the impairment loss must be reversed to the recoverable amount, but not exceeding the investment's original cost. The reversal may only take place if there has been a change in the estimates used to determine the recoverable amount since the impairment loss was last recognised. The impairment loss and its reversal must be recognised in the Statement Of Profit Or Loss under operating profit or loss as other operating income or expense.

8.4. Provisions

The creation of provisions generally requires a high degree of subjective judgement, particularly in the case of legal disputes. If the occurrence of an event with an adverse effect is measured as the result of a past event, and if the probability of its occurrence is greater than fifty per cent, the Company recognises a provision for the full amount of the liability.

8.5. Determination of impairment of property, plant and equipment

The impairment calculation is based on the recoverable amount of the cash-generating units, i.e. their Fair Value less costs to sell, or their value in use.

Value in use is determined on the basis of discounted expected cash flows. The most important variables in determining cash flows are the discount rates, The Residual Value, the length of the period taken into account in the cash flows, and the estimates and assumptions made to determine the amounts of incoming and outgoing cash flows, including forecasts regarding product prices, operating costs, the future mix of production, and future demand. As these cash flows reflect management's forward-looking estimates for each individual Non-Current Asset, these estimates are subject to uncertainty.

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9. INTANGIBLE ASSETS, PROPERTY, PLANT AND EQUIPMENT, AND ASSETS UNDER CONSTRUCTION

2025	Intangible assets	Property	Plant and	Uncompleted investment (+advance payment for investment)	Tangible assets	Total
Opening gross value	483,819	3,757,431	583,927	521,271	4,862,629	5,346,448
Increase	33,271	80,622	39,283	251,966	371,871	405,142
Decrease	(2,545)	(46,460)	(19,654)	(123,244)	(189,358)	(191,903)
<i>Closing</i>						
Closing gross value	514,545	3,791,593	603,556	649,993	5,045,143	5,559,687
Opening accumulated depreciation and impairment	(235,060)	(1,094,658)	(304,336)	0	(1,398,994)	(1,634,054)
Increase	(52,227)	(120,572)	(55,488)		(176,060)	(228,287)
Decrease	732	0	10,518	0	10,518	11,250
Closing accumulated depreciation and impairment	(286,556)	(1,215,230)	(349,306)	0	(1,564,536)	(1,851,091)
Opening net value	248,759	2,662,773	279,591	521,271	3,463,635	3,712,394
Closing net value	227,989	2,576,364	254,250	649,993	3,480,607	3,708,596

The Company has no assets with an indefinite useful life among its intangible assets. No finance costs were capitalised

2024	Intangible assets	Property	Machinery,	Construction in progress (+advance paid for construction in progress)	Tangible assets	Total
Opening gross value	473,446	3,809,741	497,452	750,171	5,057,364	5,530,810
Increase	75,654	135,254	99,656	280,405	515,315	590,969
Decrease	-65,281	-187,564	-13,181	-509,305	-710,050	-775,331
<i>Closing</i>						
Closing gross value	483,819	3,757,431	583,927	521,271	4,862,629	5,346,448
Opening accumulated depreciation and impairment	-195,164	-981,681	-243,960	-98,278	-1,323,919	-1,519,083
Increase	-43,245	-112,977	-67,879		-180,856	-224,101
Decrease	3,349	0	7,503	98,278	105,781	109,130
Closing accumulated depreciation and impairment	-235,060	-1,094,658	-304,336	0	-1,398,994	-1,634,054
Opening net value	278,282	2,828,060	253,492	651,893	3,733,445	4,011,727
Closing net value	248,759	2,662,773	279,591	521,271	3,463,635	3,712,394

as an increase in gross value during 2025 and 2024. Part of the collateral for our bank loans is represented by the closing balance of the Company's tangible assets, the value of which is:

Closing balance of tangible assets	2025	2024
Carrying Amount	3,480,607	3,463,635

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10. ASSETS ACQUIRED UNDER FINANCE LEASES

Property, plant and equipment include assets acquired by the Company under Finance Leases. The Company has taken delivery of various items of property, plant and equipment under Finance Leases, the value of which was as follows:

Assets acquired under Finance Leases	2025	2024
Gross value	119,869	130,848
Accumulated depreciation	58,791	44,880
Net value	61,078	85,968

Payment obligations relating to assets acquired under finance leases are as follows:

Lease Liability	2025	2024
Due within one year	12,158	15,289
Due within 2–5 years	18,493	40,338
Due in over 5 years	0	0
Total	30,651	55,627

The present value of the minimum lease payments is as follows:

Minimum lease payments	2025	2024
Lease payments due within 1 year	12,158	15,289
Lease payments due within 2–5 years	18,493	40,338
Due in more than 5 years	0	0
Minimum lease payments	30,651	55,627
Financing costs	0	0
Minimum lease payments at present value	30,651	55,627

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11. INVESTMENTS IN SUBSIDIARIES

Description	2025		2024	
	Ownership share	Carrying Amount	Ownership share	Carrying amount
Masterplast Membrane Ltd.	100.00%	633,220	100.00%	871,924
Masterplast Insulation Ltd.	100.00%	188,575	100.00%	108,575
Masterplast Hungária Ltd.	100.00%	230,000	100.00%	230,000
Masterplast Modulhouse Ltd.	100.00%	1,220,000	100.00%	300,000
Masterplast International Ltd.	100.00%	3,000	100.00%	3,000
Fidelis Bau Ltd.	100.00%	114,857	100.00%	114,857
Master Plast S.r.o.	100.00%	78,068	100.00%	78,068
Masterplast Sp zoo	80.04%	59,503	80.04%	59,503
Masterplast Nonwoven GmbH	100.00%	1,911,136	100.00%	0
Masterplast Romania S.R.L.	100.00%	353,071	100.00%	353,071
Masterplast Italia SRL	100.00%	0	100.00%	0
Masterplast YU D.o.o.	100.00%	9,944,522	100.00%	3,342,231
Masterplast d.o.o	100.00%	255,581	100.00%	255,581
Masterplast D.O.O	100.00%	492,230	100.00%	492,230
Masterplast Ukraine TOV	80.00%	604,775	80.00%	604,775
Green MP Invest	100.00%	144,390	100.00%	144,390
Masterwool MW-1 d.o.o	0%	0	100.00%	935,174
Masterplast Proizvodnja D.o.o	100.00%	6,368,522	100.00%	1,118,488
Investment in subsidiaries		22,601,450		9,011,867
T-Cell Plasztk Ltd.	24.00%	219,397	24.00%	236,630
MasterProfil Ltd.	20.00%	3,961	20.00%	16,185
Pimco Ltd.	50.00%	3,120,719	50.00%	3,830,926
MIP Ltd.	49.39%	0	50.00%	2,334,561
Investment in associates		3,344,077		6,418,302
Total		25,945,527		15,430,169

Masterprofil Ltd.

On 30 November 2013, Masterplast Plc. reduced its stake in Masterprofil Ltd. from 95% to 20%, meaning that the company, which had previously been included in the Consolidation as a Subsidiary, became an associate of the Group.

T-Cell Plasztk Ltd.

On 3 June 2019, the Company acquired a 24% stake in T-CELL Plasztk Limited Liability Company. The purchase price of the acquired stake was HUF 99,840,000 (EUR 273,437), which has been paid in full. The main activity of T-CELL Plasztk Ltd. is the manufacture of polystyrene at its two plants in Hungary – in Hajdúszoboszló and Zalaegerszeg.

MIP Zrt.

Pursuant to the strategic cooperation agreement concluded in December 2022, on 9 June 2023 the Company acquired a 50% stake in MIP Alapanyaggyártó Zártkörűen Működő Részvénytársaság (MIP Zrt.), as a result of which MASTERPLAST Plc. held a 50% stake in MIP Zrt., whilst MARKET Építő Zrt. became the shareholder holding the remaining 50% stake in MIP Zrt. In 2025, the ownership structure changed, with MASTERPLAST Plc.'s stake decreasing to 49.39% in favour of the other owner.

The Company has recognised a 100% impairment on its Statement Of Financial Position following its decision to halt the rock wool factory investment project, which had been planned jointly with Market Építő Zrt. under the auspices of MIP Alapanyaggyártó Zrt.

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PIMCO Ltd.

On 18 January 2023, the Company entered into a sale and purchase agreement to acquire 100% of the shares in PIMCO Ltd., which has a Glass Wool manufacturing investment project. On 28 June 2023, the Company and Selena FM S.A. decided, in a joint agreement, to proceed with the Glass Wool manufacturing investment project within the framework of a strategic cooperation. On 6 November 2023, the share capital of PIMCO Ltd. was increased, as a result of which the ownership share and voting rights of MASTERPLAST Plc. and Selena FM S.A. are both 50-50%. With the share capital increase, PIMCO Ltd.'s Share Capital rose from HUF 153,000,000 to HUF 3,627,942,000 .

To perform the measurement of the assets presented above, the Company, with the assistance of an external expert, determined the market value of the assets net of selling costs and the resulting impairment based on comparative prices.

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Changes in shareholdings in 2025:

Description	Opening	Share purchases, Capital Increases	Loan equity conversion	Change in equity due to merger	Impairment write-off	Impairment recognition	Profit from associates	Closing
Masterplast Nonwoven GmbH	0	1,789,465	0	0	121,671	0	0	1,911,136
Masterplast Italia SRL	0	546,880	0	0	0	(546,880)	0	0
Masterplast YU D.o.o.	3,342,231	6,087,260	(518,095)	1,033,126	0	0	0	9,944,522
Masterplast YU Proizvodnja	1,118,488	6,124,620	(874,586)	0	0	0	0	6,368,522
Masterwool MW-1 d.o.o	935,174			(1,033,126)	97,952	0		0
Masterplast Membrane Ltd.	871,924	1,659,038				(1,897,742)		633,220
Masterplast Insulation Ltd. MP Insulation Ltd.	108,575	80,000				0		188,575
Masterplast Modulhouse Ltd	300,000	920,000				0		1,220,000
Masterprofil Ltd.	16,185	0	0				(12,224)	3,961
T-Cell Plastic	236,630	0	0				(17,233)	219,397
Pimco Ltd.	3,830,927	0	0				(710,207)	3,120,720
MIP Ltd.	2,334,561	0	0				(2,334,561)	0
Total	13,094,695	17,207,263	(1,392,681)	0	219,623	(2,444,622)	(3,074,225)	23,610,053

*Includes an adjustment due to interest exemption.

Changes in shareholdings in 2024:

Description	Opening	Purchase of shares	Impairment provision	Profit of Associate	Closing
Masterplast Nonwoven GmbH	1,121,309	986,475	-2,107,784	0	0
Masterplast Italia SRL	418,249	3,578	-421,827	0	0
Masterplast YU D.o.o.*	2,846,146	496,085	0	0	3,342,231
Masterplast Proizvodnja D.o.o *	1,119,907	-1,419	0	0	1,118,488
Masterprofil Ltd.	29,871	0	0	-13,686	16,185
T-Cell Plastic	291,653	0	0	-55,023	236,630
Pimco Ltd.	3,007,639	842,738	0	-19,450	3,830,927
MIP Ltd.	2,280,356	0	0	54,205	2,334,561
Total	11,115,130	2,327,457	-2,529,611	-33,954	10,879,022

Changes in impairment losses recognised and reversed on equity investments in 2025

Impairment of equity investments	Opening impairment	Reversal of impairment	Impairment recognised	Reversed impairment	Closing impairment
Masterplast Ltd. - MP Medical Ltd.	0	0	1,897,741		1,897,741
Masterplast Nonwoven GmbH	2,107,784	0		121,671	1,986,113
Masterwool MW-1 d.o.o	97,952	0		97,952	0
Masterplast Italia SRL	421,827		546,880		968,707
Green MP Invest	239,550				239,550
Total	2,867,113	0	2,444,621	219,623	5,092,111

*The equity ratio justified the impairment.

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Movement in impairment losses recognised and reversed on investments in 2024

Impairment of equity investments	Opening impairment	Reversal of impairment	Impairment recognised	Reversed impairment	Closing impairment
Masterplast Nonwoven GmbH*	0	0	2,107,784	0	2,107,784
Masterplast Italia S.r.l.	0	0	421,827	0	421 827
Green MP Invest	239,550	0	0	0	239,550
Masterwool MW-1 d.o.o	97,952	0	0	0	97 952
Total	337,502	0	2,529,611	0	2,867,113

*The equity ratio justified the impairment.

12. INVESTMENTS IN ASSOCIATES

The Company's investments in associates and their carrying amounts were as follows:

Change in carrying amount in 2025:

Description	Opening	Change	Share of profit of associates	Comprehensive income	Closing carrying amount	Shareholding
MasterProfil Ltd.	16,185	0	(12,224)	0	3,961	20%
T-Cell Plasztik Ltd.	236,630	0	(17,233)	0	219,397	24%
Pimco Ltd.	3,830,927	0	(710,207)	0	3,120,719	50%
MIP Ltd.	2,334,561	0	(2,334,561)	0	0	49%
Total	6,418,303	0	(3,074,225)	0	3,344,077	

Change in carrying amount in 2024:

Description	Opening	Change	Share of profit of associates	Comprehensive income	Closing carrying amount	Share
MasterProfil Ltd.	29,871	0	-13,686	0	16,185	20%
T-Cell Plasztik Ltd.	291,653	0	-55,023	0	236,630	24%
Pimco Ltd.	3,007,639	842,738	-19,450	0	3,830,927	50%
MIP Ltd.	2,280,356	0	54,205	0	2,334,561	50%
Total	5,609,519	842,738	-33,954	0	6,418,303	

The Company did not receive any dividends from any of its associates in 2025 or 2024.

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Key financial data of the Associate
(The figures are not taken from the final accounts)

 1. *MasterProfil Ltd.*

Statement Of Financial Position of the Associate:

Statement Of Financial Position	2025	2024
Non-Current Assets	397,394	422,932
Current Assets	459,618	486,254
Non-Current Liabilities	0	0
Current Liabilities	837,210	599,369
Net asset value	19,802	309,817
The Company's ownership share	20%	20
Value of assets attributable to the Company	3,960	61,963

Profit of the associate:

Statement Of Profit Or Loss	2025	2024
Revenue from sales	862,932	894,476
Operating Profit	-66,904	-29,762
Profit attributable to the Company based on ownership share	-12,224	-13,686

 2. *T-Cell Plasztik Ltd.*

Statement Of Financial Position of the Associate:

Statement Of Financial Position	2025	2024
Non-Current Assets	1,282,000	3,166,959
Current Assets	783,192	360,637
Non-Current Liabilities	30,351	492,489
Current Liabilities	1,300,758	1,981,511
Net asset value	734,083	1,053,596
The Company's ownership share	24%	24%
Value of assets attributable to the Company	176,180	252,863

Profit of the associate:

Statement Of Profit Or Loss	2025	2024
Revenue from sales	3,897,832	2,135,261
Operating Profit	(49,966)	5,493
Profit attributable to the Company based on ownership share	-17,233	-55,023

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3. MIP Zrt.

Statement Of Financial Position of the Associate:

Statement Of Financial Position	2025	2024
Non-Current Assets	780	5,666,001
Current Assets	66,061	191,478
Non-Current Liabilities	0	0
Current Liabilities	2,031,200	1,194,870
Net asset value	(1,964,359)	4,662,609
The Company's ownership share	49%	50
Value of assets attributable to the Company	(970,197)	2,331,305

Profit of the associate:

Statement Of Profit Or Loss	2025	2024
Revenue from sales	0	0
Operating Profit	-6,727,135	-164,545
Profit attributable to the Company *	(3,234,355)	54,205

* Masterplast' proportionate share of MIP Zrt. profit for 2025 would be Ft - 3,468,303 e . This result includes the full consolidation package related to the closure of the stone wool business. However, based on the agreement between the two owners of MIP Zrt., Masterplast recorded only a loss of Ft - 3,234,355 e in its books for 2025, that already decreased the value of the share and other receivables to zero.

4. Pimco Ltd.

Statement Of Financial Position of the Associate:

Statement Of Financial Position	2025	2024
Non-Current Assets	20,109,618	19,306,714
Current Assets	1,832,273	2,163,936
Non-Current Liabilities	7,963,894	5,437,261
Current Liabilities	2,375,815	6,672,492
Net asset value	11,602,182	9,360,897
The Company's ownership share	50%	50
Value of assets attributable to the Company	5,801,091	4,680,449

Profit of the associate:

Statement Of Profit Or Loss	2025	2024
Revenue from sales	1,141,130	0
Operating Profit	-1,603,378	-78,436
Profit attributable to the Company based on ownership share	(710,208)	-19,450

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13. OTHER LONG-TERM FINANCIAL ASSETS

Company name	2025	2024
Masterplast Insulation Ltd.	200,000	
Masterplast Modulhouse Ltd.	880,000	300,000
Masterplast International Ltd.	0	4,956,662
Masterplast Nonwoven GmbH	2,158,240	3,258,228
Masterplast Romania S.r.l.	616,640	0
Masterplast Italia SRL	0	0
Masterplast YU D.o.o.	0	1,502,933
Masterplast Proizvodnja D.o.o	0	2,359,430
Masterprofil Ltd.	250,510	0
MIP Ltd.	0	500,000
Pimco Ltd.	1,406,710	0
Total	5,512,100	12,877,253

In 2025, the reversals of impairment and recognitions of impairment losses on other long-term financial assets were as follows:

Description	Opening impairment	Reversal of impairment	Impairment recognised	Reversed impairment	Closing impairment
Masterplast Nonwoven GmbH	145,519	0	0	(145,519)	0
Masterplast Italia Srl.	1,589,099	0	420,782	(546,880)	1,463,001
Total	1,734,618	0	420,782	(692,399)	1,463,001

Loans reclassified as current financial assets

Description	2025	2024
Masterprofil Ltd.	134,890	0
Masterplast Romanai S.r.l.	38,540	0
MIP Ltd.	0	0
Total	173,430	0

In 2025, the reversals of impairment and reversals of impairment recognised on other short-term financial assets were as follows:

Description	Opening impairment	Reversal of impairment	Impairment recognised	Reversed impairment	Closing impairment
MIP Ltd.	0	0	500,000		500,000
Total	0	0	500,000	0	500,000

Within other long-term Financial Assets, the amount of subordinated loan capital

Company	Start of borrowing	Amount	Currency	Interest rate	Expiry date
Masterplast Nonwoven GmbH	13 May 2025	963,500	HUF	1-month BUIBOR + 2.5%	-

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The Company granted borrowings to its subsidiaries on the following terms (figures in HUF and EUR):

Company	Start of borrowing	Amount	Currency	Interest rate	Maturity
Masterplast Italia SRL	06/10/2023	237,060	EUR	1-month EURIBOR + 1.5%	31 December 2027
Masterplast Italia SRL	12 January 2024	1,000,000	EUR	1-month EURIBOR + 2.5%	31 December 2028
Masterplast Italia SRL	5 March 2024	1,000,000	EUR	1-month EURIBOR + 2.5%	31 December 2028
Masterplast Italia SRL	21 October 2024	275,000	EUR	1-month EURIBOR + 2.5%	31 December 2028
Masterplast Italia SRL	20 January 2025	1,284,000	EUR	1-month EURIBOR + 2.5%	31 December 2028
Masterplast Modulhouse Ltd.	28 February 2025	880,000,000	HUF	1-month BUBOR + 1.5%	31 December 2028
Masterplast Nonwoven GmbH	20 October 2021	5,600,000	EUR	1-month EURIBOR + 2.5%	31 December 2027
Masterplast Romania SRL.	28 March 2025	1,700,000	EUR	1-month EURIBOR + 1.5%	1 April 2029
Masterplast Insulation Ltd.	24 July 2025	40,000,000	HUF	1-month BUBOR + 1.5%	31 December 2028
Masterplast Insulation Ltd.	28 February 2025	160,000,000	HUF	1-month BUBOR + 1.5%	31 December 2028
Pimco Ltd.	12 March 2025	1,450,000	EUR	3-month EURIBOR + 2.3%	31 December 2027
Pimco Ltd.	13 May 2025	1,100,000	EUR	3-month EURIBOR + 2.3%	31 December 2027
Pimco Ltd.	2 October 2025	1,100,000	EUR	3-month EURIBOR + 2.3%	31 December 2027
Masterprofil Ltd.	7 April 2025	1,000,000	EUR	1-month EURIBOR + 2.5%	31 December 2028
MIP Raw Materials Manufacturing Ltd.	27 June 2024	500,000,000	HUF	-	14 February 2026

Contracts expiring in 2025 will be extended.

14. TRADE RECEIVABLES

Description	2025	2024
Trade Receivables	727,882	475,403
Impairment provision for doubtful receivables	(25,937)	0
Total	701,945	475,403

The average payment term for trade receivables is 37 days (in 2024: 49 days).

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In 2025, the impairment losses and reversals of impairment recognised on trade receivables were as follows:

Impairment on trade receivables	Opening impairment	Translation difference	Impairment recognised	Impairment write-off	Reversed impairment	Closing impairment
Trade Receivables impairment	0		25,937	0	0	25,937
Total	0	0	25,937	0	0	25,937

In 2024, the reversals of impairment and recognition of impairment losses on trade receivables were as follows:

Impairment on trade receivables	Opening impairment	Translation difference	Impairment recognised	Impairment write-off	Reversed impairment	Closing impairment
Trade Receivables impairment	-233		0	218	15	0
Total	-233	0	0	218	15	0

The maturity profile of trade receivables is as follows:

Trade Receivables	2025			2024		
	Cost	Recognised impairment	Statement Of Financial Position value	Cost	Recognised impairment	Statement Of Financial Position value
Not due	702,242	381	701,861	452,975	0	452,975
Due within 0–60 days	846	762	84	1,590	0	1,590
Due within 61–90 days	381	381	0	1,070	0	1,070
Due within 91–180 days	1,176	1,176	0	1,336	0	1,336
Due within 181–360 days	2,485	2,485	(0)	18,100	0	18,100
Due after 360 days	20,752	20,752	(0)	332	0	332
Total	727,882	25,937	701,945	475,403	0	475,403

15. OTHER CURRENT ASSETS

Description	2025	2024
Advances to Trade Payables	62,630	67,650
Bonuses, commissions	41,380	51,318
Other Receivables	40,343	51,974
Impairment recognised on Other Receivables	(30,071)	-3,946
Other Receivables MRP	32,127	0
Inventories	1,551	
Value of residential properties held for sale	237,535	
Accrual of other expenses	265,706	46,258
Accrual of Other Income	38,295	4,177
Receivables from associates	0	28,862
Receivables from VAT group members	1,612,287	274,428
Reverse-sign supplier	63,912	0
Other Receivables from related parties	0	42,816
Total	2,365,695	563,537

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16. NON-CURRENT ASSETS HELD FOR SALE

As at 31 December 2025, the Company recorded property, plant and equipment reclassified as Assets Held For Sale in the amount of HUF 390,024,000. The carrying amount of the assets corresponds to their fair value less costs to sell; an impairment loss of HUF 19,500,000 was recognised in the current year. The assets meet the conditions set out in IFRS 5 required for reclassification:

- management is committed to the disposal plan
- the property is available for immediate sale
- there is an active programme to find a buyer for Trade Receivables
- the sale is likely to take place within 12 months of the reclassification
- the asset is being actively marketed at a selling price that is reasonable in relation to its Fair Value
- based on the actions required to complete the disposal plan, it is unlikely that the plan will be significantly amended or withdrawn.

The sale of the properties in Balatonalmádi and Balatonvilágos did not materialize in 2025 despite serious purchase interest and the continuous advertising of the properties. The properties are of high value, so the Company continuously monitors real estate market trends when determining the selling price.

Non-Current Assets Held for Sale	Year of reclassification	2025	2024
Balatonalmádi property	2024	156,000	175,500
Balatonvilágos plot	2024	187,564	187,564
Harmatosvölgy plot	2025	46,460	0
Total		390,024	363,064

17. CASH AND CASH EQUIVALENTS

Cash And Cash Equivalents	2025	2024
Cash	716	1,531
Bank deposits	2,060,239	218,568
Total	2,060,955	220,099

The Company did not hold any illiquid Cash And Cash Equivalents as at 31 December 2025 or 31 December 2024.

The Company holds its shareholding in MIP Zrt. (4,500 shares) in a segregated escrow account.

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18. LIABILITIES FROM BOND ISSUES

Measurement of bonds

The Company participated in the growth bond programme announced by the MNB in 2019, 2020 and 2021, under which Masterplast Plc. issued bonds with a nominal value of HUF 6 billion, HUF 6 billion and HUF 9 billion respectively. The Company applies the effective interest rate method for all three bonds; however, the impact on the financial statements (due to the minimal difference between the nominal value and the amortised cost) is immaterial.

Bond name	MASTERPLAST 2026/I HUF	MASTERPLAST 2027/I HUF	MASTERPLAST 2031/I HUF
Issue date	06/12/2019	21 December 2020	25 August 2021
Maturity date	6 December 2026	21 December 2027	25 August 2031
Date of introduction	18 February 2020	19 February 2021	1 October 2021
Nominal value (HUF)	50,000,000	50,000,000	50,000,000
Number of shares issued	120	120	180
Maturity (years)	7	7	10
Type of interest	fixed	fixed	fixed
Interest rate	2.00%	2.10%	2.9%
Effective interest rate	0.12%	0.12%	0.12%
Interest payment date	Annually, on 6 December	Annually, on 21 December	Annually, on 25 August
Principal repayment	Between 4 and 7 years Amortised in equal instalments	Between 4 and 7 years amortised in equal instalments	Amortised at 4x12.5% over 6–9 years and 50% in the 10th year

MASTERPLAST 2026/I HUF	HUF	
	2025	2024
Total nominal value of bonds issued	6,000,000,000	6,000,000,000
Amortised Cost	1,499,932,359	2,999,797,077
Fair Value	1,436,592,884	2,814,842,940
Outstanding liability	1,500,000,000	3,000,000,000

MASTERPLAST 2027/I HUF	HUF	
	2025	2024
Total nominal value of bonds issued	6,000,000,000	6,000,000,000
Amortised Cost	2,991,676,844	4,487,515,268
Fair Value	2,808,365,517	4,124,087,898
Outstanding liability	3,000,000,000	4,500,000,000

MASTERPLAST 2031/I HUF	HUF	
	2025	2024
Total nominal value of bonds issued	9,000,000,000	9,000,000,000
Amortised Cost	9,001,706,350	9,002,007,466
Fair Value	8,548,175,149	8,420,397,860
Outstanding liability	9,000,000,000	9,000,000,000

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In 2019, the Group participated in the growth bond programme announced by the MNB, under which Masterplast Plc. issued bonds with a nominal value of HUF 6.0 billion (EUR 18.1 million), thereby restructuring the Group's financing. This provides a long-term, low-interest (1.08% on a euro basis) source of funding for further growth. The Company disbursed the proceeds from the bonds issued in forint as euro-denominated parent company loans to its subsidiaries, all of which were used to refinance existing loans.

As a result, the total amount of short- and long-term loans decreased, whilst the Group's liabilities relating to bonds increased by the same amount on the Statement Of Financial Position. To manage exchange rate effects arising from transactions denominated in different foreign currencies, and in order to optimise Interest Expenses, the Company entered into a CCIRS hedging transaction in December 2019, as a result of which Interest Expenses calculated on the basis of the Company's current financing structure will decrease in the coming years.

The bonds were listed on the BSE Xbond market on 18 February 2020.

The 2020 difference amounted to HUF 243,792,000, which was recognised in equity.

In 2020, the Company issued a further HUF 6.0 billion in bonds under the Growth Bond Programme to finance its continued growth. By issuing bonds with a nominal value of HUF 6.0 billion under the bond programme, the Company is securing a stable source of funding for both its ongoing and future investments. For the time being, the Company has used part of the raised funds to refinance its short-term loans, resulting in a reduction in the amount of short-term loans and an increase in the Group's liabilities from bond issues on the Statement Of Financial Position.

The bonds were listed on the BSE Xbond market on 19 February 2021.

In 2021, the Company issued bonds with a nominal value of HUF 9.0 billion under the Growth Bond Programme to finance its further growth. By issuing bonds with a nominal value of HUF 9.0 billion under the bond programme, the Company is securing further funding for its ongoing and future investments. For the time being, the Company has used part of the raised funds to refinance its short-term loans, resulting in a reduction in the amount of short-term loans and an increase in the Group's bond-related liabilities on the Statement Of Financial Position.

The bonds were listed on the BSE Xbond market on 1 October 2021.

Due to the net debt/EBITDA ratio, the Group did not meet the covenant condition related to the 2031/I HUF bond as of December 31, 2025. The working capital loan disbursed on December 5, 2024, was executed with the written consent of all bondholders.

CCIRS hedging transaction

The primary objective of the 2019 bond issue was to restructure the Group's financing structure. As a result, the Company converted the entire amount of forint-denominated funds raised from the first bond issue (HUF 6 billion) into euros, then lent it to its Subsidiaries, where it was used to refinance their euro-denominated loan liabilities. Masterplast Plc. maintains its books in forint; therefore, it entered into the CCIRS transaction to mitigate its exposure to EUR/HUF exchange rate fluctuations and to secure interest rates more favourable than those available on the market. The purpose of the transaction is to fix interest rates and exchange rates. The Company accounts for the transaction as a cash flow hedge.

The Company entered into the CCIRS transaction with Raiffeisen Bank. The Bank's credit rating does not affect credit risk. The measurement of the transaction is performed by Raiffeisen Bank Zrt. based on market data, which takes place at least once a month, on the last day of the month.

Based on the above, the Company assessed the hedge effectiveness of the CCIRS transaction and deemed it to be 100% effective; therefore, it applies hedge accounting in accordance with IFRS 9. The Company recognises the effects arising from changes in exchange rates directly in profit or loss, whilst changes arising from yield curves are recognised in Other Comprehensive Income.

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The Company's portfolio loss relating to CCIRS transactions was HUF 298,616,174 as at 31 December 2025. Of this, the impact recognised in the Statement Of Profit Or Loss for the current year was HUF 41,196,225, the impact recognised in the Statement Of Profit Or Loss in previous years was HUF 256,419,949, and the total amount recognised as Other Comprehensive Income as at 31 December 2025 was HUF 40,496,096.

On 6 December 2025, HUF 1,500,000,000 in principal was repaid on the MASTERPLAST 2026/I HUF bond, in parallel with which EUR 4,576,597 was drawn down from the CCIRS hedging transaction. The realised impact recognised in the Statement Of Profit Or Loss for the current year is a loss of HUF 242,925,773.79.

The details of the transaction are as follows:

Description	MASTERPLAST 2026/ I HUF 2025	MASTERPLAST 2026/ I HUF 2024
Binding date	16 December 2019	16 December 2019
Maturity date	7 December 2026	7 December 2026
Place of enforcement	OTC	OTC
Party paying fixed interest	Raiffeisen Bank Zrt.	Raiffeisen Bank Zrt.
Amount	HUF 1,505,700,450	HUF 3,011,400,900
Fixed interest rate	1.9264% p.a.	1.9264% p.a.
Amount of interest payable	HUF 28,926,345	HUF 58,318,208
Party paying fixed interest	Masterplast Plc.	Masterplast Plc.
Amount	EUR 4,576,597	EUR 9,153,194
Fixed interest rate	1.08% p.a.	1.08% p.a.
Amount of interest applicable	EUR 49,976	EUR 100,777

19. DEFERRED INCOME

Deferred Income includes the proportionate share of grant amounts awarded through a tender process, which function as non-repayable grants provided that the agreed conditions are met.

Grant reference number	Name of grant	Name of the company receiving the grant	2025	2024
GVOP-1.1.2.-2004-11-0003/5.0	"Master" training provider: the MASTER3AS centre – Product, Service, Education at "Master" level	Masterplast Plc.	70,536	72,728
SZVP-2003-6-03-08-1	Networking at "Master" level	Masterplast Plc.	9,183	9,786
HIPA/GYAR-2022-0294	Energy efficiency tender	Masterplast Plc.	216,086	215,700
Total			295,805	298,214
Short-term portion			2,793	2,793

The Company has no contingent liabilities or commitments in respect of Deferred Income.

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20. OTHER NON-CURRENT LIABILITIES

Description	2025	2024
Borrowing received from Masterplast Hungária Ltd.	0	2,300,000
Borrowing received from Master Plast S.r.o.	0	533,117
Borrowing received from Masterplast d.o.o.	0	82,018
Total	0	2,915,135

As at the Reporting Date, the Company does not recognise any borrowings received from Subsidiaries in its Statement Of Financial Position.

21. TRADE PAYABLES

The maturity profile of Trade Payables is as follows:

Trade Payables	2025	2024
Not due	119,088	81,393
Due within 0–60 days	439,344	133,615
Due 61–90 days ago	196	0
Due within 91–180 days	198	0
Over 180 days overdue	0	0
Total	558,826	215,008

22. OTHER CURRENT LIABILITIES

Other Current Liabilities	2025	2024
Liabilities against the budget	1,615,031	292,749
Other Current Liabilities – customer prepayments	91,001	0
Other current liabilities to employees	56,375	55,850
Other current liabilities*	4	66
Current portion of long-term debt	3,000,000	3,000,000
Cash pool liability	4,850,853	1,180,627
Accrued income	708	3,311
Liabilities to associates	346 733	
Accrued expenses	361 357	156,846
Liabilities to associated companies	44,872	21,818
Total	10,366,933	4,711,266

*No breakdown occurred

23. MATERIALS AND SERVICES USED

Description	2025	2024
Cost of materials	95,002	111,110
Services used	483,310	515,809
Total	578,312	626,920

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24. PERSONNEL EXPENSES

Description	2025	2024
Wage costs	913,446	902,474
Other personnel-related payments	40,174	43,610
Payroll contributions	124,130	123,405
Total	1,077,749	1,069,489

25. NET INCOME FROM OTHER INCOME AND EXPENSES

Description	2025	2024
Discounts	-29,412	-25,483
Impairment losses	-72,561	15
Investment income	0	0
Change in impairment of non-current assets/tangible assets	0	50,000
Borrowing written off	0	0
Profit on the sale of tangible assets	2,423	4,352
Provisioning	0	0
Other	-68,920	-87,523
Total	-168,469	-58,640

26. FINANCE INCOME AND EXPENSE

Description	2025	2024
Interest Income	579,196	983,388
Interest Expense	(570,436)	(843,900)
Impairment on equity investments	(2,224,998)	(2,529,612)
Impairment loss recognised on related party borrowings	(228,384)	(1,734,618)
Other income and expenses from financial transactions, Exchange Rate	(351,413)	780,509
Total	(2,796,034)	(3,344,233)

MASTERPLAST PUBLIC LIMITED COMPANY

The Company's financial instruments at carrying amount and fair value are as follows:

Financial instruments	Carrying Amount		Fair Value	
	2025	2024	2025	2024
Other long-term financial assets	5,512,100	12,877,253	4,924,742	12,877,253
Trade Receivables	701,945	475,403	701,945	475,403
Tax receivables	191	32,662	191	32,662
Other Current Assets	2,365,695	563,537	2,365,695	563,537
Cash pool receivables from related parties	0	0	0	0
Other current financial assets	173,430	0	152,843	0
Cash And Cash Equivalents	2,060,955	220,099	2,060,955	220,099
Total	10,814,316	14,168,954	10,206,371	14,168,954
Long-term Finance Lease Liabilities	18,493	40,338	18,493	40,338
Liabilities arising from bond issues	10,493,316	13,489,320	9,952,358	12,359,329
Other non-current liabilities	0	2,915,135	0	2,915,135
Current Finance Lease Liabilities	12,158	15,289	12,158	15,289
Trade Payables	558,826	215,008	558,826	215,008
Other Current Liabilities	5,814,696	4,399,456	5,814,696	4,399,456
Cash pool liability to related parties	4,850,853	1,180,627	4,850,853	1,180,627
Total	21,748,342	22,255,173	21,207,384	21,125,182

Current receivables and liabilities are instruments with a maturity of less than one year, which are expected to be realised quickly in the short term; therefore, their carrying amount is equal to their Fair Value.

The Company's short-term loans are linked to a reference interest rate; therefore, in addition to short-term realisation, any changes in interest rates are also reflected in the carrying amount, meaning that their carrying amount is equal to their Fair Value.

The cash pool has the same terms and conditions as the Company's short-term loans, so its carrying amount is equal to its Fair Value.

Undiscounted cash flow 2025	Payable within 1 year	Payable within 2–5 years payable	Payable after 5 years
Loan	0	0	0
Cash pool	-4,850,853	0	0
Borrowing costs	-363,814	0	0
Total	-5,214,667	0	0

Undiscounted cash flow 2024	Payable within 1 year	Payable within 2–5 years payable	Payable after 5 years
Loan	0	0	0
Cash pool	-1,180,627	0	0
Borrowing costs	-88,547	0	0
Total	-1,269,174	0	0

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27. TAXES

Tax receivables and tax liabilities were as follows:

Description	2025	2024
Tax receivables	191	32,662
Tax liability	-1,615,031	-292,749
Net tax receivable (liability)	-1,614,840	-260,087

Income Tax for the years ending 31 December 2025 and 2024 comprises the following items:

Description	2025	2024
Income Tax for the current year	-20,414	-19,051
Deferred Income Tax	-2,153	-64,710
Income Tax expense	-22,567	-83,761

The Company's average tax rate over the past two years was as follows:

Period	2025	2024
Average tax rate	9%	9%

The year-end balance of Deferred Tax comprises the following items:

Description	2025	2024
Tangible assets	14,577	10,015
Receivables	4,510	0
Impairment of loans	0	0
Impairment of property, plant and equipment	0	-8,845
Provisions	2,248	1,903
Accrued losses	14,490	34,905
Impairment of equity investments	21,560	21,559
Deferred Tax Liability	57,385	59,537
net closing balance	57,385	59,537
Of which deferred tax assets	0	0

The Company does not consider it relevant to present the difference between the tax liability calculated using the average tax rate and the actual tax liability, as the two tax rates do not differ.

In 2025, the Company has a loss carried forward from previous years that can be utilised.

MASTERPLAST PUBLIC LIMITED COMPANY

The amount of deferred tax not taken into account by the Company in the calculation of deferred tax:

Unrecognised deferred tax assets	HA base	HA	HA used	HA unused
Impairment recognised on equity investments	5,092,112	458,290,098	21,560	458,268,538
Impairment recognised on related party borrowings	1,963,002	176,670,137	-	176,670,137

Calculation of **Masterplast Plc's** corporation tax as at 31 December 2025:

Factors increasing the corporate tax base	2025
Net profit for the tax year under the Companies Act + written-off fixed assets	286,929
Impairment losses recognised on receivables	53,061
Impairment on loans	920,782
Loan losses	45,000
Fines and surcharges paid	0
Impairment on equity investments	2,444,621
Provisions	24,978
Costs not arising from business activities	3,731
Total	3,779,102

Factors reducing the corporation tax base	2025
ECS for the tax year under the Corporate Tax Act + written-off TE reserves	290,098
20% of donations are deductible as a tax base reduction item	1,718
Impairment losses reversed on receivables during the tax year	1,000
Reversal of impairment losses recognised on equity investments	219,623
Reversal of impairment losses on loans	692,399
Release of provisions	21,148
Dividend received from associated companies	7,405,473
Accrued losses from previous years	111,078
Total	8,742,537

Corporation tax calculation	2025
<i>Profit Before Tax</i>	5,074,513
Items reducing the tax base	(8,742,537)
Items increasing the tax base	3,779,102
Tax base for 2025	111,078
Corporation tax (9%)	9,997
Tax relief	0
Corporation tax payable	9,997

*Profit Before Tax excluding the Consolidation of MRP

Presentation of the difference between the tax calculated at the company's current tax rate and the actual tax liability:	
Profit Before Tax	5,074,513
Current tax rate	9

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Under the Global Minimum Tax Act, group members of a multinational group or a large domestic group resident in a low-tax jurisdiction may be subject to an additional tax liability on their excess profits, provided that **the group's** revenue, as reported in its consolidated financial statements, exceeds the threshold of EUR 750 million in at least two of the past four years. Under the legislation, countries are classified as having a low tax burden where the effective tax rate of the group member resident there is less than 15 per cent.

The Company does not exceed the revenue threshold specified in the Global Minimum Tax Act at the consolidated level, and therefore is not subject to the global minimum tax liability

28. REVENUE

The Company has only one segment, so a segment-by-segment presentation is not relevant. Revenue by activity for the 2025 and 2024 financial years is as follows:

Revenue	2025	2024
Services (property letting, accounting, finance, HR services)	734,705	854,657
HEM-related services	1,450,099	152,158
Service	154,160	217,648
Product sales	453	23
Commission, discounts	177,598	132,483
Total	2,517,015	1,356,969

The majority of the Company's revenue is derived from Lease Payments, the provision of services, interest and dividend income.

The Company shows dividends received from its subsidiaries as a separate line item in its Statement Of Profit Or Loss:

Description	2025	2024
Masterplast Hungária Ltd.	5,200,000	500,000
Masterplast International Ltd.	1,622,080	597,720
Fidelis Bau Ltd.	70,000	0
Masterplast Ukraina TOV	32,880	0
Masterplast Sp. z o.o.	159,053	157,246
Master Plast S.r.o.	120,885	
Masterplast d.o.o.	121,383	
Masterplast Dooel Kicevo	79,192	
Total	7,405,473	1,254,966

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29. RELATED PARTY TRANSACTIONS

Transactions with related parties are conducted on an arm's length basis. The prices applied in transactions between Related Parties correspond to the normal market price in accordance with the principles laid down in legislation; furthermore, pricing complies with the OECD Guidelines, which form the professional basis for the provisions of the aforementioned legislation and the regulation on documentation rules, specifically the 'arm's length' principle applied in this case.

Revenue received from related and associate enterprises for the years ending 31 December 2025 and 2024 is as follows:

Name of associated enterprise	2025	2024
Masterplast Membrane Ltd.	571,711	607,257
Master Plast S.r.o.	7,807	43,303
Masterplast d.o.o.	9,646	14,991
Masterplast Romania S.R.L.	21,838	26,273
Masterplast Italia SRL	3,317	7,326
Masterplast Sp zoo	6,924	5,721
Masterplast D.O.O (MAC)	953	951
Masterplast Ukraine TOV	3,798	5,754
Masterplast YU D.o.o.	23,030	36,208
Fidelis Bau Ltd.	2,983	1,494
Masterplast Insulation Ltd.	9,099	79,919
Masterplast Hungária Ltd.	1,757,810	486,998
Masterplast Modulhouse Ltd.	29,613	32,116
Masterplast International Ltd.	589,063	536,499
Masterplast Nonwoven GmbH	5,039	7,533
Masterplast Proizvodnja D.o.o	953	784
Total	3,043,584	1,893,127

Name of associate	2025	2024
Masterprofil Ltd.	28,782	27,643
T-Cell Plasztk Ltd.	6,616	5,011
MIP Ltd.	3,783	11,104
Pimco Ltd.	6,870	5,079
Total	46,051	48,837

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Interest received from associates and joint ventures for the years ended 31 December 2025 and 2024 is as follows:

Name of associate	2025	2024
Masterplast Romania S.R.L.	17,733	0
Masterplast YU D.o.o.	21,539	67,455
Masterplast International Ltd	44,392	401,402
Masterplast Nonwoven GmbH	147,597	189,701
Masterplast Modulhouse Ltd.	66,972	47,341
Masterplast Proizvodnja D.o.o	92,352	115,995
Masterplast Membrane Ltd.	5,056	0
Masterplast Insulation Ltd.	11,691	0
Masterplast Italia SRL	61,617	72,664
Total	468,949	894,559

Name of associate	2025	2024
PIMCO Ltd.	30,289	0
Masterprofil Ltd.	12,560	0
Total	42,849	0

Assets and materials purchased from affiliated and associate companies and services utilised for the years ending 31 December 2025 and 2024:

Name of associated company	2025	2024
Masterplast International Ltd.	11,426	12,226
Masterplast Membrane Ltd.	1,667	2,255
Masterplast Hungária Ltd.	5,610	6,137
Masterplast YU D.o.o.	0	60
Total	18,703	20,678

No assets, materials or services purchased from associates were reported in the financial statements for the years ending 31 December 2025 and 2024.

Interest paid to associated companies for the years ending 31 December 2025 and 2024 is as follows:

Name of related party	2025	2024
Masterplast Hungária Ltd.	671,079	204,538
Master Plast S.r.o.	93,756	24,747
MASTERPLAST d.o.o.	18,742	1,098
Masterplast D.O.O (MAC)	18,323	2,906
Total	801,900	233,289

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Receivables from affiliated and associate companies as at 31 December 2025 and 31 December 2024 are as follows:

Name of associated company	2025	2024
Masterplast Membrane Ltd.	82,618	71,654
Masterplast Insulation Ltd.	2,225	12,146
Masterplast Hungária Ltd.	50,791	54,486
Masterplast Modulhouse Ltd.	9,978	6,183
Masterplast International Ltd.	422,842	192,700
Fidelis Bau Ltd.	697	257
Master Plast S.r.o.	1,107	1,558
Masterplast Sp zoo	3,053	
Masterplast Romania S.R.L.	6,579	2,009
Masterplast Nonwoven GmbH	0	16,747
Masterplast Italia	5,923	9,856
Masterplast YU D.o.o.	3,701	5,421
Masterplast d.o.o.	2,286	20
Masterplast D.O.O.	77	164
Masterplast Ukraine TOV	925	1,476
Masterplast Proizvodnja d.o.o	77	306
Total	592,879	374,983

Name of associate	2025	2024
Masterprofil Ltd.	7,124	5,233
T-Cell Plasztik Ltd.	1,564	1,118
MIP Ltd.	25,937	21,134
Pimco Ltd.	1,101	195
Total	35,726	27,680

Liabilities to affiliated and associate companies as at 31 December 2025 and 31 December 2024 are as follows:

Name of associated company	2025	2024
Masterplast Membrane Ltd.	24,059	13,197
Masterplast Insulation Ltd.	615	
Masterplast Hungária Ltd.	465	16,092
Masterplast Nonwoven GmbH	11,567	0
Master Plast S.r.o.	0	2,443
Masterplast International Ltd.	395,768	133,461
MASTERPLAST d.o.o.	0	226
Masterplast D.O.O (MAC)	0	452
Masterplast Italia SRL	0	409
Total	432,474	166,280

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Name of associate company	2025	2024
Masterprofil Ltd.	0	0
T-Cell Plasztik Ltd.	0	0
MIP Ltd.	0	0
Pimco Ltd.	0	0
Total	0	0

The table below shows cash pool receivables and liabilities with affiliated companies as at 31 December 2025 and 31 December 2024. The main account holder of the cash pool is Masterplast Plc. The Company's cash pool balance represents a liability to Raiffeisen Bank.

31 December 2025	Receivable	Liability
Masterplast Membrane Ltd.	117,602	0
Masterplast Hungária Ltd.	4,748,453	0
Masterplast Modulhouse Ltd.	51,984	
Masterplast International Ltd.	498,191	0
Masterplast Insulation Ltd.		(565,377)
Total	5,416,230	(565 377)
Balance		4,850,853

31 December 2024	Receivables	Liabilities
Masterplast Membrane Ltd.	0	-665 910
Masterplast Hungária Ltd.	325,501	0
Masterplast Modulhouse Ltd.	151,087	
Masterplast International Ltd.	1,975,046	0
Masterplast Insulation Ltd.		-605,098
Total	2,451,635	-1,271,008
Balance		1,180,627

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Borrowings granted to related and associate companies as at 31 December 2025 and 31 December 2024 are as follows:

Name of related party	2025	2024
Masterplast Insulation Ltd.	200,000	
Masterplast Modulhouse Ltd.	880,000	300,000
Masterplast International Ltd.	0	4,956,662
Masterplast Nonwoven GmbH	2,158,240	3,258,228
Masterplast Italia SRL	0	0
Masterplast Romania s.r.l.	655,180	
Masterplast YU D.o.o.	0	1,502,933
Masterplast Proizvodnja D.o.o	0	2,359,430
Total	3,893,420	12,377,253
Name of associate	2025	2024
MIP Ltd.	0	500,000
Masterprofil Ltd.	385,400	
Pimco Ltd.	1,406,710	
Total	1,792,110	500,000

The company has the following borrowings received from related parties as at 31 December 2025 and 31 December 2024:

Name of related party	2025	2024
Masterplast Hungária Ltd.	0	2,300,000
Master Plast S.r.o.	0	533,117
MASTERPLAST d.o.o.	0	82,018
Total	0	2,915,135

Tibor Dávid is the sole owner of Essence Invest Ltd. and Tibor Di Transilvania Srl, and, together with Balázs Ács, he owns Primolinvest Ltd. (formerly Fóliatex Ltd.) and Budai út 8. Ltd. Balázs Ács wholly owns AMZSAB Ltd. and Firmum Capital Zrt. Tibor Dávid is the president of the National Mini-Football Association. The Group's Trade Receivables with these related parties were HUF 0 in both 2025 and 2024. Sports sponsorship payments of HUF 40,000,000 were made to the National Mini-Football Association in 2025 and HUF 30,000,000 in 2024.

The Company's senior management perform their duties under an employment contract.

The total amount of short-term benefits paid to them in 2025 was HUF 413,957,000 gross (total company cost: HUF 467,772,000), and in 2024 it was HUF 209,728,000 gross (total company cost: HUF 220,127,000).

No borrowings were granted to Senior Executives in 2025 or 2024.

The gross amount of honoraria paid to members of the Board of Directors in 2025 was HUF 16,800,000 (total company cost: HUF 18,984,000), and the gross amount paid in 2024 was HUF 8,800,000 (total company cost: HUF 8,156,000).

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30. MANAGEMENT OF FINANCIAL RISKS

The Company's activities are exposed to various financial risks, such as market risks (in particular exchange rate risk and price risk), Liquidity Risk and Credit Risk. The Company's comprehensive Risk Management programme focuses on the unpredictability of financial markets and seeks to minimise the potential negative impact this may have on the Company's financial activities.

Market risk

Market risk is the risk that market movements, such as changes in Exchange Rates, Interest rates and prices, may affect the Company's income and the value of its financial instruments. The aim of market risk management is to keep market risks within the Company's risk appetite whilst optimising returns.

Foreign exchange risk

The Company also conducts business in foreign currencies, which entails a risk arising from changes in exchange rates, particularly the euro exchange rate. Exchange rate risk may arise from future commercial transactions, as well as from assets and liabilities recognised on the Statement Of Financial Position.

Sensitivity analysis of exposure to EUR/HUF exchange rate movements relating to loans and the impact on Profit Before Tax (the exchange rate risk is calculated based on the euro loan portfolio):

In the event of a 3% appreciation in the EUR/HUF Exchange Rate	2025	2024
Profit from financial activities	(2,796,034)	-3,344,233
Effect of Exchange Rate Appreciation	(48,259)	-12,614
Adjusted profit from financial activities:	(2,844,293)	-3,356,847
Profit Before Tax	1,652,679	-2,745,402
Effect of Exchange Rate Appreciation	(48,259)	-12,614
Adjusted profit before tax:	1,604,420	-2,758,016
In the event of a 3% depreciation in the EUR/HUF Exchange Rate	2025	2024
Profit from financial activities	(2,796,034)	-3,344,233
Effect of Exchange Rate Depreciation	48,259	12,614
Adjusted profit from financial activities:	(2,747,775)	-3,331,619
Profit Before Tax	1,652,679	-2,745,402
Effect of Exchange Rate Depreciation	48,259	12,614
Adjusted profit before tax:	1,700,938	-2,732,788

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Interest Rate Risk

The Company's management does not consider the Interest Rate Risk arising from variable-rate loans to be a significant risk factor, as the changes in interest rates resulting from banking measures taken in the wake of the financial crisis do not represent a magnitude that could not be absorbed from the profits of our business activities. Sensitivity analysis of interest rate changes and their impact on Profit Before Tax:

In the event of a 1 percentage point increase in interest rates	2025	2024
Profit from financial activities	(2,796,034)	-3,344,233
Increase in interest	48,509	11,806
Adjusted profit from financial activities:	(2,747,525)	-3,332,427
Profit Before Tax	1,652,679	-2,745,402
Increase in interest	48,509	11,806
Adjusted profit before tax:	1,701,188	-2,733,596
In the event of a 1 percentage point decrease in interest rates	2025	2024
Profit from financial activities	(2,796,034)	-3,344,233
Decrease in interest	(48,509)	-11,806
Adjusted profit from financial activities:	(2,844,543)	-3,356,039
Profit Before Tax	1,652,679	-2,745,402
Decrease in interest	(48,509)	-11,806
Adjusted profit before tax:	1,604,170	-2,757,208

Total credit risk

The Company conducts the majority of its business activities through subsidiaries operated under its own control; its dealings with external suppliers and customers are marginal.

Liquidity Risk

Liquidity Risk is the risk that the Company will be unable to meet its obligations when they fall due. The Company endeavours to ensure that adequate funds are always available when liabilities fall due. The following table sets out the Company's Financial Liabilities by maturity as at 31 December 2023 and 2022, based on the undiscounted value of contractual payments:

2025	Due within 1 year	Due within 1–5 years	Due after 5 years	Total
Finance Lease Liabilities	12,158	18,493	0	30,651
Liabilities arising from bond issues	*	6,000,000	4,500,000	10,500,000
Other Non-Current Liabilities			0	0
Trade Payables and Other Liabilities	10,925,759	0	0	10,925,759
Total	10,937,917	6,018,493	4,500,000	21,456,410

2024	Due within 1 year	Due within 1–5 years	Due in more than 5 years	Total
Finance Lease Liabilities	15,289	40,338	0	55,627
Liabilities arising from bond issues	*	8,987,312	4,502,007	13,489,320
Other Non-Current Liabilities		2,915,135	0	2,915,135
Trade Payables and Other Liabilities	4,926,274	0	0	4,926,274
Total	4,941,563	11,942,785	4,502,007	21,386,356

* The short-term part of the bond liabilities is included in the *Trade Payables and Other liabilities* line in accordance with the balance sheet. Its value is HUF 3 billion in both 2025 and 2024.

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The Company's bank financing is based on group-level agreements; the covenants and their fulfilment are shown in the table below:

Name and calculation of indicator	Required 2025	Met 2025	Achieved 2024
Net debt/EBITDA	≤3.25	6.39	14.8

Due to the net debt/EBITDA ratio, the Group did not meet the condition attached to the 2031/I HUF bond as at 31 December 2025. The renewal of the 2025 working capital loan was carried out with the written consent of all bondholders.

Tax risk

The Company continuously monitors and tracks changes in the evolving regulatory framework, and should any regulatory change affecting the Company come into force, it immediately takes the appropriate measures and establishes or amends its procedures; consequently, there are no significant tax risks identified by management of which the management would be aware.

Management of capital risks

Capital structure

The Company's objective in shaping its capital structure is to maintain its ability to operate continuously, to ensure returns for its shareholders and other stakeholders, and to maintain an Optimal Capital Structure in order to reduce the cost of capital.

Dividend Payment policy

Should the Company be unable to identify investment and acquisition targets necessary for its growth, it may, subject to a specific decision by the Board of Directors and provided that results are satisfactory, pay a dividend to shareholders.

Optimal Capital Structure

On 15 January 2018, the Company's Board of Directors authorised the private placement of 858,318 new dematerialised ordinary shares with a nominal value of HUF 100 (issue price of HUF 607) (Series 'A') dematerialised ordinary shares, all of which carry the same rights as previously issued shares. The HUF 521,000,000 Capital Increase has significantly improved the Company's equity-to-debt ratio, which it intends to maintain in the future to mitigate Liquidity Risk – given the unpredictable nature of the financial markets.

Pursuant to the Board of Directors' resolution No. 1/2022 (17 October), as part of the share capital increase to be carried out through the public offering of new ordinary shares in exchange for a cash contribution, 2,249,352 ordinary shares each with a nominal value of HUF 100 and an issue price of HUF 4,100, which are registered, dematerialised new ordinary shares conferring rights identical in all respects to those of the previously issued ordinary shares, HUF 9,222,343,200 was paid in full by 20 October 2022, and the conditions for the share capital increase were met. The amount of the increased share capital is HUF 1,685,063,100, and the date of the amended Articles Of Association is 20 October 2022 .

On 28 February 2025, the Company's Board of Directors resolved to increase the Company's share capital. The amount of the share capital increase was HUF 240,000,000, in connection with which 2,400,000 new registered, dematerialised ordinary shares were issued, each with a nominal value of HUF 100 and an issue price of HUF 2,500. Consequently, the total increased share capital amounted to HUF 1,925,063,100, comprising 19,250,631 ordinary shares with a nominal value of HUF 100 each. The issue price of the ordinary shares affected by the share capital increase is HUF 2,500 per share, totalling HUF 6,000,000,000. The portion of the issue price per share in excess of the nominal value – totalling HUF 5,760,000,000 – increases the Company's capital reserve. The MFB Corporate Investment and Transaction Private

Equity Fund acquired the shares and made the cash contribution by the deadline; accordingly, the share capital increase took effect on 4 March 2025.

Ensuring operational viability

In order to ensure its effective financial viability, the Company continuously endeavours to extend or defer the payment deadlines for contracts and transactions with its suppliers, thereby seeking to offset delays in payment for Trade Receivables.

31. CONTINGENT LIABILITIES AND COMMITMENTS

As at 31 December 2025, the Company had no outstanding tenders.

There are no legal proceedings pending against the Company or initiated by it; in other words, the Company has no ongoing legal proceedings.

32. RESEARCH AND EXPERIMENTAL DEVELOPMENT

The Company did not carry out any research and experimental development during the year under review.

MASTERPLAST Plc.
Notes To The Financial Statements
FOR THE YEAR ENDED 31 DECEMBER 2025
(all amounts in thousands of forints, unless otherwise stated)

33. STATEMENT OF CHANGES IN EQUITY

Statement of Changes in Share Capital	Share Capital	Treasury Shares	Capital reserve	Comprehensive income	Retained earnings	Total reserves	Profit For The Year	Total equity
1 January 2025	1,685,063	-868,279	11,106,827	-126,584	2,191,719	13,171,962	-2,829,163	11,159,583
Profit For The Year	0	0	0	0	0	0	1,630,112	1,630,112
Share capital increase	240,000	0	5,747,830	0	0	5,747,830	0	5,987,830
Other Comprehensive Income - CCIRS	0	0	0	86,088	0	86,088	0	86,088
Effect of disposal of shareholding (PIMCO)	0	0	0	0	0	0	0	0
Carry forward of previous year's profit	0	0	0	0	-2,829,164	-2,829,164	2,829,164	0
Committed reserves	0	0	0	0	0	0	0	0
Treasury Shares	0	-49,016	0	0	0	0	0	-49,016
Dividend paid	0	0	0	0	0	0	0	0
Impact of MRP consolidation	0	0	0	0	0	0	0	0
MRP Remuneration (2024–2025)	0	0	0	0	0	0	0	0
MRP Remuneration (2025–2026)	0	32,127	0	0	0	0	0	32,127
31 December 2025	1,925,063	-885,168	16,854,657	-40,496	-637,445	16,176,716	1,630,112	18,846,723

In relation to the reconciliation of Equity, the presentation of items (a), (b), (c), (d), (e), (f), (g) and (h) as defined in Section 114/B(4) of the Accounting Act is not relevant for the Company.

*The capital registered with the Companies Court corresponds to the amount of Share Capital under IFRS.

** The retained earnings available for Dividend Payment amount to HUF -637,445 thousand.

34. EMPLOYEE SHARE OWNERSHIP PROGRAMME

Masterplast Plc. established the MASTERPLAST Employee Share Ownership Programme Organisation on 14 December 2016. The registered office of the MRP organisation is: 1062 Budapest, Andrásy út 100. Masterplast Plc. (the Founder) established the MRP organisation to effectively administer incentive remuneration linked to Masterplast's business objectives for the company's executives (Participants). In accordance with IFRS 2, the Company accounts for the MRP organisation as a 100% extension of itself in its books, as it determines the operation of the MRP organisation through its remuneration policy.

As the benefit constitutes a share-based payment settled in an equity instrument, its measurement and recognition are carried out in accordance with the provisions of IFRS 2.

In connection with the MRP Participants' 2023/2024 programme, the employees of Masterplast Plc. and its wholly-owned subsidiaries Masterplast Membrane Ltd., Masterplast Hungária Ltd. and Masterplast International Ltd., Masterplast Modulhouse Ltd. and Masterplast Insulation Ltd., who are covered by the scope of the company's Remuneration Policies. Masterplast included within the group of Participants those executives of the aforementioned companies who had the greatest influence on the achievement of the corporate business objectives set out in the Remuneration Policies.

The Participants acquired a shareholding in the MRP organisation in exchange for Masterplast shares and Financial Assets contributed by the Founder as a non-monetary capital contribution.

The Company launched the 2024/2025 programme relating to the year 2025 on 25 April 2024; however, due to the failure to meet the revenue and profitability targets set out in the remuneration policy, no MRP payment will be made in relation to the financial year. Accordingly, the Company did not recognise any expenses relating to MRP remuneration in the Statement Of Profit Or Loss for the 2024 financial year.

Name of prescribed indicators	Required	Actual	<i>date in EUR</i>
			Fulfilment %
Group EBIT growth compared to the 2024 financial year	- 5,318,499	1,567,656	100%
Minimum Group EBIT level 2025	7,066,000	1,567,656	22%

As the Company and the MRP organisation launch two-year programmes, the 2025/2026 remuneration programme was launched in 2025 with 160,000 shares. The vesting period is the second year following the launch of the programme, i.e. 2026, so the launch of this programme has no impact on the 2025 consolidated financial statements. (No service condition is attached to the benefit.)

MASTERPLAST PUBLIC LIMITED COMPANY35. EARNINGS PER SHARE **BASED ON 'S CONSOLIDATED FIGURES**

Consolidated figures are presented in EUR:

Description	2025	2024
Consolidated profit for the year attributable to the Company's owners (EUR)	-15,001,508	-4,825,348
Weighted average number of ordinary shares (shares)	18,448,565	16,577,520
Consolidated earnings per share (basic) (EUR)	-0.81	-0.29
Consolidated adjusted profit for the year attributable to the Company's owners	-15,001,508	-4,825,348
Weighted average number of ordinary shares (shares)	18,750,905	16,577,520
Consolidated earnings per share (diluted) (EUR)	-0.80	-0.29

Treasury Shares are not classified as ordinary shares for the purposes of calculating EPS and are therefore not included in the average number of shares in issue.

In accordance with IAS 33.4, the Company's earnings per share are equal to the earnings per share of the Group included in the Consolidation. In line with this interpretation, the earnings per share presented above are derived from the consolidated profit for the year after tax.

Consolidated earnings per share are EUR -0.81. The calculated diluted EPS (-0.80 EUR) may, in accordance with IFRS, be no greater than the Basic Earnings Per Share. In the calculation of diluted EPS, the shares transferred to the MRP are considered to have a dilutive effect, as they are expected to increase the weighted average number of ordinary shares outstanding should they be called in the future. The dilutive effect is less than EUR 0.01.

The weighted average number of ordinary shares (taking the above into account) was calculated as follows:

Date	Ordinary shares issued (number)	Treasury Shares (units)	Number of ordinary shares in circulation (shares)	Number of days	Weighted average
31 December 2024	16,850,631	290,151	16,560,480	365	16,577,520
31 December 2025	19,250,631	310,151	18,940,480	365	18,448,565

36. EVENTS AFTER THE REPORTING PERIOD FOR THE STATEMENT OF FINANCIAL POSITION

In 2026, the Company carried out a Capital Increase in the following Subsidiaries in order to maintain liquidity:

Name of subsidiary	Place of incorporation	Date	Currency	Amount
Masterplast Membrane Ltd.	Hungary	26 March 2026	EUR	4,500,000
Masterplast Modulhouse Ltd.	Hungary	26 March 2026	HUF	550,000,000

No dividend will be paid in respect of the 2025 financial year.

MASTERPLAST PUBLIC LIMITED COMPANY

The Company performed measurement of developments in the international geopolitical situation following the Reporting Date, with particular regard to the conflicts in the Middle East and their economic impact. As a result of global developments, increased volatility can be observed in energy prices, as well as in certain raw materials and transport costs, which may indirectly affect industrial production costs and the investment environment.

Conflicts in the Middle East also affect international logistics routes, particularly in the area of maritime transport, which may result in longer delivery times and, in some cases, increased transport costs for purchases from the Far East. The Company's procurement structure relies partly on Far Eastern sources; however, the diversification of its supplier base and the increased proportion of regional and European procurement opportunities mitigate the risks arising from this. To manage the above risks, the Company continuously monitors the operation of the supply chain and, where necessary, adapts flexibly to changing circumstances, including by engaging alternative sourcing channels and optimising inventory management practices. As a result, supply security had not suffered any significant disruption as at the reporting date.

However, uncertainty in the macroeconomic environment may affect demand conditions and the pace of investment activity, which the Company has taken into account in its business planning. Nevertheless, structural demand for energy efficiency investments continues to provide a stable demand base for the Company's products.

The Company has conducted measurement of the potential consequences of the current armed conflicts and their economic impacts on its operations and financial position. Based on this measurement, the above risks are manageable and do not jeopardise the continuity of the Company's operations. Accordingly, in the management's opinion, the going concern principle applies for a period of at least 12 months following the reporting date for the Statement of financial position.

37. FORWARD-LOOKING STATEMENTS

The Annual Report also contains forward-looking statements. These statements are based on current plans, estimates and forecasts; therefore, it would be inappropriate to place undue reliance on them. Forward-looking statements involve risks and uncertainties. The Company draws attention to the fact that there are a number of important factors which could cause actual results to differ materially from those set out in the forward-looking statements.

Estimates and assumptions are reviewed on a regular basis. Changes to accounting estimates are recognised in the period in which the estimate is revised if the change affects only the current year, or in the period of the change and subsequent periods if the change affects both the current and subsequent years.

38. STATEMENT OF RESPONSIBILITY

In accordance with the applicable accounting standards, the Annual Report, prepared to the best of the Company's knowledge, gives a true and fair view of the Company's assets, liabilities, financial position and results, and the Management Report gives a fair view of the Company's position, development and performance, describing the principal risks and uncertainties.

39. APPROVAL OF THE ANNUAL REPORT

The Company's annual report for the year ended 31 December 2025 was approved by the Board of Directors in its resolution of 29 April 2026, and its disclosures were authorised. The General Meeting is entitled to amend the annual report.

MASTERPLAST PLC.

MANAGEMENT AND BUSINESS REPORT

Financial year: 1 January 2025 – 31 December 2025

Sárszentmihály, 8 April 2026

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INTRODUCTION

The management and business report contains an analysis of the Group's results, as well as all additional information necessary for assessing its operations, including, amongst other things, the expected direction of development together with the risks involved, a presentation of the management, Research and Development (R&D) activities, and corporate social responsibility.

BRIEF SUMMARY OF FINANCIAL DATA

The Company is registered in Hungary at 8143 Sárszentmihály, Árpád u. 1/a.

Masterplast Ltd., originally established by private individuals to trade in construction materials, was converted into a private limited company on 29 September 2006 following a change of legal form in 1997. In order to list on the stock exchange, it was converted into a public limited company on 20 April 2011. Its technical listing on the Budapest Stock Exchange took place on 29 November 2011.

Thanks to dynamic growth since its foundation, the Company's main activity today is the management of its Subsidiaries and real estate assets. It also engages in property development. Its investments consist of holdings in subsidiaries of the Masterplast Group; consequently, developments in the construction market can significantly influence the Company's profitability through the profitability and capital structure of the individual subsidiaries.

Its property management activities relate to the Sárszentmihály and Kál sites. All the properties established at the two sites are wholly owned by Masterplast Plc., which utilises them through lease agreements. The vast majority of tenants are subsidiaries operating at the sites, with a smaller proportion being independent businesses not affiliated with the Group.

In addition to the above, the Company provides Loans to its Subsidiaries from the Parent Company and enters into group-level bank loans and procurement agreements. The group's management and employees performing group-level tasks are employed by Masterplast Plc.; consequently, group-level functions also operate under the Company's supervision, meaning that the management of the Masterplast Group is also carried out through the Company.

The key figures from the Statement of Financial Position included in the Notes To The Financial Statements, prepared in accordance with the International Accounting Standards (IFRS) adopted and implemented by the European Union (EU), are as follows:

1. Annual domestic Net Sales Revenue: HUF 2,436,356,000 (2024: HUF 1,356,969,000).
2. The operating result for 2025 is a profit.
Operating profit: HUF 7,869,671,000 (2024: HUF 632,785,000);
Profit Before Tax: HUF 1,652,679,000 (2024: HUF -2,745,402,000).
3. The Statement of Financial Position total is HUF 40,915,848,000 (2024: HUF 33,734,118,000).
4. Total equity amounts to HUF 18,846,723,000 (2024: HUF 11,159,583,000). The Share Capital amounts to HUF 1,925,063,000 (2024: HUF 1,685,063,000).

GROUP FINANCIAL AND OTHER MANAGEMENT INDICATORS

Description	Calculation	2025	2024
Ratio of non-current assets	$\frac{\text{Non-current assets}}{\text{Total assets}}$	0.86	0.95
Equity ratio	$\frac{\text{Equity}}{\text{Total equity and liabilities}}$	0.46	0.33
Liquidity Indicator I.	$\frac{\text{Current assets}}{\text{Current liabilities}}$	0.47	0.22
Liquidity Indicator II.	$\frac{\text{Cash and cash equivalents}}{\text{Current liabilities}}$	0.18	0.04
Efficiency of equity	$\frac{\text{Profit for the year}}{\text{Equity}}$	-0.09	-0.25
Operating Efficiency	$\frac{\text{Operating profit/(loss)}}{\text{Equity}}$	0.42	0.06

BREAKDOWN OF SHARE CAPITAL BY SHARE

19,250,631 registered ordinary shares with a nominal value of HUF 100 each

Form of shares: dematerialised shares.

ISIN code: HU0000093943

Shareholders	2025	2024
Tibor Dávid	0 HUF	
Tibor Dávid Bizalmi Vagyonkezelő Korlátolt Felelősségi Társaság (1)	HUF 454,805,700	HUF 454,805,700
Ács Balázs	HUF 387,725,900	HUF 387,725,900
MFB Corporate Investment and Transaction Private Equity Fund (2) (3)	HUF 313,170,700	*
Bunford Tivadar	HUF 42,169,000	HUF 42,169,000
Nádasi Róbert	HUF 12,903,400	HUF 12,903,400
Jancsó Illés	HUF 3,490,900	HUF 4,490,900
Pécsi László	HUF 2,013,200	HUF 2,013,200
Lukács Flórián László	HUF 252,000	HUF 252,000
Several minority shareholders	HUF 677,517,200	HUF 751,687,900
Shares repurchased	HUF 31,015,100	HUF 29,015,100
Total:	HUF 1,925,063,100	HUF 1,685,063,100

(1) According to the announcement made on 29 December 2025 by Tibor Dávid, Chairman of the Board of Directors and Chief Executive Officer, in order to restructure and consolidate his private assets in the long term, as sole settlor, for the purpose of trust management, to Tibor Dávid Bizalmi Vagyonkezelő Korlátolt Felelősségi Társaság, a trust management company established by him, managed by him as sole director and wholly owned by him. In light of the above, in all respects of the beneficial ownership position as defined in Section 3(38) of Act LIII of 2017 on the Prevention and Combating of Money Laundering and Terrorist Financing, Tibor Dávid remains the settlor, beneficiary and sole owner of the trust management company; the identity of the beneficial, ultimate and controlling owner of the Shares shall not change as a result of the establishment of the trust structure.

(2) On 28 February 2025, the Company's Board of Directors resolved to increase the Company's share capital through a private placement of new ordinary shares in return for a cash contribution, as follows: The amount of the share capital increase is HUF 240,000,000, in connection with which 2,400,000 new registered, dematerialised ordinary shares, each with a nominal value of HUF 100 and an issue price of HUF 2,500, were issued

(3) Held a stake of less than 5%

VOTING RIGHTS AND VOTING

Each holder of ordinary shares is entitled to one vote. Only shareholders registered in the share register prior to the General Meeting are entitled to participate in the General Meeting with Voting Rights.

The General Meeting passes its resolutions by a simple majority, except where the Companies Act requires a majority of at least three-quarters of the votes cast.

If the General Meeting resolves to amend a decision taken by the Board of Directors on a particular matter, the resolution amending the original decision shall only be valid if the shareholders present accept it.

BOARD OF DIRECTORS

With the exception of matters falling within the competence of the General Meeting, the Board of Directors is the Company's ultimate decision-making body. It carries out its activities in accordance with the Company's Articles Of Association, the resolutions of the General Meeting and the legislation in force at any given time. In accordance with the Articles Of Association, the Board of Directors consists of five members, elected by the Annual General Meeting.

As at 31 December 2025, the members of the Board of Directors are:

- Tibor Dávid – Chairman
- Ács Balázs – Vice-Chairman
- Deze Margaret – independent member
- Dirk Theuns – independent member
- Tóth József – independent member

AUDIT COMMITTEE

The General Meeting has established a three-member Audit Committee from among the independent members of the Board of Directors to perform the duties specified in the Companies Act and the Capital Markets Act.

Members of the Audit Committee:

- Deze Margaret
- Dirk Theuns
- Tóth József

The Audit Committee is responsible for:

- a) reviewing the Financial Statements in accordance with the Accounting Act;
- b) making recommendations regarding the appointment and remuneration of the auditor;
- c) preparing the contract to be concluded with the Auditor and, on the basis of the authorisation in the Articles Of Association, signing the contract on behalf of the company;
- d) monitoring compliance with the professional requirements and conflict of interest rules applicable to the Auditor, carrying out tasks relating to cooperation with the Auditor, and – where necessary – making recommendations to the Board of Directors regarding measures to be taken;
- e) Measurement of the functioning of the Financial Reporting System and making recommendations on necessary measures;
- f) assisting the Board of Directors in ensuring the proper control of the Financial Reporting System;
- g) supervising and directing the work of the Internal Audit function.

INTERNAL AUDIT

The company operates an Internal Audit function. In 2025, the role of internal auditor was performed by Katalin Csemák.

GENERAL MEETING

The supreme body of the Company is the General Meeting, which consists of all shareholders. The powers of the Annual General Meeting include, amongst other things, the adoption of the annual financial statements and decisions regarding the appropriation of the Profit For The Year, the election and dismissal of the Board of Directors, the appointment of the Auditor, the amendment of the Articles Of Association, and any decision that has a material impact on the Company's share capital and which is assigned to the exclusive competence of the General Meeting by law or the Articles Of Association.

SUBSIDIARIES

As at 31 December 2025, Masterplast Plc. has wholly-owned operating subsidiaries in 10 countries and is present in the region's construction market through indirect shareholdings via its subsidiaries.

EXISTING SHAREHOLDINGS

Company name	Place of registration	Ownership share	Voting rights
Master Plast S.r.o.	Slovakia	100%	100%
Masterplast Insulation Ltd.	Hungary	100%	100%
Masterplast d.o.o.	Croatia	100%	100%
Masterplast Membrane Ltd.	Hungary	100%	100%
Masterplast Hungária Ltd.	Hungary	100%	100%
Masterplast International Ltd.	Hungary	100%	100%
Masterplast Modulhouse Ltd.	Hungary	100%	100%
Fidelis Bau Ltd.	Hungary	100%	100%
Masterplast Romania S.R.L.	Romania	100%	100%
Masterplast Sp. z o.o.	Poland	80.04%	80.04%
Masterplast Nonwoven GmbH	Germany	100.00%	100.00%
Masterplast Italia SRL	Italy	100.00%	100.00%
Masterplast TOV	Ukraine	80%	80%
Masterplast YU D.o.o.	Serbia	100%	100%
MP Green Invest	Ukraine	100%	100%
Masterplast Doel Kicevo	North Macedonia	100%	100%
MASTERWOOL MW-1 d.o.o (1)	Serbia	0%	0%
Masterplast Proizvodnja D.o.o	Serbia	100%	100%
<i>The Group's associate:</i>			
MasterProfil Ltd.	Hungary	20%	20%
T-CELL Ltd.	Hungary	24%	24%
MIP Ltd.	Hungary	49.39%	49.39%
PIMCO Ltd.	Hungary	50%	50%

(1) On 12 November 2025, Masterwool MW was merged into Masterplast YU D.o.o. Company

Masterplast Plc. is responsible for the management and coordination of the Group and provides the necessary operational support (central contracts, guarantees, marketing and PR materials, etc.)

IMPACT OF MACROECONOMIC TRENDS ON THE GROUP’S OPERATIONS

The production and sale of insulation and other building materials, which constitute Masterplast’s core business, are significantly influenced by developments in the external economic and industrial environment. Sales of building materials and ancillary products are primarily linked to the market for new buildings, whilst sales of insulation materials (primarily thermal insulation) are linked to both the market for newly constructed properties and the renovation market.

The European construction market as a whole had not yet shown a general upturn, but signs of improvement became increasingly evident during 2025. The easing of monetary conditions, particularly the fall in interest rates, gradually improved investment conditions, whilst EU Energy Efficiency regulations and renovation programmes provide a stable demand backdrop for the construction industry in the medium to long term. The role of the renovation segment has become particularly important, and it could be one of the key growth drivers for the market in the coming period.

In Hungary – the Company’s most important market – demand remained subdued in the first half of 2025, but began to pick up in the second half due to housing and energy efficiency incentive programmes. Home renovation programmes and housing subsidies (KEHOP Plus Home Renovation Programme, Rural Home Renovation Programme, Home Start Programme, Housing Capital Programme), but above all the market for certified energy savings (HEM) linked to the Energy Efficiency Obligation Scheme (Eeos), became an increasingly strong driver of demand, particularly in the field of energy efficiency renovations.

A similar trend was observed in several countries across the region: subdued demand in the first half of the year, followed by a gradual upturn. In Poland, Romania and Slovakia, an improvement in the market environment became apparent during the year, whilst construction activity across the Central European region as a whole strengthened in the second half of the year. The German economy continued to perform weakly in 2025, with the construction sector particularly burdened by high financing costs and low investment activity; however, signs of stabilisation began to emerge in the second half of the year. In Ukraine, construction activity remained heavily dependent on the war situation; however, reconstruction projects and international aid generated demand in certain segments.

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

Country	GDP growth (at current prices) %		Change in construction output (compared to the previous year) %		Change in the number of building permits issued (compared to the previous year) %	
	2024	2025	2024	2025	2024	2025
Germany	-0.5	0.2	-3.2	-1.7	-19.4	12.2
Croatia	3.8	3.2	13.6	8.0	8.8	6.7
Italy	0.8	0.5	3.9	4.8	-0.1	:
Hungary	0.6	0.4	-1.4	2.6	-3.2	34.6
Poland	3.0	3.6	-7.7	-	21.6	-9.1
Romania	0.9	0.7	-5.8	8.0	2.2	11.4
Slovakia	1.9	0.8	-5.4	7.0	-24.6	0.7
North Macedonia	3.0	3.5	19.5	17.6	6.1	1.6
Serbia	3.9	:	3.4	-5.5	-1.0	:
EU (27 Member States)	1.1	1.5	-1.5	0.5	0.1	:

Source: EUROSTAT: Building permits - annual data [sts_cobp_a_custom_15768074]; Production in construction - annual data [sts_copr_a_custom_15767899]; Real GDP growth rate - volume [tec00115_custom_15767522]

OVERVIEW OF GROUP TURNOVER BY PRODUCT GROUP

Revenue by main product group (thousand euros)	2025	2024	Change %
	(A)	(B)	(A/B-1)
Thermal insulation system	67,007	69 360	-3%
Roofing foils and accessories	27,326	24,107	13%
Dry construction system	8,462	8,756	-3%
Heat, sound and water insulation materials	31,686	15,512	104%
Building industry accessories	3,996	3,971	1%
Industrial applications	32,674	14,431	126%
Net Sales Revenue	171,151	136,137	26%

Percentage contribution of main Product Groups to total turnover		
Thermal insulation system	39%	51%
Roofing foils and accessories	16%	18%
Dry construction system	5%	6%
Heat, sound and water insulation materials	19%	11%
Building industry accessories	2%	3%
Industrial applications	19%	11%
Net Sales Revenue	100%	100%

Source: data from the Group's management information system

The Group's revenue fell by 26% in 2025 to EUR 171,151 thousand.

Breaking down the Group's revenue, the Thermal Insulation System Product Group continued to account for the largest share (39%), where turnover was 3% lower than in the previous year. Within this Product Group, turnover of in-house manufactured EPS products increased, whilst that of complementary products in the glass fibre category (adhesives, profiles) fell slightly. The largest Product Group in the Hungarian market performed at the base level, whilst revenue increased in Serbia, Ukraine and Poland, and decreased in other markets compared to the previous year.

Sales of roofing foils and accessories increased by 13% compared to the 2024 base, mainly due to sales of in-house manufactured membranes. Looking at the markets, revenue grew strongly in the Hungarian market, but also rose in other regions with the exception of the Croatian, Romanian and Serbian markets.

In the dry construction system segment, the group's turnover fell by 3% in the current year compared to the 2024 base. Revenue from plasterboard profiles decreased, whilst revenue from sheets rose slightly. Looking at the markets, turnover for this Product Group fell or stagnated in all areas except Ukraine and Croatia.

In the Heat, sound and water insulation materials Product Group, the group doubled its turnover compared to 2024. Sales revenue from Masterplast's own-brand XPS products also rose significantly, whilst Glass Wool sales were more than five times higher than a year earlier. Glass Wool sales in the current year were further supported by the new glass wool produced in Szerencs – in partnership with Selena FM S.A. – and are increasingly being supplied from this facility. In terms of markets, the Hungarian and Polish markets performed exceptionally well, but turnover for the Product Group also grew in the Serbian, Croatian and export markets.

In the market for building industry accessories, the group's turnover remained close to the base level. Outside the Hungarian and Slovakian markets, turnover in the group's other markets fell short of the previous year's figures.

Turnover in the Industrial applications product group more than doubled. Within this product group, turnover from in-house manufactured healthcare raw materials decreased, whilst revenue from trading in other raw materials improved compared to the previous year's base. This statement also includes the sale of restricted marketable property rights (so-called HEM) related to energy efficiency refurbishments carried out with the contribution of Masterplast, which generated significant revenue for the Product Group.

GROUP REVENUE BY COUNTRY

The breakdown of revenue by country shows revenue realised in those countries where Masterplast has its own subsidiary, regardless of which subsidiary made the sales in that country. Sales in countries where there is no subsidiary are reported as Exports.

Revenue by country (thousand euros)	2025	2024	Change %
	(A)	(B)	(A/B-1)
Hungary	88,851	49,950	78%
Poland	14,639	13,139	11%
Exports	13,836	14,514	-5%
Romania	11,416	12,209	-6%
Serbia	11,262	11,264	0%
Germany	9,148	9,803	-7%
Ukraine	8,117	7,641	6%
Italy	4,590	7,063	-35%
Slovakia	4,253	5,133	-17%
Croatia	3,708	3,948	-6%
North Macedonia	1,331	1,473	-10%
Net revenue	171,151	136,137	26%

Percentage contribution of countries to total turnover		
Hungary	51%	36%
Poland	9%	10%
Exports	8%	11%
Serbia	7%	9%
Romania	7%	8%
Germany	5%	7%
Ukraine	5%	6%
Italy	3%	5%
Slovakia	2%	4%
Croatia	2%	3%
North Macedonia	1%	1%
Net revenue	100%	100%

Source: data from the Group's management information system

In the Group's largest Hungarian market, total revenue increased by 78% in 2025 compared to the base year. Sales for every Product Group exceeded the base year in the current year, but sales of HEM and products linked to HEM programmes played a decisive role in the significant growth. In the final quarter, the Company relaunched its national Façade Insulation thermal insulation subsidy programme on more favourable terms, whilst Masterplast participated in the loft insulation programme, which is also available on the market, in collaboration with its insulation partners. In connection with these programmes, energy savings result in the creation of a right with limited marketability, known as Certified Energy Savings (HEM). HEMs certified directly or indirectly by Masterplast's partners are sold within the framework of the EKR system to parties entitled to purchase HEMs. These sales also contributed significantly to the increase in turnover achieved on the Hungarian market.

On the Polish market, the Group achieved an 11% increase in turnover compared to the 2024 baseline, and it became MASTERPLAST's second-largest market. Revenue increased in the Roofing Membrane and Roofing Components Product Group thanks to sales of in-house manufactured Roofing Membrane products (), as well

as in the Thermal Insulation System due to glass fibre sales, whilst revenue in the other product groups decreased compared to last year.

In the export markets, revenue fell by 5% year-on-year. Turnover fell in the facade thermal insulation product group, which has in-house Production Capacity, whilst turnover increased for XPS and Roofing Membrane products, which are also supported by in-house Production Capacity. Masterplast was able to significantly increase its revenue in certain countries, including France, Spain and Bosnia and Herzegovina.

Turnover in the Group's Romanian market fell by 6%. Revenue for most Product Groups decreased in 2025 compared to the previous year.

In Serbia, the Group's sales in 2025 remained at the base level. The Group's own-manufactured EPS and XPS products performed well in the region, whilst sales of other products mostly declined.

In the German market, turnover fell by 7% in 2025 compared to the previous year, with sales of in-house manufactured healthcare raw materials, Roofing Membranes and façade Product Groups all showing a decline.

In Ukraine, which remains in a state of war, revenue increased by 6% compared to the 2024 baseline. With the exception of the heat, sound and water insulation materials and construction accessories product groups, MASTERPLAST's revenue in Ukraine increased across all other product categories.

In the Group's markets where it holds a 3% or smaller market share—namely Italy, Slovakia, Croatia and North Macedonia—turnover also declined compared to 2024.

LONG-TERM STRATEGY, FUTURE OUTLOOK

The Company has set out its vision as follows:

As a leading environmentally conscious European manufacturer, we contribute to the construction of energy-efficient buildings.

The Company's aim is to maintain a dynamic growth rate, which it plans to achieve through greenfield investments and organic growth.

The Company plans to achieve growth in turnover and profits in the construction industry, Modular Construction and the industrial sales market.

The Masterplast Group's distribution subsidiaries serve building materials retailers, procurement companies and DIY store chains. The structure of the building materials retail sector varies from country to country; therefore, a unique sales policy must be developed for each market to ensure the highest Market Share and profitability. Markets without subsidiaries are served through export departments, which the Company reports as Export Sales. The aim is for Masterplast's products to be represented in the given market by strong local strategic partners. The development of export activities ensures the strengthening of the market position of glass fibre and Roofing Membranes, and an increase in the targeted market share in these segments across European Union countries. The wide product range and the developing manufacturing background ensure growing competitiveness. For partners, value is primarily represented by security of supply, consistent quality, product certifications, and value for money.

Within the construction industry, the insulation sector is the main focus of the Company's development. With our Product Portfolio and the use of our insulation materials, we enable energy-efficient thermal insulation of institutional and residential buildings, thereby actively contributing to the reduction in energy consumption of the building stock as announced by the European Union. In this area, the Company plans to expand its manufacturing portfolio in product categories where it already holds a significant Market Share but does not have its own production facilities. In the future, the Company plans to manufacture thermal insulation materials that will play a role in future construction technologies.

The importance of recyclability is also growing within the insulation industry. Under the Hungarocell Green Programme, the Company currently collects and recycles the offcuts from the insulation materials (EPS and XPS) it distributes. In the future, the Company plans to develop insulation systems that expand its green Product

Portfolio, enabling the breakdown, collection and Recycling of insulation materials in the long term. The Group also intends to further develop its manufacturing and sales capabilities to meet the growing future energy requirements of the market and regulators. The Company is also reorganising its manufacturing and business processes, with a focus on reducing waste and emissions of harmful substances, lowering specific energy consumption, and increasing the use of renewable energy sources. Automation and robotisation will become key considerations in future manufacturing and sales investments and developments. The effective utilisation of our broad-based, multi-faceted supplier relationships ensures the seamless fulfilment of growing manufacturing and sales demands.

Our construction projects within our modular building components manufacturing division serve our sustainability and environmental objectives, as the fabrication of buildings under factory conditions limits on-site waste generation. The rise of modular construction is driven by a shortage of suitable specialists, rising labour costs, and the need for predictability. Clients are also becoming increasingly open to non-traditional construction solutions; for the next generation, the functional utility, Sustainability and Recycling of a building are the decisive factors, rather than the type of building materials or the construction method. In Modular Construction, building units with a high level of interior finish are manufactured under industrial conditions. The advantages of modular construction are particularly evident in large-scale production, where the use of standard designs and solutions reduces unit design costs, production processes can be optimised through mass production, and procurement becomes more cost-effective due to the use of standardised materials. The Company's aim is to become a key player in this rapidly evolving market as soon as possible, acting as a key partner to general contractors in the Hungarian Modular Construction sector.

The Company continuously reviews its Product Portfolio suitable for industrial manufacturing. It places emphasis on utilising its manufacturing expertise in the development and production of products for other industries. The non-woven textile products from the Aschersleben plant, which joined the group through the acquisition, are suitable for the filtration, furniture, clothing and packaging industries, as well as for agriculture. Glass fabric can be used to produce composite materials; fabrics reinforcing plastic products can be used in the automotive and marine industries, whilst construction composites can be used in façade cladding systems and building panels.

Within the framework of its organisational and human resources strategy, the Company has stated that a company can only be successful in a rapidly changing environment if its ability to change and adapt accelerates and its agility increases. The aim is to increase talent density in key positions and to recruit the most talented, motivated and high-performing employees for specific roles. Creating a more attractive and flexible workplace, strengthening the employer brand, and enhancing its ability to attract and retain talent.

In its digitalisation and online strategy, the Company places particular emphasis on supporting web-based sales and also plans to transform and digitalise its business processes, enabling work to be carried out more quickly, efficiently and with less human intervention.

The Company pays particular attention to ensuring that every element of the corporate culture is communicated to, known by and accepted by all employees of the Masterplast Group. The aim of senior management is to strengthen this culture through authentic, exemplary behaviour and the continuous involvement of colleagues.

RESEARCH AND EXPERIMENTAL DEVELOPMENT

Masterplast's innovation work comprises the entirety of technical, organisational, managerial and commercial operations aimed at improving the efficiency and profitability of its business activities, resulting in the creation of new or significantly modified products and the launch of new products onto the market. At Masterplast, this activity focuses primarily on experimental development (including technology), which aims to design and manufacture new products, processes and services, but also includes the production of prototypes not intended for sale, as well as the testing of alternative raw materials, which do not, however, result in a new product.

In 2025, Masterplast's development activities at its Serbian manufacturing sites focused primarily on strengthening digitalisation, automation and robotisation. The aim was to further increase the efficiency of manufacturing and logistics processes and to strengthen data-driven operations. During the year, the digitisation and automation of several manufacturing and control processes were implemented, which increased the

transparency and stability of production processes and contributed to more efficient resource utilisation. The technological developments introduced reduced operational risks and further improved productivity. In the glass fabric business, work began on developing a concept for fabrics intended for Industrial Applications, which could lay the foundations for new market opportunities in the longer term.

In the field of XPS production, the available output capacity has nearly doubled, largely thanks to in-house technological developments and production optimisation measures. The production line is now capable of manufacturing the entire Product Portfolio, whilst production stability and product quality consistency have also improved significantly. By obtaining the necessary product certifications, the company has further strengthened its market presence and long-term competitiveness.

During the reporting period, Masterplast's Nonwoven division carried out targeted production development activities to diversify raw material sourcing and improve cost efficiency. As part of this, it tested the processability of polypropylene (PP) raw materials from alternative sources, as well as compounds of varying compositions, under operational conditions. During the tests, different production parameters and formulations with varying additive contents were trialled in order to optimise production costs whilst maintaining product quality.

In 2025, the Modular Construction division focused on the targeted fine-tuning of the construction system. As part of the development work, technical refinements and modifications were implemented in material usage, as well as in technological and joint solutions, which contributed to improving manufacturing efficiency, simplifying the range of building components and reducing material costs. In parallel, significant development capacity was allocated to the drafting of technical instructions and production-supporting design drawings. As the next step in system development, the design of the V04 frame system has commenced, which enables the construction of residential buildings up to nine storeys high. The basic module is being expanded with new elements providing additional functions, such as balconies, canopies, central corridors and walkable flat roof elements. As a result of this development, by the second half of 2026, the expansion of the building component range will significantly broaden the scope of application of the technology, creating new market opportunities. In the detached house segment, a new, faster and more cost-effective foundation method with a lower environmental impact has been developed, and its application is expected in projects starting in 2026.

ENVIRONMENTAL PROTECTION

The Masterplast Group sets out the details of its environmental protection activities in corporate regulations. The aim is to define the rules, practices, procedures and areas of responsibility necessary to implement the environmental policy, to ensure measures aimed at reducing environmental impacts, and to regulate the operation of these processes. These processes are coordinated by the environmental engineer within MASTERPLAST's central Asset Management and Operations Department.

The MASTERPLAST Group conducts its sustainability report in accordance with the Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS), within the framework of which it identifies and manages environmental impacts, risks and opportunities (IROs), taking into account the entire value chain.

A key objective of the MASTERPLAST Group is to gradually increase the proportion of renewable energy sources and reduce its environmental impact in the interests of Energy Efficiency and Sustainability. As part of this, it operates solar panel systems at several sites and continuously develops its energy efficiency measures.

The Group operates its Environmental Management System in accordance with the ISO 14001:2015 standard. As part of this, it regularly assesses and records environmental factors and impacts. The operation of the system is governed by the Integrated Management Manual. Key areas: water quality protection, air quality protection, Waste Management, chemical management, noise and vibration control, soil protection and emergency response.

In 2025, the MASTERPLAST Group further strengthened its environmental data collection and reporting processes, with environmental data now being collected via a unified, software-supported system, thereby enhancing transparency and data quality.

Environmental considerations form an integral part of operational and strategic decision-making, including the upstream and downstream stages of the value chain.

ENERGY CONSUMPTION

The MASTERPLAST Group is committed to improving Energy Efficiency and reducing greenhouse gas emissions. To this end, it operates an Energy Management System in accordance with the ISO 50001 standard, which ensures the continuous improvement of energy performance.

To reduce the Group's energy consumption, it continuously improves its manufacturing processes, optimises its energy use and increases the proportion of renewable energy sources. Energy Efficiency measures contribute to reducing operating costs and mitigating CO₂ emissions.

Energy consumption mainly takes the form of electricity during manufacturing processes, whilst fuel is also used in connection with logistics and commercial activities. Energy procurement takes place at group level and through the markets of individual countries.

The insulation materials manufactured by MASTERPLAST contribute significantly to reducing energy consumption and CO₂ emissions in the building stock. With appropriate thermal insulation, energy savings of up to 60% can be achieved, which determines demand for the products in the long term.

WASTE MANAGEMENT

The MASTERPLAST Group conducts its Waste Management activities in accordance with the principles of the Circular Economy, supported by operations compliant with ISO 14001 and ISO 50001 standards, as well as internal regulations.

The Group pays particular attention to optimising material usage, preventing waste generation and increasing the Recycling rate. Approximately 95% of the waste generated during manufacturing processes is recoverable or recyclable. In the 2025 financial year, the Group further increased its use of recycled materials: during XPS production, nearly 2 million kg of internal and approximately 1 million kg of external recycled material were incorporated into the products.

The transparency and efficiency of Waste Management processes are supported by a digital recording system, which enables the accurate tracking of waste generated and recycling rates.

MASTERPLAST Hungarocell's Green Programme was further expanded in 2025 and now also covers Glass Wool products. Under the programme, clean polystyrene waste generated is collected and recycled, and used as a raw material for Thermobeton, reducing the demand for primary raw materials and the environmental impact.

The Group implements selective waste collection at its sites and endeavours to ensure that waste is managed at the nearest possible licensed facilities. It regularly monitors the activities of its waste management partners.

To raise environmental awareness among employees, the Group organises regular training sessions and internal communication campaigns. Environmental training is mandatory for all employees and is reinforced through annual refresher courses.

MASTERPLAST's sustainability goals are in line with the requirements of the EU Taxonomy Regulation, with particular regard to the principles of the Circular Economy and the avoidance of significant harm.

OUTLOOK AND STRATEGY

As part of the 'Fit for 55' climate policy package, the European Union has revised and strengthened the Energy Performance Of Buildings Directive (EpbD), which aims to accelerate the decarbonisation of the building stock and achieve a substantial reduction in energy consumption. The directive supports the achievement of the climate neutrality target set for 2050 and obliges Member States to draw up national renovation plans, increase the renovation rate and gradually modernise the building stock. The tightening regulatory and financing environment creates secure demand for Energy Efficiency investments in the medium and long term, providing structural demand support for the insulation industry.

In addition to the regulatory environment, global economic conditions have also become increasingly decisive. Geopolitical tensions, volatility in energy prices and uncertainty in supply chains have a direct impact on industrial production costs and investment decisions. At the same time, these factors also reinforce the economic rationale for Energy Efficiency investments, which supports sustained demand for insulation materials in the longer term. MASTERPLAST structures its operations in such a way that it can ensure security of supply and stable operations even in a changing global environment.

The practical implementation of the above processes is clearly observable in Hungary – the Company’s largest market. In recent times, several housing construction programmes have been launched, which may stimulate the market by improving access to finance. Under the Otthon Start Programme, a state-subsidised mortgage loan of up to HUF 50 million, with a fixed interest rate of 3% and a term of up to 25 years, is available for the purchase or construction of a first home or family house, which may improve access to finance for a wider audience. In addition, the Housing Capital Programme, with a budget of 300 billion forints, encourages new housing developments through equity financing; according to market expectations regarding the programme, this could support the construction of more than 30,000 new homes over five years, with the first handover dates likely to appear from the second half of 2026. On the renovation side, the KEHOP Plus Home Renovation Programme remains a relevant factor supporting demand; the scheme may also include a support component for residential Energy Efficiency upgrades (details vary by programme), which could create a favourable environment for the thermal insulation market through renovation activity.

Masterplast’s innovative modular construction business, based on factory prefabrication, fits perfectly with the aforementioned programmes aimed at promoting affordable housing. The technology ensures minimal labour requirements, standardised quality and rapid construction, whilst minimising environmental impact. The development of the modular building component manufacturing business is at an advanced stage, and the first family homes built using modular technology have already been handed over.

The EKR/HEM (Energy Efficiency Obligation Scheme (Eeos)) market continues to offer significant sales opportunities for the Company. Changes in the regulatory environment, particularly the rise in savings obligations and the growing focus on residential customers, are increasing the size of the market. The innovative insulation programme launched by the Company (Hungarocell Renovation Programme) provides a framework for exploiting opportunities in the HEM market, under which the materials for the complete thermal insulation system for the façade are provided free of charge to residential customers, financed from the value of the HEMs. The programme can be combined with the free loft insulation programme, which already operates on a similar principle and whose core product is Glass Wool. These programmes provide significant additional revenue and predictable demand, whilst contributing to higher utilisation of Production Capacity and improved profitability of the core business.

In the European renovation and housing construction markets, the availability of REPowerEU funds and the gradual normalisation of the financing environment point to a more favourable outlook; however, the pace of market recovery remains sensitive to developments in the macroeconomic environment.

The Company’s established presence in the Ukrainian construction industry could hold significant long-term potential, particularly in the event of a stabilising geopolitical environment.

Masterplast has made significant investments in production development in recent years. The expansion of glass fibre and Roofing Membrane production capacity enables the Company to serve the market for premium-category products. The combined EPS, XPS and Glass Wool production capacities, which are now operational, ensure that the Company establishes a leading position as a manufacturer in both plastic and mineral insulation materials.

The optimisation of the production portfolio and the structural strengthening of the demand side create a stable foundation for operations in the coming years. Sustainable medium- and long-term demand for thermal insulation materials, the financial discipline consciously applied and the return-oriented investment approach collectively support the further strengthening of earnings capacity and the continued improvement of financial stability.

The Masterplast Group’s distribution model continues to be tailored to the specific characteristics of local markets. Subsidiaries supply building materials retailers, procurement companies and DIY store chains, whilst markets without a subsidiary are served via export departments, which the Company reports as Export Sales. The aim is to establish a strong presence in each market based on local partners, ensuring an increase in Market

Share and profitability. Competitiveness is underpinned by security of supply, consistent quality, certified products and a favourable price-performance ratio.

Within the construction industry, the insulation sector is the main focus of the Company's development. With its Product Portfolio and the use of its insulation materials, Masterplast enables energy-efficient thermal insulation of institutional and residential buildings, thereby actively contributing to the reduction in energy consumption of the building stock as announced by the European Union.

Sustainability and environmental considerations are becoming increasingly important in all areas of operations. The Company currently operates the Hungarocell Green Programme, under which it collects and performs Recycling of production waste from insulation materials. The aim for the future is to develop systems that enable the collection and Recycling of insulation materials throughout their entire life cycle.

Automation, digitalisation and efficiency improvements are playing an increasingly significant role in the development of manufacturing and business processes. The aim is to optimise operations, reduce energy consumption and minimise environmental impact, whilst the Company adapts to regulatory and market expectations.

In the insulation industry, the role of recyclability and circular economy practices is becoming increasingly prominent. In Hungary, the Company currently collects and recycles the cutting waste from the insulation materials (EPS and XPS) it distributes as part of the Hungarocell Green Programme. In the future, the aim is to develop insulation systems that allow for the breakdown, collection and recycling of materials throughout their entire life cycle, thereby offering sustainable solutions in the long term.

In line with sustainability considerations, the Company is continuously improving its manufacturing and operational processes. Within this framework, reducing specific energy consumption, minimising harmful emissions and increasing the use of renewable energy sources play a key role. Improvements in operational efficiency are also supported by the strengthening of automation and robotisation, whilst a diversified supplier structure ensures the stable fulfilment of growing production and sales demands.

The Company's sustainability and environmental objectives are served by the construction projects of the modular building components manufacturing division, where the fabrication of buildings under factory conditions limits on-site waste generation. The rise of modular construction is also supported by a shortage of suitable specialists, rising labour costs and the need for predictability.

The Company is also continuously exploring opportunities to expand its Product Portfolio suitable for industrial manufacturing. Non-woven textile products – produced at the Aschersleben and Sárszentmihály manufacturing units – can be used in a number of industries, including filtration, the furniture and clothing industries, the packaging industry, and agriculture. The use of glass fabric enables further industrial applications, including in the form of composite materials in the automotive and marine industries, as well as in cladding and structural systems for the construction industry.

Digitalisation and the development of online operations also play a key role in the Company's strategy. Supporting web-based sales and the digitalisation of business processes contributes to faster, more efficient operations requiring less manual intervention. MASTERPLAST aims to increase its operational efficiency and competitiveness through the use of state-of-the-art technologies.

RISK MANAGEMENT

Total loan risk

The Group supplies products or provides services to a large number of customers. Taking into account contract volumes and the creditworthiness of customers, there is no significant Credit Risk. In accordance with the Group's international credit management policy, the control process operated at subsidiaries ensures that sales are made only to customers with an adequate financial background, thereby reducing the Group's credit risk.

The maximum potential amount affected by Credit Risk is the carrying amount of Financial Assets, including transactions recognised in the Statement of Financial Position that have undergone Impairment.

Interest Rate Risk

MASTERPLAST PUBLIC LIMITED COMPANY

The Group's management does not consider the Interest Rate Risk arising from variable-rate loans to be a significant risk factor, as the changes in interest rates resulting from banking measures taken in the wake of the financial crisis do not represent a magnitude that could not be managed from the profits of our business activities.

Liquidity Risk

The Group's liquidity policy stipulates that sufficient Cash And Cash Equivalents and available credit facilities must be ensured to implement the Financial Strategy.

As at 31 December 2025, the Group had a credit facility of EUR 52.7 million, and as at 31 December 2024, EUR 50.1 million, which includes short- and long-term credit facilities, as well as letter of credit and guarantee facilities. In addition to the credit facilities, the bonds issued under the Growth Bond Programme with a nominal value of HUF 21 billion (EUR 35 million at the balance sheet value as at 31 December 2025) provide greater flexibility for the Group's operations, as the short-term,31) provide greater flexibility for the Group's operations, as the Company has replaced short-term investment loans and those taken out at high financing costs with long-term financing at favourable interest rates, whilst also providing a source of funding for the Group's investments.

The available credit facilities ensure adequate solvency and financial stability for the realisation of the Group's strategic objectives.

Geographic Risk

The subsidiaries comprising the Group are predominantly located in Central Europe, although it also has subsidiaries in Ukraine. However, this relative dispersion does not pose a significant risk, as the Group has established regional groups to ensure and enhance control over the operations of its Subsidiaries, entrusting their management and supervision to specialised regional management.

Country risk

The Group's activities and performance are exposed to developments in the political, macroeconomic and public finance situations of Central and Eastern, South-Eastern and Eastern European countries. Any changes in the political and macroeconomic environment may have a negative impact on the Group's activities and its ability to generate profits.

Foreign Exchange Risk

Masterplast procures its products mainly in USD and EUR and its subsidiaries sell them in the foreign currency of their respective countries, which results in currency exposure for the Group. As the foreign currencies of the majority of the Group's country portfolio (with the exception of Ukraine) are pegged to the euro, movements in local foreign currencies against the euro, as well as the EUR/USD exchange rate in the case of products procured in USD, influence the Exchange Rate impact on trading activities.

Masterplast manages Foreign Exchange Risk centrally at Group level and, under the coordination of the Parent Company's financial director, at Subsidiary level. The optimal hedging strategy is determined as part of the annual financial planning process and implemented by the Group following approval.

The Hungarian entities have loans for Current Assets denominated in euros, whilst the Serbian Subsidiary has a euro-denominated investment loan.

Tax risk

The Group continuously monitors and tracks changes in the evolving regulatory framework, and should any regulatory change affecting the Group come into force, it immediately takes the appropriate measures and establishes or amends its procedures; consequently, there are no significant tax risks identified by management of which the management would be aware.

Capital risks management

- Dividend Payment policy

MASTERPLAST PUBLIC LIMITED COMPANY

If the Group is unable to identify suitable investment and acquisition targets necessary for its growth, it may pay dividends to shareholders, provided that adequate profitability and working capital are maintained. The dividend may amount to a maximum of 50% of the profit for the year.

- Capital Increase

Masterplast raised capital in 2018, 2022 and 2025, and may also secure funding in the future through Capital Increases to implement its subsequent strategic plans. With the exception of specific cases, the Group does not plan to raise capital in its Subsidiaries through shareholder contributions; it finances increases in Equity from the profits of previous years.

- Optimal Capital Structure

Following the Capital Increases carried out in 2012 and 2022, the Group's equity-to-debt ratio has improved significantly, a position it intends to maintain in the future to mitigate Liquidity Risk – given the unpredictability of financial markets.

- Ensuring operational viability

To ensure its effective financial viability, the Group continuously strives to extend and prolong the payment deadlines for contracts and transactions with its suppliers, thereby seeking to offset delays in Trade Receivables.

ETHICAL STANDARDS

The Group pays particular attention to respecting human rights, combating corruption and preventing bribery.

The Group applies a Code Of Ethics, the scope of which covers the following:

- In relation to clients, this includes, amongst other things, the protection of information, the regulation of fair business practices, the management of conflicts of interest, the regulation of business gifts, entertainment and hospitality, and the prohibition of bribery and corruption.
- In relation to employees of the Group and its Subsidiaries: communication, relations with management, the prohibition of discrimination, expectations regarding work performance, the protection of assets, and occupational health and safety issues, as well as health protection.
- In relation to the Company's shareholders, this covers, amongst other things, the prohibition of insider trading, the handling of confidential and protected information owned by the Group, and the protection of corporate property, assets and intellectual property.
- In relation to the Group and society: engagement in public life, the prohibition of child and forced labour, social responsibility and environmental awareness.

The Code Of Ethics sets out personal responsibilities in relation to the above. It regulates additional expectations regarding managers and the obligation to report breaches of the Code, as well as the sanctions for ethical misconduct and legal violations. The Code Of Ethics also sets out the procedures for control of compliance with the rules.

In addition to the above, the Group operates an Internal Audit system. The internal auditor gives particular attention to the respect for human rights and the emergence of risks related to the fight against corruption and the prevention of bribery. The internal auditor reports on their work to the Audit Committee, which is independent of management.

To ensure lawful operations, the MASTERPLAST Group operates an internal Whistleblowing System in accordance with Directive (EU) 2019/1937 of the European Parliament and of the Council on the protection of persons reporting breaches of Union law and on complaints, Act XXV of 2023 on complaints, reports in the public interest and rules relating to the reporting of misconduct (hereinafter: the Complaints Act), and the MASTERPLAST Group's regulations on the operation of the whistleblowing system. The purpose of the Whistleblowing System is to investigate reported information relating to unlawful or suspected unlawful acts or omissions, or other misconduct, in accordance with the requirements set out in the relevant legislation.

The Group's expectations of suppliers are set out in the Supplier Code Of Conduct and Code Of Ethics, which is available on the Company's website: <https://www.Masterplastgroup.com/vallalatiranyitas/>

WORKFORCE MANAGEMENT

According to the Group's philosophy, a business can only be successful if its ability to change and adapt accelerates and its agility increases. Expanding the management team with international experience and developing the organisation's ability to integrate are therefore key to achieving the Company's strategic objectives. Further key human resource management priorities include identifying the potential within employees, recognising, retaining and continuously motivating talented staff who are of particular importance to the company, including the further development of their skills and competencies. Ensuring a continuous influx of young talent is essential to the organisation's competitiveness.

The aim is to increase the concentration of talent in key positions and to employ the most capable, talented, motivated and high-performing staff for the roles in question. To broaden the employee base, the Company intends to expand its cooperation with secondary and higher education institutions, building on work placements and internship programmes.

The Company's aim is to create a workplace that is as attractive and flexible as possible, and to strengthen its employer brand, enhancing its ability to attract and retain staff. It pays particular attention to creating and maintaining an attractive work schedule and working environment, as well as to staff development.

The key to the success of the corporate strategy lies in its widespread communication, understanding and representation, which fosters employee commitment.

Sustainability-related topics and events are consciously incorporated into its programmes and HR initiatives.

EQUAL OPPORTUNITIES POLICY

In accordance with the equal opportunities policy set out in Masterplast's Code Of Ethics, the company pays particular attention to the cultural and social environments, which vary from country to country, as well as to the diversity of its workforce. It places great emphasis on non-discrimination, as well as on ensuring equal opportunities and equal treatment.

RESPECT FOR HUMAN RIGHTS

Respect for human rights is a core value of the MASTERPLAST Group, which permeates all our operations, whether in manufacturing, product development, sales or activities involving our stakeholders – our employees, investors, suppliers, customers, etc.

We support and strive to embed the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises throughout our business activities, and we encourage our partners and suppliers to do the same when working with the MASTERPLAST Group. Our approach to human rights forms an integral part of the Group's Code Of Ethics and the Supplier Code Of Conduct and Ethics.

<https://www.masterplastgroup.com/emberi-jogi-politika>

SITE PRESENTATION

The Masterplast Group has sites in 10 countries and operates production facilities in 5 countries.

The properties of the member companies cover a total area of more than 540,000 m². The sites comprise nearly 7,000 m² of office space, approximately 51,000 m² of production halls, nearly 82,000 m² of warehouse space, and nearly 189,000 m² of paved and asphalted outdoor storage, parking and access areas.

The maintenance of the buildings, utilities and outdoor areas at the sites, as well as the upkeep and improvement of their technical standards, is continuously ensured, thereby supporting efficient, safe and reliable operations.

The companies in Hungary – including Masterplast Hungária Ltd., Masterplast International Ltd., Masterplast Membrane Ltd. and Masterplast Modulhouse Ltd. – operate in accordance with the ISO 9001:2015 quality management standard, ISO 14001:2015 environmental management, ISO 50001 Energy Management System and ISO 45001 occupational health and safety management systems issued by the International Organization for Standardization.

All certifications were successfully renewed during 2025, reaffirming the Group's commitment to regulated, sustainable and safe operations. The maintenance of the ISO 50001 Energy Management System was also successfully audited at Masterplast Insulation Ltd. and Masterprofil Ltd., supporting the energy-efficient and controlled operation of the production units.

MANAGEMENT AND ORGANISATIONAL MEASURES AT AFTER THE REPORTING DATE FOR THE STATEMENT OF FINANCIAL POSITION

Changes affecting the Company's organisation after the Balance Sheet Date are described in the section 'Events After the reporting period'.

CORPORATE SOCIAL RESPONSIBILITY

The Masterplast Group is committed to responsible Corporate Governance and sustainability. Corporate social responsibility is an integral part of the company's operations, defining the creation of social and environmental value as an important objective alongside economic performance. Its CSR activities contribute to the development of local communities, strengthen employee commitment and support the company's long-term value-based operations.

Masterplast carries out its CSR activities across the entire Group's operational area. The programmes are funded from the company's Operating Profit, and grants are awarded in accordance with transparent, ethical principles. The company's aim is for its social engagement to create genuine value for both the communities and the Group's operations. Masterplast Plc. joined the BCSDH – Hungarian Business Council for Sustainability in 2022, a community of companies committed to sustainability that works to promote climate-neutral, nature-positive and socially just economic operations. Masterplast endorses the BCSDH's principles of responsible corporate governance and applies them in its day-to-day operations.

Masterplast's corporate social responsibility strategy is organised around five key areas, including child welfare and education, environmental protection and sustainability, support for local communities, promotion of sport and a healthy lifestyle, and the implementation of professional and educational programmes. Initiatives that support children's development, health and education play a key role in the company's sponsorship activities, and an important objective is to shape the environmental and health awareness of younger generations and to promote quality education, with a particular focus on supporting the next generation of construction professionals. In the field of environmental protection, Masterplast contributes to climate protection goals in connection with its core business, supports the spread of Circular Economy solutions, and strives to increase resource efficiency and reduce its environmental impact in its own operations. In supporting local communities, the company aims to improve the quality of life for residents, develop community infrastructure and strengthen social cohesion. To promote sport and a healthy lifestyle, the company provides sports facilities for its employees and supports local and national sporting activities. Within the framework of professional and educational programmes, a key objective is to promote the sustainability of the construction industry, shape professional attitudes and strengthen knowledge sharing.

The Group considers it of paramount importance not only to participate in the economic and social life of its immediate community as an employer, but also to support the work of foundations and associations that have taken on a social role. As part of this, Masterplast collaborates with the Lámpás '92 Foundation, which provides housing and development programmes for people with disabilities. The company supports the foundation's residential home development programme, primarily by providing the building materials required for Energy Efficiency upgrades, thereby contributing to sustainability. For this support, the company received the LAURUS Award in 2025.

Since 2013, Masterplast has been an active supporter of the KÉPES programme in Székesfehérvár, which implements community development projects through cooperation between the local council and companies in the region, primarily through the renovation of educational institutions. The company has been operating from its headquarters in Sárszentmihály since 2002 and has been an active supporter of the town's community life ever since, contributing, among other things, to the development of community infrastructure, the creation of a playground, and the renovation of the nursery and the doctor's surgery.

Masterplast has played a pioneering role in the Hungarian construction industry in developing a circular economy model, which aims to implement recycling of thermal insulation materials and reintroduce materials generated during production back into the process. The company also supports the spread of an environmentally conscious mindset through a number of smaller initiatives, including tree-planting programmes, nature conservation campaigns, the implementation of selective waste collection projects, and the reduction of single-use plastics.

Masterplast also supports the health and wellbeing of its employees, providing opportunities for sport, supporting community sports programmes and participation in various sporting events. The company has long supported the expansion of amateur sporting opportunities in collaboration with the National Mini-Football Association, and contributes to the development of young sporting talent through its support of BOM – The Foundation for Hungarian Sport; furthermore, at a regional level, it is a sponsor of the Hydro Fehérvár AV19 ice hockey club.

For several years, Masterplast has supported the work of the Hungarian Children's Rescue Foundation, contributing to the purchase of specialised equipment and educational programmes through financial support and partnership campaigns, as well as participating in the development of child rescue infrastructure.

The Masterplast Group's corporate social responsibility activities are also reflected in the operations of its subsidiaries, which support civil, educational, sporting and community initiatives tailored to the needs of local communities. The company also places particular emphasis on educational and professional partnerships; as part of this, it has launched a collaboration with the József Jáchy Technical College at the Székesfehérvár Vocational Training Centre, where a modern digital classroom has been established with the company's support, contributing to the acquisition of up-to-date professional knowledge. The Serbian subsidiary in Subotica is also an active participant in local community life, supporting civil and sports programmes, as well as collaborating with the local higher education institution.

The Masterplast Group's corporate social responsibility programmes have a positive impact on community life, employees and the company's reputation. The sustainability and employer awards received, as well as the feedback, all confirm the social value of these programmes.

CORPORATE GOVERNANCE

The Consolidated Annual Financial Statements, prepared in accordance with the applicable accounting standards, present a true and fair view of the assets, liabilities, financial position and results, and the Management and business report provides a reliable picture of the position, development and performance of Masterplast Plc. and its consolidated subsidiaries, setting out the main risks and uncertainties.

The Group makes every effort to operate in accordance with legal and regulatory requirements, whilst bearing in mind the requirements of ethical business conduct. Accordingly, the Group pays particular attention to the BSE's recommendations on responsible company governance in its day-to-day operations and regulations.

The regulations are available on the website:

https://www.masterplastgroup.com/document_folder/tarsasagiranyitasi-dokumentumok/.

CORPORATE GOVERNANCE STATEMENT

The shares of Masterplast Plc. are traded on the Budapest Stock Exchange (BÉT); accordingly, the Company adheres to the Corporate Governance principles established in Hungary and the relevant mandatory legal requirements.

Masterplast Plc. manages the Masterplast Group. The Group consists of the Parent Company, Masterplast Plc., as well as 17 companies within the Scope Of Consolidation, four Associate companies and one indirectly related company. The Company places great emphasis on the implementation of responsible corporate governance recommendations and guidelines, taking into account the organisation and specific characteristics of the Group formed by the Company and its Subsidiaries. The Company's management continuously develops its operational and Control practices under the guidance of the Board of Directors.

Masterplast Plc.'s corporate governance practices are in line with the requirements of the Budapest Stock Exchange and current capital market regulations. Furthermore, the Company regularly reviews the principles it applies to ensure it complies with the continuously evolving best international practices in this area.

Masterplast considers the aspects of Sustainability, Energy Efficiency and Environmental Protection to be of paramount importance, both in its internal processes and in the manufacture and development of its products.

The governing bodies of Masterplast Plc are: the General Meeting, the Board of Directors, the Audit Committee, Group Management, the Chief Executive Officer and Deputy Chief Executive Officers.

The General Meeting is the Company's supreme body, comprising all Shareholders. As the Company's supreme decision-making body, the General Meeting enables Shareholders to make decisions on matters of particular importance relating to the Company's operations, to determine corporate governance measures, and to exercise their Control rights. The rules governing the convening and conduct of the General Meeting, the rights and obligations of shareholders, and the manner in which shareholders' rights are exercised are set out in detail in the Company's Articles Of Association, which are available on the Company's website and that of the Budapest Stock Exchange.

The Company's executive body is the five-member Board of Directors. The Board of Directors acts as a body; its responsibilities include decisions relating to the management of the legal entity, and its powers encompass the resolution of all matters not falling within the exclusive competence of the General Meeting, or which legislation and the Articles Of Association assign to the Board of Directors. The rules governing the operation of the Board of Directors, as well as its duties and powers, are set out in detail in Article VIII of the Company's Articles Of Association and in the Board of Directors' Rules of Procedure, which are available on the Company's website. The Company's Board of Directors continuously monitors the Company's operations and receives regular updates on the Company's operations from management and the Chief Executive Officer. The independent members of the Board of Directors do not participate in the day-to-day operations of the Company. The Chairman and Vice-Chairman of the Board of Directors of Masterplast Plc. are elected by the Board of Directors for a term corresponding to the term of office of the members of the Board of Directors.

The management of the Company's operational activities is carried out by the Chief Executive Officer, who is employed by the Company and elected by the Board of Directors. The Board of Directors exercises employer's rights over the Chief Executive Officer. The Chief Executive Officer exercises employer's rights over the Company's employees; the Board of Directors exercises employer's rights over the Chairman and Vice-Chairman of the Board of Directors, with the exception of their election and dismissal.

Members of the Company's Board of Directors until 30 April 2025:

Tibor Dávid, Chairman (non-independent)

Ács Balázs, Vice-Chairman (non-independent)

Dirk Theuns (independent)

Dezse Margaret (independent)

Fazekas Bálint (independent)

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Members of the Company's Board of Directors from 1 May 2025:

Tibor Dávid, Chairman (non-independent)
Ács Balázs, Vice-Chairman (non-independent)
Dirk Theuns (independent)
Dezse Margaret (independent)
Tóth József (independent)

The Company has a three-member Audit Committee, whose members are elected by the General Meeting from among the independent members of the Board of Directors for a term of office identical to that of their membership of the Board. The Audit Committee elects its chair from among its members and passes its resolutions by a simple majority. In 2025, Dezse Margaret held this position.

Members of the Audit Committee until 30 April 2025:

Dezse Margaret, Chair (independent)
Dirk Theuns (independent)
Fazekas Bálint (independent)

Members of the Audit Committee from 1 May 2025:

Dezse Margaret, Chair (independent)
Dirk Theuns (independent)
Tóth József (independent)

The presentation of the members of the Board of Directors and the Audit Committee is available on the Company's website.

The management of the Masterplast Group – within the framework of the Articles Of Association, resolutions of the General Meeting and the Board of Directors, and the Organisational and Operational Regulations of Masterplast Plc. – is carried out by the Group Management (hereinafter: "management"). The division of tasks and responsibilities among the members of the management in relation to specific areas of Corporate Governance is set out in the Organisational and Operational Regulations of Masterplast Plc. The professional backgrounds and presentations of the members of the management can be viewed on the Company's website.

Members of the Group Management in 2025:

Tibor Dávid, Chairman and Chief Executive Officer
Ács Balázs, Vice-Chairman, Deputy Chief Executive Officer
Nádasi Róbert, Deputy Chief Executive Officer
Pécsi László, Group Management Member
Jancsó Illés, Deputy Chief Executive Officer
Bunford Tivadar, Member of Group Management
Lukács Flórián László, Deputy Chief Executive Officer

In all matters not assigned by law or the Articles Of Association to the exclusive competence of the General Meeting or the Board of Directors, the right to decide rests with the management.

The Chief Executive Officer directs and supervises the Company's day-to-day operations and organisational structure, as well as the provision of the conditions necessary for the Company's activities, within the framework defined by legislation and the resolutions of the General Meeting and the Board of Directors. The Chief Executive Officer exercises the employer's rights over the Company's employees. His professional career and Presentation can be viewed on the Company's website.

In 2025, the Board of Directors held 5 meetings with 100% attendance. Attendance was either in person or via electronic means of communication.

The Company does not have a Supervisory Board.

The Audit Committee held four meetings in 2025 with 100% attendance. Attendance was either in person or via electronic means of communication.

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The Board of Directors operates as a body and makes decisions. Upon the Company's listing on the stock exchange, it laid down its own operating procedures in its rules of procedure, which were last updated in April 2023 to maintain best practice.

The rules of procedure set out:

- the duties and powers of the Board of Directors,
- the rules applicable to members of the Board of Directors,
- the main duties of the Chair and Deputy Chair of the Board of Directors,
- the procedure and preparation of Board of Directors meetings, the decision-making system, the control of the implementation of decisions, and rules on conflicts of interest.

In order to enhance its operational efficiency, and taking into account the Company's size, structure, efficiency and the professional soundness of its decisions, the Board of Directors does not operate any committees; the relevant functions are performed by the members of the Board of Directors without the formation of a formal body.

In 2025, the Board of Directors did not take any decision contrary to the recommendation of the Audit Committee.

The Audit Committee performed its duties and exercised its powers in accordance with Act V of 2013 of the Civil Code, Act CXX of 2001 on the Capital Market, the Company's Articles Of Association, and the Audit Committee's Rules of Procedure. The Audit Committee's Rules of Procedure are available on the Company's website.

The Audit Committee is responsible for assisting the Board of Directors in the supervision of the financial reporting system, the selection of the Auditor and cooperation with the Auditor.

In 2025, the members of the Audit Committee did not receive any remuneration in addition to their Board of Directors' honoraria, with the exception of the Chair of the Audit Committee.

The members of the Board of Directors and the Audit Committee possess the expertise, background and experience necessary to perform their duties. The members' presentation is available on the Company's website.

The Internal Audit function was established at the Company in 2008. Its purpose is to assess the various risks inherent in current and future business activities and to monitor action plans for identified deficiencies.

The main task of the Internal Audit function is to monitor the lawful, efficient and reliable operation of the Parent Company and all Subsidiaries, and to continuously review and perform measurement of internal control systems. Through its recommendations, the Internal Audit function supports the timely rectification and prevention of shortcomings, irregularities, errors and inappropriate measures.

At the Company, the internal control function is performed by Katalin Csemák, the Internal Auditor. She reports the results of her audits to the Audit Committee and to the Company's management.

Controls are carried out in accordance with the Internal Audit plan set for the given year, with the agreement of the Chief Executive Officer, which is approved by the Audit Committee.

The audit of the 2025 financial and Sustainability Reports is carried out by the Company's Auditor, FORVIS MAZARS Limited Liability Company (1139 Budapest, Fiastyúk utca 4-8, 2nd floor, Company registration number: 01-09-078412, Chamber of Auditors registration number: 000220, Chamber of Auditors registration number of the responsible Auditor: 007145).

Masterplast Plc. pays particular attention to defining the disclosure rules relating to its stock market presence, thereby ensuring compliance with applicable legislation, meeting the public's expectations regarding information, and adhering to the principle of transparency. The disclosure rules and the operation of the system are set out in internal regulations.

As the issuer of shares listed on the Budapest Stock Exchange, a regulated market, the Company is classified as an issuer of public interest. The Company's exact contact details (postal address, telephone number, fax number, email address) are published on the Company's website (www.masterplastgroup.com).

The Company acts in accordance with applicable legislation and stock exchange rules when making disclosures. The Company is obliged to disclose regulated information. Regulated information: information falling within the

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scope of regular and extraordinary disclosures, information relating to the acquisition of influence, and inside information.

As an issuer listed in the Premium category of the Budapest Stock Exchange, the Company makes its disclosures in both Hungarian and English.

The Company regularly informs the public of key data regarding its financial and income position and operations. Concurrently with Disclosures, the Company is obliged to inform the Supervisory Authority and ensures that each piece of information remains publicly accessible for at least ten years.

The official channels for communicating with shareholders are regular disclosures: the annual report, the half-yearly report and quarterly results, as well as ad hoc disclosures. In addition, shareholders receive information on business operations, results and strategy at the Annual General Meeting and the Annual Investor Meeting. The Company always pays particular attention to providing comprehensive information to the capital markets in accordance with best practice.

Communication channels used for the publication of public announcements:

- a) the BSE website via the KIBINFO client system (www.bet.hu),
- b) the information storage system operated by the Supervisory Authority (www.kozzetetelek.mnb.hu),
- c) the Company's website (www.masterplastgroup.com).

In order to strengthen the position of shareholders and ensure that corporate and investment decisions serve the long-term stability of companies (Directive 2017/828/EU of the European Parliament and of the Council of 17 May 2017 (SRD 2)), KELER Zrt. launched its new system (the so-called CAPS system) on 3 September 2020, under which the Company is required to record specified corporate events.

Masterplast Plc. is committed to the fair trading of securities traded on public markets. To ensure this, the Company has drawn up its guidelines on insider trading in the form of internal regulations and regularly trains its employees and relevant parties on them.

Stakeholders are expected, whilst in possession of inside information, not to acquire or dispose of the Company's shares or other Financial Assets, either directly or indirectly, for their own benefit or that of a third party; not to withdraw or amend orders relating to the aforementioned Financial Assets; not to issue any instructions or orders to that effect, not to induce a third party to do so, and not to advise on or accept decisions relating to the aforementioned Financial Assets; not to disclose inside information unless they have written authorisation to do so; even cautious when sharing inside information, even amongst the Company's employees; share information only with authorisation and to the extent necessary for the performance of their duties; and protect inside information from being disclosed accidentally.

The General Meeting is the Company's supreme body, comprising all shareholders.

The General Meeting, which exercises the highest control over the Company's operations, is organised in accordance with a schedule drawn up for this purpose, with strict adherence to deadlines, ensuring that all necessary information is available in good time for decisions to be taken. The Board of Directors formulates its position on each item on the agenda, thereby helping to provide a sound basis for Shareholders' decisions.

The Company publishes the proposals and draft resolutions on the agenda of the General Meeting on its website (www.masterplastgroup.com) and on the additional notice platforms specified in Article 14.1 of the Articles Of Association (www.bet.hu; www.kozzetetelek.mnb.hu) no later than 21 days prior to the General Meeting.

In all other respects, the provisions of Chapter VII of the Company's Articles Of Association shall apply to the General Meeting. The rules relating to the convening and conduct of the General Meeting, the rights and obligations of shareholders, and the manner in which shareholders' rights are exercised are set out in detail in the Company's Articles Of Association, which can be viewed on the Company's website and on the website of the Budapest Stock Exchange.

PRESENTATION OF THE MASTERPLAST EMPLOYEE SHARE OWNERSHIP PROGRAMME ORGANISATION

Masterplast Plc. established the MASTERPLAST Employee Share Ownership Programme Organisation on 14 December 2016. The registered office of the MRP organisation is: 1013 Budapest, Pauler utca 11.

Masterplast Plc. (the Founder) established the MRP organisation to effectively administer incentive-based remuneration linked to Masterplast’s business objectives for the Company’s executives (Participants).

In 2025, the Participants of the MRP were employees of Masterplast Plc. and its wholly-owned subsidiaries Masterplast Membrane Ltd., Masterplast Hungária Ltd., Masterplast International Ltd. and Masterplast Insulation Ltd., who were covered by the Company’s Remuneration Policies. Masterplast included among the Participants those executives of the aforementioned companies who had the greatest influence on the achievement of the corporate business objectives set out in the Remuneration Policies.

EVENTS AFTER THE REPORTING PERIOD

Name of subsidiary	Place of incorporation	Date	Currency	Amount
Masterplast Membrane Ltd.	Hungary	26 March 2026	EUR	4,500,000
Masterplast Modulhouse Ltd.	Hungary	26 March 2026	HUF	550,000,000

Following a review of the insulation materials portfolio, the Company’s Board of Directors has decided that the strategic focus will henceforth be on glass wool production in Szerencs, its technological development and capacity expansion. As a result of global market conditions in 2025, the resulting more conservative investment sentiment, and changes in the business environment, the key conditions for implementing the joint rock wool plant investment with Market Építő Zrt. have become less favourable. Based on preliminary consultations between the owners of MIP Zrt., the Board of Directors approved the owners’ decision to withdraw from the rock wool factory project.

Masterplast also reviewed the status of the Group’s EPS production and decided to cease EPS production at Masterplast Italia Srl. The strategic presence in the Italian target market will be maintained and commercial activities will continue; the Company is exploring options for utilising the decommissioned machinery. To boost sales in Hungary, Masterplast is focusing on ramping up production at the Káli EPS plant, which is set to restart in spring 2026.

The Company assessed developments in the international geopolitical situation following the Reporting Date for the Statement of Financial Position, with particular regard to the conflicts in the Middle East and their economic impact. As a result of global developments, increased volatility can be observed in energy prices, as well as in certain raw materials and transport costs, which may indirectly affect industrial production costs and the investment environment.

Conflicts in the Middle East also affect international logistics routes, particularly in the area of maritime transport, which may result in longer delivery times and, in some cases, increased transport costs for purchases from the Far East. The Company’s procurement structure relies partly on Far Eastern sources; however, the diversification of its supplier base and the increased proportion of regional and European procurement opportunities mitigate the risks arising from this.

To manage the above risks, the Company continuously monitors the operation of the supply chain and, where necessary, adapts flexibly to changing circumstances, including by engaging alternative sourcing channels and optimising inventory management practices. As a result, supply security had not suffered any significant disruption as at the date of the Financial Statements.

However, uncertainty in the macroeconomic environment may affect demand conditions and the pace of investment activity, which the Company has taken into account in its business planning. Nevertheless, structural demand for Energy Efficiency investments continues to provide a stable demand base for the Company’s products.

The Company has conducted measurement of the potential consequences of current armed conflicts and their economic impacts on its operations and financial position. Based on this measurement, the above risks are manageable and do not jeopardise the continuity of the Company’s operations. Accordingly, in the

management's opinion, the going concern principle applies for a period of at least 12 months following the Reporting Date for the Statement of Financial Position.

STATEMENTS REGARDING THE FUTURE

The Annual Report also contains forward-looking statements. These statements are based on current plans, estimates and forecasts; therefore, it would be inappropriate to place undue reliance on them. Forward-looking statements involve risks and uncertainties. The Group draws attention to the fact that there are a number of important factors which could cause actual results to differ materially from those set out in the forward-looking statements.

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