



MASTERPLAST Plc.

**Financial and Sustainability
Report Excerpt**

2025



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Message from the chairman to the 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.



Dávid Tibor

Chairman and Chief Executive Officer

FINANCIAL REPORT

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 Dooel Kicevo	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%
The Group's affiliated undertaking			
MasterProfil Kft.	Hungary	20%	20%
T-CELL Plasztik Kft.	Hungary	24%	24%
MIP Zrt.	Hungary	49,39%	49,39%
PIMCO Kft.	Hungary	50%	50%

Forrás: a Társaság vezetői információs rendszeréből származó adatok

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.

Presentation of the Board of Directors:

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

*4,548,057 shares were transferred to the ownership of Tibor Dávid Bizalmi Vagyonkezelő Ltd.

Members of the Audit Committee:

Név	Beosztás	Függetlenség	Nem
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

Of the 5-member Board Of Directors, 3 members (60%) are independent, and 2 members (40%) are not independent.



Dávid Tibor

Chairman of the
Board of Directors



Balázs Ács

Vice-Chairman of the
Board of Directors



Margaret Dezse

Member of the
Board of Directors



Dirk Theuns

Member of the
Board of Directors



József Tóth

Member of the
Board of Directors

Independence

The Budapest Stock Exchange (BÉT) **Corporate Governance Recommendations** provide guidelines regarding the presence of independent members on the Boards Of Directors of companies listed on the Hungarian stock exchange. Although these recommendations are not binding, based on the "comply or explain" principle, listed companies must disclose the extent to which they comply with them. According to Section 2.1.4 of the BSE's Corporate Governance Recommendations, "The Board Of Directors/Supervisory Board shall include an appropriate number of independent members." and Section 2.1.7 states, "The Company shall define the criteria for the independence of members of the Board Of Directors/Supervisory Board in accordance with the Recommendations." The purpose of these recommendations is to ensure the independence and effective functioning of Corporate Governance bodies, thereby promoting transparency and strengthening investor confidence.

Independent members have no financial or business interests in the group and are therefore capable of making objective decisions. **Non-independent** members participate in management on a daily basis and are directly affected by the company's operations through their ownership stake.

Further details can be found in MASTERPLAST Plc's "Corporate Governance Report," prepared and published on April 24, 2025, in accordance with the Budapest Stock Exchange's Corporate Governance Recommendations.

The Board Of Directors has one female member; the proportion of women is 20%.

Chair of the highest governing body:

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

Summary

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.

- 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.
- 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 [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 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 re-launched 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.

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 171,151 thousand EUR 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.

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.

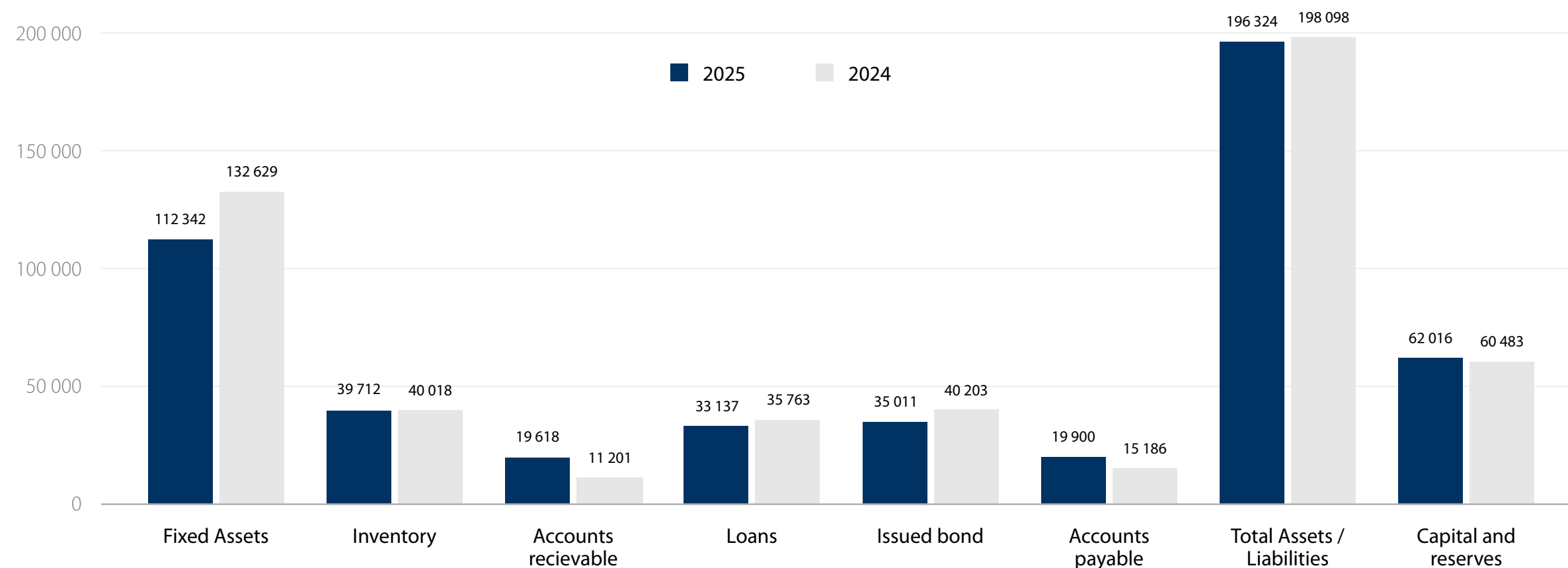
Trade receivables stood at EUR 19,618 thousand at the end of the reporting year, which is 75% higher than the base figure. The increase is largely attributable to the exceptional growth in revenue in the final quarter.

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.



The company's consolidated statement of cash flows

Cash flow items (EUR)	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

Presentation of the Group's statement of financial position and supporting tables

Statement of financial position (EUR)	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

Immateriális javak, ingatlanok, gépek, berendezések és befejezetlen beruházások

2025 (EUR)	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 (EUR)	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	-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.

Investments in associates

Masterprofil Ltd.: On November 30, 2013, Masterplast Plc. reduced its ownership interest in Masterprofil Ltd. from 95% to 20%, thereby transforming the company—previously included in the Consolidation as a Subsidiary—into an associate of the Group.

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

MIP Zrt.: Based on the strategic cooperation agreement concluded in December 2022, on June 9, 2023, the Company acquired a 50% stake in MIP Alapanyaggyártó Zártkörűen Működő Részvénytársaság (MIP Zrt.), as a result of which, by early 2025, MASTERPLAST Plc. held a 50% stake in MIP Zrt., while MARKET Építő Zrt. held the remaining 50% stake in MIP Zrt. On February 27, 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 share of MIP Zrt.'s 2025 Profit For The Year after taxes would be 8,999,230 euros. This result includes the full consolidated result related to the shutdown of the Rock Wool project. However, the Company's loss calculated based on its ownership interest is distorted by a financing agreement between the two owners of MIP Zrt., so it recognized a loss of EUR 8,392,203 in its books for 2025, thereby reducing the value of its ownership interest and Other Receivables to zero.

PIMCO Kft.: On January 18, 2023, the Company entered into a purchase agreement to acquire 100% of the shares of PIMCO Ltd., which has a Glass Wool manufacturing investment project. On June 28, 2023, the Company and Selena FM S.A. decided, in a joint agreement, to implement a Glass Wool manufacturing investment within the framework of a strategic cooperation. On November 6, 2023, the share capital of PIMCO Ltd. was increased, resulting in MASTERPLAST Plc. and Selena FM S.A. each holding a 50-50% ownership stake and voting share. With the share capital increase, PIMCO Ltd.'s share capital rose from 153,000,000 HUF to 3,627,942,000 HUF. In 2024, the Company carried out a further capital increase in three stages, totaling 842,737,500 HUF.

The consolidation of associates is performed using the equity measurement method against profit or loss.

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

Excludes profit from discontinued operations.

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

Excludes profit from discontinued operations.

1. Trade Receivables

Trade receivables (EUR)	2025	2024
Trade receivables	20,292,080	11,734,369
Impairment loss on trade receivables	-674,047	-533,062
Összesen	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.

Other current assets

Other current assets (EUR)	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

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.

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 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	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		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		2,088,306	2,088,306	0	0	
Total loans	33,137,154	18,189,930	14,947,224	0		33,137,154	18,189,930	14,947,224	0	

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 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		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		2,839,612	2,839,612	0	0	
Total loans	35,762,592	19,842,647	15,869,945	50,000		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.

Other Non-Current Liabilities

Other non-current liabilities (EUR)	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

Provisions

2025 (EUR)	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 (EUR)	Opening	Exchange difference	Provisions 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

Trade payables

The maturity profile of trade payables is as follows:

Trade payables (EUR)	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 91–180 days ago	1,620	6,062
Over 180 days past due	85,407	81,497
Total	19,900,139	15,185,952

Other current liabilities

Other current liabilities (EUR)	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

Statement of profit or loss and supporting tables

Materials and services used

Cost of materials and services (EUR)	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

Personnel expenses

Personnel expenses (EUR)	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

Net income from other income and expenses

Other income and expenses (EUR)	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

Other Financial income and expenses and Fair Value Measurement

Other financial transactions (EUR)	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

Taxes

Tax receivables and tax liabilities are as follows:

Tax receivables and tax liabilities (EUR)	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 (EUR)	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's average tax rate over the past two years was as follows:

Average tax rate (EUR)	2025	2024
Average tax rate	13.9%	13.9%

Segments

- Taking into account the Group's operations, the Group presents its manufacturing and commercial sales activities as business segments.
- The Group divides its operations into two segments: Manufacturing and Sales.
- The Manufacturing segment transfers glass fiber mesh, roofing membrane, gypsum board profiles, mesh edge protectors, 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 (EUR)	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
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

2024 (EUR)	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

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.

Overview 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.

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/en/corporate-governance/>, and which contains ethical and compliance requirements extending to the supplier value chain.

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 goal alongside economic performance. Its CSR activities contribute to the development of local communities, strengthen employee engagement, and support the company's long-term value-based operations.

MASTERPLAST carries out its CSR activities across the entire operational scope of the Group. The programs are funded from operating profits, and grants are awarded in accordance with transparent, ethical principles. The company's goal is for its social engagement to create genuine value for both 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 aligns with the BCSDH's principles of responsible corporate governance and applies them in its day-to-day operations.

MASTERPLAST'S corporate social responsibility strategy is organized around five key areas, including child welfare and education, environmental protection and sustainability, support for local communities, promotion of sports and a healthy lifestyle, and the implementation of professional and educational programs. In the company's support activities, initiatives that promote children's development, health, and education play a prominent role, and an important goal 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 area 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 sports and a healthy lifestyle, the company provides sports opportunities for its employees and supports local and



national sports activities. Within the framework of professional and educational programs, a key objective is to promote the sustainability of the construction industry, shape professional attitudes, and strengthen knowledge sharing.

The Group considers it a top priority 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 are committed to social responsibility. As part of this, MASTERPLAST collaborates with the Lámpás '92 Foundation, which provides housing and development programs for people with disabilities. The company supports the foundation's residential home development program, primarily by providing building materials needed for upgrades in energy efficiency, 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 program in Székesfehérvár, which implements community development projects through cooperation between the local government and companies in the region, primarily through the renovation of educational institutions. The company has been operating from its central facility 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 kindergarten and medical clinic.

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 generat-

ed during production back into the process. The company also supports the spread of an environmentally conscious mindset through numerous smaller initiatives, including tree-planting programs, nature conservation campaigns, the implementation of selective waste collection projects, and the reduction of single-use plastics.

MASTERPLAST also supports the health and well-being of its employees by providing opportunities for physical activity, supporting community sports programs, and encouraging participation in various sporting events. The company has long supported the expansion of amateur sports opportunities in cooperation with the National Mini-Football Association, contributes to the development of young sports talents through support for BOM – The Foundation for Hungarian Sports, and is a regional 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 specialized equipment and educational programs 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, sports, and community initiatives tailored to the needs of local communities. The company also places special emphasis on educational and professional collaborations; as part of this, it has launched a partnership with the József Jákó Technical School at the Székesfehérvár Vocational Training Center, where a modern digital classroom was 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 civic and sports programs, as well as collaborating with the local institution of higher education.

MASTERPLAST Group's corporate social responsibility programs 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 programs.

SUSTAINABILITY REPORT

General information

About the Report

The MASTERPLAST Group has been committed to a more sustainable future for years, where environmental responsibility, social impact, and responsible Corporate Governance all play a key role. It began reporting on sustainability voluntarily and without a standard in 2021, then prepared its reports in 2022–2023 in accordance with the international GRI standard. The first Sustainability Report in accordance with the ESRS was completed in 2024. Further information: <https://www.masterplastfenntarthatosag.hu/>

As a large enterprise of public interest (PIE), the MASTERPLAST Group prepared its Sustainability Report in accordance with the Corporate Sustainability Reporting Directive (CSRD), the Hungarian Accounting Act, and the European Sustainability Reporting Standards (ESRS).

The report covers the domestic and international operations of MASTERPLAST Plc. as well as the companies included in the full scope of consolidation. Its scope also extends to the active capital consolidation group, including T-CELL Plasztik Ltd., Masterprofil Gyártó és Kereskedelmi Ltd., and PIMCO

Ltd. The latter was newly included in 2025 as an active company not in the investment phase (the investment phase ended on June 30, 2025). Together with the full and active capital consolidation scope of MASTERPLAST Plc., it forms the MASTERPLAST Group.

The data was collected by the relevant entities of the Group with software support. HR data has been generated using software for years; however, in 2025, environmental data collection was also implemented for the first time on a unified software platform, which increased transparency and traceability and reduced the potential for errors. The Group deemed the implementation a success and intends to further develop the control environment.

The full content of the Sustainability Report, its double materiality analysis, and its material topics were approved by the Green Committee, the Group's management, and the Chairman of the Board Of Directors.

The MASTERPLAST Group prioritizes sustainability, energy efficiency, environmental protection, and human rights considerations throughout its entire value chain—in both the upstream (raw material procurement) and downstream (manufacturing, development, distribution, and sales) stages. While the reporting is based on its own operations, the double materiality analysis examined the entire value chain; the policies, goals, and measures primarily apply to the Group, but certain topics also affect the upstream and downstream stages.

Governance

The management of the MASTERPLAST Group can be divided into two main areas: strategic and operational management. Central management is carried out by MASTERPLAST PLC. The strategic level includes the General Meeting, the Board Of Directors, the Chairman, the Vice Chairman, the Audit Committee, and Internal Audit. Operational management includes the Group's management, central management, subsidiary management, as well as the related forums and meetings.

The General Meeting is the supreme body of MASTERPLAST Plc., consisting of all shareholders. Its role is to make decisions on the Company's fundamental strategic matters, including the final approval of the annual financial statements and, as part of them, the Sustainability Report (including forward-looking goals and measures). Matters falling within its exclusive jurisdiction are defined by the Civil Code and the Company's Articles Of Association.

The Board Of Directors is the executive body of MASTERPLAST Plc.; its powers and duties are set forth in the current Rules of Procedure of the Board Of Directors. According to the Articles Of Association, it consists of five members, who are elected by the Annual General Meeting for a fixed term. The Chairman and Vice Chairman are elected by the Board Of Directors, and

their terms of office correspond to those of the Board. The Board Of Directors does not participate in day-to-day operations; these are managed by the Chief Executive Officer, who is employed by the company and elected by the Board. Its primary tasks are to approve the Group's strategy and exercise control over operational activities, including sustainability initiatives and goals.

Of the five-member Board Of Directors, three members (60%) are independent, and two members (40%) are non-independent. On April 30, 2025, Bálint Fazekas (independent, male) stepped down, and his position was taken over by József Tóth (independent, male) effective May 1, 2025. The Board Of Directors currently has one female member, bringing the proportion of women to 20%.

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. Its responsibilities include overseeing Internal Audit, defining the requirements for the auditor, and supervising financial and Sustainability audits. Bálint Fazekas was succeeded by József Tóth effective May 1, 2025. The three-member Audit Committee is 100% independent, with women comprising 33.33% of its membership.

Operational management is carried out by members of the Group's management. In 2025, Flórián László Lukács became Deputy CEO. 100% of management members are men.

Employee representation on governing bodies

The Group's management members cover the various entities, ensuring unified strategic management. Employees are represented indirectly through management. They can also share their opinions directly with leadership via a suggestion box.

Professional experience of governance body members

Independent members of the Board Of Directors: Margaret Elizabeth Dezse (Chair of the Audit Committee – extensive experience in Corporate Governance, ESG, Risk Management, HR, and ethics), Dirk Theuns (Head of the IKO Group in Europe, supports the integration of Western European Sustainability trends) and József Tóth (Deputy CEO of Focus Ventures Zrt., with extensive experience in investments and fund management). The work of the Board Of Directors is supported by strong financial and strategic insight.

Professional information about the members of the Board Of Directors and the Group's management can be found on the website: <https://www.masterplastgroup.com/en/board-of-directors/> <https://www.masterplastgroup.com/en/management/>

Expanding sustainability expertise and ESG knowledge

The MASTERPLAST Group closely monitors sustainability regulations (CSRD, CSDDD, the Hungarian ESG Act, the Accounting Act, and other regulations). It considers it important to train its relevant employees and managers, as well as to participate—as a member company—in events organized by the BCSDH, the Követ Association, and the ESG Club Hungary, where they can learn about best practices. In 2025, in addition to its existing memberships, the company joined the Sustainability Division of the National Association of Construction Contractors (ÉVOSZ); A colleague participates as a delegate in the section's work to gather up-to-date information, share experiences, and actively contribute to industry dialogue. Further information: <https://evosz.hu/szervezet/szakmai-tagozatok/1103-fenntarthat%C3%B3s%C3%A1gi-tagozat>

Through focused knowledge sharing, presentations, and briefings at the Group Management Forum and Green Committee meetings, it assists senior management in preparing for ESG requirements in an agile manner, thereby strengthening the integration of sustainability considerations into decision-making. To ensure continuous improvement, executives and decision-makers regularly participate in training sessions led by external experts and industry events.

Sustainability in Corporate Governance

The MASTERPLAST Group considers sustainability, human rights, Energy Efficiency, and environmental protection to be of paramount importance in its internal processes as well as in the manufacturing, development, and entire value chain of its products. MASTERPLAST Plc. became a member of the BCSDH – Hungarian Business Council for Sustainability in 2022 and applies its responsible corporate governance guidelines. Further information: <https://www.masterplastgroup.com/a-fenntarhato-vallalatvezetes-iranyelvei/>

Green Committee

The Green Committee was established by the CEO in 2023 to support the Group's ESG, Sustainability, social responsibility, and Corporate Governance strategies. It assists the CEO in developing and integrating ESG topics, achieving and monitoring goals, and coordinates sustainability projects and policies. It is also responsible for overseeing sustainability impacts, risks, and opportunities.

Members: Dávid Tibor (Chair, CEO), Balázs Ács (Vice Chair, Deputy CEO), Róbert Nádas, Illés Jancsó, Flórián László Lukács (Deputy CEOs), László Pécsi, and Tivadar Bunford (Group Management members).

The Green Committee's Articles Of Association define its responsibilities. The Articles Of Association were not amended in 2025. Further details: <https://www.masterplastgroup.com/en/green-committee/>

Operational implementation is overseen by the CEO, while ESG tasks are coordinated by the Green Committee. The CEO ensures the flow of information between the Board Of Directors, the Audit Committee, and the Green Committee.

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 Group's general Risk Management and Internal Audit systems, ensuring that sustainability considerations are taken into account in decision-making processes. The effectiveness of these control mechanisms is further supported by regularly conducted ISO system audits, which are closely linked to several of the Group's key ESG topics and metrics, such as energy and occupational health and safety.

Strategy

The MASTERPLAST Group is a leading manufacturer of thermal insulation materials and a supplier to the construction industry in Central and Eastern Europe, focusing on the development, production, and sale of products related to Thermal Insulation Systems. Its strategy centers on promoting energy-efficient and sustainable construction by strengthening regional Production Capacities.

Its products include EPS and XPS insulation materials, Roofing Membranes, glass fiber mesh, mineral wool, drywall profiles, adhesives, and accessories. In 2025, through PIMCO Ltd., it began manufacturing Glass Wool and also entered the development of modular building components. These solutions primarily improve the Energy Efficiency of residential and commercial buildings.

The Group operates with a vertically integrated value chain from procurement to sales and is present in 10 countries, ensuring fast, flexible service and a lower carbon footprint. Its supplier network spans 40 countries, and its operations are governed by a Code Of Ethics and regular audits to ensure Sustainability and compliance.

ESG considerations play a key role in strategic decision-making, which is actively supported by the Board Of Directors, senior management, and the Green Committee.

The MASTERPLAST Group aims to play a leading role in Central and Eastern Europe in the field of sustainable and energy-efficient building material solutions, contributing to climate protection and resource-efficient operations.

In residential buildings, the main source of energy savings is insulation: ~40% with full exterior insulation, ~10% each with roof and attic insulation, ~30% with heating system upgrades, and ~10% with window replacement. By creating a thermal envelope, savings of up to 70% are possible, significantly reducing emissions.

The insulation material portfolio supports decarbonization, yet the energy and raw material requirements of production pose a challenge. Demand is growing for low-carbon-footprint, circular solutions. Key risks: energy price volatility, regulatory changes, raw material supply, and decarbonization expectations.

Critical solutions and projects:

- Energy Efficiency Investments, evaluation of low-emission technologies,
- increasing the proportion of recycled raw materials,
- tightening supplier requirements and improving ESG reporting.

In the long term, it builds on sustainable innovations, transforming its Business Model toward climate neutrality and the Circular Economy.

Double Materiality

In 2025, the MASTERPLAST Group once again conducted its double materiality analysis (DMA) in accordance with the ESRS 2 IRO-1 and IRO-2 requirements. This is the second DMA, which forms the basis of the 2025 Sustainability Report. Its purpose is to assess the Group’s resilience regarding sustainability issues, including environmental and social impacts, as well as risks and opportunities affecting financial performance.

The Group prepares or reviews the analysis annually and strives to gradually expand the scope of stakeholders and align the depth of the analysis with sustainability challenges. In 2025, the main changes compared to the 2024 DMA were as follows:

- the targeted inclusion of Subsidiaries and the Plc.’s business units via questionnaires (not only by topic but also based on previous IROs), which significantly increased horizontal and vertical depth;
- feedback from external stakeholders reinforced previously identified priorities and also brought new perspectives to light;
- application of a more sensitive materiality threshold.

The DMA methodology was defined in accordance with the requirements of ESRS 1. The Company first used the 2024 DMA long list as a basis, then evaluated the topics according to relevance criteria: whether it relates to the Business Model and operations, whether it affects Competitiveness, whether it receives special attention in regulation, and how relevant it is to stakeholders (employees, suppliers, customers, investors, banks). Topics significant in at least one respect were placed on the short list.

Internal stakeholders (Subsidiaries, divisions of the Plc., delegates of the Green Committee, and experts) were involved through detailed information sharing and consultation. The opinions of external stakeholders were collected via an anonymous online survey (suppliers, investors, customers). The results were measured by consensus by the Sustainability project team and approved by the Green Committee.

Key Topics

2024

2025



ENVIRONMENTAL MATERIAL TOPICS

- ESRS E1 Climate Change - Mitigation of Climate Change
- ESRS E1 Climate Change - Adaptation to Climate Change
- ESRS E1 Climate Change – Energy
- ESRS E5 Circular Economy - Resource Outflows Related to Products and Services

- ESRS E1 Climate Change - Mitigation of Climate Change
- ESRS E1 Climate Change - Adaptation to Climate Change
- 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 – Waste



SOCIALLY SIGNIFICANT TOPICS

- ESRS S1 Own workforce - Occupational health and safety

- ESRS S1 Own workforce - Occupational health and safety
- ESRS S2 Workers in the supply chain – Secure employment
- ESRS S3 Affected communities – Adequate housing
- ESRS S4 Consumers and End Users – Access to Products and Services



KEY CORPORATE GOVERNANCE ISSUES

- ESRS G1 Business Conduct – Corporate Culture
- ESRS G1 Business Conduct - Management of Relationships with Suppliers

- ESRS G1 Business Conduct – Corporate Culture
- ESRS G1 Business Conduct – Political Engagement and Lobbying
- 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 products, the MASTERPLAST Group takes sustainability into account while also meeting economic and technical requirements. Its goal is to offer solutions that remain competitive in the long term, adapting to the changing challenges of the construction industry.

Transition Plan for Mitigating Climate Change

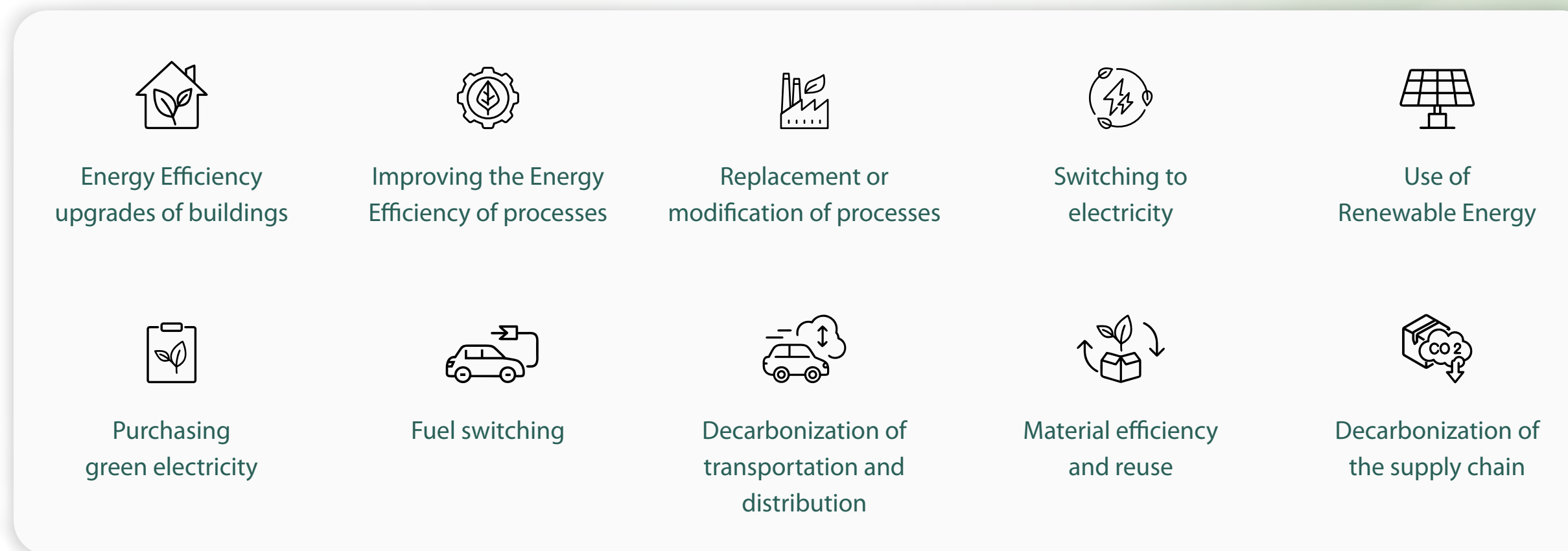
The MASTERPLAST Group is committed to mitigating climate change. Its transition plan is aligned with the Paris Agreement’s 1.5°C target and the EU’s net-zero emissions target for 2050, as well as with the Climate Regulation (EU) 2021/1119 and the EU Green Deal’s decarbonization pathway.

The plan is adopted by the General Meeting together with this Sustainability Report. In the future, it will be integrated into the Group’s overall business strategy and financial planning, supporting the evolution of the Business Model. The plan includes decarbonization targets and the long-term Sustainability strategy, which also appears as replacement investments following the expiration of accounting depreciation.

The Group does not have separate external certification (e.g., SBTi validation), but the mandatory Audit ensures the accuracy of the data. Management is responsible for implementing the transition plan, the Board Of Directors for strategic oversight, and the Green Committee supports monitoring. The company reports on the results annually.

The Group continuously assesses opportunities to increase the alignment of its economic activities with the EU Taxonomy, particularly on the CAPEX side. Activities currently identified as alignable with the Taxonomy (EPS and XPS production) are considered 100% aligned.

Main categories of investments reducing GHG emissions:



Typical investment types: thermal insulation, heating and cooling upgrades, new production lines, solar panels, heat pumps, electric vehicles, increased Recycling, procurement of raw materials with a lower carbon footprint, etc.

Base year: 2025 (due to the integration of PIMCO Ltd.’s active operations).
Base GHG emissions: 209,319.16 t CO₂e/year.

Due to the expansion of production capacity, GHG emissions could reach 293,047 tons annually by 2030; however, the Company plans to gradually reduce emissions through active measures.

The table and chart below summarize the planned GHG emissions for each period, relative to the 2025 baseline (in accordance 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	By 2030 to be achieved t CO ₂ e /year	by 2035 to be achieved t CO ₂ e /year	by 2040 to be achieved t CO ₂ e /year	by 2050 to be achieved t CO ₂ e /year	
	209,319	293,047	256,704	223,169	190,188	158,207	
% compared to base	100%	140%	123%	107%	91%	76%	-
Energy Efficiency upgrades for buildings	468	655	645	638	374	-	Modernization of thermal insulation, heating, and cooling systems
Improving the Energy Efficiency of processes	1,403	1,964	1,643	771	194	-	Modernization of heating, cooling, compressed air, and drives
Replacement or modification of processes	3,273	4,582	3,834	1,800	452	-	Installation of new production lines
Conversions to electric power	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 changes	3,617	5,064	211	-	-	-	Use of electric and green fuel vehicles and forklifts
Decarbonization of transportation 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
Decarbonization 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	-

The table below summarizes the planned GHG emission reductions for the 2030–35–40–50 periods, broken down by Scope 1, 2, and 3, compared to the otherwise expected increase by 2030:

Planned GHG emission reduction investments	Summary of periodic GHG emission reductions										
	Base year 2025 t CO ₂ e/year	Increase by 2030 t CO ₂ e/year	Reduction by 2030 decrease t CO ₂ e /year	by 2035 reduction t CO ₂ e /year	by 2040 decrease t CO ₂ e /year	by 2050 decrease 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 for buildings	468	0.2%	Scope 1	655	9	17	280	655	-	-	
Improving the Energy Efficiency of processes	1,403	0.7%	Scope 1	1,964	321	1,192	1,770	1,964	-	-	
Replacement or modification of processes	3,273	1.6%	Scope 1	4,582	748	2,782	4,130	4,582	-	-	
Conversions to electricity	701	0.3%	Scope 1	982	14	25	420	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 changes	3,617	1.7%	Scope 1	5,064	4,853	5,064	5,064	5,064	-	-	
Decarbonization of transportation 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
Decarbonization 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

Policies aimed at mitigating and adapting to climate change

The Hungarian entities of the MASTERPLAST Group procure energy through group procurement tenders, while foreign Subsidiaries purchase the necessary quantities from energy suppliers in their respective countries. To optimize energy supply and consumption, the Group conducts ongoing internal analyses, and the goal of its energy policy is the continuous improvement of Energy Efficiency while taking Sustainability and economic considerations into account.

Responsible management of natural resources and increasing efficiency are 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 contribute to mitigating climate change and adapting to it. These ISO standards support the Group in a structured and documented manner in managing climate risks and opportunities, thereby increasing the Company's resilience and long-term Sustainability.

The relationship between the MASTERPLAST Group's management systems and climate change management:

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 goals related to reducing CO ₂ emissions. Reducing resource consumption, minimizing waste, and prioritizing Recycling.	Continuous measurement 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 optimization of energy consumption. Supporting the integration of renewable energy sources.	Increasing the resilience of energy systems against energy supply uncertainties. Adapting to changes in energy demand under extreme weather conditions.

Environmental policy

The MASTERPLAST Group sets forth its environmental protection activities in a corporate policy. Its purpose is to implement the environmental policy, define the necessary rules, practices, procedures, and areas of responsibility, and describe the process for measures aimed at reducing environmental impacts. These processes are coordinated by the environmental engineer in the central Asset Management and Operations Department.

Measures and resources related to climate change policies

A key objective of the MASTERPLAST Group is to increase Energy Efficiency and gradually transition to renewable energy sources. As part of this effort, the Group has installed small-scale solar power plants in Sárszentmihály, Zalaegerszeg, Hajdúszoboszló, and Kál. At sites with higher energy consumption, additional sub-meters were installed starting in 2020, and again in 2023 due to stricter regulations, to ensure accurate monitoring of energy consumption.

Completed developments:

- In the spring of 2024, a small power plant with a capacity of 0.5 MWh was commissioned in Sárszentmihály.
- As a further expansion at the same location, a 400.03 kWp solar panel unit was installed (connected to the medium-voltage grid).
- In 2025, a 33.79 kWp household-scale small power plant (HMKE) was built in Kál, without grid feed-in.

Planned investments:

- Installation of a 6,115 kWp solar power plant in Szerencs.
- Installation of a total of 2.415 MWp of solar panel capacity at Serbian subsidiaries (MASTERPLAST YU d.o.o. and Proizvodnja d.o.o.) (subject to subsidies).

These developments will increase the share of Renewable Energy in the Group's energy supply, reduce energy costs, and enable more efficient timing of energy production and consumption.



Renewable energy sources:

Company	Electricity generated by solar panels (kWh)		
	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%

*The annual energy production of solar panels is primarily influenced by weather and sunshine conditions. In addition, the solar panels installed in 2025 were only partially operational during the year, as some of the installations took place in the second half of the year.

The Company reports on its total GHG emissions and the methods used to calculate them in the remaining sections of this chapter; future impacts are summarized in the transition plan. The Company treats the current financial impacts as trade secrets.

Of particular note is the use of an innovative production line that optimizes energy consumption, reduces production waste and raw material usage, thereby more effectively meeting increasingly stringent Energy Efficiency and environmental regulations, improving costs, and enhancing long-term competitiveness.

A significant investment is planned at the MASTERPLAST YU D.o.o. site (Serbia) involving the replacement of glass fiber weaving machines; details will be provided in the next reporting cycle.

Other GHG emission reduction measures

The Hungarocell Renovation Program (HFP) was launched in September 2024, providing a 50% discount on Façade Insulation under the EKR. In 2025, the program continued with a 100% discount, and the company also joined the free attic insulation program. Through HFP 2.1, the combined annual primary energy savings from residential Energy Efficiency projects implemented in 2025 amounted to 606,065.44 GJ, with a financial value (based on a unit price of 11,705 HUF/GJ) of 7,093,995,975 HUF.

Goals related to climate change mitigation and adaptation

The Group aims to reduce its total GHG emissions (Scope 1, 2, and 3) by 54% (to 158,207 tons) by 2050, based on the 2025 baseline year (209,319 t CO₂e/year). Due to the expansion of production capacity, GHG emissions could reach 293,047 tons by 2030; however, the Group will gradually reduce them through active measures. To set these targets, the GHG Protocol methodology is applied, taking into account the selected scenario, data sources, and alignment with national, EU, and international policy goals.

Development of Renewable Energy Utilization

The MASTERPLAST Group has transformed its energy management and developed a long-term energy strategy. It has committed to increasing the share of green electricity by 10% by December 31, 2030. From 2024 to 2025, solar power generation increased by 12.43%, the share of total Renewable Energy rose from 13.50% to 15.58%, and the share of green electricity increased from 33.90% to 35.75%.

Energy

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., whose energy consumption is also significant, accounting for nearly a quarter of total consumption.

The MASTERPLAST Group's total energy consumption in 2024 was 188,404,316 MJ. In comparison, in 2025 it was 268,121,291.44 MJ, and—for the sake of

comparability—206,361,960.90 MJ excluding PIMCO Ltd. This represents an increase of over 42% in absolute terms. The Group continuously monitors and optimizes consumption levels at production units with higher energy requirements using sub-meters.

Fuel consumption shows a significant increase across all categories from 2024 to 2025, totaling 36.02%. This change is partly attributable to the inclusion of PIMCO Ltd., which, as a newly included company, slightly increased the total volume of fuel consumption compared to the base year. The increase is largely linked to the growth in business activity.

Energy Consumption and Composition	2024	2025 – with PIMCO Ltd.	2025 – without 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: Gasoline: 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 Energy 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

Absolute energy consumption increased 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 and total GHG emissions under Scopes 1, 2, and 3

Emission type	Emissions (t CO ₂ e/year) 2024	%	Emissions (t CO ₂ e/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 Co ₂ 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 Phase 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. Investment 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 transportation 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 (outbound) 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 sold products	123.90	0.10%	272.58	0.14%
11. Use of sold products (throughout their life cycle)	-	-	-	-
12. Management or disposal of sold products at the end of their life cycle	11,971.90	9.42%	26,771.90	14.21%
13. Leased assets	-	-	-	-
14. Franchise	-	-	-	-
15. Investments	-	-	-	-
Total GHG emissions				
Total emissions (local-based)	127,041.40	100%	209,319.16	100%
Total emissions (market-based)	127,041.40	100%	209,319.16	100%

Issuance in 2025 shows a 65% increase. The majority of this increase is attributable to the addition of PIMCO Ltd. and the growth in overall business performance. Another reason for the significant increase is that the Group has refined its method for calculating outgoing goods; it now includes in Scope 3.1 not only emissions resulting from the procurement of raw materials related to its own production, but also emissions associated with raw materials used in the production of other sold products. In accordance with its transition plan, the Group is striving to reduce its emissions in line with the defined milestones.

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 sold products (throughout their life cycle)	2024	2025	2030
Emissions reductions from EPS and XPS thermal insulation over the entire life cycle in t CO ₂ e/year, calculated based on a 25-year life cycle	- 150,907	- 179,313	- 326,489

This impact was not included in the Scope 1-2-3 inventory.

- Emissions based on products sold in 2024 and 2025 were taken into account.
- In 2030, the volume of products produced and sold is 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.

GHG intensity

GHG intensity is calculated as the ratio of greenhouse gas emissions (expressed in metric tons of CO₂e) falling under Scope 1, 2, and 3 categories to the Group's total revenue, projected in millions of 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 did not increase 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, described earlier in this chapter, which anticipates a temporary increase.

Intensity	2024	2025	Change (%)
Energy intensity			
Net Revenue (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 emission 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%

Pollution

Microplastics

Managing environmental impacts during the production of plastic-based insulation materials 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 become a matter of global significance, as these particles persist in ecosystems for long periods and can potentially have harmful effects 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 minimization of unintentional microplastic formation resulting from mechanical processes.

The Group does not have a specific policy on pollution, as this issue is addressed through its existing management systems (Environmental Management System, occupational safety, and Quality Management System). These cover the prevention and reduction of unintentional microplastic and fine particle emissions generated during manufacturing processes, including regrinding, material handling, maintenance, and the operation of filtration systems.

Plastic cannot currently be fully replaced, but the Group continuously optimizes and reduces the amount used, and strictly adheres to safety and Waste Management regulations.

Pollution-related measures and targets

Fine particles generated during regrinding are an environmental factor (air pollution, soil deposition, potential entry into water). The Group's approach is based on the principles of prevention and precaution: it primarily minimizes particle formation resulting from mechanical shredding. Technological improvements and maintenance are implemented in annual, incremental cycles.

Goal: to keep microplastic emissions below the legally permitted limit in the long term (based on EU air quality directives, PM10 and PM2.5 limits). In Hungary, fine dust emissions are strictly regulated and monitored.

Measures implemented (for our own operations):

- grinding and material handling processes in a closed system,
- multi-stage dust extraction and high-efficiency filtration systems,
- controlled, segregated waste management of separated dust fractions,
- wet industrial cleaning,
- regular monitoring to track diffuse emissions.

Prevention hierarchy: first, reduction at source; then, technological separation; and finally, safe management. In 2025, 2,974,877 tons of plastic waste were recycled (shredded) at the facilities.

The vast majority of the dust generated is captured by industrial extraction and filtration systems and returned to the production process. Operations are subject to an environmental permit, with regular measurements and annual reporting to the authorities. In 2025, all emissions remained below the statutory limits; there were no instances of exceeding environmental limits, regulatory proceedings, occupational safety complaints, or fines. The Company monitors developments in EU chemical regulations, particularly restrictions on microplastics.

Biodiversity

The MASTERPLAST Group's manufacturing sites are located in industrial zones and do not receive any protection as protected natural areas or as Natura 2000 sites. Land use related to operations is largely limited to built-up, paved industrial areas, and the Company has obtained all necessary permits. Accordingly, no significant negative impacts involving direct habitat conversion or soil degradation (soil erosion, desertification, soil sealing) have been identified.

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 measurement, 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 in 2025.

A risk identified in the upstream segment of the value chain is that supplier shipments (particularly through packaging materials and wood-based pallets) may lead to the introduction of non-native pests or invasive species.

The Group has not had a separate biodiversity policy to date, as it did not consider it relevant within its own scope of activities. However, the ISO 14001 Environmental Management System ensures prudent, environmentally responsible practices. It is not currently implementing targeted measures in the area of biodiversity, but is exploring the introduction of monitoring and the possibility of future objectives.

Circular Economy

Resource Outputs and Waste Related to Products

The Group places a high priority on optimizing material use, increasing the efficiency of waste management, and improving Recycling. Product-related resource outflows include waste generated during production, emissions released during manufacturing processes, and the management of end-of-life waste.

Policies Related to Circular Economy

The MASTERPLAST Group does not have a separate policy on circular economy, as the ISO 14001:2015 and ISO 50001:2018 standards directly or indirectly support circular economy principles. These management systems help prevent and mitigate negative impacts, manage risks, and capitalize on opportunities. The processes are coordinated by the environmental engineer in the central Asset Management and Operations Department. The management systems are continuously improved based on feedback from annual certifications.

Measures related to the Circular Economy

In 2025, the Group continued to implement comprehensive measures to optimize material usage, increase the efficiency of waste management, and develop Recycling opportunities. These measures are ongoing, resulting in a recycling rate that grows year after year. Recycling leads to cost reductions (raw material procurement, waste management), increased efficiency, reduced production losses, and mitigated occupational safety risks. These improvements enhance sustainability metrics, strengthen our position in green certifications, and create new business opportunities in the long term.

Hungarocell Green Program

The program remained at the center of the sustainability strategy in 2025 and was expanded to include Glass Wool products. The Group collects (through downstream partnerships) the clean polystyrene cutting scraps generated during thermal insulation work, performs recycling on them, and uses them to produce Thermobeton thermal insulation material. This reduces the burden on landfills, mitigates carbon emissions from buildings, and provides a sustainable alternative to primary raw materials. In 2025, the number of Eco Points increased by 3.6% and the number of bags collected rose by 23.49% compared to the previous year. Recycling did not entail any significant additional resource consumption.

Trends in the MASTERPLAST Group's Eco Points and collected bags between 2021 and 2025

	2021	2022	2023	2024	2025
Number of Eco Points	111	124	139	140	145
Number of bags collected (Bag capacity: 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. The company continuously documents the amount of waste and the proportion of recycled materials. The volume of film scrap processed by the recycling system and its utilization rate can be precisely tracked during production planning. Digital records of waste generation, processing, and Recycling ensure transparency and the measurability of Sustainability performance. The Company demonstrates its sustainable operations through its ISO 14001 Environmental Management System and other certifications.

In 2025, 1,988,904 kg of internal recycled material and 962,503.6 kg of external recycled material (regranulate) were incorporated into products during XPS production.

Goals related to the Circular Economy and resource use

The Group's goal is to reduce material loss and specific energy consumption, increase the proportion of recycled raw materials, and apply circular economy principles in its own operations and supply chain.

By December 31, 2026, the Group plans to use 500 tons of recovered cutting scraps in XPS production—a target it already exceeded in 2025 (1,988,904 kg). In 2025, 23.16% of the raw materials used (21.23% excluding PIMCO) came from recycling sources—a 5.16 percentage point increase compared to 2024. The company plans further increases in line with the EU's Circular Economy guidelines.

In 2025, Hungarocell expanded its Green Program to include Glass Wool products. Its goals are based on internal experience, stakeholder feedback, and EU directives. Beyond legal obligations, the company also makes voluntary commitments and plans to publish further specific circular economy targets starting with the next report.

Resource Outflow

The MASTERPLAST Group prioritizes suppliers with stable quality and low defect rates when procuring raw materials. Non-conforming fleece and tri-laminate materials generated during production are converted into 100% granulate using its own recycling line. The granules are returned to production at a rate of 0–40%, and the surplus is sold to partners who use recycled materials. Water-based paints are recycled after dilution. In packaging, half-rolls are recycled, pallets are reused, and uncoated labels are used.

The products (EPS, XPS, fleece) are 100% recyclable when clean. Packaging materials are 100% recyclable, and manufacturing by-products are approximately 95% recyclable. End-of-life management poses a challenge due to demolition residues; improvements are expected from technological advancements. The long service life of the products in itself reduces waste generation.

Expected durability of products marketed by the MASTERPLAST Group compared to the industry average for each Product Group

	Expected lifespan of Product Groups (industry average)	Expected lifespan of products manufactured by MASTERPLAST (compared to the industry average)
EPS	>50 years	>50 years*
XPS	>50 years	>50 years*
Glass fiber	>50 years	>50 years*
Roofing Membrane	30 years (>25 years)	30 years (>25 years) *
Glass Wool	> 50 years	> 50 years*

* Based on available data, assuming professional installation. In accordance with industry standards.

** We determined the industry-average expected lifespan based on the Environmental Product Declarations (EPDs) available for construction products, taking into account the reference values provided by individual manufacturers.

2025 waste data

MASTERPLAST Group waste data:

Waste type and quantity (in kg)	2024	2025
A. Waste intended for recycling	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	110.00
- 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 a 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 a landfill	1,431,255.00	n.a.
- B.2.2. Disposed of by incineration	322.00	n.a.
Other		
Amount of radioactive waste	0.00	0.00
Total amount of non-recycled waste	1,552,013.00	1,216,524.00
Percentage of non-recycled waste relative to the total amount of waste generated	53.41%	62.2

Sustainable Products

The MASTERPLAST Group is committed to developing sustainable construction solutions that reduce environmental impact and offer users long-term sustainable alternatives.

Policies regarding sustainable products

The Group's ISO standards (9001:2015, 14001:2015, 45001:2018, 50001:2018) support the consistent quality of sustainable products. For medical devices, the ISO 13485:2016 system applies. The Hungarocell Green Program complies with the INTERCERT MSZ EN ISO 14001:2015 certification.

The following Group products have EPD declarations: EPS, XPS, glass fiber mesh, and fleece (Fleece, Bilaminat, Trilaminat) products. The EPDs and LCAs certify that no hazardous substances as defined by REACH are used during production, and that a significant portion of the collected cutting scraps can be recycled.

Measures related to sustainable products

The acquisition of EPDs was planned for 2023, active steps were taken in 2024, and five EPDs were registered in 2025 (EPS, XPS, glass fiber mesh, and fleece products). The products have also been included in the ÉMI Database of Key Construction Products, and several products hold ÉMI Simplified Environmental Certification (EKM). The possibility of introducing products bearing the green logo is being explored, taking into account GVH Green Marketing and EU regulations.

Key performance indicators and targets

EPS and XPS insulation materials provide up to 90% energy savings, reducing CO₂ emissions. Glass fiber mesh and fleece products further improve Energy Efficiency. EPDs and LCAs ensure transparent presentation of environmental impacts across the entire life cycle, in line with the EU's goals of net-zero emissions and a Circular Economy.

Modular Construction Solutions and Sustainability

The modular construction system minimizes the environmental impact of construction, reduces on-site waste, and lowers labor requirements. Factory prefabrication takes place in an optimized environment, independent of weather conditions, reducing the logistics carbon footprint. Further information: <https://masterhouse.hu/>

EU Taxonomy

The Purpose of the EU Taxonomy Framework and Its Corporate Application

The European Union Taxonomy Regulation (2020/852/EU) establishes a uniform classification system for identifying economically sustainable activities from a perspective of sustainability. Its aim is to promote sustainable investments, the green transition, and increase the transparency of corporate activities by defining precise criteria for activities that provide a significant environmental contribution. Accordingly, the MASTERPLAST Group analyzed its own activities for the 2025 fiscal year and prepared its EU Taxonomy report as part of the Sustainability Report to be included in the Financial Statements, following the process outlined below.

In determining qualifying activities, based on the European Union regulation, economic activities are considered environmentally sustainable if they contribute significantly to the achievement of at least one specific environmental objective, while not causing significant harm to any of the remaining five environmental objectives. It is also a requirement that the Company comply with minimum social safeguards.¹

¹ Six environmental objectives defined 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.

Identification of activities aligned with the taxonomy and the alignment process

To ensure compliance with the EU Taxonomy disclosures, the MASTERPLAST Group conducted measurement activities in several stages. In doing so, it carried out the following key analytical steps:

- Identification of activities (scoping exercise):** 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 significantly contribute to improving the Energy Efficiency of buildings. These in-house product lines were identified as taxonomy-relevant economic activities. The identification of taxonomy-relevant activities was based on the Company's TEÁOR/NACE codes and the Revenue contribution of each activity. To examine the TEÁOR/NACE codes, the Company used the general ledger account numbers as a basis. As a result, the production 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 climate change adaptation (4.1). 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 it will be obtained next year.

Key Performance Indicator (KPI) Name	Result achieved in 2025	Target
Products with EPDs	Obtaining 5 Environmental Product Declarations (EPDs) Further details: 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 Bilaminat Prozess-Datensatz: Bilaminat (Masterplast Nyrt) (de) - Kiwa-Ecobility Experts Trilaminat Prozess-Datensatz: Trilaminat (Masterplast Nyrt) (de) - Kiwa-Ecobility Experts Fleece Prozess-Datensatz: Vlies (Masterplast Nyrt) (de) - Kiwa-Ecobility Experts	The goal is for the Company to have an environmental product declaration for all insulation materials used in its own manufactured products by 2030.

It is worth noting that Masterplast Membrane Ltd. has been awarded the Hungarian Innovator Trademark, and the Thermomaster Facade Thermal Insulation System holds the ÉVOSZ Premium Hungarian Building Material trademark.

- 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 MASTERPLAST Group identified two economic activities aligned with the Taxonomy: the production 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 conducted to determine whether the production of EPS and XPS insulation materials meets the criteria for climate change mitigation. The Group conducted measurements of the products' technical parameters (e.g., thermal conductivity) and areas of application to verify that they significantly reduce the energy demand of buildings.
- Analysis of environmental contribution:** It was determined that EPS/XPS production, as an activity, makes a significant contribution (Significant Contribution – SC) to climate change mitigation among 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, Circular Economy, pollution prevention, biodiversity); therefore, for the activities under review, the Company primarily applied the SC criteria in relation to climate mitigation.

- Measurement of DNSH criteria:** In accordance with the Taxonomy guidelines², the Company conducted measurement to determine whether the listed activities cause significant adverse impacts on the achievement of other environmental objectives (Do No Significant Harm – DNSH principle). The measurement 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 the production of insulation materials, provided that relevant environmental regulations are complied with, does not cause significant harm to the achievement of any other environmental objectives. For example, the technologies used in the production of Kali EPS, Szabadka EPS, and XPS comply with EU regulations (e.g., the use of blowing agents with 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.
- Measurement of Minimum Social Safeguards:** The Group also examined compliance with minimum safeguards in accordance with OECD guidelines and the UN Guiding Principles on Business and Human Rights (Minimum Social Safeguards – MSS). As part of this, the MASTERPLAST Group's policies and practices regarding employee rights, occupational

health and safety, business ethics standards, 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 accordance with the minimum requirements of the Taxonomy. The MASTERPLAST Group adheres to responsible business conduct in accordance with international conventions on human rights. This is also set forth in its Human Rights Policy, Code Of Ethics, and Supplier Code Of Conduct and Ethics. Further details: <https://www.masterplastgroup.com/en/corporate-governance/>

- Calculation of financial indicators:** Finally, the MASTERPLAST Group determined the proportion of Financial Income, Investment, and Operating Expenses compatible with the Taxonomy for the year 2025. The calculations were prepared in accordance with the methodology set forth in the relevant EU regulations (2021/2178/EU). Accordingly, Net Sales Revenue from EPS and XPS products was separated within consolidated revenue, and investment expenditures (CapEx) and operating expenses (OpEx) related to these activities and supporting their sustainability were identified. These indicators form the basis of the Taxonomy report in the financial report.

The MASTERPLAST Group prepared its EU Taxonomy report in accordance with 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 final report was approved by the company's management, guaranteeing compliance and credibility. It is important to note that the calculations and background data included in the report were subject to an external audit, thus ensuring the reliability of the information provided.

The analysis concluded that the MASTERPLAST Group's identified eligible activities are fully aligned with the requirements of the EU Taxonomy. The production of EPS and XPS insulation materials has been proven 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 provides the basis for the disclosures of the following financial indicators for 2025.

²The activity's compliance with the technical screening criteria was measured based on the relevant sections of Annex I to Commission Regulation (EU) 2021/2139.

2025 Financial Indicators According to the EU Taxonomy

In 2025, the MASTERPLAST Group will quantify and report the ratio indicators in accordance with the Taxonomy Regulation for the second time based on its consolidated financial data. Below, we present the relevant revenue, investment (CapEx), and operating expenditure (OpEx) metrics, both in aggregate and broken down by product line for EPS and XPS manufacturing activities. These data show what proportion of the Group's financial performance is attributable to activities that are sustainable (aligned) from a Taxonomy perspective.

- **Revenue:** Of the consolidated net sales revenue for 2025, revenue aligned with the Taxonomy amounts to approximately €25 million, representing about 15% of total revenue. This amount derives entirely from the sale of the Group's own-brand EPS and XPS thermal insulation products. Broken down by product line, the EPS product family contributed ~€17.3 million, while XPS products accounted for ~€8.1 million of 2025 Revenue. These two product lines together constitute the Taxonomy-compliant revenue reported in this document, as revenue from the Group's other products did not meet the technical criteria in 2025 and was therefore not considered for Taxonomy purposes.
- **Capital Investments (CapEx):** During 2025, the MASTERPLAST Group made total investments of approximately €188,000 that meet the EU Taxonomy criteria (representing approximately 9% of total capital expenditures for the period under review). The majority of Taxonomy-compliant CapEx was related to the development of XPS production. Broken down by product line: investments related to XPS production amounted to approximately 173,000 euros, while sustainability investments related to EPS production reached about 15,000 euros in 2025. The lower investment amount allocated to EPS production lines can be explained by the fact that new capacity expansions and technological developments this year were primarily aimed at XPS production. The goal of every identified aligned investment was to increase the Energy Efficiency contribution of the company's products or reduce the environmental footprint of production.

- **Operating Expenses (OpEx):** Of the relevant operating costs recognized 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). This includes, for example, maintenance costs related to these production areas, operational expenses aimed at improving Energy Efficiency, as well as Research And Development (R&D) and training expenses that serve to further improve the environmental performance of EPS/XPS products. For the MASTERPLAST Group, the individual subsidiaries' Taxonomy-aligned OpEx figures were calculated by dividing the annual subsidiary-level total operating expenses (Total OpEx) by the companies' Taxonomy-aligned revenue. These figures were aggregated to determine the Company's group-level Taxonomy-aligned operating costs. The OpEx metric indicates that in 2025, the company allocated nearly a quarter of its operating budget to activities that support the achievement of Taxonomy-aligned goals (such as improving the efficiency of manufacturing equipment and reducing waste). By product line, OpEx expenses are also related to EPS and XPS production, but the report does not include a further internal breakdown of these, as the majority of them are general operating costs related to shared resources (e.g., energy consumption) that serve both product lines.

Based on the above financial indicators, a significant portion of the MASTERPLAST Group's 2025 revenues, investments, and operating expenses 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 MASTERPLAST Group's Scope Of Consolidation. All aligned values presented in the report meet the conditions prescribed by the regulation: for the related activities, a significant contribution to the climate goal has been verified, the DNSH principle is fully upheld (no material adverse impact on other environmental goals), and the group's 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 Outlook and Expansion Opportunities

The MASTERPLAST Group's strategic considerations 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 related to new environmental objectives (e.g., Circular Economy, decontamination) or potentially social objectives. Accordingly, we plan to incorporate additional activities and obtain certifications for sustainability for new product innovations as soon as they comply with EU regulations.

In the future, the MASTERPLAST Group aims to increase the proportion of revenue aligned with the taxonomy, for example by developing new products with a high recycling content or a lower carbon footprint. In addition, it is considering implementing further green investments (such as installing renewable energy sources at production sites or making manufacturing technology improvements to reduce emissions), which could result in a higher proportion of aligned items appearing in future CapEx figures. These efforts contribute to ensuring that the MASTERPLAST Group 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 complete picture of the MASTERPLAST 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 transparently communicate the progress of its Taxonomy compliance, thereby strengthening trust among its partners, investors, and society at large.

Revenue

Economic activities (1)	Code(s) (2)	Absolute amount of revenue (3)	Revenue ratio (4)	Materiality criteria							DNSH criteria (Compliance with the principle of avoiding significant harm)							Revenue share 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)	Climate Change Adaptation (12)	Water and marine resources (13)	Pollution (14)	Circular Economy (15)	Biodiversity and Ecosystems (16)	Minimum safeguards (17)				
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	Y/N	%	T	A
A. ACTIVITIES ASSOCIATED WITH TAXONOMY			17.13%																	
A.1. Revenue 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	Y	15%	T	
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	Y	15%	100%	0%
A.2 Revenue from activities that can be aligned with the taxonomy but are not sustainable from an environmental perspective (activities not aligned with the taxonomy)																				
Revenue from activities that can be aligned with the taxonomy but are not sustainable from an environmental perspective (activities not aligned with the taxonomy) (A.2)		0.00	0%																	
Total (A.1+A.2)		25,363,351.00	14.82%																	
B. ACTIVITIES NOT CLASSIFIABLE UNDER THE TAXONOMY																				
Revenue from activities not aligned with 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 accounted for 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 revenue (3)	Revenue ratio (4)	Key Contribution Criteria							DNSH criteria (Compliance with the principle of avoiding significant harm)							Revenue share 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)	Climate Change Adaptation (12)	Water and marine resources (13)	Pollution (14)	Circular Economy (15)	Biodiversity and Ecosystems (16)	Minimum safeguards (17)				
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	Y/N	%	T	A
A. ACTIVITIES THAT CAN BE CLASSIFIED UNDER TAXONOMY			15%																	
A.1. CapEx for sustainability-oriented (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	Y	15%	T	
CapEx for sustainability (taxonomy-compliant) activities (A.1)		187,784.00	9%	Y	N	N	N	N	N	-	Y	Y	Y	Y	Y	Y	Y	15%	100%	0%
A.2 Activities that can be aligned with the taxonomy but are not sustainable from an environmental perspective (activities not aligned with the taxonomy) CapEx																				
CapEx for activities that can be aligned with the taxonomy but are not sustainable from an environmental perspective (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 investments for the year.

In 2024, CAPEX amounting to EUR 416,483.00 was classified as eligible for taxonomy alignment and 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 revenue (3)	Revenue ratio (4)	Key Contribution Criteria							DNSH criteria (Compliance with the principle of avoiding significant harm)							Revenue share 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)	Climate Change Adaptation (12)	Water and marine resources (13)	Pollution (14)	Circular Economy (15)	Biodiversity and Ecosystems (16)	Minimum safeguards (17)				
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	%	T	A	
A. ACTIVITIES THAT CAN BE CLASSIFIED UNDER TAXONOMY			6%																	
A.1. OpEx of sustainability-oriented (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%	T		
OpEx for sustainability (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 sustainable from an environmental perspective (activities not aligned with the taxonomy) OpEx																				
Operating expenses (OpEx) of activities that can be aligned with the taxonomy but are not sustainable from an environmental perspective (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 expenses 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, an amount of EUR 78,743 met the criteria set out in the EU Taxonomy, 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 with nearly 1,300 employees. Employees represent the company's greatest asset, which is why it places special emphasis on occupational safety, a safe working environment, and open dialogue.

Strategy, Business Model, and Value Chain

Significant impacts and risks in the area of health and safety have been identified. The business strategy focuses on energy-efficient construction and the expansion of Production Capacity, which requires workforce growth and technological modernization (particularly recycling equipment). These necessitate ongoing occupational safety measures and training. Employees can participate directly in shaping the strategy through a suggestion box and a complaint reporting system.

The Group has not identified any serious, systemic negative human rights impacts (child labor, forced labor). Positive impacts are primarily seen in the areas of a safe working environment, occupational safety, training, and health promotion, particularly among manual workers. The climate-neutral transition currently does not cause any significant negative labor impacts; the Company is monitoring potential future impacts.

In 2025, the Group employed 1,325 people (374 women – 28.2%, 951 men – 71.8%). 36.4% of employees worked in Hungary, and 63.6% worked abroad. 1,107 employees (83.5%) had permanent contracts, and 218 employees (16.5%) had fixed-term contracts. 952 employees were manual workers, and 373 were white-collar workers. Full-time: 1,298 people (359 women, 939 men); part-time: 27 people (15 women, 12 men). New hires: 418 people; departures: 411 people; turnover: 31.02%.

Guidelines and policies regarding our workforce

Governing regulations: Organizational and Operational Regulations, Human Rights Policy, and Code Of Ethics. These uphold the protection of human life and safety, equal treatment, non-discrimination, and cultural diversity as core values, in accordance with the UN Guiding Principles on Business and Human Rights. Operational implementation is the responsibility of HR. Knowledge of the Code Of Ethics is ensured through mandatory annual training and testing. Human rights complaints can be filed through an anonymous Whistleblowing System. In 2025, there were no complaints related to human rights impacts.

Equal Opportunity, Diversity: The Human Rights Policy and Code Of Ethics prohibit discrimination and harassment. The Group is preparing to meet the requirements of the EU "Women on Boards Directive" (2022/2381) by 2026.

Data Management: Since the GDPR came into effect, there have been no complaints from data subjects, nor any data theft or leaks.

Health and Safety: The Group holds ISO 45001 certification.

Communication and stakeholder engagement: Open dialogue across multiple channels (in person, email, phone, closed Facebook group, events, suggestion box). The election of occupational safety representatives is mandatory where required by law.

Whistleblowing System: The system operates in accordance with Directive (EU) 2019/1937 and Act XXV of 2023. The Whistleblowing Investigation Committee reviews reports. No human rights complaints were received in 2024–2025. <https://sites.google.com/view/mpishu>

Measures affecting the Group's own workforce: The Group supports employee well-being and development through training programs (occupational safety, accident prevention, ethics, ESG, digital competencies). In accordance with the DMA, it focuses primarily on mitigating health risks.

Health and Safety

The MASTERPLAST Group is committed to creating a safe and healthy work environment. Its goal is to ensure conditions that comply with occupational safety regulations, minimize risks through regular training, controls, and improvements, and promote a safety-conscious mindset. Health and safety are an integral part of the corporate culture.

Health and Safety Policies

Governing regulations: Organizational and Operational Regulations, Human Rights Policy, and Code Of Ethics.

- **Human Rights Policy (based on UN guidelines):** ensures a healthy and safe workplace, respects physical and mental health, human dignity, and hygiene. It prohibits human trafficking, forced labor, and child labor within its own operations and supply chain.
- **Code Of Ethics:** All employees are required to comply with safety and health regulations and immediately report accidents and injuries; they must be fit for work during working hours, and alcohol consumption is prohibited (except at authorized events); cooperation and information sharing are mandatory.

HEALTH AND SAFETY MEASURES

In 2025, the substance of the measures remained unchanged; only minor adjustments were made. Safety takes precedence over all business priorities.

Types of occupational safety training: pre-employment, onboarding, annual fire and safety training, training in the event of changes, training upon the introduction of new technologies, and special training. Content: laws and regulations, sources of accident hazards, protective equipment, handling of hazardous materials, procedures to follow in the event of an accident.

Occupational safety representation: employees are entitled to elect a representative (already in place or in progress where required by law). Occupational health: mandatory pre-employment and annual medical examinations. Hazardous situations: procedures are followed in accordance with fire alarm and accident protocols.

PROTECTIVE EQUIPMENT AND IMPROVEMENTS:

- In 2025, 4,258 pieces of personal protective equipment were provided.
- 78 people received first aid training.
- One screening and mental health program was in operation.
- 934 hours of training (1,371 people), including 169 hours of occupational safety training (1,050 people).

Health and safety-related goals

Goal: zero fatal and serious accidents, reduction of LTI accidents. Reduction from 5 serious accidents in 2024 to an annual average of no more than 2 between 2025 and 2030, with zero accidents in the long term. In 2025, there were again 5 serious accidents (in physical work roles, due to machine operation/inattention).

ISO 45001 (S1-14): currently covers 368 employees (27.78%) (2024: 24.33%). The goal is to increase this to over 80% by 2030. Certification is renewed regularly.

2025 DATA:

- 26 accidents (2024: 31, 2023: 38), of which 5 were serious.
- Fatal accidents and occupational illnesses: 0.
- Occupational safety fines: none.
- Per 100 employees: 1.96 accidents (2024: 2.46).
- Workday loss reduced by more than 50%.

Incidents, complaints, serious human rights impacts: In 2025, there were no serious human rights issues, incidents, discrimination, or harassment. There were no fines, penalties, or compensation payments.

Workers in the value chain

The working conditions and employment stability of workers in the value chain are central elements of sustainable business practices. Secure and lawful employment promotes employee well-being, reduces workplace risks, and supports social responsibility throughout the entire value chain.

Transparency regarding the employment conditions of primarily manual workers in the upstream value chain related to the MASTERPLAST Group's key strategic products is a critical social consideration. Manual workers are the most vulnerable to potential negative impacts. As a customer, the Group strives to minimize potential negative impacts, although it has limited insight into and influence over specific working conditions. To address this, it implemented a risk assessment and management system in accordance with the Hungarian ESG Act, which it actively operated in 2025 as well. During the reporting period, no risks related to child labor or forced labor were identified across its entire value chain. The measurement was based on available information, supplier relationships, and geographic exposure, with regular reviews.

Measures addressing material impacts, risks, and opportunities affecting workers in the value chain The Group's Risk Management approach:

- data collection and supplier surveys at critical points (primarily raw material supply) to assess working conditions;
- Inclusion of additional requirements in supplier contracts and the Supplier Code Of Conduct and Business Ethics (lawful and fair employment, safe working environment);
- in the event of an incident, implementing the measures specified in the Risk Management system.

Significant shortcoming: insufficient data is available on the employment conditions of upstream suppliers' employees (systematic data gap). Vulnerable social groups have not been identified. The measurement was conducted with the involvement of internal experts and based on industry/regulatory information; no direct consultation took place with workers in the value chain.

Policies Regarding Workers in the Value Chain The Group aims to reduce data gaps and continuously improve transparency in the upstream value chain to minimize potential negative social impacts. It sets as a goal ensuring that the employment conditions of workers in the supply chain comply with the OECD's principles of ethical business conduct. These guidelines are set forth in the Supplier Code Of Conduct and Code Of Ethics.

Consultation processes with workers in the value chain Workers in the value chain may use the Company's Whistleblowing System, the operation of which is set forth in the Whistleblowing Policy.



Affected communities and end users

Respect for the economic, social, and cultural rights of affected communities and end-users is a key pillar of the Group's corporate social responsibility. This includes the right to adequate housing (a safe, healthy, affordable, and sustainable living environment). The MASTERPLAST Group's insulation solutions significantly reduce heating costs, improving households' financial situation and quality of life. Through subsidized programs, the products are available in certain cases with up to 100% subsidy coverage.

The affected communities and end-users include:

- the local population living in the project areas,
- the broader communities of households using the products,
- social groups for whom the affordability of energy-efficient housing is of paramount importance.

The Group primarily exerts its impact through its downstream value chain. No significant negative impacts on localized or specific social groups have been identified. Its areas of operation are located in industrial environments and fully comply with environmental regulations. The positive impacts extend to all end-users, most strongly in Hungary through the HFP program.

HFP 2.0 was established in 2025, building on the experiences of the previous Hungarocell Renovation Program. Full facade thermal insulation can be implemented under the subsidized program. Material costs are 100% subsidized (households are only responsible for labor costs). Beneficiaries achieve significant cost savings at the time of Investment, followed by long-term reductions in utility costs.

Policies related to affected communities and consumers/end-users There is currently no standalone policy specifically focused on this. Operations are governed by the ISO 9001, 14001, 50001, and 45001 management systems, as well as the Code Of Ethics, Product Recall Policy, Complaint Handling Policy, and Corporate Principles. These documents enshrine respect for human rights, product safety, legal compliance, and ethical business conduct. The policies are consistent with the UN Guiding Principles on Business and Human Rights and the OECD Guidelines. In the future, the company will consider developing a unified policy (particularly regarding HFP).

Consultation processes with affected communities and consumers/end-users Communication through multiple channels: customer service, retail partners, administration of support programs, market research, and feedback mechanisms. Feedback is incorporated into product development and quality assurance.

Processes to address negative impacts A multi-channel complaint handling system is in place. Complaints are handled confidentially in accordance with data protection regulations; anonymous reporting is also possible. Retaliation is prohibited. Structured tracking of incoming cases and analysis of recurring issues lead to corrective actions.

Measures related to affected communities and consumers/end-users Active participation in supported renovation programs, continuous product development to improve Energy Efficiency, strict quality control, and a formalized product recall procedure. Goal: to avoid causing significant negative social impacts.

Goals related to affected communities and consumers/end-users Measurement of performance is based on the number of projects implemented under the EKR (approximately 12,000 by 2025). There is currently no standalone quantified target; the direction is set by the business strategy. The Group is exploring the possibility of introducing specific, measurable targets to track social impacts.

Corporate governance

Business Conduct

For the MASTERPLAST Group, business conduct and corporate culture are fundamental pillars of sustainability and long-term success. The Company believes that responsible and ethical conduct not only entails compliance with legal and regulatory requirements but also embodies corporate values and social responsibility. The guidelines on business conduct and corporate culture apply at every level of daily operations, and their purpose is to contribute to the achievement of corporate goals while respecting the interests of employees, partners, and society.

The Role of the MASTERPLAST Group’s Governing Body Regarding Business Conduct

The MASTERPLAST Group’s Board Of Directors is responsible for establishing, communicating, and enforcing high ethical standards. The Board Of Directors represents the organization to third parties and is also accountable for the statements and conduct of employees within the organizational framework. The Audit Committee and the Supervisory Board perform an oversight function, setting the standard for expectations of employees through their own example. Ethical business conduct is embodied in the daily work of the Group’s more than 1,300 employees.

The Company’s Code Of Ethics is issued by the CEO. All employees must confirm their compliance with the Code By signing it upon hiring, whenever the policy is amended, and once a year. The designated person or the HR department is responsible for maintaining records of these compliance statements. Compliance controls are conducted in accordance with the Internal Audit policy. The Code Of Ethics issued in 2009 was revised in February 2024; version 6.0 includes significant updates: it places greater emphasis on anti-money laundering and counter-terrorism measures, data protection, and combating harassment and discrimination, and introduces an anonymous ethics reporting system. It also takes into account the principles of the UN Global Compact.

The members of the Board Of Directors are committed to transparent business conduct, ethics, and a corruption-free corporate culture. They have decades of professional experience in corporate law, Risk Management, ESG strategy, and compliance. There is some overlap in membership between the Audit Committee and the Board Of Directors. One member is an internationally recognized expert in compliance and Corporate Governance; several have backgrounds in finance and law, with a particular focus on managing ethical risks.

Further information:

<https://www.masterplastgroup.com/en/board-of-directors/>
<https://www.masterplastgroup.com/en/management/>

During the Green Committee meetings in 2025, the Group’s leadership continued to pay close attention to understanding international and domestic regulations related 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 regarding 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 accepted by all employees.

2. Internal Control System and Risk Management

To minimize 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 abuses are key. Through these measures, the Group also ensures compliance with the Hungarian ESG Act.

3. Corporate Governance and Management Accountability

Independent Board Of Directors: Objective decision-making is ensured through the participation of independent members on the Board Of Directors.

Responsible executive decision-making: Management’s exemplary conduct and transparent decision-making processes set an example regarding expected ethical standards.

4. Reporting channels and handling of misconduct

5. Anonymous Whistleblowing System: ensures the protection of whistleblowers.

6. Sustainability and Social Responsibility (ESG)

To preserve the Group’s long-term credibility and stability, it must operate with consideration of ESG (Environmental, Social, Governance) factors:

Sustainable business practices: Integrating environmental and social responsibility goals into the business strategy.

Transparency and Disclosure: Preparing regular ESG reports (Sustainability Report, ESG Financial Statements) that outline the Group’s ethical and sustainability commitments.

Fair supply chain: Collaborating with partners who also adhere to ethical and sustainable principles.

MASTERPLAST Group's corporate culture and regulations governing business conduct

The MASTERPLAST Group Code Of Ethics establishes standards for relationships with employees, customers, suppliers, competitors, shareholders, the external environment, communities, governments, and business partners. These principles ensure ethical and fair operations and business relationships. The Code provides guidance on key issues but does not cover every situation; in cases not addressed, employees should consult their manager.

The Code is binding on all employees and those who have a business relationship with any company within the Group.

Respect for human rights is a fundamental value; details are outlined in the Human Rights Policy. For more information: <https://www.masterplastgroup.com/en/human-rights-policy/>

Guidelines regarding supplier relationships are set forth in the Supplier Code Of Conduct and Code Of Ethics.

The CEO is responsible for the compilation, promulgation, and enforcement of the ethical guidelines, as well as for providing information. Those affected are notified of changes in writing; the revised guidelines are available on the website: <https://www.masterplastgroup.com/en/corporate-governance/>, where appropriate, the CEO supports the implementation of updates through training.

The policies were developed at the management level, but took into account practical experience and internal feedback.

The Group recognizes the ten principles of the UN Global Compact and supports and incorporates the OECD Guidelines for Multinational Enterprises in the areas of human rights, labor standards, environmental protection, and anti-corruption.

It operates a Whistleblowing System to manage ethical risks; all employees are informed about it upon joining the company.

Beyond the Whistleblowing System required by law, it does not operate a separate dedicated system for the prevention of corruption and bribery, as it has not identified any high-risk areas. Detection and control are supported by the Internal Audit function in the work of the governing body.

Shaping and developing the corporate culture of the MASTERPLAST Group

An integral part of the corporate culture is the so-called "Foundations of Cooperation," a code developed jointly with employees and management that sets forth guidelines for communication, organizational operations, and systems management, as well as teamwork based on mutual respect. Its goal is to ensure that communication at all levels is open, honest, and constructive.

The cornerstone of the MASTERPLAST Group's success is a corporate culture focused on the market, emphasizing individual accountability and an entrepreneurial spirit. The Company is built on the value created by its employees and is committed to long-term employment relationships and individual development, as well as to responsible, transparent, and effective Corporate Governance and fair business practices.

The Articles Of Association are publicly available and place great emphasis on the implementation of responsible corporate governance recommendations, taking into account the specific characteristics of the Group and its Subsidiaries. Management continuously improves operational and control practices based on the guidance of the Board Of Directors and regularly reviews the principles to ensure compliance with best international practices. Corporate governance practices are in line with the requirements of the Budapest Stock Exchange and capital market regulations.

The Code Of Ethics sets out expectations for management (Section 1.5): members of management, directors, and executives are required to continuously monitor conduct that is unethical or contrary to the company's interests and to report it immediately. Employees are required to report violations to their immediate supervisor, the internal auditor, or via the Whistleblowing Portal (Section 1.7).

Reports received (via the Code Of Ethics or the Whistleblowing Portal) are investigated in accordance with the Whistleblowing Policy through an impartial process, with particular attention paid to protecting the rights of those involved. The investigation is the responsibility of the Committee for Investigating Reports of Misconduct (comprising three members, who elect a chairperson from among themselves).

Compliance with the Code Of Ethics is monitored by the Internal Audit; full cooperation is expected from all employees. In the event of an ethical violation, disciplinary proceedings will be initiated; depending on the severity of the violation, labor law or criminal proceedings, criminal charges, and termination of employment are possible.

Reports of violations of laws or ethical standards, as well as significant risks, may also be submitted anonymously via the MASTERPLAST Group's Whistleblowing Portal: <https://sites.google.com/view/mpishu>. The whistleblower shall not suffer any disadvantage, except in cases of bad faith. No reports of misconduct were received in 2025.

Training

To ensure compliance with ethical standards, the Company organizes mandatory annual training on the content of the Code Of Ethics. The purpose 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 abuses. 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

The MASTERPLAST Group does not engage in lobbying in the traditional sense, either independently or in an organized manner, and does not provide financial or in-kind support to political parties or political organizations. The MASTERPLAST Group primarily conducts its lobbying activities in Hungary through professional advocacy organizations. Through these positions, it actively participates in policy consultations regarding the construction industry and Energy Efficiency, with a particular focus on building energy retrofits, 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 in domestic and international professional organizations, notably the Sustainability Division of the National Association of Construction Contractors (ÉVOSZ) and the Domestic Building Materials Manufacturers Division. The Company participates in the work of the Sustainability Section through an employee delegated by the CEO, in order to obtain up-to-date professional information, share relevant 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>

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 organizations support cross-industry professional dialogue and continuous improvement. Within the framework of these collaborations, the Company participates in defining common professional goals, with particular regard to sustainability, environmental protection, and quality assurance issues.

The EU Transparency Register is a system in which organizations that seek to influence EU decision-making are required (or encouraged) to register. The Group's role in professional organizations is not aimed at directly influencing legislative processes, so it is not registered; the purpose of participating in industry dialogue is primarily to understand professional viewpoints, share industry information, and monitor changes in the regulatory environment, as well as to share proposals indirectly within an organized and controlled framework. All such activities of the Company are conducted in accordance with the principles of integrity and transparency set forth in the Code Of Ethics.

Supplier Relationships

The MASTERPLAST Group integrates Sustainability as a key element into its Business Model and strategy through procurement decisions. The Company focuses on selecting energy-efficient and low-co₂ Emissions 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 reduce Environmental Impacts. Through these measures, the MASTERPLAST Group ensures that procurement decisions align with its sustainability goals. The long-term sustainability of the Business Model contributes to the Company's Competitiveness and Success.

Management of Supplier Relationships

The MASTERPLAST Group has established guidelines for the prevention and management of late payments in its Organizational and Operational Regulations. During the reporting period, a separate accounts receivable management policy is being prepared to provide detailed regulations.

Payment of supplier invoices is primarily governed by the terms set forth in the contract, and the payment deadline stated on the invoice is binding.

The MASTERPLAST Group recognizes that supply chains are globally fragile systems that can carry significant environmental and social risks. For this reason, the Company places a high priority on conducting its operations in an ethical, socially responsible, and sustainable manner. Its goal is to have a positive impact on its business environment and value chain through the development of long-term, stable partnerships. It is committed to ensuring that its relationships with suppliers are characterized by fair business con-

duct. In its procurement activities, it strives for effective collaboration, long-term relationships, and optimized processes to establish a sustainable and responsible supply chain for the Group.

The MASTERPLAST Group's Supplier Code Of Conduct and Code Of Ethics sets forth the principles and expectations that the Group imposes on its suppliers to ensure ethical, socially responsible, and sustainable business practices. Currently available in six languages on the website (<https://www.masterplastgroup.com/en/corporate-governance/>), the document addresses social and environmental standards, Corporate Governance requirements, legal compliance, and ethical business practices. By adhering to the expectations set forth in the Code, the company aims to ensure that its suppliers contribute to sustainability and responsible business operations.

The MASTERPLAST Group reserves the right to verify compliance with the Supplier Code Of Conduct and Code Of Ethics using the following methods:

- supplier self-declaration,
- third-party reporting,
- submission of certificates, and
- on-site controls.



The Supplier Code Of Conduct and Code Of 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 supplier contract with parties found to be in violation of the Supplier Code Of Conduct and Code Of Ethics, or to suspend such a contract until compliance with the provisions of the Code is achieved. The MASTERPLAST Group is entitled to verify compliance through audits.

The MASTERPLAST Group focuses on building long-term, mutually beneficial partnerships with its suppliers. To foster strong partnerships, it provides feedback while adhering to the highest ethical standards. It pays special 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
In-person communication, visits to suppliers and manufacturers	Regularly
Direct consultations with supplier key account managers	Regularly
Supplier forums, surveys, training sessions	Annually, based on business decisions
Participation in international trade shows	Annually, based on 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 in addition to the countries where our production sites are located. For non-fossil-based raw materials—glass fiber—the Far East also serves 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 production sites are located via a short supply chain.

The Group has prepared its first ESG Financial Statements in accordance with the Hungarian ESG Act and established a documented Risk Management system related to this. Although the first reports are not yet public, the disclosure requirement will take effect in 2028. We will provide comprehensive information on the details of this in our Sustainability Reports following 2028.

Payment Practices

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 commits to a 60- to 90-day payment term for its partners.

For service providers:

- logistics: 15–30 days,
- other services 8–30 days,
- for SMEs, 8–15 days is the typical payment term under the contract.

75% of the MASTERPLAST Group's payments to its partners were made within the deadline in accordance with the general terms and conditions during the period under review. The average number of payment days is 41 days.

Payments are typically made on the due date or 1–2 days prior to it; however, payment delays may occur at any time. In the case of SMEs, the Group pays special attention to ensuring they are not disadvantaged. In such situations, active consultation and communication support the prioritization of payments. For sole proprietorships, payment deadlines are strictly adhered to.

In 2025, no legal proceedings were initiated against the MASTERPLAST Group for late payment.



Imprint

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