

# MASTERPLAST PLC. INTERIM MANAGEMENT REPORT

14 May 2024.



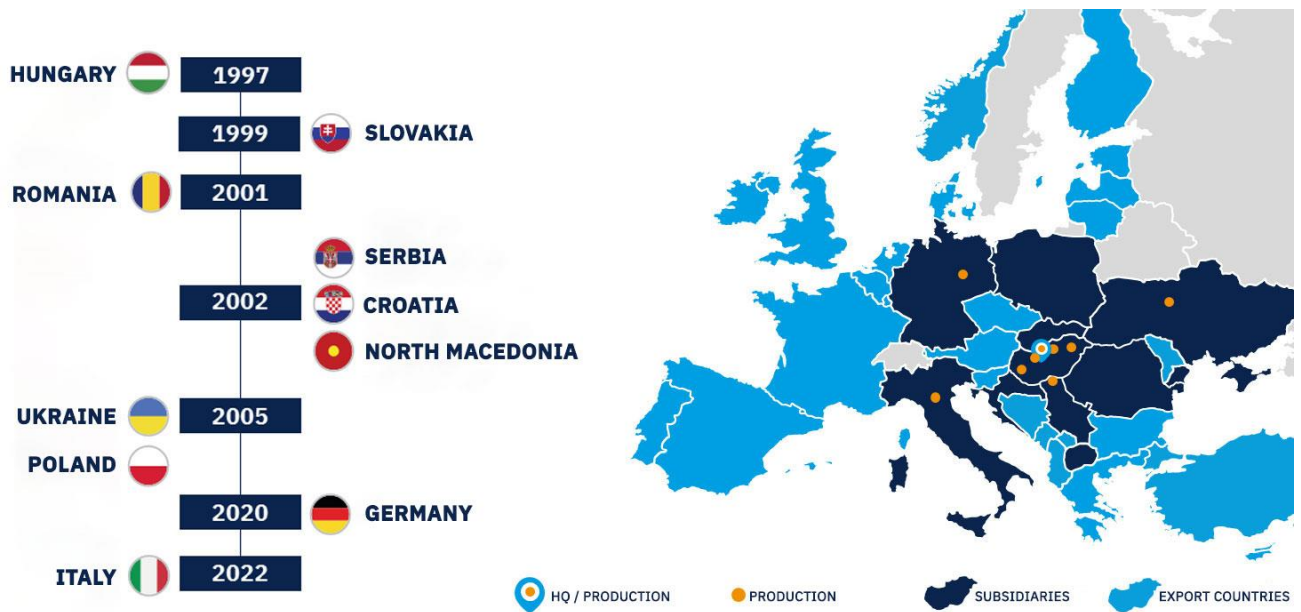
**MASTERPLAST**

**THE MASTERPLAST PLC.**  
**Interim management report**  
**1<sup>st</sup> Quarter 2024**

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

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## MASTERPLAST

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

It ensures its product background mainly through manufacturing at its ISO and TÜV certified production sites in Hungary, Serbia and Germany and through strategic manufacturing partnerships. In 2020, the company entered the healthcare segment, and its strategic goal is to make the modular business division

a success as soon as possible. Due to the growing demand for fibre insulation materials, the company's focus in 2023 was on the establishment of rock wool and glass wool insulation material plants to meet the needs of the Hungarian and Central and Eastern European markets. Its production development plans are now in the implementation phase in both targeted product segments.

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

# SUMMARY



The improving trend continued, and a positive EBITDA was achieved in the first quarter of 2024, even in a subdued market environment. The comprehensive, efficient improvement measures taken last year ensure successful operations even with lower market demand.

The signs of a recovery in the construction market are already visible - the improvement in the interest rate

demand in the last quarter. Compared to last year's first quarter base, turnover fell by 13%, with the general wait-and-see attitude across Europe playing a major role. In addition, more than half of the target markets have already seen an increase in turnover compared to a year ago.

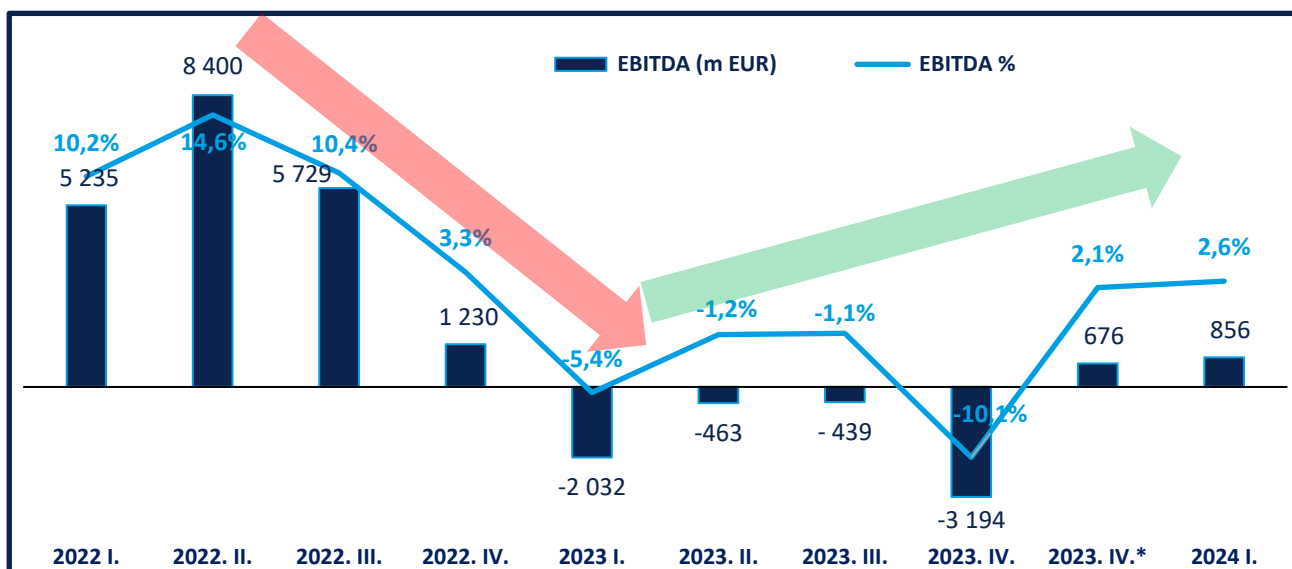
In the organization adapted to demand conditions, own production capacities operate more cost-

Data in 1000 EUR	Q1 2024	Q1 2023	Change
Sales revenues	32 665	37 602	↓ -4 937
EBITDA	856	-2 032	↑ 2 888
EBITDA ratio	2,6%	-5,4%	↑
Profit/loss after taxation	53	-5 837	↑ 5 890
Net income ratio	0,16%	-15,5%	↑

Source: the Group's IFRS consolidated non-audited accounts as at 31st March 2023 and non-audited accounts as at 31st March 2023, and non-audited data from the Group's management information system

environment is projecting the start of new constructions - while renovation programs outlined according to EU directives are forecasting the start of the renovation segment. However, the construction industry continued to be characterized by subdued

effectively. The profitability of the Serbian fiberglass factory has improved significantly compared to a year ago, turning last year's loss-making operation back into profit. A major role in this is played by the fact that the previously higher-price raw materials ran out for



\*Q4 EBITDA cleared from year-end one-off items

Source: the Group's IFRS consolidated non-audited accounts for 2023 and 2024 and non-audited data from the Group's management information system

the current year, while this effect significantly affected the base.

The cost of materials and services and other expenses also decreased. Personnel costs were at the same level as last year, despite the almost 200 people lower closing headcount (1 231). This reflects a significant increase in wage levels, which, in addition to the necessary wage increases in the inflationary environment, is also explained by the skilled workforce joining the start-up factories.

The EBITDA result of 856 thousand euros for the quarter represents an improvement of around 2.9 million euros compared to the base result of a year earlier (even with higher turnover), and also an improvement compared to the last closed quarter. Taking depreciation into account, the operating result still showed a loss, but the improving trend foreshadows a turnaround in profitability at EBIT level in the near future. Depreciation increased due to the investments capitalised at the XPS plant in Serbia and at the headquarters production site.

The financial result was positive in the period under review due to favourable exchange rate movements for the company. The same exchange rate effects caused a positive result for the associated companies.

Masterplast's profit after tax already shows a profit of 53 thousand euros in the seasonally weakest first quarter.

The Company's cash management - the level of cash, the successfully extended credit lines - ensure the stable operation and growth of the Company.

A significant business potential for Masterplast is that the Hungarian market is already in a preparatory stage and the new home renovation programme is expected to start in June. **The building energy-focused grant programmes that are due to be launched across Europe in the foreseeable future are expected to further increase the Company's profitability.**

**With the measures on the table to meet the EU energy policy objectives (REPowerEU plan; "Fit for 55%" package of measures), the Company's medium-term business outlook in the insulation market remains positive. Relying on these factors, the Company – with intention to maintain its current production capacities - continues to implement the intensive investment strategy that lays the foundation for the growth path, including the elements of stone and glass wool production projects launched together with co-investors. The forecasts estimate a positive turnaround in the construction sector for 2025, so the timing of the new investments seems proper.**



## BUSINESS PROSPECTS



From the end of 2023 onwards, inflation forecasts across Europe showed a significant improvement, with a wave of central bank rate cuts. The improvement in the interest rate environment could in itself have a stimulating effect on building investment, with previously frozen projects being restarted. The market recovery is expected to be slow in the new construction market, but the shorter-term outlook in the renovation segment is more favourable.

After two years of negotiations, the European Parliament and the Council have adopted the new Energy Performance of Buildings Directive. The Directive sets an ambitious target: to achieve a carbon dioxide-free building stock by 2050. The package, together with two other elements - directives to increase energy efficiency and to increase the use of renewable energy - calls for a huge energy improvement in the buildings sector, i.e. a multiplication of both the number and the depth (thoroughness) of building renovations over the next two and a half decades.

This will entail regulatory changes in member countries and the launch of renovation programmes, which will lead to a significant increase in demand for insulation in the medium to long term, but the market's wait-and-see attitude means that no recovery in demand is expected until these are underway. Improving the short-term outlook, the government in Hungary - the Company's largest market - has already announced the main elements of a new home renovation programme in April 2024, a very important step towards energy efficiency and carbon reduction. The new home renovation programme, expected to start in June 2024, will be available for the energy modernisation of family houses built before 1990.

For 2024, the Company has optimised the production capacity of its production units in anticipation of a more moderate construction environment. The resulting effective headcount and shift numbers can be increased, giving the factories flexibility to respond to any faster market recovery and higher customer demand. Even with its conservative calculations, the Company expects positive results for 2024 at its main production units.

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



The possibility of further progress in the medium term is inherent in the start of production of already launched joint venture projects. In Szerencs, on 4.3 hectares, with a non-refundable HIPA support of 5.645 billion forints, the glass fiber factory to be realized with the 50% involvement of the Polish Selena FM S.A is expected to start production in the first half of 2025. One of the main raw materials of the product is waste glass, which is recycled during production according to the principles of circular economy. The company is also working with Market Építő Zrt in Halmajugra to build a rock wool factory with an annual capacity of 35,000 tons, which is expected to start in the second half of 2025. Both fiber material manufacturing plants will be equipped with environmentally friendly, modern electric furnace manufacturing technology, the power supply of which will be partially provided by renewable energy sources.

For Masterplast, as a long-established producer of building materials and insulating materials in the Ukrainian market, there is also great business potential in the reconstruction of Ukraine, which,

depending on a possible peace agreement, will also be exploitable in the medium to long term.



The Company's vision is that by the second half of the decade, Masterplast will be the only insulation materials manufacturer in the Central and Eastern European region with significant manufacturing and

market positions in both plastics and mineral insulation materials.

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

The Company's healthcare segment also has the potential to generate additional revenue and profit above expectations.

## Industrial environment



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

The recent events – the Russo-Ukrainian war, the pandemic measures, and the energy crisis – have led to a persistently unfavorable macroeconomic environment (high inflation and interest rates worldwide) that, although on the path to improvement, has not brought significant revitalization either in the market for new constructions or in the renovation segment at the European level. The phasing out of previous building

renovation support programs and the delay in launching new ones have led to a wait-and-see attitude in the market for several quarters. There are no procurement difficulties, and the supply of goods is good. As a result, the construction industry is characterized by a highly competitive situation where prices have significantly decreased.

With the adoption of the EU's Building Energy Directive, building energy renovation programs in Europe are in sight, which means a revival of the renovation market in the short term. In Hungary, the new home renovation program is already in the preparatory phase. The improvement of the interest rate environment is also awakening the market for new constructions, where a slow upturn is expected. It is a favorable position for manufacturers that construction traders typically have low inventory levels before the upturn.



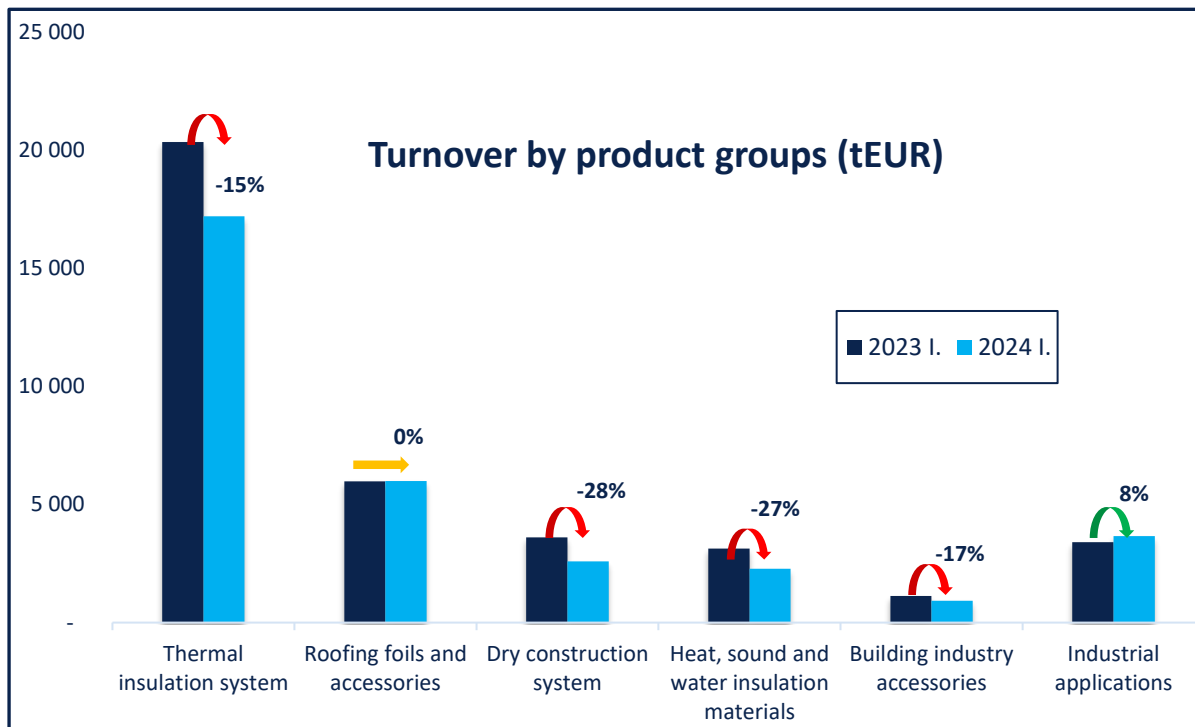
# Analysis of turnover

Data in 1000 euros	Q1 2024	Q1 2023	Index
	(A)	(B)	(A/B-1)
Thermal insulation system	17 203	20 350	-15%
Roofing foils and accessories	5 989	5 982	0%
Dry construction system	2 593	3 604	-28%
Heat, sound and water insulation materials	2 284	3 136	-27%
Building industry accessories	930	1 121	-17%
Industrial applications	3 666	3 409	8%
<b>Total sales revenue</b>	<b>32 665</b>	<b>37 602</b>	<b>-13%</b>

Source: the Group's IFRS consolidated non-audited accounts as at 31 March 2023 and non-audited accounts as at 31 March 2023, and non-audited data from the Group's management information system

The roof foils and roof elements product group closed at the same level as a year earlier. Masterplast's recently launched diffusion roofing foils, manufactured in-house, performed well. Thanks to its own production capacity, the Group is gaining business opportunities in international markets.

Other construction product groups fell by between 17% and 28%. In the industrial applications product group, the turnover performance of both the own-account produced health care raw materials and other raw materials trading activities both increased compared to last year's base, with an overall increase of 7%.



Source: the Group's IFRS consolidated non-audited accounts as at 31 March 2024 and non-audited accounts as at 31 March 2023, and non-audited data from the Group's management information system

Masterplast's sales revenue in the first quarter decreased by 13% compared to the base quarter. The Thermal insulation systems product group accounted for more than half of sales. Here the decline was 15%. The sales of our own manufactured EPS insulation materials have decreased significantly, as this product range is most affected by price competition. The situation is somewhat better for our own manufactured fiberglass mesh, but overall, this product range also failed to grow in the quarter.

The breakdown of sales by country shows the revenue realized in countries where Masterplast has its own subsidiaries, regardless of which subsidiary made the sale in the territory of the given country. Sales in countries without subsidiaries are reported as Exports.

The Hungarian market accounted for one third of the Group's sales in the quarter. This share is decreasing from quarter to quarter, due to the increasing wait-and-see attitude towards renovation programmes. In the first quarter, domestic market sales fell by 22%

Data in 1000 euros	Q1 2024	Q1 2023	Index
	(A)	(B)	(A/B-1)
Hungary	11 080	14 296	-22%
Export	4 276	4 136	3%
Poland	2 791	4 356	-36%
Serbia	2 635	2 414	9%
Italy	2 552	2 235	14%
Germany	2 456	2 400	2%
Romania	2 446	3 275	-25%
Ukraine	1 533	1 176	30%
Croatia	1 271	1 556	-18%
Slovakia	1 223	1 423	-14%
North-Macedonia	402	335	20%
<b>Total sales revenue</b>	<b>32 665</b>	<b>37 602</b>	<b>-13%</b>

Source: the Group's IFRS consolidated non-audited accounts as at 31 March 2024 and non-audited accounts as at 31 March 2023, and non-audited data from the Group's management information system

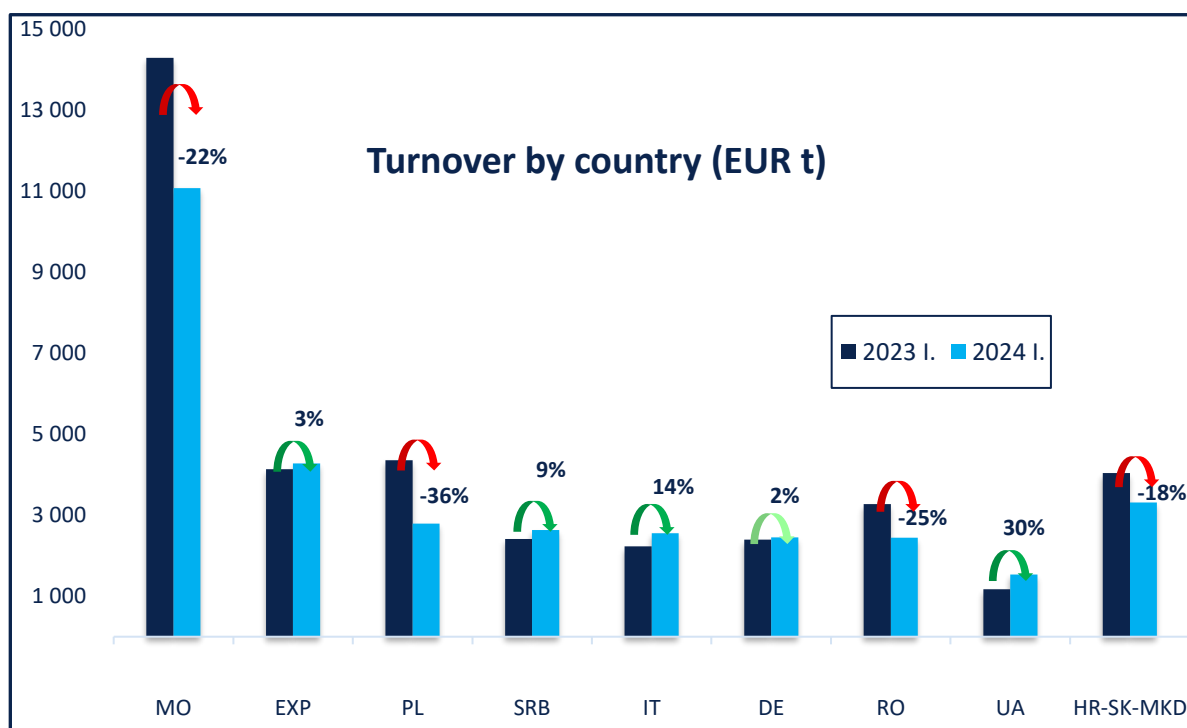
compared to a year earlier, but the performance was similar in Romania, Slovakia and Croatia.

The general downward trend of several quarters has been broken, as this time revenue has increased in more than half of the target markets. This is mostly due to the sales of thermal insulation systems and roofing folis. Strong growth was recorded in Serbia,

despite the war situation in Ukraine, in Italy and in Northern Macedonia, while sales in export territories and Germany increased slightly.

The Group's performance in Poland deserves special mention, where revenue has fallen sharply, but the Polish market is one of the exceptions that was able to grow steadily and at a good pace last year. However, it was difficult to keep up with the strong base from a year earlier.

Based on this, it can be said that although the Group's revenue has decreased compared to the base, the extent of the decrease shows an improving trend and is no longer general when considering the market composition. Building renovation programs aimed at achieving EU goals have already been envisioned, which are expected to have a market-stimulating effect that will be reflected in sales performance from the second half of the year.



Source: the Group's IFRS consolidated non-audited accounts as at 31 March 2024 and non-audited accounts as at 31 March 2023, and non-audited data from the Group's management information system

## Profit and loss account

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

Data 1000 euros	Q1 2024	Q1 2023	Change	Index
	(A)	(B)	A-B	(A/B-1)
Sales revenues	32 665	37 602	-4 937	-13%
Cost of materials and services	-26 002	-30 855	4 853	-16%
Payroll costs and contributions	-6 550	-6 532	-18	0%
Depreciation	-1 694	-1 385	-309	22%
Change in self-manufactured inventories	483	-2 061	2 544	-123%
Other operating revenues and expenses	260	-186	446	-240%
<b>EBITDA</b>	<b>856</b>	<b>-2 032</b>	<b>2 888</b>	<b>-142%</b>
<i>EBITDA ratio</i>	2,6%	-5,4%		
<b>PROFIT / LOSS OF BUSINESS ACTIVITY (EBIT)</b>	<b>-838</b>	<b>-3 417</b>	<b>2 579</b>	<b>-75%</b>
Interest revenues	234	228	6	3%
Interest expenses	-765	-752	-13	2%
Other financial revenues and expenses	1 356	-2 203	3 559	-162%
<b>FINANCIAL PROFIT/LOSS</b>	<b>825</b>	<b>-2 727</b>	<b>3 552</b>	<b>-130%</b>
Profit/loss from associations	83	15	68	453%
<b>Profit/loss before income tax</b>	<b>70</b>	<b>-6 129</b>	<b>6 199</b>	<b>-101%</b>
Taxes	-17	291	-308	-106%
<b>Profit/loss after taxation</b>	<b>53</b>	<b>-5 837</b>	<b>5 890</b>	<b>-101%</b>
<i>Profit attributable to the owners of the parent</i>	21	-5 850	5 871	-100%
<i>Profit attributable to the minority</i>	32	13	19	146%
<i>Earnings per share (EPS) (EUR)</i>	0,00	-0,40		
<i>Diluted earnings per share (diluted EPS) (EUR)</i>	0,00	-0,40		

Source: the Group's IFRS consolidated non-audited accounts as at 31 March 2024 and 31 March 2023

Group sales revenue in Q1 2024 was EUR 32 665 thousand, 13% lower than in the base period.

The efficiency improvement measures implemented last year and the exhaustion of previously higher-priced raw material stocks led to a larger proportionate decrease in cost of materials and services used. The value of materials and services used - taking into account the change in stock of self-produced inventories - is 24% lower than the base

year, which significantly exceeds the decrease in revenue (-13%). This was mainly seen in raw materials, while other materials (energy, fuels) and service costs overall remained at a similar level to the q1 previous year.

The manufacturing units operated more cost-effectively. The Serbian fiberglass factory performed at a significantly better level than a year ago. The production volume was still slightly below the base,

but it increased compared to the previous quarters. However, the central site's diffusion roofing foil and medical raw material manufacturing unit produced at a higher output level than the base quarter, and the utilization of German non-woven textile capacities also improved. The Group's new EPS production line in Kal continued to operate in one-shift mode. The company's latest XPS factory in Szabadka and the new EPS factory in Italy have also completed the trial production period and the formation of the product portfolio, and are going to significantly participate in meeting market demands from the second quarter.

Personnel costs were at the same level as last year, despite the almost 200 people lower closing headcount (1 231). This reflects a significant increase in wage levels, which, in addition to the necessary wage increases in the inflationary environment, is also explained by the skilled workforce joining the newly started-up factories.

The Company's depreciation and amortisation expense increased by 22% compared to the base period, due to capitalised investments in the XPS plant in Serbia and the headquarter manufacturing site.

In other operating revenues and expenses, the Company reported a profit of 260 thousand euros, compared to a loss of 186 thousand euros in the same period last year. This item includes the grant income released in proportion to the amortization, related to the previous investments in Hungary and Serbia, and also includes losses from the valuation of inventories. With the improvement in production efficiency, the value of the inventory write-downs decreased significantly compared to the base year.

The Group's operating EBITDA in Q1 2024 was a profit of EUR 856 thousand (2.6% EBITDA margin) compared to a loss of EUR 2 032 thousand (-5.4% EBITDA margin) in the base period. Including depreciation, the company's EBIT result was a loss of EUR 838 thousand compared to a loss of EUR 3 417 thousand in the base period.

The Company's interest expenses and interest income also decreased slightly in the quarter. Overall, interest income was in line with the base period. The Company has mostly HUF-based bonds with favorable fixed interest rates and euro-based loans with variable interest rates.

Other income/expenditure on financial operations mainly includes exchange rate gains and losses. The Group purchases the majority of its products in HUF and USD, which are sold in local currencies, and therefore foreign currency movements affect the Group's results. The currencies of the majority of countries are pegged to the euro, so movements in EUR/USD affect the exchange rate results for dollar-based purchases. The company also had EUR/HUF exchange rate hedges in place at the end of the first quarter. As a consequence of the favourable exchange rate effects for the Group, a profit of EUR 1 356 thousand was recognised as other financial revenues and expenses in Q1 2024, compared to a loss of EUR 2 203 thousand in the base period.

As a result, the Company's profit after tax in Q1 2024 was a profit of EUR 53 thousand, compared to a loss of EUR 5 838 thousand a year earlier.

## Other comprehensive income

Data in 1000 euros	Q1 2024	Q1 2023
Profit for the year	53	-5 837
Foreign exchange result on translation*	-859	1 124
Comprehensive income related to a CCIRS transaction*	129	486
Parent company's share of the change in the value of associates*	-483	-331
<b>Other comprehensive income</b>	<b>-1 213</b>	<b>1 279</b>
<b>Comprehensive income</b>	<b>-1 160</b>	<b>-4 558</b>

Source: consolidated non-audited report of the Group on 31st of March 2024 and non-audited report on 31st of March 2022 based on IFRS accounting rules

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

## Balance sheet presentation and analysis

Data in thousands of euros	31-03-2024	31-03-2023	Change	Index
	(A)	(B)	A-B	(A/B-1)
<b>FIXED ASSETS</b>				
Land, buildings and equipment	117 949	122 818	-4 869	-4%
Intangible assets	2 231	720	1 511	210%
Shares in related companies	14 255	3 614	10 641	294%
Deferred tax assets	2 235	397	1 838	463%
Other long-term financial assets	0	125	-125	-100%
<b>Total fixed assets</b>	<b>136 670</b>	<b>127 674</b>	<b>8 996</b>	<b>7%</b>
<b>CURRENT ASSETS</b>				
Inventories	34 055	51 802	-17 747	-34%
Trade accounts receivable	19 826	22 037	-2 211	-10%
Tax receivables	3 165	2 508	657	26%
Other financial receivables	60	442	-382	-86%
Other current assets	3 269	10 035	-6 766	-67%
Liquid assets	11 421	12 962	-1 541	-12%
<b>Total current assets</b>	<b>71 796</b>	<b>99 786</b>	<b>-27 990</b>	<b>-28%</b>
<b>TOTAL ASSETS</b>	<b>208 466</b>	<b>227 460</b>	<b>-18 994</b>	<b>-8%</b>
<b>CAPITAL AND RESERVES</b>				
Subscribed capital	6 049	6 049	0	0%
Reserves	62 098	77 103	-15 005	-19%
Repurchased shares	-1 969	-1 481	-488	33%
Parent share of interests	22	-5 848	5 870	-100%
<b>Equity attributable to the owners of the parent</b>	<b>66 200</b>	<b>75 823</b>	<b>-9 623</b>	<b>-13%</b>
Minority interests	666	690	-24	-3%
<b>Total capital and reserves</b>	<b>66 866</b>	<b>76 513</b>	<b>-9 647</b>	<b>-13%</b>
<b>LONG-TERM LIABILITIES</b>				
Long-term loans	12 008	15 116	-3 108	-21%
Liabilities from issued bonds	41 638	51 126	-9 488	-19%
Deferred tax liabilities	994	757	237	31%
Deferred income	31 290	29 761	1 529	5%
Other long-term liabilities	954	405	549	136%
<b>Total long-term liabilities</b>	<b>86 884</b>	<b>97 165</b>	<b>-10 281</b>	<b>-11%</b>
<b>SHORT-TERM LIABILITIES</b>				
Short-term loans	18 537	17 541	996	6%
Liabilities from issued bonds (short-term)	7 564	3 934	3 630	92%
Trade accounts payable	16 141	18 584	-2 443	-13%
Short-term leasing liabilities	222	188	34	18%
Other financial liabilities	2 655	4 446	-1 791	-40%
Tax liabilities	1 558	1 549	9	1%
Short-term deferred income	2 033	2 785	-752	-27%
Provisions	654	575	79	14%
Other short-term liabilities	5 352	4 182	1 170	28%
<b>Total short-term liabilities</b>	<b>54 716</b>	<b>53 784</b>	<b>932</b>	<b>2%</b>
<b>TOTAL LIABILITIES</b>	<b>141 600</b>	<b>150 949</b>	<b>-9 349</b>	<b>-6%</b>
<b>TOTAL CAPITAL AND LIABILITIES</b>	<b>208 466</b>	<b>227 462</b>	<b>-18 996</b>	<b>-8%</b>

Source: consolidated non-audited report of the Group on 31st of March 2024 and non-audited report on 31st of March 2023 based on IFRS accounting rules



At 31 March 2024, the Group's assets amounted to EUR 208 466 thousand, EUR 18 994 thousand lower than the base period.

Due to the investments in progress, the value of fixed assets at the end of March 2024 stood at EUR 136 670 thousand, EUR 8 996 thousand higher than the closing value at the end of the reference period. With a 50% contribution from the co-investor, the glass wool factory under construction became an associate company, and the value of the assets was reclassified. As a result, the value of tangible assets decreased, while the value of investments in associates increased significantly compared to a year earlier.

The value of inventories at the end of March 2024 was EUR 34 055 thousand, 34% lower than the closing value at 31 March 2023, due to the measures taken to optimise inventory levels. The Company aims to continue operating at a lower inventory level in the coming quarters.

At the end of March 2024, the Company's customer base closed 10% lower at EUR 2 211 thousand (EUR 19 826 thousand).

The Group's cash and cash equivalents amounted to EUR 11 421 thousand at the end of March 2024, EUR 1 541 thousand lower than at the end of the base period.

The Group's bond liability decreased in the balance sheet, in line with the repayment of the HUF 1.5 billion due in the last quarter of last year. The Company's loan portfolio was down by around EUR 2.1 million compared to a year ago.

The Group's trade receivables closed at EUR 16 141 thousand, compared to EUR 18 584 thousand at the end of last year. Deferred income including grants related to investments not yet recognised in the income statement increased by EUR 777 thousand.

## Cash flow, bank information

Data in 1000 euros	31-03-2024	31-03-2023	Change	Index
	(A)	(B)	A-B	(A/B-1)
<b>Operating Activities</b>				
PBT	70	-6 129	6 199	-101%
Depreciation and Amortisation	1 694	1 385	309	22%
Bed debt provision	9	563	-554	-98%
Shortage and scrap of stocks	32	68	-36	-53%
Provisions	5	-8	13	-163%
Profit on fixed asset sale	-14	-27	13	-48%
Interest expense	765	752	13	2%
Interest revenue	-234	-228	-6	3%
Profit/loss from associations	-83	-15	-68	453%
Unrealized foreign exchange gain (loss)	-3 065	3 471	-6 536	-188%
<b>Changes in Working Capital</b>				
Change in Accounts Receivable	-6 984	-4 648	-2 336	50%
Change in Inventory	211	7 582	-7 371	-97%
Change in Other Assets	-171	-30	-141	470%
Change in Accounts Payable	2 300	2 051	249	12%
Change in Short-term liabilities	-2 521	-3 460	939	-27%
Taxation	0	-425	425	-100%
<b>Net Cash from Operations</b>	<b>-7 986</b>	<b>902</b>	<b>-8 888</b>	<b>-985%</b>
<b>Investing Activities</b>				
CAPEX	9	-8 295	8 304	-100%
Sale of fixed assets	14	32	-18	-56%
Subsidiaries share purchase	0	-1 815	1 815	-100%
Interest received	234	228	6	3%
<b>Net Cash from Investing activities</b>	<b>257</b>	<b>-9 850</b>	<b>10 107</b>	<b>-103%</b>
<b>Financing Activities</b>				
Redeemed treasury shares	67	0	67	0%
Borrowing	0	323	-323	-100%
Loan repayments	235	-50	285	-570%
Issued bond	0	0	0	0%
Government grant	0	0	0	0%
Dividends paid	0	0	0	0%
Interest paid	-765	-752	-13	2%
<b>Net Cash from Financing activities</b>	<b>-463</b>	<b>-479</b>	<b>16</b>	<b>-3%</b>
Net Cash flow of the period	-8 192	-9 427	1 235	-13%
Cash at beginning of period	18 210	25 882	-7 672	-30%
Effect of exchange rate changes	1 402	-3 492	4 894	-140%
<b>Cash at end of period</b>	<b>11 420</b>	<b>12 963</b>	<b>-1 543</b>	<b>-12%</b>

Source: consolidated non-audited report of the Group on 31st of March 2024 and non-audited report on 31st of March 2023 based on IFRS accounting rules

Net cash flow from operating activities at the end of March 2024 was EUR -7 986 thousand, compared to EUR 902 thousand in the base period.

The cash flow of investment activity was EUR 257 thousand, compared to EUR -9 850 thousand in the base period .

The net cash flow from financial activities was EUR - 463 thousand , compared to EUR -479 thousand in the base period.

All in all, the Group's cash and cash equivalents at 31 March 2024 amounted to EUR 11 420 thousand, EUR 1 543 thousand lower than the EUR 12 963 thousand at the end of March 2023.

## Investigations against Masterplast:

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

As part of the transfer price investigation launched at the Romanian subsidiary of the Company, the Romanian Tax Authorities identified a tax deficit of

EUR 468 390 (RON 2 318 107) in 2019 for the financial years 2014-2018. The Company has appealed because of the finding with the assistance of experts thus the proceedings are still ongoing. In order to avoid possible future tax fines, the Company has paid the full amount to the tax authorities in year 2020, which was presented in the profit and loss account as "Other operating income (expenses)". The Group is of the opinion that the proceedings are not expected to have a material impact on the financial position or performance of the Company.

## Change in equity

Data in thousands of euros	Share capital	Own share	Capital reserve	Retained earnings	Translation reserve	Total reserves	Parent company's share of profit	Equity per parent shareholders	Minority interest	Total equity
<b>1 January 2023.</b>	<b>6 049</b>	<b>-1 951</b>	<b>29 368</b>	<b>47 040</b>	<b>-16 285</b>	<b>60 123</b>	<b>15 691</b>	<b>79 912</b>	<b>689</b>	<b>80 601</b>
Profit for the year	0	0	0	0	0	0	-5 848	-5 848	11	-5 837
Comprehensive income related to CCIRS	0	0	0	0	486	486	0	486	0	486
MRP share based payments	0	-49	0	0	0	0	0	-49	0	-49
Other comprehensive income	0	0	0	0	803	803	0	803	-10	793
Prior year's profit or loss reclassified	0	0	0	15 691	0	15 691	-15 691	0	0	0
Redeemed treasury shares	0	519	0	0	0	0	0	519	0	519
<b>31 March 2023.</b>	<b>6 049</b>	<b>-1 481</b>	<b>29 368</b>	<b>62 731</b>	<b>-14 996</b>	<b>77 103</b>	<b>-5 848</b>	<b>75 823</b>	<b>690</b>	<b>76 513</b>
<b>1 January 2024.</b>	<b>6 049</b>	<b>-2 036</b>	<b>29 368</b>	<b>62 682</b>	<b>-12 921</b>	<b>79 129</b>	<b>-15 811</b>	<b>67 331</b>	<b>627</b>	<b>67 959</b>
Profit after tax	0	0	0	0	0	0	22	22	32	53
Overall income related to CCIRS transaction	0	0	0	0	129	129	0	129	0	129
Change due to MRP share-based payment	0	0	0	0	0	0	0	0	0	0
Other comprehensive income	0	0	0	0	-1 349	-1 349	0	-1 349	7	-1 342
Carry forward of previous year's tax profit	0	0	0	-15 811	0	-15 811	15 811	0	0	0
Treasury shares repurchased	0	67	0	0	0	0	0	67	0	67
<b>31 March 2024.</b>	<b>6 049</b>	<b>-1 969</b>	<b>29 368</b>	<b>46 871</b>	<b>-14 141</b>	<b>62 098</b>	<b>22</b>	<b>66 201</b>	<b>666</b>	<b>66 866</b>

Source: consolidated non-audited report of the Group on 31st of March 2024 and non-audited report on 31st of March 2023 based on IFRS accounting rules

## Contingent liabilities

Company name	Type of guarantee	Amount covered by guarantee	Currency	Amount in EUR	Currency
Masterfoam Ltd.	Tender guarantee	251 003 670	HUF	634 120	EUR
Masterplast Romania	Bank guarantee	1 246 053	RON	250 740	EUR
Masterplast Romania	Bank guarantee	396 638	RON	79 814	EUR
Masterplast YU D.o.o.	Bank guarantee	10 000 000	RSD	85 367	EUR
Masterplast YU D.o.o.	Bank guarantee	25 000 000	RSD	213 417	EUR
Masterplast Proizvodnja DOO Subotica	Bill of exchange	2 224 795 725	HUF	5 620 584	EUR
<b>Total:</b>				<b>6 884 042</b>	<b>EUR</b>

Source: the Group's IFRS consolidated non-audited accounts as at 31 March 2024 and non-audited data from the Group's management information system

Off balance sheet items: relevant items in financial terms but items are not being presented in the balance sheet (such as guarantees, mortgage related liabilities etc.).

The Company has presented a bank guarantee covering the liabilities which were determined by the Romanian tax authority in the amount of 1 246 053 RON and 396 638 RON as default interest. The case was closed without indictment in February 2024, accordingly and the bank guarantee will be terminated also.

## Changes of the full-time employees (headcount)

	31-03-2024	31-12-2023	31-03-2023
Employees working for the company	74	61	80
Applied at group level	1 231	1 138	1 428

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

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

There were no significant events between the end of the quarter and the publication of this report.

## Balance sheet compared with 31 December 2023 status

Data in 1000 euros	31-03-2024 (A)	31-12-2023 (B)	Change A-B	Index (A/B-1)
<b>FIXED ASSETS</b>				
Land, buildings and equipment	117 949	119 200	-1 251	-1%
Intangible assets	2 231	2 272	-41	-2%
Shares in related companies	14 255	14 655	-400	-3%
Deferred tax assets	2 235	2 246	-11	0%
<b>Total fixed assets</b>	<b>136 670</b>	<b>138 373</b>	<b>-1 703</b>	<b>-1%</b>
<b>CURRENT ASSETS</b>				
Inventories	34 055	34 291	-236	-1%
Trade accounts receivable	19 826	12 858	6 968	54%
Tax receivables	3 165	2 788	377	14%
Other financial receivables	60	55	5	9%
Other current assets	3 269	3 481	-212	-6%
Liquid assets	11 421	18 210	-6 789	-37%
<b>Total current assets</b>	<b>71 796</b>	<b>71 683</b>	<b>113</b>	<b>0%</b>
<b>TOTAL ASSETS</b>	<b>208 466</b>	<b>210 056</b>	<b>-1 590</b>	<b>-1%</b>
<b>CAPITAL AND RESERVES</b>				
Subscribed capital	6 049	6 049	0	0%
Reserves	62 098	79 129	-17 031	-22%
Repurchased shares	-1 969	-2 036	67	-3%
Parent share of interests	22	-15 811	15 833	-100%
<b>Equity attributable to the owners of the parent</b>	<b>66 200</b>	<b>67 331</b>	<b>-1 131</b>	<b>-2%</b>
Minority interests	666	627	39	6%
<b>Total capital and reserves</b>	<b>66 866</b>	<b>67 958</b>	<b>-1 092</b>	<b>-2%</b>
<b>LONG-TERM LIABILITIES</b>				
Long-term loans	12 008	12 008	0	0%
Liabilities from issued bonds	41 638	43 055	-1 417	-3%
Deferred tax liabilities	994	990	4	0%
Deferred income	31 290	31 761	-471	-1%
Other long-term liabilities	954	723	231	32%
<b>Total long-term liabilities</b>	<b>86 884</b>	<b>88 537</b>	<b>-1 653</b>	<b>-2%</b>
<b>SHORT-TERM LIABILITIES</b>				
Short-term loans	18 537	18 302	235	1%
Liabilities from issued bonds (short-term)	7 564	7 823	-259	-3%
Trade accounts payable	16 141	13 841	2 300	17%
Short-term leasing liabilities	222	281	-59	-21%
Other financial liabilities	2 655	2 493	162	6%
Tax liabilities	1 558	680	878	129%
Short-term deferred income	2 033	2 033	0	0%
Provisions	654	649	5	1%
Other short-term liabilities	5 352	7 460	-2 108	-28%
<b>Total short-term liabilities</b>	<b>54 716</b>	<b>53 562</b>	<b>1 154</b>	<b>2%</b>
<b>TOTAL LIABILITIES</b>	<b>141 600</b>	<b>142 099</b>	<b>-499</b>	<b>0%</b>
<b>TOTAL CAPITAL AND LIABILITIES</b>	<b>208 466</b>	<b>210 056</b>	<b>-1 590</b>	<b>-1%</b>

Source: the Group's IFRS consolidated non-audited accounts as at 31 March 2024 and audited accounts as at 31 December 2023



## Consolidated companies

Company	Place of business registration	Equity capital	Foreign currency	Ownership	Voting rate	Activity
Masterplast Romania S.R.L.	Romania	36 000	RON	100%	100%	Wholesale of building materials
Masterplast YU D.o.o.	Serbia	192 557 060	RSD	100%	100%	Wholesale of building materials, EPS and fiberglass mesh production
Master Plast s.r.o.	Slovakia	26 555	EUR	100%	100%	Wholesale of building materials
Masterplast d.o.o.	Croatia	20 000	HRK	100%	100%	Wholesale of building materials
MasterPlast TOV	Ukraine	27 000	UAH	80%	80%	Wholesale of building materials
Masterplast Sp zoo	Poland	200 000	PLN	80,04%	80,04%	Wholesale of building materials
MasterFoam Kft.	Hungary	3 000 000	HUF	100%	100%	EPS production
Masterplast Medical Kft.	Hungary	10 000 000	HUF	100%	100%	Manufacture of basic and finished health care products
Masterplast D.O.O.	North Macedonia	973 255	MKD	100%	100%	Wholesale of building materials
Green MP Invest	Ukraine	33 223 500	UAH	100%	100%	Asset management
Masterplast Hungária Kft.	Hungary	230 000 000	HUF	100%	100%	Wholesale of building materials
Masterplast Modulhouse Kft..	Hungary	300 000 000	HUF	100%	100%	Construction of residential and non-residential buildings
Masterplast International Kft.	Hungary	3 000 000	HUF	100%	100%	Wholesale of building materials
Masterplast Nonwoven GmbH	Germany	25 000	EUR	100%	100%	Fleece and multilayer membrane production
Fidelis Bau Kft.	Hungary	3 000 000	HUF	100%	100%	Thermobeton production
Masterplast Italia Srl.	Italy	200 000	EUR	98,7%	98,7%	Wholesale of building materials
MASTERWOOL MW-1 d.o.o.	Serbia	293 900 000	RSD	100%	100%	Rock wool production
<b>Indirect links:</b>						
Masterplast Proizvodnja D.o.o.	Serbia	600 000	RSD	100%	100%	XPS production
<b>An associated company of the Group:</b>						
Masterprofil Kft.	Hungary	3 000 000	HUF	20%	20%	Profile production
T-CELL Plasztik Kft.	Hungary	104 000 000	HUF	24%	24%	EPS production
MIP Zrt.	Hungary	810 000 000	HUF	50%	50%	Rock wool production
PIMCO Kft.	Hungary	3 627 942 000	HUF	50%	50%	Glass wool production

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

The consolidation of the affiliate companies is based on equity valuation (equity method) and recognized in profit and loss account. The fair value of the interest at the date of preparation of the interim management report is the same as the purchase value, so the profit and loss account has not been adjusted by the difference resulting from the valuation of the share.

## Executives and (strategic) employees influencing the operation of the Issuer

Members of the Board of Directors during the period:

Name	Post	Commencement of mandate (beginning of membership in the Board)	Completion of mandate	Time spent in Board /as Board members	Stockholding (pcs)
Tibor Dávid	Chairman of the Board of Directors	03-04-2008	30-06-2026	Approximately 16 years	4 548 057 ordinary shares
Ács Balázs	Vice-Chairman of the Board of Directors	03-04-2008	30-06-2026	Approximately 16 years	3 877 259 ordinary shares
Dirk Theuns	Member of the Board of Directors	01-05-2014	30-06-2026	Approximately 10 years	-
Dezse Margaret	Member of the Board of Directors	01-05-2020	30-06-2026	Approximately 4 years	1300 ordinary shares
Fazekas Bálint	Member of the Board of Directors	01-05-2022	30-06-2026	Approximately 2 years	1145 ordinary shares

The data of the Company's top management are shown in the table below on 31st March 2024:

Name	Post	Beginning of the current top management position	Completion of current top management position	Stockholding (pcs)
Tibor Dávid	CEO	27-04-2023	indefinite duration	4 548 057
Ács Balázs	Deputy CEO	27-04-2023	indefinite duration	3 877 259
Nádasi Róbert	Deputy CEO	27-04-2023	indefinite duration	129 034
Jancsó Illés	Deputy CEO	22-01-2024	indefinite duration	44 909
Bunford Tivadar	Group management member	02-10-2023	indefinite duration	451 690
Lukács Flórián László	Group management member	02-10-2023	indefinite duration	2 520
Pécsi László	Group management member	02-10-2023	indefinite duration	20 132

## Shareholders of the Company with a holding above 5%

Shareholders of the Company holding more than 5% at the time of closing the report, as reported:

Name	Deposit handler	Quantity (pcs)	Share (%)
Tibor Dávid (1)	not	4 548 057	26,99%
Ács Balázs (1)	not	3 877 259	23,01%
<b>Total</b>		<b>8 425 316</b>	<b>50,00%</b>

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

## Pre esentation of the amount of own shares (pcs)

	31-03-2024
Issuing ownership	0
MRP organisation	251 587
Affiliated companies ownership	0
<b>Total</b>	<b>251 587</b>

## Publications issued by Masterplast PLC. in the reference period

02.01.2024.	Voting rights, registered capital
22.01.2024.	Information on changes to the management structure
01.02.2024.	Voting rights, registered capital
22.02.2024.	Information on the legally binding termination of the investigation against MASTERPLAST Romania S.R.L.
28.02.2024.	Information about credit rating
28.02.2024.	Information on the establishment of a branch office
29.02.2024.	Interim management report
01.03.2024.	Voting rights, registered capital
08.03.2024.	Information on the correction of the credit rating agency's report
14.03.2024.	Information on the registration of changes in the companies register in accordance with the decisions of the Board of Directors of the Company
14.03.2024.	Articles of Associations
22.03.2024.	General Meeting Invitation
02.04.2024.	Voting rights, registered capital
04.04.2024.	GM - Proposals
23.04.2024.	Information on agenda items 1-2 of the Annual General Meeting
25.04.2024.	GM - Resolutions
25.04.2024.	Annual Report
25.04.2024.	CG Declaration
25.04.2024.	Remuneration Report
25.04.2024.	Remuneration Policy
25.04.2024.	ESG report
02.05.2024.	Voting rights, registered capital
02.05.2024.	Information on treasury share transactions
10.05.2024.	Information on share purchasing by MASTERPLAST Employee Stock Ownership Program Organization
13.05.2024.	Information on share purchasing by MASTERPLAST Employee Stock Ownership Program Organization

DECLARATION

**MASTERPLAST Nyrt.** (H-8143 Sárszentmihály, Árpád u. 1/A.) declares that the Publication of Q1 2024 results provides a true and fair view of the financial position of MASTERPLAST Nyrt., comprises the subsidiaries included in the consolidation.

Sárszentmihály, 14 May 2024.



Tibor Dávid  
the Chairman of the Board of Directors

**MASTERPLAST**

