



# RESULTS

**JANUARY-JUNE 2021**

**October 2021**



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# EVOLUTION, ASPECTS AND MAGNITUDES

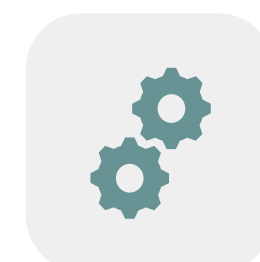
# — Evolution, aspects and magnitudes

## Executive Summary

Turnover for the first half of the financial year 2021 has increased by 34% compared to the same period in 2020 and by 23% compared to the same period in 2019. At the same time, normalized Ebitda amounted to 1,897 thousand euro, 53% more than in the first half of 2020.

Likewise, the investments made by the Company during the first half of 2021 amounted to a total of 1,537 thousand euros, of which 17% corresponds to subsidized investments for the development of R&D projects.

Net financial debt has decreased by 6.4% compared to December 2020. The activity and liquidity protection policies implemented during the 2020 financial year have been maintained and have enabled an increase in operating cash generation compared to the previous year.



### TONS SOLD

33,183 Tn

18%



### TURNOVER (000s €)

29,975

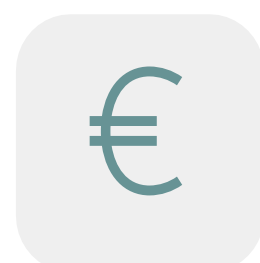
34%



### NET FINANCIAL DEBT (000s €)

10.2

-6,4%



### CASH FLOW FROM OPS. (000s €)

1,779

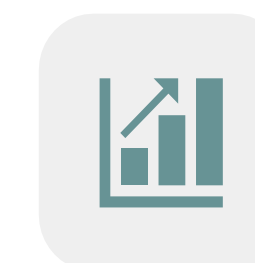
58%



### INSTALLED CAPACITY

220,510 Tn

-



### NORMALIZED EBITDA (000s €)

1,897

53%



### CAPEX (000s €)

1,537

43%



### NET FIN. DEBT / OWNERS EQUITY

0.7

-



# — Evolution, aspects and magnitudes

## Main figures and indicators

Turnover for the first half of the financial year 2021 has increased by 34% compared to the same period in 2020 and by 23% compared to the same period in 2019. At the same time, normalized Ebitda amounted to 1,897 thousand euro, 53% more than in the first half of 2020.

Tons sold in 2021 have increased by 18% compared to the same period of the previous year, however, the gross operating margin of the Company with respect to turnover has decreased by 8% compared to the previous year due to the generalized price increase in raw materials as well as the increase in energy prices.

On the other hand, the business and liquidity protection policies implemented have led to a 58% increase in cash flow generation from operations compared to the same period of the previous year.

During the 2021 financial year, Capex investments have increased to a total of 1,537 thousand euros, an increase of 43% compared to the same period of the previous year. The investments already made will allow for an increase in future business volume without significant new disbursements.

Financial figures (thousands of euros)	January-June		% Variation 2021/2020
	2021	2020	
Net turnover	29,975	22,430	34%
Gross margin	8,177	6,652	23%
EBITDA	1,783	1,064	68%
Normalized EBITDA	1,897	1,236	53%
EBIT	417	(167)	n.s.
Net Income	(18)	(592)	n.s.
Cash flow from operating activities	1,779	1,125	58%
Investments (CapEx)	1,537	1,077	43%
Net Financial Debt	10,210	10,863	-6%

Financial Indicators	January-June		% Variation 2021/2020
	2021	2020	
Gross Margin	27.3	29.7	-8%
Normalized EBITDA margin	6.3	5.5	15%
EBIT Margin	1.4	(0.7)	n.s.
Net Financial Debt / Shareholders' Equity (var. in pts.)	0.7	0.7	0%

Operating Magnitudes	January-June		% Variation 2021/2020
	2021	2020	
Nominal installed capacity (thousands Tm)	221	221	0%
Tons sold (thousands Tm)	33	28	18%
Employees (average headcount)	81	80	1%
International Polymer Price (*Source: ICIS)	1,650-1,850	1,360-1,410	21% - 31%

(\*) Normalized Ebitda: Ebitda deducting expenses and revenues linked to extraordinary operations.



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# MANAGEMENT RESULTS





## Operating and financial results

Turnover for the 2021 financial year has increased by 34% compared to the first half of the 2020 financial year. The gross margin has also increased by 23% in this period. The normalized EBITDA generated was 1,897 thousand euros, 53% higher than in the previous year. In terms of profit before tax, the Company has obtained a loss of 170 thousand euros, which represents a 76% reduction in losses compared to the same period in 2020.

Work on fixed assets has increased by 29% as a result of the new research and development projects that commenced in 2021. Depreciation and financial expenses have remained in line with the previous year.

The 20% increase in operating expenses was mainly due to the significant increase in energy costs in the first half of the 2021 financial year.

The deviation of the normalised EBITDA at 30 June 2021 from that presented as an advance on results is due to various factors that have influenced the accounting close. These include the departure of the general manager (*director general*), adjustments in the valuation of inventories and provisions for potential impairment that may arise in certain materials.

## Income Statement

(Figures in thousands of euros)

	JANUARY - JUNE		% Variation 2021/2020
	2021	2020	
<b>Net turnover</b>	<b>29,975</b>	<b>22,430</b>	<b>34%</b>
Change in inventories of finished goods and work in progress	381	728	-48%
Work carried out for fixed assets	690	533	29%
Procurement	(22,184)	(16,524)	34%
Other operating income	5	19	-72%
Staff costs	(1,946)	(1,824)	7%
Other operating expenses	(5,152)	(4,304)	20%
Subsidies	14	7	103%
Other results	(11)	(7)	49%
Valuation adjustments for impairment			
Depreciation of fixed assets	(1,355)	(1,223)	11%
<b>Profit from operations</b>	<b>417</b>	<b>(167)</b>	<b>-350%</b>
Financial Income	2	318	-99%
Financial expenses	(561)	(537)	5%
Exchange rate differences	(19)	(2)	1087%
<b>Financial result</b>	<b>(578)</b>	<b>(539)</b>	<b>7%</b>
<b>Profit before tax</b>	<b>(170)</b>	<b>(706)</b>	<b>-76%</b>
Tax on profits	143	176	-19%
<b>Net Income</b>	<b>(18)</b>	<b>(529)</b>	<b>-97%</b>

## Equity management

The company's current assets have increased in the items of inventories and trade and other receivables associated with the increased activity, and also with the increase in raw material prices (same effect on the suppliers item).

The terms of the long-term debt arranged in 2020 under the ICO Avaes COVID-19 lines (Royal Decree 8/2020 of 17 March) have been extended from 5 to 8 years, with a one-year grace period.

## Balance sheet

(Figures in thousands of euros)

	JUNE 2021	DECEMBER 2020	JUNE 2020	% Variation 2020/2021
<b>NON-CURRENT ASSET</b>	<b>25,904</b>	<b>25,624</b>	<b>25,173</b>	<b>1%</b>
Intangible Fixed Assets	3,874	3,647	3,771	6%
Property, plant and equipment	21,204	21,249	20,834	0%
Long-term financial investments	148	148	148	0%
Deferred tax assets	679	580	420	17%
<b>CURRENT ASSET</b>	<b>17,927</b>	<b>14,761</b>	<b>16,647</b>	<b>21%</b>
Inventories	9,400	7,398	8,017	27%
Trade and other receivables	4,972	2,672	3,453	86%
Short-term financial investments	647	610	544	6%
Short-term accruals and deferrals	63	55	211	15%
Cash and cash equivalents	2,844	4,025	4,423	-29%
<b>TOTAL ASSETS</b>	<b>43,831</b>	<b>40,385</b>	<b>41,820</b>	<b>9%</b>
<b>TOTAL NET WORTH</b>	<b>15,318</b>	<b>15,496</b>	<b>16,370</b>	<b>-1%</b>
<b>NON-CURRENT LIABILITIES</b>	<b>12,726</b>	<b>13,361</b>	<b>13,099</b>	<b>-5%</b>
Long-term provisions	191	34	37	461%
Long-term debts	12,384	13,177	12,871	-6%
Deferred tax liabilities	151	150	192	0%
<b>CURRENT LIABILITIES</b>	<b>15,788</b>	<b>11,529</b>	<b>12,351</b>	<b>37%</b>
Short-term provisions	128	84	45	52%
Short-term debts	1,318	2,366	2,958	-44%
Trade and other payables	14,342	9,078	9,348	58%
<b>TOTAL LIABILITIES</b>	<b>43,831</b>	<b>40,385</b>	<b>41,820</b>	<b>9%</b>
<b>Net financial debt</b>	<b>10,210</b>	<b>10,908</b>	<b>10,862</b>	<b>-6%</b>



## Evolution of indebtedness

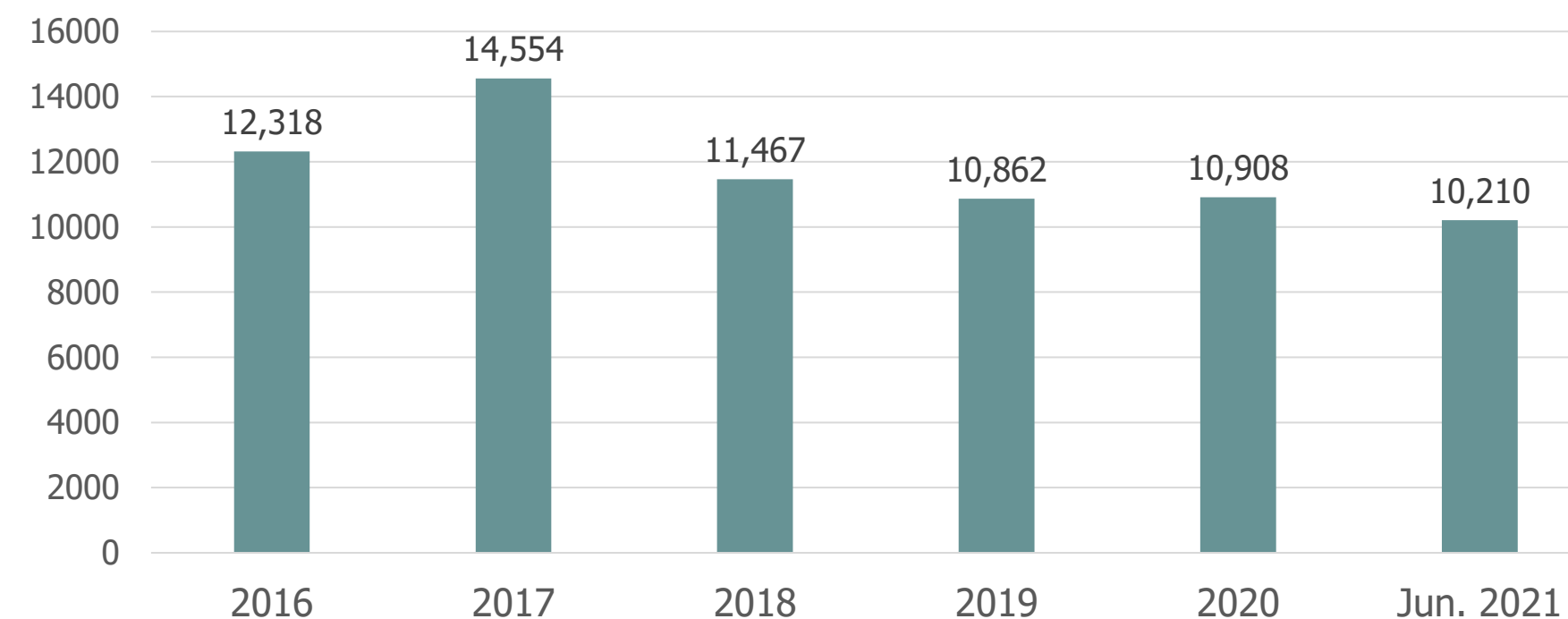
At the end of the first half of the 2021 financial year, the balance of net financial debt stood at 10.2 million euros, 6.4% lower than in the previous financial year, bringing its ratio to the Company's equity to 0.7 times, stable compared to the end of 2020 and 2019.

During the first half of the year, the Company has repaid 1 million euros out of the debt granted by Alteralia, S.C.A., SICAR, formalised on 20 December 2018, for a total amount of 5 million euros maturing on 20 December 2025, with 3 million euros maturing on 20 December 2025 still outstanding.

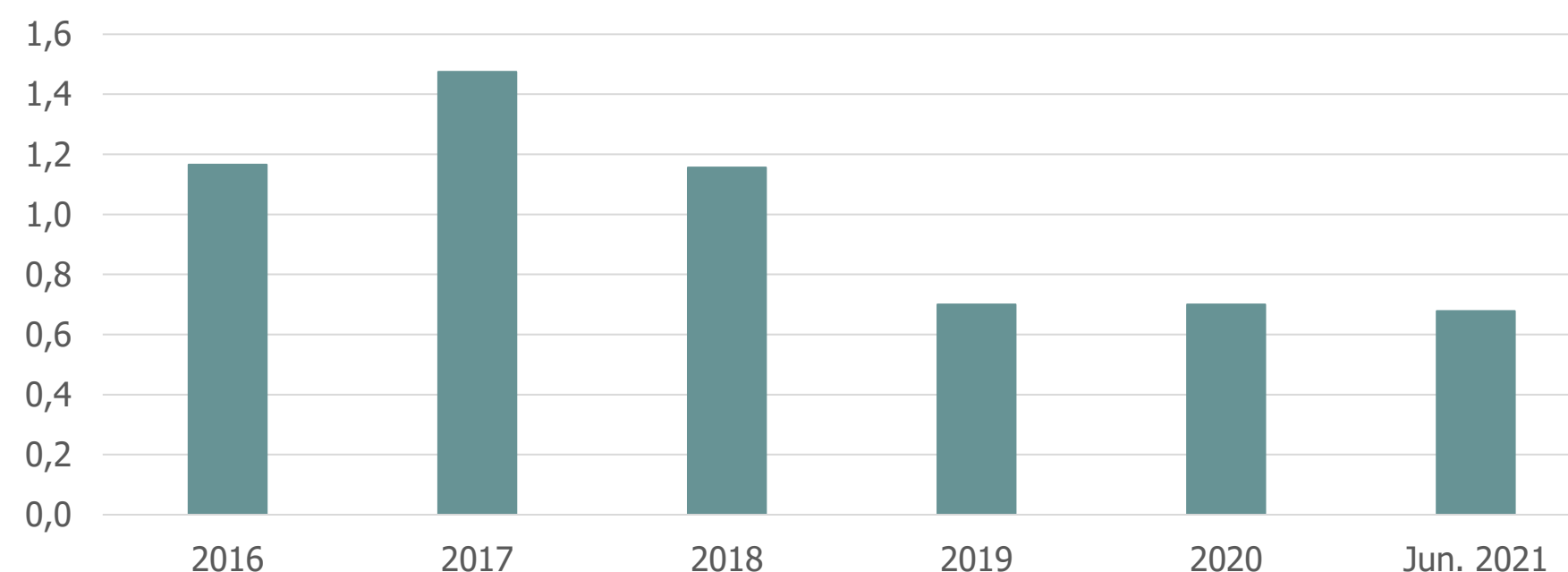
It should also be noted that the free cash flow was 823 thousand euros in line with the 2020 financial year, maintaining the criteria of prudence in order to favour the protection of the company's liquidity and solvency.

(\*) The deviation of the net financial debt at 30 June 2021 with respect to that presented in the Information Document submitted to the Admissions Committee of Euronext Growth Paris is due to a reclassification of financial investments for an amount of 64 thousand euros.

### Net financial debt (\*)



### Net financial debt/equity





## Management results

# Statement of cash flows and free cash flow

(Figures in thousands of euros)

### Cash flows from investing activities

	January - June		% Variation
	2021	2020	
Payments for investments			
Intangible assets (*)	(63)	(51)	24%
Property, plant and equipment (*)	(784)	(493)	59%
Other financial assets	(37)	(142)	-74%
Divestment proceeds			
Other assets	(75)	31	n.s.
<b>Cash flows from investing activities</b>	<b>(958)</b>	<b>(655)</b>	<b>46%</b>

(Figures in thousands of euros)

### Cash flows from financing activities

	January - June		% Variation
	2021	2020	
Proceeds and payments for equity instruments	(160)	(8)	1,879%
Receivables and payments for financial liability instruments			
Broadcast	0	3,985	n.s.
Debt repayment and amortization	(1,841)	(1,098)	68%
Cash flows from financing activities	(2,001)	2,879	n.s.
Net increase/decrease in cash or cash equivalents	(1,180)	3,349	n.s.
Cash or cash equivalents at beginning of year	4,025	1,074	275%
Cash or cash equivalents at the end of the year	2,844	4,423	-36%

(\*) Capex for the period: cash flows from intangible assets and property, plant and equipment from investing activities + cash flows from other income and expenses from operating activities.

(Figures in thousands of euros)

### Cash flows from operating activities

	January - June		% Variation
	2021	2020	
Profit for the year before tax	(161)	(706)	-77%
Adjustments to the result			
Depreciation of fixed assets	1,355	1,223	11%
Valuation adjustments for impairment			
Change in provisions	200	(6)	n.s.
Grant Allocation			
Financial income	(2)	(0)	n.s.
Financial expenses	561	539	4%
Exchange Differences	19	0	n.s.
Other income and expenses (*)	(690)	(533)	29%
Changes in working capital	1,029	1,092	n.s.
Other cash flows from operating activities			
Interest payments	(561)	(539)	4%
Interest charges	2	0	n.s.
Payments (receipts) for income taxes	0	53	n.s.
Other payments (collections)	26	0	n.s.
<b>Cash flows from operating activities</b>	<b>1,779</b>	<b>1,125</b>	<b>58%</b>

(Figures in thousands of euros)

### Free Cash Flow

	January - June		% Variation
	2021	2020	
<b>EBITDA</b>	<b>1,897</b>	<b>1,236</b>	<b>53%</b>
- Capex for the period (*)	(1,537)	(1,077)	43%
- Change in working capital	1,029	1,092	-6%
- Net financial interest payment	(559)	(539)	4%
- Payment of corporate income tax	0	53	n.s.
<b>Free Cash Flow</b>	<b>823</b>	<b>765</b>	<b>7,5%</b>



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# EVOLUTION BY BUSINESS SEGMENT





## — Evolution by business segment

### Turnover by business segment

During the first half of the 2021 financial year, mass production of Kompuestos accounted for 79% of total sales, with the specialty segment accounting for 19% of the total (16% at the end of the 2020 financial year and 14.6% at the end of the 2019 financial year). The increase in the specialties business segment has meant growth in the Company's higher value-added products.

During the first half of the 2021 financial year, the Company has increased the number of compostable and biodegradable products by also offering alternatives for the injection molding market. The "bioplastics" market is experiencing significant growth.

The main countries in the geographical distribution of Kompuestos' sales figures for the first half of the 2021 financial year have been maintained, highlighting the growth in the relative contribution of the Spanish market. The Company has a strong international presence, exporting more than 64% of its turnover.

During the first half of 2021, as a result of Covid-19 and pandemic-related restrictions, the Company has not been able to attend any international trade fairs as it has done in the past.

(Figures in thousands of euros)

	January - June		% Variation
	2021	2020	2021/2020
<b>Turnover</b>	<b>29,975</b>	<b>22,430</b>	<b>34%</b>
- Traditional business	29,440	21,868	35%
Mass production	23,818	18,386	30%
Specialities	5,622	3,482	61%
- Otros	535	562	-5%

<b>Total tons sold</b>	<b>33,183</b>	<b>28,183</b>	<b>18%</b>
- Traditional business	32,835	27,648	19%
Mass production	29,925	25,782	16%
Specialities	2,910	1,866	56%
- Otros	348	535	-35%

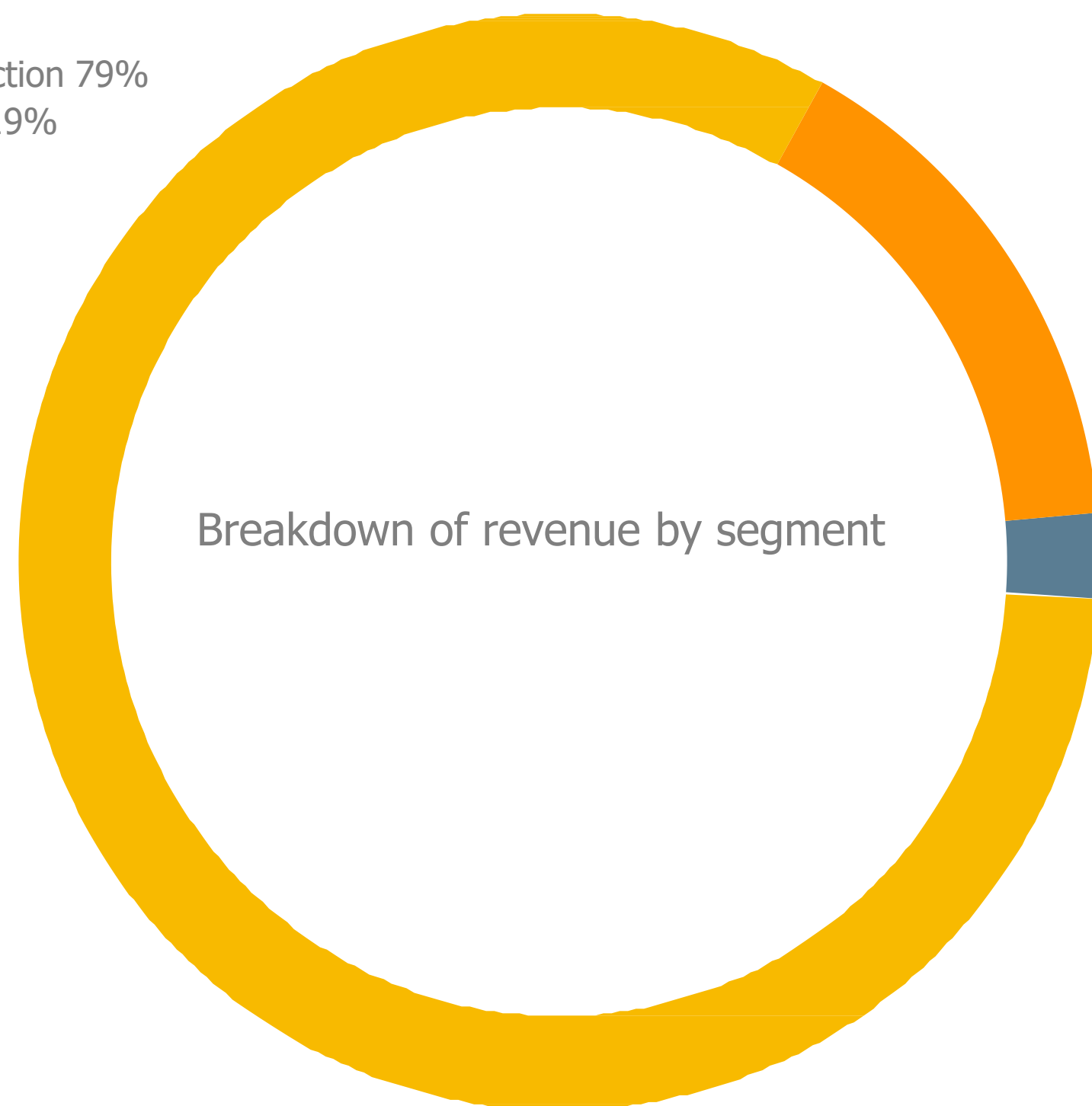
	January - June		% Variation
	2021	2020	2021/2020
<b>Turnover</b>	<b>29,975</b>	<b>22,430</b>	<b>34%</b>
Spain	10,780	9,128	18%
Germany	5,993	4,623	30%
France	3,662	2,682	37%
Other	9,540	5,997	59%

Mass production including black and white fillers and masterbatches  
Specialties includes additives, color masterbatches and BIO Solutions

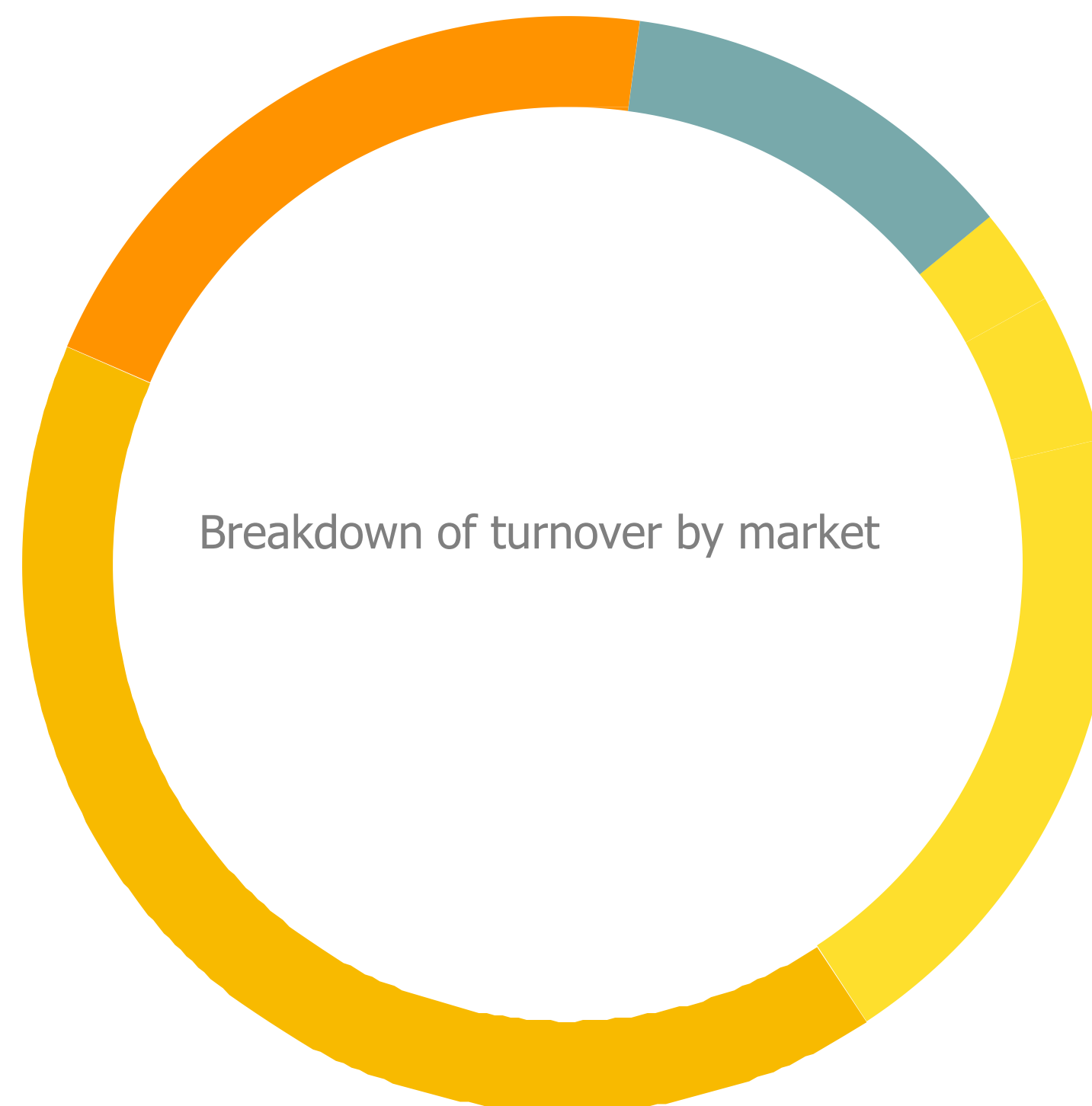


# — Evolution by business segment

- Mass production 79%
- Specialties 19%
- Other 2%



- Spain 36%
- Germany 20%
- France 12%
- Other 32%



Mass production including black and white fillers and masterbatches  
Specialties includes additives, color masterbatches and BIO Solutions

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# RELEVANT EVENTS





## — Relevant events

### Relevant events: from 1 January to 30 June 2021

#### February 2021: Business and Financial Situation

Kompuestos participated in the Frankfurt Medcap Forum held on 9 February and organized by BME Growth.

#### May 2021: Results Preview

As part of the recovery of activity to pre-COVID-19 levels, in the first four months of 2021 Kompuestos achieved gross revenues of approximately 19 million euros and a positive normalized EBITDA of 1.8 million euros.

#### May 2021: General Meeting

On 14 May 2021, the Ordinary General Shareholders' Meeting was held at which the following were approved: (i) the annual accounts and the management report, proposal for the application of results, management and performance of the Board of Directors and its committees during the financial year ended 31 December 2020, (ii) the remuneration of the members of the Board of Directors and its committees for the financial year 2021, (iii) the amendment of article 8 of the Company's Bylaws regarding the obligation to notify significant shareholdings, (iv) the amendment of article 32 of the Company's Bylaws regarding the term of office of directors, setting it at 3 years, and (v) the admission to trading of all Kompuestos' shares on the Euronext Growth market in Paris.

#### May 2021: Business and Financial Situation

Kompuestos participated in the Discovery Meeting of the MedCap 2021 Forum held on 27 May 2021 and organised by BME Growth.

For more information on relevant events after 30 June 2021, see "**Post-Closing and Upcoming Events**" (Section 7).



A large sea turtle with a brown and white patterned shell is swimming towards the left. It is surrounded by several smaller, silver fish. The background is a clear blue ocean with a sandy bottom and some dark rocks.

5

# COMMITMENTS TO THE ELLEN MACARTHUR FOUNDATION



# Kompuestos' Commitments to the Ellen MacArthur Foundation



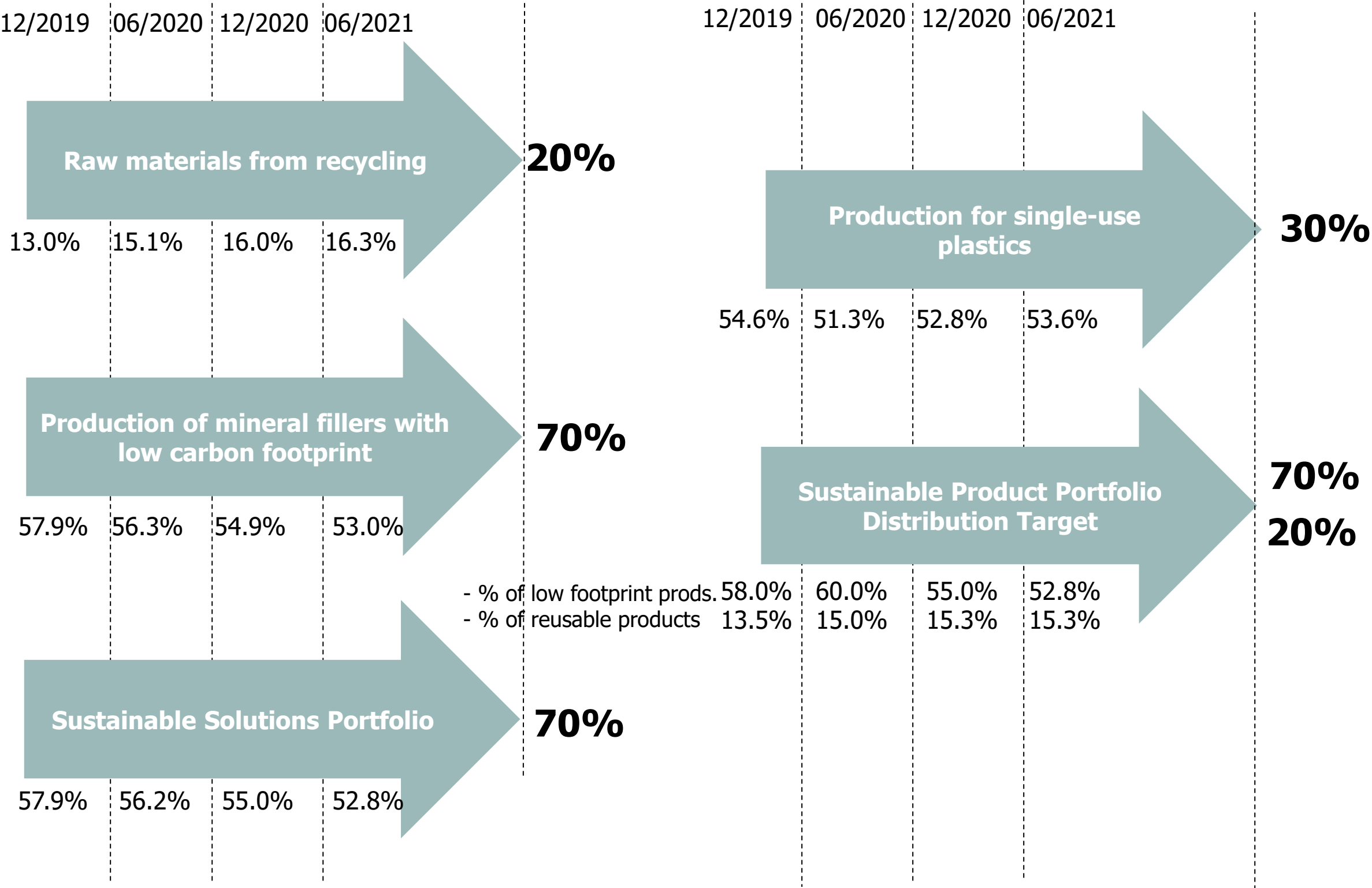
During the last year Kompuestos has focused on increasing the number of approvals for the biodegradable products and solutions that the Company makes available to the market through its two ranges.

This effort by Kompuestos to develop more biodegradable and compostable products is fundamental to replace single-use plastics that are difficult to collect or difficult to recycle.

Kompuestos has an ongoing commitment with the Ellen MacArthur Foundation to promote products with a lower carbon footprint such as Exfill, products with a higher percentage of recycling and biodegradable and compostable products. Kompuestos is continually looking for new sources of recycled product in order to give these products a second reuse and incorporate them into its product range.

Kompuestos will continue to work in this direction by investing in and developing new environmentally sustainable products.

For more information, see "*The Circular Economy of Plastics*" (Section 8 - Annexes).



#GLOBALCOMMITMENT

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# STOCK MARKET PERFORMANCE



## Stock market performance

QUOTATION (euros)	2020 Dec.	1Q2021	2Q2021	3Q2021
Opening	2.90	2.44	2.58	2.44
Minimum	2.26	2.34	2.22	2.30
Maximum	3.60	2.76	2.62	2.48
Closing	2.48	2.58	2.44	2.48
Average	2.74	2.53	2.45	2.38

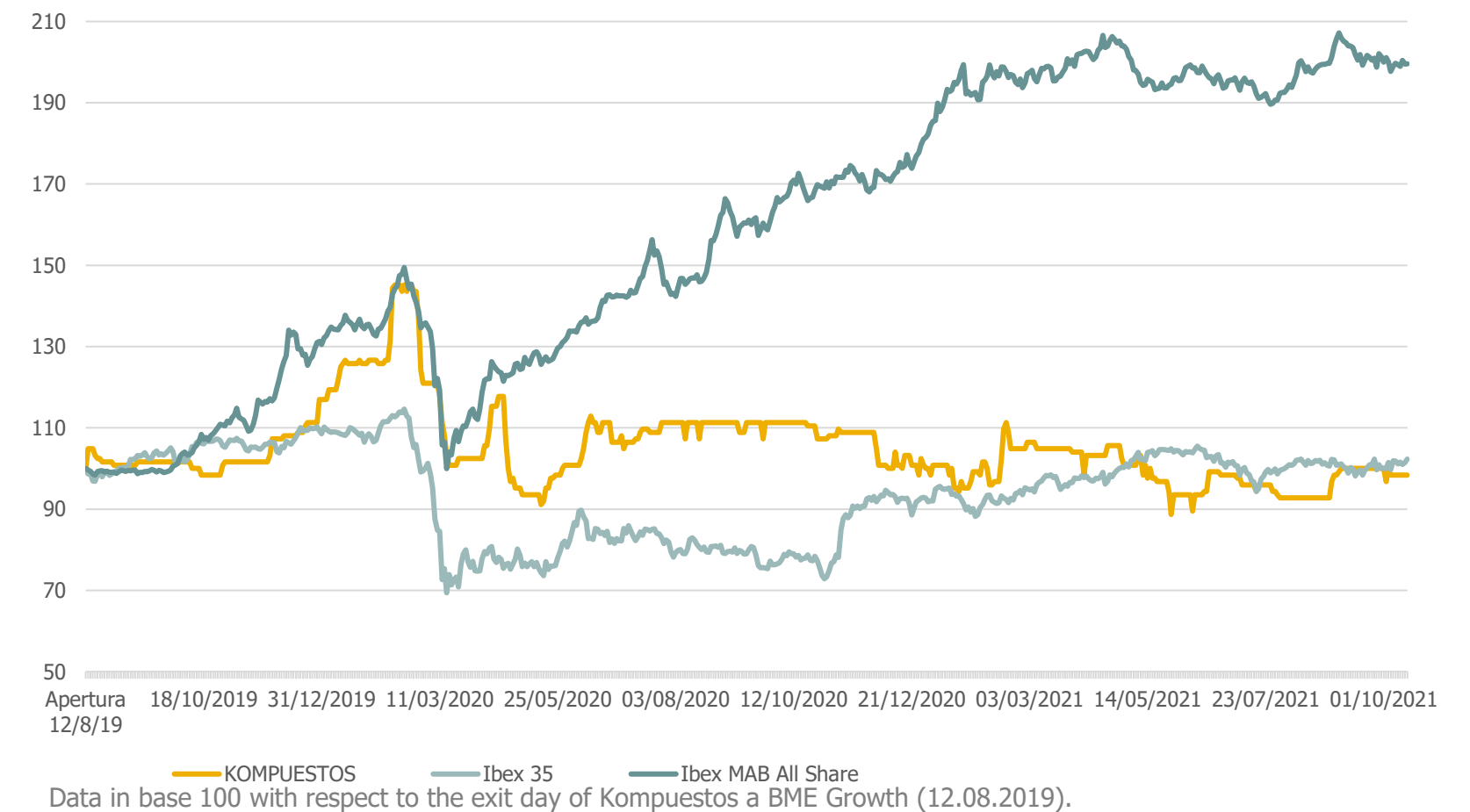
OTHER STOCK MARKET INDICATORS	2020 Dec.	1Q2021	2Q2021	3Q2021
Market capitalization (euros)	30,146,136	31,361,706	29,659,908	30,146,136
No. of shares	12,155,700	12,155,700	12,155,700	12,155,700
Nominal value of the share (€/share)	0.6	0.6	0.6	0.6
Volume (thousands of shares)	1,627	925	68	23
Volume (thousands of euros)	4,454	2,255	164	56

KOMPUESTOS vs INDEXES	Yield 2020 (*)	Yield 1Q2021	Yield 2Q2021	YTD 2021 (**)
Kompuestos	-14.48%	5.74%	-5.43%	1.64%
Ibex 35	-16.69%	5.94%	2.84%	8.61%
Ibex MAB ALL Share	37.93%	9.42%	-4.05%	9.16%

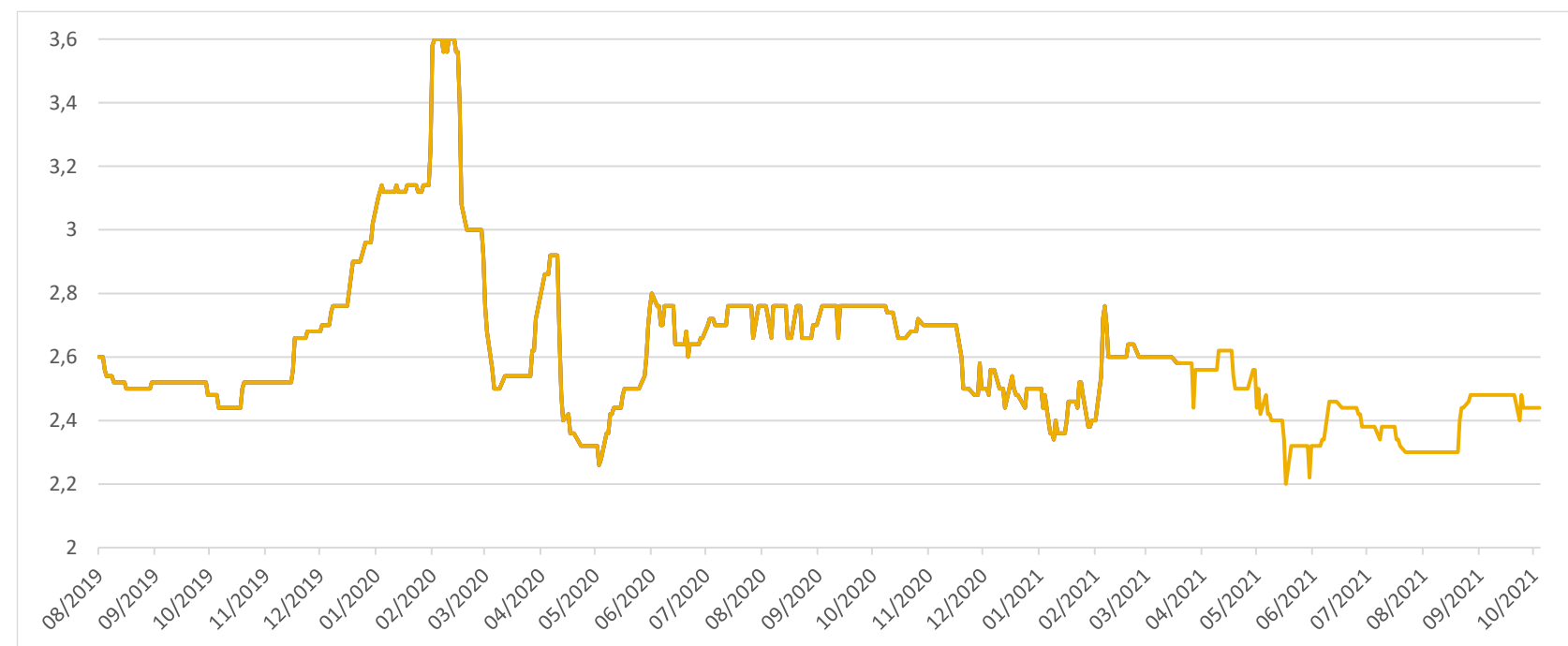
(\*) % change in quotation in the period.

(\*\*) Cumulative return up to 30-09-2021.

### KOMPUESTOS VS IBEX 35 AND IBEX GROWTH MARKET ALL SHARE



### KOMPUESTOS QUOTATION EVOLUTION (€/acc.)





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# POST-CLOSING AND UPCOMING EVENTS



## — Post-closing and upcoming events

### Post-closing events (I)

#### External factors

In general terms, the Company is affected by various external factors related to the socio-economic environment in which it operates, mainly the effects of fluctuations in raw materials, especially those derived from oil. These factors associated with the business are considered to generate both risk and opportunities.

During the first quarter of 2021, there has been a general increase in the cost of raw materials due to shortages in the market. A general decrease in raw material prices would result in a loss due to lower inventory value. Conversely, a significant increase, although it would imply a higher value of inventories, could represent a temporary loss of commercial margin on replacement prices until these increases can be passed on to the prices agreed with customers. Increases would also imply higher working capital requirements for equivalent volumes of activity.

The company controls this risk by constantly monitoring margins, not only on its average purchase prices, at which inventory is valued, but also on inventory replacement prices.

#### Admission to trading on Euronext Growth

With the triple objective of promoting the internationalization of the company, increasing the visibility of Kompuestos to potential investors and providing greater liquidity to shareholders, on 15 July, Kompuestos obtained a favorable decision from the Admissions Committee of Euronext for the listing of its shares on Euronext Growth in Paris.

On 19 July, at the opening of the market (9:00 a.m.), Kompuestos attended the market “bell ringing” and its shares began trading on the Paris Stock Exchange.

Since that date, Kompuestos shares have been traded in the “dual listing” mode, thus allowing Kompuestos shareholders and potential investors to trade on both markets (Euronext Growth and BME Growth) equally.

#### Termination of the contractual relationship with the general manager

With effects as of 20 July 2021, the Company and the General Manager (*director general*) reached an agreement to terminate his contractual relationship. On that date, Mr. Villaró also tendered his resignation as a member of the Board of Directors.



## — Post-Closing and upcoming events

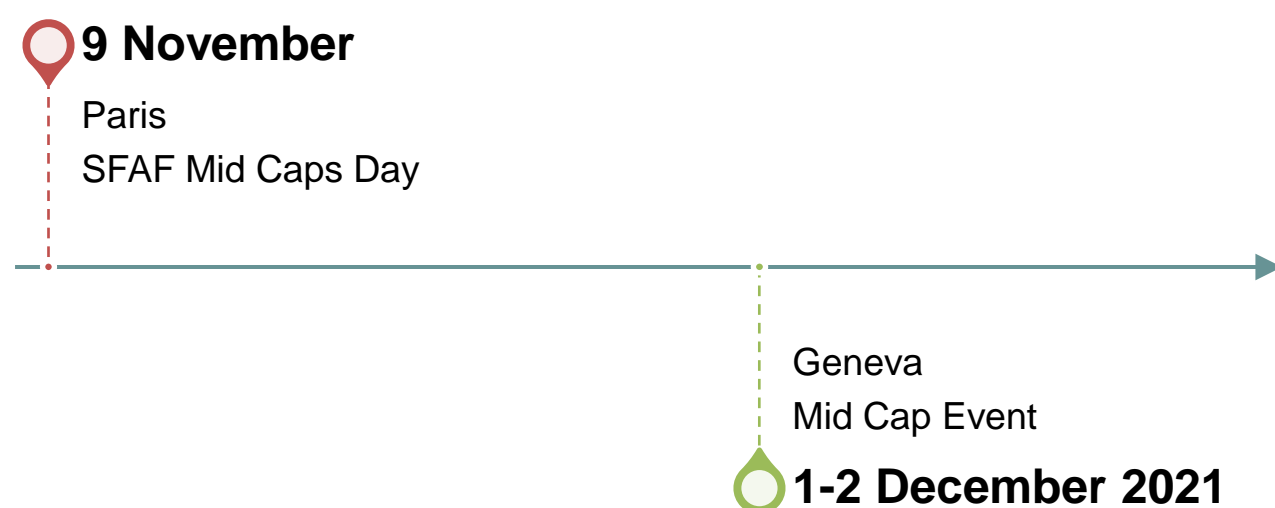
### Post-closing events (II)

#### Changes in the Board of Directors

On 24 September, the Board of Directors acknowledged the resignation, for personal reasons, of Mr. Íñigo Gallo as a member of the Board of Directors and as a member of the Audit Committee.

Likewise, on the same date, the Board of Directors appointed Mr. Guillermo Ferrer as a member of the Board of Directors, with the status of independent director, and of the Audit Committee.

### Upcoming events







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# ANNEXES




## — About Kompuestos

Kompuestos is an industrial company dedicated to the design, production and marketing of mineral fillers, colour concentrates and additives ("masterbatches") for the plastics processing industry. It operates with two production facilities located in Palau-Solità i Plegamans (Barcelona).

Kompuestos is characterized by its commitment to the environment, which is why it developed, at the time, *fillers* (which reduce the use of polymer and, therefore, the carbon footprint of the final products) and has been developing in recent years its own technology and know-how related to the circular economy of plastics, including biodegradable and compostable resins ("bioplastics") and processes for recycling and reuse of plastics. Plastics have become a recurring problem for the environment, and regulation and society's own awareness are creating a great market opportunity for those products that provide solutions to the main problems of the plastics industry: biodegradability and recycling.

In the coming years, Kompuestos intends to continue growing significantly in its traditional business (fillers and masterbatches) and expects to experience high growth due to the magnitude of the opportunity opened up by the two new markets such as biodegradable plastics and recycled plastics.



*"We have a long history of adding value to plastic and reducing the carbon footprint of plastic; we are leaders in biodegradable plastics and are working on plastic recycling processes."*

Ignacio Duch

Member of the Board of Directors representing Corporation Chimique International S.P.R.L.  
(Chairman of the Board of Directors and Chief Executive Officer)

Clara Duch

Member of the Board of Directors  
(Executive Counsellor)

Pablo Duch

Member of the Board of Directors representing CCP Masterbatch, S.L.  
(Proprietary Director)

Albert de la Riva

Member of the Board of Directors and Member of the Audit Committee  
(Independent Director and Chairman of the Audit Committee)

Guillermo Ferrer

Member of the Board of Directors and Member of the Audit Committee  
(Independent Director)

Sandra Duch

Member of the Board of Directors and Member of the Audit Committee  
(External Director)

Luis Vazquez

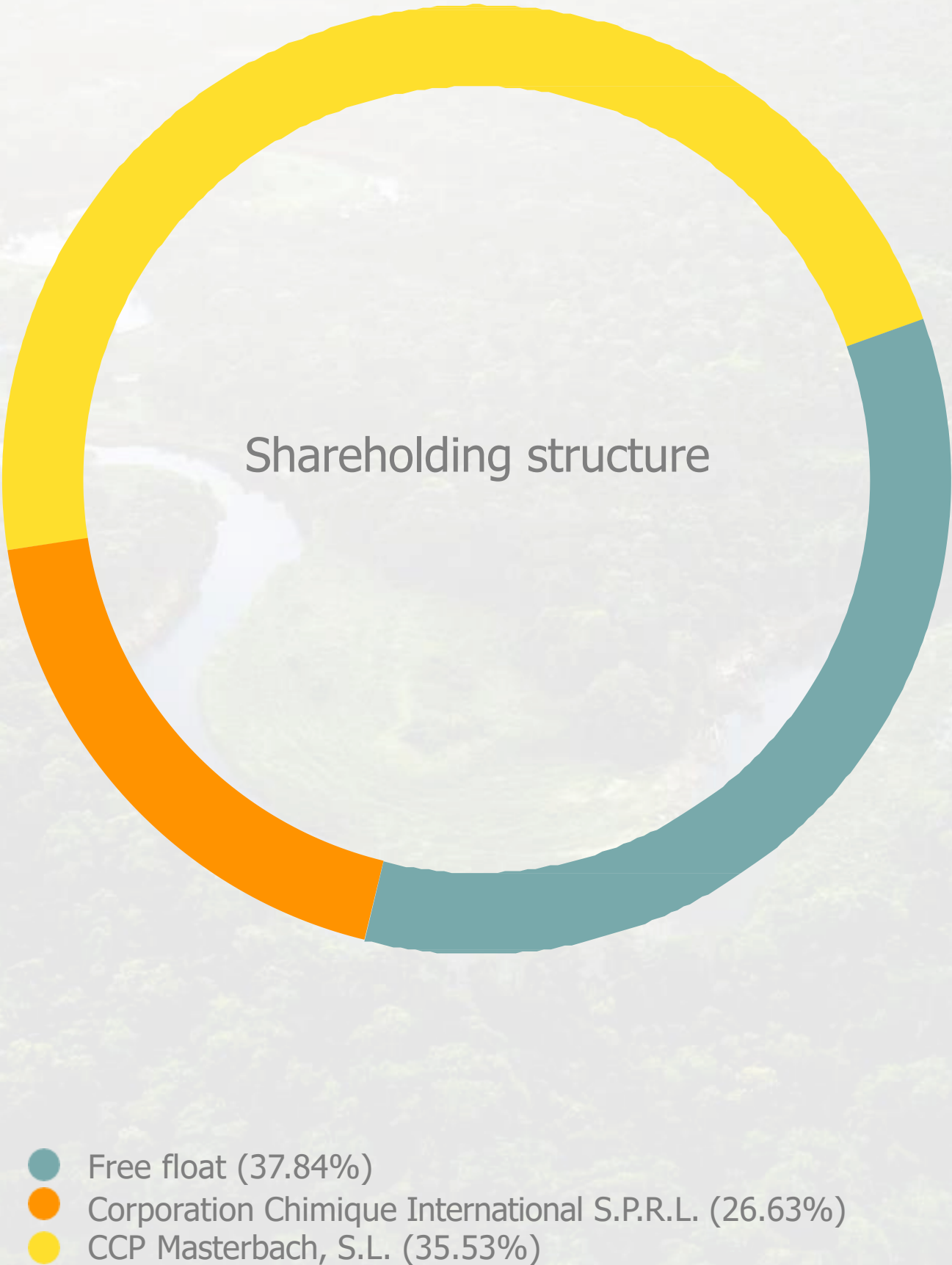
Member of the Board of Directors representing Gant Finance, S.A.  
(Proprietary Director)

Lluís Clusella

Member of the Board of Directors representing Gestión y Administración Mobiliaria, S.A.  
(Proprietary Director)

José Luis Palao

Non-director Secretary of the Board of Directors





## Exfill: Concentrated mineral fillers



Exfills are sustainable products that allow a lower use of polymer in the final product, improving the mechanical performance by incorporating natural components. With the use of Exfill products, very significant differences can be obtained in the final product depending on the polymer with which it is mixed and the compound formation technique; moreover, Exfill can be combined with additives to obtain the desired results. The most commonly used mineral is calcium carbonate, obtained from limestone, marble and chalk. Exfill products, which can be dosed up to 70% in the final product, provide numerous advantages such as; the reduction of the carbon footprint in the final product, the reduction of greenhouse gas emissions, production efficiency and energy savings, which allows production costs to be reduced. They can be used in all types of applications and sectors. These products are 100% recyclable. The use of Exfill offers customers increased competitiveness and at the same time ecological and sustainable value.

## Kroma: Colour Masterbatch



Kroma is the most traditional range of Kompuestos that includes the production of custom-made colours. Kompuestos uses the most advanced technologies to be able to offer customised colours to our customers in a continuous and stable manner for all types of applications. Kompuestos has developed more than 20,000 colour formulations that cover the entire spectrum of technical requirements. This makes it possible to achieve high quality masterbatches for all sectors and types of application. The advantages of masterbatches over the use of powder pigments or other techniques for adding colours to plastics include; easier storage, less risk of contamination between products and better dispersion of the pigment or additive as it arrives dispersed in a carrier agent which facilitates its distribution. All of this adds up to cost savings. The possibility of using a vehicle similar to that of the polymer with which the masterbatches are going to be combined, facilitates the integration between the polymer and the colours. Through its use, greater consistency is achieved between the colours of different series of the final product and the possibility of combining colourants and additives in a single masterbatch simplifies the manufacturing process.

## Additives



Kompuestos has a wide portfolio of additives that adapts to any need expressed by the customer. Additives improve the performance of plastic products, protecting them against degradation by heat, ultraviolet rays, oxidation or other agents or providing specific functions according to the application to be given to the final product (among others, desiccants, anti-static, ultraviolet, aromas, antioxidants, anti-block or anti-fogging). The production of additives allows Kompuestos to offer its customers differentiated solutions with innovative technology. The development of additives that favour the reuse of plastics and the replacement of traditional additives with new, more effective additives.



## Biodegradable resins in soil



Biodegradable resins are Kompuestos' most innovative range, made from vegetable starch from corn, potato and cereals, and other biodegradable polymers. Biodegradable resins can be processed using the same machinery used for traditional polymers. The resins are 100% biodegradable and compostable according to the UNE EN 13432 specification. In order to be able to market the products as biodegradable and compostable, it is compulsory to obtain certificates accrediting the properties that are advertised. The innovative formulations of these bioplastics aim to replace traditional single-use plastics and thus significantly reduce the environmental problem they represent. Kompuestos is continuously working on the development of new formulations of biodegradable resins.

## Okean: Biodegradable resins in water



Kompuestos has also developed Okean, a resin designed to be completely biodegradable in water. Okean biodegrades in relatively short periods of time in fresh and marine waters, and contributes substantially to the reduction of plastic waste in rivers, seas, lakes or any natural water medium. Likewise, being mainly based on renewable raw materials, Okean produces less carbon dioxide than polymers based on fossil materials, thus contributing to the prevention of global warming. Given its characteristics, Okean offers an environmentally friendly alternative to single-use plastics.

## BioExfill: Biodegradable resins on land



Bioexfill is a product that fuses the knowhow of traditional masterbatches such as mineral fillers and fillers with the knowhow of biodegradable and compostable products. Our Bioexfill range is a compostable filler that offers the same advantages as Exfill as well as being 100% biodegradable and compostable. Kompuestos has already obtained certifications from *OK Compost INDUSTRIAL* and *OK Compost HOME* to be able to market this product.



## — Raw materials and recycling solutions

The incorporation of the circular economy philosophy into the plastics industry has led Kompuestos to explore all possible options. From making plastics biodegradable and compostable to the possibility of improving the mechanical performance of recycled plastics.

Kompuestos is developing different R&D projects based on the objective of integrating its manufacturing activities in the range of traditional products with the processing of recycled plastics both for internal use and for sale to third parties. In addition, it is also developing new technologies that facilitate the process of recycling and reusing plastics, including reactive compounding, which facilitates the compatibilization of different polymers and/or the reconstruction of damaged polymer chains in plastics that have already been used.

The raw materials business line comprises the marketing of polymers as raw materials for the plastics processing industry. At present, Kompuestos operates on an ad hoc basis as a distributor of traditional polymers with the intention of including more ranges of recycled polymers.





# — The circular economy of plastics

Despite its advantages, the increased use of traditional plastic for short-term applications leads to fossil fuel and environmental problems, degradation of natural ecosystems and production of greenhouse gases.

This implies the need to change the cycle of production and consumption of plastics; thus, at a global level, a transformation in the industry is being driven that gives way to the new circular economy of plastics, based on these three principles:

**Recycling and reuse:** An increase in the recycling and reuse of plastics would reduce the proportion of plastics dumped in nature and allow a transition in the manufacture of plastics based on a reuse of materials for industry.

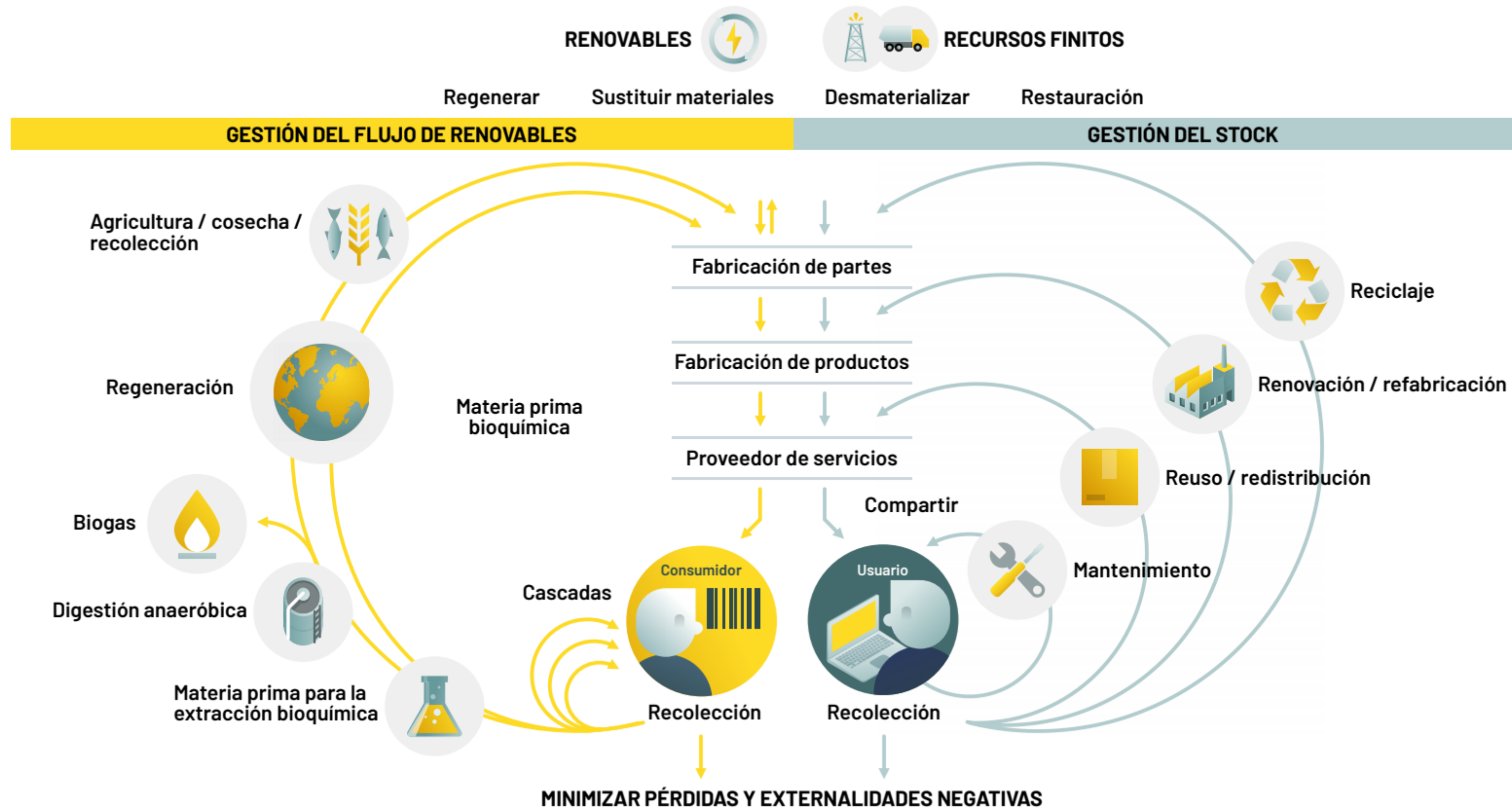
**Reduced dumping of plastics into natural ecosystems:** Improve the collection and recovery of plastics to avoid a progressive degeneration of the oceans and the ecosystem. The solution to this problem should be to invest in infrastructure for collection and recycling and to develop new varieties of plastics based on recycling and reuse rather than use and abandonment.

**Manufacture of plastics from renewable sources:** Incorporate renewable raw materials to replace fossil sources that will gradually be depleted.





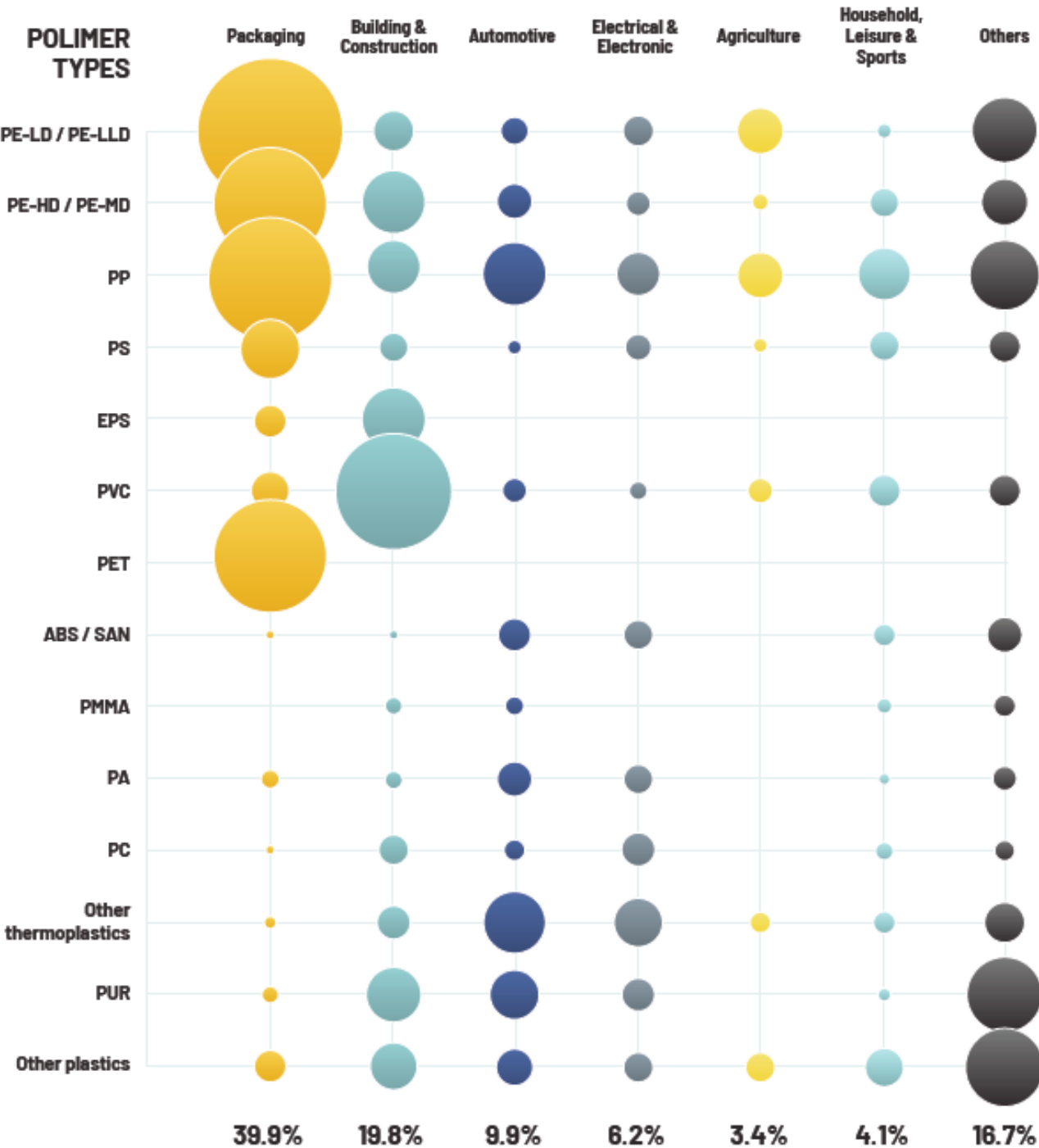
# The circular economy of plastics



Source: Ellen MacArthur Foundation

# ■ The global plastics industry

Plastics demand by segments and polymer types (2018)



### Jobs:

**More than 1.6 million people**

The plastics sector directly employs more than 1.6 million people in Europe.

### Companies:

**Almost 60,000 companies**

A sector in which almost 60,000 companies operate, most of them SMEs.

### Turnover:

**More than 360 billion euros**

In 2018, the European plastics sector generated a turnover of more than €360 billion.

### Added value

**7th in Europe**

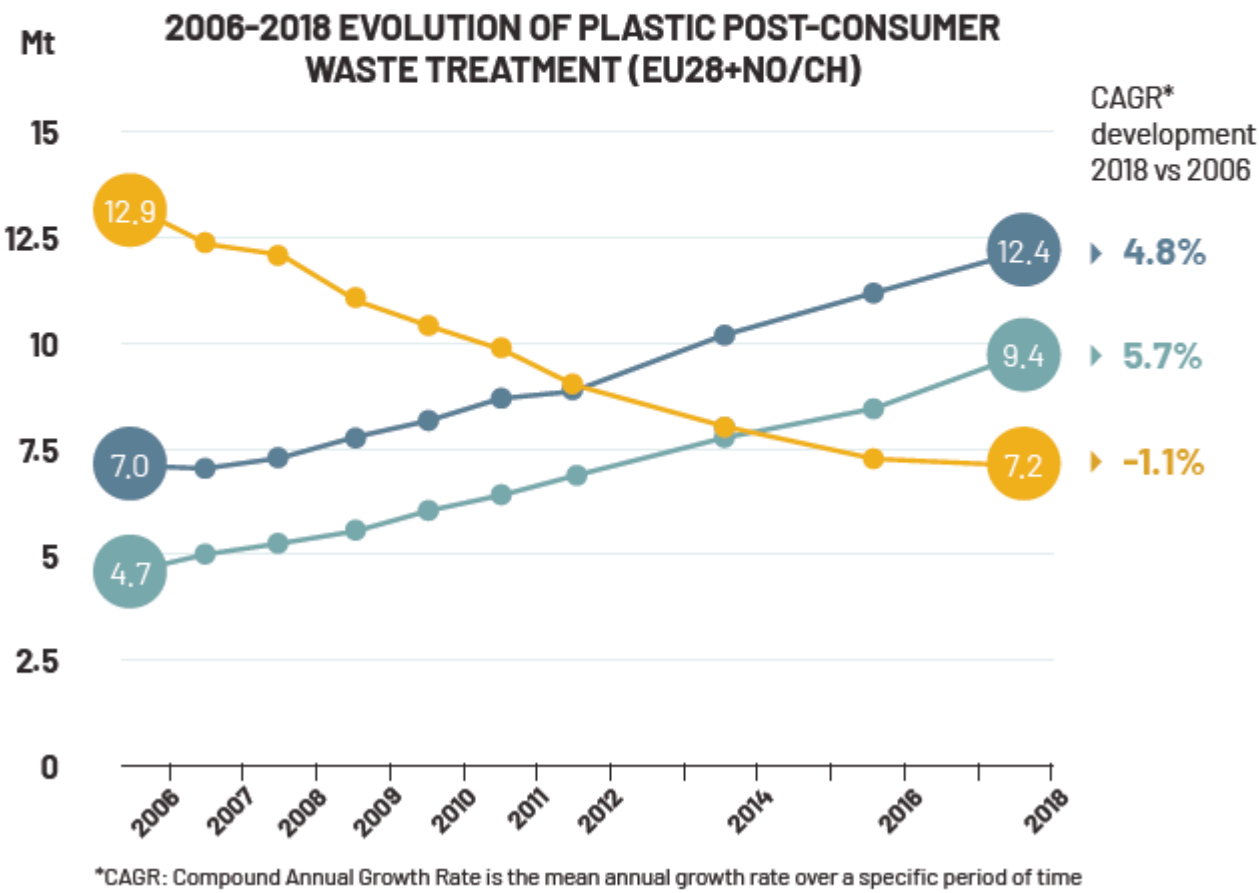
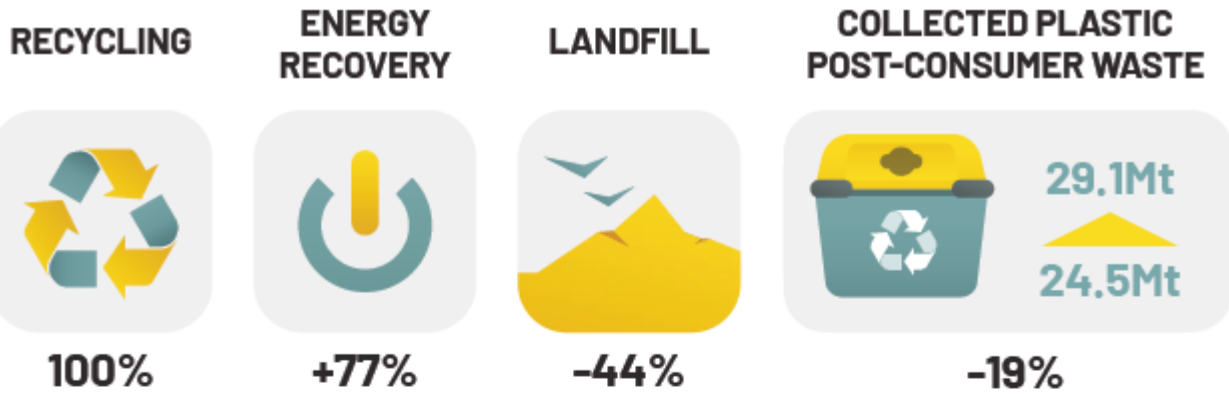
The European plastics sector is the seventh largest contributor to industrial value added in Europe. At the same level as the pharmaceutical sector\* and very close to the chemical industry.

Measured on the basis of gross value added at natural prices, 2013.

### Public finances

**Nearly 30 billion euros**

In 2018 the European plastics sector contributed €28.8 billion to public finances and welfare.



### Recycling

**9.4 million tonnes**

In 2018, 9.4 million tonnes of post-consumer plastic waste was collected in Europe for recycling (within and outside the EU).

Source: Plastics Europe Situation 2019



**Compost:** compost is a mixture of various decomposing organic substances, such as dead leaves or manure.

**Bio-based:** plastics made from renewable raw materials.

**Biodegradable plastic:** is one that at the end of its life cycle is biodegraded, its organic matter decomposes into CO<sub>2</sub>, water and biomass by the action of bacteria in the environment. The conditions of this process can be varied (according to the environment in which it is found): land, fresh water, sea water, etc.

**Biodegradation:** is the degradation of materials into environmentally acceptable products such as water, carbon dioxide and biomass by the action of naturally occurring microorganisms under normal environmental conditions. The biodegradation process is highly dependent on the conditions (e.g. location, temperature, humidity, presence of microorganisms, etc.) and the final material or part. Consequently, the process and its outcome can vary considerably.

**Compostable plastic:** plastic that biodegrades to become compost. The biodegradation of this occurs in an industrial composting plant or in a home composting bin under controlled conditions of time, temperature, humidity, aeration and microorganisms.

**Extrusion or Compounding:** it is a process of extrusion, granulation that allows the mixture by fusion of a polymer (thermoplastic resin) with one or several additives, minerals, pigments, etc, in order to obtain a plastic material in the form of compound (mixture) or masterbatch (concentrated mixture) with its own physical or chemical characteristics.

**Reactive Compounding or Reactive Extrusion:** is a process of intensive mixing of polymers in a molten state where a chemical reaction occurs simultaneously resulting in the generation of a new product.

**Masterbatches:** colour concentrates, additives and other compounds for the plastics processing industry, including components for the creation of ecologically sustainable plastics.

**Mineral fillers** are materials that are added to plastic polymers.



# Let's work together

We are here to help you, if you need additional information, please do not hesitate to contact us.

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## Moving towards a sustainable future

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