



## **OTHER RELEVANT INFORMATION**

### **PLÁSTICOS COMPUESTOS, S.A.**

March 14, 2024

Pursuant to the provisions of Article 17 of Regulation (EU) No. 596/2014 on Market Abuse and Article 227 of Law 6/2023, of 17 March, on Securities Markets and Investment Services, and concordant provisions, as well as Circular 3/2020 of 30 July 2020, on information to be provided by companies listed for trading on BME Growth, Plásticos Compuestos, S.A. (the "**Company**") hereby informs you of the following information:

- Presentation of the Annual Results Report for fiscal year 2023

In accordance with the provisions of BME MTF Equity Circular 3/2020, it is hereby expressly stated that the information provided herein has been prepared under the sole responsibility of the Company and its directors.

We remain at your disposal for any clarification you may require.

In Palau-Solità i Plegamans (Barcelona), on March 14, 2024.

Corporation Chimique International S.P.R.L.  
P.p. Mr. Ignacio Duch Tuesta  
Chairman of the Board of Directors





# RESULTS

**JANUARY - DECEMBER 2023**

**MARCH 2023**



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# KEY FIGURES FOR THE PERIOD



# 2023 financial results and key non-financial highlights of the period

## Executive summary

During the 2023 financial year, the Company achieved a net turnover of EUR 46 million, which is 10% lower than in the same period of the 2022 financial year, a year in which the prices of some of the main raw materials reached record highs.

The net result obtained was negative 116 thousand euros (-1.3 million euros in 2022), with a normalised ebitda of 4,410 thousand euros, a very significant improvement compared to the same period of the previous year (2,887 thousand euros).

The main financial indicators in terms of gross margin on sales and EBITDA on sales improved by +13% and +70%, respectively, compared to the previous year. Net financial debt decreased slightly (-5%) compared to the same period of the previous year to 11,835 thousand euros.

In relation to the qualification included in the Company's annual accounts at 31 December 2023, regarding deferred tax assets, the Company has no doubts about the recoverability of these assets, taking into account that their recoverability is established when profits are obtained at year-end. The Company considers that it is not necessary to take any action to remedy the aforementioned qualification, as it is expected that these items can be offset in future years, as soon as the Company generates profits.

| Financial Figures (thousands of euros) | January-December |         | % Change  |
|----------------------------------------|------------------|---------|-----------|
|                                        | 2023             | 2022    | 2023/2022 |
| Net turnover                           | 46.200           | 51.538  | (10)      |
| Gross margin                           | 15.827           | 15.614  | 1         |
| EBITDA                                 | 4.334            | 2.761   | 57        |
| Normalised EBITDA                      | 4.410            | 2.887   | 53        |
| EBIT                                   | 1.372            | (387)   | (455)     |
| Net result                             | (116)            | (1.350) | (91)      |
| Cash flow from operating activities    | 1.693            | 1.895   | (11)      |
| Investments (Capex)                    | 1.354            | 1.348   | 0         |
| Net Financial Debt                     | 11.835           | 12.508  | (5)       |

| Financial Indicators                     | January-December |      | % Change  |
|------------------------------------------|------------------|------|-----------|
|                                          | 2023             | 2022 | 2023/2022 |
| Gross Margin                             | 34               | 30   | 13        |
| Normalised EBITDA margin                 | 10               | 6    | 70        |
| EBIT margin                              | 3                | (1)  | (495)     |
| Net financial debt/equity (var. in p.p.) | 0,9              | 1,0  | (4)       |

(\*) Normalised EBITDA: EBITDA less expenses and income linked to extraordinary operations.



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# MANAGEMENT RESULTS FOR THE PERIOD





## Management results for the period

### Operational and financial results

Turnover in FY2023 amounted to EUR 46 million, 10% lower than in FY2022, a period in which the prices of some of the main raw materials reached record highs.

Work on fixed assets has decreased by 47% compared to 2022 as a result of the completion of several research and development projects.

The operating result obtained was 1,372 thousand euros, a much higher result than in 2022 (-387 thousand euros), due to the improvement in margins and the reduction in operating expenses. It should be noted that throughout 2023 a policy of special care has been taken to save costs under all possible headings. Overall, operating expenses decreased by 18% compared to 2022.

Depreciation of fixed assets is also reduced by 4% compared to 2022 as several R&D projects are already fully depreciated.

The increases in interest rates with a high impact in the past financial year 2022, have also materialised throughout the financial year 2023, reporting high levels of financial expenses for both years.

### Profit and Loss Account

(Figures in thousands of euros)

|                                                         | January - December |                | % Change     |
|---------------------------------------------------------|--------------------|----------------|--------------|
|                                                         | 2023               | 2022           | 2023/2022    |
| <b>Net turnover</b>                                     | <b>46.200</b>      | <b>51.538</b>  | <b>(10)</b>  |
| Change in stocks of finished goods and work in progress | (1)                | 105            | (101)        |
| Work on fixed assets                                    | 453                | 861            | (47)         |
| Procurement                                             | (30.374)           | (36.042)       | (16)         |
| Other operating income                                  | 1                  | 12             | (88)         |
| Staff costs                                             | (3.925)            | (3.916)        | 0            |
| Other operating expenses                                | (8.115)            | (9.890)        | (18)         |
| Subsidies                                               | 93                 | 92             | 2            |
| Other results                                           | (48)               | (112)          | (57)         |
| Depreciation of fixed assets                            | (2.913)            | (3.037)        | (4)          |
| <b>Operating result</b>                                 | <b>1.372</b>       | <b>(387)</b>   | <b>(455)</b> |
| Financial expenses                                      | (1.468)            | (1.498)        | (2)          |
| Exchange rate differences                               | (25)               | 102            | (125)        |
| <b>Financial result</b>                                 | <b>(1.493)</b>     | <b>(1.397)</b> | <b>7</b>     |
| <b>Profit before tax</b>                                | <b>(121)</b>       | <b>(1.784)</b> | <b>(93)</b>  |
| Profit tax                                              | 6                  | 434            | (99)         |
| <b>Net result</b>                                       | <b>(116)</b>       | <b>(1.350)</b> | <b>(91)</b>  |

# Management results for the period

## Capital management

Non-current assets decrease slightly (-6%) compared to 2022. The most significant investments in property, plant and equipment carried out in 2023 relate to the completion of the silos project (fixed assets in progress since the end of 2021) for the storage and transport of materials, as well as other minor investments in improvements to the production process.

In relation to the qualification included in the Company's annual accounts at 31 December 2023, regarding deferred tax assets, the Company has no doubts as to the recoverability of these assets, taking into account that their recoverability is established when profits are obtained at year-end. The Company considers that it is not necessary to take any action to remedy the aforementioned qualification, as it is expected that these items can be offset in future years, as soon as the Company generates profits.

At the *working capital level*, inventory levels at 31 December 2023 are slightly higher than at year-end 2022. (+4%), however trade debtors decreased by 42% due to a higher utilisation of trade receivables. Finally, trade payables decreased by 15% compared to the previous year, a period in which raw materials reached all-time high prices.

## Balance sheet

(Figures in thousands of euros)

|                                  | DECEMBER<br>2023 | DECEMBER<br>2022 | DECEMBER<br>2021 | % Change<br>2023/2022 |
|----------------------------------|------------------|------------------|------------------|-----------------------|
| <b>NON-CURRENT ASSETS</b>        | <b>23.394</b>    | <b>25.015</b>    | <b>26.157</b>    | <b>(6)</b>            |
| Intangible Fixed Assets          | 3.276            | 3.716            | 4.061            | (12)                  |
| Tangible Fixed Assets            | 18.568           | 19.708           | 21.054           | (6)                   |
| Long-term financial investments  | 224              | 274              | 192              | (18)                  |
| Deferred tax assets              | 1.326            | 1.317            | 851              | 1                     |
| <b>CURRENT ASSETS</b>            | <b>11.134</b>    | <b>13.116</b>    | <b>15.370</b>    | <b>(15)</b>           |
| Stocks                           | 8.021            | 7.695            | 7.803            | 4                     |
| Trade and other receivables      | 1.324            | 2.287            | 3.254            | (42)                  |
| Short-term financial investments | 653              | 582              | 826              | 12                    |
| Short-term accruals              | 59               | 54               | 93               | 9                     |
| Cash and cash equivalents        | 1.077            | 2.498            | 3.394            | (57)                  |
| <b>TOTAL ASSETS</b>              | <b>34.528</b>    | <b>38.131</b>    | <b>41.528</b>    | <b>(9)</b>            |
| <b>TOTAL NET WORTH</b>           | <b>13.352</b>    | <b>13.558</b>    | <b>14.806</b>    | <b>(2)</b>            |
| <b>NON-CURRENT LIABILITIES</b>   | <b>9.949</b>     | <b>12.622</b>    | <b>12.217</b>    | <b>(21)</b>           |
| Long-term provisions             | 84               | 166              | 186              | (49)                  |
| Long-term debts                  | 9.670            | 12.252           | 11.874           | (21)                  |
| Deferred tax liabilities         | 195              | 204              | 158              | (5)                   |
| <b>CURRENT LIABILITIES</b>       | <b>11.227</b>    | <b>11.951</b>    | <b>14.504</b>    | <b>(6)</b>            |
| Short-term provisions            | 17               | 17               | 69               | 0                     |
| Short-term debts                 | 3.896            | 3.336            | 4.114            | 17                    |
| Trade and other payables         | 7.315            | 8.598            | 10.321           | (15)                  |
| <b>TOTAL LIABILITIES</b>         | <b>34.528</b>    | <b>38.131</b>    | <b>41.527</b>    | <b>(9)</b>            |
| <b>Net financial debt</b>        | <b>11.835</b>    | <b>12.508</b>    | <b>11.768</b>    | <b>(5)</b>            |



# Management results for the period

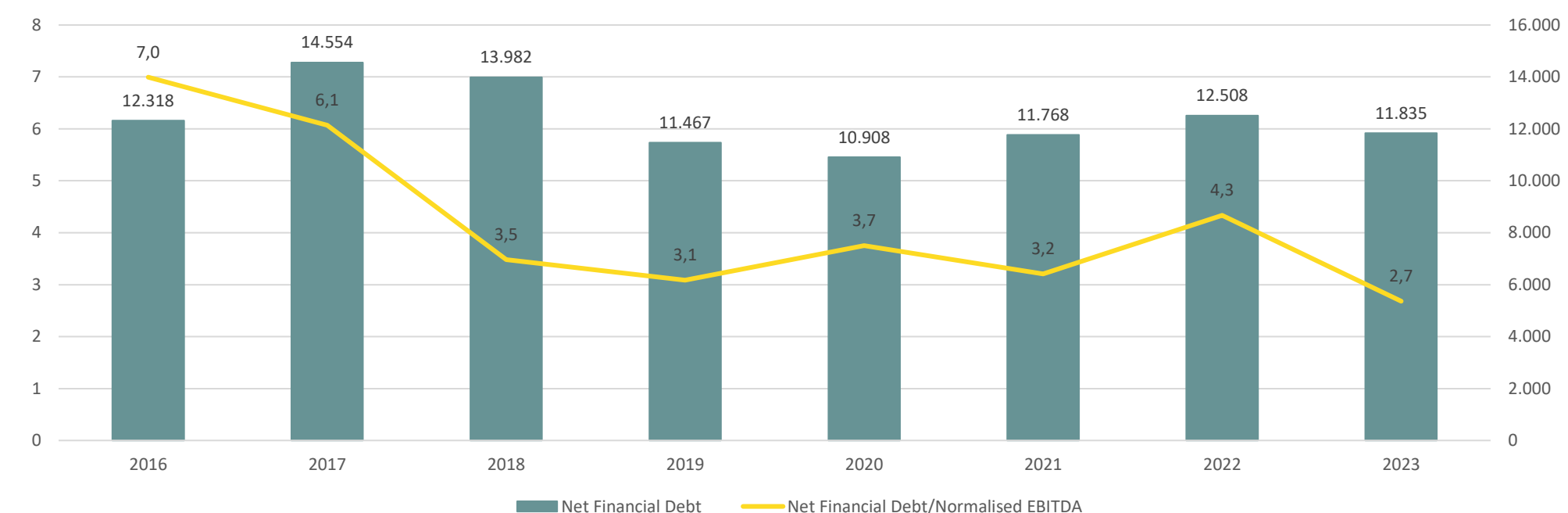
## Evolution of indebtedness

The net financial debt balance at 31 December 2023 amounted to Euros 11,835 thousand, Euros 673 thousand less than in the same period of 2022.

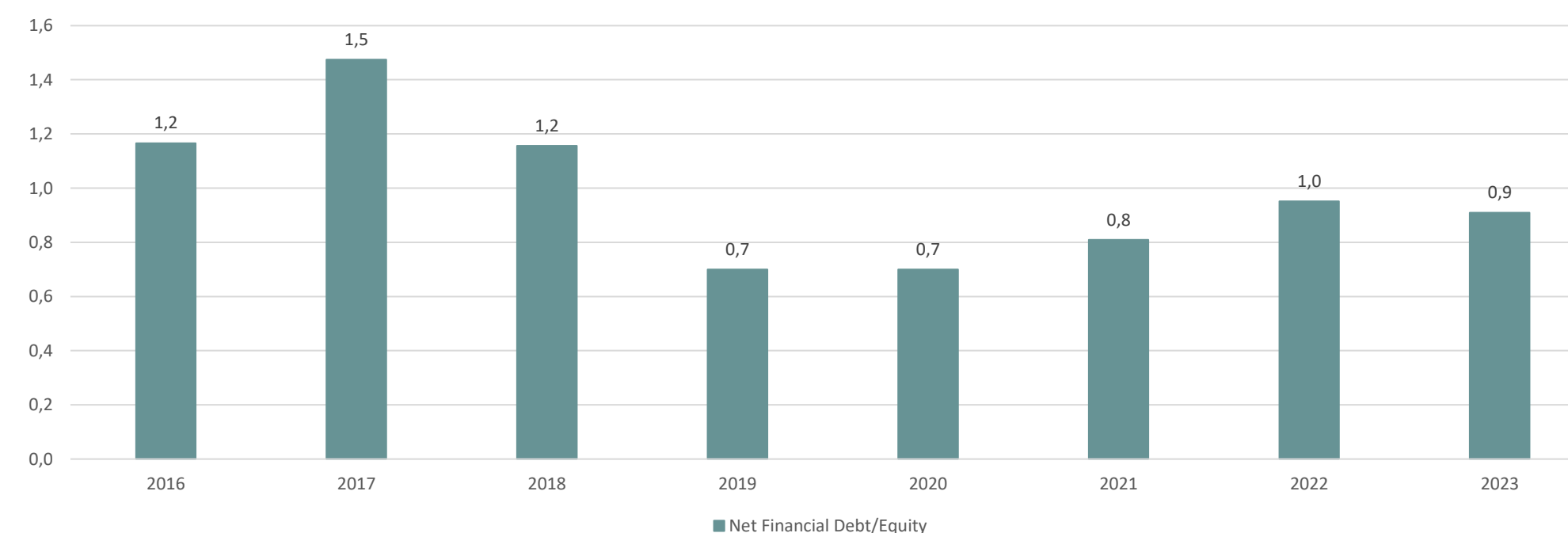
In order to mitigate the impact of possible increases in interest rates, improve working capital and insure itself against a tightening of the conditions for accessing credit, the Company replaced the long-term loan it had taken out with Alteralia S.C.A. SICAR at a variable interest rate. The change was made and the five million euros were drawn down at a fixed rate maturing in 2028.

The net financial debt / normalised EBITDA ratio at year-end 2023 is 2.7x, the lowest in recent years. The company's net financial debt/equity ratio is 0.9.

## Net financial debt and Net financial debt / normalised EBITDA



## Net financial debt/own resources



(\*) Normalised EBITDA: EBITDA less expenses and income linked to extraordinary operations.



# Management results for the period

## Statement of cash flows and free cash flow

|  | January - December |      | % Change  |
|--|--------------------|------|-----------|
|  | 2023               | 2022 | 2023/2022 |

(Figures in thousands of euros)

### Cash flows from investing activities

|                                             |              |              |            |
|---------------------------------------------|--------------|--------------|------------|
| Investment payments                         |              |              |            |
| Intangible assets                           | (227)        | (25)         | 803        |
| Tangible fixed assets                       | (674)        | (461)        | 46         |
| Other financial assets                      | (72)         | (82)         | (13)       |
| Divestment proceeds                         |              |              |            |
| Tangible fixed assets                       | 21           | 0            | -          |
| Other assets                                | 49           | 245          | (80)       |
| <b>Cash flows from investing activities</b> | <b>(902)</b> | <b>(324)</b> | <b>178</b> |

(Figures in thousands of euros)

### Cash flows from financing activities

|                                                           | January - December |              | % Change   |
|-----------------------------------------------------------|--------------------|--------------|------------|
|                                                           | 2023               | 2022         | 2023/2022  |
| Proceeds and payments for equity instruments              | (43)               | 132          | (133)      |
| Proceeds and payments for financial liability instruments |                    |              |            |
| Broadcast                                                 | 742                | 3.717        | (80)       |
| Debt repayment and amortisation                           | (2.764)            | (4.429)      | (38)       |
| <b>Consolidated cash flows from financing activities</b>  | <b>(2.065)</b>     | <b>(580)</b> | <b>256</b> |
| Effect of exchange rate movements                         | (25)               | (102)        |            |
| Net increase/decrease in cash or cash equivalents         | (1.421)            | (895)        | 59         |
| Cash or cash equivalents at beginning of the year         | 2.499              | 3.394        | (26)       |
| Cash or cash equivalents at year end                      | 1.078              | 2.499        | (57)       |

(\*) 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)

January - December  
2023 2022

% Change  
2023/2022

### Cash flows from operating activities

|                                             |              |                |             |
|---------------------------------------------|--------------|----------------|-------------|
| <b>Profit for the year before tax</b>       | <b>(121)</b> | <b>(1.784)</b> | <b>(93)</b> |
| Adjustments to the result                   |              |                |             |
| Depreciation of fixed assets                | 2.913        | 3.037          | (4)         |
| Valuation adjustments for impairment        | (71)         | 5              | (1.515)     |
| Change in provisions                        | (82)         | (72)           | 14          |
| Allocation of subsidies                     | (93)         | (92)           | 2           |
| Financial expenses                          | 1.468        | 1.498          | (2)         |
| Exchange Rate Differences                   | 25           | 102            | (75)        |
| Other income and expenses                   | (453)        | (861)          | (47)        |
| Changes in working capital                  | (578)        | (147)          | 293         |
| Other cash flows from operating activities  |              |                |             |
| Interest payments                           | (1.468)      | (1.495)        | (2)         |
| Other payments (receipts)                   | 32           | (80)           | (140)       |
| <b>Cash flows from operating activities</b> | <b>1.693</b> | <b>1.895</b>   | <b>(11)</b> |

(Figures in thousands of values)

January-December  
2023 2022

% Change  
2023/2022

### Free Cash Flow

|                                   |            |              |                |
|-----------------------------------|------------|--------------|----------------|
| <b>EBITDA</b>                     | 4.334      | 2.887        | 50             |
| - Capex for the period            | (1.354)    | (1.348)      | 0              |
| - Change in working capital       | (578)      | (147)        | 293            |
| - Net financial interest payments | (1.468)    | (1.495)      | (2)            |
| <b>= Free cash flow</b>           | <b>934</b> | <b>(103)</b> | <b>(1.007)</b> |



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# EVOLUTION BY BUSINESS SEGMENT





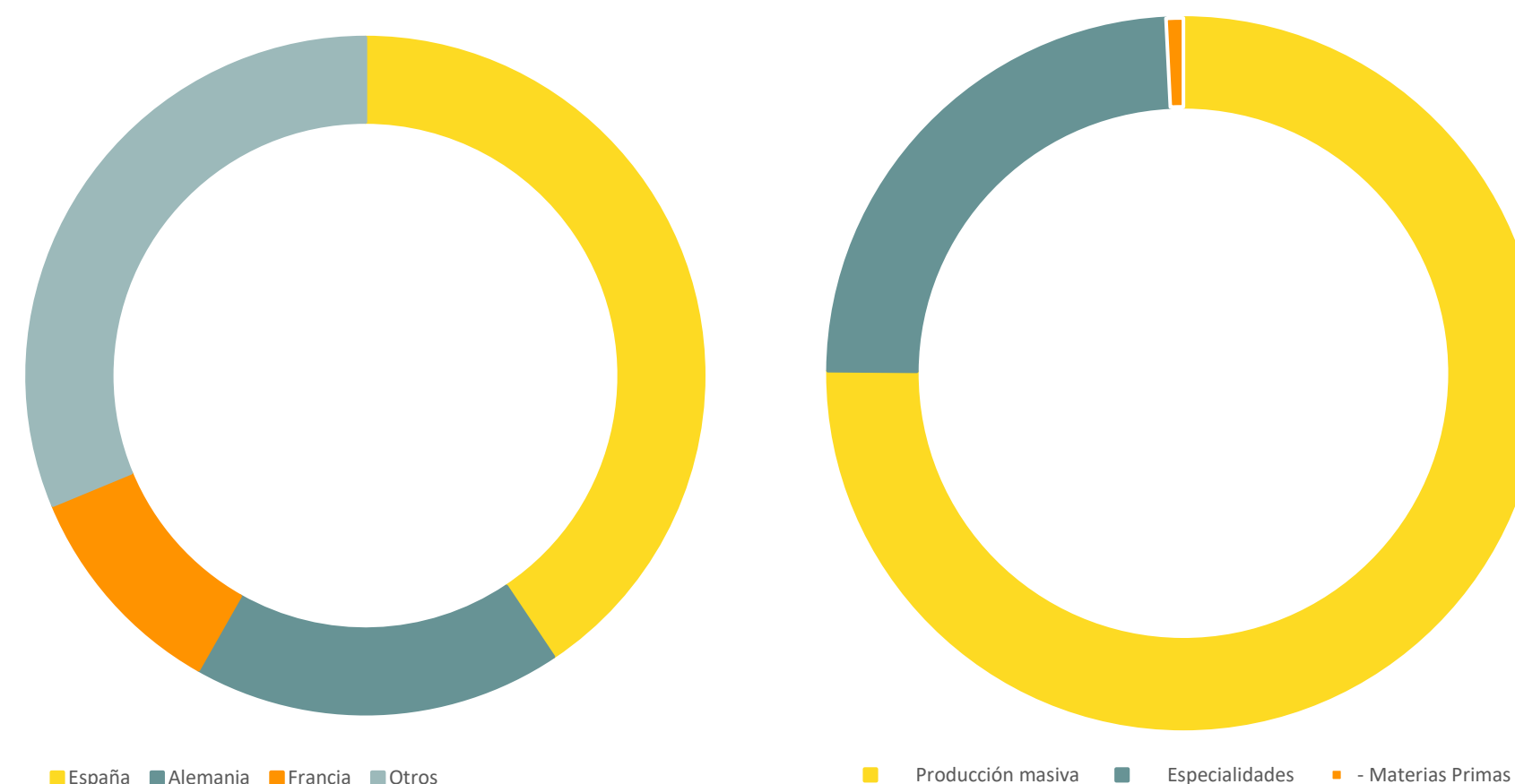
# — Developments by business and non-financial segments

## Turnover evolution by segment

During FY2023, the Company's mass products turnover accounted for 75% of total sales, with the speciality segment accounting for 24% of the total. The increase in specialties over total turnover has meant a growth in the Company's higher value-added products in recent years.

The main countries have been maintained in the geographical distribution of Kompuestos' sales figures for the financial year 2023. The Company has a strong international presence, exporting more than 59% of its turnover.

The Company's turnover in biodegradable products in 2023 amounted to 2,372 thousand euros, 22% less than last year. It must be taken into account that raw materials for these products have decreased significantly in the last year.



(Figures in thousands of euros)

### Turnover

|                        | January - December |     |
|------------------------|--------------------|-----|
|                        | 2023               | %   |
| - Traditional business | 45.839             |     |
| Mass production        | 34.704             | 75% |
| Specialities           | 11.135             | 24% |
| - Raw materials        | 361                | 1%  |

### Turnover

|         | January - December |     |
|---------|--------------------|-----|
|         | 2023               | %   |
| Spain   | 18.768             | 41% |
| Germany | 8.127              | 18% |
| France  | 4.863              | 11% |
| Other   | 14.442             | 31% |

(\*) Mass production includes fillers and black and white masterbatches, Specialties includes additives, colour masterbatches and BIO Solutions.



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# HIGHLIGHTS





## — Non-financial highlights

# Highlights (I): from 1 January to 31 December 2023

### March 2023: Change of liquidity provider

The Company announces that the Board of Directors of the Company has agreed with GVC Gaesco Valores, S.V., S.A. to terminate the Liquidity Provider agreement. The Company has also decided to appoint Banco Sabadell, S.A. as the new Liquidity Provider. The Company is grateful for the work carried out by the entire team of GVC Gaesco Valores, S.V., S.A. during its services as Liquidity Provider.

The termination of the contractual relationship with GVC Gaesco, S.V., S.A. took effect from 23:59 hours on 5 May 2023, and the assumption of responsibilities by the new Liquidity Provider took effect from 00:00 hours on 6 May 2023.

See notes for the record that the audit report for the 2022 financial year issued by the auditor Grant Thornton, published on this same date, contained a series of qualifications. The Company responded to these qualifications by publishing an OIR with

28 April 2023. The Company expressed its disagreement with the statements contained therein.

The Company reported that the three-year audit period for which Grant Thornton was appointed as the Company's auditor ended on 31 December 2022.

### June 2023: Ordinary General Meeting

The Annual General Meeting of shareholders of the Company was held on first call with 81.29% of the share capital of the Company and 81.16% of the share capital of the Company with voting rights in attendance and represented by proxy.

At said meeting, the resolutions on the agenda proposed by the Board of Directors contained in the notice of call published on 15 May 2023 were submitted for deliberation, and items 6, 7, 8 and 9 of the agenda were approved (i) by a majority of the capital present and represented, and (ii)

by unanimous vote of the capital present and represented on the remaining items on the agenda, in relation to the following resolutions: 1. Ratification of the valid constitution of the ordinary general meeting of shareholders, the agenda and the offices of chairman and secretary. 2. Examination and approval, as the case may be, of the annual accounts and management report for the year ended 31 December 2022. 3. Approval of the proposal for the application of the result corresponding to the financial year ended 31 December 2022. 4. Examination and approval of the management and performance of the Board of Directors and its audit committee during the 2022 financial year. 5. Approval of the remuneration of the members of the Board of Directors for the financial years 2024. 6. Re-election of Ms Sandra Duch Balust as member of the Board of Directors. Appointment of Ernst & Young, S.L. as auditors of the Company's accounts for the financial years 2023, 2024 and 2025. 8. Authorisation to the Board of Directors so that, in accordance with the provisions of article 297.1.b) of the Capital Companies Act, it may increase the capital on one or more occasions and at any time, within a period of 5 years, by means of monetary contributions and by a maximum nominal amount of 3,646,710 euros. Delegation for exclusion



## — Non-financial highlights

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### Highlights (II): from 1 January to 31 December 2023

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of the pre-emptive subscription right, in accordance with the provisions of article 506 of the Capital Companies Act. 9. Authorisation to the Board of Directors to issue securities convertible into shares of the Company within a period of 5 years. Establishment of criteria for determining the bases and methods of conversion and attribution of powers to increase capital. Delegation for the exclusion of pre-emptive subscription rights, in accordance with the provisions of article 506 of the Capital Companies Act. 10. Delegation of powers. 11. Questions and requests. 12. Drafting, reading and, if appropriate, approval of the minutes.

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

In the coming years, Kompuestos intends to continue to grow 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 we are working on plastic recycling processes".*

## Ignacio Duch

Member of the Board of Directors on behalf of Corporation Chimique International S.P.R.L. (Chairman of the Board 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)

## Nuria Matellán

Member of the Board of Directors (Executive Counsellor)

## Sandra Duch

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

## Luís Vázquez

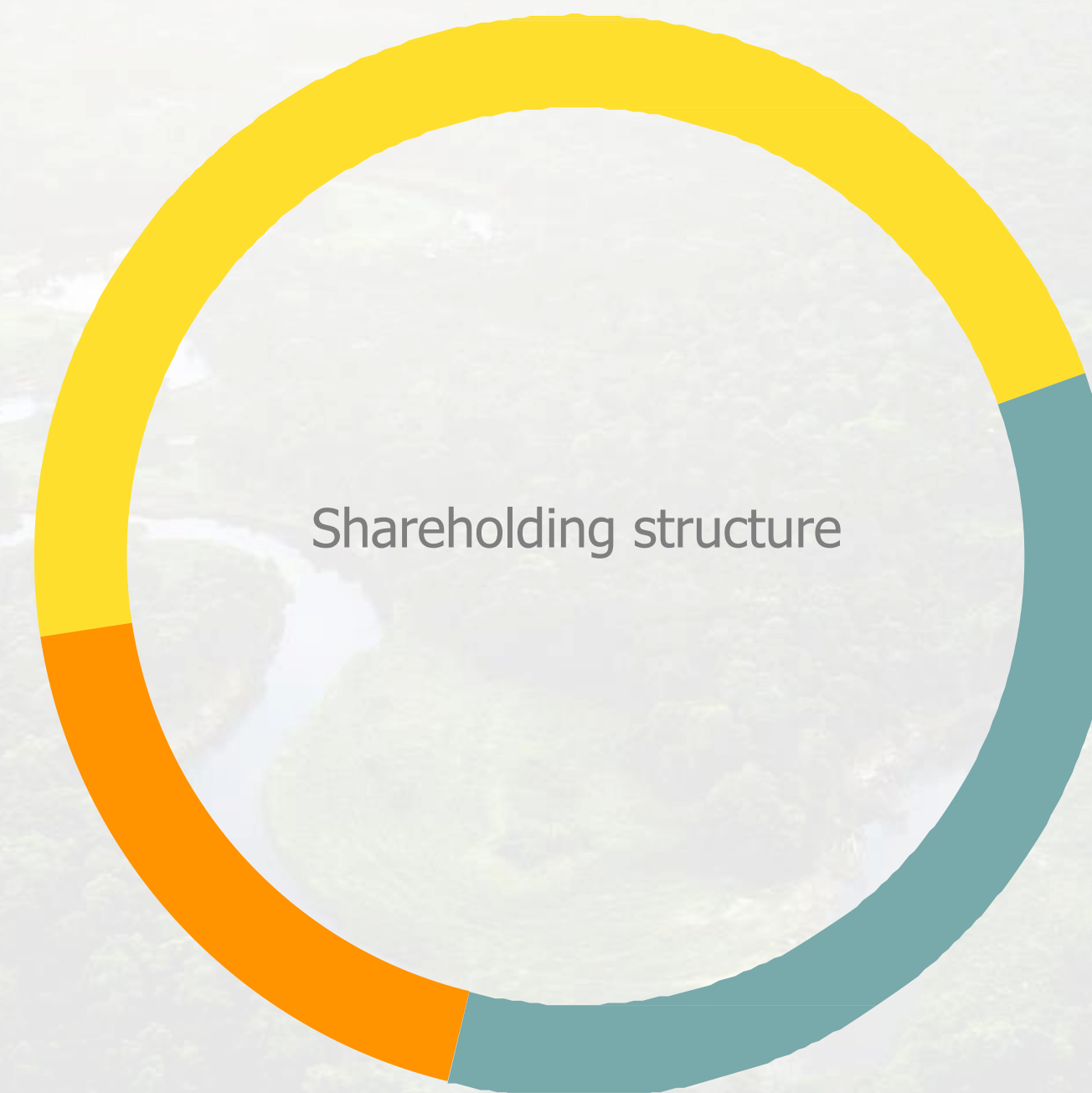
Member of the Board of Directors on behalf of Gant Finance, S.A. (Proprietary Director)

## 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



- Free float (36.18%)
- Corporation Chimique International S.P.R.L. (31.24%)
- CCP Masterbatch, S.L. (32.58%)



## Exfill: Concentrated mineral fillers



Exfills are sustainable products that allow for less polymer use in the final product by improving mechanical performance through the incorporation of 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; reducing the carbon footprint of the final product, reducing greenhouse gas emissions, production efficiency and energy savings, thus reducing production costs. 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 customised production of colours. Kompuestos uses the most advanced technologies to be able to offer customised colours to our customers on a continuous and stable basis 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 produce 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. This all adds up to cost savings. The possibility of using a vehicle similar to that of the polymer with which the masterbatches are 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 depending on the application to be given to the final product (among others, desiccants, antistatic, 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 UNE EN 13432 specification. In order to market the products as biodegradable and compostable, it is mandatory to obtain certificates attesting to the properties 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 various R&D projects based on the objective of integrating its manufacturing activities in the traditional product range with the processing of recycled plastics both for internal use and for sale to third parties. In addition, it is also developing new technologies to facilitate the process of recycling and reusing plastics, including reactive compounding, which facilitates the compatibilisation of different polymers and/or the reconstruction of damaged polymer chains in plastics already in use.

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 recycled polymer ranges.





## — The circular economy of plastic

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Despite its advantages, the increased use of traditional plastics 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 production and consumption cycle of plastics; thus, globally, a transformation of the industry is being driven by the new circular economy of plastics, based on these three principles:

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

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**Reducing the dumping of plastics into natural ecosystems:** Improving the collection and recovery of plastics in order to avoid the 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.

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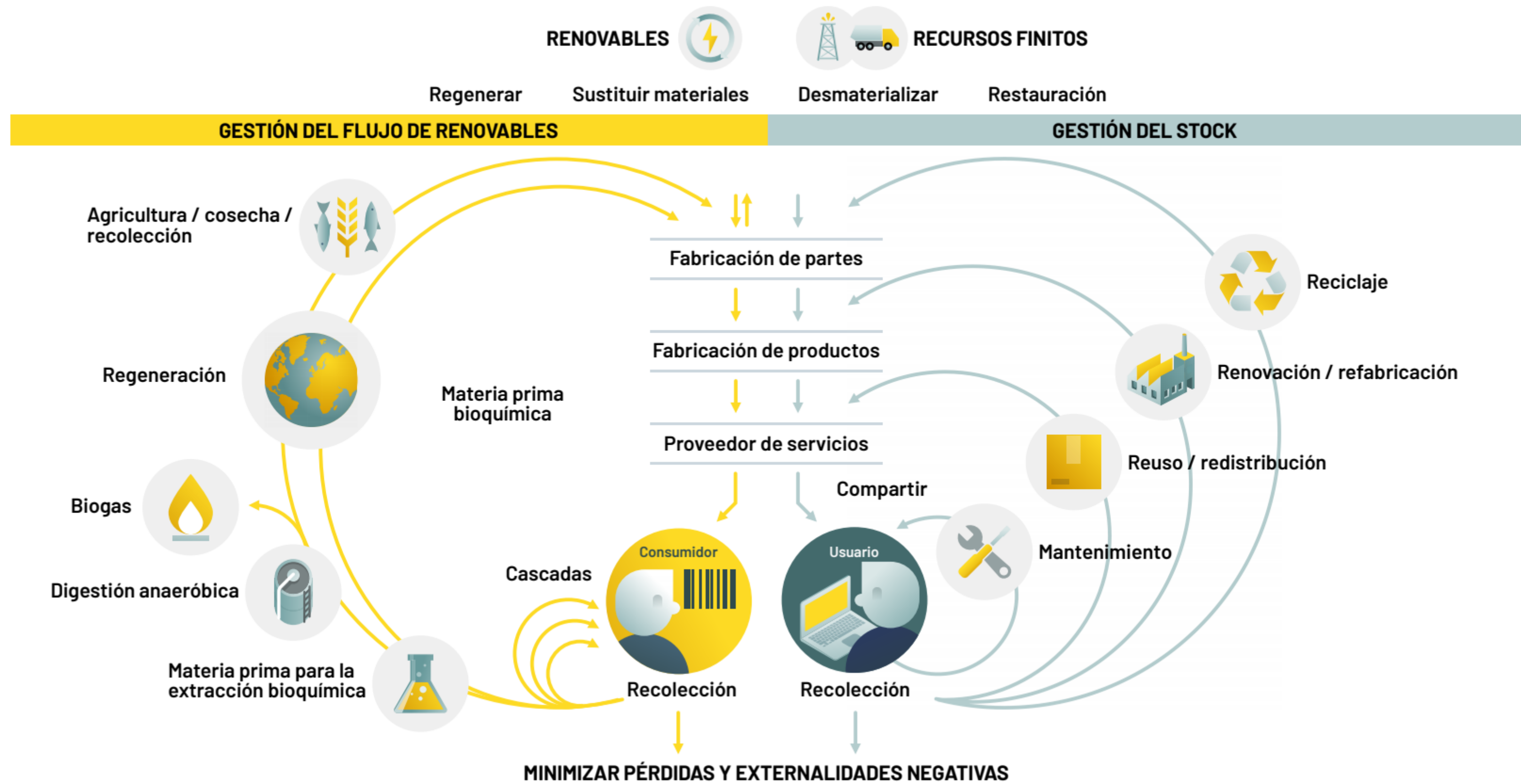
**Manufacture of plastics from renewable sources:** Incorporate renewable raw materials to replace fossil sources that will gradually be depleted.

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# The circular economy of plastic



Source: Ellen MacArthur Foundation



# The global plastics and non-financial industry



## Employment:

**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, mostly SMEs, operate.

## Sales: More than 360 billion euros

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

## Added value:

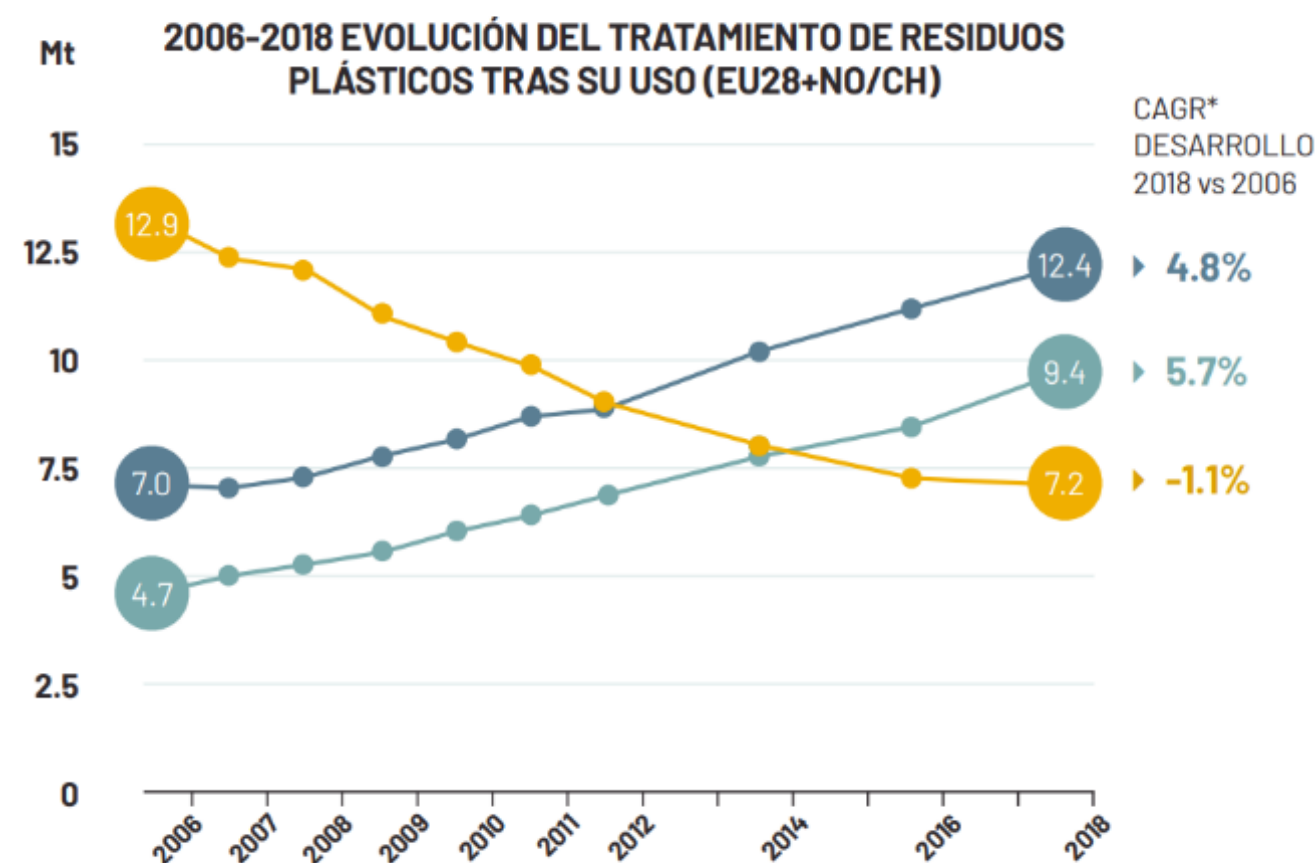
**7th in Europe**

The European plastics sector is the seventh largest contributor to industrial value added in Europe. It is on a par with the pharmaceutical sector\* and very close to the chemical industry.

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

## Public Finance: Nearly EUR 30 billion

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



\*CAGR: La tasa de crecimiento anual compuesta es la tasa de crecimiento anual media durante un periodo de tiempo específico.

## 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:** at the end of its life cycle it biodegrades, 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 (depending on the environment in which it is found): land, freshwater, seawater, etc.

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

**Compostable plastic is** plastic that biodegrades to become compost. Biodegradation of compost occurs in an industrial composting plant or in a home composting bin under controlled conditions of time, temperature, humidity, aeration and micro-organisms.

**Extrusion or Compounding:** is a process of extrusion, granulation that allows the mixing by fusion of a polymer (thermoplastic resin) with one or more additives, minerals, pigments, etc., in order to obtain a plastic material in the form of a 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 simultaneously a chemical reaction takes place 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 environmentally 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.

Plásticos Compuestos S.A.  
Carrer Basters 15,  
08184 Palau Solità i Plegamans  
Barcelona, Spain  
[www.kompuestos.com](http://www.kompuestos.com)  
[inversores@kompuestos.com](mailto:inversores@kompuestos.com)

## Moving towards a sustainable future

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Global  
Commitment