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OTHER RELEVANT INFORMATION

PLÁSTICOS COMPUESTOS, S.A.

1 September 2025

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 related provisions, as well as Circular 3/2020 of 30 July 2020 on information to be provided by companies listed on BME Growth, Plásticos Compuestos, S.A. (the "Company") hereby discloses the following information:

- Limited review report on the interim financial statements as at 30 June 2025 prepared by the Company's auditor, which includes the Company's interim financial statements and management report as at 30 June 2025.

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

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

In Palau-Solità i Plegamans (Barcelona), on 1 September 2025.

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

Limited Review Report

PLÁSTICOS COMPUESTOS, S.A.

Full Interim Financial Statements and Interim Directors' Report for the six-month period ended on 30 June 2025

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Sara Jane Callejo Paterson
Traductora-Intérprete Jurada de INGLÉS
Sworn Translator Num. 3912

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LIMITED REVIEW REPORT ON THE INTERIM FINANCIAL STATEMENTS

To the shareholders of Plásticos Compuestos, S.A., at the request of the Board of Directors:

Report on the Interim Financial Statements

Introduction

We have conducted a limited review of the interim financial statements attached hereto (hereinafter, the Interim Financial Statements) of Plásticos Compuestos, S.A. (hereinafter, the Company), which comprise the Balance Sheet as at 30 June 2025, the Income Statement, the global position, the Statement of Changes in Equity, the Cash-flow Statement and the explanatory notes for the six-month period ending on said date. The Company's Directors are responsible for preparing said Interim Financial Statements in accordance with the regulatory framework for financial reporting in force (specified in Note 2 of the attached explanatory notes) and, in particular, with its accountancy principles and standards.
We are responsible for expressing our conclusion on these Interim Financial Statements based on our limited review.

Scope of the review

We have conducted our limited review according to the International Standard on Review Engagements (ISRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A limited review of the Interim Financial Statements consists of asking questions, mostly to the employees in charge of financial and accounting matters, and applying analytical and other reviewing procedures. A limited review has a substantially smaller scope than an audit conducted pursuant to the Spanish auditing regulations in force and, therefore, we cannot guarantee knowledge of every relevant matter that would otherwise be identified in an audit. Therefore, we are not stating an auditor's opinion on the Interim Financial Statements attached hereto.

Basis for the qualified conclusion

As described in Note 18 of the Interim Financial Statements attached hereto, the "Deferred tax assets" heading in the Interim Balance Sheet of 30 June 2025 (also attached hereto) includes tax credits for negative tax bases pending offsetting, timing differences and deductions to be offset totalling €1,327K (€1,370K on 31 December 2024). On the other hand, on that same date, the "Deferred tax liabilities" heading in the Balance Sheet includes timing differences for €182K. Given the Company's recurrent losses, in accordance with the financial reporting regulatory framework in force, the conditions to record these net deferred tax assets are not met. As a result, the item "Deferred tax assets" in the attached Balance Sheet of 30 June 2025 is overvalued at €1,145K, while items "Reserves" and "Year's profit/loss" are overvalued and undervalued at €1,174K and €29K respectively. Our opinion upon auditing the Financial Statements for the previous year included a qualification for this finding.

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Qualified Conclusion

As a result of our limited review, which should in no way be construed as an audit, except for the purposes of the matter described in the paragraph "Basis for the qualified conclusion", we are not aware of any matters that would lead us to believe that the Interim Financial Statements attached hereto do not express, in all material aspects, a true and fair view of the financial position of Plásticos Compuestos, S.A. as at 30 June 2025 and the results of their operations and their cash flows for the six-month period ended on said date, in accordance with the applicable regulatory framework for financial reporting and, in particular, with its accounting principles and standards.

Emphasis of Matter Paragraph

We wish to draw attention to Note 2.b of the Interim Financial Statements attached hereto, as it mentions the factors that could entail a risk to the going concern principle as well as the factors that mitigate such risks. Our conclusion has not varied regarding this matter.

Report on other legal and regulatory requirements

The Interim Directors' Report attached hereto for the six-month period ended on 30 June 2025 shows the explanations deemed as pertinent by the Company's Directors on the relevant events occurred in said period and their effect on the Interim Financial Statements reported –separate of the Director's Report– and the information required according to Article 15 of Spanish Royal Decree 1362/2007. We have verified that the accounting information in said Directors' Report matches the Interim Financial Statements for the six-month period ended on 30 June 2025. Our work is limited to checking the Interim Director's Report within the scope mentioned in this paragraph and does not extend to reviewing additional information outside the accounting records of Plásticos Compuestos, S.A..

Other Matter Paragraph

This report was prepared at the request of the Board of Directors of Plásticos Compuestos, S.A. in connection with the reporting of the half-yearly financial information required in Circular 3/2020 of 30 July 2020 issued by Bolsas y Mercados Españoles Sistemas de Negociación, S.A (BME Growth) on "Information to be reported by companies listed on the BME Growth BME MTF Equity segment".

[Text in Catalan]

ERNST & YOUNG, S. L

[Illegible signature]

Albert Closa Sala

06 August 2025

Sara Jane Callejo Paterson
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PLÁSTICOS COMPUESTOS, S.A.

Interim Financial Statements at 30 June 2025
and Interim Directors' Report at 30 June 2025
(together with the Limited Review Report)

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PLÁSTICOS COMPUESTOS, S.A.

Balance Sheet

30 June 2025

(Stated in Euros)

Assets	*Note*	*30/06/2025 (Not audited)*	*31/12/2024*
Intangible fixed assets	**Note 5**	**2,831,373**	**2,863,530**
Research & Development		2,680,767	2,694,029
Patents, licences, brands and similar		85,040	97,534
Computer software		65,566	71,967
Property, plant and equipment	**Note 6**	**17,721,949**	**18,079,809**
Land and buildings		176,451	183,400
Technical plant, machinery, tools, furnishings and other PPE		17,545,498	17,896,409
Long-term financial investments	**Note 11**	**253,702**	**146,524**
Other financial assets		253,702	146,524
Deferred tax assets	**Note 18**	**1,326,859**	**1,369,574**
Total non-current assets		**22,133,883**	**22,459,437**
Inventories	**Note 12**	**6,194,837**	**7,070,496**
Commodities and other short-term supplies		3,226,882	3,394,289
Finished short-cycle products		2,967,955	3,676,207
Trade and other accounts receivable		**2,604,149**	**1,142,717**
Short-term trade receivables	**Note 11**	1,830,080	690,682
Other receivables from Public Entities	**Note 18**	774,546	452,035
Short-term financial investments	**Note 11**	**863,057**	**791,051**
Other financial assets		863,057	791,051
Short-term accruals		**34,365**	**66,647**
Cash and cash equivalents		**859,022**	**1,193,222**
Cash and banks		859,022	1,193,222
Total current assets		**10,555,430**	**10,264,133**
Total Assets		**32,689,313**	**32,723,570**

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PLÁSTICOS COMPUESTOS, S.A.

Balance Sheet

30 June 2025

(Stated in Euros)

Equity and Liabilities	*Note*	*30/06/2025 (Not audited)*	*31/12/2024*
Shareholders' equity	**Note 13**	**13,008,473**	**12,913,578**
Capital			
Issued capital		7,293,420	7,293,420
Share premium		8,773,675	8,773,675
Reserves			
Legal and statutory		355,102	355,102
Other reserves		342,286	342,145
(Treasury shares and equity instruments)		(301,410)	(272,878)
Loss from previous years		(3,577,886)	(3,417,880)
Year's profit/(loss)		123,286	(160,006)
Subsidies, donations and bequests received	**Note 14**	**310,988**	346,039
Total Equity		**13,319,461**	**13,259,617**
Long-term provisions		**40,603**	**40,603**
Other provisions		40,603	40,603
Long-term debt		**6,142,227**	**7,352,892**
Payables to credit entities	**Note 15-16**	989,660	1,532,852
Finance lease payables	**Note 7-15**	1,301,649	1,590,857
Other financial liabilities	**Note 15-16**	3,850,918	4,229,183
Deferred tax liabilities	**Note 18**	**181,592**	**194,895**
Total non-current liabilities		**6,364,422**	**7,588,390**
Short-term provisions		**65,664**	**88,079**
Other provisions		65,664	88,079
Short-term debt		**4,747,621**	**5,258,025**
Payables to credit entities	**Note 15-16**	3,378,039	3,925,318
Finance lease payables	**Note 7-15**	580,577	553,125
Other financial liabilities	**Note 15-16**	789,005	779,582
Trade and other accounts payable		**8,192,145**	**6,529,459**
Short-term suppliers	**Note 15-16**	4,852,996	3,832,607
Sundry accounts payable	**Note 15-16**	2,529,963	2,061,126
Personnel (outstanding salaries)	**Note 15-16**	537,233	315,382
Other payables to Public Entities	**Nota18**	130,297	159,684
Customer advances		141,656	160,660
Total current liabilities		**13,005,430**	**11,875,563**
Total Equity and Liabilities		**32,689,313**	**32,723,570**

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PLÁSTICOS COMPUESTOS, S.A.
Income Statement
for the six-month period ending on 30 June 2025

(Stated in Euros)

	Note	30/06/2025 (Not audited)	30/06/2024 (Not audited)
Net turnover	**Note 21**	**26,893,511**	**23,099,444**
Sales		26,893,511	23,099,444
Changes in inventories of finished goods and work in progress		**(708,252)**	**(662,032)**
Work carried out by the company for its assets	**Note 5**	**296,501**	**143,651**
Supplies	**Note 21**	**(17,546,630)**	**(14,271,064)**
Commodities and other consumables used		(17,453,113)	(14,200,940)
Outsourced work		(93,517)	(70,124)
Other operating income		**5,209**	**1,902**
Non-trading and other operating income		5,209	1,902
Personnel expenses		**(2,089,827)**	**(2,043,163)**
Salaries, wages and similar		(1,695,764)	(1,683,820)
Employee benefits expense	**Note 21**	(394,063)	(359,343)
Other operating expenses		**(4,848,434)**	**(4,229,888)**
Outsourced services		(4,781,918)	(4,165,998)
Taxes		(66,516)	(63,890)
Amortisation/depreciation of fixed assets	**Note 5 and 6**	**(1,115,376)**	**(1,249,012)**
Subsidies received on non-financial and other fixed assets	**Note 14**	**47,143**	**46,735**
Other profit/(loss)		**(79,336)**	**(61,821)**
Operating profit/(loss)		**854,509**	**774,752**
Financial expenses		**(695,823)**	**(724,703)**
For debts with third parties		(695,823)	(724,703)
Currency exchange differences		**5,695**	**(9,366)**
Financial profit/(loss)		**(690,128)**	**(734,069)**
Profit/(Loss) before tax		**164,381**	**40,683**
Corporation tax	**Note 18**	(41,095)	(12,003)
Year's profit/(loss)		**123,286**	**28,680**

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PLÁSTICOS COMPUESTOS, S.A.

Statement of Changes In Equity
for the six-month period ending on
30 June 2025

A) Statement of Recognised Income and Expenses
for the six-month period ending on
30 June 2025

(Stated in Euros)

	Note	*30/06/2025 (Not audited)*	*30/06/2024 (Not audited)*
Profit/(Loss) in the Income Statement		**123,286**	**28,680**
Income and expenses recognised directly in Equity			
Subsidies, donations and bequests	**Note 14**	408	-
Tax Effect		(102)	-
Total income and expense recognised directly in Equity		**306**	**-**
Transfers to the Income Statement			
Subsidies, donations and bequests	**Note 14**	(47,143)	(46,735)
Tax Effect		11,786	11,684
Total transfers to the Income Statement		**(35,357)**	**(35,051)**
Total recognised income and expenses		**88,235**	**(6,372)**

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PLÁSTICOS COMPUESTOS, S.A.

**Statement of Changes In Equity
for the six-month period ending on
30 June 2025**

**B) Statement of Total Changes in Equity for the six-month period ending on
30 June 2025**

(Stated in Euros)

	Issued capital	Share premium	Reserves	Loss from previous years	Treasury shares and equity instruments	Year's profit/(loss)	Subsidies, donations and bequests received	Total
Balance as at 31/12/2024	**7,293,420**	**8,773,675**	**697,247**	**(3,417,880)**	**(272,878)**	**(160,006)**	**346,039**	**13,259,617**
Recognised income and expenses						123,286	(35,051)	**88,235**
Transactions with shareholders or owners								
Treasury shares (note 13)	-	-	141	-	(28,532)	-	-	**(28,391)**
Profit/loss distribution 2024 (note 3)	-	-	-	(160,006)	-	160,006	-	**-**
Balance as at 30/06/2025 (Not audited)	**7,293,420**	**8,773,675**	**697,388**	**(3,577,886)**	**(301,410)**	**123,286**	**310,988**	**13,319,461**

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PLÁSTICOS COMPUESTOS, S.A.

Statement of Changes In Equity
for the six-month period ending on 30 June 2024

B) Statement of Total Changes in Equity

for the six-month period ending on 30 June 2024

(Stated in Euros)

	Issued capital	Share premium	Reserves	Loss from previous years	Treasury shares and equity instruments	Year's profit/(loss)	Subsidies, donations and bequests received	Total
Balance as at 31/12/2023	**7,293,420**	**8,773,675**	**675,832**	**(3,302,264)**	**(309,062)**	**(115,616)**	**336,439**	**13,352,424**
Recognised income and expenses	-	-	-	-	-	28,680	(35,052)	**(6,372)**
Transactions with shareholders or owners								
Treasury shares (note 13)	-	-	2,413	-	(8,758)	-	-	**(6,345)**
Profit/loss distribution 2023 (note 3)	-	-	-	(115,616)	-	115,616	-	-
Balance as at 30/06/2024 (Not audited)	**7,293,420**	**8,773,675**	**678,245**	**(3,417,880)**	**(309,062)**	**28,680**	**301,387**	**13,346,052**

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PLÁSTICOS COMPUESTOS, S.A.

Cash Flow Statement
for the six-month period ending on
30 June 2025

(Stated in Euros)

	Note	30/06/2025 (Not audited)	30/06/2024 (Not audited)
Cash flows from operating activities			
Year's profit/(loss) before tax		**164,381**	**40,683**
Adjustments to profit/(loss)			
Amortisation/depreciation of fixed assets	**Notes 5 and 6**	1,115,376	1,249,012
Variation in provisions		(22,415)	63,396
Subsidy allocation		(47,143)	(46,736)
Financial expenses		695,823	724,703
Currency exchange differences		(5,695)	9,366
Other income and expenses	**Notes 5 and 6**	(296,501)	(143,651)
Changes in working capital			
Inventories		875,659	(215,996)
Debtors and other accounts receivable		(1,461,430)	(1,253,053)
Other current liabilities		32,282	(26,291)
Creditors and other accounts payable		1,662,685	613,257
Other cash flows from operating activities			
Interest payments		(695,823)	(724,703)
Other amounts received (paid)		41,153	-
Cash flows (used in)/ from operating activities		**1,893,971**	**249,304**
Cash flows from investment activities			
Payments on investments			
Intangible fixed assets	**Note 5**	(66,334)	(102,582)
Property, plant and equipment	**Note 6**	(362,524)	(562,248)
Other financial assets		(107,178)	-
Income from divestments			
Other financial assets		(72,006)	57,251
Cash flows used in investment activities		**(608,042)**	**(607,579)**
Cash Flows from financing activities			
Collections and payments for equity instruments			
Acquisition of own equity instruments	**Note 13**	(28,391)	(8,758)
Amortisation of equity instruments		-	2,413
Subsidies, donations and bequests received	**Note 14**	(35,051)	-
Collections and payments for financial liability instruments			
Issue			
Payables to credit entities		-	1,656,974
Repayment and amortisation of			
Payables to credit entities		(1,352,226)	(931,562)
Other debts		(368,842)	(277,594)
Cash Flows from financing activities		**(1,784,510)**	**441,473**
Impact from exchange rate variations		-	-
Net increase on cash and cash equivalents		**(334,199)**	**123,881**
Cash and cash equivalents at the start of the year		1,193,221	1,077,091
Cash and cash equivalents at year-end		859,022	1,200,972

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PLÁSTICOS COMPUESTOS, S.A.

Explanatory notes to the Interim Financial Statements for the six-month period ending on 30 June 2025

(1) Company's Nature and Activities

Plásticos Compuestos, S.A (hereinafter the Company), is a company incorporated in Spain under the Spanish Capital Companies Law. The Company's main activity is the design and manufacture of mineral loads and "masterbatches" of colour and additive concentrates and other compounds for the plastic processing industry, including components to produce environmentally sustainable plastics.
Its registered address is at Calle Orfebrería 3, Palau Solità i Plegamans (Barcelona) where it operates its business.

Following the capital increase approved by the Extraordinary General Meeting of Shareholders on 24 July 2019 (see note 13), the Company ceased to form part of the group headed by CCP Masterbatch, S.L.

Plásticos Compuestos, S.A began listing its shares on BME Growth, the Spanish securities market for growing SMEs, on 12 August 2019.

On 19 July 2021, the Company listed all its shares on Euronext Paris, the French securities market.

As a result, the Company's shares are listed on both markets as at 30 June 2025.

The Company has a stake in 3D Masterbatch, S.L., a company that has been inoperative since 2008, with an investment of one thousand euros, and which is fully impaired. As the Company's only stake is in a subsidiary with no significant interest, the Company is not required to file consolidated financial statements because of its size.

As at 30 June 2025 and 2024, Plásticos Compuestos, S.A. does not constitute a decision-making unit under the provisions of Standard 13 of the Financial Statement Standards with other companies having their registered offices in Spain.

(2) Reporting standards

(a) True and Fair View

The Interim Financial Statements and notes attached, made up of the Balance Sheet, Income Statement, the Statement of Changes in Equity, Cash Flow Statement and the Explanatory Notes to the Interim Financial Statements including notes 1 to 24, are based on the accountancy records, having applied the current legal provisions on accountancy, specifically the Spanish Accounting System passed by Spanish Royal Decree 1514/2007 of 16 November 2007 and its amendments passed by Royal Decree 1159/2010 of 17 September, by Royal Decree 602/2016 of 2 December, by Royal Decree 1/2021 of 12 January and Law 7/2024 of 20 December, in order to provide a true view of the equity, the financial situation, the profit or loss, the changes in equity and the cash flows for the six-month period ending on 30 June 2025.

(b) Going concern principle

Over the six-month period ended 30 June 2025, the Company obtained a net profit of 123,286 euros (as opposed to the profit of 28,680 euros experienced during the six-month period ended 30 June 2024).

On 31 December 2024, the Company reported a loss of 160,006 euros (115,616 euros on 31 December 2023). On 30 June 2025, the Company reported a negative Working Capital of 2,450 thousand euros (1,658 thousand euros on 31 December 2024) due to debt maturities, which could be considered a threat to its continuity.

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(Continued)

However, the Company's Directors and management team consider that the actions taken by the Company during the six-month period ended on 30 June 2025, as well as throughout 2024, have positively contributed to improving the Company's global results and they will continue to adopt the appropriate actions at the time to successfully overcome any financial or other difficulties that may arise in the future. In that regard:

- The Company reported a profit of 855 thousand euros (1,230 thousand euros on 31 December 2024) and generated cash flows from its business.

- The Company's negative Working Capital is owed to the maturity of debt taken on in previous years. Regarding this, the Company has a syndicated loan of 550,000 euros on 30 June 2025 (925,000 in 2024), all of it short term. In addition, this loan included a working capital line of credit (B Tranche) of 6,000,000 euros, which matured on 07 March 2024, where the Company formalised new working capital lines of credit adjusting the idle limits it had and adapting the products to the real needs to better optimise the use of working capital. Furthermore, with the maturity of said loans, the Company will be freed of the covenants it was subject to.

- As already detailed above, the Company has undrawn multipurpose facilities as well as unused factoring amounting to 856 thousand euros and 4,838 thousand euros, respectively (see note 16 of the interim Financial Statements). Furthermore, the Directors estimate that the Company will keep or increase its current leverage regarding working capital considering the current results, financial position and debt.

- The Company does not envisage CAPEX for significant increases in capacity in the short term and there is no need for it. The investments planned for the coming years will focus on completing the ones in the pipeline that had been delayed by the previous CEO. These are mostly actions aimed at eliminating bottlenecks, improving storage capacity and receiving goods in bulk, as well as those aimed at improving safety and work conditions for our workforce. Given the relative amount of these, they will not entail a negative impact on the sustainability of our debt.

- On 18 June 2022, the Annual General Meeting agreed to authorise the Board of Directors to, in accordance with Article 297.1.b) of the Spanish Capital Companies Law, execute at any time a capital increase, once or more times, within a 5-year period, through monetary contributions and for a maximum nominal amount of 3,646,710 euros. Delegation for the exclusion of the preemptive right, pursuant to Art. 506 of the Spanish Capital Companies Law. Furthermore, the Annual General Meeting also approved the authorisation to allow the Board of Directors to issue securities convertible into shares in the Company within a 5-year period.

The Company's Directors and the management team are implementing the aforementioned measures and will continue to take the actions required at the time and in the next 12 months to successfully tackle any potential financial or non-financial difficulties, trusting that it will be able to meet all its liabilities. Moreover, the Company's Directors and the management team consider that the actions taken by the Company positively contribute to improving the Company's global results, which is in fact reflected in its positive operating profit of 123 thousand euros and its cash flow generation, as these have meant a considerable reduction of the Company's leverage these last years.

As a result, the Company's Directors have prepared these Interim Financial Statements on 30 June 2025 under the "Going Concern" principle.

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(Continued)

(c) Comparison of the information

For the purposes of comparison with each item in the Balance, the Income Statement, the Statement of Changes in Equity, the Cash-flow Statement and the explanatory notes to the Interim Financial Statements, in addition to the figures for the six-month period ending on 30 June 2025, the Interim Financial Statements are shown together with those corresponding to the same period a year earlier, which were obtained by applying the General Chart of Accounts approved under Royal Decree 1514/2007. The Balance Sheet in the Interim Financial Statements shows the figures as at 30 June 2025 compared to those on 31 December 2024, which were part of the audited financial statements for 2024. The income statement and the cash-flow statement that form an integral part of the Interim Financial Statements are shown, for comparison, with the figures for the six-month period ending on 30 June 2024.

(d) Operating and reporting currency

The Interim Financial Statements are stated in euros, which is the operating and reporting currency of the Company.

(e) Critical aspects regarding the valuation and estimation of relevant uncertainties and judgements used when applying accounting principles

Relevant accounting estimates and judgements and other estimates and assumptions have to be made when applying the Company's accounting principles to preparing the Interim Financial Statements. In this regard, we summarise the aspects that have required a higher degree of judgement or complexity or in which the assumptions and estimates are relevant for the preparation of the Interim Financial Statements for the six-month period ending on 30 June 2025:

- Useful life of intangible fixed assets (Note 5).

- Recoverability of the value of R&D projects (Note 5).

- Recoverability of deferred tax assets (Note 18).

Despite the fact that the estimates made by the Company's Directors have been based on the best information available as at 30 June 2025, it is possible that future events may require changes in coming years. The effect on the Interim Financial Statements of any alterations that may arise from adjustments to be made in coming years would be recorded prospectively.

(3) Distribution of Profit or Loss

The distribution of the Company's profit or loss for the year ended 31 December 2024, approved by the Annual General Meeting on 18 June 2025, is as follows:

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(Continued)

	Euros
Basis for distribution	
Loss for the year	(160,006)
Allocation	
Loss from previous years	(160,006)
	(160,006)

As at 30 June 2025 and 31 December 2024, the amounts of the restricted reserves are as follows:

	Euros	
	30/06/2025	31/12/2024
Restricted reserves:		
Legal Reserve	355,102	355,102

The Company's reserves designated as unrestricted are, however, subject to the distribution limitations described below:

Until the item of R&D expenses has been fully amortised, no dividends may be distributed, unless the amount of the unrestricted reserves is at least equal to the amount of the unamortised balances. At the close of the year ended 30 June 2025, the Company had recorded R&D expenses under the Intangible fixed assets heading for 2,680,767 euros (2,694,029 euros on 31 December 2024). In addition, the distribution of dividends is linked to the fulfilment of the ratios described in note 16 herein.

(4) Measuring and Reporting Principles

(a) Intangible fixed assets

Items included in Intangible fixed assets are measured at their purchase price or production cost, following the same principles as those established to calculate the production cost of the inventories. Capitalised production costs are recognised under the heading "Work carried out by the company for its assets" in the Income Statement. Intangible fixed assets are recognised on the Balance Sheet at cost, minus any accrued amortisation and impairment adjustments.

(i) Research & Development

The expenses related to research activities are recorded as an expense on the Income Statement when they are incurred.

The Company capitalises the Research expenditure incurred in a specific, individual project when the expenditure meets the following conditions:

- The cost is clearly established so that it can be distributed over time.
- A tight connection can be established between research "projects" and goals pursued and achieved. The assessment of this requisite will be made generically for each set of activities that are interlinked due to the existence of a common goal.

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The Company capitalises the Development expenditure in a specific, individual project when the expenditure meets the following conditions:

- The expenditure attributable to implementing the project can be reliably measured.
- The assignment, allocation and recognition of the costs of each project are clearly established.
- There are sound reasons to foresee the technical success of these projects, either to operate it directly or to sell the project output to a third party once it is finished, if there is a market for it.
- The project's financial-commercial return is reasonably guaranteed.
- The funding to complete the project, the availability of adequate technical and other resources to complete it and to use or sell the intangible asset are all reasonably assured.
- The Company intends to finish the intangible asset for its use or sale.

If the Company cannot separate the Research phase from the Development phase, the costs incurred are treated as Research expenditure.

The expenses allocated to profit or loss in previous years cannot be subsequently capitalised once the conditions have been met.

Once the asset is entered into the appropriate Public Registry, the development expenses are reclassified under the item Patents, licences, brands and similar.

(ii) Computer software

Computer software purchased or developed by the company itself is recognised insofar as it meets the conditions described for development expenses. Computer software maintenance costs are expensed when incurred.

(iii) Subsequent costs

Any subsequent costs incurred in intangible fixed assets are recorded as expenditure, unless they increase the future profits expected from the assets.

(iv) Useful life and amortisation

Intangible fixed assets are amortised on a systematic basis over their useful life by applying the following principles:

	Amortisation method	**Years of estimated useful life**
Research & Development	Straight-line	2-5
Patents, licences, brands and similar	Straight-line	10
Computer software	Straight-line	4

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Research expenses are amortised on a straight-line basis at the time they are capitalised and development expenses are amortised on a straight-line basis from the project termination date.

The Company reassesses the residual value, useful life and amortisation method for intangible assets at the end of each reporting period. Any modifications to the initially established criteria are recognised as a change of estimate.

(v) Impairment loss on fixed assets

The Company measures and determines impairment losses and the reversal of such losses on its intangible assets based on the criteria set forth in section (c) Impairment loss on non-financial assets subject to amortisation or depreciation.

(b) Property, plant and equipment

(i) Initial recognition

The assets included in Property, plant and equipment are recognised at their purchase price or production cost, following the same principles as those established to determine the production cost of inventories. Property, plant and equipment are presented on the balance sheet at cost, less any accumulated depreciation and impairment loss adjustments.

(ii) Depreciation

Items in Property, plant and equipment are depreciated by allocating the depreciable amount of the asset on a systematic basis over its useful life. For these purposes, the depreciable amount is the purchase cost minus its residual value. The Company determines the depreciation expense separately for each part that has a significant cost in relation to the total cost of the element and a different useful life from the rest of the element.

The depreciation of items in Property, plant and equipment is calculated applying the criteria outlined below:

	Depreciation method	Years of estimated useful life
Buildings	Straight-line	25
Technical plant and equipment	Straight-line	10-35
Other fixtures, fittings, tools and furnishings	Straight-line	5-35
Other property, plant and equipment	Straight-line	4
Data processing equipment	Straight-line	4

The Group reassesses the residual value, useful life and depreciation method for Property, plant and equipment at the end of each reporting period. Any modifications to the initially established criteria are recognised as a change of estimate.

The Company ran a thorough analysis of the useful life of the most important machinery in property, plant and equipment. This analysis was run jointly with an independent expert and it was concluded that, as a result of the new information drawn from very similar assets, along with the manufacturing quality of these machines and keeping their maintenance according to the manufacturer's design specifications, their useful life is higher than first expected by the Company for some of the elements of the aforementioned heading (from 20 to 35 years). For this reason, the Company has used the new estimated useful life and the impact has been considered prospectively.

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(iii) Subsequent costs

After the initial recognition of an asset, the only costs capitalised are those incurred which lead to increased capacity or productivity, or to a lengthening of the useful lives of the assets with the derecognition of the carrying amount of replaced items. In this regard, only the costs of day-to-day maintenance of Property, plant and equipment are recognised in the Income Statement when incurred.

Replacements of Property, plant and equipment which meet the requirements for capitalisation imply a reduction of the carrying amount of the items replaced. When the cost of the items replaced has not been depreciated separately and it is not practical to determine their carrying amount, the replacement cost is used as an indication of the cost of the items at the time of their acquisition or construction.

(iv) Value impairment of assets

The Company measures and determines impairment losses and the reversal of such losses on its Property, plant and equipment based on the criteria set forth in section (c) Impairment loss on non-financial assets subject to amortisation or depreciation.

(c) Impairment loss on non-financial assets subject to amortisation or depreciation

The Company evaluates whether there are signs of impairment loss on non-financial assets subject to amortisation or depreciation to verify whether the carrying amount of these assets exceeds the recoverable amount, this being understood as the higher between the fair value of an asset minus its costs of sale and its value in use.

Similarly, and irrespective of whether there are signs of

impairment, the Company verifies at least once a year any possible impairment losses that could affect the intangible fixed assets that are not yet ready to use.

An asset's value in use is calculated based on the expected future cash flows deriving from the use of the assets, expectations of possible variations in the amount or timing of those future cash flows, the time value of money, the price for bearing the uncertainty inherent in the asset and other factors that market participants would reflect in measuring the future cash flows associated with the asset.

Impairment losses are recognised in the Income Statement.

Meanwhile, if the Company has any reasonable doubts as to the technical success or financial-commercial return on the R&D projects under way, the amounts recorded on the Balance Sheet are recognised directly under losses arising from the intangible fixed assets on the Income Statement, and are not reversible.

The reversal of an impairment loss is credited to the Income Statement. However, the reversal of the loss cannot increase the carrying amount of the asset in excess of the carrying amount which would have been obtained, net of amortisation/depreciation, had no impairment loss been recorded.

Once the valuation adjustments for impairment or their reversal are recognised, the amortisations/depreciations for the following years are adjusted taking the new carrying amount into consideration.

Notwithstanding the above, if the specific circumstances of the assets reveal an irreversible loss, it is directly recognised under losses on fixed assets in the Income Statement.

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(d) Leases

(i) Accounting by the lessee

Lease contracts in which, at inception, all the risks and benefits of ownership of the assets are substantially transferred to the Company, are classified as finance leases, otherwise they are classified as operating leases.

- *Finance Leases*

At the commencement of the lease term, the Company recognises an asset and a liability for the lower of the fair value of the leased asset and the current value of the minimum lease payments. The initial direct costs are included as increased value of the asset. The minimum payments are divided between the reduction of the outstanding liability and the financial burden. Financial expenses are recorded on the Income Statement using the effective interest rate method.

The accounting principles that are applied to the assets used by the Company under the signed lease agreements classified as finance leases are the same as those described in section (b). (Property, plant and equipment).

- *Operating leases*

Lease payments under an operating lease, net of any incentives received, are recognised as an expense on a straight-line basis over the lease term unless another systematic basis is more representative of the time pattern of the benefits from the lease.

(e) Financial instruments

(i) Recognition

The Company classifies financial instruments, when firstly recognised, as a financial asset, a financial liability or an equity instrument based on the economic value of the transaction and bearing in mind the definitions of financial asset, financial liability and equity instrument in the applicable financial reporting framework.

Recognition of a financial instrument takes place as soon as the Company becomes a liable party to said instrument, as its acquirer, holder or issuer.

(ii) Classification and separation of financial instruments

The Company classifies its financial assets based on the business model applied to them and the characteristics of the cash flows of the instrument.

The business model is determined by the Company's Management and shows how they jointly manage each group of financial assets to reach a specific business goal. The business model applied by the Company to each group of financial assets is the way it manages them in order to gain cash flows.

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When classifying the assets, the Company also takes into account the characteristics of the cash flows accrued by the assets. Specifically, it distinguishes between financial assets whose contractual conditions produce, on preset dates, cash flows that are solely payments of principal and interest on the amount of the principal amounts outstanding (hereinafter, assets that meet the SPPI criterion), and all other financial assets (hereinafter, assets that do not meet the SPPI criterion).

Specifically, the Company's financial assets are mainly classified under the following category:

- Financial assets at amortised cost

  These are financial assets to which the Company applies a business model that aims to earn cash flows from executing the contract, and the contractual conditions of the financial asset produce, on preset dates, cash flows that are solely payments of principal and interest, on the principal amounts outstanding, even if the asset is traded on an organised market, which means that they are assets that meet the SPPI criterion (financial assets whose contractual conditions produce, on preset dates, cash flows that are solely payments of principal and interest on the principal amounts outstanding).

  The Company considers that the contractual cash flows of a financial asset are solely payments of principal and interest on the principal amounts outstanding when they belong to an ordinary or normal loan, without prejudice to them being interest-free or having a below-market interest rate. The Company believes that the following do not meet said criterion and are therefore not classified under that category: financial assets that are convertible into the issuer's equity instruments, loans with reversal variable interest rates (i.e. a rate that has a reverse relation with the market interest rates); or those where the issuer can defer the payment of interest if such payment would affect its solvency, without the deferred interest accruing extra interest.

  When assessing whether the Company is applying a business model based on the collection of contractual cash flows to a group of financial assets or it is applying a different business model, it takes into account the calendar, the frequency and the value of current and past sales within said group of financial assets. The actual sales do not determine the business model. Therefore, they cannot be considered separately. For this reason, the existence of occasional sales within a same group of financial assets does not determine the change of business model for all other financial assets included in that group. To assess if said sales warrant a change of business model, the Company bears in mind the existing information on past and forecast sales for a same group of financial assets. The Company also takes into account the conditions at the time of the past sales and the current conditions when assessing the business model applied to a group of financial assets.

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This category generally includes loans for commercial and non-commercial operations:

- Loans for commercial operations: These are financial assets arising from the sale of goods or the rendering of services in the ordinary course of the Company's business due to a deferred payment.

- Loans for non-commercial operations: These are financial assets which, while not being of commercial origin, are not equity instruments or derivatives, have fixed or determinable payments and arise from loan or credit facilities granted by the Company.

These are initially recorded at the fair value of the consideration given plus the costs that are directly attributable to the transaction.

Nevertheless, loans for commercial operations with a maturity of no more than one year and which do not have a contractual interest rate are initially measured at their par value when the effect of not updating the cash flows is insignificant. In this case, they will continue to be measured for said amount, unless they have experienced an impairment loss.

After their initial recognition, they are measured at amortised cost. Accrued interest is recognised in the Income Statement.

Year-end, the Company makes the necessary value adjustments for impairment loss, as long as there is objective evidence that the value of a financial asset or group of financial assets with similar risk features when measured collectively, has suffered an impairment loss as a result of one or more events having occurred after their initial recognition and causing a reduction or delay in the collection of estimated future cash flows due to the debtor's insolvency.

Impairment losses are recorded based on the difference between its carrying amount and the current year-end value of forecast cash flows (including those from enforcing security and/or personal guarantees), discounted at the effective interest rate calculated at the time of their initial recognition. For financial assets at variable interest rate, the Company uses the effective interest rate which, according to the contractual conditions of the instrument, is to be applied at year-end. These adjustments are recognised in the Income Statement.

(iii) Retiring of financial assets

Financial assets are derecognised from the Balance Sheet as instructed in the Conceptual Accounting Framework of the Spanish Accounting System passed by Royal Decree 1514/2007 of 16 November, taking into account the economic reality of the transactions and not only the legal form of the transaction contracts. In particular, a financial asset is derecognised, partly or fully, when the contractual rights on the cash flows from the financial asset have expired or when they are transferred, provided the risks and benefits inherent to their ownership are also substantially transferred. The Company considers that the risks and benefits of ownership of a financial asset have been substantially transferred if its exposure to the variation of cash flows is no longer significant in relation to the total fluctuations in the current value of the future net cash flows linked to the financial asset (such as definitive sales of assets, assignments of commercial credit on factoring operations in which the company does not withhold any credit risk or interest, sales of financial assets with a buy-back clauses at their fair value, or securitisation of financial assets in which the transferor does not retain subordinated financing or grant any type of guarantee or take on any other type of risks).

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If the Company has not substantially transferred or retained the risks and benefits attached to the financial asset, it will be derecognised once the Company has lost its control over it. If the Company has retained control of the transferred asset, it will continue to recognise it for the amount for which the Company is exposed to the value fluctuations of the asset transferred, that is, for its continued involvement, and shall recognise an associated liability.

The difference between the consideration received net of any attributable transaction costs, considering any new assets obtained minus any liabilities assumed, and the carrying amount of the transferred financial asset, plus any accrued amount that has been recognised directly in the Equity, will determine the resulting gain or loss on the derecognition of that asset, and will be part of the profit or loss for the period in which it is generated.

The Company does not derecognise financial assets for assignments where the risks and benefits inherent to their ownership have been substantially retained, such as in discounting bills, factoring with recourse, sales of financial assets with buy-back clauses at a fixed price or at a selling price plus interest, and securitisation of financial assets where the Companies retain subordinate financing or another kind of guarantee that substantially absorbs all the expected losses. In these cases, the Companies recognise a financial liability for an amount equal to the consideration received.

(iv) Financial liabilities

A financial liability is recognised in the Balance Sheet when the Company becomes a liable party to the contract or legal business pursuant to its provisions. To be precise, the financial instruments issued are classified, partly or fully, as a financial liability when, in accordance with its economic reality, this entails a direct or indirect contractual liability, whereby the Company has to deliver cash or another financial asset or exchange financial assets or liabilities with third parties under unfavourable conditions.

Any contract that will or may be settled with the Company’s own equity instruments will also be classified as a financial liability, provided that:

- It is a non-derivative for which the Company is or may be obliged to deliver a variable number of its own equity instruments.

- In the case of a derivative that is unfavourable to the Company, it may be settled in a way other than by exchanging a fixed amount of cash or another financial asset for a fixed number of the Company’s own equity instruments. For this purpose, the Company’s own equity instruments do not include those which are contracts for the future receipt or delivery of its own equity instruments.

Furthermore, any rights, options or warrants that provide a fixed number of the Company’s equity instruments are recorded as equity instruments when the Company offers said rights, options or warrants proportionately to all its shareholders within the same class of equity instruments. However, if the instruments provide the holder the right to settle them in cash or by delivering equity instruments based on their fair value or at a fixed price, these are classified as financial liabilities.

In those cases where the Company does not transfer the risks and benefits attached to a financial asset, it recognises a financial liability for an amount equal to the consideration received.

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The categories used by the Company to classify financial liabilities are as follows:

(iv) Financial liabilities at amortised cost

The Company generally classifies the following financial liabilities under this category:

- Payables from commercial operations are financial liabilities arising from the purchase of goods and services in the ordinary course of business with deferred payment, and
- Payables from non-commercial operations are financial liabilities which, while not being equity instruments or derivatives, are not of commercial origin but originate from loan arrangements or credit facilities received by the Company.

Convertible loans whose characteristics are those of an ordinary or normal loan are also classified under this category.

Likewise, this category will also include any financial liabilities that do not meet the criteria to be classified as financial liabilities at fair value through the Income Statement.

Financial liabilities at amortised cost are initially measured at the fair value of the consideration received, adjusted by any costs directly attributed to the transaction.

Nevertheless, payables from commercial operations with a maturity of no more than one year and which do not have a contractual interest rate, as well as disbursements demanded by third parties on holdings, the amount of which is expected to be paid short term, can be initially measured at their nominal value if the effect of not updating the cash flows is insignificant.

Later, they will be measured at amortised cost using the effective interest rate. Those measured initially at their par value in accordance with the above will continue to be measured by said amount.

The Company derecognises a financial liability once the liability has ended. The Company also derecognises its own financial liabilities acquired (even if it intends to sell them in the future).

When debt instruments are exchanged with a lender, as long as these have substantially different conditions, the Company derecognises the original financial liability and recognises the new one. A substantial change to the current conditions of a financial liability is recorded in the same way.

The difference between the carrying amount of the financial liability or the part thereof that has been derecognised, and the consideration paid, including the attributable transaction costs, and which includes any asset assigned other than the cash amount or liability assumed, is recorded in the Income Statement of the financial year it takes place in.

(v) Derecognition and changes to financial liabilities

The Company derecognises a financial liability once the liability has ended. The Company also derecognises its own financial liabilities acquired (even if it intends to sell them in the future).

When debt instruments are exchanged with a lender, as long as these have substantially different conditions, the Company derecognises the original financial liability and recognises the new one. A substantial change to the current conditions of a financial liability is recorded in the same way.

The difference between the carrying amount of the financial liability or the part thereof that has been derecognised, and the consideration paid, including the attributable transaction costs, and which includes any asset assigned other than the cash amount or liability assumed, is recorded in the Income Statement of the financial year it takes place in.

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In the event of an exchange of instruments with no substantially different conditions, the original financial liability is not derecognised from the Balance Sheet, but the fees paid are recognised as an adjustment to its carrying amount. The new amortised cost of the financial liability is determined by applying the effective interest rate, which is the rate that makes the carrying amount of the financial liability on the date the conditions change equal to the payable cash flows according to the new conditions.

For these purposes, the contract conditions are considered as substantially different when the lender is the same as the one who granted the initial loan and the current value of the cash flows of the new financial liability, including net fees, is at least 10% different from the current value of the cash flows outstanding for the original financial liability, both updated at the effective interest rate of the original liability. Furthermore, the Company, in those cases where this difference is below 10%, also considers that the conditions of the new financial liability are substantially different when there is another type of substantial qualitative change to the liability, including: change of fixed interest rate to variable interest rate or vice versa, the restatement of the liability in another currency, an ordinary loan that becomes a convertible loan, etc.

(e) Equity instruments held by the Company

The Company's acquisition of equity instruments is recognised separately at acquisition cost in the Balance Sheet as a reduction in equity. No gain or loss is recognised in the Income Statement for transactions carried out with the Company's equity instruments.

Shares purchased by the Company are recognised at fair value, which, unless there is evidence to the contrary, is the transaction price, which is equivalent to the fair value of the consideration paid, and a reserve is created in accordance with applicable legislation.

The subsequent amortisation of the instruments will result in a decrease in share capital for the par value of those shares and positive or negative differences between the purchase price and the par value of the shares are debited or credited to reserve accounts.

Transaction costs related to equity instruments, including issue costs related to a business combination, are recorded

as a decrease in the reserves, after factoring in any tax effects.

(f) Inventories

(i) General

Goods, services and other assets included in Inventories are measured at cost, whether this is their acquisition or production cost.

The cost of commodities and other supplies, merchandise and conversion costs are assigned to the different inventory units by using the average weighted price method. Advances on account of inventories are measured at their cost.

The cost of inventories is adjusted when the cost exceeds the net realisable value. For these purposes, the net realisable value is taken to be:

- For commodities and other supplies, their replacement price. The Company does not recognise valuation adjustments where the finished products containing the commodities and other supplies are expected to be sold for a price equivalent to or higher than their production cost;

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- For merchandise and finished products, their estimated selling price minus the costs involved in selling them;

- For partly-finished products, the estimated selling price of the corresponding finished products, minus the costs estimated for completing their production and those related to their sale;

The previously recognised valuation adjustment is reversed against profit or loss if the circumstances that caused the write-down no longer exist or when there is clear evidence of an increase in the net realisable value because of a change in the economic circumstances. The reversal of the valuation adjustment is limited to the lower of the cost and the new net realisable value of the inventories.

Valuation adjustments and reversals due to impairment losses on inventories are recognised against the headings Changes in inventories of finished goods and work in progress and Supplies, depending on the type of inventories.

(g) Subsidies

Subsidies are recorded as income and expenses recognised in the Equity when they are officially granted and the conditions for their granting have been met, or there are no reasonable doubts that they will be received.

Subsidies awarded for purchasing an asset: if the terms of the award require maintaining the investment during a specific number of years, it will be considered as non-refundable if at year-end, the investment has been made and there are no reasonable doubts that it will be maintained for the period established in the terms of the award.

Subsidies of a monetary nature are measured for the fair value of the amount awarded and those of a non-monetary nature for the fair value of the asset received.

In subsequent years, subsidies and donations are taken to profit or loss depending on the use to which they will be put.

Capital subsidies are attributed to the year's profit/loss in proportion to the amortisation for the assets financed with them or, as appropriate, when they are sold, derecognised or subject to an impairment loss.

In the case of non-depreciable assets, the grant is taken to profit or loss for the year when they are disposed of, derecognised or a valuation adjustment for their impairment is made.

Grants that are granted to fund specific expenses are allocated to income in the year in which the expenses funded were incurred.

(h) Provisions

Liabilities which cannot be determined in terms of their amount or time of cancellation are recognised on the Balance Sheet as provisions when the Company has a current liability (for a legal or contractual provision or for an implicit or tacit liability) resulting from past events, which is likely to cause an outflow of resources when settled and which is quantifiable.

Provisions are measured as the current value of the best estimate possible of the amount required to settle the liability or transfer it to a third party, recording any adjustments that may arise from updating the provision as a financial expense when it accrues. Provisions are not discounted when they are due within twelve months and have no significant financial impact. Provisions are revised at year-end in the Balance Sheet and adjusted to reflect the best current estimate of the corresponding liability at the time.

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Amounts to be collected from a third party when settling the provisions are recognised as an asset without reducing the amount of the provision, as long as there are no doubts that the amount will indeed be repaid and without exceeding the sum of the liability recognised. When there is a legal or contractual link externalising the risk, whereby the Company is not accountable for it, the amount is subtracted from the provision.

Contingent liabilities are possible liabilities arising from past events whose future realisation depends on one or more future events which are not entirely under the Company's control and current liabilities resulting from past events which are unlikely to cause an outflow of resources when settled or which cannot be valued with sufficient reliability. These liabilities are not recognised in the books but are detailed in the Annual Report, except when the outflow of resources is remote.

(j) Expense recognition

Expenses are recognised on an accrual basis. In other words, when the actual flow of the related goods and services takes place, regardless of when the resulting monetary or financial flow arises.

Expenses are measured at the fair value of the consideration received, minus discounts and taxes.

(i) Revenue from the sale of goods

Revenue from the sale of goods mainly comes from the sale of "masterbatches" in their different formats and varieties of colours, additives and other compounds for the plastic processing industry.

To determine whether revenue should be recognised, the Company follows five steps:

1. Identify the contract with a client.
2. Identify the performance obligations.
3. Determine the price of the transaction.
4. Apportion the transaction price to the performance obligations.
5. Recognise revenue once the performance obligations are met.

In all cases, the total transaction price of a contract will be divided between the different performance obligations based on their relative separate sale prices. The transaction price for a contract excludes any amounts collected on behalf of third parties.

Ordinary revenues are recognised at a specific point in time, when the Company fulfils the performance obligations by delivering the promised goods or services to its customers.

The Company sells products under Incoterm rules. The Company recognises revenue when the Incoterm rule is met, as this is when the Company hands over the control of its products. The financial effect is not discounted from the global price of the transaction as the Directors consider that this is not significant.

(j) Corporation tax

The corporation tax expense or revenue for the year comprises current tax and deferred tax.

Current corporation tax assets or liabilities are measured at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantially enacted at year-end.

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Current or deferred corporation tax is recognised in the Income Statement, unless it arises from a transaction or economic event recognised in the same or another reporting period against equity or a business combination.

(i) Recognition of deferred tax liabilities

The Company recognises deferred tax liabilities in all cases except where they arise from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither accounting profit nor taxable income.

(ii) Recognition of deferred tax assets

The Company recognises deferred tax assets insofar as it is likely that there will be future taxable income to offset timing differences, or if tax legislation provides for the future conversion of tax assets into a receivable to be claimed from Public Entities.

(iii) Measurement of deferred tax assets and liabilities

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantially enacted, and after factoring in the consequences that would follow from the manner in which the Company expects to recover or settle the carrying amount of its assets or liabilities.

The Company only recognises deferred tax assets arising from offsettable tax losses to the extent that it is likely to obtain future taxable profit against which to offset them within a period of time not exceeding that provided by the applicable tax legislation, unless there is evidence that the recovery period is likely to be longer, if tax legislation allows them to be offset within a longer period of time or establishes no time limit for offsetting.

The Company recognises the conversion of a deferred tax asset into a receivable to be claimed from Public Entities when it is due for payment according to the provisions of the tax laws in force. In this regard, a deferred tax asset is derecognised with a debit entry under the deferred corporation tax expense and the receivable is recognised with a credit entry under the current corporation tax expense.

However, assets are not recognised if they arise from the initial recognition of an asset or liability in a transaction that is not a business combination and affect neither accounting nor taxable profit on the date of the transaction.

(iv) Measurement of deferred tax assets and liabilities.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantially enacted, and after factoring in the consequences that would follow from the manner in which the Company expects to recover or settle the carrying amount of its assets or liabilities.

(v) Offsetting and classification

The Company only offsets tax assets and liabilities if it has a legally enforceable right to offset the recognised amounts and intends either to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

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Deferred tax assets and liabilities are recognised in the balance sheet as non-current assets or liabilities, irrespective of the expected date of recovery or settlement.

(k) Classification of assets and liabilities as current and non-current

The Company presents the balance sheet classifying assets and liabilities as current and non-current. In this respect, current assets and liabilities are those which meet the following criteria:

- Assets are classified as current when they are expected to be realised or are intended for sale or consumption in the Company's normal operating cycle, they are held primarily for the purpose of trading or they are expected to be realised within twelve months of year-end.

- Liabilities are classified as current when they are expected to be settled in the Company's normal operating cycle, they are held primarily for the purpose of trading, they are due to be settled within twelve months after year-end or the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after year-end.

(I) Assets of an environmental nature

Expenses from decontamination and repairing contaminated areas, waste disposal and other expenses arising from complying with the environmental regulations are recorded as expenditure for the year in which they take place, unless they are for the cost of purchasing elements added to the Company's assets to be used over the long term. In this case, they are recognised under the heading "Property, plant and equipment" and depreciated with the same criteria.

(m) Related-party transactions

Transactions between related parties, except those connected to mergers, spin-offs and non-monetary business contributions, are recognised at the fair value of the consideration given or received. The difference between that value and the amount agreed is posted in accordance with the underlying economic substance.

(n) Cash-Flow Statement

The Cash-flow Statement has been drawn up using the indirect method with the following expressions and the meanings given below:

- Operating Activities: activities that make up the company's main source of ordinary income, as well as activities that cannot be classified as investment or financing activities.
- Investment Activities: activities comprising the purchase, sale or otherwise disposal of non-current assets and other investments not included under cash and cash equivalents.
- Financing Activities: activities that produce changes in the size and composition of equity and liabilities that are not operating activities.

(p) Transactions in foreign currency

The Company's operating currency and the reporting currency is the Euro.

Year-end, these transactions will be measured applying the closing exchange rate, understood as the average spot exchange rate for that date.

Exchange differences, whether positive or negative, arising from this process, as well as those arising from settling said equity elements, are recognised in the Income Statement for the year in which they take place.

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For monetary financial assets classified under the fair value through equity category, any exchange differences produced by the exchange rate fluctuations between the transaction date and the year-end date will be determined as if said assets were measured at amortised cost in the foreign currency, which means that the exchange differences will be those resulting from the variations in said amortised cost as a result of the exchange rate fluctuations, regardless of their fair value. Exchange differences calculated this way will be recognised in the Income Statement for the year when they arise, whereas all other variations in the carrying amount of these financial assets will be recognised directly in the Equity.

(q) Severance pay

In accordance with the current employment regulations, companies are obliged to compensate employees with severance pay when they have been laid off under certain circumstances.

A severance pay that can be fairly quantified is recorded as an expense in the year when the Company decides to lay off the employee, provided the party involved has been formally notified of this intention and therefore, has a valid expectation that the consolidated companies will end the employment contract.

(r) Equity

The share capital is made up of ordinary shares. The cost arising from issuing new shares or options is directly charged against the Equity, as fewer reserves.

Regarding the purchase of the Company's treasury shares, the consideration paid for said shares, including any incremental costs that are directly attributable to the purchase, is deducted from the Equity until cancelled, re-issued or disposed of. When these shares are sold or re-issued later on, any amounts received, minus the incremental cost that is directly attributable to the transaction, is added to the Equity.

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(5) Intangible Fixed Assets

The composition and changes in the accounts included under Intangible Fixed Assets were as follows:

	Euros			
30/06/2025	**Research & Development**	**Patents, licences, brands and similar**	**Computer software**	**Total**
Cost as at 01 January 2025	7,564,221	256,945	934,556	**8,755,723**
Additions	49,105	-	17,230	**66,335**
Additions generated internally	296,501	-	-	**296,501**
Cost as at 30/06/2025	**7,909,827**	**256,945**	**951,786**	**9,118,559**
Accrued amortisation as at 01 January 2025	(4,870,192)	(159,412)	(862,589)	**(5,892,193)**
Amortisation	(358,868)	(12,493)	(23,631)	**(394,992)**
Accrued amortisation as at 30/06/2025	(5,229,060)	(171,905)	(886,220)	**(6,287,186)**
Net carrying amount as at 30/06/2025	**2,680,767**	**85,040**	**65,566**	**2,831,373**

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30/06/2024	Euros			
	Research & Development	Patents, licences, brands and similar	Computer software	Total
Cost as at 01 January 2024	7,018,423	254,195	878,013	**8,150,631**
Additions	63,896	-	38,686	**102,582**
Additions generated internally	143,651	-	-	**143,651**
Cost as at 30 June 2024	**7,225,970**	**254,195**	**916,699**	**8,396,864**
Accrued amortisation as at 01 January 2024	(3,936,756)	(134,215)	(803,488)	**(4,874,459)**
Amortisation	(476,455)	(12,495)	(29,239)	**(518,189)**
Accrued amortisation as at 30 June 2024	**(4,413,211)**	**(146,710)**	**(832,727)**	**(5,392,648)**
Net carrying amount as at 30 June 2024	**2,812,759**	**107,485**	**83,972**	**3,004,216**

31/12/2024	Euros			
	Research & Development	Patents, licences, brands and similar	Computer software	Total
Cost as at 01 January 2024	7,018,423	254,195	878,013	**8,150,631**
Additions	130,998	2,750	56,543	**190,292**
Additions generated internally	414,801	-	-	**414,801**
Cost as at 31/12/2024	**7,564,222**	**256,945**	**934,556**	**8,755,723**
Accrued amortisation as at 01 January 2024	(3,936,756)	(134,215)	(803,488)	**(4,874,459)**
Amortisation	(933,436)	(25,197)	(59,101)	**(1,017,734)**
Accrued amortisation as at 31/12/2024	(4,870,192)	(159,412)	(862,589)	**(5,892,193)**
Net carrying amount as at 31/12/2024	**2,694,029**	**97,534**	**71,967**	**2,863,530**

(a) Research & Development

Capitalised R&D costs are recognised under the heading "Work carried out by the company for its assets" in the Income Statement. The item of R&D is reported on the Balance Sheet at cost, minus any accrued amortisation and impairment losses.

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In the period from January to June 2025 a total 345,606 euros were capitalised (207,547 euros in June 2024) in projects mostly related to developing biodegradable and compostable resins, and other biopolymers of renewable origin that can be processed using conventional extrusion lines. Additionally, it includes new internal developments focused on solutions to tackle the challenges in the recycling industry, promoting both quality and sustainability in a circular economy.

The Company has other projects in the pipeline supported by European programmes (Eurostars) and through international cooperation to achieve solutions for plastic cling film with encapsulated active substances that benefit the natural environment.

R&D projects are amortised on a straight-line basis with an estimated useful life of two to five years. For Research expenses, the Company amortises the project from the moment they are capitalised and Development expenses are amortised from the project termination date. Amortisation in the six-month period ending on 30 June 2025 amounted to 358,868 euros (476,455 euros on 30 June 2024).

As at 30 June 2025 and 2024 and 31 December 2024, the Company did not record any impairment loss, given that it considered it had met the requirements set forth in the accounting standard to estimate said impairment loss.

(b) Computer software

The balance of "Computer Software" mostly comes from costs related to the Company's IT infrastructures.

(c) Fully amortised assets

The cost of the fully amortised intangible assets still in use at 30 June 2025 and at 31 December 2024 is as follows:

	Euros	
	30/06/2025	31/12/2024
Patents, licences, brands and similar	3,608	3,608
Computer software	714,289	652,844
Research & Development	2,807,721	2,676,745
	3,525,618	**3,333,197**

There is no impairment loss on intangible fixed assets in either the period ended on 30 June 2025, or in the twelve-month period ended on 31 December 2024.

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(6) Property, plant and equipment

The composition and changes in the accounts included under Property, plant and equipment were as follows:

30/06/2025	Buildings	Technical plant and equipment	Other fixtures, fittings, tools and furnishings	Other fixed assets	Total
	Euros				
Cost as at 01 January 2025	372,999	37,925,012	7,293,908	574,855	**46,166,774**
Additions	-	213,553	144,297	4,674	**362,524**
Cost as at 30/06/2025	372,999	38,138,565	7,438,205	579,529	**46,529,298**
Accrued depreciation as at 01 January 2025	(189,599)	(23,713,993)	(3,658,429)	(524,944)	**(28,086,965)**
Depreciation	(6,949)	(545,240)	(156,398)	(11,797)	**(720,384)**
Accrued depreciation as at 30/06/2025	(196,548)	(24,259,233)	(3,814,827)	(536,741)	**(28,807,349)**
Net carrying amount as at 30/06/2025	**176,451**	**13,879,332**	**3,623,378**	**42,788**	**17,721,949**

30/06/2024	Buildings	Technical plant and equipment	Other fixtures, fittings, tools and furnishings	Other fixed assets	Total
Cost as at 01 January 2024	372,999	37,434,345	6,820,457	568,874	**45,196,675**
Additions	-	390,004	167,005	5,239	**562,248**
Cost as at 30 June 2024	**372,999**	**37,824,349**	**6,987,462**	**574,113**	**45,758,923**
Accrued depreciation as at 01 January 2024	(175,546)	(22,592,828)	(3,360,911)	(499,112)	**(26,628,397)**
Depreciation	(6,988)	(567,656)	(142,848)	(13,331)	**(730,823)**
Accrued depreciation as at 30 June 2024	**(182,534)**	**(23,160,484)**	**(3,503,759)**	**(512,443)**	**(27,359,220)**
Net carrying amount as at 30 June 2024	**190,465**	**14,663,865**	**3,483,703**	**61,670**	**18,399,703**

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	Euros				
31/12/2024	**Buildings**	**Technical plant and equipment**	**Other fixtures, fittings, tools and furnishings**	**Other fixed assets**	**Total**
Cost as at 01 January 2024	372,999	37,434,345	6,820,457	568,874	**45,196,675**
Additions	-	490,667	473,451	5,981	**970,099**
Cost as at 31/12/2024	372,999	37,925,012	7,293,908	574,855	**46,166,774**
Accrued depreciation as at 01 January 2024	(175,546)	(22,592,828)	(3,360,911)	(499,112)	**(26,628,397)**
Depreciation	(14,053)	(1,121,165)	(297,518)	(25,832)	**(1,458,568)**
Accrued depreciation as at 31/12/2024	(189,599)	(23,713,993)	(3,658,429)	(524,944)	**(28,086,965)**
Net carrying amount as at 31/12/2024	**183,400**	**14,211,019**	**3,635,479**	**49,911**	**18,079,809**

(a) General

During the six-month period ended on 30 June 2025, the most significant additions were made to the Technical facilities and machinery heading, which is an investment of 357,850 euros in this period, allocated to dosage silos, PLC control for material handling and transport systems. During the six-month period ended on 30 June 2024, the most significant additions were made to the Technical facilities and machinery heading, which is an investment of 390,004 euros in this period, allocated to cooling and dosage systems mainly.

At year-end 2024, the most significant additions were the cooling and dosage systems for a total of 490,667 euros and 473,704 euros respectively.

(b) Fully depreciated assets

The cost of the fully depreciated items of Property, plant and equipment still in use is as follows:

	Euros	
	30/06/2025	**31/12/2024**
Buildings	22,644	22,644
Technical plant and equipment	15,199,817	14,495,671
Other fixtures, fittings, tools and furnishings	1,680,327	1,402,249
Other fixed assets	755,057	738,650
	17,657,845	**16,659,214**

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(c) Impairment loss

There is no impairment of the value of property, plant and equipment in either the six-month period ending on 30 June 2025, or in the twelve month period ending on 31 December 2024.

(d) Insurance

The Company has taken out several insurance policies to cover the risks to which its property, plant and equipment are exposed. These policies amply cover the entire net carrying amount of the Company's assets.

(e) Assets under financial leasing

As at 30 June 2025 and 31 December 2024, the Company has agreements in place for various financial leasing operations on its property, plant and equipment (see notes 7 and 16).

(f) Other

As at 30 June 2025 and 2024, according to the clauses in the financing agreement acquired and described in note 16 of the annual report, machinery was pledged as security for a mortgage loan.

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(7) Finance leases - Lessee

The Company has the following classes of assets under finance lease agreements:

	Euros	
	Machinery	Total
Initially recognised at:		
Fair value	3,415,048	**3,415,048**
Accrued depreciation	(386,804)	**(386,804)**
Net carrying amount as at 31/12/2024	3,028,244	**3,028,244**
Initially recognised at:		
Fair value	3,415,048	**3,415,048**
Accrued depreciation	(473,883)	**(473,883)**
Net carrying amount as at 30/06/2025	**2,941,165**	**2,941,165**

No contingent payments for finance leases have been recognised as an expense in either the six-month period ended on 30 June 2025 or in 2024.

The reconciliation between the amount of the future minimum lease payments and the current value is as follows:

	Euros	
	30/06/2025	31/12/2024
Future minimum payments	1,965,731	2,295,473
Purchase option	137,666	137,666
Unaccrued financial expenses	(221,172)	(289,156)
Present Value	**1,882,226**	**2,143,983**

There is no impairment loss on assets subject to a financial lease agreement for the six-month period ended on 30 June 2025 or at the close of 2024.

The breakdown of the minimum payments and present value of finance lease liabilities broken down per maturity period is as follows:

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	Euros			
	30/06/2025		31/12/2024	
	Minimum payments	Present Value	Minimum payments	Present Value
Up to one year	684,947	580,577	674,519	553,125
From one to five years	1,418,451	1,301,649	1,758,619	1,590,857
	2,103,398	1,882,226	2,433,138	2,143,982
Minus current portion	(684,947)	(580,577)	(674,519)	(553,125)
Non-current total	**1,418,451**	**1,301,649**	**1,758,619**	**1,590,857**

(8) Operating leases - Lessee

Below is a description of the most relevant lease agreements:

- Lease of a series of industrial warehouses, owned by a related party, where the Company engages in its business, located in Palau Solità i Plegamans (Barcelona), with a total surface area of 10,602.72 m2. This agreement was signed on 18 March 2015 for a 15-year term, of which 10 years must be necessarily completed. It may be extended until 31 March 2035 if the lessee wishes so.

- Lease of an industrial building and offices owned by a related party located in Palau-Solità i Plegamans (Barcelona), with a total surface area of 8,643 m2. This lease agreement was signed on 30 September 2014 for a 15-year term, of which 10 years must be necessarily completed. It may be extended until 30 September 2034 if the lessee wishes so.

The amount of payments under operating leases recognised as expenses is as follows:

	Euros	
	30/06/2025	31/12/2024
Lease expenses	**736,188**	**1,476,019**

The future minimum payments under non-cancellable operating leases, which are mainly for the industrial warehouses in Palau- Solità i Plegamans (Barcelona), within the mandatory period, are as follows:

	Euros	
	30/06/2025	31/12/2024
Up to one year	1,148,323	1,144,716
From one to five years	4,593,292	4,578,863
Over five years	5,334,115	5,789,727
	11,075,730	**11,603,306**

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(9) Risk Control and Management Policy

(a) Financial risk factors

The Company's activities are exposed to various financial risks: market risk (including foreign exchange risk, fair value interest rate risk and price risk), credit risk, liquidity risk and cash flow interest rate risk. The Company's overall risk management programme focuses on the uncertainty of the financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

The Company's risk management policies are designed to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and compliance with limits. Risk management policies and procedures are regularly reviewed to reflect changes in market conditions and the Company's activities. The Company, through its management standards and procedures, seeks to implement an atmosphere of strict, constructive control where all employees understand their functions and duties.

The Audit Committee oversees how the management monitors compliance with risk management policies and procedures and reviews whether the risk management policy is appropriately tailored to the risks faced by the Company.

The main risks faced by the Company are as follows:

(i) Exchange rate risk

The Company operates on an international level and is therefore exposed to the exchange rate risk in currency operations.

Foreign exchange risk arises when future commercial transactions, recognised assets and liabilities are stated in a currency that is not the Company's operating currency. The Treasury Department is responsible for managing the net position in each foreign currency.

(ii) Credit Risk

Credit risk is the risk of financial loss if a client or counterparty to a financial instrument fails to meet its contractual obligations, and arises primarily from trade receivables and investments in debt instruments.

The Company has taken out trade credit insurance to insure sales of products to customers with an adequate credit history and previously authorised by the insurers. These credit insurance policies, where appropriate, provide 90% coverage both domestically and internationally, and therefore cover almost all the risk.

The Company does not have significant concentrations of credit risk.

In addition, the Company has contracted non-recourse factoring products with certain financial entities, which considerably reduces credit risk.

(iii) Liquidity risk

"Liquidity risk" is the risk that the Company will encounter difficulties in meeting the obligations linked to its financial liabilities that are settled in cash or other financial assets. When managing liquidity, the Company's objective is to ensure, to the greatest extent possible, that it has sufficient liquidity to meet its liabilities when due, without risking non-payment or damage to the Company's reputation.

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The Company uses available analytical information to calculate the cost of its products and services, which helps when reviewing the Company's cash requirements and optimising the return on its investments.

The classification of financial liabilities by category is shown in Annex II. Also, the classification of financial liabilities by maturity is shown in Annex III.

(iv) Interest rate risk in cash flows and fair value

As the Company does not have any relevant interest-bearing assets, income and cash flows from operating activities are not significantly affected by fluctuations in market interest rates. The Company's interest rate risk arises from non-current leveraged funds. Leveraged funds issued at variable interest rates expose the Company to the cash flow interest rate risk. Fixed interest rate loans expose the Company to fair value interest rate risk. Most of the debt taken on by the Company bears a fixed rate interest rate (see the breakdown in note 16)

(10) Financial Assets by Category

(a) Financial assets sorted by categories

The classification of financial assets into categories and classes is as follows:

	Credits, derivatives and other		Total	
In Euros	**30/06/2025**	**31/12/2024**	**30/06/2025**	**31/12/2024**
Non-current financial assets				
Financial assets at amortised cost (Note 11)	253,702	146,524	253,702	146,524
NON-CURRENT TOTAL	**253,702**	**146,524**	**253,702**	**146,524**
Current financial assets				
Financial assets at amortised cost (Note 11)	2,692,660	1,481,733	2,692,660	1,481,733
CURRENT TOTAL	2,692,660	1,481,733	2,692,660	1,481,733
TOTAL	**2,946,660**	**1,628,257**	**2,946,660**	**1,628,257**

The fair value of financial assets does not differ significantly from their carrying amount.

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(b) Net profit/(loss) by category

The net profit/(loss) produced by each category of financial assets was:

	30/06/2025		31/12/2024	
	Financial assets at amortised cost	Total	Financial assets at amortised cost	Total
Currency exchange differences	(68,326)	(68,326)	(10,474)	(10,474)
Net profit/(loss) recorded in the Income Statement	(68,326)	(68,326)	(10,474)	(10,474)

(11) Investments and Trade Receivables

(a) Financial Investments

The breakdown of financial investments is as follows:

	Euros			
	30/06/2025		31/12/2024	
	Non-current	Current	Non-current	Current
Deposits and bonds	253,702	-	146,524	-
Other financial assets	-	863,057	-	791,051
Total	**253,702**	**863,057**	**146,524**	**791,051**

The Company has deposits mainly related to the lease agreements for the premises where it operates (see note 8). The variation shown compared to the previous period is from the adjustment of such deposits based on the current rent. The heading Other short-term financial assets includes part of the credits given as security for factoring balances that become due in under 90 days.

(b) Trade and other accounts receivable

The breakdown of Trade and other accounts receivables is as follows:

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	Euros	
	30/06/2025	31/12/2024
	Current	Current
Related		
Customers (note 20)	390,722	157,202
Non-related		
Customers	1,438,881	533,480
Total	**1,829,603**	**690,682**

(c) Classification by maturity

The classification of financial liabilities by maturity is shown in Annex I.

(12) Inventories

(a) General

The breakdown for Inventories is as follows:

	Euros	
	30/06/2025	31/12/2024
Commodities and other supplies	3,296,250	3,463,657
Impairment loss on commodities and other purchases	(69,368)	(69,368)
Finished products	3,075,821	3,784,073
Impairment loss on finished products	(107,866)	(107,866)
	6,194,837	**7,070,496**

(b) Insurance

The Company has taken out various insurance policies that are enough to cover the risks related to inventories.

(13) Shareholders' Equity

The composition and changes in Equity are shown in the Statement of Changes in Equity.

(a) Share Capital

On 4 April 2019 the Universal and Extraordinary General Meeting of Shareholders approved a capital decrease of 10,131.50 euros, by reducing the par value of each of the 202,630 shares by 0.50 euros per share. The share capital was therefore established at 6,078,900 euros, each share having a par value of 30.00 euros.

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Once that capital decrease was approved, on that same date, the Meeting decided to approve an operation to reduce the par value of the shares from 1 to 50, which meant that the par value dropped from 30.00 euros per share to a new par value of 0.60 euros per share.

As a result of this decision, the share capital was established as 10,131,500 shares each with a par value of 0.60 euros, numbered consecutively from 1 to 10,131,500, both inclusive.

On 24 July 2019 the Universal and Extraordinary General Meeting of Shareholders decided to increase the Company capital by 4,999,774 euros, with 1,214,520 euros relating to share capital and 3,785,254 relating to share premium, by creating 2,024,200 new company shares, each with a par value of 0.60 euros, all belonging to a single class and series, which were fully subscribed and paid up. The subscription price of each new share was 2.47 euros.

As a result of this last capital increase, the share capital was 7,293,420 euros, divided into 12,155,700 shares with a par value of 0.60 euros each, numbered consecutively from 1 to 12,155,700.

On 12 August 2019, the Company listed all its shares on BME Growth, the Spanish securities market for growing SMEs.

Furthermore, on 19 July 2021, the Company listed all its shares on the Euronext Paris securities market.

The companies having a direct or indirect shareholding in the Company's share capital with a percentage of 10% or more are as follows (percentages calculated without taking treasury shares into account):

Company	30/06/2025 Shareholding (%)	31/12/2024 Shareholding (%)
CCP Masterbatch, S.L.	32.58%	32.58%
CCI, S.P.R.L.	32.03%	32.03%
	64.61%	**64.61%**

The Spanish Capital Companies Law specifically allows using the balance of the share premium for a capital increase and does not establish any specific restrictions on using said amount other than that described in note 3 herein.

(b) Reserves

(i) Legal reserve

The legal reserve was funded in accordance with article 274 of the Recast Text of the Spanish Capital Companies Law, which states that in all cases a sum equivalent to 10% of the year's profit will be set aside for that purpose until the reserve reaches at least 20% of the share capital.

This may not be distributed and if it is used to offset losses, in the absence of other reserves available for that purpose, then it must be topped up with future profits.

As at 30 June 2025 and 31 December 2024, the Company had not reached the minimum limit established for this reserve by the Recast Text of the Spanish Capital Companies Law.

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(ii) Treasury shares

As at 30 June 2025, the Company has 229,594 treasury shares (195,904 on 31 December 2024) deposited in the liquidity account for an amount of 301,410 euros (272,878 euros on 31 December 2024).

Over the six-month period ended on 30 June 2025, the Company bought and sold treasury shares for 29,150 and 618 euros respectively. During this period, the Company has not launched any special operations for the purchase or sale of treasury sales. In 2024, the Company bought and sold treasury sales for 155,193 and 203,789 euros respectively.

The changes in the treasury share portfolio during the period from 01 January to 30 June 2025 were as follows:

		Euros	
	Number	Par value	Average buying price
Balance as at 31.12.2024	195,904	117,284	272,878
Acquisitions	34,202	20,521	29,150
Disposals	(521)	(307)	(618)
Balance as at 30.06.2025	**229,594**	**137,756**	**301,410**

		Euros	
	Number	Par value	Average buying price
Balance as at 31.12.2023	244,500	146,443	309,062
Acquisitions	155,193	93,116	127,403
Disposals	(203,789)	(122,273)	(163,587)
Balance as at 31.12.2024	**195,904**	**117,286**	**272,878**

(iii) Voluntary Reserves

The voluntary reserves are freely available. However, they are subject to the limitations described in note 3 herein.

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(14) Subsidies

The net changes in deferred tax of non-refundable government subsidies received are as follows:

	Euros	
	30/06/2025	31/12/2024
Opening balance	346,039	336,439
Subsidies awarded during the year	306	87,204
Transfers to the Income Statement	(35,357)	(77,604)
Closing Balance	**310,988**	**346,039**

The breakdown of the amounts recognised in the Income Statement by type of subsidy is as follows:

Euros	
30/06/2025	30/06/2024
47,143	**46,375**

Subsidies are for the R&D projects (see note 5) for which public subsidies were requested, mainly through the schemes offered by the Centre for Industrial Technological Development (CDTI).

The projects in which the Company is involved are aimed at developing biodegradable and compostable resins, and other biopolymers of renewable origin that can be processed using conventional extrusion lines, achieving solutions for plastic cling film with encapsulated active substances that benefit the natural environment or projects based on circular economy, among others.

(15) Financial Liabilities by Category

(a) Classification of financial liabilities by category

The carrying amount of each financial instrument category established by the "Financial instruments" measuring and reporting standard is as follows:

	Payables to credit entities		Derivatives and other		Total	
In Euros	30/06/2025	31/12/2024	30/06/2025	31/12/2024	30/06/2025	31/12/2024
Non-current financial liabilities						
Financial liabilities at amortised cost	2,291,309	3,123,709	3,850,918	4,229,183	6,142,227	7,352,892
Total	**2,291,309**	**3,123,709**	**3,850,918**	**4,229,183**	**6,142,227**	**7,352,892**
Current financial liabilities						
Short-term financial liabilities at amortised cost	3,958,616	4,478,443	8,850,853	6,988,697	12,809,469	11,467,140
Total	3,958,616	**4,478,443**	8,850,853	**6,988,697**	**12,809,469**	**11,467,140**
	6,249,925	**7,602,152**	**12,701,771**	**11,217,880**	**18,951,696**	**18,820,032**

The classification of financial liabilities by category is shown in Annex II.

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The fair value of financial liabilities does not differ significantly from their carrying amount.

(b) Net profit/(loss) by financial liability category

	30/06/2025		31/12/2024	
In Euros	**Financial liabilities at amortised cost**	**Total**	**Financial liabilities at amortised cost**	**Total**
Financial expenses applying the amortised cost method	(695,823)	(695,823)	(1,433,247)	(1,433,247)
Currency exchange differences	74,021	71,021	5,743	5,743
Net profit/(loss) recorded in the Income Statement	**(621,802)**	**(621,802)**	**(1,427,504)**	**(1,427,504)**

(16) Financial debts and trade creditors

(a) Debts

The breakdown of debts is as follows:

	Euros			
	30/06/2025		31/12/2024	
	Non-current	Current	Non-current	Current
Non-related				
Payables to credit entities	989,660	3,378,039	1,532,852	3,925,318
Finance lease payables	1,301,649	580,577	1,590,857	553,125
Other financial liabilities	3,850,918	789,005	4,229,183	779,582
Total	**6,142,227**	**4,747,621**	**7,352,892**	**5,258,025**

Payables to credit entities

The heading Payables to credit entities includes a syndicated loan formalised by the Company on 07 March 2019 for a total 10,000,000 euros, distributed in two tranches: the first (A) of 4,000,000 euros, arranged as a seven-year loan with quarterly repayments and a six-month grace period. The second one (B), of 6,000,000 euros, as a committed credit line for three years, plus the possibility of two further yearly extensions, in the form of short-term drawdowns. This syndicated financing is linked to the achievement of certain financial ratios at year-end (leverage of debt servicing and the maximum CAPEX; considering for the latter that there is no limit to the CAPEX for the amount of a possible injection of capital or funding given by the shareholders). In addition, the possibility of distributing dividends is linked to the achievement of financial ratios and may not exceed 50% of the net profit for the year, charged to the year when the distribution is made. The required ratios must be met to renew the B tranche and continue with the A tranche. The achievement of those ratios is on a yearly basis. The outstanding balance as at 30 June 2025 is 555,000 euros (925,000 euros on 31 December 2024), which matures on 09 March 2026.

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This heading also includes loans formalised in 2020 and backed by the Spanish Official Credit Institute's COVID-19 Loan Programme, which amounted to 1,865,041 euros on 30 June 2025 (2,486,377 euros on 31 December 2024). In 2021, their terms were extended to 8 years. The average interest rate of these loans is 2.37%.

Finance lease payables

Finance lease creditors relate to long-term financing operations linked to investments in property, plant and equipment, mainly machinery (see note 7). On 15 November 2022, the Company executed a finance lease on machinery with Alternative Fill SAM for 1.000.000 euros as a Sale & Leaseback agreement that matures on 31 May 2029. This agreement is subject to a fixed market interest rate. The outstanding balance as at 30 June 2025 is 610,161 euros (679,728 euros on 31 December 2024). All other finance lease agreements have interest rates that range from 1.25% to 2.75%. In 2024, two new finance lease transactions were signed for 436,675 euros and 149,214 euros and they both apply the market interest rate (Note 8). The outstanding balance as at 30 June 2025 is 332,344 euros and 138,233 euros respectively (368,132 euros and 146.677 euros on 31 December 2024). There were no new transactions in 2025.

Other financial liabilities

Other financial liabilities include the loan agreement entered into with Santander Asset Management Fill for 5,000,000 euros, which matures on 31 May 2028, in order to make an early repayment of the debt acquired with ALTERALIA S.C.A, SICAR, and also help fund the Company's growth. The amount of funding drawn down and outstanding at the time of the early repayment was 3,015,166 euros. This loan is subject to a fixed market interest rate. As at 30 June 2025, the outstanding balance is 3,355,271 euros (3,636,285 euros on 31 December 2024).

Furthermore, the sub-section of other financial liabilities includes the loans granted by the Centre for Industrial Technological Development (CDTI), mainly associated with the R&D projects (see note 5). The outstanding balance as at 30 June 2025 is 1,221,573 euros (1,320,457 euros on 31 December 2024).

(b) Other information on payables

(i) Main features of the payables

The Company has the following credit facilities and discount lines at 30 June 2025 and 31 December 2024:

	Euros			
	30/06/2025		**31/12/2024**	
	Drawn down	**Limit**	**Drawn down**	**Limit**
Discount lines				
National discount	144,742	400,000	135,276	720,000
Advances on Exports/Imports	1,802,916	2,300,000	1,953,891	2,600,000
Confirming	-	-	-	200,000
	1,947,658	**2,700,000**	**2,089,167**	**3,520,000**

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The amount drawn down from the different discount lines, advances on invoices, confirming, advances on imports and exports stands at 1,947,658 euros as at 30 June 2025 (2,089,167 euros at 31 December 2024). The €6m B tranche under the syndicated loan matured on 09 March 2024. The Company has adjusted its idle limits given the lack of use and has entered into new financing products to optimise the use of working capital and be free of certain conditions.

(c) Trade and other payables

The breakdown of Trade and other payables is as follows:

	Euros	
	30/06/2025	31/12/2024
	Current	Current
Related		
Suppliers (note 20)	404,224	650,780
Non-related		
Suppliers	4,448,772	3,181,827
Creditors	2,529,962	2,061,126
Personnel	537,233	315,382
Total	**7,920,191**	**6,209,115**

(d) Classification by maturity

The classification of financial liabilities by maturity is shown in Annex III.

The fair value of financial liabilities does not differ significantly from their carrying amount.

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(17) Information on the days payable outstanding. Third additional provision. "Reporting duty" under Spanish Law 15/2010 of 5 July.

	30/06/2025	31/12/2024
(Days)		
Days payable outstanding	51	54
Paid transactions ratio	53	53
Outstanding transactions ratio	44	56
(€000)		
Total payments made	25,214	43,950
Total outstanding payments	7,638	6,019
Monetary sum of invoices paid before the time limit established in the regulations on defaults	13,755	24,226
Percentage of payments made before said time limit out of the total payments made.	55%	55%
(Number of invoices)	**3,640**	**6,131**
Invoices paid before the time limit established in the regulations on defaults	1,073	2,158
Percentage out of the invoiced total	**29%**	**35%**

(18) Tax situation

The breakdown of balances with the Public Entities is as follows:

	Euros			
	30/06/2025		31/12/2024	
	Non-current	Current	Non-current	Current
Assets				
Deferred tax assets	1,326,859	-	1,369,574	-
Value Added Tax and similar taxes	-	774,546	-	452,035
	1,326,859	**774,546**	**1,369,574**	**452,035**
Liabilities				
Deferred tax liabilities	181,592	-	194,895	-
Social Security	-	81,324	-	77,306
Withholdings	-	48,973		82,377
	181,592	**130,297**	**194,895**	**159,684**

As set forth in the current tax laws, the Company may be subject to tax inspections for any taxes applicable to the Company for the four years leading up to the latest filing year.

(a) Corporation tax

Corporation Tax is calculated on the basis of accounting profit or loss, which does not necessarily coincide with the taxable profit or loss, this being understood as the taxable base.

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The reconciliation between the net amount of revenue and expenses in the financial year and the tax base is itemised in Annex IV.

The relationship between the corporation tax expense/(income) and the profit / (loss) for the year is detailed in Annex V.

The breakdown of the corporation tax expense/(revenue) on the Income Statement is as follows:

	Euros	
	30/06/2025	31/12/2024
Deferred tax		
Origin and reversal of timing differences	(47,362)	65,005
Capitalisation/offsetting of tax credits	6,267	(17,883)
	(41,905)	47,121

The breakdown of deferred tax assets and liabilities by type of assets and liabilities on 30 June 2025 and 31 December 2024 is as follows:

	Euros			
	Assets		Liabilities	
	30/06/2025	31/12/2024	30/06/2025	31/12/2024
Deductible timing differences				
Property, plant and equipment	46,896	46,896	95,372	96,992
Subsidies	-	-	86,220	97,903
Provisions	13,551	13,551	-	-
Remuneration	50,216	23,154	-	-
Low inventory turnover	16,337	16,337	-	-
Financial expenses	189,433	265,337	-	-
Reversals previous years	(22,144)	(22,144)	-	-
Losses available for carryforward	988,522	982,255	-	-
Deductions and allowances	44,049	44,049	-	-
Total assets/liabilities	**1,326,859**	**1,369,574**	**181,592**	**194,895**

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The Company has deductions which have not been capitalised, the amounts and reversal periods of which are as follows:

Year	Euros 30/06/2025	Euros 31/12/2024	Final year
2006	-	-	2021/2022
2007	-	-	2022/2023
2008	-	-	2023/2024
2009	84	84	2024/2025
2010	4,310	4,310	2025/2026
2011	308	308	2026/2027
2012	8,609	8,609	2026/2027
2013	2,303	2,303	2027/2028
2014	9,792	9,792	2032/2033
2015	23,717	23,717	2032/2033
2016	107,933	107,933	2033/2034
2017	155,607	155,607	2035/2036
2018	188,137	188,137	2036/2037
2019	354,273	354,273	2037/2038
2020	261,252	261,252	2038/2039
2021	218,542	218,542	2039/2040
2022	4,686	4,686	2040/2041
2023	-	-	-
2024	-	-	-
2025	-	-	-
	1,339,551	**1,339,551**	

The Company also has capitalised deductions on account of a reversal of temporary measures (Transitional Provision 37.1 of the Spanish Corporation Tax Law) amounting to 44,048 euros in 2025 and 2024.

The breakdown of the negative tax bases accredited by the Company as at 30 June 2025 and 31 December 2024 are as follows:

Year	Euros 30/06/2025	Euros 31/12/2024
2015	53,555	53,555
2019	25,783	25,783
2020	1,759,563	1,759,563
2021	947,305	947,305
2022	946,127	946,127
2023	236,953	236,953
2024	-	-
2025	25,067	-
	4,012,236	**3,969,286**

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As set out in the accounting policies, the Company only recognises the deferred tax assets on the Balance Sheet if they can be recovered in a reasonable period of time, also taking into consideration the legally defined limitations on their application. To be specific, the requirements under the regulatory framework for financial reporting applicable for recognising a tax credit are as follows:

- The Company is likely to earn sufficient future taxable profit to be able to use those tax credits.
- The earning of sufficient future taxable profit will be considered as unlikely when:

    - The future recovery is expected to take more than ten years from year-end, regardless of the nature of the tax credit.
    - It is unlikely that the requirements established under tax regulations for their recovery will be met at the time when they are expected to be recovered.

To verify the recoverability of the unused tax credits, the Company draws up a business plan with the necessary adjustments to determine the future taxable profit against which those tax credits can be offset. Furthermore, the Company considers the limitations on offsetting tax losses established by law. The Company also assess the existence of deferred tax liabilities to be used to offset those tax losses in the future.

When drawing up business plans, the Company considers the financial and macroeconomic circumstances that match its operating environment. Parameters such as expected growth, use of installed production capacity, prices, etc., are planned considering forecasts, and also historical data and the targets set by the Management.

(19) Environmental Information

Given the Company's business, it has no responsibilities, expenses, assets or provisions or contingencies of an environmental nature that could have any relevance with respect to its equity, financial position and results. For this reason, no specific disclosures relating to environmental issues are included in this report.

At present there are no contingencies of an environmental nature that could arise for the Company, and if there were any, it is covered by a specific environmental insurance which, amongst other contingencies, covers those arising from this fact.

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(20) Related-Party Balances and Transactions

(a) Balances with related parties

The breakdown of balances by category is as follows:

	Euros	
30/06/2025	**Other related parties**	**Total**
Trade and other accounts receivable		
Short-term client related parties (note 11)	390,722	**390,722**
Total current assets	390,722	**390,722**
Total Assets	390,722	**390,722**
Trade and other accounts payable		
Supplier related parties (note 16)	404,224	**404,224**
Total current liabilities	404,224	**404,224**
Total liabilities	404,224	**404,224**

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31/12/2024	Euros	
	Other related parties	Total
Trade and other accounts receivable		
Short-term client related parties (note 11)	157,202	157,202
Total current assets	157,202	157,202
Total Assets	157,202	157,202
Trade and other accounts payable		
Supplier related parties (note 16)	650,780	650,780
Total current liabilities	650,780	650,780
Total liabilities	650,780	650,780

(b) Transactions between the Company and related parties

The amounts of the Company's transactions with related parties are as follows:

30/06/2025	Euros	
	Other related parties	Total
Income		
Net sales		
Sales	323,390	**323,390**
Total income	323,390	**323,390**
Expenses		
Net purchases		
Purchases	(5,891,525)	**(5,891,525)**
Operating lease expenses	(592,373)	**(592,373)**
Other services received	(104,846)	**(104,846)**
Total Expenses	(6,588,744)	**(6,588,744)**

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30/06/2024	Euros	
	Other related parties	Total
Income		
Net sales		
Sales	209,922	**209,922**
Total income	**209,922**	**209,922**
Expenses		
Net purchases		
Purchases	(4,102,342)	**(4,102,342)**
Operating lease expenses	(577,930)	**(577,930)**
Other services received	(60,000)	**(60,000)**
Total Expenses	**(4,740,272)**	**(4,740,272)**

As at 30 June 2025 and 31 December 2024 for the purposes of this information, the following are considered other related parties:

- Advance Color Systems S.L.
- Ferlevel S.L.
- Sotal Premium S.L.
- CCP Masterbatch, S.L
- Corporation Chimique International , S.P.R.L
- Eastern Chemicals, S.L.
- Sonoma Chemicals, S.L.
- Atrani Advisory, S.L.
- SRL North Chem

(c) Information on the Company's Directors and Senior Management

The remuneration of the Members of the Board of Directors for the six-month period ended on 30 June 2025 was 70,000 euros for the Directors' membership (70,000 euros on 30 June 2024).

During the six-month period ended on 30 June 2025 the Company paid insurance premiums to cover the Directors' civil liability resulting from potential damages caused by their acts or omissions in the course of their duties, for a total 25,847 euros (27,037 euros in 2024), and they remain in force on 30 June 2025.

Moreover, the Company has pension and life insurance liabilities with the current Company Directors amounting to 8,766 euros (5,371 euros on 30 June 2024).

During the six-month period ending on 30 June 2025, no advances or loans had been granted to the Company's Directors (on 30 June 2024, this amount was 30,840 euros).

On 30 June 2025, the remuneration accrued by the Company's Senior Management was 73,704 euros as wages and salaries (78,333 on 30 June 2024 and 176,052 on 31 December 2024).

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(b) Transactions other than usual business or under terms differing from market conditions carried out by the Directors and Senior Executives of the Company.

During the six-month period ended on 30 June 2025 and in 2024, the Directors and Senior Executives did not carry out operations that fall outside the usual business or in conditions other than those prevailing in the market.

(e) Conflicts of interest involving the Directors

The Company's Directors and persons related to them have not been involved in any conflicts of interest that should be reported under the provisions of art. 229 of the Recast Text of the Spanish Capital Companies Law.

(21) Income and Expenses

(a) Business turnover

The breakdown of the business turnover per business category and geographical market is shown in Annex VI.

(b) Supplies

The breakdown of the consumption of commodities and other supplies is as follows:

	Euros	
	30/06/2025	30/06/2024
Consumption of commodities and other consumables		
Purchases	(17,264,896)	(15,081,605)
Discounts and refunds on purchases	27,393	2,637
Changes in inventories	(215,610)	878,028
	(17,453,113)	**(14,200,940)**

(c) Employee benefits expense

The breakdown of the employee benefits expense is as follows:

	Euros	
	30/06/2025	30/06/2024
Employee benefits expense		
Social Security payable by the Company	(394,063)	(358,903)
Other employee benefit expenses	-	(440)
	(394,063)	**(359,343)**

The Wages and salaries item in the Income Statement includes 17,222 euros for severance packages (78,353 euros in 2024).

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(22) Employee Information

The Company's average headcount in the six-month periods ended on 30 June 2025 and 2024, sorted by category, is as follows:

	Number	
	30/06/2025	30/06/2024
Senior Management	1	1
Technical staff and middle management	11	10
Marketing and sales staff, and similar	8	8
Administrative and other staff	47	51
	67	**70**

The distribution by gender of the Company's employees and Directors on 30 June 2025 and on 31 December 2024 is as follows:

	Number			
	30/06/2025		31/12/2024	
	Women	Men	Women	Men
Directors	3	6	3	6
Technical staff and middle management	4	7	3	7
Marketing and sales staff, and similar	4	2	4	4
Administrative and other staff	4	45	5	47
	15	**60**	**15**	**64**

As at 30 June 2025 and 31 December 2024 the Company had no workers recruited with a disability of 33% or more.

(23) Audit Fees

The fees corresponding to the services rendered by the auditing firm Ernst & Young S.L. for the Interim Financial Statements in June 2025 and 2024, regardless of when they are invoiced, are as follows:

	Euros	
	30/06/2025	30/06/2024
For other audit-related services	20,100	19,700
	20,100	**19,700**

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(24) Subsequent Events

On the date of these Interim Financial Statements for the six-month period ending on 30 June 2025, there are no subsequent events that reveal circumstances that already existed on such date and, under the measuring and reporting standard, would have entailed an adjustment to the figures shown in the documents that make up these interim financial statements, or that would influence the going concern principle.

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PLÁSTICOS COMPUESTOS, S.A.

Classification of financial assets by maturity
for the six-month period ending on 30 June 2025

	Euros			
30/06/2025	**2025**	**Subsequent years**	**Minus current portion**	**Non-current total**
Financial investments				
Deposits and bonds	-	253,702	-	253,702
Other financial assets	863,057	-	(863,057)	-
Trade and other accounts receivable				
Debtors - sales and services	1,438,881	-	(1,438,881)	-
Client related parties (note 20)	390,245	-	(390,245)	-
Personnel	-	-	-	-
Receivables from Public Entities	774,546	-	(774,546)	-
Total	**3,467,206**	**253,702**	**(3,467,206)**	**253,702**

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This annex is an integral part of note 11 of the Interim Financial Statements, to be read together.

PLÁSTICOS COMPUESTOS, S.A.

**Classification of financial assets by maturity
for the year ended 31 December 2024**

	Euros			
2024	**2024**	**Subsequent years**	**Minus current portion**	**Non-current total**
Financial investments				
Deposits and bonds	-	146,524	-	146,524
Other financial assets	791,051	-	(791,051)	-
Trade and other accounts receivable				
Receivables from sales and services	533,480	-	(533,480)	-
Client related parties (note 20)	157,202	-	(157,202)	-
Personnel	-	-	-	-
Receivables from Public Entities	452,035	-	(452,035)	-
Total	**1,933,768**	**146,524**	**(1,933,768)**	**146,524**

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PLÁSTICOS COMPUESTOS, S.A.

Financial Liabilities by Category
for the six-month period ending on 30 June 2025

	Euros			
	Non-current		Current	
30/06/2025	Carrying amount	Total	Carrying amount	Total
Debits and payables				
Payables to credit entities	989,660	989,660	3,378,039	3,378,039
Finance lease payables	1,301,649	1,301,649	580,577	580,577
Other financial liabilities	3,850,918	3,850,918	789,005	789,005
Trade and other accounts payable				
Suppliers	-	-	4,852,996	4,852,996
Other accounts payable	-	-	3,067,196	3,067,196
Other payables to Public Entities	-	-	130,297	130,297
Customer advances	-	-	141,656	141,656
Total financial liabilities	**6,142,227**	**6,142,227**	**12,939,766**	**12,939,766**

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This annex is an integral part of note 15 of the Interim Financial Statements, to be read together.

PLÁSTICOS COMPUESTOS, S.A.

Financial Liabilities by Category
for the year ended 31 December 2024

2024	**Euros** Non-current At amortised cost or at cost Carrying amount	Non-current At amortised cost or at cost Total	Current At amortised cost or at cost Carrying amount	Current At amortised cost or at cost Total
Debits and payables				
Payables to credit entities	1,532,852	1,532,852	3,925,318	3,925,318
Finance lease payables	1,590,857	1,590,857	553,125	553,125
Other financial liabilities	4,229,183	4,229,183	779,582	779,582
Trade and other accounts payable				
Suppliers	-	-	3,832,607	3,832,607
Other accounts payable	-	-	2,376,508	2,376,508
Other payables to Public Entities			159,684	159,684
Customer advances	-	-	160,660	160,660
Total financial liabilities	**7,352,892**	**7,352,892**	**11,787,484**	**11,787,484**

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This annex is an integral part of note 15 of the Interim Financial Statements, to be read together.

PLÁSTICOS COMPUESTOS, S.A.

Classification of Financial Liabilities by Maturity Date
for the six-month period ending on 30 June 2025 and subsequent periods

	Euros						
	2025						
30/06/2025	**2026**	**2027**	**2028**	**2029**	**Subsequent years**	**Minus current portion**	**Non-current total**
Payables							
Payables to credit entities	3,378,039	519,145	467,453	3,062	-	(3,378,039)	989,660
Finance lease payables	580,577	582,408	451,157	227,041	41,042	(580,577)	1,301,649
Other financial liabilities	789,005	822,677	2.3256.983	158,068	513,188	(789,005)	3,850,918
Trade and other accounts payable							
Suppliers	4,852,996	-	-	-	-	(4,852,996)	-
Sundry accounts payable	2,529,962	-	-	-	-	(2,529,962)	-
Personnel	537,233	-	-	-	-	(537,233)	-
Customer advances	141,656	-	-	-	-	(141,656)	-
Total financial liabilities	**12,809,469**	**1,924,230**	**3,275,594**	**388,171**	**554,231**	**(12,809,469)**	**6,142,227**

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PLÁSTICOS COMPUESTOS, S.A.

Classification of Financial Liabilities by Maturity Date
for the years ended 31 December 2024 and after

	Euros							
	2024							
31/12/2024	**2025**	**2026**	**2027**	**2028**	**2029**	**Subsequent years**	**Minus current portion**	**Non-current total**
Payables								
Payables to credit entities	3,925,318	804,199	521,987	206,666	-	-	(3,925,318)	1,532,852
Finance lease payables	553,125	565,421	602,904	294,933	91,826	35,773	(553,125)	1,590,857
Other financial liabilities	779,582	786,525	843,796	2,078,056	162,268	358,538	(779,582)	4,229,183
Trade and other accounts payable								
Suppliers	3,832,607	-	-	-	-	-	(3,832,607)	-
Sundry accounts payable	2,061,126	-	-	-	-	-	(2,061,126)	-
Personnel	315,382	-	-	-	-	-	(315,382)	-
Customer advances	160,661	-	-	-	-	-	(160,661)	-
Total financial liabilities	**11,627,801**	**2,156,145**	**1,968,687**	**2,579,655**	**254,094**	**394,311**	**(11,627,801)**	**7,352,892**
					-	-		

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PLÁSTICOS COMPUESTOS, S.A.

Reconciliation between net amount of income and expenses for the year and the tax base for the six-month period ending on 30 June 2025

	Income Statement			Recognised income and expenses			
30/06/2025	**Increases**	**Decreases**	**Net**	**Increases**	**Decreases**	**Net**	**Total**
Balance of income and expenses for the year	-	-	123,286	-	-	47,143	170,429
Corporation tax	-	-	(41,095)	-	-	11,786	(29,309)
Profit/(Loss) before tax	-	-	164,381	-	-	35,357	199,738
Permanent differences	-	-	-	-	-	-	-
Timing differences	114,728	(304,177)	(189,449)	-	35,357	(35,357)	(224,806)
Taxable base (taxable profit/(loss))							**(25,068)**

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PLÁSTICOS COMPUESTOS, S.A.

Reconciliation between net amount of income and expenses for the year and the tax base

for the six-month period ending on 30 June 2024

30/06/2024	**Income Statement**			**Recognised income and expenses**			
	Increases	**Decreases**	**Net**	**Increases**	**Decreases**	**Net**	**Total**
Balance of income and expenses for the year	-	-	28,680	-	-	46,735	75,415
Corporation tax	-	-	(12,003)	-	-	11,684	(319)
Profit/(Loss) before tax	-	-	40,683	-	-	35,051	75,734
Permanent differences	7,331	-	7,331	-	-	-	7,331
Timing differences							
originating in previous years	251,600	(329,684)	(78,084)	-	(35,051)	(35,051)	(113,135)
Taxable base (taxable profit/(loss))							**(30,070)**

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This annex is an integral part of note 18 of the Interim Financial Statements, to be read together.

PLÁSTICOS COMPUESTOS, S.A.

Relation between corporation tax expense/(revenue) and profit/(loss)

for the six-month period ending on 30 June 2025

30/06/2025

	Euros		
	Income Statement	**Recognised income and expenses**	**Total**
Balance of income and expenses before tax for the year	164,381	408	164,789
Tax at 25%	41,095	102	41,197
Non-deductible expenses			
Total corporation tax expense/(revenue) For ongoing operations	**41,095**	**102**	**41,197**

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PLÁSTICOS COMPUESTOS, S.A.

Relation between corporation tax expense/(revenue) and profit/(loss)

for the six-month period ending on 30 June 2024

30/06/2024

	Euros		
	Income Statement	**Recognised income and expenses**	**Total**
Balance of income and expenses before tax for the year	40,683	-	40,683
Tax at 25%	10,171	-	10,171
Non-deductible expenses	1,833	-	1,833
Total corporation tax expense/(revenue) For ongoing operations	**12,003**	**-**	**12,003**

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PLÁSTICOS COMPUESTOS, S.A.

Breakdown of the business turnover by business category and geographical markets for the six-month periods ending on 30 June 2025 and 30 June 2024.

(Stated in Euros)

	National		Rest of Europe		Other Exports		Total	
	30/06/2025	30/06/2024	30/06/2025	30/06/2024	30/06/2025	30/06/2024	30/06/2025	30/06/2024
Revenue from the sale of goods	10,590,663	10,362,165	14,296,410	10,603,319	2,006,438	2,133,960	26,893,511	23,099,444
Total	**10,590,663**	**10,362,165**	**14,296,410**	**10,603,319**	**2,006,438**	**2,133,960**	**26,893,511**	**23,099,444**

	Traditional		Specialities		Others		Total	
	30/06/2025	30/06/2024	30/06/2025	30/06/2024	30/06/2025	30/06/2024	30/06/2025	30/06/2024
Revenue from the sale of goods	19,403,970	16,379,513	7,443,004	6,517,850	46,537	202,081	26,893,511	23,099,444
Total	**19,403,970**	**16,379,513**	**7,443,004**	**6,517,850**	**46,537**	**202,081**	**26,893,511**	**23,099,444**

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This annex is an integral part of note 21 of the Interim Financial Statements, to be read together.

PLÁSTICOS COMPUESTOS, S.A.

Directors' Report

for the six-month period ending on 30 June 2025

In the six-month period ended 30 June 2025, Plásticos Compuestos, S.A. posted a net turnover of 26,893,511 euros, which translates into a 16% increase year-over-year (23,099,444 euros in 2024), accompanied by a 26% rise in sales (tons).

The profit for the period was 123,286 euros, far higher than the 28,680 euros reported in the first half of 2024.

The Company continues to develop an active strategy to increase its sales across its product range, with special focus on its specialities, i.e. its products with a greater added value. By 30 June 2025, these specialities already made up 28% of the total sales, consolidating a sustained upward trend and reflecting the success of the commercial and positioning strategy implemented in the last few years.

As for investment, during the first half of 2025, a total of 345,606 euros was invested in R&D activities compared to 207,547 euros year-over-year and 545,799 euros for all of 2024. These investments are largely focused on speeding up the completion of strategic projects that began in previous years and to boost new in-house developments focused on solutions to tackle the challenges in the recycling industry, thus promoting quality and sustainability in a circular economy.

As for investments in fixed assets, the most relevant acquisitions during the first half of the year are under the Technical facilities and machinery heading, with a disbursement of 357,850 euros for dosage silos, PLC systems to control material handling and improvements to transport systems. In this first half of 2024, investments under this heading amounted to 390,004 euros, mostly aimed at cooling and dosage systems.

The distribution of dividends is linked to complying with the ratios established for the Company's payables.

The days payable outstanding ratio is 51 days (54 days in 2024).

The Company is affected by different external factors related to the socio-economic environment in which it carries out its business, mainly effects resulting from fluctuations that might arise in commodities and especially those produced from oil. Those factors associated to its business are considered from a two-fold perspective as generators of risk and of opportunities.

The Company's Management structure and organisation has been conceived to ensure the existence of the control mechanisms required to assess, monitor and counteract those risks.

RISK CONTROL AND MANAGEMENT POLICY

(a) Financial risk factors

The Company's activities are exposed to various financial risks: market risk (including foreign exchange risk, fair value interest rate risk and price risk), credit risk, liquidity risk and cash flow interest rate risk. The Company's overall risk management programme focuses on the uncertainty of the financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

The Company's risk management policies are designed to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and compliance with limits. Risk management policies and procedures are regularly reviewed to reflect changes in market conditions and the Company's activities. The Company, through its management standards and procedures, seeks to implement an atmosphere of strict, constructive control in which all employees understand their functions and obligations.

The Audit Committee oversees how the management monitors compliance with risk management policies and procedures and reviews whether the risk management policy is appropriately tailored to the risks faced by the Company.

The main risks faced by the Company are as follows:

(i) Exchange rate risk

The Company operates on an international level and is therefore exposed to the exchange rate risk in currency operations.

Foreign exchange risk arises when future commercial transactions, recognised assets and liabilities are stated in a currency that is not the Company's operating currency. The Treasury Department is responsible for managing the net position in each foreign currency.

(ii) Credit risk

Credit risk is the risk of financial loss if a client or counterparty to a financial instrument fails to meet its contractual obligations, and arises primarily from trade receivables and investments in debt instruments.

The Company has taken out trade credit insurance to insure the sale of products to customers with an adequate credit history and previously authorised by the insurers. These credit insurance policies, where appropriate, provide 90% coverage both domestically and internationally, and therefore cover almost all the risk.

The Company does not have significant concentrations of credit risk.

In addition, the Company has contracted non-recourse factoring products with certain financial entities, which considerably reduces credit risk.

(iii) Liquidity risk

"Liquidity risk" is the risk that the Company will encounter difficulties in meeting the obligations linked to its financial liabilities that are settled in cash or other financial assets. When managing liquidity, the Company's objective is to ensure, to the greatest extent possible, that it has sufficient liquidity to meet its liabilities when due, without risking non-payment or damage to the Company's reputation.

The Company uses available analytical information to calculate the cost of its products and services, which helps when reviewing the Company's cash requirements and optimising the return on its investments.

The classification of financial liabilities by category is shown in Annex II. Also, the classification of financial liabilities by maturity is shown in Annex III.

(iv) Interest rate risk in cash flows and fair value

As the Company does not have any relevant interest-bearing assets, income and cash flows from operating activities are not significantly affected by fluctuations in market interest rates. The Company's interest rate risk arises from non-current leveraged funds. Leveraged funds issued at variable interest rates expose the Company to the cash flow interest rate risk. Fixed interest rate loans expose the Company to fair value interest rate risk. Most of the debt taken on by the Company bears a fixed rate interest rate (see the breakdown in note 16)

(b) Environmental factors

Given the Company's business, it has no responsibilities, expenses, assets or provisions or contingencies of an environmental nature that could have any relevance with respect to its equity, financial position and results.

At present there are no contingencies of an environmental nature that could arise for the Company, and if there were any, it is covered by a specific environmental insurance which, amongst other contingencies, covers those arising from this fact.

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(c) Subsequent events

On the date of these Interim Financial Statements for the six-month period ending on 30 June 2025, there are no subsequent events that reveal circumstances that already existed on such date and, under the measuring and reporting standard, would have entailed an adjustment to the figures shown in the documents that make up these interim financial statements, or that would influence the going concern principle.

(d) Average workforce

The Company's average workforce in the first half of 2025 was 67 persons (70 in 2024).

(e) Treasury shares

As at 30 June 2025, the Company has 229,594 treasury shares (195,904 on 31 December 2024) deposited in the liquidity account for an amount of 301,410 euros (272,878 euros on 31 December 2024).

Over the six-month period ended on 30 June 2025, the Company bought and sold treasury shares for 229,150 and 618 euros respectively. In 2024, the Company bought and sold treasury sales for 155,193 and 203,789 euros respectively.

During this period, the Company has not launched any special operations for the purchase or sale of treasury sales.

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PLÁSTICOS COMPUESTOS, S.A.

Preparation of the Financial Statements for the six-month period ending on 30 June 2025

At the Board meeting of Sociedad Plásticos Compuestos, S.A. held on 30 July 2025, pursuant to the requirements under Article 253.2 of the Consolidated Text of the Spanish Corporations Act and Article 37 of the Commercial Code, the Directors formalised and approved the Interim Financial Statements and the Interim Director's Report for the period from 01 January 2025 to 30 June 2025. The Interim Financial Statements comprise the foregoing documents.

Signed by:

[Illegible signature]	[Illegible signature]	[Illegible signature]
CORPORATION CHIMIQUE INTERNATIONAL S.P.R.L. represented by Ignacio Duch Tuesta, Chairman of the Board of Directors of PLÁSTICOS COMPUESTOS, S.A.	CCP MASTERBATCH, S.L. represented by Pablo Duch, Director of PLÁSTICOS COMPUESTOS, S.A.	Mr Albert de la Riva, Director of PLÁSTICOS COMPUESTOS S.A.
[Illegible signature]	[Illegible signature]	[Illegible signature]
Ms Clara Duch Tuesta, Director of PLÁSTICOS COMPUESTOS, S.A.	Ms Sandra Duch Balust, Director of PLÁSTICOS COMPUESTOS, S.A	Mr Guillem Ferrer Sistach, Director of PLÁSTICOS COMPUESTOS S.A.
[Illegible signature]	[Illegible signature]	[Illegible signature]
GESTIÓN Y ADMINISTRACIÓN MOBILIARIA, S.A., represented by Mr LLuís Clusella, Director of PLÁSTICOS COMPUESTOS, S.A.	GANT FINANCE, S.A., represented by Mr Juan Ramón Díaz Canto, Director of PLÁSTICOS COMPUESTOS, S.A.	Ms Nuria Matellán Martín, Director of PLÁSTICOS COMPUESTOS, S.A.

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I, SARA JANE CALLEJO PATERSON, SWORN TRANSLATOR-INTERPRETER OF ENGLISH, WITH NUMBER 3912, DULY APPOINTED BY THE SPANISH MINISTRY OF FOREIGN AFFAIRS, CERTIFY THAT THE FOREGOING TEXT IS A TRUE AND COMPLETE TRANSLATION INTO ENGLISH OF A DOCUMENT WRITTEN IN SPANISH.

YO, SARA JANE CALLEJO PATERSON, TRADUCTORA-INTÉRPRETE JURADA DE INGLÉS, CON NÚMERO 3912, NOMBRADA POR EL MINISTERIO DE ASUNTOS EXTERIORES, UNIÓN EUROPEA Y COOPERACIÓN, CERTIFICO QUE LA QUE ANTECEDE ES TRADUCCIÓN FIEL Y COMPLETA AL INGLÉS DE UN DOCUMENTO REDACTADO EN ESPAÑOL.

MADRID 10/08/2025
SIGNED/FIRMADO: SARA JANE CALLEJO PATERSON

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