



## **Ercros launches its 3D Plan (2021-2025) Diversification, Digitalisation, Decarbonisation**

- **The strategy that 3D Plan defines is based on three dimensions: Diversification, Digitalisation, and Decarbonisation.**
  
- **The strategy consists of transforming Ercros into a sustainable company over time. Sustainable due to the diversification of its productive structure, which will allow it to cushion the cyclical volatility of the chemical sector. Sustainable by the digital transformation and automation of its processes, which will make it more competitive. And sustainable due to the adaptation of its environmental performances to the official European and Spanish requirements to stop climate change.**
  
- **These three dimensions respond to three fundamental challenges:**
  - **Diversification: Decisive in terms of gaining stability throughout the economic cycle.**
  - **Digitalisation: Today, the only long-lasting way to make a substantial leap with regard to modernisation and increasing productivity.**
  - **Decarbonisation: An inescapable obligation for any environmentally responsible chemical company committed to halting climate change.**
  
- **El 3D Plan defines 20 projects. In the period 2021-2025 will invest EUR 69 million that, in accumulated terms, will add a further EUR 63 million to our ebitda.**
  
- **The scope of some of these digitalisation projects, given the management and organisational changes involved, and other decarbonisation projects, given the time horizon of their objectives, will transcend this period, and extend up to 2029. For the period 2026-2029, Ercros is expecting to invest an additional EUR 23 million because of the 3D Plan, which will have an additional impact on**

**ebitda, on top of the impact generated by the projects from the first period, creating EUR 131 million in accumulated terms.**

- **The total estimated figures for the extended period of 2021-2029 are, therefore, as follows: accumulated investment, EUR 92 million; and additional accumulated ebitda, EUR 194 million.**
- **The plan will be financed with resources generated internally. Any European public funding and other sources of finance secured will accelerate the process.**
- **The premise is that the execution of this plan should neither jeopardise the financial solvency of the company (the maximum annual capex is set at EUR 30 million) nor shareholder remuneration.**

### **General and financial aspects**

Ercros has approved its new investment plan, the 3D Plan, which defines the strategic actions the company will roll out during the period 2021-2025. The strategy that the 3D Plan defines is based on three dimensions: Diversification, Digitalisation, and Decarbonisation, and it encompasses 20 major projects.

The 3D Plan entails an investment of EUR 69 million and is expected to make an additional contribution to ebitda of EUR 63 million.

Although the time horizon for this plan is five years, the scope of several digitalisation and decarbonisation plans transcends this period and extends up to 2029. For the period 2026-2029, because of the 3D Plan, the company expects to invest EUR 23 million, achieving an additional contribution to ebitda of EUR 131 million.

The total figures for the extended period of 2021-2029 are, therefore, as follows: accumulated investment, EUR 92 million; and additional accumulated ebitda, EUR 194 million.<sup>1</sup>

The company plans to finance this plan with resources generated internally. Any public funding secured from the European Recovery Fund or any other sources of finance will allow us to accelerate the investment process and undertake some of the actions scheduled for the period 2026-2029 earlier than planned.

The 3D Plan will be rolled out at a pace that allows us to meet the goals set by the EU agenda and maintain a maximum annual capex of EUR 30 million (net of funding). The general premise is that the execution of this plan should neither jeopardise the financial solvency of the company nor shareholder remuneration.

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<sup>1</sup> The investment time frame and accumulated Ebitda, along with the corresponding graphs, are set out in the Annex to this release.

This current plan is a successor to the 2016-2020 ACT Plan, the ~~regarding~~ Adaptation to Technological Change Plan, which modernised Ercros' productive structure and incorporated major improvements in terms of energy efficiency.

### **Diversification**

The aim of the diversification dimension is to control and, if possible, reduce Ercros' strong cyclical dependence on the chlor-alkali process. The four projects included in this dimension are geared towards enhancing the intermediate chemical and pharmaceutical divisions, along with the water purification segment that, although it belongs to the chlorine derivatives division, is not tied to the chlor-alkali process.

These projects are highly profitable; they involve activities that are well known to Ercros (highly acceptable level of risk); and they manufacture products in markets with a supply deficit.

### **Digitalisation**

The purpose of the digitalisation dimension is to make Ercros more competitive by reducing operating costs, increasing production and sales, and strengthening customer loyalty.

The eleven products included in this dimension will allow the firm to improve its management capacity for production, commercial, logistical, and administrative processes through automated data management.

The projects are geared towards improving the company's value chain, focusing particularly on the maintenance, logistics, production, and information systems departments.

### **Decarbonisation**

The purpose of the decarbonisation dimension is to intensify Ercros's existing efforts to mitigate climate change and adapt to the new regulatory framework governing industrial activity.

This dimension includes five major projects in the following areas: energy efficiency, adaptation to climate change, maximisation of hydrogen use, circular economy, and sustainability mobility. They affect all the company's businesses and the logistics department.

Ercros hopes that, upon completion of the 3D Plan, in 2025, the direct CO<sub>2</sub> emissions generated by its activity will be cut by 39% regarding the current figures.

Barcelona, 28 January 2021



## ANNEX

### FIGURES FOR THE 3D PLAN

EUR million

	2021-2025	2026-2029	2021-2029
	(1)	(2)	(3)=(1)+(2)
<b>Accumulated investment</b>	<b>69</b>	<b>23</b>	<b>92</b>
<b>Additional accumulated ebitda</b>	<b>63</b>	<b>131</b>	<b>194</b>

