The Ercros annual general meeting approves the new shareholder remuneration policy

Antonio Zabalza, president of Ercros, highlighted today, during the annual general meeting, which was held remotely due to the current health crisis, the company's strong industrial and financial position.

As part of the annual meeting with shareholders, all the items in the agenda proposed by the board of directors were approved, including: approval of the annual statements; the non-financial information statement; the amendment of the company articles of association, the amendment of the annual general meeting regulations; the ratification of the shareholder remuneration policy; the re-election of the external auditor; and the re-election of Carme Moragues Josa as independent director.

The president of Ercros, Antonio Zabalza, started his speech to the meeting by referring to the covid-19 health crisis, briefly summarising the company's current situation and in particular its foreseeable progress in the first half of 2021 and until the end of the year.

According to Zabalza, the global assessment of Ercros's progress in this first half of 2021 was good, which makes it likely the 2021 will be clearly better than last year. Zabalza expects an adjusted ebitda of EUR 42.5 million for the first half of 2021, a 63.7% increase with respect to that for the same period in 2020. However, he called for prudence due to the potential risks that might arise in the next six months, which might lead to a higher level of uncertainty in the second half of 2021. He specifically referred to the rise in electricity prices, the global persistence of the pandemic, and the rise in the prices of raw materials, among others.

From among the proposals for resolutions submitted to the meeting, the 2020 annual statements were approved, as well as the inclusion and modification of various articles of association to adapt their contents to the legislation in force and the regulations of the board of directors, which were recently modified in accordance with the 2020 Good Governance Code for listed companies. Of these modifications, the president highlighted the incorporation of the possibility of holding the annual general meeting remotely only and the requirement for directors to be natural persons.

The shareholders' meeting also approved the shareholder remuneration policy by which the Company will remunerate shareholders with a maximum payout (dividend plus share repurchase for redemption) equal to 50% of the profits for financial years 2021, 2011, 2023, and 2024. This remuneration will be conditions upon the Company's earning a minimum profit of EUR 10 million, and for the following ratios to be met at the end of the year to which the remuneration pertains: net financial debt/ordinary ebitda lower than or equal to 2; and net financial debt/own funds lower than or equal to 0.5. In his speech, the president also referred to the approval by the board of directors, in its meeting held yesterday, of the sixth programme for own share repurchase for redemption, which will be in force from July 1, 2021 to June 22, 2022, with a maximum amount of EUR 15 million.

The independent director Carme Moragues Josa was also re-elected, with the number of members of the board being maintained at six.

The annual general meeting did not approve any of the five items of the agenda proposed through a request for a supplement to the meeting.

Finally, Zabalza ended his speech by stating that Ercros has gone through the covid-19 pandemic with no disruption to its industrial activity, ensuring company workers' health, and making progress in environmental, sustainability, and governance terms.

The president trusts that in 2021 Ercros will consolidate its improvements in efficiency and profitability, meeting the sustainability, decarbonisation, digitalisation, and diversification goals taken on as part of the 3D Plan presented at the start of the year.

The meeting was attended by 6,298 shareholders, the owners of 68,802,140 shares, representing 68.14% of the capital.

Barcelona, June 11, 2021