ERCROS RESULTS NOTE
FIRST QUARTER 2025
(13-05-2025)

Ercros reports EUR 12 million loss in the first quarter of 2025

- **In the first quarter of 2025, Ercros posted a contribution of EUR 53 million, an adjusted ebitda of EUR 0.3 million, and a loss of EUR 12 million.**

- **These results are the consequence of persistently weak demand, higher energy costs, and strong international competition. The current tariff war launched by the US is not helping to improve European economic activity, as evidenced by the downward revision of the growth rate for 2025 recently forecast by the IMF. High energy prices, meanwhile, continue to compromise Europe's competitiveness compared to the US and Asia.**

- **Ercros maintains a solid financial position, with EUR 92 million in liquidity.**

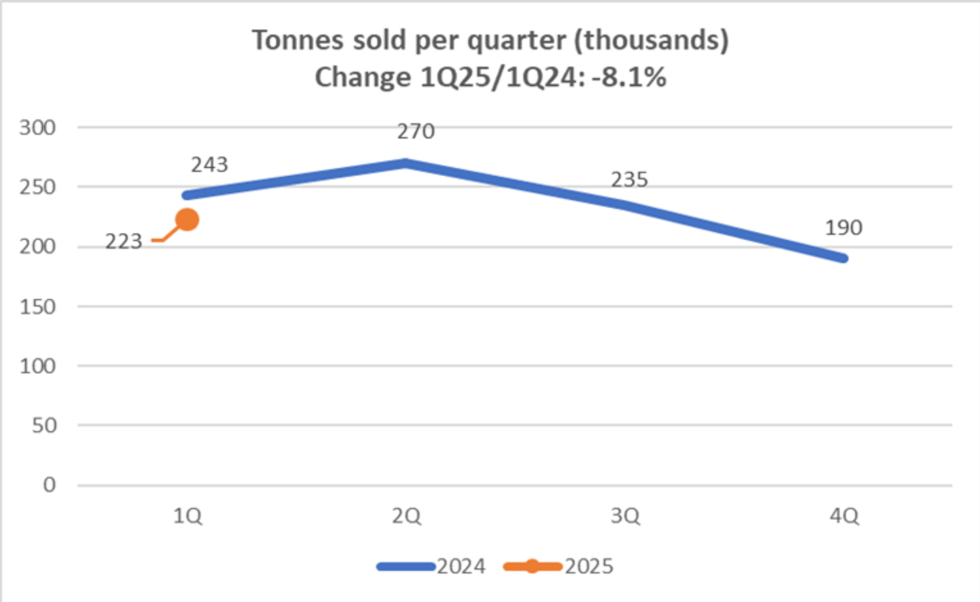
- **The takeover bids for Ercros by Bondalti Ibérica, S.L.U. and Esseco Industrial, S.P.A. are ongoing.**

- **The general consensus among specialized publications predicts a gradual recovery in demand from the European chemical industry starting in 2026, albeit subject to a reasonable resolution of the current tariff crisis.**

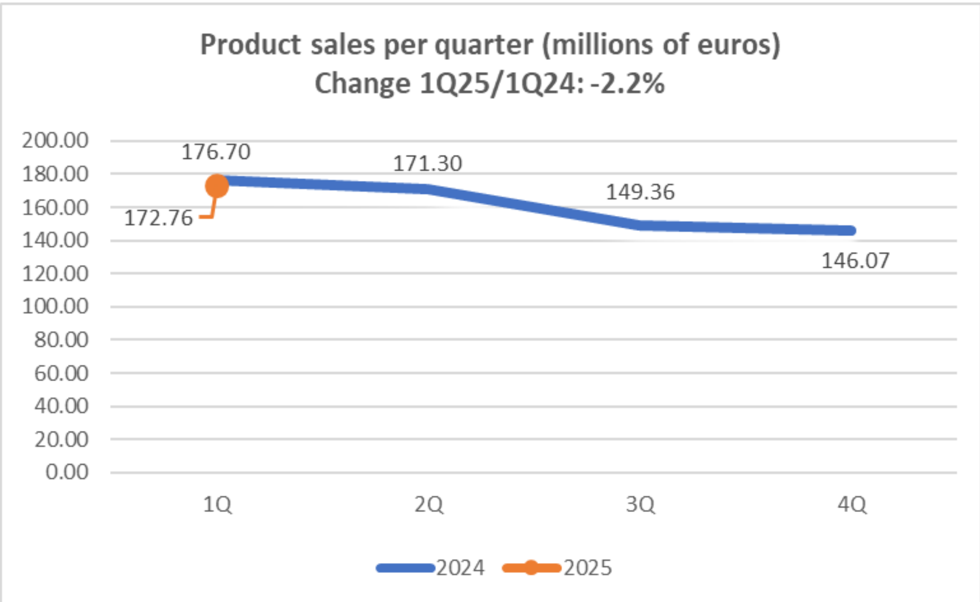
- **In any case, Ercros will continue implementing the 3D Plan to advance the digitalization of its operations, the decarbonization of its activities, and the diversification and expansion of its product portfolio. It will also maintain its presence in the markets in which it operates and take advantage of opportunities to defend its margins.**

A. KEY FACTS FROM THE FIRST QUARTER OF 2025

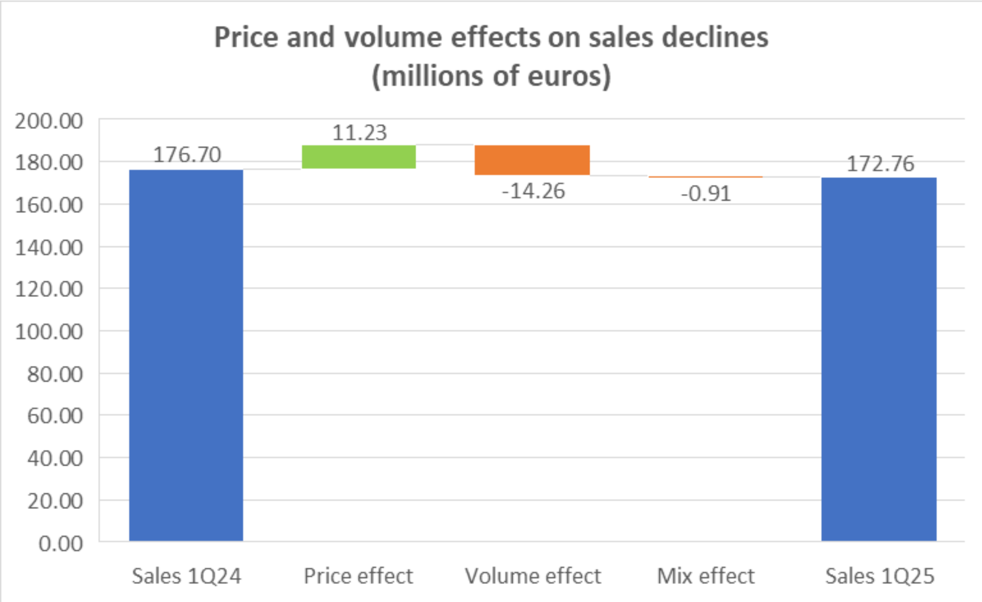
1. In the first quarter of 2025 (1Q25), Ercros sold 223 thousand tonnes of products, a figure lower than the 243 thousand tonnes sold in the same period of 2024 (1Q24): a decrease of 8.1%.



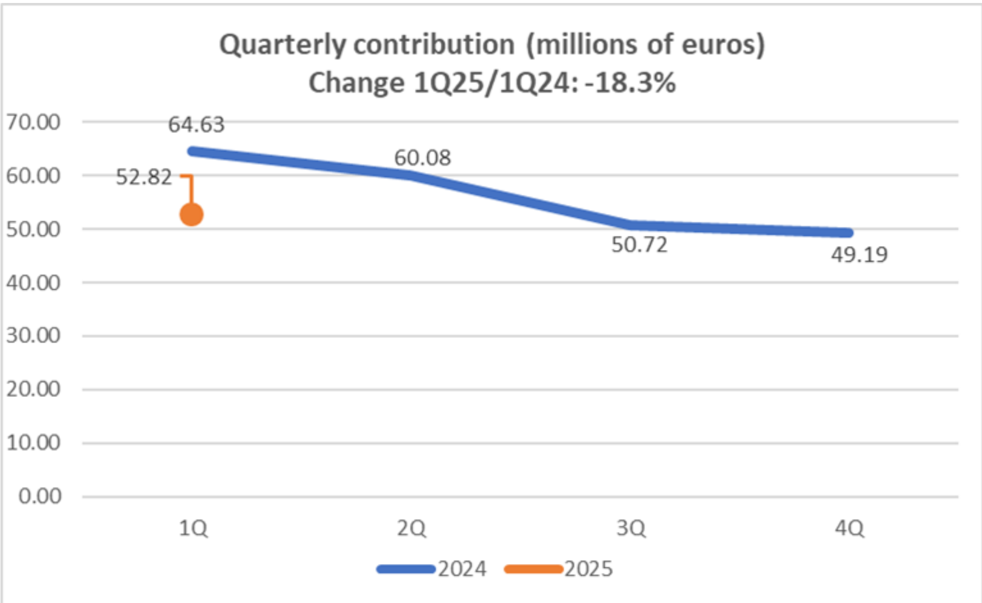
2. The total amount of product sales in 1Q25 reached EUR 172.76 million, compared to EUR 176.70 million in 1Q24: a decrease of EUR 3.94 million, equivalent to a 2.2% drop. The decrease in sales value is less than the decrease in volume sold, indicating a significant positive price effect.



3. Indeed, of the EUR 3.94 million decrease in sales, the higher average price per tonne explains an increase of EUR 11.23 million, while the lower volume of tonnes sold explains a decrease of EUR 14.26 million. The mix effect accounts for the remaining EUR 0.91 million decline.

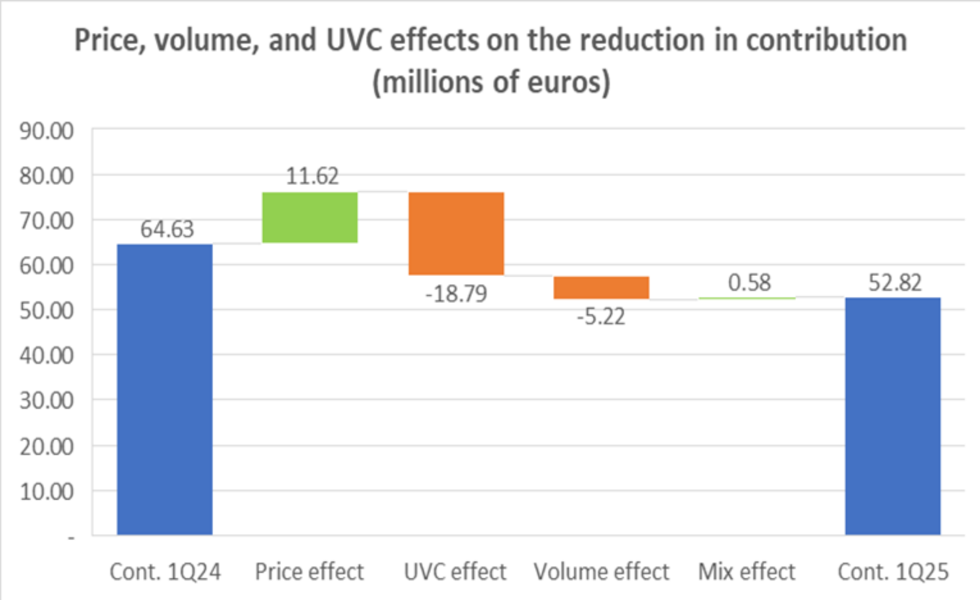


4. The contribution generated by product sales and service provision amounted to EUR 52.82 million in 1Q25, compared to EUR 64.63 million in 1Q24; a decrease of 18.3%. This reduction is the result of a EUR 4.06 million drop in sales plus service provision (mainly due to the decline in tonnes sold) and a EUR 7.75 million increase in variable costs, mainly caused by the significant rise in supplies costs (gas and electricity).

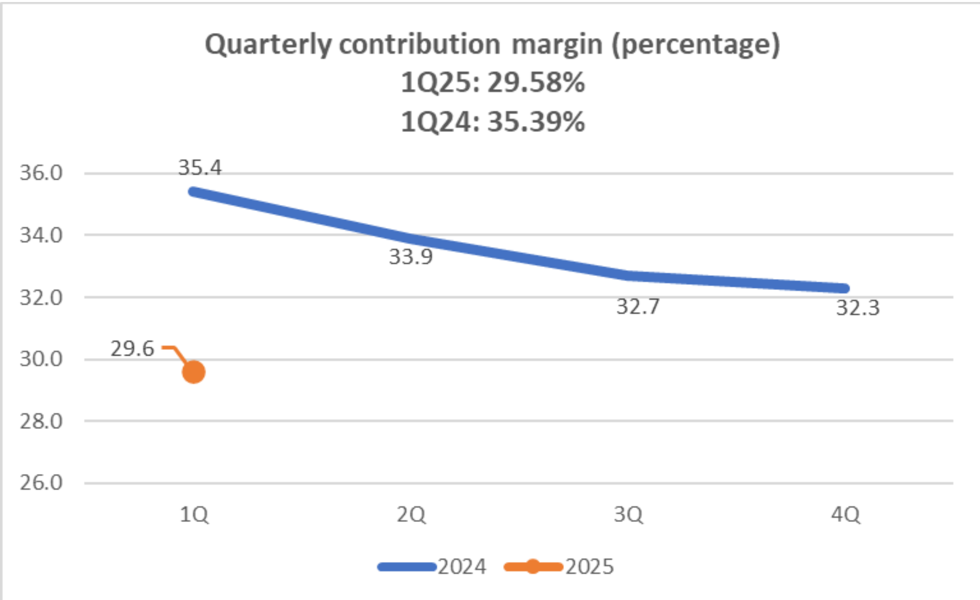


Contribution: (product sales + service provision – procurements – supplies + change in inventories).

5. Regarding contribution, the best way to identify the net effect of prices and costs is by comparing the average selling price of the products with the unit variable cost (UVC) incurred in their production. In 1Q25, the positive price effect of EUR 11.62 million was lower, in absolute terms, than the negative UVC effect of EUR 18.79 million. The net price and UVC effect amounts to EUR -7.17 million and explains 60.7% of the EUR -11.81 million change in contribution. The remaining 39.3% is explained by the volume effect of EUR -5.22 million (44.2%) and the mix effect of EUR 0.58 million (-4.9%).

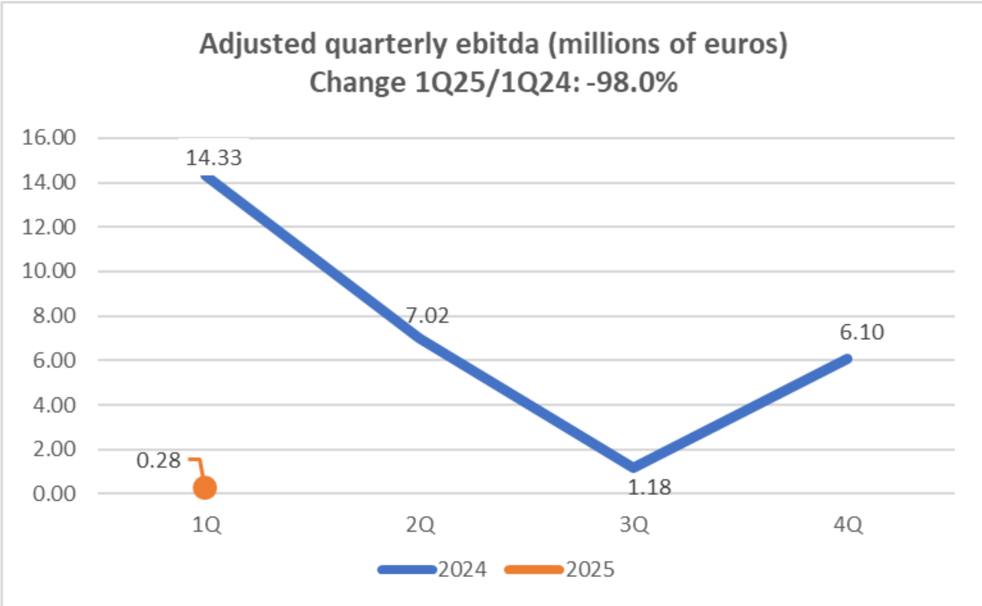


6. The contribution margin (contribution divided by the sum of product sales plus service provision) fell from 35.4% in 1Q24 to 29.6% in 1Q25. A variation of -5.8 percentage points, due to the increased relative weight of variable costs, which represented, in 2024, 64.6% of sales (plus service provision) and 70.4%, in 2025.



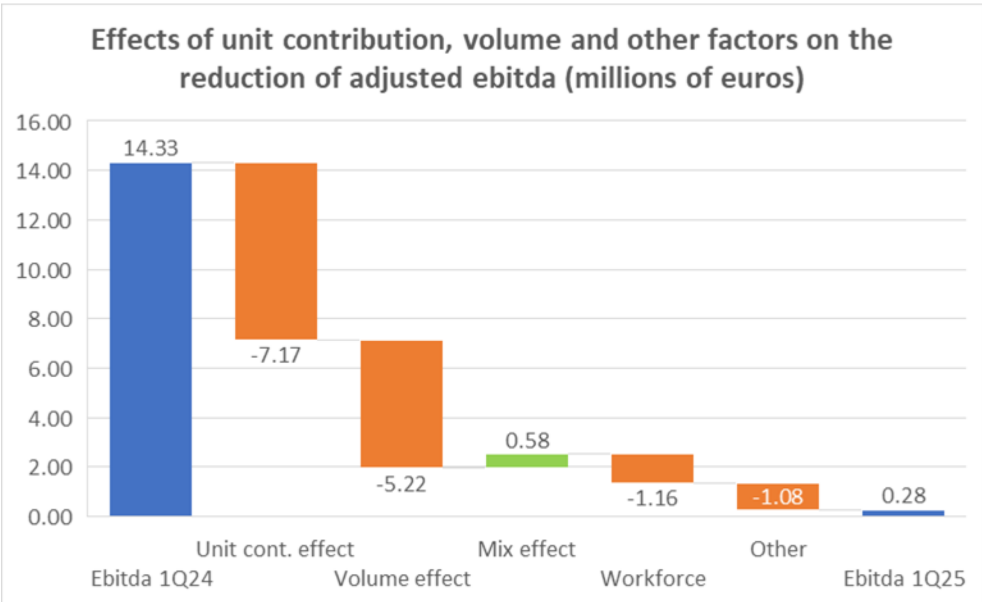
Contribution margin: contribution / (product sales + service provision).

7. Adjusted ebitda in 1Q25 was EUR 0.28 million compared to EUR 14.33 million in 1Q24; a reduction of EUR 14.05 million (-98.0%), which exceeds the EUR 11.81 million decrease in contribution due to, among other factors, higher personnel costs and other operating expenses.



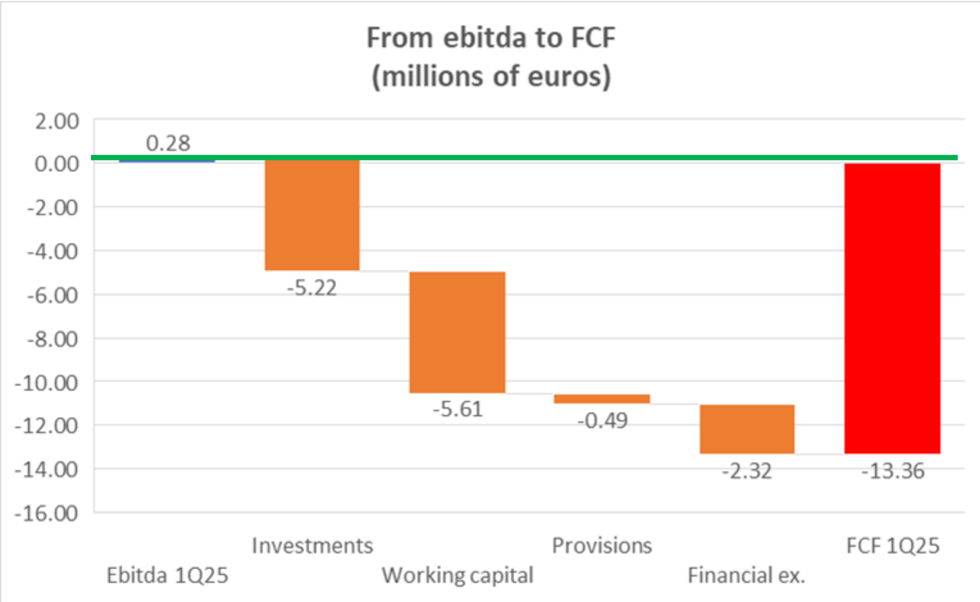
Adjusted ebitda: ebitda excluding non-recurring items. See the "Ebitda reconciliation" table in Section C of this earnings note.

8. Compared to 1Q24, the reduction in adjusted ebitda in 1Q25 of EUR -14.05 million is due to: (i) the unit contribution effect of EUR 7.17 million, as the average selling price rose less than the UVC, accounting for 51.0% of the drop in ebitda; (ii) the volume effect of EUR -5.22 million, accounting for 37.2%; and (iii) the mix effect of EUR 0.58 million, accounting for -4.1%. The other (EUR -2.24 million), accounting for 15.9%, reflects the net effect of changes in other expenses and income (EUR -1.08 million) and workforce costs (EUR -1.16 million).



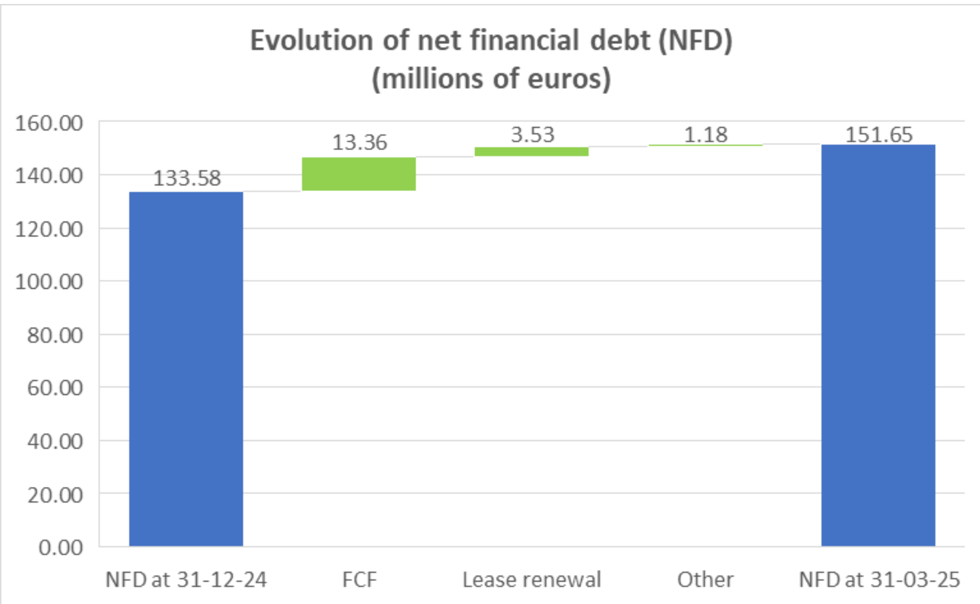
Other: variation in service provision, other income, fixed costs and non-recurring items.

9. The free cash flow (FCF) generated in 1Q25 was EUR -13.36 million, resulting from subtracting from the 1Q25 ebitda of EUR 0.28 million: EUR 5.22 million in investment; EUR 5.61 million in working capital; EUR 0.49 million in provision payments; and EUR 2.32 million in net financial results.



10. Ercros started 2025 with EUR 133.58 million in net financial debt (NFD). During 1Q25, debt increased by: EUR 13.36 million due to the negative FCF generated in that period; EUR 3.53 million from lease renewals; and EUR 1.18 million from other minor factors. In total, Ercros increased its net financial debt by EUR 18.07 million, bringing it to EUR 151.65 million as of March 31, 2025.

Given the poor results in 1Q25, the Company considers it highly likely that it will breach the covenants agreed in its financing arrangements as of June 30, 2025, the next date on which they are to be assessed. Nevertheless, the Company is confident that it will obtain the necessary waivers from financial institutions, as has occurred on previous occasions.



11. As of March 31, 2025, Ercros had liquidity amounting to EUR 91.67 million, of which EUR 25.90 million was in cash and EUR 65.77 million in undrawn credit lines.

    Additionally, the Company is awaiting receipt of EUR 14.6 million in granted subsidies related to the decarbonisation PERTE, and EUR 20.1 million in corporate income tax refunds for the 2016–2022 fiscal years, due to the unconstitutionality of certain provisions of Royal Decree-Law 3/2016. The Company expects to collect these amounts during 2025.

B. INTERIM FINANCIAL STATEMENTS

Profit and loss account for the first quarter of 2025

In relation to the 1Q25 results compared to 1Q24, and in addition to the points noted in Section A of this report, the following should be highlighted:

The line item for service provision decreased by 1.9%. Other income fell by 7.6%, mainly due to the lower value of free CO_2 emission rights.

The increase in provision reversals and other non-recurring income is mostly due to insurance claims amounting to EUR 0.23 million.

The combined amount of procurements plus the change in finished goods inventories rose by 0.6%. Supplies, meanwhile, increased by 26.6%, driven by higher electricity prices (+42%) and gas prices (+10.2%).

Personnel expenses increased by 4.7% due to: (i) a 1% increase in the average workforce; (ii) the 3% wage increase agreed in the collective bargaining agreement; and (iii) higher social security contributions and other payroll charges.

The item other operating expenses rose by 1.1%.

Provisions and other extraordinary expenses increased as a result of costs associated with takeover bids.

Depreciation increased by 5.1% due to investments made.

The negative financial result increased by EUR 1.01 million (+33.0%) due to foreign exchange differences, which were negative in 1Q25 and positive in 1Q24, with an impact of EUR 1.3 million. Financial expenses related to debt slightly decreased (EUR -0.14 million), due to a decline in the benchmark interest rate (euribor), despite the higher level of debt.

PROFIT AND LOSS ACCOUNT

Thousands of euros	1Q25	1Q24	%
Continuing operations			
Revenue	**184,454**	**188,738**	**-2.3**
Sale of finished products	172,755	176,700	-2.2
Provision of services	5,796	5,907	-1.9
Other income	5,593	6,053	-7.6
Reversal of provisions and other extraordinary income	310	78	×4.0*
Expenses	**-184,445**	**-174,495**	**5.7**
Procurements	-81,976	-81,063	1.1
Reduc. in inventories of finished and in-process goods	-9,596	-9,950	-3.6
Supplies	-34,156	-26,970	26.6
Transport	-11,143	-10,755	3.6
Personnel expenses	-25,868	-24,706	4.7
Other operating expenses	-21,126	-20,889	1.1
Provisions and other extraordinary expenses	-580	-162	×3.6*
Ebitda	**9**	**14,243**	**-99.9**
Amortisation	-8,181	-7,781	5.1
Ebit	**-8,172**	**6,462**	**-**
Financial result	-4,086	-3,072	33.0
Profit/loss before tax	**-12,258**	**3,390**	**-**
Income tax	96	-339	-
Profit/loss for the period	**-12,162**	**3,051**	**-**

* Times that the 1Q25 figure exceeds that of 1Q24 (in absolute terms).

ADJUSTED EBITDA RECONCILIATION

Thousands of euros	1Q25	1Q24	%
Ebitda	**9**	**14,243**	**-99.9**
Atypical income items	-310	-78	×4.0*
Atypical expense items	580	162	×3.6*
Adjusted ebitda	**279**	**14,327**	**-98.1**

* Times that the 1Q25 figure exceeds that of 1Q24 (in absolute terms).

Balance Sheet

Non-current assets decreased by EUR 13.68 million, mainly due to the registration of the long-term grant for the PERTE (European strategic project for the recovery and economic transformation) for industrial decarbonisation at the Vila-seca-II plant, amounting to EUR 14.06 million, which is presented as a deduction in this section of the balance sheet.

Working capital increased by EUR 19.3 million as a result of an increase in current assets, amounting to EUR 17.11 million, and a decrease in current liabilities, amounting to EUR 2.19 million. The net variation in current assets is due to: (i) an increase in receivables from customers, by EUR 22.6 million; (ii) the recognition of receivables for the aforementioned industrial decarbonisation PERTE, amounting to EUR 14.06 million; (iii) a decrease in inventories, by EUR 15.52 million; and (iv) a decrease in VAT receivables, by EUR 2.58 million.

Equity decreased by EUR 12.16 million due to the losses for the period.

Provisions and other liabilities decreased by EUR 0.29 million, mainly due to payments associated with the dismantling of facilities and various environmental remediation.

ANALISIS ECONÓMICO DEL BALANCE

Thousands of euros	31-03-25	31-12-24	Variation	%
Non-current assets	**390,120**	**403,800**	**-13,680**	**-3.4**
Working capital	**117,287**	**97,988**	**19,299**	**19.7**
Current assets	225,104	207,994	17,110	8.2
Current liabilities	-107,817	-110,006	2,189	-2.0
Capital employed	**507,407**	**501,788**	**5,619**	**1.1**
Equity	**328,995**	**341,157**	**-12,162**	**-3.6**
Net financial debt	**151,647**	**133,578**	**18,069**	**13.5**
Provisions and other liabilities	**26,765**	**27,053**	**-288**	**-1.1**
Source of funds	**507,407**	**501,788**	**5,619**	**1.1**

DETAIL OF NET FINANCIAL DEBT

Thousands of euros	31-03-25	31-12-24	Variation	%
Loans	87,668	91,013	-3,345	-3.7
Lease creditors	15,358	13,982	1,376	9.8
Working capital financing	76,551	67,340	9,211	13.7
Gross financial debt	**179,577**	**172,335**	**7,242**	**4.2**
Treasury	-25,902	-36,729	10,827	-29.5
Deposits	-2,028	-2,028	-	-
Net financial debt	**151,647**	**133,578**	**18,069**	**13.5**

Voluntary public takeover bids

On 5 March 2024, Bondalti Ibérica, S.L.U. (Bondalti) launched a voluntary public takeover bid for 100% of the shares of Ercros, S.A., at a price of EUR 3.60 per share, which was adjusted to EUR 3.505 per share following the dividend distribution carried out in 2024.

Subsequently, on 28 June 2024, Esseco Industrial, S.P.A. (Esseco) submitted a competing voluntary takeover bid, also for 100% of the shares of Ercros, S.A., at a price of EUR 3.84 per share, which was likewise adjusted after the dividend payment to EUR 3.745 per share.

In accordance with takeover regulations, the processing of Esseco's bid by the Spanish Securities and Exchange Commission (CNMV) will not commence until the administrative procedures for Bondalti's bid have been completed.

Both offers are subject to approval by the relevant authorities and to the acceptance of 75% plus one share of the company's share capital.

The Spanish National Markets and Competition Commission (CNMC) agreed, on 18 December

2024 and 7 February 2025, respectively, to initiate the second phase of the review of the economic concentration resulting from both takeover bids. These decisions have extended the resolution period of both procedures.

If either of the mentioned takeover bids, or any others that may be submitted, is successful and results in a change of control of Ercros, certain financing arrangements, as well as supply agreements with vendors and sales contracts with customers, could be declared due or, where applicable, require the provision of guarantees or explicit approval of their continuation by the counterparties.

C. RESULTS BY BUSINESS

At a global level, the weakness in demand in the chemical sector, which began in mid-2022, has continued throughout 1Q25.

In this context, Ercros' business efforts have remained focused on adjusting production rates to demand and defending margins as much as possible in a situation characterised by highly volatile markets, intense competition, and high energy costs.

In 1Q25, sales in the chlorine derivatives division fell by 5.0% compared to 1Q24, due to a 4.7% decrease in volumes sold. In addition, energy costs rose sharply. As a result, the division posted a negative ebitda of EUR -4.3 million and an ebitda/sales ratio of -4.2%, down 11.3 percentage points from the 7.1% recorded in 1Q24.

In the intermediate chemicals division, sales fell by 2.1% compared to 1Q24, due to a 16.3% decline in volumes sold across all product families, despite a 16.9% increase in the average price of the division's products. Meanwhile, raw material and energy costs rose significantly. As a result, the division's ebitda fell by EUR 2.40 million (-39.5%), with an ebitda/sales ratio of 7.3%, compared to 11.9% in 1Q24.

Compared to 1Q24, in 1Q25 the pharmaceuticals division increased its sales by 15.7%, driven by a 13.4% rise in volumes sold and a slight 2.2% increase in selling prices. Ebitda was positive at EUR 0.94 million, up 64% compared to 1Q24.

RESULTS BY BUSINESS

Thousands of euros	1Q25	1Q24	%
Chlorine derivatives division			
Product sales	103,470	108,937	-5.0
Adjusted ebitda	-4,329	7,685	-
Adjusted ebitda/product sales (%)	-4.2	7.1	-
Intermediate chemicals division			
Product sales	50,100	51,187	-2.1
Adjusted ebitda	3,673	6,072	-39.5
Adjusted ebitda/product sales (%)	7.3	11.9	-38.2
Pharmaceuticals division			
Product sales	19,185	16,576	15.7
Adjusted ebitda	935	570	64.0
Adjusted ebitda/product sales (%)	4.9	3.4	41.7

OUTLOOK FOR THE REST OF 2025

The consensus among industry publications has once again postponed the expected recovery in demand in the European chemical sector to 2026, provided that an appropriate resolution is reached for the tariff conflict initiated by the US and that the support measures proposed by the EU for the industry begin to materialise.

In this environment of high uncertainty, weak demand, elevated energy costs, and strong international competition, it cannot be ruled out that Ercros' sales volume and margins will continue to be negatively affected throughout the year.

In any case, Ercros will continue to implement its 3D Plan, maintain its presence in the markets where it operates, and take advantage of any opportunities that arise to protect its margins.

Barcelona, May 13, 2025