ERCROS RESULTS NOTE
FIRST HALF OF 2025

(29-07-2025)

Ercros obtains 4 million euros in ebitda and registers 29 million losses in the first half of 2025

- **In the first half of 2025, Ercros achieved a contribution of EUR 109 million, an adjusted ebitda of EUR 4.1 million, and recorded losses of EUR 29 million.**

- **Like other chemical companies in Europe, Ercros has been severely affected by persistently weak demand, high energy costs, and intense competition from non-EU countries. The ongoing tariff war initiated by the US is also hindering the recovery of economic activity in Europe.**

- **The European Commission, for its part, has designed an action plan for the European chemical industry that could support the sector's recovery; however, the regulatory developments stemming from this plan remain unknown, making it difficult at this stage to assess its potential impact.**

- **Meanwhile, high energy prices continue to undermine Europe's competitiveness compared to the US and Asia.**

- **Faced with this adverse phase of the cycle, Ercros has initiated a thorough review of expenses and revenues, aiming to reduce the former and increase the latter as much as possible. On the other hand, Ercros maintains a solid financial position, with EUR 96 million in liquidity.**

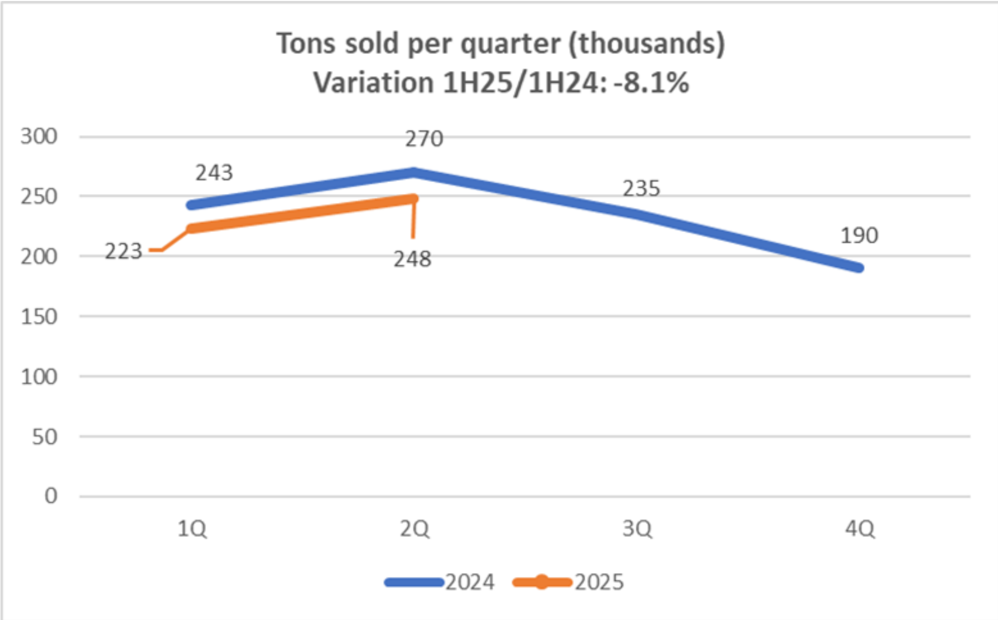
- **The takeover bids launched by Bondalti Ibérica, S.L.U. and Esseco Industrial, S.P.A. for Ercros are ongoing.**

- **There is a broad consensus among industry publications that the demand in the European chemical sector will gradually recover from 2026 onwards, although this is contingent on a reasonable resolution of the current tariff conflict and the implementation of the European chemical industry support plan.**

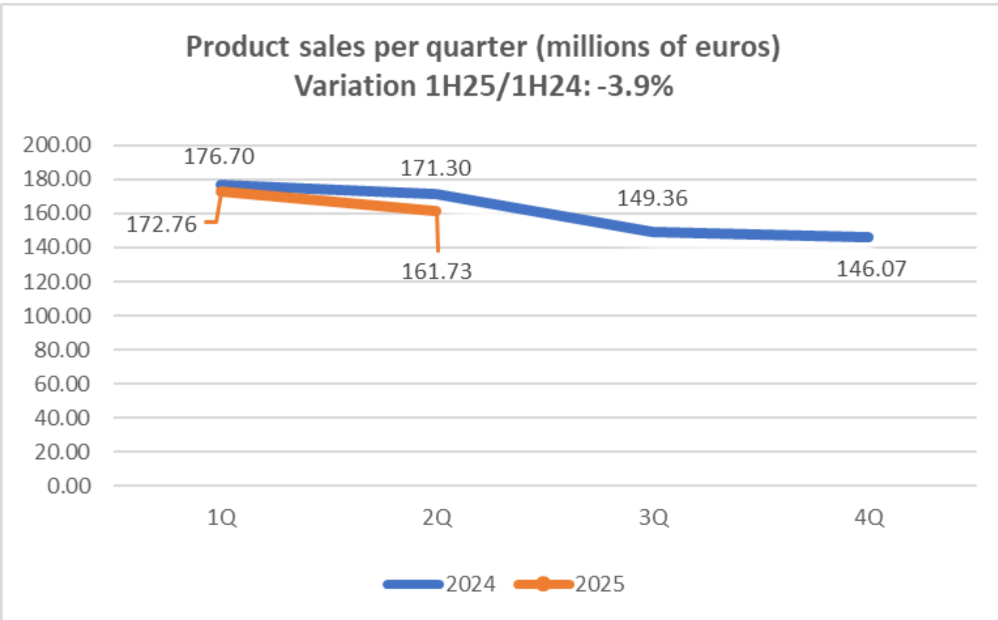
- **In any case, Ercros will continue to implement the 3D Plan to further the digitalisation of its operations, the decarbonisation of its activities, and the diversification and expansion of its product portfolio. At the same time, it will maintain its presence in the markets in which it operates, seize opportunities to defend its margins, and continue carrying out actions to reduce costs and improve competitiveness.**

A. KEY EVENTS OF THE FIRST HALF OF 2025

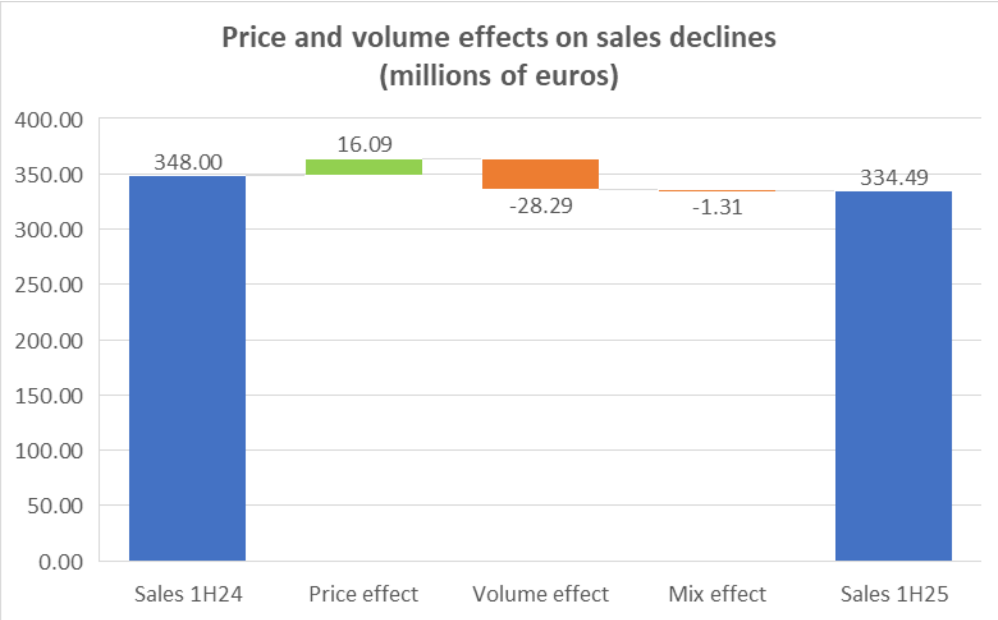
1. In the first half of 2025 (1H25) Ercros sold 471 thousand tons of products, an amount lower than the 513 thousand tons sold in the same period of 2024 (1H24): a decrease of 8.1%, the same percentage reduction as that seen in the first quarter of 2025.



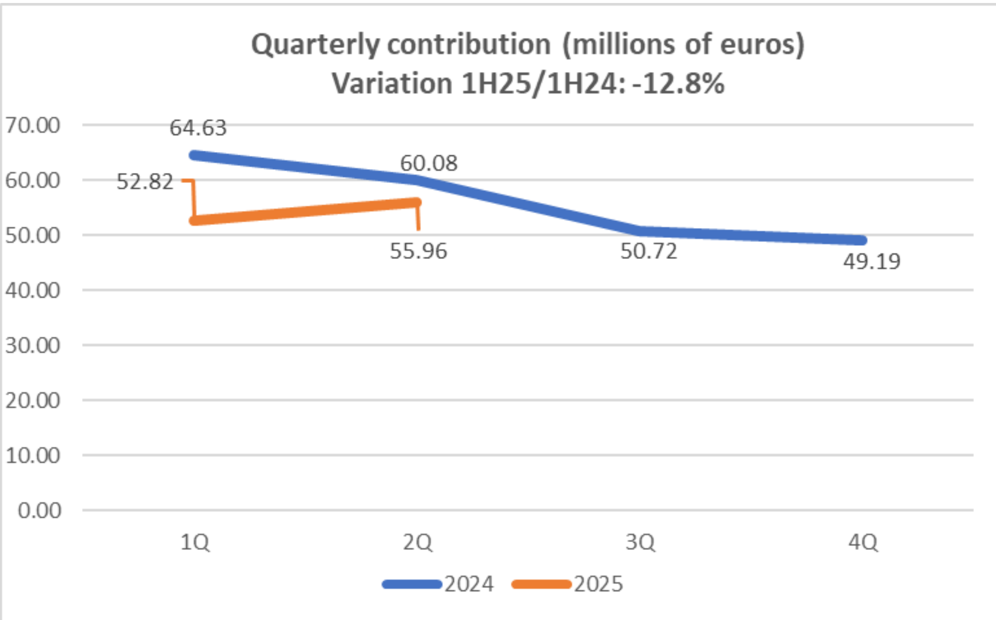
2. The total amount of product sales in 1H25 reached EUR 334.49 million, compared to EUR 348.00 million in 1H24: a decrease of EUR 13.51 million, equivalent to a 3.9% decline. The drop in sales revenue was smaller than the drop in volumes sold, which points to a significant positive price effect.



3. Indeed, of the EUR 13.51 million decrease in sales, the increase in the average price per ton accounts for EUR 16.09 million (-119.1%), while the lower volume of tons sold explains EUR 28.29 million (209.4%). The mix effect accounts for the remaining EUR 1.31 million decrease (9.7%).

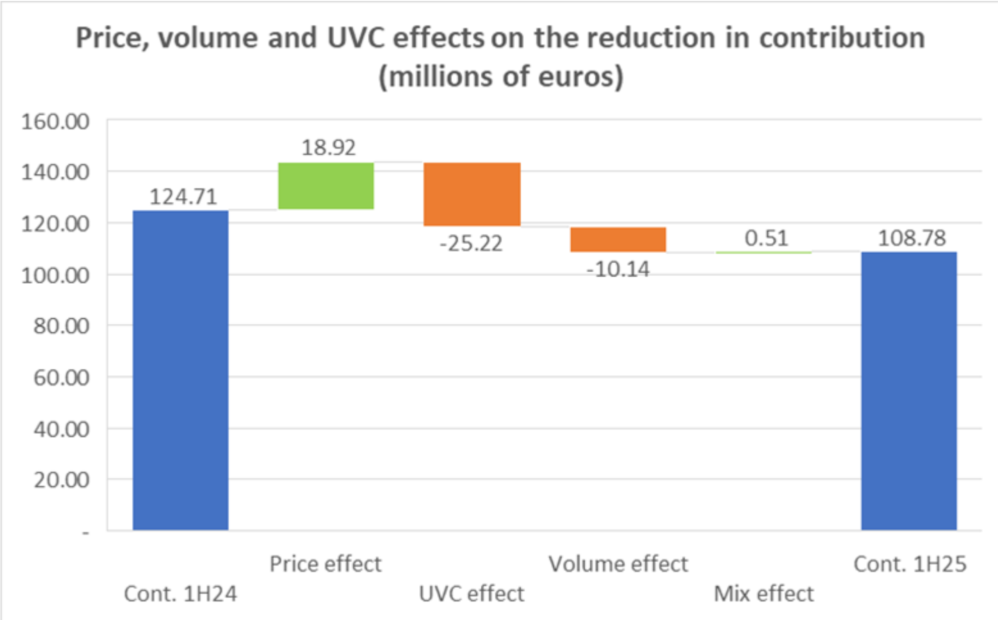


4. The contribution generated from product sales and service provision in 1H25 amounted to EUR 108.78 million, compared to EUR 124.71 million in 1H24—a decrease of 12.8%. This reduction was due to a EUR 13.60 million drop in sales and services (mainly as a result of lower volumes sold) and a EUR 2.33 million increase in variable costs, driven primarily by the significant rise in supply costs (gas and electricity).

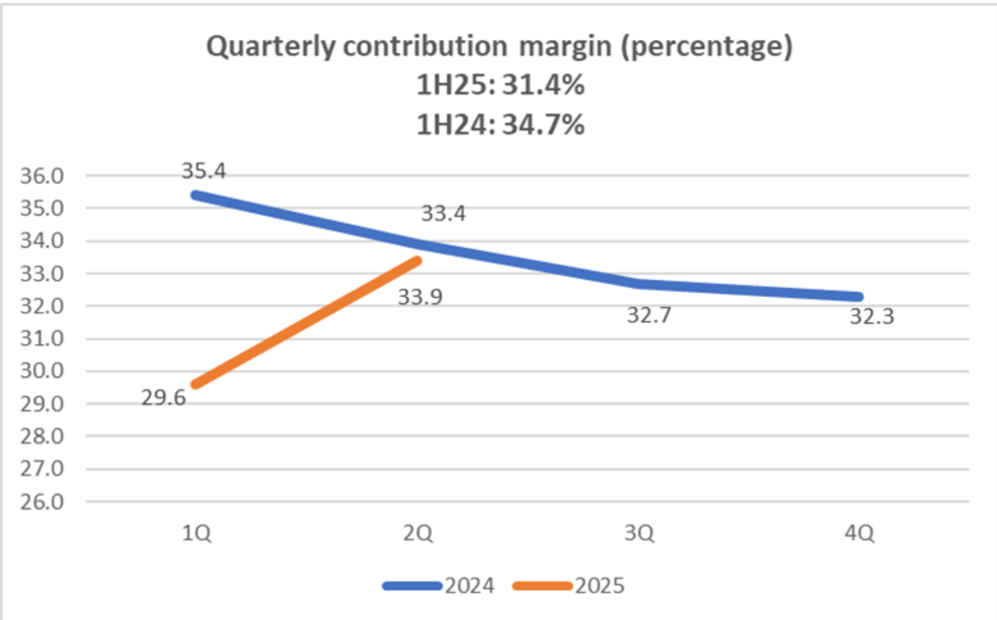


Contribution: (product sales + service provision – procurements – supplies + inventory variation).

5. Regarding contribution, the best way to identify the net effect of prices and costs is by comparing the effect of the average price of products sold with the unit variable cost (UVC) incurred in the manufacturing of those products. In 1H25, the positive price effect of EUR 18.92 million was lower, in absolute terms, than the negative UVC effect of EUR 25.22 million. The net effect of price and UVC amounted to EUR -6.3 million and accounts for 39.5% of the EUR -15.93 million variation in contribution. The remaining 60.5% is explained by the volume effect (EUR -10.14 million; 63.7%) and the mix effect (EUR 0.51 million; -3.2%).

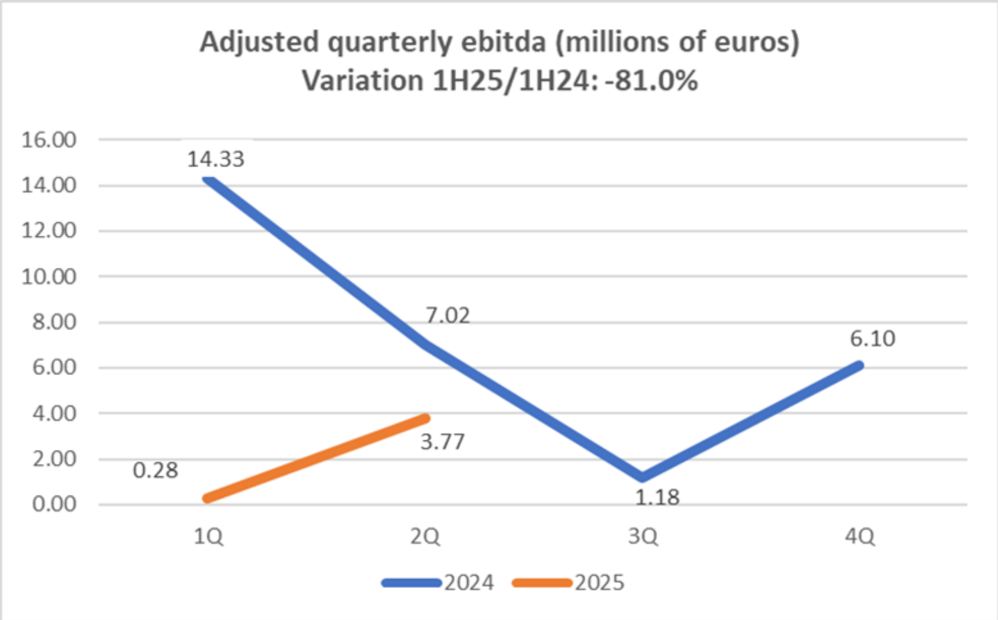


6. The contribution margin (contribution divided by the sum of product sales plus services rendered) decreased from 34.7% in 1H24 to 31.4% in 1H25. A variation of -3.3 percentage points, due to the increased relative weight of variable costs, which in 2024 accounted for 65.3% of sales (plus service provision) and in 2025 account for 68.6%.



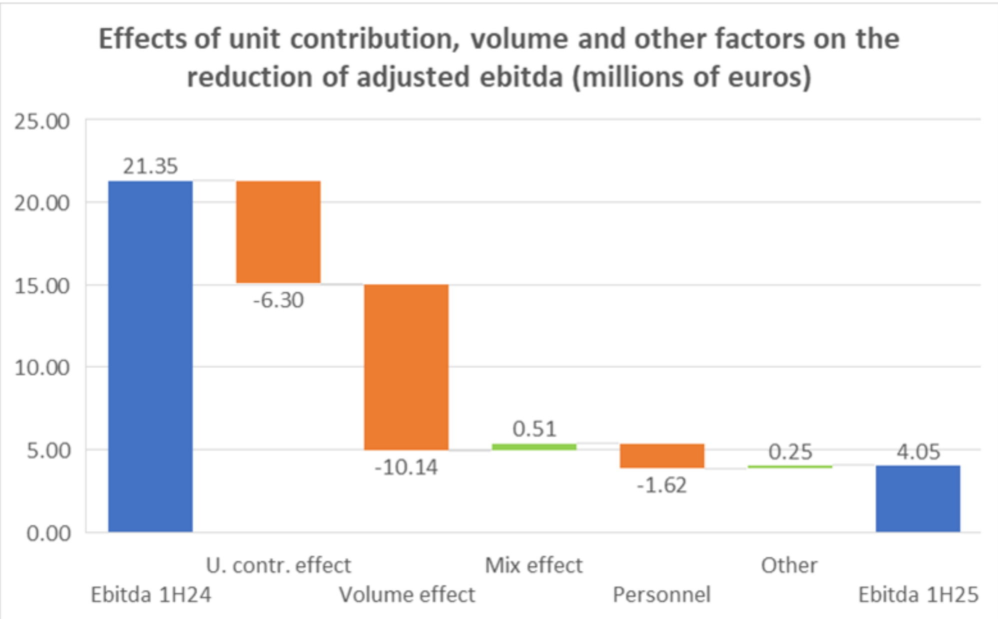
Contribution margin: contribution / (product sales + service provision).

7. The adjusted ebitda in 1H25 was EUR 4.05 million, compared to EUR 21.35 million in 1H24; a decrease of EUR 17.30 million (-81.0%), which is greater than the EUR 15.93 million drop in contribution, due, among other factors, to higher personnel costs and other operating expenses.



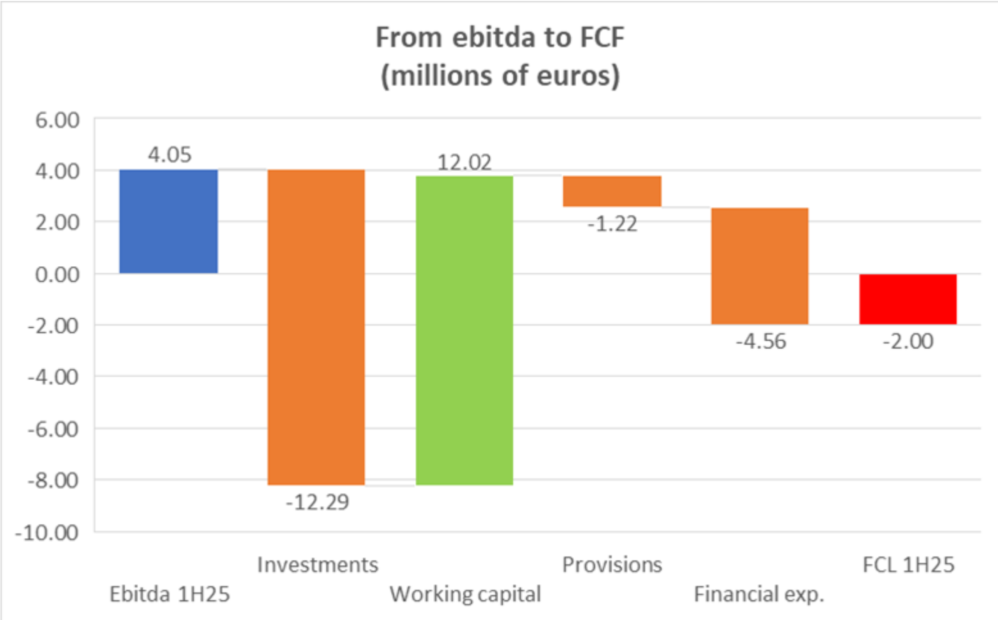
Adjusted ebitda: ebitda excluding non-recurring items. See the "Ebitda reconciliation" table in Section C of these results note.

8. Compared to 1H24, the EUR -17.30 million reduction in adjusted ebitda in 1H25 is attributable to: (i) the unit contribution effect of EUR -6.30 million, due to the average selling price increasing less than the UVC, which accounts for 36.4% of the ebitda decline; (ii) the volume effect of EUR -10.14 million, which accounts for 58.6%; and (iii) the mix effect of EUR 0.51 million, which accounts for -2.9%. The remaining EUR -1.37 million (7.9%) reflects the net effect of the variation in other expenses and income (EUR 0.25 million) and personnel costs (EUR -1.62 million).

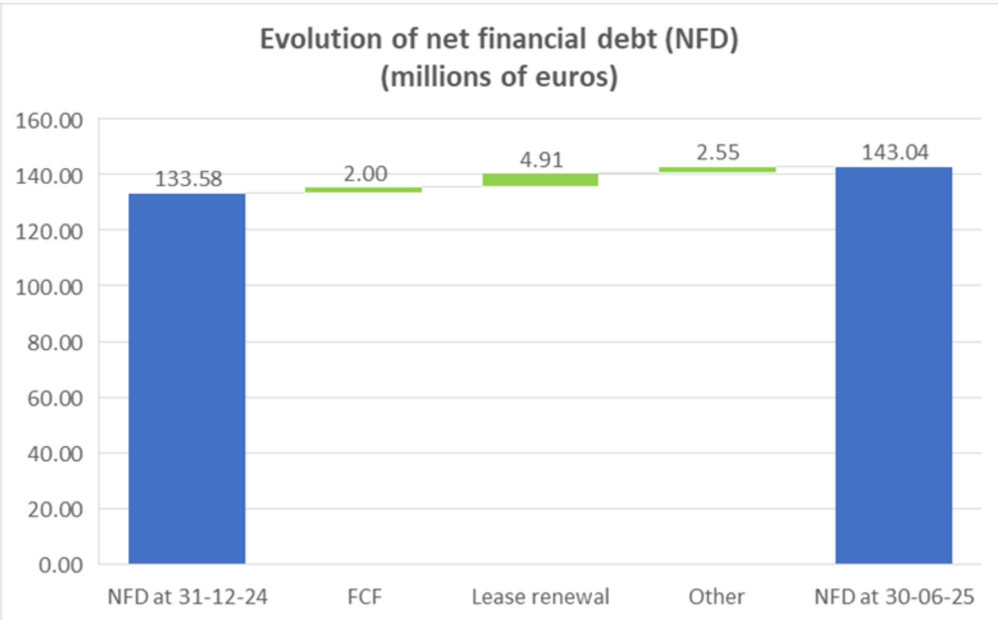


Other: variation in service provision, other income, fixed costs, and non-recurring items.

9. Free cash flow (FCF) generated in 1H25 amounted to EUR -2.00 million. This result was obtained by adding to the 1H25 ebitda of EUR 4.05 million: EUR 12.02 million from a decrease in working capital; and subtracting: EUR 12.29 million in investments; EUR 1.22 million in provision; and EUR 4.56 million in net payments of financial expenses and income.



10. Ercros began 2025 with a net financial debt (NFD) of EUR 133.58 million. Over the course of 1H25, debt increased by EUR 2.00 million due to negative FCF generated during the period; by EUR 4.91 million due to lease renewals; and by EUR 2.55 million from other minor factors. In total, Ercros increased its net financial debt by EUR 9.46 million, bringing it to EUR 143.04 million as of 30 June 2025.



11. As of 30 June 2025, Ercros had liquidity amounting to EUR 95.79 million, of which EUR 87.20 million corresponded to cash and EUR 8.59 million to undrawn credit facilities.

    In addition, the company has EUR 14.06 million in subsidies granted under the PERTE for decarbonisation pending collection, and EUR 13.43 million in corporate income tax refunds for fiscal years 2021–2022, as a result of the unconstitutionality of certain provisions in Royal Decree-Law 3/2016. The company expects to receive these amounts over the course of 2025.

    As of 30 June 2025, Ercros was in breach of its financing covenants, but obtained the necessary waivers during the month of June, allowing the company to classify its financial debt at that date according to contractual maturities.

    It is likely that Ercros will again breach these covenants at the next measurement date, 31 December 2025. However, the company expects to obtain the necessary waivers once more.

B. INTERIM FINANCIAL STATEMENTS

Profit and loss account in 1H25

Regarding the results for the 1H25, in addition to what was indicated in Section A of this results note, the following should be highlighted:

The service provision item in 1H25 fell by 0.8%. Other income increased by 8.2%, mainly due to the net impact of, on the one hand, the sale of energy savings certificates (CAE, the Spanish acronym for *certificados de ahorro energético*), amounting to EUR 1.74 million, and, on the other, the lower value of free CO_2 emission allowances.

The increase in reversal of provisions and other non-recurring income was mainly due to insurance compensation income amounting to EUR 0.27 million.

The combined amount of procurements plus change in inventories of finished and in-progress goods fell by 4.4%. Supplies, on the other hand, increased by 19.7%, mainly due to higher electricity prices (33.1%) and gas prices (4.8%).

Personnel expenses increased by 3.2% compared to 1H24, mainly due to the 3% wage rise agreed in the collective bargaining agreement and the increase in social security contributions and other charges.

The other operating expenses item rose by 1.6% compared to 1H24.

Provisions and other non-recurring expenses increased by 9.1% as a result of expenses related to the takeover bids.

Depreciation and amortisation rose by 7.2% due to the investments made.

The negative financial result in 1H25 increased by 55.1%, mainly due to greater foreign exchange losses compared to 1H24, which in absolute terms amounted to an increase of EUR 3.36 million.

Income tax expense includes EUR 8.13 million in deferred tax expense due to the reduction of deferred tax assets for tax loss carryforwards.

INCOME STATEMENT

Thousands of euros	1H25	1H24	%
Revenue	**358,545**	**371,020**	**-3.4**
Product sales	334,488	347,996	-3.9
Service provision	11,588	11,682	-0.8
Other income	12,063	11,153	8.2
Reversal of provisions and other non-recurring income	406	189	114.8
Expenses	**-355,247**	**-350,539**	**1.3**
Procurements	-160,198	-168,469	-4.9
Change in inventories of finished and in-progress goods	-14,034	-13,834	1.4
Supplies	-63,067	-52,668	19.7
Transports	-22,814	-22,799	0.1
Personnel expenses	-51,992	-50,372	3.2
Other operating expenses	-41,984	-41,336	1.6
Provisions and other non-recurring expenses	-1,158	-1,061	9.1
Ebitda	**3,298**	**20,481**	**-83.9**
Depreciation and amortisation	-16,734	-15,615	7.2
Ebit	**-13,436**	**4,866**	**-**
Financial result	-7,396	-4,768	55.1
Profit/loss before tax	**-20,832**	**98**	**-**
Income tax	-8,437	1,297	-
Profit/loss for the period	**-29,269**	**1,395**	**-**

ADJUSTED EBITDA RECONCILIATION

Thousands of euros	1H25	1H24	%
Ebitda	**3,298**	**20,481**	**-83.9**
Atypical income items	-406	-189	114.8
Atypical items of expenditure	1,158	1,061	9.1
Adjusted ebitda	**4,050**	**21,353**	**-81.0**

Balance sheet

Non-current assets decreased by EUR 21.79 million, mainly due to the recognition of a long-term subsidy under the PERTE (strategic projects for economic recovery and transformation) decarbonisation programme for the Vila-seca II facility, amounting to EUR 14.06 million, which was recorded under this item as a reduction in the cost of property, plant and equipment. In addition, deferred tax assets were reduced by EUR 8.48 million, of which EUR 8.13 million relate to tax loss carryforwards.

Working capital increased by EUR 0.86 million as a result of a decrease in current assets of EUR 0.62 million and a decrease in current liabilities of EUR 1.48 million. On the current assets side, the reduction in inventories (EUR 18.74 million), the partial collection of undue tax payments due to the unconstitutionality of certain provisions of Royal Decree 3/2016 (EUR 6.48 million), and other collections (EUR 6.62 million) offset the seasonal increase in trade receivables (EUR 18.40 million) and the recognition of the receivable corresponding to the aforementioned PERTE subsidy (EUR 14.06 million).

Equity decreased by EUR 29.60 million, as a result of the net loss for the period (EUR 29.27 million) and the attendance bonus paid at the general meeting (EUR 0.33 million).

Provisions and other liabilities decreased by EUR 0.80 million, mainly due to payments related to the dismantling of facilities and various environmental remediation activities.

ECONOMIC ANALYSIS OF THE BALANCE SHEET

Thousands of euros	30-06-25	31-12-24	Variation	%
Non-current assets	**382,006**	**403,800**	**-21,794**	**-5.4**
Working capital	**98,848**	**97,988**	**860**	**0.9**
Current assets	207,378	207,994	-616	-0.3
Current liabilities	-108,530	-110,006	1,476	-1.3
Resources used	**480,854**	**501,788**	**-20,934**	**-4.2**
Equity	**311,561**	**341,157**	**-29,596**	**-8.7**
Net financial debt	**143,036**	**133,578**	**9,458**	**7.1**
Provisions and other debts	**26,257**	**27,053**	**-796**	**-2.9**
Source of funds	**480,854**	**501,788**	**-20,934**	**-4.2**

DETAIL OF NET FINANCIAL DEBT

Thousands of euros	30-06-25	31-12-24	Variation	%
Loans	79,468	91,013	-11,545	-12.7
Lease creditors	14,487	13,982	505	3.6
Working capital financing	138,306	67,340	70,966	105.4
Gross financial debt	**232,261**	**172,335**	**59,926**	**34.8**
Treasury	-87,197	-36,729	-50,468	137.4
Deposits	-2,028	-2,028	-	-
Net financial debt	**143,036**	**133,578**	**9,458**	**7.1**

Cost reduction and revenue increase plan (PCI)

In light of the adverse cyclical phase currently affecting the European chemical sector, and regardless of any support that may come from the European Commission, Ercros has launched a comprehensive review of expenses and revenues across the company’s various areas, with the aim of maximizing its operating margin.

Regarding costs, the plan includes:

(i) A reduction in variable costs through renegotiation of raw material contracts, approval of new suppliers, and optimization of transport, purchasing, and manufacturing operations.

(ii) A reduction in fixed costs through optimization of service contracts, external storage, and maintenance operations.

Regarding revenues, the plan includes:

(i) Specific measures to incorporate new products into Ercros' portfolio; and

(ii) The opening of new markets and the expansion of Ercros' current share in domestic markets.

Voluntary takeover bids for the acquisition of shares

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

Subsequently, on June 28, 2024, Esseco Industrial, S.P.A. (Esseco) submitted a competing 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 to EUR 3.745 per share after the dividend payment.

In accordance with takeover bid regulations, the Spanish Securities Market Commission (in Spanish CNMV, *Comisión Nacional del Mercado de Valores*) will not begin processing Esseco's takeover bid until the administrative procedures related to Bondalti's offer have been completed.

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

On December 18, 2024, and February 7, 2025, respectively, the National Commission on Markets and Competition (in Spanish CNMC*, Comisión Nacional de los Mercados y la Competencia*) agreed to initiate the second phase of the review of the economic concentration resulting from both offers.

On July 17, 2025, Esseco informed the CNMV that it had received the CNMC's resolution whereby the authorization of the economic concentration resulting from its takeover bid was made conditional upon the fulfilment of certain requirements.

According to Esseco's statement, pursuant to Article 60 of Law 15/2007 of July 3 on the Antitrust Enforcement, this resolution will become effective once the maximum period of 15 business days has elapsed for the Minister of Economy to decide whether to refer the matter to the Council of Ministers, which, if referred, will have one month to issue a decision in accordance with the aforementioned law.

Esseco further stated that it is assessing the CNMC resolution for the purposes set out in Article 26.1.c) of Royal Decree 1066/2007 and will make a decision once the resolution becomes effective or, as the case may be, is amended by the Council of Ministers.

Should either of the above-mentioned offers, or any others that may be submitted, be successful and result 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 and payable or, where applicable, require the provision of guarantees or the explicit approval of the continuation of such agreements by the relevant counterparties.

C. RESULTS BY BUSINESS

At a global level, the weakness in demand across the European chemical sector, which began in mid-2022, continued into the 1H25.

In this context, Ercros' businesses have remained focused on adjusting production levels to match demand, while striving to protect margins as much as possible in highly volatile and competitive markets. Cost-cutting and competitiveness improvement measures are ongoing, without affecting industrial activity.

In 1H25, compared to 1H24, sales in the chlorine derivatives division fell by 3.5%, due to a 5.2% drop in volumes sold, despite a 2.3% increase in the average selling price. Additionally, there was a sharp increase in energy costs. As a result, the division’s ebitda stood at negative EUR 0.89 million, and the ebitda/sales ratio was -0.4%.

Sales in the intermediate chemicals division dropped by 7.7%, due to a 15.8% decline in volumes sold, despite a 9.7% increase in the average price of the division's products. Furthermore, there was a sharp rise in both energy and raw material costs. As a result, the division's ebitda decreased by EUR 7.29 million to EUR 3.58 million, and the ebitda/sales ratio was 3.7%, compared to 10.5% in 1H24.

The pharmaceuticals division saw a 5.5% increase in sales, supported by a slight rise in the volume of products sold (0.3%) and a 5.3% increase in selling prices. Ebitda in 1H25 was positive at EUR 1.36 million, up 8.6%, helped by lower raw material prices.

RESULTS BY BUSINESS

Thousands of euros	1H25	1H24	%
Chlorine derivatives division			
Product sales	203,442	210,768	-3.5
Adjusted ebitda	-890	9,229	-109.6
Adjusted ebitda/product sales (%)	-0.4	4.4	-110.0
Intermediate chemicals division			
Product sales	95,933	103,961	-7.7
Adjusted ebitda	3,577	10,869	-67.1
Adjusted ebitda/product sales (%)	3.7	10.5	-64.3
Pharmaceuticals division			
Product sales	35,113	33,267	5.5
Adjusted ebitda	1,363	1,255	8.6
Adjusted ebitda/product sales (%)	3.9	3.8	2.9

D. FULFILMENT OF THE 1H25 FORECAST

Sales of finished products and actual contribution were within the forecast for 1H25 issued on June 25. Adjusted ebitda exceeded the forecast thanks to sales of energy savings certificates (CAE) amounting to EUR 1.74 million.

On the other hand, the result was worse than expected due to higher deferred tax expense.

COMPARISON OF FORECAST VERSUS ACTUAL

Thousands of euros	Forecast	Actual
Sales of finished goods	325-335	334.49
Contribution	105-110	108.78
Adjusted ebitda	0-3	4.05
Result	(-26) - (-24)	(-29.27)

E. FORECAST FOR THE REST OF THE YEAR

As we indicated in the note corresponding to the first quarter of 2025, published on May 13, the consensus of specialized publications once again delays the start of the recovery in demand for the European chemical sector, moving it to 2026, provided there is an adequate solution to the tariff dispute initiated by the US and the industry support measures proposed by the EU are implemented.

It is still too early to assess the scope of the support plan for the chemical industry, recently published by the European Commission, given that its regulatory development may not be ready until the first quarter of 2026.

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

In any case, Ercros will continue implementing the 3D Plan, maintain its presence in the markets in which it operates, seize opportunities to defend its margins, and continue implementing all possible measures to reduce its costs and improve its revenues.

Barcelona, July 29, 2025