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**ANNUAL
REPORT**





2025

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The annual report includes the Management report, the audit report and annual accounts consolidated, for the year ended 31 December 2025.

(Information prepared in accordance with international reporting standards adopted by the European Union)



Ercros

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Ladies and gentlemen shareholders,

The weakness in demand in the European chemical sector, which began in mid-2022, continued throughout 2025.

Over the year as a whole, weak demand resulted in lower selling prices and volumes, which could not be fully offset by the reduction in energy and raw material costs compared with 2024. Sales of finished products amounted to EUR 603.4 million, compared with EUR 643.4 million in 2024: a decrease of EUR 40 million, representing a decline of 6.2%.

With regard to expenses, procurement costs, amounting to EUR 299.9 million, fell by 8.2% due to lower raw material prices, a decrease greater than the 6.2% drop in sales. Energy costs, meanwhile, increased by

5% compared with 2024, mainly due to the rise in electricity costs (12.5%), while gas costs decreased (-5.7%).

Staff costs rose by 3.7% compared with 2024, mainly due to the wage increase agreed in the collective agreement (3%) and higher social security contributions and other related charges.

The expense for income tax includes EUR 12.13 million in deferred tax expense, arising from the reduction of deferred tax assets.

In this context, Ercros' business efforts have continued to focus on adjusting production levels to demand, while seeking to protect margins as far as possible in a market characterised by oversupply and strong competition. Cost reduction and

competitiveness improvement measures have continued to be implemented without affecting industrial activity. Despite these efforts, the result for the year was a loss of EUR 53.6 million.

In addition to its commitment to shareholders, Ercros is a company firmly committed to ESG (Environmental, Social and Governance) factors. This commitment has been reflected in the excellent ratings obtained in various internationally recognised rankings and questionnaires. In particular, Ercros achieved a B (Management) rating in the Carbon Disclosure Project ("CDP"), which assesses organisations' transparency and performance in relation to climate change; and scored 87 out of 100 in the ESG rating promoted by the Spanish Institute of Financial Analysts ("IEAF"). Likewise, the level

of compliance with the recommendations of the Good Governance Code applicable to the Group improved to 98.1%.

The implementation of the 3D Plan continues, with new projects and initiatives being incorporated into its different dimensions (Diversification, Digitalisation and Decarbonisation), giving rise to the so-called extended 3D Plan. The Group is also carrying out other investments outside the 3D Plan.

Within the framework of the industrial decarbonisation PERTE programme, Ercros submitted two applications for the Vila-seca plants, under the decarbonisation dimension of the 3D Plan, for which it has obtained grants. Commissioning is scheduled for the 2026 and 2027 financial years.

The voluntary takeover bid launched by Bondalti Ibérica, S.L.U. was authorised by the Spanish National Securities Market Commission on 10 February and the corresponding prospectus was registered. Previously, in November 2025, Bondalti obtained approval from the National Commission on Markets and Competition, albeit subject to the adoption of mitigating measures, consisting of supplying up to 85,000 tonnes per year of sodium hypochlorite to certain competitors for an initial period of five years, extendable for two further equal periods.

On 16 December 2025, Bondalti reduced the minimum acceptance condition to that which would grant it more than half of Ercros' voting rights, i.e. 45,718,100 shares.

The acceptance period for the takeover bid has been set between 12 February and 13 March 2026, a total of 30 calendar days.

For the European chemical sector, the general consensus among specialised publications foresees the beginning of a recovery in demand in the second half of 2026, although this is subject to a reasonable resolution of the current tariff crisis and the implementation of the European chemical industry support plan.

Meanwhile, the tariff war initiated by the United States has increased the flow of Asian chemical products into Europe, weakening the recovery of European economic activity.

In any case, Ercros will continue implementing the 3D Plan in order to advance the digitalisation of its operations, the decarbonisation of its activities, and the diversification and expansion of its 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 implementing measures aimed at reducing costs and improving competitiveness.

Antonio Zabalza Martí
*Chairman and Chief Executive Officer
of Ercros*

Barcelona, 27 February 2026

2.1. Organisational structure

The governing bodies of Ercros, S.A. ("the Company" or "Ercros") are the General Shareholders' Meeting and the Board of Directors, which includes the Audit Committee, the Appointments, Remuneration, Sustainability and Corporate Social Responsibility Committee, and the Strategy and Investment Committee. The operational management bodies are the Executive Committee and the Management Committee.

a) The General Shareholders' Meeting

On 27 June 2025, the Parent Company held the Ordinary General Shareholders' Meeting in mixed format: in person and online.

At this meeting, all the proposed resolutions submitted by the Board of Directors were approved, while the proposal submitted by a group of shareholders to pay out a dividend of EUR 0.096/share charged to reserves was rejected.

In addition to the mandatory or customary proposals –approval of the financial statements and directors' report of the Company and of its consolidated group, which also include the annual report on corporate governance and company management, approval of the non-financial statements (corporate sustainability report) of the Company and its consolidated group, consultative vote on the directors' remuneration report and delegation to the board and the secretary for the execution of the resolutions– the following proposals were included in the agenda:

- Ratification of the shareholder remuneration policy (2025–2028) which was approved by the Company's Board of Directors on 9 May 2025 [see note 3 d i)].
- The proposal for the re-election of Ms Carme Moragues Josa as an independent director.
- Approval of the directors' remuneration policy, effective from the date it was approved by the General Shareholders' Meeting and valid for the next three years (2025–2028). The current policy follows the same structure and criteria as the previous one.

The meeting was attended by 4,777 shareholders owning 65,501 thousand shares, representing 71.636% of the subscribed voting capital, of which 11.114% was present and 60.522% was represented.

The Parent Company paid a gross premium of EUR 0.005 per share to the shareholders attending this meeting.

Composition of the Board of Directors at 31/12/25

Director	Position	Category	Committees	Latest appointment
Antonio Zabalza Martí	Chairman and CEO	Executive	–Strategy and investments	28/06/2024
Carme Moragues Josa	Coordinating director	Independent	–Auditing –ARS&CSR	27/06/2025
Lourdes Vega Fernández	Substitute coordinating director	Independent	–Auditing –ARS&CSR –Strategy and investments	28/06/2024
Laureano Roldán Aguilar	Director	Other external	–Auditing	28/06/2024
Eduardo Sánchez Morrondo	Director	Other external	–ARS&CSR	28/06/2024
Joan Casas Galofré	Director	Proprietary	–Strategy and investments	28/06/2024
Daniel Ripley Soria	Secretary non-director			

b) The board of directors

At the ordinary General Shareholders' Meeting held on 27 June 2025, the proposal for re-election of the independent director Carme Moragues Josa for another term was approved.

At its meeting on 25 July 2025, the Board of Directors unanimously approved the appointment of director Carme Moragues Josa as the chair of the ARS&CSRC, her re-election as a member of the audit committee and ratification as coordinating director. At the same meeting, the Board also approved the appointment of director Lourdes Vega Fernández as chair of the audit committee and her re-election as a member.

The composition of the Ercros Board of Directors is as follows:

- Chairman and Chief Executive Officer: Mr Zabalza Martí.
- Independent members: Ms Moragues Josa (coordinator) and Ms Vega Fernández (substitute coordinator).
- Members classified as 'other external directors': Mr Roldán Aguilar and Mr Sánchez Morrondo.
- Proprietary director: Mr Casas Galofré.

The position of non-director secretary is held by Mr Ripley Soria.

In 2025, the Board held ten meetings attended by all board members. Eight meetings were held by videoconference, one in person and one in writing without holding a session.

At the meeting held on 19 December 2025, the general managers presented to the Board of Directors the risk maps for each of the businesses, the aggregate risk map for the Group, and the maps of financial impacts arising from risks and opportunities associated with climate change, identified by analysing RCP (Representative Concentration Pathways) climate scenarios and the reports by the IPCC (Intergovernmental Panel on Climate Change).

On 20 February 2026, the board conducted the annual evaluation of the quality and efficiency of the functioning and composition of the board and its committees, as well as the performance of the chief executive of the Company and of each director, in accordance with the provisions of Article 529 h of the Spanish Corporate Enterprises Act ("CEA").

(i) Audit Committee

On 25 July 2025, the composition of the audit committee was amended so that, at 31 December 2025, the audit committee had the following members:

- Chair: Ms Lourdes Vega Fernández, independent director.
- Members: Ms Carme Moragues Josa, independent director, and Mr Laureano Roldán Aguilar, director classified as 'other external directors'.

Mr Ripley Soria, secretary of the Board of Directors of Ercros, acts as secretary of this committee.

The members of this committee possess knowledge and experience in business management, accounting, auditing and risk management.

In 2025, the audit committee held six meetings attended by all its members. Five of the meetings were held by videoconference and one in person.

The audit committee reports to the internal audit service, which is headed by Xavier Álvarez García, and the compliance committee, which is made up of Xavier Álvarez García and Asunción Loste Madoz, head of the legal department.

(ii) Appointments, Remuneration, Sustainability and Corporate Social Responsibility Committee ("ARS&CSRC")

On 25 July 2025, the composition of the ARS&CSRC was amended so that, at 31 December 2025, the ARS&CSRC had the following members:

- Chair: Ms Moragues Josa, independent director.
- Members: Ms Vega Fernández, independent director, and Mr Sánchez Morrondo, director classified as "other external directors".

Mr Ripley Soria, secretary of the Board of Directors of Ercros, acts as secretary of this committee.

The members of this committee have knowledge and expertise in the chemical sector, R&D, sustainability and in the analysis of risks and opportunities associated with climate change.

In 2025, the committee held four meetings attended by all its members. All the meetings were held by videoconference.

(iii) Strategy and Investment Committee

In 2025 there have been no changes in the composition of said committee, which is made up of:

- Chairman: Mr Zabalza Martí, executive director.
- Members: Ms Lourdes Vega, independent director, and Mr Casas Galofré, proprietary director.

Mr Ripley Soria, secretary of the Board of Directors of Ercros, also acts as secretary of this committee.

This committee held three meetings by videoconference in 2025.

c) Executive Committee

This is the body that ensures the implementation and monitoring of the resolutions adopted by the Board of Directors, carries out continuous control of operational management and risks in general, and approves the execution of the Group's investments and financing.

It is made up of the executive director, the chief business officer and the chief financial officer, who meet at least once a week.

d) Management Committee

This body is responsible for the monthly monitoring of the Group's operational management.

It is made up of the executive director, the two general managers, the directors of the three divisions, the commercial directors of each division and the directors of institutional relations and communication, administration, finance, sustainable development, human resources, information systems, integrated logistics, legal affairs and R&D&I.

In 2025 the management committee met 11 times.

2.2. Industrial structure

The Ercros Industrial Group ('the Group' or 'the Ercros Group') is diversified into three business segments: (i) the chlorine derivatives division, a strategic business unit whose common link is chlorine; (ii) the intermediate chemicals division, focused on formaldehyde chemicals, from which the rest of the products in its portfolio are manufactured; and (iii) the pharmaceutical division, which is dedicated to the manufacture of active pharmaceutical ingredients (APIs).

Production centres and products

Divisions	Centres	Main products	Main applications
Chlorine derivatives	Monzón, Tarragona, Sabiñánigo, Vila-seca I and Vila-seca II	Caustic soda Caustic potash Chloride EDC Hydrochloric acid PVC TCCA Sodium chlorate Sodium chlorite Sodium hypochlorite VCM	General industry Chemical industry Manufacturing derivatives VCM manufacturing General industry Construction Swimming pool water Pulp bleaching Water treatment Water treatment Manufacturing PVC
Intermediate chemicals	Almussafes, Cerdanyola and Tortosa	Dipentaerythritol Formaldehyde Glues and resins Moulding powders Paraformaldehyde Pentaerythritol Sodium formate	Paint industry Manufacturing derivatives Wood industry Sanitary and electrical equipment Resins Paint Tanning industry
Pharmaceuticals	Aranjuez	Erythromycins Fosfomicin Fusidic acid	Antibiotics Antibiotics Skin infections

At 31 December 2025, the Group had 9 production centres, all of them located in Spain. Industrial activity at Flix ceased in 2022. The Group is working with the Generalitat de Catalunya and the Flix City Council to attract and support several industrial initiatives by third parties that could be set up on its land in Flix, for which purpose it has undertaken the appropriate dismantling work to generate available land for potential new industries.

2.3. Operations

a) Mission and Principles

The general aim of the Ercros Group is to consolidate itself as a solid and lasting industrial group, which contributes in a sustainable manner to the generation of wealth and the well-being of society, which generates an appropriate return for its shareholders, and which favours the full personal and professional development of those who form part of it.

The Group's actions, aimed at increasing its value, are guided by four basic principles: (i) maximum safety for its employees, neighbours and facilities; (ii) sustainability; (iii) meeting the needs of its customers; and (iv) highest quality of its products.

b) Business Strategy

The Ercros Group defines its business strategy in multi-year plans that set out the measures to be implemented to increase productivity and efficiency in the use of its resources.

The Group's three main long-term strategic goals are:

- To form a chemical group with an international presence that is sustainable, efficient, balanced and profitable.
- To achieve productive, modern, sustainable, environmentally friendly, industrially integrated facilities at the European level in competitive locations.
- To focus on high value-added products with competitive advantages and growth prospects.

c) Diversification, Digitalisation and Decarbonisation Plan (3D Plan)

In the diversification dimension, during the 2021-2025 period, the projects for the expansion of the manufacturing capacity of polyols at the Tortosa plant, moulding powders at the Cerdanyola plant, fosfomycin trometamol, gentamicin and sterile micronized fusidic acid in Aranjuez, and TCCA (trichloroisocyanuric acid) at the Sabiñánigo plant went into operation; and carried out on the industrial scale-up of the fermentation and extraction processes for the new antibiotic vancomycin at the Aranjuez extraction plant built in 2022.

As regards the digitalisation dimension, the Business Intelligence projects for the areas of procurement, logistics, production and maintenance; tracking and monitoring of maritime containers and overland shipments; and mobility solutions in industrial settings (work permits and meter readings), among others, were completed. Big Data and IoT projects, mobility and logistics, infrastructure improvement, cybersecurity, optimisation of the work environment and automation, as well as sensorization and upgrading of control systems in the production area continue to progress.

In the decarbonisation dimension, the following projects were completed in the 2021-2025 period: (i) improvement of energy efficiency in Tortosa and optimisation of energy consumption in Cerdanyola; (ii) replacement of conventional lighting with LED technology across Ercros' production facilities; (iii) optimisation of consumption of chemical products and raw materials in Aranjuez; (iv) improvement in the use of hydrogen in Sabiñánigo, Vila-seca I and Vila-seca II; (v) salt recrystallisation in Sabiñánigo; (vi) recycling of moulding powders in Cerdanyola; and (vii) photovoltaic parks in Flix and Monzón. The decarbonisation projects included in the Strategic Project for Economic Recovery and Transformation (PERTE) were also launched: steam generation with an electric boiler in Vila-seca I; steam generation using biomass at the Vila-seca II plant; heat recovery and reuse at the VCM and PVC plants at the Vila-seca II factory; and optimised use of hydrogen (second phase) produced in Vila-seca I.

d) Business Model and Challenges

Chlorine is the common link in the chlorine derivatives division. Chlorine and caustic soda are obtained simultaneously in the same production process from sodium chloride dissolved in water (brine) and electricity, in a ratio of 1 tonne of chlorine to 1.12 tonnes of soda. This assembly is known as the electrolytic unit ("ECU").

The ECU margin is determined: (i) on the revenue side, by the selling price of the co-produced caustic soda and the profitability of the various chlorine applications, and (ii) on the cost side, by the cost of electricity and the other raw materials consumed in the production of chlorine derivatives, particularly sodium chloride.

Caustic soda is a basic chemical reagent widely used in industry (the main consumers are the aluminium sector –and thus the automotive sector– and the paper industry). Demand is growing at 1.5 times the rate of GDP growth and the product is traded globally.

For reasons of safety and economic efficiency, most of the chlorine produced is consumed on site, as it is produced as a gas and is highly reactive. All the chlorine produced by the Group is self-consumed to manufacture derivative products (sodium hypochlorite, hydrochloric acid, TCCA and the EDC/VCM/PVC chain).

The main strengths of the chlorine derivatives division are integrated production, the synergies and complementarity between the division's plants and the efficiency of its modern industrial facilities.

The main challenges of this business include reducing the carbon footprint of the processes, expanding the production capacity of products with higher value-added products, such as sodium chlorite and TCCA, and the diversification of the portfolio by adding new products.

Formaldehyde is the core product of the intermediate chemicals division, with methanol as its main raw material. This procurement accounts for around 40% of the division's total costs. The Group has contracts of varying duration with several suppliers of this raw material.

80% of the formaldehyde produced is used to manufacture both liquid and solid derivatives. The latter, which account for around 65% of the division's turnover, have a worldwide market (around 90% are exports). The main foreign currency in the market for solid products is the US dollar, meaning that the competitiveness of the business and its profitability are affected by the dollar/euro exchange rate.

The main strengths of this division are the know-how and proprietary technology in the production processes, as well as the ability to develop tailor-made products for its customers.

The main challenges for this business include increasing sales volumes in line with the recent expansions of solid product capacity, developing the new resin ranges (ErcrosGreen+ and ErcrosTech), continuing with the process of digitalisation of the entire value chain, remaining committed to the progressive decarbonisation of processes, boosting the energy efficiency of the processes to enhance competitiveness, continuing to improve the quality and service standards of the products and diversifying the current portfolio.

The pharmaceuticals division focuses on the production of pharmaceutical raw materials and APIs (Active Pharmaceutical Ingredients) for generic and branded medicines, primarily in the field of antibiotics. The division also specialises in the production of active ingredients and intermediates for third parties, custom-designed for customers.

The main strengths of this business are its mastery of fermentation processes, as well as its ability to obtain sterile products for injectable use. The division is also highly valued for its strong internationalisation (it exports more than 90% of sales) and its good positioning as a reliable high-quality supplier to the world's leading laboratories. The significant weight of foreign markets in the business means that both its sales volume and margin are influenced by the exchange rate of the dollar against the euro.

The main challenges for this business are to convert the increased manufacturing capacity of sterile medicines into profits by adding new products and entering new markets, and to optimise the installed fermentation capacity by increasing the sales volume of existing products and starting the manufacture of new ones. The project for the construction of a new extraction plant for the manufacture of the antibiotics vancomycin and gentamicin, contemplated in the 3D Plan, is an example of this expansion of the product portfolio. Other challenges include the continuous adaptation to new quality requirements imposed by customers and regulatory bodies, as well as staying ahead of competition from emerging markets.

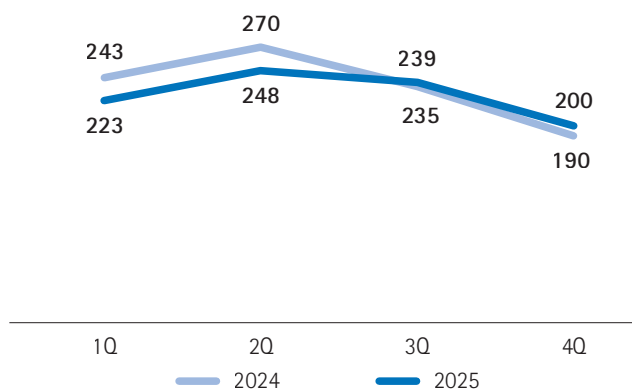
3 / Business evolution and results

3.1. Analysis of the evolution of the main indicators

1. In 2025, Ercros sold 910 thousand tonnes of products, which is slightly lower than the 938 thousand tonnes in 2024: 2.9% lower.

Tonnes sold per quarter

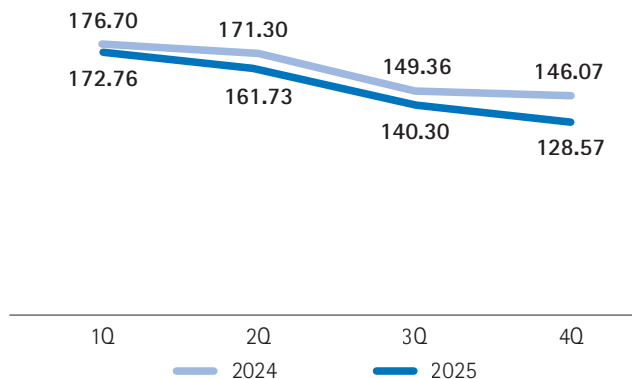
THOUSANDS 2025-2024 VARIATION: -2.9%



2. Product sales amounted to EUR 603.36 million compared to EUR 643.43 million in 2024: a decrease of EUR 40.07 million, equivalent to a drop of 6.2%.

Product sales per quarter

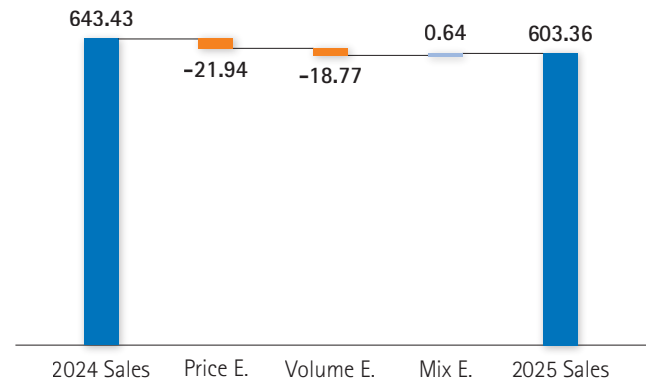
MILLION EUROS 2025-2024 VARIATION: -6.2%



3. Of the EUR 40.07 million decrease in sales, the decline in the average price per tonne accounts for EUR 21.94 million (54.8%) and the lower volume of tonnes sold accounts for EUR 18.77 million (46.8%). The mix effect moves in the opposite direction, accounting for the remaining -1.6%.

Effects of price and volume on the reduction of sales

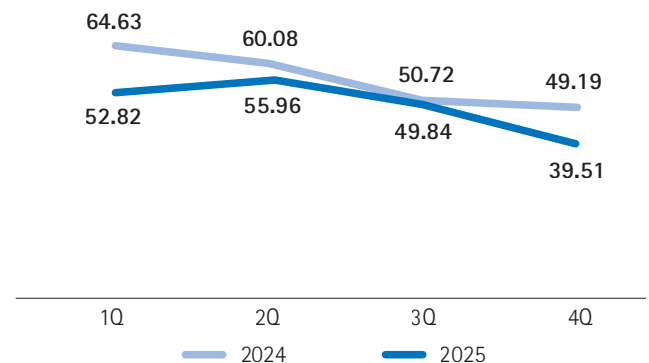
MILLION EUROS



4. Product sales and services provided contributed EUR 198.13 million in 2025 compared to EUR 224.62 million in 2024, an 11.8% decrease. This decrease is the result of a drop in sales and services provided amounting to EUR 40.60 million (mainly caused by the decrease in the average price per tonne), which exceeded the EUR 14.11 million decrease in variable costs.

Contribution

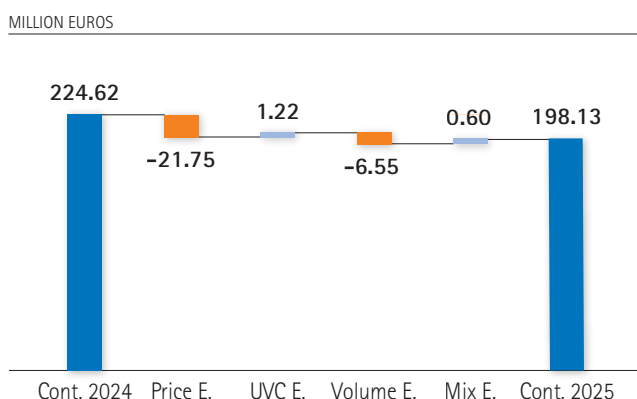
MILLION EUROS 2025-2024 VARIATION: -11.8%



Contribution: (sales of products + provision of services - procurement - supplies + change in inventories).

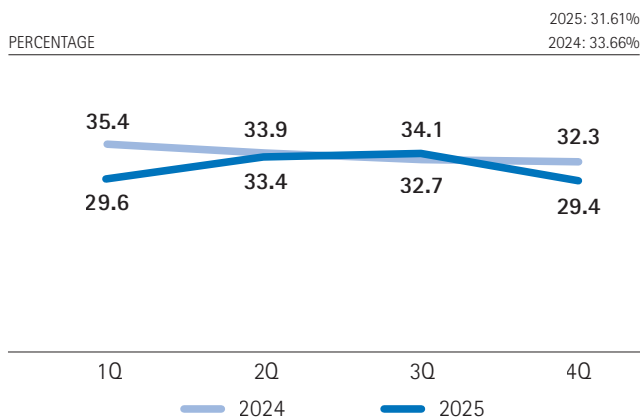
5. In terms of the contribution, in 2025 the negative price effect of EUR 21.75 million was greater, in absolute terms, than the positive unit variable cost (UVC) effect of EUR 1.22 million. The net effect of price and UVC amounts to -20.53 million, which accounts for 77.5% of the -26.49 million variation in contribution. The remaining 22.5% is explained by the volume effect of -6.55 million (24.7%) and the mix effect of 0.60 million (-2.2%).

Price, volume and UVC effects on the reduction in contribution



6. The contribution margin (contribution divided by the sum of product sales plus service provision) fell from 33.7% in 2024 to 31.6% in 2025. This is a variation of -2.1 percentage points, caused by the increase in the relative weight of variable costs, which represented 66.6% of sales (plus service provision) in 2024 and 68.4% in 2025.

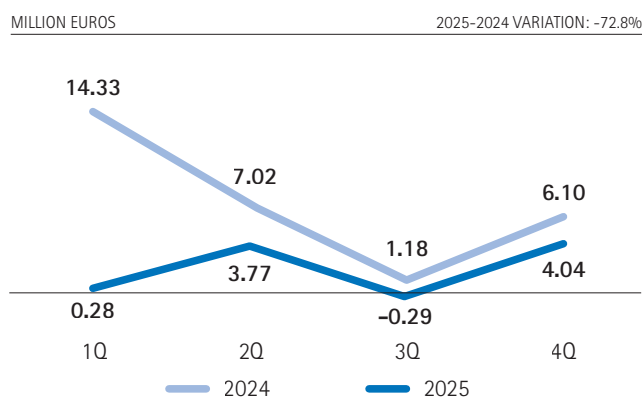
Quarterly contribution margin



Contribution margin: contribution / (sales of products + provision of services).

7. Adjusted ebitda in 2025 was EUR 7.80 million, compared to 28.63 million in 2024; this decrease of 20.83 million (-72.8%) is less than the decrease of 26.49 million in the contribution thanks to increased revenue from indirect CO₂ emissions offsets awarded (which rose by EUR 6.39 million in 2025 compared to 2024).

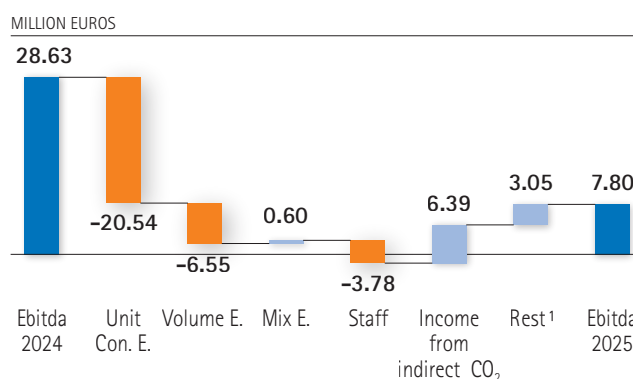
Adjusted quarterly ebitda



Adjusted ebitda: ebitda excluding non-standard items.

8. Compared to 2024, adjusted ebitda in 2025 fell by EUR -20.83 million due to: (i) the effect of the unit contribution of -20.54 million, given that the average sale price dropped more than the UVC, making up 98.6% of the drop in ebitda; (ii) the volume effect of -6.55 million, accounting for 31.5%; (iii) the mix effect of 0.60 million, accounting for -2.9%; (iv) the increase in personnel costs, for -3.78 million, accounting for 18.1%; (v) the 6.39 million increase in revenue from indirect CO₂ offsets, accounting for -30.7%, and (vi) other income and expenses, for a total of 3.05 million, accounting for -14.6%.

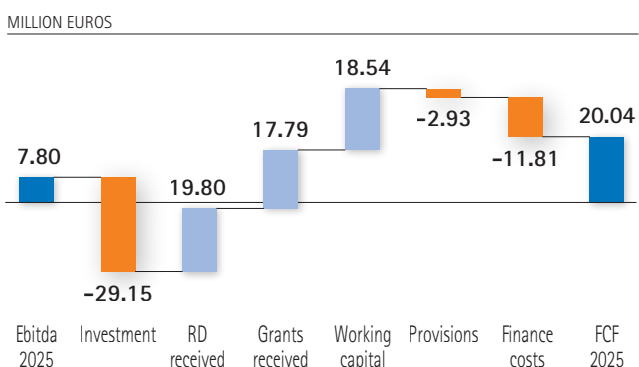
Unit contribution, volume and other effects on the reduction of adjusted ebitda



¹ Other: variation in service provision, other income, fixed and non-standard costs.

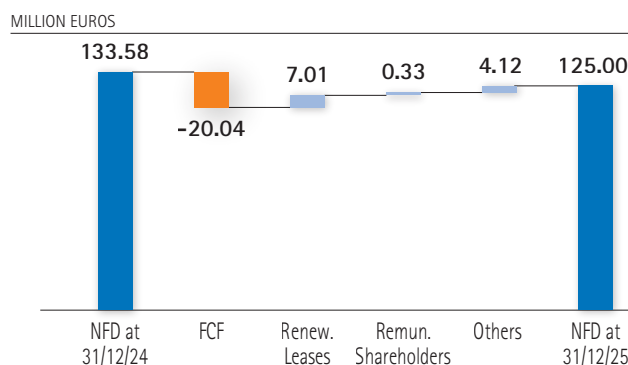
9. Free cash flow (FCF) generated in 2025 amounted to EUR 20.04 million, resulting from adding the following to the 7.80 million in ebitda: (i) the refund of 19.80 million in amounts unduly paid, as a result of the unconstitutional nature of certain provisions of Royal Decree 3/2016; (ii) 17.79 million in grants received; and (iii) the 18.54 million reduction in working capital; and subtracting: (i) 29.15 million in investments; (ii) 2.93 million in provisions paid; and (iii) net payments of 11.81 million for finance costs and income.

From ebitda to FCF



10. Ercros started 2025 with EUR 133.58 million in net financial debt (NFD). Throughout 2025, its debt decreased by 20.04 million due to positive FCF generated in that period and increased (i) by 7.01 million due to lease renewals subject to IFRS 16, (ii) by 0.33 million due to shareholder remuneration, and (iii) by 4.12 million due to other minor causes. Overall, Ercros' net financial debt decreased by 8.58 million to reach 125.00 million at 31 December 2025.

Evolution of net financial debt (NFD)



11. At 31 December 2025, Ercros had liquidity of EUR 99.25 million, of which EUR 96.03 million was cash and EUR 3.22 million consisted of undrawn financing facilities. Moreover, as its accounts receivable increase, Ercros will be able to draw up to an additional EUR 36 million from the syndicated factoring facility.

3.2. Results

In terms of profit and loss for 2025, the following should be noted, in addition to the information in Section A herein:

The service provision item dropped by 2.2%. Other revenue increased by 33.4%, mainly due to the EUR 6.39 million increase in compensation for indirect CO₂ emissions costs.

Reversals of provisions and other non-standard income mainly include the sum of EUR 0.35 million for the settlement of claims and EUR 0.40 million in reversals of provisions (in 2024, this item mainly included income stemming from the resolution of a dispute with a supplier).

The overall amount for procurement plus the change in inventories of finished goods decreased by 6.0%.

Utilities, on the other hand, increased by 4.7%, mainly due to higher costs for electricity (12.5%), while gas costs dropped (-5.7%).

Personnel expenses increased by 3.7%, mainly due to the wage increase agreed in the collective bargaining agreement (3%) and the increase in social security contributions and other employee benefits.

The allocation for provisions and other extraordinary expenses decreased by 43.6% due to the reduction in claims and environmental remediation actions.

Depreciation and amortisation increased by 9.3% as a result of the investments made.

Financial losses rose by 33.0%, mainly due to the increase in negative exchange differences, representing an increase of EUR 4.01 million in absolute terms. Not including exchange differences, finance income dropped by 9.7%.

The income tax expense includes EUR 12.13 million in deferred tax expense related to the decrease in deferred tax assets.

3.3. Income statement

THOUSANDS OF EUROS

	2025	2024	%
Revenue	662,791	700,358	-5.4
Sale of finished products	603,364	643,426	-6.2
Service provision	23,451	23,989	-2.2
Other revenue	34,918	26,177	33.4
Reversal of provisions and other extraordinary inc.	1,058	5,378	-80.3
Increase in inv. of finished prod. and work in progress	—	1,388	—
Expenses	-656,542	-670,982	-2.2
Procurements	-299,909	-326,838	-8.2
Decrease in inv. of finished prod. and work in progress	5,917	—	—
Supplies	-122,857	-117,341	4.7
Transport	-42,810	-43,274	-1.1
Staff expenses	-104,748	-100,966	3.7
Other operating expenses	-77,689	-77,935	-0.3
Allocation of provisions and other extraordinary exp.	-2,612	-4,628	-43.6
Ebitda	6,249	29,376	-78.7
Depreciation	-34,390	-31,460	9.3
Impairment/reversal of impairment of assets	—	-1,055	—
Ebit	-28,141	-3,139	x 9.0*
Financial profit/loss	-12,127	-9,115	33.0
Profit/loss before tax	-40,268	-12,254	x 3.3*
Income tax	-13,317	597	—
Profit/loss for the year	-53,825	-11,657	x 4.6*

* Times in which the 2025 figure exceeds the 2024 figure (in absolute terms).

Reconciliation of adjusted ebitda

THOUSANDS OF EUROS

	2025	2024	%
Ebitda	6,249	29,376	-78.7
Atypical revenue items	1,058	-5,378	-80.3
Atypical expenditure items	2,612	4,628	-43.6
Adjusted ebitda	7,803	28,626	-72.7

3.4. Results by business

The weak demand in the European chemical sector that began in mid-2022 continued throughout 2025.

In this context, the efforts of Ercros' businesses remained geared towards adapting the pace of production to demand while defending the margin as much as possible in a market situation of excess supply subject to strong competition. Cost reduction actions and improvements in competitiveness continued to be made, without affecting industrial activity.

In 2025, sales in the chlorine derivatives division fell by 4.9% compared to 2024 due to the 4.5% decline in the average selling price and the 0.3% drop in the volume sold. In addition, energy costs rose sharply. As a result, the division's ebitda fell to EUR 7.21 million, bringing the ebitda/revenue ratio to 2.0%.

In the intermediate chemicals division, compared to 2024, sales fell by 9.6% in 2025 due to the 9.7% reduction in the volume sold and to the fact that the average price of the division's products remained steady. Together with the increase in energy and procurement prices, this prompted the division's ebitda to fall by EUR 14.57 million to reach EUR 0.4 million, bringing the ebitda/revenue ratio to 0.2%, compared to 7.7% in 2024.

The pharmaceuticals division experienced a 3.6% decrease in revenue due to the decrease in the volume of products sold (7.7%), despite the 4.5% increase in sales prices. Operating costs, in turn, rose, leading the ebitda to drop to EUR 0.2 million.

Results by divisions

THOUSANDS OF EUROS

	Chlorine derivatives			Intermediate chemicals			Pharmaceuticals		
	Financial year 2025	Financial year 2024	% Variation	Financial year 2025	Financial year 2024	% Variation	Financial year 2025	Financial year 2024	% Variation
Revenue	415,861	426,895	-2.58%	184,616	204,293	-9.63%	62,764	65,312	-3.90%
Sale of products	367,141	386,198	-4.9%	175,839	194,584	-9.6%	60,384	62,644	-3.6%
Service provision	23,423	23,989	-2.4%	28	—	—	—	—	—
Other revenue	25,297	16,708	51.4%	8,749	8,874	-1.4%	872	595	46.6%
Changes in inventories of finished products	—	—	—	—	835	—	1,508	2,073	-27.3%
Expenses	-408,834	-414,443	-1.4%	-183,977	-189,321	-2.8%	-62,627	-64,110	-2.3%
Procurements	-167,404	-184,858	-9.4%	-107,946	-115,228	-6.3%	-24,559	-26,752	-8.2%
Changes in inventories of finished products	-5,179	-1,520	240.7%	-2,246	—	—	—	—	—
Supplies	-99,871	-94,914	5.2%	-16,142	-15,513	4.1%	-6,844	-6,914	-1.0%
Transport	-28,090	-27,328	2.8%	-13,663	-14,926	-8.5%	-1,057	-1,020	3.6%
Staff expenses	-59,773	-57,031	4.8%	-26,639	-26,046	2.3%	-18,336	-17,889	2.5%
Other operating expenses	-48,517	-48,792	-0.6%	-17,341	-17,608	-1.5%	-11,831	-11,535	2.6%
Ordinary ebitda	7,027	12,452	-43.57%	639	14,972	-95.73%	137	1,202	-88.60%
Depreciation and amortisation expense	-21,609	-20,495	5.4%	-6,991	-6,680	4.7%	-5,790	-4,285	35.1%
Operating profit/loss	-14,582	-8,043	81.30%	-6,352	8,292	-176.60%	-5,653	-3,083	83.36%
Assets	285,345	301,000	-5.2%	154,564	152,213	1.5%	87,454	88,158	-0.8%
Liabilities	68,893	72,237	-4.6%	23,601	30,622	-22.9%	8,512	10,406	-18.2%
Investments in fixed assets	26,309	14,450	82.1%	6,466	7,513	-13.9%	3,161	2,854	10.8%

3.5. Geographic markets

In 2025, sales declined in both the foreign market and the domestic market compared to 2024, but the foreign market was affected more heavily than the domestic market.

The domestic market accounted for 46.7% of revenues, amounting to EUR 281,604 thousand (EUR 286,036 thousand in 2024). The remaining 53.3% of revenues corresponded to the foreign market, reaching a sum of EUR 321,788 thousand (EUR 357,389 thousand in 2024).

The chlorine derivatives division sold 60% of its turnover in Spain. In this business, sales to the Spanish market increased by 0.2% and exports fell by 5.1%.

In the intermediate chemicals division, the reduction in turnover was 9.6%. The reduction in turnover was 7.9% in the domestic market and 7% in the foreign market. This business exports 66.6% of its turnover.

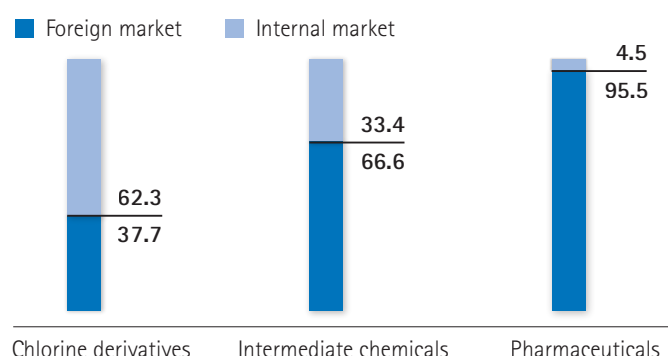
The pharmaceuticals division sells 95.5% of its products outside Spain, and in 2025 sales decreased by 0.4% compared to the previous year. Sales in Spain increased by 5.6%, while sales in foreign markets decreased by 3.8%.

The European Union ("EU") is the main destination for the Group's exports, accounting for 30.5% of its sales. The reduction in turnover in this area reached 4% compared to 2024. Sales to OECD countries decreased by 18.2% and represent 14% of total revenue. The rest of the world, which accounts for 8.8% of the turnover, experienced a reduction of 14.5% between 2024 and 2025.

Sales to France, Italy and Portugal, together with the US, Germany and Turkey, are the main destinations for the Group's exports.

Business markets

% OF EACH BUSINESS' SALES IN 2025



3.6. Exchange rates

The only assets and liabilities exposed to foreign exchange risk are those arising from purchases and sales in ordinary business. The Group has no other assets exposed to currency risk on its balance sheet.

The US dollar is, by far, the main currency to which the Group is exposed, and the Group's general policy is not to arrange exchange rate hedging to hedge this risk, given the limited effectiveness of these instruments.

In 2025, the average exchange rate with the euro was 1.12 US dollars per euro, while the average rate in 2024 was 1.08 US dollars per euro.

For 2026, the Group has estimated an average exchange rate of USD 1.22 per euro, although so far this year the exchange rate has been below this level. If the dollar continues to depreciate against the euro, it could adversely affect the Group's competitive position and profitability.

In 2026, the Group expects to increase its net exposure to the US dollar by increasing planned US dollar sales compared to purchases.

In 2025, sales in US dollars amounted to 118,004 thousand, which is 18.1% less than the 144,061 thousand in 2024. Sales in this currency accounted for 17.4% of total consolidated sales (20.7% the previous year).

Purchases in dollars went from 47,174 thousand in 2024 to 30,561 thousand in 2025 due to the effect of the VCM purchase in 2024; the volume in tonnes of other products was similar and the average prices remained relatively stable over the year. In 2025, purchases in dollars accounted for 7.2% of the Group's total procurement and supplies (9.8% of the total figure for the previous year).

3.7. Financial, operational and stock market indicators

Indicators ¹	Financial year 2025	Financial year 2024
Financial		
Leverage ratio (<0,5) ²	0.44	0.39
Solvency ratio (<2) ²	16.02	4.67
Liquidity	1.15	1.15
Hedging of fixed asset financing	1.07	1.07
ROCE (%)	-6.43	-0.63
Average collection period (days)	57.59	60.75
Average payment period (days)	46.05	44.12
Operational		
Production (thousand tonnes)	1,366	1,386
Added value (thousands of euros)	110,997	130,342
Productivity (euros/person)	82,587	97,634
Gross margin/revenue (%)	54.75	53.33
Ordinary ebitda margin/sales (%)	1.24	4.29
Stock market		
Closing share price (euros/share)	3.42	3.53
Capitalisation (thousands of euros)	312,712	322,770
EPS (euros) ²	-0.59	-0.13
CFA (euros)	0.10	0.10
PER	n/a	n/a
P/BV	1.09	0.95

² Conditions for dividend payment.

¹ Method of calculation and purpose of each indicator:

Leverage ratio:

- Calculation: net debt ÷ total equity.
- Purpose: to assess the degree of borrowed funds in relation to the Group's equity.

Solvency ratio:

- Calculation: net debt ÷ gross ordinary operating profit.
- Purpose: to assess the repayment capacity of borrowed funds in number of years.

Liquidity:

- Calculation: current assets ÷ current liabilities.
- Purpose: to assess the capacity to meet short-term payment commitments.

Hedging of fixed asset financing:

- Calculation: (total equity + non-current liabilities) ÷ non-current assets.
- Purpose: to assess the extent to which non-current assets are financed with permanent resources.

ROCE:

- Calculation: operating result ÷ resources employed.
- Purpose: to measure the level of profitability obtained by the Group in its business in relation to the investment made.

Average collection period:

- Calculation: (average debtors for the year ÷ sales) × 365.
- Purpose: to assess the average number of days between sales and total collections for the year.

Average payment period:

- Calculation according to Act 15/2010, of 5 July.
- Purpose: to assess the average number of days between purchases and total payments for the year.

Production:

- Calculation: Volume of units produced.
- Purpose: to measure the number of physical units produced.

Added value:

- Calculation: gross operating result + staff costs.
- Purpose: to measure the wealth generated by the Group.

Productivity:

- Calculation: added value ÷ No. of employees.
- Purpose: to measure the average contribution per employee to the Group's added value.

Gross margin / revenue:

- Calculation: (income – procurement) ÷ income.
- Purpose: to assess the profitability of the Group's product portfolio.

Ordinary ebitda / sales margin:

- Calculation: gross operating profit ÷ sales.
- Purpose: to measure the profitability of sales in relation to gross operating profits earned.

Share price:

- Calculation: Ercros share price at year-end.
- Purpose: to understand how the market values each of the Company's shares.

Capitalisation:

- Calculation: closing share price × number of shares issued.
- Purpose: to discern the value that the market assigns to the Group's total equity.

EPS:

- Calculation: consolidated profit for the year ÷ weighted average number of shares.
- Purpose: to measure the earnings that corresponds to each share.

CFA:

- Calculation: operating cash flow ÷ number of shares.
- Purpose: to measure the cash flow generated corresponding to each share.

PER:

- Calculation: capitalisation ÷ result of the year.
- Purpose: to discern the number of times earnings per share are included in the value of the share.

P/BV:

- Calculation: capitalisation ÷ total equity.
- Purpose: to relate the Company's stock market value to its underlying book value.

+ = added – = subtracted × = multiplied ÷ = divided

4.1. Economic analysis of the balance sheet

The following should be noted in relation to the balance sheet at year-end 2025 compared to 2024:

Non-current assets decreased by EUR 16.6 million, mainly due to (i) the receipt of a grant amounting to EUR 14.06 million under the Strategic Project for Economic Recovery and Transformation (PERTE) for decarbonisation at the Vila-seca II factory, which is recognised as a decrease in property, plant and equipment costs, and (ii) the EUR 13.40 million reduction in deferred tax assets, on the negative side and, on the positive side, (iii) the EUR 9.32 million increase in property, plant and equipment and investment property, because the additions to tangible assets during the year exceeded the depreciation.

Working capital decreased by EUR 47.74 million as a result of a EUR 59.21 million drop in current assets and a decrease in current liabilities of EUR 11.47 million. Current assets decreased mainly due to: (i) the decrease in inventories (EUR 13.22 million); (ii) collection of the amount receivable from the tax authorities for amounts unduly paid, as a result of the unconstitutional nature of certain provisions of Royal Decree 3/2016 (EUR 19.80 million); and (iii) the decrease in accounts receivable (EUR 19.63 million). Current liabilities decreased mainly due to the reduction in trade payables (EUR 16.79 million), partially offset by the increase in accounts payable for purchases (EUR 6.41 million).

Net equity decreased by EUR 53.91 million, as the net result of subtracting EUR 53.58 million in losses for the year and EUR 0.33 million for the board attendance bonus.

Provisions and other payables decreased by EUR 1.92 million, mainly due to payments associated with the dismantling of facilities and sundry environmental remediations.

Economic analysis of the balance sheet

THOUSANDS OF EUROS

	31/12/25	31/12/24	Variation	%
Non-current assets	401,198	403,800	-2,602	-0.6
Working capital	36,181	97,988	-61,807	-63.1
Current assets	148,782	169,527	-20,745	-12.2
Current liabilities	-112,601	-105,309	-7,292	6.9
Capital employed	437,379	501,788	-64,409	-12.8
Equity	287,247	341,157	-21,958	-15.8
Net financial debt	125,001	133,578	43,508	-6.4
Provisions and other liabilities	25,131	27,053	-3,132	-7.1
Origin of the funds	437,379	501,788	18,418	-12.8

Net financial debt includes all debts of a financial nature to non-banking entities as well as lease payables (in 2025: EUR 12,101 thousand, and in 2024: EUR 13,981 thousand). Furthermore, in addition to cash and cash equivalents, deposits collateralising debt commitments have been considered as reductions in financial debt (in 2025: EUR 2,027 thousand, and in 2024: EUR 2,028 thousand).

4.2. Liquidity

The Group manages its liquidity risk using financial planning techniques. These techniques consider cash inflows and outflows from ordinary, investment and financing activities, as well as shareholder remuneration. The Group's objective is to maintain a balance between the flexibility, term and conditions of the contracted sources of financing according to the expected short-, medium- and long-term needs.

Net financial debt was reduced by EUR 8.5 million in 2025 compared to 2024, thanks to the amount for income tax from fiscal years 2016 to 2022 collected in relation to the judgement on the constitutionality of RDL 3/2016 on the one hand and, on the other, the aid collected under the Strategic Project for Economic Recovery and Transformation (PERTE) and the grants for indirect CO₂ emissions, which more than made up for the negative cash flow generated by the business due to the weaker economic setting in the European chemical industry.

In turn, much of the Group's financing includes an obligation to meet covenants in relation to its level of indebtedness, finance costs and maximum capex. There is a risk that some of these covenants may be breached from time to time. Historically, in all cases where there has been a breach of a covenant, the Group has obtained the corresponding waiver from the financial institutions and expects to obtain such a waiver in the event of a breach of a covenant in the future.

The Group has obtained a waiver for its breach of the covenants at 31 December 2025.

In relation to the financing facilities available, the Group renewed and extended the syndicated financing agreements in December 2023, and currently has a syndicated factoring facility available until May 2029 for an amount of EUR 102,000 thousand and a syndicated credit facility with a global limit of EUR 115,000 thousand in two tranches: a revolving tranche for an amount of EUR 50,000 thousand and a loan tranche to finance investments up to a maximum of EUR 65,000 thousand, of which EUR 50,000 thousand has been drawn, since the minimum ebitda required to draw down the remaining EUR 15,000 thousand was not reached.

The Group has arranged several loans and credit facilities with financial entities and public institutions for a total amount of EUR 106,415 thousand.

In addition, on 23 December 2021, the Ercros Group signed a EUR 40 million agreement with the European Investment Bank ("EIB") to finance Ercros' investments in research, development and innovation ("R&D&I"), digitalisation, decarbonisation and modernisation of its main facilities as part of the Plan 3D strategic plan that Ercros has launched for the 2021-2025 period. The Group has drawn down all of this financing at year-end 2024.

In addition, if necessary, the Group believes that it could occasionally resort to other complementary mechanisms to obtain liquidity, such as the partial and selective disposal of non-operating assets, issuance of short- or medium-term bonds in organised markets or issuance of a line of promissory notes on the Alternative Fixed Income Market ("MARF").

a) Main sources of funding

In 2025, the Group has used the following sources of financing:

(i) External

- The factoring facility in euros, used to finance working capital up to a limit of EUR 102,000 thousand. At 31 December 2025, the balance drawn down from this facility was EUR 66,067 thousand (EUR 58,401 thousand for the previous year).
- The revolving credit agreement, for an overall limit of EUR 50,000 thousand. At 31 December 2025, the amount drawn down was EUR 50,000 thousand (EUR 30,000 thousand in the previous year).
- The CAPEX tranche of the syndicated revolving credit facility in loan format had an outstanding balance of EUR 50,000 thousand at 31 December 2025 (EUR 20,625 thousand the previous year).
- The ICO loan agreement, which at 31 December 2025 had a balance of EUR 3,602 thousand (EUR 7,205 thousand in the previous year).
- The ICF loan agreements, which at 31 December 2025 had a balance of EUR 2,003 thousand (EUR 3,055 thousand in the previous year).
- Various loans with public entities such as the Ministry of Industry, Tourism and Commerce, CDTI and other financial entities for a total amount of EUR 8,201 thousand (EUR 9,528 thousand the previous year).
- Various bank loans maturing in five to seven years with a balance drawn down at 31 December 2025 of EUR 23,067 thousand (EUR 32,706 thousand in the previous year).
- Several working capital financing facilities from banks with a total limit of EUR 28,958 thousand. At 31 December 2025, a balance of EUR 25,425 thousand (EUR 4,174 thousand in the previous year) had been drawn down on these working capital financing facilities.
- The loan agreement with the European Investment Bank signed on 23 December 2021 for a total amount of EUR 40,000 thousand, with a drawn down balance of EUR 30,106 thousand at 31 December 2025 (EUR 37,174 thousand in the previous year).

(ii) Internal

In 2025, the Group had EUR 20,038 thousand in free cash flow (EUR -17,160 thousand in 2024).

- At 31 December 2025, the Group also had EUR 96,029 thousand (EUR 36,729 thousand at year-end 2024) in cash on hand and EUR 3,220 thousand (EUR 110,139 thousand at year-end 2024) in additional available financing.
- In 2026, a total of EUR 849 thousand related to the refund of corporate income tax settlements from 2024 was received.
- It is worth noting the overall amount received in 2025 relating to grants (for indirect CO₂ emissions, intensive electricity consumption and others), which came to EUR 32,113 thousand (EUR 8,811 thousand in 2024).

The Group is confident that, as in the past, should new investment opportunities or needs arise at any production facility to meet its growth expectations, it could resort to other complementary mechanisms to obtain liquidity, such as partial and selective disposal of non-operating assets, arranging new bank financing, issuance of promissory notes or issuance of short- or medium-term bonds in organised markets.

b) Public subsidies and grants

In 2025, Ercros received the following subsidies and grants from public bodies:

Body	Item	Factories	Amount (EUR thousand)
Ministry of Industry and Tourism	Offsetting the cost of indirect CO ₂ emissions from 2024	Vila-seca I and Sabiñánigo	12,467
Ministry of Industry and Tourism	Offsetting for electricity-intensive consumers in 2025	Vila-seca I, Tortosa, Cerdanyola and Almussafes	405
Ministry of Industry and Tourism	Decarbonisation PERTE	Vila-seca I and Vila-seca II	14,597
Institut Català de l'Energia	ZERO GAP – Electrolyser D	Vila-seca I	396
Institut Català de l'Energia	Technological improvements in industrial processes and equipment	Vila-seca I	745
Government of Aragon	Technology enhancements in brine crystallisation processes and equipment	Sabiñánigo	1,844
Government of Aragon	Digital transformation and production process improvement project	Monzón	56
Helleniq Petroleum	STEROPE project: converting industrial CO ₂ emissions into sustainable fuel	Tortosa	62
Total			32,113

The Group has also been granted aid from IDAE, ICAEN, IVACE and the Ministry of Industry and Tourism, amounting to EUR 1,316 thousand, which has not yet been received, awaiting justification and review of the investments that have generated them.

The total grant awarded for the STEROPE project amounts to EUR 127 thousand, of which EUR 62 thousand has been received, while the rest of the grant will be received as the project progresses.

Furthermore, in 2025, the Group received the following public aid:

- The Ministry of Industry and Tourism granted the Group free allocations of greenhouse gas emission allowances for an equivalent value of EUR 12,975 thousand (EUR 13,983 thousand in 2024) to the consolidated financial statements].
- The Fundación Estatal para la Formación en el Empleo ("Fundae") subsidised part of the training expenses incurred, amounting to EUR 218 thousand, which is deducted from the social security contributions paid by the Group (EUR 181 thousand in 2024).

c) Dividend restrictions

There are no restrictions on the distribution of dividends as long as the ratios set out in the syndicated financing agreements are met, which are less restrictive than the three conditions set out in the shareholder remuneration policy in force for the 2021-2025 period, as detailed below:

- The profit for the year must exceed EUR 10 million.
- The NFD/ordinary ebitda ratio (solvency ratio) must be less than or equal to 2.
- The NFD/total equity ratio (leverage ratio) must be less than or equal to 0.5.

Certain financing agreements contain restrictions limiting shareholder remuneration to 40% of consolidated net profit for the year subject to compliance with certain financial ratios.

Given that the company incurred losses in 2025, no dividends may be distributed. Furthermore, the NFD/ebitda ratio was not met either: at 16.02 times, it is well above the maximum of 2 required in the shareholder remuneration policy.

d) Level of indebtedness

As mentioned in section 3.1 above, the NFD has decreased by EUR 8,577 thousand. At 31 December 2025, NFD stood at EUR 125,001 thousand compared to EUR 133,578 thousand at the end of 2024.

The balance of net financial debt ("NFD") as at 31 December 2025, as calculated by the Group, is as follows:

EUR THOUSAND	31/12/25	31/12/24
Bank borrowings:		
Non-current	129,930	83,200
Current	43,987	55,050
Current portion of non-current debt	37,039	20,104
Lease liabilities	12,101	13,981
Current pledged deposits	-770	-771
Other non-current assets, pledged deposits	-1,257	-1,257
Net financial debt balance	-96,029	-36,729
Net financial debt	125,001	133,578

e) Supplier payment and customer collection periods

The average supplier payment period at year-end 2025 was 46.05 days (44.12 days at the end of 2024), an increase of 1.93 days compared to the previous year.

The sum of payments made within a period of more than 60 days in 2025 accounted for 13.88% of all payments (13.97% of all payments in 2024). The Group plans to continue reducing the percentage of payments exceeding 60 days.

At year-end 2025, the average collection period was 57.59 days (60.75 days in 2024).

4.3. Capital resources

The Group manages capital considering the characteristics of its business and is not subject to externally imposed capital requirements.

The Group's objectives in capital management are:

- To follow a prudent financial policy, based on the stage and duration of the economic cycles and its industry.
- To maintain the capacity to perform transactions with a high level of solvency, in order to provide satisfactory returns to shareholders and benefit other stakeholders, such as employees, customers, suppliers, etc.
- To comply with the shareholder remuneration policy.

The Group periodically measures and analyses the ratios regulating the shareholder remuneration policy and estimates their projections. It also analyses free cash flow generation, which is the key factor when determining the investment policy, the sale of investments to reduce debt, the payment of dividends, capital returns to shareholders, and the issue of new shares.

The volume of capital is established based on the existing risks, making the corresponding capital adjustments according to changes in economic conditions and the risks associated with its activities.

a) Firm commitments to raise capital

There are no firm commitments to raise new capital resources.

b) Committed or mandatory investments

The Board of Directors, at its meeting held on 22 January 2021, approved a new investment plan known as the 3D Plan.

The Group continues to implement the 3D Plan, to which new projects and initiatives have been incorporated across its different dimensions (diversification, digitalisation and decarbonisation), giving rise to the so-called extended 3D Plan.

The Group is also carrying out other investments outside the scope of the 3D Plan.

Within the framework of the PERTE for industrial decarbonisation, Ercros has submitted two applications for its Vila-seca plants, within the decarbonisation dimension of the 3D Plan:

- For the Vila-seca I site, a flagship project has been submitted comprising a single primary project consisting of the acquisition and installation of an electric boiler for the generation of steam, which will progressively replace the current boiler fuelled by natural gas. The expected reduction in CO₂ emissions is 7,270 tonnes per year, representing 37.5% of the site's total emissions in 2022. The total project budget amounts to EUR 3,670 thousand. The amount of the grant awarded is EUR 534 thousand.
- For the Vila-seca II site, a flagship project has been submitted consisting of three primary projects: (i) optimisation of the use of hydrogen co-produced in the chlor-alkali electrolysis process at Vila-seca I to replace natural gas in several plant burners; (ii) recovery and utilisation of low-grade residual heat from the EDC and VCM production plants, which will reduce the generation of steam using natural gas; and (iii) the acquisition and installation of a biomass-fired boiler for steam generation to replace the natural gas boiler. The expected reduction in CO₂ emissions from these three primary projects is 47,000 tonnes per year, representing 67% of the site's total emissions in 2022. The estimated total project budget amounts to EUR 51,000 thousand. The grant awarded, in accordance with the final proposal for the award of the aid dated 26 March 2025, amounts to EUR 14,063 thousand.

Details of the commitments relating to investments pending execution are provided below:

Approved investments yet to be implemented

THOUSANDS OF EUROS

	Financial year 2025	Financial year 2024
Non-binding with third parties	53,835	19,346
Capacity expansion	5,487	671
Energy efficiency	884	929
Other investments	47,464	17,746
Commitments with third parties	24,947	7,044
Capacity expansion	41	75
Energy efficiency	371	1,342
Other investments	24,535	5,627
Total approved investments pending execution	78,782	26,390

The evolution of the investments pending execution in both years is as follows:

THOUSANDS OF EUROS

	Financial year 2025	Financial year 2024
Opening Balance	26,390	24,902
New investments authorised in the year	89,701	27,396
Capacity expansion	5,000	–
Energy efficiency	52,390	300
Other investments	32,311	27,096
Investments executed in the year	-37,309	-25,908
Capacity expansion	-31,562	-9,915
Energy efficiency	-2,183	-9,383
Other investments	-3,564	-6,610
Closing balance	78,782	26,390

4. Contractual or off-balance sheet obligations

The Group has not assumed any contractual or off-balance sheet obligations requiring significant additional financial resources beyond those related to capital expenditure commitments or the buy-back of own shares for cancellation.

5 / Key risks and uncertainties

5.1. Risk identification

The Group has implemented a risk alert system, known as "SARE", which enables the identification, monitoring and quantification of potential risks to which it may be exposed. This alert system is activated whenever a risk that may affect the Group is identified.

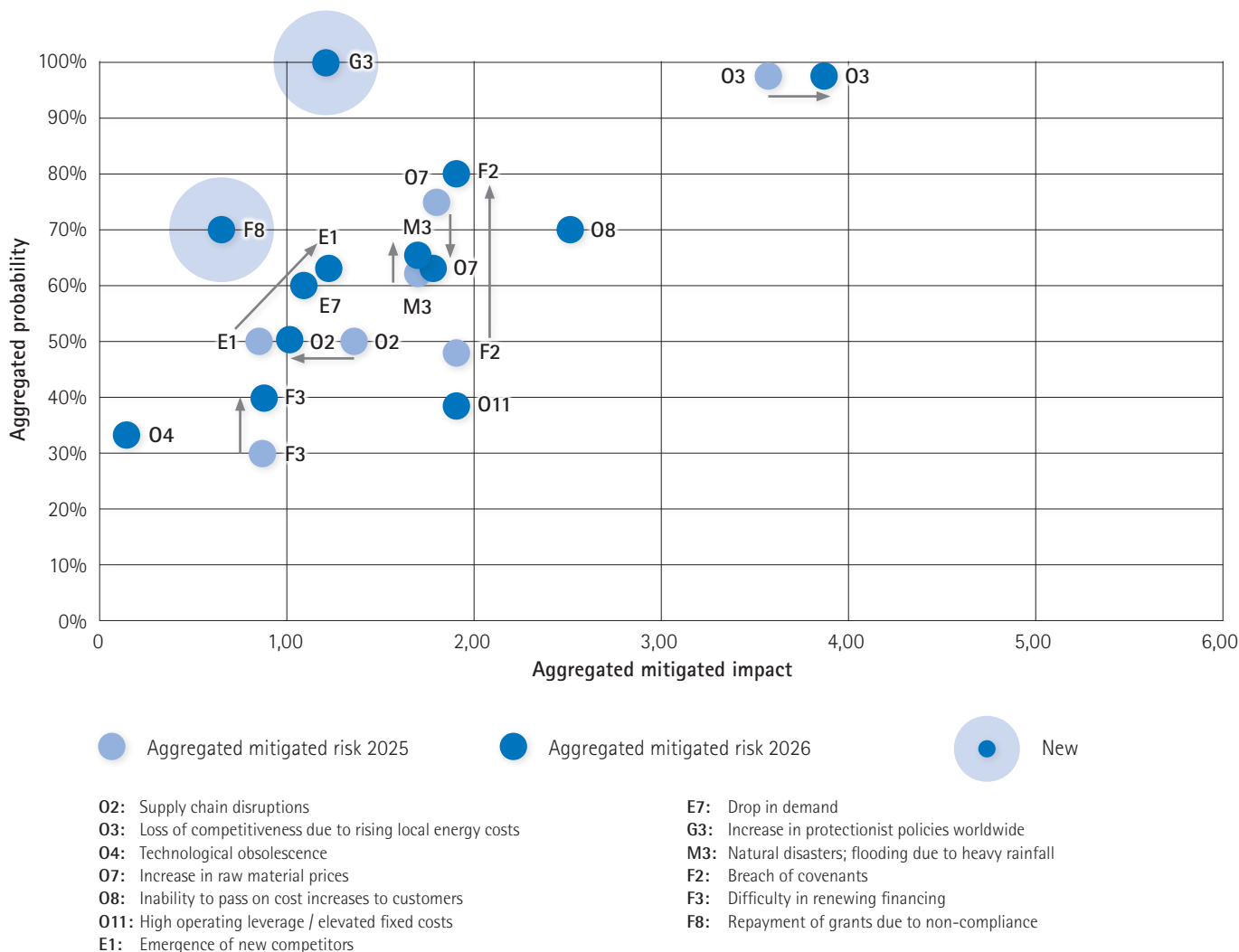
The activities of the Ercros Group are inherently associated with various types of risk, which are categorised into different types according to the criteria the Group considers most appropriate for their efficient management. In this regard, not all businesses are exposed to the same risks, although they may share some. In general, the Ercros Group is subject to operational, non-financial and financial risks.

Many of these risks are inherent to the Group's business activities or result from external factors. These risks can be mitigated, although not entirely eliminated. In some cases, the Group transfers risk by taking out insurance policies.

Risks are considered material when they may compromise the achievement of the Group's strategic objectives, the maintenance of financial flexibility and the Group's solvency, and when they require an immediate response due to their potentially significant impact on the Group's results.

On 19 December 2025, the general managers presented to the Board of Directors the risk map for each business and an aggregated risk map for the Group, identifying the relevant risks identified for 2026 based on their probability of occurrence (on a scale of 0% to 100%) and their potential impact on the Group should they materialise (on a scale of 0% to 100%). Based on these maps, the Group has implemented measures aimed at mitigating the identified risks.

The following chart shows the most relevant aggregated risks of the Group's businesses for 2026 after the implementation of mitigating measures:



The main risks that may affect the Group are described below, classified by type:

a) Operational risks

The Ercros Group, with 10 manufacturing facilities, carries out its production activities within the framework of its commitment to the safety of its facilities, the health of its staff, respect for the environment, the quality of its products, and dialogue and transparency with society.

In the course of conducting its business activity, the Group is exposed to the following operational risks:

(i) Industrial risk

The production activity carried out by the Ercros Group involves operations that entail a certain level of hazard and require diligent performance by the employees involved. In addition, industrial facilities in the chemical sector inherently involve potential risks arising from the use of substances –some of which are hazardous– human error, and the maintenance or modification of such facilities.

The safety of people and facilities is a priority for the Ercros Group and, therefore, it: (i) ensures compliance with legislation; (ii) certifies its facilities with internationally approved standards; (iii) submits its facilities to regular operational analysis (Hazop method) and inspections; (iv) ensures each factory has a preventive maintenance plan for its industrial facilities; and (v) ensures its own and its external employees receive preventive training adapted to their workplace.

In addition, the Group investigates all accidents and incidents, analyses their causes, and establishes, where appropriate, the corrective actions necessary to prevent their recurrence.

The Group carries out scheduled shutdowns of its production plants for maintenance, repair or modernisation, although there are also occasional unplanned shutdowns that affect the fulfilment of production and sales plans. The Group has insurance policies in place to cover the loss of profit resulting from these unforeseen contingencies.

In some cases, plants have to slow down their production rate to keep pace with the rate of supply of key suppliers of raw materials or key customers' consumption of the final product. In other cases, the Group also has to face the industrial risk generated by the possible interruption of some production processes as a result of possible failures in the supply chain of some raw materials and intermediate products due to various logistical or operational restrictions of suppliers.

The strategy implemented by the Group to mitigate this risk has included: (i) entering into long-term supply agreements with

stronger guarantees; (ii) seeking alternative suppliers; and (iii) implementing long-term production and consumption planning with forecasts of restrictions and contingency alternatives.

Regarding the transport sector, during 2025 the most significant disruptions in land transport occurred as a result of demonstrations carried out in February by farmers protesting against the Southern Common Market ("Mercosur") trade agreement, actions that were repeated at the beginning of 2026. In September, a general strike took place in France and, in December, farmers held demonstrations against the measures adopted to combat nodular dermatitis disease in animals. In all cases, our production sites were not affected, although traffic delays for carriers and some customer delivery delays did occur.

The shortage of lorry drivers in road transport has been partially mitigated by the amendment to road freight transport weight regulations approved in July, which increased the maximum authorised weight for domestic transport to 44 tonnes and enabled an additional four tonnes of product to be transported per trip.

The Group has taken advantage of this situation since the measure entered into force on 23 October for box trucks (packaged products) and powder tanker trucks (bulk solids). On 23 January 2026, the regulation for liquid tankers entered into force. The amendment to this regulation will allow the Group to reduce transport costs through fewer trips and to reduce the emissions generated by transport.

In an increasingly digitalised and automated chemical industry, where technology evolves very rapidly and the emergence of more efficient, safer or more sustainable methods and solutions is constant, the Group must adequately address the potential risk of technological obsolescence. This implies that its equipment, control systems, production software, digital tools or technological processes may become outdated compared to new alternatives available on the market.

Given that this sector depends on highly specialized and regulated processes, working with obsolete technology may reduce productivity, increase maintenance costs, limit compliance with more demanding regulatory requirements and even increase operational and environmental risks. Therefore, failure to update technology may affect not only the Group's competitiveness, but also the safety and continuity of operations. The Group seeks to mitigate this risk through investments in technological modernization, innovation and the monitoring of emerging technologies.

Finally, it should be noted that a material risk that materialised at the end of financial year 2025 was the Group's high operating leverage and elevated fixed costs resulting from increased contracted service costs and higher personnel expenses arising from the application of the XXI Collective Bargaining Agreement. To minimise these risks, Ercros implemented the Cost Reduction and Revenue Increase Plan (PCI) and, on 15 December 2025, agreed with workers' representatives the Salary Containment Plan for 2026.

(ii) Margin compression risk (material)

In the chemical industry, given the large volumes of products manufactured worldwide and the uneven growth of supply and demand, it is common for periods of two to five years characterised by balanced market conditions and stable, satisfactory profitability to alternate with periods of imbalance, resulting in upward or downward movements in product prices.

From 2016 until the first half of 2018, the cycle remained on an upward trend, in a context of demand pressure, supply shortages and high prices; however, from that point onwards, the trend changed, driven by oversupply, falling prices and, in general, the weakening of global markets, entering into a recessionary chemical cycle, aggravated by the initial impacts of the COVID-19 pandemic during the second quarter of 2020.

From the second half of 2020, there was a change in trend based on the rapid and strong recovery in demand for consumer goods, together with post-pandemic supply shortages, which remained very strong throughout 2021 and during the first half of 2022.

The maintenance of high interest rates by central banks in the main economies in order to curb inflation has generated, from the second half of 2022 onwards, a change in trend in demand for durable goods, which has decreased in favour of an increase in demand for services, which has been maintained during the 2024 and 2025 financial years and has continued into 2026.

This decline in demand for durable goods has been aggravated over the last three years by the loss of competitiveness of European producers compared with producers located in other regions, mainly in the United States and Asia, as a consequence of the persistence of higher energy costs and regulatory measures aimed at achieving climate neutrality.

Although the Ercros Group always seeks to pass on increases in its variable manufacturing costs to the price of its products, sometimes, depending on the supply and demand situation, it is not able to do so in full or, when it succeeds, it does so with a certain delay, which may lead to a temporary loss of profitability of the product in question.

This situation, which began in 2022, has continued throughout 2025: low demand in the construction sector and for durable goods; uncertainty due to the lack of clear future regulation in certain manufacturing sectors consuming chemical products; the persistence of high energy prices and those of certain raw materials; and competitive pressure from lower-priced imported products have exerted downward pressure on sales volumes and margins for most of the Ercros Group's products.

In this context, the Group has sought to maintain its margins by: (i) adapting its production rates to the fall in demand as efficiently as possible at any given time; (ii) adapting its contracts and targets for the purchase of raw materials and the sale of finished products

to the new and changing market conditions (implementation of periodic reviews of volumes and purchase and sale prices linked both to variations in production rates and to energy and raw material costs); and (iii) promoting the search for new markets and customers.

Within the Ercros Group, PVC and caustic soda are the products with the greatest weight in consolidated revenue and those most affected by demand cycles and margin pressures.

The PVC markets, which are closely linked to the construction and automotive sectors, and the caustic soda market, which is more generally used in industry and linked to GDP, have, in general terms, continued the trend that began in the second half of 2022, with depressed demand. This fall in demand and the increased pressure from non-EU products in both markets have forced European producers to adjust their production rates and selling prices to the new market situation.

Specialised publications forecast a very slight recovery in volumes and margins for caustic soda and PVC in the latter part of 2026 and a somewhat more pronounced and gradual recovery throughout 2027, as a result of the expected easing of energy costs in Europe and the implementation by the European Union of measures aimed at improving the competitiveness of European producers.

Sodium hypochlorite, a product manufactured from chlorine resulting from the same process as caustic soda production, experienced a slight erosion of margins in 2025 compared with the 2024 financial year as a result of competitive pressure and increased energy prices.

TCCA, one of the products with the highest added value within the Group's portfolio, was able to close 2025 with a positive performance.

In general, the financial year was characterised by limited demand due to unfavourable seasonal weather conditions in both the United States and Europe. With the definitive publication on 4 November 2025 of the upward revision of the European Union's anti-dumping duties on imports of TCCA originating in China, the Group will significantly mitigate the impact of competition from products of this origin.

During 2025, the pentaerythritol market, the second product by revenue in the intermediate chemicals division, continued to be characterised by low demand and high import pressure.

To mitigate this risk, the Group will continue to invest in improving its competitiveness through the use of more efficient technologies and the adaptation of its production processes to minimise resource consumption, while also seeking to reflect increases in production costs in the prices charged to customers.

(iii) Raw materials dependency risk

As noted in section (ii) above, the Group has a strong dependency on the main raw materials used in its industrial processes, the prices of which are subject to cyclical variations and, at times, may not be available in the required quantities or at the appropriate time.

The Group seeks to mitigate the risk of dependency on raw materials by applying a procurement strategy based on: (i) long-term supply contracts for those strategic raw materials with the greatest volatility; (ii) increasing storage capacity (temporarily, depending on market conditions) and internal production of intermediate products; (iii) purchase agreements with various alternative suppliers to ensure volumes and competitive supply prices for raw materials and energy; and (iv) the geographical diversification of sources of supply of strategic raw materials in order to ensure their availability in the event of regional shortages or logistical issues.

Furthermore, in order to reduce the impact on the business of volatility in raw material prices, the Group promotes the negotiation with its customers of product supply contracts indexed to the prices of the most significant raw materials involved in the manufacturing process and manages inventories as efficiently as possible based on consumption and price forecasts.

The Group's four main inputs are electricity, gas, ethylene and methanol, which represented approximately 58% of the total amount of consolidated procurements and supplies in 2025.

During the financial year, the Group sought to minimise the effects of the persistently high prices of raw materials and energy in Europe through: (i) entering into commercial agreements for the sale of products including price revision clauses that take into account variations in the prices of raw materials and energy referenced in official and/or sector publications of recognised standing; (ii) focusing on higher-margin customers; and (iii) entering into supply agreements for raw materials that take as a reference the selling prices of the finished products for which they are an input.

Electricity is the main supply input of the chlor-derivatives division. The Group purchases electricity from different suppliers of this service. Supply contracts with these companies have varying durations.

On 28 December 2022, the Government published Royal Decree-Law 20/2022, adopting measures to address the economic and social consequences of the war in Ukraine, including, among others, the following measures: (i) the extension until 30 June 2023 of the 80% reduction in the cost of access tolls to electricity transmission and distribution networks for electro-intensive consumers; (ii) the extension until 31 December 2023 of the 0.5% electricity tax rate; (iii) the extension until 31 December 2023 of the 0% electricity generation tax rate; and (iv) a EUR 450 million aid scheme for gas-intensive consumers.

On 29 March 2023, the Government published Royal Decree-Law 3/2023, extending the application of the mechanism for adjusting production costs to reduce electricity prices in the wholesale market until 31 December 2023.

On 29 June 2023, the Government published Royal Decree-Law 5/2023, adopting and extending measures to respond to the economic and social consequences of the war in Ukraine, including, among others, the extension until 31 December 2023 of the 80% reduction in the cost of access tolls to electricity transmission and distribution networks for electro-intensive consumers. On 28 December 2023, the Government published Royal Decree-Law 8/2023, extending the 80% reduction in access tolls and approving partial reductions in electricity tax and generation tax until 30 June 2024.

On 27 June 2024, the Government published Royal Decree-Law 4/2024, extending certain measures to address the economic and social consequences arising from the conflicts in Ukraine, including, among others, the extension until 31 December 2024 of the 80% reduction in the cost of access tolls to electricity transmission and distribution networks for electro-intensive consumers.

On 23 December 2024, the Government published Royal Decree-Law 9/2024, adopting urgent measures in economic, tax, transport and Social Security matters, and extending certain measures to address situations of social vulnerability, including, among others, the extension until 31 December 2025 of the 80% reduction in the cost of access tolls to electricity transmission and distribution networks for electro-intensive consumers; however, this was subsequently repealed by the Congress of Deputies on 22 January 2025.

On 24 June 2025, the Government published Royal Decree-Law 7/2025, approving urgent measures to strengthen the electricity system, including, among others, the reintroduction of the 80% reduction in the cost of access tolls to electricity transmission and distribution networks for electro-intensive consumers from 23 January 2025 until 31 December 2025. However, this was also subsequently repealed by the Congress of Deputies on 22 July 2025, such that this measure was ultimately only in force from 1 January 2025 to 22 July 2025.

In 2025, the electricity pool price in Spain increased compared with 2024, further aggravated by a substantial increase in electricity system balancing services, remaining well above the historical average market values prior to the conflict in Ukraine. This increase was only partially offset by: (i) aid received to compensate electricity costs arising from indirect CO₂ emissions; (ii) compensation of charges derived from the electro-intensive consumer statute; and (iii) reductions in access tolls resulting from the application of the aforementioned Royal Decree-Laws.

The Group expects to reduce the differential in the final MWh price compared with its European competitors through additional mechanisms that may be introduced through amendments to the current Royal Decree governing the electro-intensive consumer

statute or through new legislation that may be approved in the future, aimed at maintaining the competitiveness of highly energy-intensive industry located in Spain.

In addition, the Group has entered into long-term renewable electricity supply agreements, known as PPAs (Power Purchase Agreements), and continues to explore the possibility of entering into additional agreements. Furthermore, in 2024 a photovoltaic self-consumption facility was commissioned at the Monzón plant; in 2025, another photovoltaic power generation facility was commissioned on land owned by Ercros in Flix; and further renewable self-consumption projects are being evaluated at other Group plants. Energy efficiency improvement projects continue to be developed and operational measures implemented with a view to increasing process energy efficiency. Through these measures, the Group aims to reduce energy consumption and the future cost of this supply, while increasing the proportion of energy consumed from renewable sources in order to meet the Company's decarbonisation objective.

In addition to electricity, the other relevant raw material in the chlorine and caustic soda production process is sodium chloride (common salt). Membrane electrolysis plants require sodium chloride of very high purity. Although sodium chloride is an abundant raw material, there is currently a limited number of manufacturers in Europe capable of supplying it at the required quality. In order to ensure the availability of this product at competitive prices, the Group maintains long-term contracts with several suppliers and is adapting the brine treatment facilities at the Vila-seca I plant to allow the use of sodium chloride from other sources and qualities.

Methanol is the main raw material of the intermediate chemicals division. The Group maintains supply contracts with several international suppliers located in different geographical areas. Contracts are renewed on a staggered basis, with the aim of avoiding supplier concentration risk and simultaneous renewal. In 2025, the European Union maintained the suspension of the tariff on methanol imports which, otherwise, would have adversely affected the Group by increasing the cost of importing this raw material.

Since the termination, in December 2022, of the chlorine supply contract that the Group had with what was its main customer, the Group has allocated the largest volume of available chlorine to increasing the production of: (i) own EDC—an intermediate product that initiates the PVC chain—, thereby reducing the purchase of external EDC and its dependency on this raw material; and (ii) other chlorine derivatives (sodium hypochlorite, hydrochloric acid, TCCA, etc.).

(iv) Loss of competitiveness risk (material)

The Ercros Group carries out its activity in a globalised environment in which new competitors may from time to time emerge who, in their countries of origin, may have benefited from the existence of development support measures, lower labour costs or less stringent environmental regulations compared with those applicable to companies operating production facilities in Europe.

During the 2025 financial year, the persistence of high local energy, labour and regulatory costs for European producers compared with those in other parts of the world, together with the greater intensity of support measures for electro-intensive industry granted by certain Member States of the European Union (mainly Germany and France), has adversely affected the Group's competitiveness both at a global level (Europe versus Asia and the United States) and at a regional level (within Europe).

The cost differential becomes a decisive factor in setting the final price of commodity products, such as the Group's main products.

The Group mitigates the risk of loss of competitiveness through: (i) entering into supply hedging contracts; (ii) negotiating commercial agreements for the sale of products including price revision clauses that take into account variations in the prices of raw materials and energy referenced in official and/or sector publications of recognised standing; (iii) carrying out investments to improve the technological level of its facilities; and (iv) implementing improvements in its operating and control processes.

The technological upgrading of production processes carried out by the Group has resulted in greater energy efficiency and a higher utilisation ratio, which has improved the profitability of its products.

As part of its efforts to enhance competitiveness, the Ercros Group is implementing a strategic plan, the 3D Plan (2021–2029), which is based on three dimensions: Diversification, Digitalisation and Decarbonisation. The objective of the digitalisation strategy is precisely to improve the competitiveness of the Ercros Group through: (i) reducing operating costs; (ii) increasing production and sales volumes through improvements in the reliability of the processes of its production facilities; and (iii) strengthening customer loyalty thanks to improvements in the service provided by the Ercros Group.

The decarbonisation strategy also aims, among other things, to reduce manufacturing costs through improvements in the efficiency of energy and raw material consumption, as well as the substitution of fossil-based fuels with renewable fuels whose prices are less volatile.

(v) Market share loss risk (material)

Another relevant risk affecting the Group's competitiveness is the loss of market share resulting from the emergence of new competitors or increases in the production capacity of existing competitors in some of the products manufactured by the Company. The Group addresses these risks through: (i) the continuous search for new markets and customers; (ii) improving its competitive position through investments in the modernisation of its facilities; (iii) operational improvements resulting in reductions in manufacturing and transport costs; (iv) improvements in customer service in order to strengthen commercial relationships; and (v) the development of new specialties.

Another traditional factor affecting the Group's competitiveness is the exchange rate of the euro against the US dollar. During 2025, the average exchange rate of the euro was 1.12 dollars per euro (1.081 in 2024). A potential appreciation of the euro (and corresponding depreciation of the dollar) could reduce the competitiveness of the Group's products. If the dollar were to depreciate in 2026, this would have a negative effect on the Group by worsening the competitive position of the products it markets and reducing their profitability. Conversely, if the dollar appreciates, this would improve the Group's competitive position and profitability.

(vi) Product concentration risk

Approximately 62% of the Group's activity revolves around the production of chlorine, caustic soda and their derivatives. Chlorine and caustic soda are produced in the same process, but whereas chlorine –due to safety, efficiency and application considerations– is almost entirely consumed on site to manufacture chlorinated derivatives, caustic soda is marketed throughout Europe.

The most significant product manufactured from chlorine is PVC, the performance of which is closely linked to developments in the construction and automotive sectors. This results in volatility in the prices of both PVC and caustic soda (a co-product of chlorine), which must be taken into account when projecting the Group's results. Revenue from the sale of PVC and caustic soda (liquid and solid) accounted for approximately 38% of the Group's total revenue in 2025.

In order to minimise this product concentration risk, the Group is carrying out, within the framework of the 3D Plan (2021–2029), various capacity expansion projects for other products already included in the Ercros portfolio, such as polyols, technical resins or sodium chlorite, as well as the incorporation of other active pharmaceutical ingredients such as gentamicin and vancomycin, among others.

(vii) Product cyclical risk

In general terms, the markets in which the Group operates experience higher levels of activity during the second and third quarters of the year, except for the month of August. In recent years, there has been an increasing tendency among customers to reduce orders towards the end of the financial year, associated with the Christmas holiday period and customers' efforts to reduce inventories at year-end, resulting in lower activity levels in December, resulting in lower activity.

The products most affected by seasonality are those used in the treatment and disinfection of water for human consumption –sodium hypochlorite, sodium chlorite and TCCA– with peak demand occurring in spring and summer, as well as PVC, which tends to experience weaker demand during the colder months of the year due to the slowdown in the construction sector. Demand for the Group's remaining products is generally fairly stable throughout the year, except during the months of August and December.

As explained in section (ii) above, the chemical sector in which the Group operates is characterised by its cyclical nature. Accordingly, the Group is exposed to market uncertainties arising from fluctuations in supply and demand, the impact of which on the margins of the products it markets may affect its profitability and, at times, with greater anticipation and intensity than in other sectors, given the commodity nature of its products.

In order to mitigate this cyclical volatility, on 28 January 2021 the Group presented the aforementioned strategic plan, Plan 3D (2021–2029). The objective of the diversification strategy is to reduce, where possible, the Group's strong dependence on the chlor-alkali/PVC cycle.

The investment projects included within this dimension of the 3D Plan are aimed at strengthening the intermediate chemicals and pharmaceuticals divisions, as well as the water purification segment, which, although belonging to the chlorine derivatives division, is not subject to the chlor-alkali cycle.

Within the diversification dimension, during the 2021–2025 period the following projects became operational: the expansion of polyol manufacturing capacity at the Tortosa plant; moulding compounds at the Cerdanyola plant; ErcrosTech resins at Almussafes; fosfomicin trometamol, sterile micronized fusidic acid, extraction of two new antibiotics (gentamicin and vancomycin), as well as erythromycin base, dihydrate base and erythromycin salts (ethylsuccinate, estolate and stearate) at the Aranjuez plant.

In addition, since 2024 the Group has held the ISCC PLUS international sustainability and carbon certification for the marketing of chlorine, caustic soda (liquid and pearls), hydrogen, hydrochloric acid and sodium hypochlorite produced at the Vila-seca I plant (Tarragona), as they are manufactured using renewable energy sources. This certification had previously already

been obtained for the polyols produced at the Tortosa plant. The manufacture of these products will enable the company to offer a more sustainable portfolio aligned with customer needs.

(viii) Market risk due to geopolitical tensions

In 2025, the Group exported more than 51.4% of its sales to over 94 countries. Given its exposure to international markets, the Group may at times be affected by political or geostrategic conflicts that create tensions in the markets in which it purchases or sells its products.

During the year, the European Union maintained and expanded restrictions on commercial transactions with Russia and its allied countries, resulting in limited sales to these markets. The Group has implemented procedures and control systems to prevent any breach of the conditions established for commercial transactions with these countries.

Throughout 2025, maritime transport continued to be affected by vessel rerouting via the Cape of Good Hope, driven by the need to avoid passage through the Red Sea due to the regional conflict and the risk of attacks on vessels by Houthi forces in Yemen. Towards the end of the year, some shipping companies tested the resumption of transit through the Red Sea; however, the escalation of tensions between the United States and Iran led to the suspension of these initiatives. This situation, which significantly increased vessel transit times, resulted in higher freight rates and forced supply chains to adapt to new lead times with longer operational schedules and planning horizons.

Another factor that increased maritime transport costs in 2024, continued in 2025, and is expected to have a greater impact in 2026, was the inclusion of this type of transport in the emissions trading system (ETS), whereby vessels calling at European ports are required to surrender allowances for the CO₂ emissions generated during their voyages. In 2024, 40% of the levy applied, rising to 70% in 2025 and reaching 100% in 2026, when nitrous oxide and methane emissions will also be included.

During 2025, maritime freight rates experienced high volatility, largely driven by trade tensions between the United States and other countries. Uncertainty regarding the timing and scope of the measures adopted led to alternating periods of heavy cargo accumulation, with high vessel utilisation rates and rising freight rates, and periods of lower activity, resulting in significant declines in freight rates and marked instability on Asia–Europe routes.

This trade war, arising from the imposition of various tariffs by the United States on other countries, has also led to a reduction in European exports to the United States (due to tariff increases of up to 15%) and an increase in imports of products from Asia, as exporters seek new markets. Both developments have affected trade flows and freight rates on these routes.

Despite this situation, strategic agreements previously signed with major shipping companies have enabled the Group to mitigate the impact on logistics costs and maintain a stable transport structure during the year.

Looking ahead to 2026, container freight rates are expected to remain volatile, albeit with a downward trend due to weak global demand for chemical products and excess transport capacity, as a large number of new vessels enter into service. The normalisation of Red Sea routes should provide an additional downward pressure on freight rates, although it may also lead to congestion at ports, requiring further adjustments to supply chains. In order to benefit from this trend, the Group is entering into shorter-term agreements with shipping companies.

In addition, as a result of the aforementioned increase in protectionist policies in global trade, a more restrictive trading environment has emerged, along with heightened geopolitical risk. Some countries have responded with reciprocal tariffs and additional barriers. This situation has led to a degree of global economic retrenchment, disrupting supply chains and increasing companies' exposure to restrictive measures and sudden regulatory changes that may significantly affect their product purchase and sales volumes.

The Group is focusing its efforts on qualifying new sourcing origins and destinations in order to minimise the risk that any political decision or new conflict may arise and affect the Company, and continuously monitors tariff policies that could hinder or limit its supply chain and sales.

The European Union–Mercosur trade agreement is not expected, a priori, to have a significant impact on the Group's commercial activity with the signatory countries, as current exports to these markets do not represent a material share of its total sales. However, the gradual removal of tariff barriers and the absence of local producers for certain products in some of these markets may represent a potential growth opportunity to be explored in the medium to long term.

The recent trade agreement between the European Union and India, still pending ratification by the Council and the European Parliament, may have mixed effects for the Group. On the one hand, the gradual removal of certain duties will improve the competitiveness of the Group's chemical products in this market (particularly paraformaldehyde and polyols), which has strong growth potential. On the other hand, the agreement could facilitate increased imports into Europe of active pharmaceutical ingredients (APIs), potentially intensifying competition in certain product segments.

(ix) Technological and cybersecurity risk

The Group is exposed to cyber risks that could lead to disruptions in its business processes, thereby temporarily compromising its normal operations.

In order to minimise the risk of operational disruption—arising from failures or incidents affecting information systems—the Group has implemented a specific protection plan for its technological infrastructure, which forms part of its operational security plan.

This plan includes protection against cyber threats—whether accidental or intentional—originating both externally and internally. The Group continuously equips itself with the necessary resources to prevent, detect and, where appropriate, eliminate such threats. The plan has been reviewed and updated in line with the risks arising from increased remote working and the ongoing expansion of digitalisation.

As a preventive measure, specialised external consultants carry out periodic penetration tests, enabling continuous improvements to be made to the security system.

In the event of an incident that partially or fully disrupts the normal operation of its business processes, the Group has a disaster recovery plan in place to enable the resumption of operations.

In 2024, the Group certified its information security management system by obtaining the international ISO 27001:2022 certification, awarded by Applus+. By obtaining this certification, the Company reinforces its commitment to data protection and the security of information relating to its customers, suppliers, employees and partners, provides them with a secure and reliable environment, and demonstrates its ability to identify, manage and mitigate information security risks effectively.

b) Non-financial risks

The Ercros Group's non-financial risk and impact management process is based on a comprehensive approach to identifying, assessing, prioritising and monitoring impacts on people and the environment, particularly those arising from climate change, in alignment with due diligence principles. This process, which has remained unchanged compared to the previous year, prioritises areas of highest risk, such as specific production activities, critical business relationships and sensitive geographical locations. Examples of the management and mitigation of these risks include investments in low-carbon technologies, soil control and remediation projects, as well as the implementation of social measures aimed at promoting work-life balance and employee retention.

Furthermore, both direct impacts arising from the Ercros Group's operations and those linked to its business relationships are taken into account. To this end, measures have been implemented to

ensure that partners and suppliers comply with the sustainability standards required by the Company.

The risk management process includes collaboration with external experts and the involvement of affected stakeholders, such as local communities and employees, in order to gain a better understanding of potential impacts and to design effective mitigation measures.

Finally, the Group manages labour and regulatory risks through specialised training, certified safety measures and participation in industry associations, with the aim of minimising environmental and social impacts and ensuring sustainability throughout the entire value chain.

Once identified, risks and opportunities are assessed in accordance with different criteria and in line with the risk analysis methodology established by the Group.

(i) Environmental risks: pollution, water and marine resources, and circular economy

All Ercros factories have environmental management systems in place to minimise the potential impact of the industrial activity on the environment. Furthermore, Ercros—because of the industry in which it operates—is subject to strict environmental regulations, mainly regarding emissions, discharges, waste, noise, light pollution, and soil and underground water remediation.

Nevertheless, the sites are exposed to risks in the course of their activities that could cause environmental damage, such as accidental emissions or spills or fires, so the impacts arising from this risk are directly related to Ercros' production activities and may materialise in the short term.

Negative human impacts include exposure to toxic substances that can cause health problems, while environmental impacts include contamination of the receiving environment (air, water, soil).

Ercros uses a comprehensive process to identify, assess and manage environmental IROs (impacts, risks and opportunities), considering material aspects related to air, water and soil pollution, the sustainable use of water resources, and the transition towards a circular economy in both its direct operations and its value chain.

Ercros employs various methodologies and tools to identify and manage environmental impacts and dependencies:

- **Environmental risk analysis:** all Ercros sites have an environmental risk analysis study, which is reviewed periodically or whenever a significant change occurs. In addition, Ercros carries out an annual analysis, at divisional level, of business risks related to the environment and associated with accidental emissions and discharges to air, water and soil, including risks linked to past environmental emissions that may have affected soils.

- **Continuous monitoring of production sites:** Ercros systematically monitors all its facilities and activities, identifying new impacts and dependencies and tracking existing ones. The focus of monitoring is on indirect effects, such as emissions into the air or changes in water quality and availability. In addition, industrial waste generation and management are monitored, prioritising reduction and recycling, ensuring the most appropriate treatment is applied, as well as monitoring soil and groundwater quality.
- **Efficient water resource management:** Ercros has implemented various closed-loop cooling systems to optimise water consumption, as well as projects to increase the proportion of reused water consumed in production processes.
- **Circular economy initiatives:** Ercros promotes reduction, reuse and recycling throughout the value chain through actions that reflect its commitment to sustainability.

In order to minimise and, where possible, eliminate its environmental impacts, Ercros:

- Conducts its activities in compliance with the provisions of its environmental permits and with the requirements arising from applicable regulations and voluntary agreements entered into.
- Carries out official monitoring of its environmental performance.
- Has implemented a sustainability management system certified by AENOR, which is audited annually.
- Has established indicators to assess its environmental performance and adopt a sustainable approach to the use of natural and energy resources, as well as to contribute to the protection of biodiversity in protected areas near its facilities.
- Has taken out environmental liability insurance covering potential environmental damage.

(ii) Environmental risks: past activities

Within the framework of its risk management process, Ercros incorporates the risk of claims related to soil remediation or the closure of activities as an integral part of its potential risks associated with pollution, and considers them as specific and significant risks within this category.

a) Soil remediation claims

Ercros has a long history of industrial activity and has always complied with and adhered to the legislation in force at any given time. However, legal requirements in recent years and their application—some with retroactive effect—have given rise to the risk of claims for financial liability to cover the costs of soil and site remediation.

In order to mitigate the risk of claims, Ercros has submitted to the competent authorities projects for the control and remediation or improvement of soil quality in all areas where contamination has been identified. These remediation projects aim to reduce risks to human health and restore damaged ecosystems, while complying with stricter environmental regulations that promote sustainability. However, legal requirements entail high costs for Ercros, which may affect its capacity to act. For this reason, Ercros annually reassesses the value of its remediation obligations and records the corresponding provisions.

El Hondón

Specifically, with regard to the former site located at El Hondón (Cartagena), in 2019 the Directorate General for the Environment of the Region of Murcia declared the El Hondón area to be contaminated land. Although Ercros challenged this decision by means of an appeal for judicial review, the company submitted a technical remediation project in July 2020 in order to comply with the obligation imposed by the administration.

Subsequently, the Directorate General for the Environment requested amendments to the technical remediation project submitted by Ercros through several formal requests issued in 2020 and 2021. Ercros challenged these requests by means of a second appeal for judicial review.

During 2024, both appeals for judicial review filed by Ercros were dismissed. Ercros appealed the dismissing judgments before the Supreme Court by means of cassation appeals, which were declared inadmissible in 2025.

Irrespective of the appeals filed, in response to the requests to rectify its project, Ercros submitted in 2021 a new updated version of the El Hondón technical remediation project incorporating the recommendations made by the various experts and academic

institutions that had assessed it. This project includes specific measures to treat the waste safely, minimising the mass extraction of materials and prioritising in situ confinement techniques.

Both the Nuclear Safety Council and the Segura River Basin Authority issued favourable reports regarding Ercros' proposal. However, this proposal received an unfavourable report from the Directorate General for the Environment of the Region of Murcia on 30 August 2024. Said decision was upheld on appeal on 11 November 2024.

In addition, on 24 June 2025 the Directorate General issued a resolution initiating subsidiary enforcement proceedings for the purpose of enabling the Region of Murcia to carry out, subsidiarily at Ercros' expense, compliance with the obligation to submit a technical project including the required site clean-up and recovery operations. The resolution initiating subsidiary enforcement proceedings was upheld on appeal on 21 October 2025.

In 2025, Ercros challenged both the unfavourable decision regarding its project and the resolution initiating subsidiary enforcement proceedings through separate appeals for judicial review. Within the judicial review proceedings brought against the unfavourable decision regarding Ercros' project, on 9 December 2025 the Company submitted a writ requesting referral of the proceedings to judicial court mediation, together with a request to suspend the procedural timetable, with the aim of attempting to reach an agreed solution to the disputed matter.

Both Cartagena City Council and the Autonomous Community of the Region of Murcia supported the request for referral to court mediation, and the corresponding judicial decision regarding this request is currently pending.

b) Claims related to closure of activities

Terrera Vella de Cardona

As for the situation of the Terrera Vella de Cardona tailings dump, this is classified as a mining resource under Section B) of the Mining Act, which Ercros operated between 2007 and 2017, the year in which Ercros proposed that operations be suspended.

In 2017, the obligation arising from the chlor-alkali BREF to switch to membrane technology in electrolysis processes, with the consequent requirement to use high-purity salt, forced Ercros to suspend extraction activities at this site.

In this context, and without being under any obligation, Ercros proposed a modification to the restoration programme to the competent authorities for application during the suspension period, consisting of surface water management compatible with the environment and consistent with the comprehensive restoration project for the Salt Valley.

The objective of the proposal was to reinforce the maintenance of Terrera Vella during the suspension of extraction activities. The Directorate General for Environmental Quality and Climate Change of the Government of Catalonia («DGQA») did not issue a favourable opinion on this plan and instead approved, in September 2022, an environmental impact statement reclassifying Terrera Vella as a mining waste facility.

In February 2024, the DGQA required Ercros to submit a closure and decommissioning project for Terrera Vella as if it were a mining waste facility. In 2024, Ercros challenged this decision through contentious-administrative proceedings before the High Court of Justice of Catalonia.

Additionally, in 2022, the mining authority declared the expiration of the exploitation authorisation for Terrera Vella held by Ercros, requiring the Company to leave the site in a condition that ensures safety for persons and property. Ercros has repeatedly requested that the authority verify the safety condition of the site.

Following the authority's refusal to verify the safety status, in September 2024 Ercros filed a contentious-administrative appeal, currently pending resolution, seeking authorisation for the definitive abandonment of the activity. Furthermore, in July 2024, Ercros obtained a favourable report from Bureau Veritas confirming the proper safety condition of the site.

(iii) Social risks

Ercros is exposed to social risks arising from the management and situation of both the people who form part of its workforce and the workers in its value chain. These risks are mainly related to:

- Low productivity.
- Loss of talent.
- Operational aspects, such as industrial accidents or occupational diseases.
- Ethical and sustainability aspects in the value chain.

Ercros assesses the risks associated with its human capital within the business risk analysis it carries out annually at the level of its three divisions.

a) Risks, impacts and dependencies arising from the Company's own workforce

Ercros is exposed to risks arising from impacts and dependencies associated with its own workforce. These can be grouped into the following categories:

(i) Risk of low productivity

The risk of low productivity due to the rate of staff absenteeism of its workforce (5.3% in 2025), which in some workplaces can occasionally make it difficult to cover all production shifts.

To mitigate the impact of this risk, Ercros has implemented specific measures, including:

- The use of replacement contracts to ensure operational coverage.
- The creation of absenteeism committees at those sites where this risk is more significant, with the authority to adopt measures aimed at reducing it.

(ii) Risk of talent loss due to the departure of key employees

The departure of strategic or highly qualified personnel may affect the performance and continuity of Ercros' operational processes.

Ercros has developed a set of measures to retain talent and mitigate this risk:

- Social measures aimed at promoting work-life balance and flexible working arrangements.
- Strengthening training plans and internal promotion.
- Implementation of the talent management model and performance management system.
- Fostering employee loyalty through long-service awards, defined contributions to pension plans, and life and health insurance.

(iii) Risk of workplace accidents among employees operating at Ercros' plants

The technical and operational nature of the activities carried out in the company's factories creates an inherent risk of occupational accidents for employees.

In order to mitigate and, as far as possible, eliminate this risk, Ercros:

- Has implemented and maintained, since 2007, a certified occupational health and safety management system in accordance with ISO 45001:2018 (formerly OHSAS 18001).
- Provides continuous training to its workforce in occupational risk prevention.
- Monitors and updates all its facilities to ensure compliance with the strictest safety standards.

- Analyses all accidents and incidents occurring at its facilities in order to prevent their recurrence in the future.
- Establishes three-year accident reduction plans, with actions covering all the areas described above.

b) Risks and opportunities arising from impacts and dependencies of value chain workers

Ercros is also exposed to risks arising from impacts and dependencies associated with value chain workers who provide services within its facilities, such as employees of external companies, suppliers or transport operators. These risks can be grouped into two main categories:

(i) Workforce of external companies, whose main risks include:

- **Shortage of qualified labour:** A lack of skilled workers in certain sectors may potentially slow down production or increase recruitment and training costs.
- **Poor working conditions in the value chain:** If suppliers or subcontractors do not ensure adequate working conditions, this could result in regulatory non-compliance, legal sanctions or reputational damage.

In addition, Ercros has identified specific risks associated with groups of external workers operating in particular contexts. These include:

- Maintenance workers at the plants, who, due to the technical and potentially hazardous nature of their activities, such as repairs on industrial equipment, face a higher risk of workplace accidents and exposure to hazardous materials.

To mitigate these specific risks, Ercros has implemented strict occupational health and safety protocols, complies with legislation on the coordination of activities, provides specific and periodic training on the safe handling of tools and materials, continuously supervises the activities carried out and establishes the mandatory use of personal protective equipment (PPE).

- Truck drivers carrying out loading and unloading activities at Ercros plants. These workers are exposed to risks related to the handling of chemical products, accidents during manoeuvres within the facilities and fatigue due to extended working hours.

To mitigate the risks to which transport operators are exposed, Ercros provides mandatory prior training in safety protocols for loading and unloading, delivered through an electronic platform available in 11 languages. In addition, it has implemented a disciplinary procedure for drivers in the event of non-compliance with the internal regulations of the plants. In 2025, 11 drivers were sanctioned as a result of this procedure.

(ii) Suppliers, for whom the following risks have been identified:

- **Lack of ethical and sustainability alignment:** if a supplier does not comply with Ercros' ethical or environmental standards, the commercial relationship may be interrupted, affecting business sustainability and generating costs associated with the search for new suppliers.
- **Social or economic instability in countries of origin:** social changes, conflicts or economic crises may disrupt the operations of key suppliers.
- **Regulatory changes:** stricter regulations may potentially increase operating costs for both the Company and its suppliers.

In addition to risks, Ercros has identified opportunities arising from the impacts and dependencies of value chain workers:

- **Strengthening supplier relationships:** by prioritising local suppliers and establishing trust-based relationships, Ercros promotes sustainable economies and ensures the stability of its supply chain.
- **Innovation and sustainable development:** collaborating with suppliers to develop more sustainable products and processes generates competitive advantages and reduces environmental impact.
- **Access to regulatory and financial incentives:** adopting sustainable practices may open up opportunities for financing and access to government support programmes.

(iv) Governance risks

Governance risks include risks arising from regulatory changes and risks arising from market and macroeconomic trends. These two aspects have been identified as material and are classified as governance risks under ESRS G1 "Business Conduct".

a) Risks arising from regulatory changes**(i) Changes in environmental regulation**

In recent years, environmental legal requirements have become increasingly stringent and have led to significant changes in the chemical sector, both at European level and at national and regional level. Ercros makes significant efforts to adapt to this new legal framework, undertakes the investments required by the regulations in force and carries out the activities and actions necessary to comply with the requirements set out in the various regulations, in particular with regard to the safety of facilities and people; occupational health; environmental protection and climate change; and the transport, packaging and handling of dangerous goods.

Given that regulatory changes in environmental matters are partly derived from new climate change regulation, this risk has been analysed as part of the transition risks identified, through a climate scenario analysis, following the recommendations of the Task Force on Climate-related Financial Disclosures ("TCFD").

(ii) New taxes and levies

On 1 January 2023, the "plastic tax" came into force, which taxes the use of this material in the supply of packaging and packing. The application of this tax has not had major consequences for Ercros, as in recent years it has taken steps to incorporate recycled material in packaging, to reuse it and to reduce its thickness.

On the other hand, the progressive implementation in certain European Union countries of a levy on CO₂ emissions generated by trucks based on kilometres travelled, as well as the inclusion of road transport in the European Union Emissions Trading System in 2027, may increase the cost of land transport. Maritime transport is in a similar situation following the implementation in Europe of the ETS levy, which requires shipping companies to offset the CO₂ emissions generated during their voyages.

b) Risks arising from market and macroeconomic trends

The main risk faced by Ercros in this area is the uncertainty arising from the lack of a stable and predictable legal framework for the energy market. This uncertainty makes it impossible to know in the medium term the amount of remuneration and administrative exemptions for electro-intensive companies, and prevents Ercros from making accurate forecasts of the future price of electricity.

To mitigate the impact of this risk, Ercros:

- Monitors the sector and decarbonisation aid programmes through its participation in industry groups and associations.
- Carries out actions to improve energy efficiency and gradually reduce the use of fossil fuels.
- Enters into long-term electricity supply contracts from renewable energy sources with the aim of reducing price volatility and its environmental impact.

c) Financial risks

In the normal course of operations, the Group is exposed to credit risk, market risk (exchange rate and interest rate risk), liquidity risk and tax risk.

The Group's main financial instruments comprise syndicated factoring, the revolving credit facility, loans with public financial institutions, bank loans, working capital financing lines, credit policies, finance leases, cash and short-term deposits.

The Group has no derivative contracts in force to hedge exchange rate risk or interest rate risk.

For 2026 and subsequent years, the Group has entered into long-term contracts for the supply of part of the electricity and natural gas expected to be consumed in its industrial processes.

The Group's policy, maintained in recent years, is not to trade in financial instruments.

The Group's objective is to keep financial risk within parameters acceptable for a cyclical company. The solvency ratio (consolidated net financial debt/consolidated ordinary ebitda) stood at 16 times as at 31 December 2025, a value well above the target of 2 times, although it is expected to decrease in the coming quarters as the sector emerges from its current downturn phase.

Likewise, at year-end 2025, the minimum profit and financial solvency conditions required under the shareholder remuneration policy were not met.

(i) Foreign currency risk

The US dollar is, by far, the main currency to which the Group is exposed, and the Group's general policy is not to enter into exchange rate hedging arrangements, given the limited effectiveness of such instruments.

In 2025, the average exchange rate with the euro was 1.12 dollars per euro, while the average rate in 2024 was 1.08 dollars per euro.

For 2026, the Group estimates an average exchange rate of USD 1.22 per euro, although so far this year the exchange rate has been lower. If the dollar continues to depreciate against the euro in 2026, it will impair the Group's competitive position and profitability.

A summary table of the Group's purchase and sale transactions in dollars is attached below:

	Year 2025	Year 2024
Sales in USD (thousands)	118,004	144,061
<i>Dollar/euro exchange rate</i>	<i>1.121</i>	<i>1.080</i>
Euro equivalent (thousands)	105,249	133,334
Purchases in USD (thousands)	30,561	47,174
<i>Dollar/euro exchange rate</i>	<i>1.123</i>	<i>1.082</i>
Euro equivalent (thousands)	27,195	43,579
Net dollar exposure (thousands)	87,443	96,887
Euro equivalent (thousands)	78,054	89,755

Based on the above transactions, the following table shows a sensitivity analysis to reasonable variations in the average dollar exchange rate of Ercros Group's sales and purchases with respect to the average exchange rate in 2025 which was 1.12, all other variables remaining constant:

Dollar/euro ratio (\$/€)	Effect on operating profit (thousands of euros)
1.25	-10,643
1.20	-6,823
1.15	-2,670
1.12	–
1.10	1,861
1.05	6,823
1.00	12,281

(ii) Credit risk (material)

The Group has a customer credit management policy in place which is managed in the normal course of business. During the year, this risk materialised as a result of weak (falling) demand mainly in the construction sector in Europe. This led to insolvency proceedings involving some of the Group's customers. The Group minimises the customer insolvency risk by performing creditworthiness assessments on all customers requiring a credit limit above a certain amount. In addition, for certain sales, the Group requires the customer to provide a letter of credit or a bank guarantee.

There is no significant concentration within the Group's customer base.

Furthermore, the Group has had a credit insurance policy in place with Compañía Española de Seguros de Crédito a la Exportación ("CESCE") since January 2020 covering 95% of the balance of the customers insured under the policy. The insured amount represents approximately 59% of the outstanding balance of the portfolio. This policy secures collection of invoices that are assigned without recourse to syndicated factoring.

Regarding the Group's other financial assets, such as cash, cash equivalents, loans and available-for-sale financial assets, the maximum exposure to credit risk is equal to the carrying amount of these assets at year-end.

(iii) Interest rate risk

External financing is based on syndicated factoring, syndicated credit agreement including a revolving tranche and a loan tranche to finance investments, bank working capital financing lines and long-term loans from public bodies and banks. Part of the financing is arranged at fixed interest rates and part at floating interest rates normally tied to the Euribor at different maturities. In this regard, although the Euribor benchmark interest rates were lower in 2025 than in previous years, the increase in gross financial debt entailed slightly greater finance costs for the Group.

At year-end 2025, the Group had several fixed-interest bank loans in place for a total amount of EUR 24,844 thousand. Some of these loans include a cost/revenue component based on the fulfilment of certain ESG (Environmental, Social and Governance) objectives.

On 22 December 2023, a syndicated financing agreement was concluded with a pool of financial institutions for the following six years, structured into two financing facilities (a syndicated factoring contract that advances customer receivables payments and a syndicated loan in two tranches, one revolving credit and one loan to finance investments) for a total amount of EUR 217 million.

The following table shows a sensitivity analysis to reasonable changes in the interest rate, with all other variables remaining constant:

Increase/decrease in basis points of the cost of debt	Impact on finance costs (thousands of euros)
2025:	
200	-4,625
100	-2,313
-100	2,313
-200	4,625
2024:	
200	-3,315
100	-1,658
-100	1,658
-200	3,315

(iv) Liquidity risk (material)

The Group manages its liquidity risk using financial planning techniques. These techniques consider cash inflows and outflows from ordinary activities, investing and financing activities, as well as shareholder remuneration. The Group's objective is to maintain a balance between the flexibility, term and conditions of the contracted sources of financing according to the expected short-, medium- and long-term needs.

In 2025, net financial debt decreased compared to 2024 thanks to the collection of the amount relating to the judgement declaring the unconstitutionality of certain corporate income tax regulations and to the receipt of grants, which more than offset the negative cash flow generated by the business due to the weaker economic environment.

The syndicated financing arrangements – including factoring facilities with and without recourse, the revolving credit facility and the investment loan facility – together with the European Investment Bank ("EIB") loan and the Official Credit Institute ("ICO") loan, are subject to compliance with certain covenants, measured semi-annually, relating to indebtedness levels, finance costs and maximum capex.

During 2025, the Group breached some of these covenants, a situation that also existed at year-end 2025, although it obtained the corresponding waivers from the financial institutions.

Given that the downturn phase in the chemical sector is still ongoing, it is expected that some of these covenants may be breached during 2026.

Historically, in all cases where there has been a breach of a covenant, the Company has obtained the corresponding waiver from the financial institutions and expects to continue obtaining such waivers in the event of any future covenant breach.

At 31 December 2025, the Group had available financing consisting of: (i) the undrawn portion of the syndicated factoring facilities, with and without recourse, up to a combined limit of EUR 102 million, although this financing is limited by the available eligible factoring portfolio; (ii) EUR 3.2 million in bilateral credit lines; and (iii) cash and cash equivalents amounting to EUR 96.02 million.

Failure by the Group to comply with certain requirements established under the grants received may result in unexpected cash outflows and cause treasury tensions or difficulties in meeting scheduled payment obligations. The Group seeks to address this situation through the securing additional short-term financing.

In addition, if necessary, the Group believes that it could occasionally resort to other complementary mechanisms to obtain liquidity, such as the partial and selective disposal of non-operating assets, issuance of short- or medium-term bonds in organised markets or issuance of a line of promissory notes on the Alternative Fixed Income Market ("MARF").

(v) Tax risk

The Group seeks to minimise the tax risk arising from its activities. To this end, it undertakes to strictly comply with its tax obligations, avoiding decisions based on aggressive or controversial interpretations of tax regulations. Nor does it engage in tax planning aimed at minimising the tax burden through entities located outside the national territory. The Ercros Group relies on external tax experts to ensure compliance with tax regulations and to avoid risks associated with their interpretation.

The vast majority of the Group's operations are carried out in the parent company, Ercros, S.A., domiciled in Spain and fully taxed in Spain.

However, tax inspections sometimes apply interpretative criteria of the applicable regulations to the Group's activities that differ from those used by the Group.

With regard to the assessment issued in disagreement in respect of personal income tax ("IRPF") for the years 2012 and 2013, which proposes a tax liability of EUR 312 thousand and late-payment interest of EUR 70 thousand –fully provisioned– the Group is awaiting a date for deliberation and ruling by the National Court.

Finally, with regard to the assessment issued in disagreement in respect of corporate income tax for the years 2011, 2012 and 2013, which, after various estimates, proposes a reduction in reinvestment deductions of EUR 921 thousand, the case is also pending hearing and judgment by the National Court. As a matter of prudence, the Company derecognised in 2022 the deferred tax asset relating to these deductions.

Since 2019, the Group has adhered to the Code of Good Tax Practices and to the register of interest groups of the Government of Catalonia.

On 9 October 2025, Ercros obtained its registration in the European Union Transparency Register.

6 / Risks and opportunities associated with climate change

Ercros has integrated the identification, assessment and management of the impacts, risks and opportunities associated with climate change into its multi-disciplinary corporate risk management process. The assessment is carried out annually at a company-wide level, differentiating the three business divisions, and covers the entire value chain.

The process for identifying climate-related impacts begins with the preparation of a greenhouse gas ("GHG") emissions inventory, managed in accordance with ISO 14064-1:2018 at organisational level and ISO 14067:2018 at product level. The control approach ensures that the inventory includes emissions from facilities over which Ercros has operational control. This inventory is reviewed periodically to ensure alignment with the actual organisational boundaries.

In 2025, Ercros carried out an analysis of climate-related risks and opportunities aligned with the recommendations of the Task Force on Climate-related Financial Disclosures ("TCFD"). This is a qualitative analysis based on risk matrices that consider both likelihood and magnitude of impact at corporate level, distinguishing between the different business lines.

In line with the TCFD recommendations, Ercros has classified climate-related risks into two categories: transition risks and physical risks.

Transition risks arise from the shift towards a low-carbon economy, taking into account climate-related factors such as technology, market developments, reputation and policy. In this regard, Ercros is implementing its 3D Strategic Plan and its Climate Transition Plan, which include key projects structured around the following main areas of action:

- Promotion of energy efficiency, increased use of renewable energy and process optimisation.
- Maximisation of the use of hydrogen produced through electrolytic processes.
- Enhancement of circular economy practices and reduction of water consumption.
- Sustainable mobility.
- Adaptation of the Company to climate change.

Physical risks arise from the direct impacts of climate change on Ercros' operations, such as extreme weather events, changes in climate patterns and increases in average temperatures.

The Company has established protocols and action plans to address potential adverse weather events, such as floods, droughts and other extreme weather events, thereby strengthening resilience and ensuring operational continuity.

Furthermore, in view of the impact of global warming on water availability, and given the importance of water circularity within climate change adaptation strategies, Ercros' Climate Transition Plan includes a range of initiatives aimed at reducing water consumption. Ercros is also undertaking investments to improve efficiency, optimise resource use and strengthen external infrastructure in collaboration with public authorities.

Transition risks are driven by the transition towards a low-carbon economy, whereas physical risks are exacerbated by changes in climate patterns resulting from global warming. These risks have been assessed over the short, medium and long term.

a) Scenario analysis

For the identification of climate-related risks and opportunities, climate scenario analysis based on Representative Concentration Pathways ("RCPs") is used, in line with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). In addition, a sectoral benchmarking analysis has been performed for each of Ercros' business lines. As a result, a total of 37 risks and opportunities have been identified, of which seven priority risks (four transition risks and three physical risks) and seven priority opportunities were based on their relevance.

RCPs represent a standardised set of modelled climate change scenarios used to ensure consistency in baseline assumptions, historical data and future projections. Ercros has selected these scenarios to provide a structured, comprehensive and comparable analytical framework.

Of the four RCP scenarios defined by the Intergovernmental Panel on Climate Change ("IPCC"), Ercros' analysis considers the following scenarios:

- RCP 4.5, representing an intermediate emissions pathway associated with a temperature increase of between 2.0°C and 2.5°C by 2100. Global emissions peak around 2040 and subsequently decline gradually.
- RCP 8.5, representing a high-emissions pathway with no mitigation measures, associated with a temperature increase of between 3.0°C and 4.5°C by 2100, resulting in a continuous rise in emissions throughout the century.

Under the RCP 4.5 scenario, transition risks have the greatest impact, whereas under the RCP 8.5 scenario, the most significant impact arises from physical risks associated with climate change.

The climate scenarios used in this analysis are consistent with the key climate-related assumptions underpinning the financial statements. In particular, the scenarios are aligned with assumptions regarding the long-term economic impacts of decarbonisation, regulatory developments and expected market developments in

6 / Risks and opportunities associated with climate change

sustainability. This alignment ensures consistency between the scenario analysis and the underlying financial projections.

Once identified, risks and opportunities are assessed in line with Ercros' risk assessment methodology for each business line, using a range of criteria. This assessment is applied to all identified risks and opportunities (37) across the two selected RCP scenarios.

The assessment criteria for climate-related risks and opportunities are consistent with Ercros' general risk assessment framework and include likelihood of occurrence, time horizon, financial impact and area of impact.

Criteria	Subcategories	Value / Range
Likelihood of occurrence	Remote	< 15%
	Possible	≥ 15% and < 50%
	Probable	≥ 50% and < 90%
	Almost certain	≥ 90%
Time horizon	Short term	< 3 years
	Medium term	3 - 10 years
	Long term	> 10 years
Financial impact	(1) Low	< €6 million
	(2) Moderate	≥ €6 million and < €15 million
	(3) High	≥ €15 million and < €30 million
	(4) Severe	≥ €30 million
Area of Impact of the Financial Strategy	Operating costs (Opex)	–
	Investments in assets (Capex)	–
	Assets and liabilities	–
	Capital and financing	–

7 / Subsequent events

On 10 February 2026, the Board of the Comisión Nacional del Mercado de Valores authorised the public tender offer for shares submitted by Bondalti Ibérica, S.L.U. on 6 March 2024.

On 12 February 2026, the agent bank of the syndicated loan facility, with an outstanding balance of EUR 100 million as at 31 December

2025, declined to waive the early repayment clause applicable in the event that Bondalti acquires control of Ercros.

At its meeting held on 19 February 2026, the Board of Directors of Ercros, S.A. issued, by majority, an unfavourable opinion on Bondalti's public tender offer.

8 / Foreseeable evolution

The consensus view among specialised publications is that the expected recovery in demand in the European chemical sector will be delayed until the second half of 2026.

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

The level of uncertainty could increase significantly as a result of the expected tariff policy of the United States; however, it could decrease materially, at least in terms of energy prices, should the war in Ukraine come to an end.

In any event, Ercros will continue to implement its 3D Plan, maintain its presence in the markets in which it operates and seek to capitalise on opportunities as they arise in order to protect its margins.

9 / R&D&i activities

9.1. Activities

The Group has four in-house R&D&i centres located in Aranjuez, Monzón, Sabiñánigo and Tortosa, which support the pharmaceuticals, Chlorine Derivatives and Intermediate Chemicals Divisions, and collaborates with various universities and technology centres. In 2025, it incurred expenses and investments in innovation amounting to EUR 7,065 thousand (EUR 6,688 thousand in 2024).

Ercros holds five patents covering both products and manufacturing processes, and has two patent applications pending.

In 2025, the Group's research and development activities focused primarily on six projects. Three of these were carried out in collaboration with the Centre for the Development of Technology and Innovation (CDTI): (i) the development of eco-sustainable alternatives to the use of intentionally added microplastics in detergency and cosmetics applications; (ii) the synthesis of new antibiotic salts; and (iii) the research and development of cathodic activation processes.

The development of bio-based and biodegradable antifouling paints for marine applications was carried out under the State Research Agency's public-private collaboration programme; the development of more sustainable moulding compounds under the Government of Catalonia's Nuclis R&D programme; and participation in STEROPE, a project focused on advanced synergistic technologies for the capture and conversion of CO₂ into biofuels and chemical products, within the framework of the European Union's Horizon Europe programme.

9.2. Product Development

The most significant projects in 2025 relating to the development of new products and the expansion of applications and performance of existing products are described below.

a) Chlorine derivatives division

- Improvement of proprietary TCCA tablet formulations and development of specific formulations for customers.
- Anodic activations specifically developed for oxygen evolution, applicable to customers' electrolytic processes.
- Cathodic activations, particularly focused on the production of chlorine and caustic soda by membrane electrolysis.
- Development of new PVC compound formulations incorporating recycled material (post-industrial and post-consumer).
- Development of bioplastic formulations for applications in packaging, antifouling paints and catering.
- Development of biopolymer suspensions for surface treatment applications.
- Certification of compostability (domestic and industrial) and marine biodegradability for various materials.
- Development of PVC resins with new bulk density-porosity relationships.

b) Intermediate chemicals division

- New resins from the ErcrosGreen+ and ErcrosTech families to extend their field of application to more value-added sectors.
- Development of new grades of moulding compounds with improved stability under extreme climatic conditions.
- Study for the manufacture of more sustainable moulding compounds with a lower carbon footprint.

c) Pharmaceuticals division

- Development of manufacturing processes of new antibiotic active ingredients obtained by fermentation, as well as existing products.
- Development of industrial synthesis processes for new antibiotic salts.

9.3. Process improvement

Among the most relevant initiatives currently being carried out in process improvement, the following should be highlighted:

- Industrial-scale operation of electrode elements with proprietary activated anodes at the chlor-alkali plant in Vila-seca I.
- Testing of new cathode technologies in a pilot electrolyser.
- Commissioning of a pilot facility at Vila-seca I to study the purification and filtration of brine obtained from salts of varying quality.
- Reduction of production costs in the PVC polymerisation process through modification of additives.
- Preparation of basic engineering for the decarbonisation of the Vila-seca I and Vila-seca II sites through electrification, recovery and use of low-grade thermal energy, and substitution of fossil fuels with renewable fuels.
- Installation of new, more energy-efficient equipment to reduce CO₂ emissions at the Almussafes site.
- Preparation of conceptual engineering for the decarbonisation of formaldehyde and polyols production processes at Tortosa.
- Development of artificial intelligence applications based on the digital twin of the polyols production plant.

9.4. Research activities

In 2025, the Group developed several research lines in collaboration with leading research centres, including the following:

- Collaboration programmes with the Centro para el Desarrollo Tecnológico y la Innovación (CDTI) for research into eco-sustainable alternatives to intentionally added microplastics in detergency and cosmetics applications (Atlántida), the synthesis of new antibiotic salts, and the development of cathodic activations.
- Public-private collaboration programme with the State Research Agency ("AEI") for the development of bio-based and biodegradable antifouling paints for marine applications (Nautilus).
- Participation in the STEROPE project consortium under the European Union's Horizon Europe programme.
- Nuclis R&D collaboration programme with the Government of Catalonia for the development of more sustainable moulding compounds, and collaboration with the ALBA Synchrotron for characterisation testing.
- Contract with Polymat, a technology centre of the University of the Basque Country, for the characterisation and development of biopolymers and PVC resins.
- Contracts with Eurecat and the Rovira i Virgili University ("URV") for the development and characterisation of new resins related to the ErcrosTech range, as well as research into eco-sustainable alternatives for packaging in detergency and cosmetics applications.
- Contracts with the the Chemical Institute of Sarrià (IQS) for studies on industrial processes for pharmaceutical active ingredients and for the characterisation of biopolymer suspensions.
- Contracts with Leartiker for studies on new grades of moulding compounds and diversification of application sectors.
- Contracts with AIMPLAS and WESSLING France for certification of biodegradability of ErcrosBio® materials under domestic compostability conditions.
- Sponsorship of the UAM-Ercros Chair at the Autonomous University of Madrid (UAM) to promote research, teaching and study in pharmaceutical chemistry.
- Collaboration with the board of the Foundation for the Development of Hydrogen Technologies in Aragon.
- Collaboration with IThingUPC of the Polytechnic University of Catalonia (UPC) for the study of AI applications in polyols production processes.
- Contract with the Fraunhofer Institute for Applied Polymer Research for the development of new bioplastic materials.

10 / Treasury shares

At year-end 2025, the Company did not hold any treasury shares acquired for cancellation.

11.1. Proposed allocation of results

As the Company incurred losses in the 2025 financial year amounting to EUR 53,825 thousand, no distribution of profits will be made in respect of the 2025 financial year, and the losses will be charged against the Company's accumulated reserves, in accordance with the proposal of the directors, which must be ratified by the General Shareholders' Meeting.

a) Shareholder remuneration

The Ercros General Shareholders' Meeting held on 27 June 2025 ratified the shareholder remuneration policy proposed by the Board of Directors for the 2025–2028 period.

The maximum payout for this period has been set at 50% of the profit for each of the four financial years, subject to: (i) achieving a minimum profit of EUR 10 million; and (ii) at year-end, maintaining a solvency ratio (net financial debt/ordinary ebitda) of less than or equal to 2.0 and a leverage ratio (net financial debt/equity) of less than or equal to 0.5.

As at 31 December 2025, two of the conditions of the shareholder remuneration policy were not met, as Ercros had incurred losses in the 2025 financial year and, therefore, there are no profits to be distributed, and the NFD/ebitda ratio was also not met, standing at 16.02 times at year-end 2025, well above the required maximum of 2 times.

The policy established that shareholder remuneration will be carried out through the buy-back of treasury shares for cancellation and the payment of a dividend. Share buy-backs would be executed provided that a dividend of at least the following percentages of profit was expected: 26% of 2025 profit; 28% of 2026 profit; 29% of 2027 profit; and 30% of 2028 profit.

Shareholder remuneration will be carried out through the buy-back of treasury shares for cancellation and the payment of a dividend, as shown in the following table:

	2025	2026	2027	2028
Minimum dividend	26%	28%	29%	30%
Maximum share buy-back	24%	22%	21%	20%
Maximum payout	50%	50%	50%	50%

11.2. Share market information

a) Share capital

In 2025, Ercros' share capital remained unchanged. At 31 December 2025, the share capital amounted to EUR 27,430,859.70 and was represented by 91,436,199 ordinary shares with a par value of EUR 0.30.

b) Share price evolution

In 2025, the share price was affected by the two takeover bids filed with the National Securities Market Commission ("CNMV"), the first on 5 March 2024 by the Portuguese chemical company Bondalti Ibérica and the second on 28 June 2024 by the Italian company Esseco Industrial, leading to a 3% drop in the Ercros share price (+34% in 2024). The main indices experienced considerable increases compared to the previous year —IBEX-35 (+49%), Madrid Stock Exchange General Index ("IGBM") (+50%), and Industrial Basic Materials and Construction Index ("ICNS") (+43%).

Ercros thus closed 2025 with a market capitalisation of EUR 312,712 thousand (EUR 322,770 thousand at year-end 2024). At 31 December, the Company's share price reached EUR 3.43 (EUR 3.53 at the end of 2024).

The share price reached its highest level on 6 January, at EUR 3.60. The average share price in 2025 was EUR 3.02 (EUR 3.39 in 2024).

For the year overall, the volume of cash traded amounted to EUR 56,611 thousand (EUR 79,834 thousand in 2024), while the number of shares changing hands was 18,768 thousand (23,558 thousand in 2024).

31 October was the day on which the greatest number of shares were traded: 1,478 thousand shares. The average daily turnover for the year was 73,600 shares.

	Financial year 2025	Financial year 2024
Share price (euros/share)	3.42	3.53
Capitalisation (thousands of euros)	312,712	322,770
EPS (euros)	-0.59	-0.13
CFA (euros)	0.10	0.10
P/E ratio	n/a	n/a
P/BV	1.09	0.95

Main parameters related to the share

	31/12/25	31/12/24	31/12/23	31/12/22	31/12/21
Shares on the market	91,436,199	91,436,199	91,436,199¹	96,599,189²	100,971,237³
Capitalisation (EUR)	313,168,981	322,769,782	241,391,565	312,981,372	299,884,573
Traded shares:					
During the year	18,768,086	23,557,869	34,243,015	44,958,441	59,865,606
Maximum in one day	1,478,452	4,492,536	1,156,304	750,362	2,443,430
Minimum in one day	2,178	1,682	21,003	42,483	40,160
Daily average	73,600	92,022	134,286	174,935	233,850
Volume traded (EUR):					
During the year	56,611,485	79,834,109	118,753,832	144,495,425	187,836,695
Daily average	222,006	311,852	465,701	562,239	733,737
Share price (EUR):					
Maximum	3.60	3.98	4.81	3.91	3.98
Minimum	2.23	2.26	2.40	2.60	2.08
Average	3.02	3.39	3.47	3.21	3.14
Latest	3.43	3.53	2.64	3.24	2.97
Frequency rate (%)	100	100	100	100	100
Liquidity ratio (%)	20.53	25.76	37.45	46.54	59.29

¹ Annual average 2023= 93,587,445 shares.

² Annual average 2022= 98,420,876 shares.

³ Annual average 2021= 100,971,237 shares.

c) Key stock market ratios

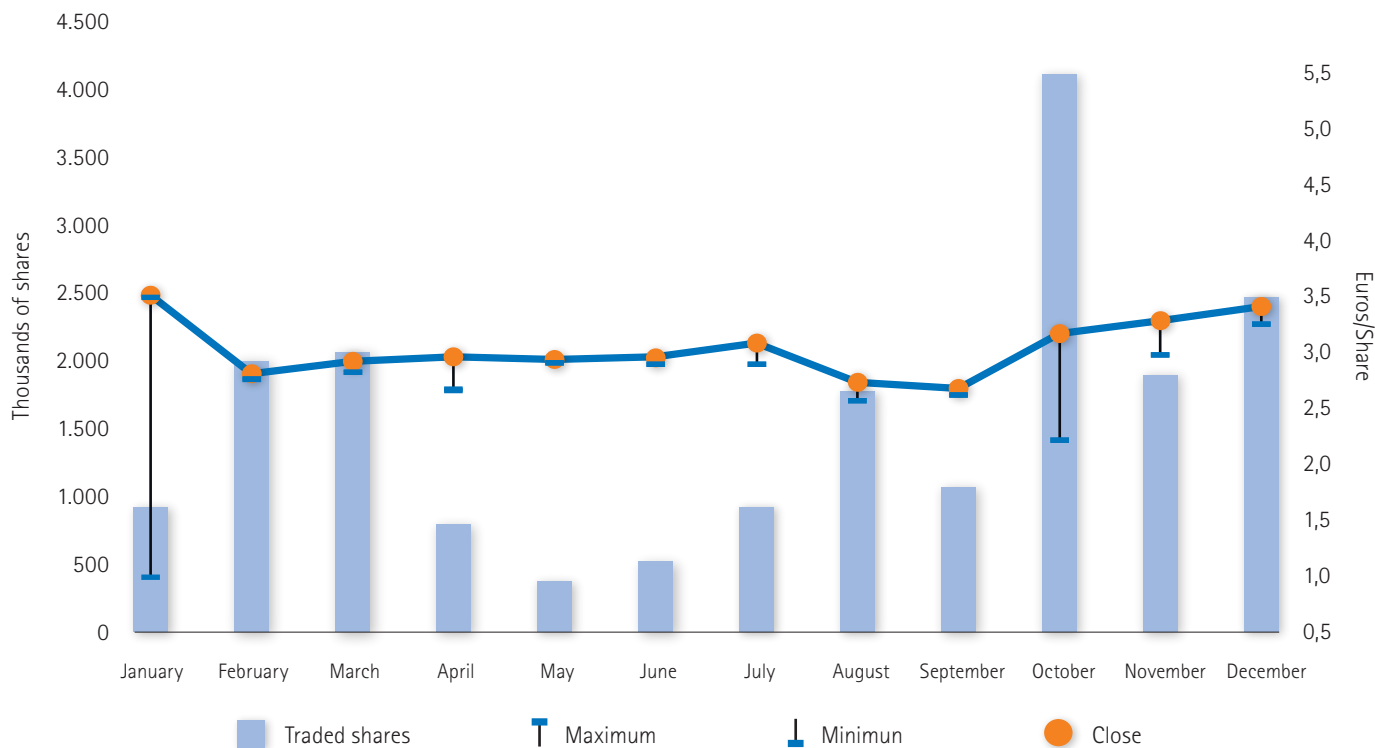
In 2024 and 2025, the CFA –calculated as the operating cash flow divided by the number of shares– remained steady at 0.10. The CFA is a ratio that measures the cash flow generated by each share.

The negative evolution of earnings had a direct impact on the deterioration of EPS, which fell from EUR -0.13 per share in 2024 to EUR -0.54 per share in 2025. This ratio is calculated by dividing the profit for the year by the weighted average number of shares outstanding and is used to measure the profit corresponding to each share.

In 2025, the PER –calculated as the ratio of market capitalisation to profit for the year– is not applicable, just as in 2024, because the Group incurred losses.

In the reporting period, the P/BV –calculated as the ratio of capitalisation to total equity and relating the value of the Company's shares on the stock exchange to their underlying book value– went from 0.95 in 2024 to 1.09 in 2025 [see section 2.2 of this CDR].

Share price and trading volume trends in 2025

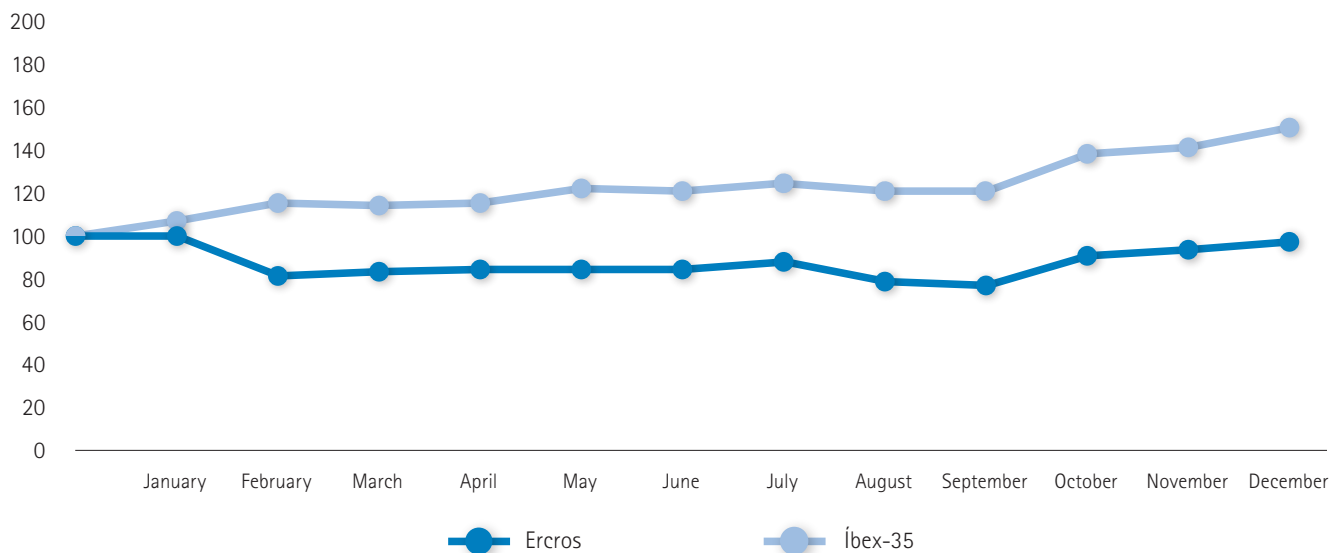


Source: Bolsas y Mercados Españoles ("BME").

Comparison between Ercros and Íbex-35

BASE 100 = 31-12-24

2025



Source: Bolsas y Mercados Españoles ("BME").

d) Significant shareholders

On 28 February 2025, the shareholder Francesc Xavier Casas Galofré notified the National Securities Market Commission ("CNMV") that his shareholdings exceeded the 1% threshold, reaching 1.174%.

On 10 March 2025, the fund Santander Small Caps España, FI, managed by Santander Asset Management SA SGILC, which is fully owned by the Banco Santander Group, reported that it has exceeded the 1% threshold, reaching 1.049%.

On 25 April 2025, the shareholder Víctor Manuel Rodríguez Martín notified the CNMV of an increase in his direct shareholding, reaching 6.284%.

On 23 July 2025, Dimensional Fund Advisors LP, the manager of several funds and accounts advised or sub-advised by this entity or its subsidiaries, announced that it had reduced its shareholdings to 4.885%.

On 10 March 2025, ODDO BHF AIF PLC, which is managed by ODDO BHF Asset Management SAS, reported that it had exceeded the 1% threshold in its shareholdings, reaching 1.772%.

According to the notifications submitted by shareholders to the CNMV, as at 31 December 2025, shareholders with significant holdings directly and indirectly held 22,666 thousand shares in Ercros, representing 24.79% of the Company's share capital.

Breakdown of the shareholding held by significant shareholders

Name or corporate name of the shareholder	Direct shares (thousands)	Indirect shares (thousands)	Voting rights	
			linked to financial instruments (thousands)	Interest in share capital ¹ (%)
Victor M. Rodríguez Martín ²	5,746	—	—	6.284
Joan Casas Galofré ³	5,500	—	—	6.015
Dimensional Fund Advisors LP	—	4,466 ⁴	—	4.885
Montserrat Garcia Pruns	3,300	—	—	3.609
ODDO BHF AIF PLC ⁵	1,620	—	—	1.772
Francesc Xavier Casas Galofré ⁶	1,073	—	—	1.174
Santander Small Caps España, FI ⁷	959	—	—	1.049

¹ Percentages are calculated based on the number of shares outstanding at 31 December 2025.

² On 25 April 2025, this shareholder reported a 1% increase in his shareholding, reaching 6.092%.

³ Mr Casas Galofré has been a proprietary director of the Company since 5 June 2020.

⁴ On 23 July 2025, Dimensional Fund Advisors LP, management company of several funds and accounts advised or sub-advised by it or its subsidiaries, reported that it had reduced its indirect shareholding to 4.885%.

⁵ On 3 November 2025, ODDO BHF AIF PLC, whose management company is ODDO BHF Asset Management SAS, reported that it had exceeded the 1% threshold in its shareholding, reaching 1.772%.

⁶ On 28 February 2025, shareholder Francesc Xavier Casas Galofré reported that he had exceeded the 1% threshold in his shareholding, reaching 1.174%.

⁷ On 10 March 2025, the Santander Small Caps España, FI fund, whose management company is Santander Asset Management SA SGILC, wholly controlled by the Banco Santander Group, announced that it had exceeded the 1% threshold, reaching 1.049%.

12 / Directors' Remuneration Report

The Ercros Group publishes an annual directors' remuneration report ("ADRR") in compliance with Article 541 of the Spanish Corporate Enterprises Act ("CEA"). The ADRR forms part of this CDR but is presented in a separate document as allowed by law.

This report is prepared in accordance with the provisions of Article 541 of the CEA and follows the model established in Circular 3/2021, of 28 September, of the the National Securities Market Commission ("CNMV") amending Circular 5/2013, of 12 June.

The ADRR provides information on the directors' remuneration policy applicable to the current financial year, including an overall summary of the application of the remuneration policy during the financial year ended, as well as details of the individual remuneration accrued for all items by each of the directors in that financial year.

The Ercros Group ADRR for the year ended 31 December 2025 is available on the Ercros (www.ercros.es) and CNMV (www.cnmv.es) websites.

13 / Corporate governance report

The Ercros Group publishes an annual corporate governance report ("CGR") in compliance with Article 540 of the Spanish Corporate Enterprises Act ("CEA"). The CGR forms part of this CDR but is presented in a separate document as allowed by law.

This report is prepared in accordance with the provisions of Article 540 of the CEA and follows the model established in Circular 3/2021, of 28 September, of the National Securities Market Commission ("CNMV") amending Circular 5/2013, of 12 June.

The CGR provides information on the corporate governance practices applied, including a description of the main features of the risk management and internal control systems in place related to the financial reporting process.

The Ercros Group CGR for the year ended 31 December 2025 is available on the Ercros (www.ercros.es) and CNMV (www.cnmv.es) websites.

The Ercros Group publishes a non-financial statement ("NFS") in compliance with article 44 of the Commercial Code and articles 253 and 262 of the CEA. The NFS forms part of this CDR but is presented in a separate document as allowed by law.

The Non-Financial Statement of Ercros S.A. and its consolidated group for 2025 was prepared in accordance with:

- Law 11/2018, of 28 December, amending the Commercial Code, the consolidated text of the Spanish Corporate Enterprises Act ("CEA") passed under Royal Legislative Decree 1/2010, of 2 July, and Law 22/2015, of 20 July, on Accounts Auditing relating to non-financial reporting and diversity.
- Regulation (EU) 2020/852, known as the EU Taxonomy Regulation, and its delegated regulations, the main objective of which is to provide a uniform classification system to identify which business activities can be considered environmentally sustainable.

- Directive 2013/34/EU of the European Parliament and of the Council as regards sustainability reporting standards (the CSRD Directive, standing for Corporate Sustainability Reporting Directive).

In accordance with Article 49 of the Spanish Commercial Code, the Non-Financial Statement (NFS) has been verified by Bureau Veritas

The Ercros Group NFS for the year ended 31 December 2025 is available on the Ercros (www.ercros.es) and CNMV (www.cnmv.es) websites.





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CONSOLIDATED FINANCIAL STATEMENTS OF THE ERCROS GROUP

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15.1 / Consolidated statement of financial position

THOUSANDS OF EUROS

Assets	31/12/25	31/12/24
Non-current assets	448,719	453,696
Property, plant and equipment	345,579	343,647
Investment property	29,393	25,568
Intangible assets	21,278	16,846
Rights of use of leased assets	11,960	13,823
Investments accounted for using the equity method	8,057	7,831
Financial assets	4,352	4,479
Deferred tax assets	28,100	41,502
Current assets	245,581	245,494
Inventories	102,147	115,362
Trade and other accounts receivable	38,342	57,972
Other current assets	8,214	34,718
Current tax assets	849	713
Cash and cash equivalents	96,029	36,729
Total Assets	694,300	699,190

THOUSANDS OF EUROS

Equity and liabilities	31/12/25	31/12/24
Profit/(loss) attributable to owners of the parent company	287,247	341,157
Total liabilities	407,053	358,033
Non-current liabilities	193,194	144,467
Loans	129,930	83,200
Lease creditors	7,756	7,924
Deferred tax liabilities	22,813	22,895
Provisions for environmental remediation	16,539	13,634
Other provisions	2,798	2,951
Obligations to active staff	2,373	1,989
Deferred income and grants	10,985	11,874
Current liabilities	213,859	213,566
Loans	43,987	55,050
Current portion of non-current loans	37,039	20,104
Lease creditors	4,345	6,057
Trade payables	92,462	95,188
Provisions for environmental remediation	2,566	7,185
Other provisions	13,321	15,164
Other liabilities	20,139	14,818
Total equity and liabilities	694,300	699,190

15.2 / Consolidated income statement

THOUSANDS OF EUROS

Ongoing activities	Financial year 2025	Financial year 2024
Revenue	662,791	700,358
Sale of finished products	603,364	643,426
Service provision	23,451	23,989
Other revenue	34,918	26,177
Reversal of provisions and other extraordinary income	1,058	5,378
Increase in finished goods and work in process inventories	–	1,388
Expenses	-656,542	-670,982
Consumption of raw and secondary materials	-299,909	-326,838
Reduction in finished goods and work in process inventories	-5,917	–
Supplies	-122,857	-117,341
Transport	-42,810	-43,274
Staff expenses	-104,748	-100,966
Other expenses	-77,689	-77,935
Reversal of provisions and other extraordinary expenses	-2,612	-4,628
Gross operating profit ("ebitda")	6,249	29,376
Depreciation and amortisation expense	-34,390	-31,460
Impairment/(Reversal) of impairment of non-current assets	–	-1,055
Operating profit/(loss)	-28,141	-3,139
Finance income	2,249	1,179
Financial costs	-12,705	-12,626
Impairment loss/(reversal of) impairment of financial assets (receivables)	-46	-468
Net exchange differences	-2,809	1,205
Share of profits in associates	1,184	1,595
Financial profit/loss	-12,127	-9,115
Profit/(loss) before tax	-40,268	-12,254
Income tax expense/income	-13,317	597
Total comprehensive profit/(loss) attributable to owners of the parent company	-53,825	-11,657
Basic and diluted earnings/(losses) per share (euros)	-0.5860	-0.1275

15.3 / Consolidated statement of total comprehensive income

THOUSANDS OF EUROS

	Financial year 2025	Financial year 2024
Profit for the year	-53,825	-11,657
Other comprehensive income (net of taxes)	–	–
Total comprehensive profit/(loss) attributable to owners of the parent company	-53,825	-11,657

15.4 / Consolidated statement of changes in net equity

THOUSANDS OF EUROS

	Share capital	Other reserves	Profit for the year	Total equity
Balance at 31 December 2023	27,431	308,099	27,585	363,115
Transfer of retained earnings from 2023	–	18,807	-18,807	–
Dividends	–	–	-8,778	-8,778
2024 comprehensive income	–	–	-11,657	-11,657
Operations with shareholders or owners:				
Board attendance bonus	–	-325	–	-325
Other transactions	–	-1,198	–	-1,198
Balance at 31 December 2024	27,431	325,383	-11,657	341,157
Transfer of retained earnings from 2024	–	-11,657	11,657	–
2025 comprehensive income	–	–	-53,825	-53,825
Operations with shareholders or owners:				
Board attendance bonus	–	-325	–	-325
Balance at 31 December 2025	27,431	313,401	-53,825	287,247

15.5 / Consolidated cash flow statement

THOUSANDS OF EUROS

	Financial year 2025	Financial year 2024
A) Cash flows from operating activities	49,188	9,514
Customer collections, including VAT	716,933	736,270
Proceeds from the net change in the non-recourse tranche of factoring	3,587	420
Supplier payments, including VAT	-620,541	-634,890
Recovery of VAT settlements	25,451	17,365
Regular payments to and for the account of staff	-107,208	-100,693
Payments to and on behalf of retired staff and for collective redundancies	-84	-134
Payments against environmental remediation provisions	-2,348	-3,124
Payments of other provisions	-354	-955
Other operating receipts/payments	-5,248	-4,893
Receipt of indirect CO ₂ emission subsidies	14,267	7,874
Receipt of other subsidies	17,785	905
Amount received on account of RD 3/2016 judgement	21,189	–
Interest and commission payments	-9,683	-9,183
Interest received	343	601
Net foreign exchange payments/receivables	-2,467	290
Dividend receipts	960	1,320
Collection of income tax refund from previous years	–	3,009
Payment on account of income tax for the year	–	-713
Payments for local taxes and other levies	-3,394	-3,955
B) Cash flows from investment activities	-29,150	-26,666
Acquisitions of property plant and equipment:		
Capacity expansion investments	-302	-3,267
Energy efficiency investments	-10,479	-10,291
Other investments	-18,369	-13,108
Free cash flows (A+B)	20,038	-17,152
C) Shareholder remuneration	-325	-9,103
Payment of shareholder's meeting attendance bonus	-325	-325
Dividend payment	–	-8,778
D) Financing flows	40,368	23,432
Long-term provision of loans	30,706	31,819
Repayment and amortisation of long-term loans	-36,139	-24,017
Net change in short-term revolving lines	54,688	23,936
Payments to creditors from financial lease	-8,888	-8,312
Cancellation of taxes and deposits	1	6
E) Net increase/decrease in cash and cash equivalents (A+B+C+D)	60,081	-2,823
Cash and cash equivalents at the beginning of the year	36,729	39,145
Exchange rate effect	-781	407
Cash and cash equivalents at the end of the period	96,029	36,729





16

ERCROS GROUP HISTORICAL DATA SERIES

16.1	Consolidated statement of financial position	58
16.2	Consolidated statement of comprehensive income	59

16.1 / Consolidated statement of financial position

THOUSANDS OF EUROS

Assets	31/12/25	31/12/24	31/12/23	31/12/22	31/12/21	31/12/20
Non-current assets	448,719	453,696	473,866	446,372	408,176	399,202
Property, plant and equipment	345,579	343,647	345,106	341,495	324,517	311,291
Other non-current assets	103,140	110,049	128,760	104,877	83,659	87,911
Current assets	245,581	245,494	209,449	300,179	301,780	191,017
Inventories	102,147	115,362	104,278	134,773	122,696	82,278
Trade accounts receivable	38,342	57,972	55,108	98,507	99,232	56,070
Other current assets and cash	105,092	72,160	50,063	66,899	79,852	52,669
Total assets	694,300	699,190	683,315	746,551	709,956	590,219
Equity and liabilities						
Equity	287,247	341,157	363,115	360,710	331,613	284,215
Non-current liabilities	193,194	144,467	156,202	163,283	146,057	142,189
Long-term loans	129,930	83,200	94,642	97,151	92,793	93,553
Long-term provisions	21,710	18,574	19,686	23,080	12,893	11,788
Deferred tax liabilities and other non-current liabilities	41,554	42,693	41,874	43,052	40,371	36,848
Current liabilities	213,859	213,566	163,998	222,558	232,286	163,815
Short-term loans	81,026	75,154	27,347	25,952	20,983	28,712
Trade accounts payable and other accounts payable	92,462	95,188	90,909	139,027	169,905	102,447
Provisions and other current liabilities	40,371	43,224	45,742	57,579	41,398	32,656
Equity and total liabilities	694,300	699,190	683,315	746,551	709,956	590,219

16.2 / Consolidated statement of comprehensive income

THOUSANDS OF EUROS

Assets	Year 2025	Year 2024	Year 2023	Year 2022	Year 2021	Year 2020
Income	662,791	700,358	757,626	1,059,685	829,964	585,320
Turnover	626,815	667,415	725,294	1,024,902	800,055	568,797
Other operating income and changes in inventories	35,976	32,943	32,332	34,783	29,909	16,523
Expenses	-656,542	-670,982	-713,320	-937,024	-744,284	-535,719
Supplies	-299,909	-326,838	-348,324	-470,572	-400,012	-267,946
Staff	-104,748	-100,966	-91,627	-89,582	-86,965	-84,296
Other operating expenses	-251,885	-243,178	-273,369	-376,870	-257,307	-183,477
Ebitda	6,249	29,376	44,306	122,661	85,680	49,601
Amortisation	-34,390	-31,460	-32,273	-29,966	-28,549	-30,329
Profit/loss due to impairment of assets	—	-1,055	1,006	-539	-3,450	-4,335
Ebit	-28,141	-3,139	13,039	92,156	53,681	14,937
Financial result	-12,127	-9,115	-8,005	-4,198	-2,525	-7,952
Earnings before taxes	-40,268	-12,254	5,034	87,958	51,156	6,985
Income taxes and non-controlling interests	-13,317	597	23,764	-17,314	-7,859	-728
Results from discontinued operations	—	—	-1,213	-7,655	—	—
Profit of the year	-53,825	-11,657	27,585	62,989	43,297	6,257

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Tarragona Industrial Complex

Tarragona factory

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Intermediate chemicals division

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This annual report was published
in Barcelona in May 2026.

Coordination and editing: Ercros

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Design: maestra vida s.l.



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