

NOTE OF THE ERCROS RESULTS FIRST QUARTER 2024

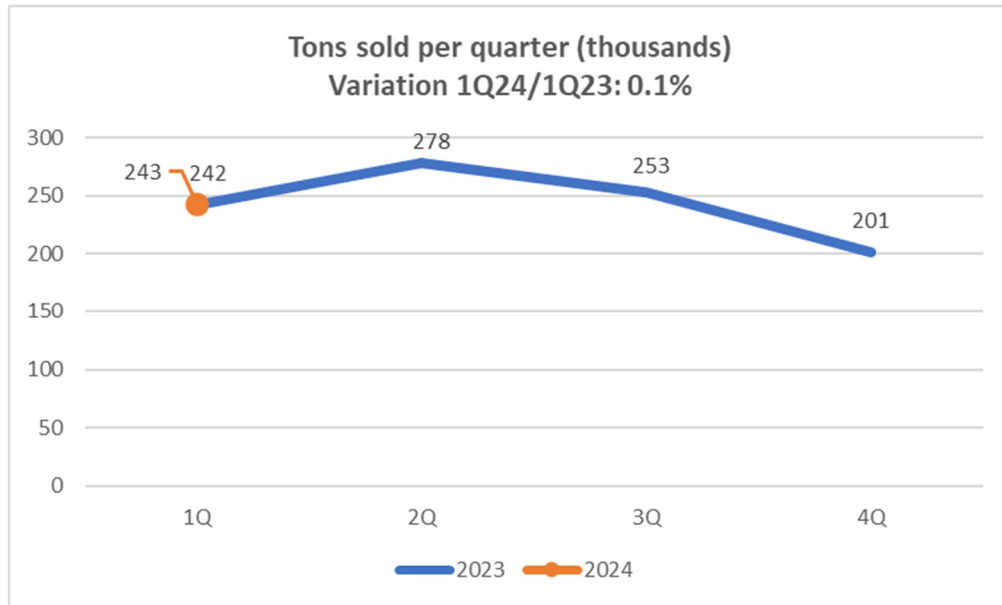
(30-04-2024)

Ercros starts 2024 with a profit of EUR 3 million

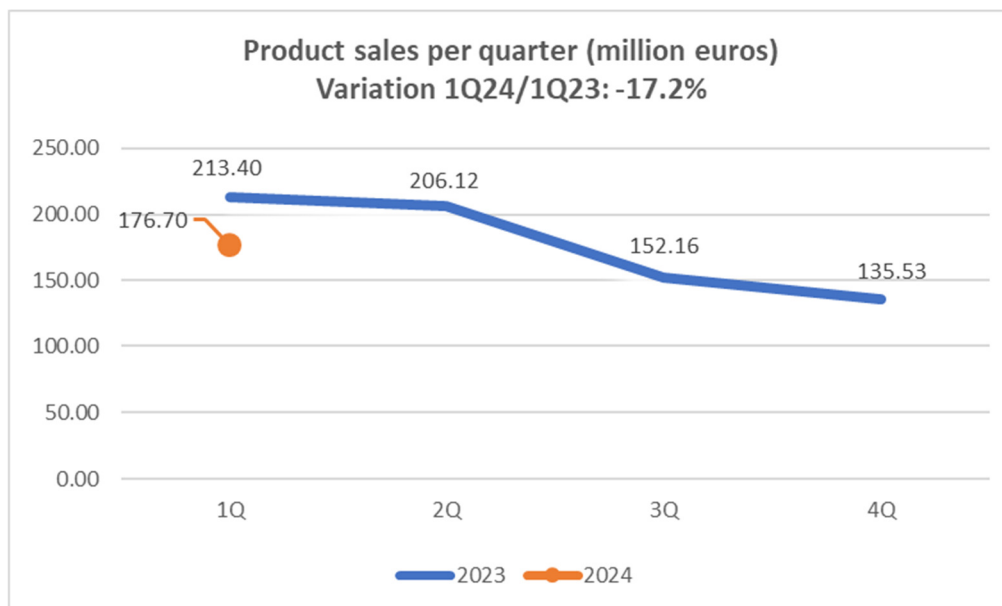
- In the first quarter of 2024, Ercros obtained a contribution of EUR 65 million, an adjusted ebitda of EUR 14 million and a profit of EUR 3 million.
- These results were achieved against a backdrop of cyclical adjustment, with European demand continuing to show signs of weakness and highly volatile and highly competitive markets.
- Ercros maintains a solid financial position, with EUR 141 million in liquidity.
- If the next general meeting of shareholders so decides, Ercros will pay a dividend of 9.6 cents per share, which will mean a disbursement for the company of EUR 8.8 million, 32.7% of the 2023 profit of Ercros S. A., which was EUR 26.8 million.
- The consensus of specialized publications predicts that the recovery in demand for the European chemical industry will occur throughout the second half of 2024. We'll need to await further progress in the year to provide more accurate forecasts.
- In any case, Ercros will continue to implement the 3D Plan to advance in the digitalisation and decarbonisation of its processes and operations. It will maintain its presence in all the markets where it operates and seize the opportunities that arise to defend its margins.

A. KEY FACTS OF THE FIRST QUARTER OF 2024

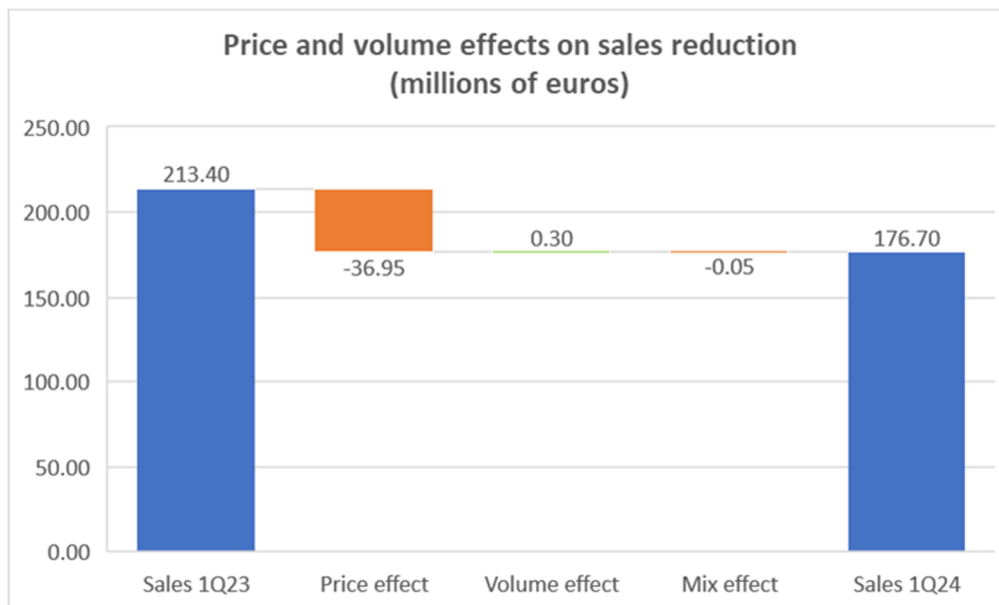
1. In the first quarter of 2024 (1Q24) Ercros sold 243 thousand tons of products, an amount very similar to the 242 thousand tons sold in the same period of 2023 (1Q23): an increase of 0.1%.



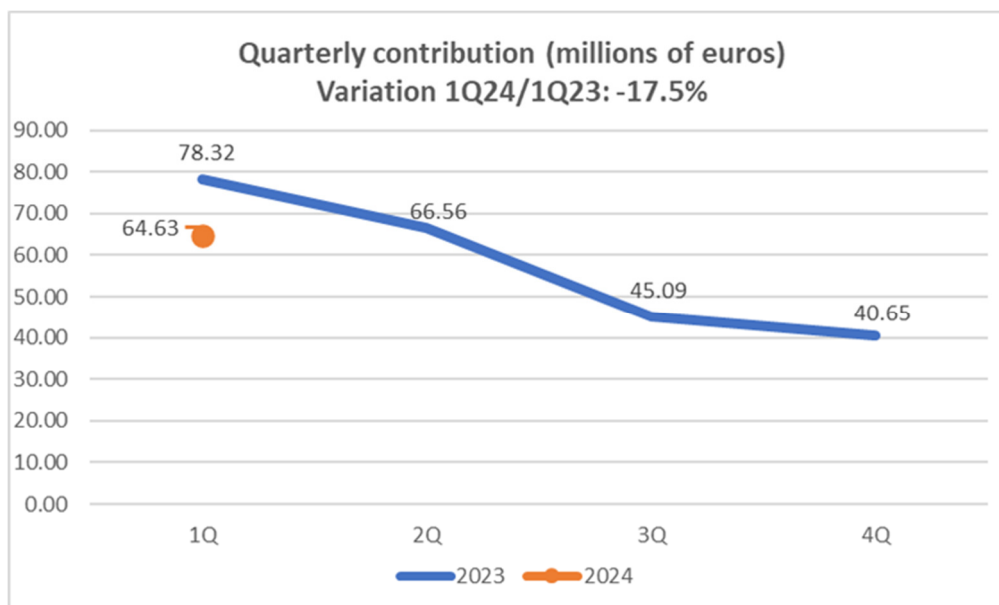
2. Total product sales in 1Q24 amounted to EUR 176.70 million compared to EUR 213.40 million in 1Q23: a decrease of EUR 36.70 million, equivalent to a drop of 17.2%. The amount of sales fell despite the small increase in the volume sold, which anticipates a significant negative price effect.



- Indeed, of the EUR 36.70 million decrease in sales, the price effect explains slightly more than the entirety of this decline: EUR 36.95 million (100.7%). The excess of EUR 0.25 million is offset by the sum of volume and mix minor effects. Therefore, the decline in first-quarter sales is a result of the drop in the average price.

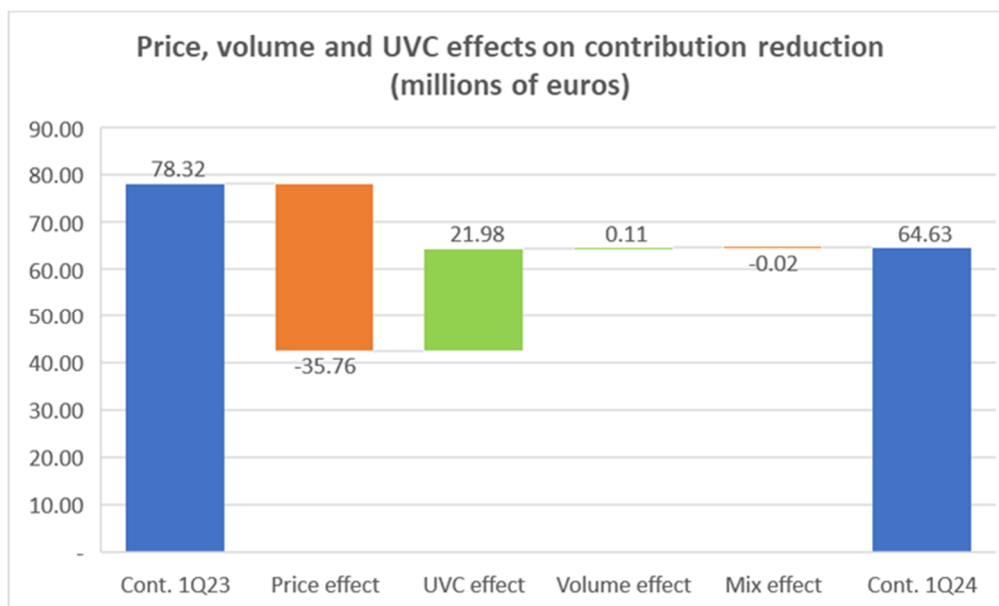


- The contribution generated by product sales and delivered services in 1Q24 amounted to EUR 64.63 million, compared to EUR 78.32 million in 1Q23; a decrease of 17.5%. This reduction is the result of a drop in sales plus the provision of services greater than the fall in variable costs (EUR 35.50 million versus EUR 21.81 million, respectively).

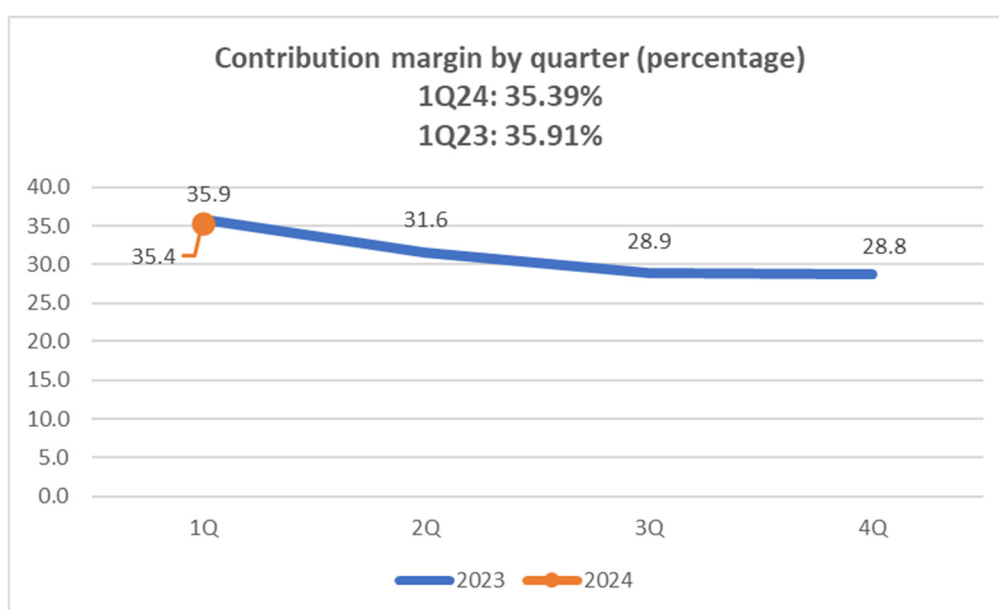


Contribution: sales of products + provision of services – provisions – supplies + change in inventories.

5. In 1Q24, the negative price effect of EUR -35.76 million exceeded, in absolute terms, the positive unit variable cost (UVC) effect of EUR 21.98 million. The net effect of price and UVC amounted to EUR -13.78 million and explains the 100.7% of the EUR -13.69 million in which the contribution varied. The remaining -0.7% is explained by the volume effect of EUR 0.11 million (-0.8%) and the mix effect of EUR -0.02 million (0.1%).

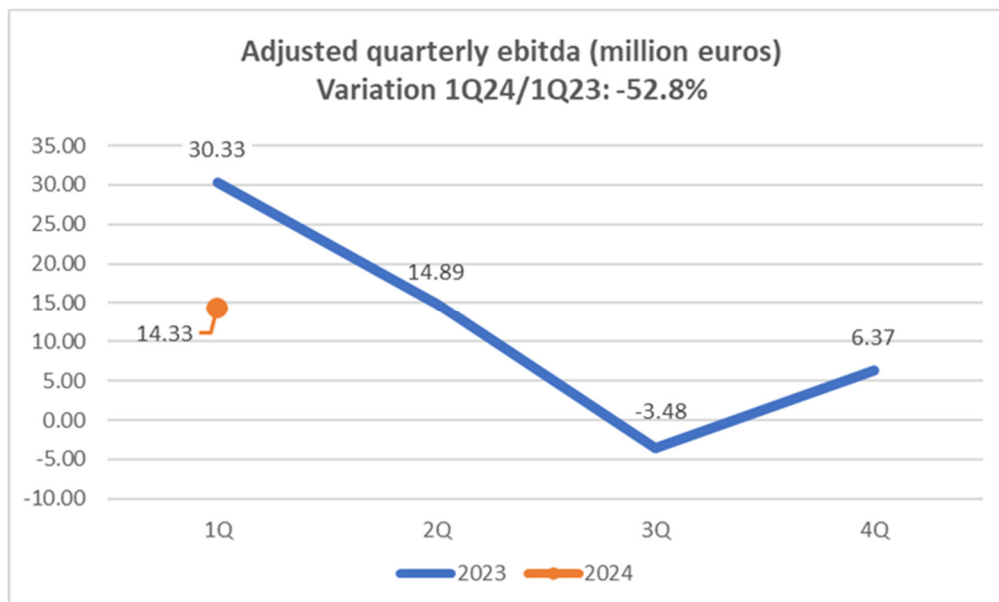


6. Contribution margin (contribution divided by the sum of product sales plus service provision) decreased from 35.9% in 1Q23 to 35.4% in 1Q24. A variation of -0.5 percentage points, due to the increase in the relative weight of variable costs, which in 1Q23 represented 64.1% of sales (plus the provision of services) and in 1Q24 represent 64.6%, due to the fact that sales (plus the provision of services) have fallen more than variable costs (-16.3% vs -15.6%).



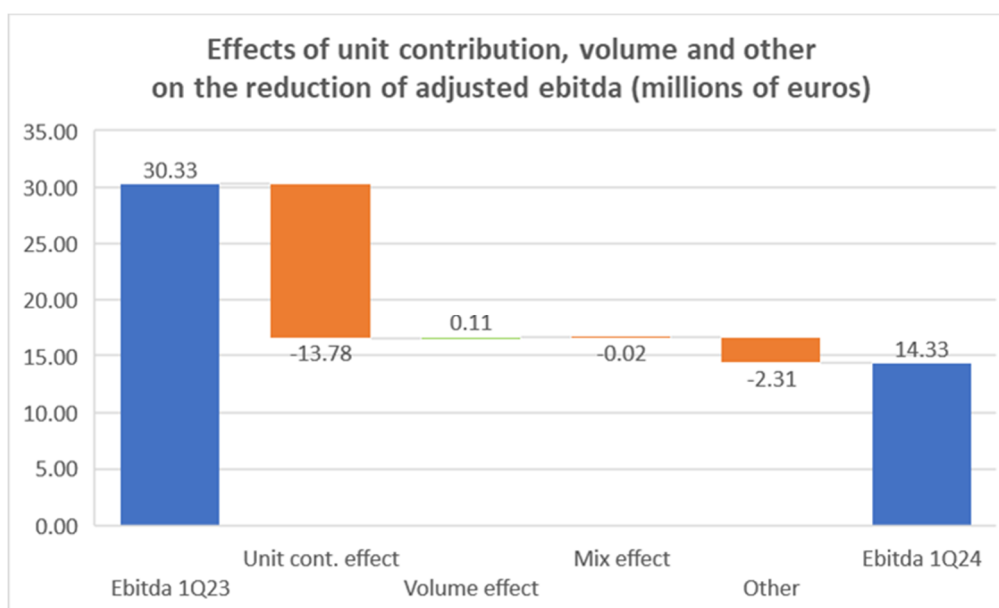
Contribution margin: contribution / (sales of products + provision of services).

7. Adjusted ebitda for 1Q24 was EUR 14.33 million compared to EUR 30.33 million in 1Q23; a reduction of EUR 16.00 million (-52.8%), slightly higher than the reduction of EUR 13.69 million in the contribution due to, among others, higher personnel costs and other operating expenses.



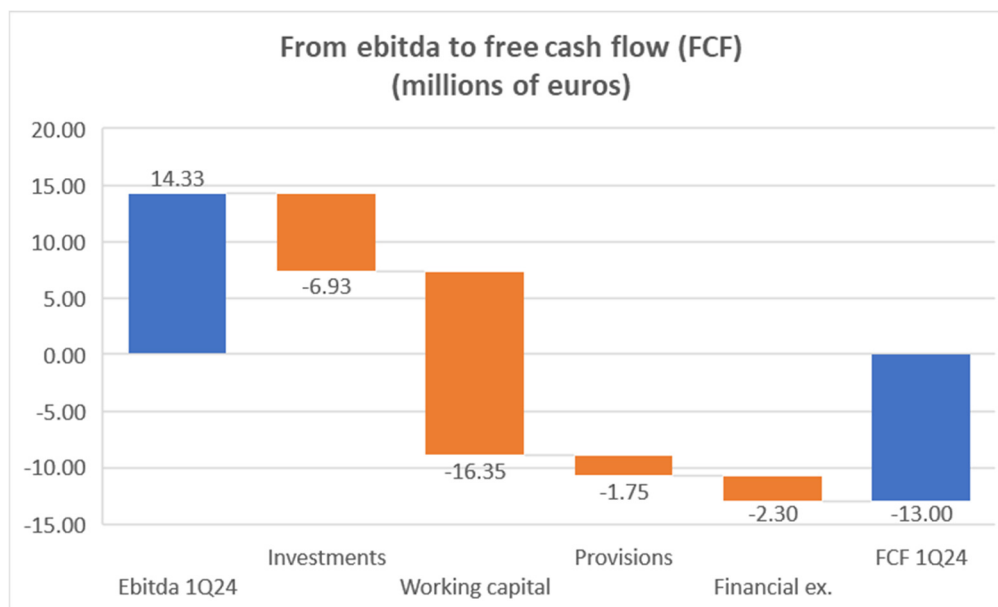
Adjusted ebitda: ebitda excluding atypical items. See the "Ebitda reconciliation" table in Section C of this results note.

8. Compared to 1Q23, the variation in adjusted ebitda in 1Q24 of -EUR 16.00 million is due to: (i) the effect of the unit contribution of -EUR 13.78 million, which accounts for 86.1%; (ii) the volume effect of EUR 0.11 million, which explains -0.7%; and (iii) the mix effect of EUR -0.02 million, which explains 0.1%. The remaining -EUR 2.31 million, which explains 14.5% of the drop in ebitda, includes the net effect of the variation in other expenses and income.

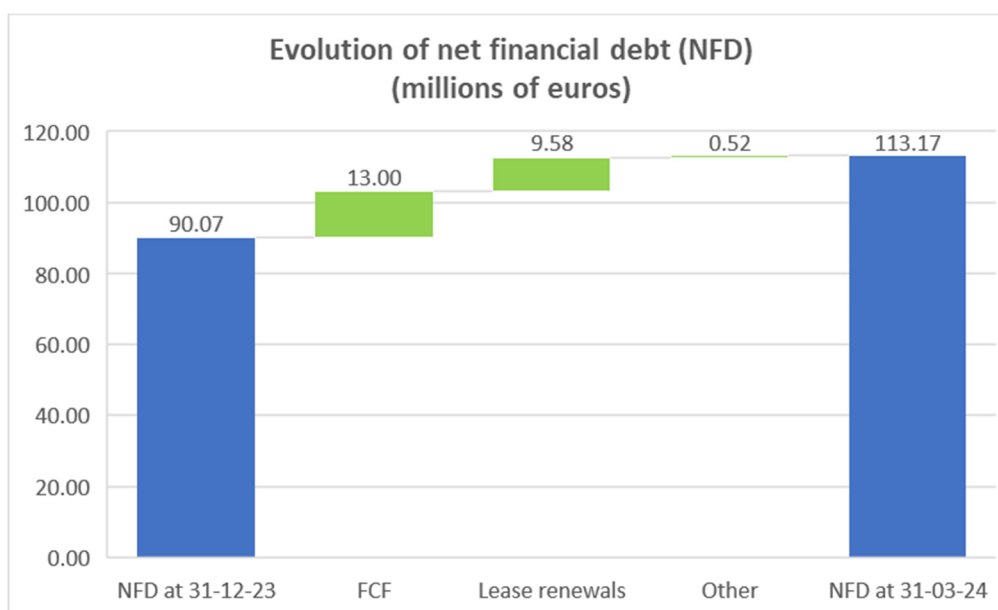


Other: change in the provision of services, other revenues, fixed and atypical costs.

9. Free cash flow (FCF) generated in 1Q24 was EUR -13.00 million, the result of subtracting EUR 14.33 million from 1Q24 ebitda: EUR 6.93 million from investment; EUR 16.35 million from working capital increases; EUR 1.75 million from provisions and EUR 2.30 million from net financial results.



10. Ercros started 2024 with EUR 90.07 million of net financial debt (NFD). Throughout 1Q24, debt increased by EUR 13.00 million due to the negative FCF generated in that period; EUR 9.58 million for lease renewals; and EUR 0.52 million for other minor causes. In total, Ercros increased its net financial debt by EUR 23.10 million, standing at EUR 113.17 million as of March 31, 2024.



11. As of March 31, 2024, Ercros had liquidity amounting to EUR 140.91 million, of which EUR 44.68 million corresponded to cash and EUR 96.23 million to undrawn financing lines.

B. INTERIM FINANCIAL STATEMENTS

First quarter 2024 profit and loss statement

In relation to the profit for the first quarter of 2024, it is worth noting, in addition to what is indicated in Section A of this note, the following:

Service provision increased by 25.3% due to the impact in 1Q24 of, among others, revenues from the active response service to the electric demand. Other revenues increased by 4.1%, mainly due to the increase in the value of free CO₂ emission allowances.

The change in the aggregate amount of supplies plus the change in inventories of finished and in-process products was -9.1% lower, in absolute terms, than the -17.2% change in sales of finished products. The largest drop in sales was due to the sharp fall in the average selling price per tonne. Supplies, on the other hand, fell by 31.9%, mainly due to lower electricity and gas prices.

Personnel expenses increased by 8.1% compared to 1Q23 due to the salary increase, resulting from the salary guarantee clause of the chemical agreement based on the variation in the CPI from 2021 to 2023 compared to the agreed increment in the agreement during this period.

Other operating expenses increased by 6.3% compared to 1Q23.

The provision allocation and other extraordinary expenses decreased by 93.5% compared to Q123 mainly due to the provisions made in Q123 for soil remediation based on the latest available information on environmental remediation commitments and obligations, amounting to EUR 2.49 million.

Depreciation decreased by 1.4% compared to Q123.

The negative financial result increased by 15.2% due to the rise in financial costs resulting from the increase in interest rates and higher banking fees.

The income tax expense has been calculated using the 70% limit on offsetting negative taxable bases, according to the regulations in force in 2023 following the ruling of the Constitutional Court. The reduction in the amount is due to the lower result obtained and, to a lesser extent, the application of the new regulations.

Balance

Non-current assets increased by EUR 9.66 million, mainly due to the renewal of leases subject to IFRS 16. Working capital increased by EUR 14.9 million, mainly due to the strong increase in accounts receivable and a slight decrease in accounts payable, despite the reduction in inventories.

Equity increased by EUR 3.05 million due to profit for the period.

Shareholder remuneration

If the next general meeting of shareholders so decides, Ercros will pay a dividend of 9.6 cents per share, which will mean a disbursement for the company of EUR 8.8 million. Regarding Ercros S.A.'s profit for the 2023 financial year, of EUR 26.8 million, the total payout will be 32.7%.

PROFIT AND LOSS STATEMENT

EUR thousand	1Q24	1Q23	%
Continuing activities			
Revenue	188,738	223,957	-15.7
Sale of finished products	176,700	213,397	-17.2
Provision of services	5,907	4,713	25.3
Other income	6,053	5,815	4.1
Reversal of provisions and other extraordinary income	78	32	143.8
Expense	-174,495	-196,090	-11.0
Supplies	-81,063	-95,996	-15.6
Reduction in inventory of finished and in-process products	-9,950	-4,182	137.9
Supplies	-26,970	-39,613	-31.9
Transport	-10,755	-11,307	-4.9
Personnel costs	-24,706	-22,853	8.1
Other operating expenses	-20,889	-19,644	6.3
Provision and other extraordinary expenses	-162	-2,495	-93.5
Ebitda	14,243	27,867	-48.9
Amortizations	-7,781	-7,890	-1.4
Ebit	6,462	19,977	-67.7
Financial result	-3,072	-2,667	15.2
Profit before tax	3,390	17,310	-80.4
Income taxes	-339	-3,371	-89.9
Benefit of the period of continuing activities	3,051	13,939	-78.1
Net loss for the period of discontinued operations	-	-1,213	-
Benefit of the period	3,051	12,726	-76.0

ADJUSTED EBITDA RECONCILIATION

EUR thousand	1Q24	1Q23	%
Ebitda	14,243	27,867	-48.9
Atypical income items	-78	-32	143.8
Atypical expense items	162	2,495	-93.5
Adjusted ebitda	14,327	30,330	-52.8

ECONOMIC ANALYSIS OF THE BALANCE SHEET

EUR thousand	31-03-24	31-12-23	Variation	%
Non-current assets	428,809	419,152	9,657	2.3
Working capital	79,131	64,218	14,913	23.2
Current assets	185,830	169,527	16,303	9,6
Current liabilities	-106,699	-105,309	-1,390	1,3
Resources used	507,940	483,370	24,570	5.1
Equity	366,166	363,115	3,051	0.8
Net financial debt	113,165	90,070	23,095	25.6
Provisions and other debts	28,609	30,185	-1,576	-5.2
Origin of funds	507,940	483,370	24,570	5.1

DETAIL OF NET FINANCIAL DEBT

EUR thousand	31-03-24	31-12-23	Variation	%
Loans	107,350	108,831	-1,481	-1.4
Finance lease liabilities	16,828	9,260	7,568	81.7
Working capital financing	35,697	13,158	22,539	171.3
Gross financial debt	159,875	131,249	28,626	21.8
Cash	-44,676	-39,145	-5,531	14.1
Deposits	-2,034	-2,034	-	-
Net financial debt	113,165	90,070	23,095	25.6

C. BUSINESS RESULTS

Globally, weak demand from the chemical sector has been the dominant feature of 1Q24. This situation has resulted in a sharp drop in sales prices, which has not been compensated by the fall in energy and raw materials prices compared to the highs of 2022.

In this context, the efforts of Ercros' businesses have continued to be aimed at adapting the pace of production to demand, while at the same time defending margins as much as possible in a situation of highly volatile markets subject to strong competition.

In 1Q24, sales of the **chlorine derivatives** division decreased by 23.3% compared to 1Q23, due to the fall in the average selling price (21.6%) and, to a lesser extent, the fall in volumes traded (2.9%). The fall in the average selling price, which affected almost all of the division's products, and in particular PVC and caustic soda, could not be offset by the reduction in the cost of raw materials and energy. As a result, the division's ebitda fell by 72.7% and placed the ebitda/sales ratio at 7.1%, 12.7 points below the 19.8% obtained in 1Q23.

In the **intermediate chemicals** division, compared to 1Q23, sales fell by 4.7%, and the average price of the division's products also fell, by 12.2%, effects that were offset in this case by the

decrease in the price of raw materials and the cost of energy. As a result, the division's ebitda increased by EUR 3.9 million and the ebitda/sales ratio stood at 11.9%, compared to 4.1% in 1Q23.

The **pharmaceuticals** division also reduced its sales compared to 1Q23 by 5.6%, as a result of a 5.7% reduction in the volume of products sold, which more than offset the slight increase in the average selling price of 0.1%. Ebitda in 1Q24 is positive at EUR 0.57 million compared to negative ebitda in 1Q23 of EUR 0.03 million, due to the reduction in the price of raw materials and energy.

During 2023, the pharmaceuticals division obtained authorization for the manufacture of new sterile products (micronized fusidic acid and sodium fusidate) as well as the approval of registrations for the sale of famotidine in China and erythromycin base dihydrate in Australia and the USA. In addition, this division launched a new presentation of compacted fosfomycin trometamol on the market and concluded the validation work in the new erythromycin salts extraction plant: ethylsuccinate, stolate and stearate.

By 2024, the required approval for the manufacture and marketing of vancomycin and gentamycin is expected to be obtained, a fact that would undoubtedly contribute to the recovery of the results of this division.

BUSINESS RESULTS

EUR thousand	1Q24	1Q23	%
Chlorine derivatives division			
Product sales	108,937	142,094	-23.3
Adjusted ebitda	7,685	28,171	-72.7
Adjusted ebitda/product sales (%)	7.1	19.8	-64.4
Intermediate chemicals division			
Product sales	51,187	53,739	-4.7
Adjusted ebitda	6,072	2,193	176.9
Adjusted ebitda/product sales (%)	11.9	4.1	190.7
Pharmaceuticals division			
Product sales	16,576	17,564	-5.6
Adjusted ebitda	570	-34	-
Adjusted ebitda/product sales (%)	3.4	-0.2	-

D. FORECAST FOR THE REST OF 2024

For the European chemical sector, the consensus of specialized publications foresees the recovery of demand throughout the second half of 2024. We hope to be able to specify this forecast in more detail with the information that will be provided to us over the course of this year.

In any case, Ercros will continue to execute the 3D Plan, maintain its presence in all the markets in which it operates and take advantage of the opportunities presented to defend its margins.

Barcelona, 30 April 2024