

NOTE OF ERCROS RESULTS **FIRST NINE MONTHS OF 2024 (9M24)**

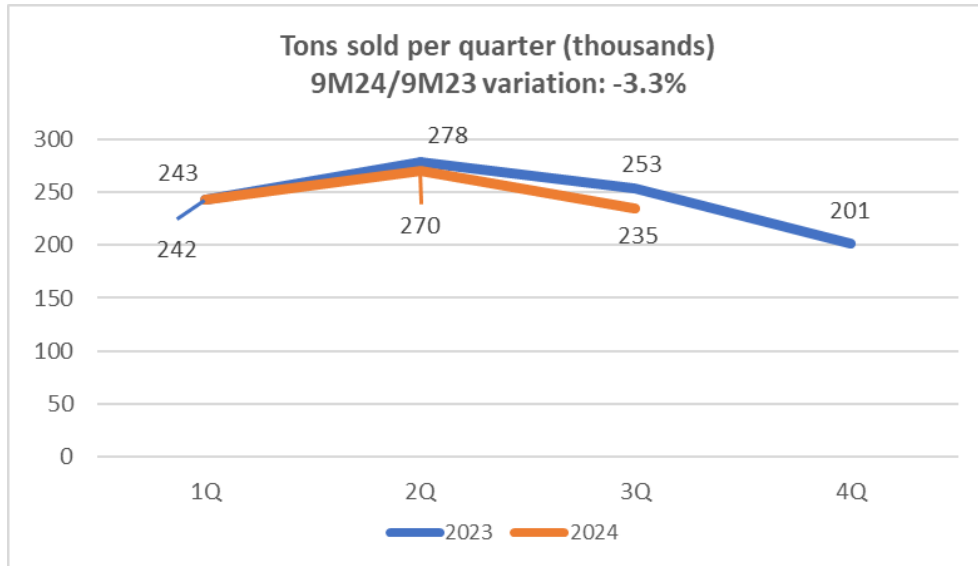
(06-11-2024)

Ercros obtains EUR 23 million ebitda and registers EUR 8 million losses

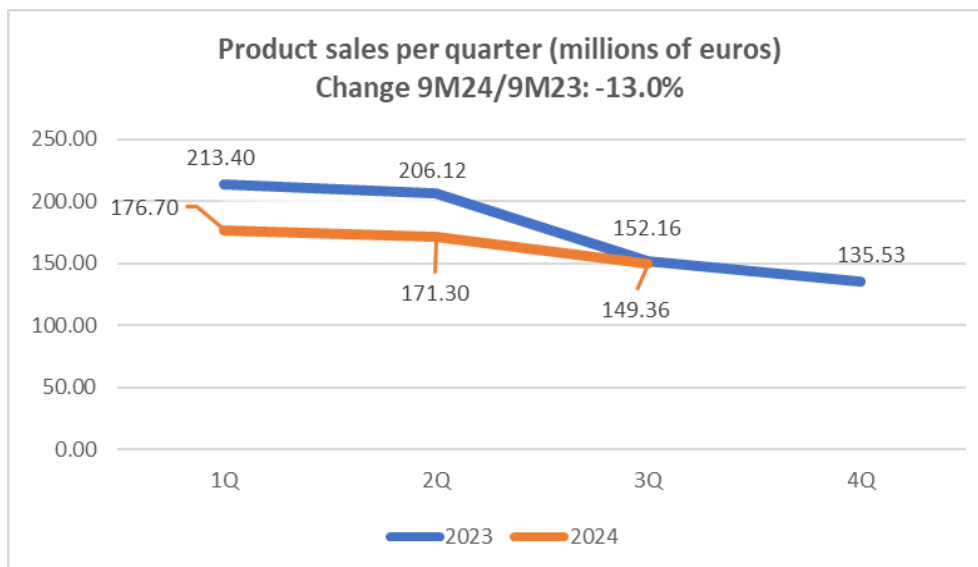
- In the first nine months of 2024, Ercros has obtained a contribution of EUR 175 million, an adjusted ebitda of EUR 23 million and has recorded losses of EUR 8 million.
- These results are a consequence of a persistently weak European demand, with highly volatile markets and strong competition.
- Ercros maintains a solid financial situation, with EUR 110 million of liquidity.
- The takeover bids of Bondalti Ibérica, S.L.U. and Essec Industrial, S.P.A. on Ercros are still ongoing.
- The consensus of the specialised publications foresees a recovery in demand from the European chemical industry throughout 2025.
- In any case, Ercros will continue to execute the 3D Plan in order to advance in the digitalization and decarbonization of its processes and operations, maintain its presence in all the markets in which it operates and will take advantage of the opportunities that arise to defend its margins.

A KEY EVENTS FOR THE FIRST NINE MONTHS OF 2024

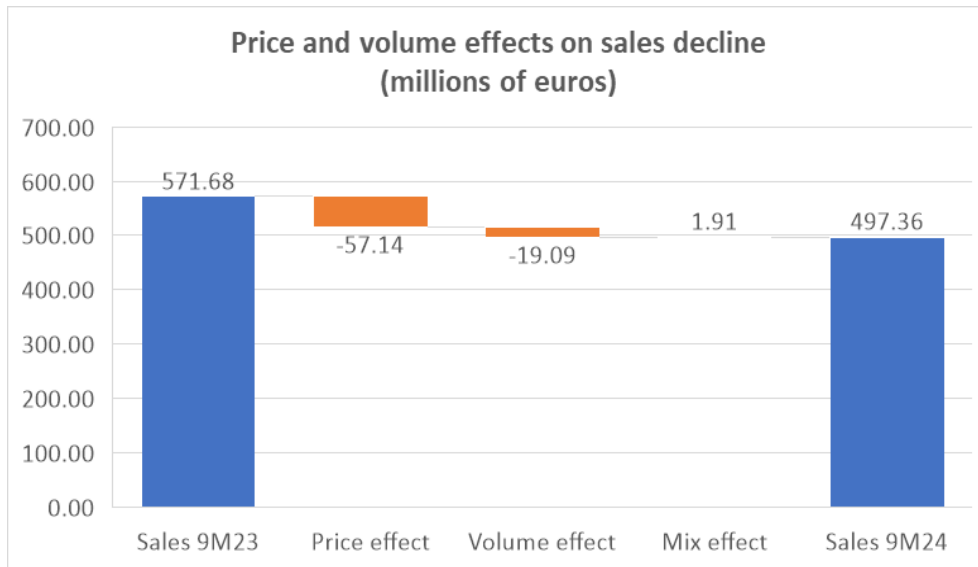
1. In the first nine months of 2024 (9M24) Ercros sold 748 thousand tons of products, slightly lower than the 774 thousand tons sold in the same period of 2023 (9M23): a decrease of 3.3%. Among the causes of this decrease are the restrictions on the supply of some raw materials, which have forced Ercros to declare a force majeure during the month of September in the supply of caustic soda.



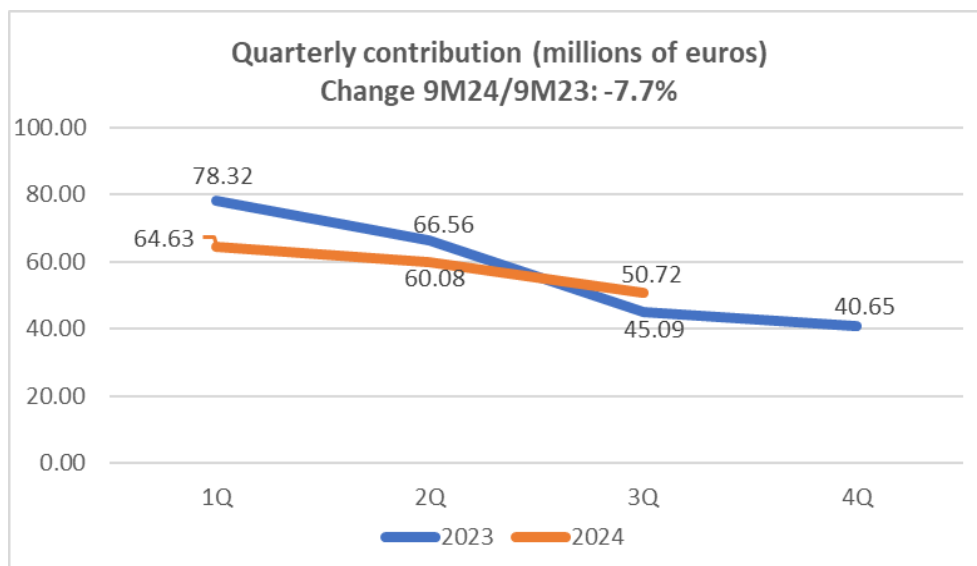
2. The product sales in 9M24 amounted to EUR 497.36 million compared to EUR 571.68 million in 9M23: a decrease of EUR 74.32 million, equivalent to a drop of 13.0%. Percentagewise, sales fell more than tons, which anticipates a significant negative price effect.



3. Indeed, of the EUR 74.32 million in which sales decreased, the fall in the average price per tonne explains EUR 57.14 million (76.9%) and the lower volume of tonnes sold explains EUR 19.09 million (25.7%). The mix effect is of the opposite sign and explains the remaining -2.6%.

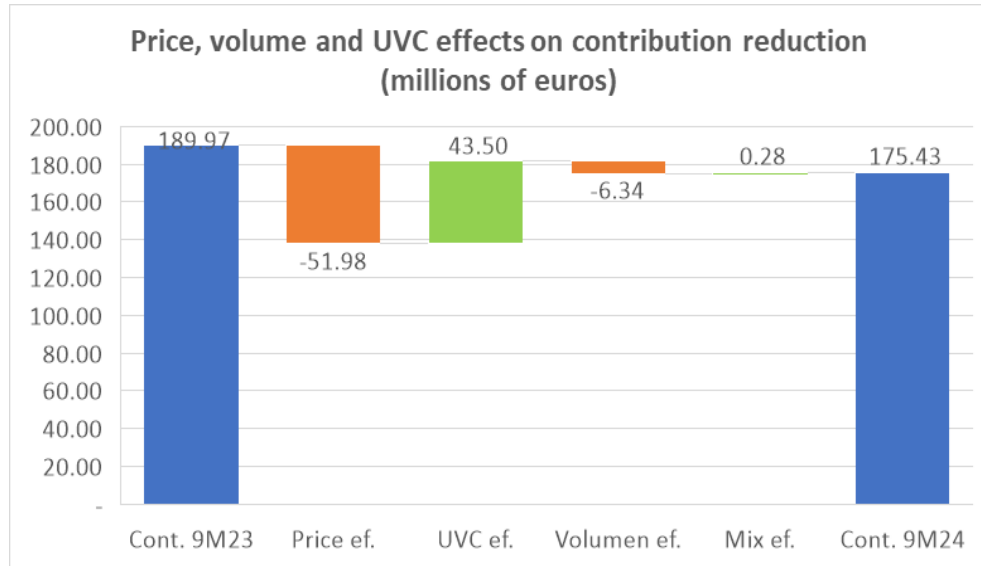


4. The contribution generated by sales of products and the provision of services amounted to EUR 175.43 million in 9M24, compared to EUR 189.97 million in 9M23, it is a decrease of 7.7%. This decrease is explained by the drop in sales plus provision of services (of EUR 69.76 million) greater than that of variable costs (of EUR 55.22 million). The contribution in the third quarter of 2024 exceeds the contribution in the same quarter of 2023 (EUR 50.72 million versus EUR 45.09 million). We expect this improvement to continue in the fourth quarter of 2024.

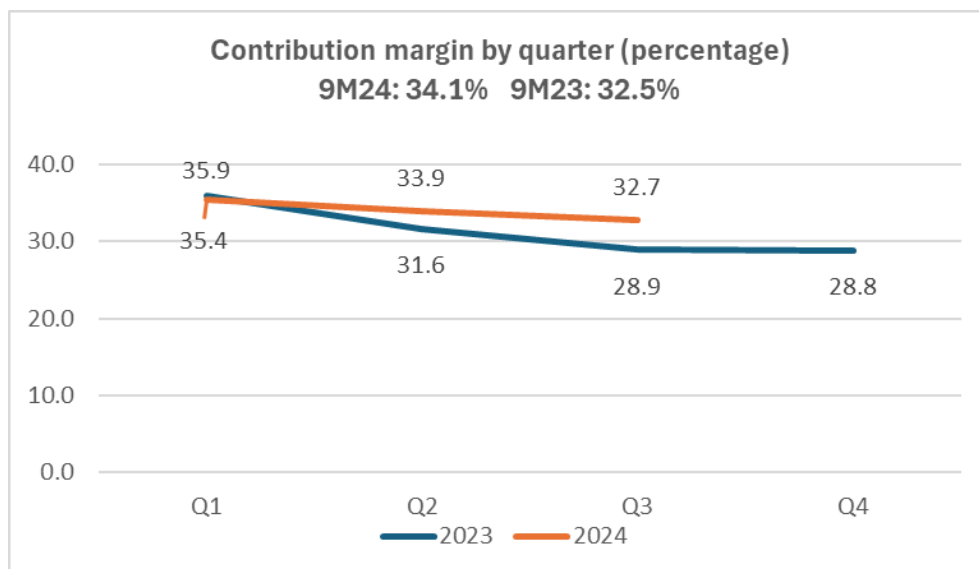


Contribution: (sales of products + provision of services – procurements – supplies + change in stocks).

5. As far as contribution is concerned, the best way to identify the net effect of prices and costs is by contrasting the effect of the average price of the products sold with that of the unit variable cost (UVC) incurred in the manufacture of these products. In 9M24 the price effect of EUR -51.98 million exceeded in absolute terms the UVC effect of EUR 43.50 million. The net effect of price and UVC was EUR -8.48 million and explains 58.3% of the EUR -14.54 million in which the contribution varies. The remaining 41.7% is explained by the volume effect, of EUR -6.34 million (43.6%), and the mix effect, of EUR 0.28 million (-1.9%).

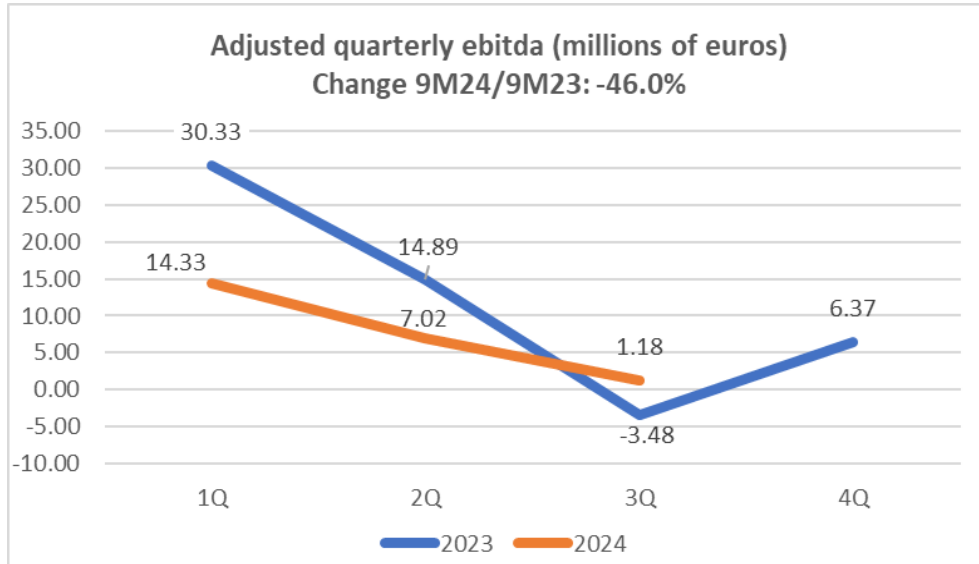


6. The contribution margin (contribution divided by the sum of sales of products plus the provision of services) increased from 32.5% in 9M23 to 34.1% in 9M24. A variation of 1.6 percentage points, due to the decrease in the relative weight of variable costs, which in 9M23 represented 67.5% of sales (plus the provision of services) and in 9M24 represented 65.9%.



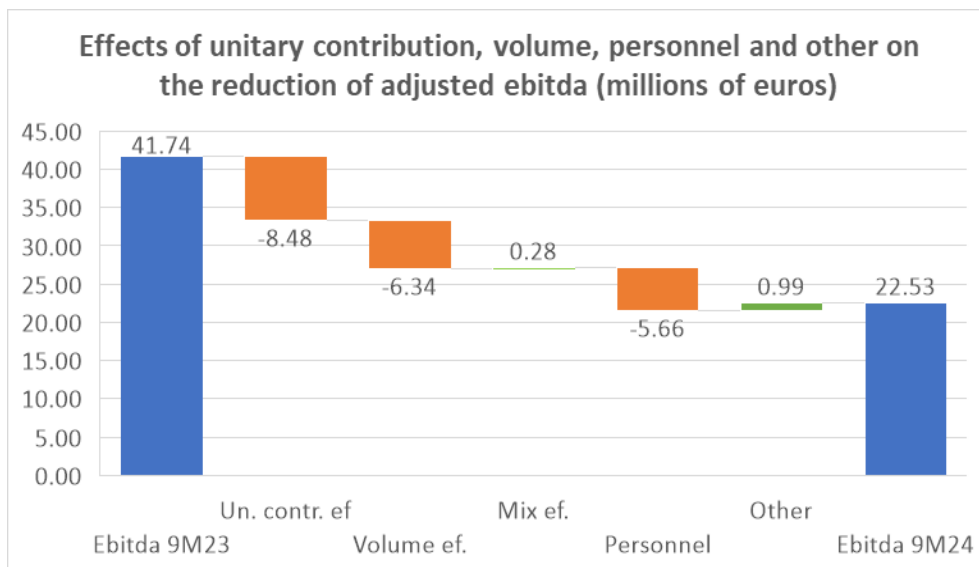
Contribution margin: contribution / (sales of products + provision of services).

7. Adjusted ebitda for 9M24 was EUR 22.53 million compared to EUR 41.74 million for 9M23; a reduction of EUR 19.21 million (-46.0%) that exceeds the reduction of EUR 14.54 million in the contribution due to, among others, higher personnel costs. Ebitda for third quarter of 2024 (1.18 million) exceeds the ebitda for the same quarter of 2023 (-3.48 million). We expect this improvement to continue in the fourth quarter of 2024.



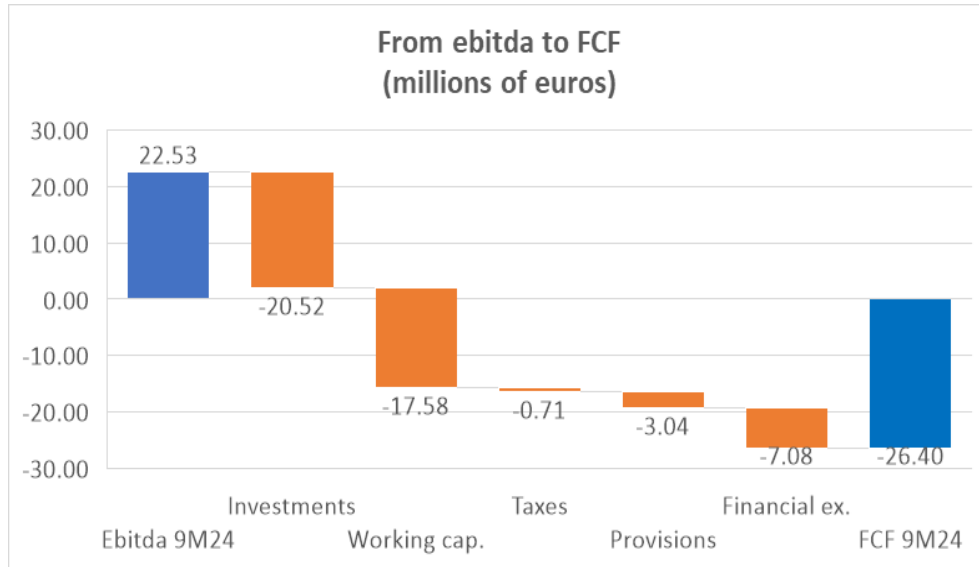
Adjusted ebitda: ebitda excluding atypical items. See the table "Reconciliation of ebitda" in Section B of this note.

8. Compared to 9M23, the reduction in adjusted ebitda for 9M24 of EUR -19.21 million is explained by: with a positive sign, (i) the effect of the unit contribution of EUR -8.48 million, due to the fact that average sales price falls more than the UCV, which accounts for 44.1% of the drop in ebitda; (ii) the volume effect of EUR -6.34 million, which accounts for 33.0%; and (iii) personnel expenditure of EUR -5.66 million, which accounts for 29.5%. With a negative sign, the mix effect of EUR 0.28 million, which explains -1.5% and the rest of EUR 0.99 million, which explains -5.2%. The latter includes the net effect of the variation in other expenses and revenues, including transport, by EUR 0.83 million, and others, by EUR 0.16 million.

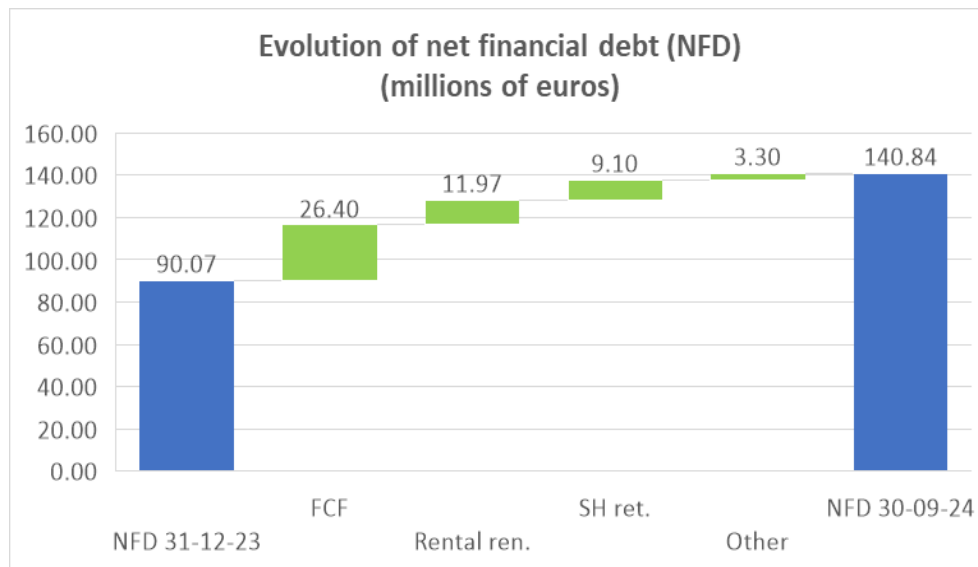


Rest: variation in the provision of services, other income, fixed and atypical costs.

9. The free cash flow (FCF) generated in 9M24 was EUR -26.40 million, the result of subtracting from ebitda of EUR 22.53 million: EUR 20.52 million of investment; EUR 17.58 million in working capital; EUR 0.71 million taxes; EUR 3.04 million payments of provisions; and EUR 7.08 million net financial expenses.



10. Ercros started 2024 with EUR 90.07 million of net financial debt (NFD). Throughout 9M24, debt increased by EUR 26.40 million due to the negative FCF generated in that period; EUR 11.97 million for the rental renewal; EUR 9.10 million for shareholder remuneration; and EUR 3.30 million for other minor causes. In total, Ercros increased its NFD by EUR 50.77 million, bringing it to EUR 140.84 million as of September 30, 2024.



11. As of September 30, 2024, Ercros had liquidity amounting to EUR 109.84 million, of which EUR 19.49 million corresponded to cash and EUR 90.35 million to undrawn financing lines.

B INTERIM FINANCIAL STATEMENTS

Profit and loss account for 9M24

In relation to the results of 9M24, it is worth noting, in addition to what is indicated in Section A of this note, the following:

The provision of services heading increased by 34.8% compared to 9M23 due to, among others, the impact of revenues from the new active response service to electricity demand. Other income decreased by 4.4%, mainly because to the reduction in the value of free CO₂ emission allowances.

The reversal of provisions and other extraordinary income for 9M24 mainly includes the extraordinary income from the agreement reached in a dispute maintained by the company against a supplier.

The combined amount of procurements plus the change in inventories of finished and ongoing products for 9M24 decreased by 11.1% compared to the same period of the previous year, a percentage lower than the fall in sales of finished products (13.0%) due to the sharp drop in the average selling price per tonne. Supplies, meanwhile, fell by 22.0%, mainly due to cheaper electricity and gas.

Personnel costs include the 10.3% increase in the CPI deviation and the 3% increase in the collective agreement, effective from 1 January 2024. Total personnel expenses increased by only 8% because of certain concepts (the bonus related to a minimum ebitda and the incentive for not absenteeism), amounting to EUR 1.59 million in 9M23, have not been accrued in 9M24 due to the end of the effective period in force of agreement.

Other operating expenses decreased by 1.4% compared to 9M23, mainly due to the lower value of CO₂ allowances used in the period.

Provisions and other extraordinary expenses decreased by 13.4% compared to 9M23 mainly because of lower costs incurred for soil recovery and environmental remediation.

Depreciation and amortization fell by 3.9% compared to 9M23.

The negative financial result increased by 50.8%, mainly due to the increase in financial costs resulting from the rise in interest rates and the increase in financial debt, as well as the negative exchange differences of 9M24 compared to the positive exchange differences of 9M23.

Income tax revenue is mainly derived from the activation of tax deductions that have been credited to the Public Treasury in 9M24.

Balance sheet

Non-current assets decreased by EUR 11.19 million, mainly due to: negatively, (i) the short-term reclassification of the balance of EUR 19.33 million that was listed as a non-current asset as of December 31, 2023, receivable from the Public Treasury due to the ruling of the Constitutional Court that annulled certain precepts of Royal Decree-Law 3/2016; and on the positive side, (ii) the increase in the balance of rights of use of leased property, by EUR 5.71 million, and (iii) the increase under the heading of property, plant and equipment, by EUR 2.24 million.

Working capital increased by EUR 44.11 million, because of the increase in current assets, amounting to EUR 43.79 million, and the decrease in current liabilities, amounting to EUR 0.32 million. Current assets increased mainly due to: (i) the reclassification of the account receivable from the Public Treasury mentioned in the previous paragraph, by EUR 19.33 million; (ii) the increase in accounts receivable from customers, by EUR 25.70 million; and (iii) the reduction of inventories and other current assets, by EUR 1.24 million.

Equity decreased by EUR 16.91 million, due to the sum of losses for the period, amounting to EUR 7.80 million; the payment of the bonus for attending the shareholders meeting, amounting to EUR 0.33 million, and the payment of the dividend, amounting to EUR 8.78 million.

NFD increased by EUR 50.77 million. As indicated above, the factors that raised it were: (i) negative FCF generated, by EUR 26.40 million; (ii) the renewal of long-term rental contracts, by EUR 11.97 million; (iii) shareholder remuneration, by EUR 9.10 million; and (iv) other non-monetary variations, amounting to EUR 3.30 million.

Provisions and other debts decreased by EUR 0.94 million, mainly due to payments associated with the dismantling of facilities and various environmental remediations.

Shareholder remuneration

The general shareholders' meeting held on June 28 agreed, within the framework of the shareholder remuneration policy, to pay a dividend of EUR 9.6 cents per share to the 91,436,199 shares entitled to payment. The dividend was paid on July 10.

Regarding Ercros S.A.'s profit for the 2023 financial year, of EUR 26.83 million, the dividend of EUR 8.78 million represented a payout of 32.7%.

Voluntary takeover bids

On March 5, Ercros received a voluntary takeover bid for 100% of its shares by Bondalti Ibérica, S.L.U. at a price of EUR 3.60 per share that was adjusted, after the distribution of the dividend, to EUR 3.505 per share.

In turn, on June 28, the company received another takeover bid for 100% of its shares from Esseco Industrial, S.P.A. at a price of EUR 3.84 per share which was also adjusted, after the distribution of the dividend, to EUR 3.745 per share.

In accordance with the takeover bid regulations, the CNMV's processing of the takeover bid for Esseco Industrial, S.P.A. will not begin until the administrative procedures for the takeover bid for Bondalti Ibérica, S.L.U. have been completed.

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

If any of the aforementioned takeover bids, or any other that may arise, are successful and lead to a change of control of Ercros, certain lines of financing, as well as supply agreements with suppliers and sales with customers could be declared expired or, where appropriate, require the provision of guarantees.

PROFIT AND LOSS ACCOUNT

Thousands of euros	9M24	9M23	%
Activities that continue			
Revenue	533,607	600,935	-11.2
Sale of finished products	497,357	571,676	-13.0
Provision of services	17,644	13,089	34.8
Other income	15,245	15,948	-4.4
Reversal of provisions and other extraordinary income	3,361	222	×15.1*
Expense	-510,702	-562,413	-9.2
Procurements	-244,981	-273,049	-10.3
Change in inventories of finis. and ongoing products	-12,038	-15,932	-24.4
Supplies	-82,554	-105,809	-22.0
Transport	-33,668	-34,502	-2.4
Personnel costs	-75,482	-69,822	8.1
Other operating expenses	-58,995	-59,855	-1.4
Provision and other extraordinary expenses	-2,984	-3,444	-13.4
Ebitda	22,905	38,522	-40.5
Amortizations	-23,455	-24,397	-3.9
Ebit	-550	14,125	-
Financial result	-8,723	-5,784	50.8
Result before tax	-9,273	8,341	-
Income tax	1,472	-1,448	-
Result for the period of continuing activities	-7,801	6,893	-
Net loss for the period of business interruption	-	-1,213	-
Profit/(loss) for the period	-7,801	5,680	-

*Times in which the figure for 2024 exceeds that of 2023 (in absolute terms).

ADJUSTED EBITDA RECONCILIATION

Thousands of euros	9M24	9M23	%
Ebitda	22,905	38,522	-40.5
Atypical income items	-3,361	-222	×15.1*
Atypical items of expenditure	2,984	3,444	-13.4
Adjusted ebitda	22,528	41,744	-46.0

*Times in which the figure for 2024 exceeds that of 2023 (in absolute terms).

ECONOMIC ANALYSIS OF THE BALANCE SHEET

Thousands of euros	30-09-24	31-12-23	Change	%
Non-current assets	407,964	419,152	-11,188	-2.7
Working capital	108,328	64,218	44,110	68.7
Current assets	213,321	169,527	43,794	25.8
Current liabilities	-104,993	-105,309	316	-0.3
Resources used	516,292	483,370	32,922	6.8
Equity	346,208	363,115	-16,907	-4.7
Net financial debt	140,835	90,070	50,765	56.4
Provisions and other debts	29,249	30,185	-936	-3.1
Source of funds	516,292	483,370	32,922	6.8

DETAIL OF NET FINANCIAL DEBT

Thousands of euros	30-09-24	31-12-23	Change	%
Loans	95,597	108,831	-13,234	-12.2
Lease creditors	15,067	9,260	5,807	62.7
Working capital financing	51,689	13,158	38,531	×3.9*
Gross financial debt	162,353	131,249	31,104	23.7
Treasury	-19,490	-39,145	19,655	-50.2
Deposits	-2,028	-2,034	6	-0.3
Net financial debt	140,835	90,070	50,765	56.4

*Times in which the figure for 2024 exceeds that of 2023 (in absolute terms).

C RESULTS BY BUSINESS

Globally, the weakness in demand from the chemical sector that began in mid-2022 has continued in 9M24. In the Ercros case, this situation has resulted in lower sales prices, which have not been compensated for by the reduction in the price of energy and raw materials compared to 9M23.

In this context, Ercros businesses have continued adapting production rates to demand and defending margins as far as possible, in a situation of highly volatile markets subject to strong competition.

In 9M24, the volume of products marketed by the **chlorine derivatives** division experienced a reduction of 4.2% compared to 9M23. The division's sales fell by 18.3%, due to the fall in the average selling price (15.0%) that affected practically all products. This reduction in average selling prices could not be offset by the reduction in the costs of raw materials and energy. As a result, the division's ebitda fell by 78.3% and placed the ebitda/sales ratio at 2.3%, 6.3 points below the 8.6% obtained in 9M23.

In the **intermediate chemicals** division, compared to 9M23, sales fell by 2.5%, and the average price of the division's products also fell, by 1.8%, effects that, in this case, were offset by the decrease in raw material and energy costs. As a result, the division's ebitda increased by EUR 4.33 million and the ebitda/sales ratio stood at 9.3%, compared to 6.3% in 9M23.

The **pharmaceuticals** division also reduced its sales from 9M23 by 6.8%; although sales prices increased by 4.7%, the volume of products sold decreased by 11.0%. The improvement in selling prices was joined by a slight reduction in the price of raw materials, which resulted in an increase in ebitda to EUR 1.74 million, compared to EUR 0.73 million in 9M23.

During 2023, the pharmaceuticals division obtained the 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 dihydrate base in Australia and the USA. In addition, this division launched a new presentation of compacted fosfomycin trometamol on the market and concluded the validation of the new erythromycin salt extraction plant: ethylsuccinate, stolate and stearate. In the first half of 2024, the company obtained authorization from the Spanish Medicines Agency to start up the new extraction plant and the Good Manufacturing Process (GMP) certificate for the manufacture and sale of gentamycin and erythromycin salts. In the third quarter of 2024, the validations of the extraction process for erythromycin base and dihydrate base were completed.

RESULTS BY BUSINESS

Thousands of euros	9M24	9M23	%
Chlorine derivatives division			
Product sales	298,408	365,382	-18.3
Adjusted ebitda	6,789	31,339	-78.3
Adjusted ebitda/product sales (%)	2.3	8.6	-73.5
Intermediate chemicals division			
Product sales	150,937	154,762	-2.5
Adjusted ebitda	14,004	9,679	44.7
Adjusted ebitda/product sales (%)	9.3	6.3	48.4
Pharmaceuticals division			
Product sales	48,012	51,532	-6.8
Adjusted ebitda	1,735	726	×2.4*
Adjusted ebitda/product sales (%)	3.6	1.4	×2.6*

*Times in which the figure for 2024 exceeds that of 2023 (in absolute terms).

D FORECAST FOR THE 2024 FINANCIAL YEAR

For the European chemical sector, the consensus of the specialised publications delays the start of the recovery in demand, initially expected for the first half of 2024, and places it in 2025.

In this environment of high uncertainty, weak demand, high energy costs and strong international competition, the company's margins and volumes have continued to be negatively affected in 9M24. However, the results for the third quarter of 2024 have been better than those corresponding to the same period of 2023 and, regarding the contribution and ordinary ebitda, we expect this improvement to continue in the fourth quarter of the present year.

Despite the high level of uncertainty, we are advancing a quantitative forecast for the whole of 2024, in terms of possible minimum and maximum margins, for the most relevant income statement headings.

FY2024: EARNINGS FORECAST

	Forecast (millions of euros)
Sale of finished products	640 - 650
Contribution	225 - 230
Adjusted ebitda	30 - 35
Result	(-10) - (-8)

In any case, Ercros will continue to execute the 3D Plan in order to advance the digitalization and decarbonization of its processes and operations, will maintain its presence in all the markets in which it operates, and will take advantage of the opportunities that arise to defend its margins.

Barcelona, November 6, 2024