

Ercros increases shareholder remuneration by 17%

The board of directors of Ercros will propose to the ordinary general meeting a shareholder compensation amounting 17.95 million euros, which represents a 40% payout of 2018 consolidated profit, which was 44.52 million euros and which represents an increase by 17% over the shareholder remuneration paid in 2017.

Ercros' shareholder remuneration policy for the 2017-2020 period establishes two ways to remunerate Ercros shareholders: dividend payment and the purchase of treasury shares to amortize, provided that three conditions are met.

In 2018, Ercros complied with the established conditions: first, that the profit per share is at least 0.10 euros/share (in 2018 it was 0.41 euros); the second, that the solvency ratio –net financial debt/ordinary ebitda– is less than or equal to 2 (it was 1.71); and, third, that the leverage ratio –net financial debt/equity– is less than or equal to 0.50 (and was 0.39).

Consequently, the board of directors has agreed to propose to the shareholders' meeting the payment of a dividend amounting to 0.06 euros/share charged to the year 2018, payable on June 25, 2019, which amounts to 6.47 million euros and represents a disbursement by 14,4% of the profit obtained in 2018.

In parallel, Ercros has purchased 2.96 million treasury shares, amounting 11.48 million euros, representing a disbursement by 25.6% of the 2018 profit. In order to amortize these shares, the board of directors proposes to the shareholders' meeting the approval of a capital reduction of 888,240 euros, equivalent to the nominal value (0.30 euros/share) of the shares held in treasury stock. If this proposal is approved, the share capital of Ercros will be reduced by 2.745% and will be composed by 104.92 million shares, amounting to 31.48 million euros.

The board of directors will also propose to the meeting the approval of a directors' new remuneration policy, for the period 2020-2022, which provides for a maximum amount of remuneration for the directors in their capacity of 900,000 euros per year, the same amount of the previous policy whose period expires at the end of 2019.

Finally, the meeting agenda includes, for the first time, the approval proposal of the non-financial information report corresponding to 2018, in accordance with the provisions of Law 11/2018, of December 28, as well as the rest of the usual items in this kind of meetings.

The meeting is called to be held in Barcelona, on June 13 in first call, and, if the necessary quorum is not met, on June 14, in second call.

Barcelona, May 10, 2019