Earnings Report
First quarter 2025

29 April 2025

Global ESG score: 93/100

CONTENTS

1. EXECUTIVE SUMMARY

Market figures	1Q25	1Q24	Δ%	4Q24	Δ%
BHKP (USD/t) average price	1,065.3	1,116.7	*(4.6%)*	1,099.4	*(3.1%)*
Average exchange rate (USD/€)	1.05	1.09	*(3.5%)*	1.08	*(2.5%)*
BHKP (€/t) average price	1,015.4	1,026.7	*(1.1%)*	1,022.2	*(0.7%)*

Operating Metrics	1Q25	1Q24	Δ%	4Q24	Δ%
Pulp production (t)	**214,252**	**254,865**	***(15.9%)***	**255,842**	***(16.3%)***
Pulp sales (t)	**216,016**	**242,726**	***(11.0%)***	**235,221**	***(8.2%)***
Ence Advanced pulp sales (%)	35%	19%	*16 p.p.*	24%	*11 p.p.*
Average sales pulp price (€/t)	558.2	600.9	*(7.1%)*	575.7	*(3.0%)*
Cash cost (€/t)	510.3	487.0	*4.8%*	521.4	*(2.1%)*
Operating margin per ton (€/t)	**47.9**	**114.0**	***(58.0%)***	**54.4**	***(11.9%)***
Renewable Energy sales volume (MWh)	277,435	232,483	*19.3%*	314,953	*(11.9%)*
Average sales price (€/MWh)	159.5	152.7	*4.4%*	155.1	*2.9%*
Remuneration for investment (€ m)	6.4	6.2	*4.0%*	6.2	*4.0%*

P&L € m	1Q25	1Q24	Δ%	4Q24	Δ%
Revenue from Pulp business	135.3	159.0	*(14.9%)*	152.6	*(11.3%)*
Revenue from Renewable Energy business	52.4	45.5	*15.2%*	56.4	*(7.2%)*
Consolidation adjustments	(0.8)	(0.8)		(0.9)	
Total revenue	**186.9**	**203.7**	*(8.3%)*	**208.1**	*(10.2%)*
Pulp business EBITDA	28.5	28.8	*(0.9%)*	6.3	*n.s.*
Renewable Energy business EBITDA	6.0	6.6	*(9.6%)*	5.7	*5.6%*
EBITDA	**34.5**	**35.4**	*(2.5%)*	**12.0**	*187.1%*
Depreciation, amortisation and forestry depleti	(22.8)	(25.7)	*(11.2%)*	(25.4)	*(10.2%)*
Impairment of and gains/(losses) on fixed-asse	(0.1)	(0.4)	*(61.0%)*	(0.2)	*(42.4%)*
Other non-ordinary results of operations	-	-	*n.s.*	5.8	*(100.0%)*
EBIT	**11.5**	**9.3**	*23.6%*	**(7.8)**	*n.s.*
Net finance cost	(8.5)	(8.3)	*2.8%*	(8.7)	*(1.9%)*
Other finance income/(cost) results	(1.2)	0.5	*n.s.*	2.1	*n.s.*
Profit before tax	**1.8**	**1.6**	*14.4%*	**(14.3)**	*n.s.*
Income tax	(1.8)	(0.3)	*n.s.*	1.3	*n.s.*
Non-controlling interests	2.4	2.1	*15.9%*	3.8	*(36.5%)*
Attributable Net Income	**2.4**	**3.4**	*(29.1%)*	**(9.2)**	*n.s.*
Earnings per share (Basic EPS)	0.01	0.01	*(29.1%)*	(0.04)	*n.s.*

Cash flow € m	1Q25	1Q24	Δ%	4Q24	Δ%
EBITDA	**34.5**	**35.4**	*(2.5%)*	**12.0**	*187.1%*
Change in working capital	(8.4)	(60.5)	*(86.1%)*	(7.0)	*20.6%*
Maintenance capex	(8.1)	(5.5)	*46.8%*	(11.9)	*(31.9%)*
Net interest Payment	(6.0)	(9.1)	*(33.9%)*	(9.5)	*(36.6%)*
Income tax received/(paid)	0.3	0.3	*3.9%*	5.1	*(94.8%)*
Normalised free cash flow	**12.2**	**(39.6)**	***n.s.***	**(11.3)**	***n.s.***
Other cash adjustments	(5.3)	(0.6)	*n.s.*	9.2	*n.s.*
Efficiency and expansion capex	(6.5)	(8.0)	*(19.1%)*	(10.4)	*(37.9%)*
Sustainability capex and other	(4.4)	(3.6)	*24.9%*	(3.4)	*30.7%*
Financial investments and in Group companie	(1.8)	0.8		(20.1)	*(90.9%)*
Disposals [1]	0.5	-	*n.s.*	(4.6)	*n.s.*
Free cash flow	**(5.3)**	**(51.0)**	*(89.5%)*	**(40.5)**	*(86.8%)*
Dividends from the parent	-	-	*n.s.*	(8.0)	*(100.0%)*
Dividend to minorities	-	-	*n.s.*	-	*n.s.*
Proceeds/(payments) of equity instruments	0.2	1.2	*(82.2%)*	0.2	-
Other movements in borrowings	(5.1)	6.2	*n.s.*	5.4	*n.s.*
Net decrease / (increase) in net debt (€ m)	**(10.3)**	**(43.5)**	*(76.4%)*	**(42.9)**	*(76.0%)*

[1] Disposals in 1Q25 exclude the maturity in January 2025 of current financial investments amounting to €10m, as they are considered as cash and cash equivalents

Net debt € m	1Q25	Dec-24	Δ%
Net debt Pulp business	247.3	242.6	*1.9%*
Net debt Renewable business	84.2	78.6	*7.1%*
Group net debt	**331.4**	**321.2**	*3.2%*

- ✓ **The Group reported a net profit of €2m in the first quarter, despite the pulp price correction in Europe, where gross prices hit a low of $1,000 per tonne in December 2024. Since then, gross prices have recovered by 21%, to $1,218 per tonne (approximately $650 net) in April, although the average 1Q25 price was lower than that of the previous quarter.**
- ✓ **Sales volumes of our Ence Advanced products, which fetch higher margins than our standard pulp, increased by 31% quarter-on-quarter, accounting for 35% of total 1Q25 pulp sales.**
- ✓ **Pulp sales totalled 216k tonnes in 1Q25, down 8% from 4Q24, shaped by the annual maintenance shutdown at the Navia biomill in March.**
- ✓ **The €11/tonne reduction in the cash cost by comparison with 4Q24, to €510/tonne, in line with expectations, partially offset the €18/tonne reduction in the average sales price, to €558/tonne.**
- ✓ **In addition, the sale of energy savings certificates, generated through energy efficiency initiatives, lifted EBITDA in the Pulp business to €28m in 1Q25, four times the 4Q24 figure.**
- ✓ **Meanwhile, EBITDA in the Renewables business also increased by 6% from 4Q24 to €6m despite carrying out annual maintenance shutdowns of 70% of installed capacity during the first quarter.**
- ✓ **Free cash flow, before working capital changes and sustainability and growth capex, amounted to €20m in 1Q25. The movement in working capital implied a cash outflow of €8m, due to the increase in wood inventories during the quarter.**
- ✓ **Virtually all of our sales are generated in Europe and the Mediterranean markets, where we have significant competitive advantages in logistics and customer service and where our pulp is used primarily to make basic consumer products such as tissue paper and hygiene products. Also, our pulp biomills are energy self-sufficient, fuelled mainly by certified local wood. The rest of our supplies are also sourced in Spain or Europe. Likewise, 100% of the biomass used in our renewable energy businesses is sourced locally and the energy produced is sold in Spain and Europe.**
- ✓ **Ence has an ongoing hedging policy designed to mitigate the impact of exchange rate volatility on its earnings. For 2025, it has arranged hedges over a notional amount of $294m with a weighted average cap of $/€1.09 and a weighted average floor of $/€1.06.**
- ✓ **Investment in growth and sustainability amounted to €11m in 1Q25:**
  - **In the Renewables business, these investments were earmarked mainly for the development of a biomethane and biofertiliser platform in Spain with the capacity to generate 1,000 GWh annually from 2030 and a renewable industrial heating platform with the capacity to produce 2,000 GWht annually by 2030.**

    Through our subsidiary, Biofertilizantes CH4, we are investing in the biofertiliser facility in La Galera, acquired in December 2024, to boost its performance and round out its process by adding the production of organic fertilisers by 2027. At the reporting date, the Company had a portfolio of 16 developments at the environmental permitting stage plus another 16 initiatives under development for which sites have been located and viability studies performed.

    Through our subsidiary, Magnon Energy Services, we have begun to install two 10 MWt biomass boilers for the annual supply of 85 GWht of renewable thermal energy to a leading player in the Spanish beer sector from 2026. Negotiations are advanced for another three similar developments which would imply combined annual production of an estimated 130 GWht and talks are in progress with another 10 potential industrial customers in Spain for the provision of renewable industrial heating.
  - **In the Pulp business, capital expenditure went mainly to the Company’s first fluff pulp line for absorbent hygiene products, slated to start up in 4Q25, our first recyclable moulded-fibre packaging line and the decarbonisation and cost-cutting project in Navia, which will reduce its Scope 1 emissions by 60% and lower its cash cost by €13/tonne.**

    The share of our higher-margin pulp products is expected to continue to increase, to a targeted 60% of the total revenues in 2028, including 125,000 tonnes at our maiden fluff pulp line.
- ✓ **The Group's net debt ended March 2025 at €331m (including €61m of IFRS 16 liabilities): €247m in the Pulp business and €84m in the Renewables business. The Group’s financial strength and outlook for cash generation form a solid basis for achieving the growth and diversification objectives set for both businesses.**

2. PULP BUSINESS

Ence has two eucalyptus hardwood pulp (BHKP) biomills in northeast Spain: a 685,000-tonne-capacity facility located on a site owned by the Company in the town of Navia, Asturias, and a 515,000-tonne-capacity complex located on a site held under concession in Pontevedra, Galicia. Both use eucalyptus timber procured mostly locally from sources that can certify sustainable forest management.

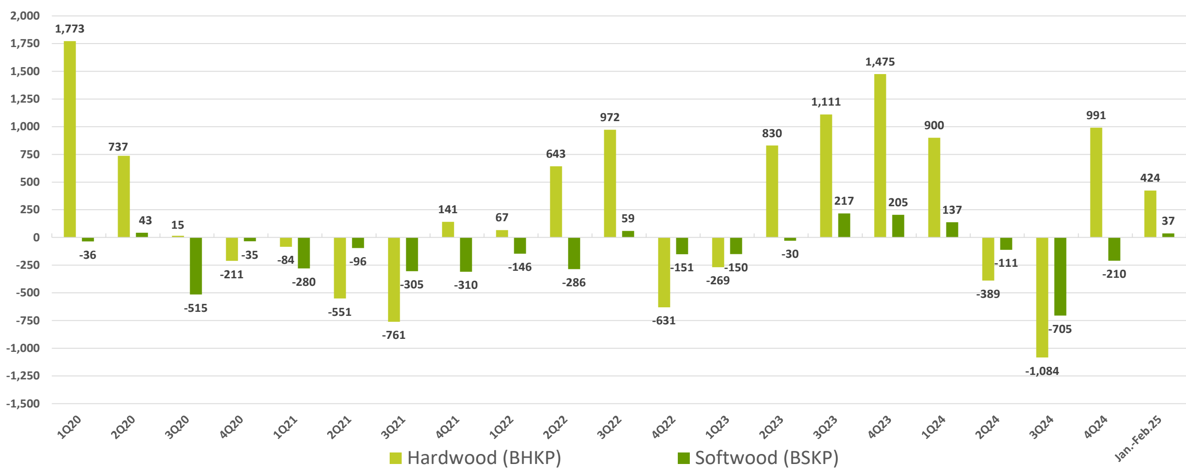
Ence's Pulp business encompasses all the activities related to the production of pulp for sale to third parties. It therefore includes not only the production and sale of pulp but also the generation and co-generation of energy using renewable biomass at the plants involved in the productive process, as well as the supply and sale of wood from the plantations managed sustainably by the Company.

2.1. Pulp market trends

Rapid growth in urban populations and improving living standards in emerging markets are the key factors driving growth in global demand for pulp for tissue paper and hygiene products, particularly in developing countries, where per-capita consumption of these products is well below the average observed in developed economies. Those demographic trends are being complemented by a substitution effect: pulp is a natural, sustainable, recyclable and biodegradable raw material that is a good substitute for less environmentally-friendly materials such as plastics and synthetic fibres. These demand dynamics are very solid in the long term and contrast with the movements observed in inventories in the paper industry.

Global demand for pulp continued to rise in the first quarter of 2025, increasing by 4.7% (0.5 million tonnes) year-on-year in the first two months of the year, driven by China, where demand jumped by 12% year-on-year, as its paper industry inventories recovered, having run down stocks in the third quarter of 2024.

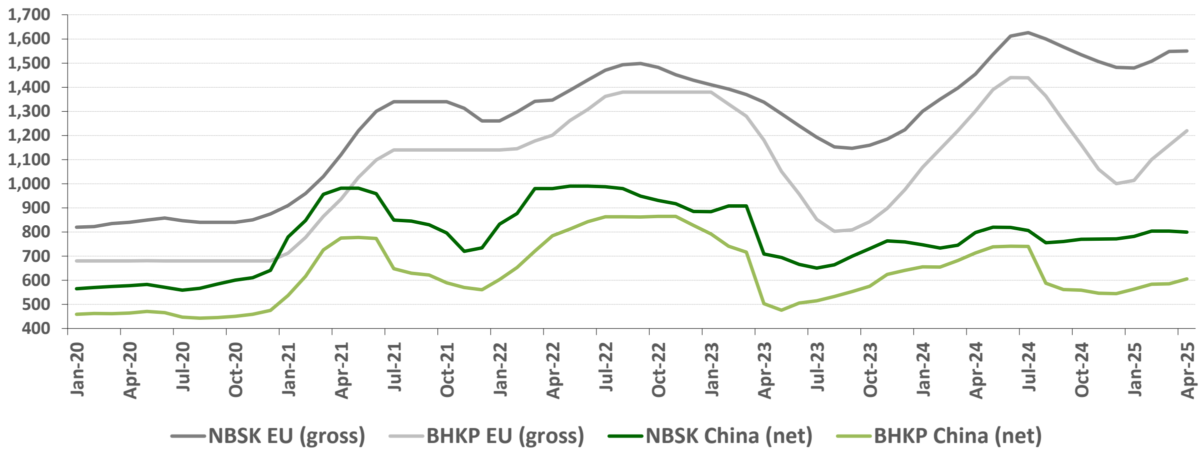
Year-on-year change in global demand for pulp, last five years (tonnes, 000)



Source: PPPC–G100

Growth in demand for pulp in the first quarter offset the growth in production derived from the start-up of a new pulp mill in Brazil in 3Q24. Pulp producer inventories stood at 40 days as of the end of February, below the average for the last five years.

Net pulp prices in China and gross prices in Europe during the last five years (US$)



Source: FOEX

Against this backdrop, European hardwood pulp (BHKP) prices recovered by $214 from the lows marked in December 2024 to a gross $1,218 per tonne by April (approximately $650 net).

Market figures	1Q25	1Q24	Δ%	4Q24	Δ%
BHKP (USD/t) average price	1,065.3	1,116.7	*(4.6%)*	1,099.4	*(3.1%)*
Average exchange rate (USD/€)	1.05	1.09	*(3.5%)*	1.08	*(2.5%)*
BHKP (€/t) average price	1,015.4	1,026.7	*(1.1%)*	1,022.2	*(0.7%)*

Note: Benchmark pulp prices in Europe (source: FOEX) are expressed in gross terms, i.e., before the sales discounts applied by the pulp producers

The gross benchmark price for hardwood pulp (BHKP) in Europe averaged $1,065/tonne in 1Q25, down 4.6% from 1Q24 and 3.1% below the 4Q24 average.

2.2. Revenue from pulp sales

Ence sold 216,016 tonnes of pulp in 1Q25, down 11% year-on-year and down 8.2% quarter-on-quarter due to an unfavourable comp: this year, the Navia biomill had its maintenance shutdown during the first quarter, while in 2024 it was stopped during the second quarter.

	1Q25	1Q24	Δ%	4Q24	Δ%
Pulp sales (t)	**216,016**	**242,726**	*(11.0%)*	**235,221**	*(8.2%)*
Average sales price (€/t)	558.2	600.9	*(7.1%)*	575.7	*(3.0%)*
Pulp sales revenue (€ m)	**120.6**	**145.9**	*(17.3%)*	**135.4**	*(11.0%)*

Elsewhere, the average first quarter net sales price was €558 per tonne, down 7.1% (€43/t) year-on-year and down 3% (€18/t) quarter-on-quarter, shaped by the drop in benchmark prices in Europe, which hit a low in December 2024, and the annual adjustment of the sales discounts applied across the sector.

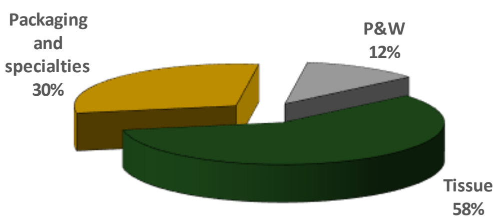
The combination of the two factors drove a decrease of 17.3% in revenue from pulp sales compared to the first quarter of 2024 and of 11% compared to the fourth quarter of last year, to €120.6m.

The Ence Advanced product range continued to gain market share, in line with our targets. Specifically, they accounted for 35% of total pulp sales in 1Q25, compared to 24% in 4Q24 and 19% in 1Q24.

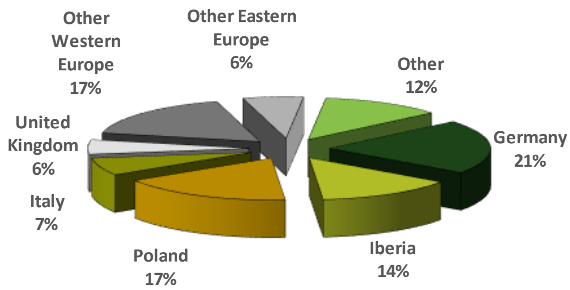
Sales of these higher-margin products are expected to reach 60% of total pulp sales in 2028, including 125,000 tonnes of fluff pulp for absorbent hygiene products, with the new production line slated for commissioning in 4Q25.

The tissue paper segment remains the main end use given to the pulp sold by Ence, accounting for 58% of revenue from pulp sales in 1Q25, followed by the packaging and specialty paper segment, at 30%. The printing and writing paper segment accounted for the remaining 12%.

Breakdown of revenue by end product



Breakdown of revenue by geographic market



Geographically, virtually all of our sales are generated in Europe and the Mediterranean markets, where we have significant competitive advantages in logistics and customer service and where our pulp is used primarily to make basic consumer products such as tissue paper and hygiene products. Germany accounted for 21% of revenue, followed by Spain and Portugal (14%), Poland (17%), Italy (7%) and France (6%). The other western European countries accounted for 17% of the total, with the rest of Eastern Europe representing 6%.

Our pulp biomills are energy self-sufficient. Likewise, 100% of the biomass used in our renewable energy businesses is sourced locally and the energy produced is sold in Spain and Europe, helping to reinforce our energy autonomy.

2.3. Pulp production and cash cost

Ence produced 214,252 tonnes of pulp in 1Q25, down 15.9% year-on-year and down 16.3% quarter-on-quarter due to mainly to the fact that this year, the Navia biomill was closed for maintenance in the first quarter, while in 2024 it was stopped during the second quarter.

	1Q25	1Q24	Δ%	4Q24	Δ%
Navia pulp production	110,317	146,601	*(24.8%)*	144,027	*(23.4%)*
Pontevedra pulp production	103,935	108,264	*(4.0%)*	111,815	*(7.0%)*
Pulp production (t)	**214,252**	**254,865**	*(15.9%)*	**255,842**	*(16.3%)*

Our biomills are fuelled essentially from local certified wood and the rest of our supplies are also sourced in Spain or Europe.

Our average cash cost decreased by 2.1% (€11/t) from 4Q24 to €510/tonne, with some of the temporary factors that affected this metric in 4Q24 continuing to dissipate, more than offsetting the reduction in economies of scale attributable to the Navia stoppage. Despite this reduction, the 1Q25 cash cost was still 4.8% (€23/t) above the 1Q24 equivalent.

Figures in €/t	1Q25	1Q24	Δ%	4Q24	Δ%
Average sales price	558.2	600.9	*(7.1%)*	575.7	*(3.0%)*
Total cash cost	510.3	487.0	*4.8%*	521.4	*(2.1%)*
Operating margin	**47.9**	**114.0**	*(58.0%)*	**54.4**	*(11.9%)*

The reduction in the cash cost this quarter partially offset the decrease in the average sales price, leaving an operating profit of €48 per tonne, down 11.9% (€6/t) from 4Q24 and 58% (€66/t) below the 1Q24 figure.

2.4. Other income

Ence's pulp production operations are self-sufficient electricity-wise. Ence uses the lignin and forest biomass derived from its manufacturing activities to generate renewable energy. Specifically, it operates a 34.6-MW lignin-fired CHP plant, integrated within the Pontevedra biomill, and a 40.3-MW CHP lignin-fired plant and a 36.7-MW biomass generation plant, both of which are integrated within the Navia biomill. Surplus energy production is sold to the grid.

Figures in € m	1Q25	1Q24	Δ%	4Q24	Δ%
Revenues from energy sales linked to pulp (€ m)	8.5	8.7	*(2.1%)*	10.7	*(20.1%)*
Forestry and other revenue (€ m)	6.2	4.4	*39.6%*	6.4	*(4.2%)*
Other income	**14.7**	**13.2**	*11.9%*	**17.1**	*(14.1%)*

In addition to the sale of pulp and energy, the Pulp business encompasses other activities, notable among which the sale of wood sourced from proprietary eucalyptus plantations located in southern Spain.

2.5. Statement of profit or loss

EBITDA in the Pulp business amounted to €28.5m in 1Q25, virtually flat year-on-year, including the gain on the sale of energy savings certificates generated thanks to energy efficiency initiatives, in the amount of €30m, which have been accounted for within other operating income, below the revenue line, more than offsetting the non-recurring costs of €7.5m related with higher energy purchases derived from the idling of the co-generation turbine in Navia. These two effects have been excluded from the cash cost calculations. The turbine is expected to be fully operational from May, implying an additional non-recurring cost of approximately €2m in 2Q25.

Figures in € m	1Q25	1Q24	Δ%	4Q24	Δ%
Pulp sales revenue	120.6	145.9	*(17.3%)*	135.4	*(11.0%)*
Other income	14.7	13.2	*11.9%*	17.1	*(14.1%)*
Total net revenue	**135.3**	**159.0**	*(14.9%)*	**152.6**	*(11.3%)*
EBITDA	**28.5**	**28.8**	*(0.9%)*	**6.3**	*n.s.*
Depreciation and amortisation	(12.0)	(15.1)	*(20.7%)*	(14.6)	*(17.8%)*
Depletion of forestry reserves	(2.7)	(2.8)	*(3.3%)*	(2.2)	*25.9%*
Impairment of and gains/(losses) on fixed-asset dis|	(0.1)	(0.3)	*(77.2%)*	(0.8)	*(90.5%)*
Other non-ordinary results from operations	-	-	*n.s.*	5.8	*(100.0%)*
EBIT	**13.7**	**10.5**	*30.9%*	**(5.4)**	*n.s.*
Net finance cost	(4.3)	(5.4)	*(19.0%)*	(4.5)	*(3.5%)*
Other financial results	(1.2)	0.6	*n.s.*	2.2	*n.s.*
Profit before tax	**8.2**	**5.7**	*44.4%*	**(7.8)**	*n.s.*
Income tax	(2.0)	(0.1)	*n.s.*	2.4	*n.s.*
Net Income	**6.2**	**5.6**	*11.2%*	**(5.3)**	*n.s.*

Ence has an ongoing hedging policy designed to mitigate the impact of exchange rate volatility on its earnings. These hedges implied a loss of €1.3m in 1Q25 (not included in the cash cost). For 2025, it has arranged hedges over a notional amount of $294m with a weighted average cap of $/€1.09 and a weighted average floor of $/€1.06.

FX Hedges	1Q25	2Q25	3Q25	4Q25
Nominal hedged (USD Mn)	96.9	73.1	72.9	51.1
Average cap (USD / EUR)	1.09	1.09	1.10	1.08
Average floor (USD / EUR)	1.06	1.07	1.07	1.05

Below the EBITDA line, depreciation charges decreased to €12m, in line with the drop in production volumes during the period, while forest depletion charges came to €2.7m, flat year-on-year.

Elsewhere, the business net finance cost decreased to €4.3m in 1Q25 (including €0.5m related to the unwind of the regulatory collar provision), thanks to lower average borrowing costs. "Other finance income/(cost)" mainly presents the effect of movements in exchange rates on working capital during the period: a net loss of €1.2m in 1Q25.

Lastly, income tax amounted to €2m in 1Q25, implying an effective tax rate of 24%. Note that the Constitutional Court ruling in 2024 annulling the limit on offsetting tax losses could lead to the collection in 2026 of an estimated €15m of taxes paid unduly. Also, at 31 March 2025, the Pulp business had unused tax losses totalling €22m.

In all, the Pulp business reported €6.2m of net profit in the first quarter, year-on-year growth of 11.2%.

2.6. Cash flow analysis

Cash flows from operating activities amounted to €13.2m in 1Q25, including a €6.1m increase in working capital.

Figures in € m	1Q25	1Q24	Δ%	4Q24	Δ%
EBITDA	**28.5**	**28.8**	*(0.9%)*	**6.3**	*n.s.*
Other cash adjustments	(4.5)	5.2	*n.s.*	7.3	*n.s.*
Change in working capital	(6.1)	(41.2)	*(85.1%)*	4.2	*n.s.*
Income tax received / (paid)	-	-	*n.s.*	(4.8)	*(100.0%)*
Net interest received / (paid)	(4.7)	(7.5)	*(37.6%)*	(3.9)	*20.3%*
Net cash flow from operating activities	**13.2**	**(14.7)**	*n.s.*	**9.2**	*44.2%*

Working capital changes implied a cash outflow of €6.1m in 1Q25, shaped primarily by the increase in the wood inventories balance, related with the annual maintenance shutdown in Navia, coupled with reduced utilisation of the non-recourse receivable discounting facilities during the quarter.

Figures in € m	1Q25	1Q24	Δ%	4Q24	Δ%
Inventories	(7.5)	(7.5)	*0.8%*	(16.1)	*(53.2%)*
Trade and other receivables	1.6	(24.7)	*n.s.*	18.9	*(91.6%)*
Financial and other current assets	-	(1.1)	*(100.0%)*	0.7	*(100.0%)*
Trade and other payables	(0.2)	(7.9)	*(97.6%)*	0.7	*n.s.*
Change in working capital	**(6.1)**	**(41.2)**	*(85.1%)*	**4.2**	*n.s.*

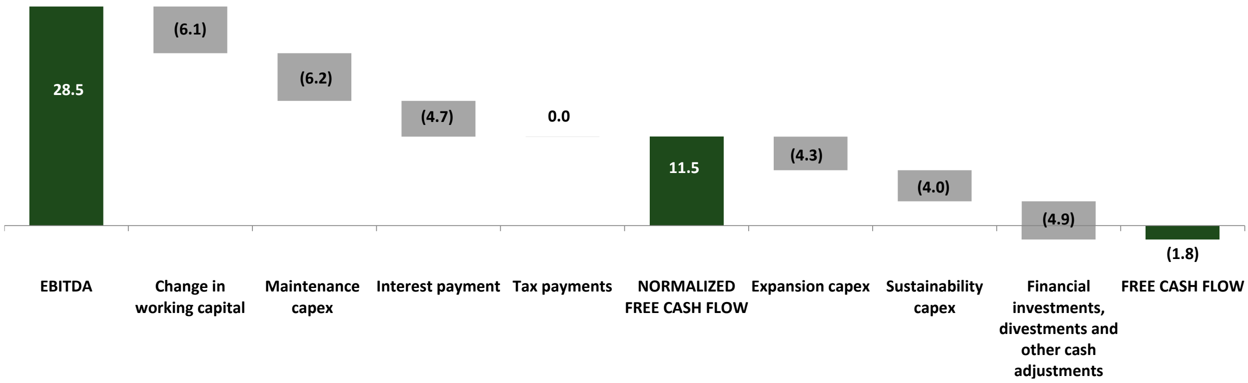
As of the March close, Ence had drawn down €81.9m of non-recourse receivables discounting facilities in the Pulp business, compared to €86m at year-end 2024. Ence has also arranged several reverse factoring facilities, which were drawn down by €62.6m at the March close, compared to €59.7m at year-end. The reverse factoring facilities do not entail the provision of guarantees, do not alter the average payment term agreed with the corresponding suppliers and do not accrue interest.

Figures in € m	1Q25	1Q24	Δ%	4Q24	Δ%
Maintenance capex	(6.2)	(5.1)	*20.5%*	(8.1)	*(23.7%)*
Sustainability capex and other	(4.0)	(3.2)	*26.3%*	(3.1)	*31.9%*
Efficiency and expansion capex	(4.3)	(6.1)	*(28.3%)*	(6.3)	*(31.3%)*
Financial investments and in Group companies	(0.8)	(0.3)	*175.3%*	(22.5)	*(96.3%)*
Investments	**(15.4)**	**(14.7)**	*4.8%*	**(40.0)**	*(61.5%)*
Disposals [1]	0.4	-	*n.s.*	(5.1)	*n.s.*
Net cash flow used in investing activities	**(15.0)**	**(14.7)**	*2.1%*	**(45.1)**	*(66.7%)*

[1] Disposals in 1Q25 exclude the maturity in January 2025 of current financial investments amounting to €10m, as they are considered as cash and cash equivalents

Cash used in investing activities in the Pulp business totalled €15.4m in 1Q25. Maintenance capex came to €6.2m, while investment in sustainability and other areas amounted to €4m. The sustainability investments were earmarked to reinforcing facility safety and reducing water consumption, emissions, odour and noise at the biomills, bolstering Ence's competitiveness in the long term.

Investments in efficiency and growth amounted to €4.3m in 1Q25. The main investments included those related to the fluff pulp production line slated for start-up in 4Q25, the cost-cutting and decarbonisation project in Navia, the sustainable packaging initiative and the engineering work related with the Pontevedra Avanza and As Pontes projects.



As a result, normalised free cash flow in the Pulp business amounted to €11.5m in 1Q25, including the €6.1m increase in working capital derived from the increase in wood inventories. Free cash flow after financial investments and growth and sustainability capex was negative by €1.8m.

2.7. Change in net debt

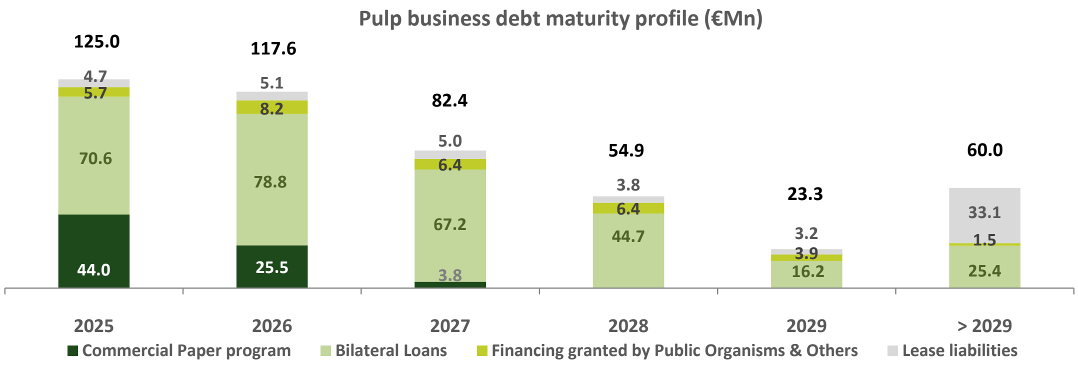
The Pulp business ended the first quarter with net debt of €247.3m, compared to net debt of €242.6m at year-end 2024 (i.e., an increase of €4.7m). In addition to the negative free cash flow outlined above (-€1.8m), other movements (related with leases, the provision for interest and equity instruments) increased net debt by €2.9m.

Due to the cyclical nature of the Pulp business, it is financed with covenant-free debt and keeps ample liquidity. At the reporting date, the Pulp business had cash and cash equivalents of €216.1m.

Figures in € m	1Q25	Dec-24	Δ%
Non-current financial debt	246.5	243.8	*1.1%*
Current financial debt	161.8	143.9	*12.4%*
Gross financial debt	**408.3**	**387.7**	*5.3%*
Non-current lease contracts	49.5	47.5	*4.0%*
Current lease contracts	5.5	5.3	*5.5%*
Liabilities related to lease contracts	**55.0**	**52.8**	*4.1%*
Cash and cash equivalents	212.6	184.6	*15.2%*
Short-term financial investments	3.5	13.3	*(73.9%)*
Net debt Pulp business	**247.3**	**242.6**	*1.9%*

In 1Q25, the Pulp business repaid €8.5m of loans and arranged new bilateral loans totalling €30m, extending their maturity to 2033. The balance outstanding under the MARF commercial paper programme ended March at €73.5m.

The gross debt of €463.3m at the March close corresponds to the outstanding balances of: (i) bilateral loans (€302.7m); (ii) a series of loans totalling €32.1m awarded by the CDTI (acronym in Spanish for the Centre for the Development of Industrial Technology) and Spanish Ministry of Industry to finance investments in efficiency upgrades and capacity expansion work, whose maturities range to 2030; and (iii) the €73.4m outstanding under Ence's sustainable commercial paper programme, which is being rolled over with extended maturities. Finance lease liabilities (IFRS 16) stood at €55m at the March close. Debt arrangement fees are deducted from gross borrowings on the statement of financial position.



2.8. Diversification and efficiency projects

Ence's growth strategy in the Pulp business entails lifting its cost competitiveness and diversifying into the production of higher-margin pulp and products, leveraging its competitive advantages in the European market.

Firstly, 35% of 1Q25 pulp sales already originated from the Ence Advanced pulp range. Ence Advanced pulp products have superior technical properties and a lower environmental footprint and are well suited to replacing softwood pulp, which is more expensive, translating into higher margins relative to standard pulp grades. The goal is to lift this percentage to 50% of total pulp sales by 2028, without considering the forecast sales of fluff pulp for absorbent hygiene products (12% of total sales).

Secondly, our first fluff pulp production line (capacity: 125,000 tonnes) targeting the absorbent hygiene products industry in Europe, substituting imported softwood fluff pulp, is due to start up in 4Q25. In this manner, in addition to selling a higher-margin product than standard pulp, Ence will offer its customers a 'made in Europe' alternative with a smaller carbon footprint. The budgeted investment is over €30m between 2024 and 2025 and the expected return (ROCE) is at least 15%.

Thirdly, Ence has developed a pulp-based renewable packaging range designed as a substitute for plastic packaging in the food sector, such as trays for fresh produce and prepared meals. The Company plans to begin producing and selling this range already in 2025 and expects to lift production capacity to 40 million containers by 2026, with scope for scaling up production further in the future. This first facility is expected to require an investment of €12m between 2025 and 2026 and deliver a return (ROCE) of over 15%.

On the efficiency front, the Company has already rolled out its decarbonisation project for its biomill in Navia, which involves retrofitting the lumber yard and replacing natural gas with biomass in the lime furnaces. This project will reduce the biomill's Scope 1 emissions by 60% and its cash cost by €13 per tonne (€8/t at the Group level). The budgeted investment is €35m between 2025 and 2026 and the expected return (ROCE) is at least 15%. That figure already discounts the €13m grant awarded by IDEA (acronym in Spanish for the energy savings and diversification institute), which will be collected when the project is complete.

Also, the Company is putting the finishing touches on the engineering and permitting work for Pontevedra Avanza, the project designed to reduce the cash cost at this biomill by €50 per tonne (€20/t at the Group level), render it more flexible so that it can use different types of eucalyptus and continue the process of shifting production into the Ence Advanced range. The budgeted investment in this project is €120m and the expected return (ROCE) is at least 12%. This project will be executed gradually, during the annual maintenance stoppages scheduled between 2025 and 2030.

Lastly, the Company continues to make progress on the engineering and permitting work for an innovative project under development in the Coruña town of As Pontes for the production of 100,000 tonnes of recycled and bleached pulp from recovered fibres, without increasing its wood consumption.

3. RENEWABLES BUSINESS

Ence conducts its renewable energy business through its subsidiary, Ence Renovables, which owns 51% of Magnon Green Energy, 75.5% of Magnon Energy Services (50% directly and 25.5% through Magnon Green Energy) and 100% of Biofertilizantes CH4.

Magnon Green Energy is the largest generator of renewable energy from biomass in Spain. With eight facilities in operation, it has aggregate installed capacity of 266 MW, as well as two developments in the pipeline with combined capacity of 100 MW with which it is entitled to participate in the future capacity tenders scheduled between now and 2027.

Magnon Energy Services provides end-to-end solutions for the generation of renewable thermal energy from biomass for industrial customers in Spain. In 2023, this company signed its first services provision agreement; it has one development in progress for the supply of 85 GWht per annum from 2026 and another three in permitting for combined production of an estimated 130 GWht/year.

Biofertilizantes CH4 is the Group subsidiary devoted to developing and operating biomethane and organic fertiliser plants, underpinned by a model based on sustainable and circular management of agricultural and breeding biomass. In December 2024, this company acquired its first biomethane facility in Tarragona, designed to produce up to 50 GWh per annum, also signing a 15-year agreement with an important gas supplier for the offtake of the biomethane produced at the plant. At the reporting date, this entity also had a portfolio of 16 developments at the permitting stage plus another 16 initiatives under development for which sites have been located and viability studies performed.

All of the biomass used in our renewable energy businesses is sourced locally and the energy produced is sold in Spain and Europe, helping to reinforce our energy autonomy.

3.1. Regulation of the generation of electricity using biomass

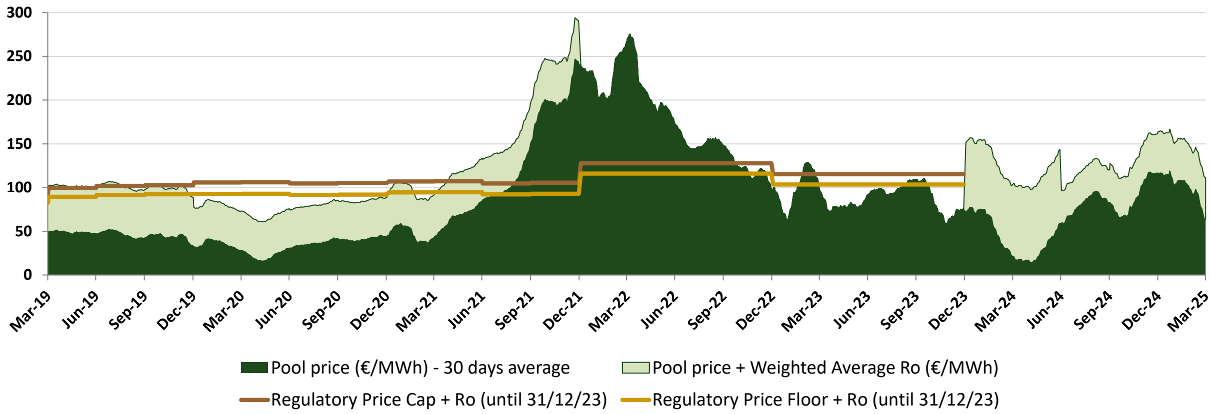
Electricity pool prices averaged €86/MWh in 1Q25.

	1Q25	1Q24	Δ%	4Q24	Δ%
Precio medio del pool (€ / MWh)	86.0	44.8	*92.1%*	94.7	*(9.2%)*

Source: OMIE

The price at which Magnon sells the energy it generates is a regulated price designed to cover all of the estimated costs of operating a standard facility, including the cost of the biomass. That price is made up of the pool price plus the corresponding supplementary remuneration for operation (Ro) earned by each plant.

Pool price, Ro and regulatory collar, average for last 5 years (€/MWh)



Under the new methodology approved in 2024 (Ministerial Order TED/526/2024), the remuneration for operation (Ro) parameter is updated quarterly, as a function of the difference between the standard cost of operating the plants (around €117/MWh, net of the levy on the value of electric energy produced of 7%) and the pool price estimated the immediately previous quarter. As result, the system of adjustments for deviations between market and regulated prices (regulatory collar) in place until the end of 2023 has been eliminated.

All of Magnon's plants are also prepared to provide the electricity system operator with back-up ancillary services, so generating an additional source of income.

Lastly, most of Magnon's biomass plants are entitled to remuneration for investment (Ri) at an annual rate of 7.4%, which boosted revenue by €6.4m in 1Q25.

The renewable energy plants' remuneration parameters are outlined in greater detail in Appendix 2.

3.2. Revenue from energy sales

First-quarter energy sales volumes totalled 277,435 MWh, year-on-year growth of 19%. 1Q24 was affected by the drop in pool prices under the former regulatory framework, which compensated for the difference between market and regulated prices as a function of theoretical output figures. In addition, the 16-MW plant in Ciudad Real, which was idle for nearly all of 2024, resumed operations in 1Q25.

Compared to 4Q24, energy sales volumes decreased by 11.9%, due mainly to the annual maintenance stoppages carried out in 1Q25 at the three plants located in Huelva with combined capacity of 137 MW and at the 50 MW plant in Ciudad Real, which between them account for 70% of installed capacity.

Energy operating figures	1Q25	1Q24	Δ%	4Q24	Δ%
Huelva 41 MW - Biomass	24,907	25,698	*(3.1%)*	43,165	*(42.3%)*
Jaén 16 MW - Biomass	19,603	20,541	*(4.6%)*	21,010	*(6.7%)*
Ciudad Real 16 MW - Biomass	18,303	-	*n.s.*	218	*n.s.*
Córdoba 27 MW - Biomass	34,252	43,467	*(21.2%)*	38,341	*(10.7%)*
Huelva 50 MW - Biomass	63,439	69,399	*(8.6%)*	73,128	*(13.2%)*
Mérida 20 MW - Biomass	36,049	21,556	*67.2%*	10,747	*235.4%*
Huelva 46 MW - Biomass	24,536	20,165	*21.7%*	57,939	*(57.7%)*
Ciudad Real 50 MW - Biomass	56,346	31,658	*78.0%*	70,405	*(20.0%)*
Energy sales (MWh)	**277,435**	**232,483**	*19.3%*	**314,953**	*(11.9%)*
Average sales price - (€/MWh)	159.5	152.7	*4.4%*	155.1	*2.9%*
Remuneration for investment (€m)	6.4	6.2	*4.0%*	6.2	*4.0%*
Revenue from energy sales (€ m)	**50.7**	**41.7**	*21.6%*	**55.0**	*(7.9%)*

Elsewhere, the average sales price amounted to €159.5/MWh, up 4.4% year-on-year and up 2.9% quarter-on-quarter.

The combination of the two factors resulted in year-on-year growth in revenue from pulp sales of 21.6% compared to 1Q24 but a decrease of 7.9% compared to 4Q24.

3.3. Biomethane sales

In December 2024, Biofertilizantes CH4 acquired its first biomethane facility in Tarragona, designed to produce up to 50 GWh per annum, also signing a 15-year agreement with an important gas supplier for the offtake of the biomethane produced at the plant.

Biomethane operating figures	1Q25
Biomethane sales (MWh)	**5,234**
Average sales price - (€/MWh)	92.0
Revenue from biomethane sales (€ m)	**0.5**

This facility currently produces nearly 30 GWh per annum and an investment plan is under execution that will lift its annual production to 50 GWh and round out its productive process by adding the ability to manufacture and sell organic fertilisers by 2027.

3.4. Statement of profit or loss

EBITDA in the Renewables business amounted to €6m in 1Q25, including losses of €1.3m related with the cost of new business development. Excluding the negative contribution implied by those other businesses, EBITDA from the sale of energy amounted to €7.3m, year-on-year growth of 6% but down 18.7% from 4Q24, again due to the annual maintenance stoppages carried out this year.

Figures in € m	1Q25	1Q24	Δ%	4Q24	Δ%
Revenue from energy sales (includes hedges)	50.7	41.7	*21.6%*	55.0	*(7.9%)*
Other revenues	1.7	3.8	*(55.5%)*	1.4	*20.3%*
Total revenue	**52.4**	**45.5**	*15.2%*	**56.4**	*(7.2%)*
EBITDA from energy sales	7.3	6.9	*6.0%*	9.0	*(18.7%)*
EBITDA from other businesses	(1.3)	(0.2)	*n.s.*	(3.3)	*(60.8%)*
EBITDA	**6.0**	**6.6**	*(9.6%)*	**5.7**	*5.6%*
Depreciation and amortisation	(8.5)	(8.2)	*4.2%*	(9.1)	*(6.1%)*
Impairment of and gains/(losses) on fixed-asset disp.	(0.1)	(0.0)	*n.s.*	0.6	*n.s.*
Other non-ordinary results from operations	-	-		-	*n.s.*
EBIT	**(2.6)**	**(1.5)**	*66.9%*	**(2.8)**	*(7.7%)*
Net finance cost	(4.2)	(2.9)	*43.0%*	(4.2)	*(0.3%)*
Other finance income/(cost)	-	(0.0)	*(100.0%)*	(0.0)	*(100.0%)*
Profit before tax	**(6.7)**	**(4.5)**	*51.2%*	**(7.0)**	*(3.6%)*
Income tax	0.2	(0.2)	*n.s.*	(1.1)	*n.s.*
Non-controlling interests	2.4	2.1	*15.9%*	3.8	
Attributable Net Income	**(4.1)**	**(2.5)**	*63.8%*	**(4.3)**	*(3.7%)*

To mitigate the risk of deviations in electricity market prices relative to the price estimated by the regulator, Magnon has put in place a hedging policy designed to replicate the formula used by the ministry to estimate market prices covering at least 40% of forecast generation output. The deviation between the pool price and the price estimated by the regulator had a net positive impact of €2.7m in 1Q25, despite a loss of €1.5m under these hedges.

Below the EBITDA line, asset depreciation and impairment charges totalled €8.6m, while finance costs came to €4.2m, including €1.2m related to the unwind of the regulatory collar provision.

Tax expense came to €0.2m in 1Q25. Note that the Constitutional Court ruling in 2024 annulling the limit on offsetting tax losses could lead to the collection, in 2026, of an estimated €3m of taxes paid unduly. Also, at 31 March 2025, the Renewables business had unused tax losses totalling €18m.

As a result, the Renewables business posted an attributable net loss of €4.1m in 1Q25, compared to a loss of €2.5m in 1Q24.

3.5. Cash flow analysis

Cash flows from operating activities in the Renewables business amounted to €1.8m in 1Q25, despite a €2.3m increase in the working capital requirement.

Figures in € m	1Q25	1Q24	Δ%	4Q24	Δ%
EBITDA	**6.0**	**6.6**	*(9.6%)*	**5.7**	*5.6%*
Other cash adjustments	(0.8)	(5.8)	*(86.7%)*	2.2	*n.s.*
Change in working capital	(2.3)	(19.3)	*(88.3%)*	(11.2)	*(79.7%)*
Income tax received / (paid)	0.3	0.3	*3.9%*	9.9	*(97.3%)*
Net interest received / (paid)	(1.4)	(1.6)	*(13.1%)*	(5.7)	*(75.5%)*
Net cash flow from operating activities	**1.8**	**(19.9)**	*n.s.*	**0.9**	*97.9%*

The reduction in trade receivables derived from lower generation volumes in 1Q25 was more than offset by the reduction in the trade payables balance and the increase in biomass inventories, yielding a cash outflow of €2.3m on account of working capital changes.

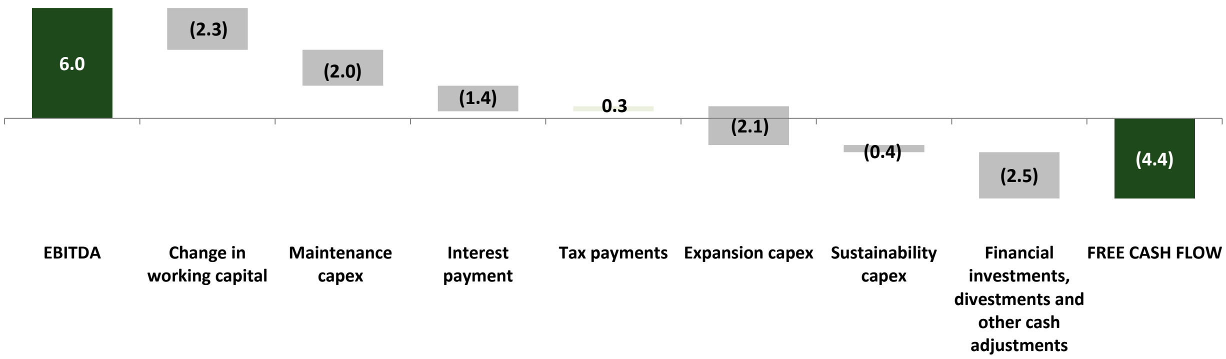
Figures in € m	**1Q25**	1Q24	Δ%	4Q24	Δ%
Inventories	(2.7)	2.3	*n.s.*	0.1	*n.s.*
Trade and other receivables	9.9	(21.9)	*n.s.*	(7.5)	*n.s.*
Current financial and other assets	-	(0.0)	*(100.0%)*	0.2	*(100.0%)*
Trade and other payables	(9.5)	0.2	*n.s.*	(4.0)	*139.7%*
Change in working capital	**(2.3)**	**(19.3)**	*(88.3%)*	**(11.2)**	*(79.7%)*

The Renewables business's non-recourse receivables discounting facilities were undrawn at the March 2025 close. Magnon has arranged several non-recourse reverse factoring facilities, which were drawn down by €19.8m at the March close, compared to €23.4m at year-end 2024. The reverse factoring facilities do not entail the provision of guarantees, do not alter the average payment term agreed with the corresponding suppliers and do not accrue interest.

Figures in € m	1Q25	1Q24	Δ%	4Q24	Δ%
Maintenance capex	(2.0)	(0.4)	*n.s.*	(3.8)	*(49.1%)*
Sustainability capex and other	(0.4)	(0.3)	*11.8%*	(0.3)	*19.4%*
Efficiency and expansion capex	(2.1)	(1.9)	*10.0%*	(4.1)	*(48.2%)*
Financial investments and in Group companies	(1.8)	0.7	*n.s.*	(18.1)	*(90.0%)*
Investments	**(6.3)**	**(2.0)**	*218.1%*	**(26.3)**	*(76.2%)*
Disposals	0.1	-	*n.s.*	0.5	*(85.8%)*
Net cash flow from investing activities	**(6.2)**	**(2.0)**	*214.4%*	**(25.8)**	*(76.1%)*

Cash used in investing activities in the Renewables business totalled €6.3m in 1Q25. Maintenance capex amounted to €2m, while payments for sustainability-related investments came to €0.4m. The sustainability investments were earmarked to reinforcing facility safety and reducing dust, odour, noise and water consumption at the energy plants, bolstering their competitiveness in the long term. Lastly, investments in efficiency and growth amounted to €2.1m in 1Q25 and were mainly related with the development of the biomethane and renewable thermal energy projects. Lastly, financial investments and in Group companies stood at €1.8m in 1Q25.

As a result, free cash flow in the Renewables business was negative by €4.4m in 1Q25, including a cash outflow of €2.3m on account of working capital changes.



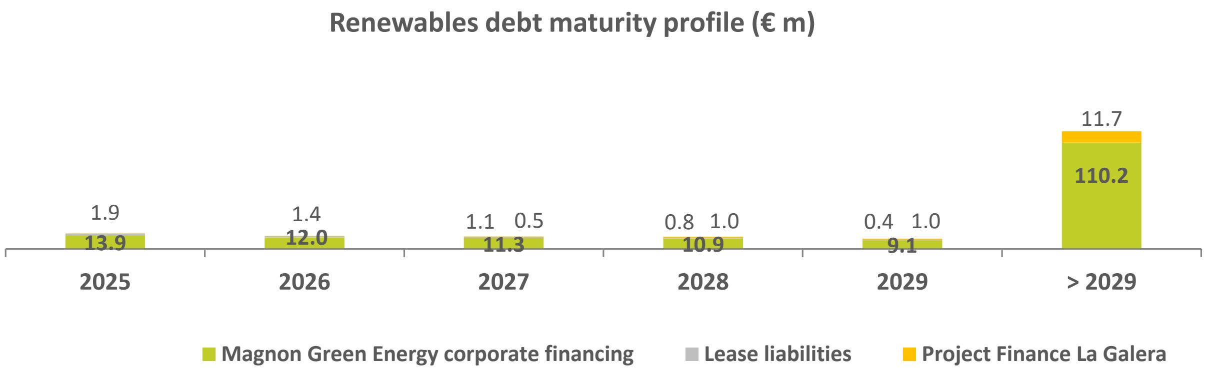
3.6. Change in net debt

The Renewables business ended the first quarter with net debt of €84.2m, compared to net debt of €78.6m at year-end 2024 (i.e., an increase of €5.6m). In addition to the negative free cash flow outlined above (€2.9m), other movements (related with leases, the provision for interest and equity instruments) increased net debt by €2.7m.

Gross debt at the March close stood at €178.9m, lease liabilities amounted to €5.7m and cash and cash equivalents stood at €84.2m.

Figures in € m	1Q25	Dec-24	Δ%
Non-current financial debt	165.2	151.2	*9.3%*
Current financial debt	13.6	11.3	*21.1%*
Gross financial debt	**178.9**	**162.4**	*10.1%*
Non-current lease contracts	3.7	4.0	*(6.7%)*
Current lease contracts	2.0	1.8	*11.2%*
Liabilities related to lease contracts	**5.7**	**5.7**	*(1.2%)*
Cash reserve for debt service	11.5	10.0	*14.5%*
Cash and cash equivalents	88.8	79.4	*11.9%*
Short-term financial investments	0.1	0.2	*(55.9%)*
Net debt Renewable business	**84.2**	**78.6**	*7.1%*

In January 2025, project finance was put in place to fund the acquisition of the Galera biomethane plant and the capital expenditure planned for the facility, which was drawn down by €14.3m at the March close. The new facility qualifies as a green loan, with recourse exclusively to the asset it is financing, and it matures in June 2037.



3.7. Growth and diversification projects

Ence's strategy in the Renewables business is to continue to pursue growth and business diversification, specifically in new renewable energies, leveraging its leadership position in the biomass value chain in Spain.

Firstly, through its subsidiary, Biofertilizantes CH4, the Group is developing biomethane and biofertiliser platform in Spain, underpinned by a model based on sustainable and circular management of agricultural and breeding biomass. This company aims to build production capacity of 1,000 GWh by 2030, at an estimated investment of €0.4m per GWh. This investment is targeting a return (ROCE) of at least 12% and EBITDA of over €60m by 2030.

In December 2024, Biofertilizantes CH4 acquired its first biomethane facility in Tarragona, designed to produce up to 50 GWh per annum, also signing a 15-year agreement with an important gas supplier for the offtake of the biomethane produced at the plant. At the March close, the Renewables business also had a portfolio of 16 other developments at the environmental permitting stage (in Castile and León, Aragon, Catalonia, Castile-La Mancha, Extremadura and Andalusia), plus another 16 initiatives under development for which sites have been located and viability studies performed.

Secondly, through its subsidiary, Magnon Energy Services, the Group provides end-to-end solutions for the generation of renewable thermal energy from biomass for industrial customers in Spain. This company aims to build renewable industrial heating platform in Spain with production capacity of 2,000 GWh by 2030, at an estimated investment of between €0.1m and €0.2m per GWh. This investment is targeting a return (ROCE) of at least 11% and EBITDA of over €40m by 2030.

At year-end 2024, Magnon signed an agreement with a leading beer maker in Spain for the installation of two 10 MWt biomass boilers that will supply it with 85 GWht of renewable thermal energy per annum for 15 years in order to decarbonise its operations. This facility is expected to be commissioned during the first half of 2026, entail a budgeted investment of €12m between 2025 and 2026 and deliver an estimated return (ROCE) of over 11%. That figure already discounts the €4m grant awarded under Spain's strategic decarbonisaton plan using NGEU funds, which will be collected when the project is complete.

This company also has a services provision agreement in operation and three more renewable industrial heating developments in advanced and exclusive negotiations which will imply combined production of an estimated 130 GWht/year. These developments are expected to be ready for the start of construction in the course of 2025. Talks are also in progress with another 10 potential industrial customers in Spain for the provision of renewable industrial heating.

Note, lastly, that agricultural, forestry and breeding biomass is the main source of biogenic CO_2, a raw material needed to produce green fuels. The Ence Group produces close to 4 million tonnes of biogenic CO_2 annually and is advancing on the engineering and permitting work needed for its potential capture and use in the future.

4. CONSOLIDATED FINANCIAL STATEMENTS

4.1. Summarised statement of profit or loss

	1Q25				1Q24			
Figures in € m	Pulp	Renewables	Adjustments	Consolidated	Pulp	Renewables	Adjustments	Consolidated
Total revenue	**135.3**	**52.4**	**(0.8)**	**186.9**	**159.0**	**45.5**	**(0.8)**	**203.7**
Foreign exchange hedging operations results	(1.3)	(1.5)	-	(2.8)	0.0	-	-	0.0
Other income	38.3	1.8	(0.3)	39.8	4.7	0.6	(0.3)	5.0
Cost of sales and change in inventories of finished produ	(84.7)	(16.4)	0.8	(100.4)	(83.0)	(17.4)	0.8	(99.6)
Personnel expenses	(22.2)	(5.9)	-	(28.2)	(21.9)	(5.1)	-	(27.1)
Other operating expenses	(36.8)	(24.4)	0.3	(60.9)	(30.1)	(16.9)	0.3	(46.7)
EBITDA	**28.5**	**6.0**	**-**	**34.5**	**28.8**	**6.6**	**0.0**	**35.4**
Depreciation and amortisation	(12.0)	(8.5)	0.4	(20.1)	(15.1)	(8.2)	0.4	(22.9)
Depletion of forestry reserves	(2.7)	-	-	(2.7)	(2.8)	-	-	(2.8)
Impairment of and gains/(losses) on fixed-asset disposals	(0.1)	(0.1)	-	(0.1)	(0.3)	(0.0)	-	(0.4)
Other non-ordinary operating gains/(losses)	-	-	-	-	-	-	-	-
EBIT	**13.7**	**(2.6)**	**0.4**	**11.5**	**10.5**	**(1.5)**	**0.4**	**9.3**
Net finance cost	(4.3)	(4.2)	-	(8.5)	(5.4)	(2.9)	-	(8.3)
Other finance income/(costs)	(1.2)	-	-	(1.2)	0.6	(0.0)	-	0.5
Profit before tax	**8.2**	**(6.7)**	**0.4**	**1.8**	**5.7**	**(4.5)**	**0.4**	**1.6**
Income tax	(2.0)	0.2	-	(1.8)	(0.1)	(0.2)	-	(0.3)
Net Income	**6.2**	**(6.6)**	**0.4**	**(0.0)**	**5.6**	**(4.6)**	**0.4**	**1.3**
Non-controlling interests	-	2.4	-	2.4	-	2.1	-	2.1
Atributable Net Income	**6.2**	**(4.1)**	**0.4**	**2.4**	**5.6**	**(2.5)**	**0.4**	**3.4**
Earnings per Share (EPS)	0.03	(0.02)	0.00	0.01	0.02	(0.01)	0.00	0.01

4.2. Summarised statement of financial position

	1Q25				Dec-24			
Figures in € m	Pulp	Renewables	Adjustments	Consolidated	Pulp	Renewables	Adjustments	Consolidated
Intangible assets	19.6	56.9	(11.4)	65.0	19.2	57.2	(11.6)	64.9
Property, plant and equipment	615.9	370.8	(6.2)	980.6	608.6	372.4	(6.4)	974.6
Biological assets	65.2	0.3	-	65.5	66.1	0.3	-	66.3
Non-current investments in Group companies	114.0	0.0	(114.0)	0.1	114.0	0.6	(114.0)	0.7
Non-current borrowings to Group companies	66.4	1.0	(66.4)	1.0	65.7	-	(65.7)	-
Deferred tax assets	34.1	23.3	2.9	60.3	35.2	23.9	2.9	62.0
Non-current financial assets	19.6	20.6	-	40.2	19.5	20.3	-	39.8
Cash reserve for debt service	-	11.5	-	11.5	-	10.0	-	10.0
Total non-current assets	**934.8**	**484.3**	**(195.1)**	**1,224.1**	**928.3**	**484.7**	**(194.8)**	**1,218.3**
Inventories	89.4	15.1	-	104.5	82.1	12.5	-	94.6
Trade and other accounts receivable	32.2	23.5	(2.4)	53.3	39.5	36.0	(6.0)	69.4
Income tax	5.3	1.0	-	6.3	5.3	1.3	-	6.6
Other current assets	26.4	3.6	-	29.9	15.7	0.3	-	16.1
Hedging derivatives	0.9	-	-	0.9	0.0	-	-	-
Current financial investments in Group companies	0.2	0.8	(0.9)	0.0	0.2	0.7	(0.8)	0.0
Current financial investments	3.5	0.1	-	3.6	13.3	0.2	-	13.6
Cash and cash equivalents	212.6	88.8	-	301.4	184.6	79.4	-	263.9
Total current assets	**370.3**	**132.9**	**(3.3)**	**499.9**	**340.7**	**130.4**	**(6.9)**	**464.2**
TOTAL ASSETS	**1,305.1**	**617.3**	**(198.4)**	**1,724.0**	**1,269.0**	**615.1**	**(201.6)**	**1,682.4**
Equity attributable to the Parent	571.5	93.2	(128.7)	536.0	559.1	95.6	(129.0)	525.6
Minority interest	-	94.9	-	94.9	-	97.1	-	97.1
Total Equity	**571.5**	**188.1**	**(128.7)**	**630.9**	**559.1**	**192.6**	**(129.0)**	**622.6**
Non-current loans with Group companies and associates	-	95.4	(66.4)	29.0	-	94.7	(65.7)	29.0
Non-current borrowings	295.9	168.9	-	464.9	291.3	155.1	-	446.4
Non-current derivatives	1.8	1.1	-	2.9	2.2	1.8	-	4.0
Deferred tax liabilities	-	-	-	-	-	-	-	-
Non-current provisions	28.7	0.7	-	29.4	28.9	0.6	-	29.5
Other non-current liabilities	31.7	70.2	-	101.9	33.8	71.9	-	105.7
Total non-current liabilities	**358.2**	**336.4**	**(66.4)**	**628.1**	**356.2**	**324.2**	**(65.7)**	**614.7**
Current borrowings	167.4	15.6	-	183.0	149.2	13.0	-	162.2
Current derivatives	0.2	(0.8)	-	(0.5)	6.9	1.1	-	8.0
Trade and other account payable	170.5	72.9	(2.4)	241.1	166.4	80.2	(6.0)	240.6
Short-term debts with group companies	0.8	1.4	(0.9)	1.3	0.7	1.0	(0.8)	0.9
Income tax	2.9	0.1	-	3.0	0.0	0.0	-	0.0
Current provisions	33.6	3.6	-	37.2	30.5	3.0	-	33.5
Total current liabilities	**375.4**	**92.8**	**(3.4)**	**464.9**	**353.7**	**98.3**	**(6.9)**	**445.1**
TOTAL EQUITY AND LIABILITIES	**1,305.1**	**617.3**	**(198.4)**	**1,724.0**	**1,269.0**	**615.1**	**(201.6)**	**1,682.4**

4.3. Statement of cash flows

Figures in € m	1Q25 Pulp	1Q25 Renewables	1Q25 Adjustments	1Q25 Consolidated	1Q24 Pulp	1Q24 Renewables	1Q24 Adjustments	1Q24 Consolidated
Consolidated profit/(loss) for the period before tax	**8.2**	**(6.7)**	**0.4**	**1.8**	**5.7**	**(4.5)**	**0.4**	**1.6**
Depreciation and amortisation	14.7	8.5	(0.4)	22.8	17.9	8.2	(0.4)	25.7
Changes in provisions and other deferred expense	(3.9)	0.8	-	(3.1)	6.3	0.4	-	6.7
Impairment of gains/(losses) on disposals intangible asset	0.4	0.0	-	0.5	0.3	0.0	-	0.3
Net finance result	5.2	4.2	-	9.4	4.8	2.9	-	7.7
Energy regulation adjustments	(0.6)	(1.5)	-	(2.0)	(0.9)	(6.2)	-	(7.1)
Government grants taken to income	(0.1)	(0.0)	-	(0.2)	(0.2)	(0.0)	-	(0.3)
Adjustments to profit	**15.8**	**12.0**	**(0.4)**	**27.4**	**28.3**	**5.3**	**(0.4)**	**33.2**
Inventories	(7.5)	(2.7)	-	(10.2)	(7.5)	2.3	-	(5.1)
Trade and other receivables	1.6	9.9	(4.4)	7.1	(24.7)	(21.9)	2.5	(44.1)
Current financial and other assets	-	-	-	-	(1.1)	(0.0)	0.0	(1.1)
Trade and other payables	(0.2)	(9.5)	4.4	(5.2)	(7.9)	0.2	(2.5)	(10.2)
Changes in working capital	**(6.1)**	**(2.3)**	-	**(8.4)**	**(41.2)**	**(19.3)**	**-**	**(60.5)**
Interest paid	(4.7)	(1.4)	-	(6.0)	(7.5)	(1.6)	(0.1)	(9.1)
Dividends received	-	-	-	-	-	-	-	-
Income tax received/(paid)	-	0.3	-	0.3	-	0.3	-	0.3
Other collections/(payments)	0.0	-	-	0.0	-	-	-	-
Other cash flows from operating activities	**(4.6)**	**(1.1)**	**-**	**(5.8)**	**(7.5)**	**(1.3)**	**(0.1)**	**(8.9)**
Net cash flow from operating activities	**13.2**	**1.8**	**-**	**15.0**	**(14.7)**	**(19.9)**	**-**	**(34.6)**
Property, plant and equipment	(13.5)	(4.2)	-	(17.7)	(13.4)	(2.6)	-	(16.0)
Intangible assets	(1.1)	(0.3)	-	(1.3)	(1.0)	(0.0)	-	(1.0)
Other financial assets and Group companies	(0.8)	(1.8)	0.8	(1.8)	(0.3)	0.7	0.4	0.8
Disposals [1]	0.4	0.1	-	0.5	-	-	-	-
Net cash flow used in investing activities	**(15.0)**	**(6.2)**	**0.8**	**(20.4)**	**(14.7)**	**(2.0)**	**0.4**	**(16.3)**
							-	
Free cash flow	**(1.8)**	**(4.4)**	**0.8**	**(5.3)**	**(29.4)**	**(21.8)**	**0.3**	**(51.0)**
Buyback/(disposal) of own equity instruments	0.0	-	-	0.0	1.2	-	-	1.2
Proceeds from and repayments of financial liabilities	19.7	13.8	(0.8)	32.8	(55.2)	11.1	(0.3)	(44.4)
Dividends payments	-	-	-	-	0.0	-	-	0.0
Net cash flow from/ (used in) financing activities	**19.8**	**13.8**	**(0.8)**	**32.8**	**(54.1)**	**11.1**	**(0.3)**	**(43.2)**
Net increase/(decrease) in cash and cash equivalents	**18.0**	**9.5**	**-**	**27.5**	**(83.4)**	**(10.7)**	**-**	**(94.2)**

[1] Disposals in 1Q25 exclude the maturity in January 2025 of current financial investments amounting to €10m, as they are considered as cash and cash equivalents

5. KEY DEVELOPMENTS

Sale of energy savings certificates

In February 2025, Ence sold energy savings certificates (CAEs for their acronym in Spanish) generated via energy efficiency initiatives for a net amount of €30.4m, which the Company collected and recognised within other operating income in the first quarter of 2025.

2025 Annual General Meeting

Ence held its Annual General Meeting on 3 April 2025. The agenda motions ratified were:

1) Examination and ratification of the annual financial statements and management reports of ENCE ENERGÍA Y CELULOSA, S.A. and of its consolidated group for the year ended 31 December 2024.
2) Examination and ratification of the Group's non-financial information statement (2024 Sustainability Report) for the year ended 31 December 2024.
3) Examination and ratification of the motion for the appropriation of the earnings of ENCE ENERGÍA Y CELULOSA, S.A. for the year ended 31 December 2024.
4) Examination of and grant of discharge for the performance of the Board of Directors of ENCE ENERGÍA Y CELULOSA, S.A. during the year ended 31 December 2024.
5) Re-election of the following directors:
    - Ángel Agudo Valenciano as proprietary director.
    - Fernando Abril-Martorell Hernández as other external director.
    - José Guillermo Zubía Guinea as other external director.
    - Irene Hernández Álvarez as independent director.
    - Carmen Aquerreta Ferraz as independent director.
    - María de la Paz Robina Rosat as independent director.

   Appointment of María Samoilova as independent director
6) Re-election of the auditor of the Company and its consolidated Group.
7) Appointment of the entity engaged to independently assure the non-financial information statement of the Company and its consolidated Group.
8) Delegation of powers in the Board of Directors to interpret, supplement, rectify, execute and formalise the resolutions ratified at the Annual General Meeting.
9) Advisory vote on the annual report on director remuneration for 2024.

APPENDIX 1: SUSTAINABILITY MASTER PLAN

Sustainability is intrinsic to Ence's business activities as a leading player in the sustainable use of natural resources for the production of differentiated pulp and renewable energy. Sustainability is fully integrated into the Company's purpose and is one of its strategic priorities.

To articulate this commitment strategically, in 2018, the Company formulated its first Sustainability Master Plan, covering 2019-2023. At the end of 2023, the Company approved an update of that Master Plan, for 2024-2028, in line with its new strategic framework.

The 2024-2028 Sustainability Master Plan is structured into four priority action areas: operations, products & services, supply chain and social impact. In addition to these four areas, the plan includes a cross-cutting line of initiative designed to reinforce the governance of ESG aspects and the ethics and compliance function. An account is provided on the progress made on each in the following sections.

Preparation of the new plan included a double materiality assessment - through the dual lenses of impact materiality and financial materiality - in order to identify the most material aspects on which to focus the next round of initiatives and associated targets. Furthermore, this assessment constituted the first step in Ence's effort to adapt to its new reporting requirements under the incoming Corporate Sustainability Reporting Directive (CSRD), which the Company followed voluntarily to prepare its Sustainability Statement for 2024.

Ence's noteworthy performance along environmental, social and governance (ESG) dimensions is echoed in its assessments by prestigious ESG agencies and indices. Ence is a recipient of Ecovadis' platinum medal, the highest accolade given by this platform specialised in assessing companies' sustainability performance. Ence is also included in the FTSE4Good Index, in which it has been traded since 2021. It is also traded as part of BME's IBEX ESG. To be eligible for this index, in addition to being traded as part of the main IBEX 35 or IBEX Medium Cap indices, candidates must have an ESG rating of C+ or higher (out of 12 possible ratings which run from A+ to D-). Moreover, they must uphold the principles enshrined in the United Nations Global Compact and revenue from certain critical activities may not exceed specific thresholds.

1. Safe and eco-friendly operations

Ence strives to carry out its business activities in a manner that is safe for its employees and contractors and to serve as an example in terms of its environmental performance by upholding the most ambitious international standards to ensure it earns the social licence to operate in its business communities.

On the **health and safety** front, Ence's occupational injury metrics were significantly better the sector benchmark (18.96 vs. 5.56) and the industry average in Spain (27.80 vs. 5.66), with the Pulp and Renewables businesses both improving with respect to last year's measurements.

In the Pulp business, the Navia biomill was stopped for its annual maintenance work in March, which was carried out with excellent results safety-wise: 55 particularly risky interventions took place without recording any injuries (with or without lost time), thanks to a steadfast focus on discipline and supervision, as evidenced by the 1,195 safety precautions and observations recorded.

In parallel, the work initiated in 2024 to implement Process Safety Management (PSM) methodology continued and will constitute another key lever in the unwavering effort to prevent potentially serious accidents in the workplace and on the environmental front.

Magnon recorded two lost-time injuries in 1Q25. Work is already underway to reinforce the safety culture so as to restore this business's former statistics.

In terms of the Group's **environmental performance**, it is worth noting the management of the R&D projects for recovering lime sludge, ash and slag for circular economy purposes. For example, the project to look for a formula for making ecological mortar from these subproducts has begun.

In the Pulp business, the Navia biomill has embarked on a project with a local cement maker which aims to recover the biomill's lime sludge for making cement. Almost 600 tonnes of sludge had already been processed by March and the goal of this R&D project is to recover at least 6,000 tonnes.

As part of its circular economy transition, Ence continues to present high waste recovery and recycling readings, enabling it to renew its AENOR Zero Waste management certification (a seal only given to facilities that recycle and reused over 90% of their waste). At year-end 2024, all of the Group's facilities boasted that certification. In that same vein, in 2024, Magnon also obtained AENOR's Circular Strategy certificate.

Operationally, the Enemansa energy plant was restarted in January 2025 without any environmental incidents, after several years of inactivity.

Note that the Navia biomill also ended the first quarter without recording a single minute of odour emissions, endorsing the facility's Zero Odour initiatives.

Turning to **environmental and safety management**, in addition to maintaining their ISO 14001, ISO 45001, ISO 50001 and EMAS certifications, since 2024, the biomills hold ISO 22000 food safety management certification, so ensuring their products can be used to safely replace plastic materials to package food products. Work continues in 2025 to secure up to seven more certifications certifying the sustainability of the fluff pulp which the Navia biomill plans to begin to produce towards the end of this year.

On the **climate action** front, Ence is working on two lines of initiative: (i) climate change mitigation by adapting its productive processes to minimise its carbon footprint; and (ii) climate change adaptation by analysing its climate risks and opportunities and taking action to make the Company more resilient.

On the mitigation front, by the end of the first quarter, in line with the Decarbonisation Plan timeline, the Navia biomill had completed phase one, replacing the use of natural gas in the lime kilns with biomass, and started work on phase two, which calls for substituting more natural gas with sawdust. These initiatives are additional to those already carried out in 2024 and 2023 when the biomill began to use biomethanol obtained in the production process by way of renewable fuel in order to reduce the use of fossil fuels. Elsewhere, at the Pontevedra biomill, similar plans and initiatives to those being carried out in Navia are underway for replacing the fuel currently used with renewable sources. With these measures, Ence is making progress towards delivery of the targets set down in its Decarbonisation Plan for the reduction of absolute Scope 1 and Scope 2 emissions by 55% and 75% by 2030 and 2035, respectively, compared to 2018, the base year. These initiatives reinforce Ence's commitment to climate action, in line with the Climate Change Policy approved by its Board of Directors in 2024 to set down the Company's principles and commitments in this area.

Ence updates its inventory of greenhouse gas emissions annually and in 1Q25 updated its annual carbon footprint calculation and embarked on the process of having it assessed by a third party. Notably, Scope 1 emissions fell by 4% from 2023 thanks to the measures implemented to reduce the use of fossil fuels. However, the overall footprint increased in 2024 due to the increased scope of the Scope 3 emissions calculation to include the indirect emissions associated with the life cycle of capital goods and the indirect emissions derived from the transformation of the pulp sold, among others.

As for the analysis of the net carbon balance of the forests owned by the Company, performed in accordance with IPCC guidelines, in 2024, the forest tracts managed by Ence sequestered around 275,000 tonnes of CO_2, net of the carbon withdrawn from the forests in the form of wood or biomass.

In terms of adaptation, Ence assesses its climate risks and opportunities annually. Ence is focusing its efforts on the development of *ad-hoc* climate models which provide a tool for analysing the potential impacts of climate change on the Company's facilities and wood and biomass supply areas. In developing those models, in order to analyse its physical risks, in most recent analysis carried out in 2024, Ence implemented the new climate scenarios from the IPCC's sixth report, specifically scenario SSP245 (which can be seen as an update of the previous RCP4.5 scenario, representing the medium pathway of future greenhouse gas emissions) and scenario SSP585 (which can be seen as an update of the RCP8.5 scenario, now combined with socio-economic aspects and representing the upper end of the scenario pathway). For these scenarios, Ence is analysing the changes in the climate over three time horizons: the near future (until 2040), medium term (until 2070) and a more distant future (2100). Ence will embark on the annual update of this analysis during the second quarter of 2025.

Ence has a **biodiversity** plan, which aims to preserve and nurture biodiversity in the forest tracts managed by the Company. That plan is articulated around four lines of initiative: protecting biodiversity in designated conservation areas in Spain; improving connectivity between the areas flagged for conservation work; shielding existing biodiversity in productive forest assets; and analysing and developing new methodologies for safeguarding and enhancing natural capital. Among the latter it is worth highlighting certification of the Biodiversity Ecosystem Service, whose certified land area now stretches to over 2,000 hectares. The biodiversity plan also includes awareness and communication initiatives so as to create a culture of biodiversity protection among all employees. Under the scope of this plan, Ence has set medium-term targets (for 2028) and incorporated recently approved regulatory developments, including those emanating from the EU Regulation on Deforestation-free products, the CSRD Directive with respect to the prevention and mitigation of impacts on biodiversity and the EU Nature Restoration Regulation.

2. Bioproducts and ecosystem services

Under the scope of its bioproducts and ecosystem services line of action, Ence defines its targets for increasing its supply of sustainable products based on biomaterials (ranging from products derived from pulp to biomethane and biogenic CO_2) and for unlocking the value implicit in the ecosystem services generated by the forest tracts managed by the Company, with a particular focus on carbon capture.

Ence's strategic commitment to sustainable bioproducts crystallised in the launch of the Ence Advanced trademark in 2019, the result of years of R&D and industrial and product development work. Under the umbrella of that platform, Ence is working to develop **products with a lower carbon footprint** as alternatives to hardwood pulp (which has a higher wood consumption requirement): adapted and unbleached pulp for the manufacture of bags and packaging apt for substituting materials such as plastic.

Within this product line, it is worth flagging the Company's unbleached pulp, Naturcell, which is not only more environmentally-friendly to make, but also offers customers the possibility of offsetting the residual GHG emissions derived from its life cycle via credits purchased on the voluntary market so as to make the product carbon-neutral (Naturcell Zero). One of the key thrusts of this line of initiative is to increase penetration of the products that carry the Ence Advanced label. Sales of those special pulp grades accounted for 35% of total pulp sales in 1Q25.

Ence is likewise committed to providing its customers with objective and transparent product information. To that end, it has provided them with a carbon emissions calculator for the products they purchase: that tool calculates emissions from raw material supply through manufacture, transportation and final delivery. Customers can get this information directly from Ence's website. Ence also shares the Environmental Product Declarations (EDP) obtained by its pulp products made in Pontevedra (Encell TCF and Naturcell)[2] and the bleached pulp made in Navia (Encell ECF[3]) with its customers.

(1) https://www.environdec.com/library/epd6638 y https://www.environdec.com/library/epd6639
(2) https://www.environdec.com/library/epd7965

The Company plans to start to produce eucalyptus fluff pulp at the Navia biomill in 2025. Work has begun in 2025 on securing the product certifications the potential buyers of this new fluff pulp are likely to demand.

Elsewhere, in order to comply with Regulation (EU) 2023/1115 European Regulation on deforestation-free products (EUDR), the Pulp business is in the process of implementing all the requirements for meeting its obligations under this new legislation, generating the codes applicable to pulp sales in the European Union's TRACES platform.

Besides the work done on its special products, over the course of 2024, Ence continued to advance on its **sustainable** moulded-pulp **packaging** line, designed to offer an alternative to the plastic products currently used in the food and retail sectors.

It also made progress on the engineering work and permitting process for the bioplant under study in Galicia (As Pontes) that would produce bleached **recycled pulp** and biomaterials. This project marks a clear commitment to the circular economy as, instead of using wood, the plant will use recovered paper and board to produce pulp, closing the loop and preventing this waste from being sent to landfill. The project's blueprints layer in Ence's decarbonisation commitments, which means that the plant will be fuelled by renewable energy (biomass) and not fossil fuels. This initiative is also a good example of Ence's contribution to a fair transition, as it will be located on the industrial site of a formal thermal power plant, providing an opportunity to revitalise the area and generate new jobs. Work continued in 1Q25 to permit the project already declared a *Strategic Industrial Project* by the regional government of Galicia and on the technical review required by all of the authorities involved in this project in order to obtain ultimate authorisation, a process which is considered very advanced.

Another aspect of the bioproducts line of initiative relates to implementation of the plan for developing **biofertiliser** and **biomethane** plants, facilities capable of transforming agricultural and breeding waste collected locally into renewable gas and organic fertiliser. The biomethane gas generated at these plants will contribute to the decarbonisation of the gas network and sectors that currently have few alternatives for reducing their carbon emissions. The goal is to build 1 TWh of generation capacity by 2030. At the March close, this company had 16 projects in the environmental permitting phase and another 16 initiatives under development and in December 2024, it closed the acquisition of a first biomethane generation plant in the town of La Galera (Tarragona). This facility, which is already operational, is designed to produce up to 50 GWh of biomethane a year, along with the corresponding sustainability certificates. Framed by its commitment to stakeholder transparency and engagement, Ence has formulated a community outreach strategy to accompany the development of these facilities under which it contacts the local communities in the towns where they are to be located to introduce the Company and project and address any concerns and enquiries these stakeholders may have.

This chapter of the Master Plan also includes Ence's goal of developing **renewable industrial heat** projects, through Magnon Energy Services (MSE), a company set up to leverage biomass to offer end-to-end decarbonisation solutions with industrial heat applications. As a result, MSE's customers can decarbonise industrial processes that are hard to electrify, such as the generation of industrial heat, using an alternative renewable source and generating environmental as well as economic advantages for their companies by reducing exposure to fossil fuel price volatility and lowering their emission allowances costs. Under this business model, Magnon manages the entire renewable thermal energy value chain for its customers, from the supply of sustainable biomass, the logistics, the treatment of the biomass, plant design and construction through to its operation and maintenance and the management of the resulting waste. MSE already has one facility in operation and in 1Q25 began work on a second facility, while continuing to make progress on permitting another nine projects.

Lastly, this chapter encompasses the development of forestry products and services, including the **development of enhanced plant material**, adapted for emerging climate conditions, which Ence will use in the forests it manages and also offer to other forest owners to help them adapt for climate change and increase the productivity of their plantations. In 2024, Ence concluded the development and commercialisation of three new eucalyptus clones, so meeting the target set for the year. In 2025, it plans to develop one more clone.

Lastly, Ence is looking to monetise the **ecosystem services** provided by the forests it owns, with a focus on carbon capture. To that end, it is working on the design and registry of forest sinks in voluntary carbon markets, generating credits it can sell so that other companies can offset emissions they cannot forego. By the end of the first quarter 2025, it had registered almost 3,900 hectares of forest sinks in different voluntary schemes and continues to work on increasing that surface area by adopting additional biodiversity criteria.

3. Responsible supply chain

With this line of initiative, Ence aims to ensure the **sustainability of the raw materials** it procures by participating in benchmark certification schemes and carrying out the **due diligence** required to prevent, detect and mitigate potential sustainability-related risks in its supply chain, focusing on human rights protection and the prevention of adverse environmental impacts.

On the certification front, Ence has cemented itself as a benchmark in **sustainable forest management** in Spain, applying internationally-recognised criteria and standards of excellence, such as the FSC® (Forest Stewardship Council®, with license numbers FSC®-C099970 and FSC®-C081854) and PEFC (Program for the Endorsement of Forest Certification, with licence numbers PEFC/14-22-00010 and PEFC/14-33-00001) schemes, to the forest assets it manages and encouraging their adoption by its supply chain. As of March 2025, close to 90% of its forest assets (out of total certifiable assets) were certified under one or other of those schemes and 74% of the wood that entered its biomills during the period from its proprietary forests, suppliers and forest owners came with one or both certifications.

Ence also ensures that the **biomass** used in its energy generation plants is sustainable by means of the SUstainable REsources Verification Scheme (SURE), thereby complying with the European Renewable Energy Directive (RED II). All of its facilities were SURE-certified as of year-end 2024. in 1Q25, Ence also obtained PEFC certification for its biomass trading activity.

As for **supply chain supervision**, in 2023, Ence approved its Sustainability Due Diligence Policy which sets down the commitments and guidelines for preventing, detecting and mitigating human rights violations and adverse environmental impacts all along its supply chain. Framed by that policy, Ence drew up a procedure for articulating these commitments in its business relationships with its suppliers and other third parties. In 2024, progress was made on the plan for scaling up this procedure and in 2025 work has begun to set the parameters for a digital platform for assessing ESG risks along the value chain that will allow the rollout of the procedure across a higher number of suppliers, in line with the target of being able to assess 90% of products and services purchased by 2028. In addition, Ence continues to work, in coordination with the authorities, to deploy technological devices that facilitate supplier compliance with the European Regulation on deforestation-free products (EUDR).

4. Positive social impact

This chapter of the Master Plan encompasses all the lines of initiative designed to have a positive social impact both internally (on Ence employees) and on the Company's local business communities.

The Company's **human capital management** priorities pivot around championing equality and developing and retaining talent.

In terms of its effort to bring about effective **equality and diversity**, Ence remains strategically committed to its female hiring thrust, lifting female representation to 27.5% of the workforce as of the March 2024 close. In addition to increasing female representation in general, Ence is placing the spotlight on increasing the number of women in executive positions. By the end of the first quarter, the percentage of female executives (including managers) stood at 30%, in line with the target for 2025.

On the **talent development** front, Ence is striving to ensure that it attracts, develops and motivates the professionals it needs to ensure that the organisation has the human capital required to execute its strategic objectives. In this respect, Ence is reinforcing internal promotions as the basis for the professional development of its employees, specifically publicising all internal vacancies. Indeed, in 1Q25, 50% of the Company's vacancies were filled via internal promotions, which is above the associated target.

Ence is also committed to providing its employees with ongoing training with the overriding goal of encouraging personal and professional development at all levels with a view to improving employee integration in the Company and commitment to the organisation's strategic goals. The aim is to give employees the skills they need to do their jobs, while fostering a culture of development, value creation and continuous improvement and paving the way for them to assume new responsibilities in the future. The Group imparted 5,575.5 hours of training in 1Q25. The training effort focused particularly on digital transformation, technical operations matters, health and safety and compliance.

In its bid to have a **positive social impact on its local communities**, Ence continues to invest in them, framed by the agreements in place with local councils in the towns where it has its main facilities. Ence supports projects of a social, environmental and sporting nature and work to foster social inclusion and entrepreneurship. A total of 286 projects benefitted from the grants awarded by the Company under the 2024 edition of the Ence Pontevedra Community Plan, endowed with €3 million annually. The main goal of this initiative is to foster the development and wellbeing of people in Pontevedra and the surrounding area. As for the types of projects subsidised, the highest number of beneficiaries involved grassroots and elite sports projects (116 projects), followed by cultural initiatives (57) and social inclusion projects (48). Another 45 projects related with environmental recovery and care were approved, while 21 of the winners had to do with entrepreneurship and innovation.

In addition to the above community investments, Ence rolls out specific community relations plans with the aim of educating local residents and other stakeholders about the Company's activities. In 1Q25, Ence welcomed nearly 370 visitors to its facilities in Navia, Pontevedra, Puertollano and Huelva and held 11 meetings with representatives from a range of stakeholders.

Another line of action within this chapter of the Master Plan is to facilitate **professional development** in the Company's local communities by giving young people living in rural areas job skills and ensuring the next generation is ready to take on work in the forestry sector, so helping to stem depopulation in these areas. Ence runs a number of initiatives, including the provision of training to forest machine operators and internships in its operations under its Talent Programme. The first call for the 2025 machine operator course was launched in 1Q25, with the next call scheduled for April. Five calls for the Talento Programme were also organised at different facilities in 1Q25. .

Ence likewise helps forest owners to professionalise their operations by lending forestry management consultancy services under the scope of Ence Terra, specifically sharing best practices in management techniques and recommending what trees to plant to best suit soil conditions and shifting climate conditions. In 1Q25, Ence provided advice to 279 forest owners in northern Spain.

5. Governance and compliance

This cross-cutting line of initiative is designed to reinforce ESG governance and bolster the ethics and compliance function.

On the ESG governance front, Ence has set itself the goal of defining corporate policies for the aspects for which the Company wants to establish specific lines of initiative and targets that are not itemised in the Sustainability Master Plan. During the first quarter of 2025, Ence's Ethics and Compliance Department undertook a series of activities designed to ensure compliance with the Company's body of internal rules and regulations and foster a culture of compliance.

As part of the annual risk and control review, and to ensure the effectiveness of the Crime Prevention Protocol, Ence analysed the evidence presented by the various process owners to certify performance of the 380+ controls in place across the organisation. In addition, compliance risks were analysed for the newly-acquired biomethane facility in La Galera and the Enemansa energy plant, which was recommissioned in January. On the communication front, 16 internal memos were published on compliance matters, including reminders about the whistleblowing channel. In addition, corporate experiences were trialled in relation with ethics, including the Coffee with Compliance initiative and a monthly newsletter, all with the aim of reaching all Ence employees.

On the training front, a course on crimes against nature and the environment was made available to all employees through the online training platform. Specific training was provided to the professionals responsible for the Crime Prevention Protocol controls and the Board of Directors was offered courses on the Anti-Corruption and Anti-Fraud Policy and on the Criminal Compliance and Anti-Bribery Policy. The informal Coffee with Compliance sessions continued, targeted at small groups from different areas, including Audit, Customer Service, Biogas, Human Capital, Communication, Logistics, Regulation, Sustainability and Sales.

In 1Q25, 41% of the workforce received compliance-related trading either in person or online.

A number of actions were also taken on the supervisory front, including reviews of contractual terms and conditions, the provision of responses to enquiries about the code of conduct with respect to customers and courtesies and the preparation of third-party due diligence reports. In terms of internal rules, the In-Person and Remote Meetings with Third Parties Procedure was updated.

The criminal compliance management system was audited internally, while Ence's anti-bribery management system underwent an external audit. The results of both audits indicate adequate implementation and functioning of the related control mechanisms.

Lastly, among the projects in the pipeline, it is worth singling out the competition risk assessment, the update and fine-tuning of the Code of Conduct and the drafting of a new Competition Defence Policy.

Safe and Eco-efficient operations
For operational cost reduction

Protecting Health and Safety of employees and contractors

- ✓ The annual technical shutdown of the Navia biofactory has been completed, where up to 1,500 people have worked **without accidents.**

Odour reduction

- ✓ Navia's biofactory closes the first quarter with **0 odour minutes**

Advancing towards a circular economy

- ✓ **100% sites ZERO WASTE** certified

Committed to mitigate climate change

- ✓ **- 4% reduction in direct emissions** (scope 1) in 2024 vs 2023

Bioproducts & ecosystem services
Potential for topline improvement

Differentiated pulp products with higher added value

- ✓ **35% of total sales** of Products with higher and growing margins
- ✓ **1st Carbon neutral product** (Naturcell Zero)

Forestry bioproducts and ecosystem services

- ✓ **Improved plant material, better adapted to climate change:** 3 new Eucalyptus clone in commercial phase plus one more in development in 2025
- ✓ **Circa 3,900 ha Forest sinks** registered in voluntary carbon markets

Responsible supply chain
To become preferred supplier

Certified supply chain

- ✓ **>89%** of managed land certified
- ✓ **74%** of wood certified
- ✓ **100% sites SURE System certified** (Sustainable biomass)

Supply chain supervision

- ✓ **Deployment of the new Third Party Due Diligence Procedure,** in order to minimize human rights violations and negative environmental impacts risks along the supply chain
- ✓ Implementation of tools to comply with the **EUDR Regulation** against deforestation
- ✓ New **PEFC certification** for biomass trading

Positive social impact
To grant business sustainability

Talent as a competitive advantage

- ✓ **27,5% female employees**
- ✓ **30% females in managerial positions**
- ✓ 50% job openings filled with **internal promotion**
- ✓ **Top Employer** certification

Creating positive social impact in local communities

- ✓ New edition of Ence's **Pontevedra Social Plan** (up to3M€), supporting more than **280 projects**

Promoting professional development in rural communities

- ✓ New edition of the **Forestry machinery training program**
- ✓ **Circa 280 technical advice sessions** with Forest owners

APPENDIX 2: REMUNERATION PARAMETERS APPLICABLE TO THE POWER GENERATION PLANTS

Facility	Type of facility	MW	FY25 Remuneration for investment in P&L (Ri; €/MW)	Type of fuel	Remuneration for operation FY2025 (Ro; €/MWh)	Sale hours limit under regulated price	Regulatory life (year of maturity)
Pontevedra	Biomass co-generation	34,6	-	Lignin	-	6.500	2032
	Biomass generation		46.091	Agroforestry biomass	-	7.500	
Navia	Biomass co-generation	40,3	-	Lignin	-	6.500	2034
	Biomass generation	36,2	207.661	Agroforestry biomass	48,9	7.500	
Huelva 41MW	Biomass generation	41,0	40.643	Agroforestry biomass	54,8	7.500	2025
Jaen 16MW	Biomass generation	16,0	123.947	Olive Pulp	31,4	7.500	2027
Ciudad Real 16MW	Biomass generation	16,0	123.947	Olive Pulp	32,1	7.500	2027
Cordoba 27MW	Biomass generation	14,3	184.142	Olive Pulp	39,7	7.500	2031
	Gas co-generation	12,8	-	Natural Gas	119,5	6.537	2030
Huelva 50MW	Biomass generation	50,0	241.580	Agroforestry biomass	47,3	7.500	2037
Mérida 20MW	Biomass generation	20,0	267.075	Agroforestry biomass	45,5	7.500	2039
Huelva 46 MW	Biomass generation	46,0	-	Agroforestry biomass	43,6	7.500	2044
Ciudad Real 50 MW	Biomass generation	50,0	-	Agroforestry biomass	43,6	7.500	2044

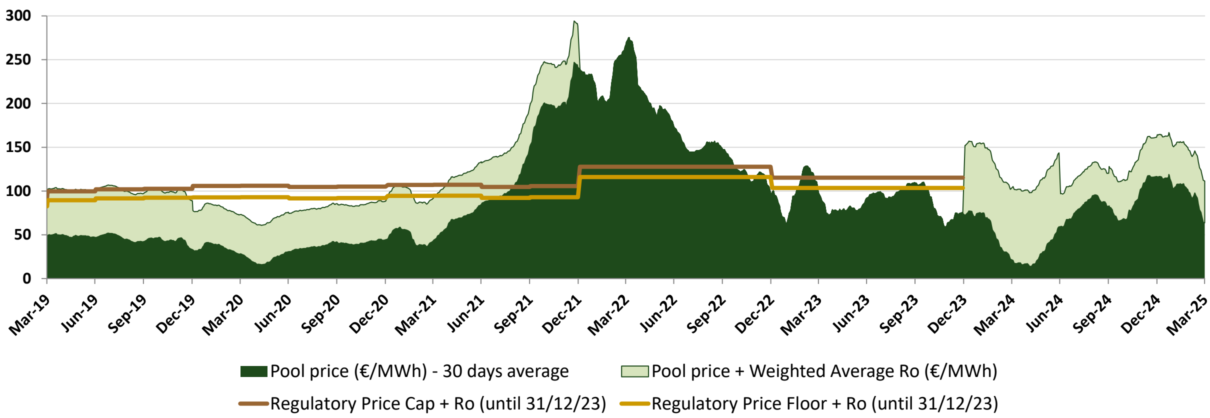
Power plants fuelled by renewable sources of energy, combined heat and power (CHP) systems or waste are regulated by Spanish Royal Decree 413/2014. These plants are remunerated via two concepts, one fixed and the other variable, in order to ensure a reasonable return:

1. The **remuneration for investment (€/MW)** parameter guarantees the recovery of the initial investment plus a minimum return on the estimated cost of building a 'standard' plant. That return was set at 7.4% for 2020–2031 via Royal Decree-Law 17/2019 (22 November 2019).

2. The **regulated sales price (€/MWh)** enables plant owners to cover all the estimated costs of operating a 'standard' plant, including fuel costs. That price is made up of the pool price plus the corresponding supplementary remuneration for operation (Ro) earned by each plant.

   Under the new methodology approved in 2024, the remuneration for operation (Ro) parameter is updated quarterly, as a function of the difference between the standard cost of operating the plants (around €117/MWh in the case of Magnon Green Energy's biomass plants) and the pool price estimated the immediately previous quarter. As result, the system of adjustments for deviations between market and regulated prices (regulatory collar) in place until the end of 2023 has been eliminated.

Pool price, Ro and regulatory collar, average for last 5 years (€/MWh)



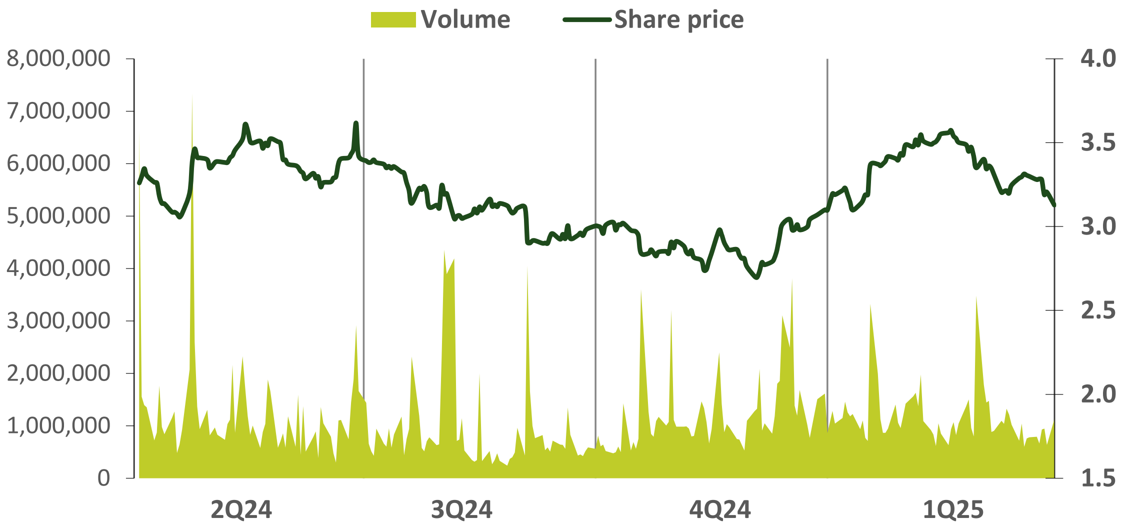
3. All of Magnon Green Energy's plants are also prepared to provide the electricity system operator with **back-up services**, so generating and additional source of income.

4. Both the remuneration for investment and the regulated sale price are subject to a **levy on the value of electric energy produced of 7%**.

APPENDIX 3: SHARE PRICE PERFORMANCE

Ence's share capital consists of 246,272,500 shares with a unit par value of €0.90. The shares are represented by book entries and all carry identical voting and dividend rights. The Company's shares have been traded on the Spanish stock exchanges and on the continuous market since it was privatised in 2001 and are part of the Ibex Medium Cap and Ibex Top Dividendo indices.

Ence's share price ended the first quarter at €3.13/share, up 1% from year-end 2024, while its closest traded comparables sustained a share price correction of 1.9% on average during that same period.



SHARES	1Q24	2Q24	3Q24	4Q24	1Q25
Share price at the end of the period	3.23	3.42	3.00	3.10	3.13
Market capitalization at the end of the period	794.5	842.7	739.8	763.0	770.3
Ence quarterly evolution	13.9%	6.1%	(12.2%)	3.1%	1.0%
Daily average volume (shares)	1,037,061	1,319,780	938,414	1,202,424	1,157,163
Peers quarterly evolution *	12.6%	(6.8%)	(6.6%)	2.0%	(1.9%)

(*) Altri, Navigator, Suzano and CMPC – prices in euros

Source: Bloomberg

APPENDIX 4: ALTERNATIVE PERFORMANCE MEASURES (APMs)

Ence presents its results in accordance with generally accepted accounting principles, specifically IFRS. In addition, this report provides certain other complementary metrics that are not defined or specified in IFRS and are used by management to track the Company's performance. The alternative performance measures (APMs) used in this report are defined, reconciled and explained below:

EBITDA

EBITDA is a metric used in the statements of profit or loss presented in this report, in sections 1, 2.5, 2.6, 3.3, 3.4, 4.1 and 4.2, and is a measure of operating profit before depreciation, amortisation and forest depletion charges, non-current asset impairment charges, gains or losses on non-current assets and other non-operating items that undermine the comparability of the numbers.

EBITDA is an indicator used by management to track the Group's recurring profitability over time. This metric provides an initial approximation of the cash generated by the Group's ordinary operating activities, before interest and tax payments, and is a measure that is widely used in the capital markets to compare the earnings performances of different companies.

Below is a reconciliation between this APM and the amounts presented in the financial statements for the first quarter of 2025 and the comparison with the 1Q24 figure. The criteria used to determine this metric were the same in both periods:

			1Q25				1Q24			
	Unit	Source Financial Statement	Pulp	Renewable Energy	Adjustments & Eliminations	CONSOLIDATED TOTAL	Pulp	Renewable Energy	Adjustments & Eliminations	CONSOLIDATED TOTAL
OPERATING PROFIT/(LOSS)	€ m	P&L	13.7	(2.6)	0.4	11.5	10.5	(1.5)	0.4	9.3
Depreciation and amortisation charges	€ m	P&L	12.0	8.5	(0.4)	20.1	15.1	8.2	(0.4)	22.9
Depletion of forest reserve	€ m	P&L	2.7	-	-	2.7	2.8	-	-	2.8
Impairment of and gains/(losses) on disposal of fixed assets	€ m	P&L	0.1	0.1	-	0.1	0.3	0.0	-	0.4
Other non-ordinary results from operations	€ m	APM	-	-	-	-	-	-	-	-
EBITDA	**€ m**		**28.5**	**6.0**	**-**	**34.5**	**28.8**	**6.6**	**-**	**35.4**

CASH COST

The cost per tonne of pulp, or cash cost, is the key measure used by management to measure and benchmark its efficiency as a pulp maker. Cash costs are analysed in section 2.3 of this report.

The cash cost includes all of the costs directly related with the production and sale of pulp that impact cash flows, without considering asset depreciation and amortisation charges, impairment losses on non-current assets or gains or losses on their disposal, other non-operating items, finance income or costs or income tax.

The cash cost can be measured as the difference between revenue from the sale of pulp and EBITDA in the Pulp business, adjusted for the settlement of hedges, forest depletion charges and the change in inventories. To calculate the cash cost, the related production costs are divided by the volume of tonnes produced, while overhead and sales and logistics costs are divided by the volume of tonnes sold.

Below is a reconciliation between this APM and the amounts presented in the financial statements for the first quarter of 2025 and the comparison with the 1Q24 figure. The criteria used to determine this metric were the same in both periods:

	Unit	Source Financial Statement	1Q25 Pulp	1Q24 Pulp
Revenue from pulp sales	€ m	P&L	120.6	145.9
EBITDA	€ m	APM	28.5	28.8
Total costs (Revenue - EBITDA)	€ m		92.1	117.1
Gains/(losses) on hedging transactions	€ m	APM	(1.3)	0.0
Depletion of forest reserve	€ m	P&L	2.7	2.8
Change in inventories	€ m	P&L	(2.0)	6.6
Other income and expenses	€ m		18.0	(3.4)
ADJUSTED CASH COST	€ m		109.5	123.2
Pulp production costs	€ m		92.6	104.3
No. of tonnes produced	Unit		214,252	254,865
PRODUCTION-RELATED COSTS PER TONNE	€/tonne		**432.1**	**409.2**
Overhead, sales and logistics costs			16.9	18.9
No. of tonnes sold	Unit		216,016	242,726
OVERHEAD, SALES AND LOGISTICS COSTS PER TONNE	€/tonne		**78.2**	**77.7**
CASH COST	**€/tonne**		**510.3**	**486.9**

"Other income and expenses" includes €30m of proceeds from the sale of energy savings certificates, €7.5m of extra costs derived from the incident affecting the Navia co-generation turbine; the loss on the sale of wood to third parties (-€0.6m in 1Q25 and -€0.6m in 1Q24), nursery costs (-€0.4m in 1Q25 and -€0.6m in 1Q24), long-term remuneration and termination benefits (-€1.4m in 1Q25 and -€0.8m in 1T24), receivables impairment allowances (-€1.2m in 1Q25 and -€0.9m in 1Q24) and bank charges (-€0.8m in 1Q25 and -€0.5m in 1Q24).

OPERATING PROFIT PER TONNE OF PULP

The operating profit referred to in sections 1 and 2.3 of this report is a yardstick for the operating profit generated by the Pulp business without taking into account asset depreciation and amortisation charges, impairment losses on non-current assets or gains or losses on their disposal or other non-operating items, adjusted for the settlement of hedges and forest depletion charges.

It provides a comparable measure of the business's profitability and is measured as the difference between the average sales price per tonne, calculated by dividing revenue from the sale of pulp by the number of tonnes sold, and the cash cost.

Below is a reconciliation between this APM and the amounts presented in the financial statements for the first quarter of 2025 and the comparison with the 1Q24 figure. The criteria used to determine this metric were the same in both periods:

	Unit	Source Financial Statement	1Q25 Pulp	1Q24 Pulp
Revenue from pulp sales	€ m	P&L	120.6	145.9
No. of tonnes sold	Unit		216,016	242,726
Average sales price per tonne (Revenue / # tonnes)	€/tonne		558.2	600.9
Cash cost (€)	€/tonne	APM	510.3	486.9
TOTAL OPERATING PROFIT PER TONNE OF PULP	**€/tonne**		**47.9**	**114.0**

NET FINANCE COST AND OTHER FINANCIAL ITEMS

Net finance cost and other financial items are included in the statement of profit or loss analysis presented in this report in sections 2.5, 3.3 and 4.1. They aggregate statement of profit or loss headings in order to facilitate their comparison.

Net finance cost encompasses the various items of finance income and finance costs, while other financial items encompasses exchange differences, the change in the fair value of financial instruments and impairment losses on financial instruments and gains or losses on their disposal.

Below is a reconciliation between this APM and the amounts presented in the financial statements for the first quarter of 2025 and the comparison with the 1Q24 figure. The criteria used to determine this metric were the same in both periods:

	Unit	Source Financial Statement	1Q25 Pulp	1Q25 Renewable Energy	1Q25 Adjustments & Eliminations	1Q25 CONSOLIDATED TOTAL	1Q24 Pulp	1Q24 Renewable Energy	1Q24 Adjustments & Eliminations	1Q24 CONSOLIDATED TOTAL
Finance income	€ m	P&L	2.2	0.9	(0.7)	2.4	2.3	0.5	(0.2)	2.6
Finance costs	€ m	P&L	(6.5)	(5.1)	0.7	(10.9)	(7.7)	(3.4)	0.2	(10.9)
NET FINANCE COST	**€ m**		**(4.3)**	**(4.2)**	**(0.0)**	**(8.5)**	**(5.4)**	**(2.9)**	**-**	**(8.3)**
Change in fair value of financial instruments	€ m	P&L	-	-	-	-	0.1	-	-	0.1
Exchange differences	€ m	P&L	(1.2)	-	-	(1.2)	0.5	(0.0)	-	0.5
OTHER FINANCIAL ITEMS	**€ m**		**(1.2)**	**-**	**-**	**(1.2)**	**0.6**	**(0.0)**	**-**	**0.5**
NET FINANCE INCOME/(COST)	€ m	P&L	(5.5)	(4.2)	(0.0)	(9.7)	(4.8)	(2.9)	-	(7.7)

MAINTENANCE, EFFICIENCY, GROWTH AND SUSTAINABILITY CAPEX

Ence provides the breakdown of the capital expenditure included in its statement of cash flows for each of its business units in sections 1, 2.6 and 3.4, classifying its investments into the following categories: maintenance capex, efficiency and growth capex, sustainability capex and financial investments.

Ence's technical experts classify its capital expenditure using the following criteria: Maintenance capex are recurring investments designed to maintain the capacity and productivity of the Group's assets. Efficiency and growth capex, meanwhile, are investments designed to increase those assets' capacity and productivity. Lastly, sustainability capex covers investments made to enhance quality standards and raise occupational health and safety and environmental performance. Financial investments correspond to payments for investments in financial assets.

Below is a reconciliation between this APM and the amounts presented in the financial statements for the first quarter of 2025 and the comparison with the 1Q24 figure. The criteria used to determine this metric were the same in both periods:

	Unit	Source Financial Statement	1Q25 Pulp	1Q25 Renewable Energy	1Q25 Adjustments & Eliminations	1Q25 CONSOLIDATED TOTAL	1Q24 Pulp	1Q24 Renewable Energy	1Q24 Adjustments & Eliminations	1Q24 CONSOLIDATED TOTAL
Maintenance capex	€ m		(6.2)	(2.0)	-	(8.1)	(5.1)	(0.4)	-	(5.5)
Efficiency and growth capex	€ m		(4.0)	(0.4)	-	(4.4)	(3.2)	(0.3)	-	(3.6)
Sustainability capex	€ m		(4.3)	(2.1)	-	(6.5)	(6.1)	(1.9)	-	(8.0)
Financial investments	€ m		(0.8)	(1.8)	0.8	(1.8)	(0.3)	0.7	0.4	0.8
TOTAL CAPITAL EXPENDITURE	**€ m**		**(15.4)**	**(6.3)**	**0.8**	**(20.8)**	**(14.7)**	**(2.0)**	**0.4**	**(16.3)**

OPERATING CASH FLOW

The operating cash flow analysed in sections 1, 2.6 and 3.4 of this report coincides with the net cash from operating activities presented in the statement of cash flows included in section 4.3. However, operating cash flow is arrived at by starting from EBITDA, whereas net cash from operating activities is arrived at by starting from profit before tax. As a result, the adjustments to profit do not coincide in the two calculations. This APM is provided to reconcile EBITDA and operating cash flow.

Below is a reconciliation between this APM and the amounts presented in the financial statements for the first quarter of 2025 and the comparison with the 1Q24 figure. The criteria used to determine this metric were the same in both periods:

	Unit	Source Financial Statement	1Q25 Pulp	1Q25 Renewable Energy	1Q25 Adjustments & Eliminations	1Q25 CONSOLIDATED TOTAL	1Q24 Pulp	1Q24 Renewable Energy	1Q24 Adjustments & Eliminations	1Q24 CONSOLIDATED TOTAL
EBITDA	€ m	APM	28.5	6.0	-	34.5	28.8	6.6	-	35.4
Other non-recurring items	€ m	APM	-	-	-	-	-	-	-	-
Adjustments to reconcile profit before tax to net cash flows:					-				-	
Changes in provisions and other deferred expense (net)	€ m	CF	(3.9)	0.8	-	(3.1)	6.3	0.4	-	6.7
Adjustments for tariff shortfall/surplus (electricity market)	€ m	CF	(0.6)	(1.5)	-	(2.0)	(0.9)	(6.2)	-	(7.1)
Grants taken to profit and loss	€ m	CF	(0.1)	(0.0)	-	(0.2)	(0.2)	(0.0)	-	(0.3)
Exchange differences with an impact on cash	€ m		0.1	(0.0)	-	0.0	(0.0)	(0.0)	-	(0.0)
Change in working capital	€ m		(6.1)	(2.3)	-	(8.4)	(41.2)	(19.3)	-	(60.5)
Interest paid, net (including right-of-use assets)	€ m	CF	(4.7)	(1.4)	-	(6.0)	(7.5)	(1.6)	-	(9.1)
Dividends received	€ m	CF	-	-	-	-	-	-	-	-
Income tax paid	€ m	CF	-	0.3	-	0.3	-	0.3	-	0.3
Other collections/(payments)	€ m	CF	0.0	-	-	0.0	-	-	-	-
OPERATING CASH FLOW			**13.2**	**1.8**	**-**	**15.0**	**(14.7)**	**(19.9)**	**-**	**(34.6)**

FREE CASH FLOW

Ence reports free cash flow as the sum of its net cash flows from operating activities and its net cash flows from investing activities in sections 1, 2.6, 3.4 and 4.3 of this report.

Free cash flow provides information about the cash generated by the Group's operating activities that is left over after its investing activities for the remuneration of shareholders and repayment of debt.

Below is a reconciliation between this APM and the amounts presented in the financial statements for the first quarter of 2025 and the comparison with the 1Q24 figure. The criteria used to determine this metric were the same in both periods:

	Unit	Source Financial Statement	1Q25 Pulp	1Q25 Renewable Energy	1Q25 Adjustments & Eliminations	1Q25 CONSOLIDATED TOTAL	1Q24 Pulp	1Q24 Renewable Energy	1Q24 Adjustments & Eliminations	1Q24 CONSOLIDATED TOTAL
Net cash flows from/(used in) operating activities	€ m	CF	13.2	1.8	-	15.0	(14.7)	(19.9)	-	(34.6)
Net cash flows from/(used in) investing activities	€ m	CF	(15.0)	(6.2)	0.8	(20.4)	(14.7)	(2.0)	0.4	(16.3)
FREE CASH FLOW	**€ m**		**(1.8)**	**(4.4)**	**0.8**	**(5.3)**	**(29.4)**	**(21.8)**	**0.4**	**(51.0)**

NORMALISED FREE CASH FLOW

Ence reports normalised free cash flow within the cash flow metrics for each of its two business units in sections 1, 2.6 and 3.4 of this report. Normalised FCF is the sum of EBITDA, the change in working capital, maintenance capital expenditure, net interest payments and income tax payments.

Normalised free cash flow provides a proxy for the cash generated by the Group's operating activities before collection of proceeds from asset sales and other adjustments to profit. It represents the amount available for investments other than maintenance capex, for shareholder remuneration and for debt repayment.

Below is a reconciliation between this APM and the amounts presented in the financial statements for the first quarter of 2025 and the comparison with the 1Q24 figure. The criteria used to determine this metric were the same in both periods:

	Unit	Source Financial Statement	1Q25 Pulp	1Q25 Renewable Energy	1Q25 Adjustments & Eliminations	1Q25 CONSOLIDATED TOTAL	1Q24 Pulp	1Q24 Renewable Energy	1Q24 Adjustments & Eliminations	1Q24 CONSOLIDATED TOTAL
EBITDA	€ m	APM	28.5	6.0	-	34.5	28.8	6.6	-	35.4
Changes in working capital:					-				-	
Inventories	€ m	CF	(7.5)	(2.7)	-	(10.2)	(7.5)	2.3	-	(5.1)
Trade and other receivables	€ m	CF	1.6	9.9	(4.4)	7.1	(24.7)	(21.9)	2.5	(44.1)
Short-term investments	€ m	CF	-	-	-	-	(1.1)	(0.0)	-	(1.1)
Trade payables, other payables and other liabilities	€ m	CF	(0.2)	(9.5)	4.4	(5.2)	(7.9)	0.2	(2.5)	(10.2)
Maintenance capex	€ m	APM	(6.2)	(2.0)	-	(8.1)	(5.1)	(0.4)	-	(5.5)
Interest paid, net (including right-of-use assets)	€ m	CF	(4.7)	(1.4)	-	(6.0)	(7.5)	(1.6)	(0.1)	(9.1)
Income tax paid	€ m	CF	-	0.3	-	0.3	-	0.3	-	0.3
NORMALISED FREE CASH FLOW	**€ m**		**11.5**	**0.7**	**-**	**12.2**	**(25.0)**	**(14.5)**	**-**	**(39.6)**

NET DEBT/(CASH)

The borrowings recognised on the statement of financial position, as detailed in section 4.2 of this report, include bonds and other marketable securities, bank borrowings and other financial liabilities, including lease liabilities (under IFRS 16). They do not include, however, the measurement of derivatives or borrowings from Group companies and associates.

Net debt/(cash) is calculated as the difference between current and non-current borrowings on the liability side of the statement of financial position and unrestricted cash on the asset side, which includes cash and cash equivalents, the debt service cash reserve (included within non-current financial assets) and other financial investments (within current assets), as outlined in sections 2.7 and 3.5 of this report.

Net debt/(cash) provides a proxy for the Group's net indebtedness or liquidity and is a metric that is widely used in the capital markets to compare the financial position of different companies.

Below is a reconciliation between this APM and the amounts presented in the financial statements for the first quarter of 2025 and the comparison with the 1Q24 figure. The criteria used to determine this metric were the same in both periods:

			Mar. 2025				Dic. 2024			
			Negocio Celulosa	Negocio de Renovables	Ajustes y Eliminaciones	TOTAL CONSOLIDADO	Negocio Celulosa	Negocio de Renovables	Ajustes y Eliminaciones	TOTAL CONSOLIDADO
Non-current borrowings:										
Bonds and other maketable securities	€ m	BS	14.6	-		14.6	15.6	-		15.6
Bank borrowings	€ m	BS	208.1	165.2		373.3	202.2	151.2		353.4
Other financial liabilities	€ m	BS	73.2	3.7		76.9	73.5	4.0		77.5
Current borrowings:	€ m									
Bonds and other maketable securities	€ m	BS	14.6	-		14.6	15.6	-		15.6
Bank borrowings	€ m	BS	138.8	13.6		152.4	119.9	11.3		131.2
Other financial liabilities	€ m	BS	13.9	2.0		15.9	13.7	1.8		15.5
Cash and cash equivalents	€ m	BS	212.6	88.8		301.4	184.6	79.4		263.9
Current financial assets - Other financial investments	€ m		3.5	0.1		3.6	13.3	0.2		13.6
Cash reserve for debt service	€ m		-	11.5		11.5	-	10.0		10.0
NET DEBT/(CASH)	€ m		**247.3**	**84.2**		**331.4**	**242.6**	**78.6**		**321.2**

ROCE

ROCE stands for the return on capital employed and is used by management as a key profitability performance indicator. It is provided in section 1 of this report. ROCE is widely used in the capital markets to measure and compare the earnings performance of different companies.

It is calculated by dividing EBIT for the last 12 months by average capital employed during the period, capital employed being the sum of equity and net debt. For the Pulp business, equity is calculated as the difference between consolidated equity and the equity recognised by the Renewables business.

Below is a reconciliation between this APM and the amounts presented in the financial statements for the first quarter of 2025 and the comparison with the 1Q24 figure. The criteria used to determine this metric were the same in both periods:

			1Q25				1Q24			
	Unit	Source Financial Statement	Pulp	Renewable Energy	Adjustments & Eliminations	CONSOLIDATED TOTAL	Pulp	Renewable Energy	Adjustments & Eliminations	CONSOLIDATED TOTAL
EBIT, last 12 months	€ m	P&L	75.9	(12.0)	1.6	65.5	(14.9)	(8.2)	1.6	(21.5)
Average capital employed, last 12 months					-					
Average equity	€ m	BS	441.2	204.7	-	645.8	446.9	238.0	-	685.0
Average net debt	€ m	BS	225.1	81.5	-	306.6	157.3	87.6	-	244.7
ROCE	**%**		**11.4%**	**(4.2%)**	**-**	**6.9%**	**(2.5%)**	**(2.5%)**	**-**	**(2.3%)**

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The information contained in this report was prepared by Ence and includes forward-looking statements.

Any statements made in this report other than those based on historical information, including, merely for illustrative purposes, those referring to Ence's financial situation, business strategy, planned capital expenditure, management plans and objectives related to future operations, as well as statements including words such as “anticipate”, “believe”, “estimate”, “consider”, “expect” and other similar expressions, constitute forward-looking statements that reflect the current outlook of Ence or its management team with respect to future events and involve known and unknown risks and uncertainties. As a result, the actual situation and results of Ence and its sector could differ substantially from those depicted expressly or implicitly in these forward-looking statements.

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Earnings Report
1Q25

Global ESG score: 93/100