Earnings Report

2nd Quarter 2026

21st July 2026

Ence Energía y Celulosa, S.A.

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1. Executive Summary

Market figures	2Q26	2Q25	Δ%	1Q26	Δ%	6M26	6M25	Δ%
BHKP (USD/t) average price	1.358	1.177	*15,3%*	1.194	*13,7%*	1.276	1.121,7	*13,8%*
Average exchange rate (USD/€)	1,16	1,13	*3,4%*	1,17	*(0,8%)*	1,17	1,09	*7,3%*
BHKP (€/t) average price	1.166	1.045	*11,5%*	1.017	*14,7%*	1.093	1.031	*6,0%*

Operating Metrics	2Q26	2Q25	Δ%	1Q26	Δ%	6M26	6M25	Δ%
Pulp production (t)	**254.675**	**256.450**	***(0,7%)***	**185.981**	***36,9%***	**440.656**	**470.702**	***(6,4%)***
Pulp sales (t)	**247.175**	**242.710**	***1,8%***	**206.820**	***19,5%***	**453.995**	**458.725**	***(1,0%)***
Ence Advanced pulp sales (%)	34%	30%	*4,7 p.p.*	34%	*0,5 p.p.*	34%	32%	*2,1 p.p.*
Average sales pulp price (€/t)	558	542	*3,0%*	495	*12,6%*	529	549	*(3,7%)*
Cash cost (€/t)	455	488	*(6,7%)*	522	*(12,9%)*	484	498	*(2,9%)*
Operating margin (w/o hedging) (€/t)	**102,8**	**53,7**	***91,3%***	**(27,0)**	***n.s.***	**45,7**	**51,3**	***(11,0%)***
Renewable Energy sales volume (MWh)	254.224	302.521	*(16,0%)*	262.965	*(3,3%)*	517.189	579.956	*(10,8%)*
Average sales price (€/MWh)	144	125	*15%*	123	*17,1%*	133	142	*(6,0%)*
Remuneration for investment (€ m)	6,0	6,4	*(6,2%)*	6,0	*(0,0%)*	12,1	12,9	*(6,2%)*

P&L € m	2Q26	2Q25	Δ%	1Q26	Δ%	6M26	6M25	Δ%
Revenue from Pulp business	156,3	146,4	*6,8%*	113,8	*37,3%*	270,1	281,7	*(4,1%)*
Revenue from Renewable Energy business	46,1	46,7	*(1,4%)*	40,7	*13,3%*	86,7	99,1	*(12,5%)*
Consolidation adjustments	(1,4)	(0,8)	*(70,0%)*	(0,7)	*(99,6%)*	(2,0)	(1,6)	*(29,9%)*
Total revenue	**201,0**	**192,3**	*4,5%*	**153,8**	*30,7%*	**354,8**	**379,2**	*(6,4%)*
Pulp business EBITDA	22,7	20,0	*13,3%*	(1,4)	*n.s.*	21,3	48,5	*(56,2%)*
Renewable Energy business EBITDA	4,5	3,5	*28,9%*	2,6	*77,1%*	7,1	9,5	*(25,4%)*
EBITDA	**27,2**	**23,5**	*15,6%*	**1,2**	*n.s.*	**28,4**	**58,0**	*(51,1%)*
Depreciation, amortisation and forestry depletion	(23,0)	(24,0)	*4,2%*	(21,0)	*(9,6%)*	(43,9)	(46,8)	*6,1%*
Impairment of and gains/(losses) on fixed-assets	0,0	0,1	*(65,2%)*	0,0	*155,6%*	0,0	(0,1)	*n.s.*
Other non-ordinary results of operations	(1,0)	(1,1)	*10,9%*	2,2	*n.s.*	1,2	(1,1)	*n.s.*
EBIT	**3,3**	**(1,5)**	*n.s.*	**(17,6)**	*n.s.*	**(14,3)**	**10,1**	*n.s.*
Net finance cost	(5,8)	(11,2)	*47,9%*	(8,9)	*34,6%*	(14,7)	(19,7)	*25,2%*
Other finance income/(cost) results	0,5	(2,5)	*n.s.*	0,9	*(41,3%)*	1,4	(3,7)	*n.s.*
Profit before tax	**(2,0)**	**(15,1)**	*86,8%*	**(25,7)**	*92,2%*	**(27,7)**	**(13,3)**	*(108,0%)*
Income tax	(1,1)	2,2	*n.s.*	4,1	*n.s.*	3,0	0,3	*n.s.*
Consolidated Net income	**(3,1)**	**(13,0)**	*76,2%*	**(21,6)**	*85,7%*	**(24,7)**	**(13,0)**	*(90,3%)*
Non-controlling interests	3,6	3,7	*(2,5%)*	4,0	*(11,5%)*	7,6	6,1	*24,8%*
Attributable Net Income	**0,5**	**(9,3)**	*n.s.*	**(17,6)**	*n.s.*	**(17,1)**	**(6,9)**	*(148,4%)*
Earnings per share (Basic EPS)	0,00	(0,04)	*n.s.*	(0,07)	*n.s.*	(0,07)	(0,03)	*(148,7%)*

Cash flow € m	2Q26	2Q25	Δ%	1Q26	Δ%	6M26	6M25	Δ%
EBITDA	**27,2**	**23,5**	*15,6%*	**1,2**	*n.s.*	**28,4**	**58,0**	*(51,1%)*
Change in working capital	(10,6)	(9,5)	*(11,3%)*	(18,0)	*41,4%*	(28,6)	(17,9)	*(59,9%)*
Maintenance capex	(6,1)	(12,2)	*50,0%*	(7,9)	*23,1%*	(14,0)	(20,3)	*31,1%*
Net interest Payment	(10,3)	(12,3)	*16,5%*	(7,0)	*(46,5%)*	(17,3)	(18,3)	*5,7%*
Income tax received/(paid)	(0,2)	(2,5)	*90,9%*	0,3	*n.s.*	0,0	(2,2)	*n.s.*
Normalised free cash flow	**0,1**	**(12,9)**	***n.s.***	**(31,5)**	***n.s.***	**(31,5)**	**(0,7)**	***n.s.***
Other cash adjustments	(2,2)	0,4	*n.s.*	(4,7)	*52,4%*	(7,0)	(4,9)	*(41,8%)*
Efficiency and expansion capex	(25,1)	(12,7)	*(97,4%)*	(37,1)	*32,4%*	(62,2)	(19,2)	*(224,7%)*
Sustainability capex and other	(2,2)	(6,4)	*65,6%*	(3,7)	*40,3%*	(5,8)	(10,8)	*45,8%*
Financial investments and in Group companies	(0,0)	1,3	*n.s.*	-	*n.s.*	(0,0)	(0,6)	*92,8%*
Disposals	0,6	(0,1)	*n.s.*	0,8	*(26,5%)*	1,4	0,4	*235,2%*
Free cash flow	**(28,9)**	**(30,4)**	*4,7%*	**(76,2)**	*62,1%*	**(105,2)**	**(35,7)**	*(194,7%)*
Dividends from the parent	0,0	-	*n.s.*	(0,0)	*n.s.*	(0,0)	-	*n.s.*
Dividend to minorities	-	-	*n.s.*	-	*n.s.*	-	-	*n.s.*
Proceeds/(payments) of equity instruments	(0,2)	(0,7)	*73,9%*	(0,1)	*(91,0%)*	(0,3)	(0,7)	*58,1%*
Other movements in borrowings	(1,5)	(0,0)	*n.s.*	(7,6)	*79,8%*	(9,1)	(5,0)	*(83,5%)*
Net decrease / (increase) in net debt (€ m)	**(30,6)**	**(31,1)**	*1,3%*	**(83,9)**	*63,5%*	**(114,6)**	**(41,3)**	*(177,3%)*

Net debt € m	Jun-2026	Dec-2025	Δ%
Net debt Pulp business	368,7	266,3	*38,5%*
Net debt Renewable business	123,9	111,8	*10,9%*
Group net debt	**492,7**	**378,1**	*30,3%*

- In the second quarter of 2026, Ence returned to profitability as a result of the increase in pulp prices since the beginning of the year, the initial savings generated by the Efficiency and Competitiveness Plan, and the normalisation of activity following a first quarter affected by weather-related and social disruptions linked to the collective redundancy procedures being implemented.
- In this context, 2Q26 consolidated EBITDA reached €27m, up 16% year-on-year —despite the prior-year period including €10m from Energy Savings Certificates (“CAEs”)— and €26m above the level recorded in the first quarter of 2026. The Group’s net financial debt stood at €493m, including €69m of leases under IFRS 16, with €179m of cash and cash equivalents on the balance sheet, representing an increase of €115m compared with December 2025. This increase reflects the concentration of investments in the first half of the year, linked to projects launched in the previous year, as well as the concentration of scheduled maintenance shutdowns in the regulated renewable biomass power generation business.
- Pulp:
  - Disruptions to logistics routes stemming from the conflict in the Middle East have led to a decoupling of prices between China and Europe, widening the positive differential for the European market amid lower inflows of finished products —mainly paper and tissue— into the region. This environment has enabled European producers to increase production volumes and strengthen their ability to pass price increases on to end customers.
  - The gross price of hardwood pulp closed the quarter at $1,409/t, 28% above the level recorded in December 2025. Pricing conditions should remain strong during the second half of the year, despite the usual seasonal adjustment in the summer months due to lower activity. This expectation is supported by current inventory levels, the progressive increase in the share of hardwood pulp versus softwood pulp, and the ongoing restructuring of softwood pulp capacity in the market.
  - Ence continues to expand its portfolio of specialty products that substitute softwood pulp, including its new fluff line. These products, which generate an average additional margin of €36/t compared with standard pulp, account for 34% of sales in 2026, up from 30% in 2025. The target is for them to exceed 62% by 2028, reinforcing Ence’s repositioning as a highly cost-competitive producer of softwood pulp substitute products.
  - Cash cost in 2Q26 stood at €455/t, €33/t below 2Q25 and €24/t below normalized cash cost (excluding the strike in Navia). This improvement reflects progress under the Efficiency & Competitiveness Plan, despite the inflationary environment and isolated social disputes associated with the implementation of the ongoing collective redundancy procedures.
  - Significant progress was made during the period under the Efficiency and Competitiveness Plan. On the one hand, savings from process reengineering and AI initiatives with annual equivalent impact of 8M€ have been materialized or were under execution in the first half of the year. On the other hand, investments related to the Navia Efficiency and Decarbonization Project have been completed and is expected to generate annual savings of €8/t in the Group’s cash cost. The latter together with headcount measures should start bearing results in the 2H2026.
- Biomass backboned renewable energy platform:
  - Production in the biomass to regulated electricity business reached 254 GWh, 16% below 2Q25 and 3% below 1Q26. This performance reflects the concentration of the Group’s annual maintenance shutdowns across all plants in the period, following the incidents caused by the historic rainfall recorded in the first quarter of the year.
  - In renewable industrial heat, the pipeline continues to progress in both development and execution, with one project comprising two boilers commissioned during the quarter. Two additional projects are expected to start operations in the second half of the year, and the year is expected to close with five projects in operation, four more than at year-end 2025. In addition, MOEVE has selected Magnon Servicios Energéticos as the supplier to install a thermal energy plant at its Huelva refinery; both companies are currently in the final stage of contractual negotiations. This is a large-scale project, with expected production of more than 350 GWht —over 17% of the 2030 production target— and has been declared strategic by the Regional Government of Andalusia.
  - In biomethane, the pipeline continues to advance, with 41 projects and up to 4 TWh of capacity, compared with the 1 TWh target for 2030. All projects have grid connection, locations where feedstock availability is three times higher than the plant’s requirements, and completed feasibility studies; 28 are currently in the engineering and permitting phase, and the first Integrated Environmental Authorizations (AAIs) are expected in the second half of 2026.

2. Pulp Business

Ence operates two eucalyptus-based hardwood pulp (BHKP) biofactories in north-western Spain: one in Navia, Asturias, with installed capacity of 685,000 tonnes on owned land, and another in Pontevedra, Galicia, with capacity of 515,000 tonnes on concession land. Both facilities use eucalyptus wood mainly sourced from areas surrounding the biofactories (less than 110km average radius) and from certified responsible sources that ensure sustainable forest management.

Its production strategy focuses on specialty products that substitute softwood pulp and generate higher margins than standard hardwood pulp. Specialty pulp products accounted for 34% of total sales volume in the first half of 2026, up from 30% in 2025, and are expected to exceed 62% of the Group's sales by 2028.

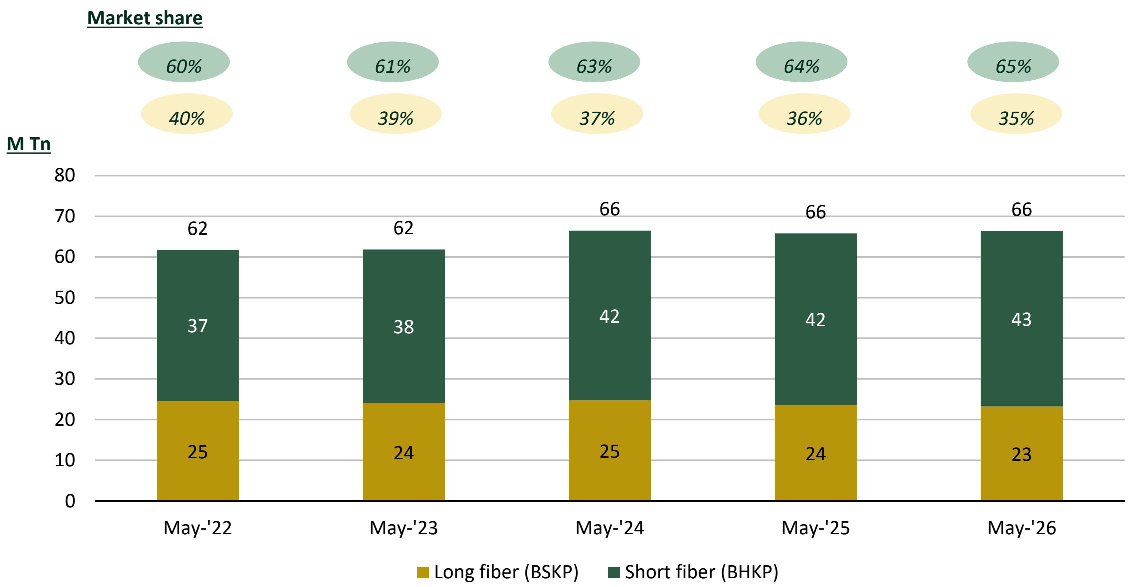
Ence's pulp business comprises all activities related to pulp production for sale to third parties. This includes not only pulp production and sales, but also cogeneration and renewable biomass power generation at plants linked to the production process, as well as the supply and sale of wood from sustainably managed plantations operated by the Company.

2.i) Pulp market evolution:

Based on data until May, global demand for hardwood pulp has grown at a compound annual growth rate of 4% over the last five years, increasing its market share by five percentage points versus softwood pulp, demand for which has declined at an annual rate of 1%. The overall market has grown at an annual rate of 2%.

These figures highlight the resilience of global market demand, supported by urban population growth and rising living standards in emerging economies, as well as the continued consolidation of the fiber substitution process. This trend is driving further penetration of hardwood pulp —mainly produced from eucalyptus wood— in the manufacture of products that have traditionally used softwood pulp, primarily pine and spruce.

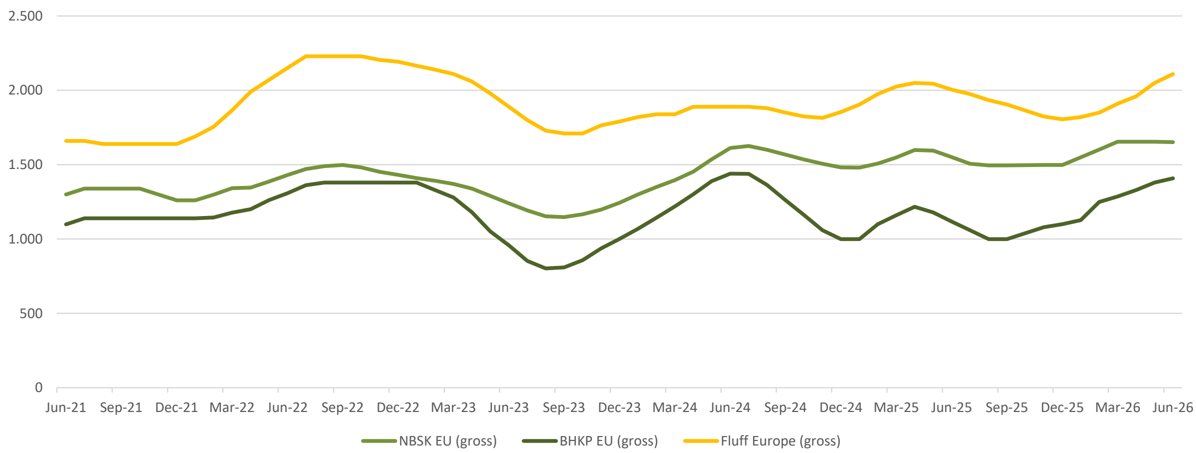
Global Pulp demand evolution (last 5 years)



Source: PPPC (Global – 100). May 2026 data, LTM figures from May.

The gross price of hardwood pulp in Europe closed the quarter at $1,409/t, compared with $1,100/t at year-end. Disruptions to logistics routes in the context of the conflict in the Middle East have reduced imports of finished products —paper and tissue— enabling European producers to increase production volumes and strengthen their ability to pass price increases on to end customers.

European gross prices, last 5 years (USD/tn)



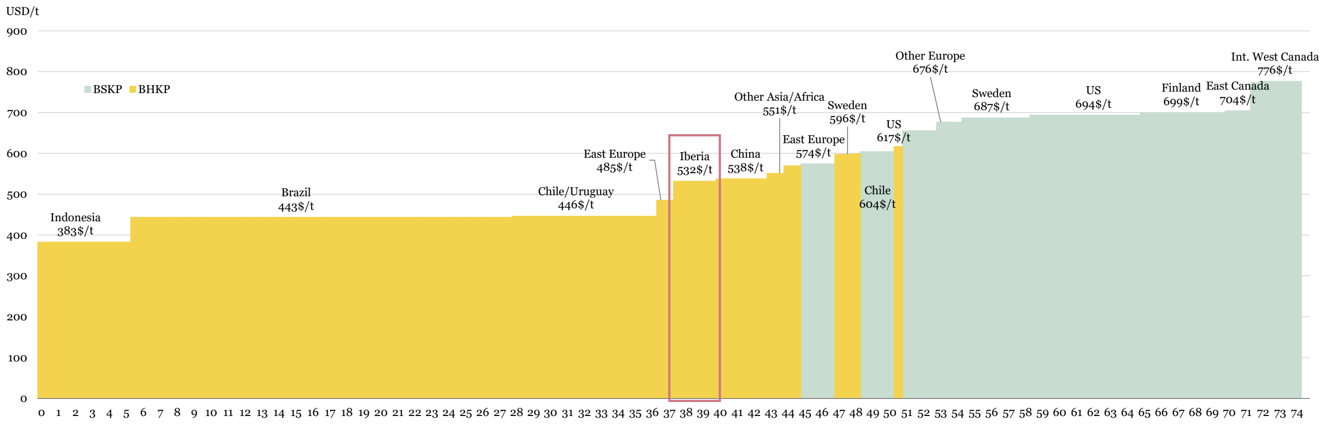
The average benchmark price for hardwood pulp (BHKP) in Europe in the second quarter was $1,358/t gross per tonne, representing a 15% increase compared with the same period in 2025 and a 14% increase versus the previous quarter.

Market figures	2Q26	2Q25	Δ%	1Q26	Δ%	6M26	6M25	Δ%
BHKP (USD/t) average price	1.357,7	1.177,2	*15,3%*	1.193,6	*13,7%*	1.276	1.121,7	*13,8%*
Average exchange rate (USD/€)	1,16	1,13	*3,4%*	1,17	*(0,8%)*	1,17	1,09	*7,3%*
BHKP (€/t) average price	1.166,0	1.045,5	*11,5%*	1.016,9	*14,7%*	1.092,8	1.030,6	*6,0%*

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

From a cost perspective, the global cash cost curve highlights the greater competitiveness of hardwood pulp producers compared with softwood pulp producers. Ence's strategy focused on specialty products that substitute softwood pulp —which already account for 34% of sales and are expected to exceed 62% by 2028— is strengthening its position on the global cost curve as the most competitive producer among softwood pulp manufacturers.

Global cash cost curve (€/tn)



Source: Hawkins Wright. CIF Europe (April 2026)

2.ii) Revenue from pulp sales:

Pulp sales volume in the second quarter of 2026 stood at 247,175 tonnes, up 2% year-on-year and 20% compared with the previous quarter, which had been affected by the strike at Navia.

	2Q26	2Q25	Δ%	1Q26	Δ%	6M26	6M25	Δ%
Pulp sales (t)	**247.175**	**242.710**	*1,8%*	**206.820**	*19,5%*	**453.995**	**458.725**	*(1,0%)*
Average sales price (w/o hedging) (€/t)	557,8	541,6	*3,0%*	495,2	*12,6%*	529,3	549,4	*(3,7%)*
Pulp sales revenue (€ m)	**137,9**	**131,5**	*4,9%*	**102,4**	*34,6%*	**240,3**	**252,0**	*(4,7%)*

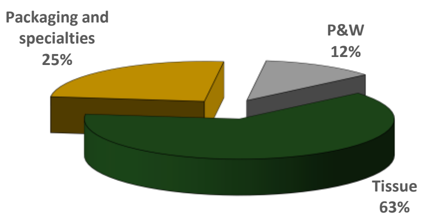
The average selling price, excluding FX hedges, was €558/t, up 3% versus 2Q25 and 13% versus the previous quarter. The increases in the gross BHKP price in Europe since the beginning of the year are starting to feed through to results. As a result, pulp sales revenue amounted to €138m, up 5% versus 2Q25 and 35% versus 1Q26.

Specialty pulp products that substitute softwood pulp continue to gain weight in the sales mix: they accounted for 30% of total pulp sales in 2025 and reached 34% in the first half of 2026.

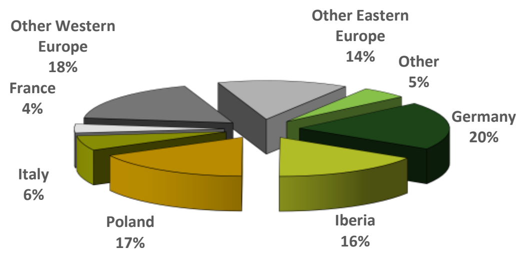
The new fluff pulp line, commissioned in 4Q25, continues to make progress. During the quarter, three qualification processes were completed and industrial trials are underway with 15 customers, with the target of reaching 125,000 tonnes of sales by 2028. Through this activity, Ence is positioning itself as the only European producer of eucalyptus-based fluff pulp. As a result, specialty pulp products as a whole are estimated to generate an incremental margin of €36/t compared with the standard product.

Tissue paper remains the main end use for the fibre sold by Ence, representing 63% of pulp sales revenue in the second quarter of 2026, followed by packaging and specialties, with 25%. Printing and writing accounted for the remaining 12%.

Revenue breakdown by end-product



Revenue breakdown by geography



By geograpy, virtually all of our sales are directed to the European market, where we have significant competitive advantages in logistics and customer service, and where our pulp is mainly used to manufacture essential goods, such as hygiene products. In the first semester of 2026, Germany accounted for 20% of revenue, followed by Poland with 17% and Iberia with 16%, Italy with 6% and France with 4%. The remaining Western European countries accounted for a combined 18% of revenue, while other Eastern European countries represented 14%.

In the context of global trade tensions experienced in the first half of the year, and as a result of the conflict in the Strait of Hormuz, Ence not only has a European exposure in terms of sales, but also, from a supply perspective, its strategy is fundamentally local.

2.iii) Pulp production and cash cost:

Pulp production in the second quarter of 2026 amounted to 254,675 tonnes, in line with the same period of 2025 and 37% higher than in the previous quarter. By mill, production at Navia stood at 149,263 tonnes, 2% higher than in the same period of the previous year and 67% above the previous quarter, which had been affected by the strike. In Pontevedra, production reached 105,412 tonnes, 4% lower than in the second quarter of 2025 and 9% higher than in the previous quarter.

	2Q26	2Q25	Δ%	1Q26	Δ%	6M26	6M25	Δ%
Navia pulp production (t)	149.263	146.204	*2,1%*	89.294	*67,2%*	238.557	256.521	*(7,0%)*
Pontevedra pulp production (t)	105.412	110.246	*(4,4%)*	96.687	*9,0%*	202.099	214.181	*(5,6%)*
Pulp production (t)	**254.675**	**256.450**	*(0,7%)*	**185.981**	*36,9%*	**440.656**	**470.702**	*(6,4%)*

Cash cost in the quarter stood at €455/t compared with €488/t in the same quarter of the previous year and €522/t in the first quarter of 2026 (€479/t excluding the impact of the strike). Cost improvements were achieved in an inflationary environment driven by the conflict in the Middle East and despite minor social disputes related to the ongoing collective redundancy procedures (c. €4/t), and reflect the Efficiency and Competitiveness Plan and the Company-wide focus on cost reduction.

As a result, the operating margin per tonne stood at €103/t, €49/t higher than in 2Q25 and €130/t higher than in the previous quarter.

Figures in €/t	2Q26	2Q25	Δ%	1Q26	Δ%	6M26	6M25	Δ%
Average sales price (w/o hedging) (€/t)	557,8	541,6	*3,0%*	495,2	*12,6%*	529,3	549,4	*(3,7%)*
Total cash cost (€/t)	455,1	487,9	*(6,7%)*	522,2	*(12,9%)*	483,6	498,1	*(2,9%)*
Operating margin (w/o hedging) (€/t)	**102,8**	**53,7**	*91,3%*	**(27,0)**	*n.s.*	**45,7**	**51,3**	*(11,0%)*

2.iv) Other income:

The pulp production process is self-sufficient in electricity. Ence uses the lignin and forest biomass derived from the pulp production process to generate renewable energy. To this end, it has a 35 MW lignin cogeneration plant integrated into the Pontevedra biofactory, as well as a lignin cogeneration plant and a biomass power generation plant, with capacities of 40 MW and 37 MW, respectively, integrated into the Navia biofactory. The surplus renewable energy is sold to the electricity grid.

Figures in € m	2Q26	2Q25	Δ%	1Q26	Δ%	6M26	6M25	Δ%
Revenues from energy sales linked to pulp (€ m)	12,0	7,1	*69,4%*	7,5	*59,9%*	19,5	15,6	*25,0%*
Forestry and other revenue (€ m)	6,4	7,8	*(18,5%)*	3,9	*63,2%*	10,3	14,0	*(26,6%)*
Other income	**18,4**	**14,9**	*23,3%*	**11,4**	*61,0%*	**29,8**	**29,6**	*0,6%*

In addition to pulp and energy sales, the Pulp business includes other activities, most notably the sale to third parties of wood from the Company's own eucalyptus plantations located in southern Spain. Overall, this revenue amounted to €18m in the quarter.

2.v) Statement of Profit & Loss:

EBITDA in the second quarter of the year was €23m, 13% higher than in 2Q25, although that period included €10m of revenue from Energy Savings Certificates, and compared with negative EBITDA of €1.4m in the previous quarter.

Figures in € m	2Q26	2Q25	Δ%	1Q26	Δ%	6M26	6M25	Δ%
Pulp sales revenue	137,9	131,5	*4,9%*	102,4	*34,6%*	240,3	252,0	*(4,7%)*
Other income	18,4	14,9	*23,3%*	11,4	*61,0%*	29,8	29,6	*0,6%*
Total net revenue	**156,3**	**146,4**	*6,8%*	**113,8**	*37,3%*	**270,1**	**281,7**	*(4,1%)*
EBITDA	**22,7**	**20,0**	*13,3%*	**(1,4)**	*n.s.*	**21,3**	**48,5**	*(56,2%)*
Depreciation and amortisation	(13,9)	(13,6)	*(2,0%)*	(12,4)	*(11,9%)*	(26,3)	(25,6)	*(2,7%)*
Depletion of forestry reserves	(1,5)	(2,5)	*39,1%*	(0,8)	*(84,0%)*	(2,4)	(5,2)	*55,0%*
Impairment of and gains/(losses) on fixed-asset disp.	0,0	0,0	*(94,1%)*	0,0	*(77,8%)*	0,0	(0,0)	*n.s.*
Other non-ordinary results from operations	-	(1,1)	*100,0%*	2,2	*(100,0%)*	2,2	(1,1)	*n.s.*
EBIT	**7,3**	**2,9**	*153,4%*	**(12,5)**	*n.s.*	**(5,2)**	**16,6**	*n.s.*
Net finance cost	(5,2)	(6,7)	*23,3%*	(4,7)	*(10,3%)*	(9,8)	(11,1)	*11,2%*
Other financial results	0,5	(2,6)	*n.s.*	0,5	*(7,9%)*	1,0	(3,8)	*n.s.*
Profit before tax	**2,6**	**(6,4)**	*n.s.*	**(16,6)**	*n.s.*	**(14,0)**	**1,8**	*n.s.*
Income tax	(0,3)	1,6	*n.s.*	4,0	*n.s.*	3,7	(0,4)	*n.s.*
Net Income	**2,3**	**(4,8)**	*n.s.*	**(12,6)**	*n.s.*	**(10,2)**	**1,4**	*n.s.*

Below EBITDA, depreciation and amortisation expense amounted to €14m in the second quarter, in line with the same period of the previous year and -€1.5m vs 1Q26. Forestry depletion stood at €2m, compared with €3m in the second quarter of 2025 and €1m in the previous quarter.

Net finance expense amounted to €5m, compared with €7m in the same period of 2025, while other financial results, which mainly reflect the impact of exchange rate movements on working capital during the period, recorded a positive balance of €0.5m, compared with a loss of €3m in the second quarter of 2025 and aligned with 1Q26 results.

Income tax represented an expense of €0.3m. In this regard, it should be noted that, at period-end, the Company had €32m of tax loss carryforwards pending recovery.

Net profit in the quarter amounted to €2m, compared to €5m of losses in the same quarter of 2025 and €13m in the previous quarter, marking a turning point for the Company as it returns to profitability.

2.vi) Cash flow analysis:

Operating cash flow for the quarter amounted to €9m, compared with €0m in the same period of the previous year and negative €25m in the first quarter of 2026. The higher cash generation was driven by the improved operating result and the collection of €21m from historical tax loss carryforwards.

Figures in € m	2Q26	2Q25	Δ%	1Q26	Δ%	6M26	6M25	Δ%
EBITDA	**22,7**	**20,0**	*13%*	**(1,4)**	*n.s.*	**21,3**	**48,5**	*(56%)*
Other cash adjustments	(0,9)	0,5	*n.s.*	(4,4)	*79%*	(5,3)	(4,0)	*(31%)*
Change in working capital	(8,9)	(11,9)	*26%*	(13,3)	*34%*	(22,2)	(18,0)	*(23%)*
Income tax received / (paid)	(0,2)	(2,5)	*93%*	0,1	*n.s.*	(0,0)	(2,5)	*99%*
Net interest received / (paid)	(4,2)	(5,7)	*27%*	(5,8)	*28%*	(10,0)	(10,3)	*3%*
Net cash flow from operating activities	**8,6**	**0,4**	*n.s.*	**(24,8)**	*n.s.*	**(16,2)**	**13,6**	*n.s.*

The change in working capital represented a cash outflow of €9m, mainly due to trade and other payables and increasing inventories.

Figures in € m	2Q26	2Q25	Δ%	1Q26	Δ%	6M26	6M25	Δ%
Inventories	(4,9)	(6,2)	*20,8%*	(1,5)	*(232,0%)*	(6,3)	(13,7)	*53,6%*
Trade and other receivables	1,9	(11,1)	*n.s.*	(15,0)	*n.s.*	(13,2)	(9,5)	*(38,5%)*
Financial and other current assets	-	-	*n.s.*	-	*n.s.*	-	-	*n.s.*
Trade and other payables	(5,9)	5,3	*n.s.*	3,2	*n.s.*	(2,7)	5,1	*n.s.*
Change in working capital	**(8,9)**	**(11,9)**	*25,7%*	**(13,3)**	*33,6%*	**(22,2)**	**(18,0)**	*26,1%*

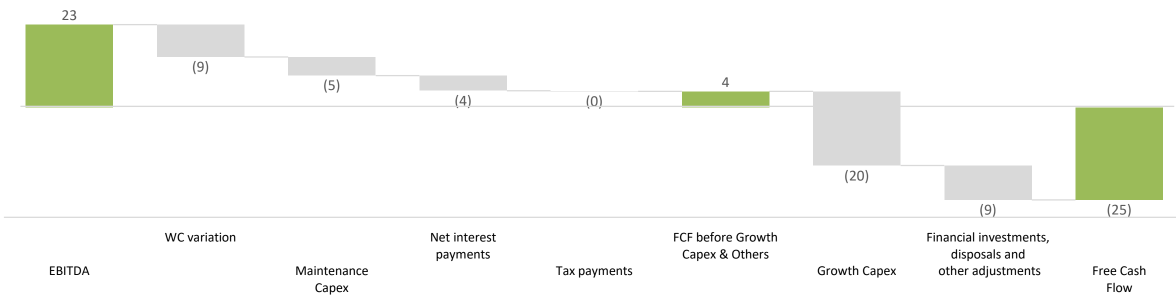
The drawn balance of non-recourse factoring facilities in the Pulp business at the end of the quarter amounted to €82m, compared with a drawn balance of €89m at the end of the previous year. In addition, Ence has entered into several confirming agreements, with a drawn balance of €63m at the end of the quarter, compared with €64m at the end of 2025. The contracted confirming facilities do not include the provision of guarantees, do not alter the average payment period agreed with suppliers and do not accrue any financial cost.

Figures in € m	2Q26	2Q25	Δ%	1Q26	Δ%	6M26	6M25	Δ%
Maintenance capex	(5,1)	(9,2)	*(44,9%)*	(6,8)	*(25,6%)*	(11,9)	(15,4)	*(22,6%)*
Sustainability capex and other	(1,7)	(5,6)	*(69,6%)*	(3,4)	*(50,1%)*	(5,1)	(9,7)	*(46,9%)*
Efficiency and expansion capex	(18,5)	(9,1)	*104,4%*	(31,7)	*(41,5%)*	(50,3)	(13,4)	*n.s.*
Financial investments and in Group companies	(9,0)	16,4	*n.s.*	(3,3)	*172,2%*	(12,3)	15,6	*n.s.*
Investments	**(34,4)**	**(7,5)**	*n.s.*	**(45,3)**	*(24,2%)*	**(79,7)**	**(22,9)**	*247,5%*
Disposals [1]	0,5	(0,1)	*n.s.*	0,8	*(34,0%)*	1,4	0,3	*n.s.*
Net cash flow used in investing activities	**(33,8)**	**(7,6)**	*n.s.*	**(44,5)**	*(24,0%)*	**(78,3)**	**(22,6)**	*245,9%*

1) Divestments in 2025 exclude the maturity in January 2025 of temporary financial investments amounting to €10m, which are treated as cash and cash equivalents.

Investment cash flow in the period was negative by €34m, compared with a cash outflow of €8m in 2Q25 and a cash outflow of €45m in the first quarter of the year. The payments related to the Navia Efficiency and Decarbonisation project and the new fluff line were the main items included in investments.

Cash Flow 2T26 (M€)



Taking into account financial investments, divestments and other adjustments, free cash flow for the period was negative in €25m.

2.vii) Net Debt variation:

The Pulp business closed the second quarter of 2026 with a net debt position of €369m, representing an increase of €102m compared with December 2025.

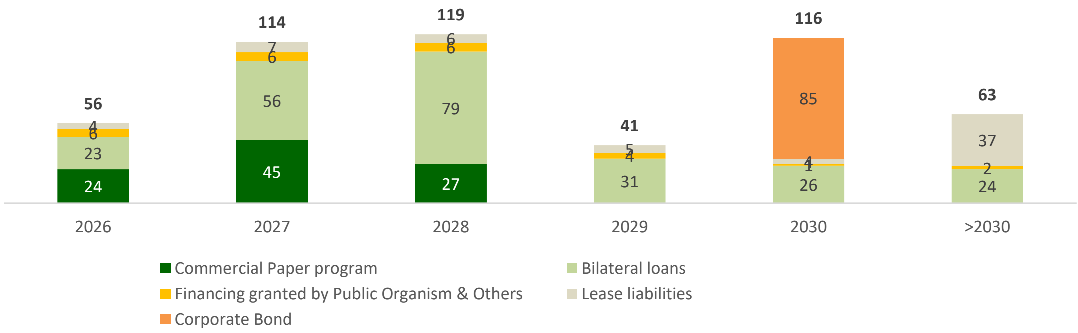
Due to the cyclical nature of the Pulp business, its financing is not subject to any leverage covenant and it has ample liquidity. Cash and temporary financial investments at the end of the quarter amounted to €138m.

Figures in €Mn	Jun-2026	Dec-2025	Δ%
Non-current financial debt	326,3	268,8	*21,4%*
Current financial debt	116,9	119,1	*(1,9%)*
Gross financial debt	**443,1**	**387,9**	*14,2%*
Non-current lease contracts	55,3	54,4	*1,6%*
Current lease contracts	8,1	6,9	*17,3%*
Liabilities related to lease contracts	**63,4**	**61,3**	*3,4%*
Cash and cash equivalents	136,0	180,6	*(24,7%)*
Short-term financial investments	1,8	2,4	*(23,3%)*
Net debt Pulp business	**368,7**	**266,3**	*38,5%*

Of the €443m of gross financial debt at the end of the quarter, €239m corresponded to the outstanding balance of bilateral loans, €85m to the bond issued on the Alternative Fixed-Income Market in January 2026, and €96m to the sustainable commercial paper programme. CDTI and other public bodies have granted financing for investments with an outstanding balance of €25m. Lease liabilities amounted to €63m at year-end. Arrangement fees on financing are deducted from the gross financial debt balance on the balance sheet.

Of the €114m of maturities in 2027, €45m correspond to the commercial paper programme, which will be refinanced throughout the year according to its maturity schedule.

Maturity Schedule (M€)



2.viii) Diversification and efficiency projects:

The Company currently has two relevant initiatives underway to generate up to €30/t of savings in cash cost: the Efficiency and Competitiveness Plan and the Navia Efficiency and Decarbonisation Plan. These savings will materialise between 2026 and 2027, with €15/t in 2026 and the remainder in 2027.

Regarding the Efficiency and Competitiveness Plan, which was launched in the fourth quarter of 2025 and will be implemented over the 2025–2027 period, it has potential overall savings of approximately €22/t in the Group's cash cost and a cash outflow of approximately €26m, structured around two key pillars: (i) artificial intelligence solutions and process reengineering and automation, and (ii) rationalisation of our operating processes, including a workforce reduction.

As of the date of this report, savings have been consolidated or are under execution for an annualised amount of 8 M€, excluding personnel efficiencies and the savings to be generated by the investments in Navia, which will begin to contribute to the reduction in cash cost in the second half of the year.

In this regard, the investments associated with the efficiency and decarbonisation project at the Navia biofactory have been completed, consisting of the upgrade of the wood yard and the replacement of natural gas with biomass in the lime kilns. These investments will reduce the biofactory's Scope 1 emissions by 60% and improve its production cost by €13 per tonne (€8/t at Group level). The investment amounted to a total of €35m in 2025–2026, with an expected return (ROCE) above 15%. This amount already deducts a €13m grant awarded by the Institute for Energy Diversification and Saving (IDAE), which will be collected upon completion of the project.

In addition, Ence is developing a range of renewable packaging solutions based on moulded fiber, capable of replacing plastic packaging in the food sector, such as trays for fresh and prepared products. This project has an expected return above 15%.

Furthermore, the Company is finalising the engineering and permitting process for the Pontevedra Avanza project, aimed at reducing the production cost of this biofactory by €50 per tonne (€20/t at Group level), improving its flexibility to process different types of eucalyptus and increasing the weight of specialty pulps.

Finally, Ence continues to advance the engineering and permitting of an innovative project located in the municipality of As Pontes, in A Coruña, for the production of 100,000 tonnes of recycled and bleached pulp from recovered fibres, without increasing wood consumption. In the third quarter of 2025, the project obtained its integrated environmental authorisation, and in the first quarter of this year it was selected for the award of a €25m PERTE grant.

3. Renewables business

Ence carries out its activity through a diversified renewable energy platform, with local biomass as its cornerstone, including regulated electricity generation, renewable industrial heat, biomethane and renewable fuels. All the biomass used is locally sourced and the energy produced is sold in the Spanish and European markets, helping to strengthen our continent's energy autonomy.

Ence Renovables (100% owned by Ence Energía y Celulosa) is the parent company controlling 51% of Magnon Green Energy, 75.5% of Magnon Servicios Energéticos (50% directly and 25.5% through Magnon Green Energy) and 100% of Biofertilizantes CH4.

Magnon Green Energy is the largest generator of renewable electricity from biomass in Spain. It has eight plants in operation with a combined installed capacity of 225 MW and two projects with a combined capacity of 100 MW, with which it will be able to participate in future capacity auctions.

Magnon Servicios Energéticos offers integrated solutions for the generation of renewable thermal energy from biomass for industrial customers in Spain. The target is to reach production of 2 TWht by 2030, with EBITDA of approximately €30m. In 2026, the company will end the year with five projects in operation, compared with one project in 2025, with estimated run-rate production of approximately 230 GWht. In addition, Magnon Servicios Energéticos has been selected by Moeve as its partner for the decarbonisation of its refinery in Palos de la Frontera, and the parties are currently in the final contractual stage. This is a large-scale project, with expected production of more than 350 GWht —over 17% of the 2030 production target— and has been declared strategic by the Regional Government of Andalusia.

Biofertilizantes CH4 is the Group subsidiary dedicated to the development and operation of biomethane and organic fertiliser production plants, based on a model focused on the sustainable and circular management of agricultural and livestock biomass. In December 2024, it acquired its first biomethane plant in Tarragona, designed to produce up to 45 GWh per year, and signed a 15-year agreement with a major gas marketer for the sale of the biomethane produced at the plant. At quarter-end, Biofertilizantes CH4 had projects to develop up to 4 TWh of capacity, compared with a target of 1 TWh; of these, 28 are already in the administrative permitting and engineering phase. Integrated Environmental Authorisation ("AAI") is expected to be obtained for eight of the plants in 2026/27.

In addition, Ence is the largest generator of biogenic CO2 in Spain, with nearly 4 million tonnes per year. Biogenic CO2 is a key input in the production of renewable fuels. The Company has initiated the administrative permitting required to host capture and valorisation units for biogenic CO2 at its main industrial biomass-to-regulated-electricity complexes, namely Huelva, Puertollano and Mérida. In this regard, Magnon has signed a Memorandum of Understanding on exclusivity with Iberdrola for the development of an e-methanol project with production of up to 100,000 tonnes at the Huelva facilities. This project has received a €123m grant from the European Climate, Infrastructure and Environment Executive Agency (CINEA).

3. i) Regulation of biomass-based electricity generation:

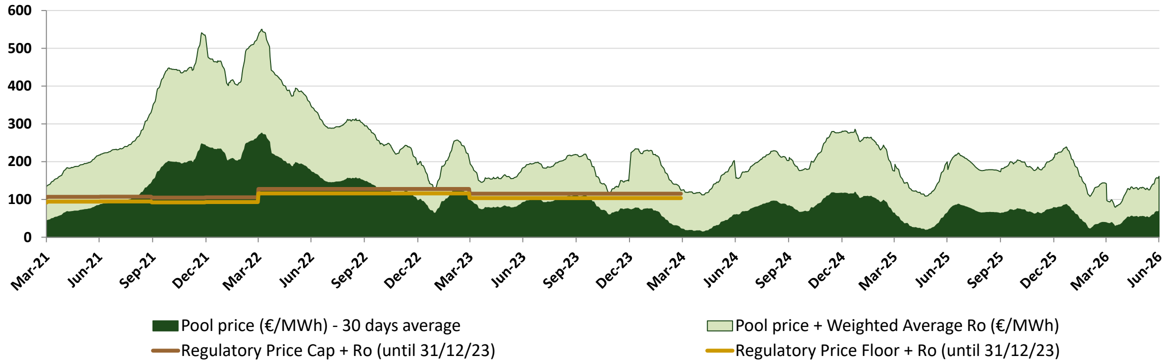
Electricity pool prices averaged 55€/MWh in the 2Q2026 vs 37 €/MWh in the same period of 2025 and 47€/MWh in the previous quarter.

Market figures	2Q26	2Q25	Δ%	1Q26	Δ%	6M26	6M25	Δ%
Average pool price (€/MWh)	55,4	36,8	*50,5%*	47,2	*17,4%*	49,3	61,8	*(20,1%)*

Source: OMIE

The price at which Magnon sells its energy is a regulated price that allows all estimated operating costs of a standard plant to be covered, including the cost of biomass. It consists of the market price plus the corresponding supplementary remuneration for the operation of each plant (Ro).

Pool price, Ro and regulatory collar – 5-year average (€/MWh)



Under the methodology approved in 2024 (MITECO Order TED/526/2024), the remuneration for operation (Ro) is updated quarterly based on the difference between the standard operating cost of the plants and the electricity market price estimated for the immediately preceding quarter. As a result, the adjustment mechanism for deviations from the regulated electricity price (regulatory collar), which had been in force until the end of 2023, was eliminated. In addition, in February 2026, the Official State Gazette published MITECO Order TED/53/2026, updating the remuneration parameters for standard facilities applicable to certain electricity generation facilities using renewable energy sources and cogeneration for the 2026–2028 semi-regulatory period. This update implies an increase in the standard cost of the plants of approximately €6/MWh, to around €125/MWh including the IVPEE, and consequently an increase in the remuneration for operation of Magnon's biomass-based electricity generation plants, and of €19.5/MWh for the Lucena cogeneration plant.

In addition, all of Magnon's plants are equipped to provide backup services to the electricity system operator, which represents an additional source of revenue. In the context of the conflict in the Middle East, the potential rise in the pool price would offer an opportunity for this line of business.

Finally, most of Magnon's biomass plants are entitled to remuneration for investment (Ri) of 7.4% per year, which generated revenue of €6m in the second quarter of 2026.

The remuneration parameters of the renewable energy plants are explained in greater detail in Appendix 1.

3. ii) Revenue from Energy sales:

Electricity sales volume in the second quarter of 2026 amounted to 254,224 MWh, representing a 16% decrease compared with the same quarter of 2025 and a 3% decrease versus 1Q26. Following the historic rainfall in the first quarter, the annual maintenance shutdown was carried out at all plants.

Energy operating figures	2Q26	2Q25	Δ%	1Q26	Δ%	6M26	6M25	Δ%
Huelva 41 MW - Biomass	-	35.545	*(100,0%)*	-	*n.s.*	-	60.453	*(100,0%)*
Jaén 16 MW - Biomass	16.147	16.524	*(2,3%)*	14.442	*11,8%*	30.588	36.126	*(15,3%)*
Ciudad Real 16 MW - Biomass	16.771	17.801	*(5,8%)*	17.831	*(5,9%)*	34.602	36.105	*(4,2%)*
Córdoba 27 MW - Biomass	40.662	45.293	*(10,2%)*	22.829	*78,1%*	63.491	79.545	*(20,2%)*
Huelva 50 MW - Biomass	65.277	41.300	*58,1%*	69.620	*(6,2%)*	134.897	104.738	*28,8%*
Mérida 20 MW - Biomass	22.685	31.722	*(28,5%)*	27.868	*(18,6%)*	50.553	67.771	*(25,4%)*
Huelva 46 MW - Biomass	45.409	54.745	*(17,1%)*	53.043	*(14,4%)*	98.453	79.280	*24,2%*
Ciudad Real 50 MW - Biomass	47.274	59.591	*(20,7%)*	57.331	*(17,5%)*	104.605	115.937	*(9,8%)*
Energy sales (MWh)	**254.224**	**302.521**	*(16,0%)*	**262.965**	*(3,3%)*	**517.189**	**579.956**	*(10,8%)*
Average sales price - (€/MWh)	143,8	125,0	*15,0%*	122,7	*17,1%*	133,1	141,5	*(6,0%)*
Remuneration for investment (€m)	6,0	6,4	*(6,2%)*	6,0	*(0,0%)*	12,1	12,87	*(6,2%)*
Revenue from energy sales (€ m)	**42,6**	**44,3**	*(3,8%)*	**38,3**	*11,2%*	**80,9**	**94,9**	*(14,8%)*

On the other hand, the average selling price in the quarter reached €144/MWh, 15% higher than in the same period of 2025 and 17% higher than in the previous quarter, which had been affected by high hydro and wind production in the context of storms.

As a result, revenue from energy sales amounted to €43m, 4% lower than in the second quarter of 2025 and 11% higher than in the previous quarter.

3. iii) Biomethane sales:

Biomethane production in the quarter amounted to 6.1 GWh, 14% lower than in 2Q25 and 20% lower than in the previous quarter. The lower production volume was due to different tests carried out on the feedstock mix as part of the process to develop the standard feedstock mix for the future platform.

Biomethane operating figures	2Q26	2Q25	Δ%	1Q26	Δ%	6M26	6M25	Δ%
Biomethane sales (MWh)	**6.050**	**7.022**	*(13,8%)*	**7.567**	*(20,1%)*	**13.617**	**12.256**	*11,1%*
Average sales price - (€/MWh)	92	92	*0,1%*	92	*(0,1%)*	92	92	*(0,0%)*
Revenue from biomethane sales (€ m)	**0,6**	**0,6**	*(13,8%)*	**0,7**	*(20,1%)*	**1,3**	**1,1**	*11,1%*

In the second quarter of 2026, biomethane sales revenue amounted to €0.6m, 14% lower than in the same period of the previous year and 20% lower than in the first quarter of 2026.

The company is executing an investment plan at the plant to complete its production process with the manufacturing and marketing of organic fertilisers and to implement Ence's best operating standards (odour control, safety, etc.), so that the plant serves as a showcase for the development of the remaining projects.

3. iv) Statement of Profit & Loss:

Renewables business EBITDA stood at €5m in the quarter, compared with €4m in the second quarter of 2025 and €3m in the previous quarter.

Figures in € m	2Q26	2Q25	Δ%	1Q26	Δ%	6M26	6M25	Δ%
Revenue from energy sales	42,6	44,3	*(3,8%)*	38,3	*11,2%*	80,9	94,9	*(14,8%)*
Revenues from biomethane sales	0,6	0,6	*(13,8%)*	0,7	*(20,1%)*	1,3	1,1	*11,1%*
Other revenues	2,9	1,8	*62,8%*	1,6	*77,9%*	4,6	3,0	*52,8%*
Total revenue	**46,1**	**46,7**	*(1,4%)*	**40,7**	*13,3%*	**86,7**	**99,1**	*(12,5%)*
EBITDA from energy sales	5,0	4,5	*11,5%*	3,3	*53,2%*	8,3	11,8	*(29,4%)*
EBITDA from other businesses	(0,5)	(1,0)	*49,8%*	(0,7)	*30,9%*	(1,2)	(2,3)	*46,2%*
EBITDA	**4,5**	**3,5**	*28,9%*	**2,6**	*77,1%*	**7,1**	**9,5**	*(25,4%)*
Depreciation and amortisation	(7,7)	(8,3)	*6,7%*	(7,9)	*1,9%*	(15,6)	(16,8)	*7,0%*
Impairment of and gains/(losses) on fixed-asset disp.	0,0	0,0	*(34,4%)*	-	*n.s.*	0,0	(0,0)	*n.s.*
Other non-ordinary results from operations	(1,0)	-	*n.s.*	-	*n.s.*	(1,0)	-	*n.s.*
EBIT	**(4,1)**	**(4,7)**	*12,8%*	**(5,3)**	*22,4%*	**(9,5)**	**(7,3)**	*(29,3%)*
Net finance cost	(0,7)	(4,5)	*85,0%*	(4,2)	*84,2%*	(4,9)	(8,6)	*43,2%*
Other finance income/(cost)	0,0	0,0	*(63,2%)*	0,3	*(95,6%)*	0,3	0,0	*n.s.*
Profit before tax	**(4,8)**	**(9,2)**	*47,7%*	**(9,2)**	*48,2%*	**(14,0)**	**(15,9)**	*11,8%*
Income tax	(0,7)	0,6	*n.s.*	0,1	*n.s.*	(0,6)	0,8	*n.s.*
Net Income	**(5,5)**	**(8,6)**	*35,3%*	**(9,2)**	*39,6%*	**(14,7)**	**(15,1)**	*3,0%*
Non-controlling interests	3,6	3,7	*(2,5%)*	4,0	*(11,5%)*	7,6	6,1	*24,8%*
Attributable Net Income	**(2,0)**	**(4,9)**	*60,0%*	**(5,1)**	*61,8%*	**(7,1)**	**(9,0)**	*21,8%*

To mitigate the risk of deviations between the electricity market price and the price estimated by the regulator, Magnon has established a hedging policy aimed at replicating MITECO's formula for estimating electricity market prices. In the second quarter of 2026, hedges were arranged for 97% of production. The deviation between the regulatory price and the market price generated a positive impact of €2.8m, which was partially offset by negative hedge settlements of €2.4m.

Below EBITDA, depreciation, amortisation and impairment expense amounted to €8m. Other non-recurring operating results include a €1m impairment of the 90 MW photovoltaic project sold during the quarter. Net finance expense and other financial results represented an expense of €1m.

Income tax represented an expense of €1m in the quarter. At period-end, the Renewables business had recognised tax loss carryforwards pending recovery in future years amounting to €25m. During the quarter, €0.7m was collected in relation to the declaration of unconstitutionality of Royal Decree-Law 3/2016, which established a limitation on the use of tax loss carryforwards. In addition, a claim process has been initiated with the Tax Agency for €3m plus late-payment interest of €1m, related to the aforementioned limitation on the offsetting of tax loss carryforwards.

Overall, the Renewables business reported an attributable net loss of €2m in the quarter, compared with a net loss of €5m in both the previous quarter and the same period of 2025.

3. v) Cash Flow analysis:

Renewables business operating cash flow was negative in €5m in the quarter, including a €2m cash outflow from working capital and €6m of net interest payments.

Figures in € m	2Q26	2Q25	Δ%	1Q26	Δ%	6M26	6M25	Δ%
EBITDA	**4,5**	**3,5**	*28,9%*	**2,6**	*77,1%*	**7,1**	**9,5**	*(25,4%)*
Other cash adjustments	(1,3)	(0,3)	*n.s.*	(0,3)	*n.s.*	(1,6)	(1,0)	*(55,9%)*
Change in working capital	(1,6)	2,5	*n.s.*	(4,9)	*67,8%*	(6,5)	0,3	*n.s.*
Income tax received / (paid)	(0,2)	0,0	*n.s.*	0,3	*n.s.*	0,1	0,3	*(78,2%)*
Net interest received / (paid)	(6,1)	(6,6)	*7,7%*	(1,2)	*n.s.*	(7,3)	(8,0)	*8,7%*
Net cash flow from operating activities	**(4,6)**	**(0,8)**	*n.s.*	**(3,6)**	*(29,2%)*	**(8,2)**	**1,0**	*n.s.*

In the second quarter of 2026, the change in working capital represented a cash outflow of €2m as a result of the increase in inventories, which included both the construction of Lactalis' industrial heat projects and biomass inventory buildup. This was offset by the reduction in trade receivables and the increase in trade payables and other accounts payable.

Figures in € m	2Q26	2Q25	Δ%	1Q26	Δ%	6M26	6M25	Δ%
Inventories	(13,4)	(4,8)	*(176,7%)*	(4,0)	*(232,7%)*	(17,4)	(7,5)	*(131,1%)*
Trade and other receivables	5,3	4,3	*21,2%*	(1,1)	*n.s.*	4,2	14,2	*(70,8%)*
Current financial and other assets	-	-	*n.s.*	-	*n.s.*	-	-	*n.s.*
Trade and other payables	6,5	3,0	*116,9%*	0,2	*n.s.*	6,8	(6,5)	*n.s.*
Change in working capital	**(1,6)**	**2,5**	*n.s.*	**(4,9)**	*67,8%*	**(6,5)**	**0,3**	*n.s.*

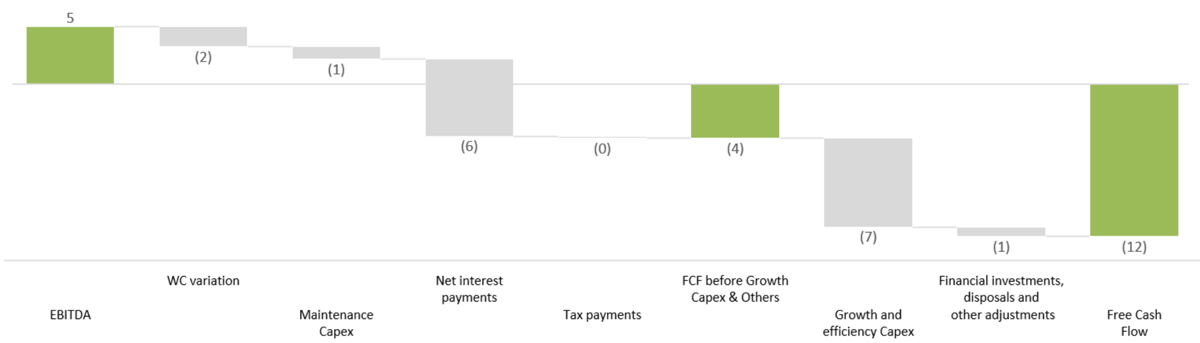
The drawn balance of non-recourse factoring facilities in the Renewables business at the end of the quarter amounted to €25m, compared with €19m at the end of 2025. In addition, Magnon has entered into several non-recourse confirming agreements, with a drawn balance of €23m, compared with €14m at the end of 2025. The contracted confirming facilities do not include the provision of guarantees, do not alter the average payment period agreed with suppliers and do not accrue any financial cost.

Figures in € m	2Q26	2Q25	Δ%	1Q26	Δ%	6M26	6M25	Δ%
Maintenance capex	(1,0)	(2,9)	*66,1%*	(1,1)	*6,6%*	(2,0)	(4,9)	*57,9%*
Sustainability capex and other	(0,5)	(0,7)	*34,9%*	(0,2)	*(103,9%)*	(0,7)	(1,1)	*36,6%*
Efficiency and expansion capex	(6,6)	(3,6)	*(80,0%)*	(5,4)	*(21,4%)*	(12,0)	(5,7)	*(108,0%)*
Financial investments and in Group companies	0,5	(0,3)	*n.s.*	(0,1)	*n.s.*	0,4	(2,2)	*n.s.*
Investments	**(7,5)**	**(7,6)**	*1,4%*	**(6,8)**	*(11,1%)*	**(14,3)**	**(13,9)**	*(3,0%)*
Disposals	0,0	0,1	*(41,0%)*	0,0	*(2,1%)*	0,1	0,1	*(37,6%)*
Net cash flow from investing activities	**(7,5)**	**(7,6)**	*1,0%*	**(6,7)**	*(11,2%)*	**(14,2)**	**(13,7)**	*(3,4%)*

Investments in the Renewables business represented a cash outflow of €8m in the quarter. Maintenance investments amounted to €1m, while efficiency and expansion investments amounted to €7m in the quarter, mainly related to the development of renewable thermal energy and biomethane projects. Sustainability investments amounted to €1m in the quarter. Finally, in June, the sale of a 90 MW photovoltaic project was completed for a price of €1.5 million, equivalent to the fair value of the net assets transferred.

Overall, the Renewables business recorded negative free cash flow of €12m in the quarter.

Free Cash Flow 2Q26 (M€)



3. vi) Net Financial Debt evolution:

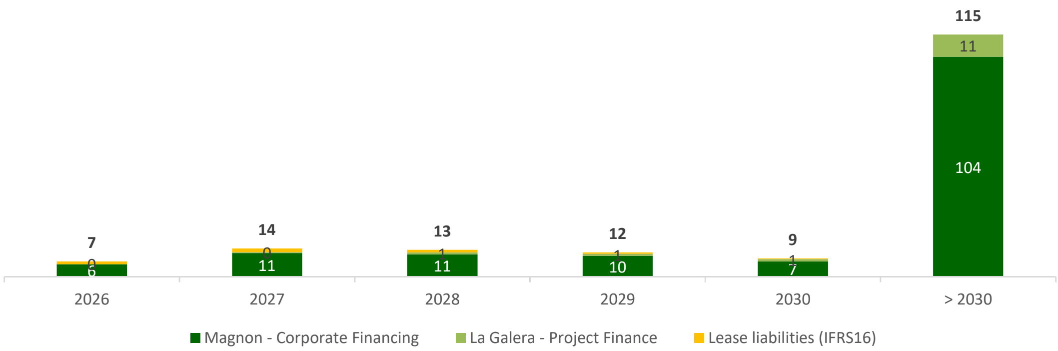
The Renewables business closed the quarter with a net debt position of €124m, compared with net debt of €112m at year-end 2025, representing an increase of €12m.

Thus, the business' gross financial debt balance at quarter-end amounted to €159m, lease liabilities stood at €5m, and cash and temporary financial investments amounted to €41m.

Figures in € m	Jun-2026	Dec-2025	Δ%
Non-current financial debt	148,4	153,9	*(3,6%)*
Current financial debt	11,1	11,2	*(1,2%)*
Gross financial debt	**159,5**	**165,1**	*(3,4%)*
Non-current lease contracts	3,4	3,4	*0,4%*
Current lease contracts	1,8	1,7	*7,5%*
Liabilities related to lease contracts	**5,3**	**5,1**	*2,8%*
Cash reserve for debt service	11,5	11,5	-
Cash and cash equivalents	29,2	46,9	*(37,7%)*
Short-term financial investments	0,1	0,1	*25,5%*
Net debt Renewable business	**123,9**	**111,8**	*10,9%*

Of the €159m of gross debt, €14m corresponds to the La Galera project finance facility and €150m to Magnon's corporate debt. Of the total gross debt outstanding, €115m matures after 2030.

Repayment schedule (€m)



4. Consolidated Financial Statements

4. i) Statement of Profit & Loss:

Figures in € m	6M26 Pulp	6M26 Renewables	6M26 Adjustments	6M26 Consolidated	6M25 Pulp	6M25 Renewables	6M25 Adjustments	6M25 Consolidated
Total revenue	**270,1**	**86,7**	**(2,0)**	**354,8**	**281,7**	**99,1**	**(1,6)**	**379,2**
Foreign exchange hedging operations results	0,2	0,5	(0,0)	0,7	1,0	0,5	-	1,5
Other income	17,8	3,2	(0,8)	20,2	54,6	3,0	(0,7)	56,9
Cost of sales and change in inventories of finished products	(166,7)	(28,3)	2,0	(193,0)	(172,6)	(33,9)	1,6	(205,0)
Personnel expenses	(41,4)	(14,7)	-	(56,2)	(46,1)	(12,2)	-	(58,4)
Other operating expenses	(58,7)	(40,3)	0,8	(98,2)	(70,0)	(46,8)	0,7	(116,2)
EBITDA	**21,3**	**7,1**	**(0,0)**	**28,4**	**48,5**	**9,5**	**0,0**	**58,0**
Depreciation and amortisation	(26,3)	(15,5)	0,3	(41,4)	(25,6)	(16,8)	0,8	(41,6)
Depletion of forestry reserves	(2,4)	(0,2)	-	(2,5)	(5,2)	(0,0)	-	(5,3)
Impairment of and gains/(losses) on fixed-asset disposals	0,0	0,0	-	0,0	(0,0)	(0,0)	-	(0,1)
Other non-ordinary operating gains/(losses)	2,2	(1,0)	-	1,2	(1,1)	-	-	(1,1)
EBIT	**(5,2)**	**(9,5)**	**0,3**	**(14,3)**	**16,6**	**(7,3)**	**0,8**	**10,1**
Net finance cost	(9,8)	(4,9)	0,0	(14,7)	(11,1)	(8,6)	-	(19,7)
Other finance income/(costs)	1,0	0,3	0,0	1,4	(3,8)	0,0	0,0	(3,7)
Profit before tax	**(14,0)**	**(14,0)**	**0,3**	**(27,7)**	**1,8**	**(15,9)**	**0,8**	**(13,3)**
Income tax	3,7	(0,6)	(0,1)	3,0	(0,4)	0,8	(0,1)	0,3
Net Income	**(10,2)**	**(14,7)**	**0,2**	**(24,7)**	**1,4**	**(15,1)**	**0,7**	**(13,0)**
Non-controlling interests	-	7,6	-	7,6	-	6,1	-	6,1
Atributable Net Income	**(10,2)**	**(7,1)**	**0,2**	**(17,1)**	**1,4**	**(9,0)**	**0,7**	**(6,9)**
Earnings per Share (EPS)	(0,04)	(0,03)	0,00	(0,07)	0,01	(0,04)	0,00	(0,03)

4. ii) Summarised Balance Sheet:

Figures in € m	Jun-2026 Pulp	Jun-2026 Renewables	Jun-2026 Adjustments	Jun-2026 Consolidated	Dec-2025 Pulp	Dec-2025 Renewables	Dec-2025 Adjustments	Dec-2025 Consolidated
Intangible assets	21,9	55,6	(10,7)	66,8	20,9	56,3	(11,0)	66,2
Property, plant and equipment	662,2	373,6	(5,1)	1.030,7	648,2	371,0	(5,1)	1.014,0
Biological assets	64,3	0,0	(0,0)	64,3	65,2	0,2	0,0	65,4
Non-current investments in Group companies	114,0	0,0	(114,0)	0,1	114,0	0,0	(114,0)	0,1
Non-current borrowings to Group companies	70,8	-	(70,8)	-	59,4	(0,0)	(59,4)	(0,0)
Deferred tax assets	36,3	27,5	2,7	66,5	49,2	27,2	2,8	79,2
Non-current financial assets	9,8	2,4	-	12,2	10,3	2,9	0,0	13,2
Cash reserve for debt service	-	11,5	-	11,5	-	11,5	-	11,5
Total non-current assets	**979,4**	**470,6**	**(197,9)**	**1.252,1**	**967,1**	**469,1**	**(186,7)**	**1.249,5**
Inventories	90,9	34,8	-	125,7	75,9	16,3	(0,0)	92,1
Trade and other accounts receivable	46,9	19,5	(1,8)	64,5	23,0	24,7	(2,5)	45,3
Income tax	2,9	0,5	-	3,4	2,9	0,6	-	3,5
Other current assets	22,7	4,0	0,0	26,8	14,9	0,0	0,0	14,9
Hedging derivatives	0,0	1,0	-	1,0	0,6	1,0	-	1,6
Current financial investments in Group companies	0,9	0,4	(1,3)	0,0	-	0,9	(0,9)	0,0
Current financial investments	1,8	0,1	-	1,9	2,4	0,1	0,0	2,5
Cash and cash equivalents	136,0	29,2	-	165,2	180,6	46,9	-	227,5
Total current assets	**302,2**	**89,5**	**(3,1)**	**388,5**	**300,2**	**90,5**	**(3,4)**	**387,3**
TOTAL ASSETS	**1.281,6**	**560,1**	**(201,0)**	**1.640,7**	**1.267,3**	**559,7**	**(190,1)**	**1.636,9**
Equity attributable to the Parent	511,2	72,6	(125,4)	458,3	522,0	82,5	(127,3)	477,2
Minority interest	-	82,3	(1,6)	80,6	-	89,4	-	89,4
Total Equity	**511,2**	**154,9**	**(127,1)**	**539,0**	**522,0**	**172,0**	**(127,3)**	**566,7**
Non-current loans with Group companies and associates	-	103,1	(70,8)	32,3	-	88,4	(59,4)	29,0
Non-current borrowings	381,6	151,9	-	533,5	323,3	157,3	-	480,6
Non-current derivatives	(1,0)	1,4	-	0,3	1,0	0,2	-	1,2
Deferred tax liabilities	-	-	-	-	-	-	-	-
Non-current provisions	37,1	0,8	(0,0)	37,9	36,6	0,7	-	37,3
Other non-current liabilities	29,5	56,1	0,0	85,5	26,8	60,3	(0,0)	87,0
Total non-current liabilities	**447,1**	**313,2**	**(70,8)**	**689,5**	**387,6**	**306,9**	**(59,4)**	**635,2**
Current borrowings	124,9	12,9	0,0	137,9	126,0	12,9	0,0	138,9
Current derivatives	2,8	3,9	-	6,7	1,1	0,7	-	1,8
Trade and other account payable	146,7	69,4	(1,8)	214,3	181,8	60,4	(2,5)	239,7
Short-term debts with group companies	0,2	1,1	(1,3)	-	0,7	2,7	(0,9)	2,5
Income tax	0,0	0,0	-	0,0	0,0	0,0	(0,0)	0,1
Current provisions	48,6	4,8	-	53,3	48,0	4,0	-	52,1
Total current liabilities	**323,3**	**92,1**	**(3,1)**	**412,2**	**357,6**	**80,8**	**(3,4)**	**435,0**
TOTAL EQUITY AND LIABILITIES	**1.281,6**	**560,1**	**(201,0)**	**1.640,7**	**1.267,3**	**559,7**	**(190,1)**	**1.636,9**

The Pulp business includes among its investments the higher cost related to the Navia project completed in 2019, amounting to €8m, as a result of the arbitration ruling dated 17 June 2025, which requires the Group to pay €15m, of which €8m had already been recognised.

4. iii) Summarised statement of Cash Flows:

	6M26				6M25			
Figures in Mn€	Celulosa	Renovables	Ajustes	Consolidado	Celulosa	Renovables	Ajustes	Consolidado
Consolidated profit/(loss) for the period before tax	**(14,0)**	**(14,0)**	**0,3**	**(27,7)**	**1,8**	**(15,9)**	**0,8**	**(13,3)**
Depreciation and amortisation	28,6	15,6	(0,3)	43,9	30,8	16,8	(0,8)	46,8
Changes in provisions and other deferred expense	(5,8)	0,8	(0,1)	(5,2)	(0,1)	2,0	0,1	2,0
Impairment of gains/(losses) on disposals intangible assets	0,0	(0,3)	-	(0,3)	0,3	0,0	-	0,4
Net finance result	8,7	4,9	-	13,6	13,1	8,6	0,0	21,7
Energy regulation adjustments	(0,9)	(1,4)	-	(2,3)	(1,1)	(3,0)	0,0	(4,1)
Government grants taken to income	(0,3)	(0,0)	0,0	(0,4)	(0,3)	(0,1)	-	(0,3)
Adjustments to profit	**30,3**	**19,5**	**(0,4)**	**49,4**	**42,7**	**24,4**	**(0,7)**	**66,4**
Inventories	(6,3)	(17,4)	-	(23,8)	(13,7)	(7,5)	-	(21,2)
Trade and other receivables	(13,2)	4,2	(1,3)	(10,3)	(9,5)	14,2	(4,5)	0,3
Current financial and other assets	-	-	-	-	-	-	-	-
Trade and other payables	(2,7)	6,8	1,4	5,5	5,1	(6,4)	4,4	3,1
Changes in working capital	**(22,2)**	**(6,5)**	**0,1**	**(28,60)**	**(18,0)**	**0,3**	**(0,1)**	**(17,9)**
Interest paid	(10,0)	(7,3)	-	(17,3)	(10,3)	(8,0)	-	(18,3)
Dividends received	-	-	-	-	-	-	-	-
Income tax received/(paid)	(0,0)	0,1	-	0,0	(2,5)	0,3	(0,0)	(2,2)
Other collections/(payments)	(0,3)	-	-	(0,3)	0,0	-	-	0,0
Other cash flows from operating activities	**(10,3)**	**(7,3)**	**-**	**(17,5)**	**(12,8)**	**(7,7)**	**(0,0)**	**(20,5)**
Net cash flow from operating activities	**(16,2)**	**(8,3)**	**(0,0)**	**(24,4)**	**13,7**	**1,0**	**0,0**	**14,7**
Property, plant and equipment	(64,8)	(14,1)	-	(78,9)	(35,8)	(10,7)	-	(46,5)
Intangible assets	(2,5)	(0,6)	-	(3,1)	(2,7)	(1,0)	(0,0)	(3,7)
Other financial assets and Group companies	(12,3)	0,4	11,9	(0,0)	15,6	(2,2)	(14,0)	(0,6)
Disposals [1]	1,4	0,1	(0,1)	1,4	0,3	0,1	(0,0)	0,4
Net cash flow used in investing activities	**(78,3)**	**(14,2)**	**11,8**	**(80,7)**	**(22,6)**	**(13,7)**	**(14,0)**	**(50,4)**
							-	
Free cash flow	**(94,5)**	**(22,5)**	**11,8**	**(105,2)**	**(9,0)**	**(12,7)**	**(14,0)**	**(35,7)**
Buyback/(disposal) of own equity instruments	(0,3)	-	-	(0,3)	(0,7)	-	0,0	(0,7)
Proceeds from and repayments of financial liabilities	50,2	4,8	(11,8)	43,2	24,7	(8,0)	14,0	30,7
Dividends payments	-	0,0	-	0,0	(0,0)	-	0,0	-
Net cash flow from/ (used in) financing activities	**49,9**	**4,8**	**(11,8)**	**43,0**	**24,0**	**(8,0)**	**14,0**	**30,0**
Net increase/(decrease) in cash and cash equivalents	**(44,5)**	**(17,7)**	**(0,0)**	**(62,2)**	**15,1**	**(20,7)**	**(0,0)**	**(5,6)**

Annex I: 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, Ence has a 2024-2028 Sustainability Master Plan 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.
Ence's strong environmental, social and governance (ESG) performance is recognized by different ESG rating agencies and indices. During the first half of the year, Ence renewed, for the second consecutive year, its Excellent rating in the Solicited Sustainability Rating issued by the ESG rating agency EthiFinance. This ESG rating assesses the Company's performance across four pillars: governance, environment, social (employees), and social (external stakeholders). In addition, during the first half of the year, Ence renewed its EcoVadis Platinum Medal (see link), the highest distinction awarded by this international corporate sustainability rating agency. With this result, the company remains, for the third consecutive assessment, in the 99th percentile, positioning itself among the leaders in the sector. In addition, Ence is also part of the prestigious FTSE4Good Index Series, designed to measure the performance of companies demonstrating strong ESG practices, in which the company has participated since 2021.

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.

In the area of **health and safety**, during the first half of the year it is worth highlighting the positive trend in accident rates. The Ence Group's Lost Time Injury Frequency Rate (LTIFR) year to date stands at 3.32, representing the best result in the company's entire historical series.

During the first quarter, the annual scheduled shutdown was carried out at Navia, involving the addition of more than 1,500 extra workers from contractor companies. All planned activities were successfully executed while maintaining the highest standards of protection and coordination.

In the Pulp business, progress also continued in the rollout of the plan to implement the Process Safety Management (PSM) methodology, which serves as an additional lever for the continuous improvement of the management of major accident risks in the areas of safety and the environment.

At Magnon, following the analysis of incidents and accidents recorded in 2025, a new safety plan was launched focused on strengthening safety leadership, Preventive Safety Observations (PSOs), work permits, and compliance with procedures. By the end of the first half of the year, 40% of the planned actions had been completed. In addition, a series of specific actions will be implemented at those plants where O&M personnel have been internalised. With regard to the prevention of vehicle–pedestrian incidents, a new technological solution incorporating artificial intelligence for collision avoidance was successfully commissioned since the beginning of the year at the Huelva biomass treatment plant.

In terms of the Group's **environmental performance**, it is worth noting the progress made in 2025 on the R&D projects aimed at achieving circular management of the main waste generated at Ence's plants, such as lime sludge, ash and slag. For example, the project to look for a formula for making ecological mortar from these subproducts continued to move forward. In addition, since 2025, the ashes from one of the boilers in Huelva have been classified as a by-product rather than as waste, and are used for mine backfilling, thereby replacing other products with a higher environmental footprint. Furthermore, the outlet of slags and ashes to cement plants has been consolidated.

As part of its circular economy approach, Ence maintains high rates of waste recovery and recycling. In this regard, all biomass power generation plants and the two pulp biomills hold AENOR certification for their waste management in accordance with the Zero Waste criteria (this distinction is awarded only to facilities that recycle and recover more than 90% of their waste). In addition, Magnon also holds AENOR's "Circular Strategy" certification, whose annual surveillance audit was successfully completed during the first half of the year

In the environmental area, it is also worth highlighting that the Navia biorefinery recorded just 2 minutes of odour during the first half of the year, maintaining its excellent performance following the historic record achieved in 2025, when the year closed with zero minutes of odour. Meanwhile, the Pontevedra biorefinery reduced odour minutes more than 60% in the first half of the year compared with the same period in 2025. These results reflect the high standards of environmental performance achieved and confirm the effectiveness of the measures implemented under the "Zero Odour" Plan. In addition, the Navia biorefinery recorded its lowest-ever average specific water consumption, reaching an average value of 23.8 m^3/ADt in January and a cumulative average of 25.3 m^3/ADt for the first half of the year. This reduction in specific water consumption was made possible by an ambitious operational improvement plan aimed at reducing water use.

In the area of **environmental and safety management**, in addition to maintaining ISO 14001, ISO 45001, ISO 50001 and EMAS certifications, the pulp biomills also have held ISO 22000 food safety certification since 2024. This certification ensures that their products can be used in food-related applications that replace plastic materials. With regard to Speciality Pulp certifications, since the beginning of 2026 nine additional certifications have already been obtained. This year, an increase is expected in both sales and the customer portfolio using specialty pulp from the Ence Advanced portfolio as well as fluff pulp.

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.

In terms of mitigation, and in line with the Decarbonisation Plan timeline, in 2025 the Navia biomill completed the first phase of replacing part of the fossil fuel used in the lime kilns with biomass. During the first half of 2026, progress continued on the implementation of the second phase, which will further increase the share of biomass use. These actions are additional to those already implemented in 2023 and 2024, when biomethanol obtained from the process itself began to be used as a renewable fuel to reduce fossil fuel consumption. As a result of these measures, Navia's direct emissions (scope 1) decreased by 10% in 2025 compared to 2024. Meanwhile, at the Pontevedra biomill, progress continues on the design of a plan that includes actions similar to those implemented at Navia to replace the fossil fuels currently used with renewable fuels. 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, which sets down the Company's key principles in this area and its commitment to be climate neutral by 2050.

Ence also updates its greenhouse gas inventory on an annual basis. In the second quarter of 2026, Ence completed the verification of its 2025 Carbon Footprint and Product Carbon Footprint. The verification was carried out by an independent third party in accordance with the ISO 14064 and ISO 14067 standards, with a reasonable assurance level, the highest level of assurance available. In 2025, the Ence Group's carbon footprint decreased by 5.0% compared with the previous year, mainly driven by a 10.6% reduction in Scope 3 emissions. This positive performance was primarily attributable to sourcing materials from locations closer to the Ence's operations, which reduced transport distances associated with logistics, as well as lower consumption of certain raw materials at the biomills, in line with the reduction in pulp production compared with the previous year. Scope 1 emissions increased by 6.1%, mainly due to higher fuel consumption at Pontevedra biomill as a result of the shutdowns and restarts associated with strike action. Nevertheless, Navia biomill reduced its direct emissions by 10% thanks to the measures implemented under the Decarbonisation Plan. Finally, Scope 2 emissions increased by 11.5% due to lower self-consumption and greater reliance on grid electricity, as a result of reduced power generation during the first months of the year following the temporary unavailability of one of the electricity generation turbines at the pulp business.

Regarding the analysis of the net carbon balance of the company's owned forests, conducted in accordance with IPCC guidelines, the results conclude that in 2025 Ence-managed forestry operations sequestered close to 360,000 tCO_2, after deducting carbon removals in the form of harvested wood and biomass.

In terms of adaptation, Ence carries out an annual climate risk and opportunity assessment. In this context, the company focuses its efforts on the development of ad hoc climate models to serve as tools for analysing the potential impacts of climate change on the business. The analysis assesses, across three time horizons (short, medium and long term), both physical risks—using the latest climate scenarios published in the IPCC Sixth Assessment Report (SSP2-4.5 and SSP5-8.5 scenarios)—and transition risks. The annual update of this assessment will commence in the second quarter of 2026.

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, as endorsed by third independent parties. The biodiversity plan also includes awareness and communication initiatives so as to create a culture of biodiversity protection among all employees. Under the umbrella of this plan, medium-term targets (2028) have been defined to articulate and guide the various initiatives.

Thus, during the first half of the year, among the key actions undertaken was the restoration of approximatively 45 hectares of degraded areas and the creation of ecotones. The Plan incorporates both emerging and current regulatory requirements, including those derived from the EU Regulation on Deforestation and Forest Degradation (EUDR)—for which technological support tools have been developed not only for the company but also for its partners; the CSRD Directive with regard to the prevention and mitigation of biodiversity impacts (by establishing a systematic approach to the prevention and monitoring of potential impacts from forestry operations); and the Nature Restoration Regulation, with annualised targets for the restoration of degraded habitats.

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 CO2) 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 more environmentally friendly to make. One of the key thrusts of this line of initiative is to increase penetration of the products that carry the Ence Advanced label. Indeed, by the end of the first half of the year, sales of these higher value-added special products accounted for 34% of total pulp sales volumes in the first half of the year.

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) and the bleached pulp made in Navia (Encell ECF) with its customers.

In 2025, Ence began producing eucalyptus fluff at its Navia biofactory. To facilitate approvals for potential clients, a pre-inspection of the fluff paste was requested from the relevant Nordic Swan and Ecolabel bodies in the first quarter of the year, and approval is expected soon. This distinction will add to the three certifications obtained during 2025.

Elsewhere, in order to comply with Regulation (EU) 2023/1115, the European Regulation on deforestation-free products (EUDR), the Pulp business is in the process of implementing all the requirements for meeting its upcoming obligations under this new legislation.

Besides the work done on its special products, over the course of 2026, 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.

The company has also continued to make progress on the engineering and administrative procedures for the **bioplant for the production of bleached recycled fibre** that Ence will develop in the Galician municipality of As Pontes. This will be a pioneering facility worldwide for the production of bleached recycled fibre from recovered paper and cardboard. In this way, the company gives a new life to these materials, fully aligning with the principles of the circular economy. In the design of this project—the first of its kind in Europe to manufacture bleached recycled fibre from recovered paper and cardboard—Ence's commitment to energy independence has been taken into account. Accordingly, the plant will be self-supplied with renewable energy generated from by-products of the local forestry industry and will not use fossil fuels. In line with Ence's commitment to the circular economy, As Pontes will be the first facility in the sector in Europe to apply TCF (Totally Chlorine Free) bleaching technology to recycled fibres. In 2025, the project obtained the Integrated Environmental Authorisation (IEA), and in the first half of 2026 it was awarded €24.5 million under the Industrial Decarbonisation PERTE programme.

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 renewable 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 over 1 TWh of generation capacity by 2030. Ence has one plant up and running (La Galera), several projects in the environmental permitting phase and other initiatives with location and feasibility study completed. 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 Servicios Energéticos (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. The Company now has two plants in operation, following the commissioning of a new facility during the first half of 2026, in addition to the plant that has been operational for the past three years. A further three facilities are expected to become operational before the end of the year, two of which are currently under construction by Magnon.

Elsewhere, 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 this area, in 2025 an additional clone entered the commercial phase, and another is expected to do so in 2026.

In parallel, Ence is looking to monetise the **ecosystem services** provided by the forests it owns, with a focus on carbon capture. To that end, it continues to work on registering forest sinks in voluntary carbon markets, generating credits it can sell so that other companies can offset emissions they cannot forego. Ence has almost 4,400 hectares of carbon forest sinks registered in different voluntary schemes, including more than 2,300 hectares in the voluntary scheme operated by the Spanish Climate Change Office. Currently, the Company is working on increasing that figure by embracing additional biodiversity criteria in line with European Union guidelines.

3. Responsible supply chain:

In 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. By the end of the first half, more than 85% of its forest assets (out of total certifiable assets) were certified under one or other of those schemes and over 80% of the timber 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 are SURE-certified. Also, since 2025, Ence also holds PEFC certification (with licence number PEFC/14-31-00410) for its biomass trading activity.

As with biomass, in the case of biometane production, the La Galera plant holds ISCC (International Sustainability and Carbon Certification), a voluntary sustainability scheme that ensures compliance with the sustainability requirements set out in the Renewable Energy Directive. Year to date, 100% of biomethane generation complied with sustainability requirements.

In terms of **supply chain supervision**, during the first half over 1,400 entities were assessed through the digital platform used for ESG and compliance risk analysis across the value chain. The ESG risk analysis initiative falls under the umbrella of the Sustainability Due Diligence Policy, which sets down Ence's commitments and guidelines for preventing, detecting and mitigating human rights violations and adverse environmental impacts all along its supply chain. 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 25% of the workforce as of half quarter close. In addition to increasing female representation in general, Ence is placing the spotlight on increasing the number of women in executive positions. Year to date, the percentage of female executives (including managers) stands at 31%.

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, during the first half of the year, more than 75% of the Company's vacancies were filled via internal promotions.

In its bid to have a **positive social impact on its business communities**, Ence continues to invest in them, launching tenders for project funding periodically. In this regard, in June 2026 VII edition of the Ence Pontevedra Social Plan was launched, with a budget of €3 million to support social projects in the area surrounding the bioplant, with a particular focus on the municipalities of Pontevedra, Marín and Poio. The plan covers five areas of action: the promotion of social inclusion; environmental restoration and care; the promotion of education and culture; the promotion of entrepreneurship and innovation; and the promotion of both grassroots and elite sports. In total, 240 projects benefited from previous edition.

Sports promotion, both grassroots and high-performance, was one of the categories with the highest number of applications, with 72 in total. This was followed by projects dedicated to environmental restoration and care (56 projects) and initiatives focused on education and culture (49 selected projects). Social inclusion also played a significant role, with 40 supported projects, while entrepreneurship and innovation accounted for 23 initiatives. Over the years, Ence's Social Plan in Pontevedra has supported nearly 1,700 projects.

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. Four editions of this programme were launched during the first half of the year at Navia, Pontevedra, Magnon and Corporate.

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.

5. Governance and compliance:

This cross-cutting pillar aims to strengthen ESG governance, as well as the Company's ethics and compliance function. During the first half of the year, the Ethics and Compliance Department carried out a range of initiatives to ensure compliance with internal regulations and promote a culture of integrity throughout the organisation.

As part of the annual review of risks and controls, and to ensure the effectiveness of the Crime Prevention Model, evidence provided by the owners of more than 390 controls applicable across the organisation was assessed during the first half of the year. In addition, external audits of the UNE 19601 Criminal Compliance Management System and the ISO 37001 Anti-Bribery Management System were successfully completed. The audit results confirmed that the implementation and operation of the control mechanisms are appropriate, with no non-conformities or observations identified, demonstrating the robust implementation of both management systems, their effective operation and the Company's strong commitment to ethics, integrity and transparency.

With regard to awareness and communication initiatives, 25 internal ethics and compliance communications were published during the first half of the year, covering topics such as World Whistleblower Day, competition law, discrimination, conflicts of interest, the use of artificial intelligence, reminders on the use of the Internal Information Channel, and guidance on preventing criminal risks, among others. In addition, the Ethics and Compliance Newsletter continued to be distributed every two months to all employees and displayed on notice boards at the Company's biorefineries and plants. Communication activities also made extensive use of accessible, high-impact formats—including messages displayed on plant screens and comic strips—to tailor key messages to different employee profiles and operational environments. Every two months, alternating with the newsletter, compliance-related communications were also included in Ence Today, the Company's internal publication, which is available on the intranet and distributed in printed format across industrial facilities. Furthermore, a new initiative was introduced to reach employees who do not regularly access the intranet by delivering printed copies of the weekly ethics and compliance notices directly to their workplaces. These communication initiatives reflect the Company's ongoing efforts to strengthen its compliance culture through a multi-channel approach designed to maximise both reach and message frequency.

During the first half of 2026, 60% of the workforce received ethics and compliance training through both face-to-face and online sessions. Oversight activities carried out during the period also reflected an active compliance model characterised by close interaction with the business and a strong focus on the prevention and early detection of risks. These activities included reviews and consultations relating to the Customer Code of Conduct, as well as the preparation of third-party due diligence reports.

In addition, a new initiative was launched in 2026 to recognise employees' commitment to the Company's culture of integrity. Employees can now earn two forms of recognition: the Ethical Shield, awarded upon completion of all ethics and compliance training programmes, and the Compliance Passport, granted once all annual compliance declarations have been completed. This initiative recognises the commitment and engagement of employees who actively contribute to strengthening a robust and responsible culture of integrity.

The programme launched in 2025 to reinforce Ence's commitment to a culture of integrity, responsibility and respect across all levels of the organisation also remains in place. As part of this initiative, Ence has appointed Ethics and Compliance Ambassadors at the Pontevedra and Navia biorefineries and at the Huelva energy complex. Their role is to promote the Company's ethical culture by raising awareness of the Code of Conduct and internal policies throughout their respective sites.

Sustainability - Main KPIs

Safe and Eco-efficient operations
To reduce operational costs

Protecting Health and Safety
- The Group's cumulative LTIFR in Q2 stood at 3.32, the best result across the entire historical series.

Odour Reduction
- Navia: 2 odour minutes, maintaining excellent performance levels.
- Pontevedra: -60% minutes of odor vs 1S25.

Water Consumption Reduction
- Navia: **record monthly low** registered in specific water consumption (<24 m³/Adt).

Contribution to the Circular Economy
- **Pioneering projects for the recovery** and beneficial use of ash and lime sludge in the mining and cement industries.
- **100% of pulp and energy plants** certified *Zero Waste*.

Decarbonisation Plan
- **-5% in Ence's carbon footprint** (Scopes 1, 2 and 3) in 2025 compared with 2024.
- **-10%** in Navia's direct (Scope 1) emissions in 2025 compared with 2024, driven by the use of biomass instead of fossil fuels in the lime kilns.

Bioproducts & ecosystem services
To strenghthen top-line

Special Pulp products with higher added value:
- **9 new approvals** for speciality pulps under the Ence Advanced portfolio.
- Application submitted for the approval of **fluff pulp** under the **Nordic Swan and EU Ecolabel schemes**
- **34%** of sales from special Pulp products with higher margins and growing demand

Recycled Fiber - As Pontes
- Award of **€24.5 million** under the Industrial Decarbonisation PERTE programme. This circular economy project will develop a pioneering facility to produce bleached recycled fibre from recovered paper and cardboard and will be self-supplied with renewable energy.

Forestry bioproducts and ecosystem services
- Improved plant material, better adapted to climate change: **1 new Eucalyptus clone planned for 2026**.
- **≈4,400 ha of forest sinks** registered for voluntary carbon markets.

Responsible supply chain
To become preferred supplier

Certified Supply chain
- ≈ 86% of managed land certified.
- ≈ 82% of Wood certified.
- 100% sites SURE System certified (Sustainable biomass).

Supply chain supervision
- **ESG and Compliance risk assessment of >1,400 value-chain entities**, carried out in line with the Third-Party Due Diligence Procedure.
- **Development and deployment of tools to comply with EUDR Regulation** against deforestation in preparation for its entry into force at the end of the year.

Positive social impact
To grant business sustainability

Talent as competitive advantage
- **25%** female employees.
- **31%** female in managerial positions.
- **78%** job openings filled with internal promotion.
- **Top Employer 2026 Certification.**

Creating positive social impact in local communities
- **Launch of the 7th edition of** Ence's Pontevedra Social Plan **(2026), with funding of up to €3 million for social and environmental projects in the local area.**

Promoting Professional Development in Local Communities
- ✓ **Four Talent Programmes** launched across Navia, Pontevedra, Magnon and Corporate functions.

System Governance
- ✓ **Criminal Compliance Management System (UNE 19601)** obtained, confirming that the implementation and operation of the control mechanisms are appropriate.
- ✓ **Anti-Bribery Management System (ISO 37001**) obtained, confirming the robust implementation of the system and its effective operation

Annex II: Remuneration parameters applicable to the power generation plants

Facility	Type of facility	MW	FY26 Remuneration for investment in P&L (Ri; €/MW)	Type of fuel	Remuneration for operation YTD2026 (Ro; €/MWh)	Sale hours limit under regulated price	Regulatory life (year of maturity)
Pontevedra	Biomass co-generation Biomass generation	34,6	23.270,3	Lignin Agroforestry biomass	0,3 -	- -	2032
Navia	Biomass co-generation Biomass generation	40,3 36,2	104.014,5	Lignin Agroforestry biomass	2,0 74,0	- 7.500	2034
Huelva 41MW	Biomass generation	41,0	-	Agroforestry biomass	-	7.500	2025
Jaen 16MW	Biomass generation	16,0	125.311	Olive Pulp	60,3	7.500	2027
Ciudad Real 16MW	Biomass generation	16,0	125.311	Olive Pulp	60,1	7.500	2027
Cordoba 27MW	Biomass generation Gas co-generation	14,3 12,8	182.817 2.271	Olive Pulp Natural Gas	71,4 134,2	7.500 7.500	2031 2030
Huelva 50MW	Biomass generation	50,0	242.652	Agroforestry biomass	77,9	7.500	2037
Mérida 20MW	Biomass generation	20,0	268.279	Agroforestry biomass	75,2	7.500	2039
Huelva 46 MW	Biomass generation	46,0	-	Agroforestry biomass	72,8	7.500	2044
Ciudad Real 50 MW	Biomass generation	50,0	-	Agroforestry biomass	72,7	7.500	2044

Note: The difference between the Ri of the P&L and that included in the FCF corresponds to the cumulative effect of the adjustment value due to deviations in the market price (regulatory collar) until the end of 2022.

The remuneration of electricity generation plants using renewable sources, cogeneration and waste is regulated by Royal Decree 413/2014. These plants have two remuneration components, one fixed and one variable, to ensure a reasonable level of return:

1. **Remuneration for investment (€/MW)** guarantees the recovery of the initial investment plus a minimum return on the estimated construction cost of a standard plant for each year. This return was set at 7.4% for the 2020–2031 period by Royal Decree-Law 17/2019 of 22 November.
2. **The regulated selling price (€/MWh)** allows all estimated operating costs of a standard plant to be covered, including fuel costs. It consists of the market price plus the corresponding supplementary remuneration for the operation of each plant (Ro).

Under the new methodology approved in 2024, this remuneration for operation (Ro) is updated quarterly based on the difference between the standard operating cost of the plants (around €125/MWh for Magnon Green Energy's biomass plants) and the electricity market price estimated for the immediately preceding quarter. As a result, the adjustment mechanism for deviations from the regulated electricity price (regulatory collar), which had been in force until the end of 2023, was eliminated.

3. In addition, all Magnon Green Energy plants are prepared to provide **back-up services to the electricity system operator**, representing an additional source of revenue.

Both remuneration for investment and the regulated selling price are subject to a **7% tax on the value of electricity generation**.

Annex III: Alternative Performance Measures

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, 2.8, 3.4, 3.5 and 4.1, 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 the above amounts and the amounts presented in the financial statements for the first half of 2026 and the comparison with the first half 2025 figures. The criteria used were the same in both periods:

			6M26				6M25			
	Unit	Source Financial Statement	Pulp	Renewable Energy	Adjustments & Eliminations	CONSOLIDATED TOTAL	Pulp	Renewable Energy	Adjustments & Eliminations	CONSOLIDATED TOTAL
OPERATING PROFIT/(LOSS)	€ m	P&L	(5,2)	(9,5)	0,3	(14,3)	16,6	(7,3)	0,8	10,1
Depreciation and amortisation charges	€ m	P&L	26,3	15,5	(0,3)	41,4	25,6	16,8	(0,8)	41,6
Depletion of forest reserve	€ m	P&L	2,4	0,2	-	2,5	5,2	0,0	-	5,3
Impairment of and gains/(losses) on disposal of fixed assets	€ m	P&L	(0,0)	(0,0)	-	(0,0)	0,0	0,0	-	0,1
Other non-ordinary results from operations	€ m	APM	(2,2)	1,0	-	(1,2)	1,1	-	-	1,1
EBITDA	**€ m**		**21,3**	**7,1**	**(0,0)**	**28,4**	**48,5**	**9,5**	**0,0**	**58,0**

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 sections 1, 2.1, 2.3, 2.5 and 2.8 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 the above amounts and the amounts presented in the financial statements for 1H26 and the comparison with the 1H25 figures. The criteria used were the same in both periods:

	Unit	Source Financial Statement	6M26 Pulp	6M25 Pulp
Revenue from pulp sales	€ m	P&L	240,3	252,0
EBITDA	€ m	APM	21,3	48,5
Total costs (Revenue - EBITDA)	€ m		219,0	203,5
Gains/(losses) on hedging transactions	€ m	APM	0,2	1,0
Depletion of forest reserve	€ m	P&L	2,4	5,2
Change in inventories	€ m	P&L	(7,6)	2,9
Other income and expenses	€ m		0,3	20,9
ADJUSTED CASH COST	€ m		214,2	233,5
Pulp production costs	€ m		176,7	197,4
No. of tonnes produced	Unit		440.656	470.702
PRODUCTION-RELATED COSTS PER TONNE	€/tonne		**401,1**	**419,4**
Overhead, sales and logistics costs	€ m		37,5	36,1
No. of tonnes sold	Unit		453.995	458.725
Overheads, commercialization and logistics	€/tonne		**82,5**	**78,6**
CASH COST	**€/tonne**		**483,6**	**498,1**

The “Other income and expenses” line item for the first half of 2026 includes €6m from the sale of Energy Savings Certificates (CAEs) (€40m in 1H25), the result from the sale of wood to third parties (-€1m in 1H26 and -€1m in 1H25), nursery costs (-€1m in 1H26 and -€1m in 1H25), long-term remuneration and employee severance payments (€0m in 1H26 and -€2m in 1H25), provisions for spare parts and other items (-€4m in 1H26 and -€2m in 1H25), and banking services (-€1m in 1H26 and -€1m in 1H25). The remaining items represented an expense of -€1m in 1H26 and -€9m in 1H25, including the Navia turbine breakdown impact of -€10m.

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 the above amounts and the amounts presented in the financial statements for 1H26 and the comparison with the 1H25 figures. The criteria used were the same in both periods:

	Unit	Source Financial Statement	6M26 Pulp	6M25 Pulp
Revenue from pulp sales	€ m	P&L	240,3	252,0
No. of tonnes sold	Unit		453.995	458.725
Average sales price per tonne (Revenue / # tons)	€/tonne		529,3	549,4
Cash cost (€)	€/tonne	APM	483,6	498,1
TOTAL OPERATING PROFIT PER TONNE OF PULP	**€/tonne**		**45,7**	**51,3**

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, 3.4 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 half of 2026 and the comparison with the first half 2025 figure. The criteria used to determine this metric were the same in both periods:

			6M26				6M25			
	Unit	Source Financial Statement	Pulp	Renewable Energy	Adjustments & Eliminations	CONSOLIDATED TOTAL	Pulp	Renewable Energy	Adjustments & Eliminations	CONSOLIDATED TOTAL
Finance income	€ m	P&L	3,0	4,1	(1,2)	5,8	4,2	1,7	(1,4)	4,4
Finance costs	€ m	P&L	(12,8)	(9,0)	1,2	(20,6)	(15,3)	(10,3)	1,4	(24,1)
NET FINANCE COST	**€ m**		**(9,8)**	**(4,9)**	**0,0**	**(14,7)**	**(11,1)**	**(8,6)**	**-**	**(19,7)**
Impairment and Results from Joint Ventures and Associates	€ m	P&L	-	0,0	-	0,0	-	-	-	-
Results from Equity Interests	€ m	P&L	-	0,3	-	0,3	0,0	-	-	0,0
Change in fair value of financial instruments	€ m	P&L	-	-	-	-	-	-	-	-
Exchange differences	€ m	P&L	1,0	0,0	(0,0)	1,0	(3,8)	0,0	(0,0)	(3,7)
OTHER FINANCIAL ITEMS	**€ m**		**1,0**	**0,3**	**(0,0)**	**1,4**	**(3,8)**	**0,0**	**(0,0)**	**(3,7)**
NET FINANCE INCOME/(COST)	€ m	P&L	(8,8)	(4,6)	0,0	(13,4)	(14,8)	(8,6)	(0,0)	(23,4)

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, 2.5, 2.6, 3.5 and 3.6, 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 half of 2026 and the comparison with the same period of the previous year. The criteria used to determine this metric were the same in both periods:

			6M26				6M25			
	Unit	Source Financial Statement	Pulp	Renewable Energy	Adjustments & Eliminations	CONSOLIDATED TOTAL	Pulp	Renewable Energy	Adjustments & Eliminations	CONSOLIDATED TOTAL
Maintenance capex	€ m		(11,9)	(2,0)	-	(14,0)	(15,4)	(4,9)	-	(20,3)
Efficiency and growth capex	€ m		(5,1)	(0,7)	-	(5,8)	(9,7)	(1,1)	-	(10,8)
Sustainability capex	€ m		(50,3)	(12,0)	-	(62,2)	(13,4)	(5,7)	-	(19,2)
Financial investments	€ m	CF	(12,3)	0,4	11,9	(0,0)	15,6	(2,2)	(14,0)	(0,6)
TOTAL CAPITAL EXPENDITURE	**€ m**	CF	**(79,7)**	**(14,3)**	**11,9**	**(82,1)**	**(22,9)**	**(13,9)**	**(14,0)**	**(50,8)**

OPERATING CASH FLOW

The operating cash flow analysed in sections 1, 2.6 and 3.5 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 half of 2026 and the comparison with the first half figure. The criteria used to determine this metric were the same in both periods:

	Unit	Source Financial Statement	6M26 Pulp	6M26 Renewable Energy	6M26 Adjustments & Eliminations	6M26 CONSOLIDATED TOTAL	6M25 Pulp	6M25 Renewable Energy	6M25 Adjustments & Eliminations	6M25 CONSOLIDATED TOTAL
EBITDA	€ m	APM	21,3	7,1	(0,0)	28,4	48,5	9,5	0,0	58,0
Other non-recurring items	€ m	APM	2,2	(1,0)	-	1,2	(1,1)	-	-	(1,1)
Adjustments to reconcile profit before tax to net cash flows:			-	-	-	-	-	-	-	-
Changes in provisions and other deferred expense (net)	€ m	CF	(5,8)	0,8	(0,1)	(5,2)	(0,1)	2,0	0,1	2,0
Adjustments for tariff shortfall/surplus (electricity market)	€ m	CF	(0,9)	(1,4)	-	(2,3)	(1,1)	(3,0)	0,0	(4,1)
Grants taken to profit and loss	€ m	CF	(0,3)	(0,0)	0,0	(0,4)	(0,3)	(0,1)	-	(0,3)
Exchange differences with an impact on cash	€ m		(0,1)	0,0	-	(0,0)	(1,5)	(0,0)	-	(1,4)
Change in working capital	€ m		(22,2)	(6,5)	0,1	(28,6)	(18,0)	0,3	(0,1)	(17,9)
Interest paid, net (including right-of-use assets)	€ m	CF	(10,0)	(7,3)	-	(17,3)	(10,3)	(8,0)	-	(18,3)
Dividends received	€ m	CF	-	-	-	-	-	-	-	-
Income tax paid	€ m	CF	(0,0)	0,1	-	0,0	(2,5)	0,3	(0,0)	(2,2)
Other collections/(payments)	€ m	CF	(0,3)	-	-	(0,3)	0,0	-	-	0,0
OPERATING CASH FLOW			**(16,2)**	**(8,3)**	**-**	**(24,4)**	**13,7**	**1,0**	**-**	**14,7**

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, 3.5 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 half of 2026 and the comparison with the figure. The criteria used to determine this metric were the same in both periods:

	Unit	Source Financial Statement	6M26 Pulp	6M26 Renewable Energy	6M26 Adjustments & Eliminations	6M26 CONSOLIDATED TOTAL	6M25 Pulp	6M25 Renewable Energy	6M25 Adjustments & Eliminations	6M25 CONSOLIDATED TOTAL
Net cash flows from/(used in) operating activities	€ m	CF	(16,2)	(8,3)	(0,0)	(24,4)	13,7	1,0	0,0	14,7
Net cash flows from/(used in) investing activities	€ m	CF	(78,3)	(14,2)	11,8	(80,7)	(22,6)	(13,7)	(14,0)	(50,4)
FREE CASH FLOW	**€ m**		**(94,5)**	**(22,5)**	**11,8**	**(105,2)**	**(9,0)**	**(12,7)**	**(14,0)**	**(35,7)**

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 3.6 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 half of 2026 and the comparison with the 2025 figure. The criteria used to determine this metric were the same in both periods:

	Unit	Source	Jun-2026 Pulp	Jun-2026 Renewable	Jun-2026 Adjustments	Jun-2026 CONSOLIDATED	Dec-2025 Pulp	Dec-2025 Renewable	Dec-2025 Adjustments	Dec-2025 CONSOLIDATED
Non-current borrowings:										
Bonds and other maketable securities	€ m	BS	120,0	-	-	120,0	13,5	-	-	13,5
Bank borrowings	€ m	BS	189,4	148,4	-	337,8	235,1	159,4	-	394,5
Other financial liabilities	€ m	BS	72,2	3,4	-	75,7	73,3	4,2	-	77,5
Current borrowings:	€ m		-	-	-	-	-	-	-	-
Bonds and other maketable securities	€ m	BS	61,2	-	-	61,2	59,7	-	-	59,7
Bank borrowings	€ m	BS	47,6	11,1	-	58,7	74,1	11,2	-	85,3
Other financial liabilities	€ m	BS	16,1	1,8	-	18,0	13,2	1,8	-	15,0
			-	-	-	-	-	-	-	-
Cash and cash equivalents	€ m	BS	136,0	29,2	-	165,2	210,1	58,7	-	268,8
Current financial assets - Other financial investments	€ m		1,8	0,1	-	1,9	2,7	0,1	-	2,8
Cash reserve for debt service	€ m		-	11,5	-	11,5	-	11,5	-	11,5
NET DEBT/(CASH)	€ m		**368,7**	**123,9**	**-**	**492,7**	**256,0**	**106,5**	**-**	**362,5**

ROCE

ROCE stands for the return on capital employed and is used by management as a key profitability performance indicator. It is provided in sections 2.8 and 3.7 of this report. ROCE is widely used in the capital markets to measure and compare the earnings performance of different companies or projects.

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.

			6M26				6M25			
	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	(51,8)	(10,9)	1,4	(61,3)	36,5	(9,7)	1,6	28,4
Average capital employed, last 12 months			-	-	-	-	-	-	-	-
Average equity	€ m	BS	397,2	166,2	-	563,4	445,4	189,9	4,4	639,7
Average net debt	€ m	BS	307,7	117,2	-	424,9	233,5	86,8	-	314,4
ROCE	**%**		**(7,4%)**	**(3,8%)**	**-**	**(6,2%)**	**5,4%**	**(3,5%)**	**-**	**3,0%**

DISCLAIMER

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
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