

Results Report

3rd Quarter 2026

27 October 2026

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1. Executive Summary

Market figures	3Q26	3Q25	Δ%	2Q26	Δ%	9M26	9M25	Δ%
BHKP (USD/t) average price	1.377	1.034	33,1%	1.358	1,4%	1.308	1.092,1	19,8%
Average exchange rate (USD/€)	1,15	1,17	(1,3%)	1,16	(1,0%)	1,16	1,11	4,4%
BHKP (€/t) average price	1.195	886	34,8%	1.166	2,5%	1.126	982	14,7%
Operating Metrics	3Q26	3Q25	Δ%	2Q26	Δ%	9M26	9M25	Δ%
Pulp production (t)	233.461	239.422	(2,5%)	254.675	(8,3%)	674.117	710.124	(5,1%)
Pulp sales (t)	237.120	263.329	(10,0%)	247.175	(4,1%)	691.115	722.054	(4,3%)
Ence Advanced pulp sales (%)	27%	24%	2,9 p.p.	34%	(7,8 p.p.)	32%	29%	2,6 p.p.
Average sales pulp price (€/t)	549	452	21,5%	558	(1,5%)	536	514	4,3%
Cash cost (€/t)	463	459	0,8%	455	1,7%	476	485	(1,7%)
Operating margin (w/o hedging) (€/t)	86,6	(7,2)	n.s.	102,8	(15,8%)	59,8	29,3	104,3%
Renewable Energy sales volume (MWh)	311.300	315.103	(1,2%)	254.224	22,5%	828.489	895.058	(7,4%)
Average sales price (€/MWh)	191	131	47%	144	33,2%	155	138	12,6%
Remuneration for investment (€ m)	6,0	6,4	(6,2%)	6,0	-	18,1	19,3	(6,2%)
P&L € m	3Q26	3Q25	Δ%	2Q26	Δ%	9M26	9M25	Δ%
Revenue from Pulp business	147,4	131,5	12,1%	156,3	(5,7%)	417,5	413,1	1,0%
Revenue from Renewable Energy business	69,4	49,8	39,4%	46,1	50,7%	156,2	148,9	4,9%
Consolidation adjustments	(0,9)	(0,4)	(133,1%)	(1,4)	35,4%	(2,9)	(1,9)	(49,9%)
Total revenue	215,9	180,9	19,3%	201,0	7,4%	570,7	560,1	1,9%
Pulp business EBITDA	33,3	4,3	n.s.	22,7	46,9%	54,6	52,8	3,4%
Renewable Energy business EBITDA	12,7	8,4	51,3%	4,5	180,1%	19,8	17,9	10,6%
EBITDA	46,0	12,7	n.s.	27,2	69,1%	74,4	70,7	5,2%
Depreciation, amortisation and forestry depletion	(22,3)	(21,8)	(2,3%)	(23,0)	2,9%	(66,3)	(68,6)	3,5%
Impairment of and gains/(losses) on fixed-assets	(0,2)	(0,1)	(58,6%)	0,0	n.s.	(0,1)	(0,2)	26,5%
Other non-ordinary results of operations	-	(1,8)	100,0%	(1,0)	100,0%	1,2	(2,9)	n.s.
EBIT	23,6	(11,1)	n.s.	3,3	n.s.	9,2	(1,0)	n.s.
Net finance cost	(9,6)	(9,1)	(5,4%)	(5,8)	(64,4%)	(24,3)	(28,8)	15,5%
Other finance income/(cost) results	(0,1)	0,0	n.s.	0,5	n.s.	1,3	(3,7)	n.s.
Profit before tax	13,9	(20,2)	n.s.	(2,0)	n.s.	(13,8)	(33,5)	58,8%
Income tax	(2,7)	3,9	n.s.	(1,1)	(149,6%)	0,3	4,3	(92,1%)
Consolidated Net income	11,2	(16,2)	n.s.	(3,1)	n.s.	(13,4)	(29,2)	53,9%
Non-controlling interests	(1,1)	1,1	n.s.	3,6	n.s.	6,6	7,2	(8,6%)
Attributable Net Income	10,2	(15,1)	n.s.	0,5	n.s.	(6,9)	(22,0)	68,7%
Earnings per share (Basic EPS)	0,04	(0,06)	n.s.	0,00	n.s.	(0,03)	(0,09)	68,7%
Cash flow € m	3Q26	3Q25	Δ%	2Q26	Δ%	9M26	9M25	Δ%
EBITDA	46,0	12,7	n.s.	27,2	69,1%	74,4	70,7	5,2%
Change in working capital	15,6	18,0	(13,3%)	(10,6)	n.s.	(13,0)	0,1	n.s.
Maintenance capex	(7,1)	(12,8)	44,6%	(6,1)	(17,0%)	(21,1)	(33,2)	36,5%
Net interest Payment	(4,1)	(5,9)	31,1%	(10,3)	60,5%	(21,4)	(24,2)	11,9%
Income tax received/(paid)	(0,0)	0,0	n.s.	(0,2)	96,5%	0,0	(2,2)	n.s.
Normalised free cash flow	50,5	11,9	n.s.	0,1	n.s.	19,0	11,2	70,3%
Other cash adjustments	(17,6)	(2,7)	n.s.	(2,2)	n.s.	(24,6)	(7,6)	(222,5%)
Efficiency and expansion capex	(22,2)	(12,2)	(82,2%)	(25,1)	11,7%	(84,4)	(31,2)	(170,2%)
Sustainability capex and other	(0,8)	(4,8)	84,0%	(2,2)	65,2%	(6,6)	(15,5)	57,5%
Financial investments and in Group companies	0,0	(0,4)	n.s.	(0,0)	n.s.	(0,0)	(0,9)	95,9%
Disposals	0,4	0,4	(4,6%)	0,6	(28,4%)	1,8	0,8	111,5%
Free cash flow	10,4	(7,6)	n.s.	(28,9)	n.s.	(94,8)	(43,3)	(119,0%)
Dividends from the parent	(0,0)	-	n.s.	0,0	n.s.	(0,0)	-	n.s.
Dividend to minorities	-	(0,4)	100,0%	-	n.s.	-	(0,4)	100,0%
Proceeds/(payments) of equity instruments	0,0	(0,2)	n.s.	(0,2)	n.s.	(0,2)	(0,9)	72,6%
Other movements in borrowings	15,0	3,9	n.s.	(1,5)	n.s.	5,9	(1,1)	n.s.
Net decrease / (increase) in net debt (€ m)	25,4	(4,4)	n.s.	(30,6)	n.s.	(89,2)	(45,7)	(95,1%)
Net debt € m	Sep-2026	Dec-2025	Δ%					
Net debt Pulp business	340,1	266,3	27,7%					
Net debt Renewable business	127,2	111,8	13,8%					
Group net debt	467,3	378,1	23,6%					

- In the third quarter of the year Ence posted a net profit of €10m, compared with a loss of €15m in the third quarter of 2025 and a net profit of €0.5m in the second quarter of 2026. In addition, the Company reduced its net financial debt by €25m to €467m. The improvement in results was driven by a strong price environment in both pulp and renewables, the results of the Efficiency and Competitiveness Plan under way and the sale of new Energy Savings Certificates (“CAEs”).
- Pulp:
 - Pulp business EBITDA in the quarter amounted to €33m, compared with €4m in the same period of 2025 and €23m in the previous quarter.
 - The gross price of hardwood pulp in Europe closed the quarter at \$1,310/t, \$99/t below the close of the previous quarter. This was a seasonal adjustment that had already been anticipated. Since the end of September the main producers have been announcing price increases, and the positive price environment is expected to continue over the coming months, supported by the current level of inventories and the rise in wood prices in China, which increases the cash cost of local producers and acts as a floor for net prices in the industry. In parallel, the net price spread in China between softwood and hardwood should begin to recover gradually from the current c. \$70/t (compared with a historical average of approximately \$140/t), driven by the increase in softwood prices following the capacity restructuring process it has undergone since 2022 (permanent closures affecting 1.1 million tonnes).
 - Specialty products that replace softwood grew by 4% compared with the previous year-to-date figure, equivalent to nine thousand incremental tonnes, and now account for 32% of sales volume. This growth is particularly relevant in the current situation, in which the price spread between hardwood and softwood is at historical lows.
 - Ence's cash cost was €463/t in the quarter and €476/t year-to-date, a reduction of €8/t compared with the same period of the previous year.
 - It is worth noting that, from the start of August through the end of the quarter, our Pontevedra biomill operated without taking any water from its main source (the Lérez River). Instead, it drew entirely on reclaimed water from the city's municipal wastewater treatment plant, through the effluent recovery system we brought online in 2023. This is an industrial milestone: Pontevedra is the only mill in Europe able to run uninterrupted while taking water from any external water flow. The system is already a strategic part of our production process. Operating it at full scale this quarter did carry a cost, around €9 per tonne and some 10,000 tonnes of lower output, but we are refining how we run it and steadily moving up the learning curve.
 - The Efficiency and Competitiveness Plan continues on track, with savings achieved or under implementation with an annualised impact of €14.7m against a target of €15m in 2026.
 - Energy Savings Certificates worth €17m were sold in 3Q 2026, fully collected as of the publication date of this report.
- Biomass-based renewable energy platform:
 - Ence Renovables' EBITDA in 3Q26 reached €13m, compared with €8m in the same period of 2025 and €5m in 2Q26.
 - Production of the biomass power generation business reached 311 GWh, in line with 3Q25 and 22% higher than in 2Q26, when maintenance shutdowns were concentrated.
 - In renewable industrial heat, the development and execution of the pipeline continues. In the third quarter two projects started industrial-phase production. By the end of the year, there will be five operating projects with annual estimated production of c. 240 GWht/y (c. 12% of 2030 production target).
 - In biomethane, the portfolio is progressing with 41 projects and up to 4 TWh of capacity, compared with the 1 TWh target for 2030. All of them have grid connection, locations where feedstock supply is three times what the plant requires, and feasibility studies; 28 are in the engineering and permitting phase, and the first Integrated Environmental Authorization (AAI) is expected in the last quarter of 2026. In this quarter, one favourable Environmental Impact Statement (“DIA”) was obtained, a key step prior to obtaining the AAI.

2. Pulp business

Ence operates two biofactories producing hardwood pulp (BHKP) from eucalyptus wood in north-western Spain: one with an installed capacity of 685,000 tonnes on its own land in Navia, Asturias, and another with a capacity of 515,000 tonnes on concession land in Pontevedra, Galicia. Both use eucalyptus wood mostly purchased in the vicinity of the biofactories and sourced from certified responsible sources that guarantee sustainable forest management.

Its production strategy is focused on specialty products that replace softwood, with a higher margin than standard hardwood pulp. Specialty pulps accounted for 32% of total sales volume in the first nine months of the year (compared with 29% in 2025) and are expected to exceed 62% of the group's sales volume in 2028.

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

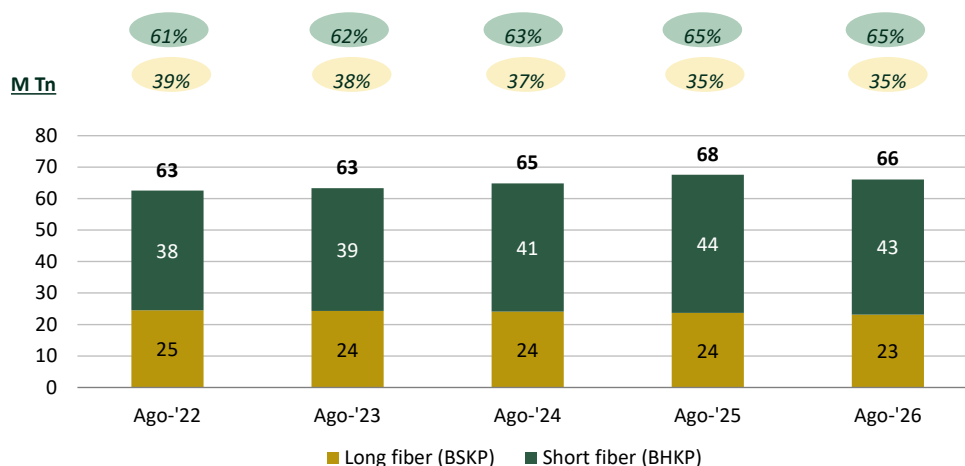
2.i) Pulp market trends:

Based on data to August, global hardwood pulp demand has grown at a compound annual growth rate of 3% over the last 5 years, increasing its market share by five percentage points against softwood, which has declined at a rate of 1% per year. The market as a whole has grown by 1% per year.

Global market demand is growing steadily, linked to the increase in the urban population and improving living standards in emerging countries, as well as the consolidation of the fibre substitution process, which continues to increase the penetration of hardwood pulp (mainly produced from eucalyptus wood) in products that until now used softwood (mainly pine and spruce).

Global pulp demand trend (last five years)

Market share

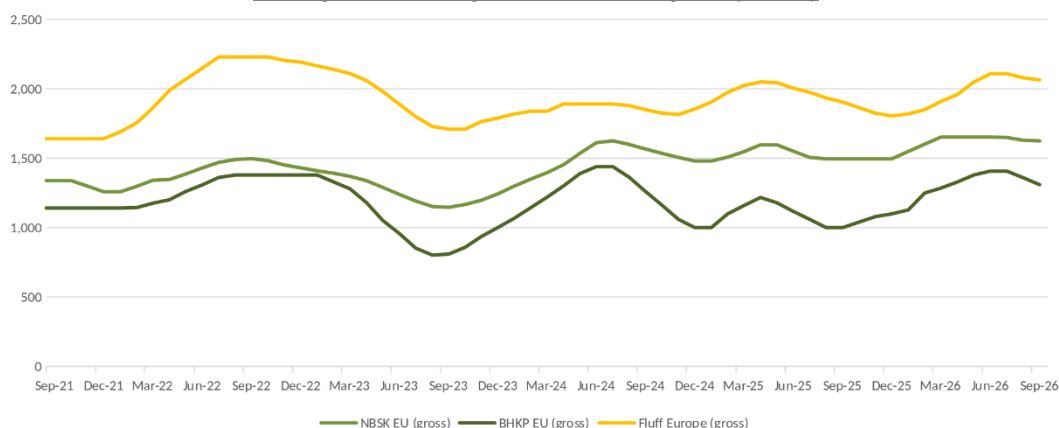


Source: PPPC (Global – 100). August 2026 data, LTM figures from August.

The gross price of hardwood pulp in Europe closed the quarter at \$1,310/t, compared with \$1,409/t at the end of June. The quarter saw the seasonal adjustment, already anticipated, which is not expected to alter the positive price trend over the coming months, underpinned by current inventory levels and rising wood costs in China, which act as a floor for net prices in the industry. In fact, the main producers have already begun announcing price increases (+\$50/t gross price in Europe) since the end of September.

In parallel, the net price spread between softwood and hardwood, which currently stands at historical lows (approximately \$70/t compared with a historical average of \$140/t in China), is expected to begin to recover due to the increase in the softwood price following the restructuring process undergone since 2022. In 2026, permanent closures have been announced affecting 1,1 million tonnes of capacity.

Gross prices in Europe over the last 5 years (USD/t)



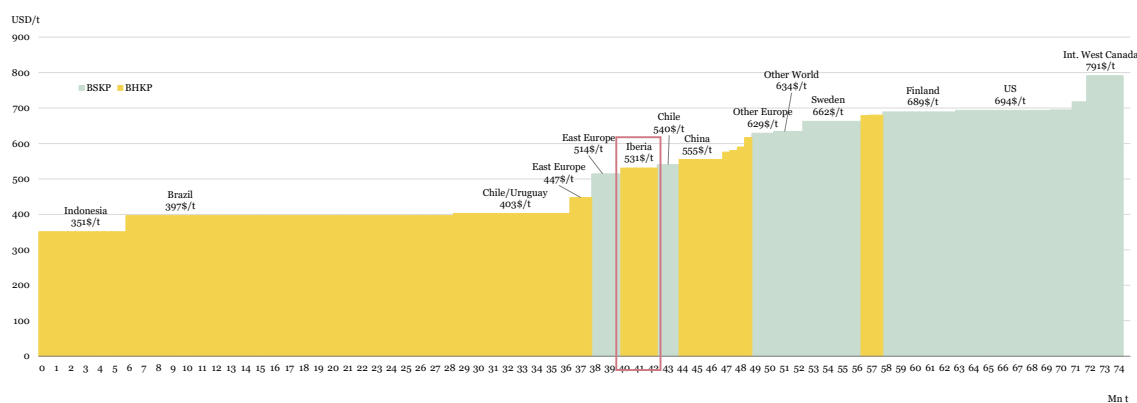
The average hardwood (BHKP) benchmark price in Europe in the quarter was \$1,377 gross per tonne, 33% higher than in the same period of 2025 and 1% higher than in the previous quarter.

Market figures	3Q26	3Q25	Δ%	2Q26	Δ%	9M26	9M25	Δ%
BHKP (USD/t) average price	1,377	1,034	33.1%	1,358	1.4%	1,308	1,092.1	19.8%
Average exchange rate (USD/€)	1.15	1.17	(1.3%)	1.16	(1.0%)	1.16	1.11	4.4%
BHKP (€/t) average price	1,195	886	34.8%	1,166	2.5%	1,126	982	14.7%

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

From a cost perspective, the global cash cost curve highlights the greater competitiveness of hardwood producers compared with softwood producers. Ence's strategy of specialty products that replace softwood, which already account for 32% of sales and are expected to exceed 62% in 2028, is strengthening its position on the global cost curve as a highly competitive producer among softwood manufacturers.

Global cost curve (USD/t)



2.ii) Pulp sales:

Pulp sales volume in the third quarter of 2026 stood at 237,120 tonnes, 10% lower than in the same period of 2025 and 4% lower than in the previous quarter.

	3Q26	3Q25	Δ%	2Q26	Δ%	9M26	9M25	Δ%
Pulp sales (t)	237,120	263,329	(10.0%)	247,175	(4.1%)	691,115	722,054	(4.3%)
Average sales price (w/o hedging) (€/t)	549.3	452.0	21.5%	557.8	(1.5%)	536.2	513.9	4.3%
Pulp sales revenue (€ m)	130.2	119.0	9.4%	137.9	(5.5%)	370.6	371.0	(0.1%)

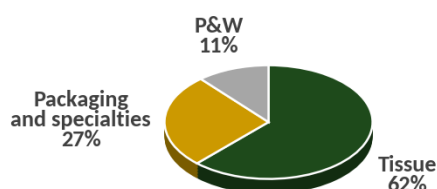
The average sales price excluding exchange rate hedges was €549/t, 22% higher than in 3Q25 and 2% lower than in the previous quarter. Accordingly, revenue from pulp sales amounted to €130m, +9% compared with 3Q25 and -6% compared with 2Q26.

Specialty pulps that replace softwood grew by 4% year-to-date (nine thousand incremental tonnes) compared with the same period of the previous year and now account for 32% of total sales volume. This growth is noteworthy in a market context in which the spread between softwood and hardwood is at lows.

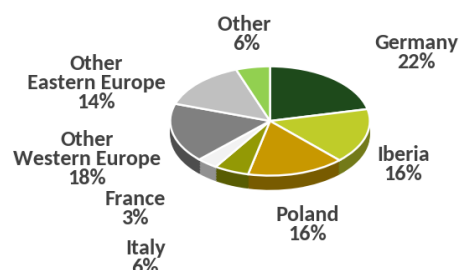
The new *fluff* pulp line, commissioned in 4Q25, continues to make progress. This year 5 qualification processes have been completed and 30 customers are in the industrial trial phase, with the aim of reaching 125,000 tonnes of sales in 2028. With this activity, Ence is positioned as the only European producer of *fluff* pulp made from eucalyptus fibre. As a result, specialty pulps as a whole are estimated to provide an incremental margin of €36/t compared with the standard product.

The tissue paper segment remains the main end use of the fibre sold by Ence, accounting for 62% of pulp sales revenue in the first nine months of 2026, followed by the packaging and specialties segment with 27%. The printing and writing segment accounted for the remaining 11%.

Revenue breakdown by end product



Revenue breakdown by geographic market



By geographic area, virtually all of our sales go 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 nine months of 2026, Germany accounted for 22% of revenue, followed by Iberia with 16%, Poland with 16%, Italy with 6% and France with 3%. The rest of Western Europe accounted for a combined 18% of revenue, while other Eastern European countries represented 14%.

Amid the global trade tensions experienced this 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, from a supply standpoint, its strategy is also essentially local.

2.iii) Pulp production and cash cost:

Pulp production in the third quarter of 2026 was 233,461 tonnes, 2% lower than in the same period of 2025 and 8% lower than in the previous quarter. By mill, production at Navia stood at 152,317 tonnes, 4% higher than in the same period of the previous year and 2% higher than in the previous quarter. At Pontevedra, production reached 81,143 tonnes, 13% lower than in the third quarter of 2025 and 23% lower than in the previous quarter. The decline in production at Pontevedra is explained by the annual maintenance shutdown that took place in September (in line with the previous year) and by the restrictions on the use of the Lérez river flow which, thanks to the successful implementation of the effluent water recovery system, did not interrupt the mill's activity but did reduce normal production in the shutdown quarter by around ten thousand tonnes.

	3Q26	3Q25	Δ%	2Q26	Δ%	9M26	9M25	Δ%
Navia pulp production (t)	152,317	146,320	4.1%	149,263	2.0%	390,874	402,841	(3.0%)
Pontevedra pulp production (t)	81,143	93,102	(12.8%)	105,412	(23.0%)	283,242	307,283	(7.8%)
Pulp production (t)	233,461	239,422	(2.5%)	254,675	(8.3%)	674,117	710,124	(5.1%)

Cash cost in the quarter was €463/t, compared with €459/t in the same quarter of the previous year and €455/t in the second quarter of 2026. The increase compared with the previous quarter is due to lower dilution of fixed

costs as a result of lower production and a higher cost of €9/t in the group arising from the water restrictions at Pontevedra. Year-to-date, cash cost stands at €476/t, €8/t lower than in the same period of the previous year.

As a result, the operating margin per tonne was €87/t, €94/t higher than in 3Q25 and €16/t lower than in the previous quarter.

Figures in €/t	3Q26	3Q25	Δ%	2Q26	Δ%	9M26	9M25	Δ%
Average sales price (w/o hedging) (€/t)	549.3	452.0	21.5%	557.8	(1.5%)	536.2	513.9	4.3%
Total cash cost (€/t)	462.7	459.1	0.8%	455.1	1.7%	476.4	484.6	(1.7%)
Operating margin (w/o hedging) (€/t)	86.6	(7.2)	n.s.	102.8	(15.8%)	59.8	29.3	104.3%

2.iv) Other revenue:

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 and a lignin cogeneration plant and a biomass generation plant, of 40 MW and 37 MW respectively, integrated into the Navia biofactory. Surplus renewable energy is sold to the grid.

Figures in € m	3Q26	3Q25	Δ%	2Q26	Δ%	9M26	9M25	Δ%
Revenues from energy sales linked to pulp (€ m)	14.7	10.0	46.1%	12.0	22.0%	34.2	25.7	33.2%
Forestry and other revenue (€ m)	2.4	2.4	0.5%	6.4	(61.6%)	12.7	16.4	(22.6%)
Other income	17.1	12.5	37.2%	18.4	(6.9%)	46.9	42.1	11.5%

In addition to the sale of pulp and energy, the Pulp business includes other activities, notably the sale to third parties of wood from its own eucalyptus plantations located in southern Spain. Together, this revenue amounted to €17m in the quarter.

2.v) Income Statement:

EBITDA for the third quarter of the year was €33m, compared with €4m in 3Q25 and €23m in the previous quarter. It includes €17m from the sale of Energy Savings Certificates ("CAEs"), which year-to-date amount to €23m (vs. €39m in 9M 2025) and which, as of the date of this report, have been fully collected.

Figures in € m	3Q26	3Q25	Δ%	2Q26	Δ%	9M26	9M25	Δ%
Pulp sales revenue	130.2	119.0	9.4%	137.9	(5.5%)	370.6	371.0	(0.1%)
Other income	17.1	12.5	37.2%	18.4	(6.9%)	46.9	42.1	11.5%
Total net revenue	147.4	131.5	12.1%	156.3	(5.7%)	417.5	413.1	1.0%
EBITDA	33.3	4.3	n.s.	22.7	46.9%	54.6	52.8	3.4%
Depreciation and amortisation	(13.5)	(13.5)	0.5%	(13.9)	3.0%	(39.7)	(39.1)	(1.6%)
Depletion of forestry reserves	(1.1)	(0.9)	(20.0%)	(1.5)	31.1%	(3.4)	(6.1)	44.3%
Impairment of and gains/(losses) on fixed-asset disp.	(0.1)	(0.1)	(52.6%)	0.0	n.s.	(0.1)	(0.1)	4.3%
Other non-ordinary results from operations	-	(1.8)	100.0%	-	n.s.	2.2	(2.9)	n.s.
EBIT	18.7	(12.1)	n.s.	7.3	156.0%	13.5	4.5	199.5%
Net finance cost	(5.3)	(4.4)	(19.9%)	(5.2)	(3.5%)	(15.2)	(15.5)	2.3%
Other financial results	0.2	(0.1)	n.s.	0.5	(58.4%)	1.2	(3.9)	n.s.
Profit before tax	13.5	(16.6)	n.s.	2.6	n.s.	(0.4)	(14.9)	97.1%
Income tax	(2.9)	3.8	n.s.	(0.3)	n.s.	0.9	3.4	(74.6%)
Net Income	10.7	(12.9)	n.s.	2.3	n.s.	0.4	(11.4)	n.s.

Below EBITDA, depreciation and amortisation expense was €13m in the third quarter, in line with the same period of the previous year and with the previous quarter. Forest depletion stood at €1m, compared with €1m in the third quarter of 2025 and €2m in the previous quarter.

Net financial expense was €5m, compared with €4m in the same period of 2025, while other financial results, which mainly reflect the effect of exchange rate changes on working capital and the result of equity-accounted companies during the period, showed a positive balance of €0.2m compared with a negative balance of €0.1m in the same period of 2025.

Income tax amounted to an expense of €3m. In this regard, it is worth noting that at the end of the period there were tax loss carryforwards pending recovery of €31m.

Net profit in the quarter was €11m, compared with a loss of €13m in the same quarter of 2025 and a profit of €2m in 2Q 2026.

2.vi) Cash Flow:

Operating cash flow in the quarter was €31m, compared with €26m in the same period of the previous year and €9m in the second quarter of 2026.

Figures in € m	3Q26	3Q25	Δ%	2Q26	Δ%	9M26	9M25	Δ%
EBITDA	33.3	4.3	<i>n.s.</i>	22.7	<i>47%</i>	54.6	52.8	<i>3%</i>
Other cash adjustments	(18.3)	(1.8)	<i>n.s.</i>	(0.9)	<i>n.s.</i>	(23.6)	(5.8)	<i>n.s.</i>
Change in working capital	19.0	27.5	<i>(31%)</i>	(8.9)	<i>n.s.</i>	(3.2)	9.5	<i>n.s.</i>
Income tax received / (paid)	(0.0)	0.0	<i>n.s.</i>	(0.2)	<i>89%</i>	(0.0)	(2.5)	<i>98%</i>
Net interest received / (paid)	(2.6)	(4.4)	<i>42%</i>	(4.2)	<i>38%</i>	(12.6)	(14.8)	<i>15%</i>
Net cash flow from operating activities	31.5	25.5	<i>23%</i>	8.6	<i>n.s.</i>	15.3	39.1	<i>(61%)</i>

The change in working capital resulted in a cash inflow of €19m, mainly due to the decrease in trade and other receivables and the increase in trade and other payables.

Figures in € m	3Q26	3Q25	Δ%	2Q26	Δ%	9M26	9M25	Δ%
Inventories	(2.6)	13.5	<i>n.s.</i>	(4.9)	<i>46.9%</i>	(8.9)	(0.2)	<i>n.s.</i>
Trade and other receivables	13.6	16.0	<i>(15.1%)</i>	1.9	<i>n.s.</i>	0.5	6.5	<i>(93.0%)</i>
Financial and other current assets	-	-	<i>n.s.</i>	-	<i>n.s.</i>	-	-	<i>n.s.</i>
Trade and other payables	8.0	(2.0)	<i>n.s.</i>	(5.9)	<i>n.s.</i>	5.3	3.1	<i>70.7%</i>
Change in working capital	19.0	27.5	<i>(30.8%)</i>	(8.9)	<i>n.s.</i>	(3.2)	9.5	<i>n.s.</i>

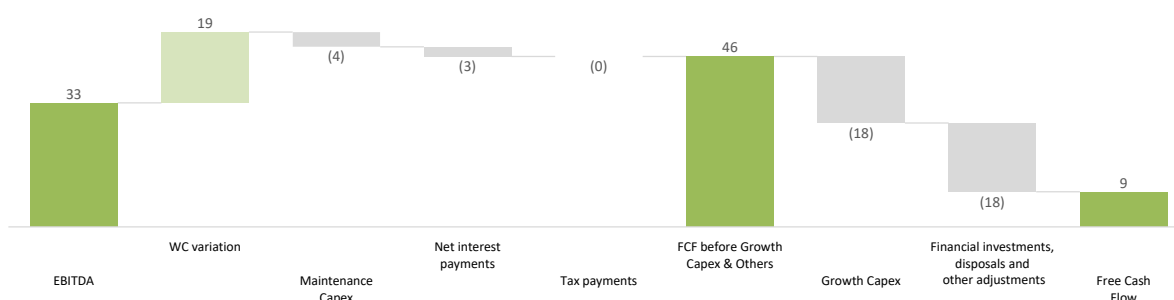
The amount drawn on non-recourse factoring lines in the Pulp business at the end of the quarter was €89m, in line with the amount drawn at the end of 2025. In addition, Ence has arranged various confirming contracts, with a drawn balance of €59m at the end of the quarter, compared with €64m at the end of 2025. The confirming lines contracted do not involve the provision of guarantees, do not alter the average payment period agreed with suppliers and do not accrue any financial cost.

Figures in € m	3Q26	3Q25	Δ%	2Q26	Δ%	9M26	9M25	Δ%
Maintenance capex	(4,0)	(9,9)	<i>(59,9%)</i>	(5,1)	<i>(22,4%)</i>	(15,9)	(25,3)	<i>(37,2%)</i>
Sustainability capex and other	(0,8)	(4,1)	<i>(80,3%)</i>	(1,7)	<i>(52,9%)</i>	(5,9)	(13,7)	<i>(56,8%)</i>
Efficiency and expansion capex	(17,1)	(6,0)	<i>184,8%</i>	(18,5)	<i>(8,0%)</i>	(67,3)	(19,4)	<i>246,9%</i>
Financial investments and in Group companies	(0,5)	(2,7)	<i>(79,9%)</i>	(9,0)	<i>(94,0%)</i>	(12,9)	12,9	<i>n.s.</i>
Investments	(22,4)	(22,7)	<i>(1,3%)</i>	(34,4)	<i>(34,9%)</i>	(102,0)	(45,6)	<i>123,8%</i>
Disposals ¹	0,3	0,3	<i>2,7%</i>	0,5	<i>(36,0%)</i>	1,7	0,6	<i>171,9%</i>
Net cash flow used in investing activities	(22,0)	(22,3)	<i>(1,4%)</i>	(33,8)	<i>(34,9%)</i>	(100,3)	(44,9)	<i>123,2%</i>

1) Disposals in 2025 exclude the maturity in January 2025 of short-term financial investments amounting to €10m, which are treated as cash and cash equivalents

Investing cash flow in the period was negative at €22m, in line with the previous year, and compared with a cash outflow of €34m in the second quarter of the year. Of this amount, €18m relates to efficiency, expansion and sustainability capex, mainly linked to the final payments for the Navia efficiency and decarbonisation investments, and €4m to maintenance capex.

Free cash flow 3Q26 (€m)



Taking into account financial investments, disposals and other adjustments (which include the €17m of CAEs pending collection at 30 September and already collected as of the publication date of this report), free cash flow for the period was positive at €9m.

2.vii) Change in Net Debt:

The Pulp business closed the third quarter of 2026 with a net debt position of €340m, an increase of €74m compared with December 2025 and a decrease of €29m compared with the end of the previous quarter.

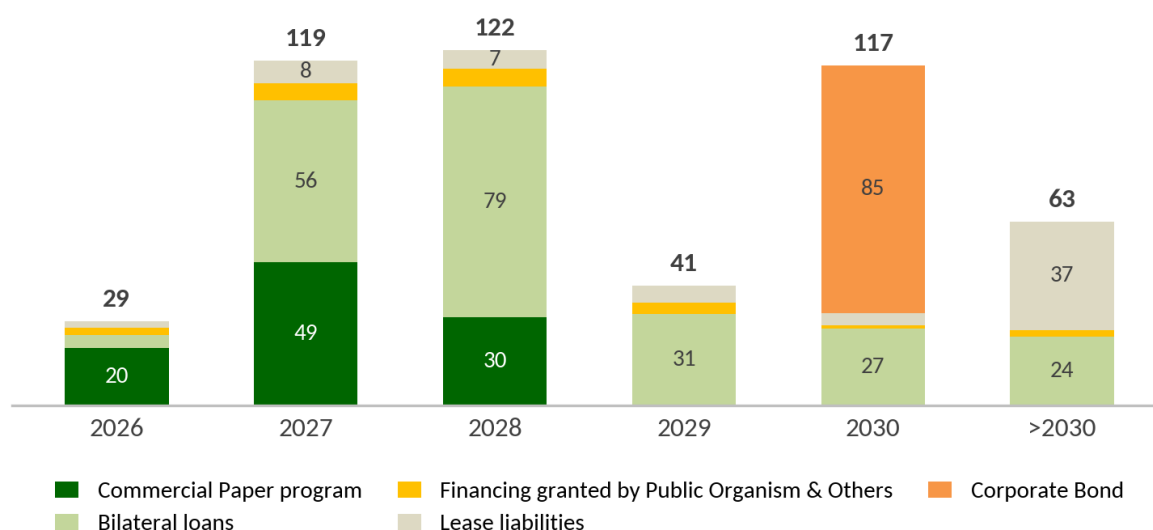
Due to the cyclical nature of the pulp business, its financing is not subject to any leverage limit (covenant) and it has ample liquidity. Cash and short-term financial investments at the end of the quarter amounted to €149m.

Figures in €Mn	Sep-2026	Dec-2025	Δ%
Non-current financial debt	304.0	268.8	13.1%
Current financial debt	120.9	119.1	1.5%
Gross financial debt	424.9	387.9	9.5%
Non-current lease contracts	55.0	54.4	1.0%
Current lease contracts	9.2	6.9	33.2%
Liabilities related to lease contracts	64.2	61.3	4.7%
Cash and cash equivalents	147.0	180.6	(18.6%)
Short-term financial investments	1.9	2.4	(20.0%)
Net debt Pulp business	340.1	266.3	27.7%

Of the €425m of gross financial debt at the end of the quarter, €221m relates to the outstanding balance of bilateral loans, €85m to the bond issued on the Alternative Fixed Income Market (MARF) in January 2026 and €99m to the sustainable commercial paper programme. CDTI and other public bodies have granted financing for investments with an outstanding balance of €22m. Finance lease liabilities amounted to €64m at the end of the quarter. Arrangement fees are deducted from the gross financial debt balance on the balance sheet.

Of the €119m maturing in 2027, €49m relates to the commercial paper programme, which will be refinanced over the course of the year as it matures.

Maturity schedule (€m)



2.viii) Efficiency and diversification projects:

The company has two major initiatives under way to generate up to €30/t of cash cost savings: the Efficiency and Competitiveness Plan and the Navia efficiency and decarbonisation plan. These savings will materialise between 2026 and 2027, €15/t in 2026 and the remainder in 2027.

Regarding the Efficiency and Competitiveness Plan, launched in the fourth quarter of 2025 and to be implemented over the 2025/27 period, with total potential savings of approximately €22/t in the group's cash cost and a cash outflow of approximately €26m, it is structured around two core pillars: (i) Artificial Intelligence solutions and process re-engineering and automation and (ii) rationalisation of our operating processes, including a headcount reduction.

As of the date of this report, annualised savings of €14.7m have been achieved or are being implemented, of which €10.9m comes from the Efficiency and Competitiveness Plan and €3.8m from the investment in efficiency and decarbonisation at Navia, which provides independence and flexibility in the energy supply to the lime kilns.

In addition, Ence is developing a range of renewable packaging made from moulded pulp, 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%. Production of the first line is expected to start in 2H 2027.

Furthermore, the company is finalising the engineering and permitting of the Pontevedra Avanza project, which aims to reduce this biofactory's production cost by €50 per tonne (€20/t at Group level), improve its flexibility to use different types of eucalyptus and increase the weight of specialty pulps.

Finally, Ence continues to make progress on the engineering and permitting of an innovative project located in As Pontes (A Coruña) to produce 100,000 tonnes of recycled bleached pulp from recovered fibres, without increasing wood consumption. The integrated environmental authorisation for the project was obtained in the third quarter of 2025 and in the first quarter of this year the project was selected for the award of a €25m PERTE grant, already received.

3. Renewable Energy business

Ence operates through a diversified renewable energy platform, with local biomass as its cornerstone, including regulated power 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 (wholly owned by Ence Energía y Celulosa) is the holding company that controls 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 renewable power generator from biomass in Spain. It has 8 plants in operation with a combined installed capacity of 225 MW and 2 projects with a combined capacity of 100 MW with which it will be able to participate in future capacity auctions.

Magnon Servicios Energéticos offers comprehensive solutions for the generation of renewable thermal energy from biomass for industrial customers in Spain. The target is to reach a production of 2 TWh of thermal energy in 2030 with EBITDA of approximately €30m. In 2026 the company will end the year with 5 projects in operation, compared with one project in 2025, with an estimated run-rate output of approximately 240 GWht (c. 12% of 2030 target). By the end of 3Q, three projects were in operation. Current existing projects and risked pipeline opportunities lead to annual production of 1,5 TWht/year. Additional commercial efforts to be done to reach the target.

Biofertilizantes CH4 is the Group subsidiary dedicated to the development and operation of biomethane and organic fertiliser production plants, based on a model of 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 supplier for the sale of the biomethane produced at the plant. At the end of the quarter, Biofertilizantes CH4 has projects to develop up to 4 TWh of capacity compared with a target of 1 TWh, of which 28 are already in the permitting and engineering phase. The Integrated Environmental Authorisation ("AAI") is expected to be obtained for eight of the plants in 2026/27. In the third quarter of the year favourable Environmental Impact Statements was obtained for one of the projects. This is a key step prior to obtaining the AAI.

In addition, Ence is the largest generator of biogenic CO₂ in Spain, with close to 4 million tonnes per year. Biogenic CO₂ is a key input in the manufacture of renewable fuels. The company has initiated the permitting process required to host biogenic CO₂ capture and utilisation units at its main regulated biomass-to-power industrial complexes (namely Huelva, Puertollano and Mérida)..

3. i) Regulation of biomass power generation:

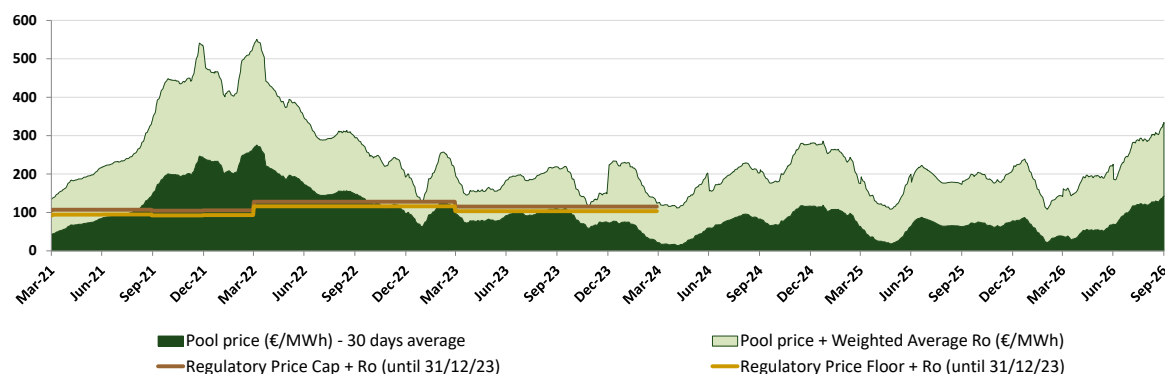
The average day-ahead electricity market price (pool) was €122/MWh in the third quarter of 2026, compared with €67/MWh in the same period of the previous year and €55/MWh in the second quarter of 2026.

Market figures	3Q26	3Q25	Δ%	2Q26	Δ%	9M26	9M25	Δ%
Average pool price (€/MWh)	122.1	66.5	83.6%	55.4	120.3%	73.6	63.4	16.1%

Source: OMIE

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

Pool price, Ro and regulatory collar - last 5 years 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 in the immediately preceding quarter. Consequently, the adjustment system for deviations from the regulated electricity price (regulatory collar) in force until the end of 2023 was eliminated. Additionally, in February 2026 the Official State Gazette (BOE) published MITECO Order TED/53/2026, which updates the remuneration parameters of the standard facilities applicable to certain electricity production facilities using renewable energy sources and cogeneration for the 2026-2028 half-period. This update entails an increase in the standard cost of the plants of approximately €6/MWh (to around €125/MWh, including the IVPEE generation tax) and consequently an increase in the remuneration for operation of Magnon's biomass power plants, and of €19.5/MWh for the Lucena cogeneration plant.

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

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

The remuneration parameters of the renewable energy plants are explained in more detail in Appendix II.

3. ii) Energy sales:

The volume of electricity sold in the third quarter of 2026 was 311,300 MWh, 1% lower than in the same quarter of 2025 and 22% higher than in 2Q26. After a second quarter in which maintenance shutdowns were concentrated, production in the third quarter was in line with historical levels.

Energy operating figures	3Q26	3Q25	Δ%	2Q26	Δ%	9M26	9M25	Δ%
Huelva 41 MW - Biomass	-	33.464	(100,0%)	-	n.s.	-	93.917	(100,0%)
Jaén 16 MW - Biomass	21.887	20.639	6,0%	16.147	35,6%	52.475	56.765	(7,6%)
Ciudad Real 16 MW - Biomass	19.386	19.295	0,5%	16.771	15,6%	53.988	55.400	(2,5%)
Córdoba 27 MW - Biomass	35.198	36.287	(3,0%)	40.662	(13,4%)	98.689	115.832	(14,8%)
Huelva 50 MW - Biomass	85.976	69.027	24,6%	65.277	31,7%	220.874	173.765	27,1%
Mérida 20 MW - Biomass	28.284	25.661	10,2%	22.685	24,7%	78.837	93.432	(15,6%)
Huelva 46 MW - Biomass	57.192	49.916	14,6%	45.409	25,9%	155.645	129.196	20,5%
Ciudad Real 50 MW - Biomass	63.376	60.814	4,2%	47.274	34,1%	167.981	176.751	(5,0%)
Energy sales (MWh)	311.300	315.103	(1,2%)	254.224	22,5%	828.489	895.058	(7,4%)
Average sales price - (€/MWh)	191,4	130,5	46,7%	143,8	33,2%	155,0	137,6	12,6%
Remuneration for investment (€m)	6,0	6,4	(6,2%)	6,0	-	18,1	19,30	(6,2%)
Revenue from energy sales (€ m)	65,6	47,6	38,0%	42,6	54,1%	146,5	142,5	2,8%

The average sales price in the quarter reached €191/MWh, 47% higher than in the same period of 2025 and 33% higher than in the previous quarter.

As a result, revenue from energy sales reached €66m, 38% higher than in the third quarter of 2025 and 54% higher than in the previous quarter.

3. iii) Biomethane sales:

Biomethane production in the quarter was 2.1 GWh, 68% lower than in 3Q2025 and 65% lower than in the previous quarter. The decline in production is due to pilot feedstock-diet trials and maintenance work at the plant.

Biomethane operating figures	3Q26	3Q25	Δ%	2Q26	Δ%	9M26	9M25	Δ%
Biomethane sales (MWh)	2,095	6,453	(67.5%)	6,050	(65.4%)	15,712	18,708	(16.0%)
Average sales price - (€/MWh)	92	92	0.2%	92	0.2%	92	92	0.0%
Revenue from biomethane sales (€ m)	0.2	0.6	(67.5%)	0.6	(65.3%)	1.4	1.7	(16.0%)

In the third quarter of 2026, revenue from biomethane sales was €0.2m, 67% lower than in the same period of the previous year and 65% lower than in the second quarter of 2026.

The company is executing an investment plan at the plant to complete its production process with the manufacture 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 rest of the projects.

3. iv) Income Statement:

EBITDA of the Renewable Energy business stood at €13m in the quarter, compared with €8m in the third quarter of 2025 and €5m in the previous quarter.

Figures in € m	3Q26	3Q25	Δ%	2Q26	Δ%	9M26	9M25	Δ%
Revenue from energy sales	65,6	47,6	38,0%	42,6	54,1%	146,5	142,5	2,8%
Revenues from biomethane sales	0,2	0,6	(67,5%)	0,6	(65,3%)	1,4	1,7	(16,0%)
Other revenues	3,6	1,7	117,2%	2,9	22,9%	8,2	4,7	75,7%
Total revenue	69,4	49,8	39,4%	46,1	50,7%	156,2	148,9	4,9%
EBITDA from energy sales	12,9	9,2	40,0%	5,0	156,3%	21,2	21,0	1,1%
EBITDA from other businesses	(0,2)	(0,8)	75,1%	(0,5)	59,1%	(1,4)	(3,1)	53,5%
EBITDA	12,7	8,4	51,3%	4,5	180,1%	19,8	17,9	10,6%
Depreciation and amortisation	(8,0)	(7,8)	(1,9%)	(7,7)	(2,9%)	(23,6)	(24,6)	4,2%
Impairment of and gains/(losses) on fixed-asset disp.	(0,0)	(0,0)	(200,0%)	0,0	n.s.	0,0	(0,0)	n.s.
Other non-ordinary results from operations	-	-	n.s.	(1,0)	100,0%	(1,0)	-	n.s.
EBIT	4,7	0,6	n.s.	(4,1)	n.s.	(4,7)	(6,7)	29,8%
Net finance cost	(4,2)	(4,6)	8,6%	(0,7)	n.s.	(9,1)	(13,3)	31,1%
Other finance income/(cost)	(0,3)	0,1	n.s.	0,0	n.s.	0,0	0,2	(76,4%)
Profit before tax	0,2	(3,9)	n.s.	(4,8)	n.s.	(13,8)	(19,8)	30,3%
Income tax	0,2	0,2	9,7%	(0,7)	n.s.	(0,4)	1,0	n.s.
Net Income	0,4	(3,7)	n.s.	(5,5)	n.s.	(14,2)	(18,8)	24,4%
Non-controlling interests	(1,1)	1,1	n.s.	3,6	n.s.	6,6	7,2	(8,6%)
Attributable Net Income	(0,6)	(2,6)	76,2%	(2,0)	67,8%	(7,7)	(11,7)	34,1%

To mitigate the risk of deviation of the electricity market price from the price estimated by the regulator, Magnon has established a hedging policy aimed at replicating the MITECO formula for estimating electricity market prices. In the third quarter of 2026, 83% of production was hedged. The deviation between the regulated price and the market price generated a positive impact of €13m, which was partially offset by negative hedge settlements of €11m.

Below EBITDA, depreciation, amortisation and impairment of fixed assets amounted to €8m. Net financial expense and other financial results amounted to an expense of €5m.

Income tax amounted to income of €0.2m in the quarter. At the end of the period, the Renewable Energy business had recognised tax loss carry forwards pending recovery in future years amounting to €23m.

Overall, attributable net income of the Renewable Energy business was a loss of €1m in the quarter, compared with a loss of €3m in the same period of 2025 and of €2m in the previous quarter.

3. v) Cash Flow:

Operating cash flow of the Renewable Energy business was positive at €9m in the quarter, including a cash outflow of €3m for working capital and €2m of net interest payments.

Figures in € m	3Q26	3Q25	Δ%	2Q26	Δ%	9M26	9M25	Δ%
EBITDA	12.7	8.4	51.3%	4.5	180.1%	19.8	17.9	10.6%
Other cash adjustments	0.4	(0.8)	n.s.	(1.3)	n.s.	(1.2)	(1.8)	34.1%
Change in working capital	(3.0)	(9.2)	67.0%	(1.6)	(92.4%)	(9.5)	(9.0)	(6.2%)
Income tax received / (paid)	0.1	(0.0)	n.s.	(0.2)	n.s.	0.1	0.3	(60.1%)
Net interest received / (paid)	(1.5)	(1.5)	(1.6%)	(6.1)	75.7%	(8.8)	(9.5)	7.1%
Net cash flow from operating activities	8.6	(3.1)	n.s.	(4.6)	n.s.	0.4	(2.0)	n.s.

In the third quarter of 2026, the change in working capital resulted in a cash outflow of €3m as a result of the increase in trade and other receivables, partially offset by the increase in trade and other payables.

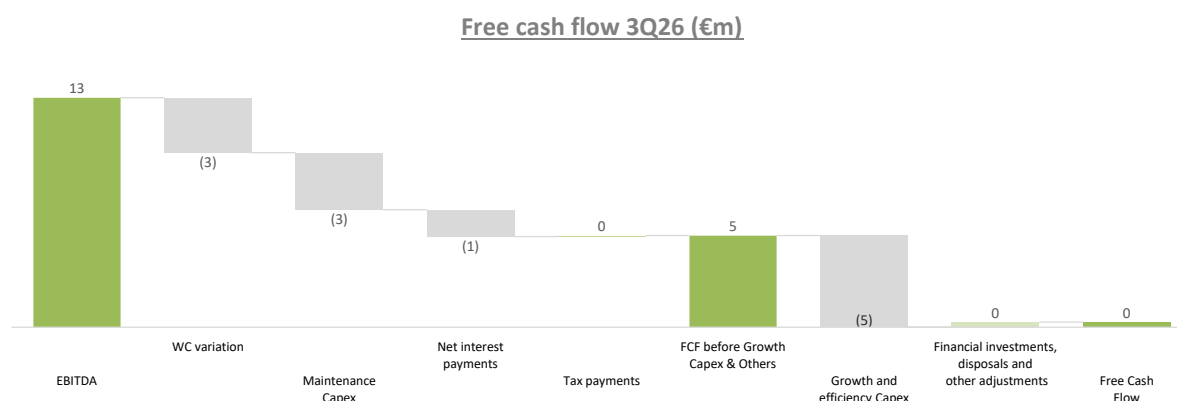
Figures in € m	3Q26	3Q25	Δ%	2Q26	Δ%	9M26	9M25	Δ%
Inventories	0.6	(2.5)	n.s.	(13.4)	n.s.	(16.8)	(10.0)	(68.1%)
Trade and other receivables	(7.4)	1.1	n.s.	5.3	n.s.	(3.3)	15.3	n.s.
Current financial and other assets	-	-	n.s.	-	n.s.	-	-	n.s.
Trade and other payables	3.8	(7.8)	n.s.	6.5	(41.7%)	10.6	(14.3)	n.s.
Change in working capital	(3.0)	(9.2)	67.0%	(1.6)	(92.4%)	(9.5)	(9.0)	(6.2%)

The amount drawn on non-recourse factoring lines in the Renewable Energy business at the end of the quarter was €14m, compared with €19m at the end of 2025. In addition, Magnon has arranged various non-recourse confirming contracts, with a drawn balance of €15m, compared with €14m at the end of 2025. The confirming lines contracted do not involve the provision of guarantees, do not alter the average payment period agreed with suppliers and do not accrue any financial cost.

Figures in € m	3Q26	3Q25	Δ%	2Q26	Δ%	9M26	9M25	Δ%
Maintenance capex	(3,2)	(3,0)	(6,5%)	(1,0)	(219,9%)	(5,2)	(7,9)	34,3%
Sustainability capex and other	0,0	(0,7)	n.s.	(0,5)	n.s.	(0,7)	(1,8)	62,8%
Efficiency and expansion capex	(5,1)	(6,2)	17,3%	(6,6)	22,1%	(17,1)	(11,8)	(44,2%)
Financial investments and in Group companies	(0,2)	(0,5)	63,0%	0,5	n.s.	0,2	(2,7)	n.s.
Investments	(8,4)	(10,4)	18,6%	(7,5)	(11,9%)	(22,7)	(24,2)	6,3%
Disposals	0,1	0,1	(14,5%)	0,0	15,2%	0,1	0,2	(30,8%)
Net cash flow from investing activities	(8,4)	(10,3)	18,7%	(7,5)	(11,9%)	(22,6)	(24,0)	6,0%

Capex in the Renewable Energy business resulted in a cash outflow of €8m in the quarter. Maintenance capex amounted to €3m, while efficiency and expansion capex amounted to €5m in the quarter, mainly related to the development of energy services projects.

Overall, free cash flow of the Renewable Energy business was positive at €0.3m in the quarter.



3. vi) Change in Net Debt:

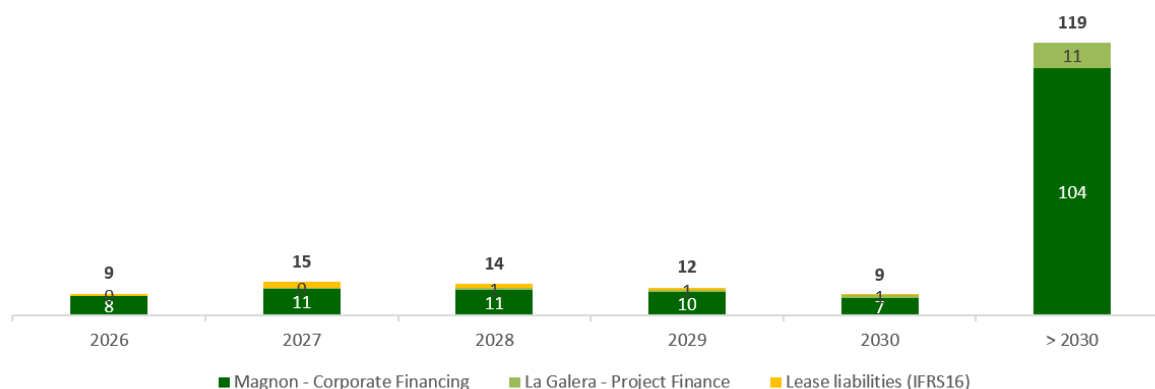
The Renewable Energy business closed the quarter with a net debt position of €127m, compared with net debt of €112m at the end of 2025, an increase of €15m.

Accordingly, the business's gross financial debt at the end of the quarter amounted to €169m, lease liabilities to €6m and cash and short-term financial investments to €48m.

Figures in € m	Sep-2026	Dec-2025	Δ%
Non-current financial debt	155.0	153.9	0.7%
Current financial debt	14.0	11.2	25.1%
Gross financial debt	169.0	165.1	2.4%
Non-current lease contracts	3.2	3.4	(7.4%)
Current lease contracts	2.5	1.7	46.9%
Liabilities related to lease contracts	5.7	5.1	10.7%
Cash reserve for debt service	11.5	11.5	-
Cash and cash equivalents	35.9	46.9	(23.4%)
Short-term financial investments	0.2	0.1	45.5%
Net debt Renewable business	127.2	111.8	13.8%

Of the €169m of gross debt, €14m relates to the La Galera Project Finance, €152m to Magnon's corporate debt and €7m to bank loans for industrial heat projects. Of the total gross debt, €119m matures after 2030.

Repayment schedule (€m)



4. Consolidated Financial Statements

4. i) Summarised Income Statement:

Figures in € m	9M26				9M25			
	Pulp	Renewables	Adjustments	Consolidated	Pulp	Renewables	Adjustments	Consolidated
Total revenue	417,5	156,2	(2,9)	570,7	413,1	148,9	(1,9)	560,1
Foreign exchange hedging operations results	(2,0)	(10,7)	-	(12,7)	4,8	2,0	-	6,8
Other income	38,3	4,9	(1,2)	42,0	66,4	5,6	(1,0)	71,0
Cost of sales and change in inventories of finished products	(248,8)	(45,1)	2,9	(291,0)	(266,4)	(50,1)	1,9	(314,6)
Personnel expenses	(62,6)	(22,3)	(0,0)	(84,8)	(66,7)	(18,7)	-	(85,4)
Other operating expenses	(87,8)	(63,2)	1,2	(149,8)	(98,5)	(69,7)	1,0	(167,2)
EBITDA	54,6	19,8	(0,0)	74,4	52,8	17,9	0,0	70,7
Depreciation and amortisation	(39,7)	(23,4)	0,5	(62,7)	(39,1)	(24,6)	1,2	(62,5)
Depletion of forestry reserves	(3,4)	(0,2)	-	(3,6)	(6,1)	(0,0)	(0,0)	(6,1)
Impairment of and gains/(losses) on fixed-asset disposals	(0,1)	0,0	-	(0,1)	(0,1)	(0,0)	-	(0,2)
Other non-ordinary operating gains/(losses)	2,2	(1,0)	-	1,2	(2,9)	-	-	(2,9)
EBIT	13,5	(4,7)	0,5	9,2	4,5	(6,7)	1,2	(1,0)
Net finance cost	(15,2)	(9,1)	0,0	(24,3)	(15,5)	(13,3)	0,0	(28,8)
Other finance income/(costs)	1,2	0,0	0,0	1,3	(3,9)	0,2	(0,0)	(3,7)
Profit before tax	(0,4)	(13,8)	0,5	(13,8)	(14,9)	(19,8)	1,2	(33,5)
Income tax	0,9	(0,4)	(0,1)	0,3	3,4	1,0	(0,1)	4,3
Net income	0,4	(14,2)	0,4	(13,4)	(11,4)	(18,8)	1,1	(29,2)
Non-controlling interests	-	6,6	-	6,6	-	7,2	-	7,2
Attributable Net income	0,4	(7,7)	0,4	(6,9)	(11,4)	(11,7)	1,1	(22,0)
Earnings per Share (EPS)	0,00	(0,03)	0,00	(0,03)	(0,05)	(0,05)	0,00	(0,09)

4. ii) Summarised Balance Sheet:

Figures in € m	Sep-2026				Dec-2025			
	Pulp	Renewables	Adjustments	Consolidated	Pulp	Renewables	Adjustments	Consolidated
Intangible assets	22.2	55.3	(10.6)	66.9	20.9	56.3	(11.0)	66.2
Property, plant and equipment	672.2	372.9	(5.1)	1,040.0	648.2	371.0	(5.1)	1,014.0
Biological assets	63.7	-	0.0	63.7	65.2	0.0	0.0	65.4
Non-current investments in Group companies	114.1	0.0	(114.0)	0.2	114.0	0.0	(114.0)	0.1
Non-current borrowings to Group companies	71.2	-	(71.2)	-	59.4	(0.0)	(59.4)	(0.0)
Deferred tax assets	33.8	27.7	2.7	64.2	49.2	27.2	2.8	79.2
Non-current financial assets	10.6	4.2	-	14.8	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	987.9	471.6	(198.2)	1,261.2	967.1	469.1	(186.7)	1,249.5
Inventories	82.5	29.8	-	112.3	75.9	16.3	(0.0)	92.1
Trade and other accounts receivable	51.2	27.0	(3.4)	74.8	23.0	24.7	(2.5)	45.3
Income tax	3.0	0.7	-	3.7	2.9	0.6	-	3.5
Other current assets	26.5	4.4	-	30.9	14.9	0.0	0.0	14.9
Hedging derivatives	0.3	-	-	0.3	0.6	1.0	-	1.6
Current financial investments in Group companies	1.0	0.6	(1.6)	0.0	-	0.9	(0.9)	0.0
Current financial investments	1.9	0.2	-	2.0	2.4	0.1	-	2.5
Cash and cash equivalents	147.0	35.9	-	182.9	180.6	46.9	-	227.5
Total current assets	313.6	98.5	(5.0)	407.0	300.2	90.5	(3.4)	387.3
TOTAL ASSETS	1,301.4	570.1	(203.2)	1,668.3	1,267.3	559.7	(190.1)	1,636.9
Equity attributable to the Parent	521.7	73.2	(127.0)	467.9	522.0	82.5	(127.3)	477.2
Minority interest	-	81.0	-	81.0	-	89.4	-	89.4
Total Equity	521.7	154.2	(127.0)	548.9	522.0	172.0	(127.3)	566.7
Non-current loans with Group companies and associates	-	103.9	(71.2)	32.7	-	88.4	(59.4)	29.0
Non-current borrowings	359.0	158.1	(0.0)	517.1	323.3	157.3	-	480.6
Non-current derivatives	-	(0.3)	-	(0.3)	1.0	0.2	-	1.2
Deferred tax liabilities	-	-	-	-	-	-	-	-
Non-current provisions	37.4	0.9	-	38.2	36.6	0.7	-	37.3
Other non-current liabilities	50.1	54.6	0.0	104.7	26.8	60.3	(0.0)	87.0
Total non-current liabilities	446.4	317.2	(71.2)	692.4	387.6	306.9	(59.4)	635.2
Current borrowings	130.0	16.5	(0.0)	146.6	126.0	12.9	0.0	138.9
Current derivatives	2.4	7.9	(0.0)	10.3	1.1	0.7	-	1.8
Trade and other account payable	160.6	71.0	(3.4)	228.2	181.8	60.4	(2.5)	239.7
Short-term debts with group companies	0.6	1.0	(1.6)	-	0.7	2.7	(0.9)	2.5
Income tax	0.0	0.2	-	0.2	0.0	0.0	(0.0)	0.1
Current provisions	39.7	2.0	0.0	41.7	48.0	4.0	-	52.1
Total current liabilities	333.3	98.6	(5.0)	426.9	357.6	80.8	(3.4)	435.0
TOTAL EQUITY AND LIABILITIES	1,301.4	570.1	(203.2)	1,668.3	1,267.3	559.7	(190.1)	1,636.9

4. iii) Cash Flow Statement:

Figures in Mn€	9M26				9M25			
	Pulp	Renewables	Adjustments	Consolidated	Pulp	Renewables	Adjustments	Consolidated
Consolidated profit/(loss) for the period before tax	(0,4)	(13,8)	0,5	(13,8)	(14,9)	(19,8)	1,2	(33,5)
Depreciation and amortisation	43,1	23,6	(0,5)	66,3	45,2	24,6	(1,2)	68,6
Changes in provisions and other deferred expense	(23,7)	1,7	0,4	(21,6)	1,0	2,7	0,1	3,9
Impairment of gains/(losses) on disposals intangible assets	0,2	-	(0,0)	0,2	0,5	0,0	(0,1)	0,5
Net finance result	14,1	9,1	-	23,2	17,4	13,0	0,0	30,5
Energy regulation adjustments	(1,4)	(1,9)	(0,2)	(3,5)	(1,7)	(4,4)	-	(6,1)
Government grants taken to income	(0,5)	(0,1)	-	(0,6)	(0,7)	(0,1)	-	(0,8)
Adjustments to profit	31,8	32,4	(0,3)	63,9	61,8	35,9	(1,2)	96,6
Inventories	(8,9)	(16,8)	-	(25,8)	(0,2)	(10,0)	-	(10,2)
Trade and other receivables	0,5	(3,3)	(0,4)	(3,2)	6,5	15,3	(4,6)	17,3
Current financial and other assets	-	-	-	-	-	-	-	-
Trade and other payables	5,3	10,6	0,1	16,0	3,1	(14,3)	4,2	(7,0)
Changes in working capital	(3,2)	(9,5)	(0,3)	(13,0)	9,5	(9,0)	(0,4)	0,1
Interest paid	(12,6)	(8,8)	-	(21,4)	(14,8)	(9,5)	-	(24,2)
Dividends received	-	-	-	-	-	-	-	-
Income tax received/(paid)	(0,0)	0,1	(0,0)	0,0	(2,5)	0,3	-	(2,2)
Other collections/(payments)	(0,3)	-	-	(0,3)	-	-	-	-
Other cash flows from operating activities	(12,9)	(8,7)	(0,0)	(21,6)	(17,3)	(9,2)	-	(26,5)
Net cash flow from operating activities	15,3	0,4	(0,1)	15,6	39,1	(2,0)	(0,3)	36,8
Property, plant and equipment	(85,7)	(22,0)	-	(107,7)	(54,6)	(20,2)	0,0	(74,8)
Intangible assets	(3,5)	(0,9)	-	(4,4)	(3,9)	(1,4)	-	(5,2)
Other financial assets and Group companies	(12,4)	0,2	12,1	(0,0)	12,9	(2,7)	(11,1)	(0,9)
Disposals ¹	1,2	0,1	0,4	1,8	0,6	0,2	0,0	0,8
Net cash flow used in investing activities	(100,3)	(22,6)	12,5	(110,4)	(44,9)	(24,0)	(11,1)	(80,1)
Free cash flow	(85,0)	(22,2)	12,4	(94,8)	(5,8)	(26,1)	(11,4)	(43,3)
Buyback/(disposal) of own equity instruments	(0,2)	-	-	(0,2)	(0,9)	-	-	(0,9)
Proceeds from and repayments of financial liabilities	51,7	11,2	(12,4)	50,5	5,8	2,6	11,4	19,8
Dividends payments	(0,0)	(0,0)	-	(0,0)	-	(0,4)	-	(0,4)
Net cash flow from/ (used in) financing activities	51,5	11,2	(12,4)	50,3	5,0	2,1	11,4	18,5
Net increase/(decrease) in cash and cash equivalents	(33,5)	(11,0)	(0,0)	(44,5)	(0,8)	(23,9)	(0,0)	(24,8)

APPENDIX 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. In 2026, Ence has 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, in 2026, once again, 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-efficient 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**, at the end of the third quarter, 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 3.96, representing the best result in the company's entire historical series. The Severity Rate (LTISR) stands at 0.233, improving on the historical average.

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 September, the annual scheduled shutdown was also carried out at the Pontevedra biomill, involving close to 1,400 external workers and maintaining high safety standards, with no lost-time accidents recorded.

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. During the third quarter, progress continued on the implementation of the Safety Plan actions. Among other initiatives, training sessions were conducted with DSS (DuPont Sustainable Solutions) to strengthen safety leadership and improve the quality of Operational Performance Standards (OPS). A validation session to assess the effectiveness of the actions will take place in the fourth quarter, during which the actions to be continued in 2027 will also be confirmed.

In terms of the Group's **environmental performance**, it is worth noting the progress made 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, progress continues on various initiatives to improve ash and slag management, with the objective of enabling their valorisation and second-life use, while also reducing management costs.

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 in 2026. In addition, at the Navia biomill, Ence commissioned a new, higher-capacity wood processing line to replace one of the existing lines in the wood yard. The facility includes two debarkers and a chipper, with a processing capacity of 5,400 cubic metres per day. This technical upgrade increases the availability of in-house bark for use as biofuel in the biomass boiler. As a result, the Company reduces its dependence on external biomass, optimises the use of by-products and reinforces its circular economy model.

In the environmental area, it is also worth highlighting that the Navia biomill recorded just 3 minutes of odour year to date, maintaining its excellent performance following the historic record achieved in 2025, when the year closed with zero minutes of odour. Meanwhile, the Pontevedra biomill reduced odour minutes by more than 69% 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 biomill recorded its lowest-ever average specific water consumption, reaching an average value of 23.8 m³/ADt in January. Pontevedra also achieved record water consumption levels, with a cumulative specific water consumption of 20.1 m³/ADt at the end of the third quarter. This reduction in specific water consumption was made possible by an ambitious operational improvement plan aimed at reducing water use, as well as the water recovery and recirculation systems implemented at the Pontevedra biomill.

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.

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 2026, progress continued on the implementation of the second phase, to further increase the share of biomass use. In this regard, during the third quarter, high rates of fossil fuel replacement by biomass were achieved in the lime kilns, reaching periods of operation with 100% biomass substitution. 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. During 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 tCO₂, after deducting carbon removals in the form of harvested wood and biomass.

In terms of adaptation, Ence conducts 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 analyzing 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. This analysis will be updated in the final quarter of the year.

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 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 three quarters of the year, among the key actions undertaken, was the restoration of approximately 135 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 annualized 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 softwood pulp 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 and with lower CO₂ emissions than bleached pulp. 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 third quarter of the year, sales of these higher value-added special products accounted for 32% of total pulp sales volumes (+4% volumes vs. 9M 2025).

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 (DAP) obtained by its pulp products made in Pontevedra (Encell TCF¹ and Naturcell²) and the bleached pulp made in Navia (Encell ECF³) with its customers.

¹ <https://www.environdec.com/library/epd6639>

² <https://www.environdec.com/library/epd6638>

³ <https://www.environdec.com/library/epd7965>

In 2025, Ence began producing eucalyptus fluff pulp at its Navia biofactory. To facilitate customer qualification processes, LEAFF fluff pulp successfully completed the evaluation procedures for both the Nordic Swan Ecolabel and the EU Ecolabel in 2026, obtaining approval for use in products seeking certification under these ecolabel schemes. These achievements add to the three certifications obtained in 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 (AAI), and in 2026 it was awarded €25 million under the Industrial Decarbonisation PERTE program.

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. During the third quarter, Ence obtained a favourable Environmental Impact Statement (DIA) for one project. 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 aims to close the year with five operating plants, implying the start-up of operations of 4 plants

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 third quarter, 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 biomethane 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 three quarters of the year, 1,300 ESG and compliance risk assessments were conducted 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 third 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 third quarters of the year, more than 70% 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 outcome of the VII

edition is expected to be announced in the final quarter of the year. 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 the governance of ESG matters, as well as the Ethics and Compliance function. During the first nine months of the year, the Ethics and Compliance Department carried out a range of activities to ensure compliance with internal policies and procedures, prevent risks and promote a culture of integrity across the company.

As part of the annual review of risks and controls, and with the aim of ensuring the effectiveness of the Crime Prevention Model, the evidence provided by those responsible for the more than 390 controls applicable across the organisation has been analysed. The 2026 criminal risk map has also been updated and now covers 35 risks, two more than in 2025. Two risks have a moderate residual exposure, 21 a low exposure and 12 a marginal exposure. The risks with moderate exposure relate to natural resources and the environment, and to the manipulation of prices of raw materials and essential goods. The update has also incorporated the risks of criminal organisation and terrorist financing, both assessed as having low residual exposure. In addition, 23 new controls have been defined and progress has been made in integrating 144 controls, bringing the current total to 270 controls. The expansion of the risk universe has not increased the maximum level of residual risk identified.

As a result of this review process, the Crime Prevention Model has been updated to incorporate the changes arising from the new risk and control assessment. The Integrated Criminal Compliance and Anti-Bribery Management System Manual has also been updated to ensure that its contents remain aligned with the organisational structure, procedures and control mechanisms in place.

An external audit of the Criminal Compliance Management System (UNE 19601) and the Anti-Bribery Management System (ISO 37001) has been carried out. The results indicate an adequate level of implementation and operation of the control mechanisms, with no non-conformities or observations identified. This confirms the robust implementation of both systems, their effective operation and the company's strong commitment to ethics, integrity and transparency.

With regard to communication initiatives, 36 internal communications on ethics and compliance have been published so far this year, covering topics including World Whistleblower Day, competition rules, prevention of discrimination, conflicts of interest, personal data protection, responsible use of artificial intelligence, reminders on the use of the internal reporting channel and the prevention of criminal risks.

The Ethics and Compliance Newsletter has also continued to be distributed every two months to all employees and is also available on noticeboards at the biofactories and plants. Particular emphasis has been placed on accessible, high-reach formats, such as messages displayed on screens at company facilities and comic strips, enabling content to be adapted to different employee profiles and operational environments. In alternate

months, compliance communications published on the intranet are also included in Ence al Día. This publication is available on the intranet and printed copies are distributed at industrial facilities.

In addition, a new approach has been introduced to reach employees who do not regularly access the intranet, with printed copies of the weekly communications issued by the Ethics and Compliance Department delivered directly to their workplaces. Overall, these communication initiatives reflect the company's continued efforts to strengthen its compliance culture through a multichannel approach designed to maximise the reach, accessibility and frequency of its messages.

During the third quarter, the **"Compliance Close to You"** initiative was launched to further strengthen the compliance culture by increasing the presence of the Ethics and Compliance team at company sites through a practical, accessible and approachable approach. As part of the initiative, the team reached 166 employees directly at their workplaces at the Navia and Pontevedra plants, the forestry offices in Pontevedra and Santiago, and the Figueirido and Navia nurseries.

During these visits, concise and practical information was shared through One Point Lessons (OPLs), infographics, examples and recommendations applicable to employees' day-to-day work. The sessions also provided an opportunity to answer questions and listen directly to employees' concerns, without requiring them to leave their workplaces. The initiative therefore helps bring the Ethics and Compliance function closer to operational environments, improve the accessibility of its content and facilitate the early identification of questions and risks.

At the end of the third quarter of 2026, 75% of employees had received compliance training through both in-person and online sessions. Coverage among directors reached 90%.

Compliance monitoring activities reflect an active compliance model, characterised by a high level of interaction with business areas and an approach focused on the identification, prevention and early management of risks. Activities included reviews and consultations relating to customer Codes of Conduct and the preparation of third-party due diligence reports. A total of 682 third-party due diligence reports had been recorded cumulatively in 2026.

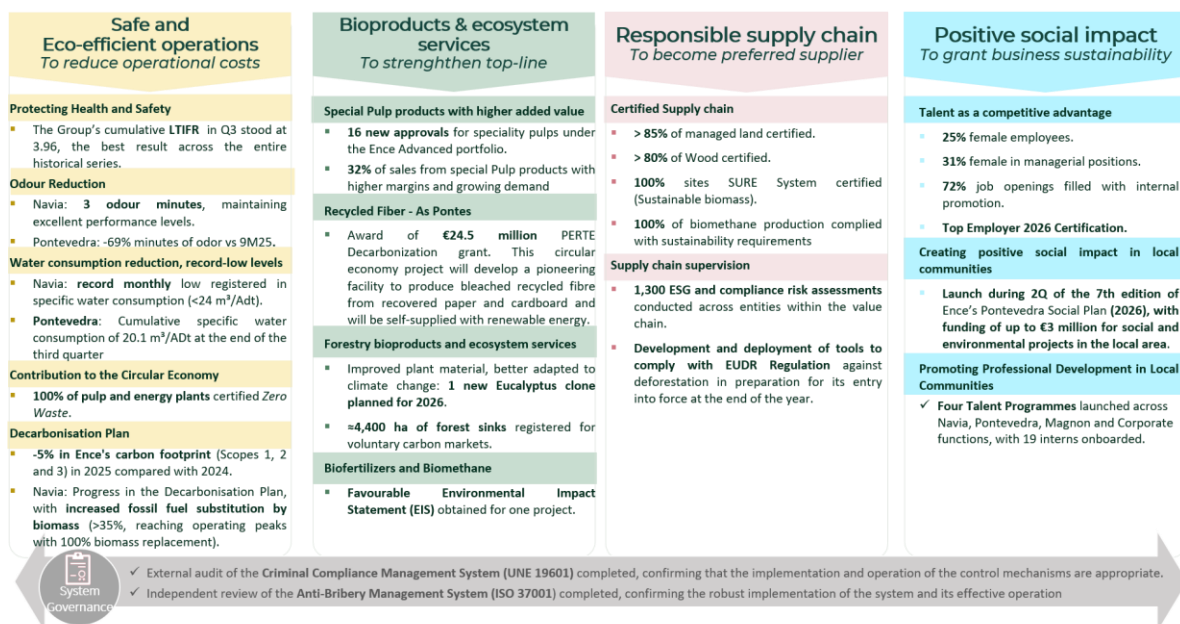
In 2026, a new initiative was also launched to highlight and recognise employees' commitment to a culture of integrity. Employees can earn two badges: the Ethics Shield, upon completion of all ethics and compliance training, and the Compliance Passport, once all annual compliance declarations have been signed. This recognition highlights the effort and commitment of all employees who actively contribute to building a strong and responsible culture of integrity.

The Ethics and Compliance Ambassadors project, launched in 2025, has also continued, reinforcing Ence's commitment to a culture of integrity, responsibility and respect at all levels of the organisation. Ence has Ethics and Compliance Ambassadors at the Pontevedra and Navia biofactories and at the Huelva energy complex. Their role is to bring the compliance function closer to operational environments and promote an ethical culture by raising awareness of the Code of Conduct and internal policies.

The annual ethics and compliance survey is scheduled to be conducted during the final quarter of the year. Its results will help assess employee perceptions, identify potential areas for improvement and guide future training, communication and awareness-raising initiatives.

Overall, the actions carried out demonstrate the continued operation of a structured and active ethics and compliance system, based on the regular review of risks and controls, external assurance, training, ongoing communication and close engagement with business areas and operational sites. The increased presence of the Ethics and Compliance function at company sites further strengthens the accessibility of the system and its capacity for the prevention and early detection of risks.

Sustainability – Key indicators



APPENDIX II: Remuneration parameters of 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	34,6	23.270,3	Lignin	0,3	-	2032
	Biomass generation			Agroforestry biomass	-	-	
Navia	Biomass co-generation	40,3	104.014,5	Lignin	2,0	-	2034
	Biomass generation	36,2		Agroforestry biomass	74,0	7.500	
Huelva 41MW	Biomass generation	41,0	-	Agroforestry biomass	-	7.500	2025
Jaen 16MW	Biomass generation	16,0	125.311	Olive Pulp	48,6	7.500	2027
Ciudad Real 16MW	Biomass generation	16,0	125.311	Olive Pulp	50,1	7.500	2027
Cordoba 27MW	Biomass generation	14,3	182.817	Olive Pulp	60,9	7.500	2031
	Gas co-generation	12,8	2.271	Natural Gas	127,3	7.500	2030
Huelva 50MW	Biomass generation	50,0	242.652	Agroforestry biomass	66,8	7.500	2037
Mérida 20MW	Biomass generation	20,0	268.279	Agroforestry biomass	65,2	7.500	2039
Huelva 46 MW	Biomass generation	46,0	-	Agroforestry biomass	62,8	7.500	2044
Ciudad Real 50 MW	Biomass generation	50,0	-	Agroforestry biomass	62,5	7.500	2044

Note The difference between the Ri in 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 power 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. The **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 sales price (€/MWh)** covers all the estimated operating costs of a standard plant, including the cost of fuel. It is made up of the market price plus the corresponding supplementary remuneration for 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 in the immediately preceding quarter. Consequently, the adjustment system for deviations from the regulated electricity price (regulatory collar) in force until the end of 2023 is eliminated.

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

Both the remuneration for investment and the regulated sales price are subject to a tax on the value of electricity production, which was affected by Royal Decree-law 18/2026. This Royal Decree amended Law 15/2012 to establish a path of progressive reduction of the Tax on the Value of Electricity Production (IVPEE), whose tax rate will be set at 0% from 1 January 2028. The reduction from 7% will be applied as follows:

- Third quarter of 2026: decrease of 30% of the current rate.
- Fourth quarter of 2026: decrease of 40% of the current rate.
- Year 2027: rate of 3.5%.
- From 1 January 2028: rate of 0%.

The tax is not formally removed from the Law; its tax rate is set at 0% indefinitely, which amounts to its effective elimination.

APPENDIX III: Alternative Performance Measures

Ence presents its results in accordance with generally accepted accounting standards (IFRS). In addition, this report provides other supplementary measures not regulated by IFRS that are used by Management to assess the Company's performance. The definition, reconciliation and explanation of the alternative performance measures used in this report are set out below:

EBITDA

EBITDA is a figure included in the income statements of this report, in sections 1, 2.5, 2.6, 3, 3.4, 3.5 and 4.1, which measures operating profit excluding depreciation and amortisation of fixed assets and forest depletion, impairments and results on non-current assets, as well as other non-ordinary results from operations that affect its comparability across periods.

EBITDA is an indicator used by Management to compare the Company's ordinary results over time. It provides a first approximation of the cash generated by the Company's ordinary operating activities, before payment of interest and taxes, and is an indicator widely used in capital markets to compare the results of different companies.

Its reconciliation with the financial statements for the first nine months of 2026 and its comparison with the same period of the previous year are presented below, with no changes in the criteria applied in either period:

			9M26				9M25			
	Unit	Source Financial Statement	Pulp	Renewable Energy	Adjustments & Eliminations	CONSOLIDATED TOTAL	Pulp	Renewable Energy	Adjustments & Eliminations	CONSOLIDATED TOTAL
OPERATING PROFIT/(LOSS)	€ m	P&L	13.5	(4.7)	0.5	9.2	4.5	(6.7)	1.2	(1.0)
Depreciation and amortisation charges	€ m	P&L	39.7	23.4	(0.5)	62.7	39.1	24.6	(1.2)	62.5
Depletion of forest reserve	€ m	P&L	3.4	0.2	-	3.6	6.1	0.0	0.0	6.1
Impairment of and gains/(losses) on disposal of fixed assets	€ m	P&L	0.1	(0.0)	-	0.1	0.1	0.0	-	0.2
Other non-ordinary results from operations	€ m	APM	(2.2)	1.0	-	(1.2)	2.9	-	-	2.9
EBITDA	€ m		54.6	19.8	(0.0)	74.4	52.8	17.9	0.0	70.7

COST PER TONNE / CASH COST

The cost per tonne of pulp or *cash cost* is the measure used by Management as the main benchmark of efficiency in pulp production and is included in sections 1, 2.1, 2.3 and 2.8 of this report.

The *cash cost* includes all costs directly related to the production and sale of pulp that have an impact on cash flows, excluding depreciation and amortisation of fixed assets, impairments and results on non-current assets, other non-ordinary results from operations, financial results and corporate income tax expense.

These costs can be measured as the difference between revenue from pulp sales and the EBITDA of the pulp business, adjusted for hedge settlements, the forest depletion adjustment and the change in inventories. For the calculation of cash cost, production-related costs are divided by the number of tonnes produced, and overhead, commercial and logistics costs are divided by the number of tonnes sold.

Its reconciliation with the financial statements for the first nine months of 2026 and its comparison with the previous year are presented below, with no changes in the criteria applied in either period:

			9M26	9M25
			Pulp	Pulp
	Unit	Source Financial Statement		
Revenue from pulp sales	€ m	P&L	370.6	371.0
EBITDA	€ m	APM	54.6	52.8
Total costs (Revenue - EBITDA)	€ m		315.9	318.2
Gains/(losses) on hedging transactions	€ m	APM	(2.0)	4.8
Depletion of forest reserve	€ m	P&L	3.4	6.1
Change in inventories	€ m	P&L	(9.0)	(8.0)
Other income and expenses	€ m		14.1	23.9
ADJUSTED CASH COST	€ m		322.5	345.0
Pulp production costs	€ m		267.1	291.3
No. of tonnes produced	Unit		674,117	710,124
PRODUCTION-RELATED COSTS PER TONNE	€/tonne		396.2	410.3
Overhead, sales and logistics costs	€ m		55.4	53.7
No. of tonnes sold	Unit		691,115	722,054
Overheads, commercialization and logistics	€/tonne		80.2	74.3
CASH COST	€/tonne		476.4	484.6

The “Other income and expenses” item for the 9M of 2026 includes €23m from the sale of Energy Savings Certificates (CAEs) (€39m in 9M 2025), the result of the sale of wood to third parties (-€1.6m in 9M 2026 and -€2m in 9M 2025), nursery costs (-€1m in 9M 2026 and -€1m in 9M 2025), long-term remuneration and personnel severance payments (+€0.1m in 9M 2026 and -€3m in 9M 2025), provisions for spare parts and other (-€5m in 9M 2026 and -€4m in 9M 2025) and banking services (-€2m in 9M 2026 and -€1m in 9M 2025). The remaining items amounted to an expense of -€0.1m in 9M 2026 and -€3m in 9M 2025 (including costs associated with the Navia turbine breakdown, the related insurance recovery and other items).

OPERATING MARGIN PER TONNE OF PULP

The operating margin referred to in sections 1 and 2.3 of this report is an indicator of the operating margin of the pulp business excluding depreciation and amortisation of fixed assets, impairments and results on non-current assets and other non-ordinary results from operations, adjusted for hedge settlements and the forest depletion adjustment.

It provides a comparable indicator of the profitability of the business and is measured as the difference between the average sales price per tonne, calculated as the ratio of pulp sales revenue to the number of tonnes sold, and the cost per tonne of pulp or *cash cost*.

Its reconciliation with the financial statements for the first nine months of 2026 and its comparison with the previous year are presented below, with no changes in the criteria applied in either period:

			9M26	9M25
			Pulp	Pulp
	Unit	Source Financial Statement		
Revenue from pulp sales	€ m	P&L	370.6	371.0
No. of tonnes sold	Unit		691,115	722,054
Average sales price per tonne (Revenue / # tons)	€/tonne		536.2	513.9
Cash cost (€)	€/tonne	APM	476.4	484.6
TOTAL OPERATING PROFIT PER TONNE OF PULP	€/tonne		59.8	29.3

NET FINANCIAL EXPENSE AND OTHER FINANCIAL RESULTS

Net financial expense and other financial results are included in the income statements of this report, in sections 2.5, 3.4 and 4.1, grouping income statement items to facilitate comparison.

Net financial expense groups financial income and expenses, while other financial results group exchange differences, the change in the fair value of financial instruments and the impairment and result on disposal of financial instruments.

Its reconciliation with the financial statements for the first nine months of 2026 and its comparison with the previous year are presented below, with no changes in the criteria applied in either period:

	Unit	Source Financial Statement	9M26				9M25			
			Pulp	Renewable Energy	Adjustments & Eliminations	CONSOLIDATED TOTAL	Pulp	Renewable Energy	Adjustments & Eliminations	CONSOLIDATED TOTAL
Finance income	€ m	P&L	4,3	4,6	(2,0)	6,9	5,9	1,9	(2,0)	5,8
Finance costs	€ m	P&L	(19,5)	(13,7)	2,0	(31,2)	(21,5)	(15,1)	2,0	(34,6)
NET FINANCE COST	€ m		(15,2)	(9,1)	0,0	(24,3)	(15,5)	(13,3)	0,0	(28,8)
Impairment and Results from Joint Ventures and Associates	€ m	P&L	-	0,0	-	0,0	-	-	-	-
Results from Equity Interests	€ m	P&L	0,0	0,0	-	0,0	0,0	(0,0)	-	(0,0)
Change in fair value of financial instruments	€ m	P&L	-	-	-	-	-	-	-	-
Exchange differences	€ m	P&L	1,1	0,0	0,0	1,2	(3,9)	0,2	-	(3,7)
Share of results of equity-accounted companies	€ m	P&L	0,1	-	-	0,1	0,0	-	-	0,0
OTHER FINANCIAL ITEMS	€ m		1,2	0,0	0,0	1,3	(3,9)	0,2	-	(3,7)
NET FINANCE INCOME/(COST)	€ m	P&L	(13,9)	(9,1)	0,0	(23,0)	(19,4)	(13,1)	0,0	(32,5)

MAINTENANCE, EFFICIENCY AND EXPANSION, AND SUSTAINABILITY CAPEX

Ence provides a breakdown of the investing cash flow included in the cash flow statement for each of its business units, in sections 1, 2.6, 2.5 and 3.5, classifying capex payments into the following categories: maintenance capex, efficiency and expansion capex, sustainability capex and financial investments.

Ence's technical management classifies these investments according to the following criteria: maintenance capex comprises recurring investments aimed at maintaining the capacity and productivity of the Company's assets, while efficiency and expansion capex comprises investments aimed at increasing their capacity and productivity. Sustainability capex comprises investments aimed at improving quality, health and safety standards and improving the environment and surroundings. Financial investments correspond to payments for investments in financial assets.

Its reconciliation with the financial statements for the first nine months of 2026 and its comparison with the previous year are presented below, with no changes in the criteria applied in either period:

	Unit	Source Financial Statement	9M26				9M25			
			Pulp	Renewable Energy	Adjustments & Eliminations	CONSOLIDATED TOTAL	Pulp	Renewable Energy	Adjustments & Eliminations	CONSOLIDATED TOTAL
Maintenance capex	€ m		(15,9)	(5,2)	-	(21,1)	(25,3)	(7,9)	-	(33,2)
Sustainability capex	€ m		(5,9)	(0,7)	-	(6,6)	(13,7)	(1,8)	-	(15,5)
Efficiency and growth capex	€ m		(67,3)	(17,1)	-	(84,4)	(19,4)	(11,8)	-	(31,2)
Financial investments	€ m	CF	(12,9)	0,2	12,6	(0,0)	(12,9)	(2,7)	(11,1)	(0,9)
TOTAL CAPITAL EXPENDITURE	€ m	CF	(102,0)	(22,7)	12,6	(112,1)	(45,5)	(24,2)	(11,1)	(80,9)

OPERATING CASH FLOW

The operating cash flow shown in sections 1, 2.6 and 3.5 of this report matches the cash flow from operating activities included in the cash flow statement in section 4.3. However, in the first case operating cash flow is derived starting from EBITDA, whereas in the second case cash flow from operating activities is derived starting from profit before tax. For this reason, the adjustments to profit in each case do not match. This measure is presented in order to reconcile EBITDA with operating cash flow.

Its reconciliation with the financial statements for the first nine months of 2026 and its comparison with the previous year are presented below, with no changes in the criteria applied in either period:

				9M26				9M25			
	Unit	Source Financial Statement		Pulp	Renewable Energy	Adjustments & Eliminations	CONSOLIDATED TOTAL	Pulp	Renewable Energy	Adjustments & Eliminations	CONSOLIDATED TOTAL
EBITDA	€ m	APM		54.6	19.8	(0.0)	74.4	52.8	17.9	0.0	70.7
Other non-recurring items	€ m	APM		2.2	(1.0)	-	1.2	(2.9)	-	-	(2.9)
Adjustments to reconcile profit before tax to net cash flows:				-	-	-	-	-	-	-	-
Changes in provisions and other deferred expense (net)	€ m	CF		(23.7)	1.7	0.4	(21.6)	1.0	2.7	0.1	3.9
Adjustments for tariff shortfall/surplus (electricity market)	€ m	CF		(1.4)	(1.9)	(0.2)	(3.5)	(1.7)	(4.4)	-	(6.1)
Grants taken to profit and loss	€ m	CF		(0.5)	(0.1)	-	(0.6)	(0.7)	(0.1)	-	(0.8)
Exchange differences with an impact on cash	€ m			0.2	0.0	(0.0)	0.2	(1.6)	(0.0)	-	(1.7)
Change in working capital	€ m			(3.2)	(9.5)	(0.3)	(13.0)	9.5	(9.0)	(0.4)	0.1
Interest paid, net (including right-of-use assets)	€ m	CF		(12.6)	(8.8)	-	(21.4)	(14.8)	(9.5)	-	(24.2)
Dividends received	€ m	CF		-	-	-	-	-	-	-	-
Income tax paid	€ m	CF		(0.0)	0.1	(0.0)	0.0	(2.5)	0.3	-	(2.2)
Other collections/(payments)	€ m	CF		(0.3)	-	-	(0.3)	-	-	-	-
OPERATING CASH FLOW				15.3	0.4	(0.1)	15.6	39.1	(2.0)	(0.3)	36.8

FREE CASH FLOW

Ence calculates free cash flow as the sum of net cash flows from operating activities and net cash flows from investing activities, as shown in sections 1, 2.6, 3.5 and 4.3 of this report.

Free cash flow reports the cash resulting from the Group's operating and investing activities that is available to remunerate shareholders and to reduce net financial debt.

Its reconciliation with the financial statements for the first nine months of 2026 and its comparison with the previous year are presented below, with no changes in the criteria applied in either period:

				9M26				9M25			
	Unit	Source Financial Statement		Pulp	Renewable Energy	Adjustments & Eliminations	CONSOLIDATED TOTAL	Pulp	Renewable Energy	Adjustments & Eliminations	CONSOLIDATED TOTAL
Net cash flows from/(used in) operating activities	€ m	CF		15.3	0.4	(0.1)	15.6	39.1	(2.0)	(0.3)	36.8
Net cash flows from/(used in) investing activities	€ m	CF		(100.3)	(22.6)	12.4	(110.4)	(44.9)	(24.0)	(11.1)	(80.1)
FREE CASH FLOW	€ m			(85.0)	(22.2)	12.3	(94.8)	(5.8)	(26.1)	(11.4)	(43.3)

NET DEBT / NET CASH POSITION

The financial debt on the balance sheet, as shown in section 4.2 of this report, includes bonds and other marketable securities, bank borrowings and other financial liabilities, including lease liabilities (IFRS 16). However, it does not include the valuation of derivative financial instruments or debts with Group companies and associates.

Net debt or net cash position is calculated as the difference between the balance of short- and long-term financial debt in liabilities on the balance sheet and the balance of cash available on the balance sheet, which includes cash and cash equivalents, together with the cash reserved for debt service included within long-term financial assets and the balance of other financial investments in current assets, as shown in sections 1, 2.7 and 3.6 of this report.

Net debt or net cash position provides a first approximation of the Company's level of indebtedness and is an indicator widely used in capital markets to compare different companies.

Its reconciliation with the financial statements for the first nine months of 2026 and its comparison with the previous year are presented below, with no changes in the criteria applied in either period:

				Sep-2026				Dec-2025			
	Unit	Source		Pulp	Renewable	Adjustments	CONSOLIDATED	Pulp	Renewable	Adjustments	CONSOLIDATED
Non-current borrowings:											
Bonds and other marketable securities	€ m	BS		120,0	-	-	120,0	31,3	-	-	31,3
Bank borrowings	€ m	BS		170,5	155,0	-	325,5	220,1	153,9	-	374,0
Other financial liabilities	€ m	BS		68,4	3,2	-	71,6	71,8	3,4	-	75,3
Current borrowings:	€ m			-	-	-	-	-	-	-	-
Bonds and other marketable securities	€ m	BS		61,5	-	-	61,5	45,2	-	-	45,2
Bank borrowings	€ m	BS		51,1	13,9	-	65,0	66,0	11,2	-	77,2
Other financial liabilities	€ m	BS		17,4	2,6	-	20,0	14,8	1,7	-	16,5
Cash and cash equivalents	€ m	BS		147,0	35,9	-	182,9	180,6	46,9	-	227,5
Current financial assets - Other financial investments	€ m			1,9	0,2	-	2,0	2,4	0,1	-	2,5
Cash reserve for debt service	€ m			-	11,5	-	11,5	-	11,5	-	11,5
NET DEBT/(CASH)	€ m			340,1	127,2	-	467,3	266,3	111,8	-	378,1

ROCE

ROCE is the ratio used by Management as the main indicator of the return obtained on capital employed and is included in sections 2.8 of this report. It is an indicator widely used in capital markets to measure and compare the profitability of different companies or projects.

It is calculated as the ratio of operating profit (EBIT) for the last 12 months to the average capital employed in the period, capital employed being the sum of equity and net financial debt. The equity of the Pulp business is calculated as the difference between consolidated equity and the equity of the Renewable Energy business.

			9M26				9M25			
			Pulp	Renewable Energy	Adjustments & Eliminations	CONSOLIDATED TOTAL	Pulp	Renewable Energy	Adjustments & Eliminations	CONSOLIDATED TOTAL
	Unit	Source Financial Statement								
EBIT, last 12 months	€ m	P&L	(40.4)	(2.0)	15.8	(26.7)	(0.9)	(9.5)	1.6	(8.8)
Average capital employed, last 12 months			-	-	-	-	-	-	-	-
Average equity	€ m	BS	388.7	161.2	-	550.0	436.3	183.2	6.2	625.7
Average net debt	€ m	BS	228.8	121.2	-	450.0	250.4	95.1	-	345.5
ROCE	%		(5.6%)	(0.7%)	-	(2.7%)	(0.1%)	(3.4%)	-	(0.9%)

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