



Earnings Report Third quarter 2025

28 October 2025



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1. EXECUTIVE SUMMARY

Market figures	3Q25	3Q24	Δ%	2Q25	Δ%	9M25	9M24	Δ%
BHKP (USD/t) average price	1.034,2	1.375,9	(24,8%)	1.177,2	(12,1%)	1.092,1	1.281,6	(14,8%)
Average exchange rate (USD/€)	1,17	1,09	6,7%	1,13	3,6%	1,11	1,09	2,4%
BHKP (€/t) average price	886,2	1.258,3	(29,6%)	1.045,5	(15,2%)	981,7	1.179,6	(16,8%)
Operating figures	3T25	3T24	Δ%	2T25	Δ%	9M25	9M24	Δ%
Pulp production (t)	239.422	248.180	(3,5%)	256.450	(6,6%)	710.124	741.114	(4,2%)
Navia pulp production	146.320	155.161	(5,7%)	146.204	0,1%	402.841	434.040	(7,2%)
Pontevedra pulp production	93.102	93.019	0,1%	110.246	(15,6%)	307.283	307.073	0,1%
Pulp sales (t)	263.329	233.833	13%	242.710	8%	722.054	732.406	(1,4%)
Ence Advanced pulp sales (%)	24%	22%	2 p.p.	30%	(6 p.p.)	29%	22%	7 p.p.
Average sales pulp price (€/t)	452,0	678,7	(33,4%)	541,6	(16,6%)	513,9	670,1	(23,3%)
Cash cost (€/t)	459,1	488,7	(6,1%)	487,9	(5,9%)	484,6	483,4	0,3%
Operating margin per ton (€/t)	(7,2)	190,0	n.s.	53,7	n.s.	29,3	186,7	(84,3%)
Renewable Energy sales volume (MWh)	315.103	308.426	2,2%	302.521	4,2%	895.058	852.136	5,0%
Average sales price (€/MWh)	130,5	136,6	(4%)	125,0	4,4%	137,6	135,7	1,4%
Operating costs (€/MWh)	121,8	123,3	(1%)	156,5	(22,2%)	135,8	130,4	4,1%
Remuneration for investment (€ m)	6,4	6,2	4,0%	6,4	-	19,3	18,5	4,3%
P&L € m	3Q25	3Q24	Δ%	2Q25	Δ%	9M25	9M24	Δ%
Revenue from Pulp business	131,5	171,7	(23,4%)	146,4	(10,2%)	413,1	530,6	(22,1%)
Revenue from Renewable Energy business	49,8	48,9	1,8%	46,7	6,7%	148,9	140,3	6,1%
Consolidation adjustments	(0,4)	(1,0)	62,5%	(0,8)	52,9%	(1,9)	(2,8)	30,1%
Total revenue	180,9	219,6	(17,6%)	192,3	(5,9%)	560,1	668,1	(16,2%)
Pulp business EBITDA	4,3	42,2	(89,9%)	20,0	(78,7%)	52,8	131,8	(59,9%)
Renewable Energy business EBITDA	8,4	9,4	(10,6%)	3,5	138,6%	17,9	20,6	(13,2%)
EBITDA	12,7	51,6	(75,4%)	23,5	(46,2%)	70,7	152,5	(53,6%)
Depreciation, amortisation and forestry depletion	(21,8)	(24,6)	11,2%	(24,0)	9,1%	(68,6)	(75,1)	8,6%
Impairment of and gains/(losses) on fixed-assets	(0,1)	(0,2)	43,7%	0,1	n.s.	(0,2)	0,2	n.s.
Other non-ordinary results of operations	(1,8)	(0,7)	(157,2%)	(1,1)	(72,6%)	(2,9)	(6,5)	54,7%
EBIT	(11,1)	26,1	n.s.	(1,5)	n.s.	(1,0)	71,1	n.s.
Net finance cost	(9,1)	(7,7)	(18,0%)	(11,2)	18,8%	(28,8)	(23,8)	(21,1%)
Other finance income/(cost) results	0,0	(1,6)	n.s.	(2,5)	n.s.	(3,7)	(0,7)	n.s.
Profit before tax	(20,2)	16,8	n.s.	(15,1)	(33,1%)	(33,5)	46,7	n.s.
Income tax	3,9	(3,5)	n.s.	2,2	79,8%	4,3	(13,5)	n.s.
Consolidated Net income	(16,2)	13,4	n.s.	(13,0)	(25,2%)	(29,2)	33,2	n.s.
Non-controlling interests	1,1	1,0	10,3%	3,7	(70,8%)	7,2	7,6	(5,5%)
Attributable Net income	(15,1)	14,3	n.s.	(9,3)	(63,1%)	(22,0)	40,8	n.s.
Earnings per share (Basic EPS)	(0,06)	0,06	n.s.	(0,04)	(63,2%)	(0,09)	0,17	n.s.
Cash flow € m	3Q25	3Q24	Δ%	2Q25	Δ%	9M25	9M24	Δ%
EBITDA	12,7	51,6	(75,4%)	23,5	(46,2%)	70,7	100,9	(29,9%)
Change in working capital	17,9	18,4	(2,8%)	(9,5)	n.s.	0,1	(59,1)	n.s.
Maintenance capex	(12,77)	(6,4)	(99,3%)	(12,2)	(5,0%)	(33,2)	(20,8)	(59,3%)
Net interest Payment	(5,90)	(6,6)	11,0%	(12,3)	52,1%	(24,2)	(23,9)	(1,4%)
Income tax received/(paid)	0,00	0,0	(30,8%)	(2,5)	n.s.	(2,2)	(2,0)	(11,8%)
Normalised free cash flow	11,9	56,9	(79,1%)	(12,9)	n.s.	11,2	46,6	(76,1%)
Other cash adjustments	(2,7)	(3,0)	10,6%	0,4	n.s.	(7,6)	1,2	n.s.
Efficiency and expansion capex	(12,2)	(5,6)	(116,3%)	(12,7)	4,3%	(31,2)	(21,1)	(48,2%)
Sustainability capex and other	(4,8)	(3,2)	(47,0%)	(6,4)	25,2%	(15,5)	(9,2)	(68,4%)
Financial investments and in Group companies	(0,4)	0,2	n.s.	1,3	n.s.	(0,9)	0,0	n.s.
Disposals ¹	0,4	5,6	(92,3%)	(0,0)	n.s.	0,8	6,7	(87,4%)
Free cash flow	(7,7)	50,9	n.s.	(30,3)	74,6%	(43,3)	24,3	n.s.
Dividends from the parent	-	(26,0)	100,0%	-	n.s.	-	(26,0)	100,0%
Dividend to minorities	(0,4)	(5,1)	91,4%	-	n.s.	(0,4)	(5,1)	91,4%
Proceeds/(payments) of equity instruments	(0,2)	(1,0)	78,2%	(0,7)	68,7%	(0,9)	0,5	n.s.
Other movements in borrowings	4,0	(19,5)	n.s.	(0,0)	n.s.	(1,1)	7,6	n.s.
Net decrease / (increase) in net debt (€ m)	(4,4)	(0,6)	n.s.	(31,1)	85,8%	(45,7)	1,3	n.s.

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

Net debt € m	Sep-2025	Dec-2024	Δ%	Jun-25	Δ%
Net debt Pulp business	255,6	242,6	5,4%	256,0	(0,2%)
Net debt Renewable business	111,3	78,6	41,6%	106,5	4,5%
Group net debt	366,9	321,2	14,2%	362,5	1,2%
	Sep-2025	Dec-2024	Δ%	Jun-25	Δ%
Pulp - NFD/ EBITDA LTM	3,1x	1,8x	79,3%	2,6x	19,2%
Renewables - NFD/ EBITDA LTM	3,8x	3,0x	26,2%	4,3x	(12,8%)
NFD/ EBITDA LTM	3,3x	2,0x	69,7%	2,4x	39,5%

- ✓ The Group generated €181m of revenue in the third quarter, down 6% from the previous quarter, despite higher sales volumes, due to weakness in pulp prices, which hit lows this quarter.
- ✓ Although demand for hardwood pulp (BHKP) increased by 7% year-on-year between January and August 2025, prices dipped to a low of \$1,000/t in the second half of August. Since then, the major global pulp producers have announced price increases, which have already been reflected in improvements in the benchmark price index for pulp ("PIX pulp") with +c.\$30/t in China (net) and of +c.\$60/t in Europe (gross). The removal of tariffs on pulp imports to the US, coupled with the maintenance shutdowns announced by the main Latin American producers for 4Q25 (c.0.5m tonnes), should cement this momentum.
- ✓ The cash cost decreased by €29/t quarter-on-quarter in 3Q25 to €459/t (-€30/t below YoY), shaped mainly by lower wood costs, higher revenue from energy sales following the start-up of the Navia turbine in June and fixed cost dilution.
- ✓ Free cash flow, before growth and efficiency capex, was positive by €12m in 3Q25, despite low pulp prices. Working capital movements implied a cash inflow of €18m, derived mainly from reductions in inventories and accounts receivable in the pulp business, following the collection of the €13m (including VAT) from the Energy Saving Certificates ("CAEs") sold in 2Q25.
- ✓ Pontevedra annual maintenance shutdown was successfully completed within the scheduled 10-day timeframe in September. For the third consecutive year, the water effluent recovery system developed in-house, has allowed to operate business as usual in the months of August and September in compliance with the effluent environmentally-safe water levels.
- ✓ Sales volumes of our Ence Advanced special products, which fetch higher margins than our standard pulp products, accounted for 29% of sales in the first nine months of the year (+7pp vs. 9M24).
- ✓ EBITDA in the Pulp business amounted to €4m in 3Q25, compared to €20m in 2Q25. In 3Q25, the Company collected an €8m insurance claim related to the Navia turbine, which is included within the EBITDA calculation (but not the cash cost).
- ✓ Ence has a hedging policy to mitigate the impact of exchange rate volatility on its earnings that have resulted in positive liquidations €3.7m in 3Q25.
- ✓ The Pulp business continues to deliver its strategy devised to increase its EBITDA by consolidating its position as a manufacturer of special, value-added products substitutes of softwood pulp (BSKP) products. The target is for these special products, including the first fluff line already operating and in the process of product homologation, to account for more than 62% of total sales volumes in 2028. These products, substitutes for softwood pulp, position Ence as one of the most competitive players on the global cash cost curve.
- ✓ The Group has launched an Efficiency & Competitiveness Plan with two mainstays (i) Artificial Intelligence solutions and process reengineering and (ii) Operations streamline with an orderly reduction of the personnel structure. This plan has the potential to unlock cash cost savings of an estimated €22/t while entailing a cash outflow of approximately €23m resulting in a net asset value (NAV) of c.€200m with c. 1 year payback. The plan will be fully implemented by year-end 2027. The Navia decarbonisation and Pontevedra Avanza projects will continue in parallel.
- ✓ EBITDA in the Renewables business amounted to €8m in 3Q25, up from 4m in 2Q25, thanks to the production growth (+4% quarter-over-quarter), higher sales prices (+4%) and reduced operating costs (-€11/MWh).
- ✓ Ence is developing the largest diversified renewable energy platform, leveraging its leadership in the collection and management of biomass in the Iberian Peninsula, transforming it into regulated electricity, industrial heat, biomethane and renewable fuels. The targets for 2030:
 - In the biomethane business, the goal is to produce >1TWh and generate €60m of EBITDA. To that end, our subsidiary, Biofertilizantes CH4, already has one plant up and running, a portfolio of 18 developments at the environmental permitting stage and another 20 for with sites secured and viability studies performed.
 - In the renewable industrial heat segment, the Company aims to have annual capacity of >2 TWht, with the business generating €40m of EBITDA. In the 3Q25, the company started the construction of two new projects for a multinational F&B company, which, coupled with the Mahou project, are schedule to start to operate in 2Q26. In addition, the company was awarded an O&M contract for a 8MWt project.

2. PULP BUSINESS

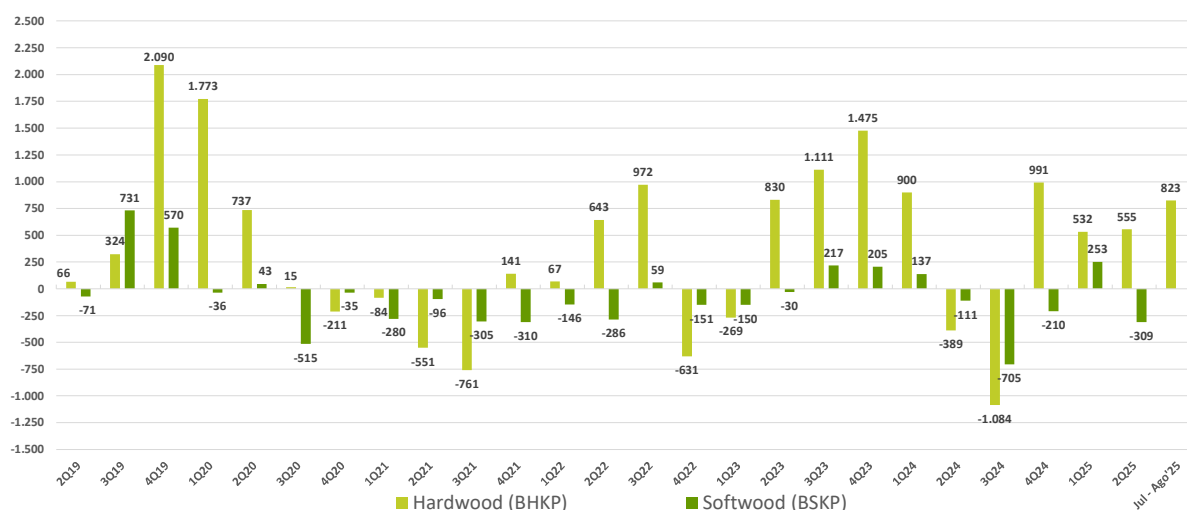
Ence has two eucalyptus hardwood pulp (BHKP) biomills in northeast Spain: a 685,000-tonne-capacity facility located on a site owned by the Company in the town of Navia, Asturias, and a 515,000-tonne-capacity complex located on a site held under concession in Pontevedra, Galicia. Both use eucalyptus timber procured mostly locally from sources that can certify sustainable forest management. Production strategy is centred special pulp products with higher margin than standard BHKP products, which already represent 29% of the sales volumes (9M25).

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

2.1. Pulp market trends

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

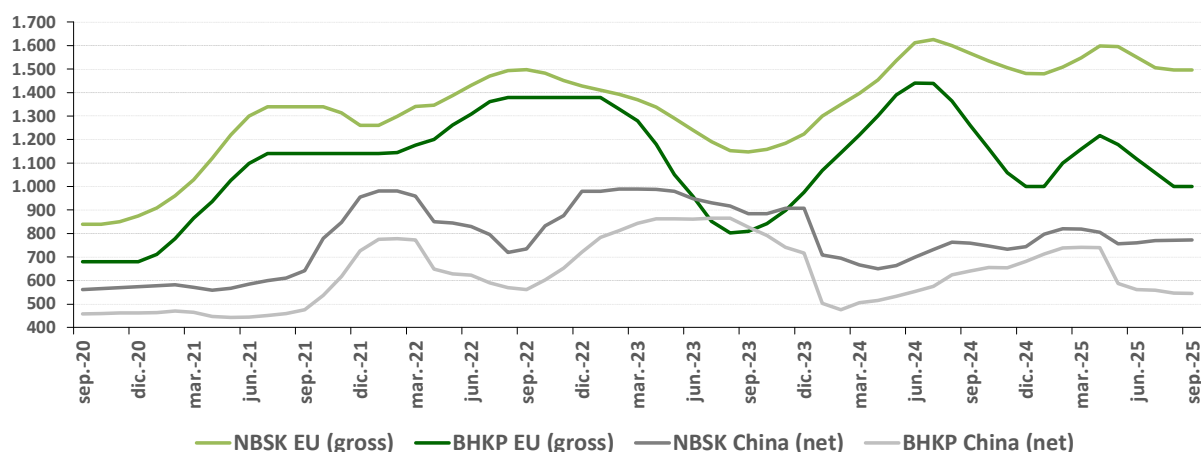
Year-on-year change in global demand for pulp, last five years (MT, 000)



Source: PPPC-G100

Global demand for pulp continued to firm in the first eight months of 2025, increasing by 4.7% (2.0 million tonnes) year-on-year to August, fuelled by China, where demand jumped by 12% year-on-year, as its paper industry replenished inventories. Hardwood pulp (BHKP) gained market share at the expense of softwood pulp, registering year-on-year growth of 7.3% in 8M25.

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



Source: FOEX

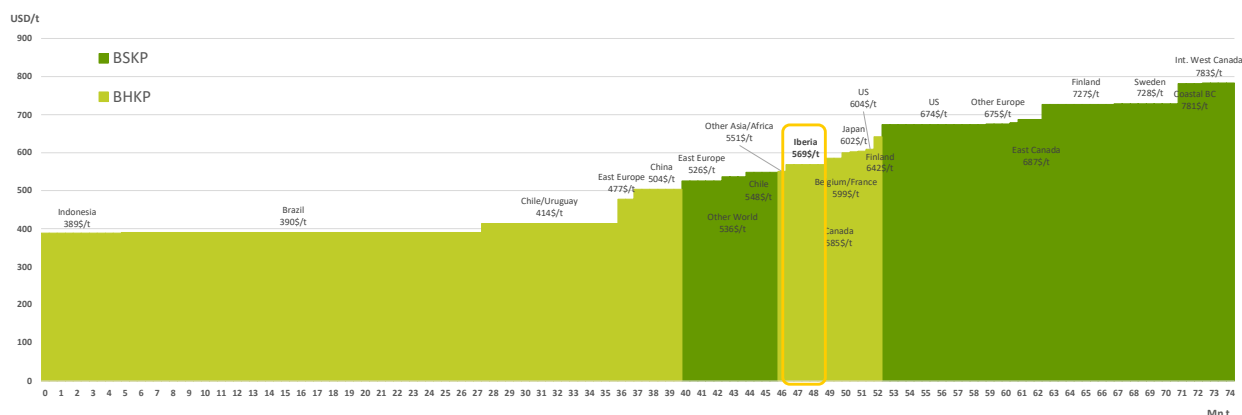
Gross hardwood pulp (BHKP) prices in Europe increased several times in the early part of the year, recovering from the lows of December 2024 of \$1,000/tonne to \$1,218/tonne in April 2025. Since then, gross prices have fallen as a result of the uncertainty induced by the prevailing trade and tariff tensions, reaching \$1,000/t, by the third week of August, below the marginal cost of production of c. 25% of the industry, and remaining stable at that level until the end of the quarter. Since early August, the main producers have announced price increases. At the time of this report, price increases of c.\$30/t (net) and c.60/t (gross) had been implemented in Asia and Europe, respectively. On the 8th of Sept. 2025, the US administration announced the suspension of US import levies on pulp. This, together with the annual maintenance stoppages announced by the leading Latin American producers (c.0.5 million tonnes) should provide support for the current price momentum through the end of the year.

	3T25	3T24	Δ%	2T25	Δ%	9M25	9M24	Δ%
BHKP (USD/t) average price	1.034,2	1.375,9	(24,8%)	1.177,2	(12,1%)	1.092,1	1.281,6	(14,8%)
Average exchange rate (USD/€)	1,17	1,09	6,7%	1,13	3,6%	1,11	1,09	2,4%
BHKP (€/t) average price	886,2	1.258,3	(29,6%)	1.045,5	(15,2%)	981,7	1.179,6	(16,8%)

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

The gross benchmark price for hardwood pulp (BHKP) in Europe averaged \$1,034/t in 3Q25, down 25% from 3Q24 and 12% below the 2Q25 average.

Global market pulp cash cost curve



Source: Hawkins Wright, CIF Europe (August 2025)

Ence is repositioning itself on the global cost curve thanks to the growth of its Ence Advanced product range (29% of 9M25 sales | +7pp vs. 9M24) and the upcoming fluff pulp line (125k tonnes slated for commissioning in 4Q25). These products are substitutes for softwood products and are set to account for over 62% of the Company's sales in 2028. With a forecast cash cost of €466/t in 2H25 (c.\$545/t compared to an average of \$678/t for the BSKP producers), Ence is positioning itself as a leading player in cost terms relative to its competitors in the softwood space.

2.2. Revenue from pulp sales

Third-quarter pulp sales volumes amounted to 263,329 tonnes, up 8.5% quarter-on-quarter and growth of 12.6% year-on-year. The Company consumed 24k tonnes of pulp inventories during the quarter to leave the September balance at 63k tonnes.

	3Q25	3Q24	Δ%	2Q25	Δ%	9M25	9M24	Δ%
Pulp sales (t)	263.329	233.833	12,6%	242.710	8,5%	722.054	732.406	(1,4%)
Average sales price (€/t)	452,0	678,7	(33,4%)	541,6	(16,6%)	513,9	670,1	(23,3%)
Pulp sales revenue (€ m)	119,0	158,7	(25,0%)	131,5	(9,5%)	371,0	490,8	(24,4%)

Elsewhere, the average third-quarter net sales price was €452 per tonne, down 16.6% (€90/t) quarter-on-quarter and 33.4% (€227/t) lower year-on-year, due to lower pulp prices and the annual adjustment of the sales discounts applied across the sector.

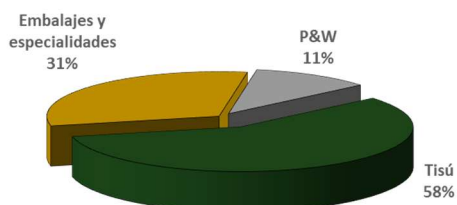
The combination of the two factors drove revenue from pulp sales 9.5% lower quarter-on-quarter and 25% lower year-on-year to €119m.

The Ence Advanced product range continued to gain market share, in line with our targets for the year. In 9M25 they accounted for 29% of total pulp sales, compared to 22% in 9M24. The margin generated by these products was €33/t higher than that of the Company's standard pulp range in 9M25 (vs. 29 €/t in 9M25) and the expectation is that the average incremental margin throughout the cycle will be around €30/t.

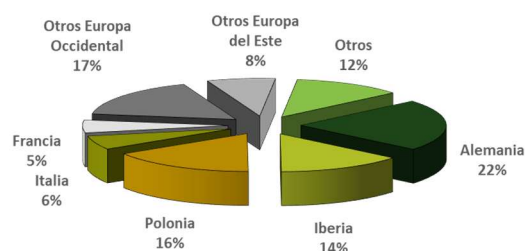
Sales of these higher-margin products are expected to surpass 62% of total pulp sales in 2028, including 125,000 tonnes of fluff pulp for absorbent hygiene products (new production line of 125k tn started operations in 4Q25 with product homologation). The growing share of these products in the Group's sales mix is positioning Ence as one of the most competitive BSKP substitutes producers on the global cash cost curve.

The tissue paper segment remains the main end use given to the pulp sold by Ence, accounting for 58% of revenue from pulp sales in 9M25, followed by the packaging and specialty paper segment, at 31%. The printing and writing paper segment accounted for the remaining 11%.

Breakdown of revenue by end product



Breakdown of revenue by geographic market



Geographically, virtually all of our sales go to Europe and countries along the Mediterranean Basin, where we boast significant competitive advantages in logistics and customer service and where our pulp is used primarily to make staple products such as tissue paper and hygiene products. Germany accounted for 22% of 9M25 sales revenue, followed by Poland (16%), Spain & Portugal (14%), Italy (6%) and France (5%). The other western European countries accounted for 17% of the total, with the rest of Eastern Europe representing 8%.

In the current climate of global trade tensions, Ence is not only exposed to Europe in terms of sales but its procurement strategy is essentially local. Moreover, the pulp biomills are self-sufficient energy-wise. Likewise, 100% of the biomass used in our renewable energy businesses is sourced locally and the energy produced is sold in Spain and Europe, helping to reinforce our energy autonomy.

2.3. Pulp production and cash cost

Ence produced 239,422 tonnes of pulp in 3Q25, down 7% quarter-on-quarter mainly since the Pontevedra biomill was stopped for maintenance in September. Year-on-year, pulp production was 4% lower. It is worth mentioning that, for the third year in a row, Pontevedra has operated business as usual in the months of August and September, in compliance with the river's environmentally-safe water levels, thanks to Production at the Pontevedra biomill totalled 107k tonnes in 3Q25, year-on-year growth of 15% (this facility was also idled for maintenance work in the third quarter last year), thanks to the proprietary water recovery solution, which allowed the facility, to operate business as usual

	3Q25	3Q24	Δ%	2Q25	Δ%	9M25	9M24	Δ%
Navia pulp production (t)	146.320	155.161	(5,7%)	146.204	0,1%	402.841	434.040	(7,2%)
Pontevedra pulp production (t)	93.102	93.019	0,1%	110.246	(15,6%)	307.283	307.073	0,1%
Pulp production (t)	239.422	248.180	(3,5%)	256.450	(6,6%)	710.124	741.114	(4,2%)

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

Our average cash cost decreased by 5.9% (€29/t) vs2Q25, to €459, on the back of lower wood and transformation costs, the positive impact of energy sales following the re-start of the turbine in Pontevedra and fixed cost dilution unlocked by operational leverage. Cash costs has decreased by 30€/t vs. 3Q24 (-6% YoY).

Figures in €/t	3Q25	3Q24	Δ%	2Q25	Δ%	9M25	9M24	Δ%
Average sales price	452,0	678,7	(33,4%)	541,6	(16,6%)	513,9	670,1	(23,3%)
Total cash cost	459,1	488,7	(6,1%)	487,9	(5,9%)	484,6	483,4	0,3%
Operating margin (w/o hedging)	(7,2)	190,0	n.s.	53,7	n.s.	29,3	186,7	(84,3%)

Despite the lower cash cost, lower sales prices implied a negative operating margin of €7/t (61€/t lower than 2Q25). Adjusted by FX hedging revenues, the operating margin stood at €4/t. In 3Q24, the operating margin was 190€/t

despite the fact that the cash cost was €30/t higher that quarter thanks to the price momentum prevailing at the time.

2.4. Other income

Ence's pulp production operations are self-sufficient electricity-wise. Ence uses the lignin and forest biomass derived from its manufacturing activities to generate renewable energy. Specifically, it operates a 35-MW lignin-fired CHP plant, integrated within the Pontevedra biomill, and a 40-MW CHP lignin-fired plant and a 37-MW biomass generation plant, both of which are integrated within the Navia biomill. Surplus energy production is sold to the grid.

Figures in € m	3Q25	3Q24	Δ%	2Q25	Δ%	9M25	9M24	Δ%
Revenues from energy sales linked to pulp (€ m)	10,0	11,2	(10,1%)	7,1	41,4%	25,7	27,2	(5,4%)
Forestry and other revenue (€ m)	2,4	1,9	31,0%	7,8	(68,8%)	16,4	12,6	29,9%
Other income	12,5	13,0	(4,2%)	14,9	(16,3%)	42,1	39,8	5,8%

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

These activities generated revenue of €13m in 3Q25, down 16% from 2Q25 and down 4% from 3Q24.

2.5. Statement of profit or loss

EBITDA in the Pulp business amounted to €4m in 3Q25, compared to €20m in 2Q25 and €42m in 3Q24.

Ence's Pulp business has generated significant energy savings as a result of energy efficiency initiatives across its operations, which it has sold to a Spanish energy company to obtain energy efficiency certificates (or CAEs for their acronym in Spanish), as provided for in Royal Decree 36/2023 (24 January 2023), establishing the Energy Savings Certificate scheme, and the implementing Ministerial Order TED/815/2023 (18 July 2023).

In the first half of 2025, the Group closed two sales, specifically selling 191 million certificates (equivalent to savings of 191 GWh) and 61 million certificates (equivalent to savings of 61 GWh) for prices, net of transaction costs, of €30m and €10m, respectively. At 30 June 2025, it had collected the proceeds from the first sale (€30m) and the remaining €10m have been collected in 3Q25.

Following the resolution of the consultations process to the "Instituto de Contabilidad y Auditoría de Cuentas", the company maintains virtually all of these transactions registered as revenue in the first half of the year.

On another note, in 3Q25, the Group collected an €8m insurance claim related with costs associated with the incident affecting the co-generation turbine in Navia. That money is excluded from the cash cost calculation but included in the EBITDA figure.

Figures in € m	3Q25	3Q24	Δ%	2Q25	Δ%	9M25	9M24	Δ%
Pulp sales revenue	119,0	158,7	(25,0%)	131,5	(9,5%)	371,0	490,8	(24,4%)
Other income	12,5	13,0	(4,2%)	14,9	(16,3%)	42,1	39,8	5,8%
Total net revenue	131,5	171,7	(23,4%)	146,4	(10,2%)	413,1	530,6	(22,1%)
EBITDA	4,3	42,2	(89,9%)	20,0	(78,7%)	52,8	131,8	(59,9%)
Depreciation and amortisation	(13,5)	(14,7)	7,7%	(13,6)	0,5%	(39,1)	(43,3)	9,7%
Depletion of forestry reserves	(0,9)	(1,3)	31,1%	(2,5)	65,1%	(6,1)	(7,6)	19,2%
Impairment of and gains/(losses) on fixed-asset disp.	(0,1)	(0,2)	58,0%	0,0	n.s.	(0,1)	(0,9)	84,1%
Other non-ordinary results from operations	(1,8)	(0,7)	(157,2%)	(1,1)	(72,6%)	(2,9)	(2,0)	(46,9%)
EBIT	(12,1)	25,3	n.s.	2,9	n.s.	4,5	78,0	(94,2%)
Net finance cost	(4,4)	(4,6)	3,0%	(6,7)	33,8%	(15,5)	(14,1)	(10,0%)
Other financial results	(0,1)	(1,9)	94,2%	(2,6)	95,8%	(3,9)	(1,0)	n.s.
Profit before tax	(16,6)	18,8	n.s.	(6,4)	(160,2%)	(14,9)	63,0	n.s.
Income tax	3,8	(3,7)	n.s.	1,7	126,8%	3,4	(13,8)	n.s.
Net Income	(12,9)	15,1	n.s.	(4,7)	(172,0%)	(11,4)	49,1	n.s.

Ence has an ongoing hedging policy designed to mitigate the impact of exchange rate volatility on its earnings. These hedges implied a gain of €5m in 9M25 (not included in the cash cost). For 2025, the Company has arranged hedges over a notional amount of \$300m with a weighted average cap of \$/€1.09 and a weighted average floor of \$/€1.06.

Note that under the current hedging programme, an average exchange rate of \$/€1.16 in 4Q25 would generate a gain of approximately €3m.

	1Q25	2Q25	3Q25	4Q25	FY 2025
Nominal cubierto (USD Mn)	97	73	73	57	300
Techo medio (USD / EUR)	1,09	1,09	1,10	1,09	1,09
Suelo medio (USD / EUR)	1,06	1,07	1,07	1,06	1,06

Below the EBITDA line, depreciation charges were flat year-on-year at €14m, while forest depletion charges amounted to €1m.

Elsewhere, the Pulp business's net finance cost amounted to €4m in 3Q25. "Other finance income/(cost)" mainly includes the effect of movements in exchange rates on working capital during the period with a net loss of €0.1m .

Lastly, negative results pre-tax implied tax income of €4m in 3Q25. Note that the Constitutional Court ruling in 2024 annulling the limit on offsetting tax losses could lead to the collection of approximately €16m in 2026. Also, at 30 September 2025, the Pulp business had unused tax losses totalling €19m.

As a result, the Pulp business reported a net loss of €13m in 3Q25, compared to a net loss of €5m in 2Q25 and a profit of €15m in 3Q24.

2.6. Cash flow analysis

Cash flows from operating activities amounted to €26m in 3Q25, including a €27m decrease in the working capital requirement.

Figures in € m	3Q25	3Q24	Δ%	2Q25	Δ%	9M25	9M24	Δ%
EBITDA	4,3	42,2	(89,9%)	20,0	(78,7%)	52,8	131,8	(59,9%)
Other cash adjustments	(1,8)	(1,8)	(0,2%)	0,5	n.s.	(5,8)	4,0	n.s.
Change in working capital	27,5	27,6	(0,4%)	(11,9)	n.s.	9,5	(41,0)	n.s.
Income tax received / (paid)	0,0	-	n.s.	(2,5)	n.s.	(2,5)	(1,7)	(48,4%)
Net interest received / (paid)	(4,4)	(4,8)	7,5%	(5,7)	22,0%	(14,8)	(15,4)	4,0%
Net cash flow from operating activities	25,5	63,1	(59,6%)	0,4	n.s.	39,1	77,8	(49,7%)

The decrease in working capital implied a cash inflow of €27m in 3Q25, due primarily to the consumption of pulp inventories and a decrease in accounts receivable following the collection of €13m of proceeds from the energy saving certificates from 2Q25 (including VAT).

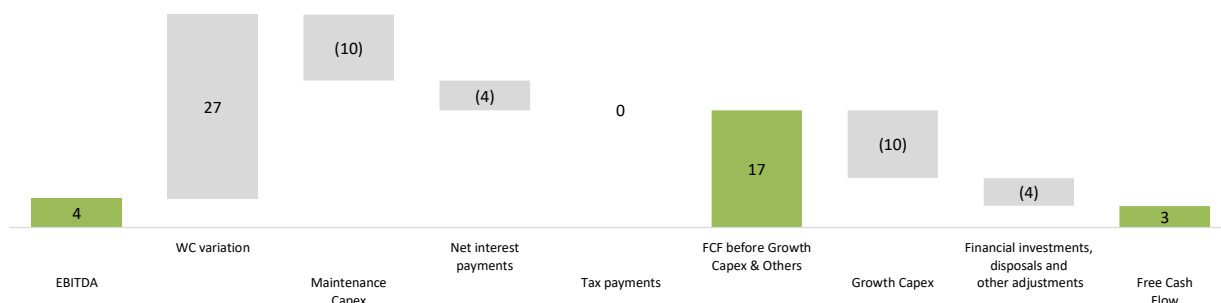
Figures in € m	3Q25	3Q24	Δ%	2Q25	Δ%	9M25	9M24	Δ%
Inventories	13,5	(11,8)	n.s.	(6,2)	n.s.	(0,2)	(13,4)	54,3%
Trade and other receivables	16,0	33,4	(52,0%)	(11,1)	n.s.	6,5	(27,2)	59,3%
Financial and other current assets	-	0,8	(100,0%)	-	n.s.	-	(0,7)	100,0%
Trade and other payables	(2,0)	5,1	n.s.	5,3	n.s.	3,1	0,4	n.s.
Change in working capital	27,5	27,6	(0,4%)	(11,9)	n.s.	9,5	(41,0)	70,9%

As of the September close, Ence had drawn down €89m of non-recourse receivables factoring facilities in the Pulp business, compared to €102m at the end of June. Ence has also arranged several confirming facilities, which were drawn down by €62m at the September close, compared to €67m at the June close. The confirming facilities do not entail the provision of guarantees, do not alter the average payment term agreed with the corresponding suppliers and do not accrue interest.

Figures in € m	3Q25	3Q24	Δ%	2Q25	Δ%	9M25	9M24	Δ%
Maintenance capex	(9,9)	(5,4)	81,7%	(9,2)	6,8%	(25,3)	(16,9)	49,8%
Sustainability capex and other	(4,1)	(3,1)	31,0%	(5,6)	(27,4%)	(13,7)	(8,2)	66,8%
Efficiency and expansion capex	(6,0)	(3,6)	66,5%	(9,1)	(33,9%)	(19,4)	(13,9)	39,2%
Financial investments and in Group companies	(2,7)	(0,9)	213,1%	16,4	n.s.	12,9	(22,8)	n.s.
Investments	(22,7)	(13,0)	74,3%	(7,5)	201,0%	(45,6)	(61,9)	(26,3%)
Disposals ¹	0,3	6,1	(94,4%)	(0,1)	n.s.	0,6	6,3	(89,9%)
Net cash flow used in investing activities	(22,3)	(6,9)	223,4%	(7,6)	192,3%	(44,9)	(55,6)	(19,2%)

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

Cash used in investing activities in the Pulp business totalled €23m in 3Q25. Maintenance capex amounted to €10m, while expansion and efficiency capex amounted to €10m. The most significant investments included those related with the fluff pulp production line (which at the time of this report has started its operations with product homologations), decarbonisation and efficiency project in Navia, the sustainable packaging initiative and the engineering work related with the Pontevedra Avanza and As Pontes projects. Investments related to safety reinforcement, water consumption optimisation, emissions, odours and noises, that strength Ence's competitive position in the long term, amounted to €4m.



As a result, normalised free cash flow in the Pulp business was positive by €17m in 3Q25, including the above-mentioned €27m decrease in working capital. Free cash flow after growth capex, financial investments, disposals and other adjustments amounted to €3m.

2.7. Change in net debt

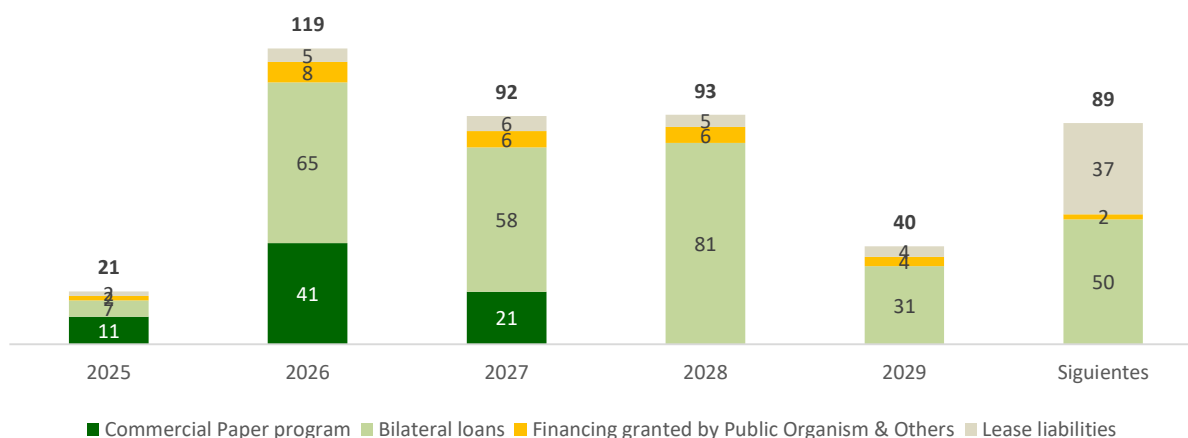
The Pulp business ended September with net debt of €256m, in line with 2Q25 and compared to a net debt of €243m at year-end 2024, i.e., an increase of €13m. The free cash flow generated in the third quarter (€3m) was offset by other cash outflows related with leases, asset rights and equity instruments (-€3m).

Due to the cyclical nature of the Pulp business, it is financed with covenant-free debt and keeps ample liquid assets. At the reporting date, the Pulp business had cash and cash equivalents of €197m.

Datos en Mn€	Sep 2025	Dic 2024	Δ%
Deuda financiera a largo plazo	269,0	243,8	10,4%
Deuda financiera a corto plazo	124,1	143,9	(13,8%)
Deuda financiera bruta	393,1	387,7	1,4%
Arrendamientos a largo plazo	54,4	47,5	14,3%
Arrendamientos a corto plazo	4,9	5,3	(6,9%)
Pasivo por arrendamientos	59,2	52,8	12,2%
Efectivo y equivalentes	194,2	184,6	5,2%
Inversiones financieras temporales	2,5	13,3	(81,0%)
Deuda neta del negocio de Celulosa	255,6	242,6	5,4%

In 3Q25, the Pulp business repaid €31m of loans and arranged new bilateral loans totalling €10m. The balance outstanding under the MARF commercial paper programme ended September at €75m.

The gross debt of €393m at the September close corresponds to the outstanding balances of: (i) bilateral loans extended by banks and public institutions (€291m); (ii) a series of loans totalling €29m awarded by the CDTI (acronym in Spanish for the Centre for the Development of Industrial Technology) and Spanish Ministry of Industry to finance investments in efficiency upgrades and capacity expansion work, whose maturities range to 2039; and (iii) the €75m outstanding under Ence's sustainable commercial paper programme, which is being renewed and amended to extend the maturities. Finance lease liabilities stood at €59m at the September close. Debt arrangement fees are deducted from gross borrowings on the statement of financial position.



2.8. Diversification and efficiency projects

In the pulp business, Ence's strategy focuses on improving its costs competitiveness while diversifying its production towards special and higher-margin products, leveraging its competitive advantages in the European market. The ultimate goal for this business is to multiply mid-cycle EBITDA by 1.5x by 2028 by means of a number of different initiatives.

Firstly, 29% of our pulp sales in 9M25 were already generated by the Ence Advanced product range (+7pp vs. 9M24, or 48k tonnes more year-on-year). The Ence Advanced products have superior technical properties and a lower environmental footprint and are well suited to replacing softwood pulp, which is more expensive, translating into higher margins relative to standard pulp grades. In 9M25, sales of these products generated an incremental margin of approximately €33/t. The Company expects the incremental profit contribution to average €30/t over the pulp cycle.

Secondly, our first fluff pulp production line started up in the fourth quarter of 2025 in the form of customer product certifications. The new line has the capacity to produce up to 125,000 tonnes. This pulp is targeted at the absorbent hygienic product industry in Europe and seeks to displace the use of imported fluff pulp and softwood pulp for these products. In this manner, in addition to selling a higher-margin product than standard pulp (+€60/t), Ence will offer its customers a 'made in Europe' alternative with a smaller carbon footprint. The budgeted investment between 2024 and 2025 is over €30m and the expected return (ROCE) is at least 15%.

Combined, the Ence Advanced and fluff pulp products are expected to account for more than 62% of sales in 2028, adding approximately €22m of incremental EBITDA. Both products, substitutes for softwood products, are positioning Ence as a leading player in cost terms relative to softwood producers.

To note, the Company has rolled out an Efficiency & Competitiveness Plan to be implemented in 2025-27. It is expected to reduce the Group's cash cost by an estimated €22/t and entail a cash outflow (capital expenditure and execution costs) of approximately €23m. This plan is articulated around two pillars:

- ✓ Artificial Intelligence solutions and process reengineering
- ✓ Operations streamline

The plan will entail an orderly reduction of the personnel structure, for which negotiations with union representatives are already underway in the context of a collective redundancy procedure. The project has a payback of c.1year and yields a Net Present Value (NAV) of c.€200m.

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

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

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

Lastly, the Company continues to make progress on the engineering and permitting work for an innovative project under development in As Pontes (Coruña) for the production of 100,000 tonnes of recycled and bleached pulp from recovered fibres, without increasing its wood consumption. That project obtained its Environmental Integrated license (“Autorización Ambiental Integrada”) during the third quarter.

3. RENEWABLES BUSINESS

Ence conducts its activity through a diversified platform of renewable energies, with the biomass as common backbone, that includes biomass into regulated electricity, renewable industrial heating, biomethane and renewable fuels.

Ence Renovables (100%-owned by Ence Energía y Celulosa) is the holding company which owns 51% of Magnon Green Energy, 75.5% of Magnon Energy Services (50% directly and 25.5% through Magnon Green Energy) and 100% of Biofertilizantes CH4.

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

Magnon Servicios Energéticos provides end-to-end solutions for the generation of renewable thermal energy from biomass for industrial customers in Spain. In 2023, this company signed its first services agreement and it has another three projects under construction which will imply annual production of c.170 GWht per annum from 2026. In addition, the Company has been awarded an operations and maintenance (O&M) contract for a ready-to-operate project, with annual production of approximately 33 GWht, that is in ramp-up stage. Lastly, the Company has another 10 projects under negotiation, of which one, with estimated annual production capacity of close to 45 GWht, is at an advanced stage.

Biofertilizantes CH4 is the Group subsidiary devoted to developing and operating biomethane and organic fertiliser plants, underpinned by a model based on sustainable and circular management of agricultural and livestock biomass. In December 2024, this company acquired its first biomethane facility in Tarragona, designed to produce up to 50 GWh per annum, also signing a 15-year agreement (BPA) with an important gas distributor for the offtake of the biomethane produced at the plant. At the date of this report, Biofertilizante CH4 also had a portfolio of 18 developments at the permitting stage plus another 20 initiatives under development for which sites have been located and viability studies performed.

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

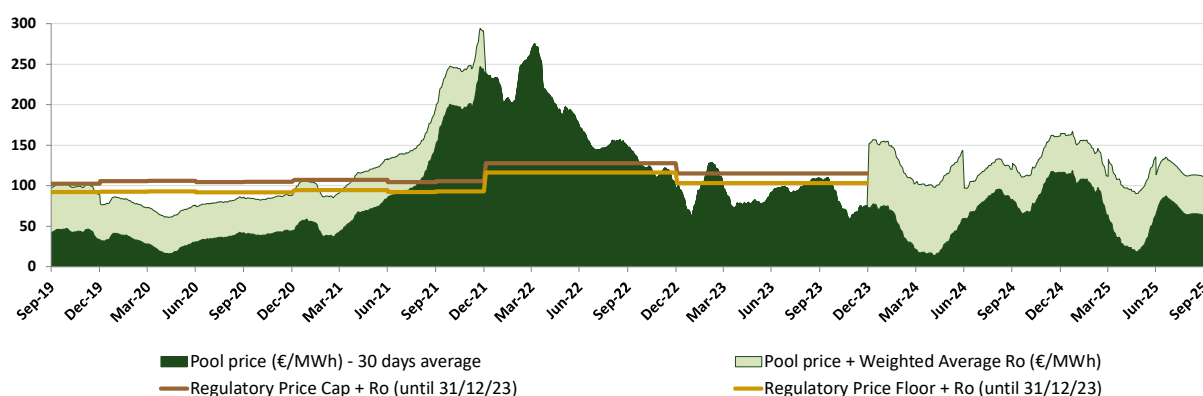
3.1. Regulation of the generation of electricity using biomass

Electricity pool prices averaged €66.5/MWh in 3Q25.

Market figures	3Q25	3Q24	Δ%	2Q25	Δ%	9M25	9M24	Δ%
Average pool price (€/MWh)	66,5	78,7	(15,5%)	36,8	80,6%	63,4	52,3	21,3%
Source: OMIE								

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

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



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

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

Lastly, most of Magnon's biomass plants are entitled to remuneration for investment (Ri) at an annual rate of 7.4%, which generated revenue of €6.4m in 3Q25.

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

3.2. Revenue from energy sales

Energy sales volumes increased by 4.2% quarter-on-quarter to 315,103 MWh in 3Q25. Compared to 3Q24, energy sales volumes increased by 2.2%, mainly due to output at Enemansa (Ciudad Real) and also thanks to operational improvements at Lucena (Cordoba).

Energy operating figures	3Q25	3Q24	Δ%	2Q25	Δ%	9M25	9M24	Δ%
Huelva 41 MW - Biomass	33.464	36.882	(9,3%)	35.545	(5,9%)	93.917	62.580	50,1%
Jaén 16 MW - Biomass	20.639	21.515	(4,1%)	16.524	24,9%	56.765	61.847	(8,2%)
Ciudad Real 16 MW - Biomass	19.295	-	n.s.	17.801	8,4%	55.400	-	n.s.
Córdoba 27 MW - Biomass	36.287	20.574	76,4%	45.293	(19,9%)	115.832	106.172	9,1%
Huelva 50 MW - Biomass	69.027	79.250	(12,9%)	41.300	67,1%	173.765	232.491	(25,3%)
Mérida 20 MW - Biomass	25.661	27.948	(8,2%)	31.722	(19,1%)	93.432	78.239	19,4%
Huelva 46 MW - Biomass	49.916	60.706	(17,8%)	54.745	(8,8%)	129.196	147.163	(12,2%)
Ciudad Real 50 MW - Biomass	60.814	61.551	(1,2%)	59.591	2,1%	176.751	163.644	8,0%
Energy sales (MWh)	315.103	308.426	2,2%	302.521	4,2%	895.058	852.136	5,0%
Average sales price - (€/MWh)	130,5	136,6	(4,5%)	125,0	4,4%	137,6	135,7	1,4%
Remuneration for investment (€/m)	6,4	6,2	4,0%	6,4	-	19,3	18,5	4,3%
Revenue from energy sales (€ m)	47,6	48,3	(1,6%)	44,3	7,5%	142,5	134,2	6,2%

The average sales price amounted to €131/MWh, up 4.4% quarter-on-quarter but down 4.5% year-on-year.

The combination of the two factors drove a 7.5% increase in revenue from energy sales quarter-on-quarter and a decrease of 1.6% by comparison with 3Q24.

Total revenue per MWh sold, including remuneration for investment (Ri), remuneration for operation (Ro), for back-up ancillary services and gains on hedges, amounted to €156/MWh, up €4/MWh from 2Q25 and flat by comparison with 3Q24.

3.3. Biomethane sales

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

Biomethane operating figures	3Q25	3Q24	Δ%	2Q25	Δ%	9M25	9M24	Δ%
Biomethane sales (MWh)	6.453	-	<i>n.s.</i>	7.022	<i>(8,1%)</i>	18.708	-	<i>n.s.</i>
Average sales price - (€/MWh)	92	-	<i>n.s.</i>	92	<i>0,0%</i>	92	-	<i>n.s.</i>
Revenue from biomethane sales (€ m)	0,6	-	<i>n.s.</i>	0,6	<i>(8,1%)</i>	1,7	-	<i>n.s.</i>

Revenue from the sale of biomethane at the La Galera plant decreased by 8% from 2Q25. The drop in production by comparison with the second quarter is the result of steps being taken at the plant as part of the odour elimination programme. Nevertheless, production at the plant doubled year-on-year (the quarter in which Ence made its investment) for the second quarter in a row.

Biofertilizantes CH4 is executing an investment plan at this facility to round out its productive process to add the ability to manufacture and sell organic fertilisers from 2027 and implement Ence's stringent operating standards (odour control, safety, etc.).

3.4. Statement of profit or loss

EBITDA in the Renewables business amounted to €8.4m in 3Q25, including €1m related with development costs of businesses at ramp-up phase (biomethane and industrial heating). Excluding the negative contribution by those other businesses, EBITDA from biomass to regulated electricity amounted to €9.2m in 3Q25, compared to €4.5m in 2Q25 and €10.3m in 3Q24.

Figures in € m	3Q25	3Q24	Δ%	2Q25	Δ%	9M25	9M24	Δ%
Revenue from energy sales (includes hedges)	47,6	48,3	<i>(1,6%)</i>	44,3	<i>7,5%</i>	142,5	134,2	<i>6,2%</i>
Revenues from biomethane sales	0,6	-	<i>n.s.</i>	0,6	<i>(8,1%)</i>	1,7	-	<i>n.s.</i>
Other revenues	1,7	0,6	<i>179,6%</i>	1,8	<i>(7,8%)</i>	4,7	6,1	<i>(23,8%)</i>
Total revenue	49,8	48,9	<i>1,8%</i>	46,7	<i>6,7%</i>	148,9	23,8	<i>n.s.</i>
EBITDA from energy sales	9,2	10,3	<i>(10,6%)</i>	4,5	<i>103,2%</i>	21,0	23,8	<i>(11,7%)</i>
EBITDA from other businesses	(0,8)	(0,9)	<i>10,1%</i>	(1,0)	<i>21,1%</i>	(3,1)	(3,1)	<i>1,7%</i>
EBITDA	8,4	9,4	<i>(10,6%)</i>	3,5	<i>138,6%</i>	17,9	20,6	<i>(13,2%)</i>
Depreciation and amortisation	(7,8)	(9,0)	<i>13,5%</i>	(8,3)	<i>5,8%</i>	(24,6)	(25,4)	<i>3,2%</i>
Impairment of and gains/(losses) on fixed-asset disp.	(0,0)	0,1	<i>n.s.</i>	0,0	<i>n.s.</i>	(0,0)	1,1	<i>n.s.</i>
Other non-ordinary results from operations	-	-	<i>n.s.</i>	-	<i>n.s.</i>	-	(4,5)	<i>100,0%</i>
EBIT	0,6	0,4	<i>39,7%</i>	(4,7)	<i>n.s.</i>	(6,7)	(8,1)	<i>17,2%</i>
Net finance cost	(4,6)	(3,1)	<i>(49,1%)</i>	(4,5)	<i>(4,0%)</i>	(13,3)	(9,7)	<i>(37,3%)</i>
Other finance income/(cost)	0,1	0,3	<i>(56,7%)</i>	0,0	<i>234,2%</i>	0,2	0,3	<i>(42,7%)</i>
Profit before tax	(3,9)	(2,4)	<i>(63,7%)</i>	(9,2)	<i>57,2%</i>	(19,8)	(17,5)	<i>(13,3%)</i>
Income tax	0,2	0,2	<i>(17,3%)</i>	0,6	<i>(66,1%)</i>	1,0	0,5	<i>115,9%</i>
Net Income	(3,7)	(2,1)	<i>(73,1%)</i>	(8,5)	<i>56,5%</i>	(18,8)	(17,1)	<i>(10,5%)</i>
Non-controlling interests	1,1	1,0	<i>10,2%</i>	3,7	<i>(70,8%)</i>	7,2	7,6	<i>(5,5%)</i>
Attributable Net Income	(2,6)	(1,2)	<i>(125,1%)</i>	(4,9)	<i>45,8%</i>	(11,7)	(9,5)	<i>(23,4%)</i>

To mitigate the risk of deviations in electricity market prices relative to the price estimated by the regulator, Magnon has put in place a hedging policy designed to replicate the formula used by the MITECO (Ministry for the Ecological Transition and Demographic Challenge) to estimate market prices covering at least 40% of forecast generation output. The deviation between the pool price and the price estimated by the regulator had a negative impact of €0.6m in 3Q25, including a gain of €1.6m under these hedges.

Below the EBITDA line, asset depreciation and impairment totalled €7.8m, while finance costs came to €4.6m, including €1m related to the update of the regulatory collar provision.

Tax expense came to €0.2m income in 3Q25. Note that the Constitutional Court ruling in 2024 annulling the limit on offsetting tax losses could lead to the collection, in 2026, of an estimated €3m of taxes paid unduly. Also, at 30 September 2025, the Renewables business had unused tax losses on balance sheet totalling €21m.

As a result, the Renewables business posted an attributable net loss of €2.6m in 3Q25, compared to losses of €4.9m in 2Q25 and of €1.2m in 3Q24.

3.5. Cash flow analysis

Cash flows from operating activities in the Renewables business were negative by €3m in 3Q25, including a €9m cash outflow derived from working capital variations.

Figures in € m	3Q25	3Q24	Δ%	2Q25	Δ%	9M25	9M24	Δ%
EBITDA	8,4	9,4	(10,6%)	3,5	138,6%	17,9	20,6	(13,2%)
Other cash adjustments	(0,8)	(1,2)	35,0%	(0,3)	(204,3%)	(1,8)	(2,8)	34,4%
Change in working capital	(9,2)	(9,2)	(0,6%)	2,5	n.s.	(9,0)	(18,1)	50,5%
Income tax received / (paid)	(0,0)	-	n.s.	0,0	n.s.	0,3	(0,3)	n.s.
Net interest received / (paid)	(1,5)	(1,8)	19,4%	(6,6)	77,9%	(9,5)	(8,5)	(11,2%)
Net cash flow from operating activities	(3,1)	(2,8)	(10,1%)	(0,8)	n.s.	(2,0)	(9,1)	77,4%

The working capital cash out reflects an increase in biomass inventories in a quarter in which humidity conditions are suited to stock-building, as well as the quarterly payment of the levy on electricity generation in September that has reduced the closing payable balance.

Figures in € m	3Q25	3Q24	Δ%	2Q25	Δ%	9M25	9M24	Δ%
Inventories	(2,5)	0,7	n.s.	(4,8)	48,8%	(10,0)	0,0	n.s.
Trade and other receivables	1,1	(4,6)	n.s.	4,3	(75,2%)	15,3	(21,1)	n.s.
Current financial and other assets	-	(0,1)	100,0%	-	n.s.	-	(0,2)	100,0%
Trade and other payables	(7,8)	(5,1)	(53,8%)	3,0	n.s.	(14,3)	3,1	n.s.
Change in working capital	(9,2)	(9,2)	(0,6%)	2,5	n.s.	(9,0)	(18,1)	50,5%

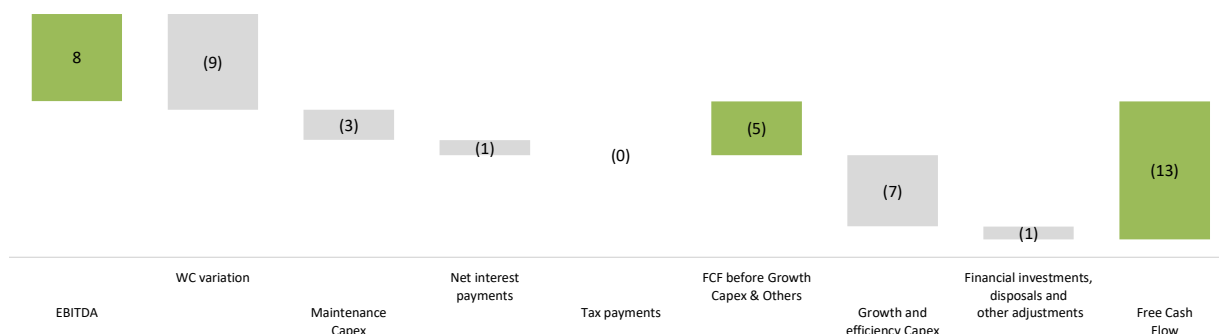
As of the September close, the Group had drawn down €16m of non-recourse factoring facilities in the Renewables business, in line with the June balance. Magnon has arranged several non-recourse confirming facilities, which were drawn down by €16m at the September close, compared to €19m at the June close. The reverse factoring facilities do not entail the provision of guarantees, do not alter the average payment term agreed with the corresponding suppliers and do not accrue interest.

Figures in € m	3Q25	3Q24	Δ%	2Q25	Δ%	9M25	9M24	Δ%
Maintenance capex	(2,9)	(1,0)	(197,5%)	(2,9)	0,5%	(7,9)	(4,0)	(100,2%)
Sustainability capex and other	(0,7)	(0,1)	n.s.	(0,7)	8,5%	(1,8)	(1,0)	(82,1%)
Efficiency and expansion capex	(6,2)	(2,0)	(204,7%)	(3,6)	(69,6%)	(11,8)	(7,1)	(65,9%)
Financial investments and in Group companies	(0,5)	-	n.s.	(0,3)	(54,0%)	(2,7)	(0,8)	(241,0%)
Investments	(10,4)	(3,1)	(231,8%)	(7,6)	(35,6%)	(24,2)	(12,9)	(88,4%)
Disposals	0,1	(0,4)	n.s.	0,1	(20,5%)	0,2	0,5	(59,3%)
Net cash flow from investing activities	(10,3)	(3,5)	(194,1%)	(7,6)	(36,2%)	(24,0)	(12,3)	(94,6%)

Cash outflows in investing activities in the Renewables business totalled €10m in 3Q25. Maintenance capex amounted to €3m, while efficiency and expansion capex amounted to €7m. The latter were mainly to the

development of the renewable thermal energy and biomethane projects and efficiency investments aiming at reinforcing facilities safety, reducing dust, odour and noise; among other. Lastly, financial investments and investments in group companies totalled €0.5m in 3Q25.

As a result, free cash flow in the Renewables business was negative by €13m in 3Q25.



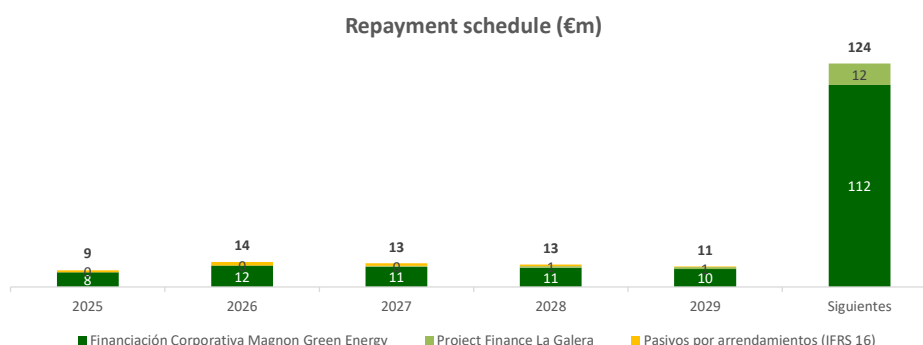
3.6. Change in net debt

The Renewables business ended the third quarter with net debt of €111m, compared to net debt of €79m at year-end 2024 (i.e., an increase of €33).

Gross debt at the September close stood at €171m, lease liabilities amounted to €6m and cash and cash equivalents stood at €70m.

Figures in € m	Sep-2025	Dec-2024	Δ%
Non-current financial debt	159,6	151,2	5,6%
Current financial debt	13,4	11,3	19,4%
Gross financial debt	173,1	162,4	6,6%
Non-current lease contracts	3,9	4,0	(1,9%)
Current lease contracts	1,8	1,8	4,3%
Liabilities related to lease contracts	5,7	5,7	-
Cash reserve for debt service	11,5	10,0	14,5%
Cash and cash equivalents	55,4	79,4	(30,2%)
Short-term financial investments	0,7	0,2	229,6%
Net debt Renewable business	111,3	78,6	41,6%

In January 2025, a project finance was raised to fund the acquisition of the Galera biomethane plant and the capital expenditure planned for the facility, which was drawn down by €14m at the September close. The new facility qualifies as a green loan, with recourse exclusively to the asset it is financing, and it matures in June 2037.



3.7. Growth and diversification projects

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

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

In December 2024, Biofertilizantes CH4 acquired its first biomethane facility in Tarragona, designed to produce up to 50 GWh per annum, and closed a 15-year biomethane purchase agreement ("BPA") with an important gas distributor for the offtake of the biomethane produced at the plant. At the September close, the Renewables business also had a portfolio of 18 other developments at the environmental permitting stage (in Castile and León, Aragon, Catalonia, Castile-La Mancha, Extremadura and Andalusia), plus another 20 initiatives under development for which sites have been located and viability studies performed.

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

At year-end 2024, Magnon signed an agreement with a leading brewery in Spain for the construction and operation of two biomass boilers with annual estimated production of 85 GWht of renewable thermal energy with a 15 years supply contract. This facility is expected to be commissioned during the first half of 2026, entail a budgeted investment of €12m between 2025 and 2026 and deliver an estimated return (ROCE) of over 11%. The investment is net of €4m grant awarded under Spain's strategic decarbonisation plan using NGEU funds, which will be collected when the project is complete.

In 3Q25, Magnon signed an agreement for the construction and operation of two new facilities with a referenced international dairy company. Those facilities are currently under construction and are expected to be commissioned towards the end of the second quarter of 2026. Annual production at the facilities will be 37GWht and 42GWht, respectively, and entail an investment of €3m (excluding €3m of aid under the EU's Next Generation funds) per plant; the estimated return on this investment (ROCE) is at least 11%. Magnon also signed an operations and maintenance contract in 3Q25 with a food sector player in Extremadura for an existing boiler; the plant is currently in start-up phase.

In addition, Magnon Energy Services has 10 projects at different stages of maturity; one of them, with estimated annual production of 45 GWht is at an advanced stage of negotiations.

Note, lastly, that agricultural, forestry and livestock biomass is the main source of biogenic CO₂, a raw material needed to produce renewable fuels. Ence produces close to 4 million tonnes of biogenic CO₂ annually and is progressing on the engineering and permitting work for its potential capture and use in the future. The administrative process to install carbon capture units and even to allow the production of e-methanol has been launched in the main industrial complexes, which have strategic locations close to ports or production facilities from leading O&G companies. In addition, the company has closed agreements with relevant actors in the industry for co-development of renewable fuels projects.

4. CONSOLIDATED FINANCIAL STATEMENTS

4.1. Summarised statement of profit or loss

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

9M24			
Pulp	Renewables	Adjustments	Consolidated
530,6	140,3	(2,8)	668,1
0,5	-	-	0,5
16,1	3,3	(0,9)	18,5
(258,3)	(50,5)	2,8	(306,1)
(68,6)	(17,7)	0,0	(86,3)
(88,5)	(54,7)	0,9	(142,2)
131,8	20,6	-	152,5
(43,3)	(25,4)	1,2	(67,6)
(7,6)	-	-	(7,6)
(0,9)	1,1	-	0,2
(2,0)	(4,5)	-	(6,5)
78,0	(8,1)	1,2	71,1
(14,1)	(9,7)	-	(23,8)
(1,0)	0,3	-	(0,7)
63,0	(17,5)	1,2	46,7
(13,8)	0,5	(0,1)	(13,5)
49,1	(17,1)	1,1	33,2
-	7,6	-	7,6
49,1	(9,5)	1,1	40,8
0.20	(0.04)	0.00	0.17

4.2. Summarised statement of financial position

Figures in € m	Sep-2025			
	Pulp	Renewables	Adjustments	Consolidated
Intangible assets	21,0	56,4	(11,1)	66,3
Property, plant and equipment	641,9	370,9	(5,6)	1.007,1
Biological assets	64,9	0,2	-	65,2
Non-current investments in Group companies	114,0	0,0	(114,0)	0,1
Non-current borrowings to Group companies	54,2	1,0	(54,2)	1,0
Deferred tax assets	35,5	24,5	2,8	62,7
Non-current financial assets	21,6	17,7	-	39,3
Cash reserve for debt service	-	11,5	-	11,5
Total non-current assets	953,1	482,1	(182,1)	1.253,1
Inventories	75,8	20,3	(0,0)	96,1
Trade and other accounts receivable	29,5	21,9	(2,9)	48,5
Income tax	5,5	1,0	(0,0)	6,6
Other current assets	27,1	3,3	0,0	30,4
Hedging derivatives	4,7	-	-	4,7
Current financial investments in Group companies	0,2	1,1	(1,2)	0,0
Current financial investments	2,5	0,7	0,0	3,2
Cash and cash equivalents	194,2	55,4	0,0	249,6
Total current assets	339,5	103,7	(4,1)	439,1
TOTAL ASSETS	1.292,6	585,8	(186,2)	1.692,2
Equity attributable to the Parent	556,4	84,6	(127,9)	513,1
Minority interest	-	89,7	-	89,7
Total Equity	556,4	174,3	(127,9)	602,8
Non-current loans with Group companies and associates	-	83,2	(54,2)	29,0
Non-current borrowings	323,4	163,5	-	486,9
Non-current derivatives	1,1	1,1	-	2,1
Deferred tax liabilities	-	-	-	-
Non-current provisions	29,1	1,1	-	30,2
Other non-current liabilities	38,0	74,1	(0,0)	112,0
Total non-current liabilities	391,6	323,0	(54,2)	660,4
Current borrowings	129,0	15,3	-	144,3
Current derivatives	1,2	0,8	0,0	2,0
Trade and other account payable	184,6	67,7	(2,9)	249,5
Short-term debts with group companies	1,0	2,2	(1,2)	2,1
Income tax	0,0	0,1	-	0,1
Current provisions	28,7	2,5	0,0	31,2
Total current liabilities	344,6	88,6	(4,1)	429,1
TOTAL EQUITY AND LIABILITIES	1.292,6	585,8	(186,2)	1.692,2

Dec-2024			
Pulp	Renewables	Adjustments	Consolidated
19,2	57,2	(11,6)	64,9
608,6	372,4	(6,4)	974,6
66,1	0,3	(0,0)	66,3
114,0	0,6	(114,0)	0,7
65,7	-	(65,7)	-
35,2	23,9	2,9	62,0
19,5	20,3	-	39,8
-	10,0	-	10,0
928,3	484,7	(194,8)	1.218,3
82,1	12,5	-	94,6
39,5	36,0	(6,0)	69,4
5,3	1,3	-	6,6
15,7	0,3	0,0	16,1
0,0	-	-	-
0,2	0,7	(0,8)	0,0
13,3	0,2	(0,0)	13,6
184,6	79,4	-	263,9
340,7	130,4	(6,9)	464,2
1.269,0	615,1	(201,6)	1.682,4
559,1	95,6	(129,0)	525,6
-	97,1	-	97,1
559,1	192,6	(129,0)	622,6
-	94,7	(65,7)	29,0
291,3	155,1	-	446,4
2,2	1,8	-	4,0
-	-	-	-
28,9	0,6	-	29,5
33,8	71,9	-	105,7
356,2	324,2	(65,7)	614,7
149,2	13,0	-	162,2
6,9	1,1	(0,00)	8,0
166,4	80,2	(6,0)	240,6
0,7	1,0	(0,8)	0,9
0,0	0,0	-	0,0
30,5	3,0	-	33,5
353,7	98,3	(6,9)	445,1
1.269,0	615,1	(201,6)	1.682,4

Capital expenditure in the Pulp business includes the higher cost of the Navia 80 Project, completed in 2019, in the amount of €8 million, as a result of an arbitration ruling issued on 17 June 2025, requiring the Group to pay €15 million, of which €8 million had already been recognised.

4.3. Statement of cash flows

Datos en Mn€	9M25				9M24			
	Celulosa	Renovables	Ajustes	Consolidado	Celulosa	Renovables	Ajustes	Consolidado
Resultado del ejercicio antes de impuestos	(14,9)	(19,8)	1,2	(33,5)	63,0	(17,5)	1,2	46,7
Amortización del inmovilizado	45,2	24,6	(1,2)	68,6	50,9	25,4	(1,2)	75,1
Variación de provisiones y otros gastos a distribuir	1,0	2,7	0,1	3,9	7,7	1,3	-	9,0
Deterioro y resultado por enajenaciones de inmovilizado	0,5	0,0	(0,1)	0,5	0,9	(1,1)	-	(0,2)
Resultado financiero neto	17,4	13,0	0,0	30,5	14,7	9,4	-	24,0
Ajuste regulación eléctrica	(1,7)	(4,4)	-	(6,1)	(0,3)	0,5	-	0,2
Subvenciones transferidas a resultados	(0,7)	(0,1)	-	(0,8)	(0,7)	(0,1)	-	(0,8)
Ajustes al resultado	61,8	35,9	(1,2)	96,6	73,1	35,4	(1,2)	107,2
Existencias	(0,2)	(10,0)	-	(10,2)	(13,4)	0,0	(0,0)	(13,4)
Deudores comerciales y otras cuentas a cobrar	6,5	15,3	(4,6)	17,3	(27,2)	(21,1)	4,1	(44,1)
Inversiones financieras y otro activo corriente	-	-	-	-	(0,7)	(0,2)	-	(0,8)
Acreedores comerciales y otras cuentas a pagar	3,1	(14,3)	4,2	(7,0)	0,4	3,1	(4,1)	(0,7)
Cambios en el capital circulante	9,5	(9,0)	(0,4)	0,1	(41,0)	(18,1)	-	(59,1)
Pago neto de intereses	(14,8)	(9,5)	-	(24,2)	(15,4)	(8,5)	-	(23,9)
Cobros de dividendos	-	-	-	-	0,0	-	-	0,0
Cobros/(Pagos) por impuesto sobre beneficios	(2,5)	0,3	-	(2,2)	(1,7)	(0,3)	-	(2,0)
Otros cobros / pagos	-	-	-	-	(0,2)	-	-	(0,2)
Otros flujos de efectivo de las actividades de explotación	(17,3)	(9,2)	-	(26,5)	(17,3)	(8,8)	-	(26,1)
Flujo de caja de explotación	39,1	(2,0)	-	36,8	77,8	(9,1)	-	68,7
Activos materiales y biológicos	(54,6)	(20,2)	-	(74,8)	(35,8)	(10,7)	-	(46,4)
Activos inmateriales	(3,9)	(1,4)	-	(5,2)	(3,3)	(1,4)	-	(4,7)
Otros activos financieros y empresas del Grupo	12,9	(2,7)	(11,1)	(0,9)	(22,8)	(0,8)	23,5	(0,1)
Cobros por desinversiones ¹	0,6	0,2	-	0,8	6,3	0,5	-	6,8
Flujo de caja de inversión	(44,9)	(24,0)	(11,1)	(80,1)	(55,6)	(12,3)	23,5	(44,5)
Flujo de caja libre	(5,8)	(26,1)	(11,4)	(43,3)	22,2	(21,4)	23,5	24,3
Cobros / (pagos) por instrumentos de patrimonio	(0,9)	-	-	(0,9)	0,5	-	-	0,5
Cobros / (pagos) por instrumentos de pasivo financiero	5,8	2,6	11,4	19,8	(71,4)	87,0	(23,5)	(7,9)
Pagos por dividendos	-	(0,4)	-	(0,4)	(26,0)	(5,1)	-	(31,1)
Flujo de caja de financiación	5,0	2,1	11,4	18,5	(96,9)	81,9	(23,5)	(38,5)
Aumento / (disminución) neta de efectivo y equivalentes	(0,8)	(23,9)	-	(24,8)	(74,7)	60,5	-	(14,2)

5. KEY DEVELOPMENTS

Sale of Energy Savings Certificates

During the first half of the year, the Pulp business generated significant energy savings as a result of a series of energy efficiency initiatives which it sold to a duly certified Spanish energy company to obtain energy efficiency certificates, also known as energy savings certificates (or CAEs – Certificados de Ahorro Energético - for their acronym in Spanish), as provided for in Royal Decree 36/2023 (24 January 2023), establishing the energy savings certificate system, and the implementing Ministerial Order TED/815/2023 (18 July 2023).

Specifically, in the first half of 2025, the Group closed two sales, selling 191 million energy savings certificates (equivalent to savings of 191 GWh) and 61 million certificates (equivalent to savings of 61 GWh) for €30m and €10m, net of transaction costs, respectively. In 2Q25, the Group collected the €30m sale recognised in the first quarter and in 3Q25 it collected the remaining €10m.

Following the resolution of the consultations process to the “Instituto de Contabilidad y Auditoría de Cuentas”, the company maintains virtually all these transactions registered as revenue in the first half of the year.

APPENDIX 1: SUSTAINABILITY MASTER PLAN

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

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

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

Preparation of the new plan included a double materiality assessment - through the dual lenses of impact materiality and financial materiality - in order to identify the most material aspects on which to focus the next round of initiatives and associated targets. Furthermore, this assessment constituted the first step in Ence's effort to adapt to its new reporting requirements under the incoming Corporate Sustainability Reporting Directive (CSRD), which the Company followed voluntarily to prepare its Sustainability Statement for 2024. In 3Q25, the Company reviewed its materiality assessment, paying particular attention to analysis of its impacts, risks and opportunities ahead of the upcoming reporting season.

Ence's noteworthy performance along environmental, social and governance (ESG) dimensions is echoed in its assessments by prestigious ESG agencies and indices. Ence is a recipient of Ecovadis' platinum medal, the highest accolade given by this platform specialised in assessing companies' sustainability performance. Ence is also included in the FTSE4Good Index, in which it has been traded since 2021.

1. Safe and eco-friendly operations

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

On the **health and safety front**, Ence's 9M25 injury metrics were very much in line with the 2024 figures, which were the best in the last 10 years and clearly better than the benchmarks in the pulp and paper and broader industrial sectors in Spain. In addition, the Forestry Purchases, Biomass Supplies and Forest Assets business units improved on last year's performance in 9M25.

In the Pulp business, the Pontevedra biomill went through its annual maintenance shutdown in September, which was carried out with excellent results safety-wise: 75 particularly risky interventions took place without recording any lost-time injuries, thanks to the focus the Company places on discipline and supervision, as evidenced by the 967 safety precautions and observations recorded. In parallel, the work initiated in 2024 to implement Process Safety Management (PSM) methodology continued and will constitute another key lever in the unwavering effort to prevent potentially serious accidents in the workplace and on the environmental front.

At Magnon, the safety metrics deteriorated slightly from 2024, with four lost-time injuries recorded in 9M25. After the second edition of its Safety and Environment Day, in June, Magnon launched an action plan designed to shore up its leadership around safety and reinforce critical procedures by means of a training programme rolled out in July. This initiative focuses particularly on two specific risks: plant collisions and fire prevention. As part of this work, progress was made on new technological solutions and on having an external expert validate the fire prevention system.

In terms of the Group's **environmental performance**, it is worth noting the progress made in 9M25 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. More specifically, the Navia biomill is working on a project with a local cement maker which aims to recover the biomill's lime sludge for making cement. Almost 2,000 tonnes of sludge had already been processed by September and the goal of this R&D project is to recover at least 6,000 tonnes. Note, further, that of all of the slag generated, 2,700 tonnes were recovered as part of a landscape restoration project, preventing the usual treatment of this waste product using a process with a higher carbon footprint (Scope 3). In addition, in a new development of 3Q25, there is a plan to use the ash produced at one of the boilers in Huelva as a subproduct rather than waste, specifically to refill mines, replacing other products with larger environmental footprints.

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

Note that the Navia biomill also ended the third quarter without recording a single minute of odour emissions, making it the benchmark within the Company and endorsing the robustness of the facility's Zero Odour initiatives.

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

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

On the mitigation front, in the second quarter, in line with the Decarbonisation Plan timeline, the Navia biomill completed phase one, replacing the use of natural gas in the lime kilns with biomass (sawdust), and in the third quarter, work began on the tasks implied by phase two, which calls for substituting more fossil fuels with pulverised biomass. These initiatives are additional to those already carried out in 2023 and 2024 when the biomill began to use biomethanol obtained in the production process by way of renewable fuel in order to reduce the use of fossil fuels. In tandem, the Pontevedra biomill continues to make progress on designing its plan, which contemplates similar initiatives to those being carried out in Navia for replacing the fuel currently used with renewable sources. With these measures, Ence is making progress towards delivery of the targets set down in its Decarbonisation Plan for the reduction of absolute Scope 1 and Scope 2 emissions by 55% and 75% by 2030 and 2035, respectively, compared to 2018, the base year. These initiatives reinforce Ence's commitment to climate action, in line with the Climate Change Policy approved by its Board of Directors in 2024, which sets down the Company's key principles in this area and its commitment to be climate neutral by 2050.

Ence updates its inventory of greenhouse gas emissions annually and in 2Q25 had its 2024 carbon footprint and product footprint assured. That process was carried out in accordance with ISO 14064 and 14067 by an independent expert, which provided the highest level of assurance (reasonable assurance). One of the key takeaways from those assessments is that the Group's Scope 1 emissions decreased by 9.5% from 2023, thanks mainly to lower fuel oil consumption, in turn attributable to greater operational stability in Pontevedra, preventing the use of this fuel during start-up periods, as well as the measures already taken to reduce the use of fossil fuels. Although Ence's direct emissions decreased, the overall footprint increased as a result of the broader scope of the Scope 3 emissions calculation to include emissions from capital goods and the indirect emissions generated in transforming the pulp sold by the Group, among other aspects.

As for the analysis of the net carbon balance of the forests owned by the Company, performed in accordance with IPCC guidelines, it was determined that in 2024, the forest tracts managed by Ence sequestered around 275,000 tonnes of CO₂, net of the carbon withdrawn from the forests in the form of wood or biomass.

In terms of adaptation, Ence assesses its climate risks and opportunities annually. Ence is focusing its efforts on the development of *ad-hoc* climate models which provide a tool for analysing the potential impacts of climate change on the Company's facilities and wood and biomass supply areas. In 3Q25, work progressed on updating this analysis, which studies, over three time horizons (near future, medium term and more distant future), the Group's physical risks, using the most recent climate scenarios published in the sixth IPCC report (SPP245 and SPP585), and its transition risks.

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 auditors in the first half of 2025. The biodiversity plan also includes awareness and communication initiatives so as to create a culture of biodiversity protection among all employees. Under the umbrella of this plan, medium-term targets (2028) have been defined to articulate and guide the various initiatives.

The most notable initiatives underway this year include development of a technical platform to support action planning, with a focus on connectivity, and the start of the photo-trap work for assessing the presence of fauna in Ence's forest tracts that contain green corridors within the Doñana Nature Park. The diversity plan is aligned with the various recently-passed regulatory requirements, including those emanating from the EU Regulation on Deforestation-free products (for which technological tools have been developed to support both the Company and its suppliers), the CSRD Directive with respect to the prevention and mitigation of impacts on biodiversity (establishing the systematic prevention and monitoring of the potential impacts of forestry work) and the EU Nature Restoration Regulation (in the form of annual targets for restoring degraded habitats).

2. Bioproducts and ecosystem services

Under the scope of its bioproducts and ecosystem services line of action, Ence defines its targets for increasing its supply of sustainable products based on biomaterials (ranging from products derived from pulp to biomethane and biogenic CO₂) and for unlocking the value implicit in the ecosystem services generated by the forest tracts managed by the Company, with a particular focus on carbon capture.

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

Within this product line, it is worth flagging the Company's unbleached pulp, Naturcell, which is not only more environmentally friendly to make, but also offers customers the possibility of offsetting the residual GHG emissions derived from its life cycle via credits purchased on the voluntary market so as to make the product carbon-neutral (Naturcell Zero). One of the key thrusts of this line of initiative is to increase penetration of the products that carry the Ence Advanced label. Indeed, in the first nine months of the year, sales of these higher value-added special products accounted for 29% of total pulp sales volumes.

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

(1) <https://www.environdec.com/library/epd6638> and <https://www.environdec.com/library/epd6639>

(2) <https://www.environdec.com/library/epd7965>

In August 2025, as originally scheduled, Ence initiated production of eucalyptus-based fluff pulp at its biomill in Navia. Work is underway to secure the product sustainability certifications the potential buyers of this new fluff pulp are likely to demand.

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 obligations under this new legislation, generating the codes applicable to pulp sales in the European Union's TRACES platform.

Besides the work done on its special products, over the course of 2025, Ence continued to advance on its **sustainable** moulded-pulp **packaging** line, designed to offer an alternative to the plastic products currently used in the food and retail sectors.

It also made progress on the engineering work and permitting process for the bioplant Ence is planning to build in Galicia (in the town of As Pontes) to produce **recycled fibre**. This is a pioneering circular economy initiative as it combines the recovery of paper and textile fibres, the production of renewable energy and carbon capture, all with a meaningful impact in terms of employment and sustainability. The project obtained its integrated environmental permit in August 2025, a milestone which endorses its environmental ambitions and marks decisive progress towards execution of a strategic initiative for the sustainable reindustrialisation of this town.

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. As of the September close, Ence had one plant up and running, 18 projects in the environmental permitting phase and another 20 initiatives under development. 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. In 2023, this company signed its first services provision agreement and it has another three projects under construction which will imply annual production of an estimated 170 GWht per annum from 2026. In addition, the Company has been awarded an operations and maintenance (O&M) contract for a facility that has already been built and will have annual production capacity of an estimated 33 GWht, which is already in the process of being started up and will be commissioned in 4Q25. Lastly, the Company has another 10 projects under negotiation, of which one, with estimated annual production capacity of close to 45 GWht, is at an advanced stage.

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, and continuing the work already carried out in 2024, when the Company developed and commercialised three new eucalyptus clones, the plan is to start to produce another clone during the last quarter of 2025.

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. By the end of the third quarter of 2025, Ence had registered over 4,200 hectares of forest sinks in different voluntary schemes, including 2,200 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. As of September 2025, close to 90% of its forest assets (out of total certifiable assets) were certified under one or other of those schemes and almost 76% 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 SUsustainable RESources Verification Scheme (SURE), thereby complying with the European Renewable Energy Directive (RED II). All of its facilities were SURE-certified as of 30 June 2025. Also, Ence obtained PEFC certification (with licence number PEFC/14-31-00410) for its biomass trading activity.

In terms of **supply chain supervision**, as of September, Ence completed the configuration of the digital platform for analysing ESG risks in the value chain, having already added nearly 1,200 entities whose ESG risks have been assessed, with the aim of lifting this figure to 1,500 by the end of the year. Following implementation of risk mitigation actions, all of the entities analysed currently have a low ESG risk profile. 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 and is aligned with the target set down in the Sustainability Master Plan of analysing over 90% of its supply chain (in terms of purchase volumes) by 2028. In addition, Ence continues to work, in coordination with the authorities, to deploy technological devices that facilitate supplier compliance with the European Regulation on deforestation-free products (EUDR).

4. Positive social impact

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

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

In terms of its effort to bring about effective **equality and diversity**, Ence remains strategically committed to its female hiring thrust, lifting female representation to over 26% of the workforce as of the September 2025 close. In addition to increasing female representation in general, Ence is placing the spotlight on increasing the number of women in executive positions. By the end of the third quarter, the percentage of female executives (including managers) stood at 30.5%, in line with the target for 2025.

On the **talent development** front, Ence is striving to ensure that it attracts, develops and motivates the professionals it needs to ensure that the organisation has the human capital required to execute its strategic objectives. In this respect, Ence is reinforcing internal promotions as the basis for the professional development of its employees,

specifically publicising all internal vacancies. Indeed, in 9M25, 44% of the Company's vacancies were filled via internal promotions, which is above the associated target.

Ence is also committed to providing its employees with ongoing training with the overriding goal of encouraging personal and professional development at all levels with a view to improving employee integration in the Company and commitment to the organisation's strategic goals. The aim is to give employees the skills they need to do their jobs, while fostering a culture of development, value creation and continuous improvement and paving the way for the assumption of new responsibilities in the future. The Group imparted 18,994 hours of training in 9M25. The training effort focused particularly on digital transformation, technical operations matters, health and safety and compliance.

In its bid to have a **positive social impact on its business communities**, Ence continues to invest in them, launching tenders for project funding periodically. The sixth edition of the Ence Pontevedra Community Plan was launched in 3Q25, receiving a total of 382 project submissions. This initiative, with its strong focus on sustainability and social cohesion, remains one of the most important in the region.

Of the 382 projects submitted, the highest number, 156, related to grassroots sports, with environmental care and restoration generating the next highest interest, with 69 project submissions. That category was followed by education and culture (65 submissions), social inclusion projects (59) and entrepreneurship and innovation (33).

The overriding goal of this initiative is to foster development and wellbeing for the people of Pontevedra by lending support to local entities and projects with significant social and environmental impacts. Once the submissions have all been analysed, the Company will notify the applicants and sign the corresponding funding agreements. The documentation substantiation period for the previous round of funding (the fifth such round) began on 22 August and runs until 31 December.

As for the partnerships carried out under the umbrella of the community agreement in Navia, in 3Q25, the Company approved 13 applications for funding from local entities, specifically for seven cultural projects and six sports-related initiatives. Some of the highlights include the Fiesta Indiana, sponsored by Amigos Puerto de Vega, the Summer Campus organised by the Sporting Foundation and the 2025 Mini-Basketball Tournament organised by Navia's Basketball Club.

And in Huelva, the Company lent its support to the eighth edition of the Charity Penguin Golf Tournament, an event that combines sport and philanthropy to raise money for cancer research. With 94 participants, this year's tournament was a resounding success, raising funds for cancer patients in Huelva and their families.

In addition to these community events, in 3Q25, Ence organised a total of 10 meetings with stakeholders, notably including the mayor of Navia, the councillors for festivities, culture and sports from the Town Council of Navia, citizens living in the vicinity of the Pontevedra biomill and a councillor from the Town Council of Pontevedra. In addition, more than 50 people visited Ence's facilities, so learning more about what we do and reinforcing our ties with the community. Thanks to these visits and meetings, we remain in direct contact with our stakeholders, learning about their concerns and needs first hand in order to continually improve our relations with them.

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. Two editions of this programme were launched during the third quarter. In the first nine months of the year, 12 new interns joined the Talent Programme, surpassing the target set.

Ence likewise helps forest owners to professionalise their operations by lending forestry management consultancy services under the scope of Ence Terra, specifically sharing best practices in management techniques and recommending what trees to plant to best suit soil conditions and shifting climate conditions. In 9M25, Ence provided advice to 750 forest owners in northern Spain.

5. Governance and compliance

This cross-cutting line of initiative is designed to reinforce ESG governance and bolster the ethics and compliance function. On the ESG governance front, Ence has set itself the goal of defining corporate policies for the aspects for

which the Company wants to establish specific lines of initiative and targets that are not itemised in the Sustainability Master Plan. This year, the Ethics and Compliance Department has undertaken a series of activities designed to ensure due compliance with its body of internal rules and regulations and foster a culture of compliance across the organisation.

As part of the annual risk and control review, and to ensure the effectiveness of the Crime Prevention Protocol, the evidence presented by the owners of the 390+ controls applicable across the organisation was analysed. In addition, compliance risks were analysed for the newly-acquired biomethane facility in La Galera, the La Mancha Eneman S.A. energy plant, which was recommissioned in January, and the Recycled Fibre and Moulded Pulp Area, identifying two new criminal risks, along with the corresponding mitigating controls. Competition defence risks were also analysed, identifying the controls needed to mitigate them at Magnon Green Energy S.L. in the biomass trading activities and in the Ence Biogas business.

On the communication front, 41 internal memos were published on compliance matters tackling issues such as the new European Directive on penalties. The Company also marked World Whistleblower Day, continued its Coffee with Compliance initiative (holding sessions in Madrid and at different plants), reported on real cases involving penalties and issued reminders about the Whistleblowing Channel. It also drafted and sent out nine editions of the Ethics and Compliance Newsletter, which is sent monthly to the entire workforce and posted on the biomills' and energy plants' noticeboards, and distributed 44 compliance-related emails.

On the training front, in 9M25, 68% of the workforce received compliance-related training either in person or online. A course on environmental crimes and liability was provided to the entire workforce through an online platform. Specific training was provided to the professionals responsible for the Crime Prevention Protocol controls and the Board of Directors was given access to courses on the Anti-Corruption and Anti-Fraud Policy and on the Criminal Compliance and Anti-Bribery Policy; that training is also available to Ence professionals. The Company also published training on fair competition based on the new policy approved in July, along with a Competition Conduct Manual and Protocol.

The Company also worked on a new project designed to reinforce Ence's commitment to a culture of integrity, responsibility and respect at all levels of the organisation. Since June, we have Ethics and Compliance Ambassadors at our biomills in Pontevedra and Navia and at the energy complex in Huelva: their mission is to spread our ethics culture, disseminating the Code of Conduct and our other internal rules and regulations. In addition, in a bid to learn how our employees perceive the compliance culture, the Ethics and Commitment Department launched its Annual Compliance Survey. With employee participation of 280, the results reveal strong familiarity with our ethics rules by our professionals and a robust commitment to upholding them:

- Over 97% said they were familiar with the Code of Conduct, the anti-corruption policies and the corporate compliance procedures.
- 90% viewed regulatory and ethics compliance as a priority for Ence.
- The average score given to the 'ethical example provided by their seniors' was 4.4 out of 5.
- As for compliance with the Company's internal rules and regulations, 89% said they were upheld in their areas, marking a 2-point improvement from last year's result. Moreover, nearly half of the professionals surveyed reported perceiving a positive change in the ethics culture over the last year.

Internal Whistleblowing Channel:

- 95% said they were aware of its existence.
- 91% said they knew how to use it.
- Trust in the channel increased by 7 points from the year before to 77%.

The Company's training and communication initiatives were well rated (average score of 4.1 out of 5), particularly the Coffee with Compliance events, training content, clarity of communication and close team involvement.

A number of actions were also taken on the supervisory front, including a review of contractual terms and conditions, the provision of responses to enquiries about the Code of Conduct with respect to customers and courtesies, the revision of internal questionnaires and the preparation of third-party Due Diligence Reports, having registered 1,230

companies in the tool, with 457 reports issued. Of the companies that have been analysed, 32% present high risk due primarily to the country and industries in which they operate.

In terms of internal policies and procedures, the Board approved the new Competition Defence Policy and the Criminal Compliance and Anti-Bribery Management System Manual. The In-Person and Remote Meetings with Third Parties Procedure, Donations, Sponsorships and Alliances Procedure, Private and Public Sector Gifting and Courtesies Corporate Procedure and Internal Whistleblowing Procedure were all updated in 9M25.

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

In addition, Ence had its anti-bribery management system, which is ISO 37001 certified, successfully audited by AENOR, verifying that our management system complies with the international regulations in place to prevent, detect and manage bribery risks. The criminal compliance management system certification (UNE 19601) was also renewed. These milestones testify that at Ence we conduct ourselves in an ethical, legal and responsible manner.

Lastly, one of the most important projects on the table for this year consists of the review and update of the Code of Conduct with a view to adapting it for new ethical and regulatory challenges, reinforcing our commitment to integrity and ensuring that it reflects the values and principles that guide everything that we do. The new Code of Conduct is expected to be approved during the fourth quarter of this year.

 Safe and Eco-efficient operations For operational cost reduction Protecting Health and Safety of employees and contractors ✓ Accident rates more than four times lower than the industry benchmark ✓ Pontevedra technical shutdown completed without sick-leave accidents Odour reduction ✓ Navia's biofactory closes the first 9 months of the year with 0 odour minutes Advancing towards a circular economy ✓ Pioneering projects for the valorization of ash and limestone sludge in the mining and cement sectors ✓ 100% sites ZERO WASTE certified ✓ Proprietary effluent water recovery system in Pontevedra, operating for the third consecutive year	 Bioproducts & ecosystem services Potential for topline improvement Higher margin special pulp products with higher added value ✓ 2 new Sustainability certifications for fluff Pulp ✓ The commercialization of the 1st Carbon neutral product (Naturcell Zero) continues Forestry bioproducts and ecosystem services ✓ Improved plant material, better adapted to climate change: 1 new Eucalyptus clone developed and already in commercial phase in Q3 2025 ✓ 4,200 ha of forest sinks registered in different schemes for voluntary carbon markets	 Responsible supply chain To become preferred supplier Certified supply chain ✓ 89% of managed land certified ✓ 76% of wood certified ✓ 100% sites SURE System certified (Sustainable biomass) Supply chain supervision ✓ Deployment of the new Third Party Due Diligence Procedure, in order to minimize human rights violations and negative environmental impacts risks along the supply chain, with more than 1,200 suppliers analyzed by Q3 ✓ Implementation of tools to comply with the EUDR Regulation against deforestation	 Positive social impact To grant business sustainability Talent as a competitive advantage ✓ 26,1% female employees ✓ 30,5% females in managerial positions ✓ 44% job openings filled with internal promotion ✓ Top Employer certification Creating positive social impact in local communities ✓ New edition of Ence's Pontevedra Social Plan (up to 3M€) for the sponsoring of social and environmental projects in the area Promoting professional development in rural communities ✓ 750 technical advice sessions with Forest owners ✓ New edition of the Forestry machinery training program
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APPENDIX 2: REMUNERATION PARAMETERS APPLICABLE TO THE POWER GENERATION PLANTS

Facility	Type of facility	MW	Remuneration to investment 2025 (Ri; €/MW) *	Type of fuel	Remuneration to operation 2025 (Ro; €/MW)	Maximum of sale hours per MW under tariff	Fin Vida Regulatoria
Pontevedra	Biomass co-generation	34,6	-	Lignin	-	-	2032
Navia	Biomass co-generation	40,3	45.710	Agroforestry biomass	0,25	-	2034
	Biomass generation	36,2	205.484	Lignin	-	-	
Huelva 41MW	Biomass generation	41,0	42.626	Agroforestry biomass	62,96	7.500	2025
	Biomass generation	16,0	124.936	Olive pulp	37,67	7.500	2027
Jaen 16MW	Biomass generation	16,0	124.936	Olive pulp	39,57	7.500	2027
	Biomass generation	16,0	124.936	Olive pulp	39,57	7.500	2027
C. Real 16MW	Biomass generation	16,0	124.936	Olive pulp	39,57	7.500	2027
	Biomass generation	16,0	124.936	Olive pulp	39,57	7.500	2027
Córdoba 27 MW	Biomass generation	14,3	184.627	Olive pulp	50,31	7.500	2031
	Gas co-generation	12,8	-	Natural gas	123,32	7.500	2030
Ciudad Real 50 MW	Solar thermal plant	50,0	-	-	-	2.016	2034
Huelva 50MW	Biomass generation	50,0	239.994	Agroforestry biomass	52,57	7.500	2037
Mérida 20MW	Biomass generation	20,0	266.786	Agroforestry biomass	52,79	7.500	2039
Huelva 46MW	Biomass generation	46,0	-	Agroforestry biomass	52,77	7.500	2044
Ciudad Real 50 MW	Biomass generation	50,0	-	Agroforestry biomass	50,90	7.500	2044

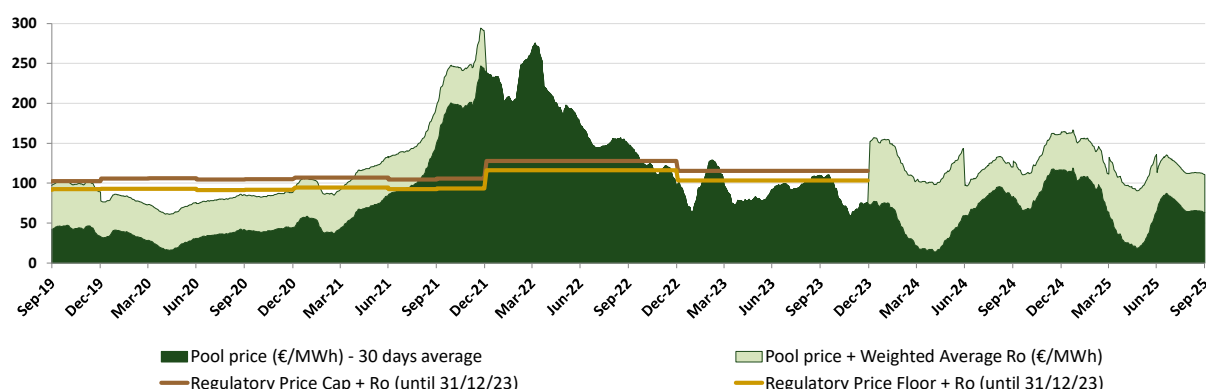
* Ri original: No incluye ajustes posteriores por el collar regulatorio, que Ence ajusta mensualmente en su cifra de ingresos.

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

1. The **remuneration for investment (€/MW)** parameter guarantees the recovery of the initial investment plus a minimum return on the estimated cost of building a 'standard' plant. That return was set at 7.4% for 2020–2031 via Royal Decree-Law 17/2019 (22 November 2019).
2. The **regulated sales price (€/MWh)** enables plant owners to cover all the estimated costs of operating a 'standard' plant, including fuel costs. That price is made up of the pool price plus the corresponding supplementary remuneration for operation (Ro) earned by each plant.

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

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

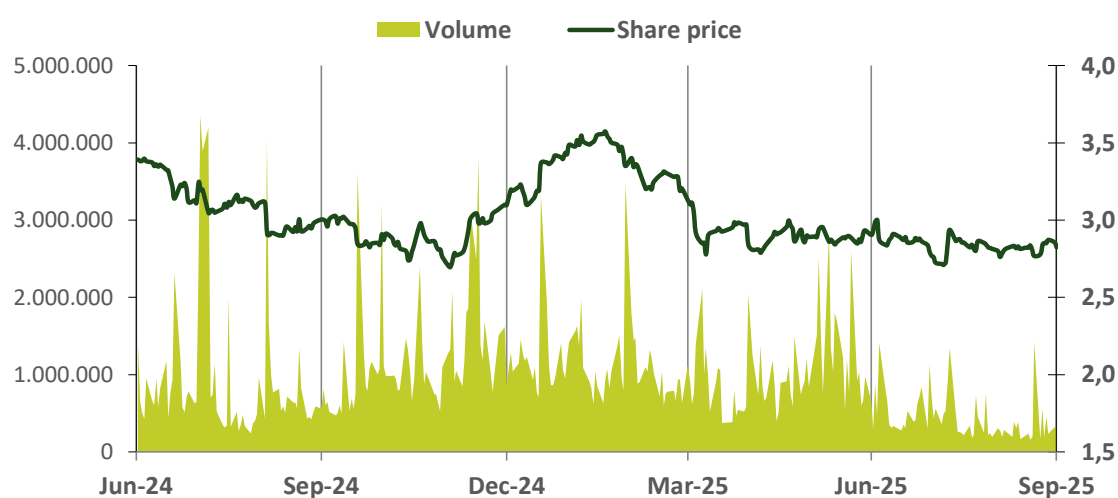


3. All of Magnon Green Energy's plants are also prepared to provide the electricity system operator with **back-up services**, so generating an additional source of income.
4. Both the remuneration for investment and the regulated sale price are subject to a **levy on the value of electric energy produced of 7%**.

APPENDIX 3: SHARE PRICE PERFORMANCE

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

Ence's share price ended September at €2.82/share, down 2.8% from 30 June 2025, while its closest traded comparables sustained a share price correction of 0.2% on average during that same period.



SHARES	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25
Share price at the end of the period	3,00	3,10	3,13	2,90	2,82
Market capitalization at the end of the period	739,8	763,0	770,3	715,2	695,5
Ence quarterly evolution	(12,2%)	3,1%	1,0%	(7,2%)	(2,8%)
Daily average volume (shares)	938.414	1.202.424	1.157.163	1.043.089	445.061
Peers quarterly evolution *	(6,6%)	2,0%	(1,9%)	(10,5%)	(0,2%)

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

Quarterly information, dated as of the end of the quarter.

Source: Bloomberg

APPENDIX 4: ALTERNATIVE PERFORMANCE MEASURES (APMs)

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

EBITDA

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

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

The table below reconciles this APM with the amounts presented in the financial statements for the first nine months of 2025 and the comparison with the 9M24 figure. The criteria used to determine this metric were the same in both periods:

				9M25				9M24			
			Source Financial Statement	Pulp	Renewable Energy	Adjustments & Eliminations	CONSOLIDATED TOTAL	Pulp	Renewable Energy	Adjustments & Eliminations	CONSOLIDATED TOTAL
	Unit										
OPERATING PROFIT/(LOSS)	€ m	Mn €	P&L	4,5	(6,7)	1,2	(1,0)	78,0	(8,1)	1,2	71,1
Depreciation and amortisation charges	€ m	Mn €	P&L	39,1	24,6	(1,2)	62,5	43,3	25,4	(1,2)	67,6
Depletion of forest reserve	€ m	Mn €	P&L	6,1	0,0	0,0	6,1	7,6	-	-	7,6
Impairment of and gains/(losses) on disposal of fixed assets	€ m	Mn €	P&L	0,1	0,0	-	0,2	0,9	(1,1)	-	(0,2)
Other non-ordinary results from operations	€ m	Mn €	APM	2,9	-	-	2,9	2,0	4,5	-	6,5
EBITDA	€ m	Mn €		52,8	17,9	0,0	70,7	131,8	20,6	(0,0)	152,5

CASH COST

The cost per tonne of pulp, or cash cost, is the key measure used by management to measure and benchmark its efficiency as a pulp maker. Cash costs are analysed in sections 1, 2.1 and 2.3 of this report.

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

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

The table below reconciles this APM with the amounts presented in the financial statements for the first nine months of 2025 and the comparison with the 9M24 figure. The criteria used to determine this metric were the same in both periods:

				9M25	9M24
	Unit		Source Financial Statement	Pulp	Pulp
Revenue from pulp sales	€ m	Mn €	P&L	371,0	490,8
EBITDA	€ m	Mn €	APM	52,8	131,8
Total costs (Revenue - EBITDA)	€ m	Mn €		318,2	359,0
Gains/(losses) on hedging transactions	€ m	Mn €	APM	4,8	0,5
Depletion of forest reserve	€ m	Mn €	P&L	6,1	7,6
Change in inventories	€ m	Mn €	P&L	(8,0)	6,9
Other income and expenses	€ m	Mn €		23,9	(16,4)
ADJUSTED CASH COST	€ m	Mn €		345,0	357,5
Pulp production costs	€ m	Mn €		291,3	302,6
No. of tonnes produced	Unit	Ud.		710.124	741.114
PRODUCTION-RELATED COSTS PER TONNE	€/tonne	€/t		410,3	408,4
Overhead, sales and logistics costs		Mn €		53,7	54,9
No. of tonnes sold	Unit	Ud.		722.054	732.406
Overheads, commercialization and logistics	€/tonne	€/t		74,3	74,9
CASH COST	€/tonne	€/t		484,6	483,3

“Other income and expenses” includes €39m of proceeds from the sale of energy savings certificates, €10m of extra costs derived from the incident affecting the Navia co-generation turbine (-€2m in 9M24); collection of the insurance claim related with the turbine of €8m, the loss on the sale of wood to third parties (-€1m in 1H25 and -€1m in 1H24), nursery costs (-€2m in 9M25 and -€2m in 9M24), long-term remuneration and termination benefits (-€3m in 9M25 and -€6m in 9M24), impairment provisions for spare parts and other assets (-€4m in 9M25 and -€3m in 9M24) and bank charges (-€1m in 9M25 and -€3m in 9M24). The remaining items implied expenditure of €1m in 9M25 and €1m in 9M24.

OPERATING PROFIT PER TONNE OF PULP

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

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

The table below reconciles this APM with the amounts presented in the financial statements for the first nine months of 2025 and the comparison with the 9M24 figure. The criteria used to determine this metric were the same in both periods:

				9M25	9M24
	Unit		Source Financial Statement	Pulp	Pulp
Revenue from pulp sales	€ m	Mn €	P&L	371,0	490,8
No. of tonnes sold	Unit	Ud.		722.054	732.406
Average sales price per tonne (Revenue / # tonnes)	€/tonne	€/t		513,9	670,1
Cash cost (€)	€/tonne	€/t	APM	484,6	483,3
TOTAL OPERATING PROFIT PER TONNE OF PULP	€/tonne	€/t		29,3	186,8

NET FINANCE COST AND OTHER FINANCIAL ITEMS

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

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

The table below reconciles this APM with the amounts presented in the financial statements for the first nine months of 2025 and the comparison with the 9M24 figure. The criteria used to determine this metric were the same in both periods:

	Unit		Source Financial Statement	Pulp	Renewable Energy	Adjustments & Eliminations	CONSOLIDATED TOTAL	Pulp	Renewable Energy	Adjustments & Eliminations	CONSOLIDATED TOTAL
Finance income	€ m	Mn €	P&L	5,9	1,9	(2,0)	5,8	7,5	1,7	(1,1)	8,1
Finance costs	€ m	Mn €	P&L	(21,5)	(15,1)	2,0	(34,6)	(21,6)	(11,3)	1,1	(31,9)
NET FINANCE COST	€ m	Mn €		(15,5)	(13,3)	-	(28,8)	(14,1)	(9,7)	-	(23,8)
Change in fair value of financial instruments	€ m	Mn €	P&L	-	-	-	-	0,1	0,3	-	0,4
Exchange differences	€ m	Mn €	P&L	(3,9)	0,2	-	(3,7)	(1,1)	0,0	-	(1,1)
OTHER FINANCIAL ITEMS	€ m	Mn €		(3,9)	0,2	-	(3,7)	(1,0)	0,3	-	(0,7)
NET FINANCE INCOME/(COST)	€ m	Mn €	P&L	(19,4)	(13,0)	-	(32,4)	(15,1)	(9,3)	-	(24,4)

MAINTENANCE, EFFICIENCY, GROWTH AND SUSTAINABILITY CAPEX

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

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

The table below reconciles this APM with the amounts presented in the financial statements for the first nine months of 2025 and the comparison with the 9M24 figure. The criteria used to determine this metric were the same in both periods:

	Unit		Source Financial Statement	9M25				9M24			
				Pulp	Renewable Energy	Adjustments & Eliminations	CONSOLIDATED TOTAL	Pulp	Renewable Energy	Adjustments & Eliminations	CONSOLIDATED TOTAL
Maintenance capex	€ m	Mn €		(25,3)	(7,9)	-	(33,2)	(16,9)	(4,0)	-	(20,8)
Efficiency and growth capex	€ m	Mn €		(13,7)	(1,8)	-	(15,5)	(8,2)	(1,0)	-	(9,2)
Sustainability capex	€ m	Mn €		(19,4)	(11,8)	-	(31,2)	(13,9)	(7,1)	-	(21,1)
Financial investments	€ m	Mn €		12,9	(2,7)	(11,1)	(0,9)	(22,8)	(0,8)	23,5	(0,1)
TOTAL CAPITAL EXPENDITURE	€ m	Mn €		(45,5)	(24,2)	(11,1)	(80,9)	(61,9)	(12,9)	23,5	(51,2)

OPERATING CASH FLOW

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

The table below reconciles this APM with the amounts presented in the financial statements for the first nine months of 2025 and the comparison with the 9M24 figure. The criteria used to determine this metric were the same in both periods:

				9M25				9M24			
				Pulp	Renewable Energy	Adjustments & Eliminations	CONSOLIDATED TOTAL	Pulp	Renewable Energy	Adjustments & Eliminations	CONSOLIDATED TOTAL
	Unit		Source Financial Statement								
EBITDA	€ m	Mn €	APM	52,8	17,9	0,0	70,7	131,8	20,6	(0,0)	152,5
Other non-recurring items	€ m	Mn €	APM	(2,9)	-	-	(2,9)	(2,0)	(4,5)	-	(6,5)
Adjustments to reconcile profit before tax to net cash flows:											
Changes in provisions and other deferred expense (net)	€ m	Mn €	CF	1,0	2,7	0,1	3,9	7,7	1,3	-	9,0
Adjustments for tariff shortfall/surplus (electricity market)	€ m	Mn €	CF	(1,7)	(4,4)	-	(6,1)	(0,3)	0,5	-	0,2
Grants taken to profit and loss	€ m	Mn €	CF	(0,7)	(0,1)	-	(0,8)	(0,7)	(0,1)	-	(0,8)
Exchange differences with an impact on cash	€ m	Mn €		(1,6)	(0,0)	-	(1,7)	(0,4)	0,0	-	(0,4)
Change in working capital	€ m	Mn €		9,5	(9,0)	(0,4)	0,1	(41,0)	(18,1)	-	(59,1)
Interest paid, net (including right-of-use assets)	€ m	Mn €	CF	(14,8)	(9,5)	-	(24,2)	(15,4)	(8,5)	-	(23,9)
Dividends received	€ m	Mn €	CF	-	-	-	-	0,0	-	-	0,0
Income tax paid	€ m	Mn €	CF	(2,5)	0,3	-	(2,2)	(1,7)	(0,3)	-	(2,0)
Other collections/(payments)	€ m	Mn €	CF	-	-	-	-	(0,2)	-	-	(0,2)
OPERATING CASH FLOW				39,1	(2,0)	-	36,8	77,8	(9,1)	-	68,7

FREE CASH FLOW

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

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

The table below reconciles this APM with the amounts presented in the financial statements for the first nine months of 2025 and the comparison with the 9M24 figure. The criteria used to determine this metric were the same in both periods:

	Unit		Source Financial Statement	9M25				9M24			
				Pulp	Renewable Energy	Adjustments & Eliminations	CONSOLIDATED TOTAL	Pulp	Renewable Energy	Adjustments & Eliminations	CONSOLIDATED TOTAL
Net cash flows from/(used in) operating activities	€ m	Mn €	CF	39,1	(2,0)	-	36,8	77,8	(9,1)	-	68,7
Net cash flows from/(used in) investing activities	€ m	Mn €	CF	(44,9)	(24,0)	(11,4)	(80,1)	(55,6)	(12,3)	23,5	(44,5)
FREE CASH FLOW	€ m	Mn €		(5,8)	(26,1)	(11,4)	(43,3)	22,2	(21,4)	23,5	24,3

NORMALISED FREE CASH FLOW

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

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

The table below reconciles this APM with the amounts presented in the financial statements for the first nine months of 2025 and the comparison with the 9M24 figure. The criteria used to determine this metric were the same in both periods:

NET DEBT/(CASH)

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

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

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

The table below reconciles this APM with the amounts presented in the financial statements for the first nine months of 2025 and the comparison with the 9M24 figure. The criteria used to determine this metric were the same in both periods:

	Unit	Source Financial Statement	Pulp	Renewable Energy	Adjustments & Eliminations	CONSOLIDATED TOTAL	Pulp	Renewable Energy	Adjustments & Eliminations	CONSOLIDATED TOTAL
Non-current borrowings:										
Bonds and other marketable securities	€ m	BS	21,2	-		21,2	15,6	-		15,6
Bank borrowings	€ m	BS	227,3	159,6		386,9	202,2	151,2		353,4
Other financial liabilities	€ m	BS	74,9	3,9		78,8	73,5	4,0		77,5
Current borrowings:	€ m									
Bonds and other marketable securities	€ m	BS	21,2	-		21,2	15,6	-		15,6
Bank borrowings	€ m	BS	94,5	13,4		107,9	119,9	11,3		131,2
Other financial liabilities	€ m	BS	13,3	1,8		15,1	13,7	1,8		15,5
Cash and cash equivalents	€ m	BS	194,2	55,4		249,6	184,6	79,4		263,9
Current financial assets - Other financial investments	€ m		2,5	0,7		3,2	13,3	0,2		13,6
Cash reserve for debt service	€ m		-	11,5		11,5	-	10,0		10,0
NET DEBT/(CASH)	€ m		255,6	111,3		366,9	242,6	78,6		321,2

ROCE

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

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

	Unit	Source Financial Statement	9M25				9M24			
			Pulp	Renewable Energy	Adjustments & Eliminations	CONSOLIDATED TOTAL	Pulp	Renewable Energy	Adjustments & Eliminations	CONSOLIDATED TOTAL
EBIT, last 12 months	€ m	P&L	(0,9)	(9,5)	1,6	(8,8)	88,8	(3,7)	1,6	86,7
Average capital employed, last 12 months					-					
Average equity	€ m	BS	439,0	186,8	20,1	645,8	435,2	219,7	-	654,9
Average net debt	€ m	BS	240,4	91,7	-	332,1	202,5	86,3	-	288,7
ROCE	%		(0,1%)	(3,4%)	-	(0,9%)	13,9%	(1,2%)	-	9,2%

DISCLAIMER

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

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

These forward-looking statements are based on numerous assumptions regarding Ence's current and future business strategy and the environment it expects to encounter in the future. A series of material factors could cause Ence's situation and results to differ materially from those reflected in these forward-looking statements, including fluctuations in pulp and/or wood prices, business seasonality, exchange rate fluctuations, financial risks, strikes or other action taken by Ence's employees, the competitive landscape, environmental risks and any of the other factors detailed in this document. The forward-looking statements are made only as of the date of this presentation. Ence disclaims any obligation or undertaking to update or revise these statements, whether as a result of any change in Ence's expectations or the conditions or circumstances underlying these statements, or any other information or data contained in this presentation.

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