



1Q26 Results

30th April 2026



FTSE4Good

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Today's presenters



Ignacio de Colmenares

*Chairman & CEO
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Alfredo Avello

*Chief Financial Officer
Ence Energía y Celulosa*

Results Summary

2026 Outlook	1Q26 Operating Highlights	1Q2026 Financial Results	Strategic goals
<ul style="list-style-type: none"> Europe gross BHKP prices stood at 1,286\$/t at the end of 1Q26 (vs. 1,100\$/tn by year-end), currently negotiating 1.380\$/t and additional 50 \$/tn increase up to 1,430 \$/tn has been announced last week for May. Ence special pulp continues growing; targeting c.40% vs. 30% in 2025 of total tons sold. Ongoing initiatives to reduce cash cost by 30€/tn in 2026/27, of which 15€/tn in 2026 (468€/tn cash costs guidance). Total annualized savings captured or in implementation process in 1Q2026 of €6m. +c.€30m Positive cash impact in 1H26 from: (i) the collection of NOLs (c.€21M)⁽¹⁾ and (ii) CAEs (€7m already collected). Strong pipeline development in Renewable Industrial Heating with at least 4 projects to start operations in 2026. The Iranian conflict offers opportunities for European pulp players and for local alternative energy sources. Limited impact expected thanks to strategic mitigants on both business. 	<ul style="list-style-type: none"> In pulp, the quarter was impacted by the Navia strike (€7m, €43/tn at cash cost level). Agreements reached with the unions permit the implementation of the collective dismissals with no further disruptions expected. Excluding it, cash cost would have been 479€/tn in 1Q26, with Navia in its planned shutdown (Mar.'26), vs. 477€/tn in 4Q25 and 510€/tn in 1Q25. The extra costs of the strikes were partially covered through €7m revenues from CAEs (€6m collected in 1Q26 but not included in cash cost). Special pulp products, including initial fluff volumes, accounted for 34% of total pulp volumes sold in 1Q26 (+4 p.p. vs 2025). In renewables, the quarter was significantly affected by extreme weather conditions, which had an impact of 40 GWh in production and nearly c. €6m impact at EBITDA level, the energy generation would have been 303 GWh, excluding the impact of the storms, vs. 277 GWh in 1Q25 and 345 GWh in 4Q25. La Galera has completed its odour elimination program, being a showroom for our pipeline developments. 	<ul style="list-style-type: none"> Quarter impacted by one-off events that do not change our full-year guidance (cash cost of 468€/tn). Pulp EBITDA of -€1m, including €7m CAEs, vs. €3m in 4Q25 and €29m 1Q25 (with €30m CAEs). Renewables EBITDA of €3m, including €1m of devex from new businesses developments and c.€6m of impact from extreme weather conditions. Investments amounted to €53m including machinery leasing and €15m for the 2019 Navia's pulp dryer debottlenecking project. Full year capex guidance of €120m maintained, mostly related to projects committed in 2025 and highly concentrated in H1 2026. Net Debt of €462m with €209m in cash. New €200m MARF bond program registered in Jan'26. First issuance of 85M€ with 4y bullet maturity and 410 bps coupon underscores Ence's strong credibility with the financial community. Competitiveness and efficiency plan progressing as expected with savings captured or in implementation process of €6m of annualized impact. 	<ul style="list-style-type: none"> 2028 Ence's Special Pulp Centered Business to increase the average across-the-cycle EBITDA by 1,5x vs. only standard BHKP products: <ul style="list-style-type: none"> Top line: (i) Special pulp sales > 62% in 2028, delivering incremental EBITDA of €22m vs. only standard BHKP, (ii) As Pontes: environmental license granted (3Q25) and €25m PERTE granted (1Q26), (iii) Renewable packaging solutions in 2H27. Ongoing Cash Cost initiatives (30€/tn): (i) Efficiency & Competitiveness Plan to capture average annual savings of 22 €/t cash cost along 2027, (ii) Navia cost reduction and decarbonization project (c. 8 €/t annual savings) with COD in 2Q26. Pontevedra Avanza: -20€/tn cash cost Largest Iberian biomass backboneed Renewable Energy Platform, on track to almost triple its EBITDA by 2030 through: <ul style="list-style-type: none"> Regulated electricity: improved remuneration scheme⁽²⁾ Biomethane: >1TWh >€60m EBITDA Renewable Industrial Heating: 2TWh €30m EBITDA

(1) In 2024, the Constitutional Court (STC 11/2024) annulled the limit on offsetting tax losses allowing companies to cash back non applied tax losses.

(2) Ministerial Order TED/53/2026. The updated parameters imply an increase of c. €6/MWh in Ro applicable to Magnon's biomass-fuelled electricity generation plants and of €19.5/MWh in the Ro applicable to its cogeneration plant in Lucena.



1.

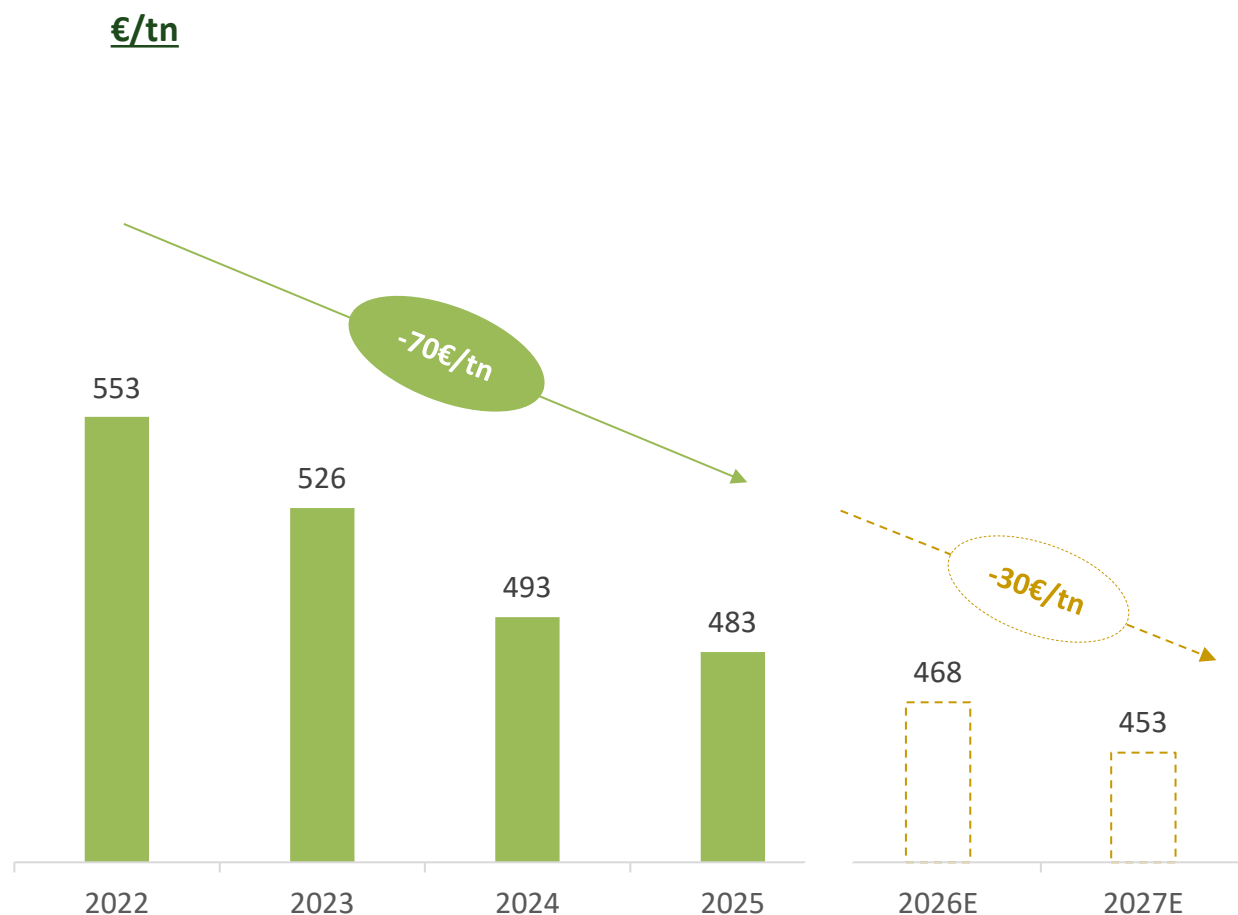
1Q26 Highlights

Iranian conflict may offer opportunities for European pulp players and alternative local energy sources. Limited impact expected on the back of strategic mitigants.

	Pulp business	Renewable Biomass based Energy Platform
Opportunities	<ul style="list-style-type: none"> ✓ Positive pricing momentum for European players focused on the local market given the logistics constrains for Asia, LatAm and Middle East. 	<ul style="list-style-type: none"> ✓ Potential acceleration of Renewable Industrial Heating projects that gain competitiveness and reliability of supply vs. imported gas. ✓ Upside on ancillary services revenues due to increasing power prices.
Main risks	<ul style="list-style-type: none"> ✓ Lime kilns and fossil fuel boilers: raising fuel and power costs. ✓ Rising wood and commercial logistics costs due to increasing fuel prices. ✓ Chemicals prices: due to supply constrains for certain chemicals and higher electricity prices. 	<ul style="list-style-type: none"> ✓ Increasing biomass costs due to rising fuel costs.
Mitigants	<ul style="list-style-type: none"> ✓ Self-sufficient production process in terms of electricity, with excess energy sold back to the grid. This excess may benefit from higher pool prices. ✓ Gas exposure to be reduced in the near term through Navia's efficiency and decarbonization plan, that includes the replacement of the gas consumption in the lime kiln by pulverized biomass. This investment will be fully operative by mid 2026. ✓ Local wood sourced from an average radius of less than 110km. ✓ Commercial focus on Europe. ✓ FX hedging: 22% of sales of the year hedged at an average tunnel of 1,16 to 1,20 	<ul style="list-style-type: none"> ✓ Fully local sourcing of biomass with an average radius of 145 km. ✓ Electricity hedging program in place for 80% of 2Q production. ✓ Gas hedging for 72% of needs

On track to meet full-year cash costs guidance of 468€/tn

Total annualized savings captured or in process of €6m



▪ Competitiveness & Efficiency Plan mainstays:

- Costs savings of €30m (30€/tn): (i) 22€/tn from headcount reduction, process reengineering and (ii) 8 €/tn from Navia cost reduction and decarbonization plan.
- Cash out of €61m: (i) €26m related to headcount reduction and capex initiatives linked to process reengineering (€24m already provisioned in 2025 accounts), (ii) €35m related to Navia investments.
- 2-year implementation period with full reflection along 2027 after the complete execution of the Competitiveness & Efficiency Plan.
 - Agreements reached with the union representatives permit the execution of the collective dismissal process with no further disruptions expected.

▪ Current status:

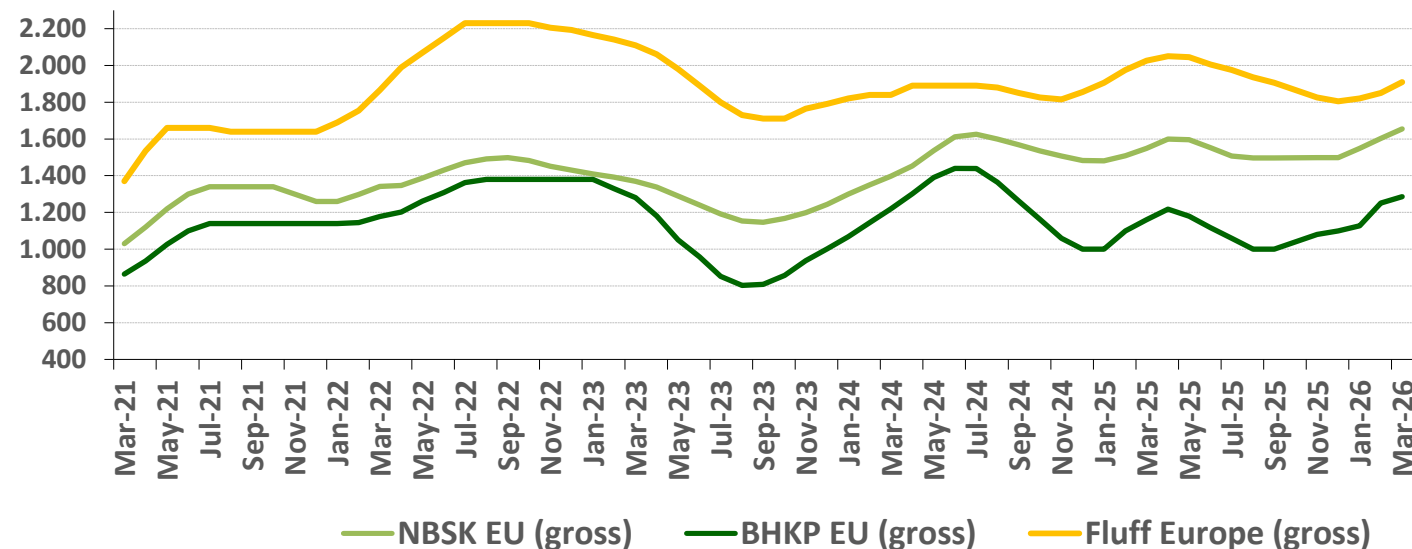
- Navia investments: €12m cash out in 1Q26, start-up of operations expected by the end of 2Q26
- Total annualized savings captured or in process in 1Q2026 of €6m.

European BHKP prices consolidate the positive path with further room for growth

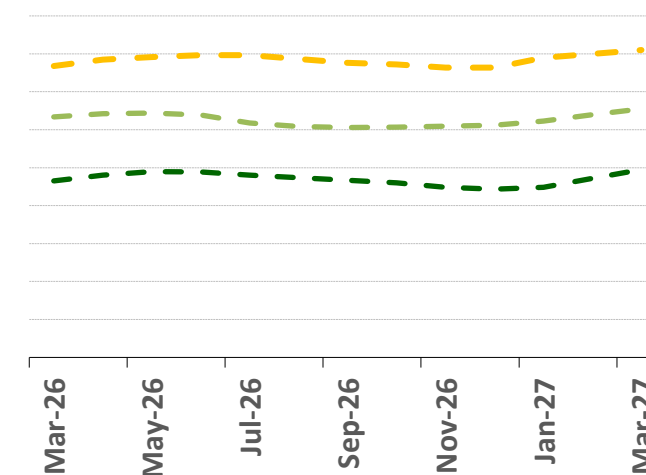
Fiber to fiber substitution and logistics disruption favor European BHKP pulp producers serving the local market



Gross Pulp Prices in Europe (USD/t)



Pulp prices in Europe - Experts consensus (USD/t)



- BHKP prices ended 1Q26 at 1,286\$/tn, vs. 1,100 \$/t at 2025 year-end. Currently negotiating 1.380\$/t and incremental +50\$/tn have been announced last week up to 1,430 \$/tn to be implemented in May.
- BHKP continues to gain share vs. softwood, in particular, eucalyptus pulp demand has grown by 1,3% globally in 2026 YTD in contrast to -6,0% decline in BSKP. Fiber-to-fiber substitution together with capacity closures and shifts to DWP will remain driven demand up. Moreover, logistics disruptions from Iranian conflict favor pricing momentum for regional players such as Ence due to limited availability of overseas products (pulp and paper from Asia, LatAm and Middle East).

Source: (1) Historic prices: FOEX, (2) Pulp price forecasts – Average of TTOBMA, Fastmarkets and Hawkins Wright estimates as of Jan.'26, (3) Global Demand data: PPPC (Mar.'26 | YTD data as of Feb.).

Ence's special pulp substituting softwood pulp products

Ence's special pulp

Ence Advanced

- ✓ Solid broad range of BSKP pulp substitute with different attributes (high strength, unbleached HWP, low porosity, softness) and suitable for diverse applications (hygiene, decor, packaging; etc.)
- ✓ **2028 Target: 500k tn with +30€/tn of incremental margin**

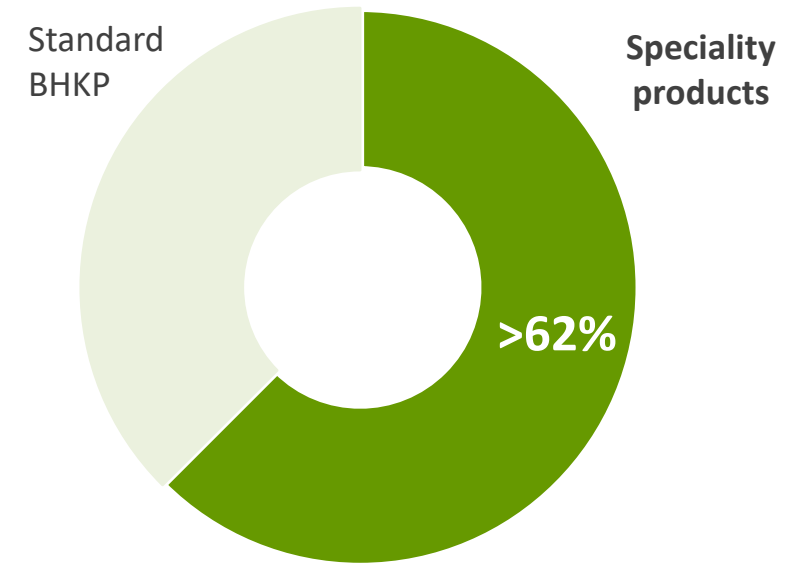


Ence Fluff

- ✓ Ence is the sole European producer of fluff pulp based on eucalyptus wood competing with softwood.
- ✓ **2028 Target: 125k tn with +60€/tn of incremental margin**



Expected % of total pulp sales volume in 2028



+36€/tn of incremental EBITDA margin vs only standard BHKP sales

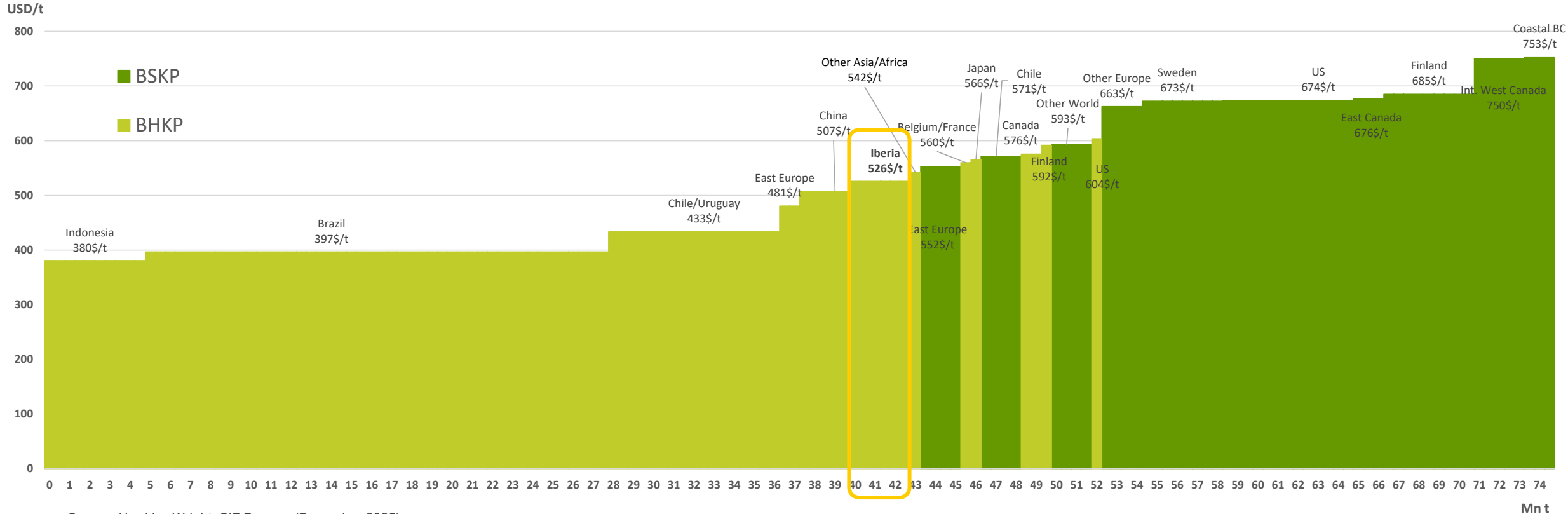
Special pulp accounted for 34% of the sales in 1Q2026 (vs. 30% in 2025). We expect to increase its weight up close to 40% in 2026.

In 2028, special pulp should stand for more than 62% of the sales contributing with an average extra-margin vs only standard BHKP sales of over 36€/tn.

Special pulp positions Ence as the lowest cash cost producer in the BSKP cash cost curve



Market pulp production costs by region



In 2028, more than 62% of Ence's sales will come from BSKP substitute products, being Ence the lowest cost player in the BSKP segment

Progressive steps in our renewable industrial heating platform in Spain

Target: 2TWh thermal energy supply by 2030 and c.€30m contribution to EBITDA(*)

RENEWABLE THERMAL ENERGY BUSINESS

Development and supply of biomass, and the O&M of comprehensive thermal energy solutions based on biomass for industrial applications

Plant size: 40 – 160 GWh

Prod. Target: 2,000 GWh/yr by 2030

Estimated Capex: €0.1m – €0.2m / GWh

ROCE¹ Target: > 11%



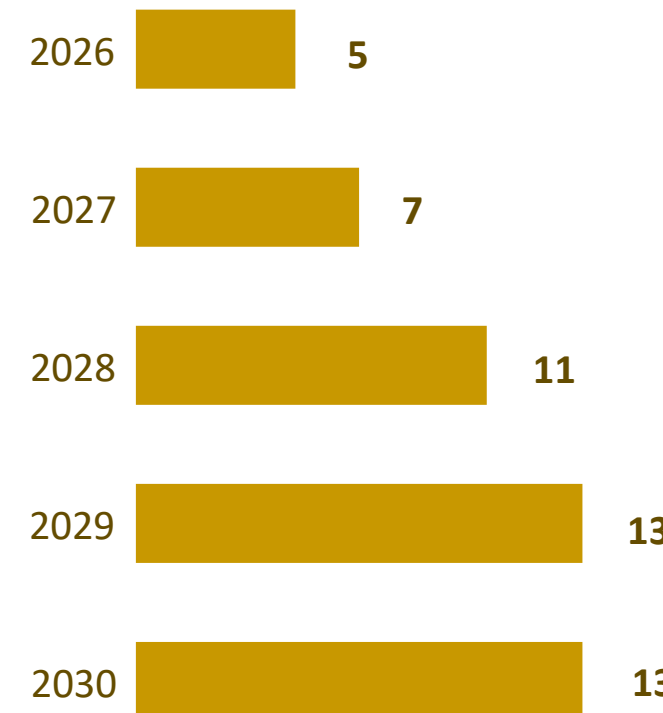
PROJECT PIPELINE

11 projects under negotiation

3 project under advanced negotiations

4 COD & 1 RTB in 2026
1 in operation since 2024

PIPELINE EXPECTED DEPLOYMENT (Operating Plants)



* Target adjusted vs. previous version of €40m due to higher weight of O&M contracts with no capex associated.

As of today, 1 contract in operation, 1 contract in start-up phase and 3 projects in construction. Pipeline with a required ROCE¹ >11%.

¹ ROCE = EBIT / Equity + Net Debt (including leases)

Solid advancements in the implementation of our biomethane platform in Spain

Target: >1 TWh of biomethane production by 2030 and over €60m contribution to EBITDA

BIOMETHANE BUSINESS

Biofertilizer and biomethane production from the valorisation of local agricultural and livestock biomass, including the associated sustainability certificates

Plant size:	50 – 100 GWh
Production Target:	1,000 GWh by 2030
Estimated Capex:	€0.4m / GWh
ROCE ¹ Target:	> 12%



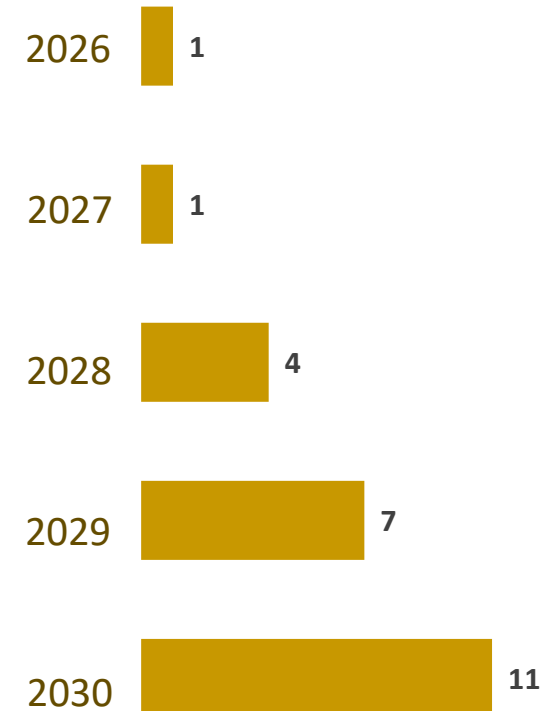
PROJECT PIPELINE

41 plants: Gas Grid connection, feedstock, locations and feasibility studies completed

25 plants already in their permitting phase with defined diets and over 45% sourcing contracted

9 plants expected RTB in 2026-27

PIPELINE EXPECTED DEPLOYMENT (Operating Plants)



La Galera has completed its odour elimination program becoming a showroom for our projects under development

¹ ROCE = EBIT / Equity + Net Debt (including leases)

Biomethane Pipeline is Highly Mature, with 25 projects in Advanced Stage

	Operational	Advanced Stage		Mid Stage	Early Stage	Total
Definition	In operations	Documentation submitted to the Public Administration almost 2 years ago on average	Documentation submitted to the Public Administration less than one year ago on average	Documentation ready to be submitted to the Public Administration Basic Engineering process completed	Preliminary site analysis Preliminary discussions with PA Initial grid feasibility assessment	<p>Ence's Biomethane Pipeline has a potential capacity of 4TWh.</p> <p>4x our 2030 current target of 1TWh.</p>
Permitting (AAI Submission)	✓	⌚ Average time in permitting fase 1 year and 8 months	⌚ Average time in permitting fase 3 months	⌚ Ready to be submitted	⌚ Ready to be submitted	
Option Land Signed	✓	✓100%	✓56%	✓67%	⌚	
Gas Grid Connection	✓	✓100%	✓100%	✓100%	✓100%	
Odour analysis	✓	✓100%	✓100%	✓100%	✓100%	
Feedstock (>3x our plant needs)	✓	✓100%	✓100%	✓100%	✓100%	
Nº of Projects	1	16	9	3	13	
Total Estimated Capacity	0.045 TWh ⁽¹⁾	1.6 TWh	0.9 TWh	0.3 TWh	1.2 TWh	4 TWh

(1) The plant is currently in the process of expanding its capacity from 30 GWh to 45 GWh



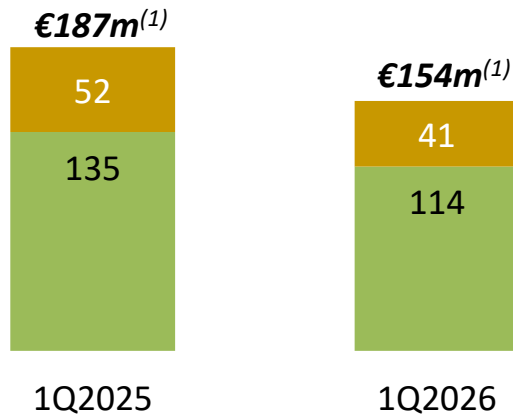
2.

1Q26 Financial Results

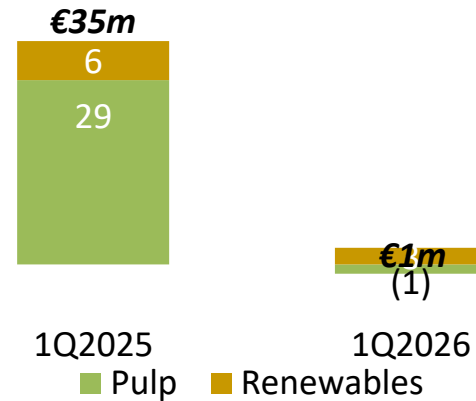
1Q26 impacted by one-off events that do not change our full-year guidance

€1m EBITDA and €18m of net losses in 1Q26

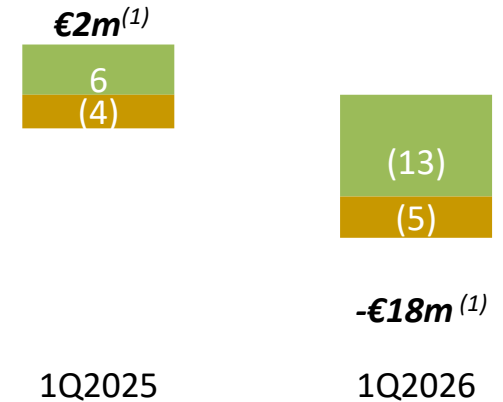
Group Revenues (€m)



Group EBITDA (€m)



Attributable Net Income (€m)

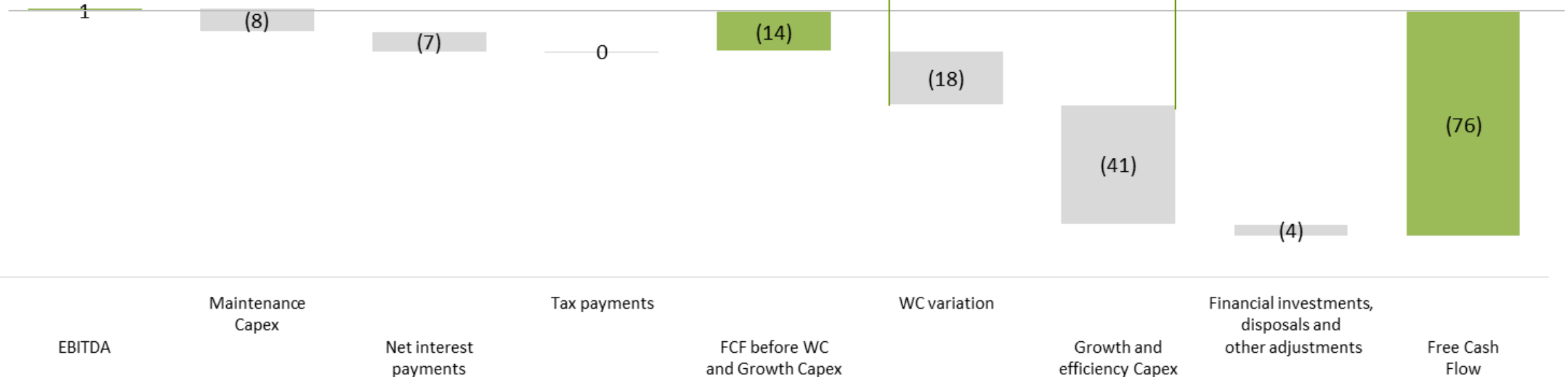


- In 1Q26 financial results have been impacted by Navia planned shutdown, the strikes linked to the ongoing collective dismissal processes and the extreme weather conditions suffered in the Iberian Peninsula.
 - In 4Q25, pulp revenues amounted to €114m vs. €135m in 1Q25 and €131m in 4Q25. The increase in gross prices (+12% YoY and +12% QoQ) have been offset by weaker FX (-12% YoY and -1% QoQ) and lower sale volumes in the context of the strike (-4% YoY and -15% QoQ). Agreements reached with the unions permit the implementation of the collective dismissal process with no further disruption expected.
 - As per the renewables business, revenues amounted to €41m vs €52m in 1Q2025 and €57m in 4Q25 due to lower electricity production (-5% YoY and -24% QoQ) as a consequence of the disruptions caused by the extreme weather conditions.
- At EBITDA level:
 - In the pulp business the extra costs from the strike were partially offset by energy saving certificates (not included in cash cost). In 1Q26, the pulp EBITDA amounted to -€1m vs. €29m in 1Q25 (including €30m CAEs) and €3m in 4Q25.
 - In the renewables business, EBITDA amounted to €3m vs €6m in 1Q25 and €10m in 4Q25 as a result of the lower production, lower pool and extra costs derived from the storms that have impacted the EBITDA by c. €6m.

Cash out of €76m in the quarter

Significant concentration of Capex in 1Q26 as projects COD is expected by mid-year

Cash Flow Statement 1Q2026 (€m)



- Increase in pulp's trade and other receivables
- Includes renewable Industrial Heating inventories (assets that revert to client at the end of the contract)

- Full-year capex guidance of €120m maintained. High concentration in 1Q26 due to significant carry-overs from 2025 (including €15m last payment from the 2019 pulp dryer debottlenecking project)
- Navia cash cost reduction and decarbonization project
- As Pontes engineering devex
- Renewable Industrial Heating capex (Mahou project)

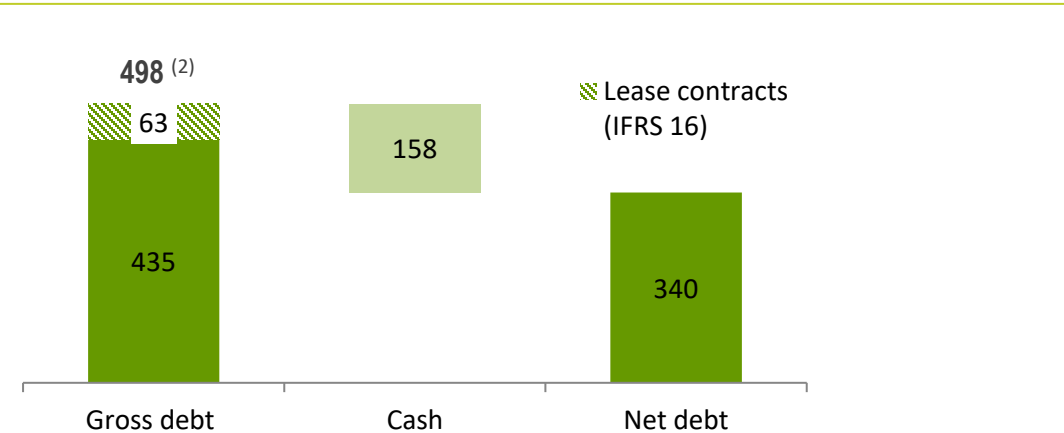
Navia cost reduction and decarbonization project as well as Mahou and Lactalis projects are expected to enter into operation by mid-year.

Strong liquidity, long term maturities and no covenants in the Pulp Business

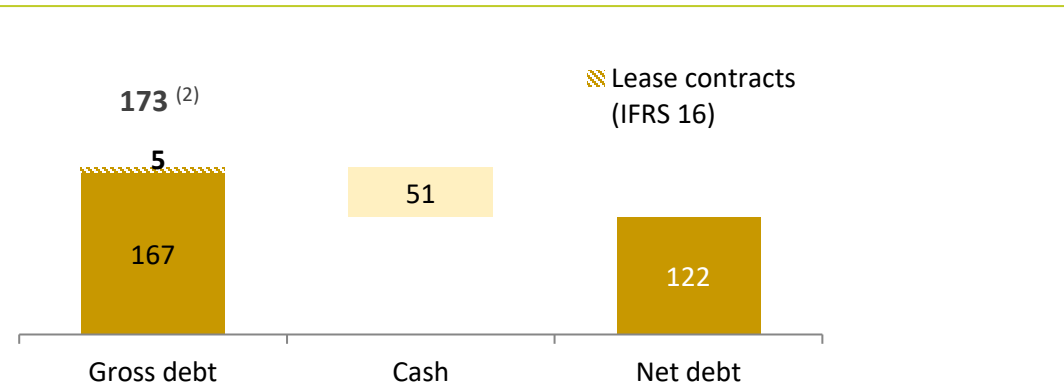
€462m consolidated net debt at the end of 1Q 2026.



Pulp business net debt as of March 31, 2026 (€ m) ⁽¹⁾



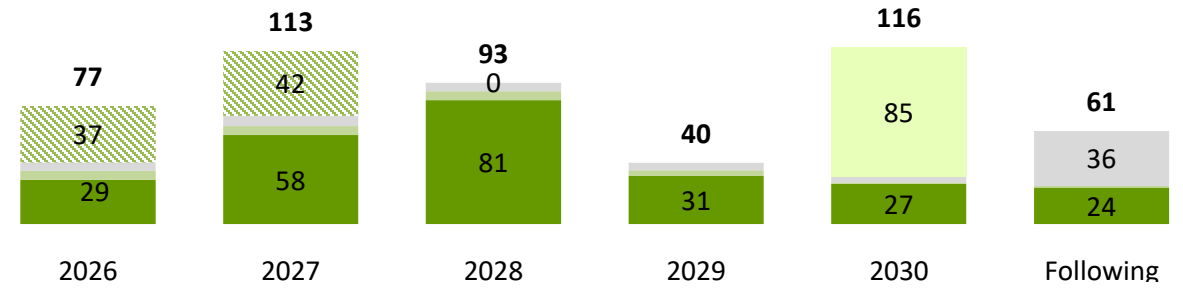
Renewables business net debt as of March 31, 2026 (€ m)



Pulp business debt maturity schedule (€ m)

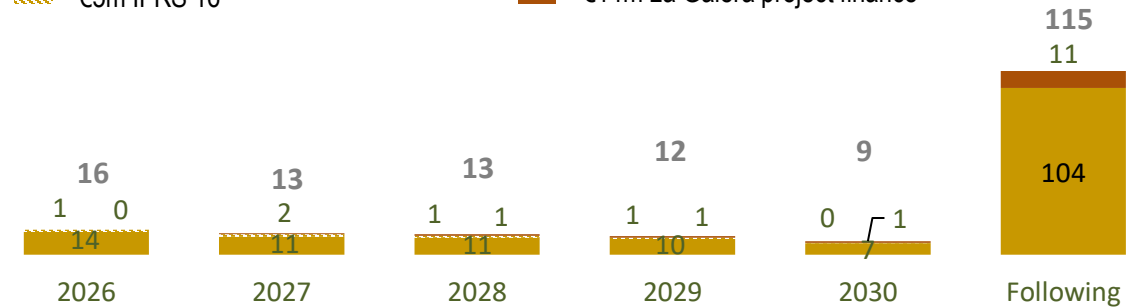
- €250m of bilateral loans⁽³⁾
- €130m RCF – Fully available
- MARF Bonds 85 M€
- €23m of public sector financing
- €63m IFRS16
- €79m commercial paper program

New €200m MARF bond program registered in Jan'26. First issuance of €85m with 4y bullet maturity (2030) and 410 bps coupon.



Renewables business debt maturity schedule (€ m)

- €158m Magnon corporate financing
- €20m RCF – Fully available
- €5m IFRS 16
- €14m La Galera project finance



¹ Pulp business financial debt is covenant free

² Includes debt related to upfront fees

³ Includes €85m from the bond issuance (maturity in 2030)

ENCE: industry leader in sustainability

Highlights Q1 2026



Safe and Eco-efficient operations

For operational cost reduction

Protecting Health and Safety of employees and contractors

- ✓ The Group's cumulative LTIFR in Q1 stood at 2.54, **the best result across the entire historical series.**

Odour reduction

- ✓ At Navia, **no odour minutes** recorded, maintaining 2025 historic record.

Water consumption reduction

- ✓ Historical record in Navia with lowest specific water consumption (m³/tAD).

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 (Pulp and Energy Plants)

Committed to climate change action

- ✓ – 10% reduction in direct emissions (Scope 1 – EU ETS) at Navia in 2025 compared to 2024, through the replacement of fossil fuels with pulverised biomass.



Bioproducts & ecosystem services

Potential for topline improvement

Higher margin special Pulp products with higher added value:

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

Recycled Fiber - As Pontes

- ✓ **Award of €24.7 million under the Industrial Decarbonisation PERTE programme.** This circular economy project will develop a pioneering facility to produce bleached recycled fibre from recovered paper and cardboard and will be self-supplied with renewable energy.

Forestry bioproducts and ecosystem services

- ✓ **Improved plant material, better adapted to climate change: 1** new Eucalyptus clone planned for 2026.
- ✓ **>4,300 ha of forest sinks** registered in different schemes for voluntary carbon markets.



Responsible supply chain

To become preferred supplier

Certified Supply chain

- ✓ ≈ **88%** of managed land certified.
- ✓ ≈ **84%** of Wood certified.
- ✓ **100% sites SURE System** certified (Sustainable biomass).

Supply chain supervision

- ✓ ESG risk assessment of > **600** value-chain entities, carried out in line with the Third-Party Due Diligence Procedure.
- ✓ Development and deployment of tools to comply with **EUDR Regulation** against deforestation in preparation for its entry into force at the end of the year.



Positive social impact

To grant business sustainability

Talent as a competitive advantage

- ✓ **25.2% female employees.**
- ✓ **30.2% female in managerial positions.**
- ✓ **41% job openings** filled with **internal promotion.**

Creating positive social impact in local communities

- ✓ Progress in the allocation of €3 million to 240 social and environmental projects under the 6th edition of Ence's Pontevedra Social Plan 2025.

Promoting professional development in rural communities

- ✓ **Four Talent Programmes** launched across Navia, Pontevedra, Magnon and Corporate functions.



System Governance

- ✓ **External Criminal Compliance audit completed** with results indicating that the level of implementation and operation of the control mechanisms is adequate, with no non-conformities or observations identified.



3.

2026 Outlook and Closing Remarks

Closing Remarks and 2026 Outlook



- Positive outlook for gross BHKP prices in Europe on the back of (i) fiber to fiber substitution, (ii) rising production costs in the context of the Iranian conflict, (iii) offer scarcity due to logistics disruptions for Asian LatAm and Middle East imports to Europe. Currently negotiating 1,380\$/tn, an incremental increase of 50\$/tn has been announced last week.
- The Iranian conflict may offer opportunities in both businesses: (i) pulp – rising prices in Europe due to limited supply from overseas areas and energy surplus sold to the grid at higher prices; (ii) renewables – acceleration of the pipeline as alternative local and reliable energy sources, increasing revenue of ancillary services due to higher pool prices.
- Moreover, Ence counts with strategic mitigants to soften the potential impact of the Iranian conflict: electricity self-sufficiency, local wood and biomass sourcing, supply and commercial regional focus on Europe and gas hedging.
- Quarter impacted by one-off events that do not change our full year cash costs and capex guidance. Agreements reached with the union representatives permit the execution of collective dismissal process with no further disruptions expected.
- Ongoing cash costs initiatives, including the Efficiency & Competitiveness Plan and Navia cost reduction and decarbonization plan, are expected to reduce cash costs by 30€/tn in 2026/27 period. 15€/tn savings should be captured in 2026 leading to a cash cost guidance of 468€/tn for the year. Total annualized savings captured or in process in 1Q26 of €6m.
- **2028 Ence's Special Pulp Centered Business to increase the average across-the-cycle EBITDA by 1,5x vs. only standard BHKP products:**
 - Top line: (i) Higher-margin special pulp sales to exceed 62% of 2028 volumes, delivering incremental EBITDA of €22m vs. only standard BHKP, (ii) As Pontes €25m PERTE grant awarded, (iii) Renewable packaging solutions to start up in 2H27.
 - Ongoing cash costs initiatives (30€/tn): (i) Efficiency & Competitiveness Plan to capture annual savings of c. 22 €/t cash cost from 2027 and (ii) Navia decarbonization and cost reduction project (c. 8 €/t savings)
 - Pontevedra Avanza: integral capex plan to trigger 20€/t savings.
- Higher-margin special pulp products targeted to substitute more expensive BSKP alternatives, are positioning Ence as the cheapest producer cost wise vs. BSKP producers. In 2026, these products should account for close to 40% of the sales volumes (vs. 30% in 2025)
- We are building **the largest Iberian biomass backed Renewable Energy Platform**, including Biomass to Regulated Electricity + Renewable Industrial Heating + Biomethane + Renewable Fuels, and it is **on track to almost triple its EBITDA by 2030**.
- **The execution of these projects will be adapted and aligned to our cash flow generation, to maintain a prudent across-the-cycle leverage.**



Appendix

Group Financial Review

P&L



3M26

Figures in € m	Pulp	Renewables	Adjustments	Consolidated
Total revenue	113,8	40,7	(0,7)	153,8
Foreign exchange hedging operations results	0,3	3,0	0,0	3,3
Other income	11,0	1,3	(0,4)	11,8
Cost of sales and change in inventories of finished products	(79,1)	(11,4)	0,7	(89,8)
Personnel expenses	(19,8)	(7,9)	0,0	(27,7)
Other operating expenses	(27,6)	(23,0)	0,4	(50,2)
EBITDA	(1,4)	2,6	0,0	1,2
Depreciation and amortisation	(12,4)	(7,7)	0,2	(20,0)
Depletion of forestry reserves	(0,8)	(0,2)	-	(1,0)
Impairment of and gains/(losses) on fixed-asset disposals	0,0	-	-	0,0
Other non-ordinary operating gains/(losses)	2,2	-	-	2,2
EBIT	(12,5)	(5,3)	0,2	(17,6)
Net finance cost	(4,7)	(4,2)	-	(8,9)
Other finance income/(costs)	0,5	0,3	0,0	0,9
Profit before tax	(16,6)	(9,2)	0,2	(25,7)
Income tax	4,0	0,1	(0,0)	4,1
Net Income	(12,6)	(9,2)	0,1	(21,6)
Non-controlling interests	-	4,0	-	4,0
Atributable Net Income	(12,6)	(5,1)	0,1	(17,6)
Earnings per Share (EPS)	(0,05)	(0,02)	0,00	(0,07)

3M25

Pulp	Renewables	Adjustments	Consolidated
135,3	52,4	(0,8)	186,9
(1,3)	(1,5)	-	(2,8)
38,3	1,8	(0,3)	39,8
(84,7)	(16,4)	0,8	(100,4)
(22,2)	(5,9)	(0,0)	(28,2)
(36,8)	(24,4)	0,3	(60,9)
28,5	6,0	-	34,5
(12,0)	(8,5)	0,4	(20,1)
(2,7)	-	-	(2,7)
(0,1)	(0,1)	-	(0,1)
-	-	-	-
13,7	(2,6)	0,4	11,5
(4,3)	(4,2)	(0,0)	(8,5)
(1,2)	-	-	(1,2)
8,2	(6,7)	0,4	1,8
(2,0)	0,2	(0,0)	(1,8)
6,2	(6,6)	0,4	(0,0)
-	2,4	-	2,4
6,2	(4,1)	0,4	2,4
0,03	(0,02)	0,00	0,01

Group Financial Review

Cash Flow Statement

Mn€	3M26				3M25			
	Pulp	Renewables	Adjustments	Consolidated	Pulp	Renewables	Adjustments	Consolidated
Consolidated profit/(loss) for the period before tax	(16,6)	(9,2)	0,2	(25,7)	8,2	(6,7)	0,4	1,8
Depreciation and amortisation	13,2	7,9	(0,2)	21,0	14,7	8,5	(0,4)	22,8
Changes in provisions and other deferred expense	(6,0)	0,3	0,0	(5,7)	(3,9)	0,8	-	(3,1)
Impairment of gains/(losses) on disposals intangible assets	(0,0)	(0,3)	-	(0,3)	0,4	0,0	0,0	0,5
Net finance result	4,2	4,2	-	8,4	5,2	4,2	-	9,4
Energy regulation adjustments	(0,4)	(0,6)	-	(1,1)	(0,6)	(1,5)	-	(2,0)
Government grants taken to income	(0,1)	(0,0)	-	(0,2)	(0,1)	(0,0)	-	(0,2)
Adjustments to profit	10,8	11,5	(0,2)	22,1	15,8	12,0	(0,4)	27,4
Inventories	(1,5)	(4,0)	-	(5,5)	(7,5)	(2,7)	-	(10,2)
Trade and other receivables	(14,9)	(1,1)	0,5	(15,5)	1,6	9,9	(4,4)	7,1
Current financial and other assets	-	-	-	-	-	-	-	-
Trade and other payables	3,2	0,2	(0,5)	3,0	(0,2)	(9,5)	4,4	(5,2)
Changes in working capital	(13,1)	(4,9)	0,0	(18,03)	(6,1)	(2,3)	-	(8,4)
Interest paid	(5,8)	(1,2)	-	(7,0)	(4,7)	(1,4)	-	(6,0)
Dividends received	-	-	-	-	-	-	-	-
Income tax received/(paid)	-	0,3	-	0,3	-	0,3	-	0,3
Other collections/(payments)	-	-	-	-	0,0	-	-	0,0
Other cash flows from operating activities	(5,8)	(0,9)	-	(6,8)	(4,6)	(1,1)	-	(5,8)
Net cash flow from operating activities	(24,8)	(3,6)	(0,0)	(28,4)	13,2	1,8	(0,0)	15,0
Property, plant and equipment	(41,1)	(6,5)	-	(47,6)	(13,5)	(4,2)	-	(17,7)
Intangible assets	(0,9)	(0,2)	(0,0)	(1,1)	(1,1)	(0,3)	-	(1,3)
Other financial assets and Group companies	(2,9)	(0,1)	3,3	0,4	(0,8)	(1,8)	0,8	(1,8)
Disposals ¹	0,4	0,0	(0,0)	0,4	0,4	0,1	0,0	0,5
Net cash flow used in investing activities	(44,5)	(6,7)	3,3	(47,9)	(15,0)	(6,2)	0,8	(20,4)

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

Group Financial Review

Balance Sheet

Figures in € m	3M26				3M25			
	Pulp	Renewables	Adjustments	Consolidated	Pulp	Renewables	Adjustments	Consolidated
Intangible assets	21,1	55,9	(10,8)	66,1	19,6	56,9	(11,4)	65,0
Property, plant and equipment	660,8	372,6	(5,1)	1.028,3	615,9	370,8	(6,2)	980,6
Biological assets	64,9	0,0	0,0	64,9	65,2	0,3	(0,0)	65,5
Non-current investments in Group companies	114,0	0,0	(114,0)	0,1	114,0	0,0	(114,0)	0,1
Non-current borrowings to Group companies	62,7	(0,0)	(62,7)	(0,0)	66,4	1,0	(66,4)	1,0
Deferred tax assets	37,2	27,0	2,7	66,9	34,1	23,3	2,9	60,3
Non-current financial assets	9,8	1,9	-	11,7	19,6	20,6	-	40,2
Cash reserve for debt service	-	11,5	-	11,5	-	11,5	-	11,5
Total non-current assets	970,5	468,8	(189,9)	1.249,4	934,8	484,3	(195,1)	1.224,1
Inventories	79,3	20,1	(0,0)	99,4	89,4	15,1	-	104,5
Trade and other accounts receivable	48,1	23,5	(3,1)	68,5	32,2	23,5	(2,4)	53,3
Income tax	2,9	0,5	-	3,4	5,3	1,0	-	6,3
Other current assets	24,0	4,2	0,0	28,2	26,4	3,6	0,0	29,9
Hedging derivatives	0,0	0,1	-	0,1	0,9	-	-	0,9
Current financial investments in Group companies	0,0	1,0	(1,0)	0,0	0,2	0,8	(0,9)	0,0
Current financial investments	2,0	0,2	-	2,2	3,5	0,1	(0,0)	3,6
Cash and cash equivalents	155,9	39,2	-	195,0	212,6	88,8	-	301,4
Total current assets	312,1	88,7	(4,1)	396,7	370,3	132,9	(3,3)	499,9
TOTAL ASSETS	1.282,6	557,5	(194,0)	1.646,1	1.305,1	617,3	(198,4)	1.724,0
Equity attributable to the Parent	508,7	77,9	(127,2)	459,3	571,5	93,2	(128,7)	536,0
Minority interest	-	85,9	-	85,9	-	94,9	-	94,9
Total Equity	508,7	163,8	(127,2)	545,3	571,5	188,1	(128,7)	630,9
Non-current loans with Group companies and associates	-	94,6	(62,7)	31,9	-	95,4	(66,4)	29,0
Non-current borrowings	375,4	157,4	-	532,8	295,9	168,9	-	464,9
Non-current derivatives	(0,1)	(0,0)	-	(0,1)	1,8	1,1	-	2,9
Deferred tax liabilities	0,0	(0,0)	-	-	-	-	-	-
Non-current provisions	36,8	0,8	(0,0)	37,6	28,7	0,7	-	29,4
Other non-current liabilities	24,3	59,3	0,0	83,6	31,7	70,2	0,0	101,9
Total non-current liabilities	436,4	312,1	(62,7)	685,8	358,2	336,4	(66,4)	628,1
Current borrowings	122,6	15,3	-	137,9	167,4	15,6	-	183,0
Current derivatives	2,4	(0,5)	0,0	1,9	0,2	(0,8)	-	(0,5)
Trade and other account payable	163,2	62,4	(3,1)	222,4	170,5	72,9	(2,4)	241,1
Short-term debts with group companies	0,7	0,2	(1,0)	-	0,8	1,4	(0,9)	1,3
Income tax	0,0	0,0	(0,0)	0,1	2,9	0,1	0,0	3,0
Current provisions	48,6	4,3	-	52,9	33,6	3,6	-	37,2
Total current liabilities	337,5	81,6	(4,1)	415,1	375,4	92,8	(3,4)	464,9
TOTAL EQUITY AND LIABILITIES	1.282,6	557,5	(194,0)	1.646,1	1.305,1	617,3	(198,4)	1.724,0

The pulp business includes, among its investments, the higher relative cost associated with the Navia 80 project (pulp dryer debottlenecking project), completed in 2019, amounting to €8m. This is due to the arbitration ruling dated June 17, which requires the Group to pay €15m, of which €8m had already been recorded.

Alternative Performance Measures (APMs)

Pg.1

Ence presents its results in accordance with generally accepted accounting principles, specifically IFRS. In addition, its quarterly earnings 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 presentation are defined, reconciled and explained in the corresponding quarterly earnings report publicly available through the investor section of our web page www.ence.es.

EBITDA

EBITDA 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 Company'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.

OTHER NON-OPERATING ITEMS

Other non-operating items refers to ad-hoc income and expenses unrelated to the Company's ordinary business activities that render two reporting periods less comparable.

CASH COST

The production 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. The cash cost includes all of the costs directly related with the production and sale of pulp that impact cash flows. Therefore, it does not include 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.

OPERATING PROFIT PER TONNE OF PULP

The operating profit is a yardstick for the operating profit generated by the Pulp business without taking into account asset depreciation and amortization charges, impairment losses on non-current assets and gains or losses on their disposal and 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.

NET FINANCE COST AND OTHER FINANCIAL ITEMS

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.

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 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 Company'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, occupational health and safety and environmental performance and to prevent contamination. Financial investments correspond to payments for investments in financial assets.

The disclosure of capex cash flows broken down by area of investment facilitates oversight of execution of the current Business Plan.

OPERATING CASH FLOW

The operating cash flow coincides with the net cash from operating activities presented in the statement of cash flows. 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.

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. 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.

NORMALISED FREE CASH FLOW

Normalised FCF is the sum of EBITDA, the change in working capital, maintenance capex, net interest payments and income tax payments. It provides a proxy for the cash generated by the Company'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.

NET DEBT / (CASH)

The borrowings recognised on the balance sheet, include bonds and other marketable securities, bank borrowings and other financial liabilities, including leases (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 with non-current financial assets) and other financial investments (within current assets).

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.

ROCE

ROCE stands for the return on capital employed and is used by management as a key profitability performance indicator. 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 Renewable Energy business.

ROCE is widely used in the capital markets to measure and compare the earnings performance of different companies.



Delivering value Delivering commitments