

**ENCE ENERGÍA Y CELULOSA, S.A. (ENCE or the Company)**, in accordance with section 226 of the Spanish Securities Market Act (*Ley del Mercado de Valores*), communicates the following:

### **PRIVILEGED INFORMATION**

ENCE and Woodpecker Acquisitions S.a.r.l. (an entity controlled by Ancala Partners LLP) have formalized today the closing of the sale and purchase agreement executed on 12 November 2020, by virtue of which Woodpecker Acquisitions has acquired the shares representing 49% of the share capital of Ence Energía, S.L.

ENCE has received an initial fixed price of 223 million euros, after the adjustments set out in the sale and purchase agreement. The receipt of the contingent deferred price of up to 134 million euros is subject to the fulfilment of certain economic variables related to the development of future projects during a maximum period of 8 years.

In addition, both entities have signed a shareholders' agreement under market standard terms for this type of agreements in order to regulate, among other aspects, the governance and the transfer of the shares of Ence Energía, and the adoption of certain decisions by the shareholders' meetings and the board of directors, that will allow ENCE to maintain the control of such company.

This communication completes the privileged information communication of 12 November (registration number 270).

Madrid, 18 December 2020.