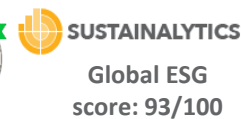




2024 Results

28 February 2025



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Today's presenters



Ignacio de Colmenares

*Chairman & CEO
Ence Energía y Celulosa*



Alfredo Avello

*Chief Financial Officer
Ence Energía y Celulosa*

Results Summary

2025 Outlook

- BHKP price bottomed out in 4Q24. Price increases of up to USD 1,220/t gross (approx. USD 645/t net) announced from March
- Expected cash cost reduction during 2025 as temporary factors are expected to end in 1Q25
- Sale of Energy Saving Certificates for €30m, expected to be cashed and registered as revenue in 1Q25
- Higher energy production expected in 2025, supported by the restart of one of our two 16 MW power plants
- Lower biomass plant operating costs expected in 2025, favoured by higher biomass availability and higher fixed cost dilution
- Higher energy prices in 1Q25
- Expected improvement in the contribution from new renewable businesses, following the acquisition of La Galera biomethane plant

FY2024 Operating Highlights

- 12% net sale price YoY increase, up to 647 €/t and 6% YoY reduction in cash cost, down to 493 €/t in 2024
- 521 €/t cash cost in 4Q24 due to temporary factors which are expected to end in 1Q25
- Ence Advanced pulp sales accounted for 23% of total pulp sales in 2024 with an operating margin approximately 30 €/t higher than our standard pulp
- 16% YoY pulp production increase in Pontevedra in 2024 boosted by its new water recovery solution
- 23% YoY higher energy generation and 15% YoY lower biomass plant operating costs in 2024
- La Galera 50 GWh/yr biomethane plant acquisition in Dec.24.
- Second industrial heating contract awarded for 85 GWh/year, 15-year term

FY2024 Financial Results

- Pulp business EBITDA x3 in 2024 up to €138m, driven by higher pulp prices and lower cash cost
- 50% YoY EBITDA improvement from the biomass energy business. €26m Renewables EBITDA includes new business development costs
- €101m FCF before working capital change and growth capex in 2024
- €66m WC outflow driven by higher pulp inventories and higher Ro
- €34m dividend payments to shareholders, implying a 5% dividend yield
- Low leverage position with €321m Net Debt at the end of 2024 and a cash balance of €287m
- Successful Magnon Green Energy corporate refinancing in July 2024

Growth, Efficiency and Diversification Projects

- Building a large biofertilizer and biomethane platform in Spain aiming to produce 1 TWh by 2030 and contribute >€60m to EBITDA
- Our Thermal Energy business aims to produce 2TWh by 2030 and contribute >€40m to EBITDA
- Ence Advanced pulp sales should reach 50% of the total by 2028 with an operating margin approximately 30 €/t higher than our standard pulp
- New 125 Kt Fluff pulp line commissioning in 4Q25 with an expected operating margin approx. 60 €/t higher than our standard pulp
- Production of renewable packaging solutions to start-up in 2025
- Navia decarbonization and cost reduction project launched in 1Q25
- Progressing with the Pontevedra Avanza and As Pontes engineering



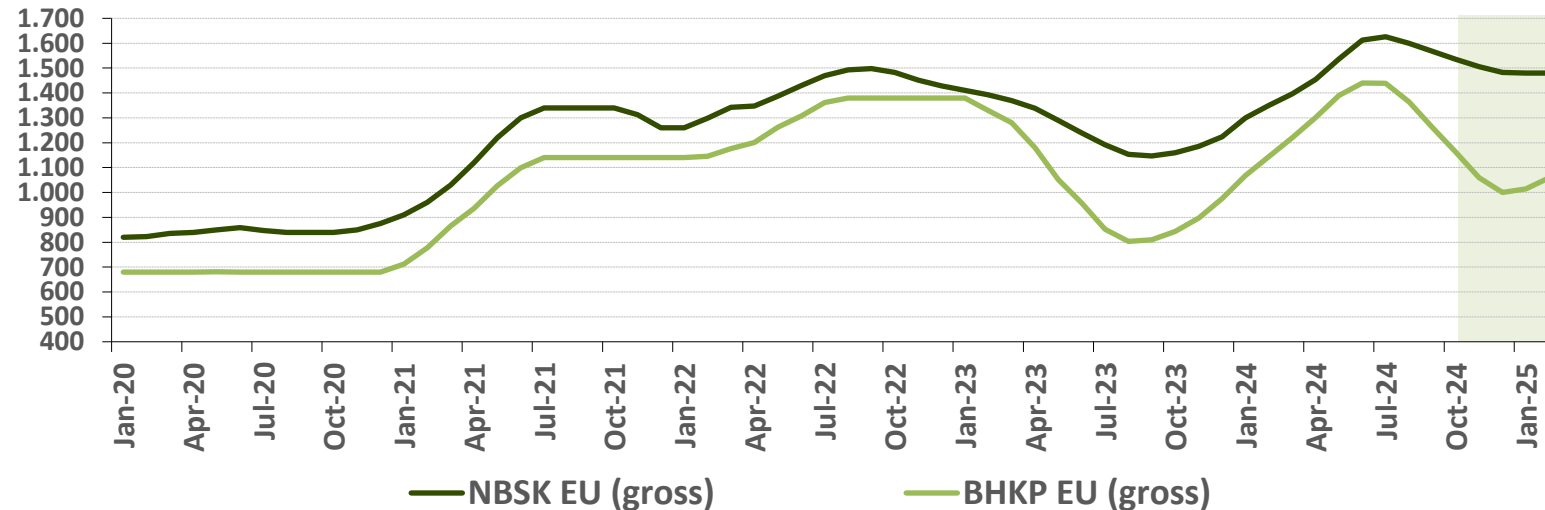
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2024 Highlights

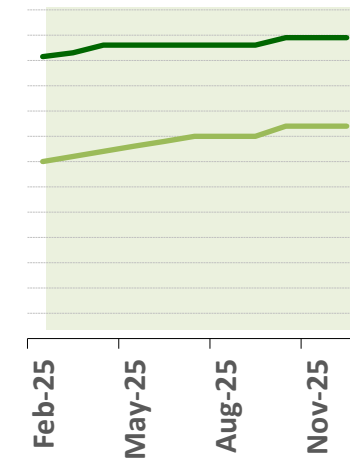
Pulp prices bottomed out in 4Q24

BHKP price increases of up to USD 1,220/t gross announced from March

GROSS Pulp Prices in Europe (USD/t)



Future Pulp Prices in Europe (USD/t)



Source: Norexeco (11/02/2025)

- BHKP demand reached a new record high in 4Q24 and producers inventories ended the year at low levels (39 days)
- Bankruptcy of a major integrated Chinese P&P producer now generating a BHKP supply gap of >0,2 Mnt per month
- BHKP conversions to other grades and significant downtimes scheduled for 1Q25
- Record price gap with NBSK is strengthening demand for BHKP

Ence Advanced pulp accounted for 23% of our pulp sales in 2024

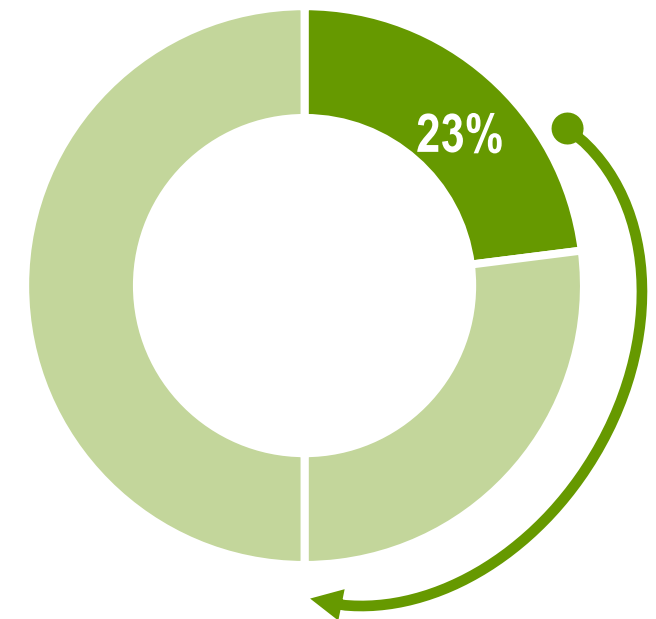
Operating margin approximately 30 €/t higher than our standard pulp



- ✓ **High strength pulp aiming to substitute softwood pulp**
- ✓ **Minimizes the energy consumption during the refining process**
- ✓ First unbleached hardwood pulp in the market
- ✓ Certified CO² footprint during the product life cycle
- ✓ Increases tissue softness
- ✓ Low wet-expansion cellulose suitable for decor paper applications
- ✓ Narrow range of porosity
- ✓ Plastic alternative in packaging for food & beverage industry
- ✓ Low porosity material

+ Others such as  photocell ,  high white,  softcell and  porocell

% of total pulp sales in 2024



We aim at reaching 50% of our pulp production by 2028 (>500,000 t) with approx. 30 €/t higher operating margin than our standard pulp

Diversification projects in the Pulp business are on track

These will deliver higher operating margins

Status: **On track**

Status: **On track**
ROCE¹ target: >15%

Status: **On track**
ROCE¹ target: >15%

ENCE ADVANCED PULP

To develop and sell our Ence Advanced products, with enhanced technical properties and approx. **30 €/t higher operating margin** than our standard pulp

% / total pulp sales **23% in 2024**

Substitution target 50% by 2028

Estimated capex 0



FLUFF

To diversify Navia's production into Fluff pulp for the absorbent hygienic products industry in Europe, substituting imported Fluff based on softwood. Over **60 €/t² higher operating margin** expected vs. standard pulp

Substitution target 125 Kt

Estimated capex €30m in 2024-25

Exp. commissioning 4Q 2025



RENEWABLE PACKAGING SOLUTIONS

To develop and produce a portfolio of renewable packaging solutions, capable of replacing single-use plastic packaging in the food sector

Production target: 1 Kt / 40 m units

Estimated capex: €12m in 2025 - 26

Exp. commissioning 3Q 2025



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

² Based on Fluff pulp prices in Europe during 2024

Efficiency and growth projects in the Pulp business

These will deliver higher operating margins

Status: **Started**
ROCE¹ target: >15%

NAVIA DECARBONIZATION

13 €/t cash cost reduction and 60% reduction of Navia's scope 1 emissions by reconditioning the wood yard and replacing natural gas with biomass in its lime kiln

Navia cash cost reduction target:	13 €/t (8 €/t in the Group)
Net estimated capex:	€35m in 2025-26
Exp. commissioning	4Q 2026



Status: **Engineering and permitting**
ROCE¹ target: >12%

PONTEVEDRA AVANZA

An integral project to boost the efficiency and flexibility of Pontevedra biomill

Pontevedra cash cost reduction target:	50 €/t (20 €/t in the Group)
Estimated capex:	€120m in 2025-30
Investment decision:	2025



Status: **Engineering and permitting**
ROCE¹ target: >12%

AS PONTES

To produce bleached recycled pulp in As Pontes (Galicia) using recycled fibers, without increasing the consumption of wood

Production target:	+ 100 Kt
Estimated capex:	> €125m
Investment decision:	2025



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

Sale of Energy Saving Certificates for €30m

Expected to be cashed and registered as revenue in 1Q25



€30m
in
1Q25

Energy efficiency projects undertaken imply annual energy savings equivalent to 191 GWh, which have been verified by AENOR.

An Energy Saving Certificate (CAE) is an electronic document which guarantees that, after carrying out an energy efficiency action, a new final energy saving equivalent to 1 kWh has been achieved.

These Energy Saving Certificate (CAE) may be acquired by energy companies to fulfill their energy saving targets.

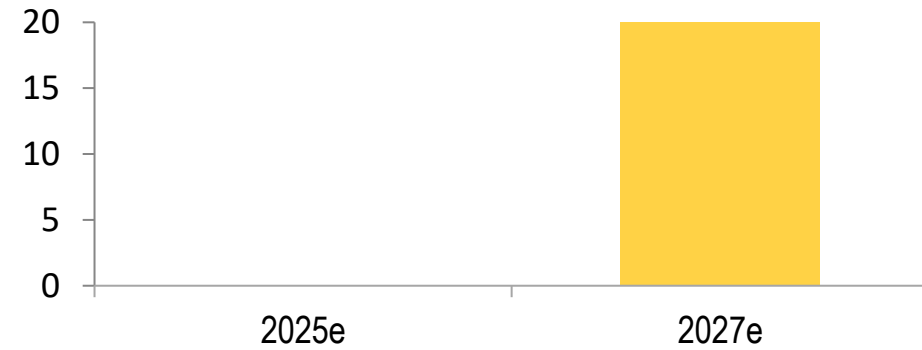
Ence sold Energy Saving Certificates (CAE) for €30m in February 2025. They are expected to be cashed and registered as revenue in 1Q25.

Ence Biogas has acquired a 50 GWh/yr biomethane plant in La Galera

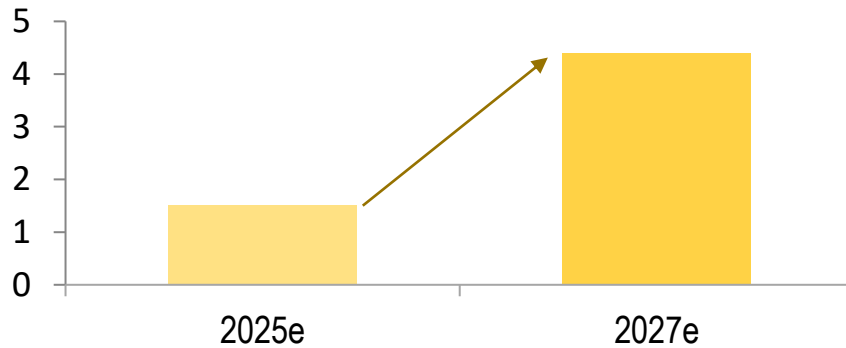
15 year biomethane sale agreement signed with a major energy merchant



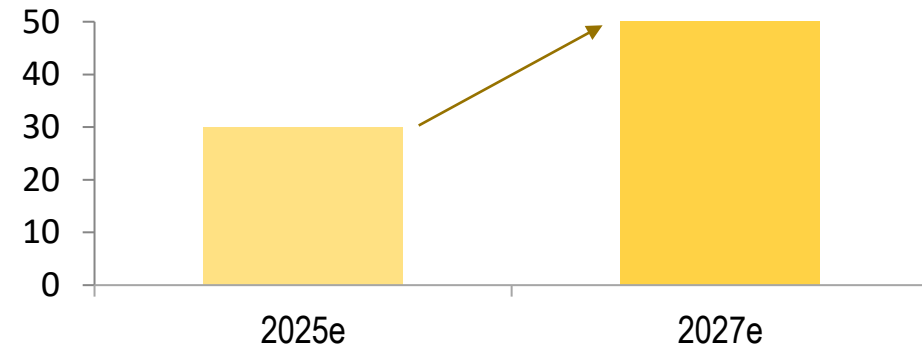
La Galera estimated biofertilizer production (K tons)



La Galera estimated EBITDA generation (€m)



La Galera estimated biomethane production (GWh)



First step towards the creation of a biofertilizer and biomethane platform

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

ROCE¹ Target: > 12%



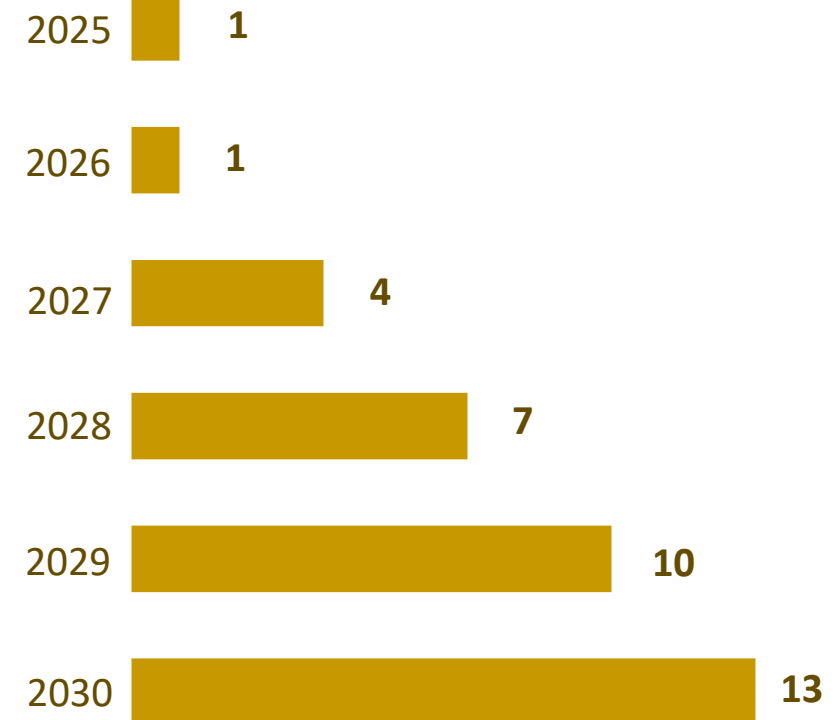
PROJECT PIPELINE

28 plants: locations secured and feasibility studies completed

16 plants already in their permitting phase

5 plants expected RTB in 2025

PIPELINE EXPECTED DEPLOYMENT (Operating Plants)



16 biomethane plants already in their permitting phase, with a required ROCE¹ >12%

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

Second industrial heating contract awarded for 85 GWh/year, 15-year term

Target: 2TWh thermal energy supply by 2030 and over €40m contribution to EBITDA

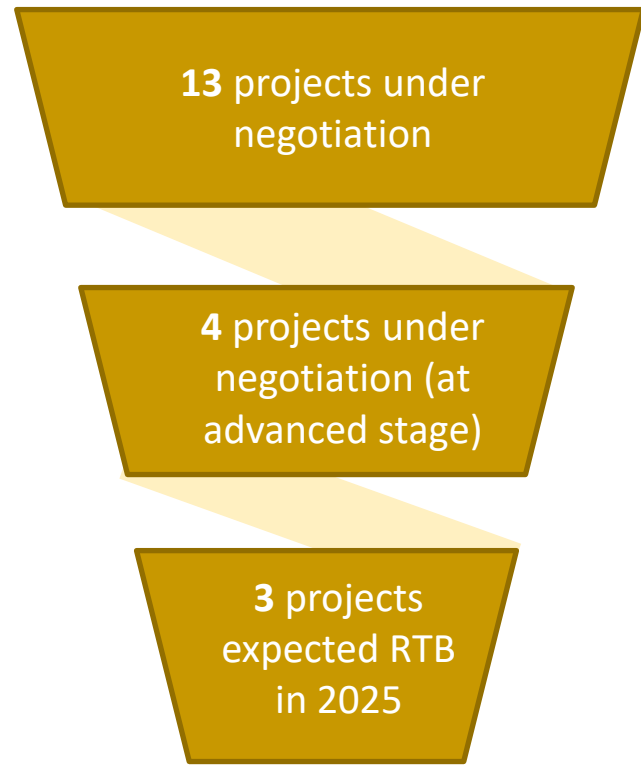
RENEWABLE THERMAL ENERGY BUSINESS

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

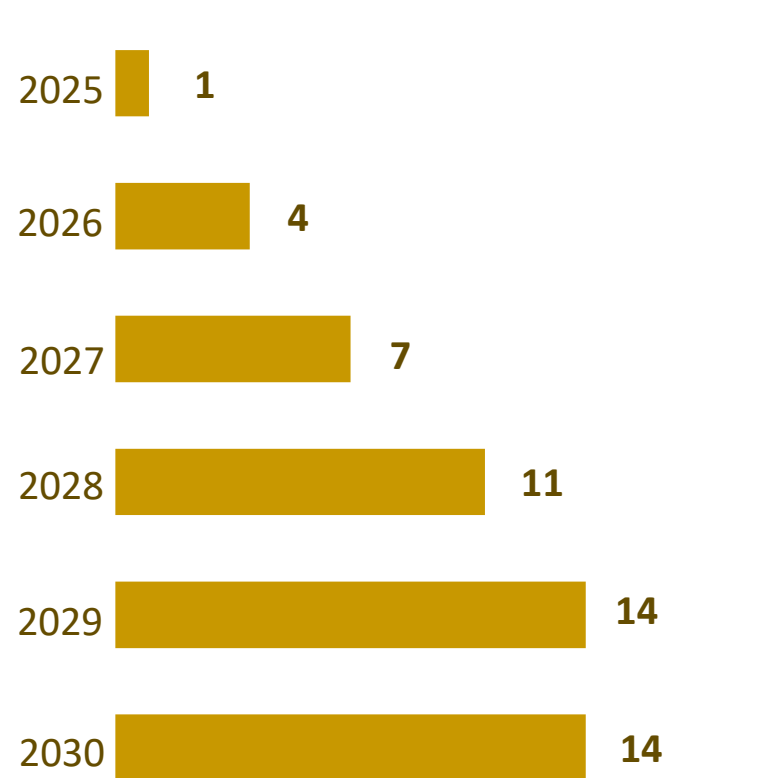
Plant size:	40 – 160 GWh
Prod. Target:	2,000 GWh/yr by 2030
Estimated Capex:	€0.1m – €0.2m / GWh
ROCE ¹ Target:	> 11%



PROJECT PIPELINE



PIPELINE EXPECTED DEPLOYMENT (Operating Plants)



1 contract in operation, 1 contract under construction and 3 projects expected RTB in 2025, with a required ROCE¹ >11%

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



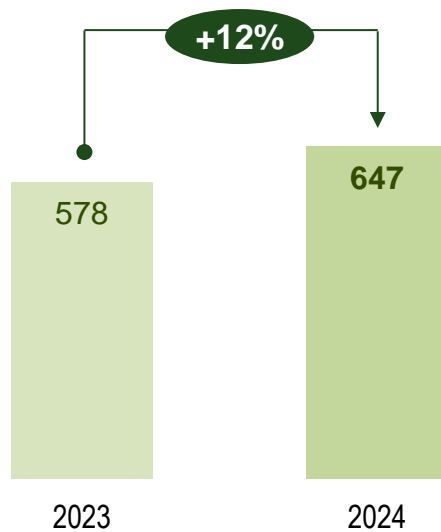
2.

2024 Financial Results

Pulp business EBITDA x3 in 2024 up to €138m

Driven by higher pulp prices and lower cash cost

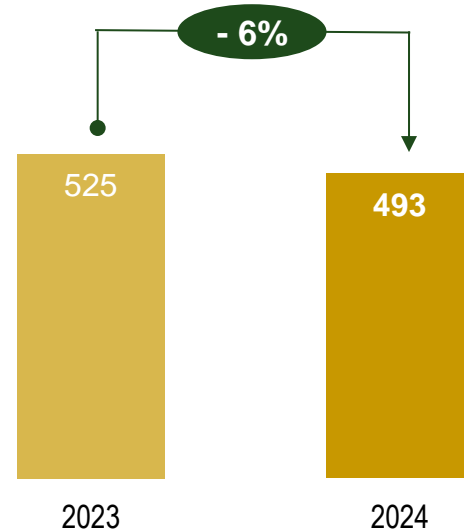
Avg. NET Sales price
(€/t)



69€/t YoY net pulp price improvement in 2024, up to 647 €/t.

576 €/t net pulp price in 4Q24

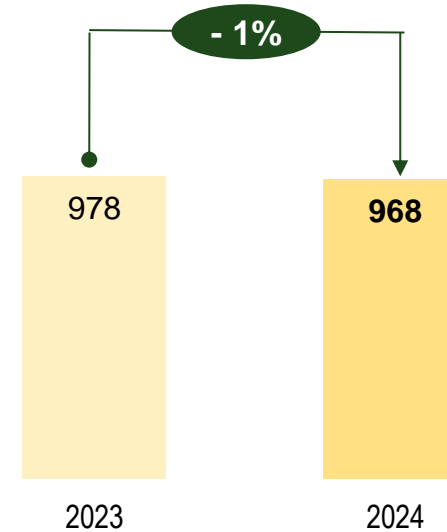
Cash Cost
(€/t)



32 €/t YoY cash cost reduction in 2024, down to 493 €/t

520 €/t cash cost in 4Q24 affected by temporary factors

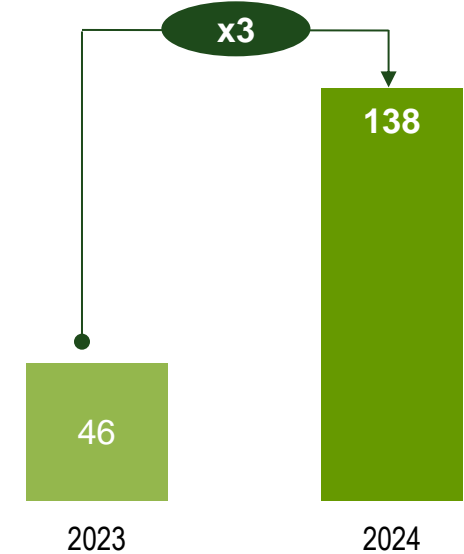
Pulp sales volume
(,000 t)



-10 Kt YoY lower sales in 2024, to 968 Kt

- 29 Kt inventory increase in 2024

Pulp EBITDA
(€m)



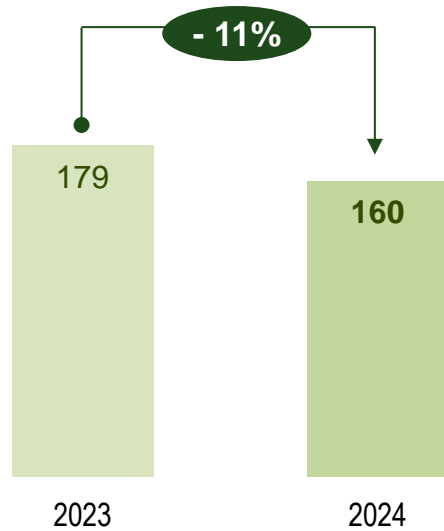
EBITDA x3 YoY, to €138m in 2024

- €6m EBITDA in 4Q24, including a one-off cost of €10m due to lower energy cogeneration at Navia

50% YoY EBITDA improvement from the biomass energy business

€26m Renewables EBITDA includes new business development costs

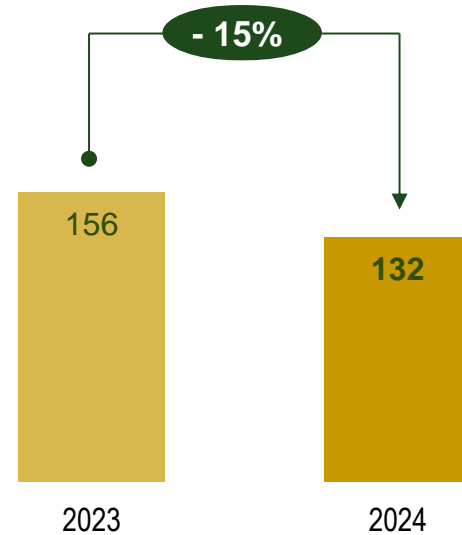
Average revenue per MWh (€/MWh)



19 €/MWh lower revenues YoY in 2024

- New methodology to update quarterly the Ro cashed by biomass plants as from 2024

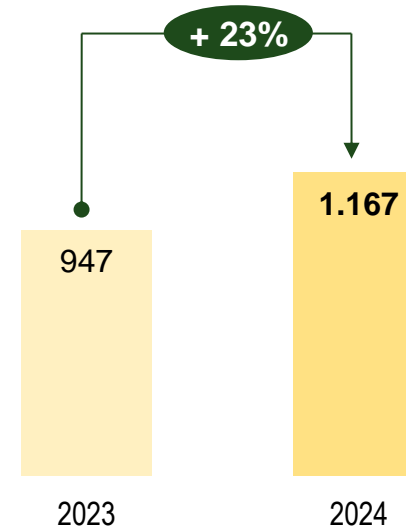
Net operating costs per MWh (€/MWh)



24 €/MWh lower operating costs YoY in 2024

- Lower biomass costs
- Higher fixed cost dilution on back of higher energy output

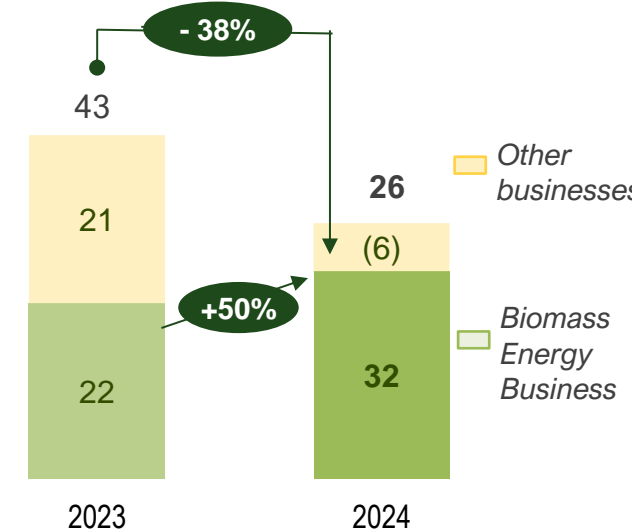
Energy volume sold (GWh)



220 GWh output improvement

- Favoured by the new regulatory framework approved in 2024

Renewables EBITDA (€m)



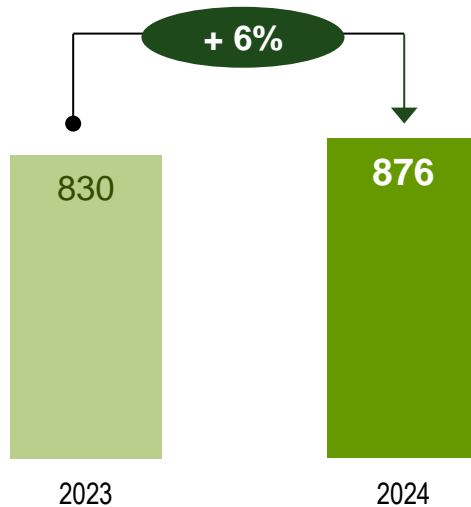
50% YoY EBITDA improvement from the biomass energy business, up to €32m

- €27m contribution from the sale of two PV projects in 2023

€165m consolidated EBITDA in 2024

€32m net income

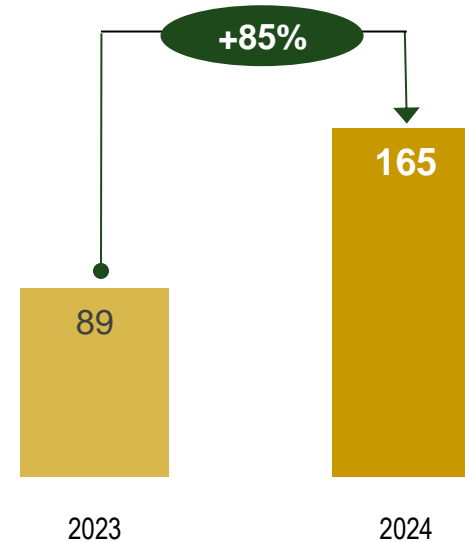
Group Revenues (€m)



+€47m consolidated revenue growth YoY in 2024

- +€60m in the Pulp business boosted by 12% higher net pulp price
- -€12m in the Renewable business driven by the elimination of the regulatory collar in 2024

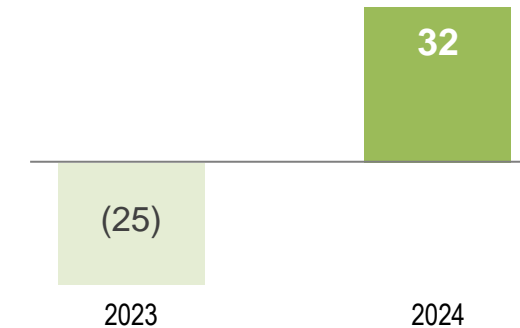
Group EBITDA (€m)



+€76m consolidated EBITDA YoY growth in 2024

- + €92m in the Pulp business boosted by the improvement in pulp prices and the reduction in cash cost
- - €16m in the Renewable business due to the comparative effect with the sale of PV projects in 2023

Attributable Net Income (€m)

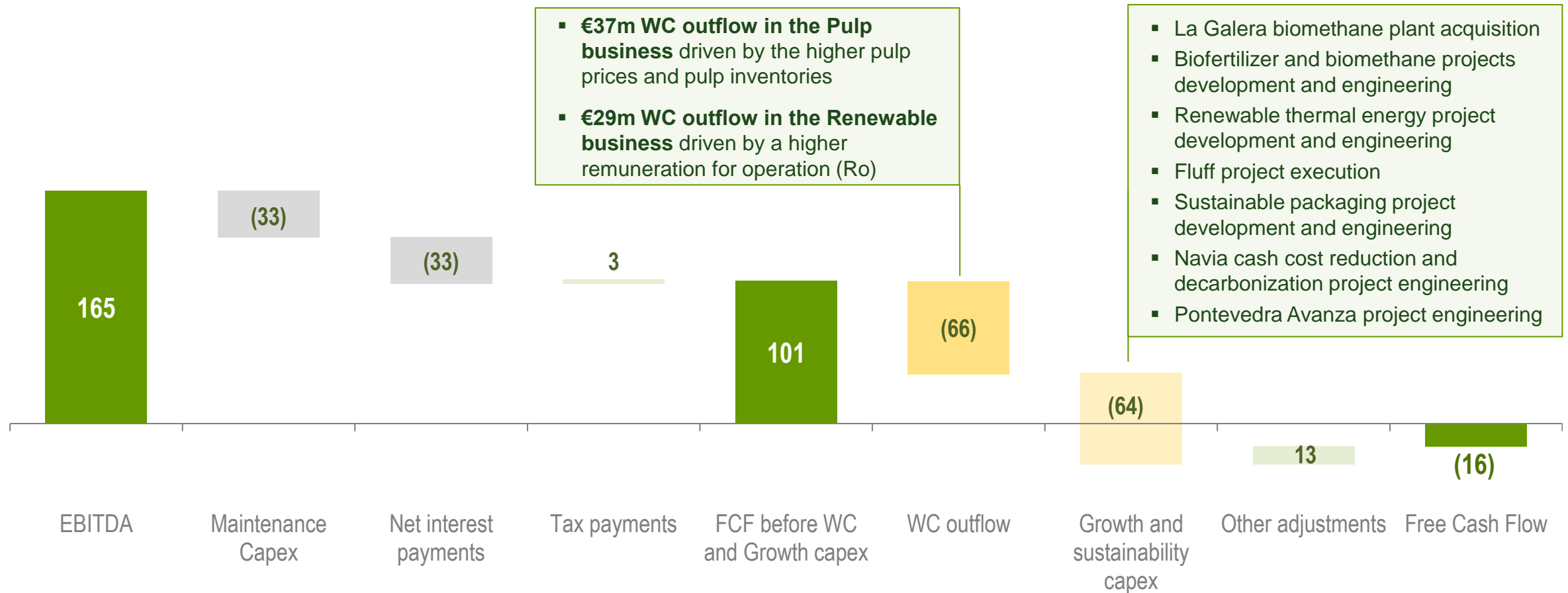


+ €57m Attributable Net Income YoY improvement in 2024

€101m FCF before working capital change and growth capex in 2024

WC outflow driven by higher pulp inventories and higher Ro in Renewables

Cash Flow Statement 2024 (€m)



€321m Net Debt at year end 2024, following a €34m dividend to shareholders

Low leverage position vs. our Group average cycle EBITDA of €175m¹

Net Debt Change in 2024 (€m)



Dividend policy

Amount based on **cash**

available for distribution

Ensuring a **leverage** below:

2.5 x

Net Debt / average cycle EBITDA for the **Pulp** business

5.0 x

Net Debt / average cycle EBITDA for the **Renewable** business

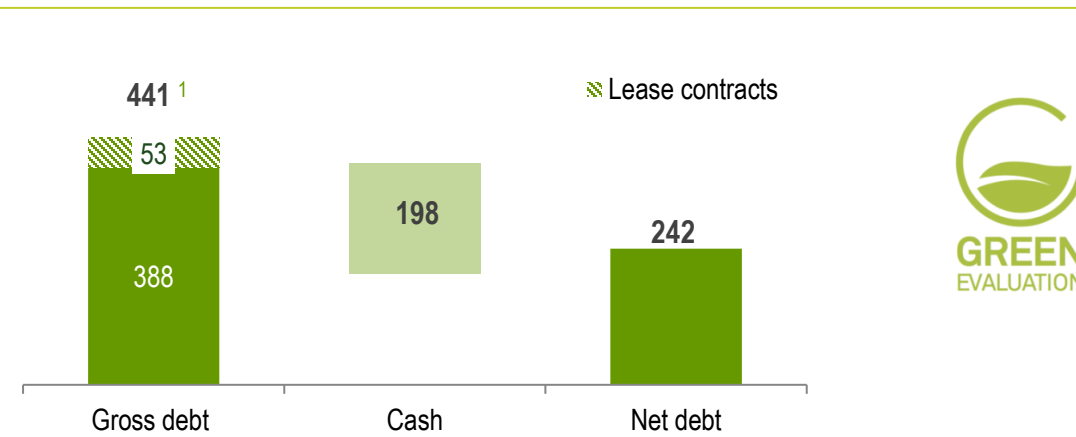
Considering capex plans and commitments

1) Average consolidated EBITDA 2015 – 2024, excluding the impact in 2021 of one-off pulp and energy price hedges arranged in 2020, during the pandemic

Successful Magnon corporate refinancing in July 2024

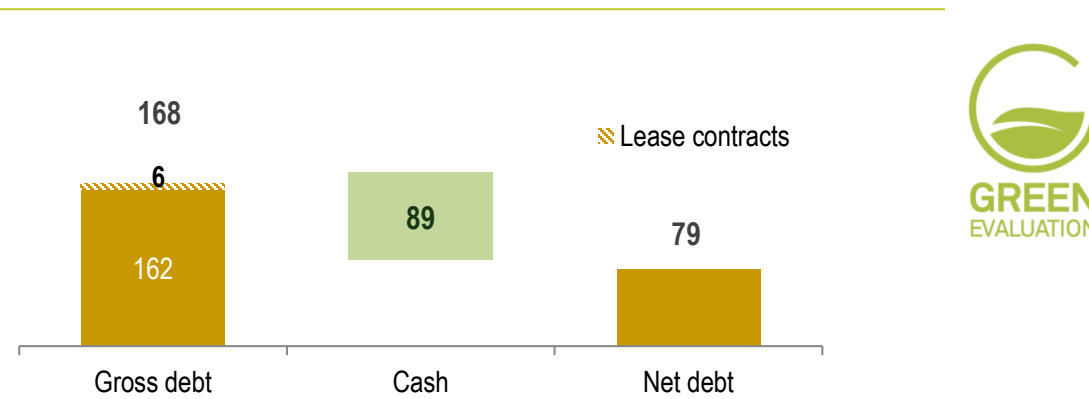
La Galera biomethane plant project financing closed in January 2025

Pulp business net debt as of 31 Dec. 2024 (€ m)

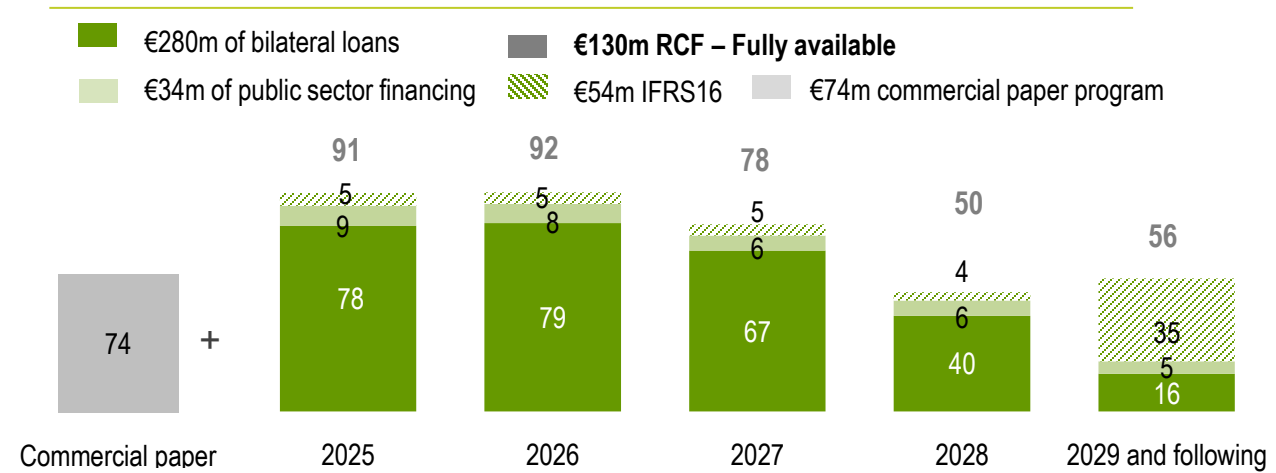


1) Pulp business financial debt is covenant free

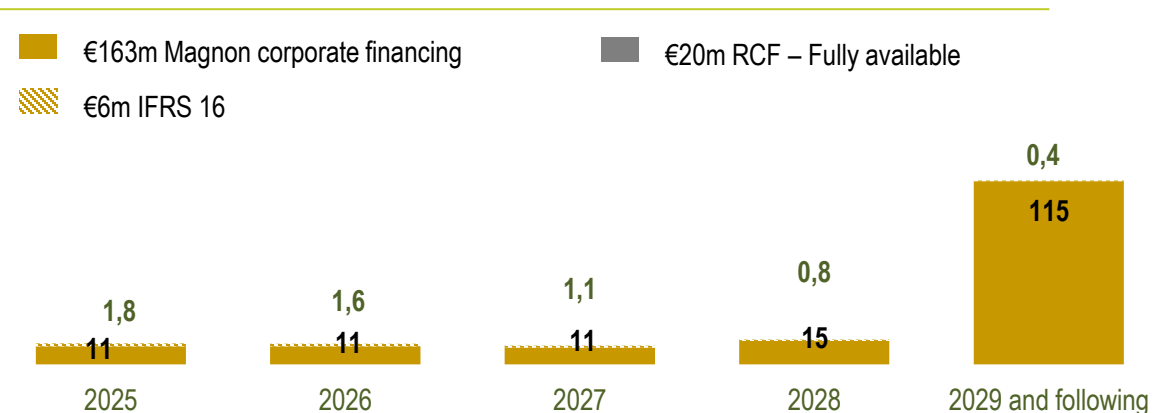
Renewables business net debt as of 31 Dec. 2024 (€ m)



Pulp business debt maturity schedule (€ m)



Magnon debt maturity schedule (€ m)



ENCE: industry leader in sustainability

Highlights 2024



Safe and Eco-efficient operations

For operational cost reduction

Protecting Health and Safety of employees and contractors

- ✓ 34% reduction of accidents with leave vs. 2023
- ✓ 57% reduction in Severity rate vs. 2023

Water use reduction

- ✓ -8% Pontevedra (vs 2023), increasing resilience to climate risks related to droughts

Odour reduction (vs. 2023)

- ✓ - 40% Navia and -35% Pontevedra

Advancing towards a circular economy

- ✓ 100% sites ZERO WASTE certified

Committed to mitigate climate change

- ✓ New decarbonization plan with GHG emission reduction targets for 2030



Bioproducts & ecosystem services

Potential for topline improvement

Differentiated pulp products with higher added value

- ✓ 23% of total sales of Products with higher and growing margins
- ✓ 1st Carbon neutral product (Naturcell Zero)

Forestry bioproducts and ecosystem services

- ✓ Improved plant material, better adapted to climate change: 3 new Eucalyptus clone in commercial phase
- ✓ >3.700 ha Forest sinks registered in voluntary carbon markets



Responsible supply chain

To become preferred supplier

Certified supply chain

- ✓ 90% of managed land certified
- ✓ 79% 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
- ✓ Implementation of tools to comply with the EUDR Regulation against deforestation



Positive social impact

To grant business sustainability

Talent as a competitive advantage

- ✓ 27,2% female employees
- ✓ 29,4% females in managerial positions
- ✓ Great Place to Work certification (5th year in a row)
- ✓ Top Employer certification

Creating positive social impact in local communities

- ✓ New edition of Ence's Pontevedra Social Plan (up to 3M€), with more than 500 applications

Promoting professional development in rural communities

- ✓ New edition of the Forestry machinery training program
- ✓ 1,000+ technical advice sessions with Forest owners



3.

2025 Outlook and Closing Remarks

1 **BHKP price bottomed out in 4Q24**
Price increases of up to USD 1,220/t gross (approx. USD 645/t net) announced from March

2 **Expected cash cost reduction during 2025** as temporary factors are expected to end in 1Q25

3 **Sale of Energy Saving Certificates for €30m**, expected to be cashed and registered as revenue in 1Q25

4 **Higher energy production expected in 2025 supported** by the restart of one of our two 16 MW power plants

5 **Lower biomass plant operating costs expected in 2025**, favoured by higher biomass availability and higher fixed cost dilution

6 **Expected improvement in the contribution from new renewable businesses**, following the acquisition of La Galera biomethane plant in Dec.24

Closing Remarks



- We are building a large biofertilizer and biomethane platform in Spain which aims to produce over 1 TWh by 2030 and contribute over €60m to EBITDA.
- Our Thermal Energy business is developing well. It aims to produce 2TWh by 2030 and contribute over €40m to EBITDA.
- Our Ence Advanced pulp sales are expected to reach 50% of the total BHKP sales by 2028, with an operating margin approximately 30 €/t higher than our standard pulp.
- Our first 125 Kt Fluff pulp line in Navia will be commissioned in 4Q25 with an expected operating margin approximately 60 €/t higher than our standard pulp
- We expect to start the production of our renewable packaging solutions in 2025
- Navia's cost reduction and decarbonization project has been launched and we are making good progress with the engineering of the Pontevedra Avanza and As Pontes projects
- Reaching these goals should allow us to more than double the Renewable business EBITDA over the next 5 years, whilst the transformation of Ence into a producer of special pulp products will significantly improve the business operating margin
- The execution of these projects will be adapted and aligned to our cash flow generation, to maintain a prudent leverage and an attractive remuneration for shareholders



Appendix

Group Financial Review

P&L

Figures in € m	2024				2023			
	Pulp	Renewables	Adjustments	Consolidated	Pulp	Renewables	Adjustments	Consolidated
Total revenue	683,2	196,7	(3,7)	876,2	623,2	209,1	(2,7)	829,6
Foreign exchange hedging operations results	(0,6)	(2,8)	-	(3,4)	(0,4)	-	-	(0,4)
Other income	21,8	5,3	(1,3)	25,8	28,9	5,2	(1,2)	32,8
Cost of sales and change in inventories of finished products	(342,2)	(69,6)	3,7	(408,1)	(361,7)	(78,6)	2,7	(437,5)
Personnel expenses	(89,6)	(23,5)	-	(113,1)	(83,3)	(20,7)	-	(104,0)
Other operating expenses	(134,4)	(79,7)	1,3	(212,8)	(160,5)	(72,5)	1,2	(231,7)
EBITDA	138,2	26,3	0,0	164,5	46,2	42,6	-	88,8
Depreciation and amortisation	(57,9)	(34,5)	1,6	(90,8)	(55,6)	(39,1)	1,6	(93,1)
Depletion of forestry reserves	(9,7)	-	-	(9,7)	(8,8)	-	-	(8,8)
Impairment of and gains/(losses) on fixed-asset disposals	(1,7)	1,7	-	(0,0)	(1,0)	8,8	-	7,8
Other non-ordinary operating gains/(losses)	3,8	(4,5)	-	(0,6)	3,7	(0,4)	-	3,3
EBIT	72,6	(10,9)	1,6	63,3	(15,5)	11,9	1,6	(2,0)
Net finance cost	(18,6)	(13,8)	-	(32,4)	(17,4)	(12,8)	(0,0)	(30,2)
Other finance income/(costs)	1,2	0,3	-	1,5	(1,0)	0,0	-	(1,0)
Profit before tax	55,2	(24,5)	1,6	32,4	(33,9)	(0,9)	1,6	(33,2)
Income tax	(11,4)	(0,7)	(0,1)	(12,2)	6,6	5,7	(0,1)	12,1
Net Income	43,8	(25,2)	1,5	20,1	(27,3)	4,8	1,5	(21,1)
Non-controlling interests	-	11,4	-	11,4	-	(3,7)	-	(3,7)
Atributable Net Income	43,8	(13,8)	1,5	31,6	(27,3)	1,1	1,5	(24,7)
Earnings per Share (EPS)	0,18	(0,06)	0,01	0,13	(0,11)	(0,05)	-	(0,10)

Group Financial Review

Cash Flow Statement

Figures in € m	2024				2023			
	Pulp	Renewables	Adjustments	Consolidated	Pulp	Renewables	Adjustments	Consolidated
Consolidated profit/(loss) for the period before tax	55,2	(24,5)	1,6	32,3	(33,9)	(0,9)	1,6	(33,2)
Depreciation and amortisation	67,6	34,5	(1,6)	100,5	64,4	39,1	(1,6)	101,9
Changes in provisions and other deferred expense	8,6	4,9	-	13,5	5,6	2,6	-	8,2
Impairment of gains/(losses) on disposals intangible assets	1,9	(1,7)	-	0,2	1,2	(8,8)	-	(7,6)
Net finance result	17,8	13,6	-	31,4	17,7	12,8	-	30,5
Energy regulation adjustments	(0,8)	(0,9)	-	(1,7)	(8,0)	(26,0)	-	(34,0)
Government grants taken to income	(0,9)	(0,1)	-	(1,1)	(0,9)	(0,1)	-	(1,0)
Adjustments to profit	94,2	50,3	(1,6)	142,8	80,0	19,6	(1,6)	98,0
Inventories	(29,5)	0,1	-	(29,4)	25,7	(0,4)	-	25,3
Trade and other receivables	(8,3)	(28,5)	4,1	(32,8)	13,9	33,9	(27,3)	20,4
Current financial and other assets	-	-	-	-	1,8	0,0	-	1,8
Trade and other payables	1,1	(0,9)	(4,1)	(3,9)	(66,1)	(86,9)	27,3	(125,6)
Changes in working capital	(36,7)	(29,3)	-	(66,0)	(24,7)	(53,4)	-	(78,1)
Interest paid	(19,3)	(14,2)	-	(33,4)	(13,0)	(13,2)	-	(26,2)
Dividends received	0,0	-	-	0,0	-	-	-	-
Income tax received/(paid)	(6,5)	9,6	-	3,1	2,6	(9,2)	-	(6,6)
Other collections/(payments)	(0,2)	-	-	(0,2)	-	-	-	-
Other cash flows from operating activities	(26,0)	(4,6)	-	(30,5)	(10,5)	(22,4)	-	(32,8)
Net cash flow from operating activities	86,7	(8,1)	-	78,6	10,9	(57,0)	-	(46,1)
Property, plant and equipment	(52,0)	(18,9)	-	(70,9)	(76,2)	(13,6)	-	(89,8)
Intangible assets	(4,6)	(1,4)	-	(6,0)	(5,4)	(0,6)	-	(5,9)
Other financial assets and Group companies	(45,3)	(18,9)	44,0	(20,2)	(4,3)	0,5	3,6	(0,3)
Disposals	1,2	1,0	-	2,2	-	-	-	-
Net cash flow used in investing activities	(100,7)	(38,1)	44,0	(94,8)	(85,8)	(13,8)	3,6	(96,0)
Free cash flow	(14,0)	(46,3)	44,0	(16,2)	(75,0)	(70,8)	3,6	(142,2)

Group Financial Review

Balance Sheet

Figures in € m	Dec-24				Dec-23			
	Pulp	Renewables	Adjustments	Consolidated	Pulp	Renewables	Adjustments	Consolidated
Intangible assets	19,2	57,2	(11,6)	64,9	17,7	33,7	(12,1)	39,3
Property, plant and equipment	608,6	372,4	(6,4)	974,6	617,5	379,0	(7,5)	989,0
Biological assets	66,1	0,3	-	66,3	66,9	0,2	-	67,1
Non-current investments in Group companies	114,0	0,6	(114,0)	0,7	114,0	0,0	(114,0)	0,0
Non-current borrowings to Group companies	65,7	-	(65,7)	-	22,3	-	(22,3)	-
Deferred tax assets	35,2	23,9	2,9	62,0	38,0	27,0	3,0	68,0
Non-current financial assets	19,5	20,3	-	39,8	27,7	24,9	-	52,6
Cash reserve for debt service	-	10,0	-	10,0	-	10,0	-	10,0
Total non-current assets	928,3	484,7	(194,8)	1.218,3	904,0	474,8	(152,8)	1.226,0
Inventories	82,1	12,5	-	94,6	54,8	17,3	-	72,1
Trade and other accounts receivable	39,5	36,0	(6,0)	69,4	39,5	7,5	(2,0)	45,1
Income tax	5,3	1,3	-	6,6	4,8	10,1	-	15,0
Other current assets	15,7	0,3	-	16,1	3,8	0,2	-	4,0
Hedging derivatives	0,0	-	-	-	1,1	1,7	-	2,8
Current financial investments in Group companies	0,2	0,7	(0,8)	0,0	0,2	0,1	(0,3)	0,0
Current financial investments	13,3	0,2	-	13,6	2,5	0,0	-	2,5
Cash and cash equivalents	184,6	79,4	-	263,9	311,2	21,8	-	333,0
Total current assets	340,7	130,4	(6,9)	464,2	418,0	58,7	(2,3)	474,5
TOTAL ASSETS	1.269,0	615,1	(201,6)	1.682,4	1.322,0	533,5	(155,1)	1.700,5
Equity	559,1	192,6	(129,0)	622,6	552,5	227,7	(130,5)	649,6
Non-current loans with Group companies and associates	-	94,7	(65,7)	29,0	-	27,1	(22,3)	4,9
Non-current borrowings	291,3	155,1	-	446,4	349,6	90,6	-	440,2
Non-current derivatives	2,2	1,8	-	4,0	3,4	-	-	3,4
Deferred tax liabilities	-	-	-	-	-	-	-	-
Non-current provisions	28,9	0,6	-	29,5	28,1	0,1	-	28,3
Other non-current liabilities	33,8	71,9	-	105,7	35,9	69,6	-	105,5
Total non-current liabilities	356,2	324,2	(65,7)	614,7	417,0	187,5	(22,3)	582,3
Current borrowings	149,2	13,0	-	162,2	150,3	34,7	-	185,0
Current derivatives	6,9	1,1	-	8,0	0,6	-	-	0,6
Trade and other account payable	166,4	80,2	(6,0)	240,6	162,8	79,7	(2,0)	240,6
Short-term debts with group companies	0,7	1,0	(0,8)	0,9	0,1	0,5	(0,3)	0,2
Income tax	0,0	0,0	-	0,0	0,0	0,0	-	0,0
Current provisions	30,5	3,0	-	33,5	38,8	3,4	-	42,2
Total current liabilities	353,7	98,3	(6,9)	445,1	352,5	118,3	(2,3)	468,6
TOTAL EQUITY AND LIABILITIES	1.269,0	615,1	(201,6)	1.682,4	1.322,0	533,5	(155,1)	1.700,5

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, the effect of adjustments for tariff shortfall/surplus (the regulatory collar) on energy sales, 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 amortisation 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, the effect of the regulatory collar on energy sales and forest depletion charges.

Alternative Performance Measures (APMs)

Pg.2

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 published 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. 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.



Global ESG
score: 93/100



Delivering value Delivering commitments