Earnings Report
Second quarter 2025

22 July 2025

CONTENTS

EXECUTIVE SUMMARY

Market figures	2Q25	2Q24	Δ%	1Q25	Δ%	1H25	1H24	Δ%
BHKP (USD/t) average price	1,177.2	1,350.6	*(12.8%)*	1,065.3	*10.5%*	1,121.7	1,233.7	*(9.1%)*
Average exchange rate (USD/€)	1.13	1.08	*4.5%*	1.05	*7.3%*	1.09	1.08	*0.6%*
BHKP (€/t) average price	1,045.5	1,253.0	*(16.6%)*	1,015.4	*3.0%*	1,030.6	1,139.9	*(9.6%)*

Operating Metrics	2Q25	2Q24	Δ%	1Q25	Δ%	1H25	1H24	Δ%
Pulp production (t)	**256,450**	**238,069**	***7.7%***	**214,252**	***19.7%***	**470,702**	**492,933**	***(4.5%)***
Navia pulp production	146,204	132,278	*10.5%*	110,317	*32.5%*	256,521	278,879	*(8.0%)*
Pontevedra pulp production	110,246	105,791	*4.2%*	103,935	*6.1%*	214,181	214,055	*0.1%*
Pulp sales (t)	**242,710**	**255,847**	***(5.1%)***	**216,016**	***12.4%***	**458,725**	**498,573**	***(8.0%)***
Ence Advanced pulp sales (%)	30%	28%	*2 p.p.*	35%	*(5 p.p.)*	32%	23%	*9 p.p.*
Average sales pulp price (€/t)	541.6	728.0	*(25.6%)*	558.2	*(3.0%)*	549.4	666.1	*(17.5%)*
	48.2%	*41.9%*	*15.0%*	*45.0%*	*7.0%*	*46.7%*	*41.6%*	*12.3%*
Cash cost (€/t)	487.9	474.0	*2.9%*	510.3	*(4.4%)*	498.1	480.6	*3.6%*
Operating margin per ton (€/t)	**53.7**	**254.0**	***(78.8%)***	**47.9**	***12.3%***	**51.3**	**185.5**	***(72.3%)***
Renewable Energy sales volume (MWh)	302,521	311,227	*(2.8%)*	277,435	*9.0%*	579,956	543,710	*6.7%*
Average sales price (€/MWh)	125.0	122.3	*2.2%*	159.5	*(21.6%)*	141.5	135.3	*4.6%*
Remuneration for investment (€ m)	6.4	6.1	*5.7%*	6.4	-	12.9	12.3	*4.8%*

P&L € m	2Q25	2Q24	Δ%	1Q25	Δ%	1H25	1H24	Δ%
Revenue from Pulp business	146.4	199.9	*(26.8%)*	135.3	*8.2%*	281.7	358.9	*(21.5%)*
Revenue from Renewable Energy business	46.7	45.9	*1.7%*	52.4	*(10.8%)*	99.1	91.4	*8.4%*
Consolidation adjustments	(0.8)	(1.0)	*21.2%*	(0.8)	*(3.8%)*	(1.6)	(1.8)	*11.8%*
Total revenue	**192.3**	**244.8**	*(21.4%)*	**186.9**	*2.9%*	**379.2**	**448.5**	*(15.5%)*
Pulp business EBITDA	20.0	60.9	*(67.1%)*	28.5	*(29.7%)*	48.5	89.7	*(45.9%)*
Renewable Energy business EBITDA	3.5	4.6	*(23.7%)*	6.0	*(41.3%)*	9.5	11.2	*(15.4%)*
EBITDA	**23.5**	**65.5**	*(64.1%)*	**34.5**	*(31.7%)*	**58.0**	**100.9**	*(42.5%)*
Depreciation, amortisation and forestry depleti	(24.0)	(24.9)	*3.5%*	(22.8)	*(5.2%)*	(46.8)	(50.6)	*7.4%*
Impairment of and gains/(losses) on fixed-asse	0.1	0.8	*(91.3%)*	(0.1)	*n.s.*	(0.1)	0.4	*n.s.*
Other non-ordinary results of operations	(1.1)	(5.7)	*81.3%*	-	*n.s.*	(1.1)	(5.7)	*81.3%*
EBIT	**(1.5)**	**35.7**	*n.s.*	**11.5**	*n.s.*	**10.1**	**45.0**	*(77.6%)*
Net finance cost	(11.2)	(7.8)	*(43.6%)*	(8.5)	*(31.2%)*	(19.7)	(16.1)	*(22.5%)*
Other finance income/(cost) results	(2.5)	0.3	*n.s.*	(1.2)	*(110.4%)*	(3.7)	0.9	*n.s.*
Profit before tax	**(15.1)**	**28.3**	*n.s.*	**1.8**	*n.s.*	**(13.3)**	**29.9**	*n.s.*
Income tax	2.2	(9.7)	*n.s.*	(1.8)	*n.s.*	0.3	(10.0)	*n.s.*
Non-controlling interests	3.7	4.5	*(18.8%)*	2.4	*50.4%*	6.1	6.6	*(7.8%)*
Attributable Net Income	**(9.3)**	**23.1**	*n.s.*	**2.4**	*n.s.*	**(6.9)**	**26.5**	*n.s.*
Earnings per share (Basic EPS)	(0.04)	0.09	*n.s.*	0.01	*n.s.*	(0.03)	0.11	*n.s.*

Cash flow € m	2Q25	2Q24	Δ%	1Q25	Δ%	1H25	1H24	Δ%
EBITDA	**23.5**	**65.5**	*(64.1%)*	**34.5**	*(31.7%)*	**58.0**	**100.9**	*(42.5%)*
Change in working capital	(9.5)	(11.7)	*19.0%*	(8.4)	*(13.4%)*	(17.9)	(77.5)	*76.9%*
Maintenance capex	(12.2)	(8.9)	*(36.5%)*	(8.1)	*(49.6%)*	(20.4)	(14.4)	*(41.0%)*
Net interest Payment	(12.3)	(8.2)	*(50.9%)*	(6.0)	*(103.7%)*	(18.3)	(17.3)	*(6.1%)*
Income tax received/(paid)	(2.5)	(2.2)	*(10.9%)*	0.3	*n.s.*	(2.2)	(2.0)	*(11.8%)*
Normalised free cash flow	**(12.9)**	**34.5**	***n.s.***	**12.2**	***n.s.***	**(0.7)**	**(10.3)**	***92.8%***
Other cash adjustments	0.4	(1.3)	*n.s.*	(5.3)	*n.s.*	(4.9)	4.0	*n.s.*
Efficiency and expansion capex	(12.7)	(7.5)	*(70.3%)*	(6.5)	*(97.1%)*	(19.2)	(15.4)	*(24.1%)*
Sustainability capex and other	(6.4)	(2.4)	*(159.9%)*	(4.4)	*(43.3%)*	(10.8)	(6.0)	*(79.9%)*
Financial investments and in Group companie	1.3	-	*n.s.*	(1.8)	*n.s.*	(0.6)	-	*n.s.*
Disposals [1]	(0.0)	1.1	*n.s.*	0.5	*n.s.*	0.4	1.1	*(58.3%)*
Free cash flow	**(30.3)**	**24.3**	*n.s.*	**(5.3)**	*n.s.*	**(35.7)**	**(26.6)**	*(34.2%)*
Dividends from the parent	-	-	*n.s.*	-	*n.s.*	-	-	*n.s.*
Dividend to minorities	-	-	*n.s.*	-	*n.s.*	-	-	*n.s.*
Proceeds/(payments) of equity instruments	(0.7)	0.3	*n.s.*	-	*n.s.*	(0.7)	1.4	*n.s.*
Other movements in borrowings	(0.0)	19.6	*n.s.*	(4.9)	*99.0%*	(5.0)	25.8	*n.s.*
Net decrease / (increase) in net debt (€ m)	**(31.1)**	**44.2**	*n.s.*	**(10.3)**	*(202.3%)*	**(41.3)**	**0.7**	*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	Jun-25	Dec-24	Δ%
Net debt Pulp business	256.0	242.6	*5.5%*
Net debt Renewable business	106.5	78.6	*35.5%*
Group net debt	**362.5**	**321.2**	*12.9%*

- ✓ The Group reported revenues of €192m in the second quarter, year-on-year growth of 3%, boosted by higher sales of both pulp (at 243k tonnes, growth of 12% from 1Q25, when the Navia biomill was idled for maintenance) and energy (303 GWh, up 9% quarter-on-quarter), offsetting weak sales prices.
- ✓ Demand for hardwood pulp (BHKP) was solid (+5% year-on-year between January and May 2025). However, sales prices were affected by uncertainty around the tariff measures announced in the United States. Gross BHKP prices averaged $1,177/tonne in Europe in the second quarter (down from a high of $1,218 in April) and stood at $1,060/tonne in July, which is close to the marginal cost of production. Towards the end of the year, once uncertainty around tariffs has subsided, prices are expected to embark on a recovery, fuelled by restocking.
- ✓ The cash cost decreased by €22/tonne in 2Q25 to €488/tonne, in line with forecasts.
- ✓ Sales volumes of Ence Advanced products, which are higher margin than the standard pulp products, accounted for 32% of the total in 1H25. Sales of these special products are expected to account for more than 62% of the total in 2028, including 125k tonnes from the Group's first fluff pulp line.
- ✓ The Ence Advanced and future fluff products are substitutes for higher-cost softwood pulp (BSKP) and their growing share of the Group's sales mix is positioning Ence as one of the most competitive BSKP producers on the global cash cost curve.
- ✓ EBITDA in the Pulp business amounted to €20m in 2Q25, compared to €29m in 1Q25. The sale of energy savings certificates generated revenue of €10m in 2Q25 and a total of €40m in 1H25. In the absence of a specific applicable accounting standard, these transactions, only recently regulated, have been recognised within other operating income, based on the Group's best interpretation of prevailing accounting rules. Of the €40m recognised as revenue, €30m have already been collected.
- ✓ Elsewhere, EBITDA in the Renewables business amounted to €4m in 2Q25, compared to €5m in 1Q25, affected by lower overall income per MWh sold (-14% vs. 1Q25, at €153 per MWh sold).
- ✓ In the current context of uncertainty around international trade, it is worth noting that virtually all of the Group's pulp sales go to Atlantic and Mediterranean Europe and that all of our supplies in both the Pulp business and Renewables platform are sourced either locally (wood) or come from Western Europe (chemicals) and are denominated in euros.
- ✓ Ence has a hedging policy designed to mitigate the impact of exchange rate volatility on its earnings. For 2025, it has arranged hedges over a notional amount of $300m with a weighted average ceiling of $/€1.09 and a weighted average floor of $/€1.06.
- ✓ Ence continues to make progress on the configuration of a diversified platform of non-conventional renewable energy sources.

  In the biomethane business, the goal is to build a platform with the capacity to produce 1TWh and generate €60m of EBITDA by 2030. To that end, our subsidiary, Biofertilizantes CH4, already has one plant up and running (La Galera), a portfolio of 17 developments at the environmental permitting stage and another 20 for which sites have been located and viability studies performed. At La Galera, operations have improved considerably since our investment, with 2Q25 production more than doubling that of 4Q24.

  In the renewable industrial heating segment, we expect to lift annual capacity to 2 TWht by 2030, with the business generating EBITDA of €40m. At the June close, Magnon Energy Services had one plant in operation, an initiative with one of Spain's leading brewery which will entail the commissioning and operation of two boilers currently under construction (130 GWht/annum) and another 14 projects under negotiation, of which four with aggregate estimated annual production capacity of 160 GWht are at an advanced stage.
- ✓ Free cash flow, before working capital changes and sustainability and growth capex, was negative by €3m in 2Q25. Working capital changes implied a cash outflow of €10m, concentrated in the Pulp business, driven by higher inventory and trade receivable balances. The trade receivables balance is primarily associated with the energy savings certificates sold in 2Q25, at €13m, including VAT, which will be collected in 3Q25.
- ✓ Investment in growth and sustainability amounted to €19m in 2Q25:
  - In the Pulp business, the fluff and renewable packaging solution lines accounted for the bulk of that capital expenditure. In addition, the decarbonisation and cost-cutting project in Navia, which will reduce its Scope 1 emissions by 60% and lower its cash cost by €13/tonne, continues to advance as scheduled.
  - In the Renewables platform, the investments went mainly to development of the biomethane, biofertiliser and renewable industrial heating projects, all of which are making good progress.
- ✓ The Group's net debt ended June 2025 at €362m (including €60m of IFRS 16 liabilities): €256m in the Pulp business and €106m in the Renewables platform. The Group's financial strength and outlook for cash generation form a solid basis for achieving the growth and diversification objectives set for both businesses.

1. PULP BUSINESS

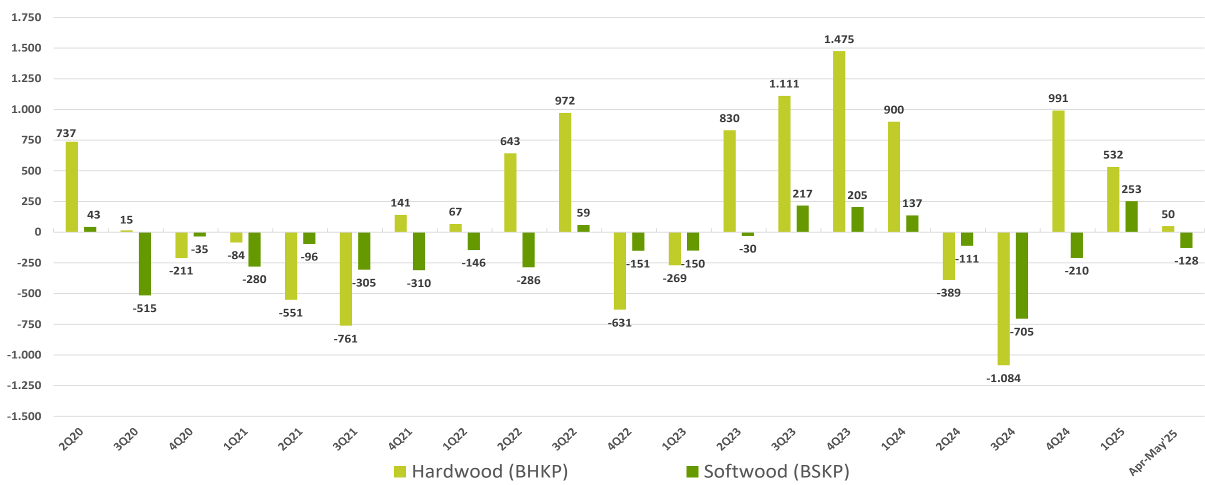
Ence has two eucalyptus hardwood pulp (BHKP) biomills in northeast Spain: a 685,000-tonne-capacity facility located on a site owned by the Company in the town of Navia, Asturias, and a 515,000-tonne-capacity complex located on a site held under concession in Pontevedra, Galicia. Both use eucalyptus timber procured mostly locally from sources that can certify sustainable forest management.

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.

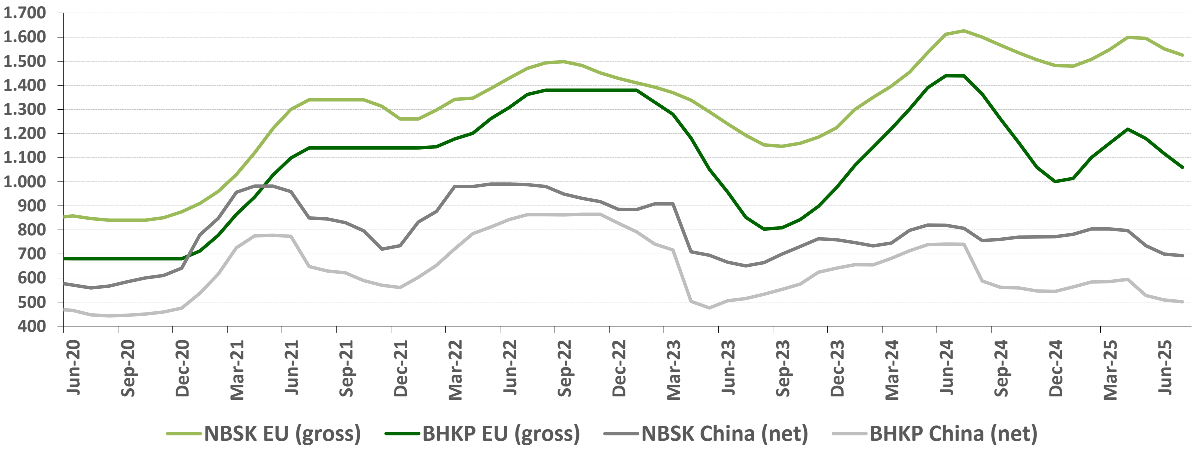
Year-on-year change in global demand for pulp, last five years (tonnes, 000)



Source: PPPC–G100

Global demand for pulp continued to rise in the first half of 2025, increasing by 3.0% (0.8 million tonnes) year-on-year in the first five months of the year, fuelled by China, where demand jumped by 9% year-on-year, as its paper industry restocked, particularly in the first quarter, despite the uncertainty sparked by the successive tariff announcements. Hardwood pulp (BHKP) gained market share at the expense of softwood pulp, registering year-on-year growth of 4.6%.

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



Source: FOEX

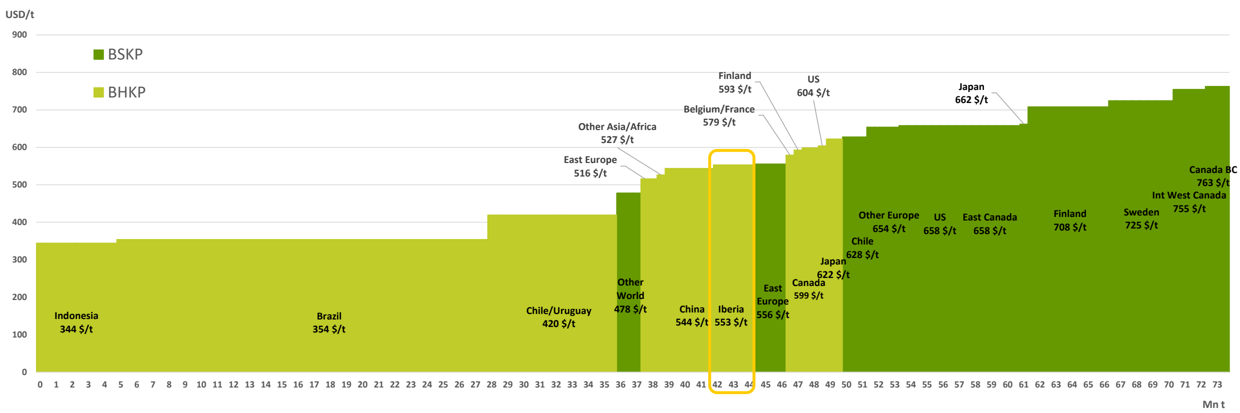
Gross hardwood pulp (BHKP) prices in Europe increased several times in the early part of the year, recovering from the lows of December 2024 of $1,000/tonne to $1,218/tonne in April 2025. Since then, gross prices have been coming down as a result of the uncertainty induced by the prevailing trade and tariff tensions and stood at $1,060 as of mid-July, which is close to the marginal cost of production. Towards the end of the year, once uncertainty around import tariffs has subsided, prices are expected to embark on a recovery, fuelled by restocking.

Market figures	2Q25	2Q24	Δ%	1Q25	Δ%	1H25	1H24	Δ%
BHKP (USD/t) average price	1,177.2	1,350.6	*(12.8%)*	1,065.3	*10.5%*	1,121.7	1,233.7	*(9.1%)*
Average exchange rate (USD/€)	1.13	1.08	*4.5%*	1.05	*7.3%*	1.09	1.08	*0.6%*
BHKP (€/t) average price	1,045.5	1,253.0	*(16.6%)*	1,015.4	*3.0%*	1,030.6	1,139.9	*(9.6%)*

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 $1,177/tonne in 2Q25, down 12.8% from 2Q24 but 10.5% above the 1Q25 average.

Global market pulp cash cost curve



Source: Hawkins Wright, CIF Europe (April 2025)

Ence is repositioning itself on the global cost curve thanks to the growth of its Ence Advanced product range (32% of 1H25 sales) and the upcoming fluff pulp line (125k tonnes slated for commissioning in 4Q25). These products are substitutes for softwood products and are destined to account for over 62% of the Company's sales in 2028. With a cash cost of €488/tonne (c.$550/tonne compared to an average of $659 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

Second-quarter pulp sales volumes amounted to 242,710 tonnes, up 12.4% quarter-on-quarter but down 5.1% year-on-year. In the current price environment, Ence added 13,740 tonnes of inventories by comparison with 2Q24, when it ran down inventories, taking advantage of strong prices at the time.

	2Q25	2Q24	Δ%	1Q25	Δ%	1H25	1H24	Δ%
Pulp sales (t)	**242,710**	**255,847**	*(5.1%)*	**216,016**	*12.4%*	**458,725**	**498,573**	*(8.0%)*
Average sales price (€/t)	541.6	728.0	*(25.6%)*	558.2	*(3.0%)*	549.4	666.1	*(17.5%)*
Pulp sales revenue (€ m)	**131.5**	**186.3**	*(29.4%)*	**120.6**	*9.0%*	**252.0**	**332.1**	*(24.1%)*

Elsewhere, the average second-quarter net sales price was €542 per tonne, down 3.0% (€17/t) quarter-on-quarter and down 25.6% (€186/t) year-on-year, due to lower pulp prices and the annual adjustment of the sales discounts applied across the sector.

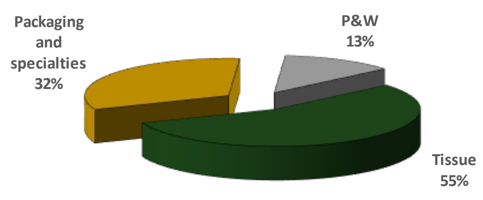
The combination of the two factors left revenue from pulp sales at €131m in 2Q25, up 9.0% from 1Q25 but down 29.4% from 2Q24.

The Ence Advanced product range continued to gain market share, in line with our targets. In 1H25 they accounted for 32% of total pulp sales, compared to 23% in 1H24.

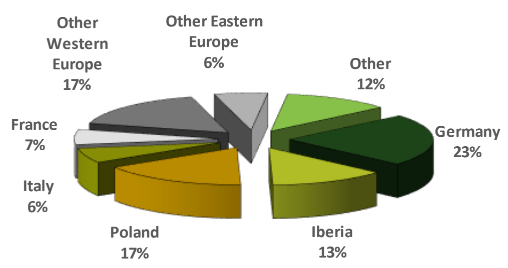
Sales of these higher-margin products are expected to account for over 62% of total pulp sales in 2028, including 125,000 tonnes of fluff pulp for absorbent hygiene products, with the new production line slated for commissioning in 4Q25. The growing share of these products in the Group's sales mix is positioning Ence as one of the most competitive BSKP 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 55% of revenue from pulp sales in 1H25, followed by the packaging and specialty paper segment, at 32%. The printing and writing paper segment accounted for the remaining 13%.

Breakdown of revenue by end product



Breakdown of revenue by geographic market



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 23% of 1H25 sales revenue, followed by Poland (17%), Iberia (13%), France (7%) and Italy (6%). The other western European countries accounted for 17% of the total, with the rest of Eastern Europe representing 6%.

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 256,450 tonnes of pulp in 2Q25, up 19.7% quarter-on-quarter due to mainly to the fact that this year, the Navia biomill was closed for maintenance in the first quarter, while in 2024 it was stopped during the second quarter. Year-on-year, pulp production was 7.7% higher.

	2Q25	2Q24	Δ%	1Q25	Δ%	1H25	1H24	Δ%
Navia pulp production	146,204	132,278	*10.5%*	110,317	*32.5%*	256,521	278,879	*(8.0%)*
Pontevedra pulp production	110,246	105,791	*4.2%*	103,935	*6.1%*	214,181	214,055	*0.1%*
Pulp production (t)	**256,450**	**238,069**	*7.7%*	**214,252**	*19.7%*	**470,702**	**492,933**	*(4.5%)*

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 4.4% (€22/t) from 1Q25 to €488/tonne, as the temporary factors that affected this metric in 4Q24, and to a lesser degree in 1Q25, gradually dissipated in 2Q25. For example, the turbine in Navia has been fully operational again since early June. Despite this reduction, the 2Q25 cash cost was still 2.9% (€14/t) above the 2Q24 equivalent.

Figures in €/t	2Q25	2Q24	Δ%	1Q25	Δ%	1H25	1H24	Δ%
Average sales price	541.6	728.0	*(25.6%)*	558.2	*(3.0%)*	549.4	666.1	*(17.5%)*
Total cash cost	487.9	474.0	*2.9%*	510.3	*(4.4%)*	498.1	480.6	*3.6%*
Operating margin	**53.7**	**254.0**	*(78.8%)*	**47.9**	*12.3%*	**51.3**	**185.5**	*(72.3%)*

The quarter-on-quarter reduction in the cash cost partially offset the decrease in the average sales price, leaving an operating profit of €54 per tonne, 12.3% (€6/t) above the 1Q25 figure. Compared to 2Q24, unit operating profit was 79% lower (€200/t lower, of which €186/t was attributable to the price effect).

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 34.6-MW lignin-fired CHP plant, integrated within the Pontevedra biomill, and a 40.3-MW CHP lignin-fired plant and a 36.7-MW biomass generation plant, both of which are integrated within the Navia biomill. Surplus energy production is sold to the grid.

Figures in € m	2Q25	2Q24	Δ%	1Q25	Δ%	1H25	1H24	Δ%
Revenues from energy sales linked to pulp (€ m)	7.1	7.3	*(2.2%)*	8.5	*(16.9%)*	15.6	16.0	*(2.2%)*
Forestry and other revenue (€ m)	7.8	6.4	*22.9%*	6.2	*26.5%*	14.0	10.8	*29.7%*
Other income	**14.9**	**13.6**	*9.5%*	**14.7**	*1.3%*	**29.6**	**26.8**	*10.7%*

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

Sales of wood generated revenue of €15m in 2Q25, up 1% from 1Q25 and growth of 10% from 2Q24.

2.5. Statement of profit or loss

EBITDA in the Pulp business amounted to €20m in 2Q25, compared to €29m in 1Q25 and €61m in 2Q24.

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 expects to collect the remaining €10m in 2H25.

In the absence of a specific applicable accounting standard, these transactions, only recently regulated, have been recognised within other operating income, based on the Group's best interpretation of prevailing accounting rules. The Spanish Institute of Auditors (ICJC) has asked the Spanish Accounting and Audit Institute (ICAC) to confirm this accounting treatment for these transactions, among other matters, and is still waiting for its pronouncement.

Elsewhere, the non-recurring extraordinary cost of higher energy purchases as a result of the stoppage of the co-generation turbine in Navia was €3m in 2Q25. Note that this effect is not included in the cash cost and that the turbine was restarted at the beginning of June.

Figures in € m	2Q25	2Q24	Δ%	1Q25	Δ%	1H25	1H24	Δ%
Pulp sales revenue	131.5	186.3	*(29.4%)*	120.6	*9.0%*	252.0	332.1	*(24.1%)*
Other income	14.9	13.6	*9.5%*	14.7	*1.3%*	29.6	26.8	*10.7%*
Total net revenue	**146.4**	**199.9**	*(26.8%)*	**135.3**	*8.2%*	**281.7**	**358.9**	*(21.5%)*
EBITDA	**20.0**	**60.9**	*(67.1%)*	**28.5**	*(29.7%)*	**48.5**	**89.7**	*(45.9%)*
Depreciation and amortisation	(13.6)	(13.6)	*(0.3%)*	(12.0)	*(13.5%)*	(25.6)	(28.7)	*10.8%*
Depletion of forestry reserves	(2.5)	(3.5)	*27.8%*	(2.7)	*8.1%*	(5.2)	(6.3)	*16.8%*
Impairment of and gains/(losses) on fixed-asset di:	0.0	(0.3)	*n.s.*	(0.1)	*n.s.*	(0.0)	(0.7)	*93.1%*
Other non-ordinary results from operations	(1.1)	(1.3)	*15.6%*	-	*n.s.*	(1.1)	(1.3)	*15.6%*
EBIT	**2.9**	**42.3**	*(93.2%)*	**13.7**	*(79.0%)*	**16.6**	**52.8**	*(68.6%)*
Net finance cost	(6.7)	(4.2)	*(61.9%)*	(4.3)	*(54.5%)*	(11.1)	(9.5)	*(16.2%)*
Other financial results	(2.6)	0.4	*n.s.*	(1.2)	*(113.5%)*	(3.8)	0.9	*n.s.*
Profit before tax	**(6.4)**	**38.5**	*n.s.*	**8.2**	*n.s.*	**1.8**	**44.2**	*(96.0%)*
Income tax	1.7	(10.1)	*n.s.*	(2.0)	*n.s.*	(0.3)	(10.1)	*96.9%*
Net Income	**(4.7)**	**28.4**	*n.s.*	**6.2**	*n.s.*	**1.5**	**34.0**	*(95.7%)*

Ence has an ongoing hedging policy designed to mitigate the impact of exchange rate volatility on its earnings. These hedges implied a gain of €2m in 2Q25 (not included in the cash cost). For 2025, it has arranged hedges over a notional amount of $300m with a weighted average ceiling of $/€1.09 and a weighted average floor of $/€1.06.

Note that under the current hedging programme, an average exchange rate of $/€1.18 in 2H25 would generate a gain of approximately €9m.

FX Hedges	1Q25	2Q25	3Q25	4Q25	FY 2025
Nominal hedged (USD Mn)	97	73	73	57	**300**
Average cap (USD / EUR)	1.09	1.09	1.10	1.08	**1.09**
Average floor (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 €3m.

Elsewhere, the Pulp business's net finance cost amounted to €7m in 2Q25. "Other finance income/(cost)" mainly presents the effect of movements in exchange rates on working capital during the period: a net loss of €3m in 2Q25.

Lastly, the tax loss implied tax income of €2m in 2Q25. 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 €16m of taxes paid unduly. Also, at 30 June 2025, the Pulp business had unused tax losses totalling €16m.

As a result, the Pulp business reported a net loss of €5m in 2Q25, compared to a net profit of €6m in 1Q25 and of €28m in 2Q24.

2.6. Cash flow analysis

Cash flows from operating activities amounted to €0.4m in 2Q25, despite a €12m increase in working capital.

Figures in € m	2Q25	2Q24	Δ%	1Q25	Δ%	1H25	1H24	Δ%
EBITDA	**20.0**	**60.9**	*(67.1%)*	**28.5**	*(29.7%)*	**48.5**	**89.7**	*(45.9%)*
Other cash adjustments	0.5	0.3	*58.1%*	(4.5)	*n.s.*	(4.0)	5.8	*n.s.*
Change in working capital	(11.9)	(27.0)	*56.0%*	(6.1)	*(94.5%)*	(18.0)	(68.5)	*73.7%*
Income tax received / (paid)	(2.5)	(1.7)	*(48.7%)*	-	*n.s.*	(2.5)	(1.7)	*(48.7%)*
Net interest received / (paid)	(5.7)	(3.1)	*(81.1%)*	(4.7)	*(22.2%)*	(10.3)	(10.6)	*2.4%*
Net cash flow from operating activities	**0.4**	**29.4**	*(98.6%)*	**13.2**	*(96.9%)*	**13.6**	**14.7**	*(7.2%)*

Working capital changes implied a cash outflow of €12m in 2Q25 due mainly to the growth in the pulp inventories and trade receivables balances, the latter associated essentially with the last sale of energy savings certificates for €13m (including VAT), pending collection at the end of the quarter.

Figures in € m	2Q25	2Q24	Δ%	1Q25	Δ%	1H25	1H24	Δ%
Inventories	(6.2)	5.8	*n.s.*	(7.5)	*18.3%*	(13.7)	(1.7)	*n.s.*
Trade and other receivables	(11.1)	(35.6)	*68.8%*	1.6	*n.s.*	(9.5)	(60.6)	*n.s.*
Financial and other current assets	-	(0.5)	*100.0%*	-	*n.s.*	-	(1.5)	*100.0%*
Trade and other payables	5.3	3.2	*67.9%*	(0.2)	*n.s.*	5.1	(4.8)	*96.0%*
Change in working capital	**(11.9)**	**(27.0)**	*56.0%*	**(6.1)**	*(94.5%)*	**(18.0)**	**(68.5)**	*91.1%*

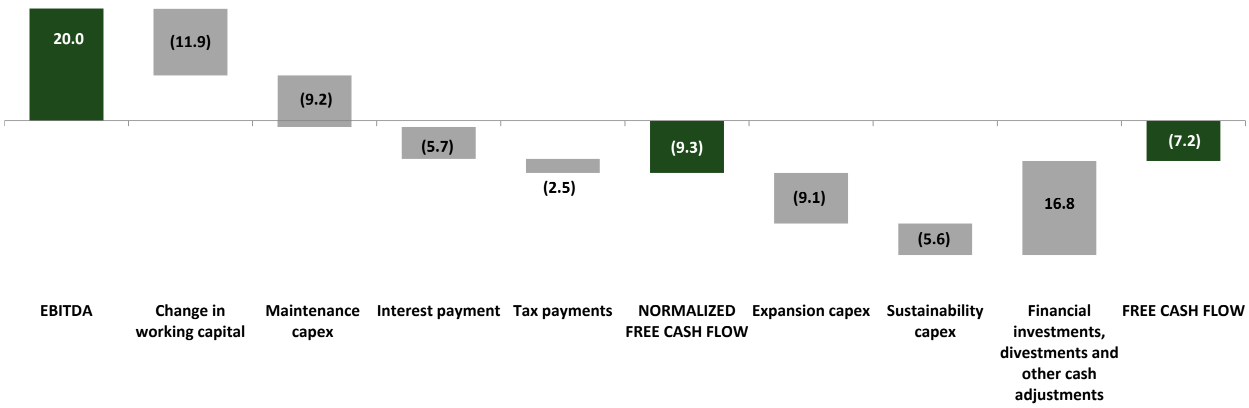
As of the June close, Ence had drawn down €102m of non-recourse receivables discounting facilities in the Pulp business, compared to €82m at the March close. Ence has also arranged several reverse factoring facilities, which were drawn down by €67m at the June close, compared to €63m at the March close. 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	2Q25	2Q24	Δ%	1Q25	Δ%	1H25	1H24	Δ%
Maintenance capex	(9.2)	(6.3)	*46.1%*	(6.2)	*49.6%*	(15.4)	(11.5)	*34.6%*
Sustainability capex and other	(5.6)	(1.9)	*191.8%*	(4.0)	*38.9%*	(9.7)	(5.1)	*88.5%*
Efficiency and expansion capex	(9.1)	(4.3)	*111.6%*	(4.3)	*108.8%*	(13.4)	(10.3)	*29.7%*
Financial investments and in Group companies	16.4	(21.6)	*n.s.*	(0.8)	*n.s.*	15.6	(21.9)	*n.s.*
Investments	**(7.5)**	**(34.2)**	*(78.0%)*	**(15.4)**	*(51.1%)*	**(22.9)**	**(48.9)**	*(53.1%)*
Disposals [1]	(0.1)	0.2	*n.s.*	0.4	*n.s.*	0.3	0.2	*82.5%*
Net cash flow used in investing activities	**(7.6)**	**(34.0)**	*(77.6%)*	**(15.0)**	*(49.1%)*	**(22.6)**	**(48.7)**	*(53.5%)*

[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 €8m in 2Q25. Maintenance capex came to €9m, while investment in sustainability and other areas amounted to €6m. The sustainability investments were earmarked to reinforcing facility safety and reducing water consumption, emissions, odour and noise at the biomills, bolstering Ence's competitiveness in the long term.

Investments in efficiency and growth amounted to €9m in 2Q25. The main investments included those related with the fluff pulp production line slated for start-up in 4Q25, the cost-cutting and decarbonisation project in Navia, the sustainable packaging initiative and the engineering work related with the Pontevedra Avanza and As Pontes projects.



As a result, normalised free cash flow in the Pulp business was negative by €9m in 2Q25, including the above-mentioned €12m increase in working capital. Free cash flow after growth and sustainability capex, financial investments, disposals and other adjustments was negative by €7m. The positive cash flow generated by financial investments, disposals and other adjustments is related with the repayment of intragroup loans (€15m) and does not impact cash generation at the consolidated level.

2.7. Change in net debt

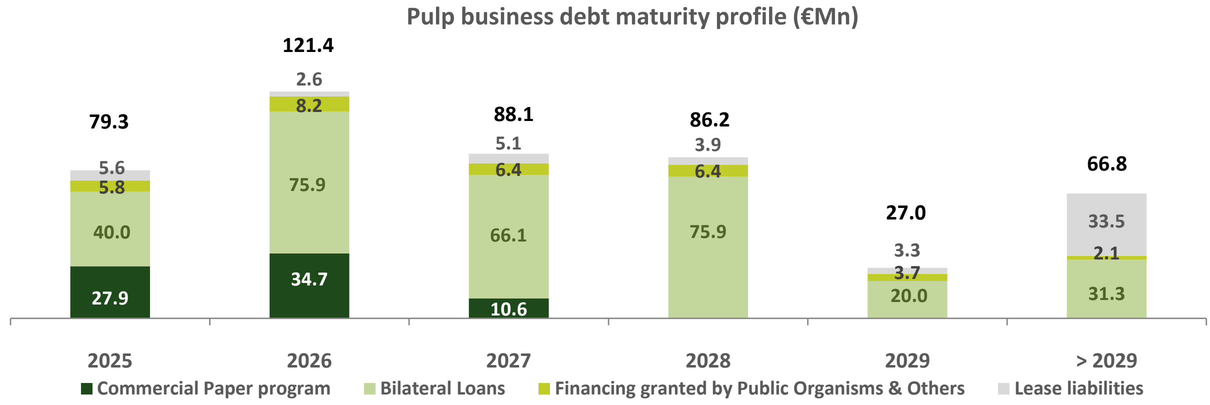
The Pulp business ended the second quarter with net debt of €256m, compared to net debt of €243m at year-end 2024 (i.e., an increase of €13m). In addition to the negative free cash flow outlined above (-€7m), other movements (related with leases, the provision for interest and equity instruments) increased net debt by €6m.

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 €213m.

Figures in € m	Jun-25	Dec-24	Δ%
Non-current financial debt	272.6	243.8	*11.8%*
Current financial debt	142.3	143.9	*(1.1%)*
Gross financial debt	**415.0**	**387.7**	*7.0%*
Non-current lease contracts	49.2	47.5	*3.5%*
Current lease contracts	4.7	5.3	*(10.8%)*
Liabilities related to lease contracts	**53.9**	**52.8**	*2.1%*
Cash and cash equivalents	210.1	184.6	*13.8%*
Short-term financial investments	2.7	13.3	*(79.6%)*
Net debt Pulp business	**256.0**	**242.6**	*5.5%*

In 2Q25, the Pulp business repaid €43m of loans and arranged new bilateral loans totalling €50m. The balance outstanding under the MARF commercial paper programme ended June at €73m.

The gross debt of €415m at the June close corresponds to the outstanding balances of: (i) bilateral loans (€309m); (ii) a series of loans totalling €33m 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 2030; and (iii) the €73m outstanding under Ence's sustainable commercial paper programme, which is being renewed and amended to extend the maturities. Finance lease liabilities stood at €54m at the June close. Debt arrangement fees are deducted from gross borrowings on the statement of financial position.



2.8. Diversification and efficiency projects

Ence's growth strategy in the Pulp business entails lifting its cost competitiveness and diversifying into the production of higher-margin pulp and products, leveraging its competitive advantages in the European market.

Firstly, 32% of 1H25 pulp sales already originated from the Ence Advanced pulp range. 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.

Secondly, our first fluff pulp production line (capacity: 125,000 tonnes) targeting the absorbent hygiene products industry in Europe, substituting imported softwood fluff pulp, is due to start up in 4Q25. In this manner, in addition to selling a higher-margin product than standard pulp, Ence will offer its customers a 'made in Europe' alternative with a smaller carbon footprint. The budgeted investment is over €30m between 2024 and 2025 and the expected return (ROCE) is at least 15%.

Combined, the Ence Advanced and fluff pulp products are expected to account for over 62% of sales in 2028. Both products, substitutes for softwood products, are positioning Ence as a leading player in cost terms relative to softwood producers.

Thirdly, Ence has developed a moulded pulp-based renewable packaging range 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 already in 2025 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%.

On the efficiency front, the Company has already embarked on its decarbonisation project for its 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.

Also, the Company is putting the finishing touches on 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 the Coruña town of As Pontes for the production of 100,000 tonnes of recycled and bleached pulp from recovered fibres, without increasing its wood consumption.

2. RENEWABLES BUSINESS

Ence conducts its renewable energy business through its subsidiary, Ence Renovables (100%-owned by Ence Energía y Celulosa), 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 developments in the pipeline with combined capacity of 100 MW with which it is entitled to participate in the future capacity tenders.

Magnon Energy Services 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 provision agreement and it has another project in progress for the supply of 85 GWht per annum from 2026. It also has another 14 projects under negotiation, of which four with aggregate estimated annual production capacity of close to 160 GWht are 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 breeding 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 with an important gas supplier for the offtake of the biomethane produced at the plant. At the reporting date, this entity also had a portfolio of 17 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

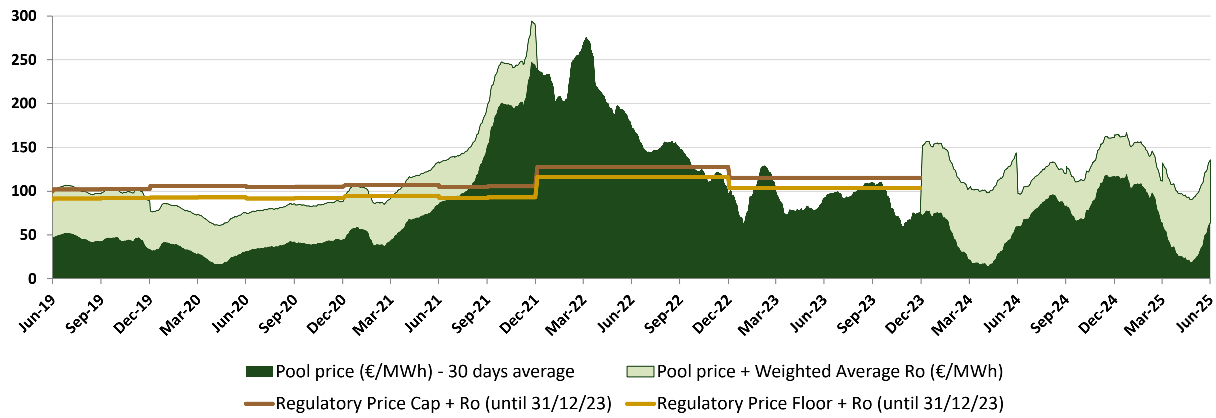
Electricity pool prices averaged €36.8/MWh in 2Q25.

Market figures	2Q25	2Q24	Δ%	1Q25	Δ%	1H25	1H24	Δ%
Average pool price (€/MWh)	36.8	33.4	*10.3%*	86.0	*(57.2%)*	61.8	39.1	*58.0%*

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 boosted revenue by €6.4m in 2Q25.

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

3.2. Revenue from energy sales

The Group sold 302,521 MWh of energy in 2Q25, marking growth of 9.0% from 1Q25, due mainly to the annual maintenance stoppages carried out in 1Q25 at the three plants located in Huelva with combined capacity of 137 MW and at the 50 MW plant in Ciudad Real, which between them account for 70% of installed capacity.

Compared to 2Q24, energy sales volumes decreased by 2.8%, due largely to the reduction in production derived from the start-up of the plants following their maintenance stoppages.

Energy operating figures	2Q25	2Q24	Δ%	1Q25	Δ%	1H25	1H24	Δ%
Huelva 41 MW - Biomass	35,545	-	*n.s.*	24,907	*42.7%*	60,453	25,698	*135.2%*
Jaén 16 MW - Biomass	16,524	19,792	*(16.5%)*	19,603	*(15.7%)*	36,126	40,332	*(10.4%)*
Ciudad Real 16 MW - Biomass	17,801	-	*n.s.*	18,303	*(2.7%)*	36,105	-	*n.s.*
Córdoba 27 MW - Biomass	45,293	42,131	*7.5%*	34,252	*32.2%*	79,545	85,598	*(7.1%)*
Huelva 50 MW - Biomass	41,300	83,842	*(50.7%)*	63,439	*(34.9%)*	104,738	153,241	*(31.7%)*
Mérida 20 MW - Biomass	31,722	28,735	*10.4%*	36,049	*(12.0%)*	67,771	50,291	*34.8%*
Huelva 46 MW - Biomass	54,745	66,292	*(17.4%)*	24,536	*123.1%*	79,280	86,457	*(8.3%)*
Ciudad Real 50 MW - Biomass	59,591	70,435	*(15.4%)*	56,346	*5.8%*	115,937	102,093	*13.6%*
Energy sales (MWh)	**302,521**	**311,227**	*(2.8%)*	**277,435**	*9.0%*	**579,956**	**543,710**	*6.7%*
Average sales price - (€/MWh)	125.0	122.3	*2.2%*	159.5	*(21.6%)*	141.5	135.3	*4.6%*
Remuneration for investment (€m)	6.4	6.1	*5.7%*	6.4	-	12.9	12.3	*4.8%*
Revenue from energy sales (€ m)	**44.3**	**44.2**	*0.2%*	**50.7**	*(12.7%)*	**94.9**	**85.9**	*10.6%*

Elsewhere, the average sales price amounted to €125.0/MWh, down 21.6% quarter-on-quarter and up 2.2% year-on-year.

The combination of the two factors drove a 12.7% reduction in revenue from energy sales quarter-on-quarter and growth of 0.2% by comparison with 2Q24.

Total revenue per MWh sold, including remuneration for investment, for operation, for adjustment services and gains on hedges, amounted to €153/MWh, down €25/MWh from 1Q25 but €10/MWh higher year-on-year.

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 supplier for the offtake of the biomethane produced at the plant.

Biomethane operating figures	2Q25	2Q24	Δ%	1Q25	Δ%	1H25	1H24	Δ%
Biomethane sales (MWh)	**7,022**		*n.s.*	**5,234**	*34.2%*	**12,256**		*n.s.*
Average sales price - (€/MWh)	92		*n.s.*	92	*(0.3%)*	92		*n.s.*
Revenue from biomethane sales (€ m)	**0.6**		*n.s.*	**0.5**	*33.8%*	**1.1**		*n.s.*

Revenue from the sale of biomethane at the La Galera plant increased by 34% from 1Q25. Production also increased by 34% quarter-on-quarter and by 124% compared to 4Q24, when the facility was acquired by Ence, thanks to the operational improvements implemented since this investment was made, measures that did not entail any capital expenditure.

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 €4m in 2Q25, including losses of €1m related with the cost of the businesses at the development and ramp-up phase (biomethane and industrial heat). Excluding the negative contribution by those other business, EBITDA in the Renewables business amounted to €5m in 2Q25, compared to €7m in 1Q25 and €7m in 2Q24.

Figures in € m	2Q25	2Q24	Δ%	1Q25	Δ%	1H25	1H24	Δ%
Revenue from energy sales (includes hedges)	44.3	44.2	*0.2%*	50.7	*(12.7%)*	94.9	85.9	*10.6%*
	0.6		*n.s.*	0.5	*33.8%*	1.1		*n.s.*
Other revenues	1.8	1.7	*3.5%*	1.2	*50.4%*	3.0	5.5	*(45.7%)*
Total revenue	**46.7**	**45.9**	*1.7%*	**52.4**	*(10.8%)*	**99.1**	**91.4**	*8.4%*
EBITDA from energy sales	4.5	6.6	*(31.4%)*	7.3	*(37.9%)*	11.8	13.5	*(12.3%)*
EBITDA from other businesses	(1.0)	(2.0)	*49.4%*	(1.3)	*22.2%*	(2.3)	(2.2)	*(3.0%)*
EBITDA	**3.5**	**4.6**	*(23.7%)*	**6.0**	*(41.3%)*	**9.5**	**11.2**	*(15.4%)*
Depreciation and amortisation	(8.3)	(8.2)	*(0.8%)*	(8.5)	*2.6%*	(16.8)	(16.4)	*(2.5%)*
Impairment of and gains/(losses) on fixed-asset disp.	0.0	1.1	*(97.0%)*	(0.1)	*n.s.*	(0.0)	1.1	*n.s.*
Other non-ordinary results from operations	-	(4.5)	*100.0%*	-	*n.s.*	-	(4.5)	*100.0%*
EBIT	**(4.7)**	**(7.0)**	*32.4%*	**(2.6)**	*(83.9%)*	**(7.3)**	**(8.6)**	*14.5%*
Net finance cost	(4.5)	(3.6)	*(22.7%)*	(4.2)	*(6.9%)*	(8.6)	(6.5)	*(31.7%)*
Other finance income/(cost)	0.0	(0.0)	*n.s.*	-	*n.s.*	0.0	(0.0)	*n.s.*
Profit before tax	**(9.2)**	**(10.6)**	*14.0%*	**(6.7)**	*(35.8%)*	**(15.9)**	**(15.1)**	*(5.3%)*
Income tax	0.6	0.4	*62.1%*	0.2	*n.s.*	0.8	0.2	*n.s.*
Net Income	**(8.5)**	**(10.3)**	*16.8%*	**(6.6)**	*(29.9%)*	**(15.1)**	**(14.9)**	*(1.5%)*
Non-controlling interests	3.7	4.5	*(18.8%)*	2.4	*50.4%*	6.1	6.6	*(7.8%)*
Attributable Net Income	**(4.9)**	**(5.8)**	*15.1%*	**(4.1)**	*(17.8%)*	**(9.0)**	**(8.3)**	*(9.0%)*

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 ministry 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 net negative impact of €1m in 2Q25, despite a gain of €2m under these hedges.

Below the EBITDA line, asset depreciation and impairment charges totalled €8m, while finance costs came to €4m, including €1m related to the unwind of the regulatory collar provision.

Tax income came to €1m in 2Q25. 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 June 2025, the Renewables business had unused tax losses totalling €21m.

As a result, the Renewables business posted an attributable net loss of €5m in 2Q25, compared to a loss of €4m in 1Q25 and of €6m in 2Q24.

3.5. Cash flow analysis

Cash flows from operating activities in the Renewables business were negative by €1m in 2Q25, despite a €3m reduction in working capital.

Figures in € m	2Q25	2Q24	Δ%	1Q25	Δ%	1H25	1H24	Δ%
EBITDA	**3.5**	**4.6**	*(23.7%)*	**6.0**	*(41.2%)*	**9.5**	**11.2**	*(15.4%)*
Other cash adjustments	(0.3)	(0.6)	*59.8%*	(0.8)	*66.8%*	(1.0)	(1.6)	*33.8%*
Change in working capital	2.5	15.3	*(83.5%)*	(2.3)	*n.s.*	0.3	(8.9)	*n.s.*
Income tax received / (paid)	0.0	(0.5)	*n.s.*	0.3	*(86.5%)*	0.3	(0.3)	*n.s.*
Net interest received / (paid)	(6.6)	(5.1)	*(29.7%)*	(1.4)	*n.s.*	(8.0)	(6.7)	*(19.5%)*
Net cash flow from operating activities	**(0.8)**	**13.6**	*n.s.*	**1.8**	*n.s.*	**1.0**	**(6.3)**	*n.s.*

The reduction in trade receivables coupled with the increase in trade payables amply offset the increase in inventories, yielding a cash inflow from working capital changes of €3m in 2Q25.

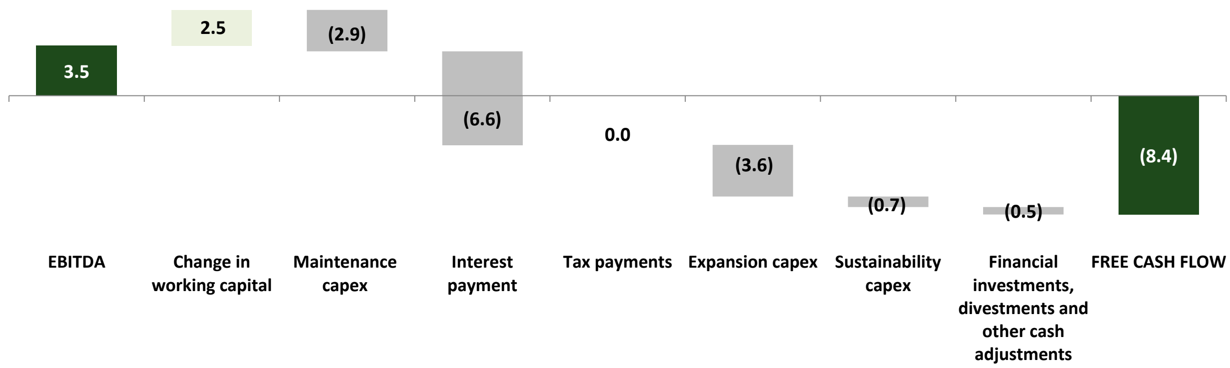
Figures in € m	2Q25	2Q24	Δ%	1Q25	Δ%	1H25	1H24	Δ%
Inventories	(4.8)	(3.0)	*(63.5%)*	(2.7)	*(79.6%)*	(7.5)	(0.6)	*n.s.*
Trade and other receivables	4.3	10.3	*(57.9%)*	9.9	*(56.1%)*	14.2	(16.4)	*n.s.*
Current financial and other assets	-	-	*n.s.*	-	*n.s.*	-	-	*n.s.*
Trade and other payables	3.0	7.9	*(62.0%)*	(9.5)	*n.s.*	(6.5)	8.1	*n.s.*
Change in working capital	**2.5**	**15.3**	*(83.5%)*	**(2.3)**	*n.s.*	**0.3**	**(8.9)**	*n.s.*

As of the June close, the Group had drawn down €16m of non-recourse receivables discounting facilities in the Renewables business, whereas at the end of the previous quarter these facilities remained undrawn. Magnon has arranged several non-recourse reverse factoring facilities, which were drawn down by €19m at the June close, compared to €20m at the March 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	2Q25	2Q24	Δ%	1Q25	Δ%	1H25	1H24	Δ%
Maintenance capex	(2.9)	(2.6)	*(13.1%)*	(2.0)	*(49.3%)*	(4.9)	(3.0)	*(65.3%)*
Sustainability capex and other	(0.7)	(0.5)	*(41.4%)*	(0.4)	*(89.2%)*	(1.1)	(0.9)	*(29.4%)*
Efficiency and expansion capex	(3.6)	(3.2)	*(14.6%)*	(2.1)	*(72.9%)*	(5.7)	(5.1)	*(12.8%)*
Financial investments and in Group companies	(0.3)	(1.4)	*76.1%*	(1.8)	*80.9%*	(2.2)	(0.7)	*(191.1%)*
Investments	**(7.6)**	**(7.7)**	*1.1%*	**(6.3)**	*(22.1%)*	**(13.9)**	**(9.7)**	*(43.4%)*
Disposals	0.1	0.9	*(91.3%)*	0.1	*9.9%*	0.1	0.9	*(83.4%)*
Net cash flow from investing activities	**(7.6)**	**(6.8)**	*(10.8%)*	**(6.2)**	*(22.2%)*	**(13.7)**	**(8.8)**	*(56.3%)*

Cash used in investing activities in the Renewables business totalled €8m in 2Q25. Maintenance capex amounted to €3m, while payments for sustainability-related investments came to €1m. The sustainability investments were earmarked to reinforcing facility safety and reducing dust, odour, noise and water consumption at the energy plants, bolstering their competitiveness in the long term. The investments in efficiency and growth amounted to €4m in 2Q25 and were mainly related with the development of the biomethane and renewable thermal energy projects. Lastly, financial investments and investments in group companies totalled €0.3m in 2Q25.

As a result, free cash flow in the Renewables business was negative by €8m in 2Q25.



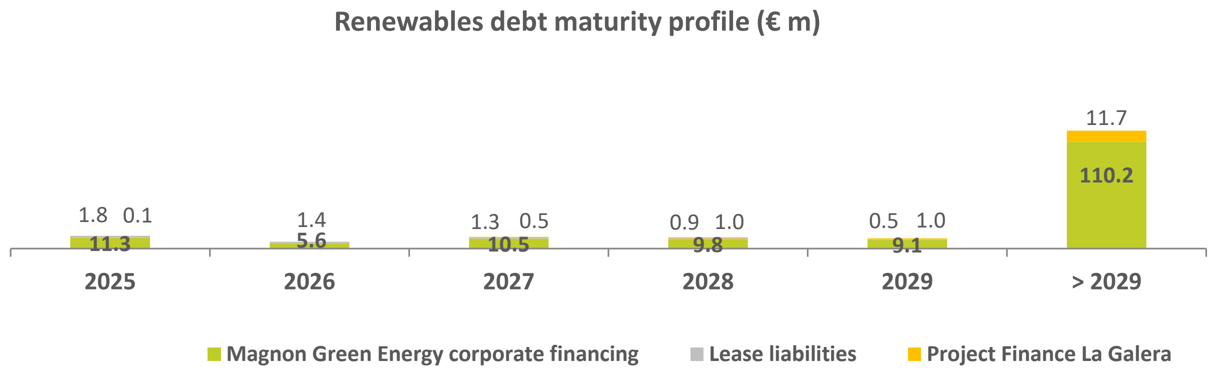
3.6. Change in net debt

The Renewables business ended the second quarter with net debt of €106m, compared to net debt of €79m at year-end 2024 (i.e., an increase of €28m).

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

Figures in € m	Jun-25	Dec-24	Δ%
Non-current financial debt	159.4	151.2	*5.5%*
Current financial debt	11.2	11.3	*(0.3%)*
Gross financial debt	**170.7**	**162.4**	*5.1%*
Non-current lease contracts	4.2	4.0	*5.8%*
Current lease contracts	1.8	1.8	*0.4%*
Liabilities related to lease contracts	**6.0**	**5.7**	*4.2%*
Cash reserve for debt service	11.5	10.0	*14.5%*
Cash and cash equivalents	58.7	79.4	*(26.1%)*
Short-term financial investments	0.1	0.2	*(67.6%)*
Net debt Renewable business	**106.5**	**78.6**	*35.5%*

In January 2025, project finance was put in place 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 June 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 in the process of developing biomethane and biofertiliser plants, underpinned by a model based on sustainable and circular management of agricultural and breeding 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, also signing a 15-year agreement with an important gas supplier for the offtake of the biomethane produced at the plant. At the June close, the Renewables business also had a portfolio of 17 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 Energy Services, 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 build renewable thermal energy production capacity of 2,000 GWh by 2030, at 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 beer maker in Spain for the installation of two 10 MWt biomass furnaces that will supply it with 85 GWht of renewable thermal energy per annum for 15 years in order to decarbonise its operations. 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%. That figure already discounts the €4m grant awarded under Spain's strategic decarbonisaton plan using NGEU funds, which will be collected when the project is complete.

This company also has a services agreement in operation and another 14 projects under negotiation, of which four with aggregate annual production capacity of an estimated 160 GWht are at an advanced stage.

Note, lastly, that agricultural, forestry and breeding biomass is the main source of biogenic CO_2, a raw material needed to produce green fuels. The Ence Group produces close to 4 million tonnes of biogenic CO_2 annually and is advancing on the engineering and permitting work needed for its potential capture and use in the future.

3. CONSOLIDATED FINANCIAL STATEMENTS

4.1. Summarised statement of profit or loss

	1H25				1H24			
Figures in € m	Pulp	Renewables	Adjustments	Consolidated	Pulp	Renewables	Adjustments	Consolidated
Total revenue	**281.7**	**99.1**	**(1.6)**	**379.2**	**358.9**	**91.4**	**(1.8)**	**448.5**
Foreign exchange hedging operations results	1.0	0.5	-	1.5	0.3	-	-	0.3
Other income	54.6	3.0	(0.7)	56.9	10.9	2.6	(0.6)	12.9
Cost of sales and change in inventories of finished produ	(172.6)	(33.9)	1.6	(205.0)	(176.2)	(34.4)	1.8	(208.8)
Personnel expenses	(46.1)	(12.2)	-	(58.4)	(45.8)	(11.4)	-	(57.2)
Other operating expenses	(70.0)	(46.8)	0.7	(116.2)	(58.4)	(36.9)	0.6	(94.7)
EBITDA	**48.5**	**9.5**	**0.0**	**58.0**	**89.7**	**11.2**	**0.0**	**100.9**
Depreciation and amortisation	(25.6)	(16.8)	0.8	(41.6)	(28.7)	(16.4)	0.8	(44.3)
Depletion of forestry reserves	(5.2)	(0.0)	-	(5.3)	(6.3)	-	-	(6.3)
Impairment of and gains/(losses) on fixed-asset disposals	(0.0)	(0.0)	-	(0.1)	(0.7)	1.1	-	0.4
Other non-ordinary operating gains/(losses)	(1.1)	-	-	(1.1)	(1.3)	(4.5)	-	(5.7)
EBIT	**16.6**	**(7.3)**	**0.8**	**10.1**	**52.8**	**(8.6)**	**0.8**	**45.0**
Net finance cost	(11.1)	(8.6)	-	(19.7)	(9.5)	(6.5)	-	(16.1)
Other finance income/(costs)	(3.8)	0.0	-	(3.7)	0.9	(0.0)	-	0.9
Profit before tax	**1.8**	**(15.9)**	**0.8**	**(13.3)**	**44.2**	**(15.1)**	**0.8**	**29.9**
Income tax	(0.3)	0.8	-	0.3	(10.1)	0.2	-	(10.0)
Net Income	**1.5**	**(15.1)**	**0.7**	**(13.0)**	**34.0**	**(14.9)**	**0.7**	**19.8**
Non-controlling interests	-	6.1	-	6.1	-	8.2	(1.6)	6.6
Atributable Net Income	**1.5**	**(9.0)**	**0.7**	**(6.9)**	**34.0**	**(6.7)**	**(0.8)**	**26.5**
Earnings per Share (EPS)	0.01	(0.04)	0.00	(0.03)	0.14	(0.03)	(0.00)	0.11

4.2. Summarised statement of financial position

	Jun-25				Dec-24			
Figures in € m	Pulp	Renewables	Adjustments	Consolidated	Pulp	Renewables	Adjustments	Consolidated
Intangible assets	20.5	56.9	(11.3)	66.1	19.2	57.2	(11.6)	64.9
Property, plant and equipment	630.3	368.1	(5.9)	992.5	608.6	372.4	(6.4)	974.6
Biological assets	65.2	0.2	-	65.5	66.1	0.3	-	66.3
Non-current investments in Group companies	114.0	0.0	(114.0)	0.1	114.0	0.6	(114.0)	0.7
Non-current borrowings to Group companies	51.2	1.0	(51.2)	1.0	65.7	-	(65.7)	-
Deferred tax assets	32.4	24.2	2.8	59.4	35.2	23.9	2.9	62.0
Non-current financial assets	20.2	28.9	(11.5)	37.6	19.5	20.3	-	39.8
Cash reserve for debt service	-	-	11.5	11.5	-	10.0	-	10.0
Total non-current assets	**933.9**	**479.3**	**(179.6)**	**1,233.7**	**928.3**	**484.7**	**(194.8)**	**1,218.3**
Inventories	100.4	21.5	-	121.9	82.1	12.5	-	94.6
Trade and other accounts receivable	44.0	23.2	(1.9)	65.3	39.5	36.0	(6.0)	69.4
Income tax	5.3	1.0	-	6.3	5.3	1.3	-	6.6
Other current assets	25.9	3.1	-	29.0	15.7	0.3	-	16.1
Hedging derivatives	9.3	0.0	(0.0)	9.3	0.0	-	-	-
Current financial investments in Group companies	0.2	1.2	(1.3)	0.0	0.2	0.7	(0.8)	0.0
Current financial investments	2.7	0.1	-	2.8	13.3	0.2	-	13.6
Cash and cash equivalents	210.1	58.7	-	268.8	184.6	79.4	-	263.9
Total current assets	**397.8**	**108.8**	**(3.2)**	**503.4**	**340.7**	**130.4**	**(6.9)**	**464.2**
TOTAL ASSETS	**1,331.8**	**588.1**	**(182.8)**	**1,737.1**	**1,269.0**	**615.1**	**(201.6)**	**1,682.4**
Equity attributable to the Parent	572.0	86.8	(128.3)	530.5	559.1	95.6	(129.0)	525.6
Minority interest	-	91.1	-	91.1	-	97.1	-	97.1
Total Equity	**572.0**	**177.9**	**(128.3)**	**621.6**	**559.1**	**192.6**	**(129.0)**	**622.6**
Non-current loans with Group companies and associates	-	80.2	(51.2)	29.0	-	94.7	(65.7)	29.0
Non-current borrowings	321.9	163.6	-	485.5	291.3	155.1	-	446.4
Non-current derivatives	1.6	1.2	(0.0)	2.8	2.2	1.8	-	4.0
Deferred tax liabilities	-	-	-	-	-	-	-	-
Non-current provisions	28.9	1.0	-	29.9	28.9	0.6	-	29.5
Other non-current liabilities	35.6	68.0	-	103.7	33.8	71.9	-	105.7
Total non-current liabilities	**388.0**	**314.1**	**(51.3)**	**650.8**	**356.2**	**324.2**	**(65.7)**	**614.7**
Current borrowings	147.0	13.0	0.0	160.0	149.2	13.0	-	162.2
Current derivatives	1.5	1.2	-	2.7	6.9	1.1	-	8.0
Trade and other account payable	184.9	75.4	(1.9)	258.4	166.4	80.2	(6.0)	240.6
Short-term debts with group companies	1.2	1.9	(1.4)	1.7	0.7	1.0	(0.8)	0.9
Income tax	1.2	0.0	-	1.3	0.0	0.0	-	0.0
Current provisions	36.0	4.7	-	40.6	30.5	3.0	-	33.5
Total current liabilities	**371.8**	**96.1**	**(3.2)**	**464.6**	**353.7**	**98.3**	**(6.9)**	**445.1**
TOTAL EQUITY AND LIABILITIES	**1,331.8**	**588.1**	**(182.8)**	**1,737.1**	**1,269.0**	**615.1**	**(201.6)**	**1,682.4**

The pulp business includes, among its investments, the higher relative cost associated with the Navia 80 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.

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4.3. Statement of cash flows

Figures in € m	1H25 Pulp	1H25 Renewables	1H25 Adjustments	1H25 Consolidated	1H24 Pulp	1H24 Renewables	1H24 Adjustments	1H24 Consolidated
Consolidated profit/(loss) for the period before tax	**1.8**	**(15.9)**	**0.8**	**(13.3)**	**44.2**	**(15.1)**	**0.8**	**29.9**
Depreciation and amortisation	30.8	16.8	(0.8)	46.8	35.0	16.4	(0.8)	50.6
Changes in provisions and other deferred expense	(0.1)	2.0	0.1	2.0	7.1	1.2	-	8.3
Impairment of gains/(losses) on disposals intangible asset	0.3	0.0	-	0.4	0.7	(1.1)	-	(0.4)
Net finance result	13.1	8.6	0.0	21.7	8.9	6.6	-	15.4
Energy regulation adjustments	(1.1)	(3.0)	0.0	(4.1)	0.2	1.8	-	2.0
Government grants taken to income	(0.3)	(0.1)	-	(0.3)	(0.5)	(0.1)	-	(0.6)
Adjustments to profit	**42.7**	**24.4**	**(0.7)**	**66.4**	**51.3**	**24.8**	**(0.8)**	**75.3**
Inventories	(13.7)	(7.5)	-	(21.2)	(1.7)	(0.6)	-	(2.3)
Trade and other receivables	(9.5)	14.2	(4.5)	0.3	(60.6)	(16.4)	6.0	(71.0)
Current financial and other assets	-	-	-	-	(1.5)	(0.0)	0.0	(1.6)
Trade and other payables	5.1	(6.4)	4.4	3.1	(4.8)	8.1	(6.0)	(2.7)
Changes in working capital	**(18.0)**	**0.3**	**(0.1)**	**(17.9)**	**(68.5)**	**(9.0)**	**-**	**(77.5)**
Interest paid	(10.3)	(8.0)	-	(18.3)	(10.6)	(6.7)	-	(17.3)
Dividends received	-	-	-	-	-	-	-	-
Income tax received/(paid)	(2.5)	0.3	-	(2.2)	(1.7)	(0.3)	-	(2.0)
Other collections/(payments)	0.0	-	-	0.0	-	-	-	-
Other cash flows from operating activities	**(12.8)**	**(7.7)**	**-**	**(20.5)**	**(12.3)**	**(7.0)**	**-**	**(19.3)**
Net cash flow from operating activities	**13.7**	**1.0**	**-**	**14.7**	**14.7**	**(6.3)**	**-**	**8.4**
Property, plant and equipment	(35.8)	(10.7)	-	(46.5)	(24.6)	(8.1)	-	(32.6)
Intangible assets	(2.7)	(1.0)	-	(3.7)	(2.4)	(0.9)	-	(3.2)
Other financial assets and Group companies	15.6	(2.2)	(14.0)	(0.6)	(21.9)	(0.7)	22.5	(0.2)
Disposals [1]	0.3	0.1	-	0.4	0.2	0.9	(0.0)	1.1
Net cash flow used in investing activities	**(22.6)**	**(13.7)**	**(14.0)**	**(50.4)**	**(48.7)**	**(8.8)**	**22.5**	**(35.0)**
							-	
Free cash flow	**(9.0)**	**(12.7)**	**(14.0)**	**(35.7)**	**(34.0)**	**(15.1)**	**22.5**	**(26.6)**
Buyback/(disposal) of own equity instruments	(0.7)	-	-	(0.7)	1.4	-	-	1.4
Proceeds from and repayments of financial liabilities	24.7	(8.0)	14.0	30.7	(58.0)	39.8	(22.5)	(40.6)
Dividends payments	(0.0)	-	0.0	-	-	-	-	-
Net cash flow from/ (used in) financing activities	**24.0**	**(8.0)**	**14.0**	**30.0**	**(56.5)**	**39.8**	**(22.5)**	**(39.2)**
Net increase/(decrease) in cash and cash equivalents	**15.1**	**(20.7)**	**-**	**(5.6)**	**(90.6)**	**24.8**	**-**	**(65.8)**

4. KEY DEVELOPMENTS

Sale of energy savings certificates

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, also known as white 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 white 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 expects to collect the remaining €10m in 2H25.

In the absence of a specific applicable accounting standard, these transactions, only recently regulated, have been recognised within other operating income, based on the Group's best interpretation of prevailing accounting rules. The Spanish Institute of Auditors (ICJC) has asked the Spanish Accounting and Audit Institute (ICAC) to confirm this accounting treatment for these transactions, among other matters, and is still waiting for its pronouncement.

2025 Annual General Meeting

Ence held its Annual General Meeting on 3 April 2025. The agenda motions ratified were:

1) Examination and ratification of the annual financial statements and management reports of ENCE ENERGÍA Y CELULOSA, S.A. and of its consolidated group for the year ended 31 December 2024.
2) Examination and ratification of the Group's non-financial information statement (2024 Sustainability Report) for the year ended 31 December 2024.
3) Examination and ratification of the motion for the appropriation of the earnings of ENCE ENERGÍA Y CELULOSA, S.A. for the year ended 31 December 2024.
4) Examination of and grant of discharge for the performance of the Board of Directors of ENCE ENERGÍA Y CELULOSA, S.A. during the year ended 31 December 2024.
5) Re-election of the following directors:
    - Ángel Agudo Valenciano as proprietary director.
    - Fernando Abril-Martorell Hernández as other external director.
    - José Guillermo Zubía Guinea as other external director.
    - Irene Hernández Álvarez as independent director.
    - Carmen Aquerreta Ferraz as independent director.
    - María de la Paz Robina Rosat as independent director.

   Appointment of María Samoilova as independent director.
6) Re-election of the auditor of the Company and its consolidated Group.
7) Appointment of the entity engaged to independently assure the non-financial information statement of the Company and its consolidated Group.
8) Delegation of powers in the Board of Directors to interpret, supplement, rectify, execute and formalise the resolutions ratified at the Annual General Meeting.
9) Advisory vote on the annual report on director remuneration for 2024.

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 1H25, the Company embarked on a review of its materiality assessment with a view to incorporating the results in the next 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. It is also traded as part of BME's IBEX ESG. To be eligible for this index, in addition to being traded as part of the main IBEX 35 or IBEX Medium Cap indices, candidates must have an ESG rating of C+ or higher (out of 12 possible ratings which run from A+ to D-). Moreover, they must uphold the principles enshrined in the United Nations Global Compact and revenue from certain critical activities may not exceed specific thresholds.

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**, in 1H25, Ence's injury metrics were very much in line with the 2024 figures, which were the best in the last 10 years and clearly above the benchmarks in the pulp and paper and broader industrial sectors in Spain. In addition, the Pulp, Forestry Purchases, Biomass Supplies and Forest Assets business units improved on last year's performance in 1H25.

In the Pulp business, the Navia biomill was stopped for its annual maintenance work in March, which was carried out with excellent results safety-wise: 55 particularly risky interventions took place without recording any injuries, thanks to the focus the Company places on discipline and supervision, as evidenced by the 1,195 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 somewhat from 2024, with three lost-time injuries recorded in 1H25. The 2nd Safety and Environment Day, held in June, focused on analysing the current situation and sharing the investigations into the various accidents (with and without lost time) with the aim of formulating an action plan and reducing injuries, as well as reinforcing key procedures by means of a training programme slated for launch in July.

In terms of the Group's **environmental performance**, it is worth noting the progress 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 has begun. In addition, the Group has managed to have the ash produced at a second furnace in Huelva categorised as a 'subproduct' so that it can be used to refill mines.

In the Pulp business, the Navia biomill has embarked on a project with a local cement maker which aims to recover the biomill's lime sludge for making cement. Almost 700 tonnes of sludge were processed in 1H25. The goal of this R&D project is to recover at least 6,000 tonnes. Note, further, that all 1,600 tonnes of the slag generated 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).

As part of its circular economy transition, 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 June close, all of the Group's facilities boasted that certification. In that same vein, Magnon has also renewed its AENOR's Circular Strategy certificate.

Operationally, the Enemansa energy plant was restarted in January 2025 without any environmental incidents, after several years of inactivity.

Note that the Navia biomill also ended the second quarter without recording a single minute of odour emissions, endorsing 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 more certifications certifying the sustainability of the fluff pulp which the Navia biomill plans to begin to produce towards the end of this year.

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, by the end of the second quarter, in line with the Decarbonisation Plan timeline, the Navia biomill had completed phase one, replacing the use of natural gas in the lime kilns with biomass (sawdust), and continues to work on phase two, which calls for substituting more natural gas with sawdust. 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. Elsewhere, at the Pontevedra biomill, similar plans and initiatives to those being carried out in Navia are underway 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 to set down the Company's principles and commitments in this area.

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 CO_2, 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 2Q25, work began 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. The biodiversity plan also includes awareness and communication initiatives so as to create a culture of biodiversity protection among all employees. Under the scope of this plan, Ence has set medium-term targets (for 2028) and incorporated recently approved regulatory developments, including those emanating from the EU Regulation on Deforestation-free products, the CSRD Directive with respect to the prevention and mitigation of impacts on biodiversity and the EU Nature Restoration Regulation.

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 CO_2) 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. Sales of those special pulp grades accounted for 32% of the total in 1H25.

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 y https://www.environdec.com/library/epd6639
(2) https://www.environdec.com/library/epd7965

The Company plans to start to produce eucalyptus fluff pulp at the Navia biomill in 2025. Work has begun in 2025 on securing 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 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 project being championed by Ence 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. In 1H25, the regional government of Galicia officially published its favourable environmental impact statement for this strategic industrial project consisting of a bleached recycled biofibre plant and its auxiliary facilities. Receipt of this environmental green light endorses the project’s 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 1 TWh of generation capacity by 2030. As of the June close, Ence had one plant up and running, 17 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 Energy Services (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. MSE already has one facility in operation and in 1Q25 began work on a second facility, while continuing to make progress on permitting another nine projects.

Lastly, 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 2024, Ence concluded the development and commercialisation of three new eucalyptus clones, so meeting the target set for that year. In 2025, it is working to develop one more clone.

Lastly, Ence is looking to monetise the **ecosystem services** provided by the forests it owns, with a focus on carbon capture. To that end, it is working on the design and registry of 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 second quarter 2025, it had registered over 2,000 hectares of forest sinks in the voluntary scheme operated by the Spanish Climate Change Office and continues to work on increasing that surface area by adopting additional biodiversity criteria.

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 June 2025, close to 90% of its forest assets (out of total certifiable assets) were certified under one or other of those schemes and 74% of the wood that entered its biomills during the period from its proprietary forests, suppliers and forest owners came with one or both certifications.

Ence also ensures that the **biomass** used in its energy generation plants is sustainable by means of the SUstainable REsources Verification Scheme (SURE), thereby complying with the European Renewable Energy Directive (RED II). All of its facilities were SURE-certified as of 30 June 2025. In 1H25, Ence also obtained PEFC certification for its biomass trading activity.

In terms of **supply chain supervision**, in 2Q25, Ence continued to make progress on a digital platform for analysing ESG risks in the value chain, having already added nearly 1,100 entities whose ESG risks are currently being assessed, with the aim of lifting this figure to 1,500 by the end of the year. This initiatives 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 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 27.3% of the workforce as of the June 2024 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 second quarter, the percentage of female executives (including managers) stood at 30.4%, in line with the target for the year.

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 1H25, 37.9% 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 them to assume new responsibilities in the future. The Group imparted 14,131 hours of training in 1H25. 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 local communities**, Ence continues to invest in them, framed by the agreements in place with local councils in the towns where it has its main facilities. Ence supports projects of a social, environmental and sporting nature and work to foster social inclusion and entrepreneurship. A total of 286 projects benefitted from the grants awarded by the Company under the last edition (2024) of the Ence Pontevedra Community Plan, endowed with €3 million annually. The main goal of this initiative is to foster the development and wellbeing of people in Pontevedra and the surrounding area. As for the types of projects subsidised, the highest number of beneficiaries involved grassroots and elite sports projects (116 projects), followed by cultural initiatives (57) and social inclusion projects (48). Another 45 projects related with environmental recovery and care were approved, while 21 of the winners had to do with entrepreneurship and innovation. The next edition of this plan was launched in 2H25 for completion by year-end.

In addition to the above community investments, Ence rolls out specific community relations plans with the aim of educating local residents and other stakeholders about the Company's activities. In 1H25, Ence welcomed over 700 visitors to its facilities in Navia, Pontevedra, Puertollano and Huelva and held more than 40 meetings with representatives from a range of stakeholders.

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 in 1H25. Nine calls for the Talento Programme were also organised at different facilities in 1H25.

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 1H25, Ence provided advice to over 500 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. During the first half of 2025, the Ethics and Compliance Department undertook 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, 28 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 published six editions of the Ethics and Compliance Newsletter, which is sent to the entire workforce monthly.

On the training front, in 1H25, 59% of the workforce received compliance-related trading 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. Ence is set to publish training on defence competition based on the new policy to be approved in July, along with a Competition Conduct Manual and Protocol.

The Company also worked on a new project in 1H25 designed to reinforce 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.

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.

In terms of internal policies and procedures, the Board is scheduled to approve 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 was updated and the Donations, Sponsorships and Alliances Procedure, the Private and Public Sector Gifting and Courtesies Corporate Procedure and the Internal Whistleblowing Procedure are in the process of being updated.

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 is 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.

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
- ✓ Navia technical shutdown completed without accidents

Odour reduction

- ✓ Navia's biofactory closes the first semester 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

Bioproducts & ecosystem services
Potential for topline improvement

Differentiated pulp products with higher added value

- ✓ **32% of total sales** of Products with higher and growing margins
- ✓ **2 new Sustainability certifications for fluff Pulp**
- ✓ **1st Carbon neutral product** (Naturcell Zero)

Forestry bioproducts and ecosystem services

- ✓ **Improved plant material, better adapted to climate change: 1** new Eucalyptus clone in development to be ready for commercial phase in 2025
- ✓ **More than 2,100 ha of forest sinks** registered in the OECC voluntary market

Responsible supply chain
To become preferred supplier

Certified supply chain

- ✓ **>89%** of managed land certified
- ✓ **74%** 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 1000 suppliers analyzed in the first semester
- ✓ Implementation of tools to comply with the **EUDR Regulation** against deforestation

Positive social impact
To grant business sustainability

Talent as a competitive advantage

- ✓ **27,3% female employees**
- ✓ **30,4% females in managerial positions**
- ✓ 37,9% 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 to3M€),launched in June for the sponsoring of social projects

Promoting professional development in rural communities

- ✓ **More than 500 technical advice sessions** with Forest owners
- ✓ New edition of the **Forestry machinery training program**

APPENDIX 2: REMUNERATION PARAMETERS APPLICABLE TO THE POWER GENERATION PLANTS

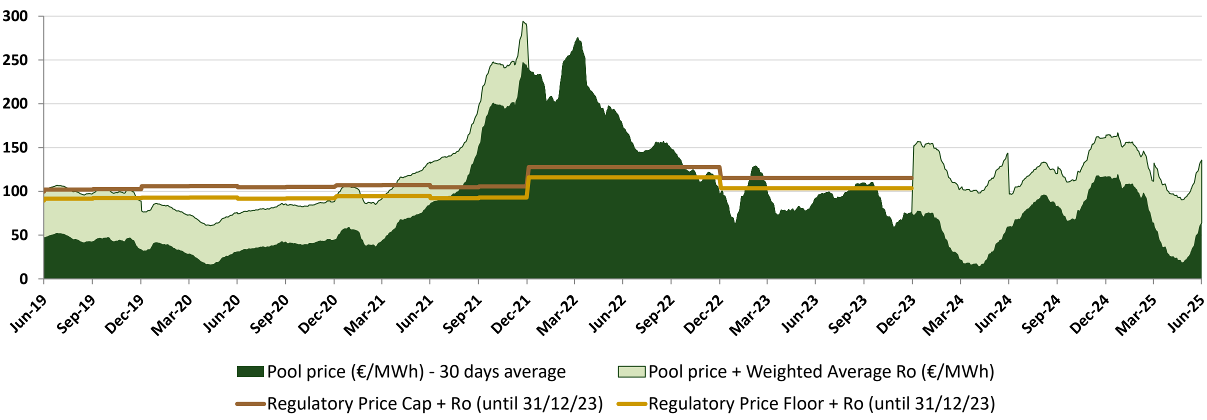
Facility	Type of facility	MW	FY25 Remuneration for investment in P&L (Ri; €/MW)	Type of fuel	Remuneration for operation FY2025 (Ro; €/MWh)	Sale hours limit under regulated price	Regulatory life (year of maturity)
Pontevedra	Biomass co-generation	34.6	-	Lignin	-	6,500	2032
	Biomass generation		45,900	Agroforestry biomass	0.3	7,500	
Navia	Biomass co-generation	40.3	-	Lignin	-	6,500	2034
	Biomass generation	36.2	206,572	Agroforestry biomass	58.7	7,500	
Huelva 41MW	Biomass generation	41.0	41,642	Agroforestry biomass	67.5	7,500	2025
Jaen 16MW	Biomass generation	16.0	124,441	Olive Pulp	41.3	7,500	2027
Ciudad Real 16MW	Biomass generation	16.0	124,441	Olive Pulp	42.8	7,500	2027
Cordoba 27MW	Biomass generation	14.3	184,142	Olive Pulp	52.1	7,500	2031
	Gas co-generation	12.8	-	Natural Gas	133.5	6,537	2030
Huelva 50MW	Biomass generation	50.0	240,787	Agroforestry biomass	55.9	7,500	2037
Mérida 20MW	Biomass generation	20.0	266,931	Agroforestry biomass	55.6	7,500	2039
Huelva 46 MW	Biomass generation	46.0	-	Agroforestry biomass	58.6	7,500	2044
Ciudad Real 50 MW	Biomass generation	50.0	-	Agroforestry biomass	54.8	7,500	2044

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)

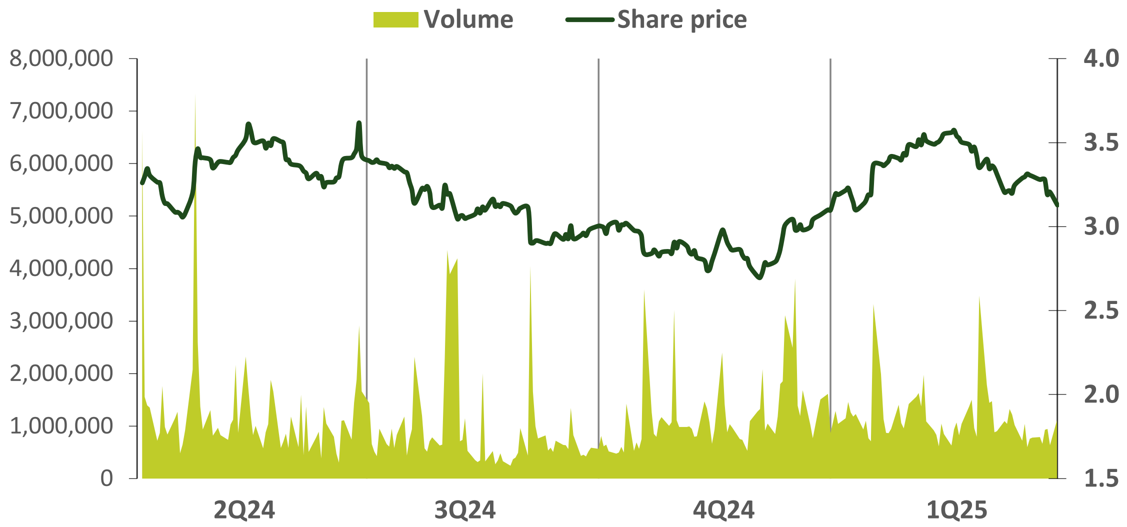


3. All of Magnon Green Energy’s plants are also prepared to provide the electricity system operator with **back-up services**, so generating and additional source of income.
4. Both the remuneration for investment and the regulated sale price are subject to a **levy on the value of electric energy produced 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 the first quarter at €2.90/share, down 7.2% from 31 March 2025, while its closest traded comparables sustained a share price correction of 10.9% on average during that same period.



SHARES	2Q24	3Q24	4Q24	1Q25	2Q25
Share price at the end of the period	3.42	3.00	3.10	3.13	2.90
Market capitalization at the end of the period	842.7	739.8	763.0	770.3	715.2
Ence quarterly evolution	6.1%	(12.2%)	3.1%	1.0%	(7.2%)
Daily average volume (shares)	1,319,780	938,414	1,202,424	1,157,163	1,043,089
Peers quarterly evolution *	(6.8%)	(6.6%)	2.0%	(1.9%)	(10.5%)

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

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 half of 2025 and the comparison with the 1H24 figure. The criteria used to determine this metric were the same in both periods:

			1H25				1H24			
	Unit	Source Financial Statement	Pulp	Renewable Energy	Adjustments & Eliminations	CONSOLIDATED TOTAL	Pulp	Renewable Energy	Adjustments & Eliminations	CONSOLIDATED TOTAL
OPERATING PROFIT/(LOSS)	€ m	P&L	16.6	(7.3)	0.8	10.1	52.8	(8.6)	0.8	45.0
Depreciation and amortisation charges	€ m	P&L	25.6	16.8	(0.8)	41.6	28.7	16.4	(0.8)	44.3
Depletion of forest reserve	€ m	P&L	5.2	0.0	-	5.3	6.3	-	-	6.3
Impairment of and gains/(losses) on disposal of fixed assets	€ m	P&L	0.0	0.0	-	0.1	0.7	(1.1)	-	(0.4)
Other non-ordinary results from operations	€ m	APM	1.1	-	-	1.1	1.3	4.5	-	5.7
EBITDA	**€ m**		**48.5**	**9.5**	**-**	**58.0**	**89.7**	**11.2**	**-**	**100.9**

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 half of 2025 and the comparison with the 1H24 figure. The criteria used to determine this metric were the same in both periods:

	Unit	Source Financial Statement	1H25 Pulp	1H24 Pulp
Revenue from pulp sales	€ m	P&L	252.0	332.1
EBITDA	€ m	APM	48.5	89.7
Total costs (Revenue - EBITDA)	€ m		203.5	242.4
Gains/(losses) on hedging transactions	€ m	APM	1.0	0.3
Depletion of forest reserve	€ m	P&L	5.2	6.3
Change in inventories	€ m	P&L	2.9	(0.9)
Other income and expenses	€ m		20.9	(10.9)
ADJUSTED CASH COST	€ m		233.5	237.3
Pulp production costs	€ m		197.4	199.9
No. of tonnes produced	Unit		470,702	492,933
PRODUCTION-RELATED COSTS PER TONNE	€/tonne		**419.4**	**405.5**
Overhead, sales and logistics costs			36.1	37.4
No. of tonnes sold	Unit		458,725	498,573
OVERHEAD, SALES AND LOGISTICS COSTS PER TONNE	€/tonne		**78.6**	**75.0**
CASH COST	**€/tonne**		**498.1**	**480.5**

“Other income and expenses” includes €40m of proceeds from the sale of energy savings certificates, €10m of extra costs derived from the incident affecting the Navia co-generation turbine; the loss on the sale of wood to third parties (-€1m in 1H25 and -€1m in 1H24), nursery costs (-€1m in 1H25 and -€1m in 1H24), long-term remuneration and termination benefits (-€2m in 1H25 and -€4m in 1H24), impairment provisions for trade receivables, spare parts and other assets (-€3m in 1H25 and -€2m in 1H24) and bank charges (-€1m in 1H25 and -€2m in 1H24). The remaining items implied expenditure of €1m in 1H25 and €1m in 1H24.

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 half of 2025 and the comparison with the 1H24 figure. The criteria used to determine this metric were the same in both periods:

	Unit	Source Financial Statement	1H25 Pulp	1H24 Pulp
Revenue from pulp sales	€ m	P&L	252.0	332.1
No. of tonnes sold	Unit		458,725	498,573
Average sales price per tonne (Revenue / # tonnes)	€/tonne		549.4	666.1
Cash cost (€)	€/tonne	APM	498.1	480.5
TOTAL OPERATING PROFIT PER TONNE OF PULP	**€/tonne**		**51.3**	**185.6**

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 half of 2025 and the comparison with the 1H24 figure. The criteria used to determine this metric were the same in both periods:

			1H25				1H24			
	Unit	Source Financial Statement	Pulp	Renewable Energy	Adjustments & Eliminations	CONSOLIDATED TOTAL	Pulp	Renewable Energy	Adjustments & Eliminations	CONSOLIDATED TOTAL
Finance income	€ m	P&L	4.2	1.7	(1.4)	4.4	5.1	0.9	(0.5)	5.5
Finance costs	€ m	P&L	(15.3)	(10.3)	1.4	(24.1)	(14.6)	(7.4)	0.5	(21.5)
NET FINANCE COST	**€ m**		**(11.1)**	**(8.6)**	**-**	**(19.7)**	**(9.5)**	**(6.5)**	**-**	**(16.1)**
Change in fair value of financial instruments	€ m	P&L	-	-	-	-	0.1	-	-	0.1
Exchange differences	€ m	P&L	(3.8)	-	-	(3.7)	0.9	-	-	0.9
OTHER FINANCIAL ITEMS	**€ m**		**(3.8)**	**-**	**-**	**(3.7)**	**0.9**	**-**	**-**	**0.9**
NET FINANCE INCOME/(COST)	€ m	P&L	(14.8)	(8.6)	-	(23.4)	(8.6)	(6.5)	-	(15.1)

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 half of 2025 and the comparison with the 1H24 figure. The criteria used to determine this metric were the same in both periods:

			1H25				1H24			
	Unit	Source Financial Statement	Pulp	Renewable Energy	Adjustments & Eliminations	CONSOLIDATED TOTAL	Pulp	Renewable Energy	Adjustments & Eliminations	CONSOLIDATED TOTAL
Maintenance capex	€ m		(15.4)	(4.9)	-	(20.4)	(11.5)	(3.0)	-	(14.4)
Efficiency and growth capex	€ m		(9.7)	(1.1)	-	(10.8)	(5.1)	(0.9)	-	(6.0)
Sustainability capex	€ m		(13.4)	(5.7)	-	(19.2)	(10.3)	(5.1)	-	(15.4)
Financial investments	€ m		15.6	(2.2)	(14.0)	(0.6)	(21.9)	(0.7)	22.5	(0.2)
TOTAL CAPITAL EXPENDITURE	**€ m**		**(22.9)**	**(14.0)**	**(14.0)**	**(50.9)**	**(48.9)**	**(9.7)**	**22.5**	**(36.1)**

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 half of 2025 and the comparison with the 1H24 figure. The criteria used to determine this metric were the same in both periods:

	Unit	Source Financial Statement	1H25 Pulp	1H25 Renewable Energy	1H25 Adjustments & Eliminations	1H25 CONSOLIDATED TOTAL	1H24 Pulp	1H24 Renewable Energy	1H24 Adjustments & Eliminations	1H24 CONSOLIDATED TOTAL
EBITDA	€ m	APM	48.5	9.5	-	58.0	89.7	11.2	-	100.9
Other non-recurring items	€ m	APM	(1.1)	-	-	(1.1)	(1.3)	(4.5)	-	(5.7)
Adjustments to reconcile profit before tax to net cash flows:					-				-	
Changes in provisions and other deferred expense (net)	€ m	CF	(0.1)	2.0	0.1	2.0	7.1	1.2	-	8.3
Adjustments for tariff shortfall/surplus (electricity market)	€ m	CF	(1.1)	(3.0)	-	(4.1)	0.2	1.8	-	2.0
Grants taken to profit and loss	€ m	CF	(0.3)	(0.1)	-	(0.3)	(0.5)	(0.1)	-	(0.6)
Exchange differences with an impact on cash	€ m		(1.5)	(0.0)	-	(1.4)	0.2	0.0	-	0.2
Change in working capital	€ m		(18.0)	0.3	(0.1)	(17.9)	(68.5)	(9.0)	-	(77.5)
Interest paid, net (including right-of-use assets)	€ m	CF	(10.3)	(8.0)	-	(18.3)	(10.6)	(6.7)	-	(17.3)
Dividends received	€ m	CF	-	-	-	-	-	-	-	-
Income tax paid	€ m	CF	(2.5)	0.3	-	(2.2)	(1.7)	(0.3)	-	(2.0)
Other collections/(payments)	€ m	CF	0.0	-	-	0.0	-	-	-	-
OPERATING CASH FLOW			**13.7**	**1.0**	**-**	**14.7**	**14.7**	**(6.3)**	**-**	**8.4**

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 half of 2025 and the comparison with the 1H24 figure. The criteria used to determine this metric were the same in both periods:

	Unit	Source Financial Statement	1H25 Pulp	1H25 Renewable Energy	1H25 Adjustments & Eliminations	1H25 CONSOLIDATED TOTAL	1H24 Pulp	1H24 Renewable Energy	1H24 Adjustments & Eliminations	1H24 CONSOLIDATED TOTAL
Net cash flows from/(used in) operating activities	€ m	CF	13.7	1.0	-	14.7	14.7	(6.3)	-	8.4
Net cash flows from/(used in) investing activities	€ m	CF	(22.6)	(13.7)	(14.0)	(50.4)	(48.7)	(8.8)	22.5	(35.0)
FREE CASH FLOW	**€ m**		**(9.0)**	**(12.7)**	**(14.0)**	**(35.7)**	**(34.0)**	**(15.1)**	**22.5**	**(26.6)**

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 half of 2025 and the comparison with the 1H24 figure. The criteria used to determine this metric were the same in both periods:

	Unit	Source Financial Statement	1H25 Pulp	1H25 Renewable Energy	1H25 Adjustments & Eliminations	1H25 CONSOLIDATED TOTAL	1H24 Pulp	1H24 Renewable Energy	1H24 Adjustments & Eliminations	1H24 CONSOLIDATED TOTAL
EBITDA	€ m	APM	48.5	9.5	-	58.0	89.7	11.2	-	100.9
Changes in working capital:					-				-	
Inventories	€ m	CF	(13.7)	(7.5)	-	(21.2)	(1.7)	(0.6)	-	(2.3)
Trade and other receivables	€ m	CF	(9.5)	14.2	(4.5)	0.3	(60.6)	(16.4)	6.0	(71.0)
Short-term investments	€ m	CF	-	-	-	-	(1.5)	(0.0)	-	(1.6)
Trade payables, other payables and other liabilities	€ m	CF	5.1	(6.4)	4.4	3.1	(4.8)	8.1	(6.0)	(2.7)
Maintenance capex	€ m	APM	(15.4)	(4.9)	-	(20.4)	(11.5)	(3.0)	-	(14.4)
Interest paid, net (including right-of-use assets)	€ m	CF	(10.3)	(8.0)	-	(18.3)	(10.6)	(6.7)	-	(17.3)
Income tax paid	€ m	CF	(2.5)	0.3	-	(2.2)	(1.7)	(0.3)	-	(2.0)
NORMALISED FREE CASH FLOW	**€ m**		**2.2**	**(2.9)**	(0.1)	**(0.7)**	**(2.6)**	**(7.7)**	**-**	**(10.3)**

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 half of 2025 and the comparison with the 1H24 figure. The criteria used to determine this metric were the same in both periods:

			Jun. 2025				Dec. 2024			
	Unit	Source Financial Statement	Pulp	Renewable Energy	Adjustments & Eliminations	CONSOLIDATED TOTAL	Pulp	Renewable Energy	Adjustments & Eliminations	CONSOLIDATED TOTAL
Non-current borrowings:										
Bonds and other maketable securities	€ m	BS	13.5	-		13.5	15.6	-		15.6
Bank borrowings	€ m	BS	235.1	159.4		394.5	202.2	151.2		353.4
Other financial liabilities	€ m	BS	73.3	4.2		77.5	73.5	4.0		77.5
Current borrowings:	€ m									
Bonds and other maketable securities	€ m	BS	13.5	-		13.5	15.6	-		15.6
Bank borrowings	€ m	BS	120.3	11.2		131.5	119.9	11.3		131.2
Other financial liabilities	€ m	BS	13.2	1.8		15.0	13.7	1.8		15.5
Cash and cash equivalents	€ m	BS	210.1	58.7		268.8	184.6	79.4		263.9
Current financial assets - Other financial investments	€ m		2.7	0.1		2.8	13.3	0.2		13.6
Cash reserve for debt service	€ m		-	11.5		11.5	-	10.0		10.0
NET DEBT/(CASH)	€ m		**256.0**	**106.5**		**362.5**	**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.

			1H25				1H24			
	Unit	Source Financial Statement	Pulp	Renewable Energy	Adjustments & Eliminations	CONSOLIDATED TOTAL	Pulp	Renewable Energy	Adjustments & Eliminations	CONSOLIDATED TOTAL
EBIT, last 12 months	€ m	P&L	36.5	(9.7)	1.6	28.4	41.8	(11.0)	1.6	32.4
Average capital employed, last 12 months					-					
Average equity	€ m	BS	353.3	151.9	140.7	645.8	433.7	226.3	-	660.1
Average net debt	€ m	BS	233.5	80.9	-	314.4	187.1	88.0	-	275.0
ROCE	%		**6.2%**	**(4.2%)**	**-**	**3.0%**	**6.7%**	**(3.5%)**	**-**	**3.5%**

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Earnings Report
2Q25