



3Q25 Results

29 October 2025



Disclaimer

The information contained in this presentation has been prepared by Ence Energía y Celulosa, S.A. (hereinafter, "Ence").

This presentation includes data relating to future forecasts. Any data included in this presentation which differ from other data based on historical information, including, in a merely expository manner, those which refer to the financial situation of Ence, its business strategy, estimated investments, management plans, and objectives related to future operations, as well as those which include the words "anticipate", "believe", "estimate", "consider", "expect" and other similar expressions, are data related to future situations and therefore have various inherent risks, both known and unknown, and possess an element of uncertainty, which can lead to the situation and results both of Ence and its sector differing significantly from those expressly or implicitly noted in said data relating to future forecasts.

The aforementioned data relating to future forecasts are based on numerous assumptions regarding the current and future business strategy of Ence and the environment in which it expects to be situated in the future. There is a series of important factors which could cause the situation and results of Ence to differ significantly from what is expounded in the data relating to future forecasts, including fluctuation in the price of wood pulp or wood, seasonal variations in business, regulatory changes to the electricity sector, fluctuation in exchange rates, financial risks, strikes or other kinds of action carried out by the employees of Ence, competition and environmental risks, as well as any other factors described in the document. The data relating to future forecasts solely refer to the date of this presentation without Ence being under any obligation to update or revise any of said data, any of the expectations of Ence, any modification to the conditions or circumstances on which the related data are based, or any other information or data included in this presentation.

The information contained in this document has not been verified by independent experts and, therefore, Ence neither implicitly nor explicitly gives any guarantee on the impartiality, precision, completeness or accuracy of the information, opinions and statements expressed herein.

This document does not constitute an offer or invitation to acquire or subscribe to shares, in accordance with the provisions of Royal Legislative Decree 4/2015, of 23 October, approving the consolidated text of the Securities Market Act. Furthermore, this document does not constitute a purchase, sale or swap offer, nor a request for a purchase, sale or swap offer for securities, or a request for any vote or approval in any other jurisdiction.

Today's presenters



Ignacio de Colmenares

*Chairman & CEO
Ence Energía y Celulosa*



Alfredo Avello

*Chief Financial Officer
Ence Energía y Celulosa*

Results Summary

2025 Outlook

- BHKP prices hit lows in 3Q25. Two price increase announcements were made for a total of gross 130 \$/t in Europe of which c. +60 \$/tn are already reflected in the PIX pulp as well as c. +30 \$/tn net in China.
- Tariff redemptions for pulp imports into the US as well as maintenance shutdowns by major LatAm players in 4Q'25 (c. 0,5m tn), should sustain the positive trend trough year-end.
- Our FX hedging policy provides a cap at 1.09 USD/EUR. Considering an average exchange rate of 1.16, this would represent approximately €3 million of EBITDA in 4Q 2025.
- Expected Cash cost of 466 €/t in 2H25, in line with 2025 guidance.
- Start-up of our 125 kt fluff pulp (c.+60€/tn extra margin). On product homologation phase.
- 3Q higher energy production and lower operating costs to continue in 4Q25

3Q25 Operating Highlights

- 29 €/t cash cost reduction vs. 2Q25 and 30€/t vs. 3Q24, down to 459 €/t
- Special pulp products accounted for 29% of total pulp volumes sold in 9M25 (+7 p.p. vs. 9M24), with 33€/t higher margin (vs. 29 €/t in 9M24).
- Pulp sales of 263 kt, +13% vs 3Q24 (+8% QoQ). Despite Pontevedra annual maintenance shutdown (water effluent recovery system successfully operating for the third summer season with limited water availability).
- +4% QoQ growth in energy generation, up to 315 GWh (+2% YoY vs. 3Q24).
- La Galera quarterly production should permit to increase by c. 20% its yearly production compared to 2024. This improvement has been achieved through applying Ence's best industrial practices, including odour reduction.

3Q25 Financial Results

- Pulp EBITDA of €4m in 3Q25 vs €20m in 2Q25, both including CAEs¹ and/or insurance collections. EBITDA dropped vs 3Q'24 mainly due to weaker FX and pulp prices.
- Renewables EBITDA of €8m in 3Q25, vs €4m in 2Q25 backed by lower production costs and higher selling prices. EBITDA decreased vs. 3Q24 due to lower selling prices partially offset through operating costs reduction.
- FCF before growth capex amounted to €12m despite low pulp prices in 3Q25 vs. -€13m in 2Q25.
- 3Q cash generation of €18m through WC improvement fully neutralizes 1H25 WC increase.
- €17m growth and efficiency capex in 3Q25
- Net Debt of €367m at the end of Sep.25 with €264m cash in balance.

Growth, Efficiency and Diversification Projects

- 2028 Ence's Special Pulp Centered Business to increase the average across-the-cycle EBITDA by 1,5x:
 - Top line: (i) Higher-margin special pulp sales to exceed 62% of 2028 volumes, delivering incremental EBITDA of €22m, (ii) As Pontes environmental license granted in 3Q25, (iii) Renewable packaging solutions to start up in 2H26.
 - Cash Cost: (i) Efficiency & Competitiveness Plan to capture average annual savings of 22 €/t cash cost from 2027, (ii) Navia decarbonization and cost reduction project (c. 8 €/t savings) launched in 1Q25, (iii) Pontevedra Avanza (20€/t).
- Largest Iberian biomass backbone Renewable Energy Platform, on track to almost triple its EBITDA by 2030 through:
 - Biomass to Biomethane: >1TWh | >€60m EBITDA
 - Biomass to Renewable Industrial Heating: 2TWh | >€40m EBITDA



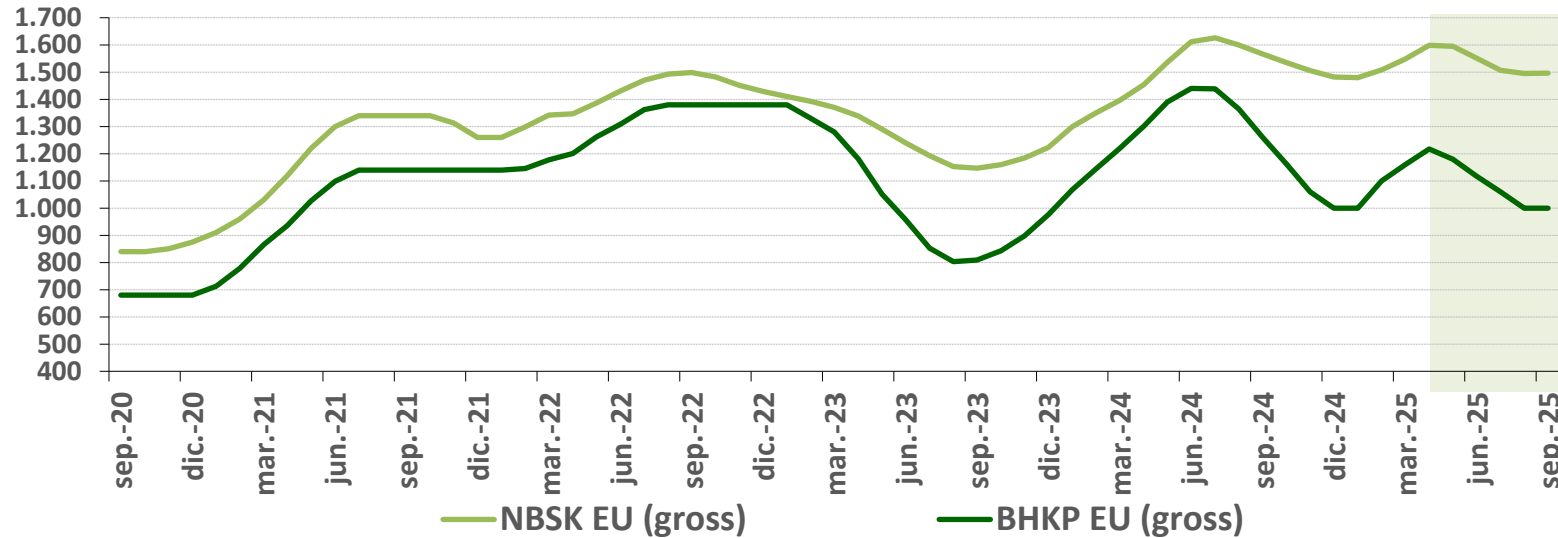
1.

3Q25 Highlights

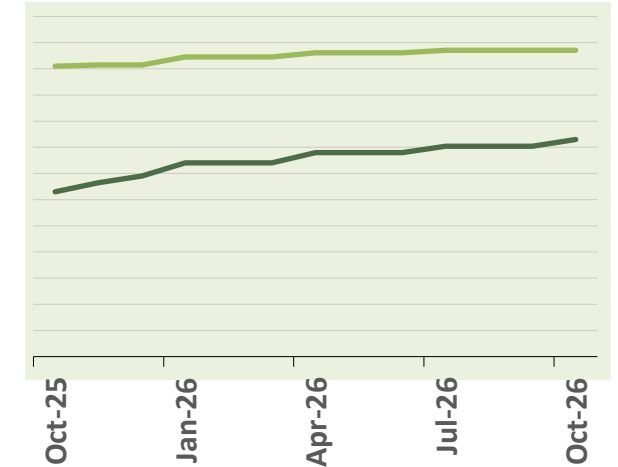
European BHKP price hit the lows in 3Q25

Gross BHKP prices bottomed at 1,000 \$/t by late August, price increases announced by main producers for 4Q'25

Gross Pulp Prices in Europe
(USD/t)



Future Pulp Prices in Europe
(USD/t)



- Gross BHKP prices reached 1,000 €/t by mid-August from April high of 1,218 €/t. Two price increases have been announced for a total of 130 \$/t gross in Europe of which c. 60€/tn are already implemented.
- Demand fundamentals remain strong with +7% YoY growth to August (4% growth excl. China). The price gap with softwood pulp (NBSK), the redemption of US trade tariffs for pulp imports and the annual maintenance shutdown announced by large Latin-American producers for 4Q'25 (c. 0,5 Mt) should allow to consolidate recent price increases and sustain a positive trend.

Annual average cap of 1.09 dollars for almost 50% of our expected pulp sales in 2025

EUR / USD Exchange Rate



EUR / USD Hedges as of 30/09/25

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	1,09	1,09
Average floor (USD / EUR)	1,06	1,07	1,07	1,06	1,06

Efficiency & Competitiveness Plan launched

200 M€ NPV of the Plan. Potential average annual savings of 22€/t from 2027



**Reinforcing our commitment towards Efficiency and Competitiveness
based on two pillars**

Artificial Intelligence solutions and process reengineering

- ✓ Services contracts,
- ✓ Procurement,
- ✓ Maintenance and industrial operations,
- ✓ Forestry and logistics,
- ✓ Safety & Quality.

Operations Streamline

- ✓ Orderly reduction of FTEs as a result of operational efficiencies.
- ✓ Collective Redundancy Procedures (Proceso de Despido Colectivo) initiated.
- ✓ Negotiations with union representatives already underway.

Estimated NPV > 200M€. Payback c. 1 year

Potential annual savings of 22€/t in cash cost between both pillars

Total amount of €23m to be disbursed between 2026 and 2027

The main goal is to strength Ence's competitive positioning while securing a stable and constructive employment relations framework

Ence Advanced pulp substitute softwood pulp products

Expected to account for over 50% of Ence's pulp sales volumes in 2028, up from 29% 9M25



- ✓ High strength pulp aiming to substitute softwood pulp
- ✓ Process cost optimization

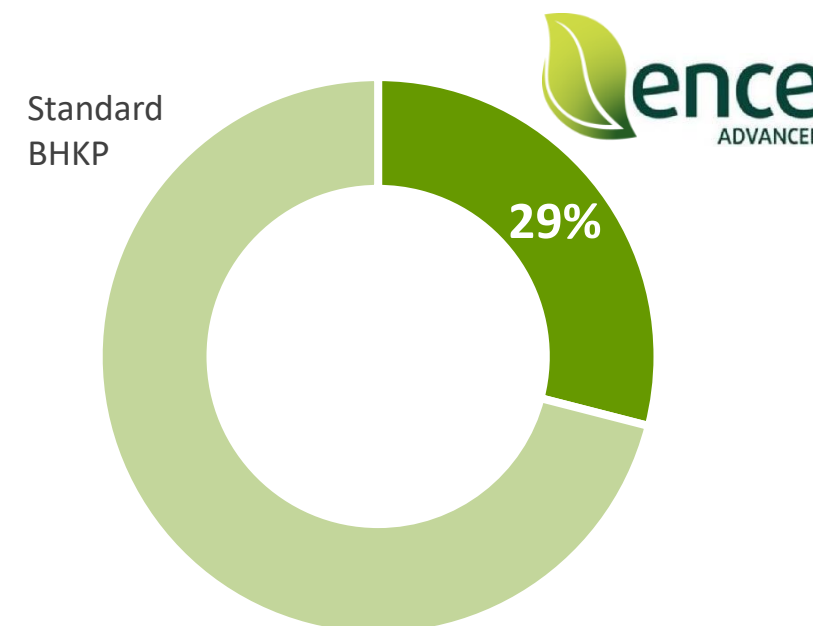
- ✓ First unbleached hardwood pulp in the market
- ✓ Certified CO² footprint during the product life cycle
- ✓ Increases tissue softness

- ✓ Suitable for decor paper applications
- ✓ Narrow range of porosity

- ✓ Plastic alternative in packaging for food & beverage industry
- ✓ Low porosity material

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

% of total pulp sales volume in 9M25



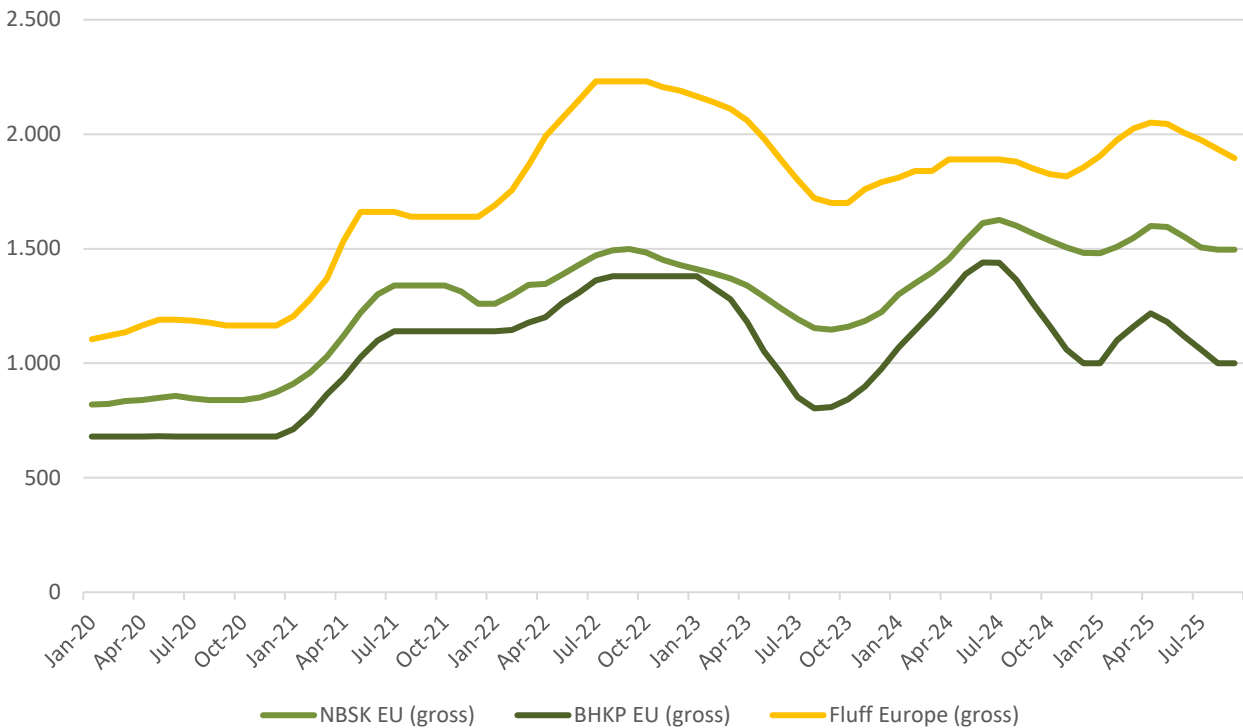
Ence Advanced products generate 33 €/t higher operating margin in 9M25 (vs. 29 €/t in 9M24). Run-rate margin to stabilized at c.30 €/t vs. standard BHKP across the cycle average prices

Our first 125 kt fluff pulp line has started operations in 4Q25

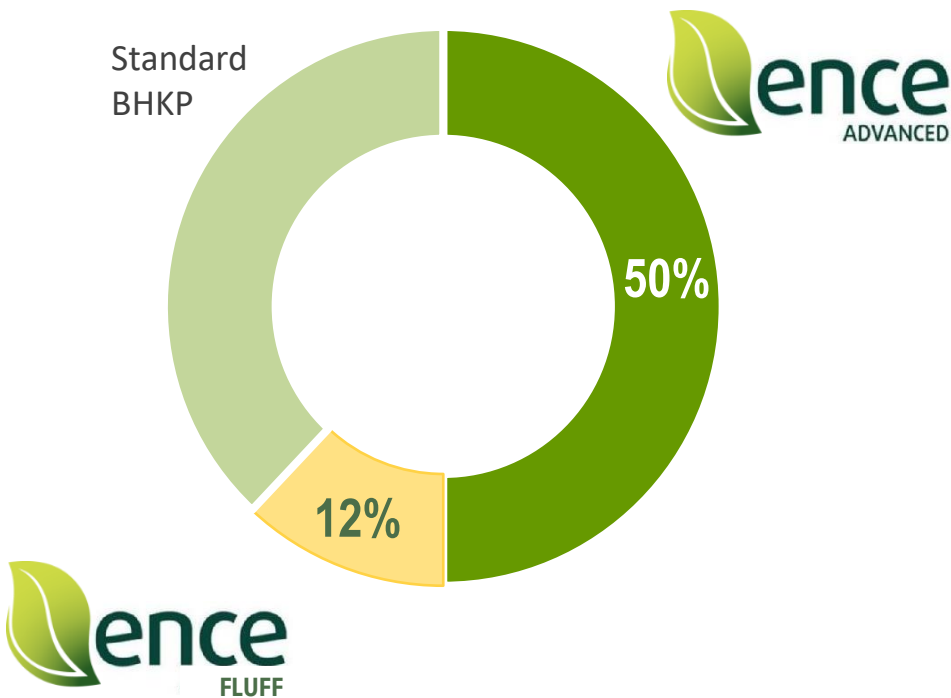
Fluff pulp is expected to account for 12% sales in 2028. Currently on product homologation phase



Fluff, Softwood and Hardwood gross pulp prices
In Europe (USD/t)



Expected % of total pulp sales volume in 2028



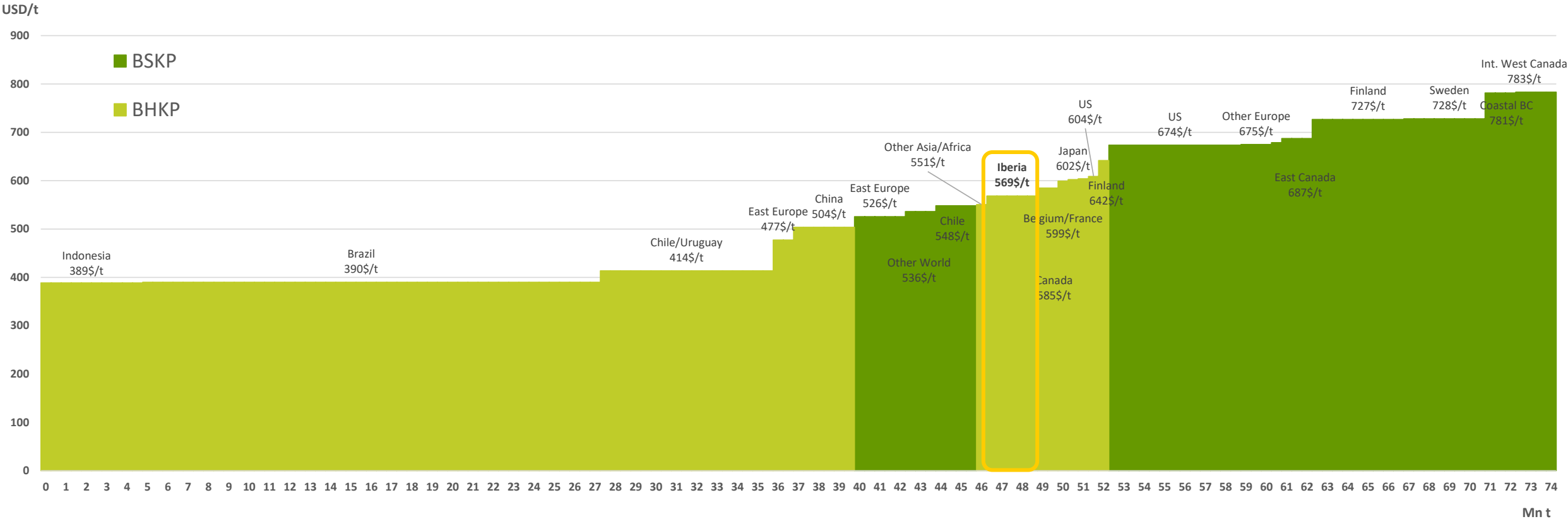
Fluff pulp, with c. 900€/t price gap with standard BHKP, is expected to generate an extra margin of c.+60 €/t

Special products are positioning Ence as a top-quartile producer in the global cash cost curve vs. BSKP producers



Market pulp production costs by region

- ✓ Ence Advanced and upcoming fluff offering products substitutes more expensive BSKP ones. This special product range is estimated to account for c.62% of Ence’s sales by 2028.
- ✓ At 466€/t 2H2025 cash costs (c. 545 \$/t vs. an average cash costs of 678\$/t of BSKP producers), Ence is firmly positioned in the top-quartile of the BSKP cash cost curve.



Source: Hawkins Wright, CIF Europe (August 2025)

Sale of Energy Saving Certificates for a net amount of €40m

Fully cashed in



**€40m
in
9M25**

Energy efficiency projects undertaken imply annual energy savings equivalent to 251 GWh, which have been verified by AENOR.

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

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

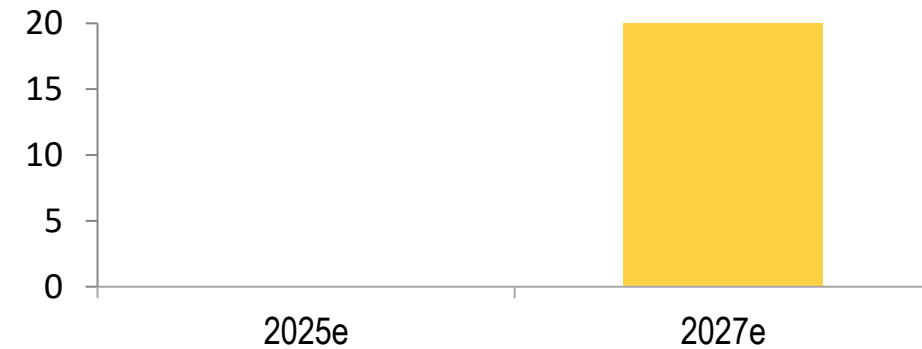
Ence sold Energy Saving Certificates (CAE) for a net amount of €40m in 9M2025.

La Galera plant on track to increase its annual production by c.20%

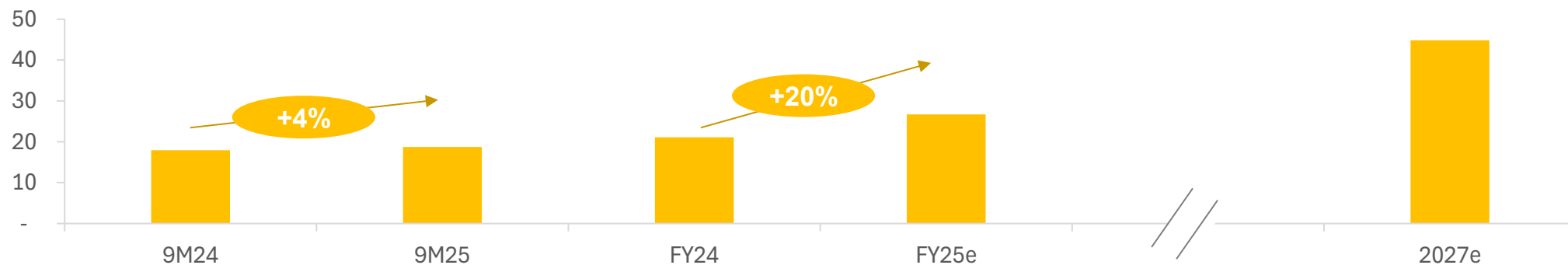
Ongoing upgrading of the plant to produce 50 GWh and 20 kt of organic fertilizer from 2027



La Galera estimated biofertilizer production (K tons)



La Galera biomethane production (GWh)



First step in the creation of biomethane platform in Spain

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

BIOMETHANE BUSINESS

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

Plant size: 50 – 100 GWh

Production Target: 1,000 GWh by 2030

Estimated Capex: €0.4m / GWh

ROCE¹ Target: > 12%



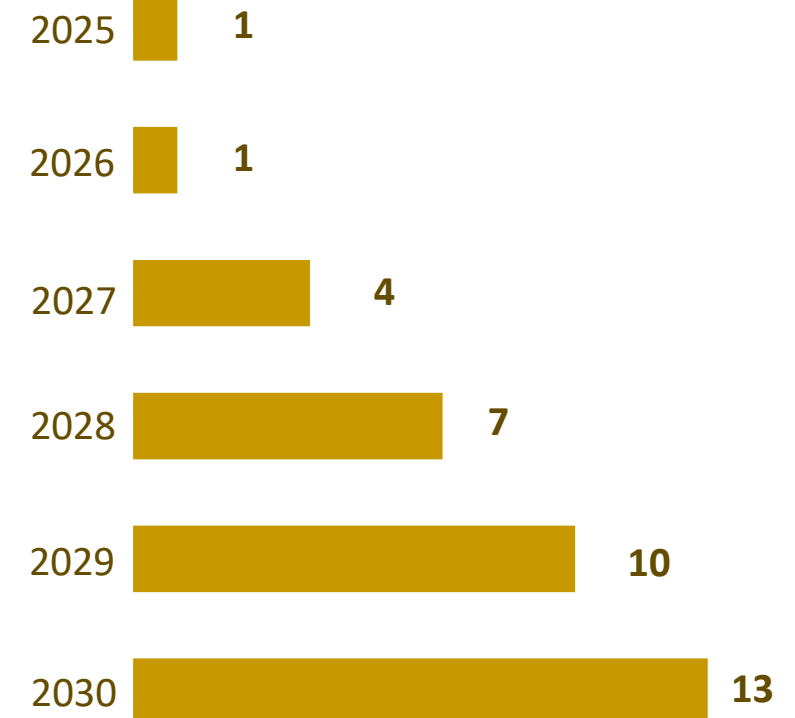
PROJECT PIPELINE

38 plants: locations secured and feasibility studies completed

18 plants already in their permitting phase

10 plants expected RTB in 2025-26

PIPELINE EXPECTED DEPLOYMENT (Operating Plants)

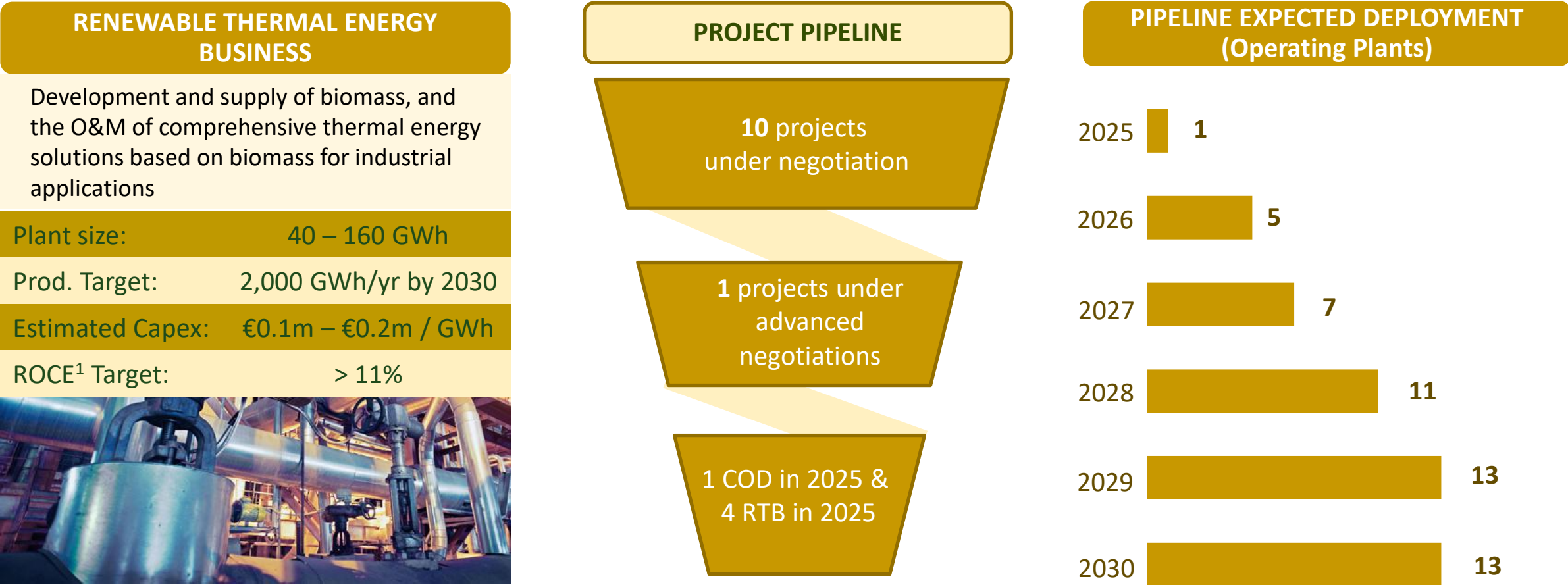


18 biomethane plants already in their permitting phase, with a required ROCE¹ >12%

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

Progressive steps in our renewable industrial heating platform in Spain

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



As of today, 1 contract in operation, 1 contract in start-up phase and 3 projects in construction. By 2025 YE, 1 additional project in RTB expected, with a required ROCE¹ >11%.

Key achievements in renewable industrial heating

O&M contract for a ready-to-operate plant and start of construction of two plants

1 O&M contract gained to operate an 8MWt plant with an estimated annual production of 33 GWht/y for a F&B company. The project is currently on start-up phase and it is expected to be fully operating during 4Q25.

2 Start the construction of 2 plants for a F&B international dairy company in Spain. New credential gained with a Tier 1 F&B multinational company, after starting the construction of the Mahou project. Further details below:

Project I (Castilla La Mancha)

For the supply of c.40 GWh of biomass thermal energy per year with a 15-year term

Installed capacity: 8 MWt

Prod. Target: 37 GWh/yr

Exp commissioning: 2Q26

Estimated Capex: €3m*

ROCE¹ Target: > 11%

* Excluding a €3m subsidy granted by the European Next Generation Funds

Project II (Andalucía)

For the supply of c.45 GWh of biomass thermal energy per year with a 15-year term

Installed capacity: 8 MWt

Prod. Target: 42 GWh/yr

Exp commissioning: 2Q26

Estimated Capex: €3m*

ROCE¹ Target: > 11%

* Excluding a €3m subsidy granted by the European Next Generation Funds

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



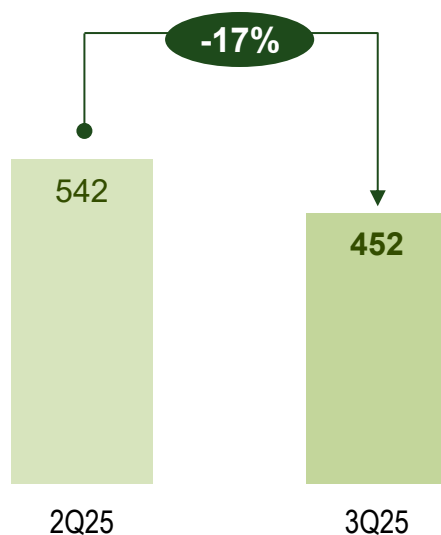
2.

3Q25 Financial Results

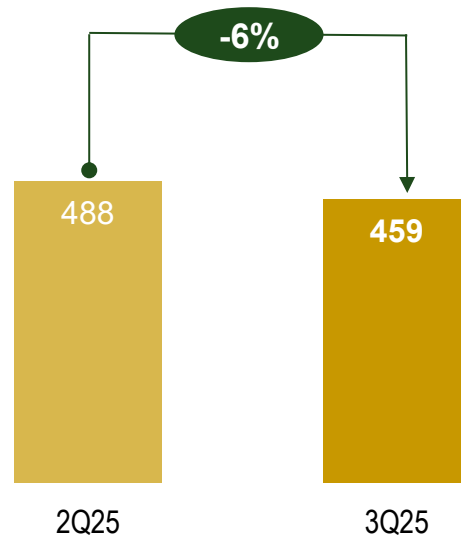
Pulp business EBITDA in 3Q25 at €4m

29 €/t cash cost reduction vs. 2Q25

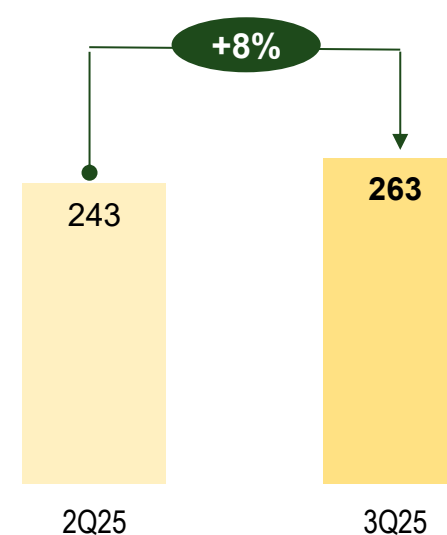
Avg. NET Sales price
(€/t)



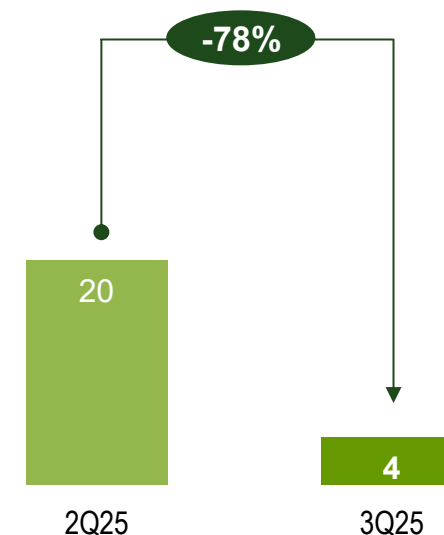
Cash Cost
(€/t)



Pulp sales volume
(,000 t)



Pulp EBITDA
(€m)



90€/t net pulp price decrease vs. 2Q25, to 452 €/t

227€/t decrease vs. 3Q24

Prices hit bottom levels in 3Q25. The redemption of US tariffs to pulp imports and maintenance shutdowns announced by major LatAm players in 4Q25 should support growth until YE.

29 €/t cash cost reduction vs. 2Q25
30 €/t cash cost reduction vs. 3Q24

Improvement mainly driven by lower wood costs and operational leverage. 3Q cash cost evolution supports a second half cash cost of 466€/t

21 kt higher pulp sales vs. 2Q25
29 kt higher pulp sales vs. 3Q24

- Clients rebuilding stocks after 3Q25 US tariffs redemption announcements.
- Pulp inventories reduction of 24kTn

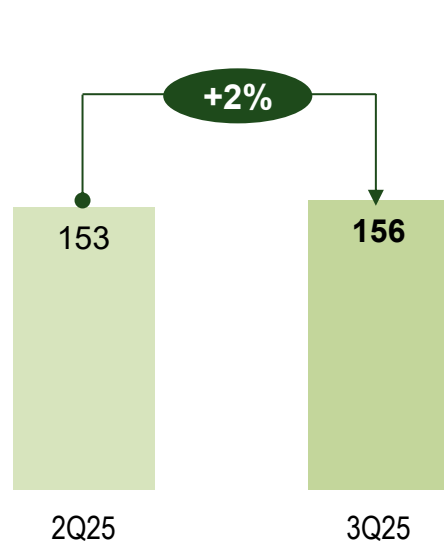
3Q25 EBITDA of €4m vs. 2Q25 EBITDA of €20m (and €42m in 3Q24)

- No Energy Saving Certificates in 3Q25 (vs. €10m in 2Q25).
- €8m one-off revenue in 3Q25 related to Navia's turbine insurance claim, fully cashed-in during the period.

Biomass to renewable electricity EBITDA at €9m

€8m Renewables EBITDA includes new business development costs

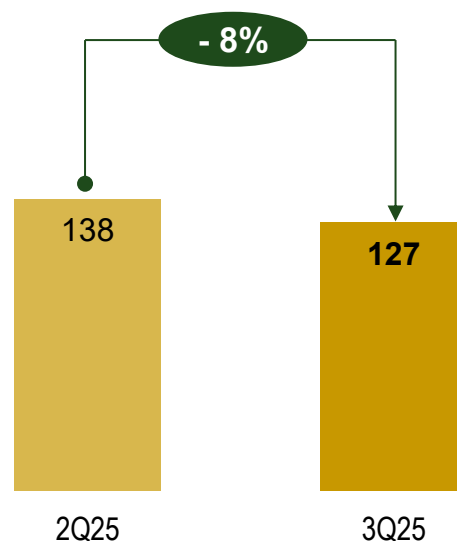
Biomass to renewable electricity energy revenue per MWh (€/MWh)



+4 €/MWh higher revenues vs. 2Q25 and aligned with 3Q24

- Includes pool price + hedges + Ro + back-up ancillary services + Ri
- Not adjusted by generation tax

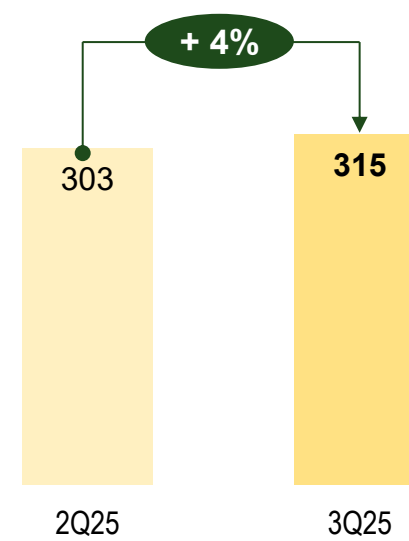
Biomass to renewable electricity costs per MWh (€/MWh)



Cost reduction of -11 €/MWh vs. 2Q25 (+5 €/MWh increase vs. 3Q24)

- Lower biomass costs (c. - 8€/MWh) and higher production volumes (structure costs dilution) allow for better cost efficiency

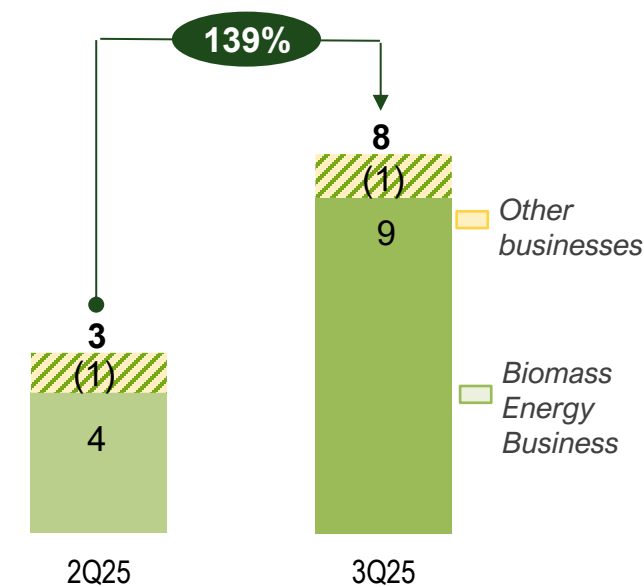
Biomass to renewable electricity volumes sold (€/MWh)



+4% production growth vs. 2Q25 (+2% vs. 3Q24)

- Production improvement following several maintenance interventions during 1H25.

Renewables EBITDA (€m)



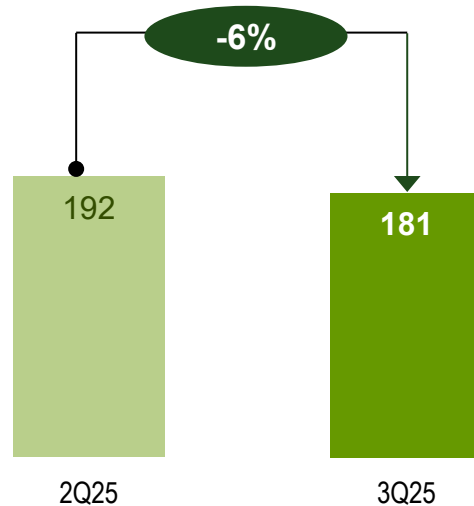
€5m higher EBITDA vs. 2Q25 EBITDA and (€1m lower vs. 3Q24)

- €1m negative EBITDA registered from new businesses in the quarter.

€13m consolidated EBITDA in 3Q25

- €15m net income

Group Revenues (€m)



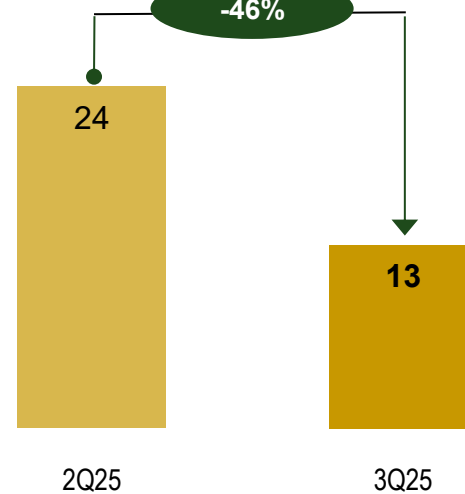
€11m lower revenues vs. 2Q25

- - €15m in Pulp Business
- + €3m in Renewables Business

€39m lower consolidated revenues vs. 3Q24

- - €40m in Pulp Business
- + €1m in Renewables Business

Group EBITDA (€m)



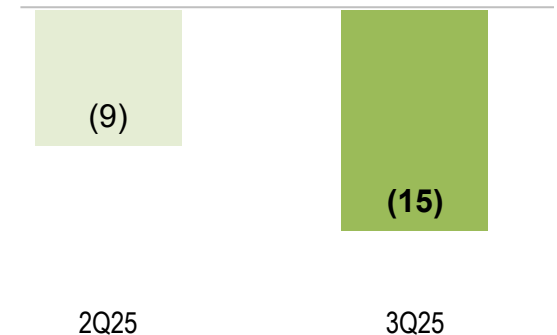
€11m lower consolidated EBITDA vs. 2Q25

- -€16m in Pulp Business
- + €5m in Renewables Business

€39m lower consolidated EBITDA vs. 3Q24

- -€38m in Pulp Business
- -€1m in Renewables Business

Attributable Net Income (€m)



€15m losses at Net Income level

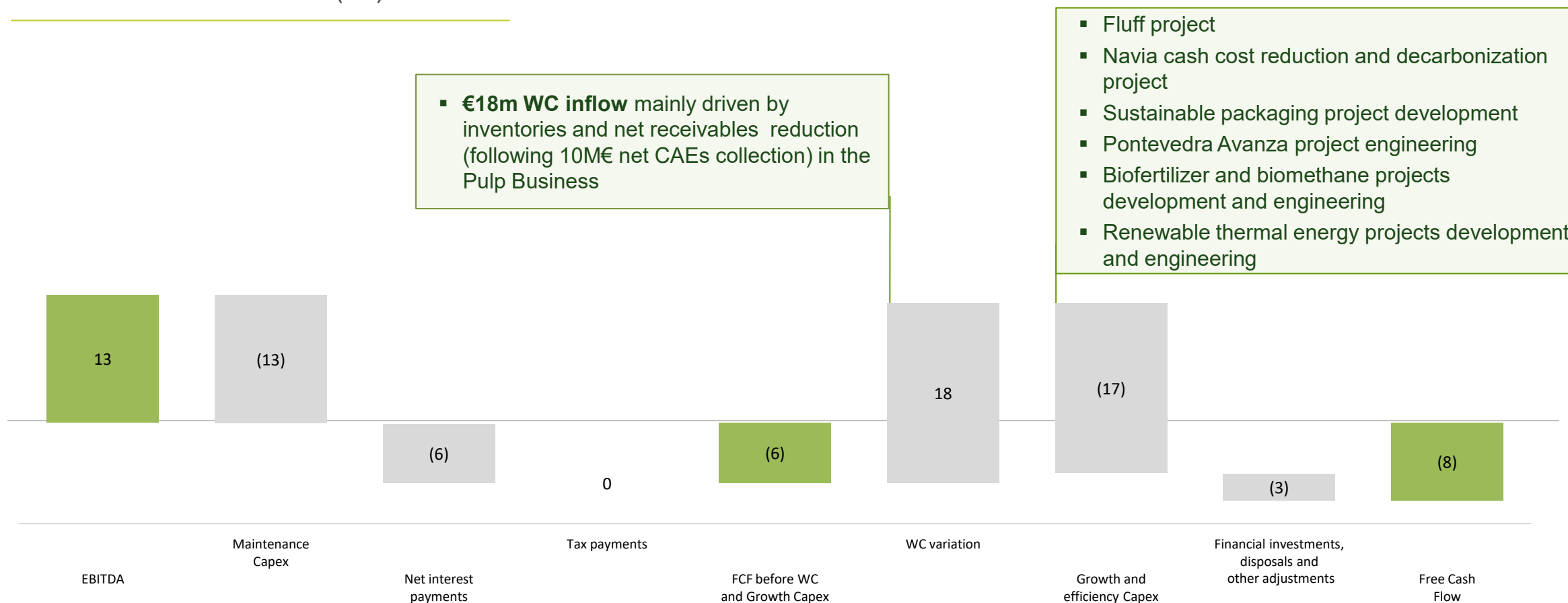
- €13m losses in Pulp Business
- €3m losses in Renewables Business

€9m net losses in 2Q25 and €14m income in 3Q24

+€12m FCF before expansion and efficiency capex in 3Q25

€18m cash through WC reduction offsetting 1H25 increase

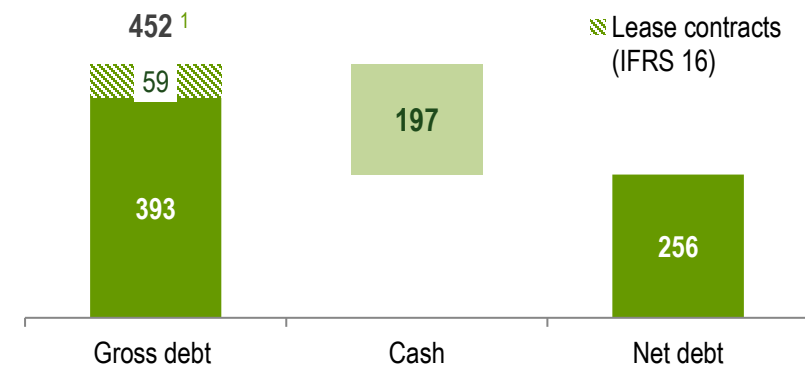
Cash Flow Statement 3Q25 (€m)



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

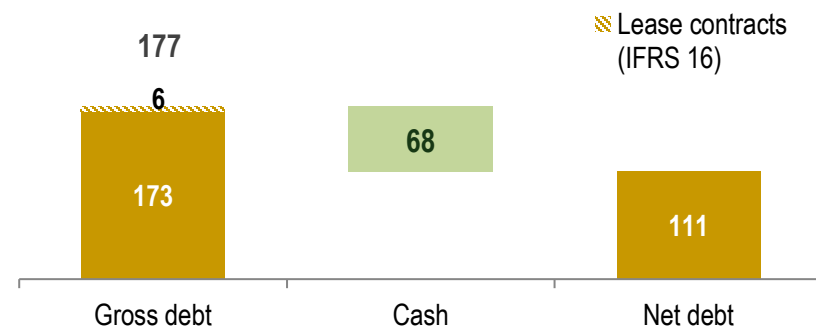
€367m consolidated net debt at the end of 3Q25

Pulp business net debt as of 30 Sep. 2025 (€ m)

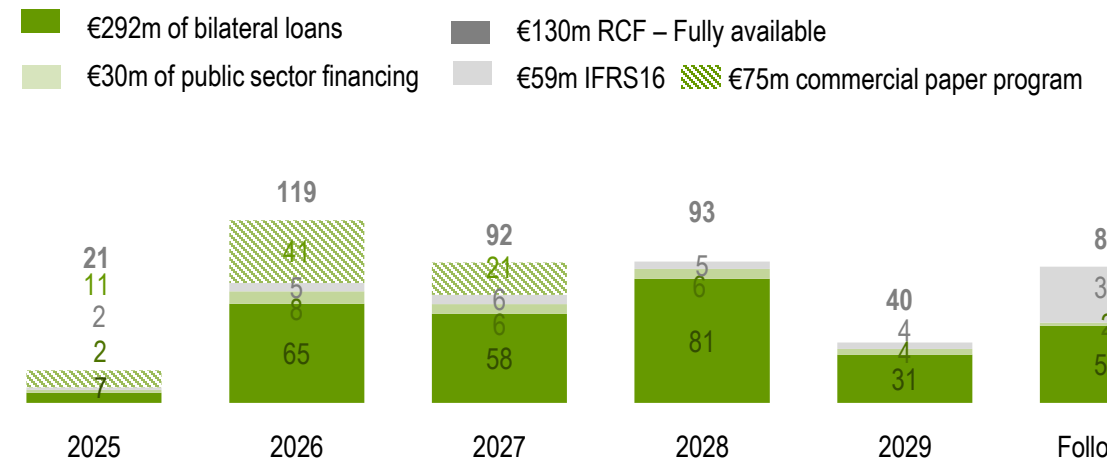


1) Pulp business financial debt is covenant free

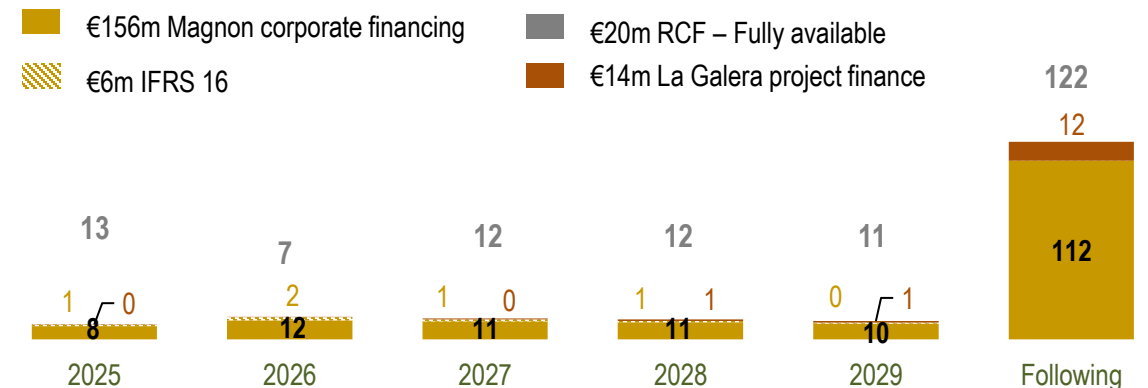
Renewables business net debt as of 30 Sep. 2025 (€ m)



Pulp business debt maturity schedule (€ m)



Magnon debt maturity schedule (€ m)



ENCE: industry leader in sustainability

Highlights Q3 2025



Safe and Eco-efficient operations

For operational cost reduction

Protecting Health and Safety of employees and contractors

- ✓ Accident rates more than four times lower than the industry benchmark
- ✓ Pontevedra technical shutdown completed without sick-leave accidents

Odour reduction

- ✓ Navia's biofactory closes the first 9 months of the year with **0 odour minutes**

Advancing towards a circular economy

- ✓ **Pioneering projects for the valorization** of ash and limestone sludge in the mining and cement sectors
- ✓ **100% sites ZERO WASTE** certified
- ✓ Proprietary effluent water recovery system in Pontevedra, operating for the third consecutive year



Bioproducts & ecosystem services

Potential for topline improvement

Higher margin special pulp products with higher added value

- ✓ **2 new Sustainability certifications for fluff Pulp**
- ✓ **The commercialization of the 1st Carbon neutral product** (Naturcell Zero) continues

Forestry bioproducts and ecosystem services

- ✓ **Improved plant material, better adapted to climate change: 1 new Eucalyptus clone** developed and already in commercial phase in Q3 2025
- ✓ **4,200 ha of forest sinks** registered in different schemes for voluntary carbon markets



Responsible supply chain

To become preferred supplier

Certified supply chain

- ✓ **89%** of managed land certified
- ✓ **76%** of wood certified
- ✓ **100% sites SURE System** certified (Sustainable biomass)

Supply chain supervision

- ✓ **Deployment of the new Third Party Due Diligence Procedure**, in order to minimize human rights violations and negative environmental impacts risks along the supply chain, with more than 1,200 suppliers analyzed by Q3
- ✓ Implementation of tools to comply with the **EUDR Regulation** against deforestation



Positive social impact

To grant business sustainability

Talent as a competitive advantage

- ✓ **26,1% female employees**
- ✓ **30,5% females in managerial positions**
- ✓ 44% job openings filled with **internal promotion**
- ✓ **Top Employer** certification

Creating positive social impact in local communities

- ✓ New edition of Ence's **Pontevedra Social Plan** (up to 3M€) for the sponsoring of social and environmental projects in the area

Promoting professional development in rural communities

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



3.

2025 Outlook and Closing Remarks

Closing Remarks



- BHKP prices have hit lows in 3Q25. Price increase announcements of gross 130 \$/t were made for Europe, of which c. 60€/t are already in the PIX pulp.
- Cash cost has been reduced by 29 €/t in the quarter supporting 466€/t in 2H 2025. Efficiency & Competitiveness Plan launched with potential savings of 22€/t will drive upcoming cash cost reductions. This plan has a payback of c.1 year and NPV of c.€200m.
- **2028 Ence's Special Pulp Centered Business to increase the average across-the-cycle EBITDA by 1,5x:**
 - Top line: (i) Higher-margin special pulp sales to exceed 62% of 2028 volumes, delivering incremental EBITDA of €22m, (ii) As Pontes environmental license granted in 3Q25, (iii) Renewable packaging solutions to start up in 2H26.
 - Cash Cost: (i) Efficiency & Competitiveness Plan to capture average annual savings of c. 22 €/t cash cost from 2027, (ii) Navia decarbonization and cost reduction project (c. 8 €/t savings) launched in 1Q25, (iii) Potevedra Avanza (20€/t savings).
- Higher-margin special pulp products are targeted to substitute more expensive BSKP alternatives, allowing Ence to be positioned as a top quartile producer cost wise vs. BSKP producers.
- We are building **the largest Iberian biomass backboned Renewable Energy Platform**, including Biomass to Regulated Electricity + Renewable Industrial Heating + Biomethane + Renewable Fuels, and it is **on track to almost tripled its EBITDA by 2030**.
- **The execution of these projects will be adapted and aligned to our cash flow generation, to maintain a prudent across-the-cycle leverage and an attractive shareholders remuneration.**



Appendix

Group Financial Review

P&L

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

9M24			
Pulp	Renewables	Adjustments	Consolidated
530,6	140,3	(2,8)	668,1
0,5	-	-	0,5
16,1	3,3	(0,9)	18,5
(258,3)	(50,5)	2,8	(306,1)
(68,6)	(17,7)	0,0	(86,3)
(88,5)	(54,7)	0,9	(142,2)
131,8	20,6	-	152,5
(43,3)	(25,4)	1,2	(67,6)
(7,6)	-	-	(7,6)
(0,9)	1,1	-	0,2
(2,0)	(4,5)	-	(6,5)
78,0	(8,1)	1,2	71,1
(14,1)	(9,7)	-	(23,8)
(1,0)	0,3	-	(0,7)
63,0	(17,5)	1,2	46,7
(13,8)	0,5	(0,1)	(13,5)
49,1	(17,1)	1,1	33,2
-	7,6	-	7,6
49,1	(9,5)	1,1	40,8
0,20	(0,04)	0,00	0,17

Group Financial Review

Cash Flow Statement

Figures in € m	9M25				9M24			
	Pulp	Renewables	Adjustments	Consolidated	Pulp	Renewables	Adjustments	Consolidated
Consolidated profit/(loss) for the period before tax	(14,9)	(19,8)	1,2	(33,5)	63,0	(17,5)	1,2	46,7
Depreciation and amortisation	45,2	24,6	(1,2)	68,6	50,9	25,4	(1,2)	75,1
Changes in provisions and other deferred expense	1,0	2,7	0,1	3,9	7,7	1,3	-	9,0
Impairment of gains/(losses) on disposals intangible assets	0,5	0,0	(0,1)	0,5	0,9	(1,1)	-	(0,2)
Net finance result	17,4	13,0	0,0	30,5	14,7	9,4	-	24,0
Energy regulation adjustments	(1,7)	(4,4)	-	(6,1)	(0,3)	0,5	-	0,2
Government grants taken to income	(0,7)	(0,1)	-	(0,8)	(0,7)	(0,1)	-	(0,8)
Adjustments to profit	61,8	35,9	(1,2)	96,6	73,1	35,4	(1,2)	107,2
Inventories	(0,2)	(10,0)	-	(10,2)	(13,4)	0,0	(0,0)	(13,4)
Trade and other receivables	6,5	15,3	(4,6)	17,3	(27,2)	(21,1)	4,1	(44,1)
Current financial and other assets	-	-	-	-	(0,7)	(0,2)	-	(0,8)
Trade and other payables	3,1	(14,3)	4,2	(7,0)	0,4	3,1	(4,1)	(0,7)
Changes in working capital	9,5	(9,0)	(0,4)	0,1	(41,0)	(18,1)	-	(59,1)
Interest paid	(14,8)	(9,5)	-	(24,2)	(15,4)	(8,5)	-	(23,9)
Dividends received	-	-	-	-	0,0	-	-	0,0
Income tax received/(paid)	(2,5)	0,3	-	(2,2)	(1,7)	(0,3)	-	(2,0)
Other collections/(payments)	-	-	-	-	(0,2)	-	-	(0,2)
Other cash flows from operating activities	(17,3)	(9,2)	-	(26,5)	(17,3)	(8,8)	-	(26,1)
Net cash flow from operating activities	39,1	(2,0)	-	36,8	77,8	(9,1)	-	68,7
Property, plant and equipment	(54,6)	(20,2)	-	(74,8)	(35,8)	(10,7)	-	(46,4)
Intangible assets	(3,9)	(1,4)	-	(5,2)	(3,3)	(1,4)	-	(4,7)
Other financial assets and Group companies	12,9	(2,7)	(11,1)	(0,9)	(22,8)	(0,8)	23,5	(0,1)
Disposals ¹	0,6	0,2	-	0,8	6,3	0,5	-	6,8
Net cash flow used in investing activities	(44,9)	(24,0)	(11,1)	(80,1)	(55,6)	(12,3)	23,5	(44,5)
Free cash flow	(5,8)	(26,1)	(11,4)	(43,3)	22,2	(21,4)	23,5	24,3
Buyback/(disposal) of own equity instruments	(0,9)	-	-	(0,9)	0,5	-	-	0,5
Proceeds from and repayments of financial liabilities	5,8	2,6	11,4	19,8	(71,4)	87,0	(23,5)	(7,9)
Dividends payments	-	(0,4)	-	(0,4)	(26,0)	(5,1)	-	(31,1)
Net cash flow from/ (used in) financing activities	5,0	2,1	11,4	18,5	(96,9)	81,9	(23,5)	(38,5)
Net increase/(decrease) in cash and cash equivalents	(0,8)	(23,9)	-	(24,8)	(74,7)	60,5	-	(14,2)

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

Group Financial Review

Balance Sheet

Figures in € m	Sep-2025				Dec-2024			
	Pulp	Renewables	Adjustments	Consolidated	Pulp	Renewables	Adjustments	Consolidated
Intangible assets	21,0	56,4	(11,1)	66,3	19,2	57,2	(11,6)	64,9
Property, plant and equipment	641,9	370,9	(5,6)	1.007,1	608,6	372,4	(6,4)	974,6
Biological assets	64,9	0,2	-	65,2	66,1	0,3	(0,0)	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	54,2	1,0	(54,2)	1,0	65,7	-	(65,7)	-
Deferred tax assets	35,5	24,5	2,8	62,7	35,2	23,9	2,9	62,0
Non-current financial assets	21,6	17,7	-	39,3	19,5	20,3	-	39,8
Cash reserve for debt service	-	11,5	-	11,5	-	10,0	-	10,0
Total non-current assets	953,1	482,1	(182,1)	1.253,1	928,3	484,7	(194,8)	1.218,3
Inventories	75,8	20,3	(0,0)	96,1	82,1	12,5	-	94,6
Trade and other accounts receivable	29,5	21,9	(2,9)	48,5	39,5	36,0	(6,0)	69,4
Income tax	5,5	1,0	(0,0)	6,6	5,3	1,3	-	6,6
Other current assets	27,1	3,3	0,0	30,4	15,7	0,3	0,0	16,1
Hedging derivatives	4,7	-	-	4,7	0,0	-	-	-
Current financial investments in Group companies	0,2	1,1	(1,2)	0,0	0,2	0,7	(0,8)	0,0
Current financial investments	2,5	0,7	0,0	3,2	13,3	0,2	(0,0)	13,6
Cash and cash equivalents	194,2	55,4	0,0	249,6	184,6	79,4	-	263,9
Total current assets	339,5	103,7	(4,1)	439,1	340,7	130,4	(6,9)	464,2
TOTAL ASSETS	1.292,6	585,8	(186,2)	1.692,2	1.269,0	615,1	(201,6)	1.682,4
Equity attributable to the Parent	556,4	84,6	(127,9)	513,1	559,1	95,6	(129,0)	525,6
Minority interest	-	89,7	-	89,7	-	97,1	-	97,1
Total Equity	556,4	174,3	(127,9)	602,8	559,1	192,6	(129,0)	622,6
Non-current loans with Group companies and associates	-	83,2	(54,2)	29,0	-	94,7	(65,7)	29,0
Non-current borrowings	323,4	163,5	-	486,9	291,3	155,1	-	446,4
Non-current derivatives	1,1	1,1	-	2,1	2,2	1,8	-	4,0
Deferred tax liabilities	-	-	-	-	-	-	-	-
Non-current provisions	29,1	1,1	-	30,2	28,9	0,6	-	29,5
Other non-current liabilities	38,0	74,1	(0,0)	112,0	33,8	71,9	-	105,7
Total non-current liabilities	391,6	323,0	(54,2)	660,4	356,2	324,2	(65,7)	614,7
Current borrowings	129,0	15,3	-	144,3	149,2	13,0	-	162,2
Current derivatives	1,2	0,8	0,0	2,0	6,9	1,1	(0,00)	8,0
Trade and other account payable	184,6	67,7	(2,9)	249,5	166,4	80,2	(6,0)	240,6
Short-term debts with group companies	1,0	2,2	(1,2)	2,1	0,7	1,0	(0,8)	0,9
Income tax	0,0	0,1	-	0,1	0,0	0,0	-	0,0
Current provisions	28,7	2,5	0,0	31,2	30,5	3,0	-	33,5
Total current liabilities	344,6	88,6	(4,1)	429,1	353,7	98,3	(6,9)	445,1
TOTAL EQUITY AND LIABILITIES	1.292,6	585,8	(186,2)	1.692,2	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.

Alternative Performance Measures (APMs)

Pg.1

Ence presents its results in accordance with generally accepted accounting principles, specifically IFRS. In addition, its quarterly earnings report provides certain other complementary metrics that are not defined or specified in IFRS and are used by management to track the company's performance. The alternative performance measures (APMs) used in this presentation are defined, reconciled and explained in the corresponding quarterly earnings report publicly available through the investor section of our web page www.ence.es.

EBITDA

EBITDA is a measure of operating profit before depreciation, amortisation and forest depletion charges, non-current asset impairment charges, gains or losses on non-current assets and other non-operating items that undermine the comparability of the numbers.

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

OTHER NON-OPERATING ITEMS

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

CASH COST

The production cost per tonne of pulp, or cash cost, is the key measure used by management to measure and benchmark its efficiency as a pulp maker. The cash cost includes all of the costs directly related with the production and sale of pulp that impact cash flows. Therefore, it does not include asset depreciation and amortisation charges, impairment losses on non-current assets or gains or losses on their disposal, other non-operating items, finance income or costs or income tax.

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

OPERATING PROFIT PER TONNE OF PULP

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

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

NET FINANCE COST AND OTHER FINANCIAL ITEMS

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

MAINTENANCE, EFFICIENCY, GROWTH AND SUSTAINABILITY CAPEX

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

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

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

OPERATING CASH FLOW

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

FREE CASH FLOW

Ence reports free cash flow as the sum of its net cash flows from operating activities and its net cash flows from investing activities. Free cash flow provides information about the cash generated by the Group's operating activities that is left over after its investing activities for the remuneration of shareholders and repayment of debt.

NORMALISED FREE CASH FLOW

Normalised FCF is the sum of EBITDA, the change in working capital, maintenance capex, net interest payments and income tax payments. It provides a proxy for the cash generated by the Company's operating activities before collection of proceeds from asset sales, the adjustments related with electricity sector regulations and other adjustments to profit. It represents the amount available for investments other than maintenance capex, for shareholder remuneration and for debt repayment.

NET DEBT / (CASH)

The borrowings recognised on the balance sheet, include bonds and other marketable securities, bank borrowings and other financial liabilities, including leases (IFRS 16). They do not include, however, the measurement of derivatives or borrowings from Group companies and associates.

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

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

ROCE

ROCE stands for the return on capital employed and is used by management as a key profitability performance indicator. It is calculated by dividing EBIT for the last 12 months by average capital employed during the period, capital employed being the sum of equity and net debt. For the Pulp business, equity is calculated as the difference between consolidated equity and the equity recognised by the Renewable Energy business.

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



Delivering value Delivering commitments