



Earnings Report

Fourth quarter 2025

24 February 2026



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1. EXECUTIVE SUMMARY

Market figures	4Q25	4Q24	Δ%	3Q25	Δ%	2025	2024	Δ%
BHKP (USD/t) average price	1.070,0	1.099,4	(2,7%)	1.034,2	3,5%	1.086	1.235,7	(12,1%)
Average exchange rate (USD/€)	1,16	1,08	8,2%	1,17	(0,3%)	1,12	1,08	3,8%
BHKP (€/t) average price	919,6	1.022,2	(10,0%)	886,2	3,8%	966,0	1.140,1	(15,3%)
Operating Metrics	4Q25	4Q24	Δ%	3Q25	Δ%	2025	2024	Δ%
Pulp production (t)	238.459	255.842	(6,8%)	239.422	(0,4%)	948.583	996.955	(4,9%)
Navia pulp production	153.307	144.027	6,4%	146.320	4,8%	556.148	578.067	(3,8%)
Pontevedra pulp production	85.152,4	111.815,0	(23,8%)	93.101,6	(8,5%)	392.435	418.888,0	(6,3%)
Pulp sales (t)	244.503	235.221	3,9%	263.329	(7,1%)	966.558	967.628	(0,1%)
Ence Advanced pulp sales (%)	32%	24%	7,8 p.p.	24%	8,4 p.p.	30%	23%	7,2 p.p.
Average sales pulp price (€/t)	471,4	575,7	(18,1%)	452,0	4,3%	503,1	647,2	(22,3%)
Cash cost (€/t)	476,8	521,4	(8,5%)	459,1	3,9%	482,7	493,0	(2,1%)
Operating margin (w/o hedging) (€/t)	(5,5)	54,4	n.s.	(7,2)	23,7%	20,5	154,2	(86,7%)
Renewable Energy sales volume (MWh)	345.991	314.953	9,9%	315.103	9,8%	1.241.050	1.167.089	6,3%
Average sales price (€/MWh)	136,1	155,1	(12%)	130,5	4,3%	137,2	141,0	(2,7%)
Remuneration for investment (€ m)	6,4	6,2	2,8%	6,4	(1,2%)	25,7	24,6	4,1%
P&L € m	4Q25	4Q24	Δ%	3Q25	Δ%	2025	2024	Δ%
Revenue from Pulp business	130,5	152,6	(14,5%)	131,5	(0,8%)	543,6	683,2	(20,4%)
Revenue from Renewable Energy business	57,1	56,4	1,3%	49,8	14,7%	206,0	196,7	4,7%
Consolidation adjustments	(0,4)	(0,9)	53,8%	(0,4)	(12,3%)	(2,4)	(3,7)	36,0%
Total revenue	187,2	208,1	(10,0%)	180,9	3,5%	747,3	876,2	(14,7%)
Pulp business EBITDA	3,2	6,3	(48,9%)	4,3	(24,2%)	56,0	138,2	(59,4%)
Renewable Energy business EBITDA	9,5	5,7	67,7%	8,4	13,3%	27,4	26,3	4,2%
EBITDA	12,8	12,0	6,2%	12,7	0,7%	83,5	164,5	(49,3%)
Depreciation, amortisation and forestry depletion	(21,5)	(25,4)	15,5%	(21,8)	1,6%	(90,1)	(100,5)	10,4%
Impairment of and gains/(losses) on fixed-assets	0,9	(0,2)	n.s.	(0,1)	n.s.	0,8	(0,0)	n.s.
Other non-ordinary results of operations	(28,1)	5,8	n.s.	(1,8)	n.s.	(31,1)	(0,6)	n.s.
EBIT	(35,9)	(7,8)	n.s.	(11,1)	(223,4%)	(36,9)	63,3	n.s.
Net finance cost	(11,3)	(8,7)	(30,5%)	(9,1)	(24,9%)	(40,1)	(32,4)	(23,6%)
Other finance income/(cost) results	(1,2)	2,1	n.s.	0,0	n.s.	(4,9)	1,5	n.s.
Profit before tax	(48,4)	(14,3)	(237,9%)	(20,2)	(140,3%)	(81,9)	32,4	n.s.
Income tax	15,1	1,3	n.s.	3,9	n.s.	19,4	(12,2)	n.s.
Consolidated Net income	(33,3)	(13,1)	(154,8%)	(16,2)	(105,5%)	(62,5)	20,1	n.s.
Non-controlling interests	0,9	3,8	(77,3%)	1,1	(18,6%)	8,0	11,4	(29,6%)
Attributable Net income	(32,4)	(9,2)	n.s.	(15,1)	(114,3%)	(54,5)	31,6	n.s.
Earnings per share (Basic EPS)	(0,13)	(0,04)	n.s.	(0,06)	(114,3%)	(0,22)	0,13	n.s.
Cash flow € m	4Q25	4Q24	Δ%	3Q25	Δ%	2025	2024	Δ%
EBITDA	12,8	12,0	6,2%	12,7	0,7%	83,5	164,5	(49,3%)
Change in working capital	(3,7)	(7,0)	47,2%	18,0	n.s.	(3,6)	(66,0)	94,6%
Maintenance capex	(6,8)	(11,9)	43,2%	(12,8)	47,1%	(39,9)	(32,8)	(21,6%)
Net interest Payment	(10,9)	(9,5)	(14,8%)	(5,9)	(85,4%)	(35,2)	(33,4)	(5,2%)
Income tax received/(paid)	5,8	5,1	14,1%	0,0	n.s.	3,6	3,1	15,6%
Normalised free cash flow	(2,8)	(11,3)	75%	12,0	n.s.	8,5	35,3	(76,0%)
Other cash adjustments	9,5	9,2	3,3%	(2,7)	n.s.	1,9	10,5	(81,6%)
Efficiency and expansion capex	(13,3)	(10,4)	(28,2%)	(12,2)	(9,0%)	(44,7)	(31,5)	(42,0%)
Sustainability capex and other	1,7	(3,4)	n.s.	(4,8)	n.s.	(13,9)	(12,6)	(10,0%)
Financial investments and in Group companies	0,6	(20,2)	n.s.	(0,4)	n.s.	(0,3)	(20,2)	98,6%
Disposals ¹	1,0	(4,5)	n.s.	0,4	121,3%	1,8	2,2	(18,1%)
Free cash flow	(3,3)	(40,5)	91,8%	(7,6)	56,4%	(46,6)	(16,2)	(187,0%)
Dividends from the parent	-	(8,0)	100,0%	-	n.s.	-	(34,0)	100,0%
Dividend to minorities	-	-	n.s.	(0,4)	100,0%	(0,4)	(5,1)	91,4%
Proceeds/(payments) of equity instruments	(0,3)	0,2	n.s.	(0,2)	(51,9%)	(1,2)	0,7	n.s.
Other movements in borrowings	(7,6)	5,5	n.s.	3,9	n.s.	(8,7)	13,1	n.s.
Net decrease / (increase) in net debt (€ m)	(11,2)	(42,8)	73,8%	(4,4)	(155,5%)	(56,9)	(41,5)	(37,2%)
1 Disposals in 2025 exclude the maturity in January 2025 of temporary financial investments amounting to €10 million, which are treated as cash and cash equivalents.								
Net debt € m	Dec-2025	Dec-2024	Δ%	Sep-2025	Δ%			
Net debt Pulp business	266,3	242,6	9,8%	255,6	4,2%			
Net debt Renewable business	111,8	78,6	42,2%	111,3	0,5%			
Group net debt	378,1	321,2	17,7%	366,9	3,1%			

- ✓ The global hardwood pulp market grew by 3.6% in 2025 against a volatile macroeconomic backdrop which shaped the trend in prices throughout the year. Having hit a low of \$1,000/t in August, Europe's gross benchmark price ended the year at \$1,100/t and averaged 1,086\$/tn throughout the year. The leading producers have already announced increases to \$1,330/t. Demand fundamentals remain solid, underpinned by growth in consumption in emerging markets and fibre-to-fibre substitution. In addition, the closure of uncompetitive capacity, switches to dissolving pulp and the recent revocation of forest permits in Indonesia, that may impact the production of 1 to 4 million tonnes of pulp, are expected to stimulate ongoing price growth.
- ✓ Ence remains focused on developing its portfolio of special pulp substituting softwood products, that accounted for 32% of the sales volumes in 4Q25 (vs. 24% in 4Q24). In 2025, special pulp accounted for 30% of sales volumes (+7pp vs. 2024) and fetched a margin premium of €37/t compared to standard fibre products. The target is for these products to represent 62% of the Group's sales volumes and generate a margin premium of €36/t relative to standard pulp.
- ✓ Ence began to operate its maiden fluff pulp production line in 4Q25, with capacity to produce 125,000 tonnes per annum. This makes it the only producer of fluff pulp made from eucalyptus fibre in Europe, competing in the local market with softwood pulp producers. The Company is currently working on eight product certifications, run-rate production is expected to be reached by 2028.
- ✓ Cash costs in 4Q25 amounted to 477€/tn vs. 521€/tn in 4Q24. In 2025, the cost savings measures under execution began to bear fruit: the cash cost for the year was the lowest since 2022 at €483/t, down €70/t from 2022 and €10/t from 2024.
- ✓ Ence continues its commitment to cost reduction through the execution of its Efficiency & Competitiveness Plan, which, together with the Navia Cost Reduction and Decarbonization Plan, aims to reduce cash cost by €30/ton over the 2026–2027 period, approximately €15/ton per year.
- ✓ In relation to the collective dismissal procedures, agreements have been reached at both biofactories, resulting in the amortization of 141 positions through voluntary departures, early retirements, and redeployments to other business units within the group. The company has recorded a provision of 24 Mn€ below EBITDA in 2025.
- ✓ In the fourth quarter, there were several strikes related with the Efficiency and Competitiveness Plan announced in the third quarter. Those events impacted production by approximately 22k tonnes and the cash cost by €5/tonne. In other words, without considering the strikes impact, the 2025 cash cost would have been €478/t.
- ✓ In the Renewables business, biomass to renewable electricity production amounted to 1,241 GWh in 2025, growth of 6% from 2024, while fourth-quarter output reached 346 GWh (+10% vs. 4Q24).
- ✓ Elsewhere, the renewable industrial heating business closed three major contracts in 2025. Three projects, for Mahou and Lactalis, are under construction and slated for commissioning in the second half of 2026, while a fourth project is in start-up phase.
- ✓ In biomethane, we continue to develop our pipeline, with 25 projects at the engineering and permitting phase. Meanwhile, production at La Galera increased by 27% during its first year under Ence management, thanks to operational improvements implemented without any associated capex.
- ✓ The Group's consolidated EBITDA in the fourth quarter amounted to 13 Mn€ vs. 12 Mn€ in 4Q24. In 2025, consolidated EBITDA amounted to €83m in 2025, compared to €165m in 2024. In the Pulp division, EBITDA came to €56m, down €82m from 2024, marked by weak pulp prices. EBITDA in the Renewables business was €27m, growth of €1m from 2024, despite €4m of new business development costs. Note that biomass power generation EBITDA amounted to €10m in 4Q25, implying annualised EBITDA of €40m.
- ✓ In February 2026, the Ministry of Ecological Transition and Demographic Challenges ("MITECO"; Order TED/53/2026) updated the remuneration parameters for biomass and cogeneration facilities. Under this updated framework, the Ence Group's biomass plants, which include those embedded into its pulp-making business and those of its renewable energy subsidiary, Magnon, are set to benefit from an increase in their remuneration for operation (Ro) metric of around €6/MWh. And Magnon's cogeneration facility in Lucena will see an increase of €19.5/MWh in its Ro. These new parameters are expected to add €10m to Magnon's recurring annual EBITDA considering an estimated annual production of c.1.4 TWh.
- ✓ Free cash flow before investments in efficiency and growth was positive by €8m despite depressed pulp prices. Capex amounted to 98 Mn€ in 2025, including 59 Mn€ of expansion capex and 40 Mn€ of expansion capex.
- ✓ Net debt ended the year at 378 Mn€ (versus 321 Mn€ at year-end 2024), while cash and cash equivalents stood at 241 Mn€.
- ✓ In January 2026, the Company listed a 200 Mn€ notes programme on Spain's alternative fixed income market, MARF. The first issue took place in February, when Ence issued 85 Mn€ of 4-year notes with a coupon of 410 basis points. Those notes are repayable in a single bullet at maturity.

2. 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 production strategy is articulated around special pulp that substitutes BSKP products and fetches higher margins than standard hardwood pulp. In 2025, those products already accounted for 30% of total sales volumes (up from 23% in 2024), the goal being to lift this figure to 62% by 2028.

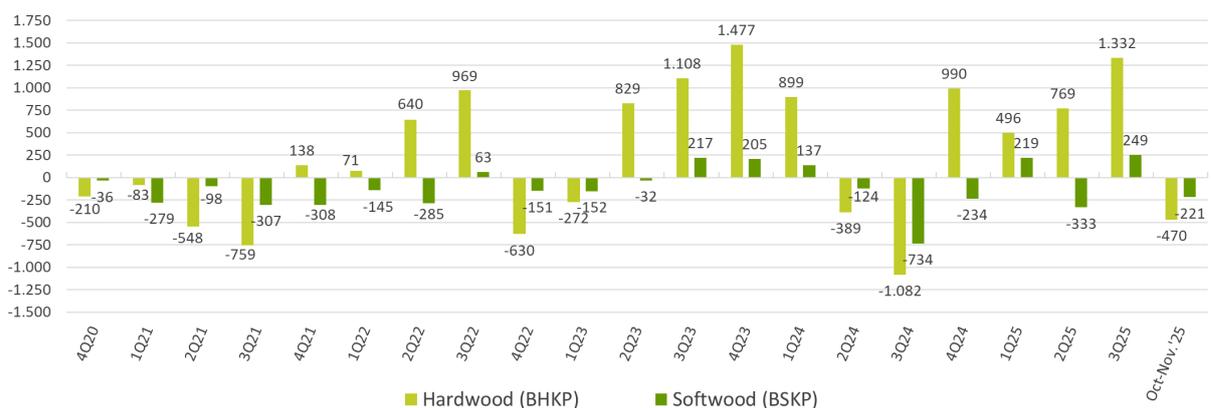
Ence's Pulp business encompasses all the activities related to the production of pulp for sale to third parties. It therefore includes not only the production and sale of pulp but also the generation and cogeneration of energy using renewable biomass at the plants involved in the productive process, 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.

In terms of hardwood pulp, final demand fundamentals are getting an additional boost from the so-called fibre-to-fibre substitution process, in reference to the rising mix of hardwood pulp in the fibre mix of end products. Over the last five years, global demand for pulp has increased by 4 Mn tonnes, a figure which masks growth of 6 Mn tonnes in demand for hardwood pulp, compared to a contraction of 2 Mn tonnes in demand for softwood pulp.

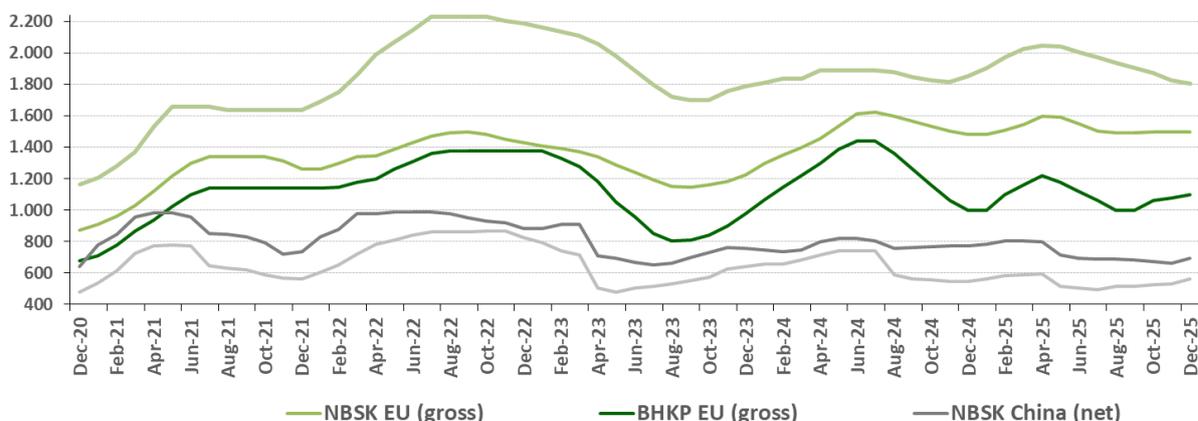
Year-on-year change in global demand for pulp, last five years (.000 tn)



Source: PPPC – G100 (Nov 25 data)

As of November 2025, global demand for pulp was up by 3.6% for the year, driven above all by the Chinese market (+8.4%). Demand for softwood pulp was flat (-0.4% year-on-year), whereas demand for hardwood pulp was 5.7% higher.

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



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/t to \$1,218/t in April 2025. From there, gross prices went on to fall as a result of the uncertainty induced by trade and tariff tensions, reaching \$1,000/t, which is almost 25% below the marginal cost of production, by the third week of August. From there, prices recovered somewhat, ending December at \$1,100/t and averaging 1.086\$/tn in 2025. Since late December 2025, the leading pulp producers have announced several price increases, to \$1,330/t (gross), and as of the date of this report, an increase of c.\$150/t had been implemented in Europe, leaving prices at \$1,250/t.

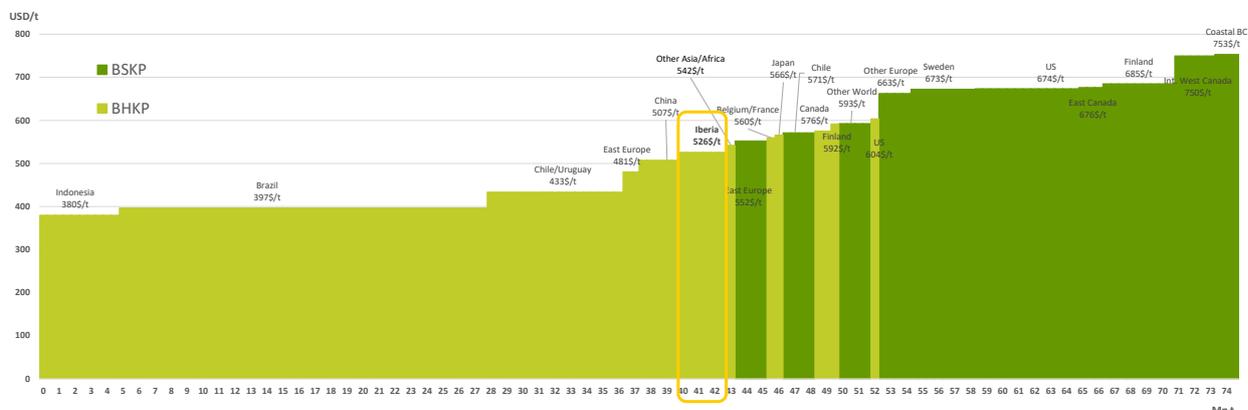
Note that in January 2026, the Indonesian government revoked 22 forest permits in the wake of the damage caused by the typhoons and floods that afflicted the country in November 2025. It is estimated that this measure could reduce the volume of wood available in the country by between 4 and 8 million tonnes, affecting BHKP production by between 1 and 4 million tonnes. The resulting higher cost of wood and reduced availability of pulp are expected to reinforce the upward trend in prices.

Market figures	4Q25	4Q24	Δ%	3Q25	Δ%	2025	2024	Δ%
BHKP (USD/t) average price	1.070,0	1.099,4	(2,7%)	1.034,2	3,5%	1.086	1.235,7	(12,1%)
Average exchange rate (USD/€)	1,16	1,08	8,2%	1,17	(0,3%)	1,12	1,08	3,8%
BHKP (€/t) average price	919,6	1.022,2	(10,0%)	886,2	3,8%	966,0	1.140,1	(15,3%)

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 \$1,070/t in 4Q25, down 3% from 4Q24 but 3% above the 3Q25 average.

Global market pulp cash cost curve



Source: Hawkins Wright, CIF Europe (December 2025)

Ence is repositioning itself on the global cost curve thanks to the growth of its range of special pulp that substitutes softwood products, which already accounted for 30% of sales in 2025 (+7pp versus 2024) and are expected to represent over 62% by 2028. Compared to softwood pulp producers (Ence’s competitors for over 62% of its sales mix by 2028), Ence ranks as the most competitive in cost terms.

As already noted, the revocation of forest permits in Indonesia is expected to increase these’ producers production costs, lifting the lower end of the global cost curve range and therefore leaving the rest of the players more competitive.

2.2. Revenue from pulp sales

Pulp sales volumes amounted to 966,558 tonnes in 2025, down 0.1% from 2024. Pulp sales volumes totalled 244,503 tonnes in 4Q25, up 3.9% year-on-year and down 7.1% from 3Q25, hurt by strike action, which impacted production by approximately 22 thousand tonnes.

	4Q25	4Q24	Δ%	3Q25	Δ%	2025	2024	Δ%
Pulp sales (t)	244.503	235.221	3,9%	263.329	(7,1%)	966.558	967.628	(0,1%)
Average sales price (w/o hedging) (€/t)	471,4	575,7	(18,1%)	452,0	4,3%	503,1	647,2	(22,3%)
Pulp sales revenue (€ m)	115,3	135,4	(14,9%)	119,0	(3,2%)	486,3	626,2	(22,3%)

The average sales price in 2025 was €503 per tonne (net), down 22% (€144/t) from 2024. The average fourth-quarter net sales price was €471 per tonne, up 4% (€19/t) quarter-on-quarter but 18% (€104/t) lower year-on-year, due to lower gross benchmark pulp prices in Europe, dollar depreciation and higher sales discounts.

As a result, revenue from pulp sales amounted to 486 Mn€ in 2025, down 22% from 2024. Fourth-quarter revenue amounted to 115 Mn€, a year-on-year contraction of 15% and 3% below the 3Q25 revenue figure.

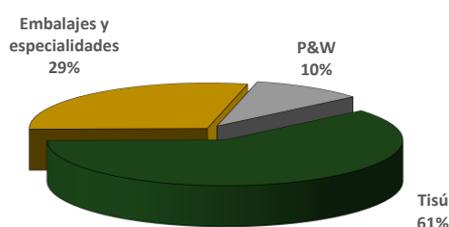
Special pulp substituting BSKP (Ence Advanced product range) continues to gain market share. In 2025, it accounted for 30% of total pulp sales, compared to 23% in 2024. The margin generated by these products was approximately €37/t higher than that of the Company’s standard pulp range in 2025 and the expectation is that the average incremental margin throughout the cycle will be around €30/t.

Sales of these higher-margin products are expected to surpass 62% of total pulp sales in 2028, including 125,000 tonnes of fluff pulp for absorbent hygiene products, where activity got underway in 4Q25 with the launch of the product certification process. Following the start-up of this line of activity, Ence is now the only European producer of fluff pulp made from eucalyptus fibre.

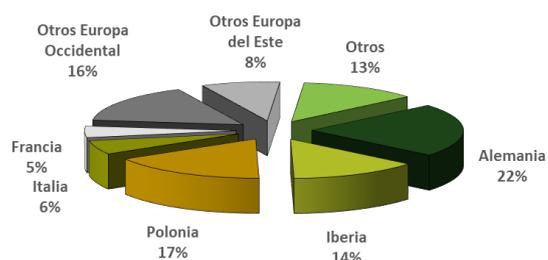
These value-added products, which are substitutes for softwood pulp products, are expected to account for over 62% of total pulp sales volumes by 2028, delivering a margin premium relative to standard products of €36/t.

The tissue paper segment remains the main end use given to the pulp sold by Ence, accounting for 61% of revenue from pulp sales in 2025, followed by the packaging and specialty paper segment, at 29%. The printing and writing paper segment accounted for the remaining 10%.

Breakdown of revenue by end product



Breakdown of revenue by geographic market



Geographically, 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 hygiene products. Germany accounted for 22% of 2025 sales revenue, followed by Poland (17%), Spain & Portugal (14%), Italy (6%) and France (5%). The other western European countries accounted for 16% of the total, with the rest of Eastern Europe representing 8%.

In the current climate of global trade tensions, Ence boasts exposure to Europe in terms of sales while its procurement strategy is also 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 948,583 tonnes of pulp in 2025, down 5% from 2024. Fourth-quarter production came to 238,459 tonnes, a year-on-year decrease of 7% and down 0.4% from 3Q25 volumes, despite the previously mentioned stoppages due to strike action. Notably, for the third year in a row, the proprietary water recovery solution in Pontevedra allowed this biomill to operate business as usual throughout the months of August and September, meeting all of the local river's ecological flow requirements.

	4Q25	4Q24	Δ%	3Q25	Δ%	2025	2024	Δ%
Navia pulp production (t)	153.307	144.027	6,4%	146.320	4,8%	556.148	578.067	(3,8%)
Pontevedra pulp production (t)	85.152	111.815	(23,8%)	93.102	(8,5%)	392.435	418.888	(6,3%)
Pulp production (t)	238.459	255.842	(6,8%)	239.422	(0,4%)	948.583	996.955	(4,9%)

Our biomills are fuelled essentially from local certified wood and the rest of our supplies are also sourced in Spain or Europe.

The cost-savings measures implemented by the Company are beginning to pay off: the average cash cost in 2025 was the lowest since 2022, at €483/t, down €70/t from 2022 and €10/t better than the 2024 cash cost. The 4Q25 cash cost was €477/t, up 4% quarter-on-quarter, due mainly to the impact of the strike, but was €44/t better than the 4Q24 equivalent.

Recall that the fourth-quarter cash cost was affected by the strike action related with implementation of the Efficiency and Competitiveness Plan. Without that impact, the cash cost would have averaged €478/t in 2025.

Figures in €/t	4Q25	4Q24	Δ%	3Q25	Δ%	2025	2024	Δ%
Average sales price	471,4	575,7	(18,1%)	452,0	4,3%	503,1	647,2	(22,3%)
Total cash cost (€/t)	476,8	521,4	(8,5%)	459,1	3,9%	482,7	493,0	(2,1%)
Operating margin (w/o hedging) (€/t)	(5,5)	54,4	n.s.	(7,2)	23,7%	20,5	154,2	(86,7%)

Despite the lower cash cost, the drop in the average sales price left a unit operating profit of €20/t in 2025 (down €133/t from 2024). In the fourth quarter, the unit profit was minus €5.5/t, which was nevertheless an improvement of €1.7/t from 3Q25. Adjusting for exchange rate hedges, the unit operating profit was a positive €7.3/t. In 4Q24, the unit operating profit was €54.4/t, as higher sales prices more than offset a less favourable cash cost.

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 35-MW lignin-fired CHP plant, integrated within the Pontevedra biomill, a 40-MW CHP lignin-fired plant and a 37-MW biomass generation plant, both of which are integrated within the Navia biomill. Surplus energy production is sold to the grid.

Figures in € m	4Q25	4Q24	Δ%	3Q25	Δ%	2025	2024	Δ%
Revenues from energy sales linked to pulp (€ m)	11,0	10,7	2,8%	10,0	9,5%	36,7	37,9	(3,1%)
Forestry and other revenue (€ m)	4,2	6,4	(34,7%)	2,4	72,9%	20,6	19,1	8,1%
Other income	15,2	17,1	(11,3%)	12,5	21,9%	57,3	56,9	0,7%

In addition to the sale of pulp and energy, the Pulp business encompasses other activities, notable among which the sale of timber sourced from proprietary eucalyptus plantations located in southern Spain. Overall, this income came to €57m in 2025, in line with the 2024 figure.

2.5. Statement of profit or loss

EBITDA in the Pulp business amounted to 56 Mn€ in 2025, compared to 138Mn€ in 2024. Fourth-quarter EBITDA came to 3Mn€, down 49% year-on-year and 24% below the 3Q25 figure.

During the first half of the year, the Pulp business generated significant energy savings as a result of a series of energy efficiency initiatives which it sold to a third party in Spain 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 system, and the implementing Ministerial Order TED/815/2023 (18 July 2023).

Specifically, in the first half of 2025, the Group closed two sales, 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. In 2Q25, the Group collected the 30 Mn€ sale recognised in the first quarter and in 3Q25 it collected the remaining 10 Mn€.

Figures in € m	4Q25	4Q24	Δ%	3Q25	Δ%	2025	2024	Δ%
Pulp sales revenue	115,3	135,4	(14,9%)	119,0	(3,2%)	486,3	626,2	(22,3%)
Other income	15,2	17,1	(11,3%)	12,5	21,9%	57,3	56,9	0,7%
Total net revenue	130,5	152,6	(14,5%)	131,5	(0,8%)	543,6	683,2	(20,4%)
EBITDA	3,2	6,3	(48,9%)	4,3	(24,2%)	56,0	138,2	(59,4%)
Depreciation and amortisation	(13,5)	(14,6)	7,1%	(13,5)	-	(52,7)	(57,9)	9,1%
Depletion of forestry reserves	(1,1)	(2,2)	48,8%	(0,9)	(26,7%)	(7,2)	(9,7)	25,8%
Impairment of and gains/(losses) on fixed-asset disp.	0,1	(0,8)	n.s.	(0,1)	n.s.	(0,1)	(1,7)	96,6%
Other non-ordinary results from operations	(23,2)	5,8	n.s.	(1,8)	n.s.	(26,2)	3,8	n.s.
EBIT	(34,6)	(5,4)	n.s.	(12,1)	(186,0%)	(30,1)	72,6	n.s.
Net finance cost	(8,0)	(4,5)	(77,4%)	(4,4)	(79,8%)	(23,5)	(18,6)	(26,3%)
Other financial results	(0,1)	2,2	n.s.	(0,1)	40,7%	(3,9)	1,2	n.s.
Profit before tax	(42,6)	(7,8)	n.s.	(16,6)	(156,2%)	(57,5)	55,2	n.s.
Income tax	12,4	2,4	n.s.	3,8	229,3%	15,8	(11,4)	n.s.
Net Income	(30,2)	(5,3)	n.s.	(12,9)	(134,7%)	(41,6)	43,8	n.s.

Ence has an ongoing hedging policy designed to mitigate the impact of exchange rate volatility on its earnings. These hedges implied a gain of 8 Mn€ in 2025 (not included in the cash cost). For 2026, Ence has already arranged hedges

over a notional amount of 80 Mn\$ with a weighted average ceiling of \$/€1.19 and a weighted average floor of \$/€1.16.

Below the EBITDA line, depreciation charges amounted to 53 Mn€ in 2025, down 9% from 2024. 4Q25 depreciation amounted to 14 Mn€, a year-on-year decrease of 7%. Forest depletion charges amounted to 7 Mn€ in 2025, a year-on-year reduction of 26%.

Elsewhere, the Pulp business's net finance cost amounted to 24 Mn€ in 2025. "Other finance income/(cost)" mainly presents the effect of movements in exchange rates on working capital during the period with a net loss of 4 Mn€ in 2025.

Finally, income tax amounted to a positive income of 16 Mn€, due to a negative taxable base. At year-end, the Pulp business had recognized tax loss carry forwards (NOLs) of 46 Mn€ pending recovery in future years. In this regard, it should be noted that the annulment by the Constitutional Court in 2024 of the limitation on the offsetting of tax loss carry forwards could result in the recovery of 16 Mn€ from recognized NOLs and 4 Mn€ in late-payment interest in 2026.

As a result, the Pulp business reported a net loss of 42 Mn€ in 2025, compared to a net profit of 44 Mn€ in 2024.

2.6. Cash flow analysis

Cash flows from operating activities amounted to 55 Mn€ in 2025, compared to 87 Mn€ in 2024. In 4Q25, cash flows from operating activities came to 16 Mn€, compared to 9 Mn€ in 4Q24, thanks mainly to the positive effect of taxation in a year of losses; that figure was 37% below the 3Q25 cash flow due to the collection 10 Mn€ from the sale of energy saving certificates in 3Q25.

Figures in € m	4Q25	4Q24	Δ%	3Q25	Δ%	2025	2024	Δ%
EBITDA	3	6	<i>(49%)</i>	4	<i>(24%)</i>	56	138	<i>(59%)</i>
Other cash adjustments	11	7	<i>54%</i>	(2)	<i>n.s.</i>	5	11	<i>(55%)</i>
Change in working capital	1	4	<i>(68%)</i>	27	<i>(95%)</i>	11	(37)	<i>n.s.</i>
Income tax received / (paid)	6	(5)	<i>n.s.</i>	0	<i>n.s.</i>	3	(6)	<i>n.s.</i>
Net interest received / (paid)	(5)	(4)	<i>(24%)</i>	(4)	<i>(8%)</i>	(20)	(19)	<i>(2%)</i>
Net cash flow from operating activities	16	9	<i>81%</i>	26	<i>(37%)</i>	55	87	<i>(36%)</i>

Working capital movements implied a net cash inflow of 11 Mn€, shaped by a reduction in accounts receivable due to lower pulp prices.

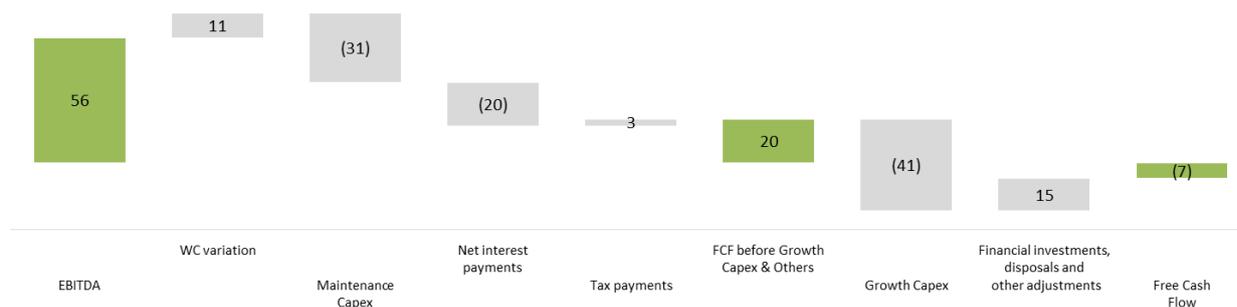
Figures in € m	4Q25	4Q24	Δ%	3Q25	Δ%	2025	2024	Δ%
Inventories	0,9	(16,1)	<i>n.s.</i>	13,5	<i>(93,6%)</i>	0,7	(29,5)	<i>n.s.</i>
Trade and other receivables	9,1	18,9	<i>(51,6%)</i>	16,0	<i>(43,0%)</i>	15,7	(8,3)	<i>n.s.</i>
Financial and other current assets	-	0,7	<i>(100,0%)</i>	-	<i>n.s.</i>	-	-	<i>n.s.</i>
Trade and other payables	(8,7)	0,7	<i>n.s.</i>	(2,0)	<i>n.s.</i>	(5,5)	1,1	<i>n.s.</i>
Change in working capital	1,3	4,2	<i>(68,1%)</i>	27,5	<i>(95,1%)</i>	10,8	(36,7)	<i>n.s.</i>

At year-end, Ence had drawn down 86 Mn€ of non-recourse receivables discounting facilities in the Pulp business, compared to 88 Mn€ at the September close and 86 Mn€ at the end of 2024. Ence has also arranged several reverse factoring facilities, which were drawn down by 64 Mn€ at year-end, compared to 62 Mn€ at the September close and 60 Mn€ at the end of 2024. 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	4Q25	4Q24	Δ%	3Q25	Δ%	2025	2024	Δ%
Maintenance capex	(5,5)	(8,1)	(32,5%)	(9,9)	(44,6%)	(30,8)	(25,0)	23,1%
Sustainability capex and other	0,9	(3,1)	n.s.	(4,1)	n.s.	(12,8)	(11,3)	13,3%
Efficiency and expansion capex	(9,0)	(6,3)	41,6%	(6,0)	49,5%	(28,4)	(20,3)	39,9%
Financial investments and in Group companies	(5,0)	(22,5)	(78,0%)	(2,7)	85,4%	7,9	(45,3)	n.s.
Investments	(18,4)	(40,0)	(54,0%)	(22,7)	(18,7%)	(64,0)	(101,9)	(37,2%)
Disposals ¹	1,0	(5,1)	n.s.	0,3	184,7%	1,6	1,2	34,6%
Net cash flow used in investing activities	(17,5)	(45,1)	(61,3%)	(22,3)	(21,8%)	(62,4)	(100,7)	(38,0%)

1 Disposals in 2025 exclude the maturity in January 2025 of temporary financial investments amounting to €10 million, which are treated as cash and cash equivalents.

Cash used in investing activities in the Pulp business totalled 64 Mn€ in 2025, compared to 102 Mn€ in 2024. Of the total 64 Mn€, 31 Mn€ related to maintenance capex. Outside of the maintenance work, the most significant investments were those related to the fluff pulp production line, which embarked on the process of having its products certified by the Company's customers 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, which between them entailed a cash outflow of 28 Mn€. The sustainability investments, earmarked to reinforcing facility safety and reducing water consumption, emissions, odour and noise at the biomills, bolstering Ence's competitiveness in the long term, implied a cash outflow of 13 Mn€.



As a result, normalised free cash flow in the Pulp business was positive by 20 Mn€ in 2025, including the above-mentioned 11 Mn€ decrease in the working capital requirement. Free cash flow after growth and sustainability capex, financial investments, disposals and other adjustments was negative by 7 Mn€.

2.7. Change in net debt

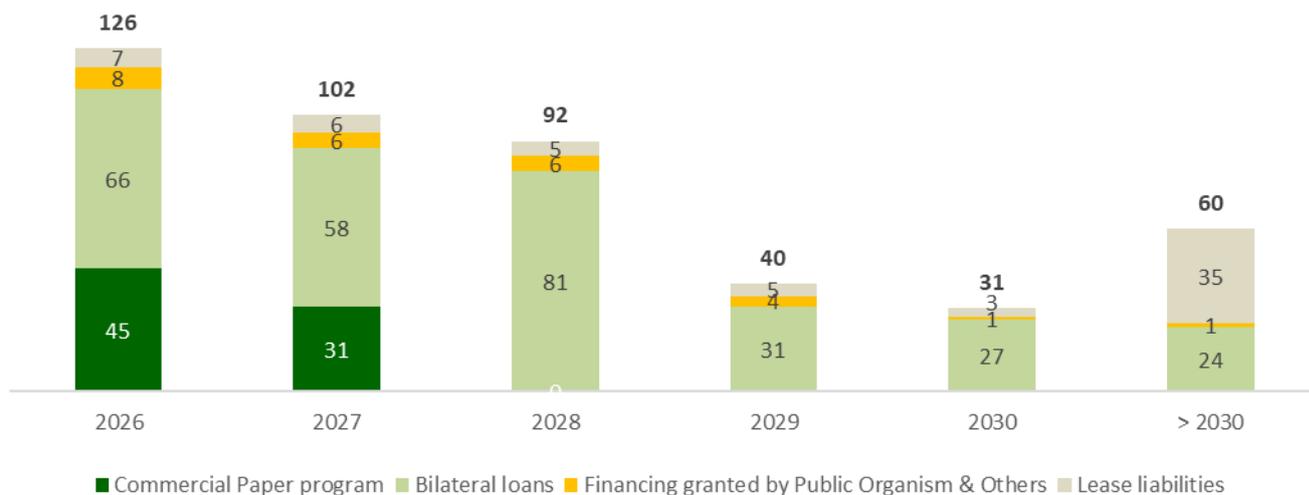
The Pulp business ended the year with net debt of 266 Mn€, up 11 Mn€ from the September close and 10% above the net debt of 243 Mn€ at year-end 2024, i.e., an increase of 24 Mn€.

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 183 Mn€.

Figures in € m	Dec-2025	Dec-2024	Δ%	Sep-2025
Non-current financial debt	268,8	243,8	10,3%	269,0
Current financial debt	119,1	143,9	(17,3%)	124,1
Gross financial debt	387,9	387,7	0,1%	393,1
Non-current lease contracts	54,4	47,5	14,5%	54,4
Current lease contracts	6,9	5,3	31,2%	4,9
Liabilities related to lease contracts	61,3	52,8	16,1%	59,2
Cash and cash equivalents	180,6	184,6	(2,2%)	194,2
Short-term financial investments	2,4	13,3	(82,3%)	2,5
Net debt Pulp business	266,3	242,6	9,8%	255,6

The gross debt of 388 Mn€ at the December close corresponds to the outstanding balances of: (i) bilateral loans (287 Mn€) extended by banks and public institutions; (ii) a series of loans totalling 25 Mn€ 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 2039; and (iii) the 77 Mn€ outstanding under Ence's sustainable commercial paper programme. Finance lease liabilities stood at 61 Mn€ at the December close. Debt arrangement fees are deducted from gross borrowings on the statement of financial position.



After the end of the reporting period, specifically on 12 January 2026, Ence registered a sustainable notes programme with Spain's alternative fixed-income market, MARF, under which it can issue up to €200m. At the date of this report, Ence had issued €85m of notes under that programme. The notes issued and cashed-in carry interest at a fixed annual rate of 4.10% and mature in a single bullet at maturity, with the entire principal balance due on 29 January 2030.

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 value-added products, leveraging its competitive advantages in the European market. The ultimate goal for this business is to multiply mid-cycle EBITDA by 1.5x by 2028 by means of a number of different initiatives.

Firstly, 30% of our pulp sales in 2025 were already generated by special pulp (Ence Advanced product range | +7pp, or 69k tonnes vs. 2024). These products are well suited to replacing softwood pulp, which fetches higher prices, translating into higher margins. In 2025, Ence Advanced products generated a margin premium of approximately €37/t compared to the standard pulp grades. The Company expects the incremental profit contribution to average €30/t over the pulp cycle.

Secondly, our first fluff pulp production line started up in the fourth quarter of 2025 in the form of customer product certifications. The new line has the capacity to produce up to 125,000 tonnes per annum. This pulp is targeted at the absorbent hygienic product industry in Europe and seeks to displace the use of imported fluff pulp made of softwood. In this manner, in addition to selling a higher-margin product than standard pulp (+€60/t), Ence will offer its customers a made in Europe' alternative with a smaller carbon footprint. Total investment amounts to approximately 35 Mn€ in this line and the project's expected return (ROCE) is at least 15%.

Our value-added softwood pulp substitute products are expected to account for more than 62% of sales in 2028 (including Ence Advanced and fluff pulp), adding approximately €22m to EBITDA. Both products, substitutes for

softwood products, are positioning Ence as a leading player in cost terms relative to softwood producers and a leader in terms of revenue per tonne compared to hardwood producers.

Ence is implementing two core initiatives to reduce cash costs in 30€/tn: the Competitiveness and Efficiency Plan and Navia cost reduction and decarbonization plan. Savings will be materialized throughout 2026/27 period, 15€/tn in 2026 and the remaining in 2027.

Regarding the Efficiency and Competitiveness Plan, it was ruled out in 4Q25, and will be implemented throughout 2026–2027, to unlock potential savings of approximately €22/t in terms of the Group's cash cost and entail a cash outflow of 26 Mn€. It is based on two essential pillars:

- Artificial intelligence solutions and process reengineering and automation
- Rationalisation of our operating processes

The savings the Efficiency and Competitiveness Plan are expected to unlock amount to approximately €200m (NPV) with a payback of a little over one year.

The execution of the plan implies an orderly reduction of our workforce. At the date of this report, agreements have been reached at both biofactories, resulting in the amortization of 141 positions through voluntary departures, early retirements, and redeployments to other business units within the group. In Pontevedra and at the corporate offices, up to 57 positions will be phased out, while 86 positions will be reduced in Navia. The new sustainable packaging business will absorb 40 employees currently working in BHKP pulp production at the Navia biomill. In this context, a €24m provision has been recognized in the 2025 annual result.

In parallel, work continues on the cost-savings and decarbonisation project at the Company's biomill in Navia, which involves retrofitting the wood 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 estimated investment stands at 35 Mn€ between 2025 and 2026 and the expected return (ROCE) is at least 15%. That figure already discounts the 13 Mn€ grant awarded by IDEA (acronym in Spanish for the energy savings and diversification institute), which will be collected when the project is complete. This project is scheduled for completion by the end of the first half of 2026.

Additionally, Ence has developed a moulded pulp-based renewable packaging solutions 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 during the second half of 2027 with an estimated investment of 12 Mn€ in thermoforming equipment. This project delivers a return (ROCE) of over 15%.

Also, the Company is finalising 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 special pulp competing with BSKP. The budgeted investment in this project is 120 Mn€ and the expected return (ROCE) is at least 12%. This project will be executed gradually, during the annual maintenance stoppages scheduled between 2026 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 timber consumption. That project obtained its integrated environmental permit in 3Q25.

3. RENEWABLES BUSINESS

Ence carries out this business through a diversified renewable energy platform in which locally-sourced biomass is the cornerstone. This business encompasses the generation of power within Spain’s renewable energy remuneration regime, renewable industrial heat, biomethane and renewable fuels.

Ence Renovables (100%-owned by Ence Energía y Celulosa) is the parent of the renewable energy subgroup and 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 electricity 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 an operations and maintenance (O&M) contract and currently has three projects under construction with annual production of approximately 170 GWht, which are slated for commissioning in the second half of 2026. In addition, the Company has been awarded O&M contract for a facility that has already been built and will have annual production capacity of an estimated 33 GWht; that facility is already in the process of being ramped up and is expected to reach cruising speed in the second quarter of 2026. Lastly, the Company has another 11 projects under negotiation, of which two are in 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. In 2025, after one year under Ence’s ownership and management, annual production increased by 27% thanks to operational measures that did not involve any associated capital expenditure. In the wake of Ence’s investment, an odour-reduction project has been rolled out, thanks to which odour emissions at this facility are expected to be eliminated. At the reporting date, this entity also had a portfolio of 25 developments at the permitting stage plus another 17 initiatives under development for which sites have been located and viability studies performed.

Ence is also the biggest generator of biogenic CO₂ in Spain, producing almost 4 million tonnes a year. Biogenic CO₂ is a key input for the manufacture of renewable fuels. The Company has embarked on the process of obtaining the permits needed to house biogenic CO₂ capture and recovery units within its main industrial complexes.

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

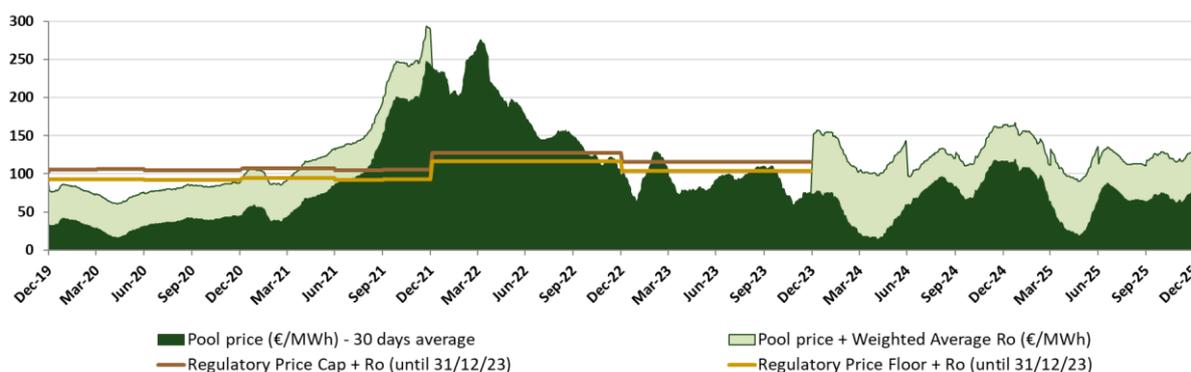
Electricity pool prices averaged €66/MWh in 2025 and €71/MWh in 4Q25.

Market figures	4Q25	4Q24	Δ%	3Q25	Δ%	2025	2024	Δ%
Average pool price (€/MWh)	70,8	94,7	(25,3%)	66,5	6,4%	65,5	62,9	4,2%

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. The ministerial order updating the standard facility remuneration parameters applicable to certain electricity producing facilities that use cogeneration, renewable energy sources or waste for the 2026-2028 regulatory stub period was published in February 2026 (Ministerial Order TED/53/2026). The updated parameters imply an increase of approximately €6/MWh in the remuneration for operation (Ro) parameter applicable to Magnon's biomass-fuelled electricity generation plants and of €19.5/MWh in the Ro parameter applicable to its cogeneration plant in Lucena.

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%, boosting revenue by 26 Mn€ in 2025.

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

3.2. Revenue from energy sales

Energy sales volumes increased by 6.3% (or 73,961 MWh) to 1,241,050 MWh in 2025. In 4Q25, production increased by 31,038 MWh, or 9.9%, year-on-year to 345,991 MWh, due mainly to higher output in Merida and Huelva, where year-on-year production increased by 21,608 MWh and 21,360 MWh, respectively. Those increases offset the reduction in production at the 41-MW plant in Huelva, which reached the end of its regulatory life in December 2025.

Energy operating figures	4Q25	4Q24	Δ%	3Q25	Δ%	2025	2024	Δ%
Huelva 41 MW - Biomass	19.072	43.165	(55,8%)	33.464	(43,0%)	112.988	105.745	6,8%
Jaén 16 MW - Biomass	19.797	21.010	(5,8%)	20.639	(4,1%)	76.562	82.857	(7,6%)
Ciudad Real 16 MW - Biomass	18.744	218	n.s.	19.295	(2,9%)	74.144	218	n.s.
Córdoba 27 MW - Biomass	46.479	38.341	21,2%	36.287	28,1%	162.312	144.512	12,3%
Huelva 50 MW - Biomass	94.487	73.128	29,2%	69.027	36,9%	268.253	305.619	(12,2%)
Mérida 20 MW - Biomass	32.355	10.747	201,1%	25.661	26,1%	125.787	88.987	41,4%
Huelva 46 MW - Biomass	55.033	57.939	(5,0%)	49.916	10,3%	184.230	205.102	(10,2%)
Ciudad Real 50 MW - Biomass	60.024	70.405	(14,7%)	60.814	(1,3%)	236.774	234.049	1,2%
Energy sales (MWh)	345.991	314.953	9,9%	315.103	9,8%	1.241.050	1.167.089	6,3%
Average sales price - (€/MWh)	136,1	155,1	(12,2%)	130,5	4,3%	137,2	141,0	(2,7%)
Remuneration for investment (€m)	6,4	6,2	2,8%	6,4	(1,2%)	25,7	24,65	4,1%
Revenue from energy sales (€ m)	53,5	55,0	(2,8%)	47,6	12,4%	196,0	189,2	3,6%

Elsewhere, the average sales price amounted to €136/MWh in 4Q25, up 4% quarter-on-quarter but down 12% year-on-year. The average sales price in 2025 was €137/MWh, down 3% from 2024.

The combination of the two factors drove a 12% increase in revenue from energy sales quarter-on-quarter and a decrease of 3% by comparison with 4Q24. In 2025, revenue from energy sales amounted to €196m, growth of 4% from 2024.

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	4Q25	4Q24	Δ%	3Q25	Δ%	2025	2024	Δ%
Biomethane sales (MWh)	8.128	-	<i>n.s.</i>	6.453	26,0%	26.836	-	<i>n.s.</i>
Average sales price - (€/MWh)	92	-	<i>n.s.</i>	92	0,1%	92	-	<i>n.s.</i>
Revenue from biomethane sales (€ m)	0,7	-	<i>n.s.</i>	0,6	26,1%	2,5	-	<i>n.s.</i>

In 4Q25, revenue from biomethane sales amounted to €0.7m, growth of 26% from 3Q25. In 2025, this plant produced 26,836 MWh of biomethane, generating sales revenue of €2.5m. 2025 was the first full year that this plant operated under Ence's management, thanks to which production increased by 27%.

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 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 10 Mn€ in 4Q25, EBITDA of the biomass to electricity business stood at 10 Mn€ which compares with 9 Mn€ in the previous quarter and 9 Mn€ in 4Q24. In 2025, EBITDA in the Renewables business came to 27 Mn€, up 4% from 2024, including the biomethane and industrial heat business development and ramp-up costs of 4 v Mn€.

Figures in € m	4Q25	4Q24	Δ%	3Q25	Δ%	2025	2024	Δ%
Revenue from energy sales (includes hedges)	53,5	55,0	(2,8%)	47,6	12,4%	196,0	189,2	3,6%
Revenues from biomethane sales	0,7	-	<i>n.s.</i>	0,6	26,1%	2,5	-	<i>n.s.</i>
Other revenues	2,9	1,4	109,7%	1,7	76,4%	7,6	7,5	1,1%
Total revenue	57,1	56,4	1,3%	49,8	14,7%	206,0	196,7	4,7%
EBITDA from energy sales	10,0	9,0	11,2%	9,2	8,2%	31,2	32,5	(4,0%)
EBITDA from other businesses	(0,4)	(3,3)	86,7%	(0,8)	45,7%	(3,7)	(6,1)	39,3%
EBITDA	9,5	5,7	67,7%	8,4	13,3%	27,4	26,3	4,2%
Depreciation and amortisation	(7,5)	(9,1)	17,6%	(7,8)	4,4%	(32,1)	(34,5)	7,0%
Impairment of and gains/(losses) on fixed-asset disp.	0,9	0,6	45,3%	(0,0)	<i>n.s.</i>	0,8	1,7	(51,2%)
Other non-ordinary results from operations	(4,9)	-	<i>n.s.</i>	-	<i>n.s.</i>	(4,9)	(4,5)	(9,6%)
EBIT	(2,0)	(2,8)	29,1%	0,6	<i>n.s.</i>	(8,7)	(10,9)	20,3%
Net finance cost	(3,3)	(4,2)	20,1%	(4,6)	27,9%	(16,6)	(13,8)	(20,0%)
Other finance income/(cost)	(1,1)	(0,0)	<i>n.s.</i>	0,1	<i>n.s.</i>	(1,0)	0,3	<i>n.s.</i>
Profit before tax	(6,5)	(7,0)	7,6%	(3,9)	(64,7%)	(26,3)	(24,5)	(7,3%)
Income tax	2,7	(1,1)	<i>n.s.</i>	0,2	<i>n.s.</i>	3,7	(0,7)	<i>n.s.</i>
Net Income	(3,7)	(8,1)	54,2%	(3,7)	(0,2%)	(22,6)	(25,2)	10,4%
Non-controlling interests	0,9	3,8	(77,3%)	1,1	(18,6%)	8,0	11,4	(29,6%)
Attributable Net Income	(2,9)	(4,3)	33,6%	(2,6)	(7,8%)	(14,5)	(13,8)	(5,6%)

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. In 2025, hedges were arranged over 63% of biomass power generation. The deviation between the regulatory price and market price had a negative impact of 3 Mn€ in 2025, offset by gains on the hedges arranged of 3 Mn€.

Below the EBITDA line, asset depreciation and impairment charges totalled 7 Mn€; in addition, the Group recorded a 5 Mn€ impairment loss on a photovoltaic facility under development, left over from the portfolio of developments initially committed to Naturgy in 2021. Finance costs came to 3 Mn€, including 1 Mn€ related to the unwind of the regulatory collar provision and a charge of 1 Mn€ within other finance income/(costs) associated with the impairment of the photovoltaic facility under development. In 2025, asset depreciation and impairment charges totalled 31 Mn€, compared to 35 Mn€ in 2024, and finance costs amounted to 17 Mn€, compared to 14 Mn€ in 2024; the increase in finance costs is associated with the acquisition of the biomethane plant.

Lastly, income tax amounted to a positive income of 3 Mn€ in the quarter, driven by the recognition of tax loss carry-forwards (NOLs), and 4 Mn€ for the full year 2025. At year-end, the Renewables business had recognized NOLs of 25 Mn€ pending recovery in future years. In this regard, it is worth noting that the annulment by the Constitutional Court in 2024 of the limitation on the offsetting of tax loss carry-forwards results in the recovery of 3 Mn€ from recognized NOLs and 1 Mn€ in late-payment interest in 2026.

As a result, the Renewables business posted an attributable net loss of 3 Mn€ in 4Q25, compared to losses of 3 Mn€ in 3Q25 and of 4 Mn€ in 2024. In 2025, the attributable net loss amounted to 15 Mn€, compared to 14 Mn€ in 2024.

3.5. Cash flow analysis

Cash flows from operating activities in the Renewables business were negative by 3 Mn€ in 4Q25, including cash outflows of 5 Mn€ derived from movements in working capital and of 6 Mn€ due to net finance costs. In 2025, the net cash flows used in operating activities amounted to 5 Mn€, compared to 8 Mn€ in 2024.

Figures in € m	4Q25	4Q24	Δ%	3Q25	Δ%	2025	2024	Δ%
EBITDA	9,5	5,7	67,7%	8,4	13,3%	27,4	26,3	4,2%
Other cash adjustments	(1,3)	2,2	n.s.	(0,8)	(59,5%)	(3,1)	(0,6)	n.s.
Change in working capital	(5,4)	(11,2)	51,8%	(9,2)	41,6%	(14,4)	(29,3)	51,0%
Income tax received / (paid)	0,3	9,9	(97,1%)	(0,0)	n.s.	0,6	9,6	(93,9%)
Net interest received / (paid)	(6,2)	(5,7)	(8,9%)	(1,5)	n.s.	(15,7)	(14,2)	(10,3%)
Net cash flow from operating activities	(3,0)	0,9	n.s.	(3,1)	1,8%	(5,0)	(8,1)	38,0%

In 2025, working capital movements implied a cash outflow of 14 Mn€, shaped by an increase in inventories (associated with the purchase of emissions allowances and inventories associated with the new industrial heat developments, purchase of biomass and spare parts), which implied a cash outflow of 11 Mn€, and a 20 Mn€ reduction in accounts payable, partially offset by a 17 Mn€ reduction in trade and other accounts receivable.

Figures in € m	4Q25	4Q24	Δ%	3Q25	Δ%	2025	2024	Δ%
Inventories	(1,0)	0,1	n.s.	(2,5)	58,6%	(11,0)	0,1	n.s.
Trade and other receivables	1,3	(7,5)	n.s.	1,1	19,9%	16,6	(28,5)	n.s.
Current financial and other assets	-	0,2	(100,0%)	-	n.s.	-	-	n.s.
Trade and other payables	(5,7)	(4,0)	(43,2%)	(7,8)	27,7%	(19,9)	(0,9)	n.s.
Change in working capital	(5,4)	(11,2)	51,8%	(9,2)	41,6%	(14,4)	(29,3)	51,0%

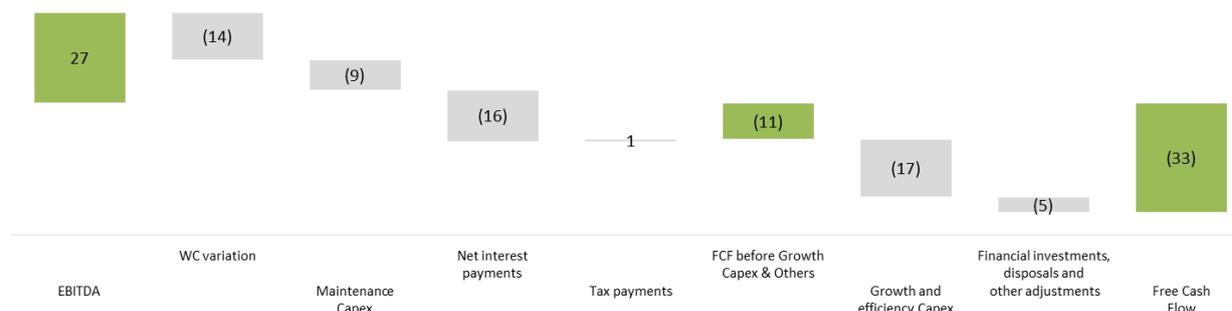
At 31 December 2025, the Renewables business had drawn down 23 Mn€ under its non-recourse receivable discounting facilities. Magnon has arranged several non-recourse reverse factoring facilities, which were drawn down by 14 Mn€ at the December close, compared to 23 Mn€ at year-end 2024. The reverse factoring 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	4Q25	4Q24	Δ%	3Q25	Δ%	2025	2024	Δ%
Maintenance capex	(1,3)	(3,8)	65,9%	(2,9)	55,4%	(9,1)	(7,8)	(16,8%)
Sustainability capex and other	0,7	(0,3)	n.s.	(0,7)	n.s.	(1,1)	(1,3)	18,2%
Efficiency and expansion capex	(4,3)	(4,1)	(7,2%)	(6,2)	30,1%	(16,3)	(11,2)	(45,8%)
Financial investments and in Group companies	0,6	(18,3)	n.s.	(0,5)	n.s.	(2,1)	(19,1)	89,1%
Investments	(4,3)	(26,5)	83,7%	(10,4)	58,2%	(28,6)	(39,4)	27,4%
Disposals	0,1	0,5	(83,6%)	0,1	32,3%	0,3	1,0	(71,2%)
Net cash flow from investing activities	(4,2)	(26,0)	83,7%	(10,3)	58,8%	(28,3)	(38,3)	26,3%

Cash used in investing activities in the Renewables business totalled 29 Mn€ in 2025. Maintenance capex amounted to 9 Mn€, while payments for sustainability-related investments came to 1 Mn€; 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. Investments in efficiency and growth amounted to 16 Mn€ in 2025 and were mainly related to the development of the renewable thermal energy and biomethane projects. Lastly, financial investments and investments in group companies totalled 2 Mn€ in 2025.

As a result, free cash flow in the Renewables business was negative by 33 Mn€ in 2025.



3.6. Change in net debt

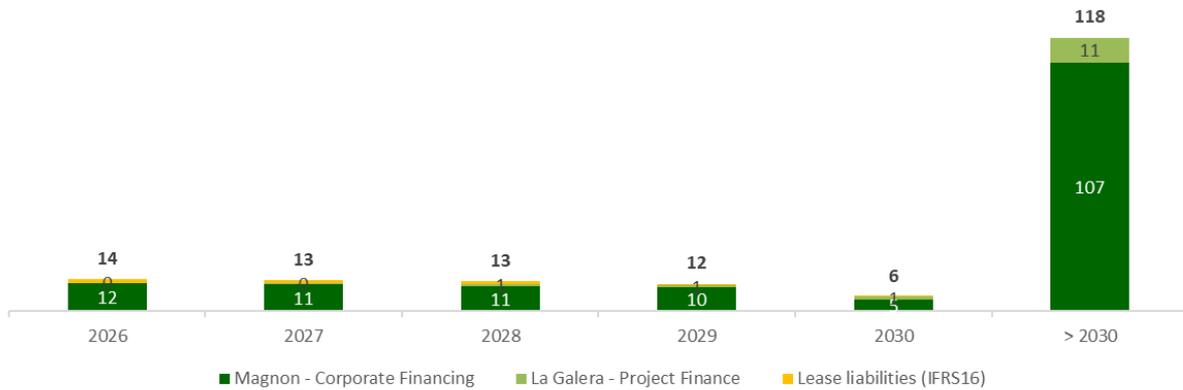
The Renewables business ended the year with net debt of 112 Mn€, compared to net debt of 79 Mn€ at year-end 2024 (i.e., an increase of 34 Mn€).

Gross debt at the December close stood at 165 Mn€, lease liabilities amounted to 5 Mn€ and cash and cash equivalents stood at 59 Mn€.

Figures in € m	Dec-2025	Dec-2024	Δ%
Non-current financial debt	153,9	151,2	1,8%
Current financial debt	11,2	11,3	(0,6%)
Gross financial debt	165,1	162,4	1,6%
Non-current lease contracts	3,4	4,0	(13,9%)
Current lease contracts	1,7	1,8	(2,7%)
Liabilities related to lease contracts	5,1	5,7	(10,4%)
Cash reserve for debt service	11,5	10,0	14,5%
Cash and cash equivalents	46,9	79,4	(40,9%)
Short-term financial investments	0,1	0,2	(48,4%)
Net debt Renewable business	111,8	78,6	42,2%

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 14 Mn€ at year-end. The new facility qualifies as a green loan, with recourse exclusively to the asset it is financing, and it matures in June 2037.

Repayment schedule (€m)



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 is 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 TWh 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 year-end, the company also had a portfolio of 25 other developments at advanced environmental permitting stage (in Castile and Leon, Aragon, Catalonia, Castile-La Mancha, Extremadura and Andalusia), plus another 17 initiatives under development for which sites have been secured 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 construction and operation 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 by mid-year, 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 decarbonisation plan using NGEU funds, which will be collected when the project is complete.

In 2025, Magnon also signed an agreement for the construction and operation of two new facilities with a customer from the dairy sector. Those facilities are currently under construction and are expected to be commissioned towards the end of the second semester of 2026. Annual production at the facilities will be 37GWht and 42GWht, respectively, and entail an investment of €3m (excluding €3m of aid under the EU's Next Generation funds) per plant; the estimated return on this investment (ROCE) is at least 11%. An agreement was signed in 3Q25 for the operation and maintenance of a furnace for a food company in Extremadura, which is currently being ramped up and expected to reach full capacity in the second quarter of 2026.

In addition, Magnon Energy Services has 11 projects at different stages of negotiation; with two of them at an advance stage.

Note, lastly, that agricultural, forestry and breeding biomass is the main source of biogenic CO₂, a raw material needed to produce green fuels. The Ence Group produces close to 4 million tonnes of biogenic CO₂ annually and is advancing on the engineering and permitting work needed for its potential capture and use in the future. It has embarked on the permitting process for the installation of capture units and potentially for permission to produce e-methanol at our main industrial complexes, which are strategically located close to ports and the facilities of leading players in the O&G industry. Agreements have been struck with important industry players for the joint development of projects.

4. CONSOLIDATED FINANCIAL STATEMENTS

4.1. Summarised statement of profit or loss

Figures in € m	2025				2024			
	Pulp	Renewables	Adjustments	Consolidated	Pulp	Renewables	Adjustments	Consolidated
Total revenue	543,6	206,0	(2,4)	747,3	683,2	196,7	(3,7)	876,2
Foreign exchange hedging operations results	8,7	2,6	-	11,3	(0,6)	(2,8)	-	(3,4)
Other income	81,0	7,9	(1,4)	87,4	21,8	5,3	(1,3)	25,8
Cost of sales and change in inventories of finished products	(349,7)	(67,0)	2,4	(414,3)	(342,2)	(69,6)	3,7	(408,1)
Personnel expenses	(87,0)	(25,6)	-	(112,6)	(89,6)	(23,5)	-	(113,1)
Other operating expenses	(140,6)	(96,4)	1,4	(235,7)	(134,4)	(79,7)	1,3	(212,8)
EBITDA	56,0	27,4	(0,0)	83,5	138,2	26,3	0,0	164,5
Depreciation and amortisation	(52,7)	(32,0)	1,9	(82,8)	(57,9)	(34,5)	1,6	(90,8)
Depletion of forestry reserves	(7,2)	(0,1)	0,0	(7,3)	(9,7)	-	-	(9,7)
Impairment of and gains/(losses) on fixed-asset disposals	(0,1)	0,8	0,0	0,8	(1,7)	1,7	-	(0,0)
Other non-ordinary operating gains/(losses)	(26,2)	(4,9)	0,0	(31,1)	3,8	(4,5)	-	(0,6)
EBIT	(30,1)	(8,7)	1,9	(36,9)	72,6	(10,9)	1,6	63,3
Net finance cost	(23,5)	(16,6)	-	(40,1)	(18,6)	(13,8)	-	(32,4)
Other finance income/(costs)	(3,9)	(1,0)	(0,0)	(4,9)	1,2	0,3	(0,0)	1,5
Profit before tax	(57,5)	(26,3)	1,9	(81,9)	55,2	(24,5)	1,6	32,4
Income tax	15,8	3,7	(0,1)	19,4	(11,4)	(0,7)	(0,1)	(12,2)
Net income	(41,6)	(22,6)	1,7	(62,5)	43,8	(25,2)	1,5	20,1
Non-controlling interests	-	8,0	-	8,0	-	11,4	-	11,4
Attributable Net Income	(41,6)	(14,5)	1,7	(54,5)	43,8	(13,8)	1,5	31,6
Earnings per Share (EPS)	(0,17)	(0,06)	0,01	(0,22)	0,18	(0,06)	0,01	0,13

4.2. Summarised statement of financial position

Figures in € m	2025				2024			
	Pulp	Renewables	Adjustments	Consolidated	Pulp	Renewables	Adjustments	Consolidated
Intangible assets	20,9	56,3	(11,0)	66,2	19,2	57,2	(11,6)	64,9
Property, plant and equipment	648,2	371,0	(5,1)	1.014,0	608,6	372,4	(6,4)	974,6
Biological assets	65,2	0,2	0,0	65,4	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	59,4	(0,0)	(59,4)	(0,0)	65,7	-	(65,7)	-
Deferred tax assets	49,2	27,2	2,8	79,2	35,2	23,9	2,9	62,0
Non-current financial assets	10,3	2,9	0,0	13,2	19,5	20,3	-	39,8
Cash reserve for debt service	-	11,5	-	11,5	-	10,0	-	10,0
Total non-current assets	967,1	469,1	(186,7)	1.249,5	928,3	484,7	(194,8)	1.218,3
Inventories	75,9	16,3	(0,0)	92,1	82,1	12,5	(0,0)	94,6
Trade and other accounts receivable	23,0	24,7	(2,5)	45,3	39,5	36,0	(6,0)	69,4
Income tax	2,9	0,6	-	3,5	5,3	1,3	-	6,6
Other current assets	14,9	0,0	0,0	14,9	15,7	0,3	0,0	16,1
Hedging derivatives	0,6	1,0	-	1,6	-	-	-	-
Current financial investments in Group companies	0,0	0,9	(0,9)	0,0	0,2	0,7	(0,8)	0,0
Current financial investments	2,4	0,1	0,0	2,5	13,3	0,2	(0,0)	13,6
Cash and cash equivalents	180,6	46,9	-	227,5	184,6	79,4	-	263,9
Total current assets	300,2	90,5	(3,4)	387,3	340,7	130,4	(6,9)	464,2
TOTAL ASSETS	1.267,3	559,7	(190,1)	1.636,9	1.269,0	615,1	(201,6)	1.682,4
Equity attributable to the Parent	522,0	82,5	(127,3)	477,2	559,1	95,6	(129,0)	525,6
Minority interest	-	89,4	-	89,4	-	97,1	-	97,1
Total Equity	522,0	172,0	(127,3)	566,7	559,1	192,6	(129,0)	622,6
Non-current loans with Group companies and associates	-	88,4	(59,4)	29,0	-	94,7	(65,7)	29,0
Non-current borrowings	323,3	157,3	-	480,6	291,3	155,1	-	446,4
Non-current derivatives	1,0	0,2	-	1,2	2,2	1,8	-	4,0
Deferred tax liabilities	-	-	-	-	-	-	-	-
Non-current provisions	36,6	0,7	-	37,3	28,9	0,6	(0,0)	29,5
Other non-current liabilities	26,8	60,3	(0,0)	87,0	33,8	71,9	-	105,7
Total non-current liabilities	387,6	306,9	(59,4)	635,2	356,2	324,2	(65,7)	614,7
Current borrowings	126,0	12,9	0,0	138,9	149,2	13,0	-	162,2
Current derivatives	1,1	0,7	-	1,8	6,9	1,1	(0,00)	8,0
Trade and other account payable	181,8	60,4	(2,5)	239,7	166,4	80,2	(6,0)	240,6
Short-term debts with group companies	0,7	2,7	(0,9)	2,5	0,7	1,0	(0,8)	0,9
Income tax	0,0	0,0	(0,0)	0,1	0,0	0,0	-	0,0
Current provisions	48,0	4,0	-	52,1	30,5	3,0	-	33,5
Total current liabilities	357,6	80,8	(3,4)	435,0	353,7	98,3	(6,9)	445,1
TOTAL EQUITY AND LIABILITIES	1.267,3	559,7	(190,1)	1.636,9	1.269,0	615,1	(201,6)	1.682,4

Capital expenditure in the Pulp business includes the higher cost of the Navia 80 Project, completed in 2019, in the amount of €8m, as a result of an arbitration ruling issued on 17 June 2025, requiring the Group to pay €15m, of which €8m had already been recognised.

4.3 Statement of cash flows

Figures in € m	2025				2024			
	Pulp	Renewables	Adjustments	Consolidated	Pulp	Renewables	Adjustments	Consolidated
Consolidated profit/(loss) for the period before tax	(57,5)	(26,3)	1,9	(81,9)	55,2	(24,5)	1,6	32,3
Depreciation and amortisation	59,9	32,1	(1,9)	90,1	67,6	34,5	(1,6)	100,5
Changes in provisions and other deferred expense	35,7	8,9	-	44,5	8,6	4,9	-	13,5
Impairment of gains/(losses) on disposals intangible assets	0,6	0,3	-	0,9	1,9	(1,7)	-	0,2
Net finance result	25,5	16,4	(0,0)	41,8	17,8	13,6	-	31,4
Energy regulation adjustments	(2,2)	(6,9)	-	(9,1)	(0,8)	(0,9)	-	(1,7)
Government grants taken to income	(0,9)	(0,1)	-	(0,9)	(0,9)	(0,1)	-	(1,1)
Adjustments to profit	118,5	50,7	(1,9)	167,3	94,2	50,3	(1,6)	142,8
Inventories	0,7	(11,0)	-	(10,4)	(29,5)	0,1	0,0	(29,4)
Trade and other receivables	15,7	16,6	(5,2)	27,1	(8,3)	(28,5)	4,1	(32,8)
Current financial and other assets	-	-	-	-	-	-	-	-
Trade and other payables	(5,5)	(19,9)	5,2	(20,3)	1,1	(0,9)	(4,1)	(3,9)
Changes in working capital	10,8	(14,4)	0,0	(3,6)	(36,7)	(29,3)	-	(66,0)
Interest paid	(19,6)	(15,7)	0,0	(35,2)	(19,3)	(14,2)	-	(33,4)
Dividends received	-	-	-	-	0,0	-	-	0,0
Income tax received/(paid)	3,0	0,6	-	3,6	(6,5)	9,6	-	3,1
Other collections/(payments)	-	-	-	-	(0,2)	-	-	(0,2)
Other cash flows from operating activities	(16,5)	(15,1)	0,0	(31,6)	(26,0)	(4,6)	0,0	(30,5)
Net cash flow from operating activities	55,3	(5,0)	0,0	50,3	86,7	(8,1)	(0,0)	78,6
Property, plant and equipment	(67,5)	(25,1)	(0,0)	(92,6)	(52,0)	(18,9)	-	(70,9)
Intangible assets	(4,5)	(1,4)	-	(5,8)	(4,6)	(1,4)	-	(6,0)
Other financial assets and Group companies	7,9	(2,1)	(6,1)	(0,3)	(45,3)	(18,9)	44,0	(20,2)
Disposals ¹	1,6	0,3	(0,1)	1,8	1,2	1,0	-	2,2
Net cash flow used in investing activities	(62,4)	(28,3)	(6,2)	(96,9)	(100,7)	(38,1)	44,0	(94,8)
Free cash flow	(7,1)	(33,3)	(6,2)	(46,6)	(14,0)	(46,3)	44,0	(16,2)
Buyback/(disposal) of own equity instruments	(1,2)	-	-	(1,2)	0,7	-	-	0,7
Proceeds from and repayments of financial liabilities	(5,7)	1,3	6,2	1,8	(69,4)	109,0	(44,0)	(4,4)
Dividends payments	-	(0,4)	-	(0,4)	(34,0)	(5,1)	-	(39,1)
Net cash flow from/ (used in) financing activities	(6,9)	0,8	6,2	0,1	(102,7)	103,8	(44,0)	(42,8)
Net increase/(decrease) in cash and cash equivalents	(14,0)	(32,5)	0,0	(46,5)	(116,6)	57,6	-	(59,1)

5. KEY DEVELOPMENTS

Sale of energy certificates

During the first half of 2025, the Pulp business generated significant energy savings as a result of a series of energy efficiency initiatives which it sold to a duly certified 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 system, and the implementing Ministerial Order TED/815/2023 (18 July 2023).

Specifically, in the first half of 2025, the Group closed two sales, selling 191 million CAEs (equivalent to savings of 191 GWh) and 61 million CAEs (equivalent to savings of 61 GWh) for prices, net of transaction costs, of 30 Mn€ and 10 Mn€, respectively. In 2Q25, the Group collected the 30 Mn€ sale recognised in the first quarter and in 3Q25 it collected the remaining 10 Mn€.

Agreements reached on collective dismissal procedures:

As of December 18, 2025, ENCE has reached an agreement with the legal representatives of the employees at the Pontevedra biomill and headquarters, which provides for the termination of up to 57 employment contracts between January 1, 2026 and December 31, 2027.

As of 18 February 2026, ENCE has reached an agreement with the employees' legal representatives within the framework of the collective redundancy procedure initiated at the Navia biomill. The agreement provides for the termination of 44 employment contracts, with an implementation period running until 31 December 2027, and up to 40 redeployments to other companies within the Group, which may take place in 2026 and 2027 and may be extended until 30 June 2028.

Bond issuance:

On 12 January 2026, Ence registered a sustainable notes programme with Spain's alternative fixed-income market, MARF, under which it can issue up to €200m.

At the date of this report, Ence had issued €85m of notes under that programme. The notes issued carry interest at a fixed annual rate of 4.10% and mature in a single bullet at maturity, with the entire principal balance due on 29 January 2030.

Updated remuneration parameters

Lastly, in February 2026, the Ministry of Ecological Transition and Demographic Challenges (Order TED/53/2026) updated the remuneration parameters for biomass and cogeneration facilities. Under this updated framework, the Ence Group's biomass plants, which include those embedded into its pulp-making business and those of its renewable energy subsidiary, Magnon, are set to benefit from an increase in their remuneration for operation (Ro) metric of around €6/MWh. And Magnon's cogeneration facility in Lucena will see an increase of €19.5/MWh in its Ro.

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 and 2025. In 2025, the Company reviewed its materiality assessment, paying particular attention to analysis of its impacts, risks and opportunities ahead of the upcoming reporting season.

Ence's strong environmental, social and governance (ESG) performance is recognized by leading ESG agencies and indices. In 2025, the specialized ESG rating agency Ethifinance awarded Ence an "Excellent" rating in its Solicited Sustainability Rating. This ESG assessment evaluates the company's performance across four pillars: governance, environment, social – own personnel, and social – external stakeholders. In addition, Ence is also part of the prestigious FTSE4Good Index Series, designed to measure the performance of companies demonstrating strong ESG practices, in which the company has participated since 2021.

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**, the Group's cumulative accident rate, measured by the Lost Time Injury Frequency Rate (LTIFR), improved in 2025 by 23% compared to the past five-year average. In terms of severity rate (SR) (lost workdays due to accidents), the cumulative figure for 2025 is aligned with the average of the past five years. Comparing the 2025 LTIFR with the past five-year average by business unit: Forestry Purchases, Biomass Suppliers and Land Assets business units improved their accident rates; Pulp remained in line with the average; and Magnon showed a deterioration.

In the Pulp business, the Pontevedra biomill went through its annual maintenance shutdown in September, which was carried out with excellent results safety-wise: 75 particularly risky interventions took place without recording any lost-time injuries, thanks to the focus the Company places on discipline and supervision, as evidenced by the 967 safety precautions and observations recorded.

In the Pulp business, 2025 LTIFR is nearly six times better than the sector benchmark (paper and pulp sector LTIFR). It is worth highlighting that both the annual maintenance shutdown at the Navia and at Pontevedra biomills recorded excellent safety results, thanks to the company's strong focus on discipline and supervision.

In Navia, 55 high-risk tasks were carried out without any accidents (with or without sick-leave), and 1,195 Preventive Observations were formally recorded. In Pontevedra, during the maintenance shutdown, 75 high-risk tasks were completed without sick-leave accidents, and 967 Preventive Observations were documented.

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, for the biomass-based energy generation plants, safety indicators deteriorated compared to the previous year, with a higher number of accidents recorded. However, although accident rates deteriorated vs previous year, Magnon still outperformed the sector benchmark for the industrial sector in Spain, with its LTIFR being three times lower. After the second edition of its Safety and Environment Day, in June, Magnon launched an action plan designed to shore up its leadership around safety and reinforce critical procedures by means of a training programme rolled out in July. This initiative focuses particularly on two specific risks: plant collisions and fire prevention. As part of this work, progress was made on new technological solutions and on having an external expert validate the fire prevention system.

In terms of the Group's **environmental performance**, it is worth noting the progress made in 2025 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 continued to move forward. More specifically, the Navia biomill is working on a project with a local cement maker which aims to recover the biomill's lime sludge for making cement. Additionally, since the last quarter, the ashes from one of the boilers in Huelva have been classified as by-products rather than waste, and are now destined for use in mine backfilling, thereby replacing other materials with a higher environmental footprint.

As part of its circular economy thrust, 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). In 2025, all biomass-based power generation plants and the two pulp biomills boasted that certification. In that same vein, Magnon has also renewed its AENOR's Circular Strategy certificate.

In the environmental sphere, it is also worth highlighting that the Navia biomill ended 2025 without recording a single minute of odour emissions, making it the benchmark within the Company and endorsing the robustness of the facility's Zero Odour initiatives. In addition to this historic record, the Navia biomill also achieved its lowest historical average specific water consumption, reaching by the end of the year monthly consumption levels of around 24 m³/tAD. This reduction in specific water consumption has been made possible thanks to an ambitious operational improvement plan aimed at reducing the use of water resources. At the Pontevedra biomill, the water recovery system operated for the third consecutive year in 2025. This pioneering solution helps reduce the facility's dependence on water from the Lérez River during periods of water scarcity, thereby increasing resilience to the effects of climate change.

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. In 2025 three additional certifications were obtained (Galab, Oeko-tex y Dermatest) certifying the sustainability of the fluff pulp which the Navia biomill has recently begun to make.

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, during 2025, in line with the Decarbonisation Plan timeline, the Navia biomill completed phase one, replacing the use of natural gas in the lime kilns with biomass, and it continues to implement phase two, which calls for substituting more fossil fuels with pulverised biomass. 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. Thanks to these measures, Navia's direct emissions (Scope 1, included in the EU ETS) have decreased by 10% compared to 2024. In tandem, the Pontevedra biomill continues to make progress on designing its plan, which contemplates similar initiatives to those being carried out in Navia for replacing the fossil fuels 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, which sets down the Company's key principles in this area and its commitment to be climate neutral by 2050.

Ence also updates its greenhouse gas inventory annually, including the analysis of the net carbon balance of the company's owned forestlands. This analysis, conducted in accordance with IPCC guidelines, concluded that in 2025 the forestry tracts managed by Ence sequestered nearly 360,000 tCO₂, net of the carbon withdrawn from the forests in the form of wood or biomass.

As in previous years, in 2025 Ence successfully completed the verification of its 2024 Greenhouse Gas Emissions Report, which is available to all stakeholders on the company's website (<https://ence.es/sostenibilidad/informes-gei/>). The verification was carried out in accordance with ISO 14064 and ISO 14067 standards by an independent external body with a reasonable level of assurance, the highest level. In addition, the company, once again, registered its carbon footprint in the Carbon Footprint, Offset and CO₂ Absorption Projects Registry of the Ministry for Ecological Transition and Demographic Challenge (MITECO), obtaining for the fourth consecutive year the 'Calculate and Reduce' seal. This seal certifies organizations that not only calculate their carbon footprint but also effectively reduce their greenhouse gas emissions. Ence has once again demonstrated its commitment to climate action, achieving a reduction of nearly 15% in average emission intensity for Scopes 1 and 2 in the 2022–2024 period compared to 2021–2023.

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 2025, work progressed 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. Of all the risks assessed, after the implementation of mitigation measures, no critical risks have been identified (criticality threshold set at >6 M€).

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, as endorsed by auditors in 2025. The biodiversity plan also includes awareness and communication initiatives so as to create a culture of biodiversity protection among all employees. Under the umbrella of this plan, medium-term targets (2028) have been defined to articulate and guide the various initiatives.

The most notable initiatives underway this year include the restoration of degraded areas and the creation of ecotones, which has helped improve the connectivity index between protection areas. In addition, work has been carried out on the development of a technical platform to support action planning, with a focus on connectivity, and the start of the photo-trap work for assessing the presence of fauna in Ence's forest tracts that contain green corridors within the Doñana Nature Park. Nest boxes have also been installed for insectivorous birds, raptors and wild bee colonies, as well as osprey nests placed on fiberglass structures. The Biodiversity Plan is aligned with upcoming and current regulatory requirements, including those emanating from the EU Regulation on Deforestation-free products – EUDR - (for which technological tools have been developed to support both the Company and its suppliers), the CSRD Directive with respect to the prevention and mitigation of impacts on biodiversity (establishing the systematic prevention and monitoring of the potential impacts of forestry work) and the EU Nature Restoration Regulation (in the form of annual targets for restoring degraded habitats).

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 CO₂) 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 more environmentally friendly to make. One of the key thrusts of this line of initiative is to increase penetration of the products that carry the Ence Advanced label. Indeed, in 2025, sales of these higher value-added special products accounted for 30% of total pulp sales volumes.

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 TCF¹ and Naturcell²) and the bleached pulp made in Navia (Encell ECF³) with its customers.

In August 2025, as originally scheduled, Ence initiated production of eucalyptus-based fluff pulp at its biomill in Navia. For customer qualification processes, in 2025 three certifications (Galab, Oeko-tex and Dermatest) were obtained for this new product.

Elsewhere, in order to comply with Regulation (EU) 2023/1115, the European Regulation on deforestation-free products (EUDR), the Pulp business is in the process of implementing all the requirements for meeting its upcoming obligations under this new legislation.

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 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. The project obtained its integrated environmental permit in August 2025, a milestone which endorses its 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 over 1 TWh of generation capacity by 2030. At the end of 2025, Ence had one plant up and running (La Galera), 25 projects in the environmental permitting phase and another 24 initiatives with location and feasibility study completed. 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 Servicios Energéticos (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

¹ <https://www.environdec.com/library/epd6639>

² <https://www.environdec.com/library/epd6638>

³ <https://www.environdec.com/library/epd7965>

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. The Company already has one plant in operation and three others under construction to be completed in 2026. In addition, in 2025 it was awarded a contract for the operation and maintenance of an already-built plant that is currently in the commissioning phase and will enter into operation in 1Q26. Furthermore, the Company is negotiating another 10 projects, of which 2 are at an advanced stage.

Elsewhere, 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 this area, and continuing the work already carried out in 2024, when the Company developed and commercialised three new eucalyptus clones, in the last quarter of 2025, an additional clone was brought into commercial phase.

In parallel, Ence is looking to monetise the **ecosystem services** provided by the forests it owns, with a focus on carbon capture. To that end, it continues to work on registering 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 2025, Ence had registered over 4,300 hectares of forest sinks in different voluntary schemes, including almost 2,300 hectares in the voluntary scheme operated by the Spanish Climate Change Office. Currently, the Company is working on increasing that figure by embracing additional biodiversity criteria in line with European Union guidelines.

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. By the end of 2025, 88,5% of its forest assets (out of total certifiable assets) were certified under one or other of those schemes and almost 77% of the timber 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 during 2025. Also, Ence obtained PEFC certification (with licence number PEFC/14-31-00410) for its biomass trading activity.

As with biomass, in the case of biometane production, the La Galera plant holds ISCC (International Sustainability and Carbon Certification), a voluntary sustainability scheme that ensures compliance with the sustainability requirements set out in the Renewable Energy Directive. In 2025, 99% of biometane generation met these sustainability requirements.

In terms of **supply chain supervision**, in 2025, Ence completed the configuration of the digital platform for analysing ESG risks in the value chain, having assessed 1,500 entities (suppliers and business partners). Of the total number of suppliers, after implementing risk-mitigation actions, more than 99% resulted in a low ESG risk profile. The ESG risk analysis initiative 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 set down in the Sustainability Master Plan 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 over 25% of the workforce as of 2025 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 2025, the percentage of female executives (including managers) stood at 30.3%, in line with the target for 2025 (30%).

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 2025, 41% of the Company's vacancies were filled via internal promotions, which is above the associated target (30%).

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 the assumption of new responsibilities in the future. The Group imparted around 28,550 hours of training in 2025. 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 business communities**, Ence continues to invest in them, launching tenders for project funding periodically.

In this regard, it is worth highlighting that in 2025 a new edition of the Ence Pontevedra Social Plan was launched, with a budget of €3 million to support social projects in the area surrounding the bioplant, with a particular focus on the municipalities of Pontevedra, Marín and Poio. The plan covers five areas of action: the promotion of social inclusion; environmental restoration and care; the promotion of education and culture; the promotion of entrepreneurship and innovation; and the promotion of both grassroots and elite sports. In total, 240 projects will benefit from this edition.

Sports promotion, both grassroots and high-performance, was one of the categories with the highest number of applications, with 72 in total. This was followed by projects dedicated to environmental restoration and care (56 projects) and initiatives focused on education and culture (49 selected projects). Social inclusion also played a significant role, with 40 supported projects, while entrepreneurship and innovation accounted for 23 initiatives. Over the years, Ence's Social Plan in Pontevedra has supported nearly 1,700 projects.

Regarding collaborations under the Navia agreement, a total of 57 beneficiary projects were approved during the year, mainly across three areas: 31 projects in education and culture; 18 projects related to entrepreneurship; and 4 initiatives in social inclusion.

Under the Huelva agreement, support was provided for the organization of the 8th "Pingüino Golf" Solidarity Tournament—an event that brings together sport and philanthropy to support cancer research—and for the purchase of toys for the "Huelva es Solidaria" campaign, carried out in collaboration with the Red Cross, to distribute toys to children in need during Christmas.

In addition to these community investments, Ence implements specific engagement plans aimed at strengthening relationships with local stakeholders and bringing the company's activities closer to nearby communities. As part of

these initiatives, by the end of 2025 Ence recorded 972 visits to its facilities and held more than 50 meetings with representatives of various stakeholder groups.

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. Four editions of this programme were launched during 2025 with 16 new interns joining the Talent Programme, surpassing the target set.

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 2025, Ence provided advice to more than 950 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. This year, the Ethics and Compliance Department has undertaken 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 Enemansa 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, 57 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. In addition, the Ethics and Compliance Newsletter was distributed, sent monthly to all employees and posted on the noticeboards of the biomills and energy facilities. Also on a monthly basis, compliance communications published on the intranet are included in the *Ence al día* publication. This publication is available on the intranet and is also printed so that it is physically accessible at the industrial facilities.

On the training front, in 2025, 93% of the workforce received compliance-related training either in person or online, exceeding the annual target set at 90%. 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. The Company also published training on fair competition based on the new policy approved in 2025, along with a Competition Conduct Manual and Protocol.

The Company also worked on a new project designed to reinforce Ence's 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. With employee participation of 280, the results reveal strong familiarity with our ethics rules by our professionals and a robust commitment to upholding them:

- Over 97% said they were familiar with the Code of Conduct, the anti-corruption policies and the corporate compliance procedures.
- 90% viewed regulatory and ethics compliance as a priority for Ence.
- The average score given to the 'ethical example provided by their seniors' was 4.4 out of 5.
- As for compliance with the Company's internal rules and regulations, 89% said they were upheld in their areas, marking a 2-point improvement from last year's result. Moreover, nearly half of the professionals surveyed reported perceiving a positive change in the ethics culture over the last year.

Internal Whistleblowing Channel:

- 95% said they were aware of its existence.
- 91% said they knew how to use it.
- Trust in the channel increased by 7 percentage points from the year before to 77%.

The Company's training and communication initiatives were well rated (average score of 4.1 out of 5), particularly the Coffee with Compliance events, training content, clarity of communication and close team involvement.

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, having registered 1,285 companies in the tool. Of the companies that have been analysed, 34% present high risk due primarily to the country and industries in which they operate.

In terms of internal policies and procedures, the Board approved 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, Donations, Sponsorships and Alliances Procedure, Private and Public Sector Gifting and Courtesies Corporate Procedure and Internal Whistleblowing Procedure were all updated in 2025.

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 Ence's 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 Ence operates in an ethical, lawful and responsible manner.

Furthermore, in 2025 the Code of Conduct was updated to adapt it to the new ethical and regulatory challenges of today's business environment, incorporating emerging best practices in areas such as digitalization, artificial intelligence, climate change, cybersecurity, diversity and inclusion, among others.

Finally, in 2025 the Board of Directors approved the first Third-Party Code of Conduct. This Code applies to all counterparties that maintain commercial relationships with Ence, including suppliers of goods and services, contractors, subcontractors, consultants and other business partners. Its purpose is to promote responsible conduct throughout the supply chain, generating long-term value for both Ence and its stakeholders. To this end, it establishes the principles and minimum requirements needed to ensure an ethical, responsible and sustainable supply chain, aligned with corporate values and international best practices.



Safe and Eco-efficient operations

For operational cost reduction
Protecting Health and Safety of employees and contractors

- ✓ LTIFR for Pulp and Power Plants 6 and 3 times better than the sector benchmark, respectively.
- ✓ Navia technical shutdown completed with **zero accidents** (with/without sick-leave) and Pontevedra with **zero sick-leave accidents**.

Odour reduction

- ✓ Historic record in Navia with **0 minutes of odour** registered.

Water consumption reduction

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

Advancing towards a circular economy

- ✓ **Pioneering projects for the valorization** of ash and limestone sludge in the mining and cement sectors
- ✓ **100% sites ZERO WASTE** certified (Pulp and Energy Plants)
- ✓ Third year of operation of the water recovery system in Pontevedra, increasing resilience to climate-related drought risk



Bioproducts & ecosystem services

Potential for topline improvement

Higher margin special Pulp products with higher added value:

- ✓ 3 new Sustainability certifications for fluff Pulp.
- ✓ 32% of sales from special Pulp products in 4Q25 with higher margins and growing demand.

Recycled Fiber - As Pontes

- ✓ **Integrated Environmental Authorization (IEA)** obtained for the development of the bioplant for recycled fiber production in As Pontes. This circular-economy project combines the recovery of paper and textile fibers, renewable energy generation, and CO₂ capture, with a significant impact on employment and sustainability in the region.

Forestry bioproducts and ecosystem services

- ✓ **Improved plant material, better adapted to climate change:** 1 new Eucalyptus clone developed and already in commercial.
- ✓ **>4,300 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.
- ✓ 77% 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 1,500 third parties analyzed.
- ✓ **PEFC certification** obtained for biomass trading.



Positive social impact

To grant business sustainability

Talent as a competitive advantage

- ✓ 25% female employees.
- ✓ 30% female in managerial positions.
- ✓ 41% job openings filled with **internal promotion**.

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, supporting **240 initiatives**.

Promoting professional development in rural communities

- ✓ **>950 technical advice sessions** with Forest owners.
- ✓ New edition of the **Forestry machinery training program**.

APPENDIX 2: REMUNERATION PARAMETERS APPLICABLE TO THE POWER GENERATION PLANTS

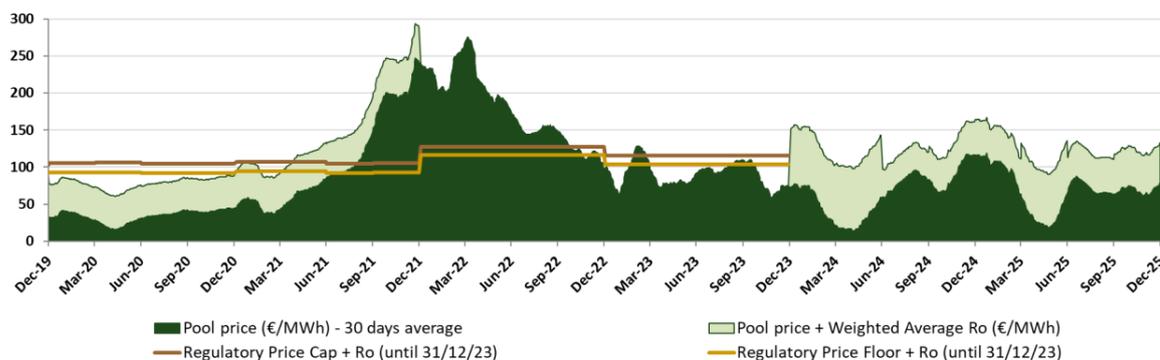
Facility	Type of facility	MW	FY25 Remuneration for investment in P&L (Ri; €/MW)	Type of fuel	Remuneration for operation FY2025 (Ro; €/MWh)	Sale hours limit under regulated price	Regulatory life (year of maturity)
Pontevedra	Biomass co-generation	34,6	-	Lignin	-	-	2032
	Biomass generation		45.520	Agroforestry biomass	-	-	
Navia	Biomass co-generation	40,3	-	Lignin	-	-	2034
	Biomass generation	36,2	204.395	Agroforestry biomass	55,2	7.500	
Huelva 41MW	Biomass generation	41,0	41.795	Agroforestry biomass	62,4	7.500	2025
Jaen 16MW	Biomass generation	16,0	125.431	Olive Pulp	38,5	7.500	2027
Ciudad Real 16MW	Biomass generation	16,0	125.431	Olive Pulp	38,0	7.500	2027
Cordoba 27MW	Biomass generation	14,3	184.869	Olive Pulp	46,7	7.500	2031
	Gas co-generation	12,8	-	Natural Gas	115,3	7.500	2030
Huelva 50MW	Biomass generation	50,0	-	Agroforestry biomass	-	2.016	2034
Mérida 20MW	Biomass generation	50,0	239.201	Agroforestry biomass	53,8	7.500	2037
Huelva 46 MW	Biomass generation	20,0	266.642	Agroforestry biomass	53,0	7.500	2039
Ciudad Real 50 MW	Biomass generation	46,0	-	Agroforestry biomass	52,6	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)

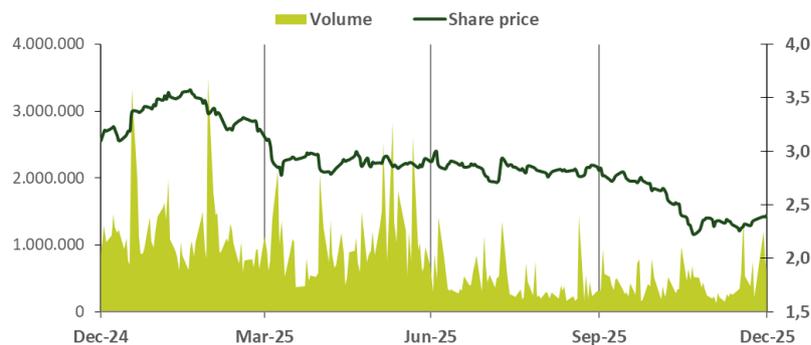


3. All of Magnon Green Energy's plants are also prepared to provide the electricity system operator with **back-up services**, so generating and additional source of income.
4. Both the remuneration for investment and the regulated sale price are subject to a **levy on the value of electric energy produced 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 Gender Equality indices.

Ence's share price ended the year at €2.41/share, down 14.8% from 30 September 2025, while its closest traded comparables sustained a share price correction of 2.1% on average during that same period.



SHARES	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25
Share price at the end of the period	3,10	3,13	2,90	2,82	2,406
Market capitalization at the end of the period	763,0	770,3	715,2	695,5	592,5
Ence quarterly evolution	3,1%	1,0%	(7,2%)	(2,8%)	(14,8%)
Daily average volume (shares)	1.202.424	1.157.163	1.043.089	445.061	441.468
Peers quarterly evolution *	2,0%	(1,9%)	(10,5%)	(0,2%)	(2,1%)

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

Quarterly information, dated as of the end of the quarter.

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, 2.8, 3.4, 3.5, and 4.1, 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.

Below is a reconciliation between the above amounts and the amounts presented in the financial statements for 2025 and the comparison with the 2024 figures. The criteria used were the same in both periods:

	Unit	Source Financial Statement	2025				2024			
			Pulp	Renewable Energy	Adjustments & Eliminations	CONSOLIDATED TOTAL	Pulp	Renewable Energy	Adjustments & Eliminations	CONSOLIDATED TOTAL
OPERATING PROFIT/(LOSS)	€ m	P&L	(30,1)	(8,7)	1,9	(36,9)	72,6	(10,9)	1,6	63,3
Depreciation and amortisation charges	€ m	P&L	52,7	32,0	(1,9)	82,8	57,9	34,5	(1,6)	90,8
Depletion of forest reserve	€ m	P&L	7,2	0,1	(0,0)	7,3	9,7	-	-	9,7
Impairment of and gains/(losses) on disposal of fixed asset	€ m	P&L	0,1	(0,8)	(0,0)	(0,8)	1,7	(1,7)	-	0,0
Other non-ordinary results from operations	€ m	APM	26,2	4,9	0,0	31,1	(3,8)	4,5	-	0,6
EBITDA	€ m		56,0	27,4	0,0	83,5	138,2	26,3	0,0	164,5

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, 2.3, 2.5 and 2.8 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.

Below is a reconciliation between the above amounts and the amounts presented in the financial statements for 2025 and the comparison with the 2024 figures. The criteria used were the same in both periods:

			2025	2024
	Unit	Source Financial Statement	Pulp	Pulp
Revenue from pulp sales	€ m	P&L	486,3	626,2
EBITDA	€ m	APM	56,0	138,2
Total costs (Revenue - EBITDA)	€ m		430,3	488,1
Gains/(losses) on hedging transactions	€ m	APM	8,7	(0,6)
Depletion of forest reserve	€ m	P&L	7,2	9,7
Change in inventories	€ m	P&L	(10,1)	18,4
Other income and expenses	€ m		23,2	(26,3)
ADJUSTED CASH COST	€ m		459,2	489,3
Pulp production costs	€ m		386,5	416,1
No. of tonnes produced	Unit		948.583	996.955
PRODUCTION-RELATED COSTS PER TONNE	€/tonne		407,4	417,3
Overhead, sales and logistics costs			72,8	73,2
No. of tonnes sold	Unit		966.558	967.628
Overheads, commercialization and logistics	€/tonne		75,3	75,6
CASH COST	€/tonne		482,7	493,0

“Other income and expenses” includes 39 Mn€ of proceeds from the sale of energy savings certificates, 10 Mn€ of extra costs derived from the incident affecting the Navia co-generation turbine (-10 Mn€ in 2024); collection of the insurance claim related with the turbine of 8 Mn€, the loss on the sale of wood to third parties (-2 Mn€ in 2025 and -2 Mn€ in 2024), nursery costs (-1 Mn€ in 2025 and -1 Mn€ in 2024), long-term remuneration and termination benefits (-2 Mn€ in 2025 and -4 Mn€ in 2024), impairment provisions for spare parts and other assets (-4 Mn€ in 2025 and -4 Mn€ in 2024) and bank charges (-3 Mn€ in 2025 and -4 Mn€ in 2024). The remaining items implied net expenses of -1 Mn€ in 2025 and of -3 Mn€ in 2024.

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.

Below is a reconciliation between the above amounts and the amounts presented in the financial statements for 2025 and the comparison with the 2024 figures. The criteria used were the same in both periods:

			2025	2024
	Unit	Source Financial Statement	Pulp	Pulp
Revenue from pulp sales	€ m	P&L	486,3	626,2
No. of tonnes sold	Unit		966.558	967.628
Average sales price per tonne (Revenue / # tonnes)	€/tonne		503,1	647,2
Cash cost (€)	€/tonne	APM	482,7	493,0
TOTAL OPERATING PROFIT PER TONNE OF PULP	€/tonne		20,5	154,2

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, 3.4 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.

Below is a reconciliation between the above amounts and the amounts presented in the financial statements for 2025 and the comparison with the 2024 figures. The criteria used were the same in both periods:

	Unit	Source Financial Statement	2025				2024			
			Pulp	Renewable Energy	Adjustments & Eliminations	CONSOLIDATED TOTAL	Pulp	Renewable Energy	Adjustments & Eliminations	CONSOLIDATED TOTAL
Finance income	€ m	P&L	11,6	3,4	(2,5)	12,5	9,9	2,5	(1,6)	10,8
Finance costs	€ m	P&L	(35,1)	(20,0)	2,5	(52,6)	(28,5)	(16,3)	1,6	(43,3)
NET FINANCE COST	€ m		(23,5)	(16,6)	-	(40,1)	(18,6)	(13,8)	-	(32,4)
Impairment and Results from Joint Ventures and Associate	€ m	P&L	0,1	(1,2)	-	(1,1)	-	-	-	-
Results from Equity Interests	€ m	P&L	(0,1)	(0,0)	-	(0,1)	(0,1)	-	-	(0,1)
Change in fair value of financial instruments	€ m	P&L	-	-	-	-	0,1	0,3	-	0,4
Exchange differences	€ m	P&L	(3,9)	0,2	-	(3,7)	1,2	(0,0)	0,0	1,2
OTHER FINANCIAL ITEMS	€ m		(3,9)	(1,0)	-	(4,9)	1,2	0,3	0,0	1,5
NET FINANCE INCOME/(COST)	€ m	P&L	(27,4)	(17,6)	-	(45,0)	(17,4)	(13,6)	0,0	(31,0)

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, 2.5, 3.5 y 3.6, 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.

Below is a reconciliation between the above amounts and the amounts presented in the financial statements for 2025 and the comparison with the 2024 figures. The criteria used were the same in both periods:

	Unit	Source Financial Statement	2025				2024			
			Pulp	Renewable Energy	Adjustments & Eliminations	CONSOLIDATED TOTAL	Pulp	Renewable Energy	Adjustments & Eliminations	CONSOLIDATED TOTAL
Maintenance capex	€ m		(30,8)	(9,1)	-	(39,9)	(25,0)	(7,8)	-	(32,8)
Efficiency and growth capex	€ m		(12,8)	(1,1)	-	(13,9)	(11,3)	(1,3)	-	(12,6)
Sustainability capex	€ m		(28,4)	(16,3)	-	(44,7)	(20,3)	(11,2)	-	(31,5)
Financial investments	€ m	CF	7,9	(2,1)	(6,1)	(0,3)	(45,3)	(19,1)	44,2	(20,2)
	€ m	CF	(64,0)	(28,6)	(6,1)	(98,7)	(101,9)	(39,4)	44,2	(97,0)

OPERATING CASH FLOW

The operating cash flow analysed in sections 1, 2.6 and 3.5 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.

Below is a reconciliation between the above amounts and the amounts presented in the financial statements for 2025 and the comparison with the 2024 figures. The criteria used were the same in both periods:

	Unit	Source Financial Statement	2025				2024			
			Pulp	Renewable Energy	Adjustments & Eliminations	CONSOLIDATED TOTAL	Pulp	Renewable Energy	Adjustments & Eliminations	CONSOLIDATED TOTAL
EBITDA	€ m	APM	56,0	27,4	0,0	83,5	138,2	26,3	0,0	164,5
Other non-recurring items	€ m	APM	(26,2)	(4,9)	0,0	(31,1)	3,8	(4,5)	-	(0,6)
Adjustments to reconcile profit before tax to net cash flows:										
Changes in provisions and other deferred expense (net)	€ m	CF	35,7	8,9	-	44,5	8,6	4,9	-	13,5
Adjustments for tariff shortfall/surplus (electricity market)	€ m	CF	(2,2)	(6,9)	-	(9,1)	(0,8)	(0,9)	-	(1,7)
Grants taken to profit and loss	€ m	CF	(0,9)	(0,1)	-	(0,9)	(0,9)	(0,1)	-	(1,1)
Exchange differences with an impact on cash	€ m		(1,4)	(0,0)	-	(1,5)	0,6	(0,0)	-	0,6
Change in working capital	€ m		10,8	(14,4)	0,0	(3,6)	(36,7)	(29,3)	-	(66,0)
Interest paid, net (including right-of-use assets)	€ m	CF	(19,6)	(15,7)	0,0	(35,2)	(19,3)	(14,2)	-	(33,4)
Dividends received	€ m	CF	-	-	-	-	0,0	-	-	0,0
Income tax paid	€ m	CF	3,0	0,6	-	3,6	(6,5)	9,6	-	3,1
Other collections/(payments)	€ m	CF	-	-	-	-	(0,2)	-	-	(0,2)
OPERATING CASH FLOW			55,3	(5,0)	-	50,3	86,7	(8,1)	-	78,6

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, 3.5 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.

Below is a reconciliation between the above amounts and the amounts presented in the financial statements for 2025 and the comparison with the 2024 figures. The criteria used were the same in both periods:

	2025				2024			
	Negocio Celulosa	Negocio de Renovables	Ajustes y Eliminaciones	TOTAL CONSOLIDADO	Negocio Celulosa	Negocio de Renovables	Ajustes y Eliminaciones	TOTAL CONSOLIDADO
Flujos netos de efectivo de actividades de explotación	55,3	(5,0)	0,0	50,3	86,7	(8,1)	(0,0)	78,6
Flujos netos de efectivo de actividades de inversión	(62,4)	(28,3)	(6,2)	(96,9)	(100,7)	(38,1)	44,0	(94,8)
FLUJO DE CAJA LIBRE	(7,1)	(33,3)	(6,2)	(46,6)	(14,0)	(46,3)	44,0	(16,2)

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 3.5 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.

Below is a reconciliation between the above amounts and the amounts presented in the financial statements for 2025 and the comparison with the 2024 figures. The criteria used were the same in both periods:

	Unit	Source Financial Statement	2025				2024			
			Pulp	Renewable Energy	Adjustments & Eliminations	CONSOLIDATED TOTAL	Pulp	Renewable Energy	Adjustments & Eliminations	CONSOLIDATED TOTAL
EBITDA	€ m	APM	56,0	27,4	0,0	83,5	138,2	26,3	0,0	164,5
Changes in working capital:										
Inventories	€ m	CF	0,7	(11,0)	-	(10,4)	(29,5)	0,1	0,0	(29,4)
Trade and other receivables	€ m	CF	15,7	16,6	(5,2)	27,1	(8,3)	(28,5)	4,1	(32,8)
Short-term investments	€ m	CF	-	-	-	-	-	-	-	-
Trade payables, other payables and other liabilities	€ m	CF	(5,5)	(19,9)	5,2	(20,3)	1,1	(0,9)	(4,1)	(3,9)
Maintenance capex	€ m	APM	(30,8)	(9,1)	-	(39,9)	(25,0)	(7,8)	-	(32,8)
Interest paid, net (including right-of-use assets)	€ m	CF	(19,6)	(15,7)	0,0	(35,2)	(19,3)	(14,2)	-	(33,4)
Income tax paid	€ m	CF	3,0	0,6	-	3,6	(6,5)	9,6	-	3,1
NORMALISED FREE CASH FLOW	€ m		19,6	(11,1)	0,0	8,5	50,7	(15,4)	-	35,3

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 3.6 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.

Below is a reconciliation between the above amounts and the amounts presented in the financial statements for 2025 and the comparison with the 2024 figures. The criteria used were the same in both periods:

	Unit	Source	Dec-2025			Dec-2024				
			Pulp	Renewable	Adjustments	CONSOLIDATED	Pulp	Renewable	Adjustments	CONSOLIDATED
Non-current borrowings:										
Bonds and other marketable securities	€ m	BS	31,3	-	-	31,3	15,6	-	-	15,6
Bank borrowings	€ m	BS	220,1	153,9	-	374,0	202,2	151,2	-	353,4
Other financial liabilities	€ m	BS	71,8	3,4	-	75,3	73,5	4,0	-	77,5
Current borrowings:										
Bonds and other marketable securities	€ m	BS	45,2	-	-	45,2	58,0	-	-	58,0
Bank borrowings	€ m	BS	66,0	11,2	-	77,2	77,5	11,3	-	88,7
Other financial liabilities	€ m	BS	14,8	1,7	-	16,5	13,7	1,8	-	15,5
Cash and cash equivalents	€ m	BS	180,6	46,9	-	227,5	184,6	79,4	-	263,9
Current financial assets - Other financial investments	€ m		2,4	0,1	-	2,5	13,3	0,2	-	13,6
Cash reserve for debt service	€ m		-	11,5	-	11,5	-	10,0	-	10,0
NET DEBT/(CASH)	€ m		266,3	111,8	-	378,1	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.

	Unit	Source Financial Statement	2025				2024			
			Pulp	Renewable Energy	Adjustments & Eliminations	CONSOLIDATED TOTAL	Pulp	Renewable Energy	Adjustments & Eliminations	CONSOLIDATED TOTAL
EBIT, last 12 months	€ m	P&L	(30,1)	(8,7)	1,9	(36,9)	72,6	(10,9)	1,6	63,3
Average capital employed, last 12 months					-					
Average equity	€ m	BS	427,4	178,1	-	605,5	437,0	212,6	-	649,6
Average net debt	€ m	BS	256,3	103,4	-	359,7	212,9	83,4	-	296,2
ROCE	%		(4,4%)	(3,1%)	-	(3,8%)	11,2%	(3,7%)	-	6,7%

DISCLAIMER

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Earnings Report

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