

ENCE ENERGÍA Y CELULOSA, S.A. (the "Company"), in accordance with article 226 of the Securities Markets and Investment Services Act, communicates the following:

INSIDE INFORMATION

On 4 June 2024, the Ministry for Ecological Transition and Demographic Challenge (MITECO) approved the new methodology for updating the remuneration for the operation (Ro) of biomass power plants, according to which, with retroactive effect from 1st January 2024, the Ro applicable to the energy sold by biomass plants will be updated quarterly, based on the difference between the regulated price and the estimated market price of electricity in the immediately preceding quarter.

The Company estimates that the application of this new methodology will have a positive impact on cash generation of up to €62 million in 2024, based on the actual energy generated at the end of the year, due to the elimination of the regulatory collar. It will also align the accounting result with the cash generation, from the current and future years.

From an accounting point of view, since the regulated price will be calculated on the basis of the hours actually generated (instead of the 7,500 theoretical hours of the previous regulation), its application will lead to a downward adjustment of revenues by an estimated amount of €9 million in the first quarter of 2024, which will be reflected in the results of the second quarter.

Madrid, 4th June 2024