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Disclosure of inside information according to Article 17 para. 1 of the Regulation (EU) No. 596/2014

- **Befesa has signed definitive agreements for the acquisition of American Zinc Recycling Corp. for a purchase price of USD 450 million**
- **Acquisition funded by capital increase from existing authorized capital and pre-approved term loan B add-on, maintaining Befesa's leverage ratio and continued financial strength**
- **Offering up to c. 5.9 million shares to institutional investors by way of an accelerated book building process commencing immediately**
- **Transaction expected to close in Q3 2021**

Luxembourg, 16 June 2021 – Befesa S.A. ("**Befesa**") has today signed definitive agreements with American Zinc Recycling LLC and Zinc Holdings USA LLC ("**Sellers**") to acquire all shares in U.S.-based company American Zinc Recycling Corp. ("**AZR**") for a purchase price of USD 450 million (subject to customary adjustments). Through the acquisition of AZR, Befesa will become a global leader in EAFD recycling with a balanced footprint across Europe, Asia and the US with 12 facilities offering c. 1.7 million tonnes of steel dust processing capacity per year.

As part of the agreements, Befesa will also acquire a minority stake of 6.9% of the equity interests in American Zinc Products LLC ("**AZP**"), AZR's zinc refining subsidiary, for USD 10 million with the option to acquire the remaining 93.1% of the equity interests in AZP for a consideration of USD 135 million (subject to customary adjustments), plus an additional earn out in an amount of up to USD 29 million. The Sellers have a corresponding put option against Befesa. Befesa will also assume, in line with its ownership stake in AZP, a portion of a loan of USD 50 million from the Sellers in connection with the acquisition of AZP. The acquisition of the remaining 93.1% in AZP and the potential earn out payment depend on the fulfilment of certain operational and financial milestones by AZP prior to 31 December 2023. The milestone consideration as well as the earn out will be payable in cash or Befesa ordinary shares at the option of the Sellers.

The closing of the transaction is anticipated for Q3 2021, subject to antitrust approval and other customary closing conditions.

The acquisition will be financed through a capital increase and a pre-approved term loan B (TLB) add-on of EUR 90 million, maintaining Befesa's leverage ratio at similar levels post acquisition. For this purpose, the board of directors of Befesa ("**Board of Directors**") today resolved on a capital increase against cash contributions through partial utilization of its existing authorized capital under the exclusion of shareholders' subscription rights from EUR 94,575,646.35 by up to EUR 16,471,948.79 to up to EUR 111,047,595.14 ("**Capital Increase**") by issuing up to 5,933,293 new ordinary shares without nominal value ("**New Shares**"). The New Shares will carry dividend rights as from 1 January 2020 excluding the right to participate in the interim dividend which was paid on 4 December 2020 from available reserves.

The New Shares will be offered for sale exclusively to institutional investors in a private placement by way of an accelerated book building process. The private placement will commence immediately after the publication of this notification. The Board of Directors will determine and thereafter announce the final number of New Shares and the placement price following the conclusion of the accelerated book building process. Befesa has agreed to a six-months lock-up period following the private placement with market-customary exceptions.

The New Shares are to be included in the existing listing of Befesa's shares in the sub-segment of the regulated market with additional post-admission obligations (Prime Standard) of the Frankfurt Stock Exchange without a prospectus. Admission of the New Shares to trading is expected on 18 June 2021, trading of the New Shares is expected to commence on 21 June 2021. The delivery of the New Shares is scheduled for 21 June 2021.

Citigroup is acting as global coordinator and sole bookrunner for the private placement of the New Shares.

The dividend per Befesa share to be resolved upon in the upcoming annual general meeting on 30 June 2021 ("**AGM**") will remain unchanged at EUR 1.17 per share, leading to a slight increase in the total proposed dividend out of the share premium in the amount of up to EUR 6,941,953 to a total proposed dividend of up to EUR 46,799,998.

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About Befesa

Befesa is a leading player in the circular economy, providing environmental, regulated services to the steel and aluminium industries with facilities located in Germany, Spain, Sweden, France, as well as in Turkey, South Korea and China. Through its two business units, Steel Dust and Aluminium Salt Slags recycling services, which are a critical part of the circular economy, Befesa manages and recycles around 1.5 million tonnes of residues annually, with a production of around 1.3 million tonnes of new materials, which Befesa reintroduces in the market, reducing the consumption of natural resources. Further information is available on the Company's website: www.befesa.com

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