BEFESA

Company Presentation

March 2023

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2022 figures are preliminary and unaudited.

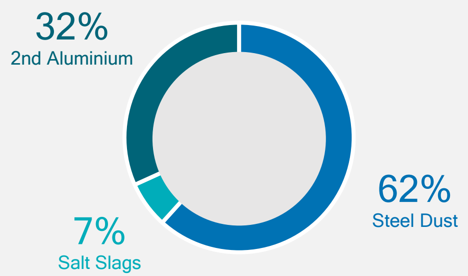
This presentation includes Alternative Performance Measures (APM), including EBITDA, EBITDA margin, EBIT, EBIT margin, net debt and capital expenditures which are not measures of liquidity or financial performance under International Financial Reporting Standards (IFRS). EBITDA is defined as operating profit for the period (i.e. EBIT) before the impact of amortisation, depreciation, impairment and provisions. EBITDA margin is defined as EBITDA divided by revenue. EBIT is defined as Operating profit for the year. The Company uses EBIT to monitor its financial return after both operating expenses and a charge representing the cost of usage of both its property, plant and equipment and definite-life intangible assets. EBIT margin is defined as EBIT as a percentage of revenue. These non-IFRS measures should not be considered in isolation or as an alternative to results from operating activities, cash flow from operating, investing or financing activities, or other financial measures of Befesa's results of operations or liquidity derived in accordance with IFRS. Befesa believes that the APM included in this report are useful measures of its performance and liquidity. Other companies, including those in the industry in which Befesa operates, may calculate similarly titled financial measures differently than Befesa does. Because all companies do not calculate these financial measures in the same manner, Befesa's presentation of such financial measures may not be comparable to other similarly titled measures of other companies. These APM are not audited.

Befesa at a glance

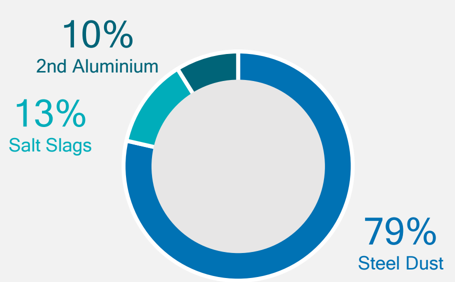
Global leader in Europe, the US and Asia in providing regulated critical hazardous waste recycling services to the steel and aluminium industries

2022

€1,136m
Revenue[1)]



€215m
EBITDA



Steel Dust Recycling

#1
Position Global
(c. 40-50% market share)

27%
EBITDA margin
(2020-2022 average)

>15yrs
Relationships

ArcelorMittal, Glencore, Outokumpu, Trafigura, voestalpine

Aluminium Salt Slags Recycling

#1
Position in Europe in salt slags subsegment
(c. 45-50% market share)

29%
EBITDA margin in salt slags subsegment[2)]
(2020-2022 average)

>15yrs
Relationships

trimet, Novelis, Hydro, Real Alloy, Alcoa

1) Excluding internal revenue; revenue split is calculated on revenues including internal revenue
2) Including recycling of SPL (a hazardous waste generated in primary aluminium production)

Key milestones

Befesa has grown successfully through organic initiatives and acquisitions

EAFD expansion China

First to market with state-of-the-art EAFD recycling plants in **China**:

- **Changzhou**, **Jiangsu**:
  - ✓ Completed on budget
  - ✓ In commercial operations since Dec'21
- **Xuchang**, **Henan**:
  - ✓ Completed construction Dec'21;
  - ✓ Commissioning finalised Dec'22

Entry in the US

- **100%** of **AZR recycling** assets -&- **acquired Aug'21**
- **Zinc refining** asset **acquired Sep'22**

EAFD expansion Korea & Türkiye

- **Doubled capacity to 220kt**, **Gyeongju**
- 1st **WOX washing** plant in **Asia**, close to Gyeongju plant
- EAFD recycling capacity at **Iskenderun expanded to 110kt**

Secondary aluminium plant in **Bernburg**

Triton acquired Befesa

Entry in the **Asian market**2)

WOX washing plant at **Gravelines**

Entry in the **Turkish market**1)

1987 1993 2000 2006 2009 2010 2012 2013 2014 2015 2017 2018 2019 2020 2021 2022

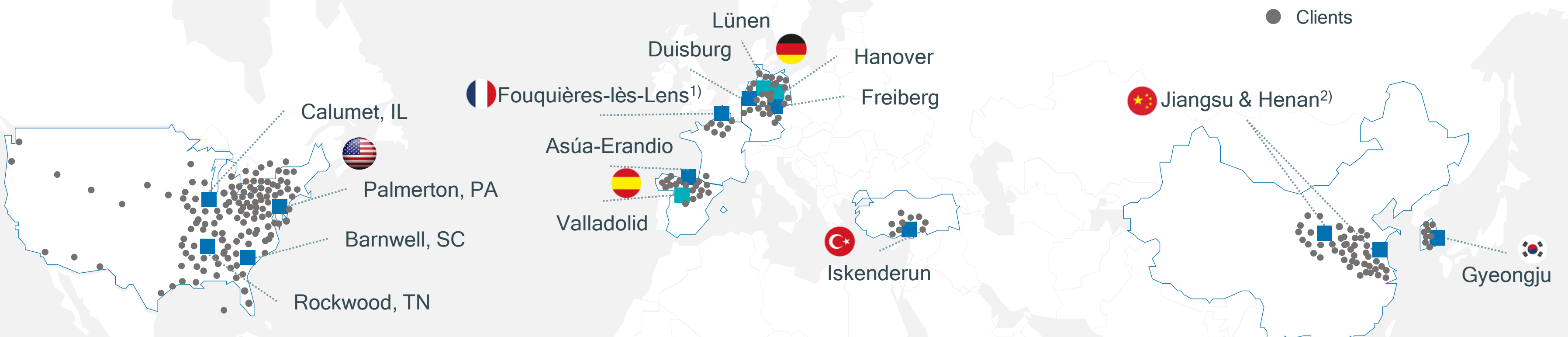
- **1987:** **Founded** in Germany, **Metallgesellschaft**
- **1993:** **Berzelius Umwelt Service** (**BUS**) grouped their Spanish assets into **Berzeilius Felguera (Befesa)**
- **2000:** Abengoa acquired Befesa from BUS
- **2006:** Befesa acquired remaining stake in BUS, becoming **European leader in EAFD recycling**
- **2009:** **European leader in salt slags** recycling, acquiring Agor AG's German assets
- **2017:** **Successful IPO on Frankfurt Stock Exchange**
- **2018:** Entry to **SDAX**3) on 24 Sep 2018
- **2020:** Since 18 Sep'20 member of Global Challenges Index. Rated by: ISS ESG, MSCI, V.E, SUSTAINALYTICS
- **2021:** **Global leader** in **EAFD recycling**; Entry to **MDAX** Sep'21

1) Through 51/49 JV with Canadian Silvermet; 2) By acquiring subsequent stakes in the Korean Hankook; 3) Free-float at 100% after Triton's exit on 6 June 2019

Global leader in Europe, North America & Asia

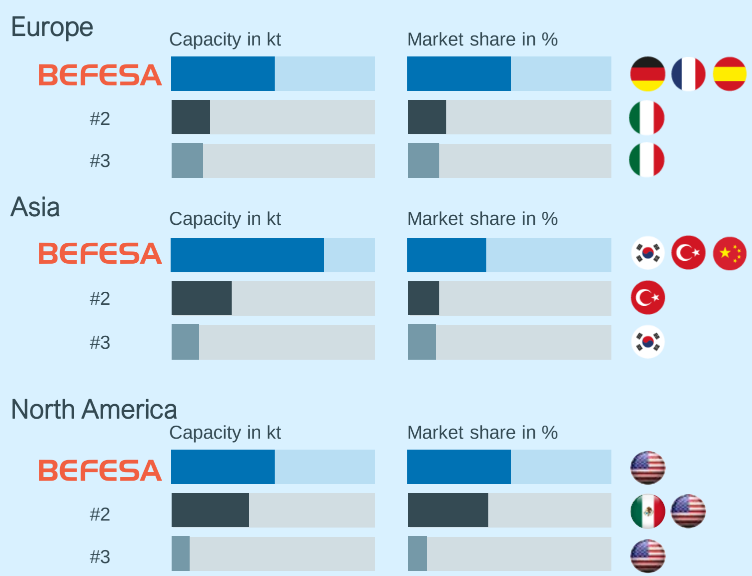
Befesa is the global leader in steel dust and the European leader in salt slags recycling services with a competitive advantage due to its close-proximity to key clients; 24 plants globally

- EAFD recycling plants
- Salt slags & SPL recycling plants
- Clients

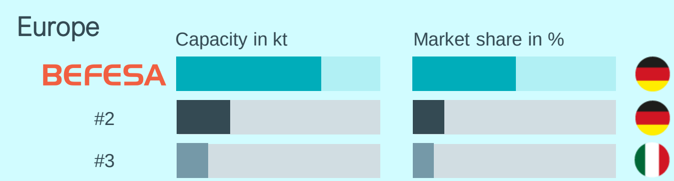


Note: Footprint reflects only Befesa's core recycling services - Steel Dust and Salt Slags & SPL

STEEL DUST RECYCLING



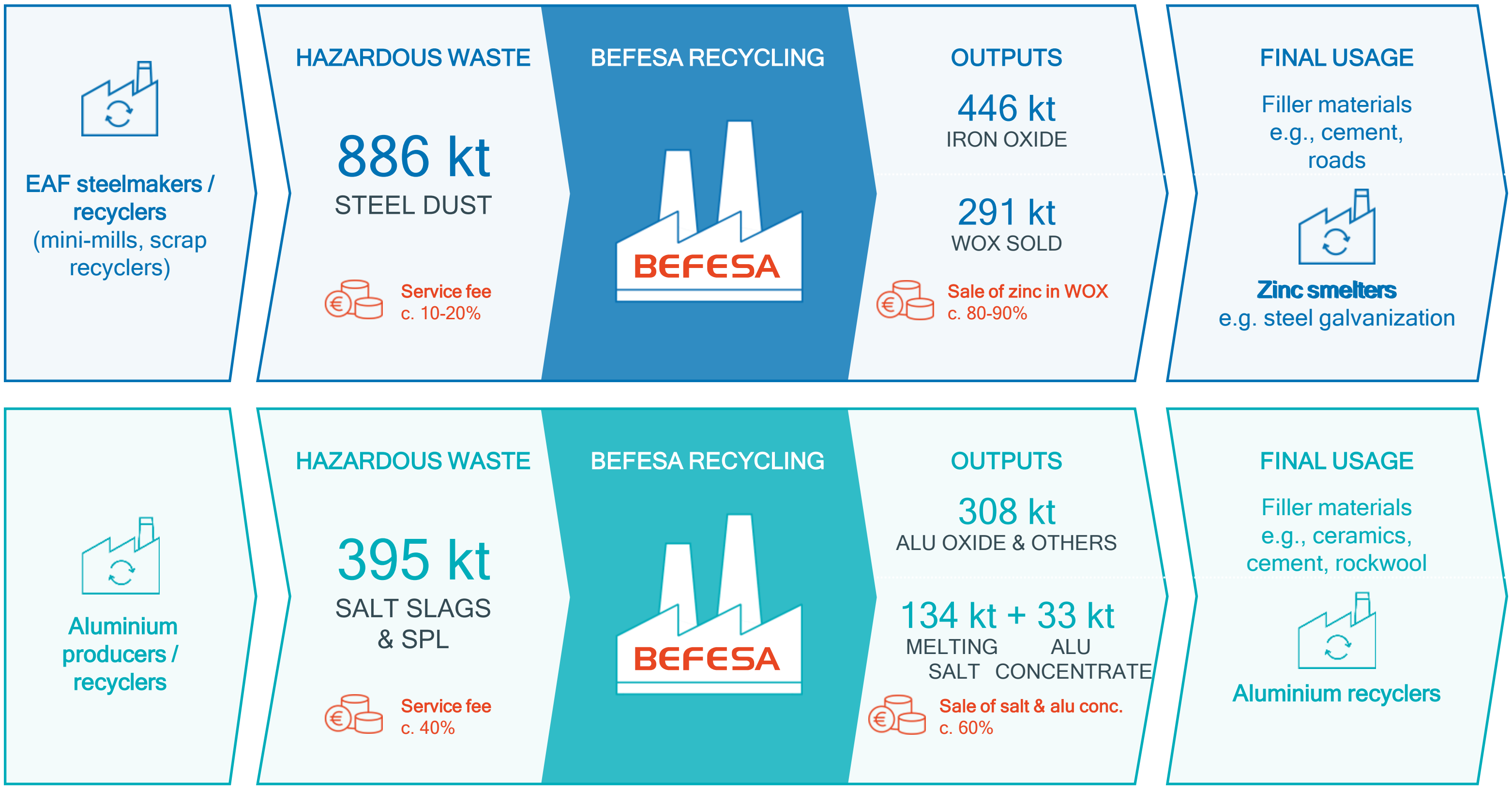
ALU SALT SLAGS RECYCLING



1) 50/50 joint venture with Recylex
2) Changzhou, Jiangsu province: In commercial production and selling WOX since Dec´21; Monitoring recovery from COVID
Xuchang, Henan province: Completed construction Dec´21 on budget; Commissioning prolonged due to COVID, finalised in Dec'22

Highly regulated & critical service model

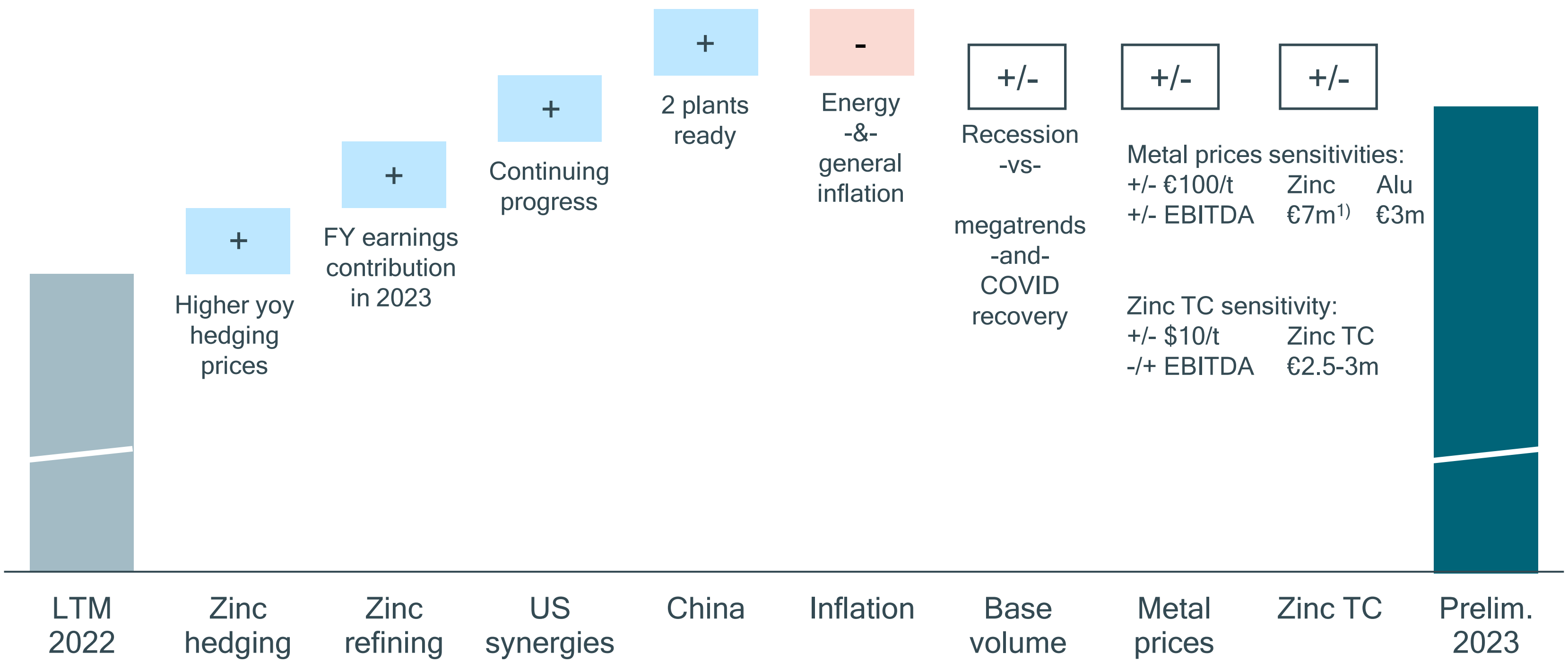
Befesa is the leading environmental services partner in the circular economy of the 2nd steel and aluminium industry by recycling and avoiding the landfilling of c. 2 Mt hazardous residues and recovering c. 1.5 Mt of new valuable materials



All figures are of the year 2021, thus only include c.4.5 months contribution from Zinc US operations
Value chains are simplified and only reflect Befesa's core business segments (i.e. Steel Dust; Aluminium Salt Slags):
- Within Steel Dust Recycling Services business segment Befesa manages a Stainless sub-segment (90 kt stainless-steel dust throughput in 2021)
- Within Aluminium Salt Slags Recycling Services business segment Befesa manages a Secondary Aluminium sub-segment (186 kt secondary aluminium alloys produced in 2021)

Preliminarily expecting 2022 as “floor” for 2023

Key EBITDA drivers for 2023 (vs. 2022)



1) Zinc price sensitivities for the unhedged portion and excluding opposite zinc treatment charge effect

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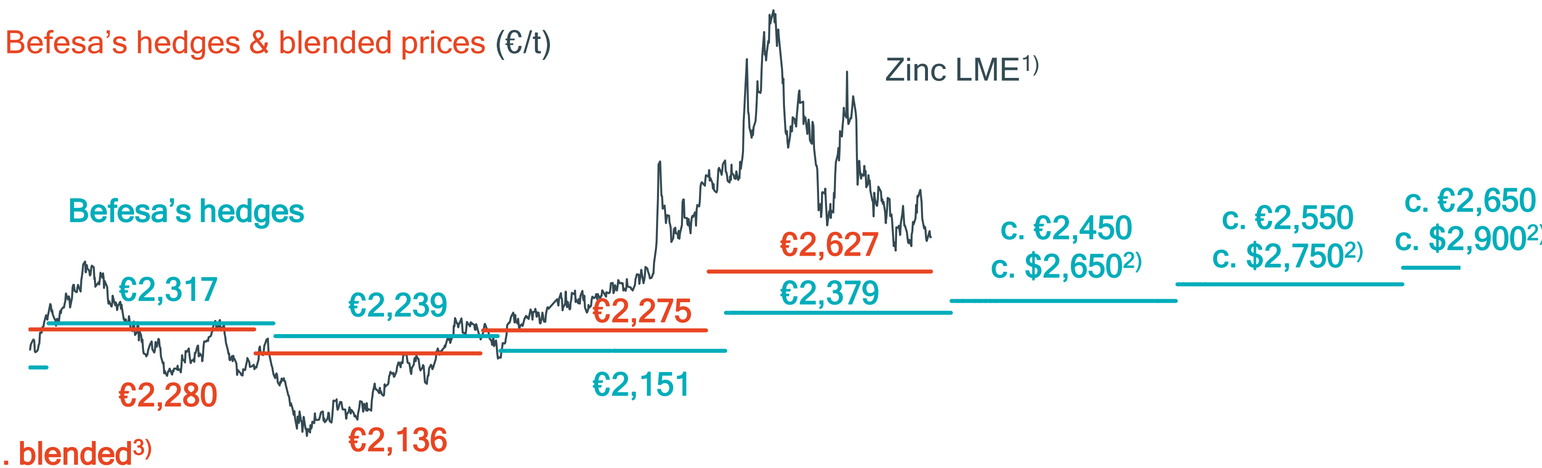
Zinc prices & hedging strategy

Hedge book extended further up to July 2025, c. 2.5 years; Improving earnings & cash flows visibility

Zinc LME vs. Befesa's hedges & blended prices (€/t)



	2019	2020	2021	2022	2023	2024	H1'25
Zinc content hedged[4)]	92 kt / 74%	92 kt / 67%	120 kt / 73%	163 kt / 72%	155 kt	152 kt	58 kt

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Hedging strategy unchanged

1-3 years forward

Targeting **60% to 75%** of **zinc equivalent** volume

Befesa providing **no collateral**

1) London Metal Exchange (LME) zinc daily cash settlement prices
2) Assumes FX $/€ of 1.08 for 2023 and 2024, and 1.10 for 2025
3) Zinc blended prices are averages computed based on the monthly effective LME zinc and hedging prices weighted with the respective hedged and non-hedged volumes
4) As percentage of total zinc payable output

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SGGP indicative timeline; Befesa in control; Adjusting timing to macroeconomic developments

€410-450m total capex requirement over the next 5 years

● Steel Dust ● Alu Salt Slags

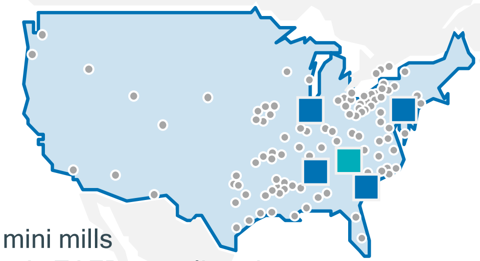
SGGP growth projects	Timing 2022e – 2027e	Capex €m	EBITDA run-rate €m	Pay-back[1]	IRR[2]
✓ 1 Zinc refining (US)		€110-120	€35-45	3-4	>30%
2 Cap. utilisation (US)	Refurbishing / efficiencies				
3 EAFD plant (EU)	Construction + ramp-up	€105-115	€30-35	3-4	>30%
4 WOX washing (EU)	Construction				
5 China III ✓ LOI signed	Construction + ramp-up	€115-125	€30-35	4-5	>20%
5 China IV	Construction + ramp-up				
5 China V	Construction + ramp-up				
6 2nd Alu expansion (EU)	Permits + construction + ramp-up	€80-90	€15-20	5	>15%
7 Salt Slags plant (EU)	Permits + construction + ramp-up				
		€410-450	**€110-135**	**3-4**	**>20%**

€360-400m post c.€50m invested in US zinc refining acquisition

1) Payback calculated dividing total capex by run-rate EBITDA
2) IRR estimated based on incremental EBITDA less WC & taxes to Operating cash flow contribution vs. growth & maintenance capex, discounted at an 8% WACC

US Zinc refining asset acquired on 30 Sep 2022

Rutherford County, NC



- EAF mini mills
- Befesa's EAFD recycling sites
- Befesa's zinc refining plant

x Special High Grade (SHG) zinc production capacity

Zinc refining plant centrally located amongst Befesa's EAFD recycling plants close to the major US EAF steel mini mills

- **Acquired** remaining 93% of zinc refining asset on 30 September 2022 for **$47m cash** transaction; **65% or $88m below original purchase option of $135m**
- **Attractive multiple** of around **5x Adj. EBITDA** and at about **1/10th of >$500m invested**
- **Long-term view** around asset potential **unchanged**; **Opportunity to improve performance** of the **plant further**, especially post current high inflation environment
- **Size** of refining plant **sufficient to process zinc Waelz oxide (WOX)** of up to 220 kt **of all 4 recycling assets** at full capacity to pure zinc
- **Largest producer** of **"green zinc"** (SHG) **100% from recycled materials** (WOX) using solvent extraction

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Refurbishing Palmerton in 2023/24 to drive efficiencies & increase capacity utilisation by 2026

EAFD recycling sites

1 Barnwell, SC

2 Rockwood, TN

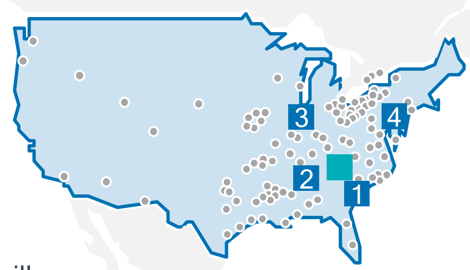
3 Calumet, IL

4 Palmerton, PA

x EAFD annual nameplate recycling capacity

Palmerton refurbishment status update

- Engineering / design across 6 working areas (packages) in process
- Request For Quote with suppliers started; Completion scheduled for Q2 2023
- Scheduling downtimes across production lines ensuring continuation of customer service



- EAF mini mills
- Befesa's EAFD recycling sites
- Befesa's zinc refining plant

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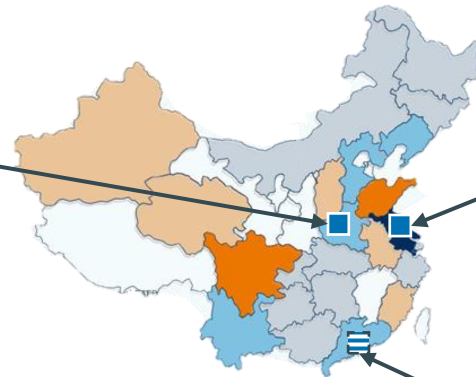
Operating 2 plants in 2023; Preparing 3rd province, Guangdong

China II, Xuchang (Henan)
- ✓ Commissioning completed Dec 2022
- ✓ Inaugurated on 23 February 2023
- ➢ Ramping up Q1 2023



China I, Changzhou (Jiangsu)
- ✓ Ramped up Q1 2022

China III, Yunfu (Guangdong)
- ✓ LOI signed in Q4 2022
- ✓ Signed investment agreement with local authorities on 22 February
- ➢ Land lot assigned; Preparation works in progress
- ➢ Preparing basic engineering
- ➢ Starting negotiations with local steelmakers

■ Befesa's EAFD recycling sites

EAFD generation - Chinese market

- < 60 kt
- 60-100 kt
- 100-200 kt
- 200-400 kt
- >400 kt

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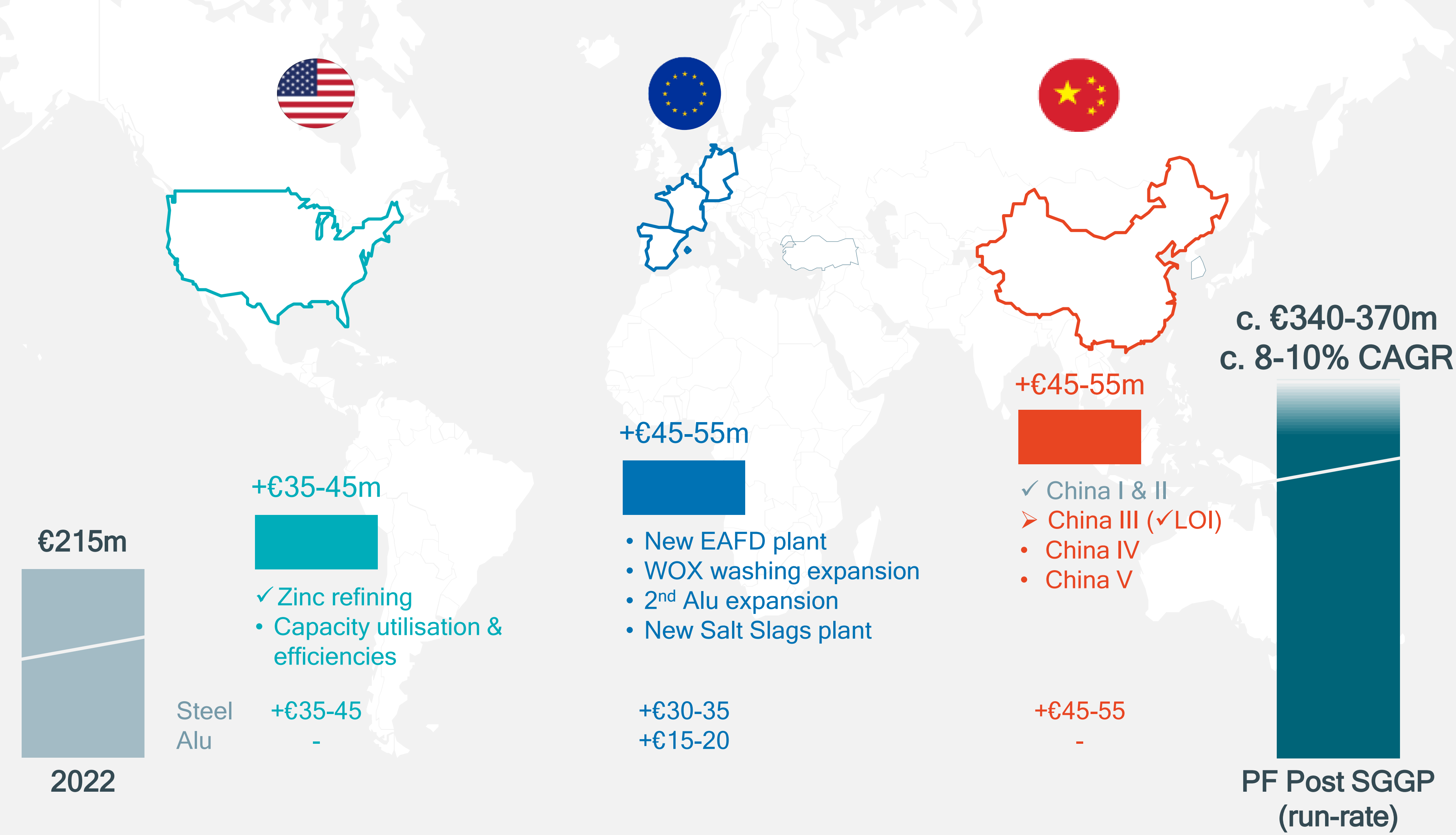
Well defined growth roadmap driving +€125-155m EBITDA growth, 8-10% CAGR, globally balanced, c. 1/3 US/EU/Asia

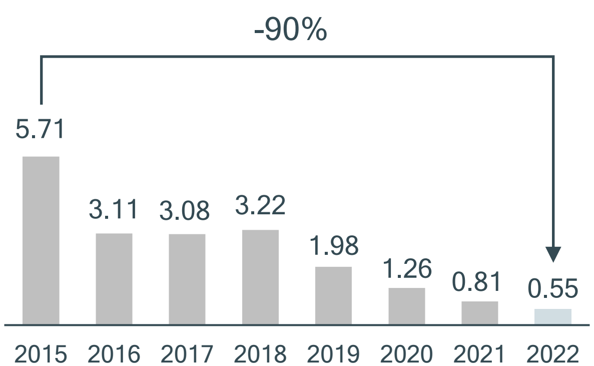


ESG highlights

Key player within the circular economy, with c. 1.8 Mt recycled and c. 1.5 Mt of valuable materials; LTIR further reduced by >30% yoy to new low of 0.55

Lost Time Injury Rate (LTIR)[1]

- **Reduced** by **-32% yoy**
- Reduced by **-90% vs. 2015** baseline



ESG Ratings[2]

	2022	2021
ISS ESG	Top 3 of 69	Top 3 of 69
Sustainalytics	#181 / 430	#5 / 63
V.E	#7 / 103	#7 / 103
MSCI	BBB	BBB
arabesque s-ray	Top 5%	-
S&P Global	Top 15%	-

ESG Update 2022

Will be published in **Q2 2023**

EU Taxonomy

Detailed regulation for ‘Transition to a circular economy’ pending

Reporting on alignment scheduled for Q2 2023

CO_2 intensity

Defined & executing 20% reduction plan by 2030

1) Befesa’s own employees and contractors
2) Industry groups under which Befesa is ranked by the respective ESG rating companies: ISS ESG, Metals processing & production; Sustainalytics, Commercial services; V.E, Business services; MSCI, Commercial services & supplies; arabesque s-ray, Industrial services; S&P Global, n.d.

Experienced & stable management team

Senior management team delivering results through long-standing industry expertise, entrepreneurial spirit and focus on operational excellence as well as governance and compliance processes

Javier Molina
Executive Chair

- Executive Chair since 2022
- Befesa CEO 2000-2022
- Leading Befesa for 22+ years

Asier Zarraonandia
CEO

- 21+ years with Befesa
- Running Befesa's Steel Dust business for 16+ years

Wolf Lehmann
CFO

- CFO since 2014
- 25+ years in finance & operational leadership roles, 50/50 General Electric / PE

Federico Barredo
VP Aluminium Salt Slags Recycling Services

- 25+ years with Befesa
- Running Befesa's Aluminium Salt Slags business for >20 years

Key achievements / track record

- Extensive experience in steel and aluminium recycling business, incl. managing through the cycle
- Strong performance results through focus on operational excellence
- Building strong business foundation of ESG, compliance and health & safety processes
- Successful international expansion
- Track record of successful acquisitions and turnarounds, e.g., BUS, Agor, Alcasa, Hankook, Silvermet, AZR, AZP
- Experience in developing greenfield projects, e.g., Gravelines, South Korea, Bernburg, China

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Multi-year trend – Key financials[1)]

(€m, unless otherwise stated)

	2017	2018	2019	2020	2021	2022
Revenue	€667.4[2)]	€720.1	€647.9	€604.3	€821.6	€1,136.0
Reported EBITDA	€153.0	€176.0	€159.6	€123.5	€189.6	€234.9
Reported EBITDA margin %	22.9%[2)]	24.4%	24.6%	20.4%	23.1%	20.7%
Adjusted EBITDA	€172.4[3)]	€176.0	€159.6	€127.0[3)]	€197.6[3)]	€214.6[3)]
Adjusted EBITDA margin %	25.8%[2)]	24.4%	24.6%	21.0%	24.0%	18.9%
Net profit[4)]	€49.3	€90.2	€82.7	€47.6	€99.7	€106.2
EPS[5)] (€)	€1.02[5)]	€2.65	€2.43	€1.40	€2.68[5)]	€2.66[5)]
Operating cash flow[6)]	€91.5	€103.8	€102.5	€92.5	€117.9	€137.3
Cash position end of period	€117.6	€150.6	€125.5	€154.6	€224.1	€161.8
Net debt	€406.4	€376.8	€416.9	€393.6	€470.6	€549.0
Net leverage	x2.36	x2.14	x2.61	x3.10	x2.38	x2.56

1) 2017, 2018, 2019, 2020 and 2021 are full year actual reported figures audited by external auditors
2) 2017 reported revenue amounted to €724.8m; Revenue of €667.4m is comparable after amendment IFRS 15 impacting non-operating revenue
3) 2017 EBITDA adjusted due to one-off non-recurrent items primarily related to the IPO; 2020 EBITDA adjusted for €3.5m for the UK Salt Slags plant closure; 2021 EBITDA adjusted for €14.0.m one-time AZR acquisition costs, and -€6.0m Hanover Salt Slags plant fire impact; 2022 EBITDA adjusted for -€20.3m, mainly driven by Zinc refining acquisition impacts
4) Net profit and total basic earnings/(losses) per share attributable to the ordinary equity holders of Befesa S.A.
5) 2017 EPS impacted by the conversion of the preferred shares carried out in Oct'17 prior to the IPO; The weighted average number of ordinary shares used as the denominator in calculating total basic EPS in 2017 was 25,025 thousand shares vs. 34,067 thousand shares used in 2018-2020; 2021 EPS based on 37,285 weighted average thousand shares after the capital increase of 5,933 thousand new shares to partly fund the AZR acquisition; 2022 EPS based on 39,999 thousand outstanding shares
6) Operating cash flow is after WC change, taxes and interests; pre capex and pre dividend

Multi-year trend – Operational data

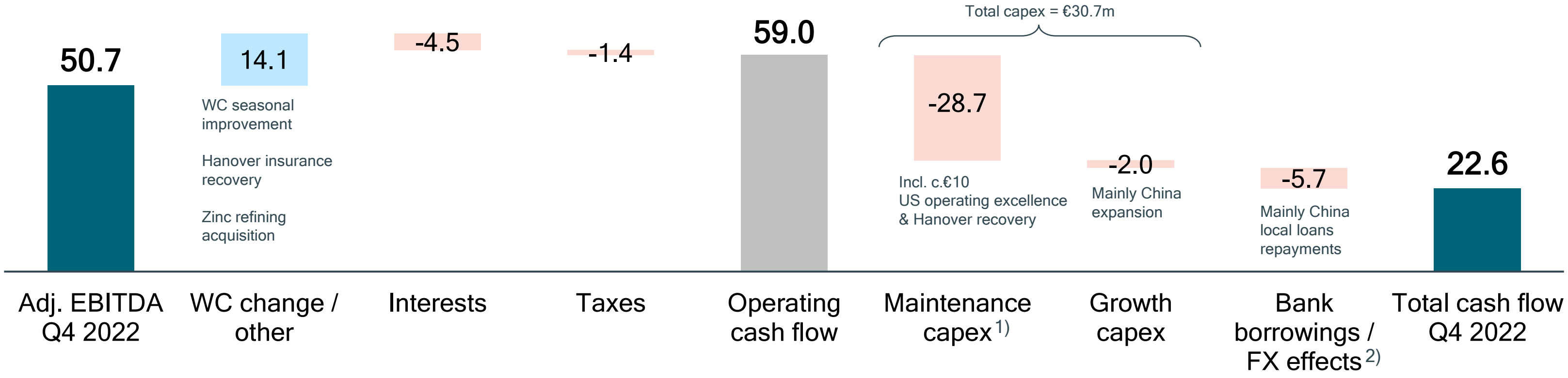
	2017	2018	2019	2020	2021	2022
EAFD throughput (kt)	661.0	717.1	665.8	687.0	885.7	1,193.8
EAFD average capacity utilisation (%)	84.7%	92.0%	80.7% / 90.1%[1)]	83.2%	83.3%[2)]	76.8%
Waelz oxide (WOX) sold (kt)	217.8	240.9	217.6	239.2	291.0	407.4
Zinc LME price (€/t)	€2,572	€2,468	€2,276	€1,979	€2,544	€3,302
Zinc hedging price (€/t)	€1,876	€2,051	€2,317	€2,239	€2,151	€2,379
Zinc blended price[3)] (€/t)	€2,160	€2,168	€2,280	€2,136	€2,275	€2,627
Salt Slags & SPL treated (kt)	509.9	517.0	492.6	444.6	395.0	322.1
Salt Slags & SPL avg. cap. utilisation (%)	96.2%	97.5%	92.9%	83.9% / 86.9%[4)]	84.0%	68.5% / 96.7%[4)]
Alu alloys produced (kt)	184.1	169.3	176.7	174.3	185.8	160.6
Secondary Alu avg. capacity utilisation (%)	89.8%	82.6% / 98.1%[5)]	86.2% / 91.1%[6)]	85.0%	90.6%	78.4%
Aluminium alloy FMB price[7)] (€/t)	€1,766	€1,715	€1,397	€1,424	€2,112	€2,438

1) Installed capacity and corresponding utilisation rates in 2019 are normalised for the capacity upgrade in Turkey, from 65 kt to 110 kt (plant was shutdown from end of January to mid-August 2019)
2) Installed capacity and corresponding utilisation rates in 2021 are proportional figures based on the actual number of days the China and the US plants (after acquisition) operated in the year
3) Blended rate between hedged prices and average spot prices, weighted by the respective hedged and non-hedged volumes, reflecting the effective price to Befesa
4) Installed capacity and corresponding utilisation rates in 2020 and following years is normalised for the UK plant closure occurred at year-end 2020; in 2022, it is normalised for the Hanover plant shutdown
5) Installed capacity and corresponding utilisation rates in 2018 are normalised for the furnace upgrades in Bilbao (plant was shutdown three months, from 2nd week of June to 3rd week of September), as well as the Barcelona - phase I (plant was shutdown two months, from 4th week of August to 4th week of October)
6) Installed capacity and corresponding utilisation rates in 2019 are normalised for the furnace upgrade in Barcelona - phase II (plant was shutdown three months, from mid-August to mid-November)
7) Aluminium scrap and foundry ingots aluminium pressure diecasting ingot DIN226/A380 European Metal Bulletin free market duty paid delivered works

Cash flow, net debt & leverage

Q4 operating cash flow of €59m, +34% or +€15m yoy, a new high;
Net leverage of x2.56 at YE’22, stable qoq (x2.56 at Q3’22 closing)

Q4 adjusted EBITDA to total cash flow (€m)



	At 30 September 2022	*change*	At 31 December 2022
LTM Adjusted EBITDA	€224.6	*-€10.0 / -4.5%*	€214.6
LTM Operating cash flow	€122.3	*+€15.0 / +12.3%*	€137.3
Gross debt[3)	€713.4	*-€2.6 / -0.4%*	€710.8
Cash on hand	€139.1	*+€22.6 / +16.3%*	€161.8
Net debt	€574.2	*-€25.2 / -4.4%*	€549.0
Net leverage	x2.56	*flat*	x2.56

1) Includes investments required to maintain or replace assets as well as those related to productivity, compliance and IT
2) Mainly includes cash bank inflows/outflows from bank borrowings and other liabilities, as well as the effect of foreign exchange rate changes on cash
3) Gross debt of €713.4m at 30 September 2022 and €710.8m at 31 December 2022 include €100m TLB add-on to partly fund the AZR acquisition, as well as China local loans

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