



PRESS AND INVESTOR ANNOUNCEMENT

Befesa announces organizational changes to seize double-digit sustainable global growth opportunities in the next 5 years

- Current CEO Javier Molina will become Executive Chair, Asier Zarraonandia, currently Vice President of the Steel Dust Recycling Business, will take over as CEO. Current Chair of the Board Romeo Kreinberg has been appointed Lead Independent Director and remains Chair of the Nomination and Remuneration Committee
- Befesa is working on a Sustainable Global Growth Plan (SGGP), which, after the acquisition of AZR in August 2021, is the largest investment program in the Company's history
- SGGP targets around double-digit growth rates for the next five years and investments of around €500m
- Capital Markets Day planned for this autumn to explain the final Growth Plan to the Company's shareholders and analysts

Luxembourg, 12 July 2022 - The Board of Directors of Befesa S.A. ("*Befesa*"), the leading provider of hazardous waste recycling services enabling the circular economy within the steel and aluminium industries, today appointed Javier Molina, currently Chief Executive Officer, as Executive Chair of Befesa. Asier Zarraonandia, currently Vice President of the Steel Dust Recycling Business, will take over as Chief Executive Officer of Befesa. Romeo Kreinberg, currently Chair of the Board, has been appointed Lead Independent Director and remains Chair of the Nomination and Remuneration Committee. The changes will be effective immediately.

Organizational changes

As chairperson of the board of directors of Befesa and Executive Chair, Javier Molina will be the most senior executive in the group and Befesa's main representative for regulators, authorities, and shareholders. He will lead the implementation of Befesa's corporate strategy, covering growth projects and the Sustainable Global Growth Plan (SGGP) as well as the sustainability strategy, including CO₂ reduction plans and ESG. As Chief Executive Officer of Befesa, Asier Zarraonandia, who successfully developed and managed the Steel Dust Recycling Business, which represents around 80% of Befesa's EBITDA, will report to the Executive Chair. He will be responsible for the day-to-day management across Befesa's business units and for all operations including production, supply chain and commercial. He will also be responsible for the execution of the various growth projects in the business. Wolf Lehmann, currently CFO of Befesa, will maintain his role and responsibilities, also reporting to the Executive Chair.

The renewed Board of Directors will lead Befesa over the next four years including the two new Board members Natalia Latorre and José Domínguez Abascal. Both bring extensive experience in the energy transition, ESG and technology development, three areas with increasing importance to Befesa in the coming years. The new Board continues to consist of six independent directors and three executive directors.

The Board has also established a Sustainability Committee, which will strengthen Befesa's commitment to sustainability as a key player in the circular economy and will review progress against Befesa's sustainability plans on a quarterly basis.

Five-year Sustainable Global Growth Plan (SGGP)

The global steel industry is undergoing major transformation to decarbonize its operations and meet carbon reduction targets for 2030 and 2050. Secondary, Electric Arc Furnace (EAF), steel production consumes around seven times less CO₂ per ton versus primary Basic Oxygen Furnace (BOF) production. This is driving large-scale investments in EAF steel production globally, which is expanding the customer and volume base of Befesa's environmental services. Similarly, the trends in the aluminium industry towards decarbonization and the rapid increase of the production of electric vehicles, are fuelling increasing demand for secondary aluminium and salt slags recycling in Europe, where Befesa plays a leading role. As a clear contributor to the decarbonization of the steel and aluminium industries, Befesa's environmental services to the low-carbon EAF steelmaking process and secondary aluminium producers will enable the transition to a low-carbon economy by expanding Befesa's recycling capacity.

Against this backdrop, Befesa has announced that it is finalizing its new five-year Sustainable Global Growth Plan. As part of this plan, Befesa aims to invest around €500m in growth projects to seize the opportunities that decarbonization and the growing electric vehicle market are generating in the steel and aluminium industries. This will enable the company to target double-digit growth rates over the next five years.

Befesa plans to hold a Capital Markets Day this autumn to share the final SGGP with its shareholders and analysts.

Javier Molina, Executive Chair of Befesa, commented: "I am very excited about this new chapter for Befesa. Asier has been managing Befesa's main business for the past 15 years very successfully and is my natural successor. Despite the current uncertainty in the global economy, we have a solid business plan based on strong fundamentals. We believe that decarbonization and the rise of electric vehicles will remain medium and long-term growth drivers and we are in a privileged position to be able to seize these opportunities in the markets that we know best. Our new Sustainable Global Growth Plan targets around €500m in investments globally - balanced across new markets such as China and more mature markets such as Europe and North America. This will enable Befesa to continue its accelerated expansion, targeting double-digit growth over the next five years."

The Company will provide more details on the organizational changes, the new five-year SGGP and the Capital Markets Day in the forthcoming H1/Q2 financial results presentation scheduled for 28 July 2022.

Webcast

Befesa will host a webcast on its H1/Q2 2022 results at 9:00 am CEST on 28 July 2022. Further details, a replay and other events are available on the Company's website: www.befesa.com

Financial Calendar 2022

The financial calendar for 2022 is available in the Investor Relations / Investor's Agenda section of Befesa's website. For more information, please visit www.befesa.com

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, China and the US. 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 more than 2 million tonnes of residues annually, with a production of around 1.5 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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