BEFESA

Business Update 2022

Post H1 2022 Results

September 2022

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Electric arc furnace steel dust (EAFD) recycling plant at Asúa-Erandio, Spain

01 / Business update

Executive summary

- **Continuing 25% yoy EBITDA growth …**
  Q2'22 at €57m EBITDA, **+26% yoy** like Q1; H1 at €118m +25% or +€24m yoy

- **Metal prices decreased recently** with recessionary & lower China market sentiment – although – **energy inflation continues** at high levels

- **ESG**:
  - **CO_2 holistic** approach highlights that Befesa prevents >2.4 mtpa CO_2eq;
    Committing to **20% CO_2 emission intensity reduction by 2030**
  - Befesa expects 100% eligibility with **EU Taxonomy**
  - **Sustainability Committee** established

- Finalising **Sustainable Global Growth Plan (SGGP)**
  - **Investing** around **€500m** to **target double-digit growth** rates over next 5 years
  - **Globally balanced** expansion in Asia/China, USA and Europe
  - Details at **Capital Markets Day, 8 Nov, London & virtual**

Business highlights

Steel Dust

- **EAFD throughput**:
  630kt H1, +85% yoy;
  292kt Q2, +83% yoy
- Around **80% plant utilisation**
- **WOX sold**:
  217kt H1, +82% yoy;
  114kt Q2, +116% yoy
- **Zinc blended** prices: H1 +18%, Q2 +23%
- YoY **inflation**: -€21m H1, -€13m Q2
- **EBITDA** at €95m H1, +37% yoy;
  €40m Q2, +23% yoy

Alu Salt Slags

- **Salt slags** volumes:
  173kt H1, -12% yoy;
  85kt Q2, -6% yoy
- **2nd aluminium alloys**:
  85kt H1, -15% yoy;
  42kt Q2, -12% yoy
- Around **80% plant utilisation**
- **Alu FMB** prices: H1 +30%, Q2 +28%
- YoY **inflation**: -€14m H1, -€6m Q2
- **EBITDA** at €24m H1, -5% yoy;
  €16m Q2, +28% yoy

US

- Operations **delivering as expected**
- **Driving progress** on **integration and** related **synergies**

China

- **Managing challenging continued COVID restrictions**
- **Jiangsu**: In commercial production; Contracted >80% volumes, but COVID constrained
- **Henan**: Commissioning prolonged (COVID) to H2
- Working on **new projects** / further expansion

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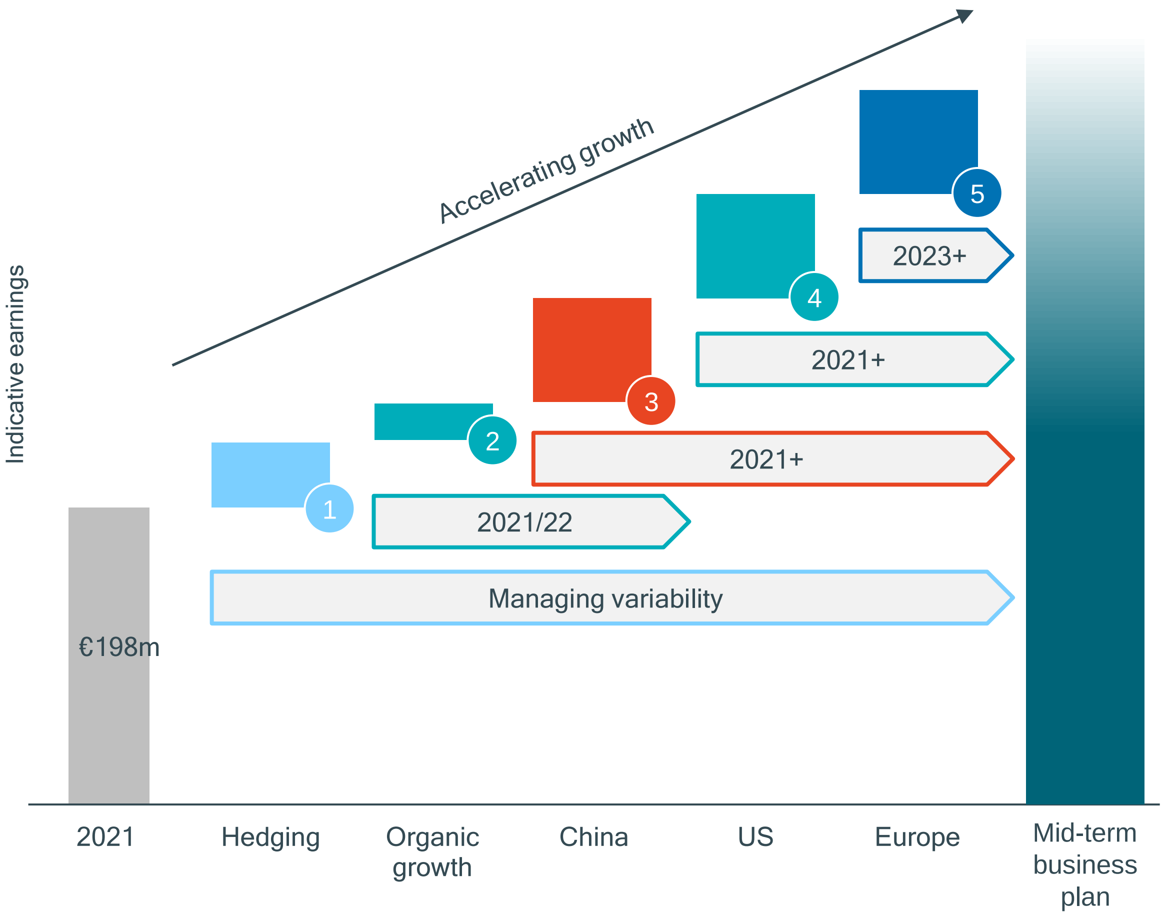
Mid-term growth roadmap

Executing well defined growth roadmap even during COVID-19 pandemic;
- China: In commercial operations at 1st plant (Jiangsu) and ramping up 2nd plant (Henan); Expanding further
- US: Driving progress on the integration of AZR and related synergies
- Europe: Expanding with EAFD customer base; Decarbonization driving growth



1 HEDGING

- Hedge book extended to Jan'25, c.2.5 yrs
- Providing increased earnings and cash flow visibility
- ´24 at €2450/t vs. ´21 at €2150/t → +€300/t x c.150kt hedged = +€45m EBITDA locked in

2 ORGANIC GROWTH

Executed projects:

- Steel Dust:
  - ✓ Türkiye expansion: Completed
  - ✓ Korea washing: Completed
- Aluminium Salt Slags:
  - ✓ 2 tilting furnaces (Spain): Completed

3 CHINA

Ramping up first two EAFD recycling plants in provinces of Jiangsu and Henan; Expanding further

4 US

Driving near- and mid- term synergies

5 EUROPE

Expanding with EAFD customer base; Decarbonization driving growth

Note: Chart is illustrative and size of respective arrows in the chart is not indicative to the underlying growth potential

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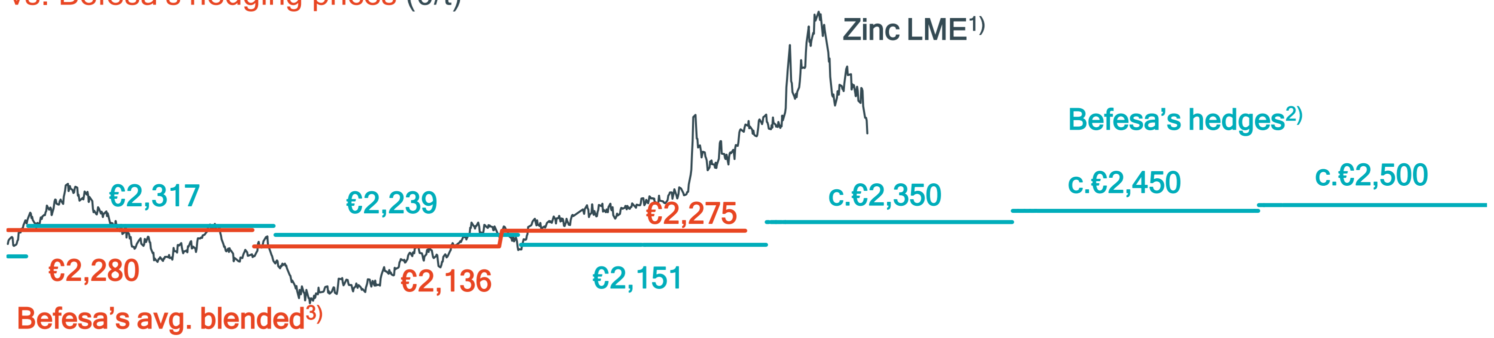
Zinc prices & hedging strategy

Hedge book fully extended up to Jan'25, c.2.5 years; Improving earnings & cash flows visibility

Zinc LME price vs. Befesa's hedging prices (€/t)



	2019	2020	2021	2022	2023	2024
Zinc content hedged, kt	92.4	92.4	120.0	155.8	151.0	152.4

Zinc hedges & blended average prices (€/t)

	H1 2021	H1 2022	
Unhedged	33% or 23kt @ €2,349/t LME	29% or 34kt @ €3,510/t LME	
Hedged	67% or 46kt @ €2,200/t	71% or 84kt @ €2,328/t	
Blended[3]	**€2,254/t**	**€2,668/t**	**+€414/t / +18% yoy**

Hedging strategy unchanged:

- Hedge book fully extended up to Jan'25; c.**2.5 years**
- **Targeting 60% to 75% of zinc equivalent volume**
- Befesa providing **no collateral**

1) London Metal Exchange (LME) zinc daily cash settlement prices
2) Includes BZ US (former AZR) hedge book for the following periods: 18 Aug'21 to Jan'22: 36.8kt zinc hedged at c.$2,500 (c.€2,160 at FX 1.16); Feb'22-Jan'23: 63.4kt zinc hedged at c.$2,765 (c.€2,585 at FX 1.07); Feb'23-Jan'24: 58.6kt zinc hedged at c.$2,900 (c.€2,710 at FX 1.07); Feb'24-Jan'25: 60.0kt zinc hedged at c.$2,975 (or c.€2,700 at FX 1.10); source: cmegroup.com
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

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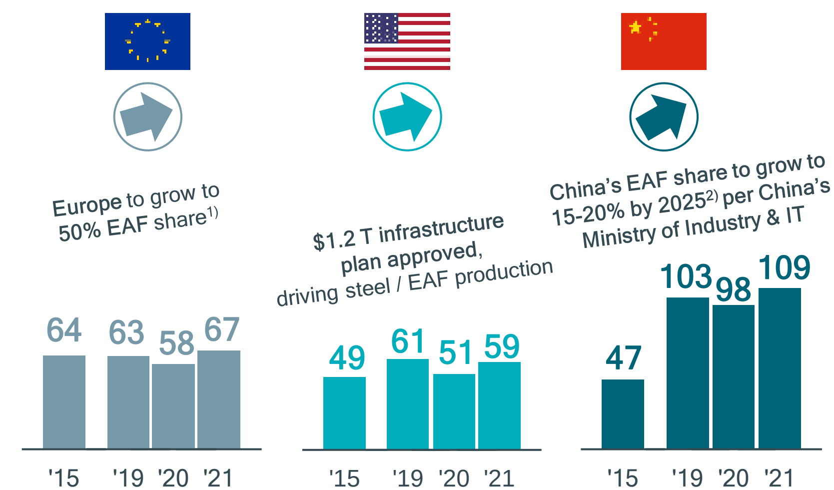
EAF steel production -&- Befesa's steel portfolio growth & diversification

China is the largest and growing EAF steel producer worldwide;
Befesa growing and diversifying its portfolio to capture China and US addressable markets

EAF steel production: EU-27 / US / China, million tonnes

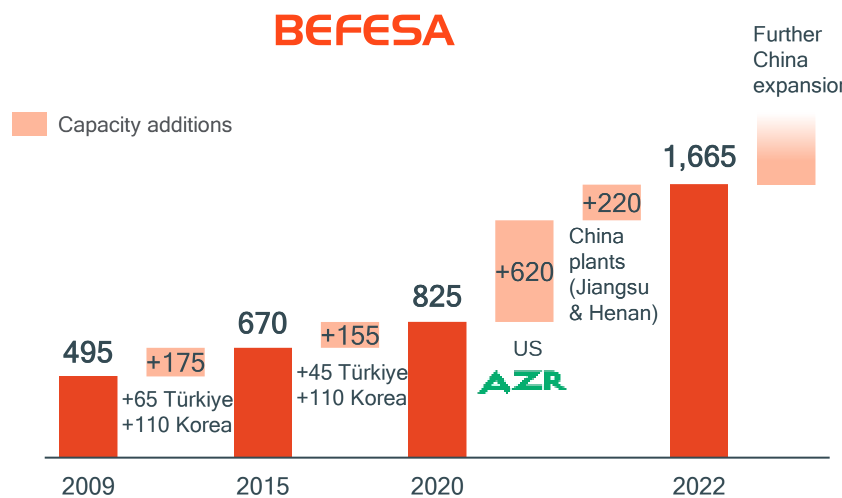


EAF % of total steel production:

41% 41% 41% 44% | 63% 70% 71% 69% | 6% 10% 9% 11%

- **Primary steel (BOF) consumes 7x more CO^2/t vs. secondary steel (EAF)[1)]; Decarbonization favors EAF steel production**

Befesa's EAFD recycling capacity trend, kt



EAFD recycling capacity by region, %:

	2009	2015	2020	2022
Europe[3)]	100%	74%	60%	30%
Asia[4)]	-	26%	40%	33%
US	-	-	-	37%

- Befesa Steel portfolio **growing @ c. 6% CAGR** (around twice GDP) while **diversifying to a well-balanced Europe / Asia / US footprint**

Sources: Worldsteel; Company data; IEA; S&P Global Commodity Insights
1) "Iron and Steel Technology Roadmap" (IEA, October 2020)
2) S&P Global Commodity Insights (April 2022)
3) Europe defined as EU-27
4) Asia includes Türkiye, South Korea and China

China I

Changzhou plant, Jiangsu province

Key facts of the plant:

- 1st EAFD recycling plant in China, 110kt EAFD p.a.
- Total investment: c.€42m

Status update:

✓ Construction completed on budget
✓ In commercial production & selling WOX
→ Contracted for >80% EAFD volumes from customers, but **COVID** constrained

↑ Changzhou plant, in operations

China II

Xuchang plant, Henan province

Key facts of the plant:

- 2nd EAFD recycling plant in China, 110kt EAFD p.a.
- Total investment: c.€42m

Status update:

✓ Construction completed Dec'21 on budget
→ Commissioning prolonged due to **COVID**; Finalising ramp up H2

↑ Xuchang plant, mid-June 2022, commissioning

Working on new projects / further expansion

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FY 2022 guidance: confirmed but trending towards lower end of the range

Global diversified footprint and **expansion initiatives delivering** between **+11% to 37% yoy growth;**
Wider guidance **range** driven by **energy & base metal price volatility and market (volume)**

EBITDA	**Lower-end: €220m** +€22m / **+11% yoy**	**Upper-end: €270m** +€72m / **+37% yoy**
	• **H1'22** of **€118m** (**+25%** yoy), **Q2'22** of **€57m** (**+26%** yoy); **FY'22 guidance** range **unchanged … trending towards lower half due to inflation** • The wider **guidance range** is mainly driven by energy and base metal price volatility, as well as market (volume)	
Capex	• **Total capex** of c.**€55-65m**: c.€15-20m growth (China Henan), majority funded through China local loans; c.€40-45m regular maintenance / IT / compliance / operational excellence (US)	
Cash flow, cash position & net leverage	• **c.+€40m total cash flow**1) • c.€260m cash position • Net **leverage at or below x2**	• **c.+€80m total cash flow**1) • c.€300m cash position • Net **leverage below x1.75**

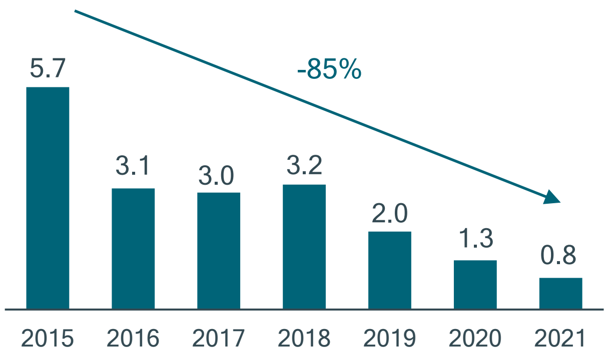
1) Total cash flow after capex and dividend payout

ESG at Befesa

Key player within the circular economy, with c.2 million tonnes recycled and c.1.5 million tonnes of valuable materials recovered annually, that contributes significantly to increase efficiency of raw material use in the metals industry and promotes the transition towards a more sustainable economy

Lost Time Injury Rate (LTIR)

- Excellence in health & safety is a priority for Befesa
- LTIR[1)] reduced by 36% yoy



1) Befesa's own employees and contractors

ESG Ratings

ISS ESG

Top 3 of 69
Metals processing
& production

SUSTAINALYTICS

#182 of 453
Commercial services

V.E

#7 of 103
Business services

MSCI

BBB
Commercial services
& supplies

arabesque s-ray

Top 5%
Industrial services

ESG Report

Befesa **ESG Report 2021** published on 29 June 2022, including **2030 & 2050 CO_2 reduction plan** and disclosures on Taxonomy eligibility

BEFESA

Environmental highlights

- **Holistic CO_2 impact analysis**:
  Befesa prevents emissions of >2.4 mtpa CO_2eq, plus, additional environmental benefits of reduced landfill

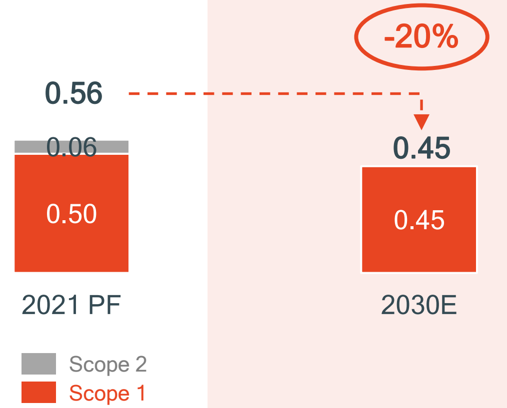
- Committing to **CO_2 Reduction Plan:**
  20% CO_2 emission intensity reduction by 2030; Aiming for net zero by 2050

- **EU Taxonomy**:
  Befesa expects 100% eligibility with EU Taxonomy, based on expert talks, advisors and own estimates, i.e. 100% of Befesa's revenue, capex & opex eligible & aligned, more details in ESG Report 2021

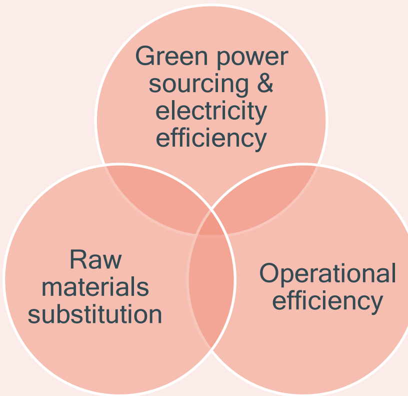
- **Sustainability Committee** established

Baseline

2030 commitment



2030 roadmap



BEFESA

Note: All figures in this section unchanged from US Acquisition Investor / Lender Presentations

BEFESA acquired AZR AMERICAN ZINC RECYCLING creating a global leader in EAFD recycling

02 / Acquisition of AZR closed on 17 August 2021

Transaction highlights

- On 16 June 2021, **Befesa** signed the **acquisition of 100% of** American Zinc Recycling (**AZR**)**'s recycling** assets for a **purchase price of $450m / €372m** – implying an **attractive c. 6x post near-term synergies** EBITDA **acquisition multiple**, about **half** of **Befesa's** current **2021E trading multiple** of c. 13x

- **AZR** is a **US market leader**[1)] in **recycling** electric arc furnace **steel dust** (EAFD) with c. 620kt EAFD capacity; Similar to Europe, a **highly-regulated, mature** market; full-service model incl. **collection fees**

- Through this acquisition, **Befesa becomes** a **global leader**[1)] in EAFD recycling with c. **1.7 million tons combined EAFD capacity**, and a **geographically diversified and balanced footprint** in Europe, Asia and the US across **12 facilities**

- **Funded** through a mix of
  - **accelerated equity offering** (5.9m shares as per authorized capital), completed on 17 June, -and-
  - pre-approved **term loan B (TLB) add-on** (€100m), allocated and priced at par, **ensuring leverage neutral**

- **Highly accretive** transaction for Befesa shareholders with **strong expected returns** achievable within first 3 years of combination:
  - **> €300m value** creation;
  - **Strong double-digit EPS** accretion;
  - **ROIC >>** Befesa's **WACC**

- On **17 August 2021**, **Befesa closed the transaction** as expected and on time

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- As part of this transaction, Befesa signed the acquisition of a minority 6.9% stake in a US **strategic zinc refining plant** for a purchase price of $10m, and **secured** an **option** for the acquisition of the **remaining 93.1% stake upon fulfilment** of two-phased **operational and financial milestones** of the zinc refining plant

1) Source: Own estimate based on recycling capacity, including Befesa's first two EAFD recycling plants in China

Acquired 100% of recycling assets upfront; incremental add-on option for new zinc refining plant (ramping up)

AZR is one of the largest EAFD recycler in North America1) with 4 plants with c. 620kt total capacity

Add-on option

EAFD recycling assets

1 Barnwell, SC

2 Rockwood, TN

3 Calumet, IL

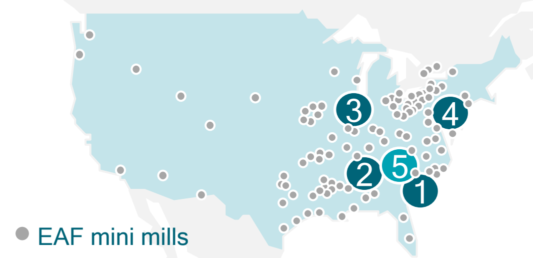
4 Palmerton, PA

X EAFD annual nameplate recycling capacity

X Special High-Grade Zinc (SHG) annual nameplate production capacity

Zinc refining new

5 Rutherford County, NC



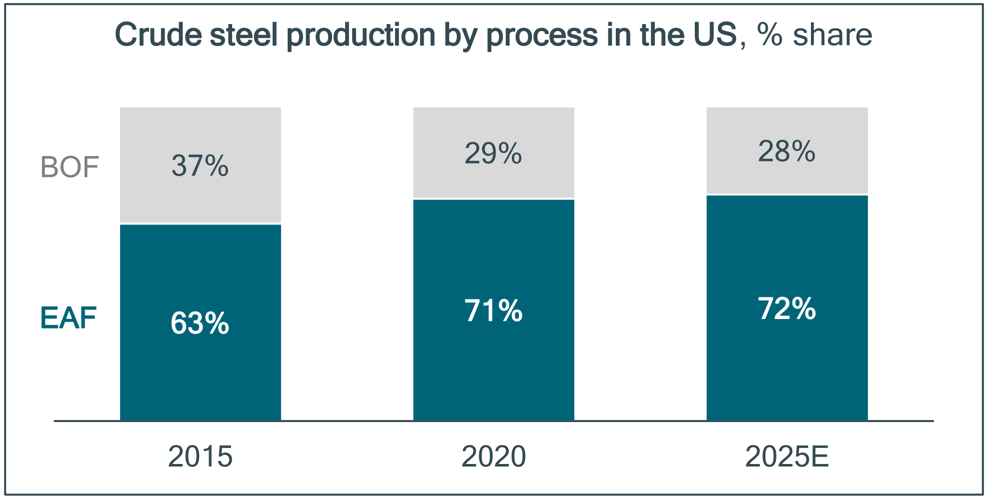
AZR's EAFD recycling plants are centrally located close to the major US EAF steel mini mills

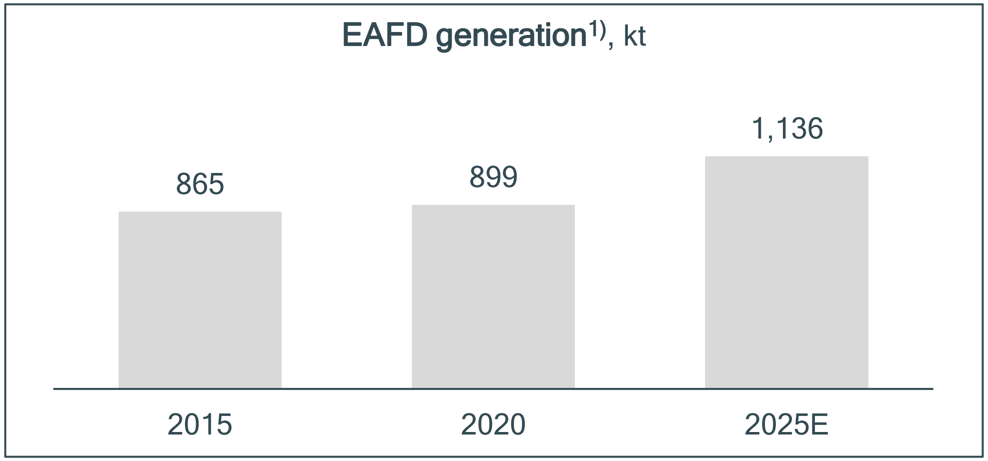
1) Source: Own estimate based on recycling capacity

BEFESA

Decarbonisation driving further growth of EAF steel production in the US

EAF method expected to grow further to >70% share by 2025





- US has one of the **largest and growing markets of EAF steelmakers globally**
- **EAF** is a prevailing **steelmaking method in the US** and is expected to continue to **grow further > 70% share driven by decarbonisation trend**
- Secondary steelmaking (**EAF**) **consuming only 1/7 of CO_2/ton** of steel[2] vs. primary steelmaking BOF (basic oxygen furnace)

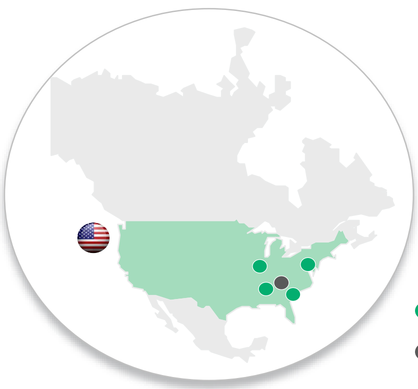
Source: worldsteel; Citi Research; International Energy Agency (IEA); Own estimates

1) Estimate assuming c. 17.5 kg of EAFD generated per tonne of crude steel output
2) "Iron and Steel Technology Roadmap" study by IEA, October 2020

Befesa closed AZR acquisition on 17 August; Operations delivering as expected; Driving progress on integration & related synergies

AZR

a US / North American leader (Steel Dust)



EAFD recycling

Zinc refining

Global leader[1] in EAFD recycling

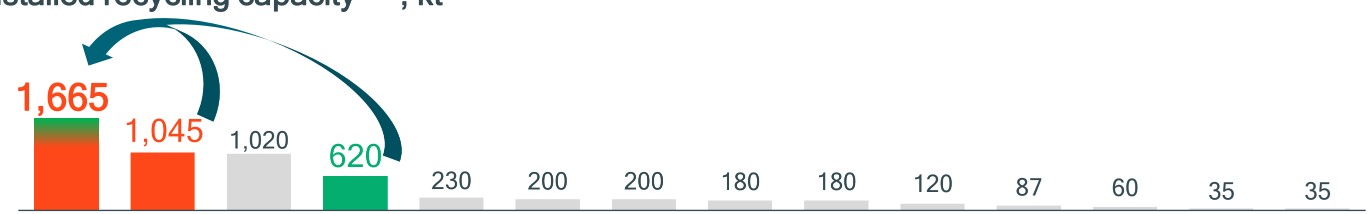
BEFESA

#1 Europe (Steel Dust & Salt Slags)

#1 Asia[1] (Steel Dust)

EAFD recycling

EAFD annual installed recycling capacity[1) 2)], kt



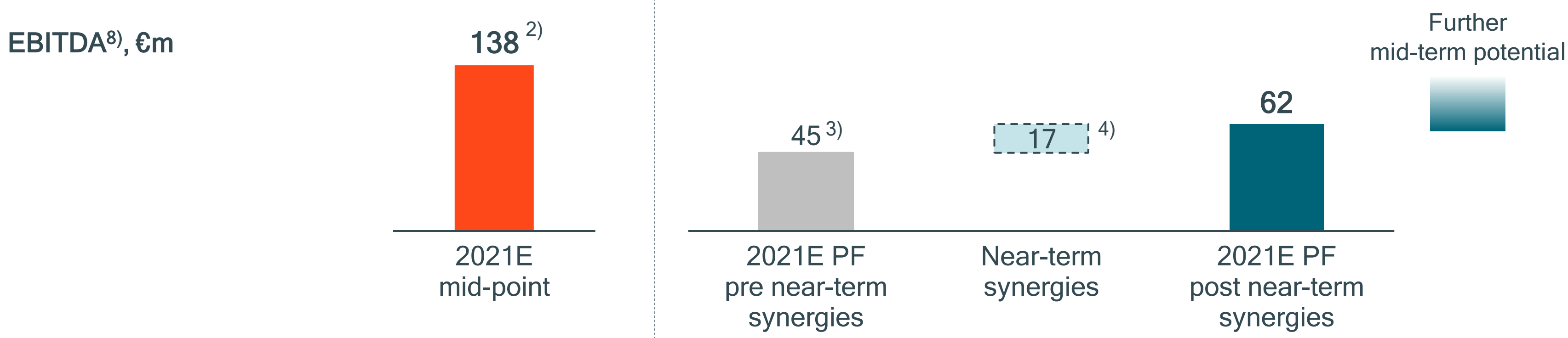
Key players[3)]	BEFESA + AZR	BEFESA (stand-alone)	ZN	AZR (stand-alone)		MARZINC	Korea Zinc	GLENCORE / Ponte Vesme	Taiwan Steel Union	Sumitomo	Nuova Samia	SOTETSU	ERBOSAN	Himeji Tekko Refine
#Facilities	12	8	5	4	1	1	1	1	1	1	1	1	1	1

1) Source: Own estimate based on recycling capacity; 2) Based on Company's public reports and presentations; 3) Using Waelz technology

Attractive acquisition multiple with additional upside potential – 2021E pro forma view[1)]

BEFESA
(Steel Dust - current perimeter)

AZR
(Recycling operations)



	2021E mid-point	2021E PF pre near-term synergies	Near-term synergies	2021E PF post near-term synergies
EAFD throughput	c. 740kt	c. 450kt		
Plant utilisation	90% of 825kt capacity	73% of 620kt		
EBITDA / ton throughput	**€185/t**	**€101/t**		**€138/t**
Implied EV/EBITDA multiple	c. **12.5x**[5)] (refers to Befesa Group)	c. **8.3x**[6)]		c. **6.0x**[6)]

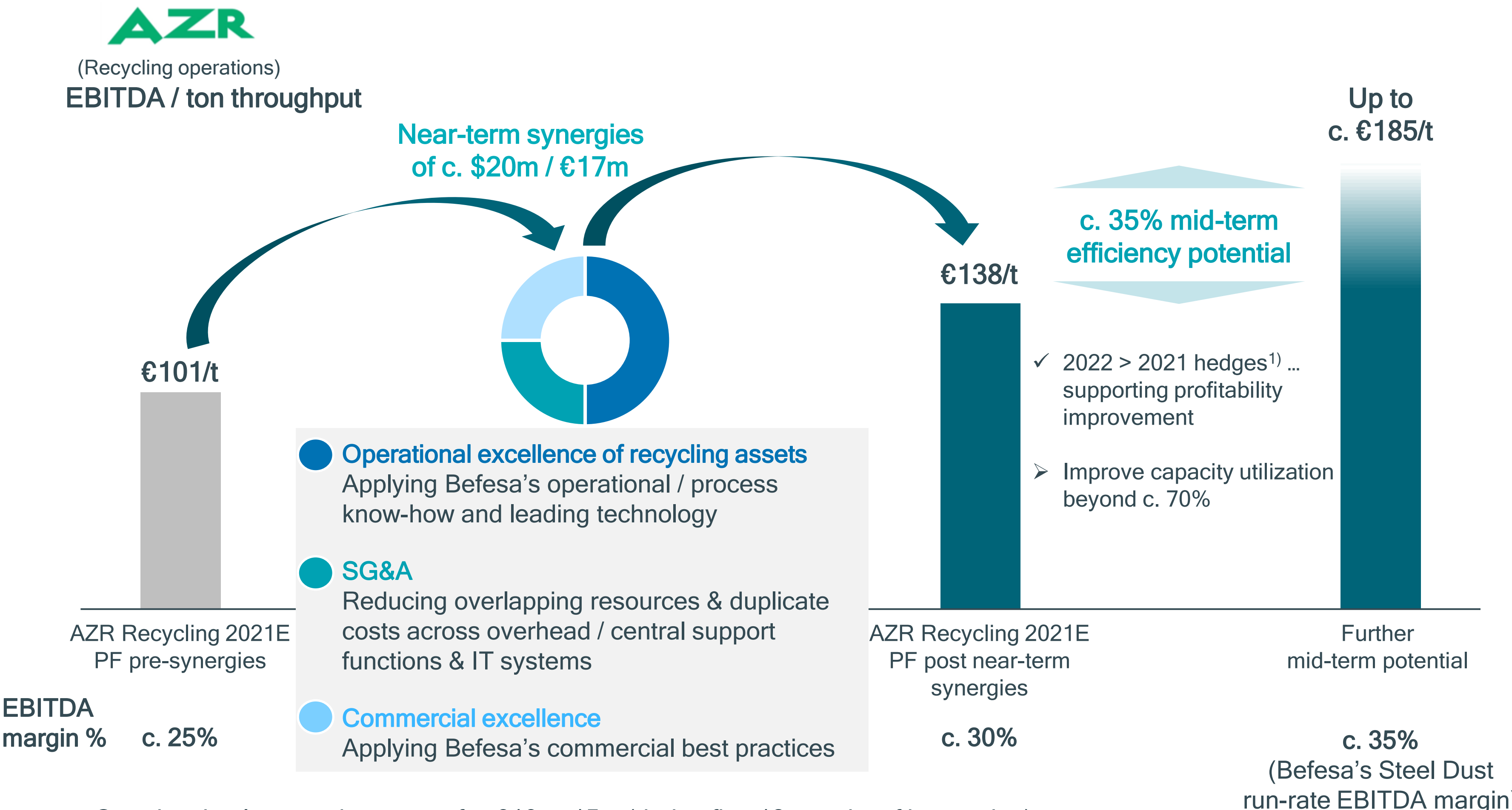
Pre near-term synergies acquisition multiple

Post near-term synergies acquisition multiple … > €300m value creation[7)]

1) 2021E PF figures presented across this presentation are to illustrate the effects of the transaction as if AZR had been part of the Befesa group as of 1 January 2021 and assuming that all near-term synergies were achieved already in 2021. Thus, 2021E PF view does not represent an update of Befesa's FY'21 Guidance provided on 27 April '21
2) Befesa's Steel Dust business calculated as 78% (last-three-year average, 2018-2020) of total Befesa's EBITDA 2021E of €177.5m (mid-point of €165-190m guidance)
3) Includes €13m PF adjustment computed as difference between Befesa's vs. AZR's uncompetitive hedging prices for 2021 (Befesa: €2,150/t or $2,580/t at FX 1.20; AZR: $2,399/t or €1,999/t), x 83kt hedged by AZR
4) For illustrative purposes, PF assumes pre-tax near-term synergies of c. $20m, or €17m at FX$/€ 1.20 expected to be achieved within first three years of combination
5) Befesa's FV/EBITDA 2021E multiple of 12.5x calculated based on a share price of €58.45 (L10 day avg. as of 15 Jun'21) and €191m EBITDA (consensus average as of 15 Jun'21)
6) Based on a purchase price for AZR Recycling of $450m, or €375m at FX$/€ 1.20
7) Expected to be achieved within first three years of combination; 8) Both Befesa and AZR financials shown are based on IFRS

Strong near– & mid– term synergy potential identified

Total pre-tax near-term synergies of c. $20/€17m expected within first three years of combination



One-time implementation costs of c. €10 to 15m (during first 18 months of integration) **applying Befesa's proven operational excellence rigor** with on average **< 2-year payback**

1) AZR has hedged at $2,767/t for 2022 vs. AZR 2021 Pro Forma hedges at c. €2,150/t (or $2,580/t at FX $/€ 1.20) • +$187/t on c. 83kt hedged = c. $15.5m / €12.9m

Leverage–neutral transaction with expected strong double–digit EPS accretion[1)]

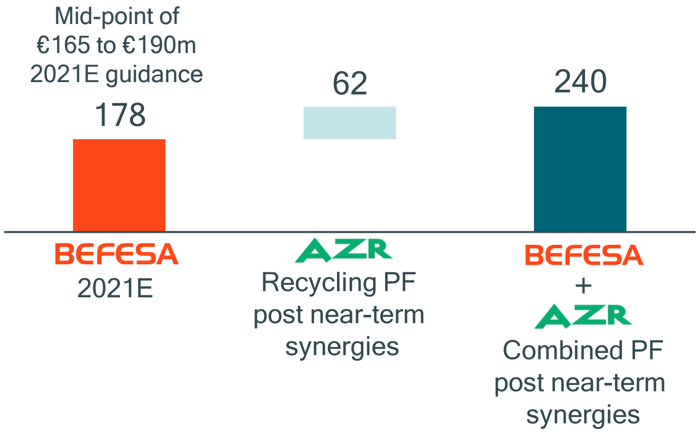
Funding of transaction (at closing)

Total price, $m

- **Funding** through a mix of
  - **accelerated equity offering** (5.9m shares as per authorised capital); and
  - €100m pre-approved **term loan B (TLB) add-on**
- Contingent FX hedging in place

Financial profile - 2021E Combined Pro Forma[3)]

EBITDA, €m



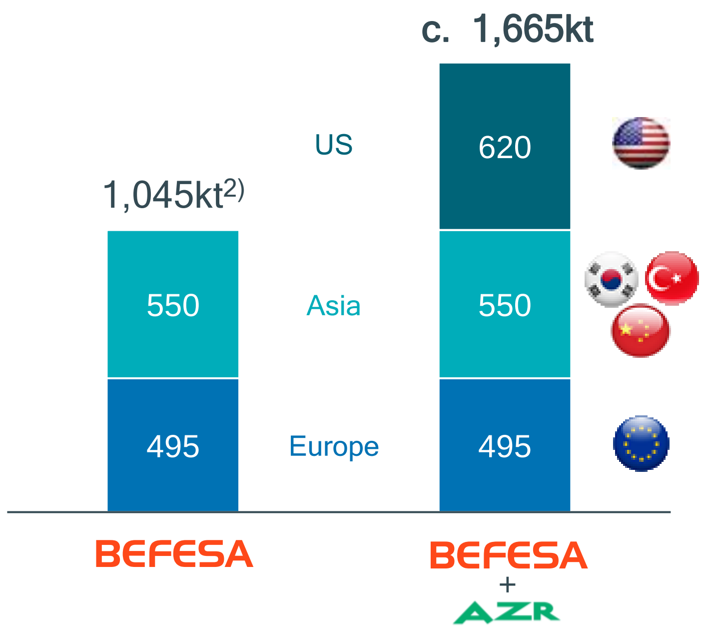
Net debt, €m	c. €408	€100 TLB add-on →	c. €508
Net leverage	c. x2.3		**x2.1-2.2**

Targeting leverage-neutral acquisition funding

1) Expected to be achieved within first three years of combination
2) Excludes one-time transaction expenses
3) For illustrative purposes, Pro Forma includes AZR's new improved hedging program and near-term synergies

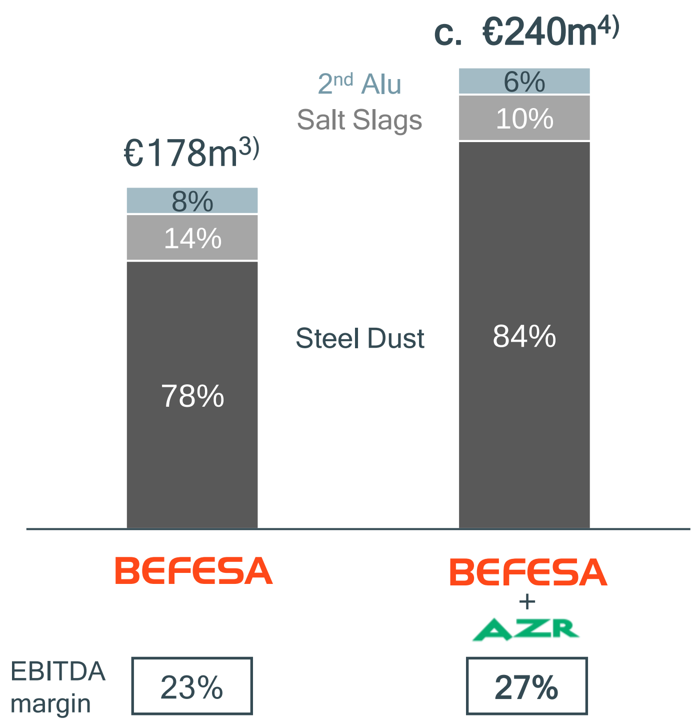
Diversifying the highest margin business unit and further improving Befesa's overall profitability

EAFD recycling capacity[1]



Diversifying towards a globally well-balanced European / Asian / US footprint

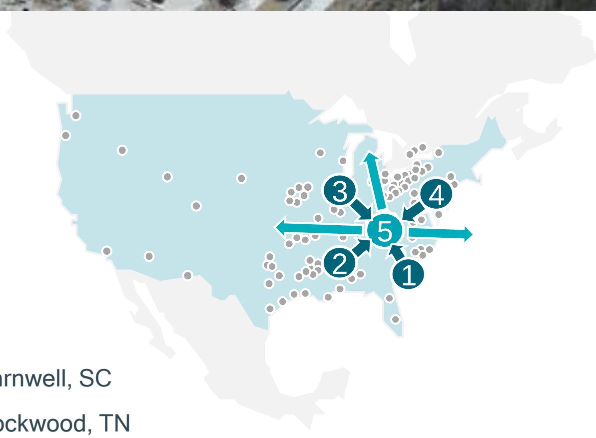
EBITDA by segment



Befesa's overall profitability improving by growing the highest margin Steel Dust business unit

1) Company's information
2) 1,045kt EAFD recycling capacity includes 220kt from the first two plants in China (Jiangsu & Henan provinces) scheduled to ramp up operations in 2021
3) €178m represents the mid-point of Befesa's FY 2021 guidance provided on 27 April 2021; Percentages are based on L3Y average financials
4) c. €240m represents the sum of a) Befesa standalone of €178m (mid-point of FY 2021 guidance) and b) AZR Recycling FY 2021E PF of €62m, post near-term synergies

AZR's zinc refining asset: strategic integration opportunity to support EAFD recycling operations in the US



1 Barnwell, SC
2 Rockwood, TN
3 Calumet, IL
4 Palmerton, PA
5 Rutherford County, NC

EAF mini mills
WOX
SHG

Plant footprint

- **Close proximity to AZR recycling** plants, at Rutherford County, NC
- Applies **new solvent extraction** technology for zinc refining
- Restarted operations in 2020; **Ramping up**; **Capacity to produce c. 141kt pure zinc** (SHG) per year

Strategic rationale

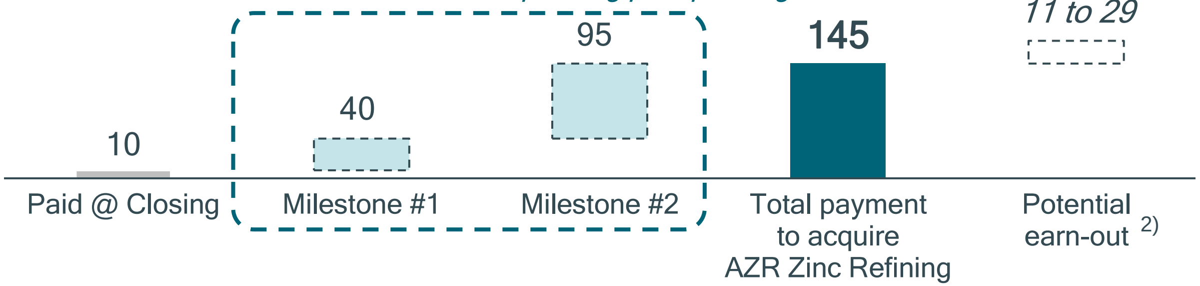
- Process **WOX from all AZR recycling** plants **into pure zinc** (SHG)
- **WOX purchased** from AZR recycling **at market prices**
- **Address shortage of zinc refining capacity** in the US/North America
- Supports **AZR** to become **vertically-integrated**:
  - Closed-loop, end-to-end, 100% green to AZR's EAF steel clients
  - Reduces exposure to zinc treatment charge volatility
- **No change in Befesa's global strategy**

BEFESA

Secured option to acquire AZR's zinc refining asset only upon fulfilling operational & financial performance milestones

Payment schedule to acquire AZR's zinc refining asset[1], $m

***$135m for remaining 93.1% stake** in AZR's zinc refining asset:*
- *Only upon fulfillment of 2-phased operational and financial milestones of new solvent extraction technology*
- *Max. time frame: 31 December 2023*
- *Payable in cash or Befesa common shares*
- *Sellers have a corresponding put option against Befesa*



	Paid @ Closing	Milestone #1	Milestone #2	Total payment to acquire AZR Zinc Refining	Potential earn-out
Performance milestones:					
1) Conversion cost		≤ \$0.44/lb.	≤ \$0.40/lb.		*\$0.36 to \$0.35/lb.*
2) Capacity utilisation		≥ 85.0%	≥ 92.5%		*96.0% to 100.0%*
Cumulative stake in AZR's zinc refining	6.9%	34.5%	100.0%	100.0%	
AZR's zinc refining EBITDA, \$m				*c. \$20 to \$25*	

Total purchase price represents c. 7x estimated EBITDA[3] acquisition multiple

1) Milestone-based purchase prices subject to certain possible adjustments
2) Max. time frame for the potential earn out is 31 December 2023
3) EBITDA of \$20 to \$25m, expected to be achieved within first 3 years after Closing

BEFESA

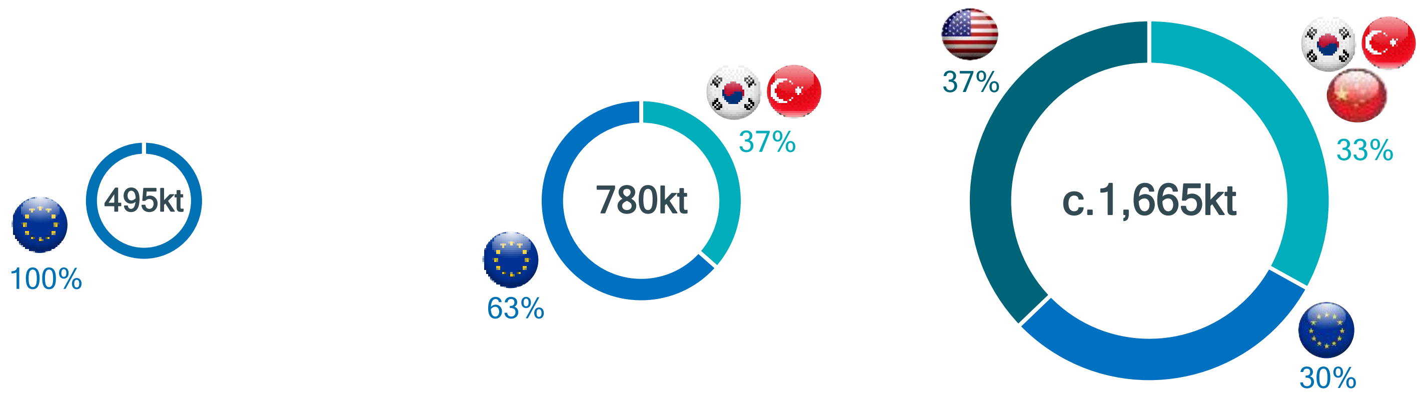
The acquisition of AZR's recycling business represented a key step on Befesa's accelerated growth path

2007
European leader[1)]
in EAFD recycling

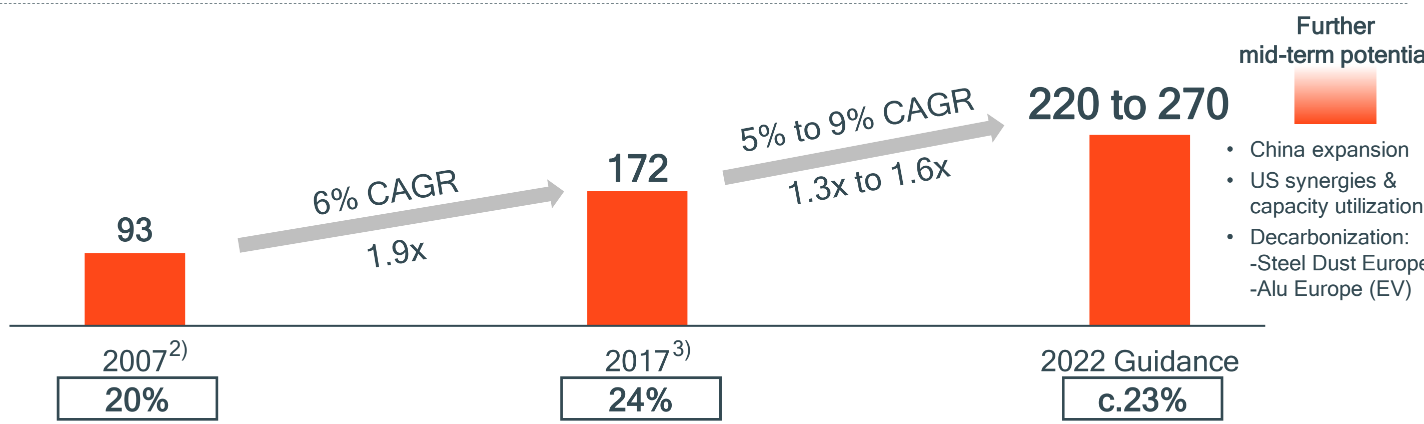
2017
European &
Asian leader[1)]

2022
European & Asian
& North American
= a global leader[1)]

Befesa's EAFD recycling capacity



Total EBITDA & EBITDA margin



- China expansion
- US synergies & capacity utilization↑
- Decarbonization:
  -Steel Dust Europe
  -Alu Europe (EV)

1) Source: Own estimate based on recycling capacity;
2) 2007 actuals PF for the non-core Industrial Environmental Solutions business divested in 2016; 3) 2017 adjusted for one-time IPO-related costs; 2017 reported EBITDA of €153m

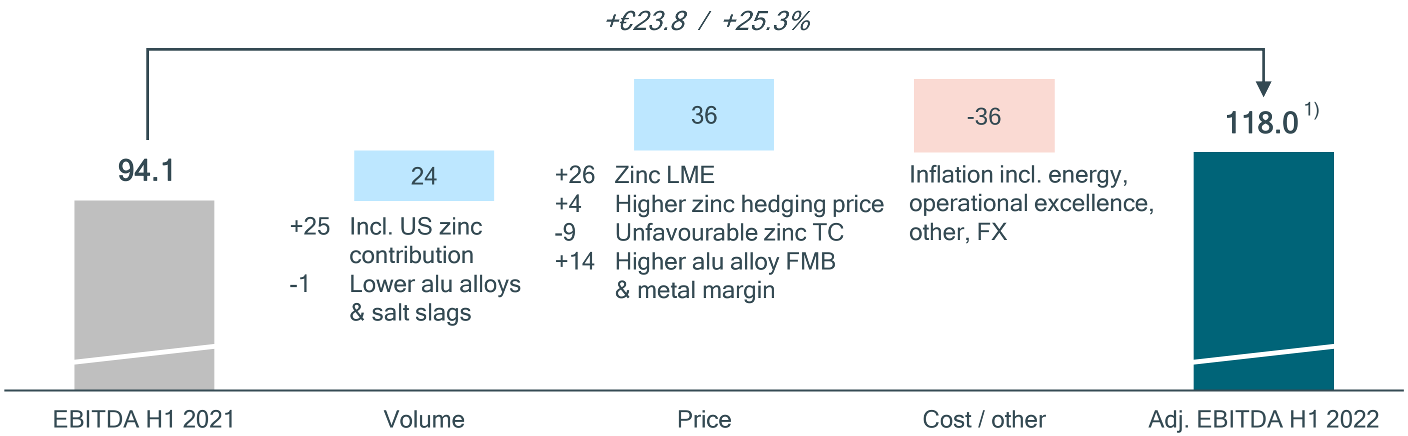

Nanjing City, Location of Befesa China's HQ

03 / H1 2022 results

Consolidated key financials

H1 adjusted EBITDA at €118.0m, +25% yoy, driven mainly by US zinc operations delivering as planned; yoy higher base metal prices offsetting energy inflation & unfavourable Zinc TC

Adjusted EBITDA bridge H1 2021 to H1 2022 (€m)



Key metrics (€m, unless otherwise stated)

	H1 2021	*yoy change*	H1 2022
Revenue	€384.2	*+€188.3 / +49.0%*	€572.5
Adjusted EBITDA[1)]	€94.1	*+€23.8 / +25.3%*	€118.0
Adjusted EBITDA margin %	24.5%	*-389 bps*	20.6%
Net profit	€45.6	*+€4.4 / +9.7%*	€50.0
EPS[2)] (€)	€1.32	*-€0.07 / -5.3%*	€1.25
Operating cash flow	€70.2	*-€6.3 / -8.9%*	€64.0
Cash[3)]	€196.6	*+€42.1 / +21.4%*	€238.7
Net debt	€371.4	*+€99.5 / +26.8%*	€470.9
Net leverage[4)]	x2.24	*-x0.15*	x2.09

1) €80.3m H1'22 reported Total EBIT + €35.3m D&A = €115.7m H1'22 reported Total EBITDA + €2.3m AZR acquisition-related adjustment = €118.0m H1'22 adjusted Total EBITDA
2) EPS in H1'21 is based on 34,525,634 weighted average shares and H1'22 is based on 39,999,998 shares after the capital increase of 5,933,293 new shares on 16 June 2021 to partly fund the AZR acquisition
3) Reported cash position of €527.2 million at Q2'21 closing, adjusted for the €330.6 million of net funds raised through the capital increase in connection with the AZR acquisition signed on 16 June 2021
4) Net leverage calculated on an LTM basis; Bank debt covenant reporting normalised and adjusted for synergies results in lower net leverage

Steel Dust Recycling Services

H1 EBITDA at €95.0m, +37% yoy, driven mainly by US operations delivering as planned; yoy higher zinc market prices offsetting energy inflation & unfavourable TC

EBITDA bridge H1 2021 to H1 2022 (€m)

Key metrics (€m, unless otherwise stated)

	H1 2021	*yoy change*	H1 2022
Revenue	€195.3	*+€158.5 / +81.2%*	€353.8
EBITDA	€69.2	*+€25.8 / +37.2%*	€95.0
EBITDA margin %	35.4%	*-859 bps*	26.8%
EAFD throughput (kt)	340.7	*+289.0 / +84.8%*	629.7
Plant utilisation	83.2%	*-160 bps*	81.6%
Waelz oxide (WOX) sold (kt)	119.3	*+94.5 / +79.2%*	213.8
Zinc LME price (€/t)	€2,349	*+€1,161 / +49.4%*	€3,510
Zinc hedging price (€/t)	€2,200	*+€128 / +5.8%*	€2,328
Zinc blended price[1] (€/t)	€2,254	*+€414 / +18.4%*	€2,668
Treatment charge (TC) ($/t)	$159	*+$71 / +44.7%*	$230

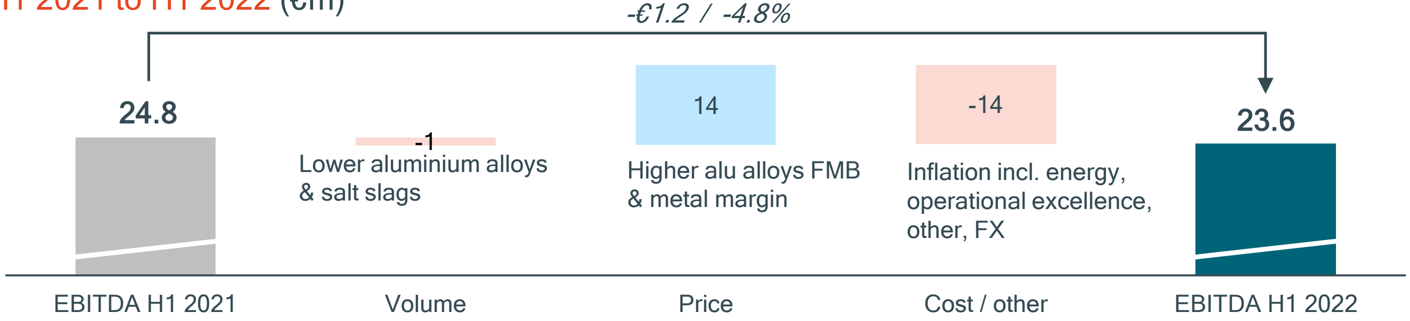
1) Blended rate between hedged prices and average spot prices, weighted by the respective hedged and non-hedged volumes, reflecting the effective price to Befesa

BEFESA

Aluminium Salt Slags Recycling Services

H1 EBITDA at €23.6m, -5% yoy; Energy inflation and some volume pressure mostly mitigated with higher aluminium metal prices; Overall plant utilisation at around 80%

EBITDA bridge H1 2021 to H1 2022 (€m)



Key metrics (€m, unless otherwise stated)

	H1 2021	*yoy change*	H1 2022
Revenue[1]	€190.1	*+€29.3 / +15.4%*	€219.4
• Salt Slags	€37.3	*+€4.0 / +10.7%*	€41.3
• Secondary Aluminium	€172.3	*+€45.4 / +26.4%*	€217.7
EBITDA	€24.8	*-€1.2 / -4.8%*	€23.6
• Salt Slags	€11.1	*+€3.5 / +31.4%*	€14.6
• Secondary Aluminium	€13.7	*-€4.7 / -34.2%*	€9.0
EBITDA margin % (Salt Slags)	29.8%	*+559 bps*	35.4%
Salt Slags & SPL treated (kt)	195.8	*-22.8 / -11.7%*	172.9
Plant utilisation	87.7%	*-1,022 bps*	77.5%
Aluminium alloys produced (kt)	99.5	*-14.8 / -14.9%*	84.6
Plant utilisation	97.8%	*-1,457 bps*	83.3%
Alu alloy FMB price[2] (€/t)	€1,965	*+€593 / +30.2%*	€2,558

1) Total revenue is after intersegment eliminations (H1'21: €19.5m; H1'22: €39.6m)
2) Aluminium scrap and foundry ingots aluminium pressure diecasting ingot DIN226/A380 European Metal Bulletin free market duty paid delivered works

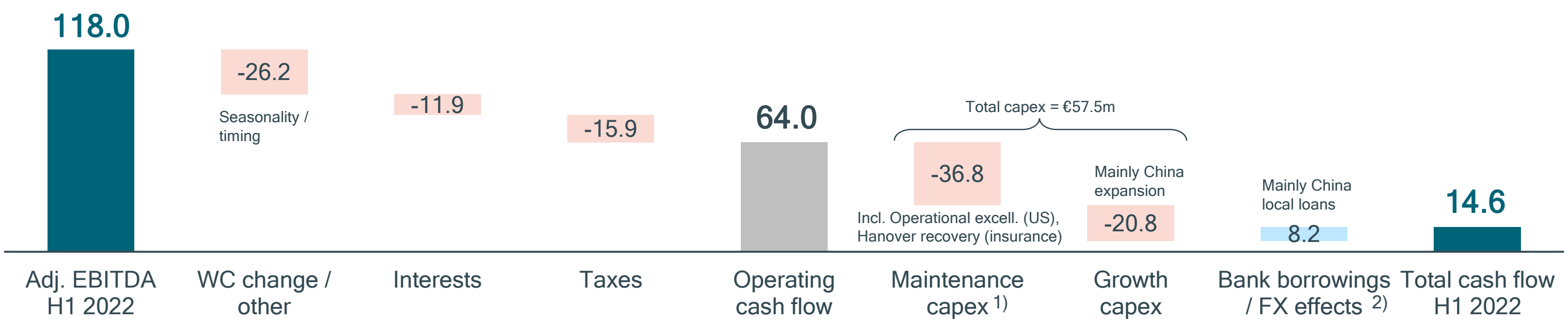
BEFESA

Cash flow, net debt & leverage

- **Moody's** improved outlook on Befesa to '**positive**' and affirmed '**Ba2**' (09 June ´22)
- **S&P** maintained the '**BB+, outlook stable**' rating on Befesa (22 June ´22)

Continued strong liquidity of >€300m including record €239m cash on hand; Net leverage of x2.09 at Q2'22, improved vs. x2.16 at YE'21

H1 adjusted EBITDA to total cash flow (€m)



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

	At 30 Jun 2021	YE 2021	*change*	At 30 Jun 2022
LTM Adj. EBITDA[3)]	€165.8	€217.8	*+€7.6 / +3.5%*	€225.4
LTM Operating cash flow[4)]	€151.6	€117.9	*-€6.3 / -5.3%*	€111.6
Gross debt[5)]	€568.1	€694.7	*+€14.9 / +2.1%*	€709.7
Cash on hand[6)]	€196.6	€224.1	*+€14.6 / +6.5%*	€238.7
Net debt	€371.4	€470.6	*+€0.4 / +0.1%*	€470.9
Net leverage	x2.24	x2.16	*-x0.07*	x2.09

3) LTM Adj. EBITDA of €217.8m at YE'21 and €225.4m at Q2'22 closing incorporate full-twelve-rolling months of the US operations.
4) LTM Operating cash flow of €117.9m at YE'21 and €111.6m at Q2'22 closing include AZR's operating cash flows since closing of the acquisition on 17 Aug 2021
5) Gross debt of €694.7m at YE'21 and €709.7m at Q2'22 closing include €100m TLB add-on to partly fund the AZR acquisition, as well as China local loans
6) Reported cash position of €527.2 million at Q2'21 closing, adjusted for the €330.6 million of net funds raised through the capital increase in connection with the AZR acquisition signed on 16 June 2021

BEFESA

Secondary aluminium production plant at Bernburg, Germany

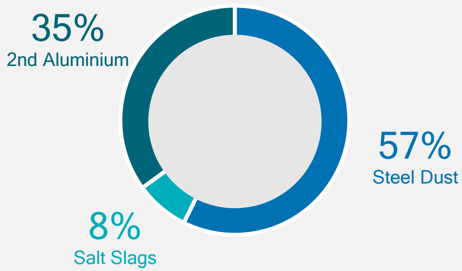
04 / Befesa overview

Befesa at a glance

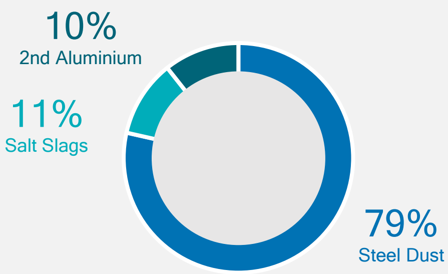
Global leader in Europe, Asia and US in providing regulated critical hazardous waste recycling services to the steel and aluminium industries

LTM Q2 2022[1)]

€1,010m
Revenue[2)]



€221m
EBITDA



Steel Dust Recycling[1)]

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

28%
EBITDA margin
(LTM Q2 2022)

>15yrs
Relationships

ArcelorMittal, GLENCORE, outokumpu, TRAFIGURA, voestalpine

Aluminium Salt Slags Recycling

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

30%
EBITDA margin in salt slags subsegment[3)]
(LTM Q2 2022)

>15yrs
Relationships

trimet, Novelis, Hydro, REAL ALLOY, Alcoa

1) Figures only consolidate the contribution from US zinc operations since the closing of the AZR acquisition on 17 Aug 2021
2) Excluding internal revenue; revenue split is calculated on revenues including internal revenue; 3) Including recycling of SPL (a hazardous waste generated in primary aluminium production)

Key milestones

Befesa has grown successfully through organic initiatives and acquisitions

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

2010 – Entry in the **Turkish market**[1]

2012 – Entry in the **Asian market**[2]; WOX washing plant at **Gravelines**

2013 – Triton acquired Befesa

2014 – Secondary aluminium plant in **Bernburg**

EAFD expansion Korea & Türkiye

2015 – **Doubled capacity to 220kt**, **Gyeongju**

2017 – **Successful IPO on Frankfurt Stock Exchange**

2018 – Entry to **SDAX**[3] on 24 Sep 2018

2019 – 1st **WOX washing** plant in **Asia**, close to Gyeongju plant; EAFD recycling capacity at **Iskenderun expanded to 110kt**

2020 – Since 18 Sep'20 member of Global Challenges Index

Rated by: ISS ESG, MSCI, V.E, SUSTAINALYTICS

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;
- → Ramping up; Commercial output H2'22

Entry in the US

100% of **AZR recycling** assets **acquired** (**c. 620kt EAFD recycling capacity**)

2021 – **Global leader** in **EAFD recycling**; Entry to **MDAX** Sep'21

2022

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

Investment highlights

Environmental solutions

in high demand for the steel and aluminium industry improving sustainability

Favourable mega trends

supporting secondary steel and aluminium markets e.g. CO_2 reduction, emission controls

Global leader

in Europe, Asia & US, in niche recycling markets, applying best available technology with plant footprint close to clients

Strong regulation

getting stricter and expanding into new geographies to protect the environment

Robust & long-term service

supports business model with strong barriers to entry and high captive demand

Proven resilience

through the cycle with strong growth, margins and cash flow generation

Expansion opportunities

organic & inorganic, focused on core segments with attractive returns

Experienced team

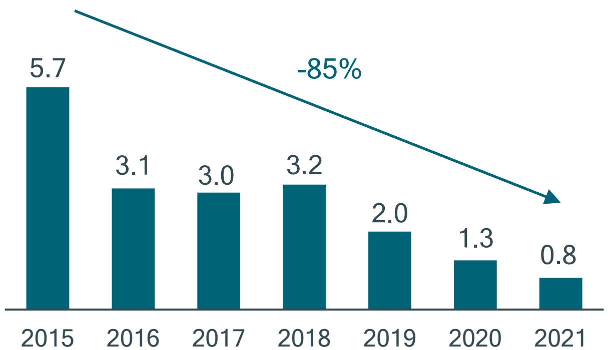
focused on compliance, ESG and profitable growth = shareholder value

ESG at Befesa

Key player within the circular economy, with c.2 million tonnes recycled and c.1.5 million tonnes of valuable materials recovered annually, that contributes significantly to increase efficiency of raw material use in the metals industry and promotes the transition towards a more sustainable economy

Lost Time Injury Rate (LTIR)

- Excellence in health & safety is a priority for Befesa
- LTIR[1)] reduced by 36% yoy



1) Befesa's own employees and contractors

ESG Ratings

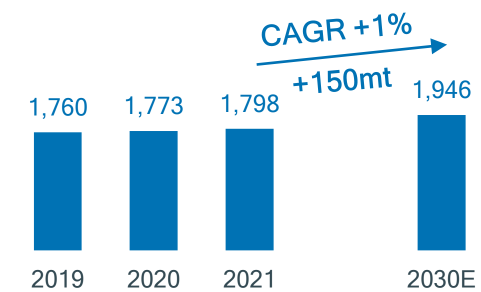
ISS ESG	SUSTAINALYTICS
Top 3 of 69 Metals processing & production	#182 of 453 Commercial services
V.E	MSCI
#7 of 103 Business services	BBB Commercial services & supplies
arabesque S-ray	
Top 5% Industrial services	

ESG Report

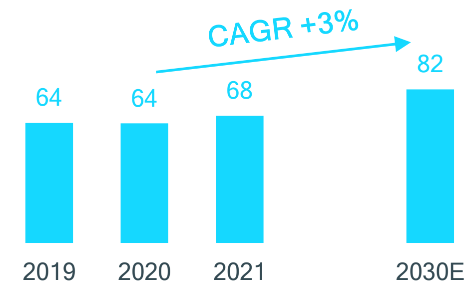
Befesa **ESG Report 2021** published on 29 June 2022, including **2030 & 2050 CO_2 reduction plan** and disclosures on Taxonomy eligibility

Decarbonisation & EV trends supporting favourable secondary steel (EAF) & aluminium markets

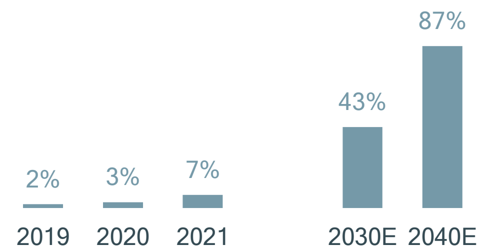
Global crude steel demand[1)]
(million tonnes)



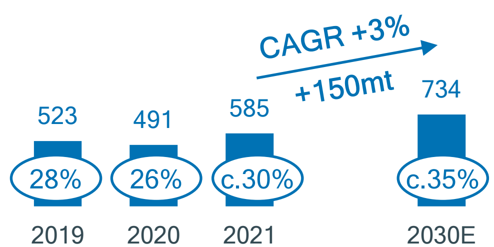
Global primary aluminium demand[2)]
(million tonnes)



Global EV sales penetration[4)]
(%)

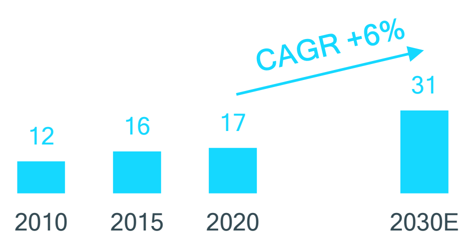


Global EAF steel output & share[1)]
(million tonnes, % Global output)



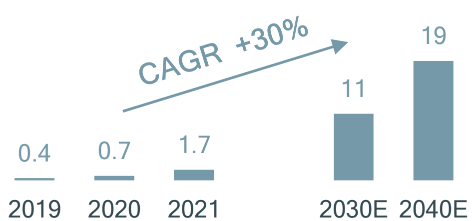
BOF uses c.7x CO_2/t vs. EAF;
EAF driving +150mt global steel growth

Global secondary alu production[3)]
(million tonnes)



Secondary aluminium uses c.5% energy / CO_2/t versus primary aluminium

European EV sales growth[4)]
(million units)



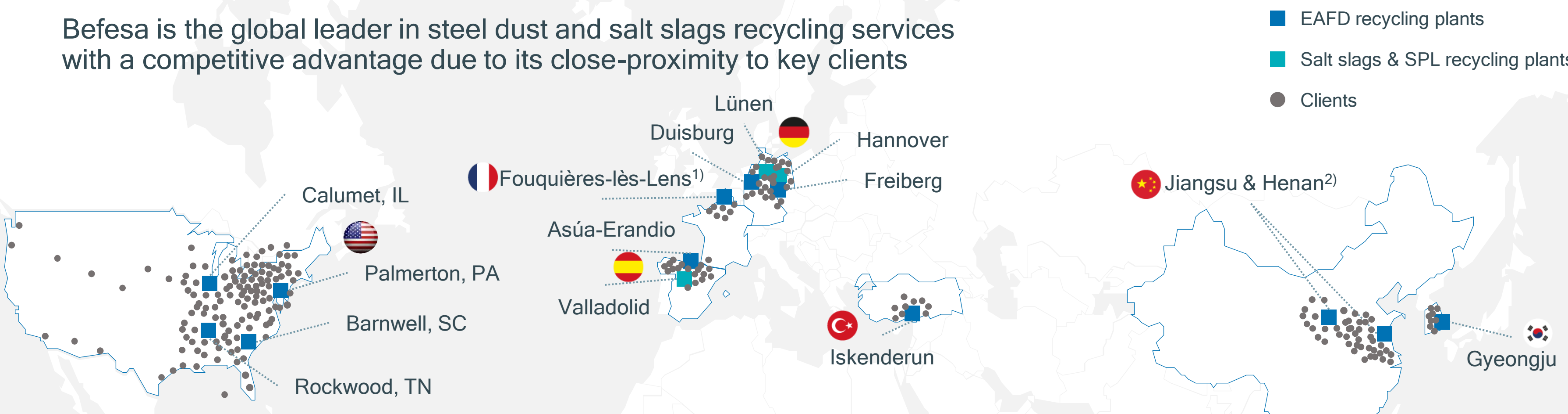
Increasing use of aluminium in light vehicles drives aluminium demand

1) Morgan Stanley (April 2022), Net Zero by 2050 (IEA, May 2021);
2) Morgan Stanley (Feb 2022);
3) Bureau of International Recycling, World Bureau of Metal Statistics (2016);
4) Morgan Stanley (June 2022)

BEFESA

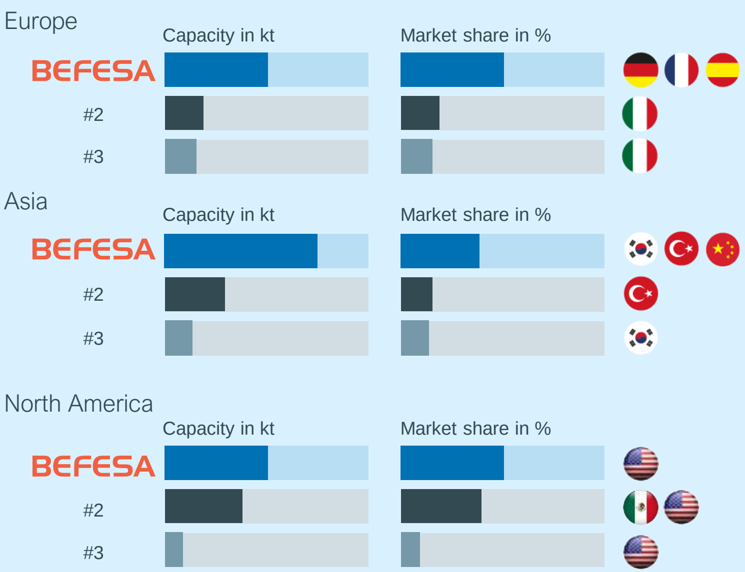
Global leader in Europe, Asia & North America

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

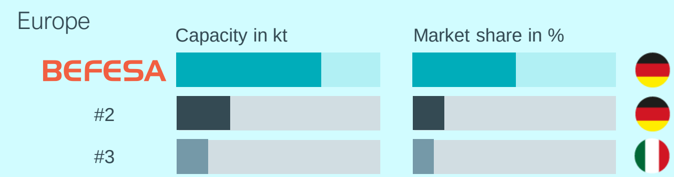


Note: Footprint reflects only Befesa's core recycling services - Steel Dust and Salt Slags & SPL

STEEL DUST RECYCLING



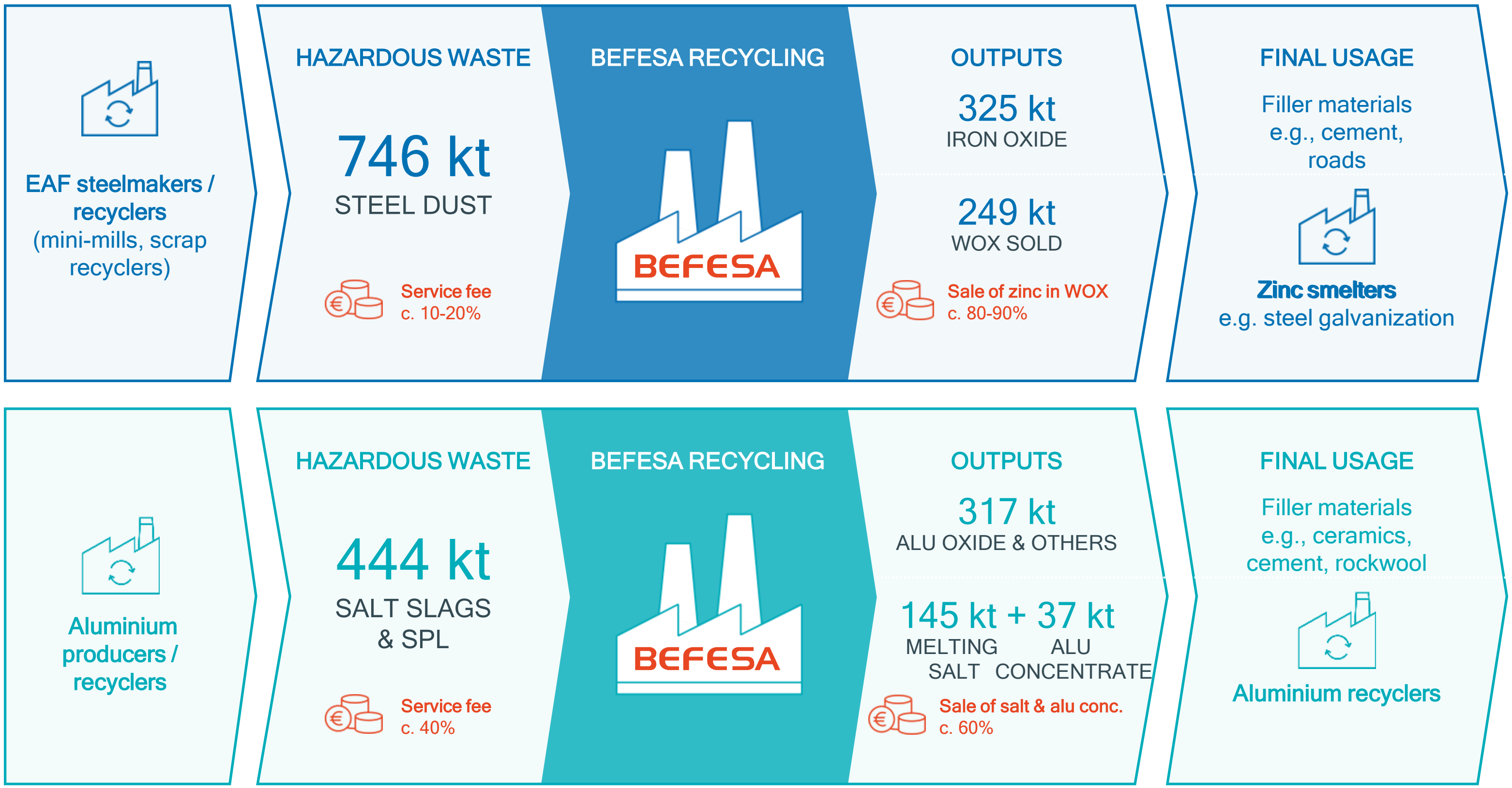
ALU SALT SLAGS RECYCLING



1) 50/50 joint venture with Recylex
2) Changzhou, Jiangsu province: In commercial production and selling WOX since Dec´21; Managing COVID restrictions
Xuchang, Henan province: Completed construction Dec´21 on budget; Commissioning in process, expecting commercial output in H2'22; Managing COVID restrictions

Highly regulated & critical service model

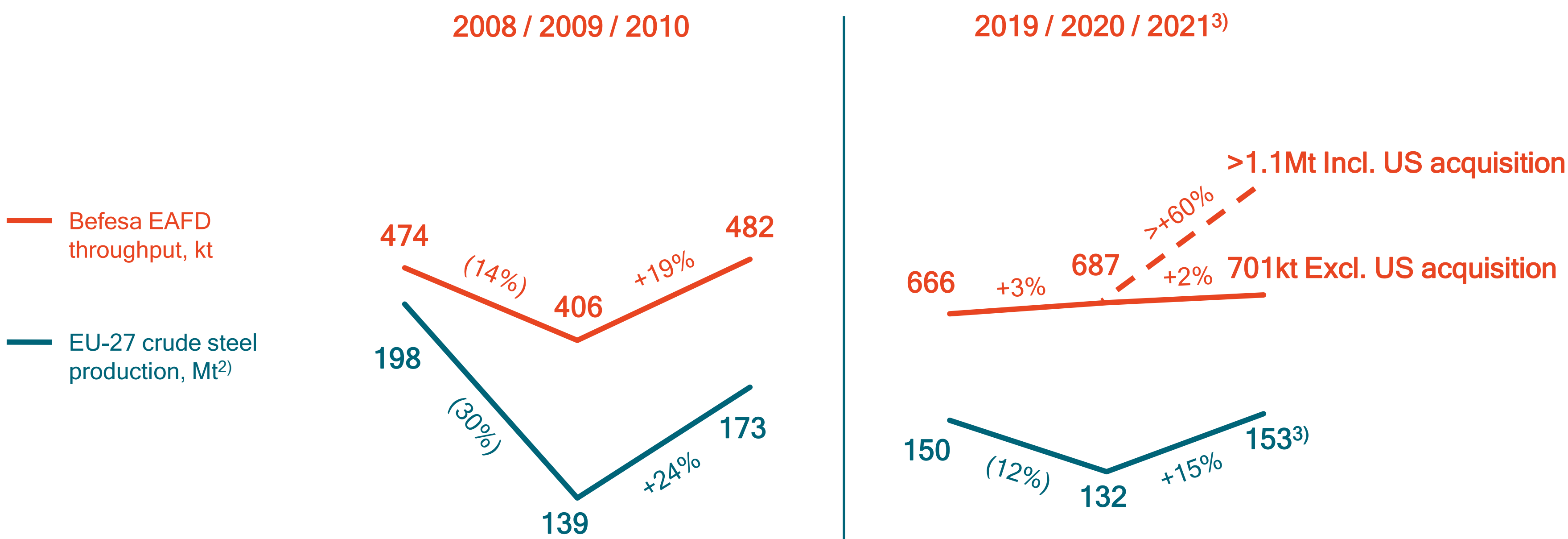
Befesa is the leading environmental services partner in the circular economy of the 2nd steel and aluminium industry by recycling and avoiding the landfilling of c. 2 MT hazardous residues and recovering c. 1.5 MT of new valuable materials



All figures are the average of the fiscal years 2019, 2020 and 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 (94 kt stainless steel dust throughput, average over L3Y period 2019-2021)
- Within Aluminium Salt Slags Recycling Services business segment Befesa manages a Secondary Aluminium sub-segment (179 kt 2nd aluminium alloys produced, average over L3Y period 2019-2021)

Befesa's Resilience During Latest Crises

Befesa has demonstrated resilient volumes and capacity utilisation levels during the latest crises



	2008	2009	2010	2019	2020	2021
Befesa EAFD utilization, %	96%	82%	96%	81%	83%	83%
Befesa EBITDA, €m	€99[2]	€61[2]	€99[2]	€160	€127	€198

1) Source: worldsteel.org
2) Total EBITDA is the sum of Steel Dust & Aluminium Salt Slags segments proforma (PF) comparable to Befesa structure in ´19/´20; Thus, it excludes divested IES, EPC and Concessions businesses
3) EU-27 crude steel production as reported by worldsteel on 25 Jan'22

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;
incl. responsibilities for operational excellence & IT

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

Federico Barredo
Vice-president 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
- Experience in developing greenfield projects, e.g., Gravelines, South Korea, Bernburg, China

Waelz kiln at EAFD recycling plant in Gyeongju, South Korea

05 Investor agenda & appendix

Investor's agenda

Financial calendar
2022

Q3 2022 Statement & Conf. Call
Thursday, 27 Oct

Capital Markets Day
Tuesday, 8 Nov, London & virtual

Next investor conferences

Q3 2022

Frankfurt - Commerzbank & ODDO BHF Corporate Conference 2022
6 Sep - Commerzbank & ODDO BHF

London - Stifel London Industrials & Renewables Summit
7 Sep - Stifel

London - Citi SMID / Growth Conference
8 Sep - Citigroup

Munich - Berenberg & Goldman Sachs 11th German Corporate Conference
19 & 20 Sep - Berenberg & Goldman Sachs

Munich - 11th Baader Investment Conference
21 Sep - Baader

Q4 2022

BBVA Iberian Forum (virtual)
6 & 7 Oct - BBVA

London - Citi Global Resources Conference
25-26 Oct - Citigroup

London - Global Natural Resources Conf.
9 & 10 Nov - Goldman Sachs

Paris - BNP 5th MidCap Conference
15-17 Nov - BNP Paribas Exane

Frankfurt - Deutsche Börse Deutsche Eigenkapitalforum
28-30 Nov - Deutsche Börse AG

Pennyhill Park, Surrey - Berenberg European Conference 2022
6 Dec - Berenberg

Debt conferences

London - J.P. Morgan European High Yield & Leveraged Finance Conference
9 Sep - J.P. Morgan

Q2 2022/21 – Key financials

(€m, unless otherwise stated)

	Steel Dust	Salt Slags	Secondary Aluminium	Corporate & eliminations	Total Befesa
Revenue[1)] *yoy change*	€197.9 *+€103.5 / +109.6%*	€22.1 *+€4.6 / +26.5%*	€119.8 *+€29.9 / +33.3%*	-€28.7 *-€18.5 / -*	€311.1 *+€119.5 / +62.4%*
Reported EBITDA *yoy change*	€40.2 *+€7.5 / +22.9%*	€8.2 *+€3.0 / +57.2%*	€7.8 *+€0.5 / +7.3%*	-€0.5 *-€0.6 / -*	€55.7 *+€10.4 / +23.1%*
Reported EBITDA margin % *yoy change*	20.3% *-1,432 bps*	37.2% *+726 bps*	6.5% *-159 bps*	- *-*	17.9% *-572 bps*
Adjusted EBITDA[2)] *yoy change*	€40.2 *+€7.5 / +22.9%*	€8.2 *+€3.0 / +57.2%*	€7.8 *+€0.5 / +7.3%*	€0.6 *+€0.6 / -*	€56.9 *+€11.6 / +25.6%*
Adjusted EBITDA margin % *yoy change*	20.3% *-1,432 bps*	37.2% *+726 bps*	6.5% *-159 bps*	- *-*	18.3% *-535 bps*

1) Total revenue in Aluminium Salt Slags Recycling Services in Q2'22 amounted to €113.4m (Q2'21: €97.9m) after intersegment eliminations of €28.5m (Q2'21: €9.5m)
2) €37.4m Q2'22 reported Total EBIT + €18.3m D&A = €55.7m Q2'22 reported Total EBITDA + €1.1m AZR acquisition related costs = €56.9m Q2'22 adjusted Total EBITDA

H1 2022/21 – Key financials

(€m, unless otherwise stated)

	Steel Dust	Salt Slags	Secondary Aluminium	Corporate & eliminations	Total Befesa
Revenue[1)] *yoy change*	**€353.8** *+€158.5 / +81.2%*	**€41.3** *+€4.0 / +10.7%*	**€217.7** *+€45.4 / +26.4%*	**-€40.3** *-€19.6 / -*	**€572.5** *+€188.3 / +49.0%*
Reported EBITDA *yoy change*	**€95.0** *+€25.8 / +37.2%*	**€14.6** *+€3.5 / +31.4%*	**€9.0** *-€4.7 / -34.2%*	**-€3.0** *-€3.1 / -*	**€115.7** *+€21.5 / +22.9%*
Reported EBITDA margin % *yoy change*	**26.8%** *-859 bps*	**35.4%** *+559 bps*	**4.1%** *-381 bps*	**-** *-*	**20.2%** *-429 bps*
Adjusted EBITDA[2)] *yoy change*	**€95.0** *+€25.8 / +37.2%*	**€14.6** *+€3.5 / +31.4%*	**€9.0** *-€4.7 / -34.2%*	**-€0.7** *-€0.8 / -*	**€118.0** *+€23.8 / +25.3%*
Adjusted EBITDA margin % *yoy change*	**26.8%** *-859 bps*	**35.4%** *+559 bps*	**4.1%** *-381 bps*	**-** *-*	**20.6%** *-389 bps*

1) Total revenue in Aluminium Salt Slags Recycling Services in H1'22 amounted to €219.4m (H1'21: €190.1m) after intersegment eliminations of €39.6m (H1'21: €19.5m)
2) €80.3m H1'22 reported Total EBIT + €35.3m D&A = €115.7m H1'22 reported Total EBITDA + €2.3m AZR acquisition related costs = €118.0m H1'22 adjusted Total EBITDA

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Multi-year trend – Key financials[1)]

(€m, unless otherwise stated)

	2017	2018	2019	2020	2021
Revenue	€667.4[2)]	€720.1	€647.9	€604.3	€821.6
Reported EBITDA	€153.0	€176.0	€159.6	€123.5	€189.6
Reported EBITDA margin %	22.9%[2)]	24.4%	24.6%	20.4%	23.1%
Adjusted EBITDA	€172.4[3)]	€176.0	€159.6	€127.0[3)]	€197.6[3)]
Adjusted EBITDA margin %	25.8%[2)]	24.4%	24.6%	21.0%	24.0%
Net profit[4)]	€49.3	€90.2	€82.7	€47.6	€99.7
EPS[5)] (€)	€1.02[5)]	€2.65	€2.43	€1.40	€2.68[5)]
Operating cash flow[6)]	€91.5	€103.8	€102.5	€92.5	€117.9
Cash position end of period	€117.6	€150.6	€125.5	€154.6	€224.1
Net debt	€406.4	€376.8	€416.9	€393.6	€470.6
Net leverage	x2.36	x2.14	x2.61	x3.10	x2.16

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
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
6) Operating cash flow is after WC change, taxes and interests; pre capex and pre dividend

Q2 2022/21 – Operational data – Steel Dust Recycling Services

	Q2 2021	Q2 2022[1)]	*yoy change*
EAFD throughput (kt)	159.6	292.3	*+132.7 / +83.2%*
EAFD average capacity utilisation (%)	77.6%	75.4%	*-217 bps*
Waelz oxide (WOX) sold (kt)	52.6	110.1	*+57.5 / +109.2%*
Zinc LME price (€/t)	€2,418	€3,683	*+€1,265 / +52.3%*
Zinc hedging price (€/t)	€2,199	€2,371	*+€172 / +7.8%*
Zinc blended price[2)] (€/t)	€2,275	€2,789	*+€514 / +22.6%*

1) EAFD throughput, corresponding capacity utilisation, and WOX sold figures in Q2'22 include full-quarter figures contributed by the acquired US operations
2) Blended rate between hedged prices and average spot prices, weighted by the respective hedged and non-hedged volumes, reflecting the effective price to Befesa

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H1 2022/21 – Operational data – Steel Dust Recycling Services

	H1 2021	H1 2022[1]	*yoy change*
EAFD throughput (kt)	340.7	629.7	*+289.0 / +84.8%*
EAFD average capacity utilisation (%)	83.2%	81.6%	*-160 bps*
Waelz oxide (WOX) sold (kt)	119.3	213.8	*+94.5 / +79.2%*
Zinc LME price (€/t)	€2,349	€3,510	*+€1,161 / +49.4%*
Zinc hedging price (€/t)	€2,200	€2,328	*+€128 / +5.8%*
Zinc blended price[2] (€/t)	€2,254	€2,668	*+€414 / +18.4%*

1) EAFD throughput, corresponding capacity utilisation, and WOX sold figures in H1'22 include full-quarter figures contributed by the acquired US operations
2) Blended rate between hedged prices and average spot prices, weighted by the respective hedged and non-hedged volumes, reflecting the effective price to Befesa

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Q2 2022/21 – Operational data – Aluminium Salt Slags Recycling Services

	Q2 2021	Q2 2022	*yoy change*
Salt slags & SPL treated (kt)	91.3	85.5	*-5.8 / -6.4%*
Salt slags & SPL avg. capacity utilisation (%)	81.4%	76.2%	*-520 bps*
Aluminium alloys produced (kt)	48.2	42.4	*-5.8 / -12.0%*
Secondary alu avg. capacity utilisation (%)	94.2%	83.0%	*-1,129 bps*
Aluminium alloy FMB price[1)] (€/t)	€1,947	€2,488	*+€541 / +27.8%*

1) Aluminium scrap and foundry ingots aluminium pressure diecasting ingot DIN226/A380 European Metal Bulletin free market duty paid delivered works

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H1 2022/21 – Operational data – Aluminium Salt Slags Recycling Services

	H1 2021	H1 2022	*yoy change*
Salt slags & SPL treated (kt)	195.8	172.9	*-22.8 / -11.7%*
Salt slags & SPL avg. capacity utilisation (%)	87.7%	77.5%	*-1,022 bps*
Aluminium alloys produced (kt)	99.5	84.6	*-14.8 / -14.9%*
Secondary alu avg. capacity utilisation (%)	97.8%	83.3%	*-1,457 bps*
Aluminium alloy FMB price[1)] (€/t)	€1,965	€2,558	*+€593 / +30.2%*

1) Aluminium scrap and foundry ingots aluminium pressure diecasting ingot DIN226/A380 European Metal Bulletin free market duty paid delivered works

Multi-year trend – Operational data

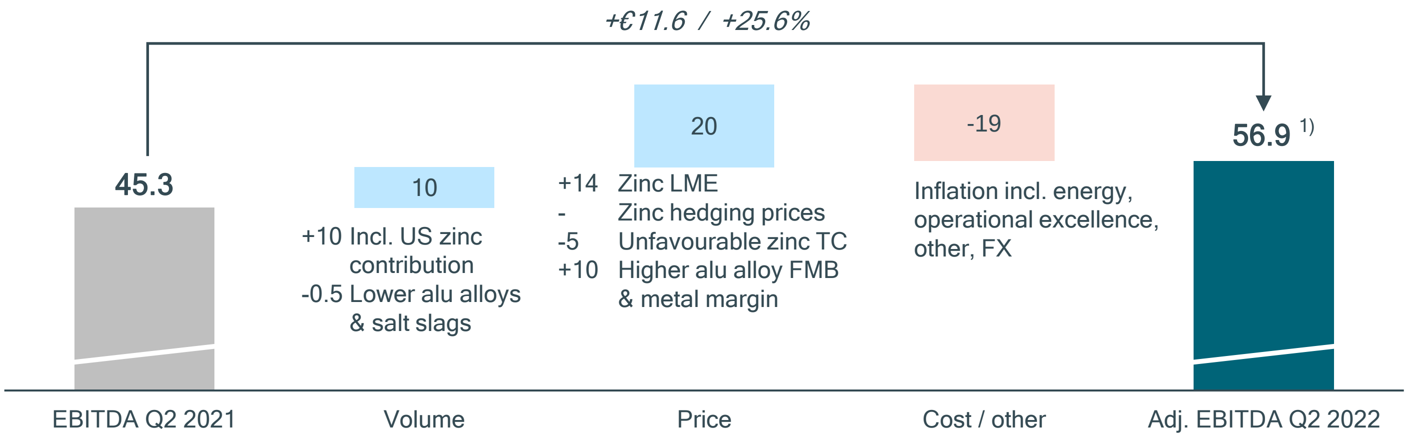
	2017	2018	2019	2020	2021
EAFD throughput (kt)	661.0	717.1	665.8	687.0	885.7
EAFD average capacity utilisation (%)	84.7%	92.0%	80.7% / 90.1%[1)]	83.2%	83.3%[2)]
Waelz oxide (WOX) sold (kt)	217.8	240.9	217.6	239.2	291.0
Zinc LME price (€/t)	€2,572	€2,468	€2,276	€1,979	€2,544
Zinc hedging price (€/t)	€1,876	€2,051	€2,317	€2,239	€2,151
Zinc blended price[3)] (€/t)	€2,160	€2,168	€2,280	€2,136	€2,275
Salt Slags & SPL treated (kt)	509.9	517.0	492.6	444.6	395.0
Salt Slags & SPL avg. cap. utilisation (%)	96.2%	97.5%	92.9%	83.9% / 86.9%[4)]	87.8%
Alu alloys produced (kt)	184.1	169.3	176.7	174.3	185.8
Secondary Alu avg. capacity utilisation (%)	89.8%	82.6% / 98.1%[5)]	86.2% / 91.1%[6)]	85.0%	90.6%
Aluminium alloy FMB price[7)] (€/t)	€1,766	€1,715	€1,397	€1,424	€2,112

1) Installed capacity and corresponding utilisation rates in 2019 are normalised for the capacity upgrade in Türkiye, from 65kt to 110kt (plant was shutdown from end of Jan to mid-Aug 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 are normalised for the UK salt slags plant closure by year-end 2020
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

Consolidated key financials

Q2 adjusted EBITDA at €56.9m, +26% yoy, mainly driven by US zinc operations delivering as planned; yoy higher base metal prices offsetting energy inflation & unfavourable Zinc TC

Adjusted EBITDA bridge Q2 2021 to Q2 2022 (€m)



Key metrics (€m, unless otherwise stated)

	Q2 2021	*yoy change*	Q2 2022
Revenue	€191.6	*+€119.5 / +62.4%*	€311.1
Adjusted EBITDA[1]	€45.3	*+€11.6 / +25.6%*	€56.9
Adjusted EBITDA margin %	23.6%	*-535 bps*	18.3%
Net profit	€20.8	*+€2.2 / +10.7%*	€23.0
EPS[2] (€)	€0.60	*-€0.02 / -3.2%*	€0.58
Operating cash flow	€43.7	*-€5.5 / -12.5%*	€38.3
Cash	€196.6	*+€42.1 / +21.4%*	€238.7
Net debt	€371.4	*+€99.5 / +26.8%*	€470.9
Net leverage[3]	x2.24	*-x0.15*	x2.09

1) €37.4m Q2'22 reported Total EBIT + €18.3m D&A = €55.7m Q2'22 reported Total EBITDA + €1.1m AZR acquisition-related adjustment = €56.9m Q2'22 adjusted Total EBITDA
2) EPS in Q2'21 is based on 34,979,519 weighted average shares; Q2'22 is based on 39,999,998 shares after the capital increase of 5,933,293 new shares on 16 June 2021 to partly fund the AZR acquisition
3) Net leverage calculated on an LTM basis; Bank debt covenant reporting normalised and adjusted for synergies results in lower net leverage

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Steel Dust Recycling Services

Q2 EBITDA at €40.2m, +23% yoy, mainly driven by US operations delivering as planned; yoy higher zinc market prices mostly offsetting energy inflation & unfavourable TC

EBITDA bridge Q2 2021 to Q2 2022 (€m)

Key metrics (€m, unless otherwise stated)

	Q2 2021	*yoy change*	Q2 2022
Revenue	€94.4	*+€103.5 / +109.6%*	€197.9
EBITDA	€32.7	*+€7.5 / +22.9%*	€40.2
EBITDA margin %	34.6%	*-1,432 bps*	20.3%
EAFD throughput (kt)	159.6	*+132.7 / +83.2%*	292.3
Plant utilisation	77.6%	*-217 bps*	75.4%
Waelz oxide (WOX) sold (kt)	52.6	*+57.5 / +109.2%*	110.1
Zinc LME price (€/t)	€2,418	*+€1,265 / +52.3%*	€3,683
Zinc hedging price (€/t)	€2,199	*+€172 / +7.8%*	€2,371
Zinc blended price[1] (€/t)	€2,275	*+€514 / +22.6%*	€2,789
Treatment charge (TC) ($/t)	$159	*+$71 / +44.7%*	$230

1) Blended rate between hedged prices and average spot prices, weighted by the respective hedged and non-hedged volumes, reflecting the effective price to Befesa

Aluminium Salt Slags Recycling Services

Q2 EBITDA at €16.1m, +28% yoy; Energy inflation and some volume pressure more than offset with higher aluminium metal prices; Overall plant utilisation at around 80%

EBITDA bridge Q2 2021 to Q2 2022 (€m)

Key metrics (€m, unless otherwise stated)

	Q2 2021	*yoy change*	Q2 2022
Revenue[1]	€97.9	*+€15.5 / +15.8%*	€113.4
• Salt Slags	€17.5	*+€4.6 / +26.5%*	€22.1
• Secondary Aluminium	€89.8	*+€29.9 / +33.3%*	€119.8
EBITDA	€12.5	*+€3.5 / +28.1%*	€16.1
• Salt Slags	€5.2	*+€3.0 / +57.2%*	€8.2
• Secondary Aluminium	€7.3	*+€0.5 / +7.3%*	€7.8
EBITDA margin % (Salt Slags)	29.9%	*+726 bps*	37.2%
Salt Slags & SPL treated (kt)	91.3	*-5.8 / -6.4%*	85.5
Plant utilisation	81.4%	*-520 bps*	76.2%
Aluminium alloys produced (kt)	48.2	*-5.8 / -12.0%*	42.4
Plant utilisation	94.2%	*-1,129 bps*	83.0%
Alu alloy FMB price[2] (€/t)	€1,947	*+€541 / +27.8%*	€2,488

1) Total revenue is after intersegment eliminations (Q2'21: €9.5m; Q2'22: €28.5m)
2) Aluminium scrap and foundry ingots aluminium pressure diecasting ingot DIN226/A380 European Metal Bulletin free market duty paid delivered works

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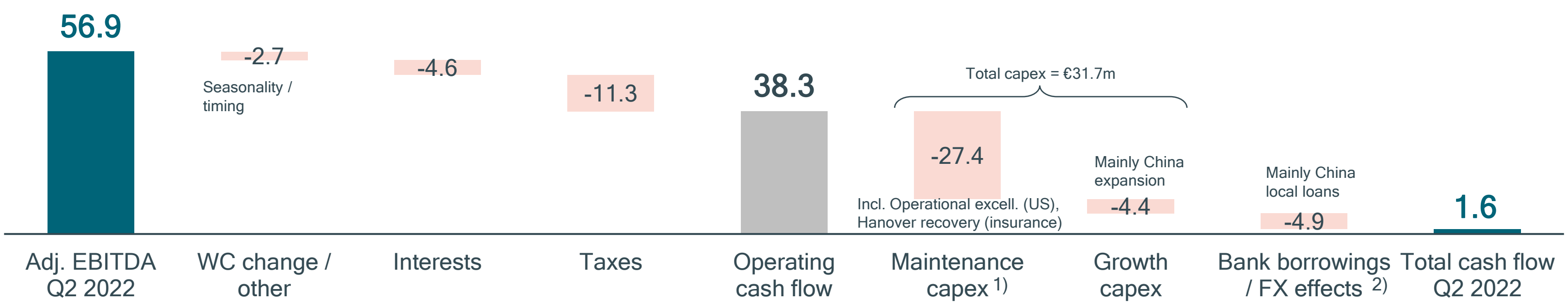
Cash flow, net debt & leverage

- **Moody's** improved outlook on Befesa to **'positive'** and affirmed **'Ba2'** (09 June ´22)
- **S&P** maintained the **'BB+, outlook stable'** rating on Befesa (22 June ´22)

Continued strong liquidity of >€300m including record €239m cash on hand;
Net leverage of x2.09 at Q2'22, improved vs. x2.16 at YE'21

Q2 adjusted EBITDA to total cash flow (€m)



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

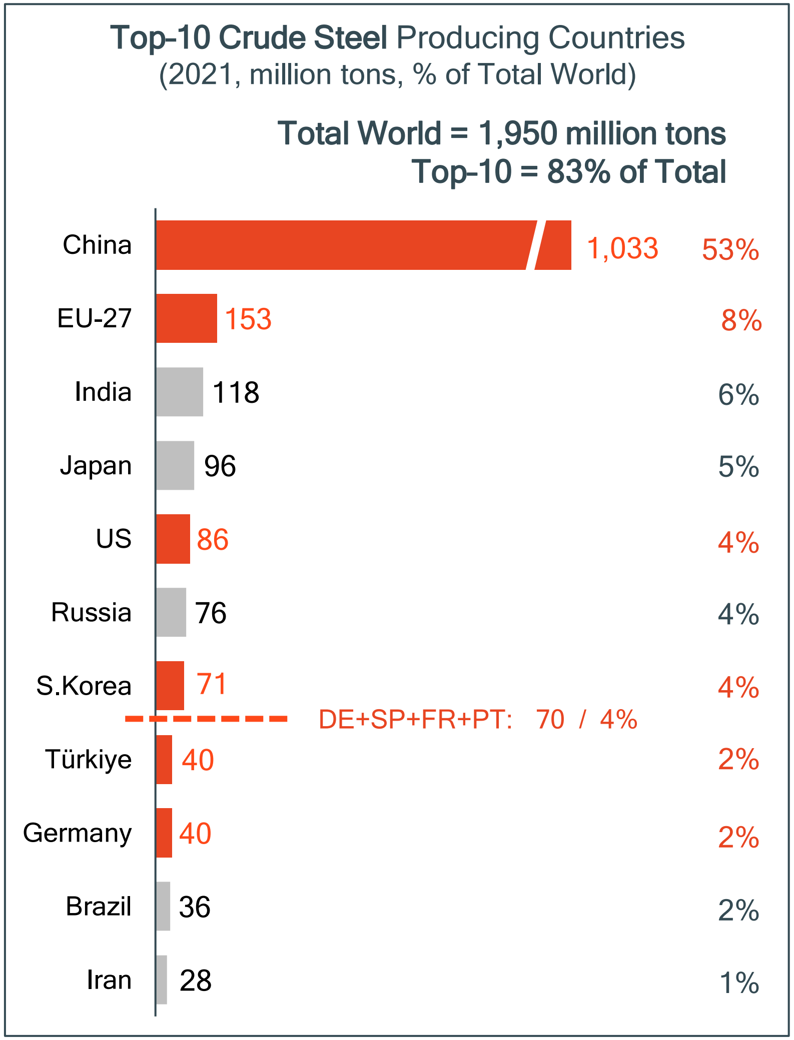
	At 31 Jun 2021	YE 2021	*change*	At 30 Jun 2022
LTM Adj. EBITDA[3)]	€165.8	€217.8	*+€7.6 / +3.5%*	€225.4
LTM Operating cash flow[4)]	€151.6	€117.9	*-€6.3 / -5.3%*	€111.6
Gross debt[5)]	€568.1	€694.7	*+€14.9 / +2.1%*	€709.7
Cash on hand[6)]	€196.6	€224.1	*+€14.6 / +6.5%*	€238.7
Net debt	€371.4	€470.6	*+€0.3 / +0.1%*	€470.9
Net leverage	x2.24	x2.16	*-x0.07*	x2.09

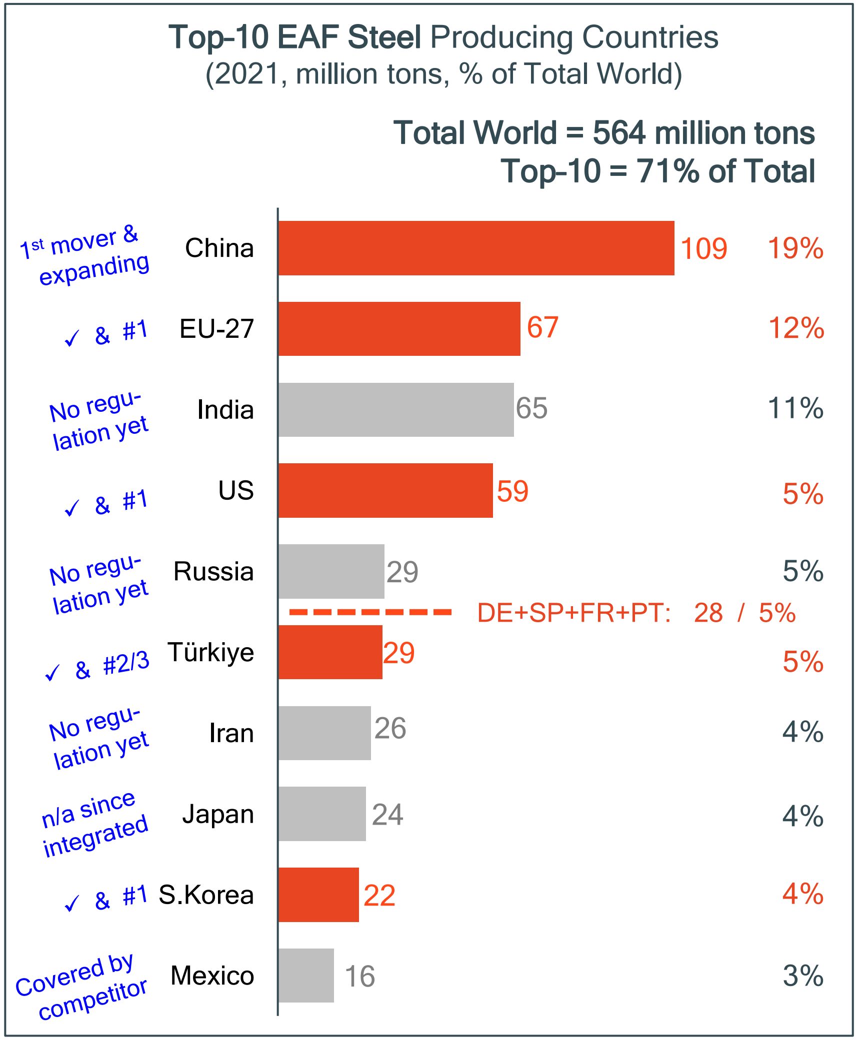
3) LTM Adj. EBITDA of €217.8m at YE'21 and €225.4m at Q2'22 closing incorporate full-twelve-rolling months of the US operations.
4) LTM Operating cash flow of €117.9m at YE'21 and €111.6m at Q2'22 closing include AZR's operating cash flows since closing of the acquisition on 17 Aug 2021
5) Gross debt of €694.7m at YE'21 and €709.7m at Q2'22 closing include €100m TLB add-on to partly fund the AZR acquisition, as well as China local loans
6) Reported cash position of €527.2 million at Q2'21 closing, adjusted for the €330.6 million of net funds raised through the capital increase in connection with the AZR acquisition signed on 16 June 2021

Steel production: Global ranking

Befesa is present

✓ Expanded in Türkiye & South Korea; ✓ AZR acquisition addresses US
→ China: ✓ Jiangsu started operations Dec'21; → Henan ramping up Q2'22 ... + Further expansion





Source: worldsteel (Jun 2022)

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EAF steel production: Regional overview

EAF steel production, MT
% EAF share
Outlook
Befesa is present

Decarbonization driving accelerated growth of EAF

US — $1.2 T infrastructure plan approved, driving steel / EAF production

CAGR: +3.1%

	2015	2021
EAF steel production, MT	49	59
EAF share	63%	69%

Europe — Europe to grow to 50% EAF share[1)]

CAGR: +0.9%

	2015	2021
EAF steel production, MT	64	67
EAF share	41%	44%

China — EAF% to grow to 15-20% by 2025[2)] per China's Ministry of Industry & IT

CAGR: +14.9%

	2015	2021
EAF steel production, MT	47	109
EAF share	6%	11%

Türkiye

CAGR: +5.9%

	2015	2021
EAF steel production, MT	20	29
EAF share	65%	72%

Korea

CAGR: +0.9%

	2015	2021
EAF steel production, MT	21	22
EAF share	30%	32%

Global EAF share to grow from c.30% in 2021 to c.48% by 2050 supported by policy shifts and increasing focus on scrap use[3)]

World

CAGR: +5.7%

	2015	2021
EAF steel production, MT	405	564
EAF share	25%	29%

Served market
(EU+Türkiye+Korea+China+US)

CAGR: +6.0%

	2015	2021
EAF steel production, MT	202	287
EAF share	18%	21%

Source: worldsteel (Jun 2022)
1) "Iron and Steel Technology Roadmap" (IEA, October 2020)
2) S&P Global Commodity Insights (April 2022)
3) Wood Mackenzie (May 2022)

Sustainability at the core of Befesa

Befesa's operations have direct positive environmental impacts as well as multiple positive indirect effects on a more sustainable world by enabling the transition to a low-carbon economy

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Direct environmental benefits

Reducing landfill of hazardous residues
- By recycling around 2 mtpa of hazardous waste recycled

Recovery & production of new valuable materials
- Via recycling, avoiding primary production of raw materials
- >1.6 mtpa of materials recovered

Best-in-class technology (BAT)
- Researching & using BAT to help reduce environmental impacts

Avoidance of GHG emissions
- Befesa's secondary materials are substitutes for more carbon intensive processes
- Befesa's operations help avoid c. 2.4 mtpa of CO_2 equivalent

Indirect sustainability benefits

Circular economy pure player
- Helping to close the loop within steel & aluminium supporting a truly circular value chain

Energy transition
- Increasing the supply of key metals for energy transition, e.g. Zn, Al, Cr, Mo, Mg, Ni, and providing a way to effectively recycle them indefinitely

Contributing to the decarbonization of steel & aluminium
- Enabling the transition to EAF steel production, 85% less CO_2 intensive vs. BOF
- Enabling the transition to secondary aluminium production, 99% less CO_2 intensive vs. primary aluminium

Natural resource depletion
- By recycling steel & alu waste and reintroducing raw materials into production processes

Extending the useful life of steel
- By participating in the zinc value chain, essential for galvanization

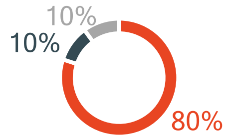
Growth ambition
- ↑ recycling capacity & enabling to move towards cleaner alternatives

Holistic CO2 impact of Befesa

Befesa's operations help avoid around 2.4 million tonnes of CO_2 equivalent each year

Befesa's carbon footprint

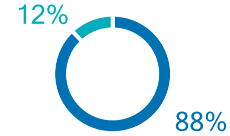
Befesa's global CO_2 emissions



From reducing agents (scope 1)
From heating process (scope 1)
From electricity use (scope 2)

- ~**90% direct** emissions (**scope 1**) from energy & reducing agents used in the production process
- ~**10% indirect** emissions (**scope 2**) from electricity use

Befesa's CO_2 emissions by business



Steel Dust
Alu Salt Slags

- ~**88%** in **Steel Dust**, mainly from chemical reactions between coke, coal and EAFD in Waelz furnaces
- ~**12%** in **Alu Salt Slags**, mainly from NG used for heating as high temperatures required in metallurgical processes

Holistic CO_2 impact assessment

Methodology

- Lifecycle & bottom-up analysis approach, engaging a top global mgmt. consulting firm
- *"What are the CO_2 savings enabled through Befesa's business?"*
- Difference between Befesa vs. alternative end-to-end value chain sustainability environmental footprint

+ Befesa process
- Footprint of process
- Production of "n" output products

-- Input alternative treatment process
- Environmental footprint of equiv. input quality

-- Output #1 alternative production process
- Environmental footprint of equiv. output quantity

-- Output #n alternative production process
- Environmental footprint of equiv. output quantity

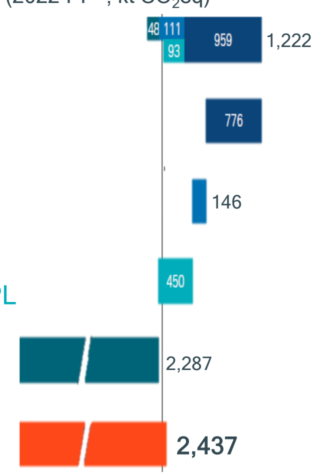
= Befesa CO_2 holistic impact

Results

GHG emissions impact[1] (2022 PF[2], kt CO_2eq)

Alternative source if no Befesa

+ Befesa standalone
-- Alternative to Steel Dust — Primary production of zinc[3]
-- Alternative to Stainless — Primary production of ferroalloys
-- Alternative to Salt Slags/SPL — Primary production of alu, bauxite, ammonium sulphate
-- Alternative to 2nd Alu — Primary production of aluminium[3]
= Befesa holistic impact



Befesa prevents emissions of >2.4 mtpa CO_2eq …
plus, **additional environmental benefits** of **reduced landfill**

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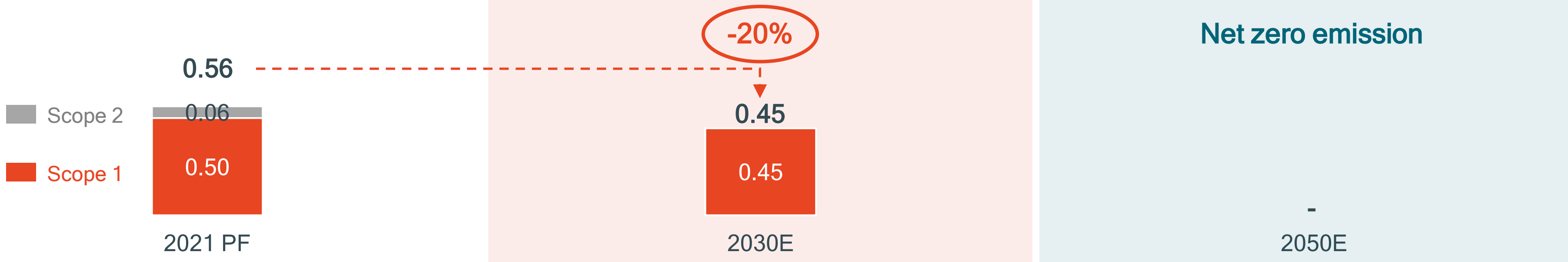
1) Considers Scope 1, 2 and maritime transport; 2) Includes current capacity at reference year, and USA and China considering full year metrics; 3) considering marginal production, 75-100% cost curve percentile

Befesa's climate action plan: CO2 emission intensity reduction targets by 2030 & 2050

Befesa is committing to a 20% GHG emissions intensity reduction by 2030 and aiming at net zero emission by 2050

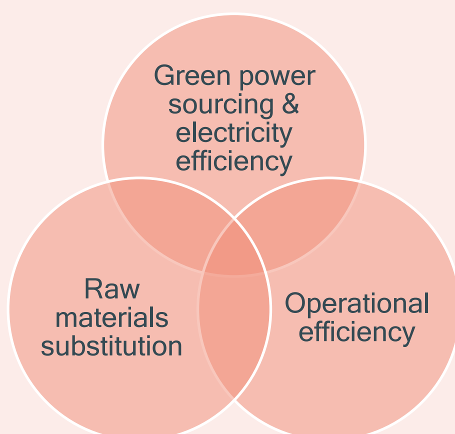
Baseline | 2030 commitment | 2050 vision

Net zero emission



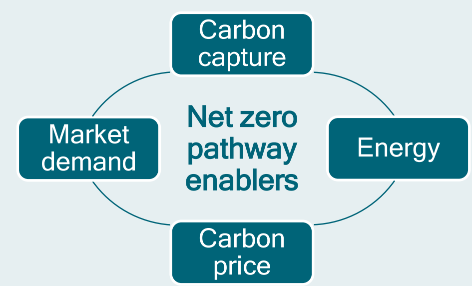
- Recognised sustainability leader in the circular economy
- Befesa Climate Change Policy
- New Sustainability Committee
- Further increase transparency on sustainability metrics
- Continuous dialogue with all stakeholders to better understand materiality of sustainability topics

2030 roadmap



Technology investment commitments

- Substitution of coke with CO_2-neutral reducing agent (biomass)
- New technologies to recycle EAFD
- Carbon capture on Waelz kiln
- Replacement of fuel by hydrogen
- Energy generation from gas capture



BEFESA

Befesa and the EU Taxonomy

Befesa expects 100% eligibility with EU Taxonomy, based on expert talks, advisors and own estimates,
→ 100% of Befesa's revenue, capex & opex eligible & aligned

List of eligible activities by EU Taxonomy

Approved only for the **two first environmental goals**, **applicable from 1 Jan 2022**

For the **remaining four environmental goals**, expected **to be published in 2022** and to be **applicable from 1 January 2023**

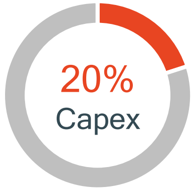
Six environmental goals

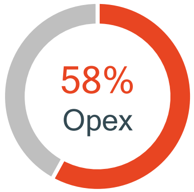
1. Climate change mitigation
2. Climate change adaptation
3. Sustainable use and protection of water and marine resources
4. Transition to a circular economy
5. Pollution prevention and control
6. Protection and restoration of biodiversity and ecosystems

EU-Taxonomy eligibility of Befesa's operations in 2021: Two approaches

Under 2 first environmental goals

Based on Climate Delegated Act, which strictly follows NACE classification system adopted to define eligible activities





Preliminary assessment under all 6 environmental goals

Based on Climate Delegated Act (2 first goals) and the report of the Platform on Sustainable Finance (remaining 4 goals)