



INVESTOR ANNOUNCEMENT

Befesa acquires remaining 93% stake in Zinc Refining asset in the US for \$47 million

Luxembourg, 3 October 2022 - Befesa S.A. ("Befesa"), the leading provider of hazardous waste recycling services enabling the circular economy within the steel and aluminium industries, today announced the acquisition of the remaining 93% stake in a US zinc refining asset from former AZR owners.

Befesa already owned 7% of the refining asset, as part of the acquisition of American Zinc Recycling which closed in August 2021. Additionally, Befesa had an agreement envisaging the acquisition of the remaining 93% stake in the refining asset for a purchase price of \$135 million, on the condition that certain milestones were met.

The current environment, characterised by high inflation and energy prices, has provided Befesa with the opportunity to renegotiate favourably the terms and conditions of the agreement, hence reducing the acquisition price by 65% to \$47 million. The purchase price will be paid all in cash from Befesa's balance sheet.

The zinc refining facility in North Carolina is centrally located between Befesa US's recycling assets. The plant applies new solvent extraction technology to process Waelz Oxide (WOX) into special high-grade zinc (SHG). The zinc refining business provides Befesa with a strategic vertical integration capability to support its EAFD recycling operations in the US, addressing the shortage of smelting capacity in the North American market.

The plant has an installed capacity to produce approx. 140.000 tons of SHG zinc per year and will be fed with WOX from the four EAFD recycling plants of Befesa US. The refining facility is the only one of its kind in the world producing green zinc from 100% recycled raw materials.

The transaction is an excellent fit with Befesa's strategy of playing a leading role in the circular economy within the steel, aluminium, and zinc industries.

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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