



PRESS AND INVESTOR ANNOUNCEMENT

Befesa acquires full ownership of French Recytech joint venture, advancing strategic global growth plan in Europe

- Befesa acquires the remaining 50% of Recytech, its existing France-based steel dust recycling services joint venture with Recylex S.A., for €40 million, representing an EBITDA multiple of 3.5x considering a through-the-cycle EBITDA
- Acquisition represents an important milestone in Befesa's strategic global growth plan
- Recytech's strategic location offers potential for expansion and capitalises on megatrends such as decarbonisation in the steel sector
- Deal provides long-term stability for Recytech's workforce, suppliers, and customers, following Recylex's liquidation proceedings

Luxembourg, 21 June 2024 - Befesa, S.A. ("*Befesa*"), a leading provider of hazardous waste recycling services enabling the circular economy within the steel and aluminium industries, has signed a share purchase agreement and completed the acquisition of the remaining 50% stake in Recytech, S.A. ("*Recytech*"), its France-based steel dust recycling services joint venture with Recylex, S.A. ("*Recylex*") at an all-cash price of €40 million.

Recytech was established in 1991 as a 50/50 joint venture between Befesa Steel Services GmbH (a company 100% owned by Befesa) and Recylex, a French company providing metal recycling services. Recytech is located in Fouquières-lès-Lens in the Pas-de-Calais department of Hauts-de-France, the northernmost region of France. Recytech processes steel dust from electric arc furnaces (EAF), extracting zinc and converting it into Waelz oxide (WOX), a feedstock used in the production of electrolytic zinc. With a workforce of 50 people, Recytech recycles 110,000 tonnes of EAF steel dust and produces around 45,000 tonnes of WOX annually.

Having completed the transaction, Befesa now owns 100% of Recytech. This acquisition is a strategic move for Befesa, which has managed all the operations of the entire site over the past year during Recylex's insolvency proceeding. It is also an important step in Befesa's sustainable global growth plan (SGGP), announced in November 2022, comprising nine growth projects across Europe, the US, and China. The investment in Recytech fits well with Befesa's SGGP as a first step in increasing Befesa's EAF steel mill dust recycling capacity in the region.

Javier Molina, Executive Chair of Befesa, said: "Befesa and Recylex have been great joint venture partners since 1991, working together to provide outstanding services for our clients. The acquisition of the remaining 50% stake of Recytech marks an important milestone in the European component of our growth plan. Europe remains our core business, and the acquisition of the remaining 50% in Recytech represents the opportunity to strengthen our leadership position in this crucial market, positioning us for further growth. Unifying the Recytech business in Befesa's operations in France reinforces our commitment to the market and is a firm demonstration of our confidence in the current local leadership team. The strategic location of Recytech will enable us to expand our EAF steel dust recycling services further in the heart of an area where EAF steel production will grow over the coming years."

Recytech's central location in the European steel industry growth area has been offering and will continue to offer high strategic value, with proximity to existing and potential customers. The site also offers Befesa the opportunity to expand its European operations by constructing a second kiln through a brownfield project, in line with its strategic growth plan.

The acquisition ensures long-term stability for the site's employees, suppliers, and customers, following the uncertainty arising from Recylex's two years in insolvency proceedings. The financial troubles of Recylex, which led to its liquidation, resulted from challenges in its lead-acid battery recycling business, unrelated to its interest in Recytech.

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 around 1.9 million tonnes of residues annually, with a production of around 1.7 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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