H1 2025 Interim Report

BEFESA

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Key figures

	H1 2025	H1 2024	Change	Q2 2025	Q2 2024	Change
Key operational data (tonnes, unless specified otherwise)						
Electric arc furnace (EAF) steel dust throughput	550,289	609,532	(9.7) %	273,102	306,418	(10.9) %
Waelz oxide (WOX) sold	184,981	200,058	(7.5) %	94,731	100,060	(5.3) %
Salt slags and Spent Pot Linings (SPL) recycled	212,884	220,647	(3.5) %	105,559	109,386	(3.5) %
Secondary aluminium alloys produced	82,958	90,553	(8.4) %	40,068	46,206	(13.3) %
Zinc LME average price (€ / tonne)	2,514	2,444	2.9 %	2,331	2,632	(11.4) %
Zinc blended price (€ / tonne)	2,565	2,498	2.7 %	2,511	2,542	(1.2) %
Aluminium alloy FMB average price (€ / tonne)	2,420	2,327	4.0 %	2,424	2,376	2.0 %
Key financial data (€ million, unless specified otherwise)						
Revenue	601.6	621.2	(3.1) %	293.2	322.8	(9.2) %
EBITDA	108.6	96.5	12.5 %	55.8	51.2	8.8 %
EBITDA margin	18.0 %	15.5 %	2.5 %	19.0 %	15.9 %	3.1 %
Adjusted EBITDA	112.1	103.1	8.7 %	56.3	54.5	3.2 %
Adjusted EBITDA margin	18.6 %	16.6 %	2.0 %	19.2 %	16.9 %	2.3 %
EBIT	67.7	51.9	30.3 %	35.8	27.4	30.9 %
EBIT margin	11.2 %	8.4 %	2.9 %	12.2 %	8.5 %	3.7 %
Adjusted EBIT	72.4	59.6	21.4 %	36.9	31.7	16.3 %
Adjusted EBIT margin	12.0 %	9.6 %	2.4 %	12.6 %	9.8 %	2.8 %
Financial result	(11.8)	(17.2)	(31.6) %	(4.7)	(9.6)	(51.5) %
Profit before taxes and minority interests	55.9	34.7	60.9 %	31.1	17.7	75.7 %
Net profit attributable to shareholders of Befesa S.A.	40.1	20.0	100.0 %	21.4	10.6	102.6 %
EPS (in €)	1.00	0.50	100.0 %	0.54	0.26	102.6 %
Total assets	1,922.7	2,005.2	(4.1) %	1,922.7	2,005.2	(4.1) %
Capital expenditures	32.4	49.1	(34.1) %	16.6	31.8	(47.9) %
Cash flow from operating activities	64.4	70.4	(8.5) %	30.4	55.8	(45.5) %
Cash and cash equivalents at the end of the period	96.5	107.9	(10.6) %	96.5	107.9	(10.6) %
Net debt	601.1	645.6	(6.9) %	601.1	645.6	(6.9) %
Net leverage	x2.70	x3.39	(x 0.20)	x2.70	x3.39	(x 0.20)
Number of employees (as of end of the period)	1,839	1,819	1.1 %	1,839	1,819	1.1 %

Note: Capital expenditure excludes changes in fixed assets suppliers (€4.5m in H1 2025)

H1 2025 Highlights

- **H1 2025 revenue of €602m**, -3% year-on-year (H1 2024: €621m), reflecting lower volumes offset by favourable pricing
- **H1 2025 Adjusted EBITDA at €112m**, +9% year-on-year (H1 2024: €103m), demonstrating operational resilience despite lower volumes due to annual maintenance activities
- **Net leverage reduced to x2.7** as of June 2025 (June 2024: x3.4), continuing deleveraging trajectory
- **Earnings per share (EPS) increased by 100% to €1.00** (H1 2024: €0.50), reflecting improved profitability
- **FY 2025 EBITDA guidance confirmed at €240m-€265m**, expecting stronger H2 driven by higher volumes across all markets

Business review

Results of operations, financial position & liquidity

Revenue

Total revenue decreased by -3,1% YoY to €601.6 million in H1 2025 (H1 2024: €621.2 million). This decrease was mainly driven by lower volumes, mainly in Steel Dust segment.

EBITDA & EBIT

Total **adjusted EBITDA** increased by 8.7% YoY to €112.1 million in H1 2025 (H1 2024: €103.1 million). Total **adjusted EBIT** increased by 21.4% to €72.4 million in H1 2025 (H1 2024: €59.6 million).

EBITDA margin improved to 18.6% in H1 2025 from 16.6% in the previous year.

Total EBITDA and EBIT were adjusted for €3.5 million and €4.7 million respectively in H1 2025, driven by impact from hyperinflation in Turkey.

Total reported EBITDA amounted to €108.6 million in H1 2025 (+12.5% YoY). Total reported EBIT amounted to €67.7 million in H1 2025 (+30.3% YoY).

Financial result & net profit

Total **net financial result** improved by 31.6% YoY to -€11.8 million in H1 2025 (H1 2024: -€17.2 million). This improvement was primarily driven by an increase in finance income, resulting basically from the repricing of the Term Loan B carried out in May 2025. The interest rate was reduced by 50 bps to Euribor +225 bps (see Note 9 of the H1 Interim Report).

Total **net profit** attributable to the shareholders in H1 2025 increased to €40.1 million (H1 2024: €20.0 million).

As a result, earning per share (EPS) in H1 2025 increased accordingly by 100.0% to €1.00 (H1 2024: €0.50)

Financial position & liquidity

Gross debt at 30 June 2025 decreased to €697.6 million (31 December 2024: €721.5 million) mainly due to repayments in non-current financial indebtedness related to Chinese and Turkish subsidiaries, as well as the accounting effect of the repricing carried in May 2025.

Net debt at 30 June 2025 decreased by 3% to €601.1 million (31 December 2024: €619.0 million) primarily driven by the reduction in of gross debt.

Net leverage of x2.70 at Q2 2025 closing (year-end 2024: x2.90) is based on the underlying net debt of €601.1 million and LTM adjusted EBITDA of €222.4 million.

Net debt (€ million)

	30 June 2025	31 December 2024
Non-current financial indebtedness	661.3	684.6
+ Current financial indebtedness	36.3	36.9
Financial indebtedness	**697.6**	**721.5**
- Cash and cash equivalents	(96.5)	(102.5)
Net debt	**601.1**	**619.0**
LTM Adjusted EBITDA	222.4	213.4
Net leverage ratio	**x2.70**	**x2.90**

Operating cash flow in H1 2025 amounted to €64.4 million, 8.5% lower YoY (H1 2024: €70.4 million).

The change in working capital impacted operating cash flow by -€35.7 million in H1 2025, primarily driven by the usual first quarter seasonality and timing impact. Taxes paid in H1 2025 came in at -€12.0 million as a result of final tax assessments of previous year (€2.9 million collected in H1 2024).

In H1 2025, Befesa invested €36.9 million (H1 2024: €79.0 million including Recytech) to fund regular maintenance capex, as well as growth investments.

After funding working capital, interests, taxes and capex, total cash flow in H1 2025 amounted to -€6.0 million. Cash on hand stood at €96.5 million.

Segment information

Steel Dust Recycling Services

Volumes of **EAFD recycled** in H1 2025 decreased by 9.7% YoY to 550,289 tonnes (H1 2024: 609,532 tonnes) driven by annual maintenance shutdowns. With these volumes, Befesa's EAFD recycling plants ran at an average load factor of 64%. The volume of Waelz oxide (WOX) sold in H1 2025 decreased by 7.5% YoY to 184,981 tonnes (H1 2024: 200,058 tonnes).

Revenue in the Steel Dust business decreased to €388.5 million in H1 2025 (H1 2024: €404.7 million), with lower volumes partially being compensated by higher zinc hedging price and favourable zinc treatment charge.

Adjusted **EBITDA** in the Steel Dust business increased by 19.0% YoY to €96.3 million in H1 2025 (H1 2024: €80.9 million).

The YoY +€15.4 million EBITDA development was mainly driven by the higher zinc hedging price (+6% YoY), more favourable zinc TC at $80 per tonne (-52% YoY), higher zinc spot prices (+3% in euros), as well as lower coke prices partially offset by lower volumes (-10%).

Consequently, EBITDA as a percent of revenue stands at 25% in H1 2025 compared to 20% in H1 2024. The YoY profitability increase was mainly due to the same items impacting EBITDA as explained above.

Adjusted **EBIT** in the Steel Dust business came in at €65.3 million in H1 2025, up +33.3% YoY (H1 2024: €49.0 million), following similar drivers explained referring to the EBITDA development.

EBITDA and EBIT in the Steel Dust business were adjusted for €3.5 million and €4.7 million respectively in H1 2025, driven by impact from hyperinflation in Turkey. Total reported EBITDA amounted to €92.8 million in H1 2025 (+24.7% YoY). Total reported EBIT amounted to €60.6 million in H1 2025 (+46.7% YoY).

Aluminium Salt Slags Recycling Services

Salt Slags subsegment

Salt slags and SPL recycled volumes in H1 2025 amounted to 212,884 tonnes, -3.5% YoY (H1 2024: 220,647 tonnes). On average, Salt Slags recycling plants operated at 92% in H1 2025 with an installed annual recycling capacity of 470,000 tonnes.

Revenue in the Salt Slags increased by 6.0% YoY to €57.3 million (H1 2024: €54.0 million) due to higher aluminium FMB prices (+4%).

EBITDA decreased by 12.7% YoY to €16.1 million in H1 2025 (H1 2024: €18.5 million). This was mainly driven by lower volume and higher operating costs and energy prices.

EBIT remained broadly stable to €11.5 million in H1 2025 (H1 2024: €11.4 million).

Secondary Aluminium subsegment

Aluminium alloy production volumes decreased by 8.4% YoY to 82,958 tonnes in H1 2025 (H1 2024: 90,553 tonnes). Secondary Aluminium production plants overall operated at around 78% utilisation rate on average in H1 2025.

Revenue in the Secondary Aluminium subsegment decreased by 5.7% to €181.5 million in H1 2025, (H1 2024: €192.4 million).

EBITDA in the Secondary Aluminium subsegment decreased by 44.4% YoY to €2.2 million in H1 2025 (H1 2024: €4.0 million). The YoY EBITDA decline was driven by lower aluminium metal margin.

EBIT in the Secondary Aluminium subsegment came in at -€1.6 million in H1 2025 (H1 2024: -€0.2 million), following similar drivers which impacted the EBITDA development.

Risks & opportunities

No material risks or opportunities for the prospective development of the Company have emerged against the comprehensive disclosures in the Annual Report 2024, on pages 46-53.

Strategy

Hedging

Befesa’s hedging strategy is unchanged providing zinc price visibility, lowering the impact from zinc price volatility and therefore improving the stability and visibility of earnings and cash flow across the economic cycle. Further details are available in Befesa Annual Report 2024, on page 28.

Befesa’s current hedging involves volume of zinc price hedging in Europe (€), US ($), and South Korea (Kw).

The combined global hedge book in place as of the date of this H1 2025 Interim Report provides Befesa with improved zinc price visibility up to January 2027.
Therefore, for the following eighteen months, the zinc price of zinc is hedged at increasing hedging average prices: around €2,640 per tonne in 2025 and €2,655 per tonne in 2026.

Growth

The key priorities regarding the business plan and capital allocation are to focus on de-leveraging and ongoing approved capex projects.

Befesa is committed to keeping the financial leverage between x2.0 and x2.5 over the investment period, compared to the current level of x2.7.

The growth capex will focus on Palmerton and Bernburg which are low execution risk projects.

In the US, the refurbishment of the plant in Palmerton, Pennsylvania, is on track. The second kiln of the two is already constructed and commissioning in July 2025. This will enable Befesa to improve profitability levels and to capture the anticipated increase in EAF steel dust volumes in the US market for 2025, 2026 and beyond.

In Europe, with regards to the expansion of the secondary aluminium production capacity in the existing plant of Bernburg, Germany, Befesa is moving forward with the permits and commercial contracts. All documentation has been submitted to authorities, and it is pending to obtain the final permits. This project is in line with the expected growth of the demand for aluminium in Europe in the coming years driven by the EV penetration. Light-weight solutions are required to reduce emissions and, as a result, the aluminium content in cars will increase.

Subsequent events

There have been no significant events after the closing of the H1 2025 and before the release of this financial statement.

Outlook

Befesa confirms full-year EBITDA range in €240-265 million, representing a +13% to +24% year-on-year increase (2024: €213 million). This will be achieved through increased utilization driven by a higher volume of EAF dust across all markets, along with currently favourable market conditions (advantageous treatment charges, supportive hedging price, declining coke prices, etc.).

Financial leverage is expected to be below x2.5 by the end of 2025, following the current trend.

Interim consolidated financial statements
as of 30 June 2025 (thousands of euros)

Statement of financial position

Assets

	Note(s)	30 June 2025	31 December 2024
Non-current assets:			
Intangible assets			
Goodwill		615,721	645,137
Other intangible assets	4	105,207	109,503
		720,928	754,640
Right-of-use assets		32,457	37,594
Property, plant and equipment	5	682,150	736,555
Non-current financial assets			
Other non-current financial assets	6-10	28,677	15,846
		28,677	15,846
Deferred tax assets		88,465	102,182
Total non-current assets		1,552,677	1,646,817
Current assets:			
Inventories	7	100,761	100,332
Trade and other receivables		93,168	102,429
Trade receivables from related parties		334	354
Accounts receivables from public authorities	13	16,390	10,487
Other receivables		27,099	14,643
Other current financial assets		35,794	461
Cash and cash equivalents		96,500	102,520
Total current assets		370,046	331,226
Total assets		1,922,723	1,978,043

Statement of financial position (continued)

Equity and liabilities

	Note(s)	30 June 2025	31 December 2024
Equity:			
Parent Company			
Share capital	8	111,048	111,048
Share premium	8	532,867	532,867
Hedging reserves		48,926	(20,787)
Other reserves		158,749	132,254
Translation differences		(61,782)	24,017
Net profit/(loss) for the period		40,058	50,820
Equity attributable to the owners of the Company		829,866	830,219
Non-controlling interests		15,024	15,518
Total equity		844,890	845,737
Non-current liabilities:			
Long-term provisions	11	14,620	16,071
Loans and borrowings	9	643,519	664,086
Lease liabilities	9	17,764	20,475
Other non-current financial liabilities	10	1,279	16,207
Other non-current liabilities		4,332	4,908
Deferred tax liabilities		116,374	110,296
Total non-current liabilities		797,888	832,043
Current liabilities:			
Loans and borrowings	9	26,741	25,422
Lease liabilities	9	9,569	11,493
Other current financial liabilities	10	3	26,162
Trade and other payables		156,949	169,646
Other payables			
Accounts payable to public administrations	13	30,229	23,590
Other current liabilities	8	56,454	43,950
		86,683	67,540
Total current liabilities		279,945	300,263
Total equity and liabilities		1,922,723	1,978,043

Income statement

Consolidated income statement
(Thousand of euros)

	Note(s)	H1 2025	H1 2024	Change	Q2 2025	Q2 2024	Change
Revenue		601,620	621,163	(3.1) %	293,245	322,816	(9.2) %
Changes in inventories of finished goods and work-in-progress		(5,615)	(2,591)	116.7 %	(2,536)	(2,651)	(4.3) %
Procurements		(255,992)	(297,738)	(14.0) %	(122,333)	(156,929)	(22.0) %
Other operating income		2,451	5,089	(51.8) %	1,617	2,638	(38.7) %
Personnel expenses		(79,370)	(74,496)	6.5 %	(38,884)	(37,490)	3.7 %
Other operating expenses		(154,540)	(154,906)	(0.2) %	(75,356)	(77,152)	(2.3) %
Amortisation/depreciation, impairment and provisions		(40,898)	(44,594)	(8.3) %	(19,951)	(23,871)	(16.4) %
Operating profit/(loss)		**67,656**	**51,927**	30.3 %	**35,802**	**27,361**	30.9 %
Finance income		9,207	718	1,182.3 %	7,545	366	1,961.5 %
Finance expenses		(18,062)	(20,147)	(10.3) %	(8,809)	(9,970)	(11.6) %
Net exchange differences		(2,913)	2,232	(230.5) %	(3,416)	(40)	8,440.0 %
Net finance income/(loss)		**(11,768)**	**(17,197)**	(31.6) %	**(4,680)**	**(9,644)**	(51.5) %
Profit/(loss) before tax		**55,888**	**34,730**	60.9 %	**31,122**	**17,717**	75.7 %
Corporate income tax		(15,393)	(11,155)	38.0 %	(9,953)	(5,241)	89.9 %
Profit/(loss) for the period		**40,495**	**23,575**	71.8 %	**21,169**	**12,476**	69.7 %
Attributable to:							
Parent Company's owners		40,058	20,026	100.0 %	21,436	10,580	102.6 %
Non-controlling interests		437	3,549	(87.7) %	(267)	1,896	(114.1) %
Earnings/(losses) per share attributable to Parent Company's owners (in euros per share)	14	**1.00**	**0.50**	100.0 %	**0.54**	**0.26**	102.6 %

Statement of comprehensive income

Consolidated statement of comprehensive income
(Thousand of euros)

	Note(s)	H1 2025	H1 2024
Consolidated profit/(loss) for the period		**40,495**	**23,575**
Items that may subsequently be reclassified to income statement:			
Income and expense recognised directly in equity		**(1,877)**	**(14,729)**
- Cash-flow hedges	10	110,327	(39,896)
- Translation differences		(86,730)	19,486
- Tax effect		(25,474)	5,681
Transfers to the income statement		**(15,140)**	**(6,532)**
- Cash-flow hedges	10	(18,185)	(5,582)
- Tax effect		3,045	(950)
Other comprehensive income/(loss) for the period, net of tax		**(17,017)**	**(21,261)**
Total comprehensive income/(loss) for the period		**23,478**	**2,314**
Attributable to:			
- Parent Company's owners		23,972	(2,224)
- Non-controlling interests		(494)	4,538

Statement of changes in equity

Consolidated statement of changes in equity
(Thousand of euros)

	Equity attributable to the Parent Company's owners							
	Share capital	Share premium	Hedging reserves (Note 2)	Other reserves	Translation differences	Net profit/(loss) for the period	Non-controlling interests	Total equity
Balances at 31 December 2024	**111,048**	**532,867**	**(20,787)**	**132,254**	**24,017**	**50,820**	**15,518**	**845,737**
Total comprehensive income/(loss) for the period	-	-	69,713	-	(85,799)	40,058	(494)	23,478
Distribution of profit/(loss) for the period	-	-	-	-	-	-	-	-
Reserves	-	-	-	50,820	-	(50,820)	-	-
Dividends	-	-	-	(25,600)	-	-	-	(25,600)
Other movements	-	-	-	1,275	-	-	-	1,275
Balances at 30 June 2025	**111,048**	**532,867**	**48,926**	**158,749**	**(61,782)**	**40,058**	**15,024**	**844,890**
Balances at 31 December 2023	**111,048**	**532,867**	**36,888**	**96,490**	**(11,738)**	**57,972**	**53,829**	**877,356**
Total comprehensive income/(loss) for the period	-	-	(40,747)	-	18,497	20,026	4,538	2,314
Acquisition of shares from non-controlling interest	-	-	-	4,235	-	-	(44,569)	(40,334)
Distribution of profit/(loss) for the period	-	-	-	-	-	-	-	-
Reserves	-	-	-	57,972	-	(57,972)	-	-
Dividends	-	-	-	(29,200)	-	-	-	(29,200)
Other movements	-	-	-	370	-	-	-	370
Balances at 30 June 2024	**111,048**	**532,867**	**(3,859)**	**129,867**	**6,759**	**20,026**	**13,798**	**810,506**

Statement of cash flows

	H1 2025	H1 2024	Q2 2025	Q2 2024
Profit/(loss) for the period before tax	**55,888**	**34,730**	**31,122**	**17,717**
Adjustments for:	**50,860**	**58,375**	**25,621**	**32,688**
Depreciation and amortisation	40,898	44,594	19,951	23,871
Changes in provisions	(1,451)	(3,088)	1,150	(663)
Interest income	(9,207)	(718)	(7,545)	(366)
Finance costs	18,062	20,147	8,809	9,970
Other profit/(loss)	(355)	(328)	(160)	(164)
Exchange differences	2,913	(2,232)	3,416	40
Changes in working capital:	**(30,359)**	**(25,627)**	**(20,832)**	**2,440**
Trade receivables and other current assets	(3,510)	(38,404)	7,920	4,090
Inventories	(429)	(613)	467	5,966
Trade payables	(26,420)	13,390	(29,219)	(7,616)
Other cash flows from operating activities:	**(11,984)**	**2,906**	**(5,481)**	**2,993**
Taxes paid	(11,984)	2,906	(5,481)	2,993
Net cash flows from/(used in) operating activities (I)	**64,405**	**70,384**	**30,430**	**55,838**
Cash flows from investing activities:				
Investments in intangible assets	(51)	(751)	82	(124)
Investments in property, plant and equipment	(36,809)	(38,252)	(18,833)	(19,954)
Net cash flows from/(used in) investing activities (II)	**(36,860)**	**(39,003)**	**(18,751)**	**(20,078)**
Cash flows from financing activities:				
Cash inflows from bank borrowings and other liabilities	2,440	40,005	444	39,607
Cash outflows from bank borrowings and other liabilities	(16,264)	(12,530)	(10,599)	(9,639)
Interest paid	(18,679)	(17,560)	(9,355)	(8,143)
Transactions involving non-controlling interests	-	(40,000)	-	(40,000)
Net cash flows from/(used in) financing activities (III)	**(32,503)**	**(30,085)**	**(19,510)**	**(18,175)**
Effect of foreign exchange rate changes on cash & cash equivalents (IV)	**(1,062)**	**(53)**	**(638)**	**25**
Net increase/(decrease) in cash and cash equivalents (I+II+III+IV)	**(6,020)**	**1,243**	**(8,469)**	**17,610**
Cash and cash equivalents at the beginning of the period	102,520	106,692	104,969	90,325
Cash and cash equivalents at the end of the period	96,500	107,935	96,500	107,935

Notes to the condensed interim consolidated financial statements

1. Accounting policies and basis of presentation

1.1. Basis of presentation

These condensed interim consolidated financial statements have been prepared in accordance with IAS 34, ‘Interim Financial Reporting’. The accounting policies used in the preparation of these condensed interim consolidated financial statements are consistent with those used in the consolidated financial statements for the year ended 31 December 2024.These condensed interim consolidated financial statements should be read in conjunction with the audited consolidated financial statements for the year ended 31 December 2024, which have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standard Board (IASB) and in conformity with IFRS as adopted by the European Union (EU).

The preparation of the condensed interim consolidated financial statements in conformity with IFRS-EU requires management to make certain accounting estimates and assumptions that might affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities as of the financial statement dates, and the reported amounts of revenues and expenses for the reported periods. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual financial statements.

The consolidation criteria and accounting policies applied in these interim financial statements are consistent with those used in the Group’s consolidated financial statements as of and for the year ended 31 December 2024.

A number of new accounting standards and amendments to accounting standards are effective for annual periods beginning after 1 January 2025 and earlier application is permitted. The Group has not early adopted any of the forthcoming new or amended accounting standards in preparing these condensed consolidated interim financial statements.

1.2. Changes in the scope of consolidation

June 2025

There are no changes in the scope of consolidation in June 2025.

June 2024

There was no change in the scope of consolidation in June 2024.

1.3. Alternative Performance Measures

Befesa regularly reports alternative performance measures (APM) not defined by IFRS Accounting Standard that management believes are relevant indicators of the performance of the Group.

Alternative performance measures are used to provide readers with additional financial information that is regularly reviewed by management and used to make decisions about operating matters. These measures are also used for defining senior management’s variable remuneration. The measures are useful in discussions with the investment analysts’ community.

However, these APMs are not uniformly disclosed by all companies, including those in the Group’s industry. Accordingly, it may not be comparable with similarly titled measures and disclosures by other companies. In addition, certain information presented is derived from amounts calculated in accordance with the IFRS Accounting Standard but is not itself an expressly permitted GAAP measure. Such measures should not be viewed in isolation or as an alternative to the equivalent IFRS Accounting Standard measure.

Definitions, use and reconciliations to the closest IFRS Accounting Standard measures are presented below.

1.3.1. Net debt

Net debt is defined as current and non-current financial debt plus current and non-current lease liabilities less cash and cash equivalents and less other current financial assets adjusted by non-cash items. The Group believes thar net debt is relevant for investors, as it gives an indication of the absolute level of non-equity funding of the business.

This can be compared to the income and cash flows generated by the business, and available undrawn facilities.

The following table reconciles net debt to the relevant statement of financial position line items:

	30 June 2025	31 December 2024
Non-current financial debt (Note 9)	643,519	664,086
Non-current lease liabilty (Note 9)	17,764	20,475
Current financial debt (Note 9)	26,741	25,422
Current lease liability (Note 9)	9,569	11,493
Cash and cash equivalents	(96,500)	(102,520)
Other current financial assets adjusted by non-cash items	-	-
Net debt	**601,093**	**618,956**

1.3.2. EBITDA, adjusted EBITDA and EBITDA margin

EBITDA is defined as operating profit for the period before the impact of amortisation, depreciation, impairment and provisions.

Adjusted EBITDA is defined as EBITDA adjusted by any non-recurrent costs/incomes.

EBITDA margin is defined as EBITDA divided by revenue. EBITDA and EBITDA margin are useful supplemental indicators that may be used to assist in evaluating the Group’s operating performance.

The following table reconciles EBITDA to the consolidated income statement line items from which it is derived:

	30 June 2025	30 June 2024
Revenue	601,620	621,163
Income/expenses from operations (except revenue, depreciation and amortisation/depreciation charge and provisions)	(493,066)	(524,642)
Amortisation/depreciation, impairment and provisions (a)	(40,898)	(44,594)
EBIT (Operating profit/(loss)) (b)	**67,656**	**51,927**
EBITDA (Operating profit/(loss) before amortisation/depreciation and provisions) (a+b)	**108,554**	**96,521**
Non-recurrent costs/income	3,500	6,537
Adjusted EBITDA	**112,054**	**103,058**

The following table provides a reconciliation of EBITDA margin and Adjusted EBITDA margin:

	30 June 2025	30 June 2024
Revenue (a)	**601,620**	**621,163**
EBITDA (b)	**108,554**	**96,521**
Non-recurrent costs/income	3,500	6,537
Adjusted EBITDA (c)	**112,054**	**103,058**
EBITDA margin (%) (b/a)	**18%**	**16%**
Adjusted EBITDA margin (%) (c/a)	**19%**	**17%**

1.3.3. EBIT, adjusted EBIT and EBIT margin

EBIT is defined as operating profit for the year. Befesa 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 finite-life intangible assets.

Adjusted EBIT is defined as EBIT adjusted by any non-recurrent costs/incomes.

EBIT margin and Adjusted EBIT margin are defined as EBIT and Adjusted EBIT as a percentage of revenue, respectively. The Group believes that these ratios are useful measures to demonstrate the proportion of revenue that has been realised as EBIT and adjusted EBIT, and therefore indicators of profitability.

The following table reconciles EBIT and Adjusted EBIT to the income statement line items from which it is derived:

	30 June 2025	30 June 2024
Revenue	601,620	621,163
Income/expenses from operations (except revenue, depreciation and amortisation/depreciation charge and provisions)	(493,066)	(524,642)
Amortisation/depreciation, impairment and provisions	(40,898)	(44,594)
EBIT (Operating profit/(loss))	**67,656**	**51,927**
Non-recurrent costs/incomes EBIT	1,240	1,160
Non-recurrent costs/incomes EBITDA	3,500	6,537
Adjusted EBIT	**72,396**	**59,624**

The following table provides a reconciliation of EBIT margin and Adjusted EBIT margin:

	30 June 2025	30 June 2024
Revenue (a)	**601,620**	**621,163**
EBIT (b)	**67,656**	**51,927**
Non-recurrent costs/incomes EBIT	1,240	1,160
Non-recurrent costs/incomes EBITDA	3,500	2,288
Adjusted EBIT (c)	**72,396**	**55,375**
EBIT margin (%) (b/a)	**11%**	**8%**
Adjusted EBIT margin (%) (c/a)	**12%**	**9%**

1.3.4. Net debt / Adjusted EBITDA (adjusted leverage ratio)

Net debt/Adjusted EBITDA ratio is defined as net debt divided by Adjusted EBITDA. The Group believes that this ratio is a useful measure to show its ability to generate the income needed to be able to settle its loans and borrowings as they fall due.

The following table reconciles the net debt/Adjusted EBITDA ratio to net debt and Adjusted EBITDA:

	30 June 2025	30 June 2024
Net debt	601,093	645,598
Adjusted EBITDA LTM	222,355	190,304
Net debt/Adjusted EBITDA	**2.70**	**3.39**

1.3.5. Capex

Capex is defined as the cash payments made during the period for investments in intangible assets, property plant and equipment, and right-of-use assets.

The Group believes that this measure is useful to understand the effort made by the Group each year to acquire, upgrade and maintain physical assets such as property, industrial buildings, and equipment.

The following table reconciles capex to the cash flow statement line items from which it is derived:

	30 June 2025	30 June 2024
Cash flows from investing activities:		
Investments in intangible assets	51	751
Investments in property, plant and equipment	36,809	38,252
Capex	**36,860**	**39,003**

2. Financial risk management policies

The activities carried out by the Group through its business segments are exposed to several financial risks: market risk (including foreign currency risk, fair value interest rate risk and price risk), credit risk, liquidity risk and cash flow interest rate risk. The Risk Management Model used by the Group focuses on the uncertainty in financial markets and attempts to minimise the potential adverse effects on Group's earnings.

There were no changes in the risk management policies since 31 December 2024.

Fair value estimation

Based on the content of IFRS 13 and in accordance with IFRS 7 on financial instruments measured at fair value, the Group reports on estimating the fair value hierarchy levels as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included in Level 1 that are observable, either directly (i.e. reference prices) or indirectly (i.e. derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (unobservable market data) (Level 3).

The table below show the Group's assets and liabilities that were measured at fair value at 30 June 2025 and at 31 December 2024:

	Level 2	Total
30 June 2025		
Assets		
- Derivatives (Notes 6–10)	59,795	59,795
Total assets at fair value	**59,795**	**59,795**
Liabilities		
- Derivatives (Note 10)	1,282	1,282
Total liabilities at fair value	**1,282**	**1,282**

	Level 2	Total
31 December 2024		
Assets		
- Derivatives (Notes 6–10)	11,256	11,256
Total assets at fair value	**11,256**	**11,256**
Liabilities		
- Derivatives (Note 10)	42,369	42,369
Total liabilities at fair value	**42,369**	**42,369**

Financial instruments Level 2

The fair value of financial instruments not traded in an active market is determined using valuation techniques. The Group employs a variety of methods such as estimated discounted cash flows and uses assumptions based on the market conditions at each financial statement date. If all significant data required to calculate the fair value of an instrument are observable, the instrument is included in Level 2.

Specific techniques for measuring financial instruments include the following:

- The fair value of interest rate swaps is calculated as the present value of future estimated cash flows.
- The fair value of currency forwards is determined using forward exchange rates quoted in the market at the consolidated financial statements date.
- It is assumed that the book value of trade payables and receivables approximates their fair value.
- The fair value of financial liabilities for financial reporting purposes is estimated by discounting future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

The instruments included in Level 2 relate to derivative financial instruments (Note 9).

3. Segment reporting

The Board of Directors is ultimately responsible for making the Group's operational decisions, as the Board functions as the Chief Operating Decision-Maker (CODM). The Board of Directors reviews the Group's internal financial information in order to assess its performance and allocate resources to the segments.

The Board of Directors analyses the business based on the segments indicated:

- Steel Dust Recycling Services ("Steel Dust")
- Aluminium Salt Slags Recycling Services
    - Salt Slags Recycling ("Salt Slags")
    - Secondary Aluminium Production ("Secondary Aluminium")

These segments correspond to the Group's principal activities (products and services), the sales of which (fee for the services and/or sale of the recycled waste) determine the Group's revenue (Note 12).

The Board of Directors assesses the performance of the operating segments, based mainly on operating income before interest and taxes (EBIT), depreciation/amortisation and provisions (EBITDA).

The financial information received by the Board of Directors includes financial income and costs tax aspects, cash flow and net debt only on a consolidated basis because this is the way the Group manages them.

For a detailed definition of EBIT and EBITDA, please refer to Note 1.3.

The accounting policies and measurement bases applied to the information furnished to the Board of Directors are consistent with those applied in the consolidated financial statements.

Disaggregation of revenue from contracts with customers

In relation to the revenue recognition of sales, the Group considers that under IFRS 15 there is only one kind of contract with customers. The assessment is supported by the fact that the main sales of the Group's products have only one performance obligation: the delivery of WOX, green zinc "SHG", or secondary aluminium. Furthermore, the products are not dependent on or connected to other products or services. Consequently, as there are no delayed performance obligations, the revenue is recognised fully after passing control to the customer.

Based on this, the Group discloses revenue by reporting segment and geographical area.

Set out below is the distribution by segment of Adjusted EBITDA and Adjusted EBIT for the six-month period ended 30 June 2025, and for the six-month period ended 30 June 2024:

	30 June 2025				
	Steel Dust	Salt Slags	Secondaty Aluminium	Corporate, other minor & eliminations	Total
Revenue	388,469	57,307	181,520	(25,676)	601,620
Income/expenses from operations (except revenue, depreciation and amortisation/depreciation charge and provisions)	(295,662)	(41,183)	(179,311)	23,090	(493,066)
Amortisation/depreciation, impairment and provisions (a)	(32,224)	(4,672)	(3,793)	(209)	(40,898)
EBIT (Operating profit/(loss)) (b)	**60,583**	**11,452**	**(1,584)**	**(2,795)**	**67,656**
EBITDA (Operating profit/(loss) before amortisation) (a) + (b)	**92,807**	**16,124**	**2,209**	**(2,586)**	**108,554**
Non-recurrent costs/incomes EBIT	1,240	-	-	-	1,240
Non-recurrent costs/incomes EBITDA	3,500	-	-	-	3,500
Adjusted EBIT (Operating profit/(loss)	**65,323**	**11,452**	**(1,584)**	**(2,795)**	**72,396**
Adjusted EBITDA (Operating profit/(loss)	**96,307**	**16,124**	**2,209**	**(2,586)**	**112,054**

	30 June 2024				
	Steel Dust	Salt Slags	Secondaty Aluminium	Corporate, other minor & eliminations	Total
Revenue	404,745	54,042	192,418	(30,042)	621,163
Income/expenses from operations (except revenue, depreciation and amortisation/depreciation charge and provisions)	(330,348)	(35,568)	(188,446)	29,720	(524,642)
Amortisation/depreciation, impairment and provisions (a)	(33,102)	(7,055)	(4,214)	(223)	(44,594)
EBIT (Operating profit/(loss)) (b)	**41,295**	**11,419**	**(242)**	**(545)**	**51,927**
EBITDA (Operating profit/(loss) before amortisation) (a) + (b)	**74,397**	**18,474**	**3,972**	**(322)**	**96,521**
Non-recurrent costs/incomes EBIT	1,160	-	-	-	1,160
Non-recurrent costs/incomes EBITDA	6,537	-	-	-	6,537
Adjusted EBIT (Operating profit/(loss)	**47,832**	**11,419**	**(242)**	**(545)**	**58,464**
Adjusted EBITDA (Operating profit/(loss)	**80,934**	**18,474**	**3,972**	**(322)**	**103,058**

The reconciliation of Adjusted EBITDA and Adjusted EBIT to results attributable to the Parent Company is as follows:

	30 June 2025	30 June 2024
Adjusted EBITDA	112,054	103,058
- Non-recurrent costs/incomes EBIT	3,240	1,160
Amortisation/depreciation, impairment and provisions	(40,898)	(44,594)
Adjusted EBIT	74,396	59,624
- Non-recurrent costs/incomes EBITDA & EBIT	6,740	7,697
EBIT - Operating profit/(loss)	67,656	51,927
Finance income (cost)	(11,768)	(17,197)
Corporate income tax	(15,393)	(11,155)
Profit/(loss)	40,495	23,575
Non-controlling interests	437	3,549
Profit/(loss) attributed to the Parent Company	40,058	20,026

The detail of sales by geographical segment for the six-month period ended 30 June 2025, and for the six-month period ended 30 June 2024 is as follows:

Geographical area	30 June 2025	%	30 June 2024	%
Spain	126,301	21%	118,428	19%
Germany	63,209	11%	70,058	11%
Belgium	27,407	5%	30,203	5%
Norway	26,382	4%	22,200	4%
France	21,716	4%	28,922	5%
Italy	21,483	4%	14,865	2%
Netherlands	21,054	3%	8,807	1%
Finland	16,345	3%	19,790	3%
Sweden	10,609	2%	9,016	1%
Portugal	9,413	2%	7,422	1%
Rest of Europe	**30,953**	**5%**	**27,235**	**4%**
USA	148,098	25%	182,189	29%
Japan	21,539	4%	25,566	4%
Australia	16,586	3%	3,278	1%
Brazil	11,704	2%	10,833	2%
South Korea	10,070	2%	20,356	3%
Rest of the world	**18,751**	**3%**	**21,995**	**4%**
Total	**601,620**	**100%**	**621,163**	**100%**

The detail of the segment assets and liabilities for the six-month period ended 30 June 2025, and for the full-year period ended 31 December 2024 is as follows:

	30 June 2025				
	Steel Dust	Salt Slags	Secondary Aluminium	Corporate, other minor & eliminations	Total
Assets					
Intangible assets	655,267	50,554	15,105	2	720,928
Right-of-use assets	544,878	85,456	51,469	347	682,150
Property, plant and equipment	26,429	3,999	1,140	889	32,457
Investments in associates and other non-current assets	64,461	17,963	22,163	12,555	117,142
Current assets	267,532	18,979	72,133	11,402	370,046
Total assets	**1,558,567**	**176,951**	**162,010**	**25,195**	**1,922,723**
Equity and liabilities					
Equity	665,089	58,577	30,262	90,962	844,890
Non-current liabilities	708,791	98,806	54,846	(64,555)	797,888
Current liabilities	184,687	19,568	76,902	(1,212)	279,945
Total equity and liabilities	**1,558,567**	**176,951**	**162,010**	**25,195**	**1,922,723**

	31 December 2024				
	Steel Dust	Salt Slags	Secondary Aluminium	Corporate, other minor & eliminations	Total
Assets					
Intangible assets	687,812	51,069	15,756	3	754,640
Right-of-use assets	597,088	86,070	52,998	399	736,555
Property, plant and equipment	31,026	4,646	1,470	452	37,594
Investments in associates and other non-current assets	61,524	1,926	19,428	35,150	118,028
Current assets	241,316	12,979	65,746	11,185	331,226
Total assets	**1,618,766**	**156,690**	**155,398**	**47,190**	**1,978,043**
Equity & liabilities					
Equity	652,701	60,916	23,767	108,353	845,737
Non-current liabilities	736,461	80,891	60,114	(45,423)	832,043
Current liabilities	229,603	14,883	71,517	(15,740)	300,263
Total equity and liabilities	**1,618,766**	**156,690**	**155,398**	**47,190**	**1,978,043**

4. Other intangible assets, net

June 2025

During the six-month period ended 30 June 2025, there are no significant additions, nor disposals within 'Other intangible assets, net'.

At 30 June 2025, the decrease in intangible assets is mainly attributable to the depreciation of the US dollar against the euro during the period. As the Group presents its consolidated financial statements in euros, goodwill and licenses recognised in the balance sheets of the US subsidiaries were significantly reduced as a result of currency translation effects.

June 2024

During the six-month period ended 30 June 2024, there are no significant additions, nor disposals within 'Other intangible assets, net'.

Investment commitments

At 30 June 2025 and 31 December 2024, the Group had no significant investment commitments.

5. Property, plant and equipment

June 2025

The movements of the "Property, plant and equipment" balance in the six-month period ended 30 June 2025 includes additions amounting to €32.3 million, mainly related to the investments made in the plants of US for the upgrade of the plants and annual maintenance investments by €22.6 million. The rest of the additions are related to the recurring environmental and maintenance investments made at each plant every year.

There are no significant disposals in the period.

The amortisation of the period amounted to €33.4 million.

June 2024

The movements of the "Property, plant and equipment" balance in the six-month period ended 30 June 2024 included additions amounting to €48.4 million, mainly related to the investments made in the new plants of US for the upgrade of the plants and annual maintenance investments by €32.7 million. The rest of the additions were related to the recurring environmental and maintenance investments made at each plant every year.

There were no significant disposals in the period.

The amortisation of the period amounted to €35.7 million.

Impairment losses

During the six-month period ending 30 June 2025 and 30 June 2024 no significant impairments were recognised in 'Property, plant and equipment'.

Investment commitments

At 30 June 2025, the Group has investment commitments amounting to €48.5 million, mainly due to the expansion projects in Befesa Holding US, Inc. and in Befesa Aluminium Germany GmbH (at 31 December 2024 €50.9 million, also mainly due to the expansion project in Befesa Holding US, Inc. and in Befesa Aluminium Germany GmbH).

6. Financial assets by category and class

The classification of financial assets by category and class is as follows:

	30 June 2025		31 December 2024	
	Current	Non-current	Current	Non-current
Financial assets at amortised cost				
Loans				
Variable rate	-	1,666	-	1,666
Impairment	-	(741)	-	(741)
Trade and other receivables	136,991	-	127,913	-
Security deposits	419	3,332	461	3,665
Financial assets measured at fair value				
Hedging derivatives (Note 10)	35,375	24,420	-	11,256
Total financial assets	**172,785**	**28,677**	**128,374**	**15,846**

The fair value of financial assets does not differ significantly from their carrying amount.

7. Inventories

The detail of 'Inventories' in the accompanying condensed interim consolidated statement of financial position at 30 June 2025 and 31 December 2024 is as follows:

	30 June 2025	31 December 2024
Finished goods	17,480	23,827
Goods in progress and semi-finished goods	5,528	5,822
Raw materials	33,410	26,017
Other	44,343	44,666
	100,761	**100,332**

‘Other’ at 30 June 2025 and 31 December 2024 mainly includes spare parts for the Group’s facilities.

The Group has taken out insurance policies to cover risks relating to inventories. The coverage provided by these policies is considered to be sufficient.

8. Equity

The shareholder structure as at 30 June 2025 and at 31 December 2024 is as follows:

	Percentage of ownership	
	30 June 2025	31 December 2024
Freefloat	100.0%	100.0%

The number of shares as at 30 June 2025 and as at 31 December 2024 is 39,999,998 with a par value of €2.78 each. All the shares are listed on the Frankfurt Stock Exchange.

The authorised capital of the Company (including, for the avoidance of doubt, the Company’s issued share capital) is set at 39,999,998 shares.

On 9 July 2025, Befesa distributed to its shareholders a dividend of €0.64 per share, amounting to €25.6 million, as approved by the AGM held on 19 June 2025, so as at 30 June 2025 the €25.6 million are reported in ‘Other current liabilities’ in the statement of financial position.

On 9 July 2024, Befesa distributed to its shareholders a dividend of €0.73 per share, amounting to €29.2 million, as approved by the AGM held on 20 June 2024, so as at 30 June 2024 the €29.2 million were reported in ‘Other current liabilities’ in the statement of financial position.

At 30 June 2025, the increase in negative currency translation differences recognised in equity is mainly due to the depreciation of the US dollar against the euro during the year. As the Group presents its consolidated financial statements in euros, but several US subsidiaries have the US dollar as their functional currency, negative translation differences have arisen from the conversion of their financial statements. In accordance with IFRS, these exchange differences are recognised in other comprehensive income and accumulated in equity, with no impact on profit or loss.

9. Financial debt and lease payables

The detail of the related line items in the accompanying consolidated statement of financial position is as follows:

	30 June 2025		31 December 2024	
	Current maturity	Non-current maturity	Current maturity	Non-current maturity
Bank loans and credit facilities	22,889	643,519	20,533	664,086
Unmatured accrued interest	3,852	-	4,889	-
Finance lease payables	9,569	17,764	11,493	20,475
Total	**36,310**	**661,283**	**36,915**	**684,561**

Fair values of borrowings are not materially different to their carrying amounts as the interest payable is close to current market rates.

The main terms and conditions of the borrowings are as follows:

Type	Limit in nominal (thousands of currency)	Interest rate	Maturity date	30 June 2025		31 December 2024	
				Current maturity	Non-current maturity	Current maturity	Non-current maturity
Facilities Agreement	EUR 785,000	Euribor + 2.25%	2029	3,851	633,487	4,763	639,802
Jiangsu	CNY 220,000	LIR (NBIC) + 25bps	2026	12,207	-	7,271	7,253
Henan	CNY 260,000	LPR (NBIC) + 25bps	2027	7,751	10,032	6,673	17,030
Others				12,501	17,764	18,208	20,476
				36,310	**661,283**	**36,915**	**684,561**

The facilities agreement was signed by the Parent of the Group (Befesa, S.A.) and has been designed to meet the financing needs of all Group companies.

On 18 July 2024, the Company successfully completed the refinancing of its facilities agreement, which consists of:

- Term Loan B (TLB) Facility Commitment in an amount of €650 million, which is a bullet maturing in July 2029.
- Revolving Credit Facility (RCF) in an amount of €100 million maturing in July 2028.
- A Guarantee Facility Commitment in an amount of €35 million maturing in July 2028.

Following the 2024 refinancing, the interest rate on the TLB was set at Euribor plus a 2.75% spread, whereas the RCF carried a spread of 2.25%. These spreads could be adjusted downwards to 2.25% in the case of TLB and to 1.75% in the case of the RCF, depending on the ratio of net financial debt/Adjusted EBITDA.

On 19 March 2025, Befesa repriced its TLB, reducing its interest rate by 50 bps to Euribor + 225 bps with a floor of 0%. This spread could be adjusted downwards to 200 bps, depending on the ratio of net financial debt/Adjusted EBITDA. The facility's long-term July 2029 maturity date and all other contractual terms remain unchanged.

The Group has analysed whether there is a substantial modification of the conditions and concluded that the original liabilities are not cancelled, because the only change corresponds to the reduction in the nominal interest rate (repricing) and the discounted present value of the cash flows under the new terms decreases by only 1% compared to the discounted present value of the remaining cash flows of the original financial liability. However, this modification resulted in the recognition of a finance income of €6.4 million, as the new future cash flows were discounted at the original effective rate of 2.8%.

The facilities agreement provides a financial covenant based on the net leverage which will not exceed the ratio 4.5:1 for any relevant period. The covenant applies only if the total amount of all drawings under the RCF exceeds 40% of the commitments. At 30 June 2025 and 31 December 2024, the RCF has not been drawn, and no financial covenant applies.

The facilities agreement limits the dividend distribution if any Group company incurs an event of default as defined in the agreement.

In 2020, Befesa closed the financing structure for both plants under construction in China (Jiangsu and Henan). The notional and the rest of the conditions signed are shown in the table above.

At 30 June 2025 and 31 December 2024, 'Other' mainly includes short-term financing of Befesa Silvermet Iskenderun and debt related to the financial leases.

At 30 June 2025, an amount of €100 million was undrawn from the syndicated financing arrangement (€100 million at 31 December 2024).

10. Financial derivatives

The Group uses derivative financial instruments to hedge the risks to which its activities, operations and future cash flows are exposed, which are mainly risks arising from changes in exchange rates, interest rates and the market price of certain metals, mainly zinc. Details of the balances that reflect the measurement of derivatives in the accompanying condensed interim consolidated statement of financial position at 30 June 2025 and 31 December 2024 are as follows:

	30 June 2025	31 December 2024
Cash flow hedges non-current assets		
Swap contracts for zinc	17,640	-
Interest rate swap	6,780	11,256
	24,420	11,256
Cash flow hedges current assets:		
Swap contracts for zinc	35,375	-
Foreign currency swap	-	-
	-	-
Total assets	59,795	11,256
Cash flow hedges non-current liabilities:		
Swap contracts for zinc	-	12,637
Equity Swap	1,279	3,570
	1,279	16,207
Cash flow hedges current liabilities:		
Swap contracts for zinc	-	26,079
Foreign currency swap	3	83
	3	26,162
Total liabilities	1,282	42,369

11. Long-term provisions

	Provisions for litigation, pensions and similar obligations	Other provisions for contingencies and charges	Total long-term provisions
Balance at 31 December 2024	6,107	9,964	16,071
Profit and loss impact	727	36	763
Payment	(722)	(35)	(757)
Transfers	(233)	-	(233)
Conversion differences	(312)	(912)	(1,224)
Balance at 30 June 2025	5,567	9,053	14,620

Provision for litigation, pensions and similar obligations

At 30 June 2025, the Group recognised a provision of €1.7 million (€2.0 million at 31 December 2024) related to the compensation plans described in Note 24 of the 2024 consolidated financial statements.

Other provisions for contingencies and charges

The Group company Befesa Circular Alloys France, S.A.S. (formerly Befesa Valera, S.A.S.) recognises a provision of approximately €1.9 million at 30 June 2025 as well as at 31 December 2024 for the present value of the estimated costs of dismantling the concession for the performance of their activities at the Port of Dunkirk (France) following its termination

In addition, the Group recognised other provisions under "Other provisions for contingencies and charges" to meet liabilities, whether legal or implicit, probable or certain, due to contingencies, ongoing litigations and tax obligations, which arise as the result of past events and are more likely than not to require an outflow of resources embodying economic benefits from the Group to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

Befesa Zinc US, Inc. recognises asset retirement obligations linked to its different facilities in the US of €6.3 million at June 2025 for the present value of estimated costs (€7.0 million at 31 December 2024).

12. Income and expenses. Revenues by category

Details of revenues by category for the six-month period ended 30 June 2025 and 30 June 2024 are as follows:

	30 June 2025	%	30 June 2024	%
Steel Dust	**388,469**	**65%**	**404,745**	**65%**
-Sale of WOX and others metals	285,267	47%	265,479	43%
-Service fees	37,023	6%	39,317	6%
-Smelting: sale of metals and by-products	137,202	23%	165,074	27%
-Eliminations (*)	(71,023)	(12%)	(65,125)	(10%)
Salt Slags	**57,307**	**10%**	**54,042**	**9%**
-Sale of aluminium concentrates and melting salt	31,550	5%	32,266	5%
-Fees for recycling salt slags and SPL	25,757	4%	21,776	4%
Secondary Aluminium	**181,520**	**30%**	**192,418**	**31%**
-Sale of secondary aluminium alloys	165,276	27%	177,713	29%
-Technology division & others	16,244	3%	14,705	2%
Corporate, other minor eliminations	**(25,676)**		**(30,042)**	
Total	**601,620**		**621,163**	

(*) Eliminations in the Steel Dust segment correspond to the elimination of sales between Befesa Zinc US, Inc. and Befesa Zinc Metal, Inc., as Befesa Zinc US, Inc. sells 100% of its production to Befesa Zinc Metal, Inc., which processes WOX and transforms it into SHG zinc.

The Group discloses revenue by reporting segment and geographical area in Note 3.

13. Taxation

Income tax is calculated as of the closing date on the basis of the applicable tax regulation. Nevertheless, any alteration on the applicable tax framework, would be accordingly considered on the financial statements prepared immediately after the date such regulation comes into effect.

At 30 June 2025, the accounts arising as a result of the Income Tax estimation for the six-month period ended 30 June 2025, is recorded under ‘Accounts receivables from public authorities’ and ‘Accounts payables to public administrations’ on the condensed interim consolidated statement of financial position included in these condensed interim consolidated financial statements.

14. Earnings per share

Basic earnings per share are calculated as follows:

	30 June 2025		30 June 2024	
	Total amount in € thousand	Earnings per share in €	Total amount in € thousand	Earnings per share in €
Net income (attributable to Befesa S.A.'s shareholders)	**40,058**	**1.00**	**20,026**	**0.50**
Weighted average shares	39,999,998		39,999,998	

15. Guarantee commitments to third parties and contingencies

At 30 June 2025, a number of Group companies had provided guarantees for an overall amount of approximately €62.3 million (31 December 2024: €71.9 million) to guarantee their operations vis-à-vis customers, banks, government agencies and other third parties.

The Group has contingent liabilities for litigation arising in the ordinary course of business from which no significant liabilities are expected to arise other than those for which provisions have already been recognised.

16. Subsequent events

There are no events between the final statement date (30 June 2025) and the date of the presentation of the condensed interim report (30 July 2025) that would materially affect the Group’s assets or the Group’s financial and/or earnings position.

Management's responsibility statement

We, Javier Molina Montes and Rafael Pérez Gómez, respectively Executive Chair and Chief Financial Officer, confirm, to the best of our knowledge, that:

- the 2025 interim consolidated financial statements of Befesa S.A. presented in this Interim Financial Report, which have been prepared in accordance with the International Financial Reporting Standards as adopted by the European Union, give a true and fair view of the assets, liabilities, financial position and profit and loss of Befesa S.A. and the undertakings included in the consolidation taken as a whole, and

- the Management Report includes a fair review of the development and performance of the business and the position of Befesa S.A. and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

Luxembourg, 30 July 2025

Javier Molina Montes

Rafael Pérez Gómez

Additional information

Segmentation overview – key metrics

Steel Dust Recycling Services

	H1 2025	H1 2024	Change	Q2 2025	Q2 2024	Change
Key operational data (tonnes, unless specified otherwise)						
EAF steel dust throughput	550,289	609,532	(9.7) %	273,102	306,418	(10.9) %
WOX sold	184,981	200,058	(7.5) %	94,731	100,060	(5.3) %
Zinc blended price (€ / tonne)	2,565	2,498	2.7 %	2,511	2,542	(1.2) %
Total installed capacity	1,720,300	1,720,300	0.0 %	1,720,300	1,720,300	0.0 %
Utilisation (%)	63.7 %	71.3 %	(7.6) %	62.9 %	71.6 %	(8.7) %
Key financial data (€ million, unless specified otherwise)						
Revenue	388.5	404.7	(4.0) %	188.2	216.8	(13.2) %
EBITDA	92.8	74.4	24.7 %	46.5	41.6	11.8 %
EBITDA margin	23.9 %	18.4 %	5.5 %	24.7 %	19.2 %	5.5 %
Adjusted EBITDA	96.3	80.9	19.0 %	47.1	44.9	4.9 %
Adjusted EBITDA margin	24.8 %	20.0 %	4.8 %	25.0 %	20.7 %	4.3 %
EBIT	60.6	41.3	46.7 %	30.8	24.1	27.9 %
EBIT margin	15.6 %	10.2 %	5.4 %	16.4 %	11.1 %	5.3 %
Adjusted EBIT	65.3	49.0	33.3 %	31.9	28.5	12.1 %
Adjusted EBIT margin	16.8 %	12.1 %	4.7 %	16.9 %	13.1 %	3.8 %

Aluminium Salt Slags Recycling Services

Salt Slags subsegment

	H1 2025	H1 2024	Change	Q2 2025	Q2 2024	Change
Key operational data (tonnes, unless specified otherwise)						
Salt slags and SPL recycled	212,884	220,647	(3.5) %	105,559	109,386	(3.5) %
Total installed capacity	470,000	470,000	-	470,000	470,000	-
Utilisation (%)	92.3 %	94.4%	(2.1) %	91.7 %	93.6%	(1.9) %
Key financial data (€ million, unless specified otherwise)						
Revenue	57.3	54.0	6.0 %	29.6	26.8	10.5 %
EBITDA	16.1	18.5	(12.7) %	9.2	8.6	6.3 %
EBITDA margin	28.1 %	34.2 %	(6.0) %	30.9 %	32.1 %	(1.2) %
EBIT	11.5	11.4	0.3 %	6.9	4.5	52.8 %
EBIT margin	20.0 %	21.1 %	(1.1) %	23.4 %	16.9 %	6.5 %

Secondary Aluminium subsegment

	H1 2025	H1 2024	Change	Q2 2025	Q2 2024	Change
Key operational data (tonnes, unless specified otherwise)						
Secondary aluminium alloys produced	82,958	90,553	(8.4) %	40,068	46,206	(13.3) %
Aluminium alloy FMB price (€ / tonne)	2,420	2,327	4.0 %	2,424	2,376	2.0 %
Total installed capacity	205,000	205,000	-	205,000	205,000	-
Utilisation (%)	78.3 %	88.8 %	(10.5) %	75.3 %	90.7 %	(15.4) %
Key financial data (€ million, unless specified otherwise)						
Revenue	181.5	192.4	(5.7) %	86.3	94.1	(8.3) %
EBITDA	2.2	4.0	(44.4) %	0.6	1.1	(48.5) %
EBITDA margin	1.2 %	2.1%	(0.8) %	0.7 %	1.2%	(0.5) %
EBIT	(1.6)	(0.2)	> 100 %	(1.3)	(1.0)	27.0 %
EBIT margin	(0.9) %	(0.1) %	(0.7) %	(1.5) %	(1.1) %	(0.4) %

Note: Segment splits, revenue and earnings contributions do not take into account corporate nor the inter-segment eliminations.

Financial calendar

Thursday, 30 October 2025	Q3 2025 Statement & Conference Call

Notes: Befesa's financial reports and statements are published at 7:30 am CEST
Befesa cannot rule out changes of dates and recommends checking them at the Investor Relations / Investor's Agenda section of Befesa's website www.befesa.com

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Disclaimer

Second quarter and first half 2025 figures are unaudited.
This report includes Alternative Performance Measures (APM), including EBITDA, EBITDA margin, EBIT, EBIT margin, Adjusted EBIT, Adjusted 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

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