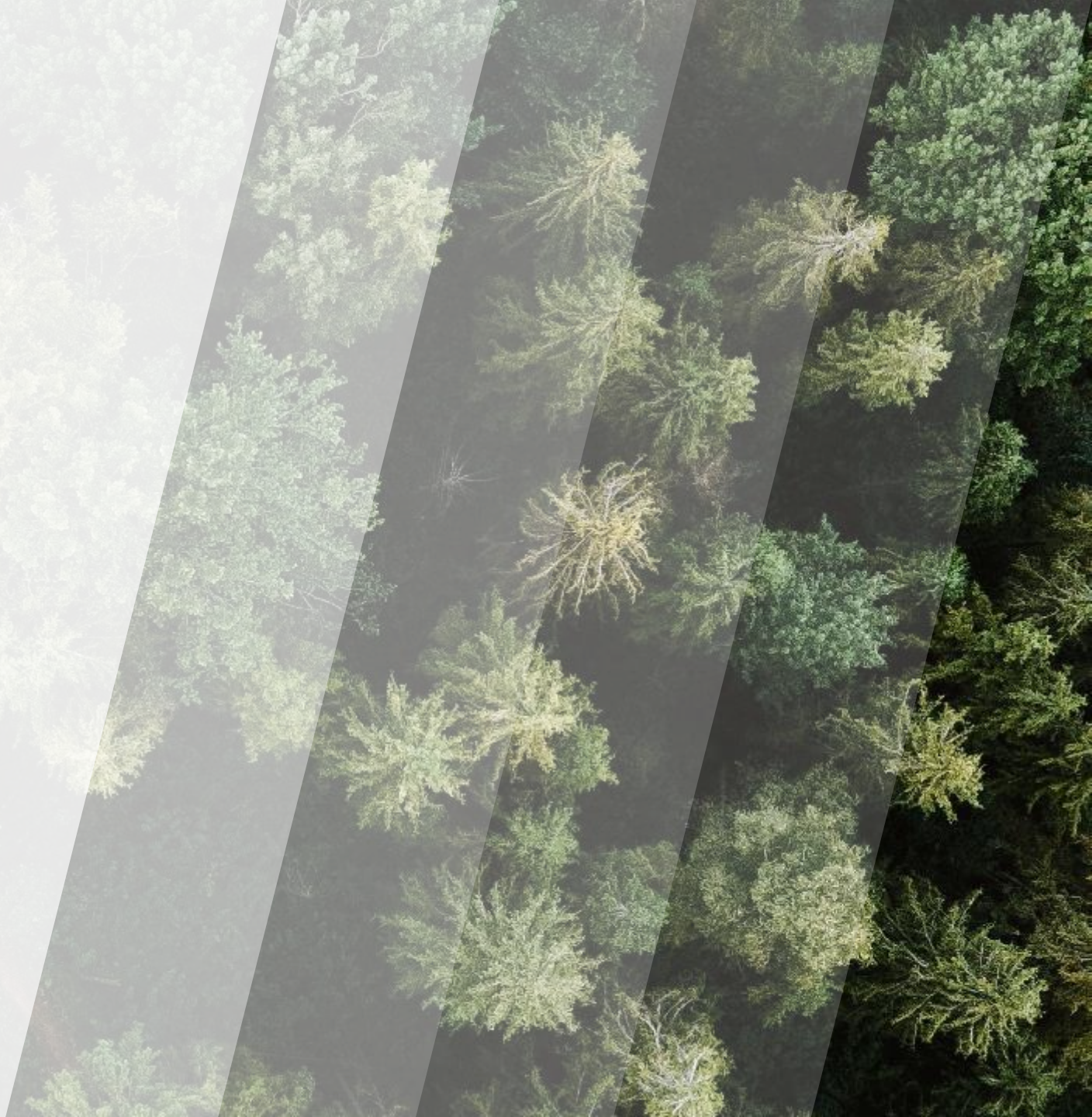
Business & strategic update

Kepler Cheuvreux ESG Conference 2025

BEFESA



Agenda

Executive Summary

Current Trading

Resiliency

USA operations

China operations

Business Plan

Growth Strategy

Key highlights

Adjusted **EBITDA** Q1 2025 at €56m, up 15% YoY

Robust **Operating Cash Flow** in Q1 2025 up 134% YoY driven by solid cash conversion

Leverage at Mar25 at x2.8, deleveraging trend continued, improving from Dec24 of x2.9

Net income in Q1 2025 at €18.6m, up 97% vs Q1 2024

Lower **utilization** levels in the recycling business in Q1 due to steel industry maintenance shutdowns

US Zinc refining asset cost reduction measures delivering as expected

China operations at **break-even**

Expansion plan in China stopped in 2024, until market conditions improve

For 2025 expecting EBITDA growth of €240m - €265m or 13% - 24% YoY

Target **leverage** below **x2.5** at the end of 2025

Total **Capex** <€100m over the next years

Growth capex to focus on **Palmerton** and **Bernburg**: low risk projects

Steel dust and Salt Slags in Europe to be executed once market is ready and leverage reduced

Expecting €300m EBITDA by 2028/29

Executive Summary 1/2

2025

Strong Q1 EBITDA at €56m, expecting FY25 EBITDA in the range of €240m to €265m

- It represents +15% EBITDA growth year on year
  - Split between segments: 86% Steel Dust & 14% Aluminium
  - Better hedging price and favourable Zinc TC will have been the main drivers of growth
- **Operating Cash Flow** in Q1 2025 of €34m, up 134% YoY (Q1 2024: €15m)
- **Leverage at Mar25 stood at x2.8**, aligned with the target below x2.5 at the end of the year, improving from Dec24 of x2.9
- **Outlook 2025**: EBITDA expected between €240m and €265m, +13% to +24% YoY
  - (+) **Better hedging:** Hedge level in 2025 c. €120 per ton higher than 2024
  - (+) **Zinc TC** benchmark for 2025 settled at $80/t, -52% YoY (2024: $165/t)
  - (+) **Higher volumes** in Steel Dust in US expected
  - (+) Lower operating cost in the zinc refining in the US
  - (-) Partially offset by higher general inflation costs, pressure on aluminium metal margin and energy prices
  - (+/-) LME zinc price

Resiliency

Unique business model with high barriers to entry resulting in high margins over time and strong performance through the cycle

- Strategically located plants near customers and long-term service relationships providing high barriers to entry
- **Proven track record** of resilience **through cycles** and **volatile commodity environments**, driven by a resilient service-focused business model and a prudent financial policy
  - Despite Befesa being part of the value chain of cyclical industries like steel, zinc, and aluminium, its business model
  - **Solid volume from EAF** steel customers (most stable steel producers)
  - Stable service fee and **long-term relationship** with customers
- Zinc price exposure managed through **hedging policy consistently and rigorously applied for the last 20+ years**
  - Zinc is a very "rational" commodity driven by supply - demand fundamentals
  - C90 growing at 6% CAGR over the last 15 years, consistently acting as a solid floor of the zinc price
- **>75% of total company EBITDA and free cashflow** from high-margin segments
  - Europe steel dust & salt slags representing today
  - >35% EBITDA margin sustained over time regardless of commodity prices

USA

Operational improvement of recycling assets on plan, ready to capture market growth. Stabilizing refining plant

- Steel dust recycling operations **increasing efficiency according to initial plan** based on operational synergies and best practices
  - Resulting in an **increase of EBITDA/ton of 63% since acquisition**
- **Palmerton refurbishment** (expansion and modernization of plant) as planned **to capture the growth of the US market**: 1st kiln in operation Q4 2024, 2nd kiln H1 2025
  - **60kt incremental EAF dust already contracted** from existing EAF customers for 2025
  - Targeting **70-75% utilization in the US by 2025** and close to 90% by 2026/27 (from current >65%)
  - Lower utilization levels in the recycling business in Q1 2025 due to steel industry maintenance shutdowns
- **Turnaround plan for zinc refining plant** (acquired in Q3 2022 for $47m) in the final stage with the focus on cost reduction
  - 3-stage plan: 1) quality improvement, 2) increase in utilization and **3) cost optimization**
  - **Reducing €15-20m cost base,** on an annual basis from key areas: personnel, maintenance, residue treatment, operations and supply chain
  - Plant has its own cyclicality, **€5m (low cycle) vs. €15m (high cycle) EBITDA**, depending on TC and zinc premiums dynamics
  - Negative contribution of -€15m in FY24. **Targeting towards breakeven in 2025/26**
  - US Zinc refining asset cost reduction measures delivering as expected in Q1 2025

Executive Summary 2/2

China

China focus on improving existing operations. Expansion plan stop

- Befesa invested in China in 2020 to capture the business opportunity that increased EAF steel and environmental regulation presented
  - Total capex invested €90m in two EAF dust recycling plants in the provinces of Jiangsu and Henan
- The **real estate crisis in China is driving low utilization of EAF steel makers**
  - 2024 was the 5th year with a double-digit decline
- Differences in EAF steel production and regulation enforcement between the two provinces drive performance
  - **Jiangsu is a tier 1 province** with strong enforcement of the environmental regulation and high plant utilization and **positive EBITDA**
  - Henan is a tier 2 province and utilization is expected to remain subdued for a while
- **Befesa at 50% utilization rate and EBITDA break even**, within two years of operations despite challenging market environment
- **Investment plan in China on-hold** for the coming years until a clear market recovery
  - Focus on operational improvement of **existing facilities to improve utilization** and generate positive free cashflow
  - Despite challenging short term, **mid term opportunity in China remains very attractive**: (1) increased EAF penetration and (2) stringent environmental regulation

Business Plan

5-year Business Plan presented in CMD in November 2022 to be executed keeping leverage below x2.5

- Growth going forward maintaining **leverage between x2.0 and x2.5**
  - Only committed capex is Palmerton and Bernburg expansion, which are ongoing and low risk projects
  - European projects (expansion of steel dust and new salt slags) to be executed considering leverage and market conditions
- **China expansion plan was stopped in 2024** until a recovery in the market is clear
  - China plants 3, 4 and 5 stop for the next years. If the market recovers, the expansion plan could be restarted fast
  - In the mid and long term, the opportunity in China remains attractive: more EAF + regulation
- **Discipline in capital allocation, keeping total capex at €100m per year maximum**
  - Maintenance capex around €40m per year. Growth capex around €60m prioritizing early cashflow generation projects
  - **Focus on positive free cashflow generation**
  - Maintaining dividend policy of 40-50% of net income as payout
- **Expecting to achieve €300m EBITDA by 2028/29**

Growth Strategy

Growth strategy driven by favourable mega trends of decarbonization, energy transition and environmental regulation

- The strategy of Befesa remains unchanged, **focus on the two-core business**
  - Steel dust and salt slags recycling services to the steel and aluminium industries as well as secondary aluminium
  - Ambition to become and maintain the **global leading position** in steel dust and salt slags recycling
  - **Focus** on the current markets, **Europe, USA and Asia**
- **Favourable mega trends** driven by decarbonization, energy transition and environmental regulation
  - **Decarbonization** trend will drive shift towards electric arc furnace (EAF)
  - **Increasing demand** for metals coupled with resource scarcity leading to increasing importance of **secondary metals**
  - Strong focus on **recycling** and re-using promoting shift to more sustainable **circular economies**
  - **Regulations** getting stricter and expanding into new geographies to protect the environment
- **Zinc and aluminium demand to grow** driven by a transition to green energy as well as EV
  - Energy transition will **increase zinc demand** as renewable energies infrastructure require zinc
  - **Transition to EV** will drive aluminium demand as the auto industry looks for light-weight solutions to reduce their carbon footprint

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Strong Q1 EBITDA up 15% YoY, expecting FY25 EBITDA in the range of €240m to €265m

Q1 2025 Financial Highlights

- Adj. EBITDA Q1 2025 at €56m, up 15% YoY
- Strong Operating Cash Flow in Q1 2025 up 134% YoY driven by solid cash conversion
- Leverage of x2.8 at March 2025
- EPS at 0.47 up 97% YoY

Q1 2025 Business Highlights

- EAF dust volume impacted by scheduled maintenance shutdowns in large assets
- 2nd Alu impacted by challenging alu scrap market and auto industry in Europe
- Palmerton expansion as expected with 2nd kiln to be completed in Q2
- China remains subdued

Outlook / Guidance

- Expecting strong EBITDA growth in FY25 in the range of €240 - €265m
- Prudent capital allocation focus on de-leveraging and ongoing approved capex projects
- Leverage expected below x2.5 for 2025
- Growth capex to focus on Palmerton and Bernburg: low risk projects
- China expansion plan stop due to current market conditions

Revenue *+3%*

Q1 2025: €308m

€298m in Q1 2024

Adj. EBITDA *+15%*

Q1 2025: €56m

€49m in Q1 2024

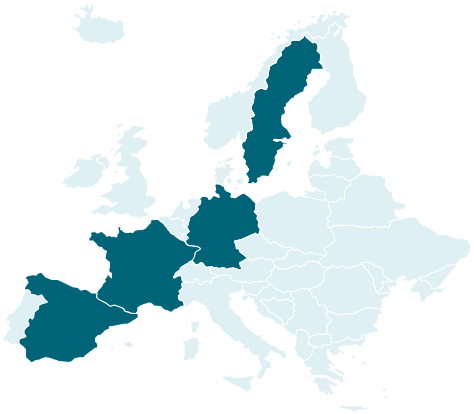
Operating Cash Flow *+134%*

Q1 2025: €34m

€15m in Q1 2024

Q1 2025 Steel Dust business highlights

Lower volume in general, driven by scheduled maintenance shutdowns in the period



EUROPE

- Steel production in EU continued low in Q1 caused by weak end-markets demand
- Load factor at 86% in the Q1 driven by scheduled maintenance shutdowns in large assets
- Daily steel dust deliveries from EAF steel customers continues in line with FY24 at good levels

USA

- Lower utilization levels in the recycling business in Q1 due to steel industry maintenance shutdowns
- Palmerton 1st kiln in full operation already during Q1
- US Zinc refining asset cost reduction measures delivering as expected

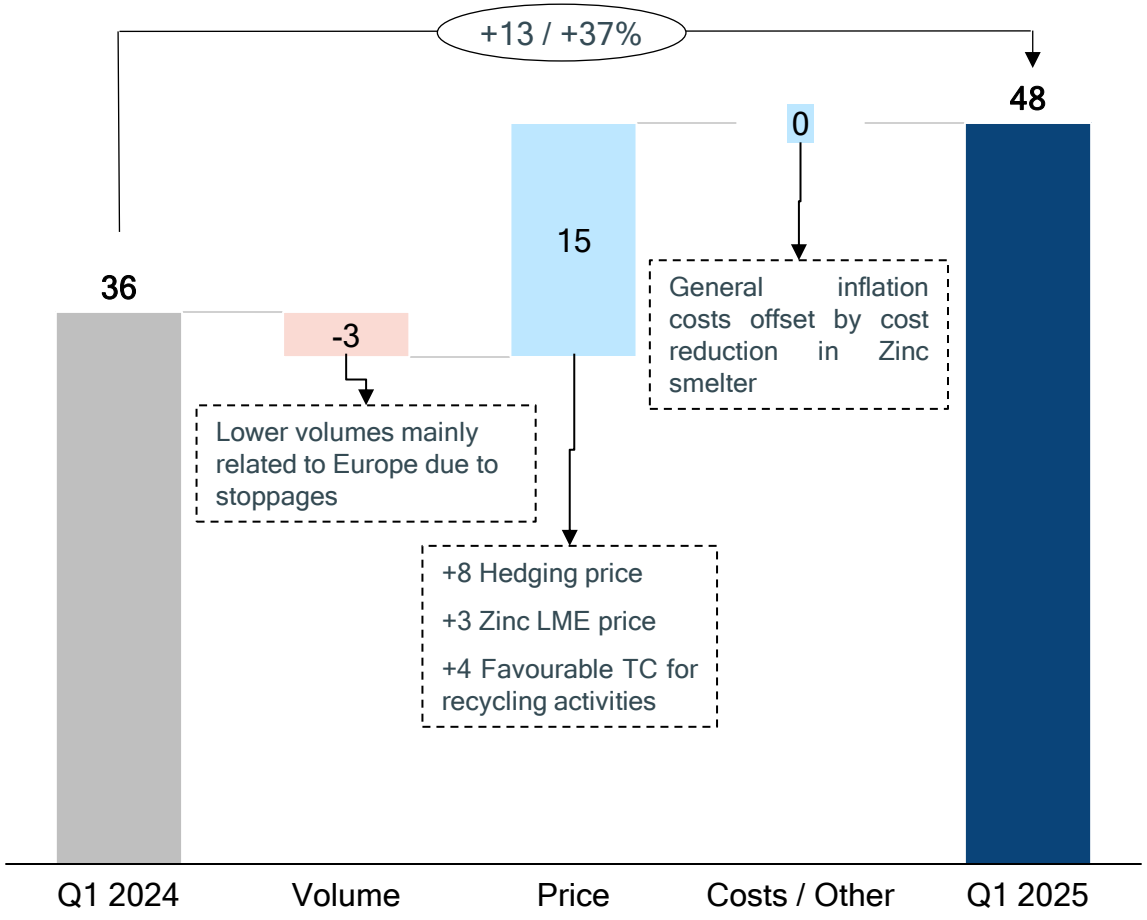
ASIA

- Turkey and South Korea operating at regular levels
- No change in China. Chinese plants continue running at utilization levels of 50%, impacted by weak EAF steel production

Steel Dust Recycling Services Financials

Favourable TC and zinc hedging, partially offset by lower volumes

EBITDA Q1'24 to Q1'25 (€m)



		Q1 2024	Q1 2025	YoY change (%)
Revenue	€m	188.0	200.2	*+7%*
Adjusted EBITDA	€m	36.0	49.2	*+37%*
Adjusted EBITDA margin	%	19.2%	24.6%	*+5.4%*
Steel Dust throughput	Kt	303	277	*-9%*
Plant utilization	%	71%	64%	*-6%*
WOX sold	Kt	100	90	*-10%*
Zinc LME	$/t	2,449	2,838	*+16%*
Zinc LME	€/t	2,256	2,697	*+20%*
Zinc hedging	€/t	2,467	2,666	*+8%*
Zinc blended[1]	€/t	2,400	2,620	*+9%*
Zinc TC	$/t	165	80	*-52%*

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

Q1 2025 Aluminium business highlights

Weak secondary aluminium metal margin

Salt Slags recycling

2nd aluminium

Highlights

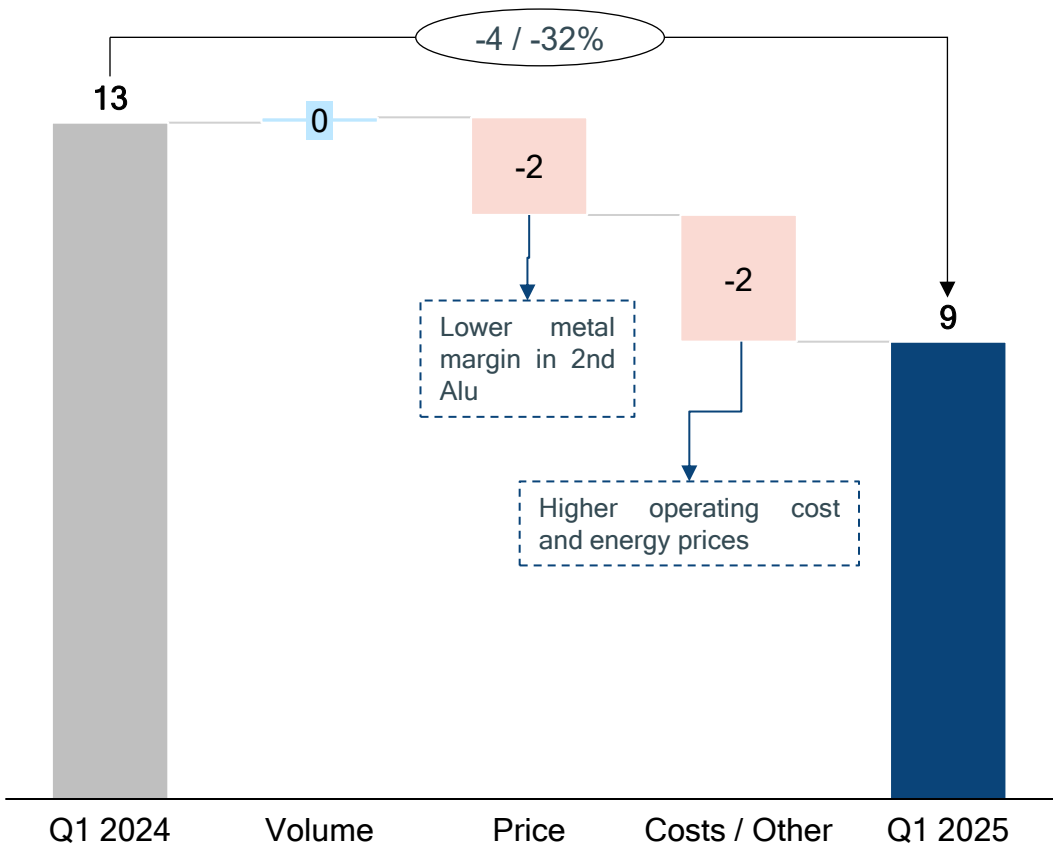
- Solid performance of the salt slag recycling plants running in line with previous periods utilization (93% in Q1 2025)

- Continued compressed aluminium metal margin driven by weak auto demand combined with challenging access to aluminium scrap
- Very weak European automotive industry impacting demand of secondary aluminium

Aluminium Salt Slags Recycling Services Financials

EBITDA impacted by lower 2º alu metal margin and higher energy prices

EBITDA Q1'24 to Q1'25 (€m)

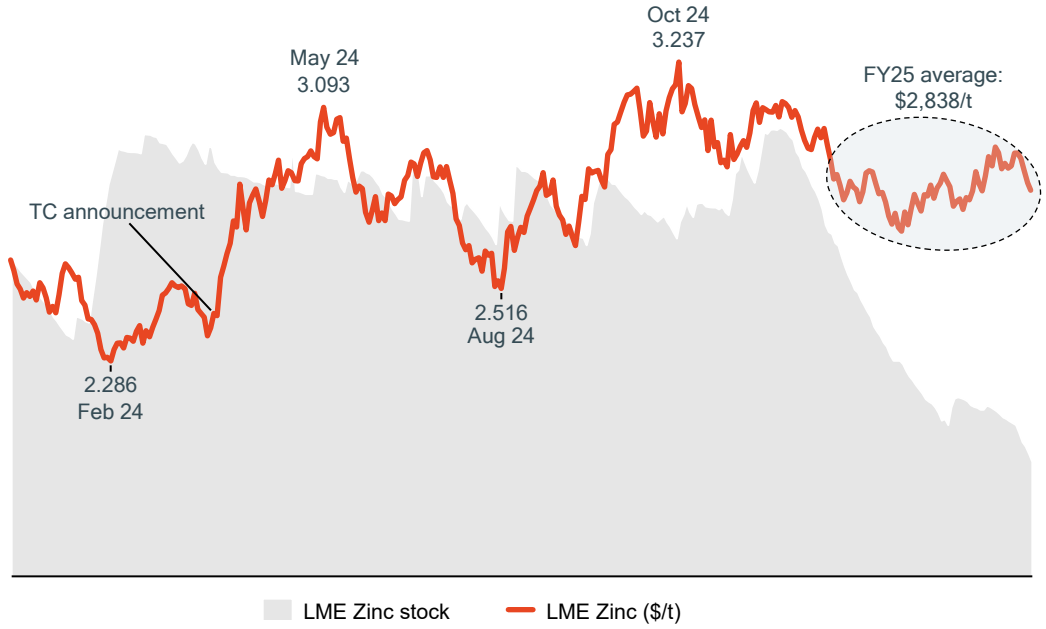


		Q1 2024	Q1 2025	YoY change (%)
Revenue[1]	€m	111.5	109.5	*-2%*
- Salt Slags		27.2	27.7	*+2%*
- Secondary Alu		98.3	95.2	*-3%*
EBITDA	€m	12.7	8.6	*-32%*
- Salt Slags		9.9	7.0	*-29%*
- Secondary Alu		2.9	1.6	*-43%*
EBITDA margin (Salt Slags)	%	36.2%	25.1%	*-11.1%*
Salt Slags & SPL treated	Kt	111	107	*-4%*
Salt Slags utilization	%	95%	93%	*-2%*
2nd Alu alloys produced	Kt	44	43	*-3%*
Secondary Alu utilization	%	87%	81%	*-6%*
Aluminum FMB[2]	€/t	2,277	2,416	*+6%*

1 Total revenue after intersegment eliminations (Q1 2024: €14.1m; Q1 2025: €13.4m)

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

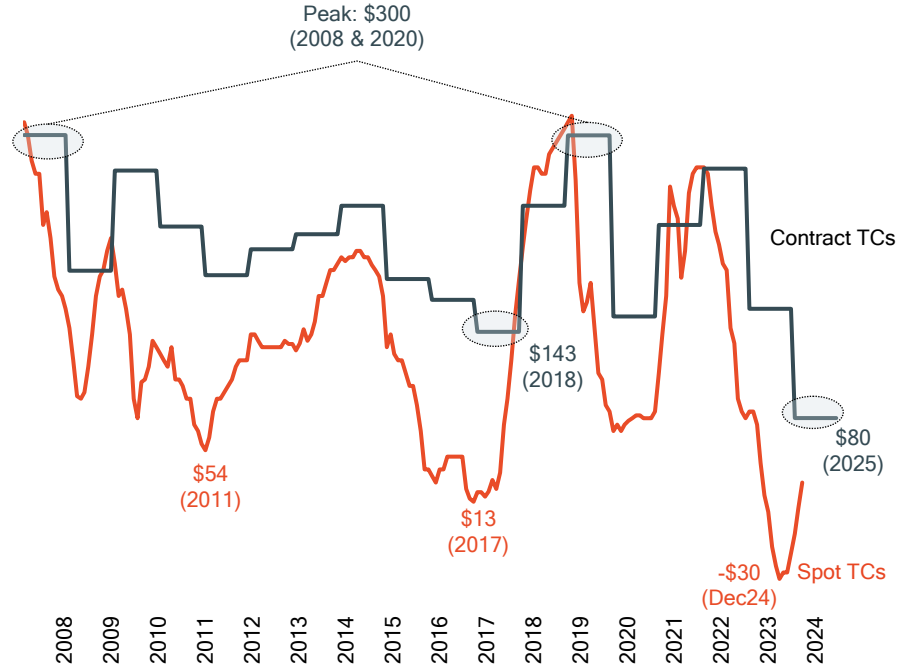
Zinc TC settled at $80/t for 2025 (vs $165/t in 2024) marking an all-time low; Zinc LME price shows volatility caused by global macro turmoil



- Q1 2025 LME zinc price average $2,838, +16% YoY
- LME zinc trading in the range $2,966 - $2,699 per ton in Q1'25.
- FY25 average consensus at $2,857 per ton vs FY24 at $2,660
- C90 acting as a solid floor for LME Zinc price

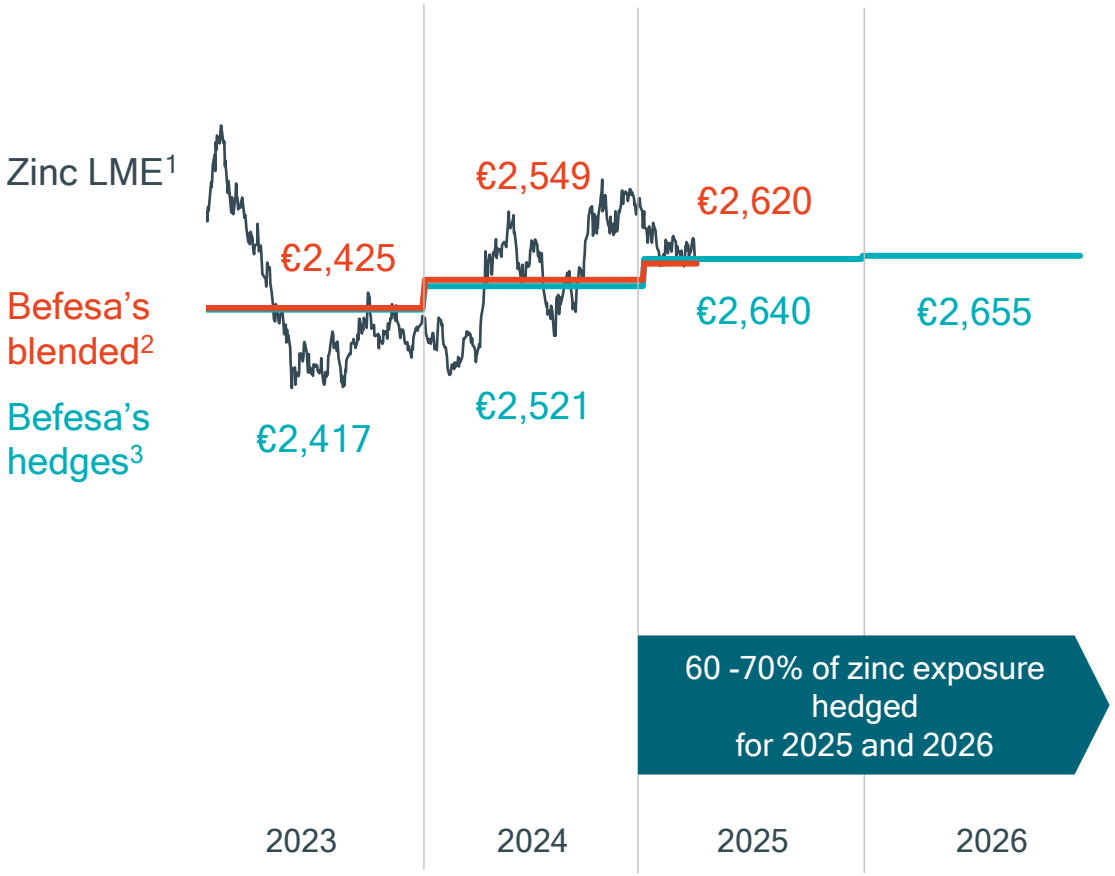
Zinc LME: London Metal Exchange (LME) zinc daily cash settlement prices, US$ per tonne

Sources: Internal data, LME exchange, McKinsey reports



- Zinc TC benchmark for 2025 settled at $80/t, -52% YoY (2024: $165/t)
- Zinc concentrate supply remains tight
- Recent spot TC bottoning out but still at low levels
- Each $10/t zinc TC variation impacts c.€2.3m FY25 EBITDA

Zinc price hedging extended until Jan 2027 at all-time high level of €2,655. Next hedging Q1 2027



1 London Metal Exchange (LME) zinc daily cash settlement prices
2 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
3 Assumes FX €/$ of 1.10 for 2024, and 2025

1. Befesa's **hedging strategy unchanged**
   - 1-3 years forward
   - Targeting 60% - 75% of zinc equivalent
   - Befesa provides no collateral

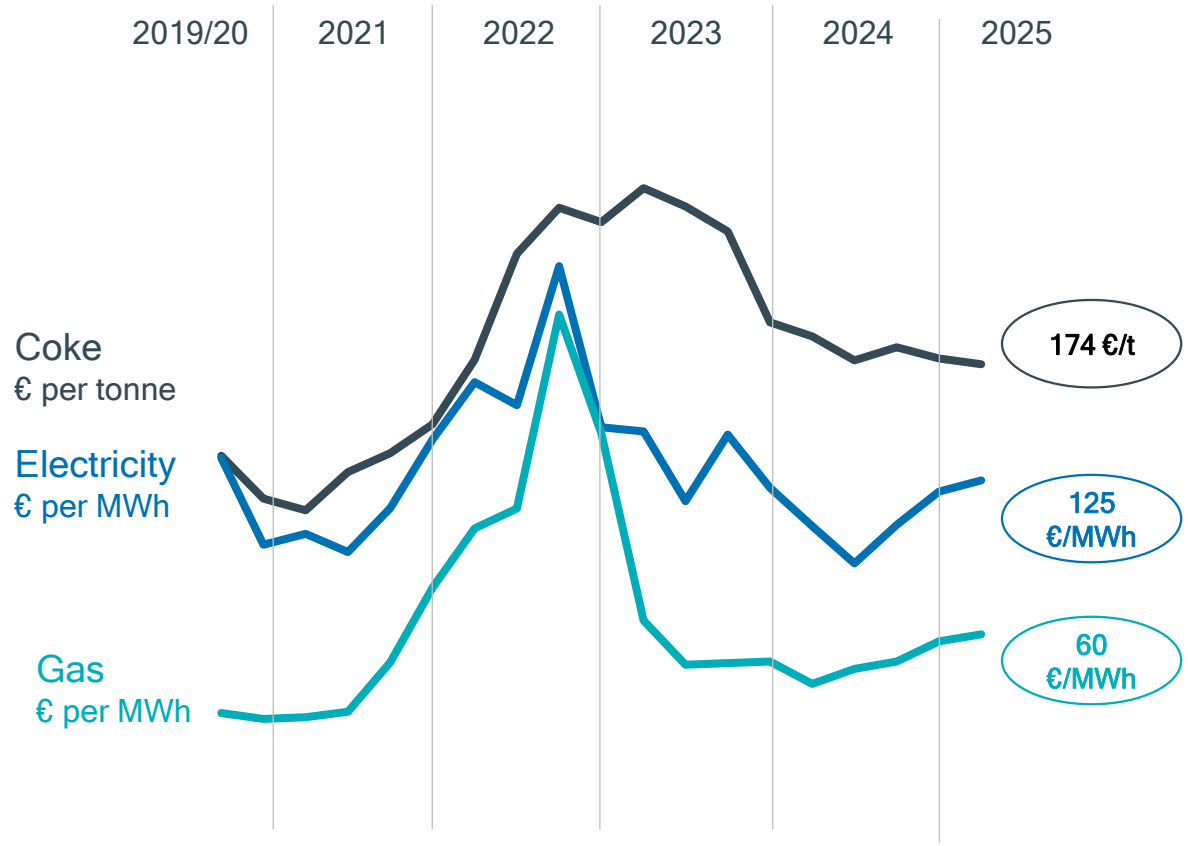
2. Befesa's hedging strategy has proven **successful** providing **price visibility** and **lowering impact from zinc price volatility**

3. **Hedge level in 2025 c. €120 per ton higher than 2024**, representing c.€20m incremental EBITDA in 2025

4. For the **unhedged portion**: **each $100/t change** in zinc **LME** price represents **€7–8m impact** on FY **EBITDA**

Coke price continues gradual downward trend in Q1'25; Increase in gas and electricity prices in Q1'25 vs FY24

Befesa's energy price evolution by source



Q1'25 Avg. €/unit

Coke

- Coke price at 174€/t in Q1'25, consolidates its stabilization compared to previous quarters, with a projected decline in the upcoming periods

Electricity

- Electricity prices rose to 125€/MWh in Q1'25, slightly higher than the previous quarter (Q4'24: 120€/MWh) with a negative impact on alu business

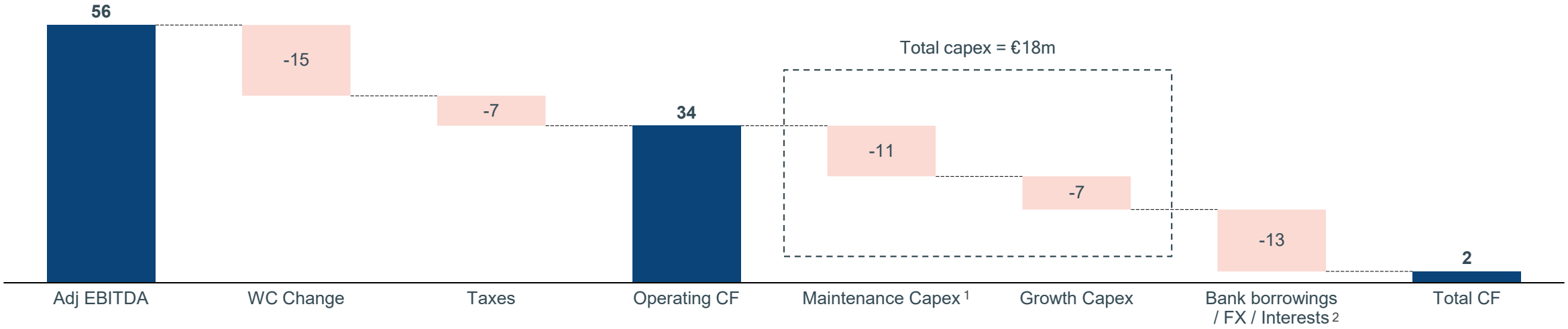
Gas

- Gas prices increased in Q1'25 to €60/MWh, continuing the upward trend of 2024, with a negative impact on alu business

EBITDA to Cash Flow

Operating Cash Flow in Q1'25 at €34m. Cash on hand at Mar25 amounted to €105.0m.

Adjusted EBITDA to Total cash flow in Q1 2025 (€ million)



	Q1 2024	Q1 2025	*Change*
Adjusted EBITDA LTM	180.4	220.6	*+22.3%*
Operating cash flow LTM	142.2	211.3	*+48.6%*
Gross debt	712.1	717.7	*+0.8%*
Cash on hand	90.3	105.0	*+16.3%*
Net debt	621.7	612.7	*-1.4%*
Net leverage	x3.45	x2.78	*-x0.67*
Net income	9.4	18.6	*+97.1%*
EPS	0.24	0.47	*+97.1%*

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, interest paid as well as the effect of foreign exchange rate changes on cash

Deleveraging trend continued to x2.8, driven by disciplined capital allocation strategy. TLB repriced reducing 50bps.

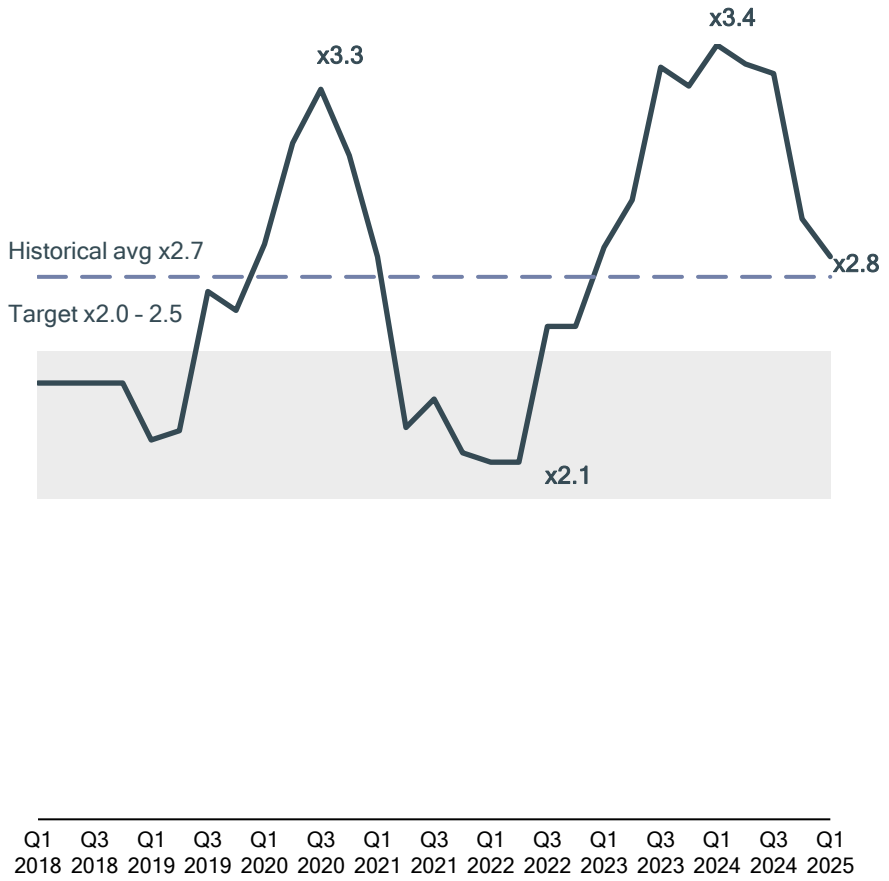
Capital structure

- **Senior Secured TLB of €650m**
  - Refinanced in July 2024
  - Maturity in July 2029
  - Repriced in March to E+225 bps (50 bps saving vs. previous terms)
  - Margin ratchet: -25 bps if leverage <2.5x
  - Covenant-lite terms
- **RCF of €100m** (fully undrawn)

Capital allocation discipline and leverage management

- Leverage at x2.8 at Q1 2025; Expecting <x2.5 by year end 2025
- Target of x2.0 to x2.5 from 2025 onwards
- Growth capex focus on approved projects: Palmerton and Bernburg
- Maintenance capex reduced to ~€40 / 45m per year
- Total capex reduced to ~€100m per year, over the coming years

Net Debt / EBITDA



Befesa expects strong double digit EBITDA growth in 2025

	Commentary	2025 Outlook
Steel dust volume	• Europe: stable/strong volume expected, despite current challenging steel industry • USA: higher EAF steel dust volume driven by volume from new contracts • China/Asia: stable volume vs 2024	• **Neutral to positive**
Salt slags **2nd Alu**	• Stable salt slags volume vs 2024 • Metal margin continued compression in 2nd alu caused by alu scrap scarcity & weak demand from auto sector	• **Salt slags: Stable** • **2nd alu: Negative**
Zinc Refining	• Stabilized operations in 2024. Strong operating cost cutting efforts in 2025 • Fix cost reduction of €15/20 to be captured in 2025 • Low TC and low Zinc premium: through of the cycle for the refining business	• **Very positive**
Energy prices	• Slightly lower overall coke prices for the group expected in 2025 • European natural gas and electricity higher than 2024	• **Neutral to negative**
General inflation	• General inflation (maintenance, auxiliary materials), labour inflation increase throughout the group	• **Negative**
Treatment charge	• TC settled at $80 vs $165 in 2024. Lower that last 15-year low at $143 • Zinc concentrate market remains tight with spot TC in the negative territory	• **Very positive**
Zinc hedging	• Average zinc price hedging for 2025 at €2,640, driving strong earning growth in 2025	• **Very positive**
Zinc LME	• Volatility expected driven by global macro uncertainty. C90 around €2,500 acting as floor of zinc. 2024 avg. $2,779	• **Uncertain**
Capex	• Total capex below €100m. €40/45 regular maintenance + €55/60 growth (Palmerton + Bernburg)	• **< €100m**
Leverage	• Leverage reduction to continue further to below	• **Continued reduction**

2025 EBITDA expected between €240m and €265m
Strong Free Cash Flow generation and leverage <x2.5

	FY24A	2025 Guidance
EBITDA	€213m	€240m - €265m
Operating Cash Flow	€192m	Double-digit growth
Capex	€119m	<€100m
Net Leverage	x2.90	Below x2.5
EPS	1.27	>1.8

- **Double-digit EBITDA growth** driven by overall better TC, hedging, volume and operating cost
- **Strong cash generation** remains a key priority, with continued improvement in free cash flow
- **Capex discipline** preserved, with total spend <€100m: €40–45m in recurring maintenance, €55–60m in growth (Palmerton + Bernburg)
- **Ongoing deleveraging** supported by EBITDA expansion and strong cash flows
- **Earnings per share (EPS)** strong expansion driven by strong underlying performance and improved financial efficiency

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Unique business model with high barriers to entry resulting in high margins over time and strong performance through the cycle

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- **Proven track record** of resilience **through cycles** and **volatile commodity environments**, driven by a resilient **service-focused business** model and a prudent financial policy
  - Despite Befesa being part of the value chain of cyclical industries like steel, zinc, and aluminium, its business model is highly resilient with highly stable margins
  - **Solid volume from EAF** steel customers (most stable steel producers)
  - Stable service fee and **long-term relationship** with customers
- Zinc price exposure managed through **hedging policy consistently and rigorously applied for the last 20+ years**
  - Zinc is a very “rational” commodity driven by supply – demand fundamentals
  - C90 growing at 6% CAGR over the last 15 years, consistently acting as a solid floor of the zinc price
- **>75% of total company EBITDA and free cashflow** from high-margin segments
  - Europe steel dust & salt slags representing today
  - >35% EBITDA margin sustained over time regardless of commodity prices

Unique business model with high barriers to entry resulting in high margins over time and strong performance through the cycle

Strategic locations

Locked-in captive demand as Befesa's plants **strategically located** in **close proximity** to **client locations**

Short distance

Plants located nearby EAF producers in order to avoid **higher costs related to dust transportation**

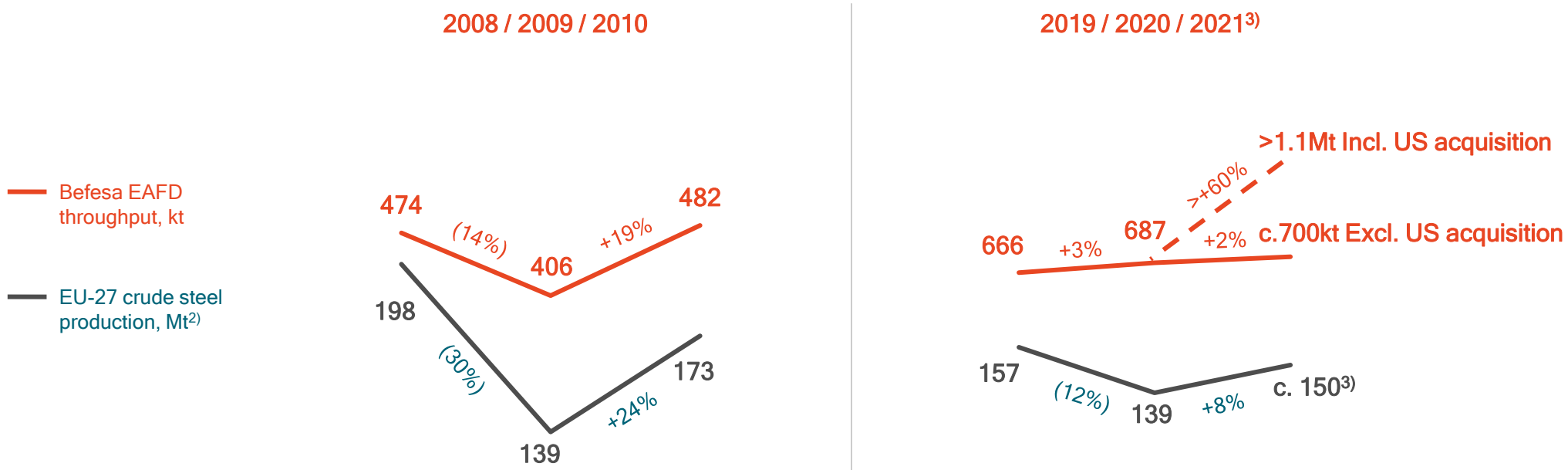
Barriers to entry

High barrier to entry for competitors, given new recycling plants require **significant time to build** and **substantial capex investments**, including **regulatory arrangements** and a **close proximity to customers**

Source: Industry research, Company's information, McKinsey & Company

Befesa's Resilience During Latest Crises

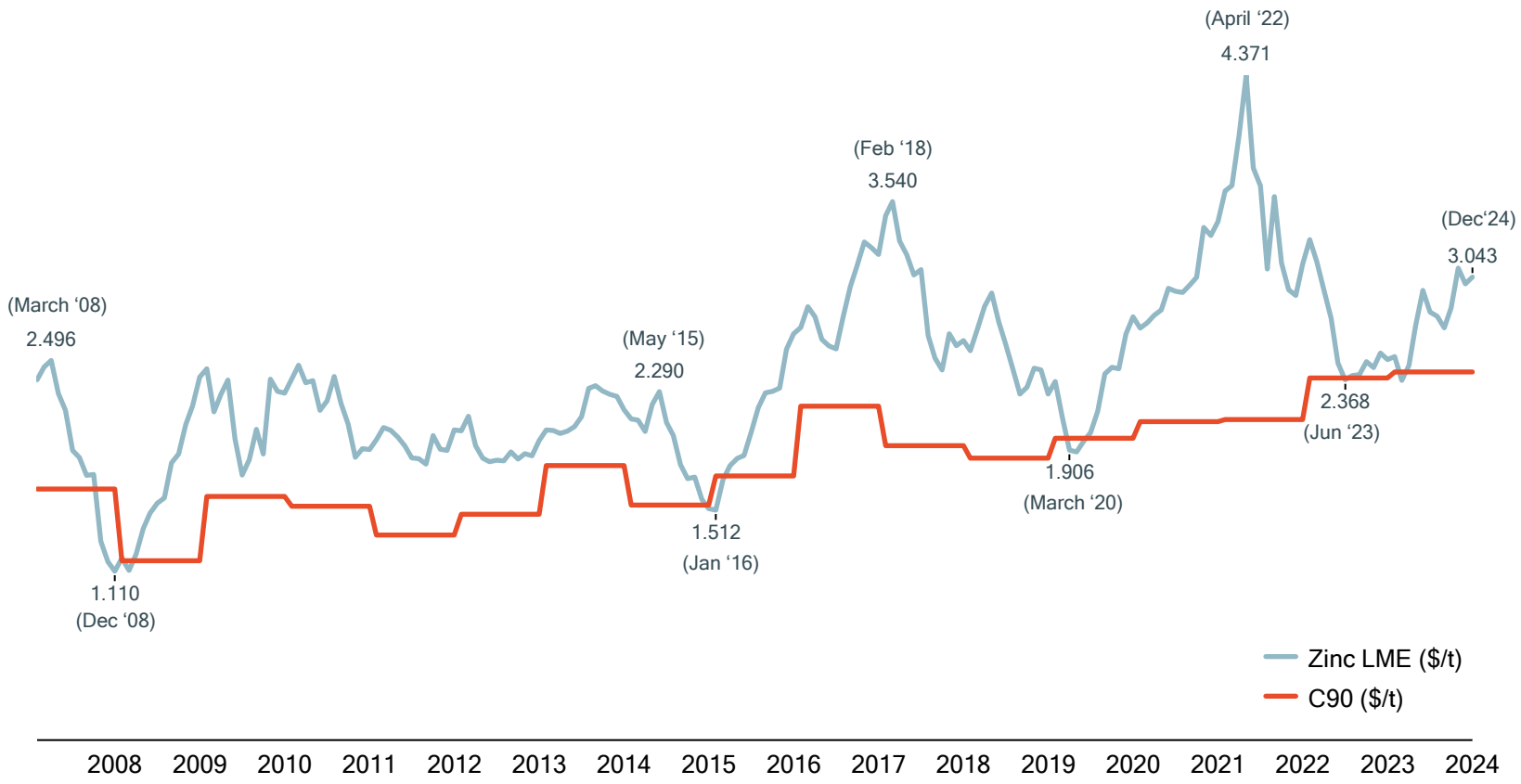
Befesa has demonstrated resilient volumes and capacity utilisation levels during the latest crises



	2008	2009	2010	2019	2020	2021
Befesa EAFD utilization, %	96%	82%	96%	81%	83%	83.3%[4]
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 estimate for FY'21 based on Sep'21 YTD actual of 115Mt /3*4 = c.150Mt
4) 2021 load factor considers the proportional installed capacity of the Chinese and US sites based on the days these sites were operational in 2021

C90 growing at 6% CAGR over the las 15 years, consistently acting as a solid floor of the zinc price



C90 as solid floor for zinc

- C90 represents the zinc price level at which 10% of the most expensive mines break even
- Historically as floor for zinc price
- Supply is cut upon breaking the C90
- Zinc is a very rational commodity driven by fundamentals of supply and demand

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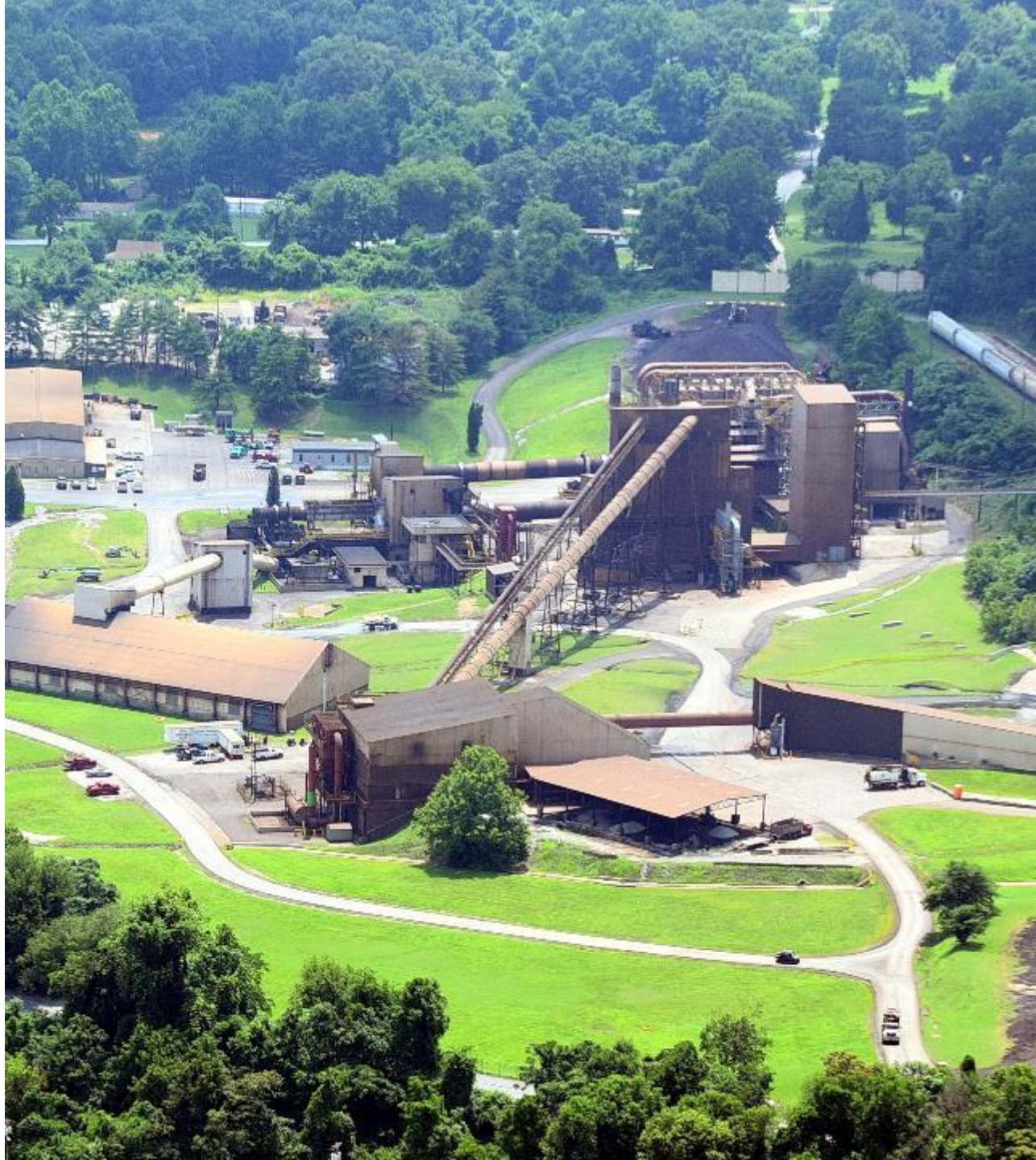


Operational improvement of recycling assets on plan, ready to capture market growth. Stabilizing refining plant

- Steel dust recycling operations **increasing efficiency according to initial plan** based on operational synergies and best practices
  - Resulting in an **increase of EBITDA/ton of 63%**, from €70 in 2021 to €114 in 2024, despite current persistent high coke price in US
- **Palmerton refurbishment** (expansion and modernization of plant) as planned **to capture the growth of the US market**: 1st kiln in operation, 2nd kiln H1 2025
  - **60kt incremental EAF dust already contracted** from existing EAF customers in 2025
  - Targeting **70-75% utilization by 2025** and 90% by 2026/27 (from current 65%)
- **Turnaround plan for zinc refining plant** (acquired in Q3 2022 for $47m) in the final stage with the focus on cost reduction
  - 3-stage plan: 1) quality improvement, 2) increase in utilization and **3) cost optimization**
  - **Reducing €15-20m cost base** on an annual basis from key areas: personnel, maintenance, residue treatment, operations and supply chain
  - Plant has its own cyclicality **€5m (low cycle) -15m (high cycle) EBITDA**, depending on TC and zinc premiums dynamics
  - Negative contribution of -€15m in FY24. **Towards breakeven in 2025-26**

US recycling operations improving gradually profitability as planned

Gradual recovery of EAF volume since 2021:

- Loss of an EAF steel dust supply contract with a major steelmaker before acquisition
- Volume being recovered gradually, as expected
- 60kt additional EAF dust contracted for 2025/26

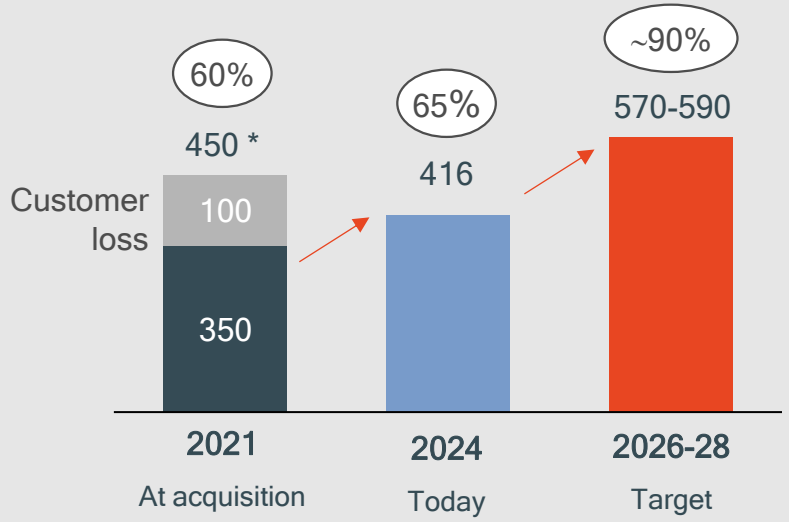
2024 EBITDA at €47m, 25% EBITDA margin

- Average plant utilisation at around 65%
- EBITDA / ton at €114

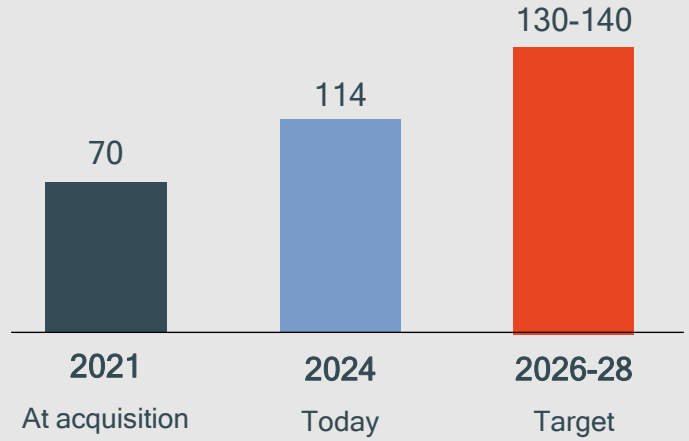
Outlook:

- Targeting to increase utilisation rate from current ~65% to ~70/75 in 2025 and to ~85-90% in 2026
- Expecting EBITDA run-rate at ~€70-80m per year

Steel dust throughput & Plant utilisation



EBITDA / ton €



* Adjusted for customer loss before acquisition

* Operational and financial figures in 2021 were consolidated as of mid-August, following the acquisition of the US recycling assets.

Synergies focused on operational efficiency and coke consumption, mostly captured already

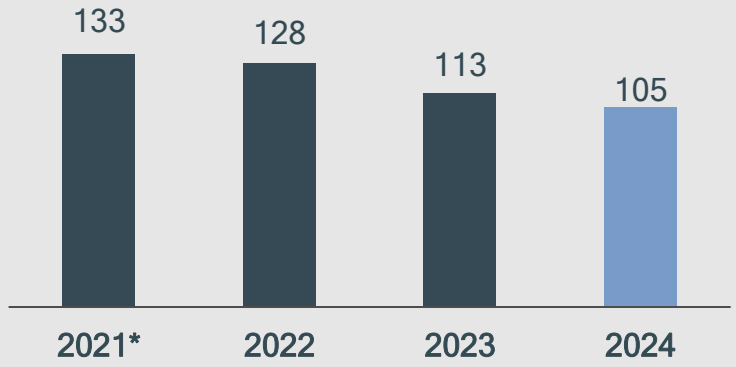
Coke consumption reduced in Q1 2025 by 8% YoY driven by operational efficiencies. Coke-to-throughput ratio has remained broadly stable YoY (24% in Q1 2024 vs 15% in Q1 2025)

Coke average price in the US at 184€ per ton, **decreasing by 5%** YoY, although it is still slightly above the levels of 2022

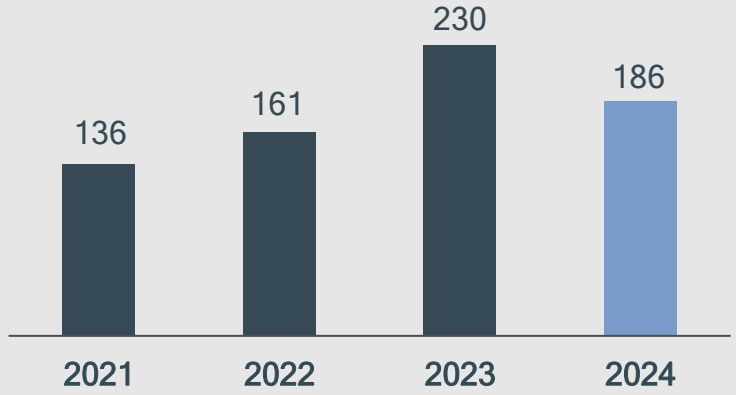
Outlook:

- Operating leverage to be translated into higher profitability
- Further progress in operational efficiencies will translate into lower coke consumption and cost per ton
- Further coke price normalization expected for 2025 and beyond

Coke consumption US plants (Kt)



Coke price US plants (€/ton)



* Operational and financial figures in 2021 were consolidated as of mid-August, following the acquisition of the US recycling assets.

Palmerton plant refurbishment progressing well to seize growth in the US EAF steel dust market

Plant overview

- **2 kilns** with c. **163 kt → 220 kt** (post-refurbishment) **EAF steel dust recycling capacity**
- Producing **WOX** as a marketable product

Indicative timing and status

H1 2025

- ✓ EPC contract signed
- Construction works ongoing

  Timing confirmed:
  - ✓ Phase I: completed by H2 2024
    Phase II: completed by H1 2025
- Commercial contracts with EAF steel players ongoing
- Planned commissioning 2nd kiln in Q3'25

Key financials

- **Capex**: €55–€65 million
- **EBITDA run-rate**: €25–€30 million
- **Payback**: 2–3 years; **IRR**: >30%

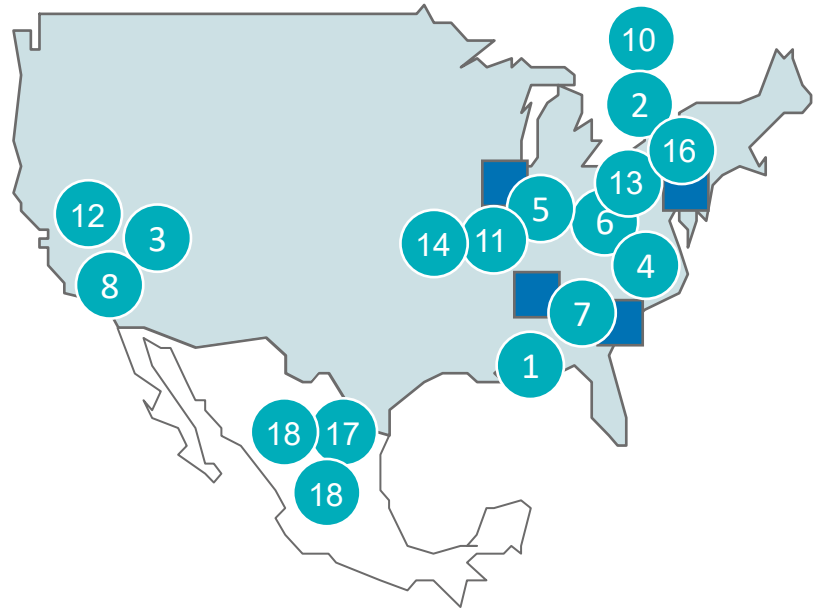
Source: Company information

New EAF announcements supported by strong infrastructure programs requiring steel

Steelmaker		Location	New capacity, Mt	Start up
ArcelorMittal		1 Calvert, Alabama	1.5	H2'24
		2 Hamilton, Ontario, Canada	2.4	2026
NUCOR		3 Kingman, Arizona	0.6	Q3'24
		4 Lexington, North Carolina	0.4	Q1'25
		5 Crawfordsville, Indiana	0.3	Mid '25
		6 Mason County, W Virginia	2.7	H2'25
		7 South Carolina	0.5	Mid'25
		8 Fontana, California	0.4	2026
		9 Pacific Northwest region	0.6	TBD
ALGOMA STEEL INC		10 Ontario, Canada	0.8	YE'24
NIPPON STEEL	USS	11 Osceola, Arkansas	2.7	Q3'24
PACIFIC		12 Mojave, California	0.3	2026
CMC		13 Berkeley County, W Virginia	0.5	Q4'25
HYBAR		14 Osceola, Arkansas	0.6	2026
		15 TBD	0.6	TBD
72 STEEL LLC		16 Aliquippa, Pennsylvania	0.5	2025
Ternium		17 Pesquería, Mexico	2.6	H1'26
DEACERO		18 Saltillo & Celaya, Mexico	1.1	TBD
			20	

Befesa targeting to increase utilization gradually to 90% by 2026/28

60kt additional EAF steel dust already contracted



Befesa EAF steel dust recycling plants

Zinc refining asset being turnaround to improve profitability

Zinc refining plant: Key facts

- **Vertical integration** in the **US** which **makes sense** as there is **lack of smelting capacity** in the US
- Feeding material solely with **WOX / 100% from Befesa** today's production **+ some** volume **from competitors** (ZN)
- **Unique asset** in the world producing **green zinc from 100% recycled** material
- **Ensures allocation of 100% WOX production in the US**; Otherwise, as there is no smelting capacity in the US, big logistics operations would be needed to transport WOX
- A **different plant & business** vs Befesa's traditional recycling business: 200 people vs 60 in recycling per plant; New technology of solvent extraction
- **No intention to replicate** the **zinc smelting business in other markets** (Europe, China), **but it makes sense in the US** at the purchase price paid (acquired for $47m in 2022)
- **Potential to deliver $10-15m EBITDA** p.a. in the **upper part of the cycle** (around breakeven in the low part);
  Net revenue of $200-$230m, **1% to 5%** EBITDA **margin**

Implementing a 3-phase plan since acquisition

✓ 1 **Improving** the **quality** of the product to the **SHG zinc** specification to capture full price:

- Otherwise, penalties are applied
- Already producing SHG zinc at the right quality

✓ 2 **Increasing** the **utilization** of the plant, where the breakeven is around 85-90% (vs 50% in the recycling business)

- Operating at >85% over the past months

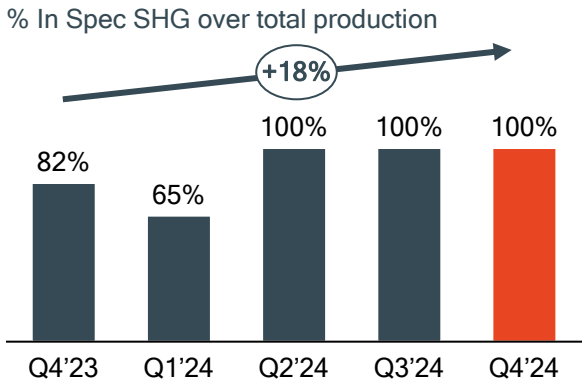
3 **Cost reduction**

- Focus so far has been on increasing production and quality at no matter what cost
- Focus now is on **cost cutting to improve the profitability** of the plant

- 2023: Slightly negative EBITDA
- 2024: Negative contribution of -€15m in FY24
- 2025: Cost reduction measures delivering as expected

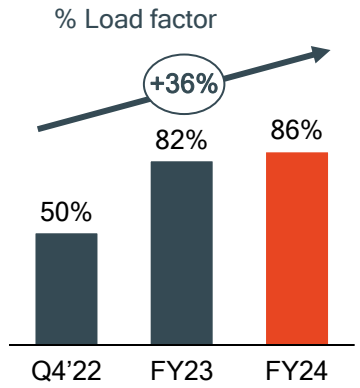
Turnaround plan to improve profitability of zinc refining plant

Quality improvement



- **In Spec SHG (Special High Grade)** zinc receives a premium Zinc Price due to its exceptionally high purity (99.995%)
- The high zinc content and consistency of "In Spec SHG" ensure it is traded at a premium on global markets, such as the London Metal Exchange (LME)
- Quality improvement achieved in the last two quarters.

Plant Utilization



- Breakeven utilization at 85%
- From April 2024 the **average utilization has increased to 93%,** producing **100% In Spec SHG**.

Cost Reduction

- **€15-20m cost reduction** to be achieved in 2025
- **Strong cost cutting plan** across all functions: maintenance, operations, purchasing, logistics, SG&A
- 60-70 FTE reduction
- Residue treatment in house vs externalized service

Negative contribution of -€15m in FY24; targeting towards breakeven in 2025/26; between €5m to €15m in the mid term.

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China focus on improving existing operations. Expansion plan was stopped in 2024

- Befesa invested in China in 2020 to capture the business opportunity that increased EAF steel and environmental regulation presented
  - Total capex invested €90m in two EAF dust recycling plants in the provinces of Jiangsu and Henan
- The **real estate crisis in China** is **driving low utilization of EAF steel makers**
  - 2024 was the 5th year with a double-digit decline
- Differences in EAF steel production and regulation enforcement between the two provinces drive performance
  - **Jiangsu is a tier 1 province** with strong enforcement of the environmental regulation and high plant utilization and **positive EBITDA**
  - Henan is a tier 2 province and utilization is expected to remain subdued for a while
- **Befesa at 50% utilization rate and EBITDA break even,** within two years of operations despite challenging market environment
- **Investment plan in China on-hold** for the coming years until a clear market recovery
  - Focus on operational improvement of **existing facilities to improve utilization** and generate positive free cashflow
  - Despite challenging short term, **mid term opportunity in China remains very attractive**: (1) increased EAF penetration and (2) stringent environmental regulation

Befesa invested in China in 2020 to capture the business opportunity that increased EAF steel and environmental regulation presented

Total capex invested €90m in two EAF dust recycling plants in the provinces of Jiangsu and Henan

1 Key milestones

2 Environmental Regulation

- In 2017, steel mill dust was categorised as hazardous waste (specific treatment was required)

3 EAF Dust Availability

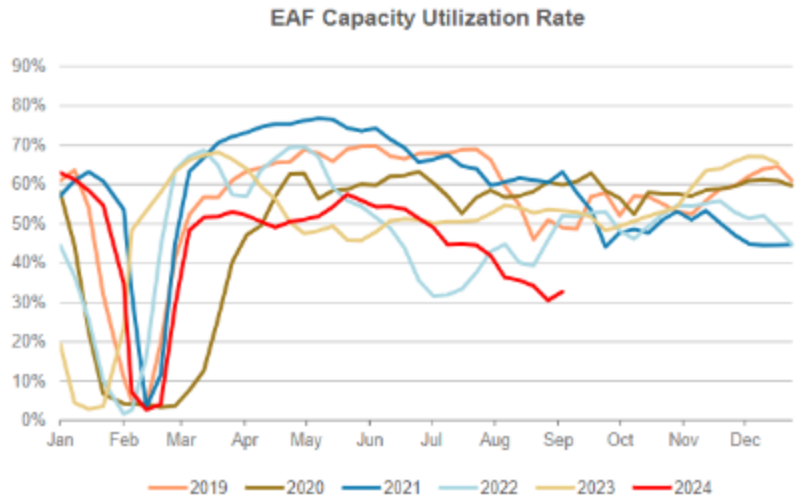
- Bigger steel producer in the world
- EAF steel production in China accounts for less than 10% of total crude steel production, with the commitment from the Government to increase the penetration to 20% in 2030
  - Since 2017, the country has invested 110 million tons per year in new EAF capacity as part of a replacement program

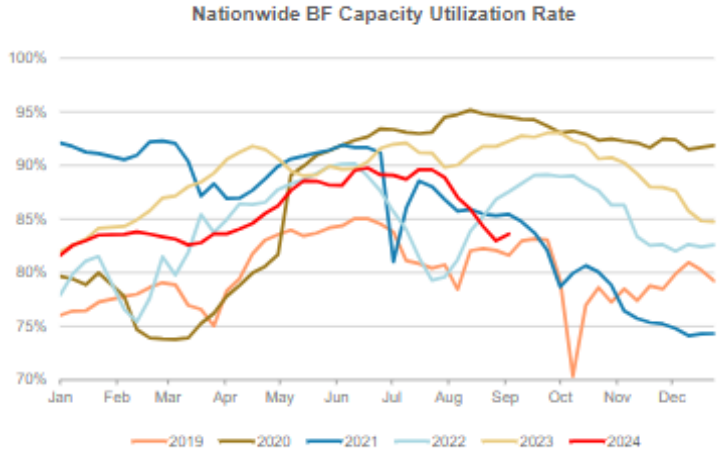
4 Investment approach

- 2 EAF dust recycling plants in the provinces of Jiangsu and Henan
- Total capex invested amounted to €90m, with an expected EBITDA run-rate of c.€10m per plant
- Goal of ring-fencing local markets, following the European business model

The real estate crisis in China is driving low utilization on EAF steel makers, resulting in low EAF dust generation

1. EAF steel output is being impacted by the real estate crisis, with a low utilisation rate
2. 2024 represented the fifth year with a double-digit decline
3. Long products production is at the lowest level in the last 5 years
4. Capacity utilization of Chinese EAF at 30% vs pre-covid 70% driven by weak real estate activity
5. Flat products usually manufactured via BOF at higher levels than the last years
6. Going forward, however, steel production by EAF is expected to increase from the current 10% to more than 30%, with more scrap available gradually and in compliance with the C-neutral policy





Differences in EAF steel production and regulation enforcement between the two provinces drive performance

Jiangsu

Tier 1 province with strong enforcement of the environmental regulation, high plant utilisation rate and positive EBITDA

Henan

Tier 2 province, with utilisation rate expected to remain subdued for a while

Plant overview

- 1 kiln in use since January 2022 with 110,000 tons of dust throughput
- 53 employees
- Utilisation rate 70%
- Plant shutdowns to optimise utilisation (2-month campaign, then standstill for 1-2 months)

- 1 kiln in use since February 2023 with 110,000 tons of dust throughput
- 36 employees
- Utilisation rate 20%, with shortage of dust due to the low production level of steel mills in the area
- Steel dust from other provinces being transported to the plant

Regulation

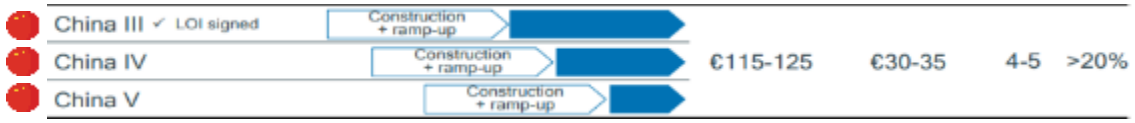
- Mature monitoring and enforcement by the government
- Illegal sales of high-Zn dust are rather rare
- Some internal recycling by steel makers which will disappear in the mid-term as it does not add any value

- Regulation is the same as in Jiangsu, but the enforcement and supervision are much weaker
- 30% of EAF goes to illegal routes

Investment plan in China was stopped for the coming years until a clear market recovery

Despite de challenging short term, in the medium term the opportunity in China remains very attractive

Investment plan stop:



Focus on operational improvement of existing facilities to improve utilization and generate positive free cashflow

- **Jiangsu** focused on improving volume and utilisation, with the outlook of achieving mid-single-digit EBITDA in 2025:
  - Existing customers to increase volume
  - New EAF in the area
  - New customers from other provinces
- **Henan**: Difficult to improve utilisation significantly, as the law reinforcement is currently very weak

Resilient business despite EAF steel makers' decline

- Despite this challenging market environment, Befesa reached 50% utilisation rate within two years, reaching break-even and not loss-making

Positive trends still in place for the mid-term

- The two main drivers for the investment approach of Befesa, **EAF penetration and environmental regulation**, never go back and only move forward
- China is the largest producer of steel in the world, with **EAF expected to grow to 25% in the coming years**
  - China's **scrap supply is projected to grow rapidly** in the next decade
  - China's State Council announced a plan to improve the country's air quality in the long term as part of its efforts to promote quality economic development. According to the plan, the authorities will continue to promote the development of EAF steelmaking
  - An increase in EAF will result in better margins and improved air quality and lower emissions
- The Chinese government has set a **target for EAF steel over 15%** of total crude steel production by 2025.
- China Iron and Steel Association has proposed a **long-term plan for EAF** steel **to account for over 30%** of total crude steel production by 2035

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5-year Business Plan presented in CMD in November 2022 to be executed keeping leverage below x2.5

- Growth going forward maintaining **leverage below x2.5**
  - Only committed capex is Palmerton and Bernburg expansion, which are ongoing
  - European projects (expansion of steel dust and new salt slags) to be executed considering leverage and market conditions
- **China expansion plan was stopped** until a recovery in the market is clear
  - China plants 3, 4 and 5 stop for the next years. If the market recovers, the expansion plan could be restarted fast
  - In the mid and long term, the opportunity in China remains attractive: more EAF + regulation
- **Discipline in capital allocation, keeping total capex at €100m per year maximun**
  - Maintenance capex around €40m per year. Growth capex around €60m prioritizing early cashflow generation projects
  - **Focus on positive free cashflow generation**
  - Maintaining dividend policy of 40-50% of net income as payout. BoD will propose a total dividend distribution of €25.4m to shareholders, equating to €0.64 per share
  - **Expecting to achieve €300m EBITDA by 2028/29**

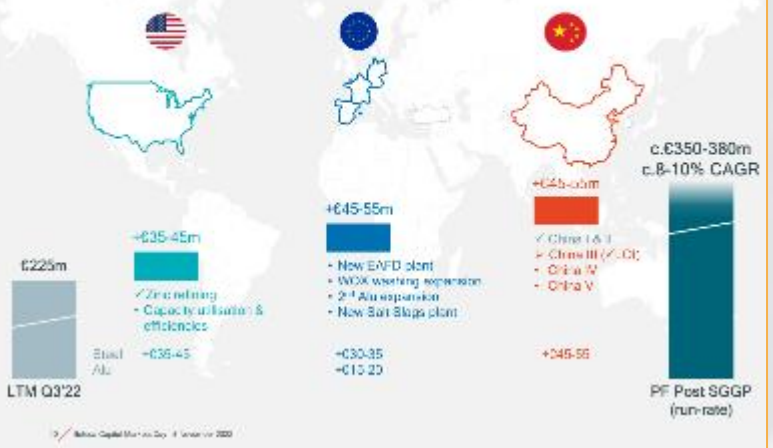
What we said at the CMD in November 2022

Ready to execute next 5-year Sustainable Global Growth Plan (SGGP)

- Around €410-450m investment, similar expansion focus & size like last 5 years
- Targeting +€125-155m incremental run-rate EBITDA from 2022 baseline, +8% to +10% CAGR growth; >20% IRR
- Globally balanced expansion, c.1/3 in the US, Europe & Asia/China
- Self-funded growth plan, no capital increase needed, keeping leverage ≤ 2x, maintaining dividend policy of 40-50% net profit payout
- Rigorous execution -&- cautiously managing timing aligned with macroeconomic developments

BEFESA

Well defined growth roadmap driving +€125-155m EBITDA growth, 8-10% CAGR, globally balanced, c.1/3 US/EU/Asia



SGGP indicative timeline; Befesa in control; Adjusting timing to macroeconomic developments

€410-450m total capex requirement over next 5 years

Steel Dust · Alu Salt Slags

SGGP growth projects	Timing 2022e–2027e	Capex €m	EBITDA run-rate €m	Pay-back	IRR
1 Zinc refining					
2 Cap. utilisation		€110-120	€35-45	3-4	>30%
3 EAFD plant		€105-115	€30-35	3-4	>30%
4 WOX washing					
5 China III		€115-125	€30-35	4-5	>20%
5 China IV					
5 China V					
6 2nd Alu expansion		€80-90	€15-20	5	>15%
7 Salt Slags plant					
		€410-450	€110-135	3-4	>20%

BEFESA

Befesa is adjusting and adapting its business plan to the temporary macroeconomic challenges

	CMD Nov 2022	Today	Outlook
Capex	• Total capex: €410-450m	• 20% invested, €87m: US refining and Recytech • 20% being invested, €90m: Palmerton & Bernburg	• 30%: Europe steel dust & salt slags, €120-140m • 30% China 3, 4 & 5 stop
Returns	• Incremental EBITDA +€125-155m • IRR >20%	• EBITDA Recytech 2024: €21.2m; • US refining: negative EBITDA/ramp-up/turnaround	• Incremental EBITDA +€80-90m • IRR >20%
Markets	• Globally balanced 1/3 US, Europe and Asia/China	• Focus on the US and Europe • China stopped	• Focus on the US and Europe • China will continue stop until market opportunities
Timing	• Flexibility in the capital deployment • Ability to adapt to market developments and macro situation	• Palmerton completed by Q2 25 • Bernburg completed by Q2 26	• Timing of remaining projects based on leverage and market development
Leverage	• Keeping leverage ≤ 2x	• March 2025 leveraged at 2.8	• FY25 expected below x2.5
Capital allocation	• Capex self-funded with free cashflows • Maintaining dividend policy of 40-50% net profit payout	• Capex ~€100m per year • Focus on deleveraging • Dividend proposal €0.64 per share	• Capex ~€100m per year • Focus on deleveraging • Same dividend policy

Capex already invested will deliver growth over the coming years

Project	Capex	EBITDA today	EBITDA potential
US recycling	€390	€47	€70
China 1	€45	€3	€8-12
China 2	€45	-€3	€8-12
US refining	€49	-€15	€5-10
Recytech	€29	€21	€18-22
Palmerton	€60	n/a	€20
Bernburg	€30	n/a	€7-8
Salt Slags EU	€80	n/a	€15
Recytech II*	€60	n/a	€25
China 3,4,5	€120	n/a	€30

5Y plan

Expecting to reach EBITDA of €300m by 2028/29

*Includes the expansion of the WOX washing plant

1. **Total invested before 5Y Growth Plan €480m**
   - Today delivering €50m
   - Potential to deliver €80-90m
   - >15% ROCE
2. **20% of the 5Y Growth Plan invested**
   - €80m invested in smelter + Recytech
   - Today negative EBITDA (due to smelter)
   - Potential to deliver €20m
   - >20% ROCE
3. **20% of the 5Y Growth Plan being invested today**
   - €90m in Palmerton + Bernburg
   - Potential to deliver €27m
   - >30% ROCE
4. **30% of 5Y Growth Plan to be invested in Europe**
   - Recytech II
   - Salt slags
5. **30% of 5Y Growth Plan in China on hold**

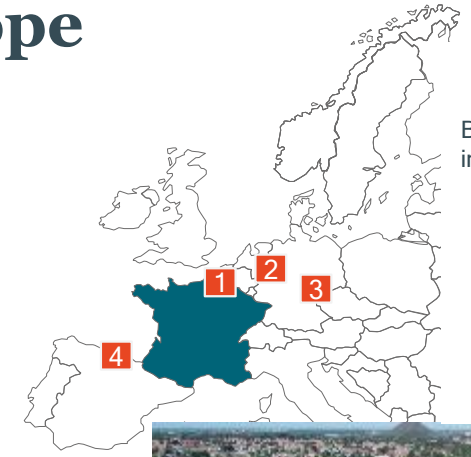
Remaining 50% of Recytech acquired in a highly-accretive deal, advancing strategic global growth plan in Europe

Key facts about Recytech:

- Former 50/50 JV between Befesa and Recylex,
- Recycling of EAF steel dust, extracting zinc and converting it into WOX
- Location: Fouquières-lès-Lens (France)
- Workforce: 50 people
- EAF steel dust recycling capacity: 110 kt annually
- Sales of WOX: c. 45 kt annually
- EBITDA margin: 45%-50% (last 5-year average)

Transaction highlights

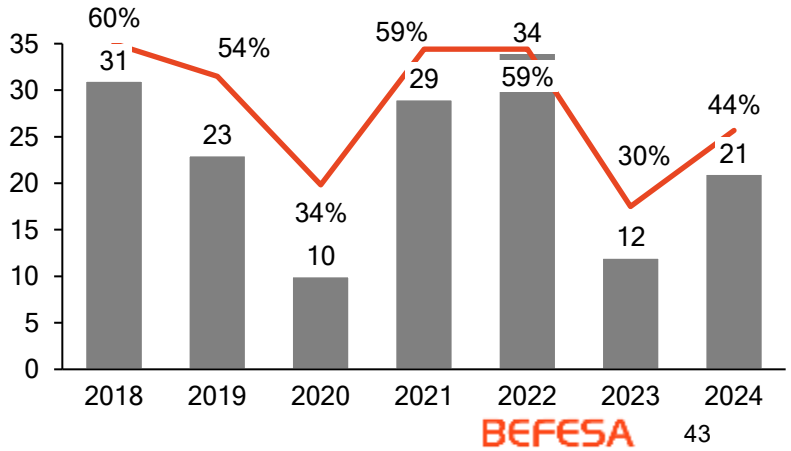
- Acquisition of the remaining 50% stake in Recytech
- Investment already included in Befesa's SGGP (Europe / EAF dust recycling plant)
- Perfect location to expand EAF capacity via brownfield
- Purchase price of €40m represents a c. x2.5 through-the-cycle EBITDA multiple
- Highly accretive for Befesa's shareholders, with a ROCE of >35%



Befesa's EAF steel dust recycling plants in Europe

1. Fouquières-lès-Lens/Recytech
2. Duisburg
3. Freiberg
4. Asúa-Erandio

EBITDA & margin (100%)



Bernburg expansion: Moving forward with permits and commercial contracts

Plant overview

- **Expand** alu alloy production **capacity at existing Bernburg** plant from current 75 kt **to 135 kt (+60 kt)**
  - **2 rotary furnaces** (and 2 holding furnaces)
- Total Befesa 2nd Alu capacity from 205 kt to 265 kt
- 30 new direct jobs

Indicative timing and status

2026

- ✓ Existing contract with Novelis signed in July 2023
- ✓ Expansion contract signed in April 2024
- Working with German authorities to get permits; Targeting Q2 2025 to obtain final permits

2025: 12-month construction; 2026: 6-month ramp up

Key financials

- **Capex**: c. €30m (100% self-funded)
- **EBITDA run-rate**: €6m to €7m (c. 20% margin)
- **Payback**: c. 5 years; **IRR**: 16%

Source: Company information

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Growth strategy driven by favourable mega trends of decarbonization, energy transition and environmental regulation

- The strategy of Befesa remains unchanged, **focus on the two-core business**
  - Steel dust and salt slags recycling services to the steel and aluminium industries as well as secondary aluminium
  - Ambition to become and maintain the **global leading position** in steel dust and salt slags recycling
  - Focus on the current markets, **Europe, USA and Asia**
- **Favourable mega trends** driven by decarbonization, energy transition and environmental regulation
  - **Decarbonization** trend will drive shift towards electric arc furnace **(EAF)**
  - **Increasing demand** for metals coupled with resource scarcity leading to increasing importance of **secondary metals**
  - Strong focus on **recycling** and re-using promoting shift to more sustainable **circular economies**
  - **Regulations** getting stricter and expanding into new geographies to protect the environment
- **Zinc and aluminium demand to grow** driven by a transition to green energy as well as EV
  - Energy transition will **increase zinc demand** as renewable energies infrastructure require zinc
  - **Transition to EV** will drive aluminium demand as the auto industry looks for light-weight solutions to reduce their carbon footprint

Befesa's industries are benefited from favourable mega trends driven by decarbonization and energy transition

FAVOURABLE MEGA TRENDS

- **Rising population**
- **Increase in middle classes** in emerging countries / urbanisation
- **Resource scarcity**
- Focus on **circular economy**
- **Stricter** environmental **regulations**

STEEL DUST RECYCLING INDUSTRY TRENDS

- Increasing **importance of secondary steel**
- Decarbonisation trend will drive **shift towards electric arc furnace (EAF)**
- **Zinc consumption to grow** with the global GDP
- **Energy transition will increase zinc demand** as renewable energies require zinc

ALUMINIUM SALT SLAGS RECYCLING INDUSTRY TRENDS

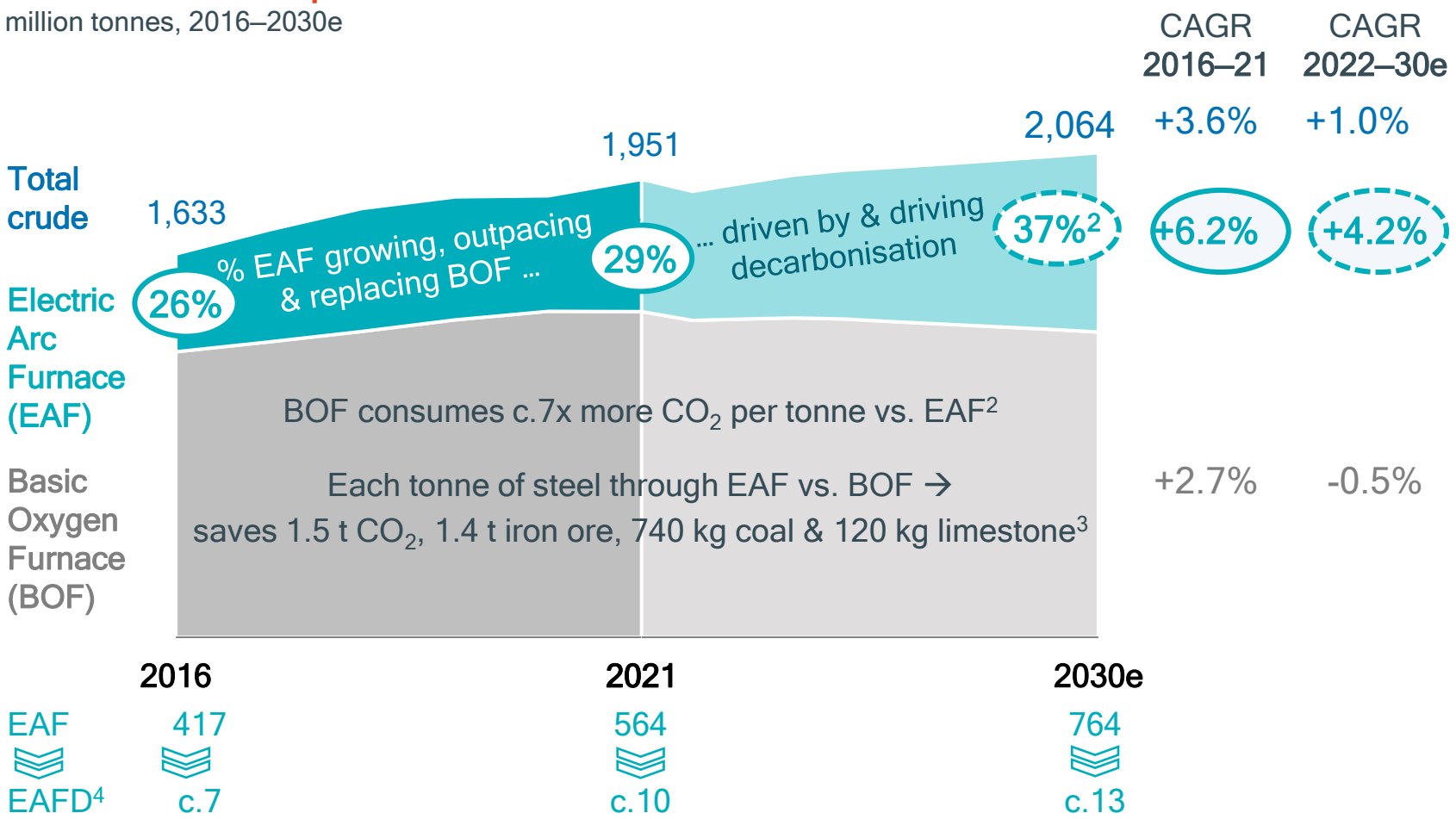
- Increasing **importance of secondary aluminium**
- Aluminium consumption to grow with global GDP
- **Transition to EV will drive aluminium demand** as the auto industry looks for light-weight solutions and has to reduce their carbon footprint

- **Increasing demand for metals** coupled with **resource scarcity** leading to **increasing importance of secondary metals**
- Strong **focus on recycling** and **re-using** promoting shift to more sustainable circular economies
- **Regulations getting stricter** and **expanding into new geographies** to protect the environment

Decarbonisation megatrends favouring and driving the electric arc furnace (EAF) steel growth

Global crude steel production[1]

million tonnes, 2016–2030e



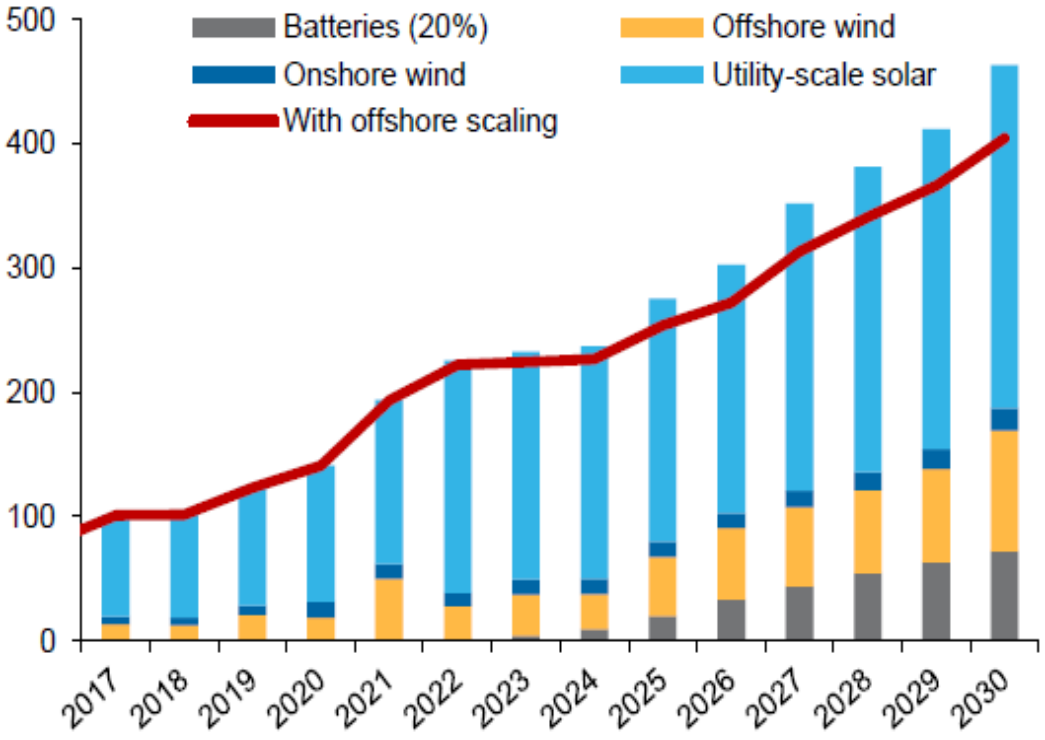
Key takeaways

- Ongoing swift from BOF to EAF steel – Global EAF steel production to **grow by +4.2% p.a. until 2030**
- Increasing EAF share leads to a total **addressable Electric Arc Furnace Dust (EAFD) market of ~13 million tonnes p.a. by 2030**

Energy transition megatrend requiring incremental zinc, in addition to regular GDP related growth

Zinc annual demand from wind, solar & batteries[1]

thousand tonnes



1 "Commodities Outlook: The (super) cycle is dead, long live the cycle", Macquarie (October 2022)

Key takeaways

- Global zinc demand grew with **GDP at 2-3% CAGR over the L10y**
- Zinc consumption expected to be supported as governments invest in **green technologies**
- **Renewable energies need storage** through batteries, requiring zinc
- **Offshore wind, onshore wind and solar panels require 4, 0.4 and 2.4 tonnes of zinc** respectively per MWh of installed capacity

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