H1 2026 Interim Report

Content

Befesa at a glance

Business review

Consolidated financial statements

Additional information

Befesa at a glance

Key figures

	H1 2026	H1 2025	Change	Q2 2026	Q2 2025	Change
Key operational data (tonnes, unless specified otherwise)						
Electric arc furnace (EAF) steel dust throughput	587,796	550,289	6.8 %	307,652	273,102	12.7 %
Waelz oxide (WOX) sold	189,867	184,981	2.6 %	94,622	94,731	(0.1) %
Salt slags and Spent Pot Linings (SPL) recycled	205,135	212,884	(3.6) %	103,207	105,559	(2.2) %
Secondary aluminium alloys produced	79,073	82,958	(4.7) %	40,060	40,068	(0.0) %
Zinc LME average price (€ / tonne)	2,874	2,514	14.3 %	2,977	2,331	27.7 %
Zinc blended price (€ / tonne)	2,655	2,565	3.5 %	2,694	2,511	7.3 %
Aluminium alloy FMB average price (€ / tonne)	2,841	2,420	17.4 %	3,136	2,424	29.4 %
Key financial data (€ million, unless specified otherwise)						
Revenue	589.5	601.6	(2.0) %	304.3	293.2	3.8 %
EBITDA	121.0	108.6	11.5 %	63.5	55.8	13.9 %
EBITDA margin	20.5%	18.0 %	2.5 %	20.9%	19.0 %	1.9 %
Adjusted EBITDA	124.0	112.1	10.6 %	66.0	56.3	17.3 %
Adjusted EBITDA margin	21.0 %	18.6 %	2.4 %	21.7 %	19.2 %	2.5 %
EBIT	80.9	67.7	19.6 %	43.5	35.8	21.6 %
EBIT margin	13.7 %	11.2 %	2.5 %	14.3 %	12.2 %	2.1 %
Adjusted EBIT	85.3	72.4	17.8 %	46.8	36.9	26.8 %
Adjusted EBIT margin	14.5 %	12.0 %	2.4 %	15.4 %	12.6 %	2.8 %
Financial result	(14.5)	(11.8)	23.0 %	(10.2)	(4.7)	(118.6) %
Profit before taxes and minority interests	66.4	55.9	18.9 %	35.7	31.1	14.7 %
Net profit attributable to shareholders of Befesa S.A.	45.0	40.1	12.4 %	24.3	21.4	13.5 %
EPS (in €)	1.13	1.00	12.4 %	0.61	0.54	13.5 %
Total assets	1,972.8	1,922.7	2.6 %	1,972.8	1,922.7	2.6 %
Capital expenditures	37.8	32.4	16.8 %	16.7	16.6	0.9 %
Cash flow from operating activities	70.9	64.4	10.0 %	32.7	30.4	7.6 %
Cash and cash equivalents at the end of the period	134.5	96.5	39.4 %	134.5	96.5	39.4 %
Net debt	555.2	601.1	(7.6) %	555.2	601.1	(7.6) %
Net leverage	x2.18	x2.70	(x 0.52)	x2.18	x2.70	(x 0.52)
Number of employees (as of end of the period)	1,794	1,839	(2.4) %	1,794	1,839	(2.4) %

H1 2026 Highlights

- **H1 2026 revenue of €589m**, -2% year-on-year (H1 2025: €602m), reflecting unfavourable exchange rate effect

- **H1 2026 Adjusted EBITDA at €124m**, +11% year-on-year (H1 2025: €112m), supported by higher volumes in steel dust business and higher metal prices

- **Net leverage reduced to x2.18** as of June 2026 (June 2025: x2.70), continuing deleveraging trajectory

- **Earnings per share (EPS) increased by 12% to €1.13** (H1 2025: €1.00), reflecting improved profitability

- **FY 2026 EBITDA guidance confirmed at €250m-€270m**, expecting stronger H2 driven by higher volumes across all markets

Business review
Results of operations, financial position & liquidity

Revenue

Total revenue decreased by -2.0% YoY to €589.5 million in H1 2026 (H1 2025: €601.6 million). The decrease was mainly driven by unfavourable exchange rate effect.

EBITDA & EBIT

Total **adjusted EBITDA** increased by 10.6% YoY to €124.0 million in H1 2026 (H1 2025: €112.1 million). Total **adjusted EBIT** increased by 17.8% to €85.3 million in H1 2026 (H1 2025: €72.4 million).

EBITDA margin improved to 21.0% in H1 2026 from 18.6% in the previous year.

Total EBITDA and EBIT were adjusted for €2.9 million and €4.4 million respectively in H1 2026, driven by impact from hyperinflation in Turkey and other one offs.

Total reported EBITDA amounted to €121.0 million in H1 2026 (+11.5% YoY). Total reported EBIT amounted to €80.9 million in H1 2026 (+19.6% YoY).

Financial result & net profit

Total **net financial result** decreased 23.0% YoY to -€14.5 million in H1 2026 (H1 2025: -€11.8 million). This was primarily driven by H1 2025 extraordinary increase in finance income (+€6.4 million), resulting from the repricing of the Term Loan B carried out in May 2025. Finance expenses decreased compared with the first half of 2025, mainly due to the progressive reduction in the interest margin from **EURIBOR + 275 bps** (previous to the repricing) and EURIBOR + 225 bps post-repricing in May 2025, to **EURIBOR + 200 bps**, together with lower three-month EURIBOR rates (see Note 9 to the H1 Interim Report)

Total **net profit** attributable to the shareholders in H1 2026 increased to €45.0 million (H1 2025: €40.1 million).

As a result, earning per share (EPS) in H1 2026 increased accordingly by 12.4% to €1.13 (H1 2025: €1.00)

Financial position & liquidity

Gross debt at 30 June 2026 decreased to €689.7 million (31 December 2025: €694.8 million) mainly due to repayments in current financial indebtedness related to Chinese subsidiaries.

Net debt at 30 June 2026 increased by 0.5% to €555.2 million (31 December 2025: €552.2 million) mainly reflecting a usual temporary reduction in cash and cash equivalents due to working capital timing effects at the H1 every year.

Net leverage of x2.18 at H1 2026 closing (year-end 2025: x2.27) is based on the underlying net debt of €555.2 million and LTM adjusted EBITDA of €254.7 million.

Net debt (€ million)

	30 June 2026	31 December 2025
Non-current financial indebtedness	665.6	662.7
+ Current financial indebtedness	24.1	32.1
Financial indebtedness	**689.7**	**694.8**
- Cash and cash equivalents	(134.5)	(142.6)
Net debt	**555.2**	**552.2**
LTM Adjusted EBITDA	254.7	242.8
Net leverage ratio	**x2.18**	**x2.27**

Operating cash flow in H1 2026 amounted to €70.9 million, 10.0% higher YoY (H1 2025: €64.4 million).

The change in working capital impacted operating cash flow by -€47.7 million in H1 2026, primarily reflecting the usual first-half seasonal working capital build-up and timing effects, that are expected to reverse in the coming quarters. Taxes paid in H1 2026 came in at -€5.4 compared with -€12.0 million in H1 2025 (due to higher final tax assessments of previous years received in H1 2025).

In H1 2026, Befesa invested €45.9 million (H1 2025: €36.9 million) broken down into maintenance capex (€30.5 million) and growth capex (€15.4 million), related to Bernburg expansion.

After funding working capital, interests, taxes and capex, total cash flow in H1 2026 amounted to -€8.1 million. Cash on hand stood at €134.5 million.

Segment information

Steel Dust Recycling Services

Volumes of **EAFD recycled** in H1 2026 increased by 6.8% YoY to 587,796 tonnes (H1 2025: 550,289 tonnes) driven by higher utilisation rates by plants and fewer annual maintenance shutdowns during the period. With these volumes, Befesa's EAFD recycling plants ran at an average load factor of 67%. The volume of Waelz oxide (WOX) sold in H1 2026 increased by 2.6% YoY to 189,867 tonnes (H1 2025: 184,981 tonnes).

Revenue in the Steel Dust business decreased to €381.3 million in H1 2026 (H1 2025: €388.5 million), mainly driven by unfavourable exchange rate effect.

Adjusted **EBITDA** in the Steel Dust business increased by 8.3% YoY to €104.3 million in H1 2026 (H1 2025: €96.3million).

The YoY +€8.0 million EBITDA development was mainly driven by the higher spot zinc prices (+14% YoY in euros), lower coke prices (-13% YoY) and higher volumes (+7% YoY), partially offset by unfavourable exchange rate effect (-7% YoY) and zinc TC at 85$ per tonne (-6% YoY)

Consequently, EBITDA as a percent of revenue stands at 27% in H1 2026 compared to 25% in H1 2025. 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 €74.4 million in H1 2026, up +13.9% YoY (H1 2025: €65.3 million), following similar drivers explained referring to the EBITDA development.

Aluminium Salt Slags Recycling Services

Salt Slags subsegment

Salt slags and SPL recycled volumes in H1 2026 amounted to 205,135 tonnes, -3.6% YoY (H1 2025: 212,884 tonnes). On average, Salt Slags recycling plants operated at 87% in H1 2026 with an installed annual recycling capacity of 470,000 tonnes.

Revenue in the Salt Slags increased by 6.8% YoY to €61.2 million (H1 2025: €57.3 million) due to higher prices.

EBITDA increased by 9.7% YoY to €17.7 million in H1 2026 (H1 2025: €16.1 million). This was mainly driven by higher prices and lower operating costs, partially offset by lower volumes.

EBIT increased by 12.0% to €12.8 million in H1 2026 (H1 2025: €11.5 million).

Secondary Aluminium subsegment

Aluminium alloy production volumes decreased by 4.7% YoY to 79,073 tonnes in H1 2026 (H1 2025: 82,958 tonnes). Secondary Aluminium production plants overall operated at around 77% utilisation rate on average in H1 2026.

Revenue in the Secondary Aluminium subsegment decreased by 0.2% to €181.1 million in H1 2026, (H1 2025: €181.5 million).

EBITDA in the Secondary Aluminium subsegment was flat YoY with €2.3 million in H1 2026 (H1 2025: €2.2 million). Higher prices were offset by lower volumes.

EBIT in the Secondary Aluminium subsegment came in at -€1.5 million in H1 2026 (H1 2025: -€1.6 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 Befesa Annual Report 2025.

Strategy

Hedging

The zinc price 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 2025.

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 2026 Financial Statement Befesa with improved zinc price visibility up to and including FY 2028. Therefore, for the following twenty months, the price of zinc is hedged at increasing hedging average prices: $2,990 per tonne in 2026, around $3,000 per tonne in 2027 and around $3,100 per tonne in 2028.

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 around x2.0 over the investment period, compared to the current level of x2.18.

The growth capex will focus on the expansion of the secondary aluminium production capacity in the existing plant of Bernburg which is a low execution risk project. The construction of the expansion plant is underway expecting to be completed by H2 of 2026 with ramp-up expected for the second half of the year. Demand for aluminium in Europe in the coming years will increase driven by the EV penetration, where light-weight solutions are required to reduce emissions.

Befesa is entering into a new cycle of low capex and high earnings resulting in strong free cashflow and shareholder value creation. The high capex cycle to expand Befesa operations into the US and China is completed already and the company is now in a period of strong free cash flow generation reflecting Befesa's improving and stronger underlying cash generation profile which will allow leverage to be maintained below x2.0 over the next years, allowing greater optionality in future capital-allocation decisions.

Subsequent events

There have been no significant events after the closing of the H1 2026 and before the release of this financial statement.

Outlook

Befesa expects 2026 to represent another year of solid earnings progression underpinned by resilient volumes, continued operational efficiencies, and strong cash flow generation, supporting further deleveraging.

Total EBITDA is expected between 250 and 270 million euros in 2026.

Steel dust volumes are anticipated to remain stable in Europe and Asia, while growth in the United States is expected to be driven by new contracts with steel producers. In the Salt Slags and Secondary Aluminium segment, volumes are projected to remain broadly stable, with profitability improving gradually following the margin trough experienced in 2025.

Energy costs are expected to remain a headwind, particularly in Europe, where natural gas and electricity prices are forecast to stay elevated. In addition, ongoing inflationary pressures across maintenance, logistics, raw materials and personnel costs are likely to weigh on margins.

Treatment charges for zinc have been settled at $85 per tonne, compared to $80 in 2025, broadly stable, supported by tight market conditions, while the Group's zinc hedging position provides earnings visibility at attractive price levels. However, zinc prices are expected to remain volatile, reflecting continued macroeconomic uncertainty.

Capital expenditure is expected to remain disciplined, with total investments around €70 million, focused on essential maintenance and targeted growth initiatives. This, combined with strong operating cash flow, is expected to support further balance sheet strengthening, with leverage projected to decline toward approximately 2.0x.

Overall, the Group maintains a cautiously optimistic outlook for 2026, balancing growth opportunities with a prudent approach to cost management and capital allocation in an uncertain macroeconomic environment.

Interim consolidated financial statements
as of 30 June 2026 (thousands of euros)

Statement of financial position

Assets

	30 June 2026	31 December 2025
Non-current assets:		
Intangible assets		
Goodwill	622,291	615,135
Other intangible assets	106,366	106,365
	728,657	**721,500**
Right-of-use assets	**41,490**	**38,152**
Property, plant and equipment	**703,574**	**683,042**
Non-current financial assets		
Other non-current financial assets	9,000	9,965
	9,000	**9,965**
Deferred tax assets	**91,658**	**76,082**
Total non-current assets	**1,574,379**	**1,528,741**
Current assets:		
Inventories	**116,042**	**97,152**
Trade and other receivables	**117,553**	**81,392**
Trade receivables from related parties	**194**	**70**
Accounts receivables from public authorities	**11,356**	**9,628**
Other receivables	**18,163**	**12,550**
Other current financial assets	**650**	**1,769**
Cash and cash equivalents	**134,485**	**142,604**
Total current assets	**398,443**	**345,165**
Total assets	**1,972,822**	**1,873,906**

Statement of financial position (continued)

Equity and liabilities

	30 June 2026	31 December 2025
Equity:		
Parent Company		
Share capital	111,048	111,048
Share premium	532,867	532,867
Hedging reserves	(113,114)	(16,456)
Other shareholder contributions		
Other reserves	200,649	158,916
Translation differences	(45,592)	(64,319)
Net profit/(loss) for the period	45,038	80,504
Equity attributable to the owners of the Company	**730,896**	**802,560**
Non-controlling interests	**17,827**	**15,738**
Total equity	**748,723**	**818,298**
Non-current liabilities:		
Long-term provisions	**18,308**	**18,110**
Loans and borrowings	**640,344**	**640,959**
Lease liabilities	**25,270**	**21,765**
Other non-current financial liabilities	**56,524**	**7,863**
Other non-current liabilities	**3,780**	**3,792**
Deferred tax liabilities	**97,858**	**100,665**
Total non-current liabilities	**842,084**	**793,154**
Current liabilities:		
Loans and borrowings	**13,311**	**20,793**
Lease liabilities	**10,751**	**11,266**
Other current financial liabilities	**80,663**	**16,325**
Trade and other payables	**161,153**	**149,403**
Other payables		
Accounts payable to public administrations	40,517	23,141
Other current liabilities	75,620	41,526
	116,137	**64,667**
Total current liabilities	**382,015**	**262,454**
Total equity and liabilities	**1,972,822**	**1,873,906**

Income statement

Consolidated income statement
(Thousand of euros)

	Note(s)	H1 2026	H1 2025	Change	Change	Q2 2026	Q2 2025	Change	Change
Revenue		589,491	601,620	(2.0) %	(12,129)	304,279	293,245	3.8 %	11,034
Changes in inventories of finished goods and work-in-progress		1,061	(5,615)	n.a	6,676	6,061	(2,536)	n.a	8,597
Procurements		(240,005)	(255,992)	(6.2) %	15,987	(130,981)	(122,333)	7.1 %	(8,648)
Other operating income		1,209	2,451	(50.7) %	(1,242)	519	1,617	(67.9) %	(1,098)
Personnel expenses		(82,555)	(79,370)	4.0 %	(3,185)	(41,235)	(38,884)	6.0 %	(2,351)
Other operating expenses		(148,184)	(154,540)	(4.1) %	6,356	(75,159)	(75,356)	(0.3) %	197
Amortisation/depreciation, impairment and provisions		(40,114)	(40,898)	(1.9) %	784	(19,944)	(19,951)	(0.0) %	7
Operating profit/(loss)		**80,903**	**67,656**	19.6 %	13,247	**43,540**	**35,802**	21.6 %	7,738
Finance income		1,342	9,207	(85.4) %	(7,865)	991	7,545	(86.9) %	(6,554)
Finance expenses		(16,867)	(18,062)	(6.6) %	1,195	(8,477)	(8,809)	(3.8) %	332
Net exchange differences		1,045	(2,913)	n.a	3,958	(356)	(3,416)	89.6 %	3,060
Net finance income/(loss)		**(14,480)**	**(11,768)**	23.0 %	(2,712)	**(7,842)**	**(4,680)**	67.6 %	(3,162)
Profit/(loss) before tax		**66,423**	**55,888**	18.9 %	10,535	**35,698**	**31,122**	14.7 %	4,576
Corporate income tax		(20,942)	(15,393)	(36.0) %	(5,549)	(11,795)	(9,953)	(18.5) %	(1,842)
Profit/(loss) for the period		**45,481**	**40,495**	12.3 %	4,986	**23,903**	**21,169**	12.9 %	2,734
Attributable to:									
Parent Company's owners		45,038	40,058	12.4 %	4,980	24,334	21,436	13.5 %	2,898
Non-controlling interests		443	437	1.4 %	6	(431)	(267)	(61.4) %	(164)
Earnings/(losses) per share attributable to Parent Company's owners (in euros per share)	14	**1.13**	**1.00**	12.4 %	0.12	**0.61**	**0.54**	13.5 %	0.07

Statement of comprehensive income

Consolidated statement of comprehensive income
(Thousand of euros)

	Note(s)	H1 2026	H1 2025
Consolidated profit/(loss) for the period		**45,481**	**40,495**
Items that may subsequently be reclassified to income statement:			
Income and expense recognised directly in equity		**(98,860)**	**(1,877)**
- Cash-flow hedges	10	(150,574)	110,327
- Translation differences		20,373	(86,730)
- Tax effect		31,341	(25,474)
Transfers to the income statement		**22,575**	**(15,140)**
- Cash-flow hedges	10	26,057	(18,185)
- Translation differences			
- Tax effect		(3,482)	3,045
Other comprehensive income/(loss) for the period, net of tax		**(76,285)**	**(17,017)**
Total comprehensive income/(loss) for the period		**(30,804)**	**23,478**
Attributable to:			
- Parent Company's owners		(32,893)	23,972
- Non-controlling interests		2,089	-494

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 2025	**111,048**	**532,867**	**(16,456)**	**158,916**	**(64,319)**	**80,504**	**15,738**	**818,298**
Total comprehensive income/(loss) for the period	-	-	(96,658)	-	18,727	45,038	2,089	(30,804)
Distribution of profit/(loss) for the period	-	-	-	-	-	-	-	0
Reserves	-	-	-	80,504	-	(80,504)	-	-
Dividends	-	-	-	(40,000)	-	-	-	(40,000)
Other movements	-	-	-	1,229	-	-	-	1,229
Balances at 30 June 2026	**111,048**	**532,867**	**(113,114)**	**200,649**	**(45,592)**	**45,038**	**17,827**	**748,723**
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**

Statement of cash flows

	H1 2026	H1 2025	Q2 2026	Q2 2025
Profit/(loss) for the period before tax	**66,423**	**55,888**	**35,698**	**31,122**
Adjustments for:	**54,629**	**50,860**	**28,876**	**25,621**
Depreciation and amortisation	40,114	40,898	19,944	19,951
Changes in provisions	198	(1,451)	1,155	1,150
Interest income	(1,342)	(9,207)	(991)	(7,545)
Finance costs	16,867	18,062	8,477	8,809
Other profit/(loss)	(163)	(355)	(65)	(160)
Exchange differences	(1,045)	2,913	356	3,416
Changes in working capital:	**(44,744)**	**(30,359)**	**(29,164)**	**(20,832)**
Trade receivables and other current assets	(41,502)	(3,510)	(19,264)	7,920
Inventories	(18,890)	(429)	(12,884)	467
Trade payables	15,648	(26,420)	2,984	(29,219)
Other cash flows from operating activities:	**(5,442)**	**(11,984)**	**(2,682)**	**(5,481)**
Taxes paid	(5,442)	(11,984)	(2,682)	(5,481)
Net cash flows from/(used in) operating activities (I)	**70,866**	**64,405**	**32,728**	**30,430**
Cash flows from investing activities:				
Investments in intangible assets	(345)	(51)	(82)	82
Investments in property, plant and equipment	(45,512)	(36,809)	(20,024)	(18,833)
Net cash flows from/(used in) investing activities (II)	**(45,857)**	**(36,860)**	**(20,106)**	**(18,751)**
Cash flows from financing activities:				
Cash inflows from bank borrowings and other liabilities	162	2,440	-	444
Cash outflows from bank borrowings and other liabilities	(18,020)	(16,264)	(14,686)	(10,599)
Interest paid	(14,027)	(18,679)	(6,892)	(9,355)
Dividends paid to shareholders	(1,106)	-	-	-
Net cash flows from/(used in) financing activities (III)	**(32,991)**	**(32,503)**	**(21,578)**	**(19,510)**
Effect of foreign exchange rate changes on cash & cash equivalents (IV)	**(137)**	**(1,062)**	**(1,229)**	**(638)**
Net increase/(decrease) in cash and cash equivalents (I+II+III+IV)	**(8,119)**	**(6,020)**	**(10,185)**	**(8,469)**
Cash and cash equivalents at the beginning of the period	142,604	102,520	144,670	104,969
Cash and cash equivalents - incorporation to the perimeter of Befesa Holding US Inc.				
Cash and cash equivalents at the end of the period	134,485	96,500	134,485	96,500

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 2025.These condensed interim consolidated financial statements should be read in conjunction with the audited consolidated financial statements for the year ended 31 December 2025, 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 2025.

A number of new accounting standards and amendments to accounting standards are effective for annual periods beginning after 1 January 2026 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 2026

There are no changes in the scope of consolidation in June 2026.

June 2025

There was no change in the scope of consolidation in June 2025.

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 2026	31 December 2025
Non-current financial debt (Note 9)	640,344	640,959
Non-current lease liabilty (Note 9)	25,270	21,765
Current financial debt (Note 9)	13,311	20,793
Current lease liability (Note 9)	10,751	11,266
Cash and cash equivalents	(134,485)	(142,604)
Net debt	**555,191**	**552,179**

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 2026	30 June 2025
Revenue	589,491	601,620
Income/expenses from operations (except revenue, depreciation and amortisation/depreciation charge and provisions)	(468,474)	(493,066)
Amortisation/depreciation, impairment and provisions (a)	(40,114)	(40,898)
EBIT (Operating profit/(loss)) (b)	**80,903**	**67,656**
EBITDA (Operating profit/(loss) before amortisation/depreciation and provisions) (a+b)	**121,017**	**108,554**
Non-recurrent costs/income	2,949	3,500
Adjusted EBITDA	**123,966**	**112,054**

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

	30 June 2026	30 June 2025
Revenue (a)	**589,491**	**601,620**
EBITDA (b)	**121,017**	**108,554**
Non-recurrent costs/income	2,949	3,500
Adjusted EBITDA (c)	**123,966**	**112,054**
EBITDA margin (%) (b/a)	**21%**	**18%**
Adjusted EBITDA margin (%) (c/a)	**21%**	**19%**

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 2026	30 June 2025
Revenue	589,491	601,620
Income/expenses from operations (except revenue, depreciation and amortisation/depreciation charge and provisions)	(468,474)	(493,066)
Amortisation/depreciation, impairment and provisions	(40,114)	(40,898)
EBIT (Operating profit/(loss))	**80,903**	**67,656**
Non-recurrent costs/incomes EBIT	1,466	1,240
Non-recurrent costs/incomes EBITDA	2,949	3,500
Adjusted EBIT	**85,318**	**72,396**

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

	30 June 2026	30 June 2025
Revenue (a)	**589,491**	**601,620**
EBIT (b)	**80,903**	**67,656**
Non-recurrent costs/incomes EBIT	1,466	1,240
Non-recurrent costs/incomes EBITDA	2,949	3,500
Adjusted EBIT (c)	**85,318**	**72,396**
EBIT margin (%) (b/a)	**14%**	**11%**
Adjusted EBIT margin (%) (c/a)	**14%**	**12%**

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 2026	30 June 2025
Net debt	555,191	601,093
Adjusted EBITDA LTM	254,732	222,355
Net debt/Adjusted EBITDA	**2.18**	**2.70**

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 2026	30 June 2025
Cash flows from investing activities:		
Investments in intangible assets	345	51
Investments in property, plant and equipment	45,512	36,809
Capex	**45,857**	**36,860**

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 2025.

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 2026 and at 31 December 2025:

	Level 2	Total
30 June 2026		
Assets		
- Derivatives (Notes 6–10)	4,925	4,925
Total assets at fair value	**4,925**	**4,925**
Liabilities		
- Derivatives (Note 10)	137,187	137,187
Total liabilities at fair value	**137,187**	**137,187**

	Level 2	Total
31 December 2025		
Assets		
- Derivatives (Notes 6–10)	7,087	7,087
Total assets at fair value	**7,087**	**7,087**
Liabilities		
- Derivatives (Note 10)	24,188	24,188
Total liabilities at fair value	**24,188**	**24,188**

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 2026, and for the six-month period ended 30 June 2025:

	30 June 2026				
	Steel Dust	Salt Slags	Secondaty Aluminium	Corporate, other minor & eliminations	Total
Revenue	381,292	61,189	181,119	(34,109)	589,491
Income/expenses from operations (except revenue, depreciation and amortisation/depreciation charge and provisions)	(279,966)	(43,508)	(178,831)	33,831	(468,474)
Amortisation/depreciation, impairment and provisions (a)	(31,315)	(4,855)	(3,751)	(193)	(40,114)
EBIT (Operating profit/(loss)) (b)	**70,011**	**12,826**	**(1,463)**	**(471)**	**80,903**
EBITDA (Operating profit/(loss) before amortisation) (a) + (b)	**101,326**	**17,681**	**2,288**	**(278)**	**121,017**
Non-recurrent costs/incomes EBIT	1,466	-	-	-	1,466
Non-recurrent costs/incomes EBITDA	2,949	-	-	-	2,949
Adjusted EBIT (Operating profit/(loss)	**74,426**	**12,826**	**(1,463)**	**(471)**	**85,318**
Adjusted EBITDA (Operating profit/(loss)	**104,275**	**17,681**	**2,288**	**(278)**	**123,966**

	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**

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

	30 June 2026	30 June 2025
Adjusted EBITDA	**123,966**	**112,054**
- Non-recurrent costs/incomes EBIT	1,466	1,240
Amortisation/depreciation, impairment and provisions	(40,114)	(40,898)
Adjusted EBIT	**85,318**	**72,396**
- Non-recurrent costs/incomes EBITDA & EBIT	4,415	4,740
EBIT - Operating profit/(loss)	**80,903**	**67,656**
Finance income (cost)	(14,480)	(11,768)
Corporate income tax	(20,942)	(15,393)
Profit/(loss)	45,481	40,495
Non-controlling interests	443	437
Profit/(loss) attributed to the Parent Company	**45,038**	**40,058**

The detail of sales by geographical segment for the six-month period ended 30 June 2026, and for the six-month period ended 30 June 2025 is as follows:

Geographical area	30 June 2026	%	30 June 2025	%
Spain	143,483	24%	126,301	21%
Germany	67,491	11%	63,209	11%
Belgium	34,010	6%	27,407	5%
Norway	30,047	5%	26,382	4%
Italy	19,728	3%	21,483	4%
Finland	19,458	3%	16,345	3%
Netherlands	17,268	3%	21,054	3%
France	15,838	3%	21,716	4%
Sweden	11,061	2%	10,609	2%
Switzerland	8,356	1%	7,304	1%
Portugal	7,788	1%	9,413	2%
Rest of Europe	**25,136**	**4%**	**23,649**	**4%**
USA	124,239	21%	148,098	25%
South Korea	24,007	4%	10,070	2%
Japan	13,946	2%	21,539	4%
Brazil	11,861	2%	11,704	2%
Rest of the world	**15,774**	**3%**	**35,337**	**6%**
Total	**589,491**	**100%**	**601,620**	**100%**

The detail of the segment assets and liabilities for the six-month period ended 30 June 2026, and for the full-year period ended 31 December 2025 is as follows:

	30 June 2026				
	Steel Dust	Salt Slags	Secondary Aluminium	Corporate, other minor & eliminations	Total
Assets					
Intangible assets	662,635	50,873	15,142	7	728,657
Right-of-use assets	551,357	82,523	69,428	266	703,574
Property, plant and equipment	35,789	4,076	900	725	41,490
Investments in associates and other non-current assets	54,989	39,731	28,465	(22,527)	100,658
Current assets	247,206	21,505	80,256	49,476	398,443
Total assets	**1,551,976**	**198,708**	**194,191**	**27,947**	**1,972,822**
Equity and liabilities					
Equity	549,188	59,534	35,493	104,508	748,723
Non-current liabilities	744,534	116,142	66,886	(85,478)	842,084
Current liabilities	258,254	23,032	91,812	8,917	382,015
Total equity and liabilities	**1,551,976**	**198,708**	**194,191**	**27,947**	**1,972,822**

	Steel Dust	Salt Slags	Secondary Aluminium	Corporate, other minor & eliminations	Total
Assets					
Intangible assets	654,799	51,148	15,549	4	721,500
Right-of-use assets	539,668	84,041	59,027	306	683,042
Property, plant and equipment	31,762	4,752	839	799	38,152
Investments in associates and other non-current assets	38,616	23,854	17,950	5,627	86,047
Current assets	227,727	17,469	66,654	33,315	345,165
Total assets	**1,492,572**	**181,264**	**160,019**	**40,051**	**1,873,906**
Equity & liabilities					
Equity	587,668	60,566	29,035	141,029	818,298
Non-current liabilities	709,303	100,007	62,440	(78,596)	793,154
Current liabilities	195,601	20,691	68,544	(22,382)	262,454
Total equity and liabilities	**1,492,572**	**181,264**	**160,019**	**40,051**	**1,873,906**

4. Other intangible assets, net

June 2026

During the six-month period ended 30 June 2026, the increase in intangible assets was mainly attributable to the appreciation of the US dollar against the euro during the period. As the Group presents its consolidated financial statements in euros, the goodwill and licences recognised by the Group's US subsidiaries increased due to foreign currency translation effects.

During the six-month period ended 30 June 2026, there are no significant disposals within ‘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.

Investment commitments

At 30 June 2026 and 31 December 2025, the Group had no significant investment commitments.

5. Property, plant and equipment

June 2026

The movements in property, plant and equipment during the six-month period ended 30 June 2026 include additions of €37.4 million, of which €13.3 million relate to the expansion project at Befesa Aluminium Germany GmbH. The remaining additions mainly relate to recurring environmental and maintenance investments carried out annually at each plant.

There are no significant disposals in the period.

The amortisation of the period amounted to €32.3 million.

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.

Impairment losses

During the six-month period ending 30 June 2026 and 30 June 2025 no significant impairments were recognised in 'Property, plant and equipment'.

Investment commitments

At 30 June 2026, the Group has investment commitments amounting to €32.5 million, mainly due to the expansion project in Befesa Aluminium Germany GmbH as well as environmental and maintenance investments across the Group´s plants (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).

6. Financial assets by category and class

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

	30 June 2026		31 December 2025	
	Current	Non-current	Current	Non-current
Financial assets measured at fair value through profit or loss				
Equity instruments (Note 2)	-	-	-	-
Financial assets at amortised cost				
Loans				
Variable rate	-	1,666	-	1,666
Impairment	-	(532)	-	(532)
Trade and other receivables	147,266	-	103,640	-
Security deposits	641	2,950	515	2,998
Financial assets measured at fair value				
Hedging derivatives (Note 10)	9	4,916	1,254	5,833
Total financial assets	**147,916**	**9,000**	**105,409**	**9,965**

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 2026 and 31 December 2025 is as follows:

	30 June 2026	31 December 2025
Finished goods	29,995	28,358
Goods in progress and semi-finished goods	6,121	6,011
Raw materials	32,861	19,142
Other	47,065	43,641
	116,042	**97,152**

‘Other’ at 30 June 2026 and 31 December 2025 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 2026 and at 31 December 2025 is as follows:

	Percentage of ownership	
	30 June 2026	31 December 2025
Freefloat	100.0%	100.0%

The number of shares as at 30 June 2026 and as at 31 December 2025 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 8 July 2026, Befesa distributed to its shareholders a dividend of €1.00 per share, amounting to €40.0 million, as approved by the AGM held on 16 June 2026, so as at 30 June 2026 the €40.0 million are reported in ‘Other current liabilities’ in the statement of financial position.

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.

At 30 June 2026, the increase in the negative hedging reserve recognized in equity was mainly attributable to the increase in zinc prices and in the volume of tones hedged. As zinc prices at 30 June 2026 were above the corresponding hedged prices, the fair value of the hedging instruments was negative.

At 30 June 2026, the decrease in negative currency translation differences recognised in equity is mainly due to the appreciation 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, positive 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 2026		31 December 2025	
	Current maturity	Non-current maturity	Current maturity	Non-current maturity
Bank loans and credit facilities	9,645	640,344	16,837	640,959
Unmatured accrued interest	3,666	-	3,956	-
Finance lease payables	10,751	25,270	11,266	21,765
Total	**24,062**	**665,614**	**32,059**	**662,724**

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 2026		31 December 2025	
				Current maturity	Non-current maturity	Current maturity	Non-current maturity
Facilities Agreement	EUR 785,000	Euribor + 2.25%	2029	3,666	637,153	3,933	634,962
Jiangsu	CNY 220,000	LIR (NBIC) + 25bps	2026	1,940	-	8,350	-
Henan	CNY 260,000	LPR (NBIC) + 25bps	2027	7,704	3,191	8,486	5,997
Others				10,752	25,270	11,290	21,765
				24,062	**665,614**	**32,059**	**662,724**

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.

The Group analyzed whether there was a substantial modification of the conditions and concluded that the original liabilities were not cancelled, as the discounted present value of the cash flows under the new terms decreased by only 0.42% 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 cost of €0.8 million, as the new future cash flows were discounted at the original effective rate of 2.8%.

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 30 April 2025, Befesa repriced its TLB reducing its interest rate by 50 bps to Euribor plus a 2.25% spread with a floor of 0%. The facility's long-term July 2029 maturity date and all other documentation terms remain without further amendment. This spread could be adjusted downwards to 2.00%, depending on the ratio of net financial debt/Adjusted EBITDA.

In March 2026, the margin applicable to the TLB was reduced by 25 bps to Euribor plus 200 bps and the margin applicable to the RCF was reduced by 25 bps to Euribor plus 175 bps, due to the decrease on the leverage ratio.

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 2026 and 31 December 2025, 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 2026 and 31 December 2025, ‘Other’ mainly includes debt related to financial leases.

At 30 June 2026, an amount of €100 million was undrawn under the RCF (€100 million at 31 December 2025).

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 2026 and 31 December 2025 are as follows:

	30 June 2026	31 December 2025
Cash flow hedges non-current assets		
Swap contracts for zinc	-	-
Interest rate swap	4,916	5,833
	4,916	**5,833**
Cash flow hedges current assets:		
Swap contracts for zinc	9	1,254
Foreign currency swap	-	-
	9	**1,254**
Total assets	**4,925**	**7,087**
Cash flow hedges non-current liabilities:		
Swap contracts for zinc	56,086	6,949
Equity Swap	438	914
	56,524	**7,863**
Cash flow hedges current liabilities:		
Swap contracts for zinc	80,663	16,304
Foreign currency swap	-	21
	80,663	**16,325**
Total liabilities	**137,187**	**24,188**

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 2025	**8,179**	**9,931**	**18,110**
Profit and loss impact	3,580	299	3,879
Payment	(738)	(84)	(822)
Transfers	(3,093)	-	(3,093)
Conversion differences	(22)	256	234
Balance at 30 June 2026	**7,906**	**10,402**	**18,308**

Provision for litigation, pensions and similar obligations

At 30 June 2026, the Group recognised a provision of €3.4 million (€4.6 million at 31 December 2025) related to the compensation plans described in Note 23 of the 2025 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 2026 as well as at 31 December 2025 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 €7.6 million at June 2026 for the present value of estimated costs (€7.1 million at 31 December 2025).

12. Income and expenses. Revenues by category

Details of revenues by category for the six-month period ended 30 June 2026 and 30 June 2025 are as follows:

	30 June 2026	%	30 June 2025	%
Steel Dust	**381,292**	**65%**	**388,469**	**65%**
-Sale of WOX and others metals	304,812	52%	285,267	47%
-Service fees	40,407	7%	37,023	6%
-Smelting: sale of metals and by-products	131,725	22%	137,202	23%
-Eliminations (*)	(95,652)	(16%)	(71,023)	(12%)
Salt Slags	**61,189**	**10%**	**57,307**	**10%**
-Sale of aluminium concentrates and melting salt	33,076	6%	31,550	5%
-Fees for recycling salt slags and SPL	28,113	5%	25,757	4%
Secondary Aluminium	**181,119**	**31%**	**181,520**	**30%**
-Sale of secondary aluminium alloys	166,159	28%	165,276	27%
-Technology division & others	14,960	3%	16,244	3%
Corporate, other minor eliminations	**(34,109)**		**(25,676)**	
Total	**589,491**		**601,620**	

(*) 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 2026, the accounts arising as a result of the Income Tax estimation for the six-month period ended 30 June 2026, 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 2026		30 June 2025	
	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)	**45,038**	**1.13**	**40,058**	**1.00**
Weighted average shares	39,999,998		39,999,998	

15. Guarantee commitments to third parties and contingencies

At 30 June 2026, a number of Group companies had provided guarantees for an overall amount of approximately €58.1 million (31 December 2025: €66.4 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 2026) and the date of the presentation of the condensed interim report (29 July 2026) that would materially affect the Group’s assets or the Group’s financial and/or earnings position.

Management’s responsibility statement

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

- the 2026 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, 29 July 2026

Asier Zarraonandia

Rafael Pérez Gómez

Additional information
Segmentation overview – key metrics

Steel Dust Recycling Services

	H1 2026	H1 2025	Change	Q2 2026	Q2 2025	Change
Key operational data (tonnes, unless specified otherwise)						
EAF steel dust throughput	587,796	550,289	6.8 %	307,652	273,102	12.7 %
WOX sold	189,867	184,981	2.6 %	94,622	94,731	(0.1) %
Zinc LME price ($ / tonne)	3,353	2,739	22.4 %	3,463	2,641	31.1 %
Zinc LME price (€ / tonne)	2,874	2,515	14.3 %	2,977	2,331	27.7 %
Zinc blended price (€ / tonne)	2,655	2,565	3.5 %	2,694	2,511	7.3 %
Total installed capacity	1,758,300	1,720,300	2.2 %	1,758,300	1,720,300	2.2 %
Utilisation (%)	67.4 %	63.7 %	3.8 %	70.2 %	62.9 %	7.3 %
Key financial data (€ million, unless specified otherwise)						
Revenue	381.3	388.5	(1.8) %	198.9	188.2	5.7 %
EBITDA	101.3	92.8	9.2 %	51.3	46.5	10.1 %
EBITDA margin	26.6%	23.9 %	2.7 %	25.8%	24.7 %	1.1 %
Adjusted EBITDA	104.3	96.3	8.3 %	53.8	47.1	14.3 %
Adjusted EBITDA margin	27.3 %	24.8 %	2.6 %	27.1 %	25.0 %	2.1 %
EBIT	70.0	60.6	15.6 %	35.6	30.8	15.5 %
EBIT margin	18.4 %	15.6 %	2.8 %	17.9 %	16.4 %	1.5 %
Adjusted EBIT	74.4	65.3	13.9 %	38.8	31.9	21.8 %
Adjusted EBIT margin	19.5 %	16.8 %	2.7 %	19.5 %	16.9 %	2.6 %

Aluminium Salt Slags Recycling Services

Salt Slags subsegment

	H1 2026	H1 2025	Change	Q2 2026	Q2 2025	Change
Key operational data (tonnes, unless specified otherwise)						
Salt slags and SPL recycled	205,135	212,884	(3.6) %	103,207	105,559	(2.2) %
Total installed capacity	470,000	470,000	0.0 %	470,000	470,000	0.0 %
Utilisation (%)	87.3 %	92.3%	(5.0) %	87.8 %	91.7%	(3.8) %
Key financial data (€ million, unless specified otherwise)						
Revenue	61.2	57.3	6.8 %	31.4	29.6	6.0 %
EBITDA	17.7	16.1	9.7 %	10.0	9.2	9.3 %
EBITDA margin	28.9%	28.1 %	0.8 %	31.9%	30.9 %	1.0 %
Adjusted EBITDA	17.7	16.1	9.7 %	10.0	9.2	9.3 %
Adjusted EBITDA margin	28.9%	28.1 %	0.8 %	31.9 %	30.9 %	1.0 %
EBIT	12.8	11.5	12.0 %	7.7	6.9	10.2 %
EBIT margin	21.0%	20.0 %	1.0 %	24.4%	23.4 %	0.9 %
Adjusted EBIT	12.8	11.5	12.0 %	7.7	6.9	10.2 %
Adjusted EBIT margin	21.0%	20.0 %	1.0 %	24.4%	23.4 %	0.9 %

Secondary Aluminium subsegment

	H1 2026	H1 2025	Change	Q2 2026	Q2 2025	Change
Key operational data (tonnes, unless specified otherwise)						
Secondary aluminium alloys produced	79,073	82,958	(4.7) %	40,060	40,068	(0.0) %
Aluminium alloy FMB price (€ / tonne)	2,841	2,420	17.4 %	3,136	2,424	29.4 %
Total installed capacity	205,000	205,000	0.0 %	205,000	205,000	0.0 %
Utilisation (%)	77.1 %	78.3 %	(1.2) %	78.2 %	75.3 %	2.9 %
Key financial data (€ million, unless specified otherwise)						
Revenue	181.1	181.5	(0.2) %	95.8	86.3	11.0 %
EBITDA	2.3	2.2	3.6 %	0.5	0.6	(10.1) %
EBITDA margin	1.3%	1.2%	0.0 %	0.5%	0.7%	(0.1) %
Adjusted EBITDA	2.3	2.2	3.6 %	0.5	0.6	(10.1) %
Adjusted EBITDA margin	1.3 %	1.2%	0.0 %	0.5 %	0.7%	(0.1) %
EBIT	(1.5)	(1.6)	7.6 %	(1.3)	(1.3)	2.8 %
EBIT margin	(0.8) %	(0.9) %	0.1 %	(1.3) %	(1.5) %	0.2 %
Adjusted EBIT	(1.5)	(1.6)	7.6 %	(1.3)	(1.3)	2.8 %
Adjusted EBIT margin	(0.8) %	(0.9) %	0.1 %	(1.3) %	(1.5) %	0.2 %

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

Financial calendar

Thursday, 29 October 2026 Q3 2026 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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Second quarter and first half 2026 figures are unaudited.
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