



PRESS AND INVESTOR ANNOUNCEMENT

Making ground in China: Befesa signs agreement for second Chinese plant and starts construction on first

Luxembourg, 10 April 2019 – Befesa S.A. (“Befesa”), the European market leader for steel dust and aluminium salt slags recycling services, announced today that it has signed an agreement with the Changge Dazhou Industrial Cluster in XuChang City to develop the first steel dust recycling plant in the Chinese province of Henan. Henan is located in central China, with a population of around 95 million people and a GDP of USD 726 billion. Over the past two decades, Henan has developed rapidly, and is one of the most important producers of Electric Arc Furnace (EAF) steel in China.

This is the company’s second plant in the country, following Befesa’s first development in Jiangsu Province, which officially commenced construction this week. Similar to Befesa’s Jiangsu plant, the development in Henan is designed to recycle 110,000 tons of EAF dust per year. Construction of this plant is expected to start during Q4 2019 and the ramp-up of operations is expected in the first half of 2021.

To mark the start of construction of Befesa’s Jiangsu plant this week, on Wednesday, 10 April 2019, Befesa hosted a ground breaking ceremony with the authorities at the new site. Befesa’s CEO, Javier Molina, and Asier Zorraonandía, Vice President of Befesa’s Steel Dust Recycling Services Business, were joined by the Mayor of the Changzhou City and the Director of the Changzhou Economy Zone, to celebrate the begin of construction of Befesa’s first Chinese EAF dust recycling plant. With Befesa’s Jiangsu development on track, the ramp up of operations is expected during the second half of 2020.

Javier Molina, CEO of Befesa, said: “We are very pleased with our progress in China. With our second plant, Befesa reaffirms its expansion plan launched last September with the announcement of our first steel dust recycling plant in Jiangsu. The development of our Henan plant reinforces our commitment to provide sustainable solutions and contribute to environmental protection in China”.

Other recent developments

As a leader in sustainable recycling solutions for the steel and aluminium industries, Befesa published its first Sustainability Report. This report is an important step for the company in measuring and communicating Befesa’s contribution to a sustainable value chain. To download the report, please visit http://www.befesa.com/export/sites/befesa2014/resources/pdf/accionistas_e_inversores/Befesa-Sustainability-Report-2018.pdf.

Last week, on 5 April 2019, funds advised by Triton (“Triton”) successfully placed 4.5 million Befesa shares, equivalent to around 13% of total shares outstanding, with institutional investors. Triton remains Befesa’s largest shareholder after the placement with approximately 19% ownership. With this placement, the free float of the company has increased to around 81%.

About Befesa

Befesa is a leading international provider of regulated environmental services to the steel and aluminium industries with facilities located in Germany, Spain, Sweden, France and the UK, as well as in Turkey and South Korea. Through its two business units, Steel Dust and Aluminium Salt Slags recycling services, Befesa manages and recycles more than 1,500 kt of residues annually, with a production of more than 600 kt of new materials, which Befesa reintroduces in the market, reducing the consumption of natural resources. Further information can be found on the company’s website: www.befesa.com

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Signature of the agreement for the construction of the first steel dust recycling plant in the Chinese province of Henan.



Ground breaking ceremony of Befesa's Jiangsu plant.



Javier Molina, CEO of Befesa

