

11 February 2021 – 6.30 pm

Press release

Financial information at December 31, 2020

The Recylex Group (Euronext Paris: FR0000120388 - RX) is today reporting its sales for the financial year to December 31, 2020.

Following the filing for insolvency proceedings under the German law¹ on May 14, 2020 by the companies previously forming the German sub-group, Recylex S.A. definitively lost control of these entities², which were consequently fully deconsolidated as of that date. The published consolidated sales at December 31, 2020 therefore include the sales generated by these entities only up to the date of their deconsolidation.

In order to enable comparison with the 2020 figures, the Recylex Group's consolidated revenue for the year ended December 31, 2019 is also presented in "Pro forma" data, by restating the revenue of the German entities over the same period as for the year 2020.

<i>In million of euros</i>	At December 31, 2020	At December 31, 2019	At December 31, 2019	<i>Change on a published basis (%)</i>	<i>Change on a pro forma basis (%)</i>
Lead	98.9	196.4	100.2	-50%	-1%
Zinc	20.6	80.8	28.5	-74%	-28%
Special metals	5.5	16.4	5.8	-66%	-5%
Plastic	8.9	12.1	13.9	-26%	-36%
Total by segment	133.9	305.7	148.4	-56%	-10%
Discontinued operations ³	(20.0)	(68.3)	(28.0)	-71%	-29%
Consolidated revenues	113.9	237.4	120,4	-52%	-5%

IFRS data, figures unaudited.

Sebastian Rudow, Chairman and Chief Executive Officer of Recylex S.A, commented:

“The fourth quarter of 2020 was shaped by the effects of the SARS-CoV-2 pandemic. Lead and zinc prices were significantly lower than in the same period of the previous year and the availability of used lead acid batteries was partially restricted. These events had an impact on our industrial performance and

our ability to deliver. In addition, Recylex S.A.'s main customer, Weser-Metall GmbH, is still under an insolvency proceeding. We expect the German insolvency administration to sell the ongoing business operations in the first half of 2021. However, this will not necessarily place Recylex S.A. in a financially stable situation, especially as discussions with the EU Commission regarding the fine imposed in 2017 are still ongoing and are expected to last several months. In the context of the deconsolidation of the former German subgroup, the Recylex Group has drastically downsized and this fine greatly exceeds its financial capacities. After negotiations, Glencore International AG has granted Recylex S.A. a new deferral of its claims, which should give sufficient time to continue the discussions with the European Commission to examine possible solutions. In this context, Recylex S.A. shares are suspended until Recylex S.A. is in a position to communicate reliably on its going concern outlook. In addition to strengthening our financial situation, the priority remains on securing new customers and improving our operations.”

1. Trend in metal prices at December 31, 2020 (in euros)

In euros per ton	Average at December 31, 2020	Average at December 31, 2019	Change (%)
Lead price	1,598	1,787	-11%
Zinc price	1,979	2,274	-13%
€/€ exchange rate	1.1412	1.1195	2%

Source: London Metal Exchange.

The average lead price for 2020 was €1,598, down 11% compared to the average for 2019. Between January 2, 2020 and December 31, 2020, lead prices fell by 6%. During 2020, the lead price remained below the price observed in 2019, but recovered in the last quarter of 2020.

The average zinc price for 2020 was €1,979, down 13% compared to the 2019 average. During the first quarter of 2020, the evolution of the zinc price was marked by a sharp fall, with the price reaching its annual low point at €1,639 on March 25, 2020. The price trend was then quite volatile in the second quarter of 2020, but picked up again in the third and fourth quarter of 2020.

The average €/€ exchange rate in 2020 was 2% higher than that of 2019, at 1.1412.

2. Breakdown of consolidated sales at December 31, 2020 relative to December 31, 2019

Consolidated sales at December 31, 2020 amounted to €113.9 million compared to consolidated sales of €237.4 million at December 31, 2019 (€120.4 million on a comparable consolidation scope basis).

2.1 Lead segment

Sales for the year ended in December 31, 2020 totaled €98.9 million, down 50% compared to December 31, 2019 on reported basis due to the deconsolidation of the German entities. The evolution of sales on a comparable consolidation scope (pro forma basis) was nearly stable at -1%. During 2020, Recylex S.A. recycled approximately 61,000 tonnes of used lead-acid batteries, a volume that was virtually stable compared to the same period in 2019. Recylex S.A. continues to supply materials to Weser-Metall GmbH, with prepayments given its ongoing insolvency procedure.

Consolidated sales for the fourth quarter of 2020 totaled €13.0 million, down 74% on a reported basis, again mainly due to the deconsolidation of the activities of the former subsidiaries Weser-Metall GmbH and Harz-Metall GmbH, and down 12% on a comparable basis (pro forma), mainly due to a lower lead price than in the fourth quarter of 2020.

The business outlook for the used lead-acid batteries recycling activity - which has now become the Group's core business - will be highly dependent on the continued activity of Weser-Metall GmbH and the continued supply of secondary materials to the Weser-Metall GmbH smelter by Recylex S.A. Weser-Metall GmbH - which represents the Company's virtually main customer to date - is now a company outside the Recylex Group and in an insolvency proceeding⁴.

While the objective remains to remain a key supplier to Weser-Metall GmbH in the future, subject to the uncertain development of this procedure, which is expected to take several months and of its business model, Recylex S.A. is actively pursuing its development of other business opportunities.

2.2 Zinc segment

Consolidated sales reached €20.6 million at December 31, 2020, down 74% compared to December 31, 2019 on a reported basis due to the deconsolidation of the German entities¹ and the sharp fall in the zinc price over the period. Consolidated sales at December 31, 2020 on a comparable basis (pro forma) were down 28% compared with the same period in 2019, mainly due to the sharp fall in zinc prices combined with the deterioration in commercial conditions.

It should be noted that following the deconsolidation of the German entities in the context of their insolvency proceedings under the German law, the Zinc segment comprises now only the 50% participation in Recytech S.A., whose sales are not included in the consolidated sales under IFRS, the company being accounted for using the equity method in the Group's consolidated financial statements. In the fourth quarter of 2020, the segment therefore did not record any sales.

2.3 Special Metals segment

Sales reached €5.5 million at December 31, 2020, down 66% compared to December 31, 2019 on a reported basis and down 5% on a comparable basis (pro forma).

It should be noted that following the deconsolidation of PPM Pure Metals GmbH given its insolvency proceedings under the German law, the Special Metals segment no longer exists within the scope of the Recylex Group's activities. As a result, the segment did not record any sales in the fourth quarter of 2020.

2.4 Plastic segment

Sales reached €8.9 million at December 31, 2020, down 26% compared to December 31, 2019 on a reported basis.

Although the fourth quarter of 2020 showed some signs of a revitalization in demand, C2P S.A.S.'s activity in France was penalized by a very sharp slowdown in global demand for recycled polypropylene throughout 2020, particularly in the automotive sector weakened by the effects of the SARS-CoV-2 pandemic.

In the fourth quarter of 2020, sales totaled €2.8 million, down 4%.

It should be noted that following the deconsolidation of C2P GmbH as part of the insolvency

proceedings under German law, the Plastics segment now consists solely of the activities of C2P S.A.S. in France.

3. Update on the financial situation

At December 31, 2020, the Group's net debt (new scope of consolidation¹ and excluding IFRS 16 lease debt) amounted to €44.5 million (€51.1 million for gross debt) and consisted mainly of:

- The €16.0 million loan from Glencore International AG to Recylex S.A. in 2014 and capitalized and accrued interest of €1.2 million over the period;
- The outstanding balance of the fine imposed on the Group in 2017 by the European Commission in the amount of €24.7 million;
- Rescheduled liabilities from the continuation plan (finalized in 2015) and the amount of the claw back clause, for a total of €9.2 million.

In this context, Recylex S.A.'s ability to continue its operations as a going concern depends on the fulfilment of several structuring assumptions⁵. These assumptions relate not only to the continuation of business with Weser-Metall GmbH, but also to the restructuring of Recylex S.A.'s financial and non-financial debt so that the cost of short and medium-term debt in the future is compatible with the new and smaller scope of consolidation as well as future cash generation.

As part of this financial restructuring Recylex S.A.

- Obtained from Glencore International AG a waiver – under certain conditions - until January 31, 2022 of its right to terminate immediately the loan and related accrued interest of €17.2 million euros and an extension to the same date of maturities due in the amount of €2.5 million under the claw back clause;
- Solicited from the European Union the temporary suspension of the fine payment plan and the adjustment of the amount and payment schedule;
- Obtained on January 15, 2021 from the competent authorities the postponement of the date of completion of the rehabilitation works until December 31, 2024.

The trading of the Recylex S.A. ordinary shares remains suspended until Recylex S.A. is in a position to reliably communicate on its situation and its capacity to pursue its activities.

4. Forecasted financial agenda

Recylex will keep investors informed of developments in ongoing discussions with its creditors, including the European Commission.

Financial information as of March 31, 2020: Thursday, April 29, 2021 (after the close of trading).

1 See press releases of May 14, 2020, May 20, 2020, June 18, 2020 and October 26, 2020.

2 For more information: Weser-Metall GmbH, Harz-Metall GmbH, Norzinco GmbH and PPM Pure Metals GmbH as well as Recylex GmbH, C2P Germany GmbH and Recylex Grundstücksverwaltungsgesellschaft mbH.

3 During the 2019 financial year, the Group has begun a process of disposing of non-strategic assets relating to Norzinco GmbH and PPM Pure-Metals GmbH. The disposal procedures initiated by the Group continued during the first half of 2020 and were halted with the filing for insolvency proceedings at the level of these two entities on May 14, 2020 without the disposals being finalized. Until the date of loss of control leading to their deconsolidation, the Group applied the provisions of IFRS 5 for entities classified as discontinued operations at December 31, 2019, namely Norzinco GmbH and PPM Pure-Metals. See Note 5.7 to the condensed consolidated financial statements at June 30, 2020.

4 See in particular the press releases of September 23, 2020 and October 26, 2020 and Note 1 B. "Recylex S.A.'s financial position and going concern status" to the condensed consolidated financial statements at June 30, 2020.

5 See Note 1 B. "Recylex S.A.'s financial position and going concern status", Note 1 E. "Description and management of the main risks and uncertainties" and Note 2.3 "Going concern" to the condensed consolidated financial statements at June 30, 2020.

Disclaimer: *This press release may contain forward-looking statements that do not constitute forecasts regarding results or any other performance indicator, but rather trends or targets. These statements are by their nature subject to risks and uncertainties as described in the Company's annual report available on its website (www.recylex.fr). Further information about Recylex is available from its website (www.recylex.fr).*

The summary document of the proceedings concerning Metaleurop Nord S.A.S. and Recylex S.A. is available on the Finance section of the Recylex Group website.

This press release is a non-official translation into English of the press release of the same date issued in French language and is provided solely for the convenience of English-speaking users. This press release should be read in conjunction with and construed in accordance with French law.

Les matières premières des mines urbaines

Le groupe Recylex est un spécialiste européen du recyclage du plomb, du zinc et du polypropylène.

Pour en savoir plus : www.recylex.eu

APPENDICES

Quarterly evolution of metal prices averages

<i>In euros per ton</i>	First quarter 2020	Second quarter 2020	Third quarter 2020	Fourth quarter 2020	First quarter 2019	Second quarter 2019	Third quarter 2019	Fourth quarter 2019
Lead	1,675	1,518	1,603	1,594	1,793	1,677	1,824	1,847
Zinc	1,930	1,780	1,997	2,203	2,380	2,459	2,112	2,157

Source : London Metal Exchange.

Consolidated sales by quarter and segment

<i>In million of euros</i>	First quarter 2020	Second quarter 2020	Third quarter 2020	Fourth quarter 2020	First quarter 2019	Second quarter 2019	Third quarter 2019	Fourth quarter 2019
Lead	54.0	18.1	13.9	13.0	45.8	48.3	52.8	49.4
Zinc	16.7	4.0	0.0	0	21.8	21.6	20.3	17.1
Special Metals	4.3	1.2	0.0	0	4.6	4.5	3.9	3.5
Plastics	2.9	0.8	2.2	2.8	3.6	3.3	2.4	2.9
Total	77.9	24.1	16.1	15.8	75.8	77.7	79.4	72.8

IFRS data, unaudited figures.

Recylex S.A.'s sales

<i>In million of euros</i>	At December 31, 2020	At December 31, 2019	Change (%)
Lead segment	50.2	60.8	-17%
Services to Group companies	0.9	2.7	-66%
Total sales	51.1	63.5	-20%

IFRS data, unaudited figures.