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Press release

Financial information at December 31, 2019

- Consolidated sales at December 31, 2019 at €305.7 million, down 16%
- Consolidated sales for the fourth quarter of 2019 down 13% to €72.8 million
- Sales affected by lower lead and zinc prices as well as by unfavourable commercial conditions

The Recylex Group (Euronext Paris: FR0000120388 - RX) is today reporting its sales for the financial year to December 31, 2019 and for the fourth quarter of 2019, in a context of ongoing discussions with the German subgroup's financial partners¹.

Consolidated sales at December 31, 2019 totalled €305.7 million, down 16% compared to 2018. Consolidated sales for the fourth quarter of 2019 amounted to €72.8 million, down 13% on the same period in 2018.

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

“The Group's economic performance during 2019 was strongly impacted by the evolution of lead and zinc prices but also by the deterioration of the commercial conditions in these segments. The Special Metals segment experienced shrinking demand, while the Plastics segment in France remain strong in a competitive market. Given our financial situation, the Group's priority remains to develop sustainable solutions to enable the continuation of its future activities. In this respect, we are actively pursuing the divestment projects for which we have received several marks of interest.”

1. Financial information at December 31, 2019

Consolidated sales by segment for the year to December 31, 2019 break down as follows:

In millions of euros	2019	2018	Change (in %)
Lead	196.4	236.6	-17%
Zinc	80.8	96.3	-16%
Special Metals	16.4	19.2	-14%
Plastics	12.1	12.9	-6%
Total	305.7	365.0	-16%

IFRS data, unaudited figures.

The trend in metal prices (in euros) in 2019 was as follows:

In euros per tonne	2019 average	2018 average	Change (in %)
Lead price	1,787	1,895	-6%
Zinc price	2,274	2,468	-8%
€/ \$ exchange rate	1.1195	1.1810	-5%

Source: London Metal Exchange.

In 2019, the average lead price in euros fell by 6% compared to 2018, to reach €1,787. Between January 2, 2019 and December 31, 2019, lead prices were very volatile, falling by 1% over the period. After a slight increase in the first quarter, the second quarter was marked by a very sharp fall, with the price of lead reaching an annual low; the sharp rise in the third quarter of 2019 was fully offset by the strong drop in the fourth quarter.

The average zinc price for the year 2019 stood at €2,274, down 8% compared to the 2018 average. Between January 2, 2019 and December 31, 2019, the evolution of the zinc price was also very volatile. After a significant upward phase in the first quarter, the zinc price fell sharply in the second and third quarters. The slight recovery at the beginning of the fourth quarter was fully offset by the end of the quarter, with the zinc price returning in December to its annual low of August.

The average €/ \$ exchange rate fell by 5% compared to 2018 and reached 1.1195 in 2019. Between January 2 and December 31, 2019, the €/ \$ exchange rate fell by 2%.

2. Breakdown of consolidated sales to December 31, 2019 relative to December 31, 2018

Consolidated sales at December 31, 2019 amounted to €305.7 million, down 16% compared to the same period in 2018. Restated² consolidated sales at December 31, 2019 amounted to €326.4 million, also down 16% compared to the same period in 2018.

2.1 Lead segment: sales down 17%

The Lead segment represented 64% of consolidated sales at December 31, 2019.

Lead segment sales reached €196.4 million at December 31, 2019, down 17% compared to the 2018 due to:

- A decline in sales volumes linked to the increase in volumes processed under the industrial tolling contract and the evolution of the production process compared to 2018 (the by-products of the main furnace being fully processed internally in 2019, instead of being sold as in the past);
- The impact of lower lead prices and unfavourable commercial conditions for the smelter compared to 2018.

In this context, the Group recycled approximately 102,700 tonnes of used lead batteries in 2019 (-9% compared to 2018) and production at the Weser-Metall GmbH smelter reached 105,260 tonnes at 31 December 2019 (+1% compared to 2018).

In the fourth quarter of 2019, Lead segment sales totalled €49.4 million, down 11% compared to fourth quarter of 2018, mainly due to the deterioration of commercial conditions compared to the same period in 2018, as well as the impact of the short scheduled maintenance shutdown of the main-furnace. This shutdown also aimed at implementing technical improvements to stabilize the loading and production of the two connected furnaces. The first results are encouraging at this stage.

2.2 Zinc segment: sales down 16%

The Zinc segment accounted for 27% of consolidated sales at December 31, 2019.

At December 31, 2019, sales amounted to €80.8 million, down 16% compared to 2018. Restated² sales amounted to €101.4 million at December 31, 2019, also down 17% compared to the same period in 2018.

In 2019, sales for the dust recycling activity decreased by 20% mainly due to the sharp decline in zinc prices and the sharp deterioration in commercial conditions compared to 2018. The Group's total

production of Waelz oxides (HMG and Recytech) amounted to 73,030 tonnes at December 31, 2019, down by only 2% compared to the same period in 2018 despite an unfavourable basis for comparison (HMG having its scheduled major maintenance shutdown in 2019, compared to no shutdown in 2018).

For the same reasons and in a difficult market environment, sales in the zinc waste recycling activity also declined. HZO's zinc oxide production reached more than 22,000 tonnes at December 31, 2019, down 10%, mainly due to larger maintenance operations compared to 2018.

In the fourth quarter of 2019, sales amounted to €17.1 million, down 18% compared to the same period in 2018 and restated sales² reached €22.1 million, down 19% compared to 2018. Both activities were impacted by the lower zinc prices, significantly deteriorated commercial conditions compared to the fourth quarter of 2018 and a short unscheduled maintenance on Recytech's Waelz furnace.

2.3 Special Metals segment: sales down 14%

The Special Metals segment accounted for 5% of consolidated sales at December 31, 2019.

Sales of PPM Pure Metals GmbH amounted to €16.4 million at December 31, 2019, down 14% compared to 2018. Despite a good performance in the first quarter of 2019, activity was marked by a sharp slowdown in demand for several metals in the following quarters, mainly in the Arsenic and Germanium markets, which are the main contributors to the segment.

In this context, PPM's sales in the fourth quarter of 2019 reached €3.5 million, down 25% compared to the same period in 2018.

2.4 Plastics segment: sales down 6%

Sales in the Plastics segment represented 4% of consolidated sales at December 31, 2019.

In 2019, sales reached €12.1 million, down 6% compared to 2018. C2P-France's sales now represent more than 92% of the segment's sales following the strategic reorientation of C2P Germany³. In 2019, thanks to its commercial actions, C2P France's sales increased by 3% thanks to the increase in volumes sold in a stable "price" environment. As of December 31, 2019, the Group's total recycled polypropylene production reached nearly 12,500 tonnes, stable compared to 2018.

In the fourth quarter of 2019, sales reached €2.9 million, up 4% compared to the fourth quarter of 2018, driven by C2P-France's good commercial momentum.

3. Cooptation of a new Director for Recylex S.A.

On February 6, 2020, the Board of Directors decided to co-opt Ms. Karin Lattwein as Director, in replacement of Ms. Diana Kisro-Warnecke. Her appointment will be subject to ratification by the next General Meeting of the company.

Commercial Director in Stuttgart of an OEM-owned dealership and with her experience in both the German automotive sector and wide risk management, Ms. Karin Lattwein will bring to Recylex her knowledge of business issues, compliance and company modernization in a context of restructuring. Ms. Karin Lattwein meets the criteria of an "independent" director as defined by the MiddleNext Code, to which the Company refers.

4. Ongoing proceedings concerning Recylex S.A. and Metaleurop Nord S.A.S.

On January 29th, 2020, the Cour de Cassation dismissed the appeals lodged by 88 former employees of Metaleurop Nord S.A.S. represented by the CGT against the decisions from the Douai Court of Appeal of June 29th, 2018, thus making these decisions final. As a reminder, the Douai Court of Appeal had overturned the decisions of the Lens Labour Court, which had ordered Recylex S.A. to pay damages to these former 88 employees.

The summary document of the proceedings concerning Metaleurop Nord S.A.S. and Recylex S.A., updated on January 29th, 2020, is available on the [Finance](#) section of the Recylex Group's [website](#).

5. Forecasted financial agenda

Recylex will keep investors informed about the developments of the ongoing discussions with the German subgroup's financial partners⁴.

Financial information as of March 31, 2020: Thursday, April 30, 2020 (after market closing).

1 See in particular the press releases of December 5th, 2018, March 26th, 2019, June 17th, 2019, July 15th, 2019, July 31st, 2019, October 28th, 2019, November 7th, 2019, November 27th, 2019 and December 20th, 2019.

2 When assessing the performance of the Zinc segment, the Group consolidates its 50% investment in Recytech S.A. proportionately, which is not permitted under IFRS. See Note 19 to the consolidated financial statements for the financial year ended December 31st 2017.

3 See the press release dated April 24, 2019.

4 See press releases dated November 28, 2019 and December 20, 2019.

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). 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.

Raw materials from urban mines

The Recylex Group, based in France and Germany, is a European specialist in the recycling of lead, zinc, polypropylene and in the production of high-purity special metals. As a key player in the circular economy and thanks to its long-standing know-how, Recylex achieved consolidated sales of €306 million in 2019 and employs more than 730 employees.

For more information about the Recylex Group: www.recylex.eu

APPENDICES

Quarterly evolution of metal price averages

In euros per tonne	First quarter 2019	Second quarter 2019	Third quarter 2019	Fourth quarter 2019	First quarter 2018	Second quarter 2018	Third quarter 2018	Fourth quarter 2018
Lead	1,793	1,677	1,824	1,847	2,053	2,006	1,810	1,721
Zinc	2,380	2,459	2,112	2,157	2,783	2,612	2,182	2,305

Source: London Metal Exchange.

Consolidated sales by quarter and by segment

In million of euros	First quarter 2019	Second quarter 2019	Third quarter 2019	Fourth quarter 2019	First quarter 2018	Second quarter 2018	Third quarter 2018	Fourth quarter 2018
Lead	45.8	48.3	52.8	49.4	59.6	64.0	57.8	55.2
Zinc	21.8	21.6	20.3	17.1	27.6	25.8	22.1	20.8
Special Metals	4.6	4.5	3.9	3.5	4.3	5.1	5.1	4.6
Plastics	3.6	3.3	2.4	2.9	3.8	3.6	2.7	2.9
Total	75.8	77.7	79.4	72.8	95.3	98.5	87.7	83.5

IFRS data, unaudited figures.

Recylex S.A.'s sales

In million of euros	For the year to December 31, 2019	For the year to December 31, 2018	Change (in %)
Lead segment	60.8	73.4	-20%
Services to Group companies	2.7	1.6	+69%
Total sales	63.5	75.0	-18%

IFRS data, unaudited figures.