

This is a translation into English of the statutory auditors' report on the financial statements of the Company issued in French and it is provided solely for the convenience of English speaking users. This statutory auditors' report includes information required by European regulation and French law, such as information about the appointment of the statutory auditors or verification of the management report and other documents provided to shareholders. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

STATUTORY AUDITORS' REPORT ON THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2018

To the Recylex S.A. Annual General Meeting,

Disclaimer of opinion

In accordance with the engagement entrusted to us by your Annual General Meeting, we have audited the accompanying financial statements of Recylex S.A. for the year ended December 31, 2018.

These financial statements were approved by the Board of Directors on June 12, 2020 on the basis of the information available at that date in the evolving context of the Covid-19 health crisis.

We do not express an opinion on whether the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company as of December 31, 2018 and of the results of its operations for the year then ended in accordance with French accounting principles. Due to the significance of the matters described in the section "Basis for disclaimer of opinion", we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the financial statements.

This disclaimer of opinion is consistent with our report to the Audit Committee.

Basis for disclaimer of opinion

As disclosed in the section "Post balance sheet events / Going concern" of the "Main events" note to the financial statements, the German sub-group entities filed a request to open insolvency proceedings in May 2020. The request was granted on May 20, 2020. This procedure limits the activity of Recylex S.A. to its French entities. In this context, the Company reassessed its outlook, which is based on a certain number of assumptions, items and ongoing actions, including:

- continuation of Weser-Metall GmbH's activity and of the supply of secondary materials by Recylex S.A. to the Weser-Metall GmbH foundry (now outside the Recylex Group),
- changes in the commercial terms and conditions of secondary materials (processing costs), lead and zinc prices and the €/USD exchange rate, as Recylex S.A.'s activity is highly sensitive to changes in these variables,
- changes in used lead battery volumes and purchase prices, as the commercial margin and cash generated by Recylex S.A.'s activity is heavily dependent on these variables,
- extension beyond October 31, 2020 of the deferral of the maturity date of the €16 million loan granted in 2014 by Glencore International AG, conditional on the continued supply by Recylex S.A. of secondary materials to Weser-Metall GmbH,
- suspension of interest on the €16 million loan granted by Glencore International AG for at least the next 12 months, and adaptation of repayment and interest conditions in the mid-term,
- financial income and notably dividends received from Recytech S.A. (equity associate), whose results are highly sensitive to zinc prices,
- developments in ongoing legal procedures against Recylex S.A. and contingent liabilities (see Notes 1 and 38),
- temporary suspension of the payment plan for the European Commission fine and changes to the payment schedule to make it compatible with Recylex S.A.'s new cash forecasts,
- acceptance by the competent authorities of the temporary stoppage of rehabilitation work at the Estaque site until December 31, 2021 and the deferral of the completion date thereof to December 31, 2024.

There are no indications allowing the attainment of the assumptions and items adopted or the outcome of ongoing actions to be foreseen. A material uncertainty therefore exists, casting doubt on the Company's ability to continue as a going concern. Should the assumptions and items adopted not be confirmed or the outcome of ongoing actions be unfavorable, the application of French accounting rules and methods in a normal context of business continuity, notably for the assessment of assets and liabilities, could prove inappropriate.

Recylex S.A. Société Anonyme with a share capital of 9.577.998,34 € | R.C.S. 542 097 704 Paris

Registered office: 6 place de la Madeleine | 75008 Paris | France

Administrative office: 79 rue Jean-Jacques Rousseau | 92158 Suresnes Cedex | France

T +33 (0)1 58 47 29 80 | F +33 (0)1 58 47 02 45 | E info@recylex.eu

Justification of Assessments - Main Audit Items

In accordance with the requirements of Articles L.823-9 and R.823-7 of the French Commercial Code (*code de commerce*) relating to the justification of our assessments, we inform you that, given the disclaimer of opinion detailed above, we have no main audit items to bring to your attention relating to risks of material misstatement that, in our professional judgment, were of most significance in the audit of the financial statements of the current period, other than those detailed in the section “Basis for disclaimer of opinion”.

Specific verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by French law and regulations.

Information given in the management report and in the other documents addressed to the Annual General Meeting with respect to the financial position and the financial statements.

We have the same matters to report on the fair presentation and the consistency with the financial statements of the information given in the management report of the Board of Directors and in the other documents addressed to shareholders with respect to the financial position and the financial statements, as disclosed in the section “Basis for disclaimer of opinion”.

Corporate governance information

We attest that the Board of Directors’ report on corporate governance contains the information required by Articles L.225-37-3 and L.225 -37-4 of the French Commercial Code.

Concerning the information given in accordance with the requirements of Article L. 225-37-3 of the French Commercial Code relating to remunerations and benefits received by the directors and any other commitments made in their favor, we have verified its consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your Company from controlling and controlled companies. Based on this work, we attest the accuracy and fair presentation of this information.

Report on Other Legal and Regulatory Requirements

Appointment of the Statutory Auditors

We were appointed as statutory auditors of Metaleurop S.A. (which became Recylex S.A. in 2007) by the Annual General Meeting of March 30, 2000 for Deloitte & Associés and of February 13, 1995 for KPMG.

As of December 31, 2018, Deloitte & Associés and KPMG were in the 19th year and 25th year of total uninterrupted engagement, respectively, considering the successive terms of office between legal entities of the same network.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with French accounting principles, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risk management systems and, where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The financial statements were approved by the Board of Directors.

Statutory Auditors’ Responsibilities for the Audit of the Financial Statements

Our role is to conduct an audit in accordance with professional standards applicable in France and to issue a report on the financial statements.

We conducted our engagement in compliance with independence rules applicable to us, for the period from January 1, 2018 to the issue date of our report and specifically we did not provide any prohibited non-audit services referred to in the French Code of ethics (*code de déontologie*) for statutory auditors.

Furthermore, the non-audit services we provided during the year to your Company and the entities it controls that are not mentioned in the management report or the notes to the consolidated financial statements were as follows:

- Issue of an independent third-party report on the social, environmental and societal information stipulated in Article L.225-102-1 of the French Commercial Code (services rendered by KPMG),
- Issue of attestations on the accounting and financial information and provision of tax services authorized by local legislation (services rendered by Deloitte in Germany)

We submit a report to the Audit and Risk Committee which includes in particular a description of the scope of the audit and the audit program implemented, as well as significant audit findings. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration referred to in Article 6 of Regulation (EU) no. 537/2014, confirming our independence pursuant to the rules applicable in France as defined in particular by Articles L.822-10 to L.822-14 of the French Commercial Code and in the French Code of ethics for statutory auditors. Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and where applicable, the related safeguards.

Paris La Défense, June 15, 2020

The Statutory Auditors

KPMG Audit
Division of KPMG S.A.

Deloitte & Associés

Alexandra Saastamoinen
Partner

Laurent Odobez
Partner